

HALIFAX

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

Item No. 14.1.6
Halifax Regional Council
March 8, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by _____
John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by _____
Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: February 17, 2016

SUBJECT: Regional Council Compensation Committee Final Report

ORIGIN

Halifax Regional Council motion of November 18, 2014:

MOVED by Councillor Craig, seconded by Councillor Outhit

1. That Regional Council:
 - a) Establish an independent Halifax Regional Council Compensation Committee to be selected and convened by the Auditor General; and
 - b) That the Council Compensation Committee review previous recommendations, current compensation for elected members of Regional Council (Mayor, Deputy Mayor and Councillors) and any relevant benchmark data; and
 - c) That the Council Compensation Committee be tasked to establish the remuneration and other compensation including benefits for elected members of Regional Council which may include change to the current formula; and
 - d) That the report from the Council compensation Committee be submitted to Regional council by the end of August 2015; and
 - e) That Regional Council consider the recommendation of the Council Compensation Committee.
2. Direct staff to draft a report and recommendations to effect amendments to Administrative Order 17 to ask the Council Compensation Committee to review and report to Regional Council by the end of August in the 3rd year of each of the subsequent term of that elected Regional Council in accordance with 1a through 1e above.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter (“*Charter*”), 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,
 - (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,
 - (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.

Charter, clause 79(1)(r):

The Council may expend money required by the Municipality for...

- (r) salaries, remuneration and expenses of the Mayor, councillors, officers and employees of the Municipality;

Administrative Order 17, the *Council Member Remuneration Administrative Order*.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Adopt the amendments to Administrative Order 17, the *Council Member Remuneration Administrative Order*, as set out in Attachment 3;
2. Direct staff to request that the Halifax Regional Municipality Pension Plan Office review the recommendations and, if necessary, amend the Halifax Regional Municipality Pension Plan to permit Regional Council to implement recommendations 2.1 and 2.2 of the Halifax Regional Council Compensation Committee Report regarding pensions; and
3. Direct staff to work with the Province to amend the *Charter* to grant Council broader powers respecting remuneration for Members of Council to permit Regional Council to implement recommendations 3.1 and 3.2 of the Halifax Regional Council Compensation Committee Report regarding transition allowances.

BACKGROUND

The Halifax Regional Council Compensation Committee (“RCCC”) was established by Halifax Regional Council on November 18, 2014. The mandate of the RCCC was to review previous recommendations, current compensation for elected members of Regional Council and any relevant benchmark data, and use

this information to establish the remuneration and other compensation including benefits for elected members of Regional Council.

DISCUSSION

Final Report

The Final Report of the RCCC is attached at Attachment 1 and makes eight recommendations for Council's consideration.

The recommendations can be broken down as follows:

1. Base Salary

The Final Report recommends that a new formula for determining compensation for members of Council be adopted, based on the average salary of a full-time worker in the Municipality. A councillor would receive the average salary of a full-time worker in the Municipality plus twenty-five percent; the Deputy Mayor would receive 110% of a councillor's salary; the Mayor would receive 220% of a councillor's salary. Using this calculation for 2015, the amount currently paid to all Members of Council exceeds the amount under the new formula, and the Final Report recommends freezing the current salary level until the new formula results in an increase. The Final Report recommends that Administrative Order 17 be amended to include the new formula.

Recommendation 1.1 of the Final Report references the next census to be held in spring 2016. For clarity, the 2016 census income data will not be released in 2016. The release of census data occurs over a number of years after the data is collected and therefore the 2010 base year will continue to be adjusted (increased or decreased) using the percentage change in the Consumer Price Index (CPI) until the data from the 2016 census becomes available. The date for adjustment of annual remuneration has been changed from November (current) to February (proposed), to reflect the date at which CPI numbers become available for the previous year, which is typically at the end of January.

Proposed amendments to Administrative Order 17 are included at Attachment 3.

2. Pension

The Final Report recommends that the current practice of offering the Halifax Regional Municipality Pension Plan ("HRM Pension Plan") to elected members of Regional Council be discontinued and replaced with contributions to individual Retirement Savings Plans equal to 7.5% of the member's individual compensation. Current members would be permitted to maintain their current pension plan arrangements or chose to receive the 7.5% contribution to the plan of their choice.

The recommendations must be reviewed by the HRM Pension Plan and may require an amendment to the HRM Pension Plan prior to their implementation.

3. Transition Allowance

The Final Report recommends that a transition allowance of one month per year of service to a maximum of three months be implemented for members of Regional Council who choose not to reoffer or reoffer but are unsuccessful in a municipal election.

In accordance with the report provided to Executive Standing Committee on February 22, 2016 regarding Transition Allowances, the *Charter* does not provide for transition allowances, and therefore a legislative amendment to the *Charter* would be required to implement this recommendation.

4. Other Benefits

The Final Report recommends no changes to other benefits, including health benefits and access to the Employee and Family Assistance Program, currently offered to members of Regional Council.

Regional Council Compensation Committee

Included in the proposed amendments to Administrative Order 17 set out in Attachment 3 are amendments to establish the Council Compensation Committee as an ongoing component of the review of Regional Council's compensation. The Committee would report to Regional Council with recommendations on remuneration at the end of August in the 3rd year of each term of Regional Council.

FINANCIAL IMPLICATIONS

Assuming that under the current formula, salaries of members of Council would continue to rise, a freeze on the salaries of members of Council would result in a savings to the Municipality for the duration of the salary freeze, relative to continuing with the current formula.

If legislative amendments are made to permit the transition allowance be implemented, and if the transition allowance is implemented, it could potentially result in increased costs to the Municipality depending on the number of members of Council who decide not to reoffer or reoffer but are unsuccessful.

COMMUNITY ENGAGEMENT

The RCC consisted of 4 members of the public and the Municipal Auditor General. It attempted to ensure ample opportunity for public feedback, through public forums, email and mail opportunities. The public forums were held in Bedford, Halifax and Cole Harbour from September 29 to October 1, 2015. The RCC received input from a total of 15 constituents.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

Council could choose not to proceed with the amendments to Administrative Order 17. This would result in remuneration continuing to be calculated using the existing formula.

ATTACHMENTS

Attachment 1	Final Report of the Halifax Regional Council Compensation Committee
Attachment 2	Showing Proposed Changes to Administrative Order 17
Attachment 3	Amending Administrative Order
Attachment 4	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.

Report Prepared by: Sara Knight, Solicitor, 902.490.4226
Karen Brown, Senior Solicitor and Team Lead, Solicitor Services, 902.490.4226

Report Approved by: _____
Martin Ward, A/Director, Legal, Insurance & Risk Management Services 902.490.6532

Financial Approval by: _____
Bruce Fisher, Acting for Amanda Whitewood, Director of Finance and Information
Technology/CFO, 902.490.6308

Original Signed

HALIFAX REGIONAL
COUNCIL
COMPENSATION
COMMITTEE REPORT

February 2016

TABLE OF CONTENTS

COMMITTEE MANDATE	1
COMMITTEE ACTIVITIES	3
APPROACH TO RECOMMENDATIONS	6
RECOMMENDATIONS	13
ACKNOWLEDGEMENTS	18
APPENDIX A: TERMS OF REFERENCE	19
APPENDIX B: GENERAL COMPENSATION RESEARCH	20
APPENDIX C: STATISTICS CANADA DATA	22
APPENDIX D: REVIEW OF PREVIOUS REPORTS	24
APPENDIX E: CURRENT COMPENSATION FORMULA	26
APPENDIX F: CHALLENGES IN GATHERING COMPARABLE INFORMATION	27
APPENDIX G: HRM CHARTER EXCERPTS.....	29
APPENDIX H: AVERAGE SALARY OF FULL-TIME WORKER	34

COMMITTEE MANDATE

Duties of the Committee

The duties of the Halifax Regional Council Compensation Committee (RCCC) were established by Halifax Regional Council on November 18, 2014. In summary form, the mandate of the committee was to review the previous committee's recommendations, current compensation for elected members of Regional Council and any relevant benchmark data. Furthermore, the RCCC was mandated to establish suggested remuneration and other compensation including benefits for elected members of Regional Council which may include change to the current formula. For the expanded terms of reference see Appendix A.

Term of Office for the Committee

The RCCC began its work once the committee chair was appointed by Halifax Regional Municipality's (HRM) Auditor General, Larry Munroe, and other members of the committee were selected. The first RCCC meeting took place on July 29, 2015. The RCCC set an objective of completing the review with time to allow for Regional Council to discuss the findings, possibly request additional information and make a final decision on the RCCC's recommendations prior to the next municipal election in fall 2016.

Committee Members

The RCCC consisted of the follow members:

- Gerald Walsh, FCPA, FCMA, President – Gerald Walsh Associates (Chair)
- Dr. J. Colin Dodds, PhD, Professor of Finance, President Emeritus – Saint Mary's University
- Cheryl Hodder, QC, ICD.D, Partner – McInnes Cooper
- Amy MacIsaac, CPA, CA, Office Operations Manager – Collins Barrow
- Larry Munroe, FCPA, FCA, ICD.D, Auditor General – Halifax Regional Municipality (Ex-Officio)

The Committee's Guiding Philosophies

In order to reach the goal of developing a leading practice for municipal elected officials' compensation across Canada, the RCCC determined a number of guiding principles to consider when examining data and making recommendations.

- Compensation should reflect the level of duties and responsibilities of the role of elected officials not the time needed to fulfill the role.
- Consideration should be given to the differences between the private and public sectors.
- The system of compensation must be fair and reasonable to attract high-quality candidates while ensuring it is fiscally responsible to taxpayers.
- The method by which compensation is calculated should be simple and easily understood by the general public.

- Every effort should be made to research and identify appropriate comparator municipalities.
- Compensation should not be at a level to incentivize elected officials solely for financial gain.
- Compensation should be reflective of the local economy.
- The compensation package should be designed using research and the committee's expertise without reliance on the existing formula.
- To inform incumbent and potential candidates for the fall 2016 election on a timely basis, the current council should approve or amend the RCCC recommendations as far in advance of the election as possible.

COMMITTEE ACTIVITIES

The committee and/or the chair of the committee held 17 meetings between July 2015 and February 2016; consisting of committee meetings, public forum meetings, a meeting with outside resources, meetings with Councillors and the Mayor and other non-specific meetings. The activities which took place during this time frame are as listed below.

1. Reviewed the 2004 and 2011 HRM Independent Commission Reports

The RCCC reviewed the work of the previous independent commission tasked with determining compensation for elected members of Regional Council. A brief summary of the two reports can be found in Appendix D. An analysis of the current formula appears later in the Approach to Recommendations section.

2. Research and Data Collection

With the aid of staff in the Office of the Auditor General (OAG), the RCCC collected and analyzed research materials regarding compensation practices from other Canadian municipalities, other levels of government and other potential methods and comparators for compensation. The RCCC also analyzed generally accepted compensation practices, including the relationship between compensation and the quality of the candidate. In addition, the RCCC reviewed Statistics Canada data for Halifax and other comparable municipalities, including average wages and salaries and Consumer Price Index (CPI) data. A summary of general research can be found in Appendix B and a summary of Statistics Canada data can be found in Appendix C.

3. Obtained Input from Council Members

The RCCC determined it was important to provide members of Regional Council the opportunity to meet with the RCCC to provide input. The RCCC met with the Mayor and interested Councillors. The RCCC also had some informal conversations with members of both the Administration and Regional Council.

4. Obtained Input from the Public

The RCCC determined it was important to obtain input from the public as their tax dollars are used to fund council compensation. The RCCC provided opportunity for public feedback, through public forums, e-mail and mail opportunities.

The public forums were advertised in advance and were held from September 29 to October 1, 2015 in Bedford, Halifax and Cole Harbour. Over the course of the review the RCCC received input from a total of 15 constituents.

5. Obtained Input from Selected Outside Sources

The RCCC determined it was important to obtain input from selected outside sources. The RCCC met with two individuals well respected in their fields to obtain their views on compensation of elected members of Regional Council. Both individuals had a great deal of knowledge regarding government compensation practices, the history of municipal government and how Halifax compares to other Canadian municipalities from an economic perspective.

6. Dealing with Challenges in Gathering Comparable Information

While gathering the data it became clear to the RCCC there would be some challenges in its collection, comparability, accuracy and understanding of the information. A summary of the challenges can be found in Appendix F.

7. Reviewed the Legislative Role of Council Members

In order to review the compensation of the Halifax Regional Council, the RCCC felt it was important to understand the role of the Mayor and Councillors. As there is no job description for the Mayor or Councillors, the HRM Charter was reviewed to determine any commentary it contained with respect to the legislated role of Regional Council, the Mayor, Deputy Mayor and Councillors.

From the review of HRM Charter excerpts (see Appendix G) the RCCC determined elected members of Regional Council, as chaired by the Mayor, exercise authority solely as a group. Paraphrasing the HRM Charter:

- Council has authority to pass by-laws and has the right to govern the Municipality in whatever ways the Council considers appropriate.
- Council shall employ a Chief Administrative Officer (CAO), appoint a municipal auditor and an audit committee and appoint an Auditor General.
- Council shall establish a pension plan for employees.
- Council may make policies, establish other committees (such as citizen advisory committees), write-off uncollectable accounts, etc.
- Council shall communicate with the employees of the Municipality solely through the CAO. Council may only communicate directly with employees of the Municipality to obtain or provide information.
- Council shall provide direction on the administration, plans, policies and programs to the CAO.
- No Council member, committee or member of a committee established by the Council shall instruct or give direction to, either publicly or privately, an employee of the Municipality.

In order to further understand the role of elected members of Regional Council, the RCCC met with all willing Councillors and the Mayor. This is a common practice in compensation reviews. Overall, the RCCC determined the roles include a great deal of interactions with constituents and the media, many working hours (including evenings and weekends) as well as some level of strategic thinking. The RCCC was made

aware that after the recent reduction in the number of councillors from 23 to 16, many of the councillors felt their workload had increased; therefore, the work of a councillor appears to be closely tied to the number of constituents.

8. Drafting Recommendations

After the completion of information collection, the RCCC began work on assessing the input from all identified sources, assessing the available information and developing the recommendations presented in the report.

APPROACH TO RECOMMENDATIONS

Current Practice

The current practice to determine the base salary of elected members of Regional Council was recommended by the previous 'Citizens' Commission on Remuneration' in 2004 and upheld with their subsequent review in 2011. This includes separate calculations for Councillors and the Mayor. While the RCCC is respectful of the work done by the previous committee and understands the basis of the recommendations which were made, after review of the formula as it now operates, the RCCC felt the formula may no longer be appropriate and alternatives should be considered. The current formula can be found in Appendix E.

Rationale for Change

During the review of the current formula, the RCCC determined the current formula may no longer be appropriate as the basis for the calculation of compensation of elected members of Regional Council for the following three main reasons:

1. The current comparators are no longer appropriate.
2. The formula relies totally on population data.
3. There are significant concerns around obtaining consistent and relevant data for comparator municipalities in general.

In addition to these three main reasons, the RCCC also questioned the following aspects of the formula:

- Halifax includes itself in the weighting, which in the view of the RCCC is not commonly done as it may unfairly bias the outcome.
- The RCCC could not find any other municipalities using the exact same formula as the Halifax method. (It is possible they exist, the committee did not note any in its review of other municipalities.)
- The formula ensures elected members of Regional Council are paid in the top half of comparators and the RCCC felt there was not sufficient justification.

Current Comparators are no Longer Appropriate

The current formula is based on comparator municipalities chosen in 2004 using the criteria of a population between 300,000 and 650,000, which resulted in the comparators as listed in Table 1. Although this range may have been relevant in determining council compensation in 2004, Halifax now has one of the lowest populations in this range of municipalities. Halifax used to be the fourth largest population out of the comparators (see Table 1), and in 2011 (the latest census data available) Halifax was the seventh (see Table 2).

Table 1: Population for comparator cities at the time of the 2004 review.

Municipalities	2004 Population
Winnipeg, MB	631,200
Vancouver, BC	568,500
Hamilton, ON	490,300
Halifax, NS	360,000
Surrey, BC	347,900
Laval, QC	343,000
London, ON	337,000
Brampton, ON	325,500

Table 2: The most recent available population data for comparator cities.

Municipalities	2011 Population (Used in Most Recent Calculation)
Winnipeg, MB	663,617
Vancouver, BC	603,502
Brampton, ON	523,911
Hamilton, ON	519,949
Surrey, BC	468,251
Laval, QC	401,553
Halifax, NS	390,096
London, ON	366,150

Note: Winnipeg is no longer in the 300,000 to 650,000 range, although it continued to be used as a comparator.

Formula Relies Totally on Population Data

It was difficult for the RCCC to make a clear connection between using population data alone and the compensation of individual elected members of Regional Council. Population data alone does not allow the formula to take into account the number of elected members serving the population. The number of councillors varies from municipality to municipality, as can be seen from the current comparators used in the formula (see Table 3). As the role of a councillor is to interact and represent their constituents, it is the view of the RCCC this component of the role changes greatly when the number of constituents changes.

Table 3: Number of councillors for current Halifax comparators.

Municipalities	Number of Councillors 2015
Winnipeg, MB	15
Vancouver, BC	10
Hamilton, ON	15
Brampton, ON	10
Surrey, BC	8
Laval, QC	21
Halifax, NS	16
London, ON	14

Source: As publicly available on the municipalities' websites.

In the view of the RCCC, when determining compensation using a comparator group it is typical to select the peer group based upon more than one criterion; most research suggests using three to four criteria.

Furthermore, research suggests avoiding the use of aspirational peer groups (comparators who are mostly all above you in criteria) as this could have a ‘ratcheting-up’ effect on compensation. As the current formula only selects comparators based on one indicator and currently six of seven comparators are above Halifax, it was determined by the RCCC this formula is likely no longer appropriate.

Modifying the Current Formula

The committee discussed and questioned if the current formula was adjusted to address these issues, whether it could still be appropriate. The RCCC prepared various calculations, but in all cases removed Halifax from the weighted average, to ensure the end result was not inappropriately impacted. The committee also updated the comparators used in the calculation. To update the comparators, the RCCC determined the criteria for the range of population would need to be updated to better represent comparable municipalities to Halifax. By examining the most recently available population information (see Appendix C), the RCCC selected more closely related comparators, using a range of 150,000 above and below Halifax’s current population. This resulted in new comparators as shown in Table 4. It is important to note the RCCC removed Quebec municipalities from the comparator group as their councils are typically much larger than is seen in other Canadian municipalities and the Province of Quebec determines the compensation for all Quebec municipalities, rather than the decision being made at the municipal level.

Table 4: Updated comparator group based on population.

Municipalities	2011 Population
Brampton, ON	523,911
Hamilton, ON	519,949
Surrey, BC	468,251
Halifax, NS	390,096
London, ON	366,151
Markham, ON	301,709
Vaughan, ON	288,301

Source: Statistics Canada. 2012. Population and dwelling counts, for Canada and census subdivisions (municipalities) with 5,000-plus population, 2011 and 2006 censuses (table). Population and Dwelling Count Highlight Tables. 2011 Census.

The RCCC also made a second adjustment to take into account the number of councillors in different municipalities. The formula was updated to be based on total cost for all councillors, rather than for individual councillors.

After making what the RCCC believes to be appropriate adjustments, the committee continued to have concerns with the methodology. Although the adjustments considered by the RCCC made the current formula more representative of present day Halifax, the committee felt the formula, with the weighted average calculations and the addition of the ‘median rate’ to this average could still be confusing to taxpayers. Based on feedback received and its own analysis, the RCCC felt a new approach was needed, which would be able to be more readily understood by and transparent to the average taxpayer. The

RCCC also felt it wanted to look at total compensation of elected members of Regional Council and not just base wage, which appeared to be the case with the previous reviews.

The Use of Other Municipal Compensation Comparators in General

The RCCC spent a great deal of time reviewing and discussing the use of comparators and determined the direct use of comparators may not be appropriate. The RCCC reviewed the current Halifax comparators and the comparators used by Halifax comparators and realized the calculations can become circular in nature and can also lead to a comparison to much larger municipalities, such as Toronto and Edmonton. For example, the RCCC was able to identify Toronto as being included in at least three of the comparator municipalities used in the current formula. The RCCC also felt many of these connections may not be evident to the average taxpayer attempting to understand how HRM elected officials are ultimately paid.

The RCCC also understood in a number of cases, the municipalities being used in the current comparator group do not use their comparator cities in the calculation of compensation; rather they are used as one of the benchmarks in assessing the reasonableness of the compensation being paid. The current Halifax formula for council compensation relies directly on its comparators. The RCCC believes the use of comparators should be limited to a benchmarking practice or a test of reasonableness once the formula for compensation is determined. See Appendix F for other challenges in using comparators.

Other Alternatives for Councillor Compensation

Though the RCCC acknowledged the issues with comparators (Appendix F), it agreed the use of comparators is important as a test of reasonableness for the determination of compensation levels and to ensure less subjectivity. The following types of comparators were all discussed by the RCCC:

1. Other Canadian municipalities
2. HRM employees (various levels were considered)
3. Other levels of government (provincial MLAs and Federal MPs)
4. Average salary of a full-time worker in Halifax

1. Other Canadian Municipalities

The RCCC generated a great deal of information, including compensation information for over 35 different Canadian municipalities. The RCCC felt it was important to look at the updated comparators listed previously (using a range of 150,000 above and below Halifax's current population) using the following additional criteria:

- Population/councillor
- Operating budget
- Total cost of councillors
- Adjustments to normalize salary, for example 1/3 portion being non-taxable

This information was used as a test of reasonableness for the RCCC's recommendations, rather than directly tied to the compensation formula.

2. HRM Employees

The RCCC considered and did some preliminary research in comparing the compensation of elected members of Regional Council to internal salary levels of HRM municipal employees. However, it was difficult for the RCCC to determine any position or position level which it deemed comparable to an elected member of Regional Council.

3. Other Levels of Government

The RCCC also considered comparing the compensation of elected members of Regional Council to the compensation of other politicians in different levels of government. However, it is difficult to compare the role of a Regional Council member to other levels of government as the expected duties and magnitude of the matters dealt with vary greatly.

4. Average Full-Time Worker in Halifax

Finally, the RCCC considered linking the compensation of elected members of Regional Council to the average salary of a full-time worker in Halifax. A similar practice is done in Vancouver, BC. The benefit of comparing elected members of Regional Council to full-time workers in Halifax is it provides a better comparison to the current economic climate of Nova Scotia which Halifax contributes to in a significant way. As other Atlantic Canada municipalities are much smaller than Halifax (see Appendix C), it is difficult to use other Atlantic Canadian municipalities as comparators for Halifax. Therefore, when considering comparator groups, the municipalities are often located in Ontario and British Columbia, which are different from municipalities in the Atlantic Canadian provinces with respect to their services, legislation, economy and other factors. Members of the public, as well as members of the committee, felt it important to ensure the compensation of councillors is somehow linked to Atlantic Canada, rather than based on other Canadian provinces.

This method is also supported by the concepts of 'trustees' and 'delegates' introduced to the RCCC by a selected outside source. The individual who introduced the concept was of the view elected officials can either be trustees or delegates. A trustee would be an elected official who is trusted to make decisions based on their own beliefs or values, whereas a delegate would be an elected official who is sent to make decisions based on the wants and needs of the individuals they represent. Although there could be some argument regarding which of these should be the role of elected members of Regional Council, the RCCC felt the role of a councillor is more in line with the role of a delegate. Therefore, councillors are thought to be directly representing the needs of their constituents who represent varied backgrounds and income levels.

The RCCC also examined the role of elected members of Regional Council to determine who can serve in the role and if there are any pre-requisites. The RCCC determined there are limited legislative pre-requisites to becoming an elected member of Regional Council and therefore, essentially any resident of

Halifax is eligible to be elected to Regional Council. The RCCC also felt residents of varied backgrounds have successfully served as councillors in the past.

The RCCC also recognized, though a councillor could be an “average full-time worker”, there are some duties expected of a councillor which exceed the expectations of an “average full-time worker”. Those duties are as follows:

- Councillors are expected to be on call at all times of the day, including evenings and weekends.
- The role of a councillor could be at a higher level than an average worker’s role.
- Councillors are placed in a position of trust and expected to serve the public.
- Councillors have shorter tenure in their position than the average employee.
- Councillors are expected to be media savvy.
- Councillors are often on record as all council and committee meetings are recorded.
- Councillors have a higher probability of being criticized by the public.
- Councillors must receive and absorb high volumes of information.

Compensation for Councillors

After consideration of significant amounts and types of information, as noted above, and a significant number of meetings, the RCCC determined the formula to calculate compensation for councillors should be the average salary of a full-time worker in Halifax plus a premium to account for extra expectations. The average salary of a full-time worker is available from Statistics Canada after each census. Therefore, the most recent available data from 2010 was used, adjusted for CPI to the present year to obtain an estimate of what the average full-time worker in Halifax currently earns. The RCCC carefully considered the amount of the premium to add to the estimate of the average salary of a full-time worker and using the knowledge, experience and best judgment of the committee members an amount of 25 percent was determined as reasonable.

Compensation for Deputy Mayor

In regards to the compensation of the Deputy Mayor, the RCCC agreed with many views of the previous Review Commission which were recorded in their final recommendations. The previous Review Commission outlined in their view there is limited evidence of a substantially greater workload for the Deputy Mayor other than as backup to the Mayor on an as-needed basis. They also considered in practice, it appeared many councillors other than the Deputy Mayor also act in the place of the Mayor on a regular basis. Therefore, the RCCC decided it would be appropriate to maintain the current formula for determining the rate of pay for the Deputy Mayor, which is equal to 110 percent of the salary provided to councillors.

Compensation for Mayor

In regards to the compensation for the Mayor, the RCCC felt the most transparent method would be to have the base salary for the Mayor directly linked to the rate of pay of the other members of council. Similar practices are found in other Canadian municipalities. The RCCC examined a great deal of research and found across Canada the difference between what a councillor earns and what a mayor earns is generally anywhere from 1.5 to 3.5 times. After careful consideration of all available information, the RCCC's own experiences and knowledge with respect to compensation, feedback received from public forums, etc. the RCCC determined the Mayor's base salary should be 2.2 times the amount of a councillor's.

RECOMMENDATIONS

1. Base Salary

Recommendations: 1.1 It is recommended the use of the current formula for council compensation be eliminated and replaced with the following formula(e):

- Councillor Salary = Average salary of full-time workers in Halifax + 25%
- Deputy Mayor Salary = 110% of Councillor Salary
- Mayor Salary = Councillor Salary x 2.2

To determine the average salary of a full-time worker in Halifax, the most recent available data from Statistics Canada for the average wages and salaries of individuals who worked full-year, full-time in Halifax should be used as the base year. Currently, the most recently available data are from 2010. The base year should be adjusted based on the yearly change in the annual Halifax CPI to estimate the current average salary of full-time workers. See Appendix H for the calculation. The base year should be reset each time actual wages and salaries are available after a census and that number adjusted by the yearly change in Halifax CPI.

The committee recognizes the next census is scheduled for spring of 2016 and depending upon when the data on average wages and salaries are available, the base and premium amount should be reset depending on circumstances at the time. Should the 2016 census data report an average full-time salary less than the estimated 2016 average salary, the base amount should not be reset until the beginning of the term of office for the next Regional Council.

- 1.2 It is recommended the current salaries of elected members of Regional Council be frozen until the recommended formula results in an increase above the frozen amount.
- 1.3 It is also recommended Administrative Order Number 17 be updated to reflect the new recommended formula.

Table 5: Recommended formula calculations.

Position	Formula	Calculation	2016 Salary
Councillors	Councillor Salary = Average Salary of Full-Time Worker (2015) + 25%	Councillor Salary = \$59,174 x 1.25 Rounded Frozen Salary	\$73,967 \$74,000 \$82,653
Deputy Mayor	Deputy Mayor Salary = Councillor Salary + 10%	Deputy Mayor Salary = \$74,000 x 1.10 Frozen Salary	\$81,400 \$90,918
Mayor	Mayor Salary = Councillor Salary x 2.2	Mayor Salary = \$74,000 x 2.20 Frozen Salary	\$162,800 \$176,034

2. Pension

Current Practice

It is the understanding of the RCCC, the pension plan available to current elected officials is identical to the defined benefit pension plan for HRM municipal employees, which includes a current contribution of 12.21 percent of annual salary, with the following exceptions:

- elected members of Regional Council can choose whether to be part of the pension plan and
- participation in the plan is limited under the Income Tax Act on salary up to a maximum pension accrual (\$140,944.50 for 2015).

Rationale for Change

During a public forum session a member of the public brought to the attention of the RCCC that the role of an elected member of Regional Council, in their view, is not intended to be a long-term career. This sentiment is often shared in various other reports around municipal elected officials' compensation as well as other literature. The design of the current HRM pension plan is to encourage long-term careers, acting as part of the retention strategy of the municipality. The RCCC agreed the role of an elected member of Regional Council is not intended as a long-term career and therefore the pension entitlements should consider this. It is the view of the RCCC, a contribution to the member's personal Retirement Savings Plan (RSP) better reflects this as it is portable and recognizes the unpredictability of an elected official's tenure. In the compensation research collected, there are many different types of pension plans offered to elected officials in municipalities across Canada and municipalities such as Charlottetown, PE and Edmonton, AB offer contributions to an elected official's personal RSP in lieu of a pension.

The committee also considered the concerns on the part of many taxpayers around public service defined benefit pension plans and the trends in thinking around these concerns. Clearly changes are already taking place in some jurisdictions and the committee's recommendation would continue this trend.

Based on the experience of the members of the RCCC, the committee determined an appropriate contribution from the municipality to elected members of Regional Councils' RSPs should be 7.5 percent of their yearly compensation.

- Recommendations:**
- 2.1 It is recommended the current practice of offering the 'Halifax Regional Municipality Pension Plan' to elected members of Regional Council be discontinued and replaced with contributions to their individual RSPs equal to 7.5 percent of their individual yearly compensation at the time.
 - 2.2 It is also recommended current elected members of Regional Council have the option to maintain their current HRM pension plan arrangements (depending on personal circumstances and the rules governing the plan) or receive the 7.5 percent contributions into the plan of their choice.

3. Transition Allowance

Current Practice

Currently, there is no transition allowance or severance pay available to Regional Council members if they choose not to reoffer or if they reoffer but are unsuccessful in the election.

Rationale for Change

During conversations with current elected members of Regional Council and HRM staff, the RCCC was made aware current elected members do not receive any transition allowance. It is the understanding of the RCCC elected members of Regional Council are also not considered employees and therefore are not entitled to Employment Insurance benefits. In conducting its research the RCCC also found it is not uncommon for elected officials in other Canadian municipalities to have the benefit of a transition allowance, such as in Charlottetown, PE and Winnipeg, MB. These types of allowances are also available at other levels of government. In conversations with members of Regional Council it was made clear a transition allowance would be welcomed and in conversations with the public, many agreed a transition allowance would be fair.

In order to align the recommendations with a philosophy of fairness, it was determined by the RCCC Regional Council members should be entitled to a transition allowance if they choose not to reoffer or if they reoffer but are unsuccessful in the election.

- Recommendations:**
- 3.1 It is recommended a transition allowance be implemented for members of Regional Council who choose not to reoffer or reoffer but are unsuccessful in an HRM Municipal Election.
 - 3.2 The transition allowance is recommended to be salary continuance of one (1) month per year of service to a maximum of three (3) months.

4. Other Benefits

Current Practice

Currently, elected members of Regional Council are eligible to participate in the group benefit plan available to municipal employees.

Rationale for No Change

The RCCC determined the health benefits available to elected members of Regional Council are not an incentive to become a career politician and are in line with the RCCC's guiding principle of fairness. There were also no issues with the health benefits brought forward by the public or by elected members of Regional Council and through research the RCCC found it is typical in other municipalities to offer elected officials health benefits.

Recommendation: 4.1 It is recommended there be no change in other benefits offered to elected members of Regional Council.

ACKNOWLEDGEMENTS

The members of the RCCC would like to acknowledge and thank the following for their contribution to the work of the committee.

- The members of the public who took the time to attend the public forums or submit written responses by mail or e-mail.
- The elected members of Regional Council who took the time to meet with the RCCC.
- The selected outside sources who took the time to meet with the RCCC.
- Local media who provided coverage of the activities of the RCCC, especially their support in helping to publicize the public forums.
- The HRM staff who supported the work of the committee throughout the process. We acknowledge this support was provided in addition to their normal workload and responsibilities.

APPENDIX A: TERMS OF REFERENCE

The Terms of Reference were established at the Regional Council meeting on November 18, 2014. In the meeting it was moved:

1. That Regional Council:
 - a. Establish an independent Halifax Regional Council Compensation Committee to be selected and convened by the Auditor General; and
 - b. That the Council Compensation Committee review previous recommendations, current compensation for elected members of Regional Council (Mayor, Deputy Mayor and Councillors) and any relevant benchmark data; and
 - c. That the Council Compensation Committee be tasked to establish the remuneration and other compensation including benefits for elected members of Regional Council which may include change to the current formula; and
 - d. That the report from the Council compensation Committee be submitted to Regional Council by the end of August 2015; and
 - e. That Regional Council consider the recommendation of the Council Compensation Committee.

2. Direct staff to draft a report and recommendations to effect amendments to Administrative Order 17 to ask the Council Compensation Committee to review and report to Regional Council by the end of August in the 3rd year of each of the subsequent term of that elected Regional Council in accordance with 1a through 1e above.

APPENDIX B: GENERAL COMPENSATION RESEARCH

Methods for Determining Compensation

Base Salary General Practices

It is the view of the RCCC most municipalities appear to use comparator groups as a benchmark in which to judge the reasonableness of a base salary for elected officials. Generally, comparator groups are chosen by considering any one of or a combination of the following to determine the most comparable municipalities:

- Size of councils
- Population numbers
- Operating and capital budgets
- Benefits and staff resources
- Compensation of elected officials
- Ratio of voters to each elected official
- Scope of services
- Average family income in the municipality

In certain cities, the base salary is set as an average or given percentile of what the comparators provide as base salary for their elected officials.

The RCCC noted Vancouver, BC uses a somewhat unique approach where Statistics Canada census data for the average earnings of a Vancouverite is used to determine the appropriate level of compensation.

As noted, comparators generally include elected officials from other Canadian municipalities. However, there is the potential for other comparisons to be made. For example, in determining base salary for elected officials, Winnipeg, MB looked at other comparators within Manitoba, such as MLAs.

Adjustments General Practices

Once the base salary is set, most municipalities adjust the compensation of elected officials on a yearly basis, although some municipalities hold compensation at a fixed level during the term elected officials are in office. An exception to this is Saint John, NB who to the best of the knowledge of the RCCC has not increased the compensation for elected officials since 2001. The most common methods for adjusting compensation are based on the provincial CPI (examples include Burlington, ON and Guelph, ON), or a calculation based on the increase to average weekly earnings of the municipality or province (examples include Calgary, AB and Vancouver, BC) or based on increases to non-union salaries (Hamilton, ON). Strathcona County, AB, uses a calculation with both CPI and average weekly earnings. Other municipalities use these types of calculations with limitations such as:

- The adjustment cannot be less than a zero percent change.
- The adjustment cannot exceed the average increase given to non-union staff (or staff in general).

- An “appropriate” ratio must be maintained between mayor and councillors.
- There is no adjustment if the change in CPI is less than one percent.
- Councillors have the right to forfeit an increase, but no carryover from year to year is allowed.

Paying More to Attract

There is contradictory research regarding the effects of offering a higher salary in order to attract higher quality candidates to run for municipal office. There is the general belief paying a higher salary will increase the quality of the candidate, however research is varied. Based on research, discussion and the personal views of the committee, the RCCC determined candidates are attracted to public office based on the following factors:

- Personal satisfaction from being in a position to affect change.
- Intrinsic benefit based on a sense of civic duty or act of service.
- Desire to implement preferred policies because of ideology or to satisfy special interest groups.
- To use the position as a stepping stone to another level of government.

The RCCC was unable to find any definitive research linking compensation and attracting high quality candidates.

APPENDIX C: STATISTICS CANADA DATA

Population Data

Table 6: Population count for select municipalities, obtained in 2011 census.

Pos.	Municipality	Population (2011)
1	Toronto, ON	2,615,060
2	Montréal, QC	1,649,519
3	Calgary, AB	1,096,833
4	Ottawa, ON	883,391
5	Edmonton, AB	812,201
6	Mississauga, ON	713,443
7	Winnipeg, MB	663,617
8	Vancouver, BC	603,502
9	Brampton, ON	523,911
10	Hamilton, ON	519,949
11	Québec, QC	516,622
12	Surrey, BC	468,251
13	Laval, QC	401,553
14	Halifax, NS	390,096
15	London, ON	366,151
16	Markham, ON	301,709
17	Vaughan, ON	288,301
18	Gatineau, QC	265,349
19	Longueuil, QC	231,409
20	Burnaby, BC	223,218
21	Saskatoon, SK	222,189
22	Kitchener, ON	219,153
23	Windsor, ON	210,891
48	St. John's, NL	106,172
53	Cape Breton, NS	97,398
78	Saint John, NB	70,063
79	Moncton, NB	69,074
90	Fredericton, NB	56,224
127	Charlottetown, PE	34,562

Source: Statistics Canada. 2012. Population and dwelling counts, for Canada and census subdivisions (municipalities) with 5,000-plus population, 2011 and 2006 censuses (table). Population and Dwelling Count Highlight Tables. 2011 Census.

Average Wages and Salary Data

Table 7: Average wages and salaries for individuals who worked full-time, full-year, in all age groups, of all genders, all levels of education, for the population aged 15 years and over in private households for census metropolitan areas (municipalities), data obtained from 2011 National Household Survey

Municipality	Average Wages and Salaries 2010
Calgary, AB	78,426
Ottawa, ON	68,804
Edmonton, AB	67,310
Toronto, ON	66,255
Oshawa, ON	64,584
Guelph, ON	63,110
Hamilton, ON	62,398
Vancouver, BC	61,879
Regina, SK	61,028
Saskatoon, SK	60,682
Kitchener, ON	59,995
Barrie, ON	58,812
Greater Sudbury, ON	58,673
Victoria, BC	57,444
St. John's, NL	57,430
Windsor, ON	57,276
Gatineau, QC	56,991
Kingston, ON	56,820
London, ON	56,563
Thunder Bay, ON	55,891
Peterborough, ON	55,520
Brantford, ON	54,983
Kelowna, BC	54,903
Halifax, NS	54,281
Saint John, NB	54,192
Montreal, QC	53,766
Abbotsford, BC	53,560
Winnipeg, MN	53,475
St. Catharines, ON	52,838
Quebec City, QC	50,417
Saguenay, QC	50,314
Moncton, NB	49,363
Trois-Rivieres, QC	46,562
Sherbrooke, QC	46,076

Source: Statistics Canada, 2011 National Household Survey, Statistics Canada Catalogue no. 99-014-X2011041.

APPENDIX D: REVIEW OF PREVIOUS REPORTS

HRM Regional Council had requested two reports regarding council compensation prior to its latest request in 2014; originally in 2004 and a follow-up in 2011. In the 2004 report, an independent commission examined the overall compensation by defining the roles of the elected members of Regional Council, recognizing the strategic importance of Halifax and analysing comparable municipalities to form a comparator group.

Without a specific job description for the Mayor and Councillors and the role not defined in detail in the HRM Charter, the commission had to define the roles themselves, through interviews with present and past councillors, the Mayor and by engaging the public. The commission determined the duties and responsibilities of the HRM Mayor and councillors are considered above the average due to the significance of Halifax within Canada and the region of Atlantic Canada. Specifically the commission described a Councillor's role in three components:

- District affairs and liaison
- Council affairs
- Strategic vision and policy

To determine a comparator group, the commission selected eight municipalities with populations between 300,000 and 650,000. The resulting Halifax comparator group is comprised of:

- Winnipeg
- Vancouver
- Hamilton
- Halifax
- Surrey
- Laval
- London
- Brampton

The results of the commission included a formula to compensate elected officials based on the comparator group using a weighted average of the populations, to be adjusted annually (formula in Appendix E). This formula was used as the foundation for Administrative Order Number 17: Respecting Remuneration for Members of Council. The commission determined compensation ought to be above the average of the comparator group, given the strategic importance of the Municipality. The formula essentially sets compensation for Councillors as the weighted average salary of Councillors in the comparator group plus 50 percent of the difference between the weighted average and the highest rate.

The compensation for the Mayor uses this formula with the calculation based on the average salary of Mayors in the comparator group plus 50 percent of the difference between the weighted average and the highest rate.

As for the compensation of the Deputy Mayor, the commission determined there was no evidence of a substantially greater workload for the Deputy Mayor, other than as backup to the Mayor in executing duties of office on an as-needed basis. Therefore, the commission recommended the Deputy Mayor salary be based on 110 percent of the councillor salary, applied monthly.

The commission did not make recommendations in relation to pension or other total compensation components.

HRM Regional Council compensation was revisited in 2011 by the same members of the original independent commission with the goal (as the current committee understands) to evaluate the use of Nova Scotia CPI as an annual adjustment. The commission also examined the effect of the Nova Scotia Utility and Review Board (NSUARB) decision to reduce the council size from 23 to 16 councillors on the compensation formula and to re-examine the original formula to ensure it was still appropriate.

Nova Scotia CPI was deemed an inappropriate tool by the commission as CPI is strictly a cost-focused measure and not associated with the nature and responsibilities of an elected official. With reflection on the NSUARB decision and the previous formula, the commission confirmed the original process for compensation remained relevant.

APPENDIX E: CURRENT COMPENSATION FORMULA

The following is an excerpt from the 2004 Citizens' Commission on Remuneration Report for members of the HRM Regional Council:

"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"

"The stipend rate for the Office of Deputy Mayor be established at 110 percent of the stipend rate for a Councillor and applied monthly."

APPENDIX F: CHALLENGES IN GATHERING COMPARABLE INFORMATION

It is typical in compensation reviews to use comparators as a reference point from which to benchmark compensation. As the RCCC was aware of this, a best effort was made to determine which other municipalities could be used as comparators. In the attempt to normalize the data, the RCCC discovered many issues which made it difficult to ensure Halifax is being appropriately compared to other municipalities. Any use of comparators in this report was normalized to the best of the ability of the RCCC; however, the RCCC acknowledges there are additional methods which could have been used.

Difficulties encountered when attempting to normalize the data:

1. There exist different tiers of municipal government across Canada. HRM is considered a single tier municipality; however, there are also lower and upper tier municipalities. In lower tier municipalities, councillors are compensated at the lower tier and select regional councillors are also compensated to serve at the upper tier (the region). How the regional salary is paid is also different depending on the municipality, some regional councillor's get a fixed annual rate whereas others depend on the amount of meetings attended.
2. Some municipalities expect councillors to work full-time, some expect part-time and some do not define the role this way. Usually the mayor is expected to work full-time.
3. In some municipalities, the elected officials receive stipends or honorariums for being the chair of or serving on committees, however, others do not receive any additional compensation for these activities.
4. In some municipalities, elected officials also get compensated for sitting on external Committees and Boards.
5. As is outlined by Canada Revenue Agency (CRA), all municipalities are able to offer their elected officials a salary which is 1/3 non-taxable. Although this is intended to replace reimbursement of expenses, some municipalities have the 1/3 non-taxable portion and are additionally reimbursed for some expenses, while other municipalities have just the 1/3 non-taxable portion. There are also many, like HRM, who have eliminated the 1/3 non-taxable portion.
6. There are differences in the benefits and pensions offered to elected officials. For example, in some municipalities, elected officials are eligible to participate in defined benefit pensions, while others are not offered any pension at all. Also, some municipalities offer transition allowances, while others do not.
7. There are many different sizes of municipalities and they vary based on criteria, such as population or geographic area. In this regard, Halifax is different from other municipalities as the geographic area is one of the largest; however, the population is not.
8. There are different regulations and legislation in different provinces. For example, Quebec municipalities have council remuneration set by provincial act. In Ontario, all municipal employees participate in the same pension.

9. Services offered by or expected of the municipalities vary. For example, in Ontario municipalities offer public health services while municipalities in Nova Scotia do not.
10. The operating budgets of municipalities differ in size.
11. There are different sizes of councils. (i.e. different numbers of councillors and different number of constituents each councillor represents.)
12. There are different sizes and types of councillor support offices.
13. There are different economic conditions.
14. There are different demographics in population.
15. There are different types of geographic considerations. For example, Halifax has a deep port.
16. There are different numbers of city employees.
17. There has been no united effort to normalize data used for salaries of elected officials across Canada.
18. Municipalities use different methods for determining compensation.
19. Cost of living differential exists between municipalities.
20. All municipalities could argue for different reasons they are strategically important to the Country or their region.

The list above is not exhaustive as there are many other ways municipalities can be different, such as number of universities or proximity to an airport. Canada also has a large number of diverse municipalities, with some being very large in population and area while others are not. With these significant variations it is difficult to choose the 'correct' comparator group with any certainty. Another issue is the data which is published varies in both the level of disclosure and the timing of publication from province to province or from municipality to municipality, making it difficult to obtain consistent, valid and relevant data. Given these considerations the RCCC decided against using comparators as the base method to develop the compensation formula, but did consider certain calculations as benchmarks against which to compare the results of the methodology selected.

APPENDIX G: HRM CHARTER EXCERPTS

CHAPTER 39 OF THE ACTS OF 2008 (May 1, 2014)

Role of Council as defined in HRM Charter

➤ **“Purpose of Act**

2 The purpose of this Act is to

- (a) give broad authority to the Council, including broad authority to pass by-laws, and respect its right to govern the Municipality in whatever ways the Council considers appropriate within the jurisdiction given to it;
- (b) enhance the ability of the Council to respond to present and future issues in the Municipality; and
- (c) recognize that the functions of the Municipality are to
 - (i) provide good government,
 - (ii) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality, and
 - (iii) develop and maintain safe and viable communities.”

➤ **“Interpretation**

3 In this Act

- (o) “Council” means the Council of the Municipality;”

➤ **“Government of Municipality**

8 (1) The Municipality is governed by a Council consisting of at least three members.”

➤ **“Powers of Council**

11 (1) The powers of the Municipality are exercised by the Council.

(2) In the general exercise of its powers, the Council shall take into account the principle of accessibility for its citizens with disabilities.”

➤ **“Council may make policies**

20 (1) The Council may make policies

- (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,
 - (ii) the annual remuneration to be paid to the Deputy Mayor,
 - (iii) the annual remuneration to be paid to councillors, [...]”

➤ **“Standing, special and advisory committees**

21 (1) The Council may establish standing, special and advisory committees.”

- **"Citizen advisory committees"**

23 The Council may establish, by policy, citizen advisory committees which shall advise the Council, as directed by the Council."
- **"Community councils"**

24 (1) The Council may, by policy, establish a community council for an area."
- **"Chief Administrative Officer"**

33 The Council shall employ a person to be the Chief Administrative Officer for the Municipality."
- **"Council and Chief Administrative Officer relationship"**

34 (2) The Council shall communicate with the employees of the Municipality solely through the Chief Administrative Officer, except that the Council may communicate directly with employees of the Municipality to obtain or provide information.

(3) The Council shall provide direction on the administration, plans, policies and programs of the Municipality to the Chief Administrative Officer.

(4) No Council member, committee or member of a committee established by the Council shall instruct or give direction to, either publicly or privately, an employee of the Municipality."
- **"Policy for records management and destruction"**

38 (1) The Council may adopt a policy for the management and destruction of records."
- **"Duty of Treasurer to advise Council"**

42 The Treasurer shall promptly advise the Council of

(b) the reasons for the belief that such moneys cannot be collected, and the Council may write off the amounts determined to be uncollectible."
- **"Approval or permission by Engineer"**

44 (1) Where approval or permission by the Engineer is required pursuant to this Act, the Engineer's decision to refuse the approval or permission may be appealed to

 - (a) the Council; or
 - (b) where there is a committee designated by the Council, by policy, to hear appeals, that committee.

(2) On an appeal pursuant to subsection (1), the Council or the designated committee, as the case may be, shall

 - (a) direct the Engineer to grant the approval or permission; or
 - (b) uphold the decision of the Engineer."
 - **"Municipal Auditor"**

46 (1) The Council shall appoint a municipal auditor who is registered pursuant to the *Municipal Government Act* to be the Auditor for the Municipality."
 - **"Audit committee"**

48 (1) The Council shall annually appoint an audit committee."
 - **"Auditor General"**

49 (1) The Council shall appoint an Auditor General."

"(5) The Auditor General may be removed from office by the Council by a resolution carried by a vote of two thirds of the Council members and with the approval of the Minister."

➤ **"Pension Plans**

55 (2) The Council shall establish a pension plan to provide pensions for full-time employees in such manner as the Council shall, by policy, determine.

(3) The Council may, by policy, establish pension plans to provide pensions for some or all other employees of the Municipality in such manner as the Council may, by policy, determine."

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

➤ **"Resolutions, policies, by-laws**

58 (1) The Council shall make decisions in the exercise of its powers and duties by resolution, by policy or by by-law.

(2) The Council may exercise any of its powers and duties by resolution unless a policy or a by-law is required by an enactment.

(3) The Council may exercise by by-law any of the duties and powers that it may exercise by resolution or policy.

(4) The Council may exercise by policy any of the duties and powers that it may exercise by resolution.

(5) The Council may make and carry out a contract, perform an act, do anything or provide a service for which the Municipality or the Council is authorized by an Act of the Legislature to spend or borrow money."

➤ **"Policies**

59 (1) Before a policy is passed, amended or repealed the Council shall give at least seven days' notice to all Council members.

(2) The Council may adopt different policies for different areas of the Municipality.

(3) In addition to matters specified in this Act or another Act of the Legislature, the Council may adopt policies on any matter that the Council considers conducive to the effective management of the Municipality."

➤ **"Power to make policies**

60 (1) The Council may make policies

(a) setting the interest rate to be charged on overdue taxes, area rates, water charges, sewer charges and any other charges or sums owing to the Municipality;

(b) regulating the use of solid-waste management facilities, providing for times and conditions under which they may be used and setting charges for the use of solid-waste management facilities operated by the Municipality;

(c) setting and amending the fees to be paid for [...]

(d) delegating the power to issue, refuse, suspend, cancel or revoke licences and permits, but not including building permits and development permits;

(e) establishing the amount that may be accepted by the Municipality in lieu of prosecution for breach of a by-law and setting out procedures to be followed for such acceptance."

Role of Councillor as defined in HRM Charter

- **“Interpretation**
3 In this Act,
(p) “councillor” means a Council member other than the Mayor;”
- **“Government of Municipality**
8 (2) One councillor shall be elected for each polling district in the Municipality.”
- **“Powers of Council**
11 (3) Each Council member, while in office, may administer oaths and take and receive affidavits, declarations and affirmations within the Province for use within the Province.”
- **“Employment restriction for former Council member**
15 No Council member may be employed by the Municipality while a Council member or for a period of six months after ceasing to be a Council member.”
- **“Standing, special and advisory committees**
21 (5) A member of a committee established by the Council who is a Council member is not entitled to additional remuneration for serving on the committee but may be reimbursed for expenses incurred as a committee member.”
- **“Council and Chief Administrative Officer relationship**
34 (4) No Council member, committee or member of a committee established by the Council shall instruct or give direction to, either publicly or privately, an employee of the Municipality.”
- **“Warrant**
132 (1) A judge of the provincial court, Mayor or councillor may, upon application by the Treasurer, issue a warrant in Form A in the Schedule [A], with any variations that circumstances may require, to distrain the goods of a person indebted to the Municipality for taxes who is about to leave the Municipality, even if the taxes are not yet due.”

Role of Mayor as defined in HRM Charter

- **“Interpretation**
3 In this Act
(a) “Mayor” means the Council member elected at large to be the chair of the Council;”
- **“Election of Mayor**
9 (1) The Mayor shall be elected at large.
(2) Every person eligible to vote for a councillor is eligible to vote for the Mayor.”
- **“Perpetual succession and seal**
10 (3) The Mayor and Clerk or the persons designated by the Council by policy may sign a deed or other document to which the Municipality is a party on behalf of the Municipality.”
- **“Mayor presides**
12 (1) The Mayor shall preside at all meetings of the Council.”
“(3) The Mayor may
(a) monitor the administration and government of the Municipality; and
(b) communicate such information and recommend such measures to the Council as will improve the finances, administration and government of the Municipality.”

➤ **“Approved borrowing requirements**

112 (2) In accordance with the *Municipal Finance Corporation Act*, the Mayor and Clerk or the persons designated by the Council, by policy, shall sell and deliver the debentures on behalf of the Municipality at the price, in the sums and in the manner they deem proper.”

Role of Deputy Mayor as Defined in HRM Charter

➤ **“Mayor presides**

12 (2) During the temporary absence of the Mayor, the Deputy Mayor shall preside and, where neither is present, the Council may appoint a person to preside from among the Council members present.”

➤ **“Deputy Mayor**

13 (1) The Council shall select one of its Council members to be the Deputy Mayor of the Council.

(2) Prior to the selection of a Deputy Mayor, the Council shall determine the term of office of the Deputy Mayor.

(3) The Deputy Mayor shall act in the absence or inability of the Mayor or in the event of the office of Mayor being vacant.

(4) The Council may prescribe, by policy, additional duties and responsibilities of the Deputy Mayor.

(5) The Deputy Mayor has all the power and authority and shall perform all the duties of the Mayor when the Deputy Mayor is notified that

(a) the Mayor is absent or unable to fulfil the duties of Mayor; or

(b) the office of Mayor is vacant.”

APPENDIX H: AVERAGE SALARY OF FULL-TIME WORKER

Table 8: Estimated average salary of full-time workers in Halifax.

	2010	2011	2012	2013	2014	2015
CPI	117.6	121.7	123.8	125.2	127.5	128.2
% Change		3.49%	1.73%	1.13%	1.84%	0.55%
Estimated Average Salary	54,281	56,173	57,143	57,789	58,851	59,174

Sources:

CPI Data: Statistics Canada, Table 326-0021 - Consumer Price Index, annual (2002=100 unless otherwise noted)

2010 Average Salary: Statistics Canada, 2011 National Household Survey, Statistics Canada Catalogue no. 99-014-X2011041.

**ATTACHMENT 2
(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 Members of Council, effective ~~November 1, 2013~~ **March 1, 2016**, 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)~~ **one hundred seventy-six thousand, thirty-three dollars and seventy-five cents (\$176,033.75)**;

(b) to the Deputy Mayor, ~~eighty-six thousand, six hundred and fifty-four dollars and twenty-six cents (\$86,654.26)~~ **ninety thousand, nine hundred seventeen dollars and ninety cents (\$90,917.90)**; and

(c) to the Councillors, ~~seventy-eight thousand, seven hundred and seventy-six dollars and sixty cents (\$78,776.60)~~ **eighty-two thousand, six hundred fifty-two dollars and sixty-four cents (\$82,652.64)**.

(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)*.~~ **Repeal.**

2A Repealed

2B Repealed

2C. (1) Effective on February 4~~8~~**1**, 2014~~2017~~ and in each subsequent **February** 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 **B**".

(2) **Notwithstanding subsection 2C(1), where the amounts calculated in accordance with Appendix "B" are less than the amounts set out in subsection 2(1), the amounts set out in subsection 2(1) shall be the annual remuneration for that year.**

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.

REGIONAL COUNCIL COMPENSATION COMMITTEE

5. The Council establishes the Regional Council Compensation Committee.

6. The Regional Council Compensation Committee shall be convened by the Auditor General.

7. The Auditor General shall select members of the Regional Council Compensation Committee, and shall sit as an ex officio member.

8. The Regional Council Compensation Committee shall review previous recommendations, current compensation for elected member of Regional Council, and any relevant benchmark data.

9. The Regional Council Compensation Committee shall make recommendations for Regional Council's consideration to establish the remuneration, including benefits, for elected members of Regional Council, which may include changes to the existing formula.

10. The Regional Council Compensation Committee shall report to Regional Council by the end of August in the 3rd year of each of Council term.

Done and passed in Council this 15th day of January A.D. 2002

Mayor

Municipal Clerk

Appendix "A" **Repeal.**

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~~
 - (a) ~~Convert all stipends into fully taxable amounts~~
 - (b) ~~Add population~~
 - (c) ~~Express as a percentage the population of each universe municipality as a portion of the universe total population = weighting factor.~~
 - (d) ~~Multiply the stipend of each mayor or councillor by the weighting factor = weighted salary.~~
 - (e) ~~Add the weighted stipend of each universe municipality = weighted average salary.~~
 - (f) ~~Subtract weighted average salary from the highest salary~~
 - (g) ~~Divide by 2 = median rate between weighted average and highest rate~~
 - (h) ~~Add median rate to average rate = HRM stipend~~
 - (i) ~~In 2010 and all subsequent years the weighted average plus 50% -or media 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**.~~

Appendix "B"

1. In this Appendix,

(a) "base salary" means the average salary of a full time worker in Halifax as identified in the Statistics Canada data, plus twenty-five percent (25%);

(b) "base year" means the year of the Statistics Canada data;

(c) "percentage change" means the percentage increase or decrease from the most recent calendar year to the base year in the "Consumer Price Index, annual (2002=100 unless otherwise noted), Statistics Canada, CANSIM, Table 326-0021 for Halifax, Nova Scotia; and

(d) "Statistics Canada data" means the most recent Statistics Canada's Census, Income and Earnings for the average wages and salaries of individuals who worked full-year, full-time in Halifax for all age group both sexes and all levels of education.

2. The annual remuneration for Members of Council shall be calculated as follows:

(a) for a Councillor, the base salary;

(b) for the Deputy Mayor, one hundred and ten percent (110%) of the base salary; and

(c) for the Mayor, two hundred and twenty percent (220%) of the base salary.

3. The annual remuneration shall be adjusted effective each February 1st by the percentage change, if any.

**ATTACHMENT 3
(Amending Administrative Order)**

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

1. Subsection 1 of section 2 is amended by:
 - (a) striking out the words, comma and numbers “November 1, 2013” after the word “effective” and before the words “is as”;
 - (b) adding the words, comma and numbers “March 1, 2016” after the word “effective” and before the words “is as”;
 - (c) striking out the words, comma, brackets, dollar sign, and numbers “one hundred and sixty-two thousand, nine hundred and six dollars and fifty-one cents (\$162,906.51)” after the word and comma “Mayor,” and before the semi-colon in clause a;
 - (d) adding the words “one hundred and seventy-six thousand, thirty-three dollars and seventy-five cents (\$176,033.75)” after the word and comma “Mayor,” and before the semi-colon in clause a;
 - (e) striking out the words, comma, brackets, dollar sign, and numbers “eighty six thousand, six hundred and fifty-four dollars and twenty-six cents (\$86,654.26)” after the word and comma “Mayor,” and before the semi-colon in clause b;
 - (f) adding the words, comma, brackets, dollar sign, and numbers “ninety thousand, nine hundred seventeen dollars and ninety cents (\$90,917.90)” after the word and comma “Mayor,” and before the semi-colon in clause b;
 - (g) striking out the words, comma, brackets, dollar sign, and numbers “seventy-eight thousand, seven hundred and seventy-six dollars and sixty cents (\$78,776.60)” after the word and comma “Councillors,” and before the semi-colon in clause c; and
 - (h) adding the words, comma, brackets, dollar sign, and numbers “eighty-two thousand, six hundred and fifty-two dollars and sixty-four cents (\$82,652.84)” after the word and comma “Councillors,” and before the semi-colon in clause c.
2. Subsection 2 of section 2 is repealed.
3. Section 2C is amended by:
 - (a) renumbering the section as subsection 1 of section 2C;
 - (b) striking out the word, numbers and comma “November 18, 2014” after the word “on” and before the words “and in”;

- (c) adding the word, numbers and comma “February 1, 2017” after the word “on” and before the words “and in”;
 - (d) striking out the word “November” after the word “subsequent” and before the number and letters “1st”;
 - (e) adding the word “February” after the word “subsequent” and before the number and letters “1st”;
 - (f) striking out the letter “A” after the first bracket and word “Appendix” and before the second bracket; and
 - (g) adding the letter “B” after the first bracket and word “Appendix” and before the second bracket.
4. Adding subsection 2 after the newly renumbered subsection 1 of section 2C as follows:
- (2) Notwithstanding subsection 2C(1), where the amounts calculated in accordance with Appendix “B” are less than the amounts set out in subsection 2(1), the amounts set out in subsection 2(1) shall be the annual remuneration for that year.

5. Subsections 5,6,7,8, 9 and 10 are added after section 4 as follows:

REGIONAL COUNCIL COMPENSATION COMMITTEE

- 5. The Council establishes the Regional Council Compensation Committee.
 - 6. The Regional Council Compensation Committee shall be convened by the Auditor General.
 - 7. The Auditor General shall select members of the Regional Council Compensation Committee, and shall sit as an ex officio member.
 - 8. The Regional Council Compensation Committee shall review previous recommendations, current compensation for elected member of Regional Council, and any relevant benchmark data.
 - 9. The Regional Council Compensation Committee shall make recommendations for Regional Council’s consideration to establish the remuneration, including benefits, for elected members of Regional Council, which may include changes to the existing formula.
 - 10. The Regional Council Compensation Committee shall report to Regional Council by the end of August in the 3rd year of each of Council term.
6. Appendix A is repealed.
7. Appendix B is added after the repealed Appendix A as follows:

Appendix “B”

- 1. In this Appendix,
 - (a) “base salary” means the average salary of a full time worker in Halifax as identified in the Statistics Canada data, plus twenty-five percent (25%);
 - (b) “base year” means the year of the Statistics Canada data;

(c) "percentage change" means the percentage increase or decrease from the most recent calendar year to the base year in the "Consumer Price Index, annual (2002=100 unless otherwise noted) Statistics Canada, CANSIM, Table 326-0021, for Halifax, Nova Scotia; and

(d) "Statistics Canada data" means the most recent Statistics Canada's Census, Income and Earnings for the average wages and salaries of individuals who worked full-year, full-time in Halifax for all age group both sexes and all levels of education.

2. The annual remuneration for Members of Council shall be calculated as follows:

(a) for a Councillor, the base salary;

(b) for the Deputy Mayor, one hundred and ten percent (110%) of the base salary; and

(c) for the Mayor, two hundred and twenty percent (220%) of the base salary.

3. The annual remuneration shall be adjusted effective each February 1st by the percentage change, if any.

Done and passed in Council this day of March A.D. 2016

Mayor

Municipal Clerk

**ATTACHMENT 4
(Incorporating 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 March 1, 2016, is as follows:

(a) to the Mayor, one hundred seventy-six thousand, thirty-three dollars and seventy-five cents (\$176,033.75);

(b) to the Deputy Mayor ninety thousand, nine hundred seventeen dollars and ninety cents (\$90,917.90); and

(c) to the Councillors, eighty-two thousand, six hundred fifty-two dollars and sixty-four cents (\$82,652.64).

(2) Repealed.

2A Repealed

2B Repealed

2C. (1) Effective on February 1, 2017 and in each subsequent February 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 "B".

(2) Notwithstanding subsection 2C(1), where the amounts calculated in accordance with Appendix "B" are less than the amounts set out in subsection 2(1), the amounts set out in subsection 2(1) shall be the annual remuneration for that year.

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.

REGIONAL COUNCIL COMPENSATION COMMITTEE

5. The Council establishes the Regional Council Compensation Committee.

6. The Regional Council Compensation Committee shall be convened by the Auditor General.

7. The Auditor General shall select members of the Regional Council Compensation Committee, and shall sit as an ex officio member.

8. The Regional Council Compensation Committee shall review previous recommendations, current compensation for elected member of Regional Council, and any relevant benchmark data.

9. The Regional Council Compensation Committee shall make recommendations for Regional Council's consideration to establish the remuneration, including benefits, for elected members of Regional Council, which may include changes to the existing formula.

10. The Regional Council Compensation Committee shall report to Regional Council by the end of August in the 3rd year of each of Council term.

Done and passed in Council this 15th day of January A.D. 2002

Mayor

Municipal Clerk

Appendix "A"

Repealed.

Appendix "B"

1. In this Appendix,
 - (a) "base salary" means the average salary of a full time worker in Halifax as identified in the Statistics Canada data, plus twenty-five percent (25%);
 - (b) "base year" means the year from which the Statistics Canada data is taken;
 - (c) "percentage change" means the percentage increase or decrease from the most recent calendar year to the base year in the "Consumer Price Index, annual (2002=100 unless otherwise noted) Statistics Canada, CANSIM, Table 326-0021, for Halifax, Nova Scotia; and
 - (d) "Statistics Canada data" means the most recent Statistics Canada's Census Income and Earnings for the average wages and salaries of individuals who worked full-year, full-time in Halifax for all age group both sexes and all levels of education.
2. The annual remuneration for Members of Council shall be calculated as follows:
 - (a) for a Councillor, the base salary;
 - (b) for the Deputy Mayor, one hundred and ten percent (110%) of the base salary; and
 - (c) for the Mayor, two hundred and twenty percent (220%) of the base salary.
3. The annual remuneration shall be adjusted effective each February 1st by the percentage change, if any.