

COPY

FIFTEENTH REPORT

OF

THE SALARIES REVIEW COMMISSION

OF

THE REPUBLIC OF TRINIDAD AND TOBAGO

MAY, 1989

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Introduction

The offices of Mayor, Deputy Mayor, Alderman and Member of Municipal Councils and Chairman and Member of County Councils having been included in the Schedule to the Constitution of the Republic of Trinidad and Tobago (Prescribed Offices), Act No. 4 of 1980, the salaries and other conditions of service applicable to these offices fall to be reviewed by the Salaries Review Commission in accordance with Section 141 (1) of the Constitution. The President of the Republic has granted approval for a review by the Commission of the terms and conditions of service of the said offices.

2. Before the matter of compensation for officials in the municipalities and county councils was placed within the purview of the Salaries Review Commission, such remuneration was made in accordance with Section 3 of the Municipal Corporation Ordinance (Amendment) Act No. 14 of 1970 and Section 38 of the County Councils Act, Chapter 25:04 respectively. Under those arrangements, provision existed for the payment of honoraria and out-of-pocket grants as well as appropriate allowances.

3. The remuneration arrangements for Local Government officials were reviewed by the Commission in its Seventh Report submitted in December 1982. In that Report, after examining the then existing method of compensating Local Government officials the Commission had stated that they considered the pay system of honoraria and out-of-pocket grants to be both "archaic and anomalous" and one which did not "provide an incentive to achieve the prompt and efficient dispatch of public business." It was advanced that members of Local Government Authorities should receive reasonable compensation in recognition of their role as elected representatives of the community. Thus, the Commission agreed with the conclusion of the Wheatley Commission that the payment of a salary is the "... simplest least invidious and generally most satisfactory way of dealing with a real problem."

4. Consequently, the Commission recommended the abolition of the arrangements for honoraria and out-of-pocket grants and the introduction of the salary concept together with appropriate allowances where necessary. During the instant review, the Commission again considered the issue of the payment of an honorarium vis-à-vis salary.

Methodology

5. In its present review, the Salaries Review Commission took a number of factors into consideration. Given the stated intention of Government to decentralise the functions of Government, the Commission considered necessary to hold discussions with the then Minister of Decentralisation, so as to be made aware of the likely impact that decentralisation would have on the role and functions of Local Government bodies.

6. In addition to the discussion with the then Minister, the Commission also met with the Mayors of the four (4) Municipalities and a delegation of representatives from the Association of Local Government Authorities i.e. County Councils.

7. Information on existing compensation arrangements, and on the role and functions of local government bodies in other countries was also obtained.

Findings of the Commission

(i) Functions of the Municipal and the County Councils

8. The County Councils Act, Chapter 25:04, ascribes in section 26 certain specific functions to the seven County Councils. Similar provisions are contained in the various enactments relating to the four Municipal Corporations. These are as follows: -

- (1) the construction, maintenance, repair and lighting of all roads and bridges other than main roads and bridges thereon as well as the construction, maintenance and repair of all State traces, save that those powers shall be exercised subject to the Highways Act;
- (2) the functions carried out by local authorities in rural sanitary districts in accordance with other relevant laws, especially the Public Health Ordinance;
- (3) the maintenance of burial grounds;
- (4) the provision, maintenance and management of markets;
- (5) the provision, maintenance and control of public pastures and recreation grounds;
- (6) the giving of assistance, financial or otherwise towards the provision of community, district or village halls;
- (7) the control of the erection and use of hoardings and the exhibition of advertisements;
- (8) the distribution of truck-borne water in areas not served by pipe-borne water;
- (9) the provision, maintenance and control of all Local Government buildings;
- (10) the provision, maintenance and control of Homes for the Aged;
- (11) the financing and administering of the school-feeding programme;
- (12) the construction and maintenance of all drains and water courses except main water courses and highway water courses;
- (13) the provision, maintenance and control of parks, recreation grounds and public spaces.

9. In addition to those mentioned above the Municipal Corporations possess the statutory capacity to undertake such functions as:-

- (1) the establishment and maintenance of libraries or other public institutions for the diffusion of knowledge;
- (2) the establishment and maintenance of public institutions caring for the health of infants and;
- (3) the erection and maintenance of monuments and foundations.

10. The point was made during discussions that especially in the case of the municipalities, the Councils are called upon to provide services not only to residents but also to a suburban population that commutes to the cities and towns for reasons of employment, education, entertainment, etc.

11. The Municipal and County Councils are empowered to set up Committees for the purpose of running the affairs of the respective Councils. These Committees are entrusted with responsibilities e.g., public health, finance, etc. Generally the Committees are advisory in nature

and make recommendations to the Council which is the decision making body. The various Councils have a statutory obligation to meet at least once per month. Depending on the operations of each Council, meetings are held during or after normal working hours.

(ii) Likely Impact of Decentralisation on the Functions of the Municipal and the County Councils

12. During discussions with the Commission, it was revealed that the decentralisation programme would be geared to achieving two objectives. Firstly, it would aim to restore to Local Government Authorities those powers which were ascribed by law but which were not being carried out by the Authorities. In this regard, the Commission takes note that budgetary allocations to the Local Government Authorities have been made for 1989 in respect of maintenance of street lighting in all non-highway areas. Local Government Authorities also have a role to play in the school feeding programme. Secondly, it was intended that new areas of responsibility would be introduced. For example, Local Government Authorities are being urged to play an active role in their local School Boards, in the Youth Training and Employment Partnership Programme and in the development of self-help projects. Moreover, in some areas, Local Government Officials are now called upon to participate in Committees which have been established by the respective Councils to co-ordinate the plans and activities involving the various agencies such as the Water and Sewerage Authority, which operate in their respective districts.

13. It was also advanced that one of the consequences of Government's decentralisation programme has been an increase in expectations on the part of electors and burgesses for a wider range of services from their respective Councils. As such, matters which previously would have been raised at parliamentary level are now brought up at local level.

(iii) Role of The Mayor

14. The Mayor is the Chairman of his respective Municipal Council. He may also be required to chair certain of the Committees set up by the Council. In addition, he may be a member of any of the other Committees which are established by the Council. Being a member of the Council the Mayor is not exempt from representations from citizens on matters related to the Council's activities. By virtue of his office, the Mayor may also be a member of certain Committees/Boards. For example, in the case of the Mayor of Port-of-Spain, he is a member of the Public Library Board, the Transport Board and the Board of Central Marketing Agency. Similarly, the Mayor of San Fernando is the Chairman of the Carnegie Free Library Committee. In addition to the functions associated with the running of the Council, the Mayor also performs certain ceremonial duties. He is required to host a number of civic receptions, attend functions and entertain certain foreign dignitaries.

15. There was consensus among the Mayors that mayoral duties are very time-consuming, so that an incumbent in the office who is engaged in full-time employment in another capacity must perforce make adjustments in his schedule in order to perform the functions of Mayor effectively. Representation was also made for a change in the status of the position to that of full-time. Conversely, it was advanced that if it were stipulated that the office of Mayor was a full-time position, certain suitably qualified persons could be excluded from holding office. For example, it would not accommodate a situation in which a civic-minded private employer was willing to provide the necessary time-off to an employee who has been elected to office. The observation was also made that individuals might not be inclined to sever their employment in order to accept the Office of Mayor, since essentially such an appointment was of a short-term nature.

(iv) Role of the Chairman of a County Council

16. Like the Mayor, the Chairman of a County Council heads the Council for his electoral district. As in the case of the other members of the Council he may be called upon to chair and/or serve on any of the Committees set up by the Council. In addition, the Chairman is ex officio a

Justice of the Peace for the electoral area of the County Council of which he is the Chairman. As an elected representative he is also required to deal with representations made by electorates.

17. The delegation of the Association of Local Government Authorities which met with the Commission, was unanimous in its view that the office of Chairman was a full time job. They cited the co-ordination of emergency efforts, e.g., the aftermath of fires and natural disasters, as one of their major functions, but one which is not formally acknowledged. The view was also expressed that the Chairman's duties and responsibilities were onerous yet the position did not command the status and respect it deserves. It was felt that upgrading the level of remuneration applicable to the position would lend to it a greater air of authority.

(v) Other Local Government Officials

18. The Deputy Mayor assumes the role of Mayor in the absence of the Mayor. Additionally, as a member of the Council he serves on certain Committees and may be appointed to chair some of them. In similar vein, the Vice-Chairman, County Council deputises for the Chairman in his absence and is eligible to be a member or a convenor of Committees set up by the Council. Councillors and Alderman in addition to attending meetings of their respective Councils may be appointed to chair Committees and like all other Local Government officials, deal with representatives made to them.

(vi) Remuneration Arrangements

19. At present, Local Government officials receive a monthly remuneration plus travelling and subsistence allowances. Details of the compensation package are set out in Appendix 1. Generally the view was held by the parties with whom discussions were held that the existing rates were inadequate.

20. With respect to the position of Mayor, in keeping with the perspective that the offices should be deemed full-time, it was proposed by certain of the Mayors that appropriate compensation commensurate with that status be provided. It was suggested that should the position be deemed to be full-time, then, where an individual is in full-time paid employment in another organisation, provision should be made whereby his term of office as Mayor could be treated as a period of secondment from his employment. It was further advanced that an official residence and an official car should be assigned to the position. On the other hand, there was some support for the adequacy of the existing remuneration for Mayors, in view of its current status as a part-time office.

21. On the matter of compensation for the offices of Chairman of a County Council there was unanimity among the incumbents with whom we spoke that the current level of compensation was insufficient. It was generally agreed as well that Alderman and Councillors were not well paid. Examples were cited of Councillors and Aldermen who have served the Councils at one time or other and who had failed to seek re-election because they had suffered financial loss and/or their profession/businesses were adversely affected during their term of office.

22. The aspect of public service which is a major consideration in holding such office was also acknowledged by the Mayors and other Local Government representatives but nonetheless, the point was made that the incumbents need to satisfy certain basic needs. In this context, it was also highlighted that whereas in the past Local Government officials were drawn mainly from members of the propertied classes, at the present time officials span all strata of the society and many of them are in fact wage and salary earners.

23. Further, Local Government officials were particularly concerned about the taxation of their payments since it resulted in erosion of their remuneration. They were strongly in favour of a return to the former system of honoraria and out-of-pocket allowances since such remuneration was not subject to taxation.

24. The following suggestions were made regarding the improvement of existing compensation arrangements: -

- (a) Loans for the purchase of motor vehicles should be provided to all Local Government officials and exemption from Motor Vehicle Tax should also be granted.
- (b) Expenses incurred in the use of the official's private telephone for council business should be defrayed; and
- (c) Terminal benefits should be provided to long-serving Municipal and County Council officials.

Current Economic and Financial Realities

25. In the discharge of its functions the Commission recognises the need to operate with due regard to current economic and financial realities.

26. In this regard we have noted that Government has adopted certain fiscal measures which, among other things, have resulted in a lowering of Salaries and Wages in the public sector, albeit for a limited period. We have also taken cognisance of current trends in wage and salary determination. Economy-wide we note that there has been a sharp decline in the percentage increases in wages and salaries being negotiated, and in many cases, there have been wage and salary reductions and wage freezes.

Conclusion and Recommendation

27. The Commission considered all of the submissions made during the course of the review in order to determine whether there had been an increase in the functions of the Municipal and County Councils especially in the light of the Government's decentralisation thrust. We also sought to ascertain whether concomitant with the growth in the population of the country and the increase in expectations of citizens there had been an appreciable change in the workload of the members of these Councils. The related question of the change in the status of the offices from part-time to full-time also received our attention.

28. From our examination we find that even in light of the decentralisation thrust by Government, there has been no increase in Local Government functions since the time of our last review. Although the involvement of the various Councils in the maintenance of street light in non-highway areas and the school-feeding programme has begun only in 1989, these areas of responsibility do form part of the statutory functions of the Municipal and County Councils.

29. However, it is recognised that one of the consequences of Government's decentralisation programme has been an increase in the expectations of electors within the Local Government constituencies for a wider range of services from the respective Councils, the end result being that Local Government officials are now more visible and greater demands are made on their time. Also relevant is the fact that by and large, Local Government representatives are now selected by political parties, resulting in a different type of individual being elected or appointed to serve at Local Government level. This latter point makes it necessary to recognise that appropriate compensation relative to the responsibility becomes an important issue to persons who serve as Local Government officials. Even allowing for this very important factor, public service and duty towards country must always be given due consideration in determining the nature of the compensation package that should be paid to Local Government officials.

30. Having regard to the representation made by Local Government Officials for a reversion to the former system of payment of honoraria and out-of-pocket allowances, the Commission also addressed this matter. The Commission is of the view that the major argument advanced in favour of that system, that is, the exemption of such payments from taxation, did not provide a sound basis for a return to the former system. We, therefore, hold that the present system of providing

monthly remuneration is a fair means of compensating Local Government Officials and we recommend that this system should remain in force.

31. In making our recommendations the Commission considers it desirable to preserve the notion of the community spirit which underlies service at the Local Government level. In this vein our focus has been not so much on the 'salary for the job' concept but rather on reimbursing individuals for out-of-pocket expenses incurred in the performance of their official duties.

Monthly Remuneration

32. We recognise that a case may be made for a somewhat higher level of remuneration to be provided to Local Government officials, particularly in the light of the decentralisation thrust which would intensify the activities of these officials. However, it is not possible, at present, to assess the precise impact of this development on the scope and functions of our Local Government bodies.

In all the circumstances, the Commission recommends that there should be no change in existing levels of remuneration for Local Government officials at this point in time.

Transport Benefits

33. In the case of the office of the Mayor the Commission is unable to support the representations for an official car.

34. The proposal for the provision of a loan for the purchase of a motor vehicle (exempt from motor vehicle tax) to all Local Government Officials is also not supported by the Commission.

35. However, the Commission recognises the need to provide a transport allowance which will allow officials to discharge their duties effectively without exposing them to personal expense. The recommended rates are set out in Appendix II.

Housing Benefits

36. The Commission does not accept the position that an official residence should be assigned to the office of Mayor.

Subsistence Allowance

37. The existing rates of Subsistence Allowance which are set out in Appendix I are to remain unchanged.

Telephone Allowance

38. Given the importance of the telephone as a communication tool and the role of communication in the functions of Local Government Officials it is recommended that a Telephone Allowance of \$100 per month should be provided to Mayors, Deputy Mayors, Chairmen of County Councils and all Councillors and Aldermen of the Municipal and County Councils as a contribution towards the costs incurred in the usage of their private telephones for Council business.

Superannuation Benefits

39. The Commission does not support the call for the provision of Superannuation Benefits to Local Government Officials.

Dated this 22nd day of May, 1989.

Signed

Leonard Williams (Chairman)

Signed

Edward Collier

Signed

Rowell Debysingh

Signed

Clive Forgenie

Signed

Michael Namsoo

EXTRACT FROM MINISTRY OF FINANCE AND PLANNING
CIRCULAR NO. 12 OF 1983 DATED SEPTEMBER 20, 1983

LOCAL GOVERNMENT OFFICIALS

REMUNERATION FOR MONTH

With effect from January 1, 1982, the following revised monthly remuneration should be paid for the period of 1982 to 1983:-

	<u>1982</u>	<u>1983</u>
(a) <u>MUNICIPALITIES</u>	\$	\$
<u>Mayors</u>		
Port of Spain	2500	2750
San Fernando	2100	2300
Arima	1800	2000
Point Fortin	1800	2000
<u>Deputy Mayors</u>		
Port of Spain	1250	1375
San Fernando	1050	1150
Arima	900	1000
Point Fortin	900	1000
<u>Chairman of Committees</u>		
Port of Spain	800	900
San Fernando	800	900
Arima	800	900
Point Fortin	800	900
<u>Aldermen and Councillors</u>		
Port of Spain	680	750
San Fernando	680	750
Arima	680	750
Point Fortin	680	750

(ii)

	<u>1982</u>	<u>1983</u>
(b) <u>COUNTY COUNCILS</u>	\$	\$
Chairman of Councils	1500	1650
Vice Chairman	900	1000
Chairman of Committees	900	1000
Aldermen and Councillors	800	900

TRANSPORT AND SUBSISTENCE

The following rates of Travelling and Subsistence Allowance should be paid with effect from January 1, 1983:-

	Travelling Allowance (\$ per month)	Subsistence Allowance* (\$ per day)
(a) <u>MUNICIPALITIES</u>		
<u>Mayors</u>		
Port of Spain	200	30
San Fernando	200	30
Arima	200	30
Point Fortin	200	30
<u>Deputy Mayors</u>		
Port of Spain	175	30
San Fernando	175	30
Arima	175	30
Point Fortin	175	30
<u>Chairmen of Committees</u>		
Port of Spain	175	30
San Fernando	175	30
Arima	175	30
Point Fortin	175	30

(iii)

	Travelling Allowance (\$ per month)	Subsistence Allowance* (\$ per day)
<u>Aldermen and Councillors</u>		
Port of Spain	175	30
San Fernando	175	30
Arima	175	30
Point Fortin	175	30
 (b) <u>COUNTY COUNCILS</u>		
Chairman of Councils	200 250**	30
Vice Chairman	175 225**	30
Chairman of Committee	175 225**	30
Aldermen and Councillors	175 225**	30

* The daily rate of Subsistence Allowance is payable when a Local Government official is required to travel on official business beyond the limits of the Municipality or the County Council, as the case may be.

** The higher monthly rate of Travelling Allowance is applicable to Local Government officials living beyond a radius of twenty (20) miles from the County Office.

RECOMMENDED RATES OF TRANSPORT ALLOWANCE

	Existing Allowance	Recommended Transport Allowance (w.e.f. 1.7.89)
	\$ per month	\$ per month
(a) MUNICIPALITIES		
<u>Mayors</u>		
Port of Spain	200	350
San Fernando	200	350
Arima	200	350
Point Fortin	200	350
<u>Deputy Mayors</u>		
Port of Spain	175	325
San Fernando	175	325
Arima	175	325
Point Fortin	175	325
<u>Chairmen of Committees</u>		
Port of Spain	175	325
San Fernando	175	325
Arima	175	325
Point Fortin	175	325
<u>Aldermen and Councillors</u>		
Port of Spain	175	325
San Fernando	175	325
Arima	175	325
Point Fortin	175	325

(v)

	Existing Allowance	Recommended Allowance
(b) <u>COUNTY COUNCILS</u>		
Chairman of Councils	200	350
	250**	400**
Vice Chairman	175	325
	225**	375**
Chairmen of Committees	175	325
	225**	375**
Councillors	175	325
	225**	375**

** The higher monthly rate of Travelling/Transport Allowance is applicable to Local Government officials living beyond a radius of twenty (20) miles from the County Office.