

Type of Decision									
Meeting Date	Friday, November 16, 2012				Report Date	Thursday, November-08-12			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	x	Information Only			Type of Meeting	X	Open		Closed
REPORT TITLE									
Salary Scale Review and Pension Report - 16/11/12/1103									

Subject: A proposal for council consideration concerning a pay scale review and increase. – The following is additional information concerning this issue as a result of the public meeting.

DEPENDING OF THE DEPTH AND EXTENT OF THE DISCUSSION TO OCCUR AT THE COUNCIL TABLE, THIS ISSUE MAY NEED TO OCCUR IN CLOSED SESSION AS THE ACTUAL SALARY THAT ANY INDIVIDUAL IS EARNING IS PERSONAL INFORMATION ABOUT AN IDENTIFIABLE INDIVIDUAL.

IF THE CONVERSATION IS ABOUT THE POSITION AND THE SALARY RANGE, THE DISCUSSION IS TO OCCUR IN OPEN SESSION.

SOME OF THE DOCUMENTS YOU HAVE RECEIVED ARE CONFIDENTIAL AND SHOULD BE RETURNED TO THE CLERK AT THE END OF THE MEETING.

Is every member of Council certain that they do not have a pecuniary interest in this issue?

RECOMMENDATION:

That Council agrees to increase the salary grid to ensure that the grid and employee salary scale meet and eventually keep up with the salaries of employees in area municipalities and at the county.

- 1. WHEREAS** the employee salary grid review completed in 2010 recommended annual pay scale reviews to increase employee salaries to be more competitive with neighbouring municipal salaries;

AND WHEREAS it has been determined through evaluation of the County Salary Survey that Head, Clara & Maria employee salaries are in some cases the lowest in the county and in others next to lowest with the high range in HCM salaries lower than the low range for the majority of comparable positions;

THEREFORE BE IT RESOLVED THAT the Council of the United Townships of Head, Clara & Maria does hereby agree to increase the employee salary grid for the employees of the Municipality of the United Townships of Head, Clara & Maria as follows in an effort to take steps to begin to decrease the gap between HCM employee salaries with those of other local municipal employees;

1. Level 1_____
2. Level 2_____
3. Level 3_____
4. Level 4_____
5. Level 5_____
6. Level 6_____
7. Level 7_____
8. Level 8_____
9. Level 9_____.

AND FURTHER THAT any adjustment is to become effective on January 1, 2013.

2. **WHEREAS** research has shown that Canadians are facing increasing challenges in financing their retirements to a point where the Federal government is considering making employer retirement plans mandatory;

AND WHEREAS the Municipality of Head, Clara & Maria is one of only two remaining municipalities within the County which does not provide an employee pension or retirement plan;

THEREFORE BE IT RESOLVED THAT the Council of the United Townships of Head, Clara & Maria does hereby agree to implement a retirement savings plan effective January 1, 2013.

AND FURTHER THAT this plan shall be a mandatory Group RSP with employer contribution limits set by Council by resolution from time to time.

AND FURTHER THAT to start this Group RSP Council does hereby agree to contribute 4% of employee gross annual salary as their contribution.

AND FURTHER THAT the administration of this plan will be the responsibility of the Clerk and Treasurer through a recognized Canadian plan provider.

BACKGROUND/EXECUTIVE SUMMARY:

1. As expressed previously, when Mr. Young completed his review in 2010, he recommended two increases.

One, listed as Appendix "F" (1) (CONFIDENTIAL), (which council chose) increased overall salaries by approximately \$9,000. This schedule was in fact just over 30% of the total salary increase required to bring HCM salaries up to the "average" of the others surveyed in 2010.

Appendix "F" (2) (CONFIDENTIAL) is the schedule which details the increases required in 2010 to bring HCM salaries up to the average and totalled approximately \$33,000. You have each been presented with these documents.

Contrary to advice given to Council by the Clerk previously, because these charts indicate the position salary at the time, and because we only have one person in each position, they do contain personal information and should not be shared. Discussion of these charts will have to occur in closed session. Please bring all documents previously provided for these agenda items to the next meeting.

2. I have extrapolated the suggested increases from Appendix "F" (2) and have incorporated the recommended changes into the County salary survey (NOT CONFIDENTIAL). A copy has been provided for you. As you can see, there are still some discrepancies, compared to the others within the county, some positions end up being paid more than comparable positions, other are still significantly less. Council will have to decide which positions require increases and which do not based on work load and areas of responsibility.
3. Utilizing Mr. Young's recommendations for all positions as described in the attached schedules there would be a total salary increase of \$30,557.80. It is my opinion that some of those recommendations should be adjusted to more closely compare to the County salaries. A new County salary survey has been provided with the "Young" rates inserted. As can be seen, some positions then receive unnecessary increases and others do not receive warranted increases – specifically the CBO as compared to our County neighbours.

Hourly increase x hours per week x 52 weeks

- a. $.84 \times 7 \times 52 = \305.76
- b. $.86 \times 23 \times 52 = \$1,028.56$
- c. $.87 \times 7 \times 52 = \316.68
- d. $\$5.83 \times 40 \times 52 = \$12,126.40$
- e. $\$5.88 \times 35 \times 52 = \$10,701.60$
- f. $\$3.34 \times 35 \times 52 = \$6,078.80$

4. Additional information concerning pensions is not included in this report as there is nothing really to add. There are various options which council could choose. Research has shown that although many sectors do not provide pensions to its employees, federal and provincial government and municipal governments do. Please refer to the document provided in September for details and suggested options.
5. Additional information as emailed on November 6, 2012 follows.
6. **Reserves** There is currently **\$67,500** in the reserves entitled – Hall/Office Upgrades and Hall/Office Replacement. If we are successful with the flooring grant we will need \$8,000 from that and if successful with kitchen grant another \$9,000 leaving a total of available reserves for hall renovations/extension at **\$50,500**.
7. We also have **\$75,000** in contingency reserves which may be allocated to that project or any other – hence the term contingency. Using these reserves - taxes will

not have to be increased even if we are successful in obtaining and proceed with all three grants applied for – flooring, kitchen and hall expansion. All without anyone's taxes going up one cent or one percentage.

8. **2012 Surplus** Surplus for 2012 has not been calculated and will likely be over **\$30,000** looking at preliminary figures. Please don't quote me on this, only time will tell, we do have two months of 2012 left and who knows what the weather might bring.
9. **2013 Revenues** Increased revenue for 2013 from increased assessments are not known at this time but can be counted on. – **PRELIMINARY ESTIMATES at approximately \$11,800.**
10. Increased PILs for 2013 have been awarded for HCM provincial parks (just received notice) at approximately **\$28,000** in extra payments on an increased value of \$6.6 million increased assessment.
11. If the money allocated to reserves for 2012 is instead used for expenses there would be an additional **\$30,000.**
12. Money allocated to legal fees for 2012 allocated to other purposes results in an additional **\$18,000.**
13. Jp2gs estimates for studies and plans which never meet their budgeted estimate could be allocated to another purpose and would total another **\$25,000** still leaving a cushion for their actual expenses in our budget. As usual, my estimates are conservative.

With these items alone, additional expenses of \$112,000 could be covered with funds already being generated by the level of taxes we are at and increased assessed values recently realized.

Other "promised" or "anticipated" increased expenses that Council might decide warrants budgeting from these funds instead of employee salary and benefit increases include:

- Already approved increased Employee training - \$2,000;
- Canada Day – normally around \$800;
- CIIF funding - \$80,000;
- Volunteer Appreciation - \$200;
- Bulletin Boards – Bissett and Deux Rivieres - \$250;
- Brushing project - \$10,000?;
- Office software/taxation - \$6,500;

Options/Considerations:

1. Equivalency of responsibilities within positions within our municipality and elsewhere.
2. The local job market.
3. Salaries of comparable sized municipalities in other parts of the province – e.g. our neighbours to the west.
4. The specific job load for each position relative to other municipalities.

5. The opinions of a cross section of the taxpayers of Head, Clara & Maria. The residents are only a portion of those whom council represents. Those who speak loudest only speak for a small minority.

Excerpt from a conversation with staff on Friday, November 9, 2012...

"Had a ratepayer in just after you left. Through the course of a conversation he stated that he cannot believe people grumble about taxes up here.....he figures they just don't want to pay. He is from an area of about 300 near Ottawa and get similar services as here and the tax rate there is outrageous...he said you could double ours and he will still think it is very cheap.....just goes to show."

6. What is ultimately best for the municipality?
7. What the municipality can realistically afford.
8. Succession planning and employee retention.
9. Fairness.

Financial Considerations/Budget Impact: Obviously salary and pension increases will increase budgeted costs. It must be remembered that there are funds available to offset these increases as indicated above.

Policy Impact: As per policy.

Others Consulted: County salary survey; Noella Lebreton, Treasurer; documents from Mr. Young's report from 2010, comments from public meeting and others, MPAC data.

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk

Melinda Reith