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Item No. 11.1.9 (ii)
Halifax Regional Council
September 20, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Citizens' Commission on Remuneration for the Mayor and Members of Halifax Regional Municipal Council

DATE: September 20, 2011

SUBJECT: Report of the Citizen's Commission on Remuneration for the Mayor and Members of Halifax Regional Municipal Council

ORIGIN

The Regional Council motion of November 16, 2010 to:

Instruct the CAO to reconvene the independent review committee to review the adequacy of the formula in its present day application. The committee shall take into account the NS CPI adjustment for possible application beyond 2010. The Committee will consider other factors that, in their opinion, may have merit, including examination of fixed remuneration during the whole term of office. The report from the committee including any and all recommendations, shall be submitted directly to open Council no later than the 2nd week of September 2011, and at the same session, its recommendation be subject to a vote by Council without amendments or debate.

RECOMMENDATION

The Citizen's Commission on Remuneration for the Mayor and Members of Halifax Regional Municipal Council recommends to Halifax Regional Council that the philosophy and formula for remunerating the Mayor and Members of the Council of Halifax Regional Municipality (HRM) approved in Amended Administrative Order No. 17 remain unchanged.

BACKGROUND

Report of the Citizen's Commission on Remuneration for the Mayor and Members of Halifax Regional Municipal Council is attached.

DISCUSSION

BUDGET IMPLICATIONS

None

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

N/A

ALTERNATIVES

No alternative is recommended[

ATTACHMENTS

Attachment A – Report of the Citizen's Commission on Remuneration for the Mayor and Members of Halifax Regional Municipal Council is attached

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Citizens' Commission on Remuneration for the Mayor and Members of Council: Halifax Regional Municipality

Report of the Citizens' Commission on Remuneration for the Mayor and Members of Council: Halifax Regional Municipality

Background

In 2004, at the request of Halifax Regional Council, a Commission composed of Citizens of HRM who bore no affiliation with HRM, its elected Council or other Boards and Commissions was formed for the purpose of establishing an appropriate and sustainable method of remuneration for the Mayor of the Halifax Regional Municipality and elected members of Halifax Regional Council. The sole objective was to investigate a base of acceptable remuneration for elected officials, and propose a formula which by nature would be fair and equitable.

In formulating recommendations, the Commission undertook extensive research and investigation including interviewing the Mayor and the members of HRM Municipal Council of the day. The Commission also sought information from other jurisdictions on methods of remuneration which were based on similar goals as those articulated in our mandate.

The resulting recommendation of the Commission established a formula which created a "universe" of comparator communities across the Country, and set the standard that the Mayor and Members of HRM Municipal Council would never be the highest or lowest compensated elected officials in that group of comparators. This formula was designed to be fair, supportable and most importantly did not place elected officials in the position of having to decide on their own rates of remuneration.

The HRM Administrative Order 17 which established rates of pay was amended by vote of Council to incorporate the approach recommended by the Citizens' Commission in April of 2004, with a gradual implementation following the subsequent Municipal election.

Current

In November of 2010, Council requested that the method and formula which has been used to establish levels of remuneration for elected members of council be re-examined to determine if new factors should be reconsidered. Specifically the following motion was passed by HRM Municipal Council:

Instruct the CAO to reconvene the independent review committee to review the adequacy of the formula in its present day application. The committee shall take into account the NS CPI adjustment for possible application beyond 2010. The Committee will consider other factors that, in their opinion, may have merit, including examination of fixed remuneration during the whole term of office. The report from the committee including any and all recommendations, shall be submitted directly to open Council no later than the 2nd week of September 2011, and at the same session, its recommendation be subject to a vote by Council without amendments or debate.

The practical importance of the change that was implemented based on our original recommendations in 2004 was to remove the issue of council members' compensation from an area of public speculation and, therefore, channel it to a neutral, dispassionate and practical process.

Impacts of NSUARB decision on council size.

During the course of our review, the Commission was provided with copies of the decision rendered by the Nova Scotia Utility and Review Board (UARB) reducing the total number of councillors in the Halifax Regional Municipality to 16 from the current 23. The decision and the conclusions reached by the UARB were examined by this Commission in some detail. Based on the formula and approach we determined for establishing a compensation system for the Mayor and Members of HRM Council, we do not see where the reduced council size would impact on remuneration for elected officials of HRM.

The process that was established and the objectives that we sought to address remain untouched by the size of Council that is now fixed by the UARB or the consequent population and extent of the geographic area councillors will represent. Should there be adjustments to administrative support to be provided to assist Councillors in newly increased riding populations flowing from that change, that is a matter which should be determined separately from the issue referred to this Commission.

Discussion

Our review focused upon whether or not the data and philosophy used to create the compensation formula associated with Administrative Order No. 17 remains relevant. Pursuant to the Motion passed by Council to reopen this matter, we have considered whether other factors such as the Consumer Price Index or term remuneration should be applied.

Key elements in the shaping of the original process were to insure that HRMs Mayor and Council were never to be the highest nor lowest paid within their "universe" and to recognize the importance of HRM with Nova Scotia, the Maritimes and Canada. Our reflection upon the original process confirmed that it remains relevant in all aspects and, in particular, as it depoliticized the remuneration process for the Mayor and Council and recognized the value of those offices as it relates to the duties and responsibilities of the positions.

The Halifax Regional Municipality is one of Canada's hub cities. While not as populous as Toronto or Vancouver, it clearly serves as the regional centre of the Maritimes if not all of Atlantic Canada. The position of Mayor of the Halifax Regional Municipality individually represents the largest electorate in Atlantic Canada. The current process in place for determining remuneration reflects a national scope and that to amend the process to be local or regional, in any aspect, only serves to defeat the spirit and intent of the original formula.

Basically, it is a determination of the value of the job within its peer group and that peer group are municipalities within Canada where populations are of comparable size. The recent decision to reduce the size of council further reinforces the relevance of this process.

Ultimately, consistent with the essential responsibility of the voters of the Municipality to determine by whom they should be best represented, the existing process, we believe, now allows representatives to perform their role in a manner which allows them to be remunerated and supported appropriately and to the best ends of the public interest which they are chosen to serve.

Having taken the opportunity, firstly, as residents of the Municipality, to experience the impact of the mechanism we established; secondly, to consider the ongoing operation of the Council over the intervening years; and thirdly, to review significant national developments in how elected municipal officials' compensation have since been determined, we have concluded that the mechanism which we established in 2004 has well withstood the test of time.

Of specific mention in Council's motion was for the Consumer Price Index (CPI) to be considered as a factor in determining remuneration for the Mayor and Members of Council. While there are examples in Canada where CPI is used as the guide for increments in remuneration such as the Canada Pension Plan, the Commission has reviewed the implications of using the index and determined that in the case of elected officials of HRM, it is not an appropriate guide. The CPI is strictly a cost-focussed measure and is not connected to scope and nature of work.

In the Commission's initial explorations and further reviewing of the current method of remuneration for the Mayor and Members of Council, we have determined that the overriding principle of compensation is first and foremost to provide a level of compensation which is neither an encouragement nor a deterrent to those seeking public office. The inherent issue with the CPI as it relates to remuneration is that it is based on variables which may not be associated with the nature of the responsibilities for an elected official. Use of the CPI as a pay scale rating device for elected officials is not linked to the nature and environment of the work performed by those elected to serve. The use of the comparator elements as currently contained in the compensation formula is directly linked to the scope of work performed.

Council's discussion on this matter also included references to elected members refusing pay increases during their terms of offices. This is, of course, entirely a decision of the individual, and there are many examples of elected officials in many jurisdictions who so choose to accept reduced or even no compensation for their service in public office. This is a personal choice. The mandate of the Citizens' Commission is to recommend a method of remuneration for the Office. It is the position, not the person for which the remuneration is provided.

Summary

Upon review of the current approach to compensation for HRM's elected officials, the Citizens' Commission considers that the approach adopted following the 2004 amendment to Administrative order 17 remains a fair and reasonable means to compensate those who hold elected offices in the Halifax Regional Municipality.

The process that we established and the objectives that it sought to address remain untouched by the size of Council that is now fixed by the decision of the Nova Scotia Utility and Review Board, or the consequent population and extent of the geographic area councillors will represent. Should there be adjustments to administrative support to be provided to assist councillors in newly increased riding populations flowing from that change; it is a matter which should be determined separately from the issue referred to this Commission.

The purpose of establishing a supportable and equitable process for remuneration of those in public office is to cast the widest possible net to encourage well-qualified individuals to seek public office. Ultimately, consistent with the essential responsibility of the voters of the Municipality to determine by whom they should be best represented, the existing process, we believe, now allows representatives to perform their role in a manner which is remunerated and supported appropriately and to the best ends of the public interest which they are chosen to serve.

Recommendation

RECOMMENDED: That the philosophy and formula for remunerating the Mayor and Members of the Council of Halifax Regional Municipality (HRM) approved in Amended Administrative Order No. 17 remain unchanged.

Submitted by:

Blair Mitchell,
Jon Stone
Peter Ineson

References

- Decision of the Nova Scotia Utilities and Review Board - IN THE MATTER OF AN APPLICATION by HALIFAX REGIONAL MUNICIPALITY to confirm the number of councillors and polling districts and to alter the boundaries of polling districts - DECISION NSUARB-MB-10-06 - 2011 NSUARB 119
- City of Toronto 2010 Elected Officials Compensation Study (Participant Report)
- City of Toronto 2010 Elected Officials Compensation Study (Final)
- Halifax Regional Municipality Administrative Order Number 17 Respecting Remuneration For Members Of Council
- Report of the Citizens' Commission on Remuneration for Members of the Council of the Halifax Regional Municipality - April 20, 2004