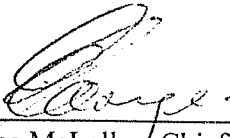


MEMORANDUM

TO: Gordon Roussel, Co-Chair, HRM Pension Committee
Nigel Field, Co-Chair, HRM Pension Committee

FROM: 
George McLellan, Chief Administrative Officer

DATE: 21 March 2005

SUBJECT: Chief Executive Officer Position for the HRM Pension Plan

Last week, with the distribution of the explanatory letter from both of you gentlemen regarding the captioned position, some questions arose regarding the intent of this position, its justification, and scope.

You may or may not be aware that I met with Diane Peters, your consultant in this matter, on two occasions since she has been retained. At my most recent discussion with Diane, it was agreed that she would clarify the scope of the Governance and Administration aspects of the position, and its relationships.

Coming from the meeting, I was comfortable with this approach but was surprised when I saw both the letter and heard about the newspaper ad, as I thought I would get some idea as to how the agreed-upon discussions had gone.

Anticipating that existing pensioners, perhaps some members of the Plan itself, and the questions that have already arisen, could lead to misunderstandings, I am suggesting that you gentlemen come in and briefly review the thinking behind the position. In the last few days, I have found that the explanation has greatly helped allay people's fears or concerns, and I expect this would be true of Council. I am asking that this be done, however, as this is a perceived financial issue and I think your goals in seeking to acquire this person would be greatly advanced by dealing with any misunderstandings at the outset.

I will be giving you a call as well, to give you any other information and feedback that I can, that might help in explaining this initiative.

Copy: Mayor and Council

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