



STAFF REPORT

Prepared For: Council **Department:** Administration

Meeting Date: November 19, 2018 - ADDENDUM

Subject:

Elimination of one-third tax free portion of Council remuneration effective January 1, 2019.
 (Bill C44)

Purpose of Report:

In addition to the recommendations from the previous staff report, an alternative theory to reimbursement of expenses, (which was the theory behind the first report), is to return the salaries to the original net pay before the elimination of 1/3 tax free income.

Analysis/Financial/Staffing Implications:

ANALYSIS

This alternative would increase compensation to the Mayor and Council by \$4,243 and \$2,835 respectively. (Assumptions: middle tax bracket)

	<u>Mayor</u>			<u>Councillor</u>		
CURRENT:						
(i.e. with 1/3 salary tax-exempt status)			(Tax)			(Tax)
	\$14,345	37.16%	\$5,331	\$ 9,582	37.16%	\$3,561
Non-Taxable	7,172			4,790		
Total	<u>\$21,517</u>			<u>\$14,372</u>		
Net Pay	\$16,187			\$10,811		

AFTER:

(i.e. with no tax-exempt component of salary)

	\$14,345	\$5,331	\$ 9,582	\$3,561
Increase	11,415	4,243	7,625	2,835
Total	<u>\$25,760</u>	<u>\$9,572</u>	<u>\$17,207</u>	<u>\$6,394</u>
Net Pay	\$16,187		\$10,811	

