



Municipality of the County of Kings

Request for Decision

TO	Committee of the Whole
PREPARED BY	Rob Frost, Deputy Chief Administrative Officer
MEETING DATE	April 11, 2019
SUBJECT	Remuneration for Elected Officials

ORIGIN

- June 5, 2018 Council Motion to review Council remuneration.

RECOMMENDATION

That Committee of the Whole recommend Municipal Council adopt the proposed Council remuneration rates of \$72,039 for Mayor, \$46,796 for Deputy Mayor, and \$40,342 for Councillors for the Municipality of the County of Kings, as presented in the attached report titled Council Remuneration, to be implemented with the newly elected Council in October 2020.

INTENT

The attached report was prepared to review remuneration of Councillors of the Municipality of the County of Kings in comparison with other Municipal counter parts in Canada, and to provide recommendations on future remuneration.

DISCUSSION

On June 5, 2018, Council passed the following motion:

That Municipal Council approve revisions to Policy FIN-05-002: Councillor and Committee Remuneration and that staff return with more revisions at the September Committee of the Whole; **and that Municipal Council direct that staff return with a recommendation for revisions to remuneration for members of Council** and other issues.

To determine the correct remuneration for elected officials of a Municipality is not an easy task due to the complexity of today's Municipal governments. It is important that remuneration is attractive enough to appeal to a wide range of skills and backgrounds, while balancing that with the appropriate spending of Municipal tax dollars.

Council for the Municipality of the County of Kings (MoK) requested that a report on Councillor remuneration be completed and returned to Committee of the Whole for discussion and recommendation to Council.

Various methods of comparisons were used, as shown in the attached report, to develop recommendations.



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Current level of Remuneration						
Position	Gross Salary	Federal Income Tax	Provincial Income Tax	Total Income Tax	CPP Employee Portion	Net Pay
Councillor	\$ 36,316	\$ 3,676	\$ 2,861	\$ 6,537	\$ 1,674	\$ 28,105
Deputy Mayor	\$ 43,394	\$ 4,738	\$ 3,919	\$ 8,657	\$ 2,035	\$ 32,703
Mayor	\$ 58,766	\$ 7,712	\$ 6,217	\$ 13,930	\$ 2,819	\$ 42,018

Proposed level of Remuneration						
Position	Proposed Gross Salary	Federal Income Tax	Provincial Income Tax	Total Income Tax	CPP Employee Portion	Net Pay
Councillor	\$ 40,342	\$ 4,280	\$ 3,463	\$ 7,743	\$ 1,879	\$ 30,720
Deputy Mayor	\$ 46,796	\$ 5,248	\$ 4,428	\$ 9,676	\$ 2,208	\$ 34,912
Mayor	\$ 72,039	\$ 10,433	\$ 3,778	\$ 14,211	\$ 3,495	\$ 54,332

Costs to the Municipality						
Current Gross Salary	Current CPP Employer Portion	Total Current Compensation	Proposed Gross Salary	Proposed CPP Employer Portion	Proposed Total Current Compensation	Proposed Difference
\$ 392,689.20	\$ 18,242.15	\$ 410,931.35	\$ 441,571	\$ 20,735.12	\$ 462,306.12	\$ 69,616.92

FINANCIAL IMPLICATIONS

- An increase in Council Remuneration costs to a total amount of \$69,617
- GL Account Legislative 01-2-211-110

STRATEGIC PLAN ALIGNMENT

Check Applicable	Strategic Priority	If Checked, Provide Brief Explanation
✓	Good Governance	Council Remuneration review was identified as an action item under good governance.
	Environmental Stewardship	
	Economic Development	
	Strong Communities	
	Financial Sustainability	
	Supports a Strategic Project	
	Supports a Core Program Enhancement	
	Not Applicable - explain why project should still be considered	



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COMMUNITY ENGAGEMENT

- There has been no community engagement on this topic.

ALTERNATIVES

- Make no change to Councillor remuneration
- Continue to increase Councillor remuneration solely by CPI
- Change Councillor remuneration by an agreed upon amount

IMPLEMENTATION

- Council remuneration to increase by CPI for the 2019-2020 fiscal year
- New Council remuneration rates to be put in place for 2020 Municipal Election

APPENDICES

- Council Remuneration Report dated March 20, 2019

APPROVALS

Scott Conrod, Chief Administrative Officer

Date: April 5, 2019

MUNICIPALITY OF THE COUNTY OF KINGS

Council Remuneration

Review and Recommendation on Remuneration for the Council of the
Municipality of the County of Kings

Rob Frost
3-20-2019

Background

To determine the correct remuneration for elected officials of a Municipality is not an easy task due to the complexity of and variation in today's Municipal governments. It is important that remuneration is attractive enough to appeal to a wide range of skills and backgrounds, while balancing that with the appropriate spending of Municipal tax dollars.

Council for the Municipality of the County of Kings (MoK) requested that a report on Councillor remuneration be completed and returned to Committee of the Whole for discussion and recommendation to Council.

The level of remuneration of any elected official can at times be a contentious issue, which emphasizes the importance of having a review done to show the appropriateness of the compensation. This review has used several methods of comparison to put forth recommendations contained herein.

Scope

The goal of this review is to consider current compensation, and future compensation compared to similar Municipal governments for the fairness and appropriateness of the work performed by the Mayor, Deputy Mayor, and Councillors.

More specifically:

- a. Evaluate the level of compensation for Mayor, Deputy Mayor, and Councillors, compared to similar organizations;
- b. Compare compensation to like sized Municipalities across Canada;
- c. Determine appropriate compensation package differences between Mayor, Deputy Mayor, and Councillors based on other Municipal counterparts; and
- d. Create recommendations regarding compensation, and future increases

Methodology

Methodology used for the review of Council compensation consists of the following:

- Comparisons to all other Nova Scotia Municipal Units including comparisons by:
 - o Remuneration by population
 - o Rank of Rural/ Regional Unit based on remuneration by population
 - o Remuneration per land mass (km²)
 - o Rank of Rural/ Regional Unit based on remuneration by land mass
 - o Remuneration by Uniform Assessment
 - o Rank of Rural/ Regional Unit based on remuneration per Uniform Assessment
 - o Percentage of Council Remuneration based on total expenses from 2017/2018 Consolidated Statements
 - o Rank of Rural/ Regional Unit based on total expenses from 2017/2018 Consolidated Statements
- Comparisons of percentage remuneration for a Councillor, Deputy Mayor, and Mayor
- Comparisons on above available metrics with six comparable sized Municipal Units across Canada
- Comparison with recently produced remuneration reviews
- Comparison with Association of Municipalities of Ontario Council Remuneration Survey

Legal Authority

Council has the legal authority to provide for and fix the annual remuneration for Councillors of the Municipality, as shown in the following excerpt from the Nova Scotia *Municipal Government Act* (MGA). Further information and guidelines are provided in a related Information Bulletin, which can be found in the Appendix B.

Council may make policies

23 (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 or warden,*
 - (ii) the annual remuneration to be paid to the deputy mayor or deputy warden,*
 - (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, other than persons on parental accommodation, 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.**

(2) The council may, by policy, require that where a council member is nominated or appointed by the council to a board, commission or other position or is otherwise appointed as a representative of the municipality, any remuneration from that position, excluding reimbursement of expenses, to which that council member is entitled shall be paid to the municipality.

(3) Where

- (a) an expense by a council member is authorized by an expense policy adopted by the council; or*
- (b) no expense policy has been adopted by the council but the expense is supported by proof that it has actually been incurred, the expense may be reimbursed to the council member.*

Current Remuneration

With amendments to the Council and Committee Remuneration Policy effective January 1, 2019, the current compensation for Mayor, Deputy Mayor, and Councillors is as follows:

Mayor	\$58,766
Deputy Mayor	\$43,394
Councillors	\$36,316

The most recent change to Councillor compensation occurred due to the removal of the one-third tax relief that had been provided to Municipal elected officials in the 1940s. With the one-third exemption being removed, the Municipality of the County of Kings adjusted compensation to maintain the same net pay.

Historic Councillor Remuneration

Year	Mayor/ Warden	Deputy Mayor/ Warden	Councillors
2019	\$ 58766	43394	36316
2009	45000	33000	28000
1999	29000	20000	16000

The above table shows the remuneration for council based on policy for the past twenty years. Note that the % increase over the 20 year period was 103% for the Mayor/ Warden position, 117% for the Deputy Mayor/ Deputy Warden, and 127% for Councillors over the same time frame.

These increases equate to an average increase of 3.6% per year for the Mayor/Warden position, an average increase of 3.9% per year for the Deputy Mayor, and an average increase of 4.2% per year for a Councillor position.

Alternative Methods of Compensation

Nova Scotia Municipalities are directed in the MGA as to how remuneration is paid to Councillors. As per the MGA section quoted above, and additionally the Information Bulletin on Council Remuneration and Expenses, all Municipalities are required to provide remuneration based on an annual amount. Many NS Municipalities do have some provision similar to MoK regarding having remuneration reduced for the occurrence of unexcused absences.

As the MGA dictates how Nova Scotia Municipalities may provide remuneration, any changes to how compensation could be provided would first need an amendment to the MGA. With this in mind, although other methods of remuneration across the Country were reviewed as part of this report, it does not add additional information to the discussion of remuneration under current legislation.

Comparisons

In order to come up with fair and reasonable remuneration for Council members, it was essential to look at the comparable Municipalities in a number of different ways.

When comparing MoK to other rural or regional Municipalities in the Province of Nova Scotia, MoK places third in almost every category. The Municipality of the County of Kings is the third largest based on Population, number of constituents per Councillor, Uniform Assessment, and Total Expenses from 17/18 Consolidated Statements. The one metric where MoK does not place third is the land mass (km²) where MoK ranks 11th out of the 24 rural and regional Municipalities, which shows that on average the districts are significantly more densely populated than all rural municipalities.

By comparison with Municipalities outside of Nova Scotia, it was difficult to find exact matches for MoK due to the nature of differences in Provincial / Municipal requirements and responsibilities, operations, staffing, etc. There was five Municipal units used for comparison from across Canada, which is summarized in a table in Appendix C.

When comparing Council remuneration within Nova Scotia, a consideration has to be made as to the role and responsibility of Councillors throughout Municipal units. As MoK ranks third for most major categories of comparison it is presumed the relative responsibility of each Municipal Council would follow that ranking. Anecdotally, and from a Nova Scotia perspective, it is believed that Kings has more physical infrastructure and a larger participation and ownership stake in Intermunicipal Service Corporations than its counterparts. MoK also has the largest number of villages in the province. Interestingly, MoK, in most categories, falls quite evenly between CBRM and the next largest rural Municipality.

As an example:

Population per Councillor

HRM – 23,714
CBRM – 7,253
MoK – 4,740
Colchester – 3,008
Lunenburg – 2,260

Population per km²

HRM – 73
CBRM – 38
MoK – 23
Yarmouth - 17
Lunenburg – 14

Uniform Assessment

HRM – \$46,038,555,856

CBRM – \$4,652,041,841

MoK – \$3,650,455,809

Lunenburg – \$2,625,377,705

Colchester - \$2,458,383,587

Recommendation

As the Municipality of the County of Kings fits between the largest rurals and CBRM, this should be the basis of setting Council remuneration.

It is recommended that a Councillor remuneration be set by taking the average of CBRM Councillor remuneration (\$49,202), and the average of the next highest paid Councillors (Inverness (\$31,482).

The average between the remuneration of CBRM Council and the next highest rural (Mok not included) is **\$40,342**. It would be the recommendation of this report to use \$40,342 as the Councillor base amount for discussion as to implementation.

Based on the data, and other reports on remuneration, the common practice is to set the rate of the Mayor and Deputy Mayor as a ratio of Councillor remuneration. The average ratio of Councillor over Mayor/Warden rate for all regional and rural NS Municipalities is 56%, meaning that a Councillor rate is typically 56% of the Mayor/ Warden rate. This matches closely with recommendations of other reviews, such as the Governance Report prepared during the Pictou County Amalgamation discussion found in Appendix D, where the recommendation was that the Councillor remuneration be set at 50% of the proposed Mayor remuneration. Using a factor of 56%, and the above mentioned Councillor remuneration recommendation of \$40,342, the recommendation for a Mayor remuneration would be **\$72,039**.

As with setting the Mayor remuneration, the standard practice for determining the remuneration of the Deputy Mayor is as a ratio of Councillor remuneration. The average ratio of a Deputy Mayor/Warden remuneration as compared to Councillor remuneration for all rural and regionals in Nova Scotia is 116%. This once again matches very closely with recommendations from the Pictou report, which was to set the Deputy Mayor remuneration at 115% of a Councillor remuneration. Using a factor of 116%, and the above mentioned Councillor remuneration recommendation of \$40,342, the recommendation for a Deputy Mayor remuneration would be **\$46,796**.

Implementation and Review

It would be further recommended that the proposed remuneration be implemented for the Council that will be elected in October of 2020, and therefore will need consideration in the 2020-2021 budget deliberations.

For future reviews of remunerations, it would be further recommended that each council set the rate of remuneration for the Council that will follow. Next review would take place in 2023 for the 2024 Municipal Election.

The rates indicated above would increase each year as per Consumer Price Index, November year over year, all goods in for the Province of Nova Scotia.

Result of Proposed Changes

Current level of Remuneration						
Position	Gross Salary	Federal Income Tax	Provincial Income Tax	Total Income Tax	CPP Employee Portion	Net Pay
Councillor	\$ 36,316	\$ 3,676	\$ 2,861	\$ 6,537	\$ 1,674	\$ 28,105
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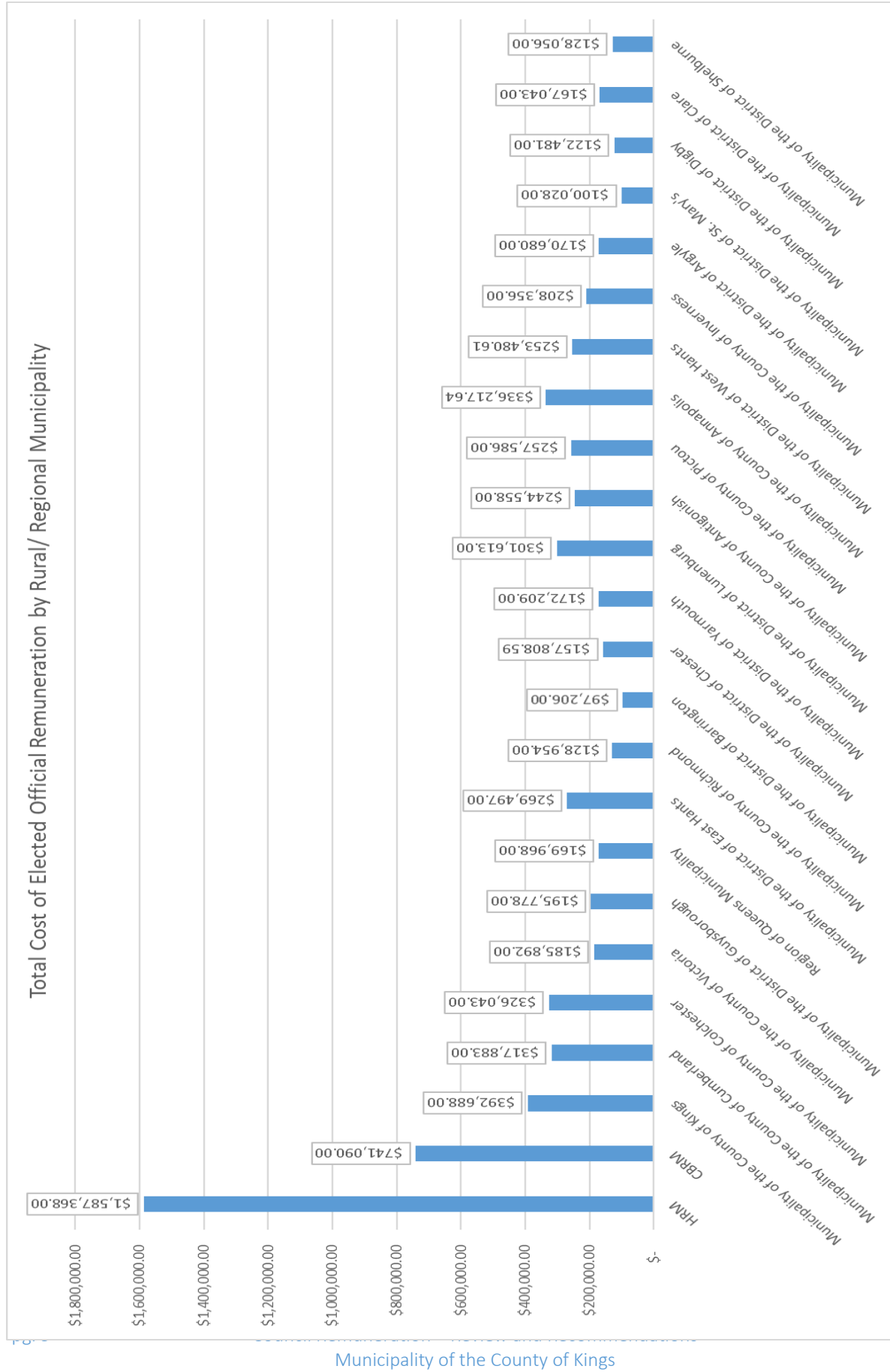
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Appendix A

Charts Comparing Municipality of the County of Kings to other Rural and Regional Municipalities within Nova Scotia

Total Cost of Elected Official Remuneration by Rural/ Regional Municipality

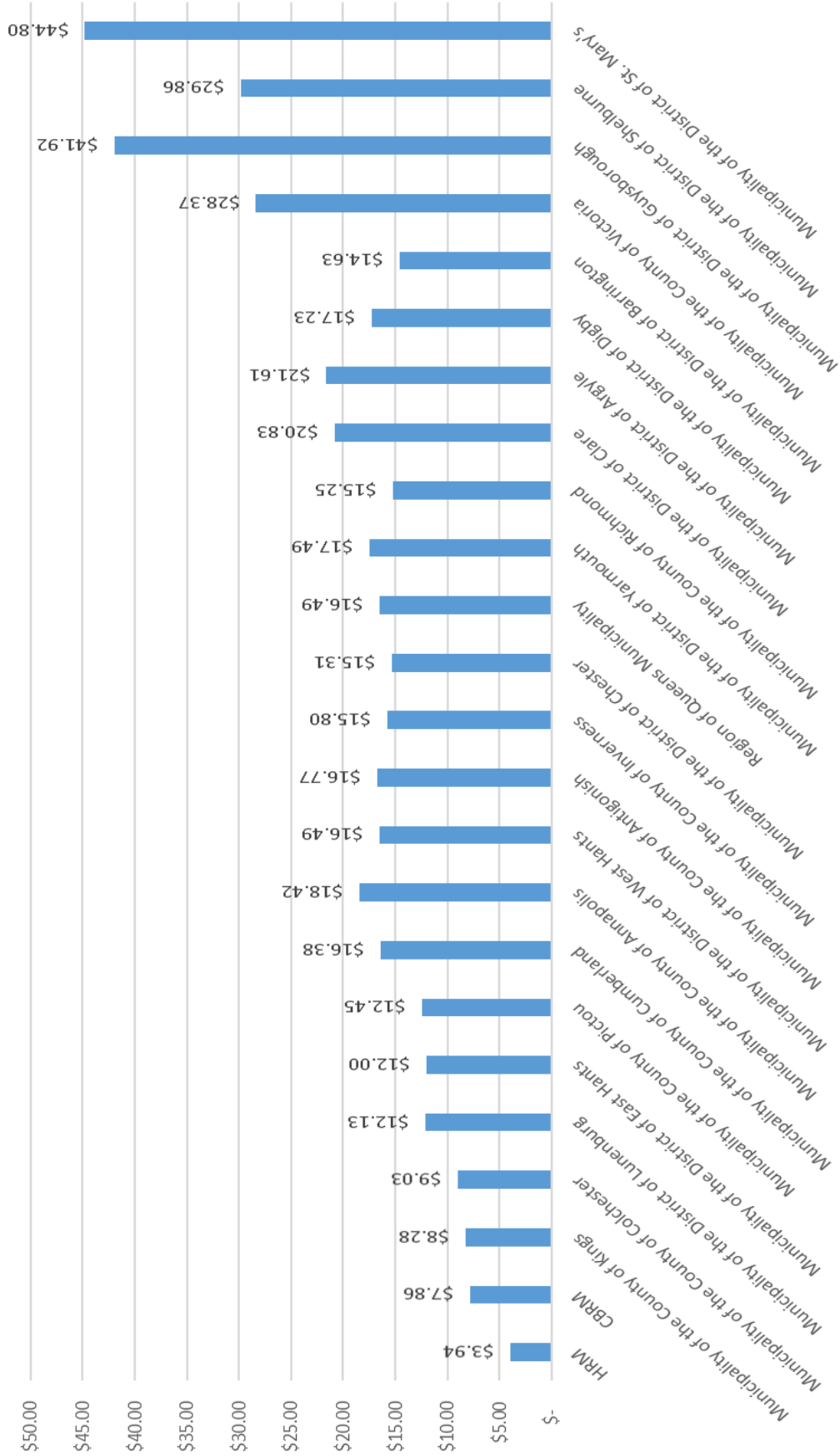


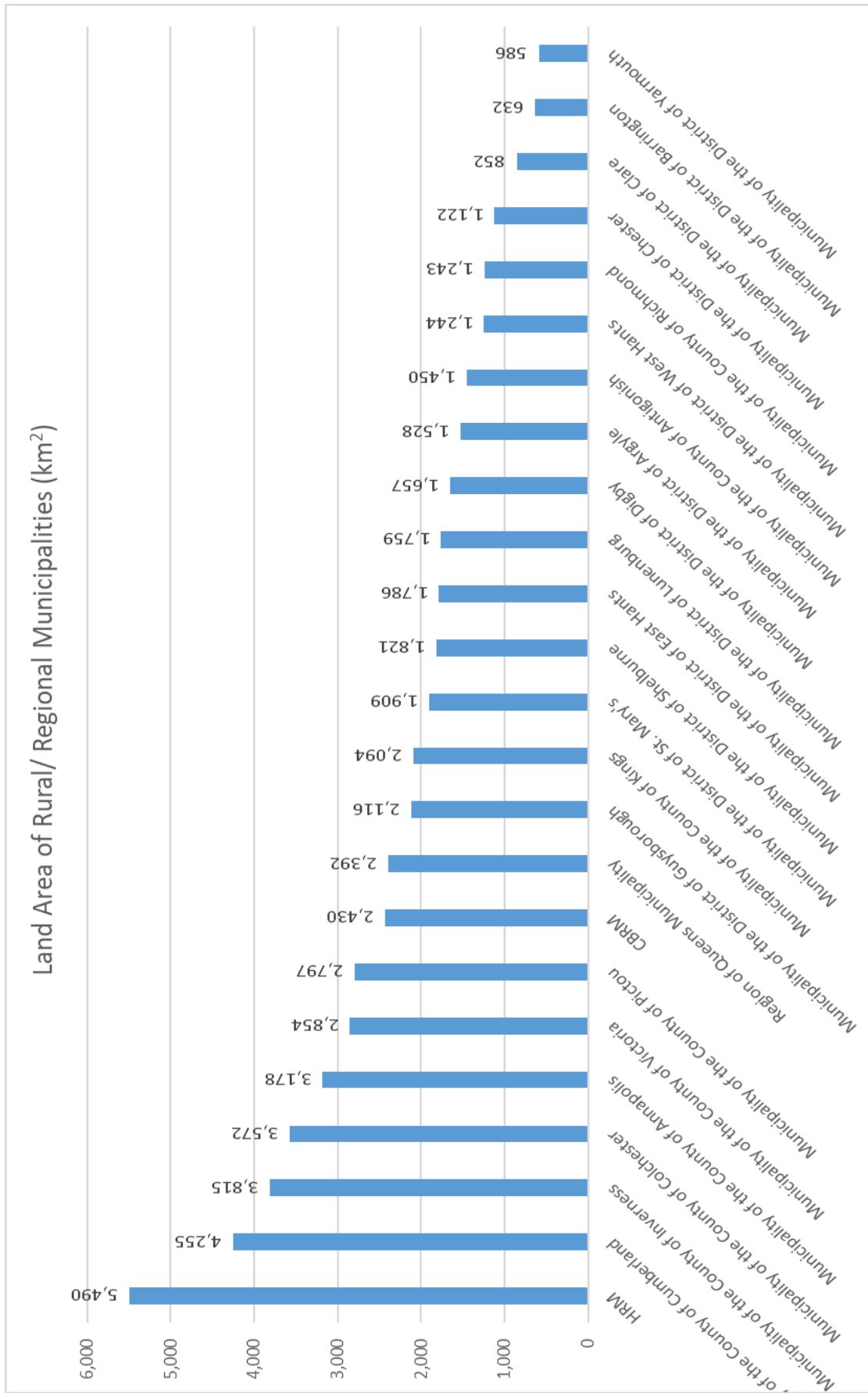
Population by Rural/ Regional Municipality

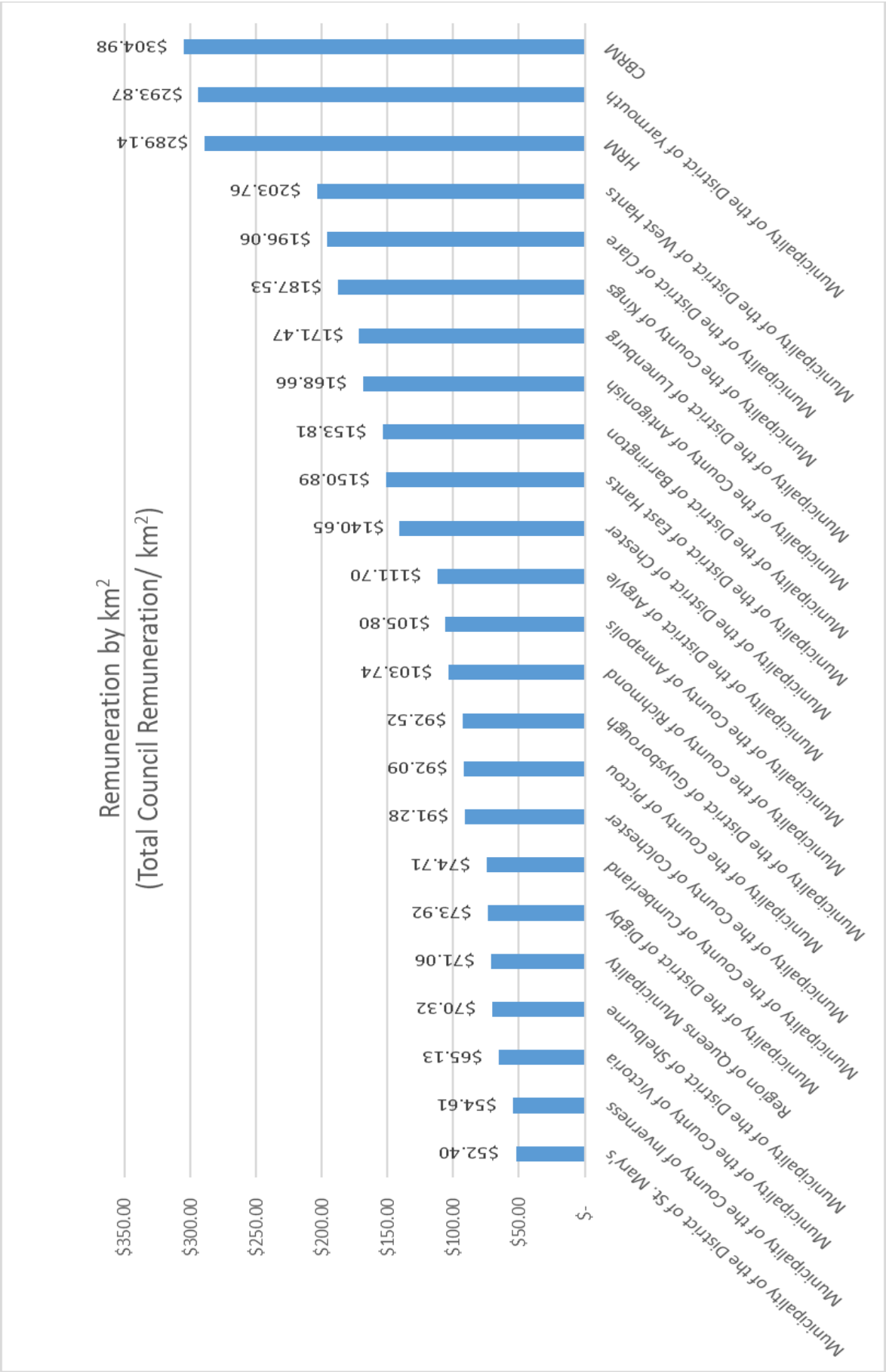


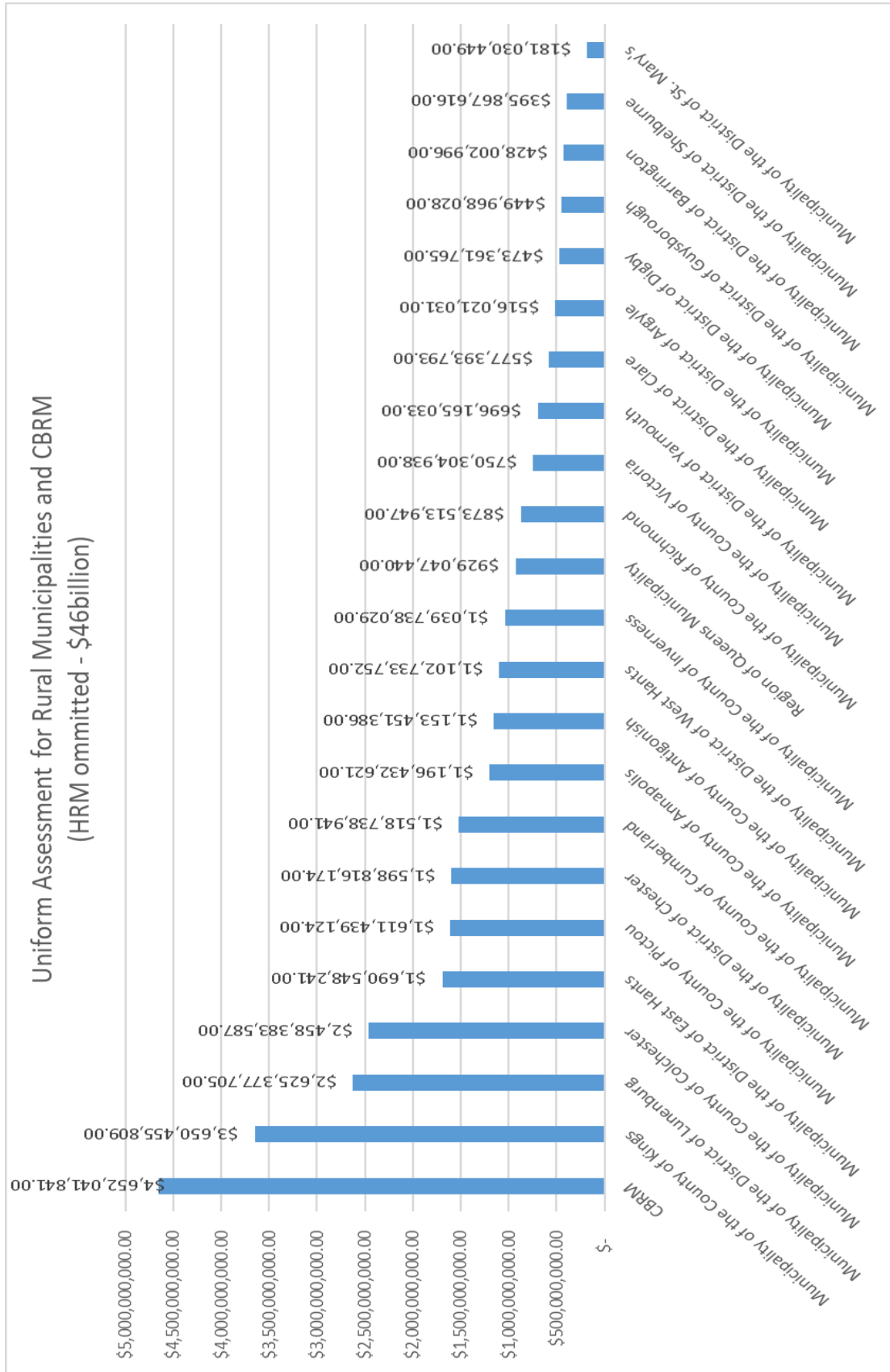
Municipality of the County of Kings

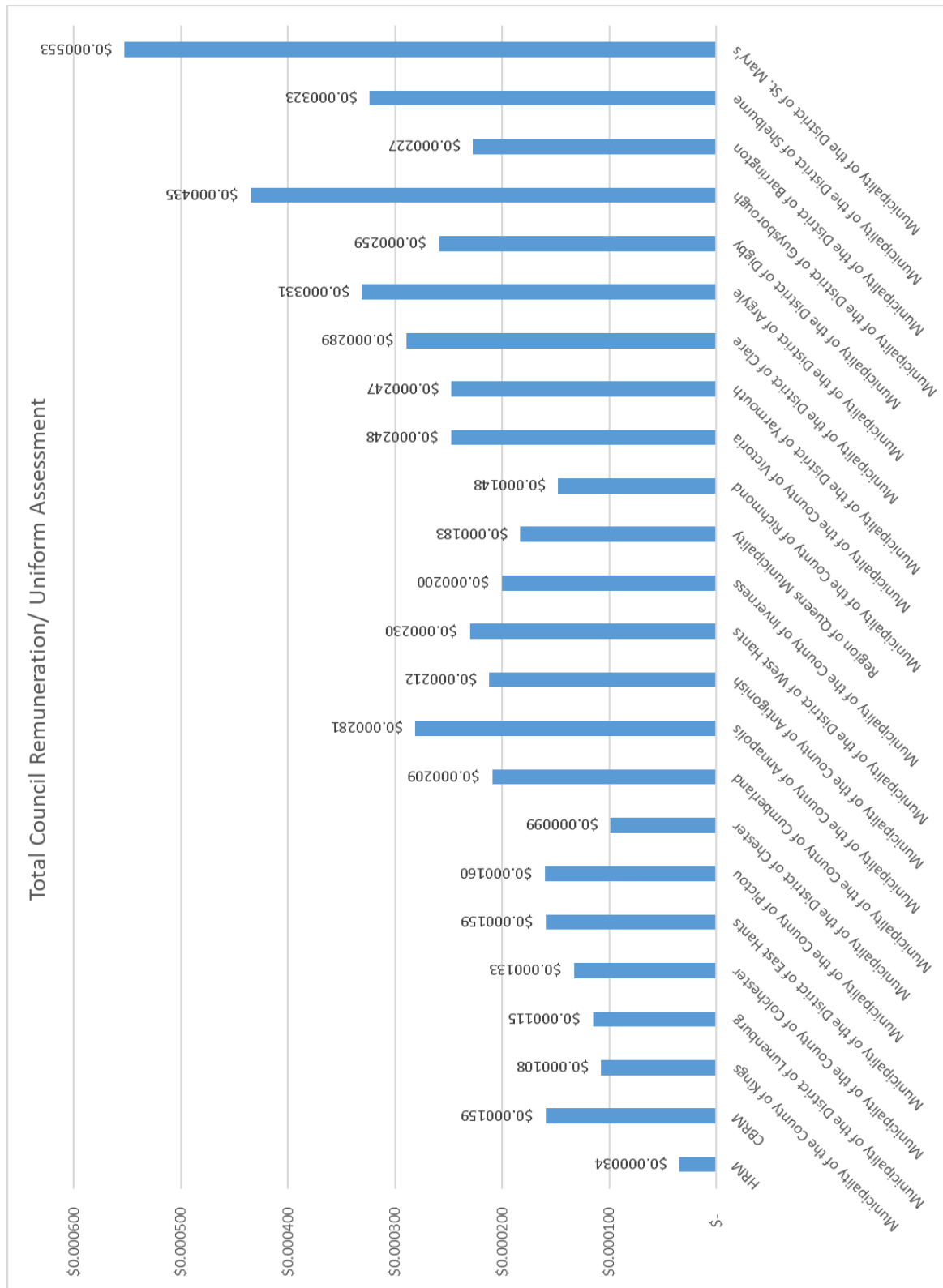
Remuneration per Population
(Total Council \$/ Population)

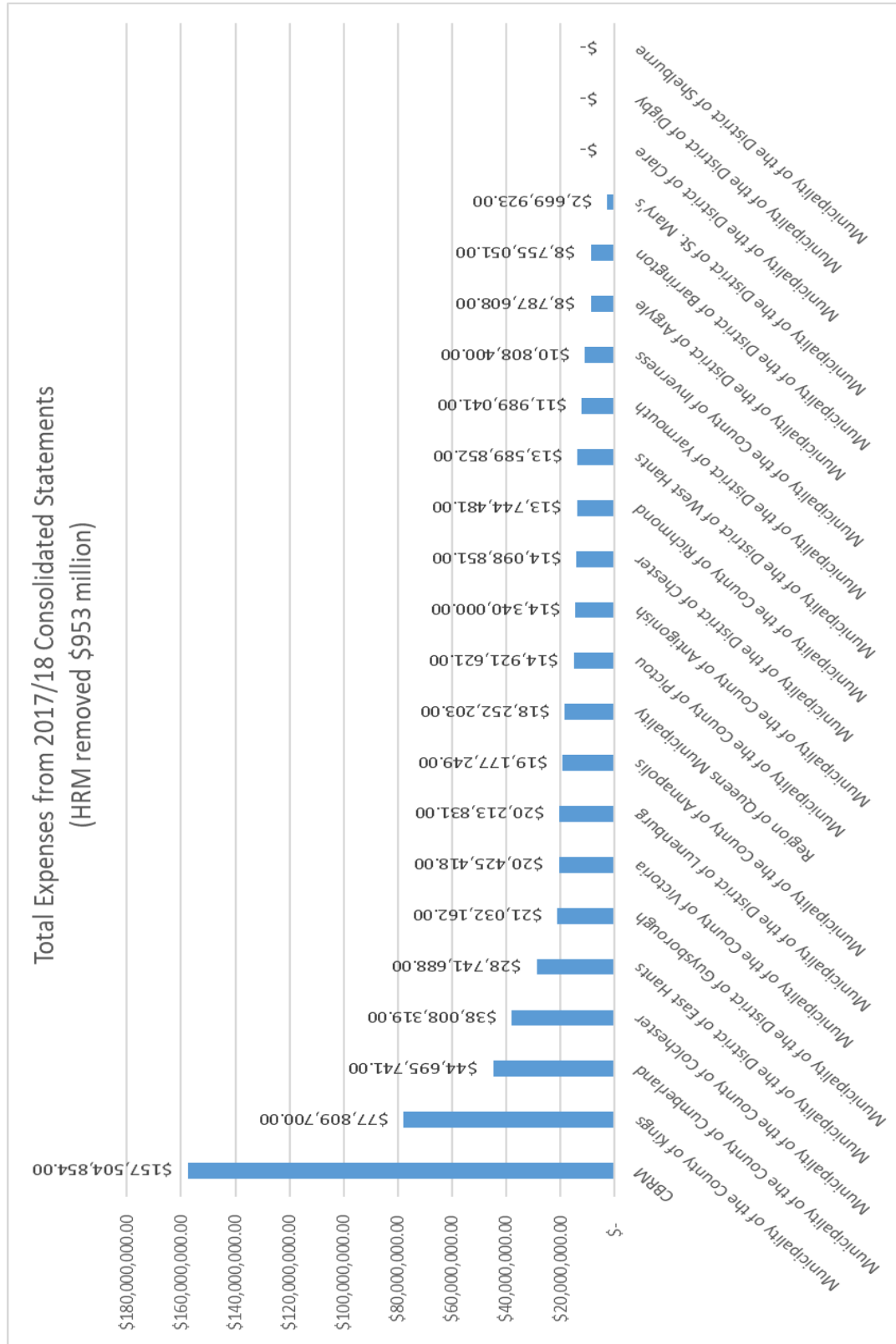


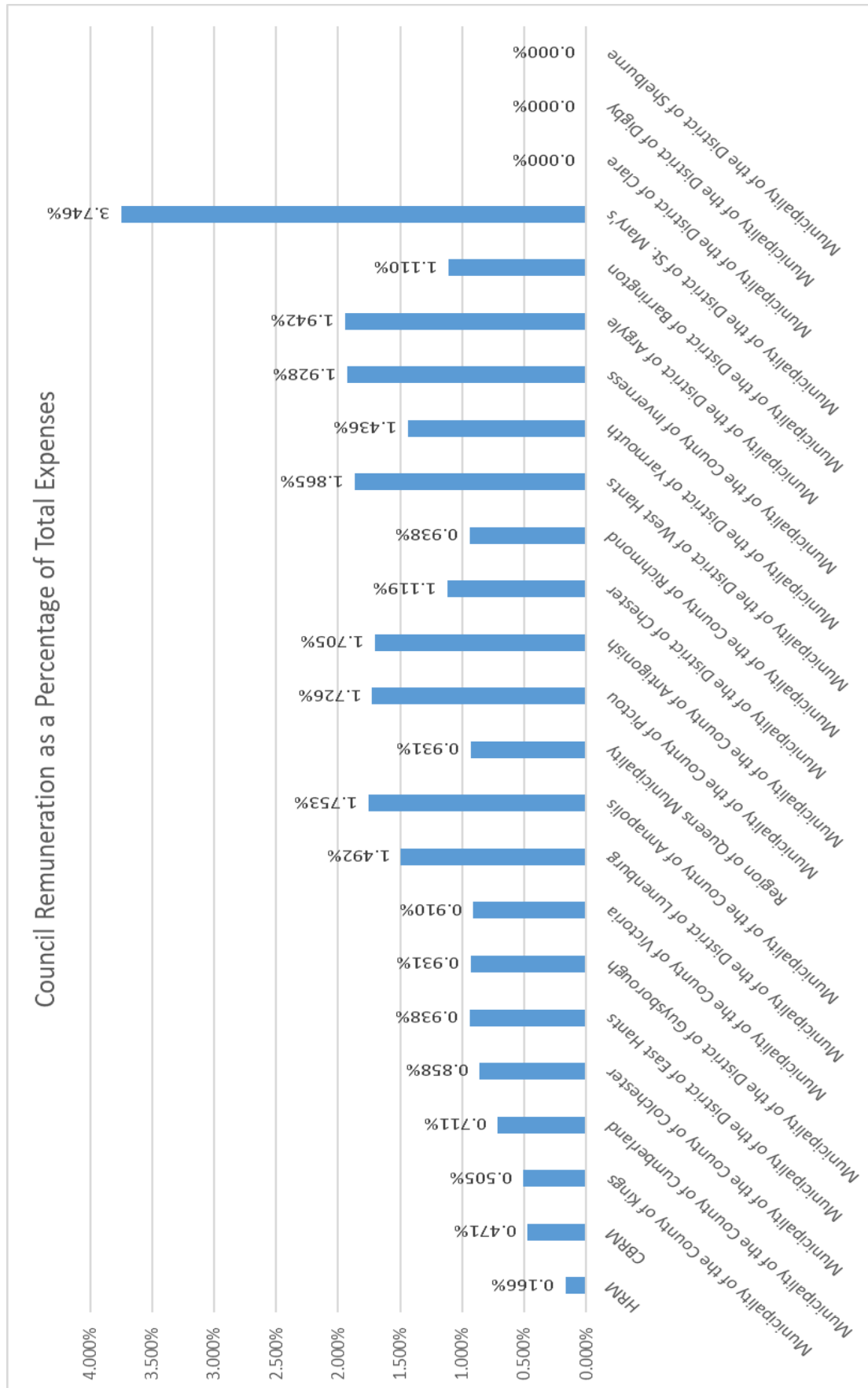












Appendix B

MGA - INFORMATION BULLETIN #6 COUNCIL REMUNERATION and EXPENSES

Appendix C

**Table of Comparable Municipal Units from
Across Canada**

Municipality	Mayor/ Warden	Base Compensation	Deputy Mayor/Warden	Councillor	Number of Council (excluding Mayor and Deputy)	Total Cost of Remuneration	Councillor Pay as % of Mayor/Warden	Population	Land Area (km ²)	Total Expenses from 17/18 Consolidated Statements
Charlottetown PEI	Mayor	\$ 65,500.00	\$ 35,700.00	\$ 32,700.00	9	\$ 395,500.00	50%	44739	17.12	\$ 60,853,383.00
Chatam-Kent, Ontario	Mayor	\$ 93,000.00		\$ 28,266.00	17	\$ 573,522.00	30%	43550	2457	\$ 316,003,961.00
Rocky View County, AB	Warden (Reeve)	\$ 99,799.00	\$ 79,000.00	\$ 76,000.00	7	\$ 710,799.00	76%	39407	3836	\$ 104,338,200.00
Parkland County	Mayor	\$ 101,120.00		\$ 62,000.00	6	\$ 473,120.00	61%	32097	2390	\$ 83,225,940.00
West Vancouver, BC	Mayor	\$ 85,550.00		\$ 38,444.00	6	\$ 316,214.00	45%	42473	87.26	\$ 149,984,291.00
Averages		\$ 88,993.80		\$ 47,482.00		\$ 493,831.00	53%	40453.2	1757.5	\$ 142,881,155.00

Appendix D

Historic Increases of Municipality of the County of Kings Council Remuneration

Historic Increases of Municipality of the County of Kings Council Remuneration

In 1999 the Council Remuneration for Warden, Deputy Warden, and Councillors was set at \$29,000, \$20,000, and \$16,000 respectively, as per Council motion in April 1999.

As per policy, these numbers increased at a rate of CPI until 2009. In 2009 accounting for the increase of CPI the remuneration was \$35,529, \$24,503, and \$19,602 respectively for Warden, Deputy Warden, and Councillors.

An additional increase was added to remuneration at this time to bring the remuneration to \$45,000, \$33,000, and \$28,000 respectively for the Warden, Deputy Warden, and Councillors. This represents a one time increase of 27% for Warden, 35% for Deputy Warden, and 43% for Councillors.

As per policy, remuneration increased at CPI until 2019, which brought the numbers to \$53,446, \$39,193, and \$33,255 for Mayor, Deputy Mayor, and Councillors. An additional increase was added to begin in January 2019 in order to offset the change to Federal Income Tax to maintain the same net remuneration for Council. This increase brought the remuneration to \$58,766, \$43,394, and \$36,316 for Mayor, Deputy Mayor, and Councillors, and equates to a 10%, 11%, and 9% increase respectively, although due to the mentioned Tax changes the net remuneration did not change.

Had remuneration increased only by Canadian Year over Year CPI without adjustments, over the same period the current compensation would have been \$42,271 (Mayor), \$29,152 (Deputy), and \$23,322 (Councillor). The difference from CPI increase and actual increase is \$16,495 (Mayor), \$14,241 (Deputy), and \$12,994 (Councillors).

Mayor/ Warden										
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
\$ 29,000	\$ 29,928	\$ 30,143	\$ 31,289	\$ 31,940	\$ 32,620	\$ 33,302	\$ 33,858	\$ 34,664	\$ 35,066	\$ 35,529
										\$ 45,000
										27%
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$45,000	\$ 46,058	\$ 47,117	\$ 47,508	\$ 48,097	\$ 48,804	\$ 49,590	\$ 50,334	\$ 51,275	\$ 52,295	\$ 53,446
									Current	\$ 58,766
										10%

Deputy Mayor/ Warden										
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
\$ 20,000	\$ 20,640	\$ 20,789	\$ 21,579	\$ 22,027	\$ 22,497	\$ 22,967	\$ 23,350	\$ 23,906	\$ 24,183	\$ 24,503
										33000
										35%
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$ 33,000	\$ 33,776	\$ 34,552	\$ 34,839	\$ 35,271	\$ 35,790	\$ 36,366	\$ 36,911	\$ 37,602	\$ 38,350	\$ 39,194
									Current	\$ 43,394
										11%

Councillors										
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
\$ 16,000	\$ 16,512	\$ 16,631	\$ 17,263	\$ 17,622	\$ 17,997	\$ 18,373	\$ 18,680	\$ 19,125	\$ 19,347	\$ 19,602
										\$ 28,000
										43%
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$ 28,000	\$ 28,658	\$ 29,317	\$ 29,560	\$ 29,927	\$ 30,367	\$ 30,856	\$ 31,319	\$ 31,904	\$ 32,539	\$ 33,255
									Current	\$ 36,316
										9%