

Type: Open Session

Report To: Council

Meeting Date: March 31, 2025

Subject: Council Compensation Review

Recommendation(s)

1. That report TC-25-07, Council Compensation Review, dated March 31, 2025, be received; and
2. That Council approve Option ____ and direct Staff to implement the required next steps:
 - a. Option A: Citizen Advisory Committee
 - b. Option B: Third-Party Consultant (***Recommended***)
3. That Council approve the recommended costs to be funded from the Levy Program Contingency & Stabilization Reserve.

Purpose

The purpose of this report is for Staff to report back with options, as per Council's direction about conducting a compensation review for the 2026 – 2030 term of Council.

Background

At the February 24, 2025 Council meeting, the following resolution was approved:

C-25- 042

Moved by: Councillor Davoli
Seconded by: Councillor Freake

Whereas the Town of Grimsby is committed to transparency, accountability, and ensuring fair and appropriate compensation for members of Council; and

Whereas the last compensation review for members of Council was completed for 2019 and reported to Council on February 3, 2020; and
Whereas regular reviews of Council compensation are a best practice to ensure alignment with current standards, community expectations, and fiscal responsibility; and

Whereas the 2020 report recommended and Council approved the recommendation that a compensation review be done at least every 5 years; and

Whereas engaging community members through a Citizen Advisory Committee provides valuable insights and fosters public trust in the decision-making process.

Therefore be it resolved that the Town of Grimsby initiate a comprehensive review of Council compensation for the 2026 – 2030 term of Council, including wages and benefits, to assess alignment with comparable municipalities and current governance standards; and

Be it further resolved that a Citizen Advisory Committee be established to oversee the compensation review process, comprised of a maximum of five members of the public, selected through an open application process to ensure technical and diverse representation; and

Be it further resolved that staff report back to Council, outlining the Citizen's Committee's Terms of Reference, including scope, objectives and responsibilities and workplan for the review process and any financial impacts, prior to advertising for Committee members; and

Be it further resolved that the Citizen Advisory Committee's mandate include:

- a. Reviewing and analyzing compensation data, including hours worked and best practices from comparable municipalities.
- b. Developing recommendations for Council compensation adjustments, if any, that reflect fairness, fiscal responsibility, and alignment with municipal governance trends; and

Be it further resolved that the Chief Administrative Officer or delegate be directed to provide guidance, oversight and technical support to the Citizen Advisory Committee, including the preparation of applicable background information; and

Be it further resolved that Staff report back on the Citizen Advisory Committee's findings and recommendations to Council no later than December 1, 2025 for consideration and implementation for the 2026 – 2030 term of Council.

Carried

Analysis/Comments

A typical Council compensation review process includes the following steps:

- Obtaining municipal comparators based on population size, geographic location, and governance structure.
- Collecting data sets on Council wages, benefits, technology, and mileage/travel.

- Analyzing trends and best practices from other municipalities.
- Engaging stakeholders, such as members of the public or external experts, to ensure an objective review.
- Developing recommendations for Council that balance fairness, fiscal responsibility, and competitiveness.

Data relating to the number of hours Council members work, as noted in the original motion, is not a comparator used in compensation reviews as the data across municipalities is not available.

To complete this review, staff have identified two possible options, listed below.

Options

Option A: Citizen Advisory Committee

This option involves recruiting a Citizen Advisory Committee, hiring a facilitator to analyze the data and guide the Committee discussion, hold Committee meetings, and a final report to Council. Should Council choose Option A, staff will proceed with writing the Terms of Reference as per the criteria in this report, advertise to recruit, and report back to Council for appointment of members.

The project steps for this option include:

- Project initiation
 - Procuring a consultant for analysis (staff)
 - Recruiting Committee members (staff)
 - Orientation Committee meeting to review Terms of Reference and Procedural By-law (staff)
- Collection of market data
 - Determine comparator municipalities (consultant & Committee)
 - Draft survey to send to comparator municipalities (consultant)
 - Circulate survey to comparator municipalities (staff)

- Analysis, Observation, draft report
 - Review and capture data into presentation (consultant)
 - Prepare analysis and observations to present to Committee (consultant & staff)
 - Hold 3 – 4 Committee meetings to review data, best practices, observations, and formulate recommendations (consultant & staff)
- Prepare Final Report
 - Include Committee input into final report (consultant)
 - Meet with CAO to review final report (consultant & staff)
 - Consultant drafts final report that outlines comparators, methodology, compensation elements surveyed, observations, and recommendations. The report also includes best practices in the sector and recommends how and when future Council compensation reviews should be conducted. (consultant)
 - Present the report to Council in Open Session (Committee Chair & consultant)

Option B: Third-Party Consultant (*Recommended*)

Option B involves hiring a third-party consultant to undertake the data collection, analysis, and final report. Should Council choose Option B, staff will proceed with procuring a third-party consultant, executing the project steps, and reporting back to Council with the final recommendations.

The project steps for this option include:

- Project initiation and collection of market data
 - Consultant reviews elements of Council remuneration and comparator municipalities
 - Staff circulate survey to comparator municipalities
 - Consultant captures data

- Analysis, observations, draft report
 - Consultant reviews market data and prepares statistical analysis
 - Consultant prepares draft report and review with CAO
- Prepare final report
 - Consultant drafts final report that outlines comparators, methodology, compensation elements surveyed, observations, and recommendations. The report also includes best practices in the sector and recommends how and when future Council compensation reviews should be conducted.
 - Consultant attends and present the report to Council in Open Session.

	Option A: Citizen Advisory Committee	Option B: Third-Party Consultant
Estimated consultant hours	35 hours appx.	17.5 hours appx.
Estimated total staff hours (CAO + Directors of HR, Finance, Legislative Services)	40 hours appx.	8 hours appx.
Estimated consultant fee	\$12,000 or more	\$6000 or less
Estimated timing for final report to Council	December	July

Upon reviewing the options, Staff recommend proceeding with Option 2 and engaging a third-party consultant as it is the most fiscally responsible and efficient method to accomplish the project deliverables.

Strategic Priorities

Priority: Collective Prosperity

Direction: Focus on affordability and financial sustainability for the municipality

Action: Continue to enhance financial transparency

Financial Impact

The financial impact of both options is outlined in the table above. It is important to note that pursuing Option A not only doubles the fees but also quadruples the amount of staff time involved in executing the project. It is recommended costs be funded from the Levy Program Contingency & Stabilization Reserve.

Financial impacts of the Council compensation review will be outlined in the final recommendation report.

Conclusion

Staff seek Council's direction on the preferred approach to conducting the 2026-2030 Council compensation review. While Option A aligns with the motion's intent and allows for community involvement, it is more time-consuming and costly. Option B offers a more efficient and cost-effective method while still ensuring a comprehensive market analysis.

Staff recommend proceeding with Option B: Third-Party Consultant and Custom Market Survey, as it provides a balanced approach that ensures a fair, data-driven review while minimizing costs and staff resource commitments.

Pending Council's decision, staff will proceed with obtaining quotes for consultant services and initiating the compensation review process.

Respectfully prepared and submitted by,



Victoria Steele
Director of Legislative Services / Town Clerk

Respectfully reviewed by,



Tony Del Monaco
Director of Finance / Treasurer

Respectfully approved by,



Sarah Kim
Chief Administrative Officer