

Type of Decision									
Meeting Date	Friday, November 2, 2012				Report Date	Wednesday, October-31-12			
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 – 02/11/12/1101									

Subject: A proposal for council consideration concerning a pay scale review and increase. – The following is additional information concerning this issue as requested by Councillor Grills and tax rate information as requested by Councillor Foote. At the time of printing I was not sure if this was as a result of this issue or others. In order to be compliant with the legislation and to provide the same information to each member of Council, the responses are being provided to each of you.

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:

This information is in response to Councillor Grill's request for information. I apologize for not recognizing that Councillor Grills, unlike the remaining four councillors was not privy to the creation of the current benefit policy and grid system.

1. hourly wages for our road super, municipal worker and part time office staff - **hourly wages are personal information about an identifiable individual and are not to be divulged to anyone. What has been provided for Council review at**

the meeting is a coloured copy of the current grid which is a pay range scale. This is to be returned to the Clerk at the end of the meeting. The individual position of each individual on this scale is not public knowledge.

2. the number of hours worked by each of the above last year – **Since overtime is not a usual occurrence and overages are compensated by time taken as lieu time the annual hours would be the following weekly hours multiplied by 52 minus each individual's holidays.**
 - a. **E.g. Road Super or Clerk (32 hours per week x52 weeks) - (32 hours per week x 3 weeks holidays) or 32 hours x 49 weeks. We are compensated for holidays on a prorated basis.**
3. the number of hours worked by each in an average week (approx.) **Average hours worked are**
 - a. **Road Super - 32 hours per week**
 - b. **Treasurer – 35 hours per week**
 - c. **Municipal Maintenance Worker – 25 hours per week**
 - d. **Clerk – 32 hours per week**
4. employee benefit package particulars and the costing – **The employee benefit package includes basic Health and Dental; Long Term Disability and Life Insurance (based on annual salary). The costs are an average of \$200 per person. Again, the specific amount paid for each individual is personal information and not to be divulged.**
5. **Further, we have a detailed Vacation, Holiday and Sick Day plan which I have included for everyone's review.**

Councillor Foote requested information concerning the tax rate and year over year increases. Although the decision of whether or not to award salary increases will ultimately be reflected in the budget it should be noted that this is not a budget meeting and there are many other considerations to be included in budget deliberations including increased assessments, reductions realized in other budget lines and various other factors. It is our plan to begin the entire budget process in the near future. Since the salary component was so involved, it was recommended by Mr. Young to complete an annual review at a separate meeting other than as a component of budget deliberations.

A REVIEW OF HCM TAX RATES (RESIDENTIAL OCCUPIED) FROM 2008 TO 2012				
		Cty Rates	% Increase /Decrease 2008 to each particular year	Difference in Increase /Decrease
County - Residential Tax rates:	2012 = increase 2008 to 2012	0.00367497	-19.93%	-0.00091500

	2011 = increase 2008 to 2011	0.00383885	-16.36%	-0.00075112
	2010 = increase 2008 to 2010	0.00413359	-9.94%	-0.00045638
	2009 = increase 2008 to 2009	0.00433631	-5.53%	-0.00025366
	2008 rate	0.00458997		
	% increase/decrease from 2008 to 2012 =	-20%		
County Percentage Increases from Year Over Year				
	Increase 2011 to 2012	-4.27%		
	Increase 2010 to 2011	-7.13%		
	Increase 2009 to 2010	-4.67%		
	Increase 2008 to 2009	-5.53%		
		HCM Rates	% Increase /Decrease 2008 to each particular year	Difference in Increase /Decrease
HCM - Residential Tax Rates:	2012 = increase 2008 to 2012	0.00273903	76.15%	0.00118407
	2011 = increase 2008 to 2011	0.00262066	68.54%	0.0010657
	2010 = increase 2008 to 2010	0.00221217	42.27%	0.00065721
		HCM Rates	% Increase /Decrease 2008 to each particular year	Difference in Increase /Decrease
HCM - Residential Tax Rates:	2009 = increase 2008 to 2009	0.00180944	16.37%	0.00025448
	2008 rate	0.00155496		
	% increase from 2008 to 2012 =	76%		

	HCM Percentage Increases from Year Over Year			
	Increase 2011 to 2012	4.52%		
	Increase 2010 to 2011	18.47%		
	Increase 2009 to 2010	22.26%		
	Increase 2008 to 2009	16.37%		
Question: Can tax rates increase on ONE property class only?				
Answer: After discussing this with the Auditor - No - it cannot. The rates for all classes are determined by the ratios approved at the county level. Ultimately, the residential rate for any given year is the total amount you want from taxation divided by the total weighted assessment of the municipality. The total weighted assessment is the sum of the assessment totals multiplied by their respective tax ratio. By multiplying the residential class by its ratio, the managed forest by its ratio, etc., you convert the various assessment totals into a weighted assessment.				
For Example: Assume that there are only two classes of property. Managed forest with a total assessment of \$1,000,000 and a residential assessment of \$9,750,000. Assume you need to raise \$100,000 from taxation. The weighted assessment would be \$1,000,000 x 0.25 (the management forest tax ratio) + \$9,750,000 (residential assessment) x 1.00 (the residential tax ratio) = \$10,000,000. The residential tax rate would be \$100,000 divided by \$10,000,000 = 0.0100000. The managed forest rate would be 0.25 divided by 100 = 0.0025000 (its tax ratio multiplied by the residential rate). To prove that these calculations work, you can now determine the total taxes. You would receive \$97,500 from residential ratepayers (9,750,000 x 0.01000) and \$2,500 from managed forest taxpayers (\$1,000,000 x 0.0025000).				

Options/Considerations:

Financial Considerations/Budget Impact:

Policy Impact:

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

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk

Melinda Reith