

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 14.1.9**  
**Halifax Regional Council**  
**May 23, 2017**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed by 

**SUBMITTED BY:** Bruce Zvaniga, A/Chief Administrative Officer

**DATE:** April 5, 2017

**SUBJECT:** Council Remuneration

---

## ORIGIN

Motion of Halifax Regional Municipality (HRM) Regional Council from November 22, 2016:

15.1 Deputy Mayor Craig

That Halifax Regional Council direct the Chief Administrative Officer to prepare a report and recommendation with respect to potential amendments to Administrative Order 17, the Council Member Remuneration Administrative Order respecting compensation and benefits, including pension and transition allowances, as discussed in the staff report with respect to the Regional Council Compensation Committee Final Report dated February 17, 2016.

## LEGISLATIVE AUTHORITY

20 (1) The Council may make policies:

(d) providing for and fixing:

- (i) the annual remuneration to be paid to the Mayor,
- (ii) the annual remuneration to be paid to the Deputy Mayor,
- (iii) the annual remuneration to be paid to councillors,

64 (5) The Council may, by policy, establish a pension plan to provide a pension for the Mayor or councillors or both.

(6) The Municipality, the employees and, where a pension plan is established for the Mayor or councillors, those for whom the pension plan is established, shall make contributions to the plan's cost.

Recommendation on next page

**RECOMMENDATION**

That HRM Council :

- 1) direct the CAO to direct staff to prepare amendments to Administrative Order 17, the *Council Member Remuneration Administrative Order*, the purpose of which is to provide:
  - i. that the change in the Nova Scotia Average Industrial Weekly (AIW) earnings from September to September as reported by Statistics Canada in October of each year be used to adjust remuneration for both the Mayor and Council each November 1<sup>st</sup> and that where the AIW for a given year indicates a reduction in the wages, there shall be no increase for the Mayor and Council in that year; and
  - ii. That where the Mayor or member of Council is legally prevented from participation in the HRM Pension Plan, they will be, at their option, enrolled in the HRM (Supplemental Executive Retirement Program) SERP program. The affected member will contribute to the SERP at the same level as they would have had they participated in the HRM Pension Plan and HRM will match those contributions.
- 2) Request the Province of Nova Scotia to amend the HRM Charter to allow for the provision of Transition Allowances to members of Council who do not reoffer or are not re-elected. The level of Transition Allowance to be determined by HRM Council.

**BACKGROUND**

In response to a 2014 Council request, the then Auditor General, Larry Munroe, established a Council Compensation Committee to make recommendations on the establishment of the remuneration and other compensation, including benefits, for the Mayor and Council. The results of that Committee's work were provided in the Council Report of February 17, 2016.

**DISCUSSION**

Council has asked for recommendations for potential amendments to the AO 17 with respect to compensation and benefits, including pension and transition allowances.

**Compensation**

The current mechanism for setting the remuneration for the Mayor and Council was established in 2004 by a Citizen's Commission (Attachment 1) and was reviewed and reconfirmed by the same Citizen's Commission in 2011. In both the original 2004 report and in the February 17, 2016 Council report the review committees both commented on the fact that it is a challenge to find a common method of setting elected officials compensation across Canada. In 2004, the committee determined that in response to this challenge, the uniqueness of HRM required a unique formula by which to establish the remuneration for the Mayor and Council, this uniqueness was reaffirmed in 2011. The 2016 committee also determined that it was not possible to find common comparators for HRM to use to set an appropriate level of remuneration for the Mayor and Council.

Over the 12 years that the current formula has been in use it has resulted in a level of remuneration for a Councillor which is equivalent to 92.6% of the base remuneration for a Nova Scotia Member of the Legislative Assembly (NS MLA) and a level of remuneration for the Mayor which is equivalent to 81.3% of the base remuneration for the Premier of Nova Scotia. In face of the well-established challenge to find an appropriate comparator to use to set the level of remuneration for the Mayor and Council, it is submitted that, given the overlap of the number of constituencies of similar geographic and economic characteristics between the NS Provincial Legislature and HRM Council, the current level of remuneration for the Mayor and Council is appropriate. It is therefore recommended that there be no change to the current

remuneration for the Mayor and Council. It is also recommended that the level of Council and Mayor remuneration relative to the base remuneration for a NS MLA and the NS Premier, respectively, be reviewed in the final year of the term of Council to inform Council on the appropriateness of the remuneration for the Mayor and Council.

With respect to the methodology by which the level of Council remuneration is adjusted from year to year, there does appear to be a consistent methodology used by many Canadian municipalities. This methodology is to adjust Council remuneration by an economic factor each year. Many municipalities use either the average change in the Consumer Price Index (CPI) for the area from year to year on a set date (e.g. September 1) or the average change in the Average Industrial Weekly Earnings (AIW) for the area from year to year, also on a set date. Both of these measures are reliably reported on by Statistics Canada on a monthly basis and therefore easily obtained. In addition, each of these measures are relatively easily understood and are reflective of local market conditions.

While CPI is the better known of the two measures, AIW is more closely linked to how wages are changing in the local market and therefore it is recommended that the change in the Nova Scotia Average Industrial Weekly earnings from September to September as reported by Statistics Canada in October of each year be used to adjust remuneration for both the Mayor and Council. It is further recommended that where the AIW for a given year indicates a reduction in the wages, there shall be no increase for the Mayor and Council in that year.

### **Pension**

The current pension benefits for Council are provided under the HRM Pension Plan on an optional basis. Where the Mayor or a councillor chooses not to participate in the HRM Pension Plan, they are choosing to accept less total compensation than Councillors who choose to participate. However, where the Mayor or a councillor is legally barred from participating in the HRM Pension Plan (by age, for example), they are then forced to accept unequal compensation.

In order to redress this forced inequity in the future, it is recommended that where the Mayor or member of Council is legally prevented from participation in the HRM Pension Plan, they will be, at their option, enrolled in the HRM SERP program. The affected member will contribute to the SERP at the same level as they would have had they participated in the HRM Pension Plan and HRM will match those contributions. As a non-registered retirement program, the SERP is not subject to the same age restrictions as the HRM Pension Plan which is a registered program. This will equalize the choice of total compensation offering from HRM for each councillor.

### **Transition Allowance**

As was identified in the 2016 Council Report it is a common practice of municipalities to offer some form of transition allowance to Councillors who do not reoffer or are not re-elected. Transition allowances are generally viewed as an appropriate mechanism to assist in encouraging citizens to seek public office as they provide income for the period of transition from public office back into private employment.

Currently, NS MLAs are eligible for a transition allowance upon death, resignation, defeat or if they do not reoffer. This allowance is calculated based upon 1/12th of number of months of service multiplied by 1/12th of the annual remuneration, but cannot be less than 25% of annual remuneration and cannot be more than 100% of annual remuneration. At the Federal level, Members of Parliament (MPs) are eligible for a severance allowance upon resignation, defeat or if they do not reoffer, but only if they are not also entitled to a Parliamentary pension. The amount of severance allowance is essentially 50% of the annual remuneration.

Currently, HRM does not provide for a transition allowance to Council members who are not re-elected and the HRM Charter does not specifically reference Council's ability to provide for transition allowances. Therefore, it is recommended that Council make application to the province to amend the HRM Charter to

allow for the provision of Transition Allowances to members of Council who do not reoffer or are not re-elected. The level of transition allowance to be determined by HRM Council.

**FINANCIAL IMPLICATIONS**

Based upon the average CPI and AIW figures for Nova Scotia for the past 5 years, the implementation of an economic indicator (e.g. CPI or AIW) as the mechanism for adjusting the remuneration for the Mayor and Council is not projected to increase the costs for Council remuneration beyond what the current formula has produced over the same time frame. (see Attachment 2)

The implementation of contributions to a SERP for members of Council who are legally prevented from participating in the HRM Pension Plan will not increase HRM's base budget as pension contribution costs are built into the base budget for Council each year. The proposed SERP solution would replace the contributions HRM would otherwise be making to the pension plan.

The financial implications of any transition allowance program will be dealt with in a future report and recommendation from staff should the Charter amendment be implemented.

**RISK CONSIDERATION**

n/a

**COMMUNITY ENGAGEMENT**

n/a

**ENVIRONMENTAL IMPLICATIONS**

n/a

**ALTERNATIVES**

Retain the existing pay structure as set out in Administrative Order 17.

**ATTACHMENTS**

Attachment 1 – 2004 Citizen's Commission on Council Remuneration Report  
Attachment 2 – NS Economic factors

---

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Britt Wilson, Manager, Talent & Total Rewards, Human Resources 902.490.5099

Report Approved by: Michael Burgess, A/Director of Human Resources, 902.490.7239

Financial Approval by: Amanda Whitewood, Director of Finance and Asset Management/CFO, 902.490.6308

Report Approved by: John Traves, Q.C., Municipal Solicitor, 902.490.4226

---

# **Report of the Citizens' Commission on Remuneration for Members of the Council of the Halifax Regional Municipality**

**April 20, 2004**

**Contents:**

<b>Acknowledgements</b>	<b>2</b>
<b>Introduction and Background</b>	<b>3</b>
<b>Challenge to the Citizens' Commission on Council Remuneration</b>	<b>4</b>
<b>Work of Council</b>	<b>5</b>
<b>The Mayor</b>	<b>6</b>
<b>Councillors</b>	<b>7</b>
<b>Public Input</b>	<b>9</b>
<b>Remuneration</b>	<b>10</b>
<b>Conclusions</b>	<b>12</b>
<b>Recommendations</b>	<b>13</b>
<b>Observational Recommendations</b>	<b>15</b>
<b>Appendices</b>	<b>16</b>
<b>I. Questionnaire</b>	<b>16</b>
<b>II. Concept for determining a rate of pay for             Mayor and Councillors and formula</b>	<b>17</b>
<b>III. Remuneration “Universe”</b>	<b>19</b>
<b>IV. Legislative Summary</b>	<b>20</b>

## **Acknowledgements**

The members of the Citizens' Commission on Remuneration for Members of the Halifax Regional Municipality wish to thank the many people who assisted us with the investigation and research for this report.

### ***His Worship The Mayor and Members of Council***

***Mr. Bill Dooks, MLA***

***Ms. Diana Whalen, MLA***

***Mr. Jack Novak, Dalhousie University***

***Mr. Art Donahoe Q.C.***

***Mr. Ian Crowe, CA***

**The Commission wishes to particularly thank and acknowledge all of the members of the Public who provided us with their views through our public hearing and written submissions.**

The Commission also thanks members of the Halifax Regional Municipality's staff including:

***Mr. Louis Coutinho***

***Mr. Paul Fleming***

***Ms. Valerie Day-Hawkins***

***Ms. Patti Halliday***

Respectfully submitted:

***The Citizen's Commission on Remuneration for Members of the Council of the Halifax Regional Municipality***

***Peter Ineson  
Blair Mitchell  
Jon Stone***

## **Introduction and background**

The governance landscape of Canada is in a period of change. The most dramatic effects are on municipalities. Amalgamations of smaller municipal entities into larger conglomerates, and realignment of government program responsibilities and service delivery have also created new challenges. To meet these, communities must have solid elected representation that fully reflects the collective vision of the electorate.

No longer is there a linear relationship from the federal, through provincial to the municipal levels of government. This once straight line has now evolved into a triangle with an increasing emphasis on the importance and relevance of municipal governments. With this evolution comes added expectations and responsibilities on the part of our elected representatives.

Halifax Regional Municipality is an example of a community on the frontier of this emerging era. In a few short years, four independent municipal government infrastructures have condensed into one administration. Complementary to this was the reduction from four separate elected councils comprised of more than 60 individuals to one council with 23 places at the table to represent a population of almost 400,000. Within just one municipality, there are one of Canada's busiest seaports, the regional financial centre as well as a fishery, farms and pristine wilderness areas. The Halifax Regional Municipality is a microcosm of Atlantic Canada.

Across Canada, there are several centres of population representative of the nature and spirit of a particular region. These cities are a major part of the Canadian mosaic. Halifax Regional Municipality, while it may have a relatively smaller population than Toronto or Montreal, nevertheless has a prominent place amongst those cities in formulating the definition of the nation, which is Canada.

Those who are elected by citizens to represent the Halifax Regional Municipality carry with them more than the responsibility to perform the tasks and duties expected of them by the voters in their neighbourhoods and communities. The Mayor and Municipal Council play a leadership role far beyond the immediate political horizon. Decisions made by Council have an impact far beyond the boundaries of the Halifax Regional Municipality.

## **Challenge to the Citizens' Commission on Council Remuneration**

The primary and over-riding necessity for remuneration of elected officials is not really about how much an individual or group receives from the public purse. Remuneration of elected public bodies is about establishing and maintaining an environment that creates neither incentives nor constructs barriers to attracting the widest possible cross section of qualified individuals from the community to serve that community. Councils ideally should represent the broadest range of people who make up a community. As citizens, we elect councillors and mayors to represent us. They have vested in them the mandate to not merely to act as messengers of what we wish to have taken to council, but to lead, to act as our delegates and to make decisions on our behalf. The wider the door can be opened, the greater the number of qualified people who will be encouraged to devote themselves to the community and represent our interests.

The question of remuneration for members of Halifax Regional Municipal Council goes beyond simply what a Councillor and the Mayor should be paid. It includes all the expenses incurred and the support services required to fully execute the public office. Unlike most other types of work, the remuneration of publicly elected officials is held to public scrutiny. With each election comes the ultimate evaluation of a person holding public office.

Remuneration is a difficult if not nearly impossible self-reflective decision-making process for elected bodies at all levels. Every option available is argued for and against. At the centre of the debate are those who are elected on the premise that they serve the greater good of the public, and not seek personal gain. It is, ironically, the one issue with which a publicly elected body is least equipped to deal, yet nevertheless must ultimately render a decision.

The goal of the Citizens' Commission was to explore ways to determine a fair and supportable formula to determine the appropriate rate of remuneration for members of the Council of the Halifax Regional Municipality on an ongoing basis.

## **Work of Council**

As mandated, all Councillors with only one abstention had a direct interview by a member of the commission. Two members of the commission also interviewed the Mayor. The goal of this exercise was to discover the essential elements of work expected from a Councillor and the Mayor in the municipality, what skills talents and abilities are likely to be required, and what is the level of effort required to perform the tasks associated with the position to an expected level.

The interviews all followed a pre-determined area of questioning. (See Appendix) Members of council were not asked for opinions on the current level of a councillor's remuneration. The mandate of this commission was not to simply seek a consensus amongst elected representatives. The commission's primary purpose was to explore the work and determine what would be an appropriate level of remuneration.

The only area of questioning in the financial realm dealt with the division of taxable and non-taxable income. This is a policy question related to the method by which remuneration is provided, but is not directly connected to the level of remuneration. The Commission explored how this division of 2/3 taxable to 1/3 non-taxable stipend affected the work required for the job positively, neutrally or negatively.

## **The Mayor**

The office of Mayor of the Halifax Regional Municipality is responsible to more voters than any other elected office in Atlantic Canada. With this mandate comes a significant responsibility. In addition to all the shared responsibilities the Mayor has with other members of Council, he or she must also represent the Municipality at provincial, national and even international levels.

On a daily basis, the Mayor must serve as the Chair of the municipal council, presiding at all formal meetings of council. In addition, as he or she is also elected by the same constituents as all members of council, the Mayor must be able to fully represent the interests of the community.

The key roles for the Mayor include:

- Serve as the Chief Magistrate for the Halifax Regional Municipality and presiding Chair of the Council and Committee of the Whole.
- Represent the Municipality at all regional, national and international forums necessary to contribute to the advancement of the Municipality.
- Provide a balance of authority to the Municipal Council structure.

## **Councillors**

It was necessary to determine the width and scope of work performed by members of council. There currently exists no formal “job description” for a member of the Halifax Regional Municipal Council. In fact as the Commission discovered, there does not appear to be many if any municipal governments in Canada that have the work of an elected official articulated in a formal way.

The reason for this is that the individual job of an elected member of council is very much defined by the relationship that develops between the elected person, his or her constituents, and the council of the day. It would be highly unlikely that development of a formal job description would serve much purpose in light of the dynamic environment of municipal council. Certainly there likely would not be much hope of having a “one size fits all” description. What is perhaps most interesting is that much of this work is defined by not only the ability of the particular elected official to serve his or her role on council, but by the expectations of both the public and the council process.

From the series of interviews (including the Mayor) and both current and former members of council, a number of circumstances became clear:

- The work of a Councillor in the Halifax Regional Municipality is such that it requires a full-time commitment on the part of elected representatives to fully perform their duties and obligations. All municipal councillors at present clearly devote at minimum the equivalent of 40 hours of work a week. In all likelihood, the average time commitment to the job of municipal councillor in the municipality is 10 to 20 hours more than that which is generally accepted to be a full-time job
- The work of all members of Halifax City Council cannot be confined to a definable period of daily commitment, but is evidently a seven-day-a-week commitment. Personal time including vacations can only be planned around this commitment.
- Most of the services provided to the public by Councillors are provided directly by themselves with only occasional support. It was also apparent that family members of some councillors also contribute work to the office, and in some cases community volunteers also assist.

In addition to the above conclusions, the Commission observes that there are essentially three types of work performed by a member of the Council of the Halifax Regional Municipality:

- ***District affairs and liaison:*** - All councillors, including those who held the seat previously, identified their work at the district level as being a major element of their work. Described by some as being an “ombudsman”, this work varies from responding to questions on where to access certain services to direct pleas for intervention. All members of council appear to place a very high priority on providing this service and indicate in some cases more than 50 percent of their time is invested here.
- ***Council affairs:*** In sitting at the Regional council table as well as participating in the Community Councils, work is required to represent the strategic interests of their respective districts. All members of the Council of Halifax Regional Municipality with

the exception of the Mayor participate in regionalized community council. Formalized meetings of Council and associated boards and committees can occupy as much as 30 hours during some weeks, not including preparation time.

- ***Strategic vision and policy:*** Councillors in the Halifax Regional Municipality must function on a strategic level to develop policy and provide strategic vision that will continue the positive development of the community into the future. In this role they must all develop a clear and collective vision of what the future holds for the Municipality and how decisions that are or are not made today will affect tomorrow. Research and “thinking” time is an essential element to the work of a municipal councillor to support this role.

## **Public input**

In addition to the active solicitation of input through the interview process with the Mayor and councillors, the Commission sought direct input from the public through a public meeting held on February 16. The Commission also solicited written submissions.

The commission is also particularly appreciative of the interest of the media during the research period. Several news items and opinion articles in Halifax newspapers helped gauge the public interest in the subject of remuneration, and certainly contributed greatly to the investigative process.

In general, the Commission received a clear picture from the Public that there is an importance placed on the role of municipal councillor, and in general there needed to be established a system of remuneration which would appropriately reflect the job requirements.

Individual policies or approaches advocated in one way or another to the Commission included the notion that by some formula or another for the purpose, councillors' remuneration and the Mayor's remuneration be fixed annually depending simply by way of cost of living calculated on one formula or another. Additionally one councillor proposed – and declined to participate in any remuneration exercise otherwise – that the Utilities and Review Board fix the remuneration of the council and the mayor.

Yet another proponent in the public hearing process argued strongly that the remuneration of councillors, in particular, should be fixed at or about the poverty line on the theory of deterring any desire for individual advantage in the process of municipal government.

A further option was for no change.

Mechanisms employed elsewhere have included the concept that a relationship between the roles of provincial and federal legislators might be fixed to provide a formula for determining their income.

In other jurisdiction some efforts have been made to correlate the remuneration of councillors with publicly available data concerning remuneration to specified occupations within the municipality or general levels of private income within the municipality itself.

Yet other systems would propose payment on account of committee memberships or participation in other council activities.

Finally, from time to time other indexing approaches were obtained and reviewed by the staff of the Municipality and are set out in the report recommending the establishment of this commission.

## **Remuneration**

The establishment of the Halifax Regional Municipality came rapidly through the policy and legislative process. Initial, 1996 work to establish remuneration for the Mayor and council was conducted in the absence of any direct Nova Scotian experience with a regional municipal government system. A committee similar to this Commission was established to recommend remuneration of Councillors and the Mayor. It operated by necessity on theory, with no available practical experience. The rate of remuneration for Councillors and the Mayor has since been founded on that exercise.

The commission is of the view, however, that with the benefit of the experience of the intervening years since the establishment of the Municipality, its council and its mayoralty, our work is best accomplished independently of considering this current rate. Rather, we have attempted separately to assess the experience of the councillors, and consider the municipality's now better-established place within the region and the country.

We have not ignored the financial circumstances of the municipality as a whole. We know that municipal services have been repeatedly cut or restricted. We share every citizen's knowledge of the large capital investment issues facing the municipality. We have been acutely conscious of our responsibility to recommend an approach that is supportable and is perceived as a legitimate, careful review of the needs of the Municipality in light of its resources.

Equally, however, to be responsive to the underlying needs of the municipality, we have also sought to discipline ourselves against penny wisdom, pound foolishness. An exercise playing to popular prejudices and restricting the income of councillors may well have been well received in some quarters. The Commission is strongly of the view that such an exercise could never be in the best interest of the wise governance of the municipality. Remuneration for elected officials of our municipal government, in our view, should never be allowed to function to entice or to preclude persons reasonably motivated to participate in the government of the region.

In order to establish a base of information, the Commission investigated remuneration programs for other jurisdictions across the country and at other levels of government. The purpose of this was to establish a "pay universe" for elected officials holding office in Canada with similar responsibilities. The Commission also looked for trends and similarities to assist in establishing a supportable starting base.

While some comparison was useful, it was clear to the Commission that the municipal level of representation differs greatly from provincial and federal offices. Primarily at the municipal level, representatives are elected as individuals and represent no particular political party or organization. While in office, this means that they have to operate much differently than they would if they were in a provincial position. For example a municipal councillor does not have support from a caucus office, as does a member of the provincial legislature. In addition a municipal councillor does not first require winning a nomination from a political party in order to have the support of a particular party to win an election. Municipal councillors are placed on ballots by their own initiative supported by the public.

**Citizens' Commission on Remuneration for members of the Council of the Halifax Regional Municipality**

Currently remuneration is provided to municipal councillors in the form of a stipend, of which one third is non-taxable. In addition, some expenses are provided for such as telecommunications and informatics support.

The Mayor has a number of office staff supporting the operation of that office.

An office staffed with a manager and seven employees supports councillors. Most of the resources for this office are located in City Hall with the exception of one part-time position located in a district office. While not a direct part of remuneration, support provided by this office does reduce the direct financial impact on councillors.

During the information-gathering period, the Commission heard from several members of the public who also suggested that the “perks” associated with the office of Mayor and Councillors be taken into consideration. The Commission did not discover any significant benefit being received by the Mayor or Members of Council outside of the basic stipend.

## **Conclusions**

Based on the research and public input received during the review period, the Citizens' Commission arrived at conclusions which were not only supported by the Commission's research but was also confirmed and supported by earlier surveys, evaluations and inquiries conducted over the past two years. The Commission's conclusions include:

- Based on comparison with comparable communities across Canada, the remuneration for Members of Council in the Halifax Regional Municipality is below the mean average of stipends.
- The roles and functions of the Mayor and Members of Council in the Halifax Regional Municipality have a greater significance than many similar sized municipalities, as the Municipality is a hub city for the region of Atlantic Canada. As such, this element needs to be factored into a formula for remuneration.
- The current system for reimbursement of expenses for Municipal Councillors is imbalanced and needs to be more reflective of actual expenses incurred with appropriate accountabilities. This is particularly relevant to travel expenses within districts having large geographic boundaries.
- Annual adjustments the stipends for the Mayor and Members of Council using the ongoing application of the recommended remuneration formula should be conducted.

## **Recommendations:**

After exploring various approaches used by municipalities across the country, it became clear to the Commission that there are as many ways of approaching remuneration for elected officials, as there are jurisdictions. The challenge this presented to the commission was finding an approach that would consider the fact that Halifax Regional Municipality is a hub city and the Council that governs it must be widely representative of the community. The Commission also determined that the role of Councillor is a full-time commitment and must be remunerated as such. At the same time it is also recognized that Councillors of the Halifax Regional Municipality must be remunerated in context with similar jurisdictions across the country. Therefore the Commission is recommending a formula that establishes what can be termed as the pay “universe” for Mayors and Municipal Councillors in similar circumstances across the country. (*see appendix III*). This formula can be applied annually to ensure that elected officials in the Halifax Regional Municipality are be remunerated at a level consistent with other similar municipalities across the country. Also inherent in this formula is the premise that the Mayor and Members of Halifax Regional Municipal Council will never be the highest paid in the country. They will, however, be remunerated at a level which is sufficient to recognize the strategic importance of this municipality in context with the Region and the country as a whole.

The mechanism, which the Commission proposes, is intended among other things to avoid the disruption of periodic salary reviews and the resulting distraction from other municipal priorities. The Municipal Government provides for an eight-year annual review from 2006 of municipal district boundary and representation issues. (*see appendix IV*) If adopted, the formula we propose might conveniently be matched to this pattern of review

The Citizens' Commission on Remuneration for Members of the Council of the Halifax Regional Municipality recommends the following:

*Whereas the remuneration provided to Members of the Council of the Halifax regional Municipality is below the average of similar sized communities across Canada, the level of this remuneration should be brought to the mean average immediately following the next election. (Currently the level of stipend for the Mayor is consistent with this formula and does not require adjustment until the calculations warrant such adjustment.)*

*And whereas it is recognized the Halifax Regional Municipality has a regional and national significance, the Municipality shall implement a seven year process to elevate the remuneration of municipally elected offices to a level which represents an amount which is fifty percent more than the national mean remunerations. The effects of this formula will be that those in elected offices of the Halifax Regional Municipality will never be remunerated at the top level of Canadian municipalities, but neither will they be the lowest.*

*And to apply the formula on a gradual implementation schedule covering seven years until the full application is in place.*

**Other recommendations are:**

- **Taxable vs. Non taxable stipend:** *The Commission recommends that the split of taxable vs. non-taxable stipend be abolished. The reasons for the non-taxable segment being established are no longer supportable. After conversion, the net amount currently paid as stipend should result in no net loss or gain. This amount is now considered the base rate.*
- **Expenses:** *All necessary and appropriate expenses should be considered for application to Councillors and the Mayor. This would include having the Municipality's travel expense rules apply to the work of councillors.*
- **The Deputy Mayor:** *The stipend rate for the Office of Deputy Mayor be established at 110 percent of the stipend rate for a Councillor and applied monthly.*

## **Observational recommendations:**

During the Commission's investigations there were a number of things that came to light which were in a somewhat grey area beyond the specific mandate. The Commission did however recognize that these points do have a bearing on the remuneration of the Mayor and Members of Council in a non-direct way.

- **Remuneration for the Office of Deputy Mayor:** The position of Deputy Mayor is required by Provincial legislation. The legislation, however, is silent on differential remuneration levels for the position of Deputy Mayor. In the Commission's research, there was no evidence of substantially greater workload for the Deputy Mayor, other than as back up to the Mayor in executing duties of office on an as-need basis. In practice it appears that many of the members of Council in fact act in place of the Mayor on a regular basis. Based on the assumption that all councillors are in fact engaged on a full-time basis, the Commission recommends assignment of 110 percent of a Councillor's stipend to the Deputy Mayor's post, based on month-to-month rotation allowing for equitable distribution of the workload and commensurate added responsibilities. Underlying this is an understanding that the role of A councillor in Halifax Regional Municipality is a full-time commitment.
- **Support for the Office of Deputy Mayor:** At present when called upon to serve in place of the Mayor, support for the Deputy Mayor comes from the Councillors' Support Office. Direct support provided to Members of Council is part of the overall remuneration even though it is not in a tangible form. While performing the required duties, the Deputy Mayor is serving the Office of the Mayor rather than Council. Therefore the Commission suggests that support for the Office of Deputy Mayor should be provided by the Office of the Mayor, thereby allowing the previously distracted resources within the Councillors' Support Office to be directed to supporting Councillors.
- **Office support outside of City Hall:** The current part time support position allocated to one Council district should be eliminated and consolidated within the City Hall councillors' support office. No rationale is evident as to why this situation currently exists for the given district. Including the resources within the current Councillors' support office would increase the level of flexibility of support provided to members.

## **Appendix I**

In order to collect consistent information from interview subjects, members of the Commission explored the following areas with Members of Council.

### **Questionnaire Subject Areas**

Name:

District:

#### **Hours of work:**

1. formal meetings (committees and council)
2. informal meetings with constituents or city staff
3. travel to attend meetings and civic functions
4. read and prepare correspondence
5. vacation (s)

#### **Decision making**

- A. – financial
- B. – political / non-financial

#### **Observations**

1. changes within HRM and the role of a Councillor
2. interface with other municipalities
3. taxable vs. non-taxable income

#### **General comments:**

## Appendix II

### Concept for determining a rate of pay for HRM's Mayor and Councillors

1. A universe of municipalities from across Canada is created – (Appendix III)
2. The universe consists of the 7 communities with populations between 300,000 and 650,000 plus HRM = 8 sets of stipend rates\*\*
3. The duties and responsibilities of HRM Mayor and Council are considered to be above the mean average of the “universe” due to the significance of Halifax within Canada and the Atlantic region
4. The above mean average is applied as 50% of the difference between the weighted average and the highest rate
5. As a matter of principle Halifax will never have the highest remunerated Mayor or Councillors within the “universe”
6. Review stipends annually – October 1<sup>st</sup> of each year commencing in 2005
7. Rates of remuneration will be reset annually on November 1<sup>st</sup> of each year commencing in 2004
8. The deputy mayor, in recognition of that position’s duties and responsibilities, will be paid 110% of a councillor’s stipend, calculated and paid on a monthly basis.
9. In recognition of the fiscal considerations when implementing this program a seven-year phase-in is adopted.

\*\* Canadian municipal units will enter or leave the “universe” based on population changes known during the annual survey of the “universe” and from Statistics Canada data base\*\*

### Formula – methodology – weighted average

1. Convert all stipends into fully taxable amounts
2. Add populations
3. Express as a percentage the population of each universe municipality as a portion of the universe total population = **weighting factor**
4. Multiply the stipend of each mayor or councillor by the weighting factor = **weighted salary**
5. Add the weighted stipend of each universe municipality= **weighted average salary**
6. Subtract weighted average salary from the highest salary

7. Divide by 2 = **median rate** between weighted average and highest rate
8. Add median rate to average rate = **HRM stipend**

9. **Except that:**

## **In 2004 the weighted average only will be paid**

In 2005 the weighted average only will be paid  
In 2006 the weighted average plus 10% will be paid  
In 2007 the weighted average plus 20% will be paid  
In 2008 the weighted average plus 30% will be paid  
In 2009 the weighted average plus 40% will be paid  
In 2010 and all subsequent years the weighted average plus 50% - or median rate - will be paid

## **Current and new rates:**

### Mayor:

Current rate after taxable conversion will be:

\$ 127,000 fully taxable

Recommended that the Mayor's rate not be increased until formula warrants such increment. (Mayor's stipend currently at a higher than weighted average but within "universe" and consistent with the remuneration philosophy)

### Councillor:

Current rate after taxable conversion is:

\$45,825

Recommended rate after applications of formula:

\$52,000 (fully taxable)

### Deputy Mayor:

Additional \$433 per month (based on \$5,200 annually also fully taxable) assigned to the Councillor serving as Deputy mayor within that given month. This represents a significant decrease from the current supplement assigned to the deputy mayor's duties.

## Appendix III

### HRM REMUNERATION "UNIVERSE" 2004

#### CURRENT RANKING & RATES

	MAYORS	COUNCIL	
1. Hamilton	136,132	Winnipeg	65,150
2. Winnipeg	129,904	Hamilton	63,736
3. HRM	127,000	Brampton	55,487
4. Vancouver	115,617	Vancouver	50,932
5. London	113,314	HRM	45,825
6. Brampton	103,510	Surrey	43,914
7. Laval	133,857	Laval	43,852 *
8. Surrey	86,792	London	32,546

\* Note: Councillors in Laval receive additional stipends to serve on boards and committees over and above the base stipend rate. Amount shown is minimum an elected councillor can receive in that municipality.

#### POPULATIONS

1. Winnipeg	631,200
2. Vancouver	568,500
3. Hamilton	490,300
4. HRM	390,000
5. Surrey	347,900
6. Laval	343,000
7. London	337,000
8. Brampton	325,500

## **Appendix IV**

### **Legislative Summary**

The structure of the councillors and the role of the mayor and deputy mayor are fixed generally by the *Municipal Government Act*. The Act provides that the Mayor, and in his absence, the Deputy Mayor is to preside at all meetings of council (s. 15(1), (2)). While the Mayor is to be elected at large, the Deputy Mayor is to be a councillor elected at large by council members.

Absence from more than three consecutive meetings of the council without the leave of council may disqualify a councillor or a councillor from continuing in office (s 19(4))

Halifax regional councillors are to comprise the community council for regions of polling districts established by Municipal policy (s. 521(4)).

The council is empowered to make policies providing for and fixing the annual remuneration to be paid to the mayor, deputy mayor and councillors (s.23(1)(d)(i),(ii), (iii)). The Council is empowered to fix a portion of the remuneration as an allowance for expenses "incidental to the discharge of the duties of such persons as elected officers of the municipality" (s. 23(1)(d)(iv)) **and to fix "the rate per kilometre as travelling allowance...for actual distance travelled once each day to go to, and return from, every daily session of a meeting of the council or a committee.."** (S. 23(1)(v)).

The statute provides further that the council may prescribe a policy to provide that remuneration from any other body to a councillor to which the councillor is appointed as a representative of the municipality, is to be paid to the municipality (s. 23(2)). The Act goes on to authorize the reimbursement of expenses authorized by the Council, incurred by a member, to the member.

Financial statements of the municipality are to be published and to set out the remuneration paid to a council member. (s. 42(6)).

The Municipality is explicitly authorized, through council to expend monies to reimburse expenses incurred by councillors or the mayor establish a policy governing the payment of expenses incurred by members of Council and the mayor.(s. 65(1))

The Act goes on to provide that in the year 2006 and at each eight year interval thereafter, council is required to revisit whether the districts and the number of councillors provide fairly and reasonably for representation. (s. 369(1))

### **Election**

10 (1) A municipality is governed by a council consisting of at least three members.  
(2) One councillor shall be elected for each polling district in a county or district municipality and in a regional municipality.

11 (1) The mayor of a town or regional municipality shall be elected at large.

## **Duties**

15 (1) The mayor or warden shall preside at all meetings of the council.  
(2) During the temporary absence of the mayor or warden, the deputy mayor or deputy warden shall preside and, if neither is present, the council may appoint a person to preside from among the council members present.

16 (1) The council shall select one of its council members to be the deputy mayor or deputy warden of the council.  
(2) Prior to the selection of a deputy mayor or deputy warden, the council shall determine, by policy, the term of office of the deputy mayor or deputy warden.  
(3) The deputy mayor or deputy warden shall act in the absence or inability of the mayor or warden or in the event of the office of mayor or warden being vacant.  
(4) The council may prescribe, by policy, additional duties and responsibilities of the deputy mayor or deputy warden.  
(5) The deputy mayor or deputy warden has all the power and authority and shall perform all the duties of the mayor or warden when the deputy mayor or warden is notified that  
(a) the mayor or warden is absent or unable to fulfil the duties of mayor or warden; or  
(b) the office of mayor or warden is vacant. 1998, c. 18, s. 16.

521 (1) The council of the Halifax Regional Municipality may, by policy, establish a community council for an area.  
(2) A policy establishing a community council shall define the boundaries of the community and the community shall include the whole, or part of, at least three wards or polling districts.  
(3) The number of electors in a community shall be at least twice the average number of electors per ward or polling district in the municipality.  
**(4) The community council for each community consists of the councillors elected from the polling districts included, in whole or in part, in the community. 1998, c. 18, s. 521.**

## **Remuneration**

23 (1) The council may make policies  
1. (a) respecting the date, hour and place of the meetings of the council and the notice to be given for them;  
(b) regulating its own proceedings and preserving order at meetings of the council;  
(c) providing for committees and conferring powers and duties upon them, except the power to expend funds;  
(d) providing for and fixing  
(i) the annual remuneration to be paid to the mayor or warden,  
(ii) the annual remuneration to be paid to the deputy mayor or deputy warden,  
(iii) the annual remuneration to be paid to councillors,  
(iv) that part of the salary or remuneration that is an allowance for expenses incidental to the discharge of the duties of such persons as elected officers of the municipality,

**Citizens' Commission on Remuneration for members of the Council of the Halifax Regional Municipality**

- (v) the deduction to be made from the remuneration of such persons for missing more than three council or committee meetings in a year, and
  - (vi) the rate per kilometre as a travelling allowance for such persons for actual distance travelled once each day to go to, and return from, every daily session of a meeting of the council or of a committee.
- (2) The council may, by policy, require that where a council member is nominated or appointed by the council to a board, commission or other position or is otherwise appointed as a representative of the municipality, any remuneration from that position, excluding reimbursement of expenses, to which that council member is entitled shall be paid to the municipality.
- (3) Where
- (a) an expense by a council member is authorized by an expense policy adopted by the council; or
  - (b) no expense policy has been adopted by the council but the expense is supported by proof that it has actually been incurred,
- the expense may be reimbursed to the council member. 1998, c. 18, s. 23.

## **Financial Reporting**

- 42 (1) The council shall appoint a municipal auditor who is registered pursuant to this Act to be the auditor for the municipality.
- (2) The auditor shall report to the council on the accounts and funds
- (6) The financial statements of a municipality, as reported on by the auditor, shall set out the remuneration paid to each council member and the chief administrative officer.

## **FOIPOP**

- 480 (4) A disclosure of personal information is not an unreasonable invasion of a third party's personal privacy if...
- (e) the information is about the third party's position, functions or remuneration as an officer, employee or member of a municipality

## **Eight Year Review**

- 369 (1) In the year 1999, and in the years 2006 and every eighth year thereafter the council shall conduct a study of the number and boundaries of polling districts in the municipality, their fairness and reasonableness and the number of councillors.
- (2) After the study is completed, and before the end of the year in which the study was conducted, the council shall apply to the Board to confirm or to alter the number and boundaries of polling districts and the number of councillors. 1998, c. 18, s. 369.

Attachment 2 – NS Economic Factors

NS CPI vs NS AIW vs Formula vs Internal 2012 to 2016

