Thursday, March 31, 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
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


The recommendations were considered by Corporate Services Committee on January 20, 2016, and the recommendations approved by Council on January 27, 2016. The minutes are provided for information only.

4. Delegations / Presentations

5. Discussion / Business Items

5.1. Report from D. King, Manager, Compensation and Benefits, Corporate Services, dated March 31, 2016, re: Benefits Benchmarking – Remaining Committee Mandate Items (File BC.x)

6. Public Question Period

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

7. Adjournment

Next meeting: Thursday, April 14, 2016, at 6:00 p.m.
Members: Philip Varickanickal (Chair)
       Jessica Phinn (Vice-Chair)
       Lynn Dobson
       Joy Gordon-Adams
       Frank Lodhar

Staff Present: P. Fay, City Clerk, Corporate Services
               S. Gannon, Director, Treasury Services, Corporate Services
               D. King, Manager, Compensation and Benefits, Corporate Services
               S. Danton, Legislative Coordinator, Corporate Services
The meeting was called to order at 6:14 p.m., and adjourned at 7:28 p.m.

1. **Approval of the Agenda**

   The following motion was considered:

   CCC001-2016  That the agenda for the Council Compensation Committee Meeting of January 14, 2016, be approved as printed and circulated.

   Carried

2. **Declarations of Interest under the Municipal Conflict of Interest Act** - nil

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 were included on the agenda for information only.

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

4. **Delegations / Presentations** - nil

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)

   Debra King, Manager, Compensation and Benefits, Corporate Services, referenced the material provided in the printed agenda and noted the required time needed to recommend contract adjustments.

   In response to questions from Committee, staff provided details on the following:

   - The opportunity for complex or simple health benefit contract adjustments for the Mayor and Councillors should the Committee recommend such changes
   - Council adopted resolutions regarding the Mayor and Councillors’ salaries
• Benefits increases, rollovers, unused amounts, indexing formula, and renewals
• Health care spending account and terms of eligibility
• Pension and retirement benefits terms of eligibility
• Status of benefits and pensions for current and past members of Council

Confirmation was provided that the past discussion papers will be collated into one document and will include a table that outlines salary, vehicle allowance, benefits (active, pre-65, and post-65), and severance. The document will include municipal comparators, participants in each category, annual expenditures, and will assist Committee in recommending if the current provisions are adequate, inadequate, or over adequate.

Committee consideration of the matter included suggestions that another two meetings are required to allow for a review of the information and to develop final recommendations for Council consideration.

5.2 Discussion item re: Mandate of the Committee

In response to questions from Committee, staff outlined the expectations of the Committee and confirmed that a review of the Councillors’ roles and responsibilities is not within the purview of the mandate. Staff will ensure that the City’s web portal correctly identifies the Committee mandate, as set out in the Council-approved Committee terms of reference.

6. Public Question Period - nil

7. Adjournment

Committee consideration of the matter included consensus to meet again on Thursday, March 31, 2016, at 6:00 p.m., and Thursday, April 14, 2016, at 6:00 p.m.

CCC002-2016 That the Council Compensation Committee do now adjourn to meet again on Thursday, March 31, 2016, at 6:00 p.m.

Carried

______________________________
Philip Varickanickal, Chair
Council Compensation Committee
City of Brampton

ANALYSIS
COMPENSATION UPDATES

March 31, 2016
Discussion Paper Purpose

In accordance with the Council Compensation Committee mandate, this Paper consolidates all data, reporting and benchmarking results to assist with final recommendations to Council.

The Council Compensation Committee requested all previous reporting be updated to reflect standard benefit terminology and all previous documents reflect the following standard references as it relates to each benefit category:

1) Active – Elected Officials (while in office with no age restriction)
2) Pre-65 – Elected Officials (out of office age 55 to 65)
3) Post-65 – Elected Officials (out of office age 65 plus)

Compensation Mandate Status

<table>
<thead>
<tr>
<th>Compensation Matter</th>
<th>Recommendation Status</th>
<th>Resolution</th>
<th>Decision Required/ Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Allowance</td>
<td>Recommendation and Council approval. Match to Brampton senior management standard</td>
<td>CCC015-2015</td>
<td>Decision required</td>
</tr>
<tr>
<td></td>
<td>decision required on annual adjustment methodology.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits – active</td>
<td>Under review Recommendation to Council pending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(while in office)</td>
<td>Recommendation to Council pending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits – pre-65</td>
<td>Under review Recommendation to Council pending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(out of office)</td>
<td>Recommendation to Council pending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits – post 65</td>
<td>Under review – Health Care Spending Account Recommendation to Council pending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(out of office)</td>
<td>Recommendation to Council pending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/3 Tax Free Exempt Status</td>
<td>Recommendation and Council approval Remove 1/3 tax free exempt status</td>
<td>CCC015-2015</td>
<td>Completed</td>
</tr>
<tr>
<td>Severance</td>
<td>Removal of severance and OMERS</td>
<td>CCC005-2013 By-Law 143-2014</td>
<td>Completed</td>
</tr>
</tbody>
</table>
Other Data provided for consideration

The number of participants in each benefit category/salary plan is provided outlining the claim expenditures and this data includes the Non-Union as well as the CUPE (Canadian Union of Public Employees) bargaining unit information for comparison purposes.

Please refer to New Appendices as highlighted at the end of this Discussion Paper.

Relevant Resolutions for Reference

One-third tax-free exempt Status, Vehicle Allowance and Remuneration Rate

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.
Note: 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.

Severance:
CCC005-2013 1. That the report from John Corbett, Chief Administrative Officer, on behalf of Senior Management team, dated February 11, 2013, entitled Total Compensation Package for Elected Officials, be received;

2. That the City of Brampton continue salary progression for elected officials until job rate is achieved in 2016 to support the goal of continuing to attract interested, qualified, experienced and motivated individuals who will shape the future of the City;

3. That the retirement allowance/severance provisions for elected officials, effective with the 2010-2014 term, be established based on the following:

   a. one (1) month’s compensation at the “grossed up” salary for each year of service to a maximum of eighteen (18) months;

   b. for elected officials who have achieved 55 years of age, at time of retirement, and have served three (3) consecutive terms of Council, a continuation of the corporate group benefits program until age 65;

   c. for elected officials who have achieved 65 years of age, and have served four (4) consecutive terms of Council, a Health Care Spending Account administered through the Corporation’s benefits provider, of up to $5,000 per year (indexed annually based on the Ontario Consumer Price Index for Health and Personal Care) for a coverage period of one (1) year for each two (2) years of service, with such Health Care Spending Account program to be reviewed by staff every two years to ensure adequate coverage;

   except that such provisions do not apply where a Member of Council leaves office as a result of a judicial determination;
4. That the City of Brampton replace the RRSP program and provide a retirement pension cash amount, based on the City’s annual OMERS contribution rate and the current formula for determining the income base, subject to statutory deductions, representing the annual retirement pension contribution for all elected officials regardless of their circumstances, effective January 1, 2010.

Report from P. Honeyborne, Executive Director, Finance/Treasurer, Corporate Services, dated May 20, 2014, re: Members of Council Participation in the Ontario Municipal Employees Retirement System (OMERS) Pension Plan (File H20)

By-law 143-2014 To authorize participation in the OMERS primary pension plan (“Primary Plan”), and the retirement compensation arrangement that provides benefits for members and former members of the Primary Plan (“RCA”), in respect of the Mayor and Regional and City Councillors (Councillors) of The Corporation of the City of Brampton

This information is provided to assist the Council Compensation Committee with their final recommendations to Council.

The following New Appendices are provided:

Appendix 1 – Annual Expenditures by Coverage Category
Appendix 2 – Coverage Comparison by Category – Internal
Appendix 3 – Internal Benefit Comparison – Active (While in Office)
Appendix 4 – Internal Benefit Comparison – Pre-65 (When Out of Office)
Appendix 5 – Internal Benefit Comparison – Post-65 (When Out of Office)
## Council Compensation Costing Annual Expenditure by Category (3 Year Average) Internal

<table>
<thead>
<tr>
<th>BENEFIT COVERAGE</th>
<th>Elected Officials</th>
<th>Non-Union</th>
<th>CUPE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACTIVE (while in office)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life</td>
<td>$3,010</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Accidental Death &amp; Dismemberment (AD&amp;D)</td>
<td>$408</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Health claims</td>
<td>$42,627</td>
<td>$4,114</td>
<td>$9,276</td>
</tr>
<tr>
<td>Dental claims</td>
<td>$19,191</td>
<td>$1,055</td>
<td>$2,033</td>
</tr>
<tr>
<td>Administrative Services Only (ASO)</td>
<td>$3,709</td>
<td>$310</td>
<td>$679</td>
</tr>
<tr>
<td>Health pool charge</td>
<td>$1,149</td>
<td>$140</td>
<td>$0</td>
</tr>
<tr>
<td>Employee &amp; Family Assistance Program (EFAP)</td>
<td>$413</td>
<td>$35</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$70,507</td>
<td>$5,654</td>
<td>$11,988</td>
</tr>
</tbody>
</table>

| # of employees | 12 | 1 | 3 | 697 | 38 | 868 | 33 |
| Average cost per employee | $6,043 | $5,654 | $3,996 | $5,467 | $6,014 | $5,248 | $8,203 |

Note: Health Care Spending Account (HCSA) for Elected Officials Post 65 (when out of office) was added Dec 1/14. Costs exclude 8% RST in Ontario.

ASO – Administrative Services only - City pays actual claims costs plus the benefit provider fees and expenses to adjudicate and process claims. ASO Pooling Insurance - $25,000 pooling arrangement in place on Health and Out of Country Travel. Claims above $25,000 are pooled and absorbed by the insurance provider. Note: Benefit Coverage and average claims cost for Active and Pre 65 are consistent across all three groups (Elected Officials, Non-Union and CUPE). Benefits - Post 65 (when out of office) are provided to Elected Officials Only. Post 65 benefits are not provided to any other group at the City.
# COUNCIL COMPENSATION COVERAGE COMPARISON INTERNAL

<table>
<thead>
<tr>
<th>BENEFIT COVERAGE</th>
<th>ELECTED OFFICIALS</th>
<th>NON-UNION</th>
<th>CUPE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTIVE (while in office)</td>
<td>PRE 65 (when out of office 55-65)</td>
<td>POST 65 (when out of office 65+)</td>
</tr>
<tr>
<td>Life</td>
<td>2 x Annual Earnings</td>
<td>No Life.</td>
<td>Option to convert to private at retirement</td>
</tr>
<tr>
<td>AD&amp;D</td>
<td>2 x Annual Earnings</td>
<td>No AD&amp;D.</td>
<td>Option to convert to private at retirement</td>
</tr>
<tr>
<td>Health/Dental claims</td>
<td>Health, Dental, Emergency Travel, Life, AD&amp;D</td>
<td>Health, Dental, Emergency Travel</td>
<td>Health, Dental, Emergency Travel</td>
</tr>
<tr>
<td>Employee &amp; Family Assistance Program (EFAP)</td>
<td>Confidential Family Counselling/Wellness</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

2016/03/31 (New)
# Council Compensation - Internal Benefit Comparison

<table>
<thead>
<tr>
<th>January 2016</th>
<th>Elected Officials - Active (While in Office)</th>
<th>Non-Union - Active (While Working)</th>
<th>CUPE - Active (While Working)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dental:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ODA Fee Schedule</td>
<td>Current, i.e., 2016 rates</td>
<td>Current, i.e., 2016 rates</td>
<td>One-year lag, i.e. 2015 rates</td>
</tr>
<tr>
<td>Dentures &amp; Major Restorative</td>
<td>50% - No Maximum</td>
<td>50% - No Maximum</td>
<td>50% - $2500 Annual Maximum</td>
</tr>
<tr>
<td>Orthodontics</td>
<td>50% - $3500 Lifetime Maximum</td>
<td>50% - $3500 Lifetime Maximum</td>
<td>50% - $2500 Lifetime Maximum</td>
</tr>
<tr>
<td><strong>Health:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitalization</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
</tr>
<tr>
<td>Drug Coverage</td>
<td>$0.35 per prescription with benefit card</td>
<td>$0.35 per prescription with benefit card</td>
<td>$0.35 per prescription with benefit card</td>
</tr>
<tr>
<td>Emergency Travel</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>Medical Supplies &amp; Services</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>Private Duty Nursing</td>
<td>$10,000 per 12 months per condition</td>
<td>$10,000 per 12 months per condition</td>
<td>$10,000 per 12 months per condition</td>
</tr>
<tr>
<td>Hearing Aids</td>
<td>Unlimited (R&amp;C) per 5 years</td>
<td>Unlimited (R&amp;C) per 5 years</td>
<td>$1000 per 5 years + $150 per year for accessories</td>
</tr>
<tr>
<td>Orthotics / Orthopaedic Shoes</td>
<td>$450 per 12 months</td>
<td>$450 per 12 months</td>
<td>$450 per 12 months</td>
</tr>
<tr>
<td>Paramedical Services</td>
<td>$45 per visit for: Chiropractor, Physiotherapist, Podiatrist, Osteopath, Naturopath, Speech Therapist, Massage Therapist</td>
<td>$45 per visit for: Chiropractor, Physiotherapist, Podiatrist, Osteopath, Naturopath, Speech Therapist, Massage Therapist</td>
<td>$45 per visit for: Chiropractor, Physiotherapist, Podiatrist, Osteopath, Naturopath, Speech Therapist, Massage Therapist</td>
</tr>
<tr>
<td>Note: Doctor's note not required</td>
<td>Psychologist: $45 per 1/2 hour</td>
<td>Psychologist: $45 per 1/2 hour</td>
<td>Psychologist: $45 per 1/2 hour (Individual Therapy), $29 per 1/2 hour (Family), $11 per 1/2 hour (Group)</td>
</tr>
<tr>
<td><strong>Vision:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>$450 per 24 months: glasses / contact lens / exam</td>
<td>$450 per 24 months: glasses / contact lens / exam</td>
<td>$450 per 24 months: glasses / contact lens / exam</td>
</tr>
<tr>
<td>Laser Eye Surgery</td>
<td>Yes. One time $900 available</td>
<td>Yes. One time $900 available</td>
<td>Yes. One time $900 available</td>
</tr>
<tr>
<td><strong>Life Insurance</strong></td>
<td>No further vision entitlement for 48 months.</td>
<td>No further vision entitlement for 48 months.</td>
<td>No further vision entitlement for 48 months.</td>
</tr>
<tr>
<td>Coverage</td>
<td>2x annual salary: $700.00 maximum</td>
<td>2x annual salary: $700.00 maximum</td>
<td>2x annual salary: $700.00 maximum</td>
</tr>
<tr>
<td>Duration</td>
<td>Remains intact while in office</td>
<td>Ends at 70</td>
<td>Ends at 70</td>
</tr>
<tr>
<td><strong>Optional Life Insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>$200,000 maximum: Employee / Spouse / Child</td>
<td>$200,000 maximum: Employee / Spouse / Child</td>
<td>$200,000 maximum: Employee / Spouse</td>
</tr>
<tr>
<td>Duration</td>
<td>Ends at 65</td>
<td>Ends at 65</td>
<td>Ends at 65</td>
</tr>
<tr>
<td><strong>AD&amp;D (Accidental Death &amp; Dismemberment)</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Coverage</td>
<td>2x annual salary: $500,000 maximum</td>
<td>2x annual salary: $500,000 maximum</td>
<td>2x annual salary: $100,000 maximum</td>
</tr>
<tr>
<td>Duration</td>
<td>Remains intact while in office</td>
<td>Ends at 70</td>
<td>Ends at 70</td>
</tr>
<tr>
<td><strong>EFAP (Employee &amp; Family Assistance Program)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td><strong>Pension/OMERS</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Enrollment</td>
<td>Mandatory Enrollment effective December 2014</td>
<td>Mandatory Enrollment effective December 2014</td>
<td>Mandatory Enrollment effective December 2014</td>
</tr>
<tr>
<td><strong>HCSA (Healthcare Spending Account)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

2016/03/31 (New)
## January 2016

<table>
<thead>
<tr>
<th>Elected Officials - Pre-65 (When out of office 55-65)</th>
<th>Non-Union - Pre-65 (Early Retirement 55-65)</th>
<th>CUPE - Pre-65 (Early Retirement 55-65)</th>
</tr>
</thead>
</table>

### Dental:
- **ODA Fee Schedule**
  - Current, i.e. 2016 rates
- **Dentures & Major Restorative**
  - 50% - No Maximum
- **Orthodontics**
  - 50% - $3500 Lifetime Maximum

### Health:
- **Hospitization**
  - Private
- **Drug Coverage**
  - $3.50 per prescription with benefit card
- **Emergency Travel**
  - Included
- **Medical Supplies & Services**
  - Included
- **Private Duty Nursing**
  - $10,000 per 12 months per condition
- **Hearing Aids**
  - Unlimited (R&C) per 5 years
- **Orthotics / Orthopaedic Shoes**
  - $450 per 12 months

### Paramedical Services
- **$45 per visit for:** Chiropractor, Physiotherapist, Podiatrist, Osteopath, Naturopath, Speech Therapist, Massage Therapist
- **Psychologist:** $45 per 1/2 hour

### Vision
- **Coverage**
  - $450 per 24 months: glasses / contact lens / exam
  - No further vision entitlement for 48 months.
  - Yes. One time $900 available
  - Yes. One time $900 available
  - No further vision entitlement for 48 months.

### Life Insurance
- **Coverage**
  - No. Ends at retirement
  - No. Ends at retirement

### Optional Life Insurance
- **Coverage**
  - No. Ends at retirement
  - No. Ends at retirement

### AD&D (Accidental Death & Dismemberment)
- **Coverage**
  - No. Ends at retirement

### EFAP (Employee & Family Assistance Program)
- **Coverage**
  - No
  - No

### HCSA (Healthcare Spending Account)
- **Coverage**
  - No
  - No

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**Note:**
- Doctor's note not required

**Durations:**
- **Ends one month after retirement.**
- **Ends at retirement.**
- **Ends at retirement.**
- **Ends at 65 or one month after leaving office.**
- **Ends at 65 or at retirement.**
- **Ends at 65 or at retirement.**
- **Ends at 65 or at retirement.**
- **Ends at 65 or at retirement.**
## COUNCIL COMPENSATION - INTERNAL BENEFIT COMPARISON

<table>
<thead>
<tr>
<th>January 2016</th>
<th>Elected Officials - Post-65 (When out of office)</th>
<th>Non-Union - Post-65 (Retirement 65+)</th>
<th>CUPE - Post-65 (Retirement 65+)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dental:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Health:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Vision</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Life Insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Optional Life Insurance</strong></td>
<td></td>
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</tr>
<tr>
<td>Coverage</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>AD&amp;D (Accidental Death &amp; Dismemberment)</strong></td>
<td></td>
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<tr>
<td>Coverage</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>EFAP (Employee &amp; Family Assistance Program</strong></td>
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<tr>
<td>Coverage</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>HCSA (Healthcare Spending Account)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Eligibility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum 65+ Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum 4 consecutive terms in office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>One year HCSA per 2 years in office i.e. 18 years in office = 9 years HCSA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial year pro-rated upon joining i.e. 50% if joining Jul 1st</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>$5,000 per year - increased by annual CPI (Consumer Price index) - Claims re-imbursement based on CRA guidelines for eligible medical expenses - Roll-over rules: 1 year only as per industry standards - No payout of unused balance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2016/03/31 (New)
Council Compensation and Benefits Introduction

Council Compensation Compensation Committee
July 21st, 2015
Council 1/3 Tax Exemption

Current Situation

- An exemption allowed according to the *Municipal Act* and authorized by City By-law pre-2000, no change since
- Only applies to Municipal Elected Officials
- Intended for incidental business expenses to carry on Council duties
- Many municipalities including Mississauga and Peel eliminated the exemption
- A decision to eliminate the exemption must be approved by December 31st preceding the year a change is made
- Once eliminated, can not be reversed
Earnings and Deductions Affected

1. Salary
2. Car allowance
3. Taxable benefits; premiums for life Insurance and Accidental Death & Dismemberment (City Cost only, therefore taxable)
4. OMERs Contribution (Members and City)
5. Employer Health Tax (City cost)
6. Personal income tax (Members only)
Calculations?

Currently

- 1/3 of the compensation (salary, car allowance and taxable benefits) is tax free
- Income tax, CPP and OMERs deductions based on 2/3 of the compensation
- Example: annual gross salary of $50,000, car allowance of $12,000 and non-cash taxable benefits of approximately $300
  - Deductions: Income Tax, CPP, OMERS = $10,250
  - Take home pay = $51,750
  - Total City Cost = $69,006 (total of salary, car allowance, life, AD&D, EHT, CPP and OMERs employer contribution)
Elimination of 1/3 Tax Exemption

2 Options, 2 different results to both the members and the City

(A) Compensation remains the same, fully taxed

less take home pay to members; City cost goes up to $72,235 (primarily due to OMERs contribution)

(B) Gross-up compensation, fully taxed

no change on take home pay to members; much more costly to the City than option A at $91,574

**gross-up: a restatement of compensation necessary to maintain the same net pay after given rate of statutory and corporate deductions
# Summary of Numbers

Samples only, not current compensation level

<table>
<thead>
<tr>
<th></th>
<th>Compensation (salary &amp; car allowance)</th>
<th>Net Pay</th>
<th>Income Tax</th>
<th>OMERs (EE &amp; ER)</th>
<th>Total Deduction</th>
<th>City Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Status Quo</strong></td>
<td>62,000</td>
<td>51,750</td>
<td>4,329</td>
<td>3,820</td>
<td>10,250</td>
<td>69,006</td>
</tr>
<tr>
<td><strong>Option A</strong></td>
<td>62,000</td>
<td>42,856</td>
<td>10,402</td>
<td>6,262</td>
<td>19,144</td>
<td>72,235</td>
</tr>
<tr>
<td><strong>Option B</strong></td>
<td>78,517</td>
<td>51,750</td>
<td>15,613</td>
<td>8,674</td>
<td>26,767</td>
<td>91,574</td>
</tr>
</tbody>
</table>

Status Quo: 1/3 Tax Exemption
Option A: Remove 1/3 Tax Exemption, fully Taxed
Option B: Gross-up, Fully Taxed
OMERs

- A defined pension plan, contributed by member and City at equal amount
- All new members (7) have joined (mandatory) and 3 out of 4 returning members joined
- Once joined, not reversible
- $ Contribution calculated on
  - **Status Quo:** 2/3 of contributory earning (or current compensation with 1/3 tax exemption)
  - **Option A:** 100% of current compensation rate (a fully taxed option)
  - **Option B:** gross-up earning (a fully taxed option)
- 1/3 tax exemption versus fully taxed options status ultimately affects future eligible pension benefits
- 2015 Contribution Rate: 9% of first $53,600; 14.6% thereafter
OMERs Dual Membership

- A Council member is simultaneously participating on more than one Council (Brampton and Region of Peel)

- Separate enrollment, separate membership record, separate pension benefit calculation

- Currently 6 members (Mayor and 5 of our 6 Regional Councillors) have dual membership
Retiring Allowance & Pension Cash

- New Council Members not eligible

- Retiring allowance is one month compensation at the gross-up salary for each year of service to a maximum of eighteen (18) months

- Pension cash entitlement based on the City’s annual OMERS contribution rate at gross-up salary regardless of circumstances (e.g. age)

- Both entitlements ceased once a returning member elected to join OMERs

- Currently only 1 member did not opt in for OMERs
Insurance Coverage - Liability and Errors & Omissions (E & O)

- Separate and distinct from compensation related insurance such as Health, Vision and Dental coverage.
- Liability insurance provides coverage for claims brought against Elected Officials by 3rd parties while members are acting on behalf of the City such as Bodily Injury, Personal Injury or Property Damage.
- E & O insurance covers claims arising from any actual or alleged “Wrongful Act” such as any error, omission, misleading statement or neglect or breach of duty.
- Deductible is $500,000 per claim.
- Total coverage is $50 million per claim.
Benefits at a Glance

Group Health Plan – Manulife Financial
- Coverage for Elected Officials and all eligible dependents
- Premiums 100% paid by the City

Dental
- Based on current Ontario Dental Association’s Fee Guide
- Basic 100% unlimited coverage
- Dentures and Major Restorative 50% unlimited coverage
- Orthodontic 50% - $3,500 lifetime
Benefits at a Glance

Health

• Hospitalization – 100% for Private room
• Drug ($0.35 per prescription)
• Emergency Travel Assistance Card
• Medical supplies and services
• Private Duty Nursing ($10,000 per 12 months per condition)
• Hearing Aids
• Orthotics - $450 per 12 months
• Paramedical Services - $45 per visit including:
  
  Chiropractors, Physiotherapists, Podiatrists, Osteopaths, Naturopaths, Speech Therapists, Massage Therapists (excludes acupuncturist)
• Psychologist - $45 per half hour
Benefits at a Glance

Vision

• $450 per person every 24 months (rolling). Can be used toward glasses/contact lenses/one eye exam/laser eye surgery

• $450 is payable for laser eye surgery to a lifetime combined maximum of $900 (no other vision care services or supplies are payable for the following 48 months)
Benefits at a Glance

Life Insurance
• 2x annual salary
• Example: Salary of $62,000* = $124,000 insurance
• Premiums paid by Corporation (taxable benefit)

Optional Life Insurance (Voluntary)
• Coverage for employee and/or spouse (medical underwriting required)
• Increments of $10,000 to a maximum of $200,000
• Coverage for dependant children
• Increments of $5,000 to a maximum of $25,000
• Premiums paid by Employee

* Sample salary used and does not reflect current Council compensation
Benefits at a Glance

Accidental Death & Dismemberment (AD&D) Insurance

Chubb Insurance Company of Canada

- 2x annual salary for loss of life due to an accident
- Secondary Schedule for further loss/dismemberment
- Premiums paid by Corporation (taxable benefit)
Benefits at a Glance

Employee & Family Assistance Program (EFAP)
Aspiria
Confidential help for any concern
7 days a week/ 24 hours day

• Confidential Counselling (Individual, Family, etc.)
• Crisis Counselling (Children’s Hotline)
• Legal clarity
• Information on child/elder care
• Financial Assistance and Budgeting
• Addiction and Health Concerns
• Wellness Information
Retirement Benefits

Early Retirement Benefits:

- Elected officials who have achieved 55 years of age, at time of retirement, and have served three (3) consecutive terms of Council, will continue having the corporate group benefits program until age 65 (Health, Dental, Vision and Out of Country)

- Note: Insured benefits i.e. Life and AD&D cease on retirement with the option to convert to private coverage within 31 days of retirement
Retirement Benefits

Health Care Spending Account (HCSA) – NEW

• Elected officials who are eligible under the early retirement benefit criteria and have achieved 65 years of age, and have served four (4) consecutive terms of Council, receive a Health Care Spending Account administered through the Corporation’s benefits provider.

• $5,000 per year is provided which is indexed annually based on the Ontario Consumer Price Index for Health and Personal Care.

• Coverage of one (1) year is provided for each two (2) years of service.

• The Health Care Spending Account program to be reviewed by staff every two years to ensure adequate coverage.
Discussions and Decisions

1) 1/3 Tax Exemption — Recommendation Required
   - Keep
   - Eliminate – Option A or B

2) Pension/Severance — No action recommended
   - OMERs
   - Retiring allowance and pension cash

3) Retirement Health Benefit Programs
   - Continue Programs
   - Modify Programs
   - Cancel Programs *

* If cancelling Programs, determine retro-activity or go-forward effective date.
Thank you
COUNCIL COMPENSATION COMMITTEE
Date: September 10, 2015

Tuesday, July 21, 2015

Members Present: Philip Varickanickal – Chair (See Item E 1)
Jessica Phinn – Vice-Chair (See Item E 1)
Lynn Dobson
Joy Gordon-Adams
Frank Lodhar

Staff Present: Peter Honeyborne, Executive Director, Finance, Treasurer
Shirley Gannon, Director, Treasury Services
Debra King, Manager, Compensation and Benefits
Earl Evans, Deputy City Clerk
Shauna Danton, Legislative Coordinator

For inquiries about this agenda, or to make arrangements for accessibility accommodations for persons attending (some advance notice may be required), please contact: S. Danton
Telephone (905) 874-2116
TTY 905-874-2130, cityclerksoffice@brampton.ca

Note: Some meeting information may also be available in alternate formats, upon request.
The meeting was called to order at 6:02 p.m., and adjourned at 8:06 p.m.

After due consideration of the matters placed before this Committee, the members beg leave to present its report as follows:

**Item**  | **Recommendation**
---|---
A. | CCC005-2015 Approval of Agenda
B. | Declarations of Interest under the Municipal Conflict of Interest Act
C. | Previous Minutes
D 1. | CCC006-2015 Council 1/3 Tax Exemption
D 2. | CCC007-2015 Retirement Pensions – Retirement Savings and OMERS
D 3. | CCC008-2015 Insurance Coverage – Liability and Errors & Omissions
D 4. | CCC009-2015 Benefits at a Glance
E 1. | CCC010-2015 Appointment of Chair and Vice-Chair
E 2. | CCC011-2015 Scheduling of Next Two Committee Meetings
E 3. | CCC012-2015 Placement of Committee Minutes
F. | Public Question Period
G. | CCC013-2015 Adjournment

Philip Varickanickal, Chair
A. Approval of Agenda

The following motion was considered:

CCC005-2015

That the agenda for the Council Compensation Committee Meeting of July 21, 2015, be approved as amended as follows:

To add:

E 3. Committee discussion re: Placement of Committee Minutes

Carried

Re: Item D 2 - Staff noted that the correct title of the presentation is Retirement Pensions – Retirement Allowance and OMERS.

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

C. Previous Minutes

C 1. Minutes of the Meeting held on July 6, 2015.

The subject minutes were included on the agenda for information.

Committee clarified the following:

Re: Item E 1 – Committee Orientation

- In the absence of a job description, Committee will not conduct an evaluation of the Mayor and Councillors’ current workload

Re: Item F – Public Question Period

- Staff outlined the process for publication of the previous Committee minutes

D. Delegations / Presentations

D 1. Presentation by Shirley Gannon, dated July 21, 2015, re: Council 1/3 Tax Exemption
Shirley Gannon, Director, Treasury Services, referenced the presentation included in the printed agenda and provided a brief background on the subject matter.

Committee consideration of the matter included:

- Oversight procedures regarding expense policies
- Inclusion of car allowance and taxable benefits in the 1/3 tax exemption
- Elimination of the 1/3 tax exemption and its implications
- Request for yearly compensation information, including municipal comparators and benchmarking information in order to make fair and informed decisions

In response to questions from Committee, staff provided details on the current situation, affected earnings and deductions, compensation calculations, and the available options and results with respect to eliminating the 1/3 tax exemption. Staff confirmed that compensation comparators will be provided at the next meeting.

The following motion was considered:

CCC006-2015 That the presentation by Shirley Gannon, Director, Treasury Services, dated July 21, 2015, to the Council Compensation Committee Meeting of July 21, 2015, re: Council 1/3 Tax Exemption be received.

Carried


Shirley Gannon, Director, Treasury Services, referenced the presentation included in the printed agenda and provided a brief background on the subject matter.

In response to questions from Committee, staff provided clarification on OMERS enrollment and the formula for contributions for City and Regional Councillors.

Committee consideration of the matter included the contribution rate, years of service, and dual OMERS membership for regional councillors.

The following motion was considered:
CCC007-2015 That the presentation by Shirley Gannon, Director, Treasury Services, dated July 21, 2015, to the Council Compensation Committee Meeting of July 21, 2015, re: Retirement Pensions – Retirement Allowance and OMERS be received.

Carried


Shirley Gannon, Director, Treasury Services, referenced the presentation included in the printed agenda and noted that Committee was not required to make a recommendation on the matter. The presentation was provided for information only.

The following motion was considered:

CCC008-2015 That the presentation by Shirley Gannon, Director, Treasury Services, dated July 21, 2015, to the Council Compensation Committee Meeting of July 21, 2015, re: Insurance Coverage – Liability and Errors & Omissions be received.

Carried

D 4. Presentation by Debra King, dated July 21, 2015, re: Benefits at a Glance

Debra King, Manager, Compensation and Benefits, referenced the presentation included in the printed agenda and provided a brief background on the subject matter.

In response to questions from Committee, staff provided details on the benefits calculations and roll-over policies. Confirmation was provided that the Mayor and Councillors’ current benefits package is comparable to city staff.

The following motion was considered:

CCC009-2015 That the presentation by Debra King, Manager, Compensation and Benefits, dated July 21, 2015, to the Council Compensation Committee Meeting of July 21, 2015, re: Benefits at a Glance be received.

Carried
E. Discussion / Business Items

E 1. Committee discussion re: Appointment of Chair and Vice Chair

Note: deferred from the July 6, 2015, meeting, pursuant to Recommendation CCC002-2015

Earl Evans, Deputy City Clerk, explained the process for the election of a Chair and Vice-Chair and called for nominations for the positions. Philip Varickanickal put forward his name for Chair, and Jessica Phinn put forward her name for Vice-Chair. No other Members expressed interest for the positions.

The following motion was considered:

CCC010-2015 That Philip Varickanickal be appointed Chair, and Jessica Phinn be appointed Vice-Chair of the Council Compensation Committee, for the term ending November 30, 2018, or until successors are appointed.

Carried

E 2. Committee discussion re: Scheduling of Next Two Committee Meetings

Committee consideration of the matter included consensus that the next two meetings be scheduled for August 20, 2015, at 6:00 p.m., and September 10, 2015, at 6:00 p.m.

The following motion was considered:

CCC011-2015 That the next two Council Compensation Committee meetings be scheduled for Thursday, August 20, 2015, at 6:00 p.m., and Thursday, September 10, 2015, at 6:00 p.m.

Carried

E 3. Committee discussion re: Placement of Committee Minutes

In response to questions from Committee, staff clarified the following:

- Minutes of the previous Council Compensation Committee were submitted to Council for approval with the final report
- Minutes from this Committee’s previous meetings are included in the agenda as Item C – Previous Minutes, and are listed for
information only; Committee members and the public may access the minutes through the City’s Web Portal
- After Council approval, all Committee minutes are posted on the City’s Web Portal under their respective minutes page

Committee consideration of the matter included:
- Suggestion to seek Council approval of the minutes on an on-going basis rather than all at once with the final report to Council
- Posting Committee minutes on the City’s Web Portal following Council approval

The following motion was considered:

CCC012-2015 That the minutes of the Council Compensation Committee be forwarded for Council for approval following every meeting.

Carried

F. Public Question Period

In response to questions from George Startup, Brampton resident, staff provided clarification with respect to the current calculation of benefits coverage, and agenda and minute publication.

G. Adjournment

CCC013-2015 That the Council Compensation Committee do now adjourn to meet again on Thursday, August 20, 2015, at 6:00 p.m.

Carried