



City of North Bay Report to Council

Report No: CORP-2024-060

Date: June 7, 2024

Originator: Wanda Trottier

Business Unit:

Department:

Corporate Services

Human Resources Department

Subject: Vehicle Allowance

Closed Session: yes no

Recommendation

That Council authorize:

1. the Chief Administrative Officer to update the Council Remuneration By-Law to include a vehicle allowance of \$7,200 for the Mayor; and
2. the updated Council Remuneration By-Law applies the Consumer Price Index (CPI) from the previous year as the mechanism to index vehicle allowance.

Background

During Discussions for the 2024 Budget, Council directed staff to review comparator Municipalities to determine the prevalence of vehicle allowance for members of council.

A survey to facilitate gathering of information was created and made available for completion through the Ontario Municipal Human Resources Association (OMHRA). Additional information was gathered directly from Municipalities.

There are several ways to present the available data for analysis. Staff compared four (4) different groups: data from all participating municipalities; data from single tier Municipalities, data from Municipalities based on Population Range (30,000 – 75,000); and data from northern municipalities. Staff identified the number of municipalities that reported providing vehicle allowance and of those municipalities that provide vehicle allowance, staff determined the mean and median entitlement.

Additionally, staff calculated the mean and median base remuneration. The mean was calculated by adding the reported entitlements and then dividing the total by the number of municipalities in each category. The median was the middle value in the series of entitlements (50th percentile) for the reporting municipalities.

Dataset 1: All Data

Data from 35 Ontario Municipalities was reviewed and it was determined that of the 35 Municipalities, 16 Municipalities provide the Head of Council with a vehicle allowance. The average value of the vehicle allowance for the Head of Council was determined to be \$8,849 annually. The median value of the vehicle allowance for the Head of Council was determined to be \$7,500 annually.

The mean base remuneration for the Head of Council was determined to be \$91,534 and the median base remuneration for the Head of Council was determined to be \$81,739.

Eight (8) Municipalities reported that Councilors are provided with a vehicle allowance. The average value of the vehicle allowance provided to a Councillor was determined to be \$3,948 annually. The median value of vehicle allowance for a Councillor was determined to be \$3,084 annually.

The mean base remuneration for a Councillor was determined to be \$36,971 and the median base remuneration for a Councillor was determined to be \$29,504.

Dataset 2: Tier Type

Data from single tier Municipalities was reviewed. Of fourteen (14) single tier Municipalities, six (6) Municipalities provide the Head of Council with a vehicle allowance. The average value of the vehicle allowance for the Head of Council was determined to be \$6,743 annually. The median value of the vehicle allowance provided to the Head of Council was determined to be \$5,986 annually.

The mean base remuneration for the Head of Council was determined to be \$87,863 and the median base remuneration for the Head of Council was determined to be \$89,455.

Five (5) Municipalities reported that Councilors are provided with a vehicle allowance. The average value of the vehicle allowance provided to a Councillor was determined to be \$3,273 annually. The median value of vehicle allowance provided to a Councillor was determined to be \$3,000 annually.

The mean base remuneration for a Councillor was determined to be \$35,025 and the median base remuneration for a Councillor was determined to be \$29,142.

Dataset 3: Population Range 30,000 – 75,000

In this grouping, six (6) of the thirteen (13) Municipalities provide the Head of Council with a vehicle allowance. The average value of the vehicle allowance for the Head of Council was determined to be \$6,982. The median value of the vehicle allowance for the Head of Council was determined to be \$5,971 annually.

The mean base remuneration for the Head of Council was determined to be \$71,765 and the median base remuneration for the Head of Council was determined to be \$73,629.

Six (6) Municipalities reported that Councilors are provided with a vehicle allowance. The average value of the vehicle allowance provided to a Councillor was determined to be \$3,764 annually. The median value of vehicle allowance provided to a Councillor was determined to be \$3,084 annually.

The mean base remuneration for a Councillor was determined to be \$30,337 and the median base remuneration for a Councillor was determined to be \$26,290.

Dataset 4: Northern Municipalities

Below, of the five (5) Northern Municipalities, the Corporation of the City of North Bay is the only Municipality that doesn't provide the Head of Council with a vehicle allowance. The average value of the vehicle allowance for the Head of Council was determined to be \$7,121 annually. The median value of the vehicle allowance for the Head of Council was determined to be \$6,353 annually.

The mean base remuneration for the Head of Council was determined to be \$101,297 and the median base remuneration for the Head of Council was determined to be \$97,170.

Two (2) Municipalities reported that Councilors are provided with a vehicle allowance. The average value of the vehicle allowance provided to a Councillor was determined to be \$3,084 annually. The median value of vehicle allowance provided to a Councillor was determined to be \$3,084 annually.

The mean base remuneration for a Councillor was determined to be \$32,632 and the median base remuneration for a Councillor was determined to be \$31,995.

Dataset 5: Multiple Criteria

The next step in the analysis of the data was to find the best comparisons based on the four categories. This analysis results in a fifth comparative group labeled as "Multiple Criteria". This category reflects the responding municipalities that are most comparable with the City of North Bay based on the three (3) categories reviewed (tier structure, population and geography). If a municipality falling into the Dataset "Population Range" fell

into at least another Dataset (Northern Municipalities, or Tier Type), the information was included in this comparator group. This yielded a group of four (4) municipalities. Of the four (4) municipalities in this group, The Corporation of the City of North Bay is the only municipality that does not provide for a vehicle allowance for either the Head of Council or a Councillor. included in this comparator group.

The average value of the vehicle allowance for the Head of Council was determined to be \$5,692 annually. The median value of the vehicle allowance for the Head of Council was determined to be \$5,706 annually.

The mean base remuneration for the Head of Council was determined to be \$82,628 and the median base remuneration for the Head of Council was determined to be \$81,608.

The Mayor's base remuneration (\$81,477) is slightly lower than the each of the average and median base remuneration. Adding the median base remuneration value and the median vehicle allowance value yields a value of \$87,314. Adding the mean base remuneration value and the mean vehicle allowance value yields a value of \$88,320.

The difference between the Mayor's current base remuneration from the total median base remuneration plus median vehicle allowance value is \$5,837.

The difference between the Mayor's current base remuneration plus vehicle allowance from the total mean base remuneration plus mean vehicle allowance value is \$6,843.

The average value of the vehicle allowance provided to a Councillor was determined to be \$2,454 annually. The median value of vehicle allowance for a Councillor was determined to be \$3,000 annually.

The mean base remuneration for a Councillor was determined to be \$27,244 and the median base remuneration for a Councillor was determined to be \$26,279. The current base remuneration provided to a Councillor for the City of North Bay is \$31,995, for a difference of \$4,751 from the mean of this dataset and a difference of \$5,716 from the median of this dataset. If we deduct the value of the respective vehicle allowance values from the difference from the central tendency values, the City of North Bay Councillor's total base is still \$2,297 more than the mean base plus mean vehicle allowance, and \$2,716 more than the median base plus median vehicle allowance.

Given the filtering of municipalities from Dataset 1 to Dataset 5 based on the criteria most relevant to the City of North Bay, it can be deemed appropriate to use the mean (or average) value. In this case we'd consider a vehicle allowance for the Mayor based on the difference of \$6,843.

Using the same approach, we'd consider not providing a vehicle allowance for

Councillors since the base remuneration for a Councillor (\$31,995) is \$2,297 more than the mean base remuneration plus vehicle allowance. However, when comparing the differential from the averages between the Mayor's base remuneration plus vehicle allowance and the councillors' base remuneration, it would also be reasonable from an equity perspective to include an annual vehicle allowance of \$7,200 for the Mayor.

Indexing

The recent survey also gathered information from other municipalities regarding the methods used to index remuneration. The City's current approach to remuneration includes annual indexing. Since 2002, the City has used the CPI from the previous year to adjust Council remuneration. The majority of municipalities in the survey also use the CPI from the previous year.

Financial/Legal Implications

Providing a vehicle allowance to the Mayor would increase the annual budget by the difference between the allowance and the projected mileage reimbursement rate. For reference, mileage claimed for the 2023 calendar year was \$2,664.87. If we use the value that represents the difference from the total mean value identified in Dataset 5, (\$7,200) the increase in cost would be approximately \$4,535.

During the budget process, Council made provisions in the 2024 Operating Budget of up \$9,000 for a car allowance pending completion of a comparative analysis by staff.

Corporate Strategic Plan

- Natural North and Near
- Affordable Balanced Growth
- Responsible and Responsive Government
- Economic Prosperity
- Spirited Safe Community

Specific Objectives

Options Analysis

Remuneration:

1. That Council direct the Chief Administrative Officer to update the Council Remuneration By-Law to include a vehicle allowance of \$7,200 for the Mayor.
2. That Council does not direct the Chief Administrative Officer to update the Council Remuneration By-Law to provide with Mayor with a vehicle allowance. This option is not recommended.

Indexing

The City's current approach to remuneration includes annual indexing. Since 2002, the City has used the CPI from the previous year to adjust Council remuneration. The recent survey also gathered information from other municipalities regarding the methods used to index remuneration. The majority of municipalities in the survey also use the CPI from the previous year.

Option Analysis

1. That Council authorize that the Council Remuneration By-Law be amended and the Consumer Price Index (CPI) be applied from the previous year as the mechanism to index vehicle allowance.
2. That Council does not apply the Consumer Price Index (CPI) from the previous year as the mechanism to index vehicle allowance. This option is not recommended.

Recommended Option

That Council:

1. Authorize the Chief Administrative Officer to update the Council Remuneration By-Law to include a vehicle allowance of \$7,200 for the Mayor; and
2. the updated Council Remuneration By-Law applies the Consumer Price Index (CPI) from the previous year as the mechanism to index vehicle allowance.

Respectfully submitted,

Name: Wanda Trottier, CHRL

Title: Director, Human Resources

I concur with this report and recommendation

Name: John Severino, P.Eng., MBA

Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Wanda Trottier, CHRL

Title: Director, Human Resources