

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
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Item No. 11.1.4
Halifax Regional Council
November 18, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by



SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by



Mike Labrecque, Deputy Chief Administrative Officer

DATE: November 4, 2014

SUBJECT: Housekeeping Amendments Administrative Order Number 17, Respecting Remunerations for Member of Council

ORIGIN

The September 20, 2011 Report to Regional Council of the Citizens' Commission on Remuneration for Members of Council of the Halifax Regional Municipality ("Citizens' Commission") and the subsequent motion of Regional Council on the same day, as follows:

MOVED by Deputy Mayor Smith , seconded by Councillor Walker that Halifax Regional Council that the [sic] philosophy and formula for remunerating the Mayor and Members of the Council of Halifax Regional Municipality approved in Amended Administrative Order No. 17 remain unchanged.

MOTION PUT AND PASSED

LEGISLATIVE AUTHORITY

Halifax Regional Municipal Charter, 2008, c.39 clause 20 (1) (d)

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.

RECOMMENDATIONS

It is recommended that Halifax Regional Council adopt the amendments to Administrative Order 17, the *Council Member Remuneration Administrative Order*, as set out in Attachment 2 attached hereto, which will:

- 1) give effect to the September 20, 2011 motion of Regional Council;
- 2) make minor changes to the language and punctuation of the Administrative Order for consistency;
- 3) add to the Administrative Order the optional benefits the Members of Council are eligible to receive; and
- 4) revise the Administrative Order by removing previous year remuneration references.

BACKGROUND

On December 16, 2003, Regional Council tasked the Citizens' Commission with striking an arms-length formula for the remuneration of successive elected Councils. Regional Council passed the following motion:

MOVED by Councillor Sarto, seconded by Councillor Uteck, that the Chief Administrative Officer and the Deputy Chief Administrative Officer appoint a Citizens' Commission, prior to the end of the out-going Council's elected term, to review, develop and establish a Policy on Council Remuneration for the next elected Council and for successive elected Councils. The Commission will also specifically outline a remuneration structure for the next elected Council and for each year of that term. Further, that the Terms of Reference be amended to add the words "as they relate to HRM as a whole" after the phrase "give consideration to the following issues" under Accountabilities.

The Report of the Citizens' Commission (2004) recommended a formula which created a "universe" of comparator communities across Canada, and set out that the remuneration for Members of Council would never be the highest or lowest compared to other elected officials in the comparator communities.

At the meeting of April 27, 2004, Regional Council accepted the recommendation of the Citizens' Commission (2004) and amended Administrative Order 17. Accordingly, the following motion was passed:

MOVED by Councillor Hetherington, seconded by Councillor Blumenthal, that Halifax Regional Council adopt as a policy pursuant to the Municipal Government Act amendments to Administrative Order Number 17, the Council Members' Remuneration Administrative Order, the purpose of which are to provide for the incorporation into the By-Law of the recommendations of Citizen's Commission on Remuneration for Members of Council.

At the meeting of November 16, 2010, Regional Council amended Administrative Order Number 17 to impose a Consumer Price Index ("CPI") cap on the remuneration formula effective November 1, 2010. Regional Council also directed that the Citizens' Committee be reconvened to reexamine the formula and comment on the CPI cap. Regional Council passed the following two motions:

MOVED by Councillor Rankin, seconded by Councillor Johns, that Halifax Regional Council:

1. Amend the formula set out in Administrative Order #17, used for determining Councillor and Mayor salaries to be subject to a percentage increase no greater than the current Nova Scotia Consumer Price Index and that the amendment be effective November 1, 2010; and

MOTION PUT AND PASSED.

2. 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.

MOTION PUT AND PASSED.

DISCUSSION

As directed by Regional Council on November 16, 2010, the Citizens' Commission looked at the CPI adjustment and concluded that CPI was not an appropriate guide for remuneration. The Report of the Citizens' Commission (2011) stated at page 4:

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** [emphasis added].

In the Commission's initial explorations and further reviewing of the current method of remuneration for the Mayor and the 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 association 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 officials to serve.** The use of the comparator elements as currently contained in the compensation formulae is directly linked to the scope of the work performed [emphasis added].

Rather than supporting CPI, the recommendation of the Citizens' Commission (2011) was to continue using the formula recommended in the initial Report of the Citizens' Commission Report (2004). This recommendation was accepted by motion of Regional Council on September 20, 2011, when the following motion was passed:

MOVED by Deputy Mayor Smith, seconded by Councillor Walker that Halifax Regional Council that the philosophy and formula for remunerating the Mayor and Members of the Council of Halifax Regional Municipality approved in Amended Administrative Order No. 17 remain unchanged.

MOTION PUT AND PASSED.

Unfortunately the September 20, 2011 motion did not consider the amendments that were made to Administrative Order 17 on November 16, 2010 whereby Council had already added CPI to the Administrative Order. Accordingly, the necessary amendments arising from the September 20, 2011 motion to remove CPI from Administrative Order 17 were not adopted. The recommendation currently before Regional Council serves to implement Council's intent of 2011 by removing CPI from Administrative Order 17. It is important to note that Council's remuneration since 2011 has been calculated in accordance with the Citizens' Commission's Report (2011) and therefore has not been limited by CPI.

Other Compensation for Members of Council

Elected Members of Council are currently able to participate in a number of HRM compensation programs in accordance with the regulations of the applicable plans as follows:

Benefits	Elected Members may opt to join the Non-Union Flex Benefit Plan. Coverage includes: Extended Health, Prescription Drugs, Dental, LTD, Life and Accidental Death Insurance. Eligibility rules for specific benefits are subject to age limits for all plan members.
Pension	Elected Members may opt to participate in the HRM Pension Plan on the same basis as HRM non-union employees and in accordance with the terms of the HRM Pension Plan. HRM Charter Part II, Section 55(5),(6),(7) HRM Pension Plan Master Text Paragraph 3.3
EFAP	Elected members and their dependants have access to the confidential Employee and Family Assistance Program.

For clarity, staff is recommending that access to these compensation programs be reflected in Administrative Order 17.

Housekeeping Amendments

There are a number of housekeeping amendments being recommended by staff for consistency and to remove historical references, as follows:

- the titles of “deputy mayor”, “councillor” and “member” be capitalized;
- the phrase “Member of Council” be used throughout the Administrative Order in place of the two current phrases “council member” and “Member of Council”;
- removing the 2001 remuneration in section 2 and replacing it with the current 2013/2014 amounts;
- adding punctuation to Appendix A;
- removing, from Appendix A, the reference to “Appendix III” as there is no such Appendix and replace it with a list of the seven municipalities that are used for comparison purposes;
- removing, from Appendix A, the commencement years of 2004 and 2005 for the review of the stipends and rates of remuneration, as the Administrative Order requires both to occur annually;
- removing, from Appendix A, the seven year phase in as it ended in 2010, while leaving the reference for the 2010 weighted average of 50% as it applies to all subsequent years; and
- updating the “current rates” to reflect the 2013/2014 remuneration amounts.

Staff is recommending that these historical references be removed as they are no longer being used to calculate the remuneration of Members and that the rates of pay be revised to the current 2013/2014 amounts.

FINANCIAL IMPLICATIONS

There are no financial implications to this report that are not accounted for the 2014/2015 operating budget.

COMMUNITY ENGAGEMENT

The Citizens’ Commission on remuneration is an arm-length citizen commission established by Council to make recommendations in regard to remuneration for elected Members of Council.

ENVIRONMENTAL IMPLICATIONS

NA

ALTERNATIVES

Council could refuse to amend Administrative Order 17 and leave the CPI limit on remuneration. This is not recommended as Council's intent on September 11, 2011 was to remove CPI from Administrative Order 17. As such Council's remuneration has been determined based upon the Citizens' Commission's Report (2011) and has not been limited by CPI. If Council does not amend Administrative Order 17, Council's remuneration for 2011, 2012 and 2013 will have to be recalculated with the CPI limit and therefore decreased or Council will have to amend Administrative Order to retroactively remove the CPI calculations for those years.

ATTACHMENTS

Attachment 1 Administrative Order 17 (showing proposed changes)

Attachment 2 Amending Administrative Order

Attachment 3 Administrative Order 17 (incorporating proposed changes)

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.

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**Attachment 1
(Showing Proposed Changes)**

**HALIFAX REGIONAL MUNICIPALITY
ADMINISTRATIVE ORDER NUMBER 17
RESPECTING REMUNERATION FOR MEMBERS OF COUNCIL**

BE IT RESOLVED as an Administrative Order of the Council of the Halifax Regional Municipality as follows:

SHORT TITLE

1. The Administrative Order may be cited as Administrative Order Number 17, the *Council Member Remuneration Administrative Order*.

REMUNERATION

2. (1) The annual remuneration to be paid to the ~~m~~**M**embers of Council, effective ~~April 1, 2001~~, **November 1, 2013, is as follows:**

(a) to the Mayor, ~~Ninety-six Thousand, Six Hundred and Ninety-three Dollars and Thirty-One Cents (\$96,693.31)~~ **one hundred and sixty-two thousand, nine hundred and six dollars and fifty-one cents (\$162,906.51);**

(b) to the Deputy Mayor, ~~Forty-nine Thousand, Seven Hundred and Ninety-eight Dollars and Forty-Four Cents (\$49,798.44)~~ **eighty six thousand, six hundred and fifty-four dollars and twenty-six cents (\$86,654.26); and**

(c) to the Councillors, ~~Thirty-nine Thousand, and Eighty-nine Dollars and Ninety Cents (\$39,089.90)~~ **seventy-eight thousand, seven hundred and seventy-six dollars and sixty cents (\$78,776.60).**

(2) One third of the remuneration set forth in subsection (1) shall be an allowance for expenses incidental to the discharge of the duties of the respective ~~m~~**M**ember of Council as elected officers of the Halifax Regional Municipality in accordance with Section 81(3) of the *Income Tax Act (Canada)*.

~~2A—Effective November 1, 2004 and in each subsequent November, the annual remuneration to be paid to members of Council shall be the lower of:~~

~~a) the amount calculated and paid in accordance with the formula set out in Appendix “A” attached, or~~

~~b) the percentage increase in the Consumer Price Index by Province (Nova Scotia) for All-Items published by Statistics Canada for the 12 month period beginning with the month of August of the previous year up to and including the month of August of the current year, and~~

~~in either case, with no allowance for expenses. Repeal.~~

~~2B —Notwithstanding section 2A, where there is no percentage increase in the CPI Index for the 12 month period referred to in clause (b) of section 2A, the annual remuneration to be paid to members of Council shall be made in accordance with the formula set out in Appendix “A”, with no allowance for expenses. Repeal.~~

2C. Effective on November 18, 2014 and in each subsequent November 1st, the annual remuneration to be paid to Members of Council shall be the amount calculated and paid in accordance with the formula set out in Appendix “A”.

2D (1) A Member may join the current Non-Union Flex Benefit Plan and may participate in the HRM Pension Plan.

(2) A Member who joins the Non-Union Flex Benefit Plan or who participates in the HRM Pension Plan, shall be subject to the same eligibility rules, limitations, or restrictions as a Non-Union Flex Benefit Plan Member or a Non-Union member of the HRM Pension Plan.

2E A Member and his or her dependants may access the confidential Employee and Family Assistance Program.

REMUNERATION FROM APPOINTED POSITIONS

3. Where a ~~council member~~ **Member of Council** is nominated or appointed by the Council to a board, commission or other position or is otherwise appointed as a representative of the Halifax Regional Municipality, any remuneration from that position, excluding reimbursement of expenses, to which that ~~council member~~ **Member of Council** is entitled shall be paid to the Halifax Regional Municipality.

4. Members of Council shall be reimbursed for expenses incurred as a ~~m~~**M**ember in the same manner and to the same extent as employees of the Municipality on filing written proof that the expenses have actually been incurred.

Appendix “A”

The concept for determining a rate of pay for HRM's Mayor, Deputy Mayor and Councillors is as follows:

1. A universe of municipalities from across Canada is created of the following Municipalities: **Brampton, Hamilton, Laval, London, Surrey, Winnipeg and Vancouver** ~~-(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 1st of each year. **commencing in 2005**
7. Rates of remuneration will be reset annually on November 1st 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.~~ **Repeal**

~~** 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**.~~ [move]

10. Formula - methodology - weighted average

1. Convert all stipends into fully taxable amounts
2. Add population.
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.

**** 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**.**
[moved]

Current and new rates:

Mayor:

11. Current Rate for 2013 after taxable conversion will be: \$ 127,000 162,906.51 (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:

**12. Current rate after taxable conversion is: _____ \$45,825
Recommended Rate after applications of formula for 2013 will be: \$52,000 78,776.60 (fully taxable).**

Deputy Mayor:

13. Additional \$433 656 per month (based on \$5,200 7877 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 Mayors duties.

Attachment 2
(Amending Administrative Order)

HALIFAX REGIONAL MUNICIPALITY
ADMINISTRATIVE ORDER NUMBER 17
RESPECTING REMUNERATION FOR MEMBERS OF COUNCIL

BE IT RESOLVED that Administrative Order 17, the *Council Member Remuneration Administrative Order*, is further amended as follows:

1. That section 2 be amended by:
 - (a) striking out the word, number and period “April, 1 2001.” after the word “effective”;
 - (b) adding the number, words and colon “November 1, 2013, is as follows.” after the word “effective”;
 - (c) striking out the words, brackets and numbers “Ninety-six Thousand, Six Hundred and Ninety-three Dollars and Thirty-One Cents (\$96,693.31)” after the comma and word “Mayor” and before the semi-colon in clause a;
 - (d) adding the words, brackets and comma “one hundred and sixty-two thousand, nine hundred and six dollars and fifty-one cents (\$162,906.51)” after the comma and word “Mayor” and before the semi-colon in clause a;
 - (e) striking out the words, brackets and numbers “Forty-nine Thousand, Seven Hundred and Ninety-eight Dollars and Forty-Four Cents (\$49,798.44)” after the words and comma “Deputy Mayor,” and before the semi-colon in clause b;
 - (f) adding the words, brackets and numbers “eighty six thousand, six hundred and fifty-four dollars and twenty-six cents (\$86,654.26)” after the words and comma “Deputy Mayor,” and before the semi-colon in clause b;
 - (g) adding the word “and” at the end of clause b;
 - (h) striking out the words, brackets and numbers “Thirty-nine Thousand, and Eighty-nine Dollars and Ninety Cents (\$39,089.90)” after the word and comma “Councillor,” and before the period in clause c; and
 - (i) adding the words, brackets and numbers “seventy-eight thousand, seven hundred and seventy-six dollars and sixty cents (\$78,776.60)” after the word and comma “Councillor,” and before the period.
3. That sections 2A and 2B are repealed.
4. That sections 2C, 2D and 2E are added after the repealed section 2B and before section 3 as follows:
 - 2C. Effective November 18, 2014 and in each subsequent November 1st, the annual remuneration to be paid to Members of Council shall be the amount calculated and paid in accordance with the formula set out in Appendix “A”.
 - 2D. (1) A Member may join the current Non-Union Flex Benefit Plan and may participate in the HRM Pension Plan.

(2) A Member who joins the Non-Union Flex Benefit Plan or who participates in the HRM Pension Plan, shall be subject to the same eligibility rules, limitations, or restrictions as a Non-Union Flex Benefit Plan Member or a Non-Union member of the HRM Pension Plan.

2E. A Member and his or her dependants may access the confidential Employee and Family Assistance Program.

5. Section 3 is amended by

(a) striking out the words “council member” before the words “is nominated” and after the word “a”, and before the word “is entitled” and after the word “that””; and

(b) adding the words “Member of Council” after the word “a” and ” before the words “is nominated”, and after the word “that” and before the word “is entitled”.

6. Section 4 is amended by capitalizing the word “member”.

7. That Appendix A is amended by:

(a) adding the word “The” at the beginning of the first sentence and de-capitalizing the word “Concept”;

(b) adding the comma and words “, Deputy Mayor” after the word “Mayor” and before the word “and” in the first sentence;

(c) striking out the dash, bracket and word “-(Appendix III)” after the word “created”;

(d) adding a colon and the words “of the following Municipalities: Brampton, Hamilton, Laval, London, Surrey, Winnipeg and Vancouver” after the word “created”;

(e) adding the words and colon “is as follows:” after the word “Councillor”;

(f) adding periods at the end of sections 1,2,3,4,5,6,7, after the sentence starting and ending “**”; after the first sentence under the header “Mayor” and the second sentence under the header “Councillor”;

(g) striking out the words “commencing in 2005” after the word “year” in section 6;

(h) striking out the words “commencing in 2004” after the word “year” in section 7;

(i) capitalizing the words “deputy mayor” and “councillor” in section 8;

(j) repealing the first sentence of section 9;

(k) numbering the formula as section 10 and moving the sentence starting and ending with “**” to the bottom of page one;

(l) striking out the first 7 lines in subsection 9 of the newly numbered section 10 starting with the words “Except that” and ending before the line starting “In 2010”;

(m) adding a period at the end of the line in the formula starting “In 2010” in subsection 9 of the newly numbered section 10;

(n) striking out the words “and new” after the word “Current” and before the word “rates” in the header “Current and new rates”;

- (o) under the header “Mayor”:
 - (i) striking out the word “Current” at the beginning of the sentence before the word “rate”;
 - (ii) striking out the words “after taxable conversion” after the word “rate” and before the word “will”;
 - (iii) striking out the number “127,000” after the dollar sign and before the word “fully”;
 - (iv) striking out the second and third sentences;
 - (v) capitalizing the word “rate” after the struck word “Current”;
 - (vi) adding the number “\$162,906.51” after the dollar sign and before the word “fully”;
 - (vii) adding the word and number “for 2013” after the word “rate” and before the word “after”;
 - (viii) adding brackets on either side of “fully taxable”; and
 - (viii) numbering the section as section 11;
- (p) under the header “Councillor”:
 - (i) striking out the words and number “Current rate after taxable conversion is: \$45,825”;
 - (ii) striking out the word “Recommended” and the words, number and colon “after application of formula: \$52,000”;
 - (iii) capitalizing the word “rate” after the struck word “Recommended”;
 - (iv) adding the words, number and colon “for 2013 will be: \$78,776.60” after the word “Rate”; and
 - (v) numbering the sentence as section 12;
- (q) under the header “Deputy Mayor”:
 - (i) striking out the numbers “433” and “5200” after the dollar signs under the header “Deputy Mayor”;
 - (ii) striking out the sentence “This represents a significant decrease from the current supplement assigned to the Deputy Mayors duties.”;
 - (iii) adding the numbers “656” and “7877” after the dollar signs; and
 - (iv) numbering the sentence as section 13.

**Attachment 3
(Incorporating Proposed Changes)**

**HALIFAX REGIONAL MUNICIPALITY
ADMINISTRATIVE ORDER NUMBER 17
RESPECTING REMUNERATION FOR MEMBERS OF COUNCIL**

BE IT RESOLVED as an Administrative Order of the Council of the Halifax Regional Municipality as follows:

SHORT TITLE

1. The Administrative Order may be cited as Administrative Order Number 17, the *Council Member Remuneration Administrative Order*.

REMUNERATION

2. (1) The annual remuneration to be paid to the Members of Council, effective November 1, 2013, is as follows:

(a) to the Mayor, one hundred and sixty-two thousand, nine hundred and six dollars and fifty-one cents (\$162,906.51);

(b) to the Deputy Mayor, eighty six thousand, six hundred and fifty-four dollars and twenty-six cents (\$86,654.26); and

(c) to the Councillors, seventy-eight thousand, seven hundred and seventy-six dollars and sixty cents (\$78,776.60).

(2) One third of the remuneration set forth in subsection (1) shall be an allowance for expenses incidental to the discharge of the duties of the respective Member of Council as elected officers of the Halifax Regional Municipality in accordance with Section 81(3) of the *Income Tax Act (Canada)*.

2A Repealed.

2B Repealed.

2C. Effective on November 18, 2014 and in each subsequent November 1st, the annual remuneration to be paid to Members of Council shall be the amount calculated and paid in accordance with the formula set out in Appendix "A".

2D. (1) A Member may join the current Non-Union Flex Benefit Plan and may participate in the HRM Pension Plan.

(2) A Member who joins the Non-Union Flex Benefit Plan or who participates in the HRM Pension Plan, shall be subject to the same eligibility rules, limitations, or restrictions as a Non-Union Flex Benefit Plan Member or a Non-Union member of the HRM Pension Plan.

2E. A Member and his or her dependants may access the confidential Employee and Family Assistance Program.

REMUNERATION FROM APPOINTED POSITIONS

3. Where a Member of Council is nominated or appointed by the Council to a board, commission or other position or is otherwise appointed as a representative of the Halifax Regional Municipality, any remuneration from that position, excluding reimbursement of expenses, to which that Member of Council is entitled shall be paid to the Halifax Regional Municipality.

4. Members of Council shall be reimbursed for expenses incurred as a Member in the same manner and to the same extent as employees of the Municipality on filing written proof that the expenses have actually been incurred.

Appendix “A”

The concept for determining a rate of pay for HRM's Mayor, Deputy Mayor and Councillors is as follows:

1. A universe of municipalities from across Canada is created of the following Municipalities: Brampton, Hamilton, Laval, London, Surrey, Winnipeg and Vancouver.
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 1st of each year.
7. Rates of remuneration will be reset annually on November 1st of each year.
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. Repealed.
10. Formula - methodology - weighted average
 1. Convert all stipends into fully taxable amounts
 2. Add population.
 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. In 2010 and all subsequent years the weighted average plus 50% -or median rate -will be paid.

Current rates:

Mayor:

11. Rate for 2013 will be: \$162,906.51 (fully taxable).

Councillor:

12. Rate for 2013 will be: \$78,776.60 (fully taxable).

Deputy Mayor:

13. Additional \$656 per month (based on \$7877 annually for 2013 also fully taxable) assigned to the Councillor serving as Deputy Mayor within that given month.

** 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**.