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# Pictou County Memorandum of Understanding on Municipal Reform – Council size analysis

July 2015

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# Executive Summary

Municipalities in Nova Scotia and throughout Canada have found themselves facing a variety of structural issues such as, notably, an infrastructure deficit, ongoing increases in operation costs, growing demands from citizens, an aging population and workforce. To cope with this reality and to fulfill present and future obligations, the municipal leaders of the Municipality of the County of Pictou and the Towns of New Glasgow, Pictou and Stellarton (the participating municipal units (PMUs) have entered into a Memorandum of Understanding on Municipal Reform (the MOU). The intent of the MOU is to amalgamate the four municipalities, providing them with a unified voice and enhanced collaboration that will promote a greater chance of success.

Grant Thornton LLP has been engaged to provide a recommendation on the size of Council for the future governing body, including Council remuneration, benefit, entitlements, and supports (RBES). The analysis involved identifying, collecting and reviewing information from the PMUs, comparable jurisdictions, current literature and governance best practices. Comparator municipalities were selected based on having populations similar to combined population of the four PMUs (38,762), having both urban and rural components and/or being regional municipalities.

Council sizes and RBES varied across the benchmark municipalities, with the average council size and council member remunerations for the PMUs falling below the average.

To promote Council efficiency and effectiveness in addressing the challenges of current municipal environment, we recommend a council of 10 councillors and a Mayor for a total of 11 Council members. This Council size allows for an increase in current remunerations by position (mayor, deputy mayor and councillor) along with benefit options aimed at attracting a diverse range of individuals to run for these positions. Recommended base pay ranges are as follows:

- Mayor: \$48,000 - \$58,000
- Councillor: \$24,000 - \$29,000 (50% of Mayor base pay)
- Deputy Mayor: \$27,600 - \$33,350 (115% of councillor base pay)

Consistent with public sector expense best practices, we recommend that Council entitlements be directly linked to expectations and required activities of Council members. Related costs should be based on actual expenditures for activities such as attendance at conferences and travel to events. The budgets for these items can be determined and reviewed on an annual basis.

# Mandate

The municipal leaders of the Municipality of the County of Pictou and the Towns of New Glasgow, Pictou and Stellarton (i.e., the four participating municipal units (PMUs) have agreed to strengthen the present municipal governance model to efficiently and effectively meet present and future needs of its citizens and businesses. As outlined in the Memorandum of Understanding on Municipal Reform (the MOU) between the PMUs, this change process is dependent upon the amalgamation of four existing municipal structures into one organization that shall cover 86% of the region's population and 92% of the property assessment.

This decision falls in line with the *Now or Never: An Urgent Call to Action for Nova Scotia's* report published by the One Nova Scotia Commission. The report calls for a new vision for Nova Scotia, increased collaboration and innovative strategies, and a reform of municipal governments and regional service structures to bring about fundamental change (see goal 18<sup>1</sup>).

For many years now, municipalities in Nova Scotia and throughout Canada have found themselves facing structural issues such as, notably, an infrastructure deficit, ongoing increases in operation costs, growing demands from citizens, an aging population and workforce. The future of the PMUs thus lies in a sustainable economy, increase employment, a healthy environment, a lively community through increased cooperation. To cope with this new reality and to fulfill present and future obligations, a change in the municipal governance structure within the Pictou region is required. A unified vision and voice across the PMUs promotes a greater chance of success these obligations will be met.

With this in mind, Grant Thornton LLP has been engaged to provide a recommendation on the size of Council for the future governing body, including Council remuneration, benefit, entitlements, and supports (RBES). Excluded from our analysis was a review of the activities of current council members and a review of electoral boundaries. However, we considered the results of the boundary review performed by the PMUs.

Based on the MOU, the four PMUs deem it essential the new governance structure should incorporate the following criteria:

- Present tax burdens and current service levels remain at the same level;
- Representation should be related to population and communities of interest;
- Costs recovery be based on usage and property owners should pay for the services they receive (user-pay – recovery of operational costs and dedicated capital assets);
- Services benefiting all citizens equally be paid by all taxpayers; and
- Council decisions be evidence-based.

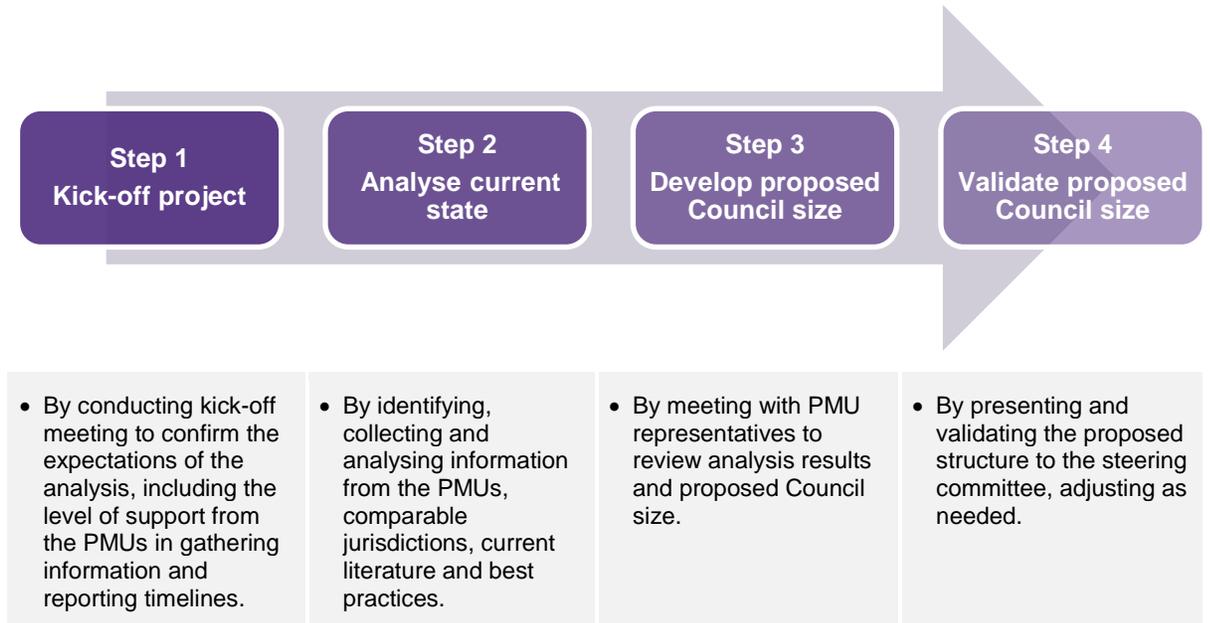
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<sup>1</sup> Now or never: an urgent call to action for all Nova Scotians, The report of the Nova Scotia Commission on Building our New Economy, February 2014, page 50. (<http://onens.ca/commission-report/>)

The MOU recognizes this does not bind the future municipal government to these criteria; however, given their importance, we have broadly considered them during our analysis. The PMUs are in a position to refine the Council structure for the future amalgamated municipality in a manner that sets the bar for economic development, fiscal accountability and governance in the region.

# Methodology

The Council size analysis involved the following steps:



For Step 2, data sources included:

- 1 MOU profile and additional Council-specific data, prepared by the PMUs
- 2 Nova Scotia legislation, including:
  - a Municipal Government Act, Chapter 18 of the Acts of 1998, last amended 2014 c. 21
  - b Municipal Government Act Rules made under Section 12 of the Utility and Review Board Act S.N.S. 1992, c. 11, last amended by N.S. Reg. 178/2010 (effective December 1, 2010)
  - c Utility and Review Board Act, Chapter 11 of the Acts of 1992, last amended 2008, c. 68
- 3 Literature, including:
  - a Your guide to municipal institutions in Canada, Federation of Canadian Municipalities, International Centre for Municipal Development (not dated)
  - b A Handbook for Municipal Councils, Under the Community Charter and the Local Government Act, November 2008, Lorena Staples, QC, Staples McDonnold Stewart, British Columbia
  - c St. John's Amalgamation Review 2011, Stantec Consulting Ltd.
  - d Council Members Guide (Manitoba) - Once Elected...what is expected? 2014-2018
  - e Provincial-Municipal Fiscal Review, Local Government Resource Handbook, Nova Scotia Department of Municipal Affairs (not dated)
- 4 Statistics Canada website, jurisdiction websites and, in some case, information was collected directly from the municipalities

## Council structure principles

A Council serves as the body that sets municipal policies and oversees the implementation of those policies. As such, members of Council have a fiduciary duty to those funding municipal activities, primarily tax payers as well as a civic duty to the residents of the region. How a Council is structured to accomplish this purpose is influenced by a variety of factors. Key examples are described in the table below.

**Table 1: Key elements influencing Council structure**

Factors	Descriptions	Metrics
Legislative requirements	Province-level acts and regulations may provide requirements related to Council size and representation of electoral districts.	Based on provincial legislation
Population of the region	The residents of a region often have expectations related to the level of public accessibility to the Council member representing their district, often based on their historic level of access.	Number of residents per Council member ( <b>Appendix A</b> )
Scope of Council responsibilities	<p>Regardless of jurisdiction, Councils are often responsible for a common set of functions with additional responsibilities related to social development, economic well-being and environmental sustainability varying across jurisdictions and levels of governments. The size of a Council should be large enough to embody experience related to each area of responsibility, while small enough to allow for timely decision-making.</p> <p>Members of Council should be compensated to support them in fulfilling Council duties. The level of remuneration, benefits, entitlements and support should be affordable to the municipality and consider the public's expectation for fiscal responsibility.</p>	<p>Operating budget (in millions) per Council member (<b>Appendix A</b>)</p> <p>Alignment of remuneration, benefits, entitlements and support to Councillor activities for the municipality (<b>Appendix B</b>)</p> <p>Factors from jurisdictions of comparable size (<b>Appendices A &amp; B</b>)</p>

## Current state of PMUs

Details relating to the relevant key factors influencing Council size and RBES are included in the benchmarking tables found in Appendices A and B respectively. Factors from a Nova Scotia perspective include the following:

**Legislative requirements:** Within Nova Scotia, mandatory requirements include the minimum Council size being three and there being one Councillor elected for each polling district in a regional municipality (or in a county or district municipality, with no more than two Councillors per polling district in a town).<sup>2</sup>

**Scope of Council responsibilities:** While a review of the specific tasks and functions performed by Mayors/Wardens, Deputy Mayors/Wardens and Councillors was not part of our review, it is important to frame our analysis with the main functions expected of a Council in Nova Scotia. These functions are described as:

- 1 Performing legislative functions (e.g., developing and passing municipal laws and policies, and short term and long term strategic planning etc.);
- 2 Approving budgets and setting property tax rates;
- 3 Approving major purchases;
- 4 Representing the views of citizens;
- 5 Resolving conflicting interests in the community; and
- 6 Hiring the Chief Administrative Officer.<sup>3</sup>

Further, Nova Scotia municipalities are responsible for a level of social development, economic well-being and environmental sustainability. These responsibilities are outlined in Table 2 along with an indication of which responsibilities are shared with either the province or the federal government.<sup>4</sup>

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<sup>2</sup> Municipal Government Act, Chapter 18 of the Acts of 1998, last amended 2014 c. 21, section 10

<sup>3</sup> <http://www.ns-municipal-elections.ca/government-101/80-the-fundamentals-of-municipal-government.html>

<sup>4</sup> Your guide to municipal institutions in Canada, Federation of Canadian Municipalities, International Centre for Municipal Development (not dated)

**Table 2: Sector responsibilities for Nova Scotia municipalities**

Social development	Economic well-being	Environmental sustainability
Housing (social housing assistance)*	Finances and taxation (property assessment*, budgets, borrowing approval*)	Public safety (police, fire, emergency response*)
Local democracy (public consultation and equity, local elections)*	Local economic development (economic development, community income generation)*	Transportation (urban streets and public transport, road system lighting, airports**, harbours*)
		Environment (drinking water quality standards*, water supply*, sewers and storm drains, wastewater treatment, refuse removal and disposal)
		Land use planning and development (planning and zoning by-laws, preservation of agricultural lands*)

\* Shared responsibility with the province

\*\*Shared responsibility with the federal government

# Benchmarking and option analysis

A benchmarking was conducted by considering three municipalities in Nova Scotia - Municipality of the County of Kings (Kings), Halifax Regional Municipality (HRM) and Cape Breton Regional Municipality (CBRM) as well as:

- One in New Brunswick - City of Miramichi
- One in Quebec - Salaberry-de-Valleyfield
- Five in Ontario:
  - Town of Caledon
  - Haldimand County
  - County of Brant
  - City of Timmins
  - City of Welland
- One in Alberta (small city in central Alberta)

Comparator municipalities were selected based on having populations similar to combined population of the four PMUs (38,762), having both urban and rural components and/or being regional municipalities. Detailed information tables for each municipality are presented in Appendices A and B.

## **Council size analysis**

Our analysis was based on Statistics Canada information from 2011 and council/financial related data from 2014 unless otherwise indicated.

**Size-related factors and metrics:** Individually, the metrics per Council member for each of the PMUs are generally lower than those for the benchmark municipalities. As illustrated in Table 3, the same is not true for when considering the PMU region as a whole.

**Table 3: Size-related factors and metrics comparison**

Select factors and metrics	PMUs combined	Of the eleven non-PMU municipalities included in benchmarking:
(A) Population (2011)	38,762 (total)	Eight had higher populations
(B) Operating expenses (in millions)	\$57.8 (total)	Seven had higher operating expenses
(C) Land area (km <sup>2</sup> )	2,823	Two had larger land areas
(D) Median household income (2011) <sup>5</sup>	\$54,397 (weighted average considering population)	Six had higher median household incomes
(E) Size of Council, including mayor/warden	31 (total) & 8 (average) 5 - 14 (range)	Ten had larger Council sizes than the average and one had a Council size greater than 14
(F) Size of Council, excluding mayor, including warden	27 (total) & 7 (average) 4 - 14 (range)	
(G) Population density (A)/(C)	14 8 - 963 (range)	Ten had larger population densities but none had larger densities than the high end of the PMU range
1) Number of residents per Council member (A/E)	1,250 (based on total) 5,537 (based on average)	All had higher ratios than the total and four had higher ratios than the average
2) Operating budget (in millions) per member of Council (B/E)	\$1.9 (based on total) \$7.5 (based on average)	All had higher ratios than the total and five had higher ratios than the average

Aside from the two municipalities with the highest median household incomes (the Town of Caledon at \$98,502 and the County of Brant at \$74,955), the median household incomes for the selected municipalities fell into a range of \$30,000 around this factor for the PMUs (with Salaberry-de-Valleyfield having the lowest at \$44,510).

Council sizes for the eleven municipalities included in the benchmarking ranged from seven Council members (including the Mayor/Warden) to 18. The largest size Council was that for the Halifax Regional Municipality while the City of Welland both had the second highest at 13.

#### **Other Council size and governance considerations:**

- In Nova Scotia, the Mayor/Warden votes with Council and having an odd number of Council members reduces the likelihood of tie votes.
- Having a low number of Council members could promote speed of decision-making, as well as overall Council efficiency and effectiveness. Based on discussions with the CAO from the Municipality of the County of Pictou, having 14 Councillors does not prevent Council from getting through its meeting agendas. This is largely due to the emphasis placed on having an agenda set and communicated in advance allowing for appropriate preparation time for discussion during the meetings and not permitting non-priority items raised to take Council off their agenda. These are best practices in the governance processes of oversight bodies such as boards and Councils.

<sup>5</sup> With median being defined as the points where 50% of private households in a municipality have higher incomes and 50% have lower incomes.

- Due to the elected and short-term nature of Councillor positions (i.e., four year terms in Nova Scotia), there is a level of uncertainty that faces Council members who choose not to run again or are not re-elected. The positions they left before being elected are not likely to be available after a period of four years and should they wish to return to the same industry, they would require time to get up to speed on industry changes and advances since the time they left.
- According to the PMUs, current Council positions are not full-time. Lower numbers of Council members increase the number of residents per Council member. This provides the potential for a higher level of remuneration to attract interested and diverse range of citizens and creates an opportunity to increase Council members' working hours and presence in the region's daily activities.
- As Council members represent areas within their municipality (electoral districts), it is important to consider how the region can reasonably be subdivided into these districts. The current and future number of electoral districts for non-amalgamated region covered by PMUs is included in Table 4. The PMUs have performed their own electoral district analysis, using a geographic information system to determine viable district options. We have considered the results of the PMUs electoral district analysis.

**Table 4: Current and future number of electoral districts (non-amalgamated region)**

PMU	Current number of electoral districts	Number of expected electoral districts for 2016 <sup>6</sup>
Municipality of the County of Pictou	14	12
Town of New Glasgow	3	3
Town of Pictou	2	1
Town of Stellarton	2	2
<b>Total</b>	<b>21</b>	<b>18</b>

**Council size options:** The MOU demonstrates a strong desire to create a progressive municipal structure to lead the PMUs into the future. Based on the benefits discussed above regarding a smaller sized Council, we explored three options for the size of the Council, including a mayor that could provide the appropriate oversight for this new municipality:

Option 1 – 7 Council members: The number below the average current Council size (8) and lowest Council size we would recommend to allow for a broad enough accumulation of relevant experience and skills across Council members.

Option 2 – 9 Council members: The number above the average current Council size (8).

Option 3 – 11 Council members: Towards the higher end of the current Council size range (high end of 14).

<sup>6</sup> Figures provided by PMUs, with the Town of New Glasgow figure subject to review by the Nova Scotia Utility and Review Board (NSUARB)

Table 5: Council size options analysis

Factors and metrics	PMUs combined (see Appendix A)	Average (including PMUs)	Like-sized average (excluding HRM, CBRM, Miramichi and small AB city)	Option 1 7 Council members	Option 2 9 Council members	Option 3 11 Council members
(A) Population (2011)	38,762 (total)	73,564	48,194	38,762		
(B) Operating expense budget 2014 (in millions)	\$57.8 (total)	\$137.9	\$73.6	\$57.8		
(C) Land area (km <sup>2</sup> )	2,824	1,584	1,358	2,824		
(D) b. Median household income (2011)	\$54,397 (weighted average considering population)	\$61,180	\$64,084	\$54,397		
(E) Size of Council, including mayor/warden	31 (total) & 8 (average) 5 - 14 (range)	11	10	7	9	11
(F) Size of Council, excluding mayor	28 (total) & 7 (average) 4 - 14 (range)	10	9	6	8	10
(G) Population density (A)/(C)	14 8 - 963 (range)	46	33	14		
1) Number of residents per Council member (A/E)	1,384 (based on total) 5,537 (based on average)	7,356	5,002	6,460	4,845	3,876
				<b>Analysis:</b> Option 1 exceeds the PMU average and the like-sized benchmark average. All options are less than the benchmark average, including PMUs.		
2) Operating budget (in millions) per member of Council (B/E)	\$1.9 (based on total) \$7.2 (based on average)	\$12.3	\$7.1	\$8.3	\$6.4	\$5.3
				<b>Analysis:</b> Option 1 exceeds the PMU average metric and the like-sized benchmark average.		
3) Number of electoral districts	21 (total)	Not assessed	Not assessed	6	8	10
				<b>Input from PMUs:</b> Based on a geographic analysis performed by the PMUs, 10 is the lowest number of electoral districts that resulted in meeting the parameters applied (including NSUARB requirements, landscape and roadway considerations).		

### **RBES analysis**

Council remunerations varied across the nine<sup>7</sup> benchmark municipalities, with the mayor/warden base pay ranging from \$19,000 to \$160,000, reflecting an overall average of \$63,058.

Councillor base pay as a percentage of the mayor's base pay ranged from 26% to 71% and was an average of 43% for the benchmarked municipalities, including the four PMUs.

Further analysis of ten Nova Scotia municipalities<sup>8</sup> showed half of the ten with the percentage of councillor base pay to the mayor's at 49% or below and half at 57% or higher.

A comparison across the four PMUs showed a relatively consistent application of benefits, entitlements and supports. The main differences are that one of the four PMUs covers the Mayors' Congress membership for the Mayor and offers optional insurance coverage, while the others do not, and two do not cover the mobile phone costs for the Mayor.

Based on the information collected regarding the benchmark municipalities:

- None of the four PMUs offer the option to participate in a pension plan (aside from one Council member who chose to stay in the pension at the time it became an ineligible benefit) and at least three of the nine benchmark municipalities offer an option to participate in the municipality's pension plan/offers an RRSP;
- Similar to one of the four PMUs, at least three the nine benchmark municipalities offer insurance plans; and
- Similar to all four PMUs, at least one of the nine benchmark municipality has 1/3 of Councillor base pay being tax free.

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<sup>7</sup> The RBES analysis included nine of the 11 benchmark municipalities from the council analysis.

<sup>8</sup> The 10 municipalities included the four PMUs, the three from the benchmark group and three others.

One of the PMUs also provided information from a post-2011 review performed by the Association of Municipal Administrators of Nova Scotia (AMANS) of 28 municipalities in Nova Scotia, including one of the PMUs (the Town of New Glasgow) and one benchmark municipalities (HRM) covered in this report, as summarized in Table 6.

**Table 6: Summary of AMANS Council benefits review**

Benefits	Number of the 28 municipalities reviewed that offer the benefit	Town of New Glasgow	HRM
Employee assistance program	15	No	Yes
Accidental death and dismemberment plan	7	Yes	Yes
Dental plan	6	No	No response
Drug/Extended benefit plan	9	No	Yes
Life insurance plan	7	No	Yes
Long term disability plan	2	No	Yes
Pension plan	7	No	Yes
Portion of base pay is not taxable	25 + 1 additional municipality (20 – 33.3% tax free and 6 – 66.7% tax free)	33.3% tax free	0% tax free
Training allowance	14 Amounts ranging from as required to \$10,500 per Councillor	\$5,000 - \$10,500 per Councillor	\$0

# Proposed future state

## **Council size**

Using the currently applied best practices to promote Council meeting effectiveness, the number of Council members should be 11 (i.e., one councillor per electoral district plus the mayor to be elected at large).

The NSUARB allows for a boundary review every eight years, with an opportunity to have a review prior to that time. Recognizing the change in the number of electoral districts will be large for the region subject to amalgamation, we recommend the administration considers submitting a letter of intent to perform a review a few years after amalgamation to assess the effectiveness of the new state and whether changes may be warranted.

## **RBES**

Recommendations for each category of Remuneration, Benefits, Entitlements and Supports are outlined over the next few pages followed by a preliminary budget prepared by the CAOs of the PMUs to illustrate the expected high end of the range for related expenses in the first year of amalgamation.

## **Remuneration**

Refer to Table 7 for the suggested base pay based on averages, the range currently being paid by the PMUs and the budget expected to be available for RBES. We suggest that Councillors' pay reflect a percentage of the Mayor's pay and the Deputy Mayor's pay include a percentage increase above the Councillors' pay. Councillors pay should be adjusted annually to reflect cost of living increases consistent with what may be applied to senior members of the administration. Increases should be approved by Council.

The Mayor and other Councillors should not receive additional remuneration for sitting on committees, commissions, agencies, boards.

**Table 7: Recommended remunerations**

	PMUs combined <sup>1</sup>	Average (including PMU) <sup>1</sup>	Like-sized average (excluding HRM, CBRM, Miramichi and small AB city) <sup>1</sup>	Recommended range for 11 Council members
<b>Legislative/Council expense (2014)</b>	\$693,022		\$382,648	Maximum of \$690,000
<b>Base pay (Mayor)</b>	\$29,795 (average) \$19,000 - \$47,139 (range)	\$63,058	\$49,904 (average) \$61,105 (weighted average considering population)	\$48,000 - \$58,000
<b>Base pay (Councillor) - average</b>	\$15,957 (average) \$11,323 - \$21,358 (range)	\$27,322	\$22,636	\$24,000 - \$29,000
<b>Base pay (Councillor), as a % of the Mayor's base pay</b>	54%	43%	45%	50%
<b>Base pay (Deputy Mayor)</b>	\$18,425 (average) \$12,490 - \$22,909 (range)	\$33,652	\$24,141	\$27,600 - \$33,350
<b>Base pay (Deputy Mayor), as a % of Councillor's base pay</b>	115%	123%	107%	115%

<sup>1</sup> See Appendix B.

### Benefits

Council members should be eligible to receive benefits while they are members of Council, with benefits ending upon resignation or termination. The municipality may choose to allow retired members or those not re-elected to continue with certain benefits. Depending upon benefits offered and the terms of related plans, designated beneficiaries should be eligible to receive benefits after the death of a Councillor. A summary of recommended benefits is below.

**Table 8: Recommended benefits**

	Current state - PMUs combined (see Appendix B)	Future state
<b>Pension</b>	No	Consider option to participate in either pension plan or RRSP <sup>1</sup>
<b>Insurance</b>	Varied	Consider option to participate in the plans offered to employees, for example <sup>1</sup> : <ul style="list-style-type: none"> <li>- Dental plan</li> <li>- Extended health care</li> <li>- Life insurance</li> </ul> Also consider access to an employee assistance program (EAP).
<b>Severance</b>	No	Consider offering a severance to those who retire, are not re-elected or die during term of office, the terms of severance could be defined including: <ul style="list-style-type: none"> <li>- % of annual remuneration</li> <li>- Allowance for transition/retirement advice</li> <li>- Qualification/disqualification criteria (e.g., criminal conviction, termination from role)</li> </ul>

<sup>1</sup> With the portion to be covered by the municipality, if any, to be determined by the new municipality.

**Entitlements**

All expenses covered through allowances or expense reimbursements should be directly related to required and approved activities of Council and its members. The eligibility and dollar value of expenses should be consistent with the approved Travel and Expense policy covering Council and the employees of the municipality.

**Table 9: Recommended entitlements**

	Current state - PMUs combined (see Appendix B)	Future state
<b>Travel</b>	Yes	Council members should be entitled to a local expense budget while representing the regional government. Qualifying expenditures would include items such as: parking, transportation, business meetings, community events, and memberships. However, mileage between the Council member's home and office or other locations within the same distance and meals while within the district should not be eligible travel costs.  Also, there should be an annual travel and training expense budget for meetings, conferences, and training sessions outside the region as approved by Council resolution.
<b>Membership dues</b>	1 of 4 – yes for the Mayor	
<b>Training and conferences</b>	Yes	
<b>Mobile phone or tablet/iPad</b>	Varied	Each Council member should be provided with an iPad/tablet that is to be used to receive and review municipal-related information in advance and related to Council meetings and other activities. Internet fees for home offices should not be eligible expenses.  The Mayor should be provided with a mobile phone, with monthly charges covered by the municipality

**Supports**

Consistent with the human resource review being performed concurrent with this analysis, the Executive Assistant assigned to support the CAO and Deputy CAO will also be providing support to Council. Additionally, Council members should have access to information technology and public relations support as needed to perform their Council-related duties.

**PMU prepared budget for Council-related expenses**

To illustrate the potential cost of applying the high end of the range from the recommendations above, the CAOs of the PMUs prepared a preliminary budget for the first year of amalgamation. Our review of this preliminary budget was limited to ensuring the number of members of Council and base pay amounts used were consistent with our recommendations.

**Preliminary budget**

**Remuneration**

Mayor	\$	58,000
Deputy Mayor		33,350
9 Councillors		<u>261,000</u>
	<b>\$</b>	<b><u>352,350</u></b>

**Benefits**

CPP & EI	\$	26,220
Group insurance, 7% RRSP matching		<u>61,914</u>
	<b>\$</b>	<b><u>\$88,134</u></b>

**Entitlements**

iPad for each councillor and mobile phone for mayor	\$	3,960
Conferences		69,300
Travel		36,500
UNSM and FCM dues		25,000
Other		<u>10,000</u>
	<b>\$</b>	<b><u>144,760</u></b>

<b>Total</b>	<b>\$</b>	<b><u>585,244</u></b>
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## Restrictions and qualifications

This report is confidential. It was prepared for the four PMUs of the Memorandum of Understanding, to provide recommendations regarding the structure of a new amalgamated Council. Additional information included in the report, such as the results of PMUs' electoral boundary review and the preliminary budget of Council-related expenses were prepared by the CAOs of the PMUs.

This report is not to be used for any other purpose, and we specifically disclaim any responsibility for losses or damages incurred through use of this report for a purpose other than as described in this paragraph. This report should not be reproduced in whole or in part without our express written permission, other than as required by the PMUs in relation to the described purpose.

# Appendix A - Council size benchmark comparison

**Council size benchmark comparison**

Factors and metrics	Nova Scotia								Ontario					Others			Averages	
	Municipality of Pictou County	Town of New Glasgow	Town of Pictou	Town of Stellarton	PMUs combined	Kings	HRM <sup>^</sup>	CBRM <sup>^</sup>	Town of Caledon	Haldimand County	County of Brant	City of Timmins	City of Welland	Small City in Central Alberta <sup>^</sup>	Salaberry-de-Valleyfield, Que	City of Miramichi, NB <sup>^</sup>	Overall (counting PMUs combined as one)	Like-sized municipalities (Excluding <sup>^</sup> )
<b>(A) Population (2011)<sup>9</sup></b>	21,278	9,562	3,437	4,485	38,762 (total)	47,569	390,096	97,398	59,460	44,876	35,638	43,165	50,631	17,286	40,077	17,811	73,564	45,022
<b>(B) Operating expenses, 2015 budget, 2014 actual*, 2014 budget**, 2013 actual*** (in millions)</b>	\$21.4*	\$21.1*	\$7.4*	\$7.9*	\$57.8 (total)	\$43.5	\$844.3	\$142.7	\$75.8	\$108.5***	\$29.2	\$123.2	\$76.0	\$48.7	\$74.6	\$29.9**	\$137.9	\$73.6
<b>(C) Land area (km<sup>2</sup>)<sup>10</sup></b>	2,797	10	8	9	2,824	2,093	5,490	2,433	688	1,252	843	2,979	81	43	107	180	1,584	1,358
<b>(D) a. Average household income (2011 National Household Survey)<sup>11</sup></b>	\$69,961 <sup>12</sup>	\$59,647	Suppressed	\$58,377	\$65,698 (weighted average considering population)	\$62,455 <sup>13</sup>	\$76,210	\$59,815	\$118,326	\$79,352	\$94,540	\$78,076	\$63,220	\$80,096	\$56,189	\$63,879	\$74,821	\$77,232
<b>(D) b. Median household income (2011 National Household Survey)<sup>14</sup></b>	\$60,350 <sup>15</sup>	\$44,942	Suppressed	\$46,307	\$54,397 (weighted average considering population)	\$53,099 <sup>16</sup>	\$62,069	\$47,830	\$98,502	\$68,510	\$74,955	\$65,461	\$53,238	\$60,176	\$44,510	\$51,418	\$61,180	\$64,084
<b>(E) Size of Council, including mayor/warden</b>	14	7	5	5	31 (total) 8 (average) 5 - 14 (range)	11	18	13	9	7	11	9	13	9	9	9	11	10
<b>(F) Size of Council, excluding mayor</b>	14	6	4	4	28 (total) 7 (average) 4 - 14 (range)	11	17	12	8	6	10	8	12	8	8	8	10	9
<b>(G) Population density (A)/(C)</b>	8	963	433	499	14	23	71	40	86	36	42	14	624	407	374	99	46	33
<b>1) Number of residents per Council member, excluding mayor (A)/(F)</b>	1,520	1,594	859	1,121	1,384 (based on total) 5,537 (based on average)	4,324	22,947	8,117	7,433	7,479	3,564	5,396	4,219	2,161	5,010	2,226	7,356	5,002
<b>2) \$1 million of operating expenses per member of Council (B)/(E)</b>	\$1.5	\$3.0	\$1.5	\$1.6	\$1.9 (based on total) \$7.5 (based on average)	\$4.0	\$46.9	\$11.0	\$8.4	\$15.5	\$2.7	\$13.7	\$5.8	\$5.4	\$8.3	\$3.3	\$12.5	\$7.4

<sup>9</sup> <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/hlt-fst/pd-pl/Table-Tableau.cfm?LANG=Eng&T=302&SR=1&S=51&O=D&RPP=9999&CMA=0&PR=12>  
<sup>10</sup> <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/hlt-fst/pd-pl/Table-Tableau.cfm?LANG=Eng&T=302&SR=1&S=51&O=D&RPP=9999&CMA=0&PR=12>  
<sup>11</sup> <http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/index.cfm?Lang=E>  
<sup>12</sup> Weighted average of average household income for each subdivision  
<sup>13</sup> Weighted average of average household income for each subdivision  
<sup>14</sup> <http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/index.cfm?Lang=E>  
<sup>15</sup> Weighted average of median household income for each subdivision  
<sup>16</sup> Weighted average of median household income for each subdivision

## Appendix B - RBES benchmark comparison

**RBES benchmark comparison (note that blanks do not necessarily reflect a no response)**

Factors	Nova Scotia								Ontario			Other			Average	
	Municipality of Pictou County	Town of New Glasgow	Town of Pictou	Town of Stellarton	PMUs combined	Kings	HRM^	CBRM^	Town of Caledon	Haldimand County	County of Brant	Small City in Central Alberta^	Salaberry-de-Valleyfield, Que	Miramichi (NB)^	Overall (including PMUs separately)	Like-sized municipalities (Excluding ^)
<b>Base pay (Mayor/Warden)</b>	\$47,139	\$33,723	\$19,000	\$19,319	\$29,795 (average)	\$48,700*	\$160,000	\$103,431	\$72,836	\$72,836	\$69,417	\$58,384*	\$78,642*	\$48,800***	\$63,058	\$49,904
<b>Base pay (Councillor) - average</b>	\$17,510	\$21,358	\$11,323	\$13,636	\$15,957 (average)	\$30,656*	\$78,133	\$37,731	\$29,559	\$36,420	\$22,500	\$18,347*	\$20,761	\$17,258***	\$27,322	\$22,636
<b>Base pay (Councillor), as a % of the Mayor/Warden's base pay</b>	37%	63%	60%	71%	54%	63%	49%	36%	49%	50%	32%	31%	26%	35%	43%	45%
<b>Base pay (Deputy Mayor/Warden)</b>	\$22,909	\$23,186	\$12,490	\$15,114	\$18,425 (average)	\$32,300*	\$82,000	\$42,371	-	\$38,846	-	-	-	N/A	\$33,652	\$24,141
<b>Base pay (Deputy Mayor/Warden), as a % of the Mayor/Warden's base pay</b>	49%	69%	66%	77%	62%	66%	51%	41%	-	53%	-	-	-	N/A	53%	48%
<b>Base pay (Deputy Mayor/Warden), as a % of Councillor's base pay</b>	131%	109%	110%	111%	115%	105%	105%	112%	-	107%	-	-	-	-	123%	107%
<b>Total legislative/Council expense (2014)</b>	\$324,346	\$188,745	\$74,767	\$105,164	\$693,022 (total)	\$480,900		\$757,233	\$430,460	\$724,600	\$310,058	\$405,071	\$804,705	\$186,866		\$382,648
<b>Pension</b>	No	No	No	No	No		Yes - Option to participate in HRM pension plan	RRSP	Yes			No				
<b>Insurance</b>	Yes – Optional group insurance, accidental death and dismemberment policy	No	No	No	Varied		Yes – life, drug/extended health, accidental death and dismemberment, long term disability		Yes –health, dental, group life, accidental death and dismemberment			Yes – Life, WCB, EAP, Extended Health & Dental				
<b>Percentage of base pay that is tax free</b>	33.3%	33.3%	33.3%	33.3%	33.3%		0%				33.3%					
<b>Travel</b>	Yes – no mileage within district	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes		Yes				
<b>Membership dues</b>	Yes – Mayors' Congress (for the Mayor only), UNSM and FCM	Yes – UNSM and FCM	Yes – UNSM and FCM	Yes – UNSM and FCM	1 of 4 – yes for the Mayor			Yes	Yes			Yes – AUMA, FCM, AAMD&C				
<b>Training and conferences</b>	Yes	Yes	Yes	Yes	Yes		Yes		Yes	Yes	Yes	Yes				
<b>Mobile phone or tablet/iPad</b>	Yes (Ipad)	Yes (Ipad for all Councillors and iPhone for Mayor only)	Yes (mobile phone for the Mayor only)	Yes (Ipad for Councillors, who pay it back, Mayor pays for mobile phone)	Varied				Yes	Yes	Yes	Yes				



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