

Municipal Government Act

progressive powers for municipalities

INFORMATION BULLETIN #6

COUNCIL REMUNERATION and EXPENSES

- Revised -

Summary: The mayor or warden, deputy mayor or deputy warden and councillors are to be paid annual stipends with no meeting pay.

Legislation: Specific - Part I, Section 23

Related - Section 24(5), Section 24(6) and Section 538

Discussion: Remuneration is to be dealt with by the council by policy, similar to the old recorded resolution. There must be seven days notice to council before a policy is passed or amended, but there are no publication requirements. Once passed, the policy is kept in the by-law book.

Council may determine:

- 1) the annual remuneration for the mayor or warden;
- 2) the annual remuneration for the deputy mayor or deputy warden;
- 3) the annual remuneration for councillors;
- 4) that part of the remuneration that is an allowance for expenses incidental to the discharge of their duties (the tax free portion, maximum one-third);
- 5) any deduction to be made for missing more than three council or committee meetings in a year (optional);
- 6) the rate per kilometre for travel expenses to council or committee meetings (generally used only in regional,

county and district municipalities where travel distances can be significant); [The current rate per kilometre travelled for provincial employees is \$0.315 per kilometre].

- 7) whether council requires that remuneration from appointments to outside boards or commissions be paid to the municipality rather than to the member (among salaried councillors, the only exceptions typically allowed were for members that had an excessive committee load);
- 8) an expense policy for reimbursement of expenses incurred by council members.

Accordingly, councils should adopt policies governing council remuneration on an annual basis (meeting pay is not permitted) and reimbursement of expenses. In order to maintain a level playing field for council members, council could consider including in the reimbursement policy a provision requiring compensation paid for boards, commissions or other appointments as a representative of the municipality to be paid to the municipality.

If a council member is appointed by council to a board, commission or other position or is otherwise appointed as representative of the council, the remuneration that that body is authorized to pay, in whatever form it is paid, may be paid by that body to the council member *unless* the municipality has a policy under the *Municipal Government Act* that this type of remuneration must be paid to the municipality: (s.23(2)). An example might be if a council appoints a council member to be a member of a municipal housing corporation under the *Municipal Housing Corporations Act*, that Act permits the corporation to fix remuneration for members by by-law and does not restrict it to annual remuneration. (Note: the *Police Act*, *Libraries Act* and *Regional Community Development Act*, do not provide the authority for remuneration.)

Also if a council member is a member of a board, commission or other similar position as a member of the public and not as a council appointment or representative, the remuneration, in whatever form it is paid, may be paid to the member. Neither the *Municipal Government Act* nor council have authority over this.

Other than these examples, council may not receive meeting fees by attending committee meetings. This prohibition applies to committees established under intermunicipal agreements whether incorporated or not, (i.e., solid waste, district planning commissions, etc.)

It is important to be clear whether the remuneration for the warden is additional to the stipend for a councillor (since the warden is also a councillor) or includes it. Similarly, it is important to be clear whether the remuneration for the deputy mayor or deputy warden is additional to the stipend for acting as councillor, or includes it. It is common to pay the deputy mayor or deputy warden an additional allowance so he or she receives a total stipend somewhere between the stipend for councillor and that for the mayor or warden in recognition of the additional duties of the position.

Members of the council are not entitled to additional pay for serving on council committees, s.24(5), although they may be paid expenses. Committee members who are not councillors may be paid an annual honorarium for serving on the committee, including special allowances for the chair, and may be reimbursed their expenses: s.24(6). Councils should consider whether to provide reimbursement for non-council committee members when setting their own reimbursement policies.

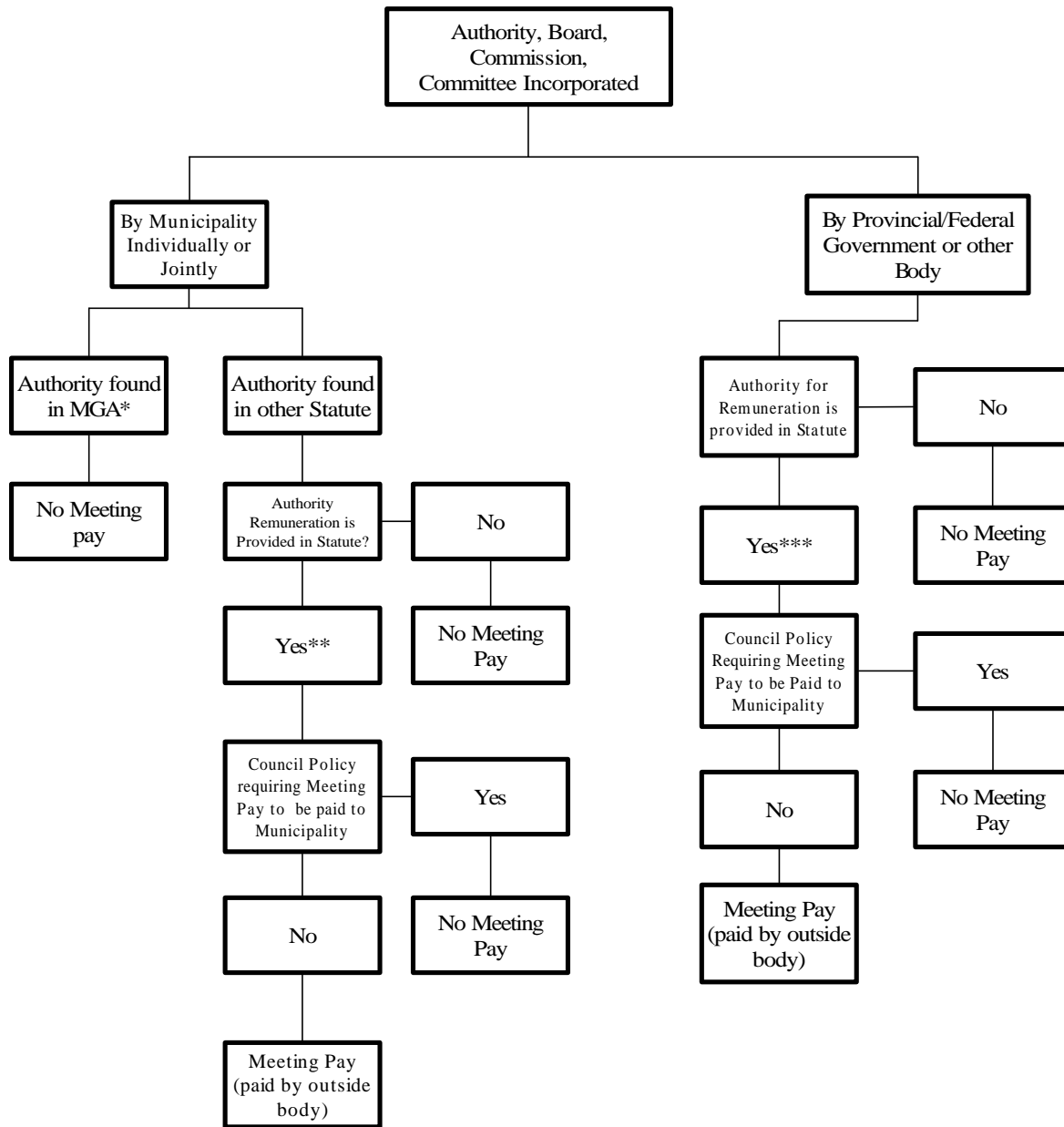
Section 538 of the Act provides that by-laws, orders, policies and resolutions in force in a municipality on March 31, 1999 continue **to the extent that they are authorized by this or another Act**, so existing by-laws or recorded resolutions that authorize remuneration not authorized by the MGA do not continue in force after March 31, 1999. Existing by-laws and resolutions should be reviewed so that they can be replaced for April 1, 1999, if necessary.

Resource: See attached Decision Chart.

Date Produced: February 1999

Note: The reader is cautioned that preparation of this and subsequent Information Bulletins containing practical suggestions must necessarily involve interpretation of legislation as it applies in general situations. Specific situations may require careful legal analysis and therefore reference should be made to the *Municipal Government Act*, other relevant legislation and to legal advisors.

Council Remuneration - Decision Chart



* eg. Joint Service Management (ie: Solid Waste, Transit Authority), District Planning Commission, PAC's, etc.

** eg. Homes for Special Care Act, Municipal Housing Corporation Act.

*** eg. Halifax Dartmouth Bridge Commission