

# Recommendation Report Summary

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**SUBJECT:** Council remuneration for 2026 – 2030 term

**TO:** Committee of the Whole

**FROM:** Human Resources

Report Number: HRS-01-26

Wards Affected: not applicable

Date to Committee: April 13, 2026

Date to Council: April 21, 2026

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## Recommendation

Approve the Council remuneration for the 2026-2030 term in accordance with column two contained in Appendix C of human resources report HRS-01-26.

## Executive Summary

Purpose of report:

- The purpose of this report is to provide information to Council on an approach to implement the recommendations from the Council Remuneration Working Group (CRWG) for the next term of council outlined in [Report LLS- 54- 25](#), [Appendix A](#).
  
- As directed by Council in response to Report No LLS-54-25, this report also provides additional analysis and options related to the following CRWG recommendations:
  - a reasonable stipend to reflect the additional work performed when assuming Deputy Mayor responsibilities; and
  - a flexible health spending account (non-taxable) and/or wellness spending account (taxable); and
  - a review of the Special Initiatives Reserve Fund, including potential parameters for a maximum fund balance and a dedicated envelope for Council mailers.
- Along with information and options for the use of the Corporate Student Intern Program for the Mayor and Council.

# Recommendation Report

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## **Background**

At the December 1, 2025 Committee of the Whole meeting the Council Remuneration Working Group (CRWG) provided Council with several recommendations to be considered for the next term of Council's remuneration with respect to:

Salaries, Benefits and Pension, Expense Budgets/Special Initiative Reserve Fund, Council Staff Support, Agencies, Board and Committees and Customer Relationship Management.

This portion of the report will provide background information along with additional analysis, available options, and summary conclusions specific to the staff directions that arose from [Report LLS-54-25 Appendix A](#).

## **Deputy Mayor Governance model**

[Report MO- 03- 22](#) approved on December 5, 2022, established a new governance structure for the 2022–2026 Council term that includes Deputy Mayor portfolios, a rotating ceremonial and emergency Deputy Mayor role, and assigned committee chairs. This structure represents a change from how Burlington City Council operated previously and is the first time this model has been introduced to City Council.

## **Group Benefits Coverage**

The City provides all of Council with a group benefits package during their term of office. The current plan includes Extended Health Care (EHC), Dental, Long Term Disability, and Basic Life Insurance coverage. These benefits are administered in accordance with the insurer's plan provisions and mirror the group benefit package provided to non-union full-time employees.

The Extended Health Care and Dental benefits follow a traditional benefit design, characterized by fixed reimbursement levels, defined maximums, and detailed inclusions and exclusions (e.g., paramedical and dental category caps). This plan does not presently include any sort of Spending Account.

## **Special Initiative Reserve Fund**

The Special Initiatives Reserve Fund (the "Fund") was established in 2022 to accumulate annual surplus from budgeted discretionary expense funds not spent in a given year by members of Council. Each Councillor has an annual expense budget of \$10,400 and the

Mayor has a budget of \$32,240. The CRWG identified concerns regarding the rapid accumulation of the Fund balance and its underutilization, despite members of Council expressing a need for additional funding. As of December 31, 2025, the Fund balance is \$89,095.

### **Corporate Student Internship Program**

The Corporate Student Internship Program, initiated in 2011, is designed to offer post-secondary students and recent graduates valuable work experience within local government, and strengthen the City's recruitment and retention strategies by:

- Introducing new competencies and perspectives to the organization
- Facilitating a positive recruitment process
- Providing development and succession opportunities
- Advancing the City's objectives and project priorities

The Corporate Internship Program operates independently of the co-op and internship programs routinely administered within individual departments.

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## **Analysis**

### **Deputy Mayor Role and Stipend Review**

The Human Resources team engaged Gallagher Benefit Services (Canada) Group Inc. ("Gallagher") to conduct an independent review of the Deputy Mayor role under Burlington's Deputy Mayor governance model and to analyze relevant compensation practices across comparable municipalities. Gallagher applied an objective, evidence-based approach, drawing on market data to inform its analysis and conclusions.

Gallagher conducted a market study of thirty-two (32) municipalities of varying size and complexity to inform its analysis and identified limited direct comparators to Burlington's Deputy Mayor governance model. Not one municipality is the same as another, and there are numerous variables that influence both the overall design of the Deputy Mayor role and the overall compensation package. Gallagher observed that the Deputy Mayor with portfolio model of governance is more commonly found at the provincial and federal levels than at the municipal level. Of the municipalities reviewed, only twelve (12) indicated different compensation for the Council positions with a Deputy Mayor title; however, limited information was available to validate the specific responsibilities assigned or the purpose of Deputy Mayor role.

The analysis confirms that since no direct, like-for-like comparison exists to the City of Burlington's model, due to differences in governance frameworks and insufficient information regarding functional responsibilities at comparable municipalities, Gallagher recommends the City should not introduce a Deputy Mayor stipend at this time. Finally, the analysis noted that a more robust market study is warranted should the current governance model be retained for the next term of Council.

## **Conclusion**

While the review acknowledged that title distinctions exist in a small subset of municipalities, insufficient information regarding the scope and purpose of those structures remains difficult to assess and conduct meaningful comparative analysis. Should the next term of council decide to continue a Deputy Mayor governance structure, a more comprehensive review and market assessment would be required.

## **Group Benefits Coverage**

### **Flexible Spending Account Overview**

Human Resources engaged Sun Life, the City's current group benefits insurance carrier, to provide information on Health Spending Accounts (HSAs) and Wellness Spending Accounts. Sun Life refers to a Wellness Spending Account as a Personal Spending Account (PSA); accordingly, the term Personal Spending Account (PSA) is used throughout this report.

Note: As Spending Accounts are generally aligned with Extended Health Care (EHC) and Dental benefits, Long-Term Disability and Basic Life Insurance are excluded from the scope of this analysis.

#### **Health Spending Account (HSA)**

A Health Spending Account (HSA) is a non-taxable benefit that provides flexibility and personalization beyond traditional health and dental plans by reimbursing eligible medical and dental expenses as defined under the Income Tax Act. HSAs can be used to cover expenses not fully reimbursed under core benefit plans, such as deductibles and amounts exceeding traditional benefit plan maximums. While HSAs offer strong tax efficiency and flexibility, their use is limited to eligible health-related expenses. Please refer to Appendix A for a full list of HSA details and expenses.

#### **Personal Spending Account (PSA)**

A Personal Spending Account (PSA) is designed to support wellness, lifestyle, and fitness-related expenses beyond traditional health care. Unlike an HSA, PSA reimbursements

are taxable and reported as income on a plan member’s T4 slip. Eligible expenses may include fitness memberships, wellness services, nutrition programs, and other lifestyle supports. PSAs are valued for their versatility and plan member appeal, as they enable employers to support holistic well-being and diverse individual preferences. The trade-off is the associated tax impact for plan members towards eligible expenses. Please refer to Appendix B for a full list of PSA details and expenses.

### Benefit Package Options

The City collaborated closely with Sun Life to develop 4 benefit design options for Council that integrate spending accounts into the overall benefit program. These options were informed by Council’s current claims experience and historical spending data.

Options	Plan	Benefit Design
<b>Current Plan</b>	Existing EHC and Dental plan	Extended Health Care (inclusive of drug coverage) and Dental plan
<b>Option 1</b>	HSA only plan with Drug coverage	HSA only plan with an annual spending account limit of approx.: \$3,500 and Prescription Drug coverage
<b>Option 2</b>	Combination Plan: HSA and PSA with Drug coverage	Combination of HSA + PSA with an annual spending account limit of approximately \$1,750 each and Prescription drug coverage
<b>Option 3</b>	PSA only plan with Drug coverage	PSA only plan with an annual spending amount limit of approx.: \$3500 with Prescription drug coverage
<b>Option 4</b>	Existing EHC and Dental plan plus \$500 HSA and \$500 PSA	Retain existing EHC and Dental plan and Add HSA annual amount of: \$500 Add PSA annual amount of: \$500

### **Option 1 – Health Spending Account (HSA) Only with Drug Coverage**

This option replaces traditional EHC and Dental benefits with an HSA, providing an annual spending limit of approximately \$3,500, alongside prescription drug coverage. Plan members use the HSA to pay for eligible medical and dental expenses rather than submit these claims through the traditional benefits route. The primary advantage is tax efficiency and flexibility, as HSA reimbursements are non-taxable and cover a broad range of CRA-eligible health expenses. However, it shifts responsibility to plan members to manage their spending and limits coverage strictly to health-related expenses.

### **Option 2 – Combination HSA and PSA with Drug Coverage**

This option offers a more balanced approach by providing both an HSA and a PSA, with approximately \$1,750 allocated to each, in addition to prescription drug coverage. This structure allows plan members to address both healthcare and wellness needs. This option places a focus on personalization, supporting both medical and well-being costs. It appeals to a wide range of preferences by combining tax-free health reimbursements with flexible wellness spending. The trade-off is the added complexity and tax impact of PSA reimbursements, which are treated as taxable income.

### **Option 3 – Personal Spending Account (PSA) Only with Drug Coverage**

Under this option, plan members receive a PSA with an annual limit of approximately \$3,500, together with prescription drug coverage. The account can be used for a wide range of wellness, lifestyle, and fitness-related expenses, as defined by the plan. The strength of this option lies in its versatility as it supports diverse wellness and lifestyle choices. However, all reimbursements are taxable, and it does not specifically support traditional EHC or dental expenses beyond drug coverage.

### **Option 4 – Existing Benefit Plan with Added HSA and PSA**

This option retains the current EHC and Dental benefit plan and adds a \$500 Health Spending Account and a \$500 Personal Spending Account. It enhances the existing plan design rather than replacing it. This option provides the most comprehensive coverage, combining traditional benefits with flexibility and personalization through spending accounts. The trade-off is the increased overall cost, as it is not cost-neutral.

### **Financial Impact:**

At face value, options 1, 2, and 3 are projected to generate annual cost savings of approximately \$13,500 annually with the removal of EHC, Dental benefits and replacing those plans with spending accounts. In contrast, Option 4, which enhances the existing plan design through the introduction of spending accounts, is projected to result in an annual cost increase of approximately \$7,000. However, it's important to understand that the cost estimates in this

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report exclude administrative and claim handling fees connected with spending accounts under Options 1 through 4. Additionally, prescription drug premiums are adjusted yearly as part of the City's group benefits renewal process. These premiums can change due to inflation, plan history, and employee utilization. Therefore, any projected savings may be reduced by rising drug costs and unexpected administrative expenses, which could lead to higher long-term expenses for the City than originally intended. Lastly, spending accounts are self-insured plans, which means the employer is directly responsible for paying the expenses claimed by plan members. As a result, the City bears the full risk of the paid claim amount.

### **Other Operational Impacts:**

- Workday serves as the system of record for plan member group benefit elections, administered through the benefits module. Implementation of any of the proposed changes would require a reconfiguration of the City's benefit structures within Workday.
- Additionally, the introduction of a spending account would require configuration and further testing of the Sun Life integration file to ensure accurate and timely transmission of member data. These changes introduce further complexity to our existing administration practices.

### **Conclusion:**

Due to the variability in costs related to spending accounts and their operational implications, staff recommend maintaining the Mayor and Council's existing group benefits plan, which aligns with the non-union full-time employee plan. Furthermore, staff propose that the inclusion of spending accounts be considered as part of the City's next comprehensive review of its non-union benefit packages.

### **Special Initiatives Reserve Fund**

To address concerns regarding the accumulation and underutilization of the Special Initiatives Reserve Fund (the "Fund"), staff recommend implementing a recurring end-of-term reset mechanism. Specifically, at the conclusion of each Council term, the Fund balance would be reduced to an amount equivalent to \$5,000 per Member of Council (currently \$35,000 in total), with any excess funds transferred to the Tax Rate Stabilization Fund.

This approach:

- Maintains flexibility for Members to use funds as needed over the course of a Council term;
- Limits the long-term accumulation of unused balances; and
- Ensures that each Council term begins with a consistent, predictable funding baseline for Council initiatives.

The first application of this reset would occur at the end of the current Council term in 2026, and every four years thereafter.

The proposed end-of-term reset mechanism for the Special Initiatives Reserve Fund is not expected to have an incremental impact on the operating budget, as any excess balance transferred to the Tax Rate Stabilization Fund represents a reallocation of existing funds rather than a new expenditure.

### **Conclusion:**

Staff recommend maintaining the current annual Council discretionary expense budgets, thereby preserving flexibility for Members to access funding as required to support their roles and community initiatives.

### **Corporate Internship Program**

The Corporate Internship Program is managed by Human Resources and is currently under revision for 2027, to ensure it reflects the new corporate priorities and Horizon 2050.

The program application period usually begins early summer and ends by late August. This schedule allows sufficient time to review submissions, finalize selections and organize recruitment activities to meet school co-op terms.

Mayor and Council are eligible to participate in this program. However, any application to the program must be submitted and supported by an appropriate staff member as corporate interns are required to be hired by and report to a staff member.

- Council members seeking corporate intern support should contact Human Resources for referral to the appropriate staff member. For instance, if a Council member was looking for communication-related support, Human Resources would connect them with the Director of Communications.
- If the Mayor was looking for corporate intern support, they would go through their Chief of Staff.

### **Financial Impacts**

The 2026 budget for the Corporate Internship program is \$96,167.73.

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### **Recommendation Details**

Approve the Next Term of Council Remuneration in accordance with Column Two of Appendix C - Next Term of Council Remuneration Table.

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## Key Dates & Milestones

To inform prospective Mayor and Council candidates ahead of nominations opening on May 1, 2026, it is recommended that Council approve the Council Remuneration package prior to May 1, 2026, however it is not mandatory.

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## Implications

- As discussed above.
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## References

- [Report LLS- 54- 25](#) Council Remuneration Working Group Recommendation Report
  - [Report LLS-54-25 Appendix A](#) - 2025 Council Remuneration Working Group (“CRWG”) Report
  - [Report MO- 03- 22](#) - Appointments to standing committees, boards, committees, agencies and Deputy Mayors
  - [Report LLS-08-25](#) Council Remuneration and Total Rewards By-law and Working Group Terms of Reference
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## Strategic Alignment

- Designing and delivering complete communities
  - Providing the best services and experiences
  - Protecting and improving the natural environment and taking action on climate change
  - Driving organizational performance
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## Report Details

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### Appendices:

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- A. Sun Life Health Spending Account Coverage
- B. Eligible Expenses for Sun Life's Personal Spending Account
- C. Next Term of Council Remuneration Table

**Report Approval:**

All reports are reviewed and approved by the Head of Corporate Affairs, Commissioner, the Chief Financial Officer, and the Commissioner of Legal Services and Legislative Services/City Solicitor.