

Municipality of East Ferris

Report to Council

Report No.: CAO-2023-02

Date: March 14, 2023

Originator: Jason H. Trottier, CAO/Treasurer

Subject: Council Remuneration and Meal Allowance Review

RECOMMENDATION

1. That Council for the Corporation of the Municipality of East Ferris increase their salaries to the average compensation of the single-tier municipalities in Ontario and not increase the per diem and meal allowance rates.

BACKGROUND

At the regular meeting of Council on February 14th, 2023, Council directed the Chief Administrative Officer to review Council's remuneration, salary and per diem rates, as well as the meal allowance provided to members of Council, staff, board and committee members, and members of the East Ferris Volunteer Fire Department while away on municipal business.

Due to limited time for this review, staff were of the opinion that the simplest and quickest method to compare remuneration and meal allowances was to compare East Ferris to all single-tier municipalities in Ontario with populations between 4,500 and 5,500. Council also requested that some neighbouring municipalities be included in the review. There were seven (7) single-tier municipalities in total including East Ferris: Gananoque, Hearst, Iroquois Falls, Seguin, Espanola, Greenstone, and East Ferris. The three (3) neighbouring municipalities included in the review are Mattawa, Callander, and Powassan. Staff requested the by-laws/policies from all municipalities for Council remuneration, including salary and per diem rates, and meal allowances only.

Appendix A is a comparison of the salaries of Council members for the seven (7) single-tier municipalities and three (3) neighbouring municipalities. The first table includes all ten (10) municipalities. The second table includes eight (8) municipalities with the lowest and highest paying municipalities having been removed as their compensation figures vary greatly and skew the data. As can be seen from the data, although the compensation of the lowest and highest paying municipalities varies greatly, this does not have a large effect on average compensation; therefore, utilizing the first table, the average monthly salary for a Mayor is \$2,075.74; higher than East Ferris by \$102.29 monthly or \$1,227.48 annually. The average monthly salary for a Deputy Mayor is \$1,226.40; higher than East Ferris by \$45.49 monthly or \$545.88 annually. The average monthly salary for a Councillor is \$1,136.32; higher than East Ferris by \$27.15 monthly or \$325.80 annually.

Appendix B is a comparison of per diem and meal allowance rates. We requested this information from the same ten (10) municipalities but did not receive the data from three (3) of them. In reviewing the per diem and meal allowance rates, East Ferris' rates are the highest or equal to the highest rates among the municipalities although Callander's meal allowance rates are based on "reasonable costs" and we did not receive the meal allowance rate from Hearst.

For Council's information, attached as Appendix C are the historical salary increases from 2011 to 2022 and the rates found in the current Council remuneration by-law for 2023 to 2026. For the 2011-2014 term of Council, 2015-2018 term of Council, and 2019-2022 term of Council, salaries increased annually by 3.0%, 1.5%, and 1.5% respectively. For the 2019 calendar year, the 1/3 non-taxable exemption for Council remuneration was discontinued by the Federal Government; therefore, Council approved a recommendation from staff to increase salaries for 2019 so that members of Council's take home pay would not be affected. Salaries were adjusted from 2018 to 2019 to have a nil effect on take home pay plus an increase of 1.5% annually. For the 2023-2026 term of Council, as per the current by-law, salaries will increase by 2.0% annually.

In reviewing the historical salary increases from 2011 to 2022, the Mayor's salary has increased by 37.4% or an average of 3.1% annually; the Deputy Mayor's salary by 24.9% or an average of 2.1% annually; and a Councillor's salary by 24.8% or an average of 2.1% annually. If increases from 2011 to 2022 were based on inflationary numbers, utilizing the Bank of Canada's Inflation Calculator, from 2011 to 2022, all salaries would have increased by 23.34% or an average annual rate of 1.93%.

OPTIONS

1. That Council for the Corporation of the Municipality of East Ferris increase their salaries to the average compensation of the single-tier municipalities in Ontario and do not increase the per diem and meal allowance rates;
2. That Council for the Corporation of the Municipality of East Ferris increase their salaries, and the per diem and meal allowance rates as they deem appropriate;
3. That Council for the Corporation of the Municipality of East Ferris does not implement any changes to salaries, and per diem and meal allowance rates (status quo).

FINANCIAL IMPLICATIONS

Any increase in salaries or per diem and meal allowance rates will have an effect on the 2023 and future years' operating budgets. If Option #1 is approved by Council, this option will increase the Council's 2023 operating budget by \$2,968.07 and will have no effect on any other department's budget.

RECOMMENDATION

Option #1

It is difficult to compare municipalities as operations, provided services, and tax bases, amongst other comparators, vary greatly from one municipality to the other. It seems reasonable to compare East Ferris to all other single-tier municipalities within a similar population range. It is also fair to say that compensation would vary greatly when compared to lower and upper tier municipalities within the 4,500 to 5,500 population range.

Using the municipalities staff have chosen, it is reasonable to conclude that Council should be paid at least the average of similar structured and populated municipalities in Ontario; therefore, Council for the Corporation of the Municipality of East Ferris should increase their salaries at least to the average compensation of the comparable single-tier municipalities in Ontario. It should be noted that three (3) neighbouring municipalities are included in the comparables although their populations do not fall within the 4,500 to 5,500 range.

When looking at per diem and meal allowance rates, East Ferris compensates at the highest rates of the comparable municipalities; therefore, the data does not support an increase in these rates and it is recommended that these rates remain the same.

Respectfully submitted,



Jason H. Trottier, HBBA, CPA, CMA
CAO/Treasurer