

Type of Decision									
Meeting Date	Friday, September 21, 2012				Report Date	Tuesday, September-11-12			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	x	Information Only			Type of Meeting	X	Open		Closed
REPORT TITLE									
Salary Scale Review Report - 21/09/12/1202									

Subject: A proposal for council consideration concerning a pay scale review and increase.

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.

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 entire salary grid for the employees of the Municipality of the United Townships of Head, Clara & Maria by \$ ____ for 2013 to decrease the gap between HCM employee salaries with those of other local municipal employees;

AND FURTHER THAT this increase becomes effective on January 1, 2013.

BACKGROUND/EXECUTIVE SUMMARY: It is a fact that the employees of the Municipality of the United Townships of Head, Clara & Maria are paid at a level that is one of the two lowest in the county.

HCM has the lowest tax rate in the County; partly due to the lower salaries and benefits paid to employees.

In 2010 an outside consultant conducted a review of the placement of employment positions on the grid which resulted in some positions being elevated thereby increasing employment costs. The positions within HCM have been compared to each other in terms of areas of responsibilities etc. The relative positions on the grid are not to be modified unless job descriptions change therefore the relative rankings are not affected by this proposal.

In 2010, our consultant recommended that the proposal he made was a good first step towards pay equity but that an annual salary review should take place to ensure that the salaries paid to employees are keeping in step with other neighbouring municipalities to work towards decreasing the gap between HCM salaries and others. That was 2010. This report is as a result of those recommendations.

It should also be noted that the 2010 review and this review only consider straight salaries; neither takes into consideration other employment benefits which are also lower for HCM staff than our neighbours.

We do recognize that the Municipality of the United Townships of Head, Clara & Maria has a lower number of residents, fewer departments and fewer roads and properties to manage.

We also recognize that we have a large geographical area and fewer employees to perform many job duties, covering different roles, not just one. Even though we may only perform the duties of those positions infrequently, the knowledge and responsibility are still required.

Even with a smaller population and tax base, the work needs to be performed to the same legislated standards. Just because HCM is smaller doesn't mean that responsibilities can be avoided or legislation not complied with; in fact we often face challenges others do not in making legislation created for larger municipalities work. Staff and Council still need to meet all provincial requirements and at the same level of professionalism as other municipalities.

A further distinction is that each HCM staff member has to perform many different roles even though the job title reflects only one. Using the County Staff classifications as a reference (copy included below) the Treasurer is also the:

- receptionist;
- accounting clerk;
- accounting technician;
- Data Entry Clerk;
- General Clerk/Cashier;
- IT technician;
- Payroll administrator;
- Financial Services officer;
- Treasurer and Deputy Clerk.

The Disposal Site Attendant is also a:

- Labourer;
- Waste Management Coordinator; and
- Department Manager.

The Road Super is also a:

- Labourer;
- Project Manager;
- Maintenance Person;
- Supervisor; and
- Department Manager.

The Clerk is:

- Council Secretary;
- Secretary and Admin Assistant;
- Community Relations Coordinator;
- Information Coordinator;
- Media Relations/Grants Coordinator;
- Junior Planner and Zoning Administrator;
- Infrastructure Coordinator;
- Health and Safety Coordinator;
- Human Resource Department;
- Business Development and Economic Development Department;
- Environmental Services Supervisor;
- Lottery Licensing Officer;
- CEMC;
- Returning Officer responsible for Elections;
- Liability and Risk Manager;
- Head for Municipal Freedom of Information and Protection of Privacy Act;
- Clerk, CAO and Deputy Treasurer.

You get the picture. It must be acknowledged that each employee understood the job demands when employment was accepted. There are no complaints about the varied duties that exist. The point is simply that when comparing HCM staff salaries to those of other organizations consideration must be given to not only the reduced population but also to the roles/jobs and duties each employee is actually responsible for. When comparing salaries with those of other municipalities it should be noted that the employee in other locations is often performing the duties of one job. In fact some of the positions are unionized and those individuals are prevented from doing the work of others.

At HCM, no employee has the benefit of having someone perform the duties of their position when they are away on holidays or training; aside from routine tasks which must be completed. Each employee requires the time spent on the job to perform their own duties; after absences, the tasks are waiting for the employee to return.

The attached County Salary By-law shows the salary levels of various positions and provides evidence of huge variances between HCM salaries and others.

The County Salary Survey shows our position relative to all other County municipalities. (In our comparisons we disregarded the “towns” and only used the salaries for the “townships”.)

Note - In the two municipalities where the Treasurer and Clerk salaries are closest to ours, Admaston Bromley and North Algona Wilberforce – they also have an additional position of secretary/receptionist. There are at least three people doing the jobs that are being done in the office here by two (aside from Gayle’s one day a week).

In nearly every case the high salary range in Head, Clara & Maria is lower than the low salary range for most other municipalities within the County.

Once adjustments are made to bring employee salaries in line with neighbours, annual CPI and COLA adjustments are likely all that will be required to keep them comparable for many years into the future.

Options/Considerations:

1. No increase.
2. Increase calculated with:
 - 1/3 each year over 3 years.
 - ¼ each year over 4 years.
 - different amount.
 - spread over a longer period of time.
 - Implemented 100% beginning January of 2012.
 - Using Killaloe, Hagarty, Richards.
 - Using another municipality.
 - using the average municipal difference.

Financial Considerations/Budget Impact:

If Council agrees to an increase, no matter which level is chosen, each individual is to stay at the position on the grid that they currently hold. Unless job duties and responsibilities change, the levels will not change relative to each other. Of course, normal individual increases may occur after year end appraisals.

This adjustment, if approved will not preclude the annual Cost of Living adjustment. That is a separate issue. COLA increases are to ensure that current gains stay current – relative to increased costs of living and not any other factor.

What the adjustment recommended in this proposal is attempting to do is take the current salary grid of HCM employees and over a period of time, bring it up so that after that time period, HCM salaries will be closer to the lowest comparators within the county.

Of course at that time, others may have realized increases as well however; we have to start somewhere. There is an option to close the gap in one increase.

Process

As a basis, the Treasurer's position was compared to the low/high values for neighbouring municipalities. To determine the lowest comparator within the county Killaloe, Hagarty and Richards Township was used. KHR has the most positions in common as HCM (Clerk, Treasurer, Road Super and Disposal Site) and has only 3 office positions instead of the 4 or more in most of the other municipalities.

Next, the difference between the low or starting salaries for the Treasurer position for KHR and HCM was determined. (The high levels will be adjusted using the pre-determined increases on our salary grid. Brudenell, Lyndoch & Raglan's salary was excluded from the calculations as they do not have ranges but have specific salaries which would reflect individual performance, seniority etc.)

HCM Treasurer's position range	\$40,768 - \$50,978
KHR's Treasurer range	\$54,000 - \$58,000

The difference in the starting salary ranges for the two municipalities of \$13,232 (54,000-40,768) broken to an hourly rate is \$7.27 per hour.

The following chart shows the options if the salary difference were made up all at once, over two, three and four years. Of course this would mean that the total annual salary would increase and

stay at the new level. The calculations are using 2012 tax rates and increases. Assessed value increases have not been considered. As with any other tax calculation the adjustment to each property will be individual depending on assessed values.

	100% (2013) one time increase of \$7.27	50% At \$3.64 (over two years)	33% At \$2.42 (over 3 years)	25% At \$1.93 (over 4 years)	Using the Average Treasurer Salary of \$48,251 and \$4.11/hour
Total 7,540 Hours and including all payroll taxes etc.	\$63,037	\$31,563 for 2013 and 2014	\$20,984 per year for 2013, 2014 and 2015	\$16,735 per year from 2013 to and including 2016	\$35,637
Increase in taxes per \$100,000 assessed value	\$37.31	\$18.66	\$12.43	\$9.50	\$21.13

Policy Impact: This report works towards following recommendations made by Bob Young in 2010 bringing staff salaries in line with those of comparable neighbouring municipalities.

Others Consulted: County salary survey; Noella Lebreton, Treasurer.

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk

Melinda Reith