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Town of Aurora

General Committee Report

No. CS23-057

Subject: Council Compensation Review 2023

Prepared by: Demetre Rigakos, Manager, Human Resources

Department: Corporate Services

Date: October 17, 2023

Recommendation

1. That Report No. CS23-057 be received; and
2. That the annual compensation for the role of Mayor and Councillor be adjusted between the 55th and 60th percentile of the market comparator group; and
3. That the annual vehicle allowance for Councillors be increased to \$7,000; and
4. That participation in the Ontario Municipal Employees Retirement System (OMERS) pension plan with shared contributions between the Town and participants be extended to all Councillors; and
5. That participation in the health and dental group benefits program at the cost of the Town be extended to all Councillors; and
6. That the severance provision of Council Compensation By-Law for the role of Mayor be increased from a maximum six to a maximum of eight months; And that it be extended to Councillors at one month per year of service to a maximum of four months; and
7. That Staff be directed to bring forward an amendment to the Council Compensation By-Law prior to the end of this term of Council to reflect the updated compensation and recommendations above with an effective date of the start of the next term of Council.

Executive Summary

The purpose of this report is to provide Council with a summary of the input provided by the Council Compensation Ad Hoc Advisory Committee and staff recommendations for consideration in updating By-Law Number 6040-17, being a by-law to provide for the annual remuneration to be paid to the Mayor and Members of Council (the “Council Compensation By-Law” or the “By-law”).

- By-Law Number 6040-17 provides for the annual remuneration to be paid to Mayor and Members of Council.
- The Council Compensation Ad Hoc Advisory Committee provided valuable input in this process.
- The research into the Town’s peer municipalities shows that Council Compensation has fallen below average over the past few years in terms of wages and vehicle allowance.
- The Council Compensation Ad Hoc Advisory Committee’s input was consistent with staff recommendations that the compensation for the Mayor and Councillors should be adjusted to, somewhere between the 55th and 60th percentile of the comparator group.
- The Ontario Municipal Employee’s Retirement System (OMERS) provides a defined benefit pension plan to municipal employees and currently the Mayor. Staff recommends this be extended to Councillors.
- Group health and dental benefits at the Town’s cost is currently provided to the position of Mayor only. Severance provision of the By-law currently applies to the Mayor only. Consideration should be given to updating the value of severance to the Mayor and including a provision of severance to Councillors as well.

Background

By-Law Number 6040-17 provides for the annual remuneration to be paid to Mayor and Members of Council.

The purpose of this report is to provide information and findings from research staff conducted as part of a Council Compensation Ad Hoc Advisory committee that was convened in May of 2023 and offer recommendations to Council for their consideration and decision on any desired amendments to By-Law Number 6040-17, being a by-law to provide for the annual remuneration to be paid to the Mayor and Members of Council (the “Council Compensation By-Law” or “By-law”).

The compensation for the Mayor and Members of Council is prescribed in the Council Compensation By-Law. The last time the By-law was updated in 2017, it set the Mayor's salary at \$96,200 per year and Councillor salary at \$32,890 per year effective January 1, 2018.

Since 2018, salaries have been indexed annually (economic increases) in line with those applied to Town staff. The only exception was the year 2021, when Council decided to forgo an economic increase for that year noting the economic slow down that resulted from the COVID-19 pandemic.

The current annual wages for the Mayor and Councillors stand at \$102,859 and \$37,929 respectively.

The review of the By-law has traditionally been done once per term of Council. However, for the term of 2018-2022 there was no review of the By-law.

In May 2023, Council directed that a Council Compensation Ad Hoc Advisory Committee be set up to provide input to staff so that the By-law can be reviewed and updated as required.

Analysis

The Council Compensation Ad Hoc Advisory Committee provided valuable input in this process.

In May, June and September 2023, the Council Compensation Ad Hoc Advisory Committee met and provided input to staff on the overall compensation for the Mayor and Members of Council. The scope of the review included comparison wages, vehicle allowance, and research on benefits and pension entitlements for part-time vs full-time Members of Council as well as a review of severance entitlements when leaving office.

The research and data collection included eighteen (18) municipalities who are geographically close the Town of Aurora and their population size ranges from a low of 21,556 to as high as 338,503. The average population of the municipalities reviewed was 110,196.

In addition to the data collected from comparator municipalities, staff deployed a short survey to collect feedback from Aurora's elected officials.

The research into the Town's peer municipalities shows that Council Compensation has fallen below average over the past few years in terms of wages and vehicle allowance.

The following chart compares the wages for Mayor and Members of Council with the eighteen comparator municipalities that were selected for the review. For clarity, P55 represents the data point below which 55% of the data points lie. Similarly, P60 represents the data point below which 60% of the data points lie.

Town of Aurora 2023 Market Summary							
Title	Annual Salary	Market Median	Difference	Market at P55	Difference	Market at P60	Difference
Mayor	\$102,859.00	\$111,355.00	-7.63%	\$117,340.00	-12.34%	\$118,336.00	-13.08%
Councillor	\$37,929.00	\$47,876.00	-20.78%	\$48,319.00	-21.50%	\$48,992.00	-22.58%

It should be noted that the Aurora wages shown in the chart do not include an economic adjustment for 2023 as one has not been approved yet for this year.

The Council Compensation Ad Hoc Advisory Committee's input was consistent with staff recommendations that the compensation for the Mayor and Councillors should be adjusted to, somewhere between the 55th and 60th percentile of the comparator group.

The committee reviewed a number of different dimensions of the eighteen comparators that were selected for this review including, population, density, operating and capital budgets, number of constituents served per elected official, as well as input collected through a survey on the complexities of their role.

The Town of Aurora is continuing to grow and with growth there is increased complexity in terms of the decision-making process and addressing the needs of a diverse population. In order to attract community members to run for Council the compensation should be fair, proportionate to the value their role provides the community and comparable to their peers in the Greater Toronto and Hamilton area (GTHA).

Staff recommends that Council consider setting a policy on Council compensation that sets the annual compensation for the Mayor and Councillors somewhere between the 55th and 60th percentile of their comparator group while also incorporating a market review once per term of Council and in the final year of the term. This is an approach that other municipalities have already taken to set a policy that staff can implement on an ongoing basis. This would ensure that there are no delays in the review process that can result in wages falling below their comparators.

The vehicle allowance was also discussed for both the Mayor and Councillors. The Mayor's vehicle allowance stands at \$9,822 per year. The committee felt that this is an appropriate amount when compared to group of municipalities reviewed and therefore, there is no recommendation from staff for an increase.

The current Councillor vehicle allowance stands at \$2,060 per year and it is far below the average vehicle allowance when compared to the eighteen municipalities that were part of the sample. However, considering the geographic size of the Town of Aurora and the level of intensification within this community the committee's input was to consider increasing this allowance to approximately, \$7,000 per year. Staff agrees with the committee's input and recommends this increase to Council for its consideration.

The rationale for this recommendation is that a vehicle allowance becomes part of the total compensation payable to elected officials and it should be relative and proportionate to the Mayor's vehicle allowance. Councillors serve on a part-time basis for the Town of Aurora while the Mayor's role is considered full-time.

The Ontario Municipal Employee's Retirement System (OMERS) provides a defined benefit pension plan to municipal employees and currently the Mayor. Staff recommends this be extended to Councillors.

Currently the Mayor is eligible and required to participate in the Ontario Municipal Employee's Retirement System (OMERS). This is a defined benefit plan where both the Mayor and the Town share the contributions to the plan similar to that of Town employees.

Councillors are currently not participating in the Pension plan although Council has the authority to include them as participants through the enactment of a by-law.

Data shared with the committee from the Association of Municipal Clerks and Treasurers of Ontario indicates that 50% of the municipalities in Ontario with a population range between 50,000 to 99,000 residents provides OMERS participation to their Councillors. Noting the Town of Aurora is in this range with over 62,000 residents and continuing to grow, coupled with the fact that Councillors expressed some interest in participating in the pension plan, staff recommends that OMERS be extended to Councillors.

This is consistent with providing an overall total compensation package that is fair, comparable to their peers and enables the Town to attract candidates to serve on Council. The committee discussed this feature of total compensation and agreed that it

typically contributes to the total compensation package for Councillors but noting not all Councillors may be interested in participating, therefore, their suggestion was to leave this decision with Council to consider. Should Council decide to include this option for all members of Council, existing members will be given an option to enroll and new members joining Council will be compulsory required to join the OMERS pension plan.

Group health and dental benefits at the Town's cost is currently provided to the position of Mayor only.

There are no changes required to the position of Mayor as currently group health and dental benefits are provided and paid by the Town.

Councillors currently have the option to purchase health and dental benefits however, at their own cost. None of the current Councillors have expressed interest in purchasing a health and dental plan and perhaps one of the reasons is that some who are employed full-time have access to benefits through their employer and or their spouses. The survey staff deployed received little interest in terms of Councillors desire to participate in the health and dental benefits program. The Association of Municipal Clerks and Treasurers of Ontario indicates that 50% of the municipalities with populations in the range of 50,000 to 99,000 provide access to health and dental benefits to their part-time councillors.

The committee's input was that once again health and dental benefits can form part of the overall total compensation that helps attract residents to serve on municipal Council. However, noting the lack of interest, the committee suggested that this benefit be left to Council to decide; essentially if Council wants to provide Town paid benefits to all part-time Councillors.

Staff's recommendation is that Council may wish to provide Town paid benefits to all Councillors. Should a Councillor not wish to participate they always have the option of waiving enrollment in health and dental benefits.

Severance Provision of the By-law currently applies to the Mayor only. Consideration should be given to updating the value of severance to the Mayor and including a provision of severance to Councillors as well.

The Council Compensation By-Law provides a severance entitlement to the position of Mayor of one month of salary for each year served to a maximum of six (6) months. Councillors currently are not entitled to any severance upon their departure from office.

The committee discussed this feature and suggested that the severance provision for the role of Mayor be increased to a maximum of eight months, representing two terms of Council. Also, Councillors should be eligible of one month of salary for each year served to a maximum of four years, representing one term of Council.

Staff agrees with the committee's suggestion and recommends these changes. When comparing the Town's Council Compensation By-Law to those municipalities within York Region that provide severance, the severance provisions are higher and include Councillors.

Advisory Committee Review

The recommendations in this report have been shared with the Council Compensation Ad Hoc Advisory Committee and they reflect the input received from the Committee.

Legal Considerations

If Council approves the staff recommendations, the Council Compensation By-law will require amendments to reflect the recommendations.

Financial Implications

The estimated incremental budget impact would range from approximately \$110,000 to \$135,000 depending upon the selected percentile of the market comparator group, Should Council direction be received to do so, the appropriate tax levy pressure will be introduced for Council's consideration as part of the 2024-25 operating budget.

Type of Compensation	Financial Impact (Low range)	Financial impact (High range)
Mayor wages	\$9,000	\$12,000
Councillor wages	\$10,000 x 6	\$13,000 x 6
Councillor health benefits	\$3,000 x 6	\$3,500 x 6
Councillor Pension	\$3,000 x 6	\$5,000 x 6
Improve severance By-law	\$5,000	\$24,000
Totals	\$110,000	\$135,000

Communications Considerations

None Required

Climate Change Considerations

Not applicable

Link to Strategic Plan

Enabling a diverse, creative, and resilient economy.

Alternative(s) to the Recommendation

1. Council may offer alternatives to these recommendations.

Conclusions

The Council Compensation By-Law has not been updated since 2017. Based on the research and input provided by the Council Compensation Ad Hoc Advisory Committee, the recommendations in this report will bring Council's total compensation at par with their comparator municipalities and ensure its Elected Officials are fairly and adequately compensated.

Attachments

None

Previous Reports

[Council Compensation Ad Hoc Committee Meeting Minutes of September 7, 2023](#)

Pre-submission Review

Agenda Management Team review on September 28, 2023

Approvals

Approved by Patricia De Sario, Director, Corporate Services/Town Solicitor

Approved by Doug Nadorozny, Chief Administrative Officer