

Municipality of Thames Centre 2024 Compensation Review for Elected Officials

**ML Consulting
Council Meeting
July 15, 2024**

Background and Objective

- Compensation for Elected Officials at the Municipality of Thames Centre was last reviewed in 2022 with changes to base pay rates to reflect the 55th percentile of the defined pay market.
- The primary objective of the 2024 Council Remuneration Study was to conduct a review of base pay and other compensation elements for the Mayor, Deputy Mayor and Councillor positions using an updated comparator group.
- The Consultant reviewed municipal comparator information collected by the Thames Centre HR Manager and prepared a Base Pay Market Summary using percentile targets.
- The recommendations in this report are prepared for Council's consideration.

Current Remuneration and Pay Practice

- 2024 Annual base pay rates:
 - Mayor: \$32,700; Deputy Mayor: \$20,790; Councillor: \$18,153
- No additional meeting per diems are provided
- Per diems of \$182.00/half day are paid for attendance at conferences and workshops
- Meal expense is reimbursed with supporting receipts
- Kilometrage expense reimbursed at current CRA rates (\$.70/km for the first 5,000 km)
- Laptop/tablet is provided
- Cell phone is provided, or cell phone expense is reimbursed (\$40/month)
- Health and Dental benefits are provided; 50% co pay premium
- No OMERS participation or RRSP contributions
- Base pay are adjusted annually (January 1st) with same economic adjustment provided to employees

Executive Summary

- 2024 Base Pay for Thames Centre Elected Officials is as follows:
 - Mayor: \$32,700; Deputy Mayor: \$20,790; Councillor: \$18,153
- The 2024 base pay remuneration for all positions is low to the defined pay market (60th percentile).
- The per diem rate for Conference attendance is above the competitive pay market
- Other elements of remuneration are generally comparable

Market Competitiveness—Methodology and Source Data

- The market comparator group was selected having regard to local/regional comparators and the comparator group that was used in the 2024 Employee Compensation study; 8 comparators were identified.
- A custom survey was prepared using the following comparator municipal organizations:
 - **Ingersoll, Middlesex Centre, Strathroy-Caradoc, Norfolk, Norwich, Stratford, Woodstock, Zorra**
- 3 of the comparators were also used in the 2024 Employee Compensation Study:
 - **Ingersoll, Middlesex Centre and Strathroy-Caradoc**
- Thames Centre is relatively placed within the comparator group having regard to size indicators (i.e., operating expenditures, population, size of Council)
 - Size of Council for the comparators ranges from 5 to 12 members (7 members is prevalent)

Market Observations—Base Pay

- Base pay compensation for Mayor, Deputy Mayor and Councillor positions was reviewed and compared to the defined pay market using 2024 base pay rates.
- For the majority of comparators, base pay compensates for Council meetings, committee meetings and special meetings of Council.
 - 1 comparator reports additional per diems for attendance at Public meetings to supplement base pay rates

Market Observations—Base Pay

- Base pay comparative statistics are shown in the Market Summary using the 50th, 55th, 60th and 65th percentile targets. The “% Difference” shown beside each percentile value is the amount that the current base pay rate for Thames Centre Elected Official positions is below the market target percentile value.

Thames Centre Council Compensation										
2024 Base Pay Market Summary										
	2024 MARKET SUMMARY - ANNUAL BASE PAY RATE									
	(+_%= below market)									
	2024 Base Pay Rate	No. of Obs.	Market Median	% Diff.	Market P55	% Diff.	Market P60	% Diff.	Market P65	% Diff.
Annual		Annual		Annual		Annual		Annual		
Mayor	\$32,700	8	\$47,052	+43.9%	\$55,608	+70.1%	\$63,730	+94.9%	\$71,798	+119.6%
Deputy Mayor	\$20,790	8	\$27,605	+32.8%	\$27,906	+34.2%	\$28,624	+37.7%	\$29,393	+41.4%
Councillor	\$18,153	8	\$21,788	+20.0%	\$21,838	+20.3%	\$23,388	+28.8%	\$25,124	+38.4%

Market Observations—Base Pay

- The Mayor base pay rates for Norfolk and Stratford, both single tier municipalities, are outliers in relation to the market comparator group (\$93,139 and \$84,120), impacting the overall market summary.
- A revised Market Summary with 6 comparators shows the following:

Thames Centre Council Compensation										
2024 Base Pay Market Summary										
	2024 Base Pay Rate Annual	2024 MARKET SUMMARY - ANNUAL BASE PAY RATE (+_% = below market)								
		No. of Obs.	Market Median Annual	% Diff.	Market P55 Annual	% Diff.	Market P60 Annual	% Diff.	Market P65 Annual	% Diff.
Mayor	\$32,700	6	\$37,393	+14.4%	\$37,499	+14.7%	\$41,348	+26.4%	\$48,003	+46.8%
Deputy Mayor	\$20,790	6	\$27,605	+32.8%	\$27,839	+33.9%	\$28,282	+36.0%	\$28,880	+38.9%
Councillor	\$18,153	6	\$20,929	+15.3%	\$21,569	+18.8%	\$22,616	+24.6%	\$23,966	+32.0%

Market Observations—Base Pay

- The 2022 Compensation Review established base pay rates at the 55th percentile of the defined pay market. The compensation philosophy for management/non-union positions establishes job rates at the 60th percentile pay target (2024).
 - the 60th percentile target is the \$ Rate where 60% of the wage rates in comparator organizations are below this amount, and 40% are above.
- Base pay rates for the Mayor, Deputy Mayor and Councillors are all below the 60th percentile of the defined comparator group.
- Market comparison for Thames Centre positions based on the 60th percentile is as follows:
 - ▶ The market rate for the Mayor is \$41,348. Pay rates range from \$31,661 to \$74,487.
 - ▶ The market rate for the Deputy Mayor is \$28,282. Pay rates range from \$22,777 to \$33,794.
 - ▶ The market rate for Councillor is \$22,616. Pay rates range from \$15,970 to \$31,189.

Market Observations—Other remuneration

- 4 comparators report that benefits are provided to all members of Council (1 comparator on a 50% co-pay; 1 comparator with 100% premium paid by the elected official); 2 comparators provide payment in lieu of benefits
- 1 comparator provides OMERS contributions for the Mayor only and 9% RRSP contribution for Councillors
- All comparators provide an iPad/Laptop to all members of Council
- 4 comparators provide a cell phone or a monthly allowance to all members
- 1 comparator reports per diems for conference attendance, \$160/day; \$125 for seminars
- 3 comparators report that a meal allowance is provided (\$100 and \$75 daily); 1 comparator includes meals within the daily conference per diem; 3 report that meals are reimbursed with receipts
- 7 comparators report that base pay rates are adjusted annually by an economic adjustment; and 4 comparators align the adjustment with staff/union COLA.

Conclusions

- The comparator group is representative based on select criteria.
- The 60th percentile pay target is reasonable based on the size/scope and pay practice of the comparator group and aligns with the pay target for the employee group
- Base pay rates for the Mayor, Deputy Mayor and Councillor require an increase to meet the 60th percentile pay target
- The daily per diem rate for Conference attendance is high relative to the comparator group
- It is best practice to increase the annual base pay for elected official positions annually by the amount used to adjust the Employee salary grid. This allows for a year over year increase to align with cost-of-living increases; also supported by the survey results.
- It is best practice to review compensation once during the term of Council using a survey of comparator municipalities.

Recommendations

2025 Base Pay Adjustments

- It is recommended that Council give consideration to implementing the following base pay adjustments, effective January 1, 2025, further adjusted for COLA:
 - Mayor: \$41,348
 - Deputy Mayor: \$28,282
 - Councillor: \$22,616

P60 Market Target and Annual Adjustments:

- It is recommended that Council continue the practice of adjusting base pay for the Elected Official positions annually by using the % adjustment provided for the Employee Salary Grid.

Review Period:

- It is recommended that a compensation review be conducted once every 3 to 4 years using comparator survey data; the next review being during the next term of Council