

Excerpt: DRAFT Minutes of CBRM Council meeting – November 20, 2018

8.9 In Camera Meetings regarding Council Remuneration:

Motion:

Moved by Councillor McDougall, seconded by Councillor Coombes, to release a portion of the Minutes associated with In Camera discussion involving Council remuneration as outlined.

Motion Carried.

Excerpt – CBRM In Camera Council Minutes of December 7, 2016

Approved July 17, 2017

NOTE: *Although not on the agenda for this meeting, the following came up in discussion following a staff presentation on a listed agenda item:*

Mayor Clarke stated that an overarching piece of the pension issue relates to the Council compensation component. He suggested that the Council remuneration should be brought up to a fully taxable amount, and this would be factored into the pensionable earnings. The Mayor noted that he will not be running in the next election; however from a motivation perspective, it would be an important factor when trying to encourage people to run for public office. This is an issue which this Council must deal with and it would be preferred to have unanimous support for any changes and have everyone on side, however it is not required.

The Chief Financial Officer said that it was her understanding that the HRM Council remuneration is now fully taxable; however she was not sure of the process for filing personal income tax returns.

Ms. Walsh indicated that she would have to check with HRM to determine what process they used to eliminate the one-third tax free portion of their remuneration.

There was discussion regarding the matter, including the following:

- Travel component and relevant sections of the MGA (i.e. one meeting per day);
- Salary comparisons to other jurisdictions;
- Full time vs. part time work classification of Councillors;
- Provincial standard for recognition of years of service (i.e. MLAs).

AGREED that the Mayor will come back to Council with some options in regards to the Council remuneration/pension issue.

Excerpt – CBRM In Camera Council Minutes of May 8, 2017

Approved October 24, 2017

NOTE: *Although not on the agenda for this meeting, the following came up in discussion following a staff presentation on a listed agenda item:*

Following the presentation, some of the discussion included:

- Council remuneration
- Pension for Council members

Excerpt – CBRM In Camera Council Minutes of October 24, 2017

Approved June 5, 2018

Mayor & Council Compensation Report:

Mayor Clarke advised that many discussions have taken place with the Director of Human Resources, CAO and CFO regarding Council compensation, as well as reports to determine an assessment and classification of a part-time Councillor and duties and responsibilities that go with the Office. One of the challenges with assessing is comparing CBRM with other regional centres and the obligations of this Council, including social and economic issues. The ongoing challenge is a compensation package that best reflects the service provided by Council.

Mayor Clarke indicated a compensation specialist could be brought in to identify challenges and interview Councillors to be able to get a fair assessment of the duties and obligations, however this will not decrease the compensation. He suggested a separate discussion on travel, per diem and mileage rates for Council and staff.

Mr. Gordie MacDougall, Director of Human Resources, presented his report included in the agenda package. He advised Council that in February 2017, a report to Council outlining several options available was not acceptable at the time. He recommended streamlining the current compensation structure as follows:

Remove \$140 travel allowance and add same to salary:

- Maintaining a salary with 2/3 taxable, 1/3 nontaxable
- Claim mileage for one Council or Committee meeting per day in accordance with the *Municipal Government Act* (definition of what constitutes a meeting should be clarified)
- Pension contribution based on 2/3 taxable amount of salary

Following the report, Council discussed the following:

- Changes to the MGA and reporting responsibilities;
- Daily per diem and comparisons to UNSM and AMA rates;
- Part time vs full time responsibilities;
- Public perception – perceived 18% with and \$140 per diem in salary;
- Comparisons of when the policy was implemented to current day i.e. Council representation and District boundaries;
- Councillors with other employment;
- Changing Councillor job description;
- Claim mileage vs. \$140 travel allowance;
- Finding a fair system for all Council members;
- Pension entitlement;
- Public service and community contributions;
- Not all Councillors take the \$140 travel allowance;
- No new funding for travel, proposed recommendation that travel would be included in 2/3 taxable, 1/3 non taxable remuneration;
- Cost and time for a consultant to prepare a compensation review.

Continued...

Excerpt – CBRM In Camera Council Minutes of October 24, 2017

Approved June 5, 2018

Mayor & Council Compensation Report (Cont'd):

Mayor Clarke advised that there is no motion for or against this issue, therefore the result of the discussion is status quo.

The CAO advised that staff will not be bringing this matter back to an agenda and unless Council directs otherwise. Clarification was provided on eligible meetings. Consideration will be provided for reimbursement for travel for scheduled and advertised meetings. District travel will not be reimbursed.

Council Remuneration re: Eliminating of One-Third Tax Exemption:

Ms. Jennifer Campbell, Chief Financial Officer reviewed her Memo that was circulated at the meeting regarding the impacts on Council remuneration with the Federal Government's decision to remove the 1/3 tax exemption for elected officials effective January 1, 2019. She advised that if there are no changes to income levels, Council's net pay will be reduced. Council's direction regarding the matter is required.

Ms. Campbell reviewed the impacts on net pay if no action is taken.

Mr. Gordie MacDougall, Director of Human Resources, advised that in order to offset the elimination of the one-third tax exemption, it is anticipated that an annual salary of \$48,000 to \$50,000 salary would be required for Councillors.

The CAO advised that on June 8, 2018, the Board of the NSFM recommended that all municipal units raise levels of compensation for elected officials, specifically the gross be raised to the amount that allows the net remuneration to be maintained.

Motion:

Moved by Councillor George MacDonald, seconded by Councillor MacLeod, that a recommendation be made to Council to raise the Council remuneration to the fully taxed value and incorporate the \$140 weekly local travel allowance in the base salary prior to the removal of the one-third tax exemption.

Discussion:

During discussion, the following was raised:

- Local travel for Councillors in the more rural communities
- Claiming travel expenses for official CBRM meetings
- Retirement plans
- The impact of compensation levels on decisions to run for office
- Comparison of salaries with other units and per capita representation
- Full time vs part time Councillors
- Per diem rates
- Decision-making process by Council regarding the matter

Motion withdrawn with consent of the seconder.

At this point in the meeting it was **agreed** that staff will provide a report outlining the exact numbers for each Council member for each compensation option outlined in the staff report, and that full report be brought back for consideration at a future In Camera meeting.