

March 4, 2010

Council Remuneration Ad Hoc Committee Recommendations for 2010-2014 term of office

OVERVIEW

At the meeting of Township Council held on March 1, 2010, the Manager of Human Resources submitted the Council Remuneration Ad Hoc Committee recommendations for the level and method of Council remuneration during the 2010-2014 term of office. The proposed changes would take effect on December 1, 2010 once a new Council has assumed office following the 2010 Municipal Election. Council remuneration is set on a per term basis in the Township of Springwater, and the existing rate of remuneration was established in 2006. A Public Meeting has been scheduled for Monday, March 22, 2010 @ 7:30pm to present the Committee's recommendations.

COUNCIL REMUNERATION AD HOC COMMITTEE

The Council Remuneration Ad Hoc Committee consists of one former member of Council: Mayor Helen Coutts (retired), and two local business owners Mike Stone and Simon Seif. This process ensures that the current Council is not directly responsible for setting remuneration levels, and draws on the experience of those who are already familiar with the demands of the public and private sectors. The Committee was tasked with establishing the rate of remuneration for the 2010-2014 term of office, including whether or not the One-Third Tax Free Allowance should be continued. In addition, the Committee was directed to investigate the value of the annual salary format implemented in Springwater effective December 1, 2006 versus an honorarium plus per diem system used in some municipalities.

METHODOLOGY

In order to assist the Committee in fulfilling its mandate, the Manager of Human Resources conducted a survey of Council remuneration in 13 municipalities in the County of Simcoe (10 with populations under 20,000) as well as the Township of Smith-Ennismore-Lakefield. The latter municipality was used as a comparator due to its similarity in Council / Committee structure to Springwater. A survey was also conducted regarding Council benefits packages. Both surveys were conducted in the fall of 2009. More recent information on 2009 Council earnings has been provided by the Township of Oro-Medonte and Smith-Ennismore-Lakefield. This updated information will be used for the Public Meeting presentation. Based on the information, five comparators were short-listed due to their similarity in demographics and Council / Committee structure to the Township of Springwater. The average value of remuneration was calculated in each municipality. It was determined that Springwater's rate of Council remuneration remains the same as that received by the existing Council in 2010.

RECOMMENDATIONS

The final recommendations of the Council Remuneration Ad Hoc Committee are listed below, with the rationale detailed beneath in blue print:

THAT Springwater Township Council continue to receive the One-Third Tax Free Allowance;

Not a single comparator in the survey had abolished the One-Third Tax Free Allowance. Doing so would have resulted in greater costs to ratepayers, as Council remuneration levels would have to be increased to supplement the reduction in after-tax income. In addition, if the Allowance were discontinued, legislation prevents it from be reinstated.

THAT Council continue to receive the same annual Cost of living Adjustment (COLA) as Township Staff;

Of the fourteen municipalities surveyed only two municipalities did not extend a Cost of Living Adjustment (COLA) to its Council. Since the level of remuneration for Springwater Township Council is set on a per-term basis, Council Member's salaries fail to keep pace with the Consumer Price Index over the four years of their term. This

deficiency will be addressed by continuing to provide the same COLA as Township Staff (2006-2009 3% & 2010 2%). It should be noted that as part of the 2010 budget approval process Council approved a 2% COLA in 2010 applicable to staff only and not Council.

THAT Council continue to be paid based on an Annual Salary remuneration format;

Of the 14 municipalities surveyed, eight pay an annual salary while six use the honorarium plus per-diem system. Since the switch to an annual salary commencing December 1, 2006, there is less demand on payroll staff time, and the annual salary format has eliminated considerable paperwork for Council who were required to complete monthly per diem sheets.

THAT the rate of remuneration be established for Council as the following Annual Salaries;

Mayor:	\$31,543.85
Deputy-Mayor:	\$24,087.05
Councillors:	\$19,106.23

These amounts comprise or exceed the average Council remuneration in five short-listed municipalities for the year 2009. In 2009, a total of \$151,162.05 was paid to Springwater Township Council, not including mileage. As a result of the extensive remuneration review conducted for the 2007-2010 Council term, Council remuneration continues to be in line with the five short-listed comparators and therefore the Council remuneration will remain the same as that received by the existing Council.

THAT Council continue to receive the Township Benefits Package, the value of which is approximately 23 percent above and beyond the regular Annual Salary;

The value of Council's benefits package was taken into account when averaging the amount of remuneration in comparator municipalities. Council will continue to receive the Township benefits package, including supplemental health and dental coverage, life insurance, and enrollment in the OMERS pension plan.

That remuneration should continue to be reviewed on a per-term basis;

To ensure that the Township of Springwater remains in line with other municipal council remuneration rates and benefits a review on a per-term basis should continue.

THAT the Director of Corporate Services / Clerk bring forward the necessary by-law to implement the recommendations of the Council Remuneration Ad Hoc Committee, with said by-law taking effect on December 1, 2010;

The by-law to formalize the recommendations of the Council Remuneration Ad Hoc Committee will be brought forward in the coming weeks, following a Public Meeting on March 22, 2010. The prescribed changes will come into effect once the newly-elected Council takes office on December 1, 2010.

CONCLUSION

The Council Remuneration Ad Hoc Committee has reviewed the survey data and has presented fair and balanced recommendations that place the Township of Springwater in line with comparator municipalities of similar size and structure. Considerable effort has been made to ensure that all information submitted to Springwater Township Council is thoroughly researched and accurate.

AD HOC COMMITTEE – CLOSING THOUGHTS

Recent Federal and Provincial initiatives have strengthened the role and importance of municipalities. Incumbents and others who seek elected office should have a passion about public service by focusing on a customer first attitude and clear communications with Springwater residents and businesses. This commitment commands respect and loyalty to foster, develop and maintain a real sense of community within Springwater.

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