



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: December 11, 2018

Report Number: CS-2018-42

Subject: Management and Non-union Administrative Support Staff
and Council Economic Salary Adjustment for 2019

Recommendations

It is recommended:

That an **annual economic adjustment** of 2.0% **be approved**, effective January 1, 2019, for the Management and Non-union Administrative Support Staff Salary Schedule (Salary Grid), in accordance with the Compensation and Salary Administration Policy – 67;

And that the **economic adjustment** for 2019 for the Mayor and Members of Council, in accordance with By-law No. 2006-84, as amended, being a by-law to provide for the remuneration of Members of Council, **be referred** to the Council Compensation Review Committee.

Background

Compensation and Salary Administration Policy

The Compensation and Salary Administration Policy No. 67 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 Management & Non-union Administrative Support Staff Salary Schedule;

2. Advancement within the 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.

Compensation as established in the Policy is the responsibility of the Chief Administrative Officer and is based on annual operating budget approval.

In each year, an adjustment to the Management & Non-union Administrative Support Staff Salary Schedule 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, survey 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.”

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. It is recommended that the step movement be effective on a set date of each year, having regard to work performance in the year prior. Step movement is administered and approved by the Chief Administrative Officer in consultation with the Director Corporate Services & Clerk and Director Financial Services & Treasurer.”

Comments

Salary Grid

At the October 13, 2015, Personnel Committee Meeting, the 2015 Salary Grid for the Non-union Management Group (Salary Grid) was approved. 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.

Economic Adjustment

According to Statistics Canada the Ontario CPI increase for September 2018 over September 2017 was 2.20%. OMERS announced that pensions will increase by 2.29% as of January 1, 2019.

The recently negotiated Collective Bargaining Agreements for CUPE Locals 702.1 (Full-time Outside), 702.2 (Full-time Inside) and 702.5 (Part-time Inside) provide for annual increase and benefit enhancements of 2.0% for the union staff in these bargaining units. The current Employment Agreement for Tecumseh Firefighters' Association (TFA) also provides for an annual salary increase of 2.0% in 2019.

The economic increases for the ten comparator municipalities used in the McDowall Report are not yet fully known. The information available from seven of the comparators range from 1.5% to 2.4%.

It is recommended that a salary adjustment of 2.0% to the Salary Grid be approved effective January 1, 2019, consistent with the above-described CUPE and TFA economic adjustments, for the Management & Non-union Administrative Support Staff.

Grid Advancement based on Performance

Evaluations are being carried out 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, in 2018.

Step increases are recommended for all eligible Management & Non-union Administrative Support Staff who are not currently at job rate.

Council

By-law No. 2006-84, as amended, 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.

At the August 14, 2018 Policies & Priorities Committee meeting, direction was given to conduct an independent review of the compensation for Members of Council through a committee and/or consultant. The last review occurred circa 2006. The review is to take into consideration the elimination of the 1/3 CRA tax exemption for elected Municipal Council Members.

Applications have been received for the Council Compensation Review Committee which will be considered at the December 11, 2018 Special Meeting of Council. A consultant has been retained to assist the Committee with the review.

Pending completion of the review of Council's compensation, it is respectfully recommended that an economic adjustment for 2019 be deferred to the Committee.

Consultations

County of Essex
Local Municipalities
OMERS
Director Financial Services & Treasurer

Financial Implications

A 2.0% economic adjustment has been included in the 2019 approved budget.

Link to Strategic Priorities

Applicable	2017-18 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 the Town of 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 the Town 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:

Luc Gagnon, CPA, CA, BMath
Director Financial Services & Treasurer

Recommended by:

Tony Haddad, MSA, CMO, CPFA
Chief Administrative Officer

Attachment Number	Attachment Name
None	None