



The Corporation of the Town of Tecumseh

Corporate Services & Clerk

To: Policies and Priorities Committee

From: Laura Moy, Director Corporate Services & Clerk

Date to Council: December 8, 2020

Report Number: CS-2020-37

Subject: Management and Non-Union Administrative Support Staff
and Council Economic Salary Adjustment for 2021

Recommendations

It is recommended:

That CS-2020-37 entitled “Management and Non-Union Administrative Support Staff and Council Economic Salary Adjustment for 2021,” **be received;**

And that the Compensation and Salary Administration Policy No. 67, as amended and appended to CS-2020-37, **be approved;**

And further that the annual economic adjustment for 2021 for both the Management and Non-union Administrative Support Staff Salary Schedule (Salary Grid), in accordance with the Compensation and Salary Administration Policy No. 67, and Members of Council, in accordance with By-Law No. 2006-84, **be deferred** pending additional information on the factors to be considered for economic adjustment as outlined in this report.

Background

Compensation and Salary Administration Policy

The Compensation and Salary Administration Policy No. 67 (Policy) provides the framework for the annual compensation to be paid to the Management and Non-union Administrative Support Staff.

The Policy is comprised of two components:

1. Annual Economic Adjustment – upon approval by Town Council and reflected in the Salary Grid;
2. Advancement within the Salary Grid for the pay grade of the Management and Non-union Administrative Support Staff employees is based upon completion of the Performance Evaluation, which includes achievement of the objectives established for the year and satisfactory performance in the competencies and demonstrated abilities applied by the employee in their duties for the year, as attested by their Director and the Chief Administrative Officer, in the case of Directors.

In each year, an adjustment to the Salary Grid will be made, to be effective January 1st, and in doing so shall be made in accordance with:

- “the Director Corporate Services & Clerk, or designate, surveying the ten (10) comparators used in this report to determine the general percentage increase in the market place. The Director Corporate Services & Clerk can request from our firm the “average/median range adjustments for Municipalities/Public Sector employers. McDowall Associates conducts a Public/Not-for-Profit Salary Planning Survey and publishes results for positions typically in the fall of each year. Council can determine the percentage adjustment for the Town of Tecumseh salary ranges having regard to the external pay market, negotiated increases, compression and ability to pay. Any changes to salary ranges will be recommended and approved through the annual Budget process.”¹

Movement through the salary grid by an employee should be based on delivery of successful performance for the year prior. Successful performance, as defined and measured in a performance management program, would provide the employee with a one-step movement.

Comments

The 2015 Salary Grid for the Non-union Management Group was approved by the Personnel Committee in October 2015. The Salary Grid was approved based on the Gallagher McDowall Associates Report Outlining the Result of a Compensation and Pay Equity Review for Non-union Positions, dated October 9, 2015 (McDowall Report). The Salary Grid is comprised of ten (10) classification levels, with each of the classifications having five (5) salary steps allowing for a 4.0% increase at each step.

Section 9.1 of the Policy provides that a salary survey and evaluation will be conducted to review the Management and Non-union Administrative Support Staff Salary Schedule, every

¹ Gallagher McDowall Associates Report Compensation and Pay Equity Review for Non-union Positions, dated October 9, 2015, accepted by Council October 13, 2015

five (5) years, as they relate to market comparators and comparable positions in both the public and private sectors.

In accordance with the Policy, a salary review was commenced in 2020. It is anticipated that the salary review will be completed following completion of the Organizational Review and Council's consideration of the outcomes. Any adjustment to the Salary Grid will be recommended for consideration by the Chief Administrative Officer to the Personnel Committee for these reviews.

Policy

Council approved the McDowall Report and the recommended factors to be considered when determining the annual economic adjustment to the Salary Grid, effective January 1st each year.

A housekeeping amendment to the Policy to ensure it is consistent with the recommendations in the McDowall Report, as approved by Council, under Section 6.1, has been prepared and is appended as **Attachment 1**.

Economic Adjustment

According to Statistics Canada, the Ontario Consumer Price Index (CPI) increase for September 2020 over September 2019 was 0.6%. OMERS announced that pensions will increase by 0.94% in 2021.

The Collective Bargaining Agreements for CUPE Locals 702.1 (Full-time Outside), 702.2 (Full-time Inside) and 702.5 (Part-time Inside) expire December 31, 2020 and will be renegotiated in Q1 of 2021.

The Collective Bargaining Agreements for CUPE Locals 702.1 (Part-time Outside) provides for a 2% increase in 2021, as does the Employment Agreement for Tecumseh Firefighters' Association (TFA) both of which will be renegotiated in Q1 of 2022.

The economic increases for the comparator municipalities used in the McDowall Report are not yet fully known at this time. The information currently available from the comparators range from 0.7% to 2.0%.

Given that not all of the information is available for the factors to be considered when determining an economic increase, and that a salary review will be completed in 2021 and may help address some of the new criteria that is included in the Policy, it is recommended that an economic increase be deferred until such time as more information is known regarding the factors to be considered. Any adjustment approved at a later date would be retroactive to January 1, 2021, in accordance with the Policy.

Grid Advancement Based on Performance

Evaluations are carried out annually for each Management and Non-Union Administrative Support Staff on their respective achievement of objectives, recognized job performance and productivity in relation to certain established criteria and organizational objectives.

Step increases may be recommended by Directors, for their respective management and non-union support staff, and the Chief Administrative Officer, for all Directors, who are not currently at job rate.

Council

By-law No. 2006-84, as amended by By-law No. 2019-62, sets out the annual salary for the Mayor and Members of Council and provides for an annual salary adjustment equal to the economic adjustment awarded to non-union employees of the Corporation and that:

“The economic adjustment for the Mayor, Deputy Mayor and Councillor positions in 2019, and future years, be varied to normalize the base pay for the three positions in order to be more aligned with the comparator practice and the 65th percentile: 100% of the economic adjustment for the Mayor, 50% for Councillors and 25% for Deputy Mayor.”

In light of the recommended deferral of an economic adjustment for the management and non-union administrative staff salaries for 2021, at this time, the annual adjustment for Council is also recommended to be deferred.

Consultations

County of Essex
Local Municipalities
OMERS
Director Financial Services & Treasurer

Financial Implications

At this time the economic adjustment for 2021 is unknown. Any adjustment that may be approved will be subject to the ability to pay in the 2021 approved budget, as indicated in the revised Policy.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input checked="" type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input type="checkbox"/>	Ensure that Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.
<input checked="" type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh’s plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town’s leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Laura Moy, Dipl. M.M., CMMIII HR Professional
Director Corporate Services & Clerk

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Compensation and Salary Administration Policy No. 67