

# Remuneration

PUBLISHED BY AUTHORITY

Under and by virtue of the powers conferred upon him by Section 414 of The Municipalities Act, and all other powers enabling him in this behalf; the Lieutenant-Governor in Council has been pleased to make the following regulations.

Dated this                      day of                      , 1980.

---

D. A. VARDY,  
CLERK OF THE EXECUTIVE COUNCIL.

---

## REGULATIONS

1. These regulations may be cited as The Municipalities Act (Remuneration of Councillors) Regulations, 1980.
2. In these Regulations, unless the context otherwise requires
  - (a) "Act" means The Municipalities Act;
  - (b) "clerk" means a town clerk or community clerk appointed as such pursuant to the provisions of the Act;
  - (c) "council" means a town council or a community council continued or incorporated pursuant to the provisions of the Act;
  - (d) "local revenue" means revenue raised from municipal taxes imposed within the municipality by the council; and,
  - (e) "regular meeting" means a regularly scheduled meeting of a council held for the purpose of conducting a general business and includes the annual meeting of a community held pursuant to Section 288 of the said Act.

3. Subject to Section 4, a council may, by two-thirds vote of the councillors as determined in accordance with Section 13 or Section 260 of the Act, pay an annual stipend to the mayor, deputy mayor and councillors, and shall fix the amount to be paid to each of them.
4. (1) Notwithstanding Section 3, the total remuneration and reimbursement payable shall not exceed the following percentages of the local revenue as contained in the approved budget of the council for the fiscal year, in respect of which the remuneration is applicable:
  - (a) 2% where the total local revenue is more than \$1,000,000.;
  - (b) 3%, but no more than \$20,000, where the total local revenue is between \$500,000 and \$1,000,000;
  - (c) 4% but no more than \$15,000 where the total local revenue is between \$250,000 and \$500,000; and
  - (d) 5% but no more than \$10,000 where the total local revenue is less than \$250,000.
- (2) No councillor shall be entitled to be paid remuneration in any one quarter if he attends less than half the regularly scheduled meetings held during that quarter but he shall be entitled to have the full amount of the annual stipend made up at the end of the fiscal year if he has attended not less than half the regularly scheduled meetings held during that year.
5. (1) Remuneration paid pursuant to Section 3 shall be paid quarterly by council cheque.
- (2) A record of remuneration paid pursuant to Section 3 shall be maintained by the clerk and a copy of such record shall be provided to the Mayor, Deputy Mayor or councillor as required for income tax purposes.

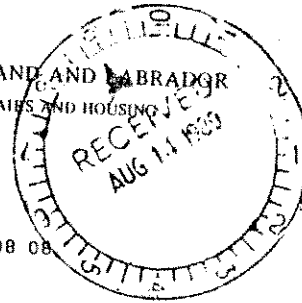
6. Subject to Section 7, a Council may, by majority vote of the councillors as determined pursuant to Section 13 or Section 260 of the Act, reimburse a councillor in accordance with these regulations for personal expenses incurred by him in the conduct of municipal business previously authorized by the Council.
  
7. (1) Notwithstanding Section 6, the total reimbursement and remuneration payable to all councillors in any one fiscal year shall not exceed the percentages of local revenue set out in Section 4.  
  
(2) The personal expenses for which a councillor may be reimbursed under Section 6 are:
  - (a) for accommodation, the actual cost as verified by receipt up to a maximum amount to be fixed by the council;
  - (b) for meals, at a rate per meal to be fixed by the council up to a maximum rate per diem of \$20.00;
  - (c) for transportation,
    - (i) in the case of the use of a personal vehicle, an amount that is the lesser of
      - (A) a rate per kilometer to be fixed by the council; and,
      - (B) the cost of public transportation where such transportation is available;
    - (ii) in the case of the use of other transportation, costs as verified by receipt;
  - (d) for loss of income, the actual loss of substantiated income when approved by council up to a maximum of \$100.00 per diem.
  
8. (1) A councillor may be reimbursed for the expenses referred to in Section 7 by submitting to the clerk a claim in such form as the council may prescribe.

(2) A Claim submitted pursuant to Subsection (1) shall be certified by the clerk and when approved by the council, shall be paid by council cheque.

9. These regulations come into force on the 12 day of Jan  
19 82.



GOVERNMENT OF NEWFOUNDLAND AND LABRADOR  
DEPARTMENT OF MUNICIPAL AFFAIRS AND HOUSING



Office of  
The Minister

1980 08 08

Mayor and Councillors

Dear Sirs:

Re: The Municipalities Act  
Remuneration of Councillors Regulations

The need for some form of monetary reward for the mayors and councillors in the many municipalities throughout the province who give freely of their time and talents to the cause of local self-government has long been recognized by the Government, and a means of establishing a system of remuneration for municipal authorities has been under active investigation for a considerable period.

The Whalen Royal Commission on Municipal Government dealt with this subject, and recommended that the Councillors be authorized to vote themselves remuneration for time spent in the management of municipal affairs in accordance with regulations to be prescribed by the Province. As councils are aware, the new Municipalities Act proclaimed on April 1, 1980, makes provision, under Sections 413 and 414, both for the payment of remuneration to mayors and councillors, and for the reimbursement of expenses incurred by them in the conduct of municipal business. Regulations have now been drafted to the provisions of the new Act and approved by the Cabinet. A copy of the regulations is enclosed.

You will note that a single set of regulations has been prepared, which combines provision for the payment of remuneration to mayor, deputy mayor, and councillors for attendance at regular meetings, and for the reimbursement of expenses incurred on authorized municipal business. Those Sections of the regulations which relate to the payment of remuneration to councillors stipulate that a council may, by two-thirds vote of its legal complement

(ordinarily seven councillors), pay an annual stipend not exceeding a fixed percentage of total local revenue, and not more than certain prescribed maximum amounts. For purposes of the regulations, local revenue from municipal taxes includes revenue received in the form of grants in lieu of taxes, but not revenue received from the province in the form of grants or cost-sharing arrangements. It is further provided that in order to qualify for the remuneration under the regulations, a councillor must attend not less than half the regularly scheduled meetings held in a year.

The other aspect of the regulations deals with the reimbursement of personal expenses incurred in the conduct of municipal business previously authorized by the Council, where such reimbursement is approved by majority vote of the Council's full complement. The regulations provide certain maximums for the payment of accommodation, transportation, and loss of income. It is further provided that the total amount payable to councillors in any fiscal year in the form of remuneration or reimbursement of expenses shall not exceed the percentages of total local revenue prescribed in Section 4 Subsection 1 of the regulations including the maximum amounts stipulated in paragraphs (b), (c), and (d) of that Subsection.

While the regulations provide for the payment to councillors of remuneration and reimbursement of expenses, provision for such payment must, of course, be made in the Annual Budget; if no provision is made in this year's Budget, a revised Budget will be required. Allocation for payments under the regulations must be made subject to the understanding that the councils will prepare a balanced budget in accordance with Sections 74 and 75 of the Municipalities Act.

Although there was authority in previous legislation for payments to individual councillors, the provisions of the legislation were never evoked, and this is the first time that municipal legislation makes direct provision for payments to councillors by Council decision in accordance with prescribed guidelines. I trust that the regulations will permit due recognition of the important role of municipal representative, both elected and appointed,

consistent with municipal fiscal capacity. Meanwhile, if you require any further clarification of the regulations, please contact Mr. A. W. Brown, Director of Local Government Administration, Phone 737-3066.

Yours truly,



H. NEIL WINDSOR, P. ENG.  
MINISTER

CC: Town Clerk