

*Request for Decision United Townships of Head, Clara & Maria*

Type of Decision									
Meeting Date	Friday, June 10, 2016				Report Date	Tuesday, June 7, 2016			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed

## Employee Remuneration Salary Grid Review - Report #10/06/16/1106

**Subject:**

Review of employee salary scale/grid with external comparables.

**RECOMMENDATION:**

This report is a result of direction from Council sitting as Committee of the Whole in February, 2016. It is staff recommendation that a grid increase of at least 7% be applied across all categories to attempt to bring wages in line with other county municipalities and keep up with national salary increases.

**Modify/Adjust current Salary Grid to reflect Fair Market Price**

**WHEREAS** the municipal employee salary grid was last adjusted in 2013 and requires at least a two year review to ensure parity to comparable external market wages;

**AND WHEREAS** national salary increases across all areas have amounted to 3-4% per year over the past three years;

**AND WHEREAS** the employee grid compared to information received from the County Salary Review, using rates for Townships only and not the larger towns, shows individual positions differing from between 8 to 56 percent;

**THEREFORE BE IT RESOLVED THAT** the Council of the United Townships of Head, Clara & Maria does hereby approve a salary increase, across the grid of \_\_\_\_% to attempt to bring Head, Clara & Maria staff salaries closer to fair market values, considering that our situation is not the same as some of the others quoted;

**AND FURTHER THAT** individual employee pay adjustments be made as per their position on the pay grid as of January 1, 2016 and paid retroactively to that date.

OR

**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** individual employee pay adjustments be made as per their position on the pay grid as of January 1, 2016 and paid retroactively to that date.

### **BACKGROUND/EXECUTIVE SUMMARY:**

The report prepared by our consultant, Bob Young, in 2010 suggests that the salary schedule be reviewed annually to ensure that fair and competitive salaries are paid to employees. An annual review and adjustment as per the consumer price index has been completed and increases made where the rate of inflation was over 1%. Adjustments were made in 2013 for some positions however; a full market labour review has not been completed since.

Where does Council want to be? Lead, lag or match the market price.

### **Options/Discussion:**

The main question is whether or not to change the grid. Variables include: changing all positions, changing individual positions and by what amount. It must be remembered that in 2010 HCM hired

and worked with an external consultant to create job descriptions and compare them, both within the municipality with other positions as well as externally with municipalities of similar sizes.

The location of each position on the grid was made based on that survey. When comparing job titles with positions in other municipalities a large number of considerations must be acknowledged. A receptionist in HCM does a considerable amount more than a receptionist in a larger center. Here, that person has a significant amount of time to do other tasks and takes on much more; in other locations, they are simply performing receptionist duties.

As another example, our Road Super does a lot more than roads work including facility maintenance, contract management and actual labour. In a larger center, he/she would be focused mainly on management activities with lead hands and labourers working under them.

Other employee perks must be considered including:

- Paid vacation;
- Group RRSP;
- Health and Dental;
- Stable gainful employment in our “home” community;
- Relaxed work environment.

Other considerations:

- The County grid being compared to uses 2014 data while HCMs is 2016;
- Most other municipalities in Ontario are members of OMERS and provide a full pension;
- Although the work load (volume of entries etc.) may be smaller, each HCM employee is responsible for more areas/activities etc. than similar staff in larger organizations – wear many hats; Eg. Our receptionist is also a cashier, responsible for website maintenance and Newsletters, as well as recreation coordinator and waste management compliance;
- Eventual replacement of employees with others from outside the “home” community will require competitive salaries;
- Personal effects of being in the position held within a small community – cannot disappear into the larger community once you leave work – everyone knows who you are – it affects your life;
- The Conference Board of Canada calculates average salary increases for 2014, and 2015 of 3%; 2016 of 2.8%. Other sources quote 4 – 4.5%.

### **Financial Considerations/Budget Impact:**

Budget will be impacted by whatever increases Council deems appropriate to award.

Current payroll and payroll expenses total \$320,547 including all employees, payroll taxes, benefits, pension etc.

### **Potential changes:**

<b>% Increase Across the Grid</b>	<b>Salary Increase</b>	<b>15% Payroll Costs</b>	<b>Total Annual Increase</b>
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3%	\$ 7,679.66	\$ 1,151.95	\$ 8,831.61
5%	\$12,799.43	\$ 1,919.91	\$ 14,719.34
7%	\$17,919.20	\$ 2,687.88	\$ 20,607.08
10%	\$25,598.86	\$ 3,839.83	\$ 29,438.68
13%	\$33,278.51	\$ 4,991.78	\$ 38,270.29

Alternatively, specific increases could occur as in 2013.

Council may decide to increase individual position salaries in an effort to take steps to begin to decrease the larger gaps between HCM employee salaries and those of other local municipal employees.

This however; would negate the internal comparison completed in 2010 where jobs were evaluated and ranked according to different criteria in part, in relation to each other.

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\_\_\_\_\_.

**Policy Impact:**

As per policy.

**Others Consulted:**

County of Renfrew survey reviews.

- June 2014 County Roads Survey

- June 2104 County Local Municipal Salary Survey
- Appendix “F” to 2010 Salary Review – external contractor – Salary Administration Policy and Procedure
- Appendix “F” to 2010 Salary Review – (1) – Rates adopted by Council

The Conference Board of Canada - website – various articles

<http://www.payscale.com/career-news/2010/04/raises-cost-of-living-vs-merit-pay-increases>

<http://hrweb.mit.edu/compensation/annual-salary-review/individual-increases>

<https://www.roberthalf.ca/en/workplace-research/salary-guides>

[http://www.jobbank.gc.ca/LMI\\_report\\_bynoc.do?&noc=0012&reportOption=wage](http://www.jobbank.gc.ca/LMI_report_bynoc.do?&noc=0012&reportOption=wage)

<http://www.supplychaincanada.org/en/VHRD-salary>

Approved and Recommended by the Clerk

Melinda Reith,

Municipal Clerk

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