



Council Report 2020-07

Title: Deputy Warden Position and Council Remuneration

Prepared by: Nancy MacDonald
Clerk, Corporate Services

Reviewed by: Lisa Ainsworth, Corporate Services Director
Glenn Dees, Finance Director

Approved by: Jennifer Moore, CAO

Strategic Plan: Leadership in Change

Council Date: January 29, 2020

Recommendation

Whereas the Council of the County of Northumberland considered Report No. 2020-07 (Deputy Warden Position and Council Remuneration); and

Whereas Council Resolution 2018-07-18-183 adjusted Council Members' salaries, effective December 12, 2018, in part, to address Federal legislation that removed the one-third (1/3) taxable benefit in 2019, resulting in municipal Councillors' salaries now being fully taxed; and

Whereas the County Warden currently receives an annual salary of \$45,477.; and

Whereas the Deputy Warden currently receives an annual salary of \$18,347.; and

Whereas Councillors currently receive annual salaries of \$18,347.; and

Whereas staff were directed to review the Council-approved municipal comparators in 2019, to ensure that Northumberland Council Members' compensation is in line with the 60th percentile, following the adjustments that were implemented when the one-third taxable benefit was removed; and

Whereas Council Resolution 2019-11-20-304 directed staff to defer the matter of consideration of Council Members' remuneration until the first quarter of 2020; and

Whereas the data from the comparator municipalities indicate that Northumberland County Council remuneration is not in line with the 60th percentile, and is below the 55th percentile, and is below the median; and

Whereas Council now has a new position of Deputy Warden, and remuneration for the position should be commensurate with the responsibilities;

Now Therefore Be It Resolved That Council define the Deputy Warden's responsibilities and direct staff to include them within the Council Procedural By-law; and

Further That Northumberland County Council determine Members' salaries and direct staff to prepare a new By-law for adoption at a future Council meeting, retroactive to January 1, 2020."

Purpose

In July 2018, Northumberland County Council directed staff to ensure that Members' compensation is in line with the 60th percentile of the County's approved municipal comparators, in 2019, following the anticipated adjustments made by municipalities due to the federal legislation that removed the one-third taxable benefit.

Background

Please refer to the attachments included with this report including Report 2018-62, adopted by Northumberland County Council on July 18, 2018, and By-law 2019-27.

In 2018 staff undertook a review of Council Members' remuneration in the approved municipal comparators, and were guided by the information contained in the County of Renfrew's "Ontario Counties Elected Official Remuneration Survey – 2018", draft report released in May, 2018, and, the report "AMCTO Report Municipal Council Compensation in Ontario, March 2018": <https://www.amcto.com/getattachment/a9e4b504-21c2-4378-bfab-ef4e1eb001c2/.aspx>

At its October 16, 2019 meeting, County Council adopted Report No. 2019-80, which approved the creation of a Deputy Warden position. The first Deputy Warden was appointed at the December 18, 2019 meeting.

Council remuneration should be fair and reasonable to the individuals who serve as public servants, and, to the residents of Northumberland County.

Council remuneration should:

- recognize that the work done by the Warden, Deputy Warden and Councillors is demanding and important,
- enhance the County's ability to attract candidates from residents to seek election to Council,
- be aligned with the 60th percentile (similar to the County's non-union employees) of the comparator group, and
- demonstrate fiscal responsibility and align with the County's Strategic Plan.

Consultations

The Corporation of the County of Northumberland relies on Council-approved municipal comparators when assessing salaries for non-union employees. Compensation data was collected from the nine Council-approved comparators. Northumberland County uses this data to ensure it remains competitive and within the 60th percentile of our comparator groups.

The Council-approved comparator municipalities include:

- County of Haldimand *
- County of Hasting
- County of Lanark
- County of Lennox & Addington
- County of Prince Edward *
- County of Renfrew
- County of Wellington
- United Counties of Leeds & Grenville
- United Counties of Prescott & Russell

* single-tier municipality

In 2019 staff reviewed data provided by nine of the nine comparators (see attachment). The information indicates that Northumberland County Council Members are currently paid annual salaries that fall below the 60th percentile range of these comparators. The current remuneration paid to Northumberland County Councillors is below the 55th percentile, and below the median of these comparators.

In 2018 County staff used four of the nine comparator municipalities to calculate compensation recommendations: Lanark County, United Counties of Prescott & Russell, County of Lennox & Addington, and Renfrew County. These four were selected because their Councils' compensation models are similar to that of Northumberland County. The other five comparators have significantly different compensation models, and were not used in the median and percentile calculations.

A similar comparison made in 2019 shows the median and percentile calculations as:

		Northumberland	Lanark	Prescott & Russell	Lennox & Addington	Renfrew County				
		Municipality Job Rate	Municipality Job Rate	Municipality Job Rate	Municipality Job Rate	Municipality Job Rate	MEDIAN	55TH PERCENTILE	60TH PERCENTILE	65TH PERCENTILE
Warden	Salary	\$45,477.00	\$54,863.90	\$43,779.26	\$32,959.00	\$63,000.00	\$45,477.00	\$47,354.38	\$49,231.76	\$51,109.14
Councillor	Salary	\$18,347.00	\$22,859.98	\$22,124.40	\$18,614.00	\$13,796.00	\$18,614.00	\$19,316.08	\$20,018.16	\$20,720.24
Warden	Per Diem	\$100.00	\$150.00	\$160.00	\$213.12	\$243.00	\$160.00	\$170.62	\$181.25	\$191.87
Councillor	Per Diem	\$100.00	\$150.00	\$160.00	\$213.12	\$243.00	\$160.00	\$170.62	\$181.25	\$191.87
Populations		86,000	69,000	89,000	43,000	89,000				

This report does not consider the remuneration that is paid to County Council Members by their local (lower-tier) municipalities.

Deputy Warden Responsibilities

Of the twenty-one other Counties within Ontario, only some of the Councils have a Deputy Warden position. Counties that have this defined role and provided information for this report are listed below:

County and Population (rounded)	Responsibilities	Remuneration for Deputy Warden
Elgin 50,000	-No specific responsibilities; position fills in as needed at events and meetings.	No additional compensation
Frontenac 27,000	In addition to the responsibilities of performing the duties of the Head of Council in the absence of the Warden: -Act as Chair of the Committee of the Whole. -Be prepared to assume the duties of the Warden. -Meet regularly with the Warden to be briefed on political matters such as the work of the Eastern Ontario Wardens Caucus. -Support and attend meetings of a political nature at the request of the Warden. -Be generally familiar with executive requirements of the County. -The duties of the Deputy Warden do not include ex officio responsibilities on Committees.	Annual salary is 120% of a Councillor
Grey 94,000	-Chairs meetings in Warden's absence -Represents Warden at Warden's request -Signs time-sensitive documents in Warden's absence	Same salary as Councillor Per diems are paid
Lambton 123,000	-Fills in on an as needed basis	\$12,000. in addition to Councillor's salary
Peterborough 84,000	Deputy Warden performs the duties of the Warden in the Warden's absence or at the request of the Warden.	\$25,839. No per diems paid for committee meetings
Simcoe 465,000	-Acts for the Warden when the Warden is absent -Deputy Warden may act as the Warden's representative at meetings of Committees, and has full voting privileges -Deputy Warden presides at Council meetings in the absence of, or at the direction of, the Warden. -Where requested by the Warden, the Deputy Warden shall share the social responsibilities of the County Warden and act as their official representative at functions. -Provides assistance to the Warden under his/her guidance and direction.	\$47,636. No per diems paid

It should be noted that none of the six Counties included in the chart above are Northumberland County's municipal comparators. Only two of them (Frontenac and Peterborough Counties) are within Eastern Ontario. The other Counties are in central and south western Ontario.

It must also be noted that remuneration across municipalities varies significantly. Some utilize per diems, others use base salaries and some use a combination thereof. There are also different arrangements in place relative to benefits, expense reimbursements, etc. that impact the total value of remuneration.

Legislative Authority/Risk Considerations

Municipal Councils are permitted to set their compensation rates.

Discussion/Options

In 2016 the Rural Ontario Institute (ROI) created a profile of municipal councillors in Ontario. This report can be viewed at:

<http://www.ruralontarioinstitute.ca/uploads/userfiles/files/Municipal%20Councillor%20Profile.pdf>

The ROI report identified a number of the barriers to running for local office, two of which are limited remuneration and the level of commitment required to serve on council. The report noted:

“While the primary motivation for most politicians who seek positions on council is to serve the community, it cannot be denied that the ability of a municipality to attract good candidates to serve on council is directly influenced by the fairness of compensation that they offer.”

Northumberland County Council Members may decide to effect no changes (all Members remuneration would remain status quo) or adjust the annual salaries for Councillors and/or the Warden, and/or may consider remuneration for the new Deputy Warden position.

Four options are outlined for Council's consideration:

Option 1:

- All Council members' remuneration to remain status quo,
- no additional remuneration for the Deputy Warden position,
- next remuneration review in 2021.

Option 2:

- Compensate the Deputy Warden to reflect the role and its responsibilities (e.g. annual salary paid at 120% of Councillor's salary),
- maintain the Warden and Councillors' current remuneration as is, next remuneration review in 2021.

Option 3:

- Compensate the Deputy Warden at an annual salary rate of 120% of that paid to a Councillor, to recognize the increased responsibilities,
- increase the annual salary for the Warden to be in line with the 60th percentile of the County's approved comparators, and, also decrease the Warden's annual salary by 8.1%, to reflect that the position responsibilities will be shared with the Deputy Warden,
- increase Councillors' annual salaries to be in line with the 60th percentile of the approved comparators,
- next remuneration review in 2021.

Option 4:

- Increase the Warden's remuneration to be in line with the 60th percentile of Northumberland County's approved comparators,
- compensate the Deputy Warden at an annual salary rate of 120% of that paid to a Councillor, to recognize the increase responsibilities,
- increase Council members' salaries to be in line with the 60th percentile of Northumberland County's approved comparators,
- next remuneration review in 2021.

Financial Impact

In 2019 the total budget for Council Members' salaries and meeting remuneration was \$174,759. The total County levy for 2019 was \$56,237,639. In 2019, Council Members' salaries and meeting remuneration expenses represented approximately 0.31% of the total County levy.

The following chart illustrates the financial impacts of the four options outlined above (implementation date of January 1, 2020):

Options	Warden	Deputy Warden	Councillor	Financial Impacts
Option 1	no change from 2019	same compensation as Councillor, as in 2019	no change from 2019	\$0.00
Option 2	no change from 2019	annual salary paid at 120% rate of Councillor	no change from 2019	\$4,003.63
Option 3	-Increase the annual salary to be in line with the 60 th percentile of the County's approved comparators, and -Decrease the revised salary by 8.1%, to reflect responsibilities that will be shared with the Deputy Warden	annual salary paid at 120% rate of Councillor	Increase Councillors' annual salaries to be in line with the 60 th percentile of the County's approved comparators	\$13,781.72 (overall adjusted Warden's salary and new Deputy Warden's salary result in net zero increase)

Options	Warden	Deputy Warden	Councillor	Financial Impacts
Option 4	Increase the Warden's remuneration to be in line with the 60 th percentile of Northumberland County's approved comparators	annual salary paid at 120% rate of Councillor	Increase Councillors' annual salaries to be in line with the 60 th percentile of the County's approved comparators	\$17,785.35

Any increases have not been contemplated within the 2020 Draft Budget; however, staff anticipate that this would be offset through wage gapping that is realized each year, as vacancies occur for existing County positions.

Member Municipality Impacts

No impacts to member municipalities.

Conclusion

On July 18, 2018 Council adopted staff recommendations that resulted in Council Members' Council remuneration being increased to be in line with the 60th percentile range of Northumberland County's approved comparator municipalities.

Currently, Northumberland County Council Members are compensated below the 60th percentile, and below the 55th percentile of their approved municipal comparators, and are also below the median of those comparators.

It is important to note that all municipalities compensate their Council Members in different ways, thereby making an "apples to apples" comparison impossible. In 2018 County staff used four of the nine comparator municipalities to calculate compensation recommendations: Lanark County, United Counties of Prescott & Russell, County of Lennox & Addington, and Renfrew County. These four were selected because their Councils' compensation models are similar to that of Northumberland County.

With the exceptions of Prince Edward County, and Haldimand County, which are single-tier municipalities, the remaining seven municipal comparators are upper-tier (County) municipalities. That means that Northumberland County Councillors, like their seven counterparts, receive some form of remuneration from their respective local (lower-tier) municipalities, where they serve as Mayors.

It is important to note that Northumberland County is a "full service" upper-tier County. Many of our municipal comparators do not deliver the full complement of services and programs provided by Northumberland County.

In addition to annual salaries, County Council members receive compensation for attendance at some meeting ("per diems"), and many municipalities, including Northumberland County, provide some form of payment and/or reimbursement for things such as: conferences/training, travel expenses (e.g. accommodation, meals), and mileage.

Some municipalities provide group benefits, pension contributions and car allowances to their Council members; Northumberland County does not provide these.

The next scheduled remuneration review is scheduled for 2021, at which time staff will provide County Council with a report.

Should Northumberland County Council choose to define the role of Deputy Warden, staff recommend that:

- Council outline specific responsibilities that will be carried out by the Deputy Warden and direct staff to incorporate these into the Procedural By-law, for adoption at a future Council meeting.

Should Northumberland County Council choose to make changes to Council Members' remuneration, staff recommend that Council:

- Determine the annual salaries to be paid to the Warden, the Deputy Warden and the Councillors; and
- rescind By-law 2019-27 and Schedule "A" at a future Council meeting; and
- adopt a new By-law and Schedule "A" for Council remuneration at a future Council meeting, to be retroactive to January 1, 2020.

Attachments

- Council Report 2018-62, "Elimination of Tax-Exemption for Council Members' Salaries and Compensation Review"
- By-law 2019-27