Thursday, January 14, 2016
6:00 PM. – Regular Meeting

Boardroom CH-2F - City Hall, 2nd Floor

Members: Philip Varickanickal (Chair)
Jessica Phinn (Vice-Chair)
Lynn Dobson
Joy Gordon-Adams
Frank Lodhar

For inquiries about this Agenda, or to make arrangements for accessibility accommodations for persons attending (some advance notice may be required), please contact:

Shauna Danton, Legislative Coordinator
Phone (905) 874-2116, TTY (905) 874-2130, cityclerksoffice@brampton.ca

Note: Some meeting information may also be available in alternate formats, upon request
Agenda
Council Compensation Committee

Note: Please ensure all cell phones, personal digital assistants (PDAs) and other electronic devices are turned off or placed on non-audible mode during the meeting

1. Approval of the Agenda

2. Declarations of Interest under the Municipal Conflict of Interest Act

3. Previous Minutes

3.1. Minutes - Council Compensation Committee - November 12, 2015

The minutes were considered by Corporate Services Committee on December 2, 2015, and the recommendations were approved by Council on December 9, 2015. The minutes are included on this agenda for information only.

4. Delegations / Presentations

5. Discussion / Business Items

5.1. Report from D. King, Manager, Compensation and Benefits, Corporate Services, dated January 14, 2016, re: Benefit Policy Change Overview (File BC.x)

5.2. Discussion Item re: Mandate of the Committee

Note: This item was requested by the Committee at its last meeting

6. Public Question Period

15 Minute Limit (regarding any decision made at this meeting)

7. Adjournment

Next meeting: To be determined
Thursday, November 12, 2015

Members Present: Philip Varickanickal – Chair
                Jessica Phinn – Vice-Chair
                Lynn Dobson
                Joy Gordon-Adams
                Frank Lodhar

Members Absent: nil

Staff Present: Shirley Gannon, Director, Treasury Services
               Debra King, Manager, Compensation and Benefits
               Lavina Dixit-Chaterjee, Senior Advisor, Communications
               Shauna Danton, Legislative Coordinator

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Telephone (905) 874-2116
TTY 905-874-2130, cityclerksoffice@brampton.ca

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The meeting was called to order at 6:03 p.m., and adjourned at 7:22 p.m.

A. Approval of Agenda

The following motion was considered:

CCC020-2015

That the agenda for the Council Compensation Committee Meeting of November 12, 2015, be approved as amended as follows:

To add:

E 2. Committee Discussion re: September 30, 2015, Council Consideration of Committee Recommendations

E 3. Committee Discussion re: Committee Mandate

Carried

B. Declarations of Interest under the Municipal Conflict of Interest Act - nil

C. Previous Minutes

C 1. Minutes of the Meeting held on September 24, 2015.

The minutes were considered by Corporate Services Committee on October 7, 2015, and the recommendations were approved by Council on October 14, 2015. The minutes were included on the agenda for information only.

In response to questions from Committee, staff outlined the process for approval of committee minutes.

Committee noted the following:

Re: Item E 1 – Committee discussion re: Committee Mandate

- Clarification that bullet 4 should reflect details of the Mayor and Councillors’ terms of office; and bullet 5 should state review of salary, health benefits, retirement benefits, vehicle allowance, severance, and job descriptions

Staff noted that Committee review of the Mayor and Councillors’ job descriptions may not be necessary as they are governed by the Municipal Act.
Committee requested clarification regarding the mandate at the next meeting.

D. Delegations / Presentations

E. Discussion / Business Items

E 1. Report from Shirley Gannon, Director, Treasury Services, Corporate Services, and Debra King, Manager, Compensation and Benefits, Corporate Services, dated November 12, 2015, re: Discussion Paper – Broad Municipal Benefit and Compensation Benchmarking Results for Elected Officials (File BC.x)

Staff provided an overview of the subject discussion paper.

Committee consideration of the matter included:

- Questions regarding the City’s policy on Mayor and Councillor severance
- Requests for information on health care contracts, benefit renewal rates, and required time to recommend carrier amendments

In response to questions from Committee, staff provided details on the benefits carrier, retirement benefits, and the health care spending account. Confirmation was given that the requested information will be provided at the next meeting.

The following motion was considered:

CCC021-2015 That the report from Shirley Gannon, Director, Treasury Services, Corporate Services, and Debra King, Manager, Compensation and Benefits, Corporate Services, dated November 12, 2015, to the Council Compensation Committee Meeting of November 12, 2015, re: Discussion Paper – Broad Municipal Benefit and Compensation Benchmarking Results for Elected Officials (File BC.x) be received.

Carried

E 2. Committee Discussion re: September 30, 2015, Council Consideration of Committee Recommendations
Committee consideration of the matter included questions about the effective date for the elimination of the 1/3 tax free exemption and clarification on the Mayor’s salary.

E 3. Committee Discussion re: Committee Mandate

Committee consideration of the matter included:

- Questions of clarification regarding the Committee’s mandate and review of the Mayor and Councillors’ job descriptions
- Committee timeline and framework; suggested deadline of March/April 2016 to complete mandate

In response to questions from the Committee, staff provided details on the Mayor and Councillors’ current OMERS and retirement/severance contracts.

F. Public Question Period - nil

G. Adjournment

Committee consideration of the matter included consensus to meet on January 14, 2016, at 6:00 p.m.

The following motion was considered:

CCC022-2015 That the Council Compensation Committee do now adjourn to meet again on Thursday, January 14, 2016, at 6:00 p.m.

Carried

______________________________
Philip Varickanickal, Chair
Council Compensation Committee

Benefit Policy Change Overview
January 14, 2016

Prepared by: Shirley Gannon, Director, Treasury Services
Debra King, Manager, Compensation & Benefits, Human Resources
Discussion Paper Purpose

In response to a request from the Council Compensation Committee on November 12, 2015, a brief summary of plan change amendments is provided. This request falls under the ongoing mandate to review benefits for all members of Council.

Background

- Group Health, Dental and Emergency Travel benefits are paid by the Corporation and administered by Manulife Financial.
- Life Insurance through Manulife and Accidental Death & Dismemberment Insurance (AD&D) through Chubb Insurance premiums are paid by the Corporation.
- Employee & Family Assistance Program (EFAP) is paid for by the Corporation and covers active Elected Officials only.

There are three coverage categories for Elected Officials:

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<thead>
<tr>
<th>Category</th>
<th>Coverage</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Active In Office</td>
<td>Health, Dental, Emergency Travel, Life, AD&amp;D, EFAP</td>
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<tr>
<td>Early Retiree</td>
<td>Pre-65 (55-65)</td>
<td>Health, Dental, Emergency Travel</td>
</tr>
<tr>
<td>Normal Retiree</td>
<td>Post-65 (65+)</td>
<td>Health Care Spending Account Only *</td>
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*Details in Appendix A

Benefit Contract and Funding Renewals

The fees and premium rates are reviewed annually and established based on claims experience and demographics. Renewals are effective May 1st for: Manulife Financial for group benefits and income protection plans, Chubb Insurance for Accidental Death and Dismemberment and Aspiria for the Employee and Family Assistance Program.

Plan Design Changes with Manulife

The structure of the City’s benefit plans separates each benefit group, i.e. Non-Union, CUPE, Elected Officials, within the same contract which allows for changes to be made to a single plan independent of the others. Design changes to existing plans can be implemented at any time with the service provider, i.e. through Collective Bargaining or Harmonization.

The following are Manulife’s targeted timelines depending on the type of change:

**Simple Amendments:** Target is 15 business days to complete amendment of this type. Examples: changing current plan maximums (i.e. vision from $450.00 to $500.00), updating a fee guide year or adding annual caps.

**Complex Amendments:** Target is 25 business days to complete amendment of this type. Examples: adding a brand new benefit, changes impacting structure (i.e. new plans, divisions), or new plan design.
Benefit Harmonization

Under the current benefit structure, benefits (Health, Dental, Emergency Travel, Life Insurance and Accidental Death & Dismemberment) for Elected Officials parallel those of Non-Union, in compliance with Council Resolution C420-2002, which states:

“Be it resolved that healthcare coverage for members of Council holding office after December 1, 2003 mirror that of non-union staff.”

Past practice has been to harmonize improved benefit coverage between that of Non-Union/Elected Officials and negotiated Union benefits.

Other: Base Pay Update

As per Resolution CCC015-2015:

CCC015-2015

2. That the one-third tax-free exempt status for the Mayor and Councillor compensation be eliminated, effective January 1, 2016, and the necessary actions be implemented to repeal the one-third tax-free exempt status pursuant to the requirements of subsection 283(6) of the Municipal Act, 2001; and,

3. That,

   (a) the Mayor and Councillor vehicle allowance, effective January 1, 2016, be established based on Option 3 as considered by the Council Compensation Committee (i.e., 100% taxable grossed-up rate and equivalent to a $14,927.52 vehicle allowance); and

   (b) the Mayor and Councillor remuneration rate, effective January 1, 2016, until the end of the current term of Council (November 30, 2018), be established based on the equivalent gross remuneration for the Mayor and Councillor in the City of Mississauga (i.e., $139,374.00 for the Mayor and $84,495.00 for a Councillor based on 2015 rates), subject to an annual review by the Council Compensation Committee and recommendation back to Council during this period;

pending further review by the Council Compensation Committee and recommendations to Council on the appropriate compensation and benefits structure for Brampton City Council for the long term.
Remuneration Rate Update – Mississauga Councillor Salaries

Effective April 1, 2016, Mississauga will be adding an economic adjustment of 1.75% to the Councillor’s base pay of $84,495 (2015 rate). The adjusted salary on April 1, 2016 will be $85,974.

Appendix

Appendix A – Health Care Spending Account Details
Appendix A - Health Care Spending Account (HCSA)  
Contract #17294

Elected Officials, who are leaving the City of Brampton’s Group Health Benefit Plan and are eligible, will be automatically enrolled in the City’s Health Care Spending Account (HCSA) when they reach their 65th birthday.

An HCSA allows Health and Dental expenses to be claimed on a tax-preferred basis, as HCSAs are not a taxable benefit (except in Quebec).

Funds are allocated to the HCSA at the beginning of each plan year, including any CPI adjustments. The HCSA is reduced by any claim payments applied to this account. A payment cannot exceed the account balance. With every payment directed through the HCSA, an explanation of benefits statement is attached which includes the remaining balance.

The HCSA is like a bank account in that an employee is assigned credits to cover any expenses remaining after he/she has submitted claims through other benefit plans. These expenses could include deductibles or co-payments the employee would otherwise have to pay, as well as expenses not covered by any other plan.

Expenses reimbursed through the HCSA must qualify under the Federal Income Tax Act as medical, vision or dental costs. This includes everything from prescription drugs and adult orthodontia to seeing-eye dogs and organ transplants – see list on following page.

**Costs not covered include:** those that private insurers are not legally allowed to cover, services or supplies the employee is entitled to at no cost, and any part of an expense that can be paid under another group plan or government plan. Premiums paid for a Life Insurance policy are not eligible under the HCSA guidelines.

Canada Revenue Agency (CRA) standards dictate that any unused balance in an employee’s HCSA at the end of the policy year cannot be taken in cash. A “Credit Rollover”, however, is allowed.

**Credit Rollover**

If an employee does not utilize all the credits available in a calendar year, the credits remain in the employee’s account for the following year. If the employee has not used them by the second year, the credits are lost.

<table>
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<tr>
<th>Example:</th>
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<tr>
<td>An employee receives an HCSA allocation of $5000 in 2015.</td>
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<tr>
<td>In 2015, the employee incurs $2000 of expenses and therefore has $3000 of credits remaining for the 2015 year.</td>
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<tr>
<td>In 2016, the employee is able to have an allocation of $8070 ($5070* for 2016 plus $3000 of credits remaining from 2015).</td>
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**Note:** HCSA increase of $70 to $5070 is due to CPI indexing effective January 1, 2016.
Eligibility and Enrolment in HCSA:

Eligibility for participation in the HCSA program is based on age, number of consecutive terms in office and prior enrollment in the City of Brampton’s Group Health Plan.

HCSA – Post-65 Benefits / Contract #17294:

Elected Officials who have achieved 65 years of age and have served four (4) consecutive terms of Council, are eligible to participate in, and will be automatically transferred to, a Health Care Spending Account administered through the Corporation’s benefits provider, currently Manulife Financial.

Coverage period is one (1) year of HCSA participation for every two (2) years of continuous service.

The maximum number of participating years in HCSA will vary by individual based on the number of years of continuous service, i.e. 20 years’ service = maximum of 10 years’ HCSA participation.