



The Corporation of the Town of Tecumseh

Corporate Services & Clerk

To: Mayor and Members of Council

From: Laura Moy, Director Corporate Services & Clerk

Date to Council: July 27, 2021

Report Number: CS- 2021-21

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

Recommendations

It is recommended:

That CS-2021-21 entitled “Management and Non-Union Administrative Support Staff and Council Economic Salary Adjustment for 2021,” **be received;**

And that an annual economic adjustment for 2021 of 2.0% **be approved**, effective January 1, 2021, for the Management and Non-union Administrative Support Staff Salary Schedule (Salary Grid), in accordance with Compensation and Salary Administration Policy No. 67;

And further that an annual economic adjustment for 2021 **be approved** as follows, in accordance with By-Law No. 2006-84, as amended by By-law No. 2019-62, being a by-law to provide for the remuneration of Members of Council:

Mayor	2.0%
Deputy Mayor	0.5%
Councillors	1.0%

Background

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 taking into consideration:

- The annual economic adjustment based on the Consumer Price Index (CPI) year over year
- The OMERS annual increase
- Municipal comparators' general percentage increase
- The average/median range adjustments for Municipalities/Public Sector employers
- Negotiated increases with the Local Bargaining units
- Compression, and
- Ability to pay.

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 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. The salary review will be completed in coordination with the recommendations in the KPMG June 29, 2021 Organizational Review Report as approved at the July 13, 2021 Personnel Meeting.

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 Agreements with CUPE Locals 702.1 (Full-time Outside), 702.2 (Full-time Inside) and 702.5 (Part-time Inside) expired December 31, 2020 and were recently renegotiated. The terms of the new agreements were ratified by the CUPE Locals on June 30, 2021, and Tecumseh Council on July 13, 2021, which include a wage increase of 1.5% in the first year (effective January 1, 2021), as well as benefit improvements. A wage adjustment of 2% follows in each of the years 2022 to 2024.

The Collective Bargaining Agreements for CUPE Locals 702.13 (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 available from the comparators range from 0.7% to 2.0%, with six of the nine comparators at 1.75% to 2.0%.

Considering the above factors in accordance with the Policy, and that there are no benefit improvements proposed for 2021 for the non-union management group, it is recommended that an economic increase of 2.0% be approved to the Salary Group retroactive to January 1, 2021.

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.

Earlier this year, step increases were recommended by Directors, for their respective management and non-union support staff, and the Chief Administrative Officer, for all Directors, who were 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.”

Consultations

County of Essex
Comparator Municipalities
OMERS
Director Financial Services & Treasurer

Financial Implications

A 2.0% economic adjustment was included in the 2021 approved budget.

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 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
None	