



HUMAN RESOURCES
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May 9, 2012

CAO/HUMAN RESOURCES REPORT #2012-04

TO: Mayor & Members of Council
ORIGIN: Director, Human Resources
COPY: Commissioner, Community Services
Commissioner, Corporate Services
SUBJECT: Council Remuneration - 1/3 Tax Free Status

RECOMMENDATIONS

That CAO/Human Resources Report 2012-04 dated May 9, 2012 regarding Council Remuneration be received and Council provide direction with respect to the following options:

1. Option #1 – THAT Council maintain the 1/3 tax free status relative to Council remuneration, or
2. Option #2 - THAT Council repeal Resolution R7-2002 thereby removing the 1/3 tax free status effective January 1, 2013.

COMMENTS

The Municipal Act 2001 (the Act), Section 283 (7) requires that: "On or after December 1, 2003 Council shall review a by-law under subsection (5) at a public meeting at least once during the four year period corresponding to the term of office of its members after a regular election." This was previously undertaken in the last year of the previous term of Council and a copy of the resolution (R7-2002), which is deemed to be a Bylaw under Section 283 (5) of the Act, is attached for your information. Under previous CAO/Human Resources Report 2010-03 Council supported the continuation of the tax free allowance relative to remuneration.

It is important to remember that should a decision ever be taken to repeal the Bylaw and thereby remove the 1/3 tax free status, it cannot be revisited in the future. Under Section 283 (6) of the Act the repealing Bylaw takes effect January 1 of the year after the year in which it is passed.

CONSULTATION

The Municipal Act requires a review at a public meeting at least once during the four year period corresponding to the term of office of its members after a regular election. Given the last formal review

was undertaken in early 2010 it is incumbent upon Council to review this matter prior to the election in November 2014 and Council requested this review be undertaken prior to the last year in the term of Council. The May 22, 2012 Committee of the Whole meeting satisfies the public meeting requirements.

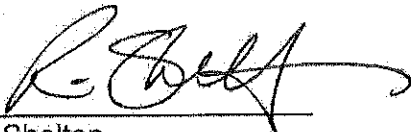
BUDGET IMPACT

A continued commitment to Resolution R7-2002 and 1/3 tax free status will have no impact on the current budget. Only if R7-2002 were repealed would there be an impact on the 2013 budget and if this were the case the impact would vary by position and would require further investigation. It is recognized that a change to the current arrangement could result in the requirement for greater contributions by both Council members and the organization relative to OMERS.

As noted above, should Council wish to vary from the current arrangement a follow up report with applicable information would be required.

CONTACT

For further information regarding this report contact either the CAO or Director, Human Resources.



R. N. Shelton
Chief Administrative Officer



K. L. Georgeff
Director, Human Resources

26.3



September 16, 2002

Moved by: Ray Snow

Seconded by: [Signature]

RESOLUTION R7-2002

WHEREAS, pursuant to section 255 of the Municipal Act, R.S.O. 1990 c.M.45 one-third of the remuneration paid to members of Council and local boards is deemed to be for expenses incident to the discharge of their duties;

AND WHEREAS pursuant to section 255(2) of the Municipal Act, R.S.O. 1990 c. M45 and section 283(5) of the Municipal Act, 2001, in order to continue to remunerate members of Council and local boards on the same basis, Council is required to enact a resolution of its intention to do so before January 1, 2003;

AND WHEREAS Council wishes to continue to remunerate members of Council and local boards such that one-third of the remuneration is deemed to be for expenses incident to the discharge of their duties;

BE IT THEREFORE RESOLVED by the Municipal Council of the Corporation of the Town of Newmarket:

1. THAT as required by section 255(2) of the Municipal Act, R.S.O. 1990 c.M45 and section 283(5) of the Municipal Act, 2001, one-third of the remuneration for Members of Council continue to be deemed as expenses incident to the discharge of his or her duties.

Don Taylor
Mayor Taylor