



Report to: Council

Meeting Date: January 25, 2022

SUBJECT: Markham Enterprises Board Compensation
PREPARED BY: Mark Visser, Senior Manager, Financial Strategy & Investments

RECOMMENDATION:

- 1) That Markham Enterprises Corporation (MEC) Directors (excluding Directors cross-appointed to Markham District Energy Inc. or Alectra or any successor or future business corporations) be compensated as follows:
 - (a) Directors - \$6,000 per annum
 - (b) Chair – an additional \$4,000 per annum
 - (c) Vice-Chair – an additional \$1,500 per annum
 - (d) Meeting per diem - \$500 per meeting, to a maximum of 16 meetings inclusive of any sub-committee meetings;
- 2) That the compensation increase for MEC Directors be retroactive to January 1, 2021;
- 3) That the cost of the increases be funded through the MEC budget; and
- 4) That Staff be authorized and directed to do all things necessary to give effect to this recommendation

PURPOSE

The purpose of this report is to obtain Council approval for the compensation increases for Markham Enterprises Corporation (MEC) Directors, as approved by the MEC Board on December 13, 2021.

BACKGROUND

In the first quarter of 2016, the MEC Board and Markham Council approved the following recommendations regarding Director compensation:

- 1) *That Markham Enterprises Corporation (MEC) Directors (excluding Directors cross-appointed to Markham District Energy Inc. or PowerStream or any successor or future business corporations) be compensated as follows:*
 - (a) *Directors - \$5,000 per annum*
 - (b) *Chair – an additional \$2,500 per annum*
 - (c) *Vice-Chair – an additional \$1,000 per annum*
 - (d) *Meeting per diem - \$325.00 per meeting, to a maximum of 16 meetings inclusive of any sub-committee meetings; and,*

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- 2) *That, as of the date of approval of this MEC Director compensation policy, any MEC Director appointed to PowerStream or MDEI (or any successor business corporations or other corporations that may be created in the future) would not be eligible for appointment as Chair or Vice-Chair of MEC; and,*
 - 3) *That Director compensation for MEC Directors set out in 1(a) and 1(d) above not be paid to MEC Directors receiving Director compensation from PowerStream or MDEI (or any successor business corporations or other corporations that may be created in the future); and further,*
 - 4) *That this policy, with the exception of #2 above, be effective as of January 1, 2015.*

There have been no increases to these amounts since that time.

OPTIONS/ DISCUSSION

At its meeting on December 13, 2021, the MEC Board approved the following compensation increases for MEC Board members:

MEC	Current	MEC Board Approved (2021)
Base Salary (Director)	\$5,000	\$6,000
Base Salary (Vice Chair)	\$6,000	\$7,500
Base Salary (Chair)	\$7,500	\$10,000
Per Meeting Stipend	\$325	\$500

Based on an average of seven meetings per year, the total compensation for the nine board members that receive compensation through MEC would increase from \$68,975 per year to \$91,000 per year. This represents a \$22,025, or 32%, increase.

In accordance with the Shareholder Declaration, MEC Board compensation must be approved by Council.

FINANCIAL CONSIDERATIONS

The increased costs associated with the new compensation package are paid directly by MEC, not the City of Markham. However, the estimated annual increase in costs of \$22,025 will be reflected in correspondingly lower dividends being paid by MEC to the City.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED

Human Resources, Legal

RECOMMENDED BY:

Trinela Cane, Commissioner,
Corporate Services

Claudia Storto, City Solicitor &
Director of Human Resources

ATTACHMENTS:

None