

**FORTY-EIGHTH REPORT**

**OF THE**

**SALARIES REVIEW COMMISSION**

**OF THE**

**REPUBLIC OF TRINIDAD AND TOBAGO**

September 17, 1997.

## FORTY-EIGHTH REPORT OF THE SALARIES REVIEW COMMISSION

### Review of Salaries and other Terms and Conditions of Service of Members of Local Government Authorities

In accordance with the provisions of section 141(1) of the Constitution of the Republic of Trinidad and Tobago, His Excellency the President granted approval by letter dated 31st January, 1997 for the Salaries Review Commission to review the salaries and other terms and conditions of service of members of Local Government Authorities.

2. The last review in relation to these offices was undertaken in 1991 as part of the general review by the Commission with respect to all offices within its purview. Our findings and recommendations are contained in the Twenty-third Report of the Commission dated August, 1991.

3. At the time of that review, we were unable to conduct an incisive study since we had observed then that not many fundamental changes in the structure and functions of the Corporations and Councils had occurred notwithstanding the legislative reform which had been effected in 1990.

4. We had indicated in our Twenty-third Report that "a further review of the terms and conditions of service of Local Government officials may be necessary when the relevant sections of the Municipal Corporations Act, 1990 which provide for the new structure of Local Government Authorities, are proclaimed."

5. The Municipal Corporations Act, Act No. 21 of 1990 (the Act) came into being in 1990 and this provided for the consolidation and reform of the existing laws, namely -

- (a) the Port-of-Spain Corporation Ordinance, Ch. 39, No. 1;
- (b) the San Fernando Corporation Ordinance, Ch. 39, No. 7;
- (c) the Arima Corporation Ordinance, Ch. 39, No. 11;
- (d) the Point Fortin Corporation Act, No. 12 of 1980;
- (e) the County Councils Act, Chap. 25:04; and
- (f) the Electoral Candidates (Municipal Corporations) Qualification Act, No. 23 of 1987.

6. Following our Twenty-third Report in August, 1991, all outstanding portions of the Act pertaining to City and Borough Corporations were proclaimed in September, 1991 as well as a number of portions relating to the new Municipal Corporations established under the Act. It was not until June, 1996 that certain material Parts of the Act as they affect the functioning of the Borough Corporation of Chaguanas and the Regional Corporations were proclaimed. These Parts are as follows:-

- Part III - Municipal Police Service
- Part V - House Rate
- Part VII - Streets and Buildings.

With this Proclamation and the Municipal Corporations Order, 1996 the full range of the provisions of the Act has become operational.

7. In this review, therefore, our main concern was to ascertain the extent, if any, to which the functions of the various Corporations may have changed and the effect of such changes on the duties and responsibilities of Local Government officials. To this

end, we extended an invitation to the Association of Local Government Authorities to meet with the Commission. This meeting proved to be very useful to us in our deliberations.

8. We have examined the scope of the functions which are associated with these additional proclaimed Parts of the Act. We note as follows:-

**Part III (Municipal Police Service)**

Essentially, this Part provides for the establishment of a Police Service for each Municipality for service in connection with the duties of the Corporation. The relevant sections set out the general powers and immunities of Municipal police officers, the authority of the Commissioner of Police in relation to this Police Service and the issue of arms and ammunition.

**Part V (House Rate)**

This Part outlines inter alia the responsibility of each Corporation to levy annual house rates and matters related thereto, such as, the appointment of an Assessor, the valuation of property, the establishment of a "House Rate Book", objections to valuation and the process of appeal.

**Part VII (Streets and Buildings)**

In general, this Part deals with approval for the execution of infrastructural works in Municipalities, the restoration of streets, the erection of fountains, statues and monuments, removal of structures and the enclosure of land.

9. Our research has revealed that the "new" functions as described above did not relate to the Cities and Boroughs in existence prior to the enactment of the Act. One of the objectives of that Act was to consolidate the several Ordinances governing Local Government Authorities. Accordingly, while Section 274 of the Act provides for the repeal of the laws governing the operation of the Port-of-Spain Corporation, the San Fernando Corporation, the Arima Corporation, the Point Fortin Corporation and County Councils, Section 3 provides simultaneously for the continuation of the two City Corporations and the two Borough Corporations of Arima and Point Fortin, named in the First Schedule.

10. In this context, we note that Part III (Municipal Police Service), Part V (House Rate) and Part VII (Streets and Buildings) continued to be operative for the Corporations listed in the First Schedule to the Act and therefore those municipal bodies retained the authority to carry out their accustomed functions under the new Act. In effect, for these Corporations, there were no "new" or "additional" functions to be performed.

11. In the case of Corporations established under the Act as listed in the Second Schedule, the proclamation of Parts III and V in June, 1996 and the Order of November, 1996 permitted these bodies to proceed with the establishment of Municipal Police Services and the adoption of functions relating to house rates. The process to establish the Municipal Police Services has commenced. With respect to Part V, however, these Corporations are not yet equipped to carry out the assessment and valuation of property and collection of house rates and in the interim, such functions are still being performed by Central Government.

12. In respect of Part VII (Streets and Buildings), although this was included in the Proclamation of 1996, it is our understanding that in fact the Corporations continue to carry out all the functions under this Part previously undertaken by the former

County Councils under the earlier legislation.

13. Altogether, we have observed that the proclamation of Parts III and V effected no material changes in the functions of First Schedule Corporations and to date, none in Second Schedule Corporations. In terms of Part VII, all the Corporations continue to carry out their customary functions.

14. As we understand it, another of the objectives of the Act was to establish these Corporations as autonomous bodies. We note the contribution which Part V would have made in this regard, the collection of house rates being the major revenue earning function of the Corporations. As it stands, however, the Corporations continue to rely on Central Government for their funding. Subventions from Government account for approximately 86% of the City and Borough Corporations' total revenue while fees, rates and taxes account for approximately 14%. At the present time, the Regional Corporations rely heavily on Government subventions, in the order of 98%, with the remaining 2% of revenue being collected from fees.

15. In light of the foregoing, we are satisfied that the issues which were raised for consideration on the matter of remuneration arrangements for Local Government officials in our Twenty-third Report have been examined and all indications are that there has been no significant impact as far as new or additional responsibilities on these Corporations are concerned. We are of the opinion that a deeper examination of the arrangements should be deferred until a general review for all office holders under our purview is undertaken.

16. There are, however, two issues which need to be addressed pending the general review. The first of these relates to our position as reflected in our Twenty-third Report that, given the work load and the onerous nature of the duties and responsibilities undertaken by Mayors, the office of Mayor should be deemed a full-time one. This position was reinforced by the submissions of the representative of the Association of Local Government Authorities, His Worship the Mayor of Chaguanas. It was evident to us that, in addition to the many duties associated with their ceremonial role, these office holders were also being required to adopt an increasingly proactive management approach with a view to making the Corporations financially viable and self-sufficient. We now observe that the Act equates the office of Chairman with that of Mayor, with its attendant onerous duties and responsibilities, and on this basis we are of the view that this office should also be deemed full-time.

17. The second issue is our concern that in the downward adjustments made to our salary recommendations in our Twenty-third Report, following its tabling in Parliament in 1991, those in respect of Mayors and Deputy Mayors were significantly greater than those applied in other cases.

18. In the light of the foregoing, we recommend certain revised salaries for the offices of Mayor and Chairman as well as some necessary changes in the composition of the remuneration package of holders of those offices. In addition, we consider that consequential adjustments would need to be made to the salaries of other Local Government officials.

19. With respect to the other terms and conditions of service, it was brought to our attention that Local Government officials need to undertake an extensive amount of travelling in the performance of their day to day duty. We therefore consider that certain revisions in the existing travelling arrangements are warranted.

20. Our recommendations on adjustment in salaries and revisions in other terms and conditions of service are as follows:-

1. SALARIES

City and Borough Corporations

<u>Mayor</u>	<u>\$ per month</u>
Port of Spain	7,500
San Fernando	6,500
Arima	5,500
Point Fortin	5,500
Chaguanas	5,500

Deputy Mayor

Port of Spain	3,750
San Fernando	3,250
Arima	2,750
Point Fortin	2,750
Chaguanas	2,750

Chairman of a Committee 1,750

Alderman and Councillor 1,500

Regional Corporations

Chairman of a Regional Corporation	5,500
Vice Chairman	2,750
Chairman of a Committee	1,750
Alderman and Councillor	1,500

2. TRANSPORT

At present, Local Government officials are not eligible for a Motor Vehicle Purchase Loan and Commuted Travelling Allowance. However, Mayors and Chairmen of Regional Corporations are granted exemptions from the payment of Motor Vehicle Tax on locally-assembled motor cars and exemption from the payment of Import Duty on imported fully-assembled motor cars.

Based on the offices of Mayor and Chairman being deemed full-time in nature, we recommend that these office holders should be provided with revised transport arrangements as follows:-

- (i) A maximum loan of \$100,000 at a rate of interest of 6% per annum to facilitate the purchase of:-
  - (a) a locally assembled motor vehicle with full exemption from Motor Vehicle Tax and Value Added Tax; or
  - (b) an imported motor vehicle with full exemption from Customs Duty; or

(c) a locally assembled motor vehicle using foreign parts or a completely built-up foreign used motor vehicle with a remission or refund of the entire Special Registration Fee or the Special Motor Vehicles Tax and the Value Added Tax payable in respect of either category of vehicle as the case may be.

(ii) A loan to cover the cost of Motor Vehicle Insurance premium at a rate of interest of 6% per annum.

(iii) A Travel Allowance of \$1,200 per month.

(iv) A Motor Vehicle Repair Loan of \$10,000 at a rate of interest of 6% per annum.

In respect of the other Local Government officials, the following revised Travel Allowances are recommended:-

Deputy Mayor/Vice-Chairman - \$850 per month

Chairman of a Committee/  
Alderman/Councillor - \$750 per month

### 3. SUBSISTENCE ALLOWANCE

Local Government officials are entitled to a Subsistence Allowance at a rate of \$30.00 per day when required to travel on official business beyond the limits of a Municipality or Regional Corporation.

The Commission is of the view that it would not be unreasonable to provide some improvement in the existing level of the allowance to take account of the extent of travelling done by these office holders. We therefore recommend that the revised rates of the Subsistence Allowance should be brought in line with those applicable to certain other office holders under our purview, as follows:-

Mayor/Chairman - \$50.00 per day

Other Local  
Government officials - \$40.00 per day.

### 4. SUPERANNUATION ARRANGEMENTS

At the present time, the only Local Government officials who are entitled to terminal benefits are Mayors. The benefit is a gratuity payable at the end of their term of office and calculated on the basis of 20% of total basic salary earned over the period during which they held office. Based on the regularisation of the status of Chairman of a

Regional Corporation under the Act, the Commission now recommends that this office holder should, at the end of his/her term of office be also eligible for a gratuity based on 20% of total basic salary earned during the tenure of office.

With respect to the other Local Government officials, we maintain the viewpoint expressed in our Thirty-sixth Report that their offices are part-time in nature and we do not recommend the provision of terminal benefits for these offices.

5. TELEPHONE ALLOWANCE

A Telephone Allowance of \$100 per month is payable to office holders as a contribution towards the cost of the use of their private telephone or the telephone of a subscriber other than the office holder for Corporation business.

In recognition of the frequency of interaction by telephone which may arise between Local Government officials and their constituents on a variety of matters affecting their communities, the Commission recommends that the existing rate be increased to \$150 per month.

6. CORPORATION/CONSTITUENCY ALLOWANCE

We consider that Members of Local Government Authorities should be eligible for official stationery and free postage within Trinidad and Tobago for official correspondence. This is a benefit usually accorded to office holders with representational roles and we recommend that this allowance be introduced for these office holders.

OTHER BENEFITS FOR MAYOR/CHAIRMAN

VACATION LEAVE

Thirty calendar days per annum.

MEDICAL BENEFITS

Entitlement without charge to pathological examination and physiological treatment and to all incidental services at any hospital or other State institution or, with approval, to be paid the cost of such treatment at any other institution in Trinidad and Tobago.

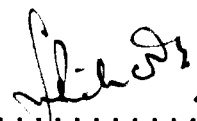
ENTERTAINMENT ALLOWANCE

Actual expenses incurred for entertainment to be met from an official Vote under the control of the respective Corporations.

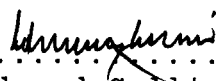
EFFECTIVE DATE

21. We recommend that the effective date of the revised remuneration arrangements for Local Government officials which are summarized in the Appendix should be October 1, 1997.

Dated this .....<sup>17<sup>th</sup></sup>..... day of September, 1997.



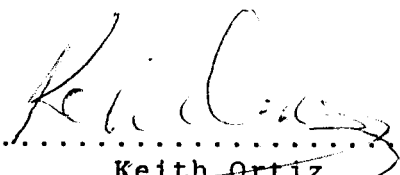
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Professor George M. Richards  
(Chairman)



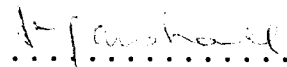
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Rowell Debysingh



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Keith Ortiz



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Joyce Marshall



**APPENDIX**

**RECOMMENDED REMUNERATION ARRANGEMENTS  
FOR MEMBERS OF LOCAL GOVERNMENT AUTHORITIES**

**SALARIES**

**City and Borough Corporations**

<b><u>Mayor</u></b>	<b><u>\$ per month</u></b>
Port of Spain	7,500
San Fernando	6,500
Arima	5,500
Point Fortin	5,500
Chaguanas	5,500

**Deputy Mayor**

Port of Spain	3,750
San Fernando	3,250
Arima	2,750
Point Fortin	2,750
Chaguanas	2,750

Chairman of a Committee 1,750

Alderman and Councillor 1,500

**Regional Corporations**

Chairman of a Regional Corporation 5,500  
Vice Chairman 2,750

Chairman of a Committee 1,750

Alderman and Councillor 1,500

**OTHER TERMS AND CONDITIONS OF SERVICE**

**Mayor/Chairman**

**Transport**

- (i) A maximum loan of \$100,000 at a rate of interest of 6% per annum to facilitate the purchase of:-
  - (a) a locally assembled motor vehicle with full exemption from Motor Vehicle Tax and Value Added Tax; or
  - (b) an imported motor vehicle with full exemption from Customs Duty; or
  - (c) a locally assembled motor vehicle using foreign parts or a completely built-up foreign used motor vehicle with a remission or refund of the entire Special Registration Fee or the Special Motor Vehicles Tax and the Value Added Tax payable in respect of either category of vehicle as the case may be.
- (ii) A loan to cover the cost of Motor Vehicle Insurance premium at a rate of interest of 6% per annum.

(iii) A Travel Allowance of \$1,200 per month.

(iv) A Motor Vehicle Repair Loan of \$10,000 at a rate of interest of 6% per annum.

#### **Subsistence**

A Subsistence Allowance of \$50.00 per day when required to travel on official business beyond the limits of a Municipality or Regional Corporation.

#### **Vacation Leave**

Thirty calendar days per annum.

#### **Entertainment**

Actual Expenses incurred for entertainment to be met from an official Vote under the control of the respective Corporations.

#### **Medical Benefits**

Entitlement without charge to pathological examination and physiological treatment and to all incidental services at any hospital or other State institution or with approval to be paid the cost of such treatment at any other institution in Trinidad and Tobago.

#### **Telephone Allowance**

A Telephone Allowance of \$150.00 per month towards the cost of the use of their private telephone or the telephone of a subscriber other than the office holder for Corporation business.

#### **Corporation/Constituency Allowance**

Provision of official stationery and free postage within Trinidad and Tobago for correspondence related to official business.

#### **Pensions/Gratuity**

The Chairman of a Regional Corporation should be eligible, as a Mayor, for a gratuity based on 20% of total basic salary earned during the tenure of office.

#### **Other Local Government Officials**

##### **Transport**

Deputy Mayor/Vice Chairman	-	A Travel Allowance of \$850 per month
Chairman of a Committee/ Alderman/Councillor	-	A Travel Allowance of \$750 per month

**Subsistence**

A Subsistence Allowance at a rate of \$40.00 per day when required to travel on official business beyond the limits of a Municipality or Regional Corporation.

**Telephone Allowance**

A Telephone Allowance of \$150.00 per month as a contribution towards the cost of the use of their private telephone or the telephone of a subscriber other than the office holder for Corporation business.

**Corporation/Constituency Allowance**

Provision of official stationery and free postage within Trinidad and Tobago for correspondence related to official business.