

Town of Tecumseh 2023 Compensation Review for Elected Officials

**DRAFT Summary Report
ML Consulting
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Background and Objective

- Compensation for Elected Officials at the Town of Tecumseh was reviewed in 2019.
 - It was determined that the base pay rate for the Mayor reflected the 65th percentile pay target; and base pay rates for the Deputy Mayor and Councillor positions were higher.
- Annual economic adjustments for the Mayor, Deputy Mayor and Councillor positions were varied to normalize the base pay rates to be more aligned with the comparator group and the 65th percentile pay target (100% for the Mayor, 50% for Councillors and 25% for the Deputy Mayor).
- The primary objective of the 2023 Council Remuneration Study was to conduct a review of base pay and other compensation elements for the Mayor, Deputy Mayor and Councillor positions using the comparator group selected for the 2023 Staff Compensation Review.
- The Consultant reviewed municipal comparator information collected by Tecumseh Staff 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

- 2023 Annual base pay rates:
 - Mayor: \$47,258; Deputy Mayor: \$35,509; Councillor: \$28,137
- No additional meeting per diems are provided
- Per diems of \$200/day are paid for attendance at conferences and workshops
- \$80/day meal allowance is provided
- Health Care premiums are paid (\$388.67/month), equivalent coverage as Management Staff); \$50,000 Life Insurance coverage is provided (\$15.99/month); no Health Care coverage or Life Insurance is provided on 'retirement'/termination
- 9% of earnings are paid in lieu of participation in the OMERS pension plan or an RRSP
- Kilometrage expense equivalent to the CRA rate
- Laptop/tablet and cell phones are provided
- Internet service is reimbursed at \$50/month and cell phone service is paid by the Town with personal long-distance charges to be reimbursed
- Base pay is adjusted annually (January 1st) with same economic adjustment provided to
3 non-union employees

Executive Summary

- 2023 Base Pay for Tecumseh Elected Officials is as follows:
 - Mayor: \$47,258; Deputy Mayor: \$35,509; Councillor: \$28,137
- The 2023 base pay remuneration for Mayor is low to the defined pay market (65th percentile); base pay remuneration for the Deputy Mayor and Councillors is generally reflective of the 65th percentile.
- Other elements of compensation are generally competitive



Market Competitiveness—Methodology and Source Data

- The market comparator group was selected having regard to the comparator group that was used in the 2023 Staff Compensation study; 14 comparators were identified.
- A custom survey was prepared using the following comparator municipal organizations:
 - Lakeshore, Leamington, Amherstburg, LaSalle, Kingsville, Essex
 - St. Thomas, Stratford, Innisfil, Fort Erie, New Tecumseth, Bradford West Gwillimbury, Woodstock, Collingwood
- The comparator group was selected having regard to relevant scope/criteria:
 - Historic comparators
 - Geographic location
 - Similar service alignment/”like” services
 - Size (i.e., population/operating budget)
- Tecumseh is relatively placed within the comparator group having regard to size indicators (i.e., operating expenditures, population, size of Council)

Market Observations—Base Pay

- Base pay compensation for Mayor, Deputy Mayor and Councillor positions was reviewed and compared to the defined pay market using 2023 base pay rates.
- 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 Tecumseh Elected Official positions is above or below the market target percentile value.

Tecumseh Council Compensation 2023 Base Pay Market Summary

	2023 Base Pay Rate Annual	2023 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	\$47,258	14	\$51,168	+8.3%	\$51,580	+9.1%	\$51,629	+9.2%	\$59,496	+25.9%
Deputy Mayor	\$35,509	12	\$33,425	(5.9%)	\$33,881	(4.6%)	\$34,258	(3.5%)	\$34,683	(2.3%)
Councillor	\$28,137	14	\$26,434	(6.1%)	\$27,165	(3.5%)	\$27,571	(2.0%)	\$27,702	(1.5%)

Market Observations—Base Pay

- The 2019 Compensation Review for Elected Official positions identified the 65th percentile pay target as reasonable based on the comparator group and economic considerations. The Management/Non-union compensation philosophy also establishes job rates at the 65th percentile pay target.
 - the 65th percentile target is the \$ Rate where 65% of the wage rates in comparator organizations are below this amount, and 35% are above.
- Base pay rates for the Deputy Mayor and Councillor positions are generally competitive; the base pay rate for the Mayor is 25.9% below the 65th percentile of the defined comparator group.
- Market comparison for Tecumseh Elected Official positions based on the 65th percentile is as follows:
 - ▶ The market rate for the Mayor is \$59,496. Pay rates range from \$46,384 (Innisfil) to \$74,478 (Woodstock).
 - ▶ The market rate for the Deputy Mayor is \$34,683. Pay rates range from \$22,714 (Stratford) to \$40,261 (LaSalle).
 - ▶ The market rate for Councillor is \$27,702. Pay rates range from \$20,984 (Stratford) to \$36,262 (LaSalle).

Market Observations—Other remuneration and pay practice

- For the majority of comparators, base pay compensates for Council meetings, committee meetings and special meetings of Council; 2 comparators report additional per diems for attendance at Public meetings (\$66.62 and \$100); 3 comparators report per diems for Special Meetings ranging from \$60.00 to \$200 (full day)
- 9 comparators provide per diems for conference attendance (\$150 to \$207/day)
- 10 comparators provide Extended Health & Dental benefits; 7 comparators provide Life Insurance
- 4 comparators provide OMERS contributions; 1 comparator provides RRSP contributions
- 13 comparators report that base pay rates are adjusted annually by an economic adjustment provided to staff/union positions.
- 6 comparators report that compensation reviews were conducted between 2019 and 2023
- 6 comparators report base pay percentile pay targets ranging from the 50th percentile to the 75th percentile of their comparator group

Conclusions

- The comparator group is representative based on select criteria and is aligned with the comparator group for the Management/Non-union employee group.
- The 65th percentile target (P65) continues to be a reasonable pay target for base pay having regard to the comparator group and the market target for Management/non-union positions.
- The 2023 base pay remuneration for the Mayor is low to the defined pay market; base pay remuneration for the Deputy Mayor and Councillor positions is generally reflective of the 65th percentile pay target.
- Other elements of remuneration are comparable.
- 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

2023 Base Pay Adjustments

- It is recommended that Council give consideration to implementing the following base pay adjustment effective January 1, 2024.
 - Mayor: \$59,496
- It is recommended that current base pay rates for the Deputy Mayor and Councillors be continued in 2024:
 - Deputy Mayor: \$35,509
 - Councillor: \$28,137

P65 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; and that the full economic adjustment be applied annually to all Elected Official positions.
- **Review Period:**
- It is recommended that an external review be conducted once every four years using a Consultant and comparator survey data; the next review being during the next term of Council