



To: Chair and Members
Finance and Corporate Services Committee

From: Catherine Glover
Director, Human Resources

Date: February 19, 2025

Subject: Council Remuneration for the 2026 – 2030 Term of Council

Report: FCS-2-2025-3

Recommendation

THAT the annual pay rate for District Councillors, Deputy Chair, and District Chair, **be increased** in accordance with Option 2 of Report FCS-2-2025-3.

AND THAT staff **be directed** to prepare a by-law updating Council Remuneration for the 2026 – 2030 term of Council.

Origin

All municipal Councils have a responsibility to periodically review the remuneration provided to its members. It is the consistent practice in the third year of its term that District Council is provided with a summary of the remuneration data from comparator municipalities as well as recommendations for pay rates for the next term of Council. In this way, Council can make decisions for the next Council term without concern of perceived pecuniary interest.

Background

Council remuneration was last reviewed in January 2022 with the assistance of a third-party consultant. In the consultant's report, the list of comparators for Council remuneration was narrowed down to a subset of the approved comparators for the management and non-union salary grids. For that review, the approved list of Council comparators included only upper tier and county level municipalities:

- Region of Niagara
- County of Oxford
- County of Peterborough
- County of Simcoe
- County of Wellington

Since that review, on the recommendation of the consultant, the County of Peterborough has been removed from the list of approved comparators for the management and non-union salary grids and has correspondingly been removed from the list of Council comparators.

As outlined in staff [Report FCS-1-2022-1](#), Council endorsed staff's recommendation to adjust the pay rates for District Councillors, Deputy Chair, and District Chair to include the phased-in implementation to the 45th percentile (referred to as P45) of the shortened comparator group and to include an annual inflationary adjustment, to be spread equally over the 4 years of the Council term.

This review also included the recommendation that the following Council consider moving the target for pay rates for all members of Council to the 50th percentile (also referred to as the median) and to include an annual inflationary adjustment that is equivalent to the percentage adjustment approved for the management and non-union salary grids each year.

Through this review, Council also approved the addition of a separate and distinct pay rate for the Deputy Chair, as well as an annual stipend for Committee Chairs of \$2,000.

Table 1 provides a summary of the changes to Council remuneration that were approved by the previous Council for the current term of Council.

Table 1
Approved changes to Council remuneration over the current term of Council

Position	December 2021 pay rate (end of term)	Approved annual increase (P45 including inflationary adjustments)	December 2025 pay rate (end of term)
Councillors	\$22,290	\$1,510	\$28,330
Deputy Chair	\$22,290	\$3,518	\$36,362
District Chair	\$98,330	\$2,400	\$107,930

Analysis

Remuneration for elected officials should be fair and reasonable to both Council and the taxpayers of Muskoka. Appropriate remuneration should achieve the following goals:

- Reflect the nature, responsibilities and accountability associated with the positions;
- Attract strong, qualified candidates to local government; and
- Demonstrate fiscal responsibility.

Remuneration for members of Council and Heads of Council (i.e. Chair, Warden or Mayor) is difficult to analyze given the vast differences in scope and size of municipalities in Ontario as well as economic, demographic and financial variables impacting municipalities. The nature of the work performed by elected officials varies significantly across municipalities, especially when the issue of jurisdiction (single, upper or lower-tier or county) is factored in.

External Market Review

Muskoka is a unique municipality within the Province of Ontario, primarily due to its small size relative to other upper-tier municipalities and, consequently, direct comparisons could not be found.

Consistent with the approach adopted by Council in the previous review, the Human Resources department surveyed the approved Council comparators, which now excludes Peterborough County. Further, for comparison purposes, 2025 rates were used even though the municipalities surveyed will have one more increase for Council members before the end of the current term. However, in most cases, the amount of the next increase has not yet been determined.

Table 2 provides a summary of Council composition for the approved Council comparators as well as the 2025 pay rates for the various roles of Council members.

**Table 2 – Council Composition and Remuneration
Approved Council Comparators**

Municipality	Tier	Council Size	Council Composition (LT = Lower Tier)	Chair / Warden (2025)	Deputy Chair/ Warden (2025)	Councillor (2025)
District of Muskoka	Upper	22 + Chair	District Chair (1) LT Mayors (6) LT Councillors (16)	\$105,530	\$32,844	\$26,820
Niagara Region*	Upper	30 + Chair	Regional Chair (1) LT Mayors (12) LT Elected Reps (19)	\$143,715	-	\$42,623
Simcoe County	Upper	32	LT Mayors (16) LT Deputy Mayors (16)	\$99,503	\$56,967	\$22,709
Wellington County	Upper	16	LT Mayors (7) Ward Councillors (9)	\$147,520	-	\$47,097
Oxford County	Upper	10	LT Mayors (8) Woodstock Councillors (2)	\$107,234	\$40,622	\$36,400

*Note: at the time of survey, Niagara Region had not yet determined their 2025 pay rate for Council members. As a result, the 2024 rate was used for this analysis.

The majority of Councillors at the upper-tier and county levels also participate in, and are compensated by, their local area municipality (Ward Councillors in Wellington County being the exception). The Councillor pay rates provided above in Table 2 exclude any amounts paid by the applicable lower-tier municipalities.

Table 3 provides the 2025 pay rates for District Council members (column A), as well as key metrics for comparison purposes, including the average (column B), the 45th percentile (column C), and the median (column D) of the approved Council comparator group in Table 2 above.

Table 3 – Market Comparisons

Position	2025 District Pay Rate A	2025 Comparator Average B	2025 Comparator P45 C	2025 Comparator Median D
Councillors	\$26,820	\$37,208	\$38,578	\$39,512
Deputy Chair	\$32,844	\$48,795	\$47,977	\$48,795
District Chair	\$105,530	\$124,493	\$120,003	\$125,475

Table 3 demonstrates that current rates for all District Council positions are below all market comparison data points.

Remuneration Options (4):

Option 1 – Immediate Implementation

To achieve the median of the approved Council comparator group in the first year of the next term of Council, this option proposes the following:

- Adjust the annual pay rate for all members of Council in the first year of the four-year term (i.e. effective December 1, 2026).
- Adjust the annual pay rate for all members of Council in each subsequent year commencing in December 2027 by an inflationary amount equivalent to the approved economic adjustment for the Management and Non-union salary grids.
- This option achieves the recommended target rate of the median of the approved Council comparators, although based on the 2025 pay rates, at the beginning of the next term of Council. However, it is the most expensive of the options provided, and staff are not recommending this approach.

Position	2025 Pay Rate (used in survey)	2026 Pay Rate (already approved)	2027 Proposed Pay Rate (median)
Councillors	\$26,820	\$28,330	\$39,512
Deputy Chair	\$32,844	\$36,362	\$48,795
Chair	\$105,530	\$107,930	\$125,475

The total cost of immediate implementation on the approved 2026 budget would be the equivalent to one month at the 2027 proposed pay rates (based on an implementation date of December 1, 2026), as reflected below:

Position	2026 Total Budget (already approved)	1 month increase on 2026 budget	2027 Budget increase
Councillors	\$602,930	\$19,569	\$234,822
Deputy Chair	\$36,362	\$1,036	\$12,433
Chair	\$107,930	\$1,462	\$17,545
Total	\$747,222	\$22,067	\$264,800

The expected budget impact in subsequent years of the Council term, based on an estimated inflationary adjustment of 2% would be approximately \$20,000 per year, commencing in December 2027.

Option 2 – Phased Implementation to Median with annual inflationary adjustments - Recommended

To achieve the median of the approved Council comparators for all Council members, as recommended in the last Council remuneration review, and to spread out the financial impact of these increases, this option proposes the following:

- Phase-in the increases with equal distribution over the four-year term of Council starting in December 2026.
- Include an annual inflationary adjustment in each year equivalent to the adjustment approved for the Management and Non-Union salary grids each year.
- This option achieves the median, as recommended in the previous review, although based on the 2025 pay rates, in a more fiscally responsible manner, and is recommended by staff.

For Councillors (excluding the Deputy Chair), the increase would be approximately \$3,400 per year, including an estimated annual inflationary adjustment of 2% each year (total increase of \$13,600 per Councillor over the four-year term).

Year	Annual Increase per Councillor	Proposed Annual Councillor pay rate	Annual Budget Increase for 21 Councillors
Year 1	\$3,400	\$31,730	\$71,402
Year 2	\$3,400	\$35,130	\$71,402
Year 3	\$3,400	\$38,530	\$71,402
Year 4	\$3,400	\$41,930	\$71,402

For the Deputy District Chair, the increase would be approximately \$3,855 per year, including an estimated annual inflationary adjustment of 2% each year (total increase of \$15,420 over the four-year term).

Year	Annual Increase	Proposed Annual Deputy Chair pay rate	Annual Budget Increase for Deputy Chair
Year 1	\$3,855	\$40,217	\$3,855
Year 2	\$3,855	\$44,072	\$3,855
Year 3	\$3,855	\$47,927	\$3,855
Year 4	\$3,855	\$51,782	\$3,855

For the District Chair, the increase would be approximately \$6,306 per year, including an estimated annual inflationary adjustment of 2% each year (total increase of \$25,225 over the four-year term).

Year	Annual Increase	Proposed Annual Chair pay rate	Annual Budget Increase for District Chair
Year 1	\$6,306	\$114,236	\$6,306
Year 2	\$6,306	\$120,543	\$6,306
Year 3	\$6,306	\$126,849	\$6,306
Year 4	\$6,306	\$133,155	\$6,306

The total increases to budgets with this option are summarized below:

- Estimated increase to the 2026 budget for one-month at the new rates - \$6,797
- Total estimated annual increase to the annual budgets commencing in 2027 - \$81,564

It should be noted that staff have used an inflation rate of 2% per year to create the tables in Option 2. If the inflation adjustment for each year differs from this estimate the figures in the table will be change accordingly.

Option 3 – Phased Implementation to 2025 P45 – no inflationary adjustments

To achieve the 45th percentile for the approved Council comparators for all Council members, which was the percentile target endorsed by the last term of Council, and to spread out the financial impact of these increases, this option proposes the following:

- Phase-in the increases with equal distribution over the four-year term of Council starting in December 2026.
- To further reduce the financial impact, do not include annual inflationary adjustments in each year.
- This option will likely result in the remuneration for all Council members lagging the 45th percentile when it is next reviewed.
- Although this option moves Council pay rates towards the 2025 45th percentile target that was endorsed through the last review, Council pay rates will continue to lag the comparator group, especially as annual inflationary adjustments are eliminated. Further, this option does not achieve the median that was put forward by the consultant in the last review and will have the effect of not achieving the 45th percentile by the end of the term. Consequently, staff are not recommending this option.

For Councillors (excluding the Deputy Chair), the increase would be approximately \$2,562 per year (total increase of \$10,248 per Councillor over the four-year term).

Year	Annual Increase per Councillor	Proposed Annual Councillor pay rate	Annual Budget Increase for 21 Councillors
Year 1	\$2,562	\$30,892	\$53,802
Year 2	\$2,562	\$33,454	\$53,802
Year 3	\$2,562	\$36,016	\$53,802
Year 4	\$2,562	\$38,578	\$53,802

For the Deputy District Chair, the increase would be approximately \$2,904 per year (total increase of \$11,615 over the four-year term).

Year	Annual Increase	Proposed Annual Deputy Chair pay rate	Annual Budget Increase for Deputy Chair
Year 1	\$2,904	\$39,266	\$2,904
Year 2	\$2,904	\$42,170	\$2,904
Year 3	\$2,904	\$45,073	\$2,904
Year 4	\$2,904	\$47,977	\$2,904

For the District Chair, the increase would be approximately \$3,018 per year (total increase of \$12,073 over the four-year term).

Year	Annual Increase	Proposed Annual Chair pay rate	Annual Budget Increase for District Chair
Year 1	\$3,018	\$110,948	\$3,018
Year 2	\$3,018	\$113,967	\$3,018
Year 3	\$3,018	\$116,985	\$3,018
Year 4	\$3,018	\$120,003	\$3,018

The total increases to budgets with this option are summarized below:

- Increase to the 2026 budget for one-month at the new rates - \$4,977
- Total annual increase to the annual budgets commencing in 2027 - \$59,724

Option 4 – inflation increase only

Council may wish to consider a remuneration policy that does not include market adjustments but provides for annual adjustments based upon the percentage increase approved for the management and non-union salary grids, to be effective December 1st of each year in the Council term. This option does not address the matter of lagging remuneration compared to the approved Council comparator group and will likely result in a significant lag over the coming term of Council. The cost of this option would be budgeted for at the same rate as management and non-union salaries.

The total increases to budgets with this option, based on a 2% inflationary adjustment, are summarized below:

- Increase to the 2026 budget for one-month at the new rates – approximately \$1,250
- Total annual increase to the annual budgets commencing in 2027 - approximately \$15,000

With all options, a review of Council remuneration would continue to be made by the Human Resources department in the third year of a four-year term and the findings reported to Council.

Stipend for Committee Chairs

Data relative to stipends for Committee Chairs within the comparator group was inconclusive as only two of the four comparators indicated that they provide an additional amount for Committee Chairs ranging from \$1,000 to \$2,000.

Staff recommends continuing the practice of providing an additional amount of \$2,000 per annum for the Chairs of the four standing Committees (Finance and Corporate Services, Engineering and Public Works, Community and Planning Services, and Health Services). This stipend is added to the annual pay for Councillors (total annual cost of \$8,000) and is included in the Council remuneration budget amounts provided above.

Summary of Options:

Option	Description	Annual Pay Rate District Chair	Annual Pay Rate Deputy Chair	Annual Pay Rate Councillor	Increase to Budget
n/a	2026 Annual Pay Rates	\$107,930	\$36,362	\$28,330	n/a
Option 1	Immediate implementation to the median in the first year of the new term	12/26: \$125,475	12/26: \$48,795	12/26 \$39,512	\$22,067 in 2026 \$264,800 in 2027 + approx. \$20,000/year for inflation
Option 2	Median including inflation, phased in over the term of Council (recommended)	12/26: \$114,236 12/27: \$120,543 12/28: \$126,849 12/29: \$133,155	12/26: \$40,217 12/27: \$44,072 12/28: \$47,927 12/29: \$51,782	12/26: \$31,730 12/27: \$35,130 12/28: \$38,530 12/29: \$41,930	\$6,797 in 2026 \$81,564 in subsequent years, based on 2% inflation per year
Option 3	P45 phased-in over the term of Council, with no inflationary adjustments	12/22: \$110,948 12/23: \$113,967 12/24: \$116,985 12/25: \$120,003	12/22: \$39,266 12/23: \$42,170 12/24: \$45,073 12/25: \$47,977	12/22: \$30,892 12/23: \$33,454 12/24: \$36,016 12/25: \$38,578	\$4,977 in 2026 \$59,724 in subsequent years
Option 4	Inflation only increase (estimate based on 2%)	12/26: \$110,089	12/22: \$37,089	12/22: \$28,897	Approx. \$15,000/year

Financial Considerations

The financial considerations have been provided in the analysis section of this report.

Climate Change Implications

The District assesses climate implications in all staff reports using the Clean Air Partnership's ['Municipal Climate Lens Tool'](#) to consider climate impacts or benefits

associated with any project, program or initiative. There is no climate impact related to this report.

Communications

The Council Remuneration Report is for Committee's review and direction.

Strategic Plan

The District assesses the impact or influence of the information or recommendations included in staff reports toward achieving Council's [Strategic Plan objectives](#).

This report does not impact or influence Council's Strategic Plan Objectives.

Respectfully submitted,

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Julie Stevens, CPA, CA, Chief Administrative Officer