

## Report to Council

<b>Report Title:</b>	Salary Grid Annual Economic Adjustment		
<b>Prepared By:</b>	Sonya Watson, Chief Administrative Officer		
<b>Department:</b>	Administration		
<b>Date:</b>	October 16, 2018		
<b>Report Number:</b>	CAO2019-23	<b>File Number:</b>	C11AD, C01, A09, H09
<b>Attachments:</b>	Resolution 17-24-314 – Approve 2018 and 2019 Cost of Living Adjustments Proposed Amended Salary Administration Policy		

### Recommendation:

That the Council of the Municipality of Brockton hereby approves Report Number CAO2019-23 – Salary Grid Annual Economic Adjustment, prepared by Sonya Watson, Chief Administrative Officer and in so doing approves a By-Law coming forward to authorize an amendment to the Salary Administration Policy.

### Report:

#### Background:

Historically in Brockton the Annual Economic Adjustment has not been set out in Policy, which in turn results in negotiations with Council each year. In 2017 when the Pay Equity Review was conducted by Gallagher McDowall Council committed to a 1.5% cost of living adjustment (“COLA”) for the 2018 budget year and the annual Statistics Canada Ontario Consumer Price Index for the 12 months ended August 31 for the 2019 budget year. For 2019 this resulted in a 3.1% increase to the Salary Grid. Council also approved in 2018 that Council will receive a minimum 1.5% increase per year for the Council terms from 2019-2022. In addition should COLA exceed 1.5% Council will receive any exceedance. For 2019 Council also received a 3.1% increase to the set remuneration.

I have contacted area Chief Administrative Officer’s and there are a variety of methods used. Certain municipalities have a set a Policy based on the Canada Ontario Consumer Price Index as of a certain date while others rely on union negotiations to determine the non-union staff increases or alternatively use a negotiating committee comprised of staff to present to Council and negotiate an increase.

With the dissolution of the union in December 2017, there is no longer a union or union negotiations to influence non-union increases. It remains imperative, however, to ensure all former union staff and non-union staff feel they are fairly and adequately compensated and the salary grids remain comparable with neighboring municipalities for staff retention. Doing so will ensure a positive and productive workplace

culture, and also assist in recruiting/retaining qualified employees which as Council is aware has required significant attention in 2018 and 2019.

Brockton Council determined that in accordance with section 2c) of the Salary Administration Policy:

“The job rate for each pay grade in the salary grid will reflect the 50<sup>th</sup> percentile of the comparator group. In other words, the Municipality will pay at or about the midpoint of the salaries for comparable positions within the comparator municipal group.” With establishing the Salary grid at the 50<sup>th</sup> percentile ensuring consistent, and fair economic increases is imperative for staff retention and attraction. We are in a time where recruitment of municipal professionals is highly competitive with a lack of skilled municipal professionals available to fill positions. Additionally, we compete with neighbouring Bruce Power and the supplier network offering a multitude of opportunities and high salaries. I would suggest that Saugeen Shores, Kincardine, Bruce County and Bruce Power are some of our major competitors when it comes to staff retention so ensuring Brockton’s Salary grid is receiving appropriate annual economic increases to remain somewhat competitive is key to retaining qualified staff and the Municipality of Brockton’s success moving forward.

### **Analysis:**

To ensure a fair and uncomplicated salary negotiation process that will be consistent across new Council terms, I have proposed revisions to the Salary Administration Policy H09-0600-18 as outlined below with the amended Policy attached for Council’s review.

### **3. Salary Grid Annual Economic Adjustment**

- a) On January 1 of each year, the entire salary grid may move up a % using an established formula.
- b) The formula to be used is the annual Statistics Canada Ontario Consumer Price Index for the 12 months ended August 31.
- c) The job rate will increase by the annual economic adjustment and the other five steps calculated as a % of the job rate.
- d) The annual economic adjustment salary grid increase will be incorporated into the annual budget.
- e) If the formula in a given year results in a negative %, the Salary grid will remain the same as the previous year.
- f) All staff with at least satisfactory performance will have their pay increased by the amount of the increase in their step.

We have chosen August to be consistent with the past decision of Council and to ensure that by the end of September we have the information on the economic increase available to include in the budget document.

We seek Council’s approval on the proposed changes to the Salary Administration Policy and a By-law coming forward.

## Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

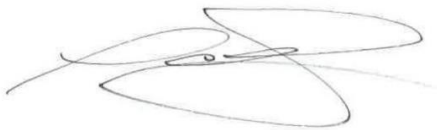
- Do the recommendations help move the Municipality closer to its Vision? Yes
- Do the recommendations contribute to achieving Cultural Vibrancy? N/A
- Do the recommendations contribute to achieving Economic Prosperity? N/A
- Do the recommendations contribute to Environmental Integrity? N/A
- Do the recommendations contribute to the Social Equity? N/A

## Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

By establishing a fair and consistent method to a yearly economic adjustment this also should help avoid a spike in the salary grid upon the five-year review. Any major adjustments to the budget should be minimized by a consistent economic increase.

## Reviewed By:



Trish Serratore, Chief Financial Officer

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## Respectfully Submitted by:



Sonya Watson, Chief Administrative Officer