

**Region of Waterloo**  
**Planning, Development, and Legislative Services**  
**Council and Administrative Services**

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**To:** Administration and Finance Committee

**Meeting Date:** June 4, 2024

**Report Title:** Council Remuneration and Support

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**1. Recommendation**

For Direction:

Option 1:

That the Regional Municipality of Waterloo approve the Terms of Reference for the Council Remuneration and Support Advisory Committee as outlined in Appendix A of report PDL-CAS-24-002, dated June 4, 2024.

And that the Regional Clerk be directed to advertise for applications for membership on the Committee in September 2024 and present all applications received to Council in October 2024.

And that \$50,000 be included in the 2025 budget for the purposes of securing the services of an independent external compensation consultant to conduct the review in partnership with the Council Remuneration and Support Advisory Committee.

Option 2:

That the Regional Municipality of Waterloo direct staff, in 2025, to secure the services of an independent external compensation consultant to conduct a review of the remuneration, benefits, and staff support provided to Regional Council.

And that \$50,000 be included in the 2025 budget for the purposes of securing the services of an independent external compensation consultant to conduct the review.

And that the consultant's review includes opportunities for the public to provide input.

And that a public meeting of Council be scheduled to allow the public to comment on the consultant's report prior to Council considering the recommendations from the consultant as outlined in report PDL-CAS-24-002, dated June 4, 2024.

Option 3:

That the Regional Municipality of Waterloo approve the following, effective for the next term of Regional Council, November 15, 2026 to November 14, 2030:

1. Maintain the current base compensation rates for the positions of Regional Chair, Regional Councillor, and Regional Standing Committee Chair during the next term of Council;
2. Continue to adjust base compensation rates of the Regional Chair, Regional Councillor and Regional Standing Committee Chair, effective January 1 each year in accordance with the lesser of:
  - a. the average annual change in the all-items Consumer Price Index for Ontario for the previous year; or
  - b. the increase approved for non-union Regional staff; or
  - c. 3 %.

as outlined in report PDL-CAS-24-002, dated June 4, 2024.

## **2. Purpose / Issue:**

To provide options for a mechanism to examine and make recommendations to Council on the appropriate level of remuneration, benefits, and staff support that will be in place during the 2026-2030 Council term.

## **3. Strategic Plan:**

The report aligns with the 2023-2027 Corporate Strategic plan through the Resilient and future-ready organization priority.

## **4. Report Highlights:**

- In December 2022, Council directed staff to prepare a Terms of Reference for a Citizen Advisory Committee, in the third year of this term of Council, to study and provide recommendations to Council regarding the remuneration and benefits for Members of Regional Council, including an analysis of comparator jurisdictions, to be presented to the Administration and Finance Committee.
- When consulting with comparable and area municipalities, staff found that many municipalities have experienced challenges when using an advisory committee to conduct this type of review. As a result, many municipalities have either chosen a third-party consultant to conduct the review, or have established a policy similar to the Region's current annual adjustment mechanism that ties any cost of living increase for Councillors to the one approved for staff.

**Option 1 – Advisory Committee**

- Option 1 continues with the approach of appointing an advisory committee. If approved, the Terms of Reference for the Council Remuneration and Support Advisory Committee (Appendix A) creates a committee of 5-8 citizens that will be tasked with reviewing the compensation, benefits, and staff support that is provided to Regional Councillors. Preference will be given to members of the public who have backgrounds or experience in human resources, finance, compensation methodology or similar fields, while reflecting the diversity of the Region as much as possible.
- The Committee would be directed to look at: base compensation for the Regional Chair, Regional Councillors, and Standing Committee Chairs; health benefits and coverage; and the level of staff support provided to Councillors to determine if these amounts continue to be appropriate given current roles and responsibilities. The Committee would also consider whether the approved adjustment formula remains appropriate.
- If approved, Human Resources, Finance, and Clerk's staff will provide support to the Committee as needed. Additionally, staff are recommending that funds be allocated for securing an independent consultant with expertise on compensation to work with the Committee. This approach will ensure that the Committee is provided with impartial advice and is consistent with approaches taken in other municipalities.

**Option 2 – External Consultant**

- Option 2 directs staff to secure the services of an independent external compensation consultant to conduct a review of the remuneration, benefits, and staff support provided to Regional Council, while ensuring that there are opportunities for the public to have input into the recommendations.
- Selecting a consultant rather than an advisory committee would have increased costs but would address issues that other municipalities have had with the advisory committee approach, including a lack of interested volunteers, a lack of technical expertise on the committee, possible political agendas on the advisory committee, and the difficulty of Councillors having to question recommendations made by members of the public.

**Option 3 – Status Quo**

- Option 3 approves the status quo and would maintain the current base compensation rates for the next term of Council.

- This option would continue with the approved adjustment to the base compensation rates on January 1<sup>st</sup> each year being the lesser of:
  - a. the average annual change in the all-items Consumer Price Index for Ontario for the previous year; or
  - b. the increase approved for non-union Regional staff; or
  - c. 3 %.

## 5. Background:

Prior to the Covid-19 pandemic, a Citizen's Committee on Council Compensation would be formed once a term, but no formal terms of reference existed for this Committee. The Committee was not formed for the 2018-2022 term of Council due to the pandemic, and the status quo adjustment to the base compensation rate has been used during this term.

## 6. Communication and Engagement with Area Municipalities and the Public

**Area Municipalities:** The Area Municipal Clerks are aware of this report and have been consulted on how they have undertaken similar reviews.

**Public:** Input from the public has not been sought with respect to the terms of reference. However, if either Option 1 or 2 is approved, the public would have an opportunity to apply to serve on the Committee or provide comments on a consultant's report before Council makes a decision.

## 7. Financial Implications:

If Option 1 is approved the advertising and support for the Committee can be supported from within the existing Council and Administrative Services budget. However, \$50,000 will need to be included in the 2025 budget to cover the costs for a consultant to work with the Committee.

If Option 2 is approved 50,000 will need to be included in the 2025 budget to cover the costs for a consultant.

There are no additional financial implications for selecting Option 3.

## 8. Conclusion / Next Steps:

If Option 1 is approved the Regional Clerk will advertise for positions on the Committee in September and will present all of the applications received to Regional Council in October of 2024.

If Option 2 is approved staff will develop a request for proposals to seek interest from

qualified consultants

If Option 3 is approved the adjustment mechanism will remain in place for the next term of Council and no further work will be undertaken at this point.

**9. Attachments:**

Appendix A: Terms of Reference - Council Remuneration and Support Advisory Committee

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