



Subject: Review of Council Composition, Remuneration, and Ward Boundaries

To: Council

From: Corporate Services Department

Report Number: 2021-274

Meeting Date: October 25, 2021

Recommendation:

That Corporate Services Department Report 2021-274 be received; and

That the City Clerk be directed to include a proposal for a comprehensive review of council composition and ward boundaries in the 2023 budget; and

That the Director of Corporate Services be directed to include a wage in line with the 2022 average of local comparators for the position of city councillor in the 2023 budget.

Purpose:

The purpose of this report is to provide the results of a review of council composition, remuneration, and ward boundaries and provide a recommendation.

Background:

Council Composition:

Section 217 of the *Municipal Act* (the Act) sets out the requirements of the composition of municipal councils in Ontario stating that members of a municipal council (other than the Mayor) “shall be elected by general vote or wards or by any combination of general vote and wards” (*Municipal Act*, 2001 s. 217 (1) 4). Section 217 of the Act also authorizes a local municipality “to change the composition of its council” subject to five enumerated rules, the most relevant of which is: “There shall be a minimum of five members, one of whom shall be the head of council.” A by-law adopted by Council to implement this authority is not open to appeal to the Ontario Land Tribunal (OLT).

Ward Boundaries:

In Ontario, the *Municipal Act* provides the framework within which municipalities may conduct ward boundary reviews. Section 222 of the Act provides Council with the power to divide or re-divide the municipality into wards, or dissolve any existing wards provided such actions are enacted through by-law. A by-law adopted by council to implement this authority must be in place before January 1 of an election year and is subject to appeal to the Ontario Land Tribunal (OLT).

There are no standard practices, terms of reference, criteria or guiding principles either in provincial legislation or regulation that can be used to evaluate a municipality's electoral system. Instead, municipalities look to relevant Ontario Municipal Board (now the OLT) decisions, case law and best practices followed in other municipalities to establish appropriate guiding principles.

Council Remuneration:

Each municipality may determine if the mayor, deputy mayor, and councillor position are part-time or full-time and set wages for each position. In addition, stipends may be added to certain board and committees as desired. The City of Port Colborne does not currently conduct annual reviews of council remuneration but does provide an annual cost of living increase to Council members that matches the increase given to the City's non-union employees.

The City of Port Colborne:

The City of Port Colborne's current ward boundary system consists of four wards with two members of Council being elected from each Ward, making up a total Council composition of nine members (eight councillors and the mayor).

The population size of each ward as well as a perceived variance in a ward-to-ward comparison has been brought to the attention of Council on several occasions and as a result reviews have been conducted by staff, Council, and electoral review committees. Reviews occurred in 2005, 2009, 2013, and 2014 resulting in changes to Ward 2 and 4 boundaries in 2009. Each of these reviews were conducted by citizens and/or councillors of the municipality. An independent review was not conducted during any of the reviews mentioned.

Council requested that a review of the City's governance model take place before the 2022 election. In January 2020, after the Provincial electoral review was completed, Report 2020-07 was brought to Council to approve a council review committee to begin a review of council composition, remuneration, and ward boundaries. A committee was formed in early 2020 with only three members of the public applying. Unfortunately, before the first meeting could take place the current pandemic began, and committee meetings were put on hold. Due to the challenges of the pandemic, the committee was

not given enough time for a thorough review including public engagement and staff resources were not able to be allocated to the committee. Staff have conducted a review in order to meet the requests of Council and have provided results and recommendations for the future in this report.

Discussion:

Council Composition:

The goal of a council composition review is to assess whether the number of elected officials can ensure that the community is satisfactorily represented in the decision-making process. This goal can be achieved by establishing effective representation and should be conducted in alignment with a ward boundary review.

Options to evaluate during the process include the number of councillors per ward, an addition of a deputy mayor position, and the abolishment of wards to move to an at-large system.

In a review of local municipalities, it was determined that the majority of municipalities in Niagara operate within a ward system. The table below is a comparator of local municipalities of similar size. All of the comparator municipalities operate with councils of 7-9 members with a majority of councils electing 9 members.

| Municipality | Mayor Plus | | Wards |
|-----------------------------|-----------------------|---------------------|--------------|
| City of Port Colborne | 1 regional councillor | 8 local councillors | 4 |
| City of Thorold | 1 regional councillor | 8 local councillors | at-large |
| Town of Fort Erie | 1 regional councillor | 6 local councillors | 6 |
| Town of Grimsby | 1 regional councillor | 8 local councillors | 4 |
| Town of Lincoln | 1 regional councillor | 8 local councillors | 4 |
| Town of Niagara-on-the-Lake | 1 regional councillor | 8 local councillors | at-large |
| Town of Pelham | 1 regional councillor | 6 local councillors | 3 |
| Township of West Lincoln | 1 regional councillor | 6 local councillors | 3 |

In addition to the review of local municipalities, consultants from KPMG were asked to include Council in their services delivery review conducted in 2020. The report determined that Port Colborne was in line with comparator municipalities with 1.0 councillor per 1,000 households compared to the average of 0.9 for the entire group.

While numbers are in line with comparators, staff are aware of government and public sentiment surrounding the number of elected officials in Niagara and beyond which was initiated during the Provincial electoral review. A smaller council may be favourable when looking at the effectiveness of council meetings. A disadvantage of a smaller council may be less councillors per elector. If a smaller council is recommended, a

review would need to be conducted to determine if members of council should become full-time positions in order to meet the goal of effective representation.

It is the recommendation of staff that while the number of councillors are within the average range of comparator municipalities, that council composition be evaluated as part of a larger ward review. Decisions regarding council composition should be made based on the recommendations resulting from the review.

Ward Boundaries:

When undertaking a ward boundary review a number of factors are relevant to consider including:

- Is the present system consistent with changes that have occurred in the municipality over the past several decades or are expected to occur in the next few years?
- Does the present system take into account the development that has and is occurring within the City?
- Does the present system provide for effective representation for all of the communities of interest in the municipality?
- Does the present system provide accountability to electors?

These questions are important reflections of the current governance model in the City. While a thorough review does not need to take place each term of council, it should be conducted from time to time to ensure the present ward boundaries meet these expectations.

The OLT (when it was the OMB) stated that a review/change to an electoral system needs to ensure that “effective representation” is achieved, meaningful public engagement is provided, and that the review is comprehensive and not constrained by specific limiting objectives.

The OLT set out the following criteria that should be evaluated in order to establish appropriate ward boundaries:

- Representation by population
- Population and electoral trends
- Representation of communities of interest
- Geographical and topographical features
- Effective representation

One of the easiest criteria to help determine if a comprehensive ward boundary review is warranted is the consideration of representation by population. Generally, it is considered desirable for the population of each ward to be relatively equal and that wards should achieve relative parity between the total municipal population and the population of each ward (within an acceptable level of variance). A plus or minus 25%

population variance from the average ward population (calculated by dividing the total population by the number of wards) has been found to be an acceptable level of variance when setting boundaries.

A review of population comparison between wards was conducted based on the eligible elector count provided by MPAC. The average population per ward was 4370.75 allowing for an acceptable range of 3278.07-5463.43. The results are provided in the chart below.

| Ward | Total Elector Count | Variance |
|-------------|----------------------------|-----------------|
| Ward 1 | 4629 | 5.9% |
| Ward 2 | 3579 | -18.1% |
| Ward 3 | 5598 | 28.1% |
| Ward 4 | 3677 | -15.9% |

Based on the OLT's acceptable guideline of a 25% population variance from the average population per ward, three of the four wards are in line with the recommendation. Ward Three falls slightly outside of the range with a 28% variance. In addition, three of the wards have more than a 15% variance which translates to a significant difference in representation for each ward.

Although outside the accepted threshold when establishing ward boundaries these variances in representation are not of immediate concern. Ward Three has held this variance for at least the past three electoral cycles with minimal change. The composition and ward boundaries of Port Colborne have remained largely static over the past several decades. The City has not experienced exponential and disproportional growth in certain areas of the City to warrant an immediate review. It is important though to review municipal operations on a regular basis through an independent review process. Establishing an independent review process through a consultant has been recommended by staff several times during past reviews. While not of immediate concern, staff recommend that with three wards having substantial variance in population, the next term of Council is an appropriate time to conduct a comprehensive review.

Should Council decide to proceed with a ward boundary and council composition review, it is staff's recommendation that an external consultant be retained based on the following considerations:

- The unique field of knowledge and expertise required;
- A consultant can ensure that issues surrounding specific principles (i.e. communities of interest) are fully explored and addressed in the final recommendations;
- The potential for an appeal to the OLT and the expertise that the consultant can provide to support the City's position; and,
- The importance of an independent review and unbiased process.

The recommended review would be comprehensive and will look at options to dissolve the current ward system in favour of an at-large system, maintain a ward system and undertake a ward boundary review, and establish a combination of a ward and at-large system. If a ward system is continued, a goal of the review would be to ensure the wards boundaries maintain equitable representation by population to extend over three election cycles.

The review would take an in-depth look at how the City governance is organized and review demographics and forecasted growth. The review would include consultation with residents, open houses, and public meetings. A recommendation report would come to Council for review along with a by-law if necessary. The by-law would be subject to a 45-day appeal period and, once passed, staff would work with MPAC to reorganize ward boundaries for the voters' list.

Council Remuneration:

The City of Port Colborne does not conduct frequent reviews of council remuneration. As such, a review once each term of council is warranted in order to address market demands. In 2020 the Mayor earned \$43,655 and each councillor earned \$11,489. The mayor position, in combination with the regional councillor position, is full-time while the councillors hold part-time positions.

Port Colborne has a fairly high number of councillors compared to some municipalities, but each councillor is part-time and therefore earns a nominal wage. Decreasing the number of councillors is an option that is often considered when evaluating council remuneration. Decreasing the number of councillors would save on certain expenses such as conferences and office supplies. It would not affect remuneration substantially however as the decrease would most likely require the remaining members to become full-time councillors. The current council positions, while considered part-time, operate well past regular part-time hours and include many nights and weekends in addition to regularly scheduled meetings.

In 2020, Human Resources conducted a non-union job evaluation of each position in the City. The consultant was also requested to evaluate council remuneration through this process. The review was undertaken once using a set of municipal comparators in Ontario and also a second time using only local comparators. In both set of results, the Mayor's wage fell within an average of the market range and the councillors' wages fell well below the comparator average. The review determined that to meet market rate councillors would need to earn a salary of approximately \$20,000.

Staff recommend that the wages of councillors be brought to a level that is on par with surrounding municipalities. It is recommended that the current salary remain in place for 2022 and a wage increase be included in the 2023 budget that is in line with the average of local comparator municipalities. Human resources staff will review this recommendation and examine how best to implement this increase. A review of

councillor remuneration would again need to be reviewed if major changes are implemented as a result of a ward boundary and council composition review.

Internal Consultations:

Staff discussed the recommendations in the report with the Human Resources and Finance divisions.

Financial Implications:

The recommendation of staff includes a governance review which would be added to the budget and be approximately \$50,000-55,000. Also included in the recommendation is an increase in the salary of the position of councillor. This increase would be dependant on the 2022 average of local comparator municipalities and human resources staff will review how best to implement this increase.

Both recommended financial considerations would be added to the 2023 budget.

Public Engagement:

If the recommendation of staff is approved, public engagement would occur through the ward boundary and council composition review. Various forms of engagement including a survey, open house, and public meeting would occur in order to receive resident feedback.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - People: Supporting and Investing in Human Capital
 - Governance: Communications, Engagement, and Decision-Making
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Conclusion:

It is good governance to regularly review municipal operations through an independent lens. Staff recommend that funding be budgeted in the 2023 budget to allow for a comprehensive review of ward boundaries and council composition to occur after the

2022 municipal election. In addition, staff recommend that the annual wage of councillors be brought in line with the local comparator average in the 2023 budget.

Respectfully submitted,

Amber LaPointe

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.