



## Request for Decision

REGULAR MEETING OF COUNCIL – SEPTEMBER 20, 2023

### **Council Remuneration Policy 12-1006 Market Adjustment**

**Recommended Action:** That Council approves the market adjustment of \_\_\_\_\_ to base pay and per diem pay for Council Remuneration.

AND.

That Council authorizes and approves Administration to amend Council Remuneration Policy 12-1006 to reflect the approved market adjustments to the base pay and per diem pay for Council Remuneration.

**Submitted by:** Mark DeBoer, Director of Corporate Services  
**Department:** Corporate Services  
**Approval:** Nels Petersen, CAO

#### **Background & Proposal**

The Council Remuneration Policy (Policy 12-1006) governs and establishes methods and rates to reimburse elected officials for their time spent engaged in official duty for Vulcan County

At the November 23, 2022 Council Meeting, Administration presented a Request for Decision relating to Council Remuneration (Policy 12-1006) for recommended market adjustments to the base pay and the per diem pay. These recommendations were based on a third-party remuneration report provided by Improve Consulting Group Inc.

Council provided the following direction at the November 23, 2022 Council Meeting with the following motions:

CC 2022-11-23-08      MOVED BY COUNCILLOR LOGAN that Council approve the recommended market adjustments to base pay and per diem as presented in the amended Council Remuneration Policy 12-1006.

FOR:	AGAINST:
Reeve Schneider	Councillor Gateman
Deputy Reeve Cockwill	Councillor Nelson
Councillor Lyckman	
Councillor Northcott	
Councillor Logan	

CARRIED

CC 2022-11-23-09

MOVED BY COUNCILLOR LOGAN that Council direct Administration to bring back an amended policy with updated options for internal remuneration review.

FOR:

Deputy Reeve Cockwill  
Councillor Gateman  
Councillor Lyckman  
Councillor Nelson  
Councillor Northcott  
Councillor Logan

AGAINST:

Reeve Schneider

CARRIED

Based on motion CC 2022-11-23-09, Administration was directed to bring Policy 12-1006 Council Remuneration to include a third-party reviewed every 4 years and with options for Administration to review remuneration in addition to these external reviews. At the February 1<sup>st</sup>, 2023, Council meeting, Policy 12-1006 Council Remuneration was updated to include these options.

This direction was a result of the review, analysis, and discussion on the proposed rates of pay. It was noted that the recommended 10% market adjustment included within the recommendations brings Vulcan County's average closer to the comparator's median (and average) and even after the 10% update market adjustment; however, the County's rates would still be less than the comparator's median (and average) on both the review by "% of operating expenses" and by "% of salary and benefits". There was also additional uncertainty on whether or not the benchmark comparators would apply a Cost-of-Living Adjustment to Council Remuneration, and if so, there could be a high degree of variability between the different application between the comparable municipalities.

Having Administration provide an updated review on Council remuneration can allow Council to review in comparison with the updates by the other comparable municipalities and can mitigate the County falling further behind in the market rates, while reducing the costs of requiring additional third-party external reviews.

In August 2023, Administration has compiled an updated review of Council remuneration based on the same methodologies as the prior external review; whereas, the analysis is based on the 2022 Audited Financial Statements (where the external review is based on the 2021 Audited Financial Statements). Using the same methodology, Administration has replicated the same analysis for the 2022 financial information (most recent available) and had provided the detailed calculations and information to Council at the August 16<sup>th</sup>, 2023 meeting of Council, to be received for informational purposes.

The following is a summary of the analysis provided to Council:

Based on Actuals		
<b>2021 Analysis - External</b>		
Type of Analysis on Council Remuneration	Increase to get to Market Median	Increase to get to Market Average
Overall Annual Gross Pay	36.93%	39.74%
% of Operating Expenses	14.39%	22.59%
% of Salary/Benefits	22.40%	29.98%
% of Operating Expenses - Normalized	8.88%	9.93%
<b>2022 Analysis - Internal - Same Comparators</b>		
Type of Analysis on Council Remuneration	Increase to get to Market Median	Increase to get to Market Average
Overall Annual Gross Pay	55.47%	61.85%
% of Operating Expenses	11.87%	21.04%
% of Salary/Benefits	48.28%	56.73%
% of Operating Expenses - Normalized	9.25%	22.57%
<b>2022 Analysis - Internal - Revised Comparators (increase assessment)</b>		
Type of Analysis on Council Remuneration	Increase to get to Market Median	Increase to get to Market Average
Overall Annual Gross Pay	98.76%	92.92%
% of Operating Expenses	25.06%	25.40%
% of Salary/Benefits	51.30%	59.30%
% of Operating Expenses - Normalized	20.77%	24.29%

Based on Budgets		
<b>2022 Analysis - Internal - Same Comparators</b>		
Type of Analysis on Council Remuneration	Increase to get to Market Median	Increase to get to Market Average
Overall Annual Gross Pay	55.47%	61.85%
% of Operating Expenses	16.51%	26.07%
% of Salary/Benefits	43.77%	55.24%
% of Operating Expenses - Normalized	32.15%	40.51%
<b>2022 Analysis - Internal - Revised Comparators (increase assessment)</b>		
Type of Analysis on Council Remuneration	Increase to get to Market Median	Increase to get to Market Average
Overall Annual Gross Pay	98.76%	92.92%
% of Operating Expenses	30.87%	26.48%
% of Salary/Benefits	46.36%	56.05%
% of Operating Expenses - Normalized	37.01%	36.05%

At the November 23, 2022 Council Meeting, Council approved an initial 10% market adjustment which implemented to partially bring Council Remuneration in-line with the other market comparisions; whereas, this was effective for the 2023 fiscal year and would have little to no effects for the 2022 financial data. Therefore, any of the 2022 market difference would not have this taken into account. Any overall changes to market adjustments should be made in addition to the 10% increase that was done for the 2023 fiscal year *(for example purposes only – if overall change was decided by Council to be 25%, the current change would effectively be 15% after the initial 10% market adjustment).*

Council Remuneration Policy (Policy 12-1006) does include annual Cost of Living Adjustments (COLA); however, this would be correlate to the increase within the other market comparators and would be taken into account when comparing 2022 data of the County to the 2022 data of its comparators.

**Strategic Plan Alignment**

Responsible & Transparent Leadership and Governance

**Financial/Policy Consideration**

Any market adjustments approved by Council will be calculated and updated in the 2024 interim budget and the related forecasted budget years (including 2024 COLA once determined). Budget 2023 included total Council base pay and per diems for a total of \$217,895 for the budget year.

The following is for reference purposes on the potential market adjustments:

	0.0% Market Adjustment		2.5% Market Adjustment		5.0% Market Adjustment	
	Current	Change	Revised	Change	Revised	Change
Monthly Base Pay - Reeve	\$ 1,292.79	\$ -	\$ 1,325.11	\$ 32.32	\$ 1,357.43	\$ 64.64
Monthly Base Pay - Councillors	\$ 734.19	\$ -	\$ 752.54	\$ 18.35	\$ 770.90	\$ 36.71
Per Diems - Half Day	\$ 163.50	\$ -	\$ 167.59	\$ 4.09	\$ 171.68	\$ 8.18
Per Diems - Full Day	\$ 327.00	\$ -	\$ 335.18	\$ 8.18	\$ 343.35	\$ 16.35

  

	7.5% Market Adjustment		10.0% Market Adjustment		12.5% Market Adjustment	
	Revised	Change	Revised	Change	Revised	Change
Monthly Base Pay - Reeve	\$ 1,389.75	\$ 96.96	\$ 1,422.07	\$ 129.28	\$ 1,454.39	\$ 161.60
Monthly Base Pay - Councillors	\$ 789.25	\$ 55.06	\$ 807.61	\$ 73.42	\$ 825.96	\$ 91.77
Per Diems - Half Day	\$ 175.76	\$ 12.26	\$ 179.85	\$ 16.35	\$ 183.94	\$ 20.44
Per Diems - Full Day	\$ 351.53	\$ 24.53	\$ 359.70	\$ 32.70	\$ 367.88	\$ 40.88

  

	15.0% Market Adjustment		17.5% Market Adjustment		20.0% Market Adjustment	
	Revised	Change	Revised	Change	Revised	Change
Monthly Base Pay - Reeve	\$ 1,486.71	\$ 193.92	\$ 1,519.03	\$ 226.24	\$ 1,551.35	\$ 258.56
Monthly Base Pay - Councillors	\$ 844.32	\$ 110.13	\$ 862.67	\$ 128.48	\$ 881.03	\$ 146.84
Per Diems - Half Day	\$ 188.03	\$ 24.53	\$ 192.11	\$ 28.61	\$ 196.20	\$ 32.70
Per Diems - Full Day	\$ 376.05	\$ 49.05	\$ 384.23	\$ 57.23	\$ 392.40	\$ 65.40

**FOIP Considerations**

Council compensation information, including expense reports, is public information and can be requested at any time.

**Implementation/Communication**

If approved, the policy will be updated, and staff will be notified of the rate increase to make the appropriate changes.

**Attachments:**

- N/A