

Report No:	RCN11-05-06
File No:	
Date:	11 May 2011
<b>Decision Required</b>	

## REPORT SUMMARY

**Report to:** Mayor & Councillors  
**Meeting Date:** 19 May 2011  
**Subject:** Elected Members Remuneration 2011/2012  
**Report Author:** Sandra Hartley – Executive Officer – Strategic Development

### EXECUTIVE SUMMARY

The Remuneration Authority has calculated the remuneration pool for the 2011/2012 financial year, and requests confirmation of the distribution of the net pool into salaries for Councillors and Community Board members. They also request to be advised of the methodology if council proposes any significant change in the way the pool is to be distributed from previous years.

### RECOMMENDATION/S

It is recommended that Council continue to use Model “G” as a formula to calculate the salaries of elected members, excluding the Mayor, from the 2011/2012 remuneration pool.

### DRAFT RESOLUTION

**THAT the Tasman District Council use the Model “G” formula to calculate the salaries from the 2011/2012 Remuneration Pool:**

**Model ‘G’.**

The 2011/2012 Remuneration Pool is \$531,618.96 (including Mayor’s Salary of \$112,800).

Available Remuneration Pool (2011/2012 year)	\$418,818.96
Total Points	184
Point Value	\$2,276.19

	Total Points	Current Salary/ Member/Year	Proposed Salary/	Total Remuneration from Pool
4 Chairs @ 16 points	64	\$35,826	\$36,419.04	\$145,676.16
9 Councillors @ 12 points	108	\$26,869	\$27,314.28	\$245,828.52
2 Com Bd Chairs @ 4.8 points	4.8*	\$10,748	\$10,925.71	\$10,925.71
6 Com Bd members @ 2.4 points	7.2*	\$5,374	\$5,462.86	\$16,388.57
	184			\$418,818.96

\*NB – Half the Community Board remuneration is outside of the remuneration pool.

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## **1. Purpose**

- 1.1 To obtain Council approval for allocation of the remuneration pool for 2011/12 set by the Remuneration Authority. The allocation is required to be gazetted prior to the end of June.

## **2. Background**

- 2.1 Taking into account factors such as an increase in population, Council expenses and assets, the Remuneration Authority has now calculated the 2011/2012 pool, which is set at \$531,618.96 and includes the Mayor's salary of \$112,800. The difference between the pool total and the Mayor's salary equates to \$418,818.96, which is available for distribution between councillors and community board members during the next financial year.

## **3. Present Situation/Matters to be Considered**

- 3.1 The Remuneration Authority requests confirmation of the distribution of this net pool into salaries, and that they be advised of the methodology if council proposes any significant change in the way the pool is to be distributed.

In November 2004 the Council along with the Motueka and Golden Bay Community Boards resolved to adopt Model "G" as the funding formula to distribute the net pool to elected members. Model "G" is based on a points allocation system, and was accepted by the Remuneration Authority.

Model "G" has been used successfully since the new remuneration pool system came into effect, and there appears to be general support for the Model "G" formula from councillors or community board members.

#### **4. Financial/Budgetary Considerations**

4.1 The remuneration pool is provided for in the Draft Annual Plan 2011/2012.

#### **5. Options**

5.1 To accommodate the remuneration pool increase Council and the Motueka and Golden Bay and Community Boards could:

- (i) continue to use the Model “G” formula; or
- (ii) reconsider the way elected members should be remunerated, noting that the Remuneration Authority would have the final ruling on this. This could include changing the points per position or return to a meeting allowance formula.

#### **6. Pros and Cons of Options**

6.1 Model “G” has been successfully used with support from elected members since 2004.

6.2 There may be a fairer and more equitable formula, but it may take some time to create, and to be mutually agreed upon.

#### **7. Evaluation of Options**

7.1 Changing the points allocated may not result in a fairer system and given that the pool is fixed any increase for some positions will reduce the payment to other positions.

7.2 Meeting allowance systems are difficult to manage as the pool is fixed and therefore there is a risk that the pool will run out before the end of the year or that the pool will not be fully allocated.

#### **8. Significance**

8.1 This is not a significant decision according to the Council’s Significance Policy.

## 9. Recommendation/s

- 9.1 It is recommended that Council continue to use Model “G” as a formula to calculate the distribution of the Remuneration Pool for the 2011/2012 year.

## 10. Timeline/Next Steps

- 10.1 Once the Council and two Community Boards have made their decision on the distribution of this pool, the outcome will be forwarded to the Remuneration Authority for consideration and approval. This will then be gazetted, with an effective date of 1 July 2011 to 30 June 2012.

## 11. Draft Resolution

- 11.1 **THAT the Tasman District Council use the Model “G” formula to calculate the salaries from the 2011/2012 Remuneration Pool:**

### Model ‘G’.

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