



Date 16 February 2012

City Council Committee Report

To: Mayor Canfield & Members of Council

Fr: Karen Brown

Re: Non Union Salary Grid

Recommendation:

That Council hereby approves an economic adjustment of 2.75% to the City's Non-Union pay grid effective 1 January 2012; and further

That Council hereby approves grid movement for non-union staff in 2012 in accordance with the provisions as set out in City policy HR-3-1.

Background:

In the second half of 2010, the City went through a non-union pay equity and market survey review through an independent consultant. City Council adopted the recommendations contained within that consultant's report for 2010, which included the adoption and posting of an amended pay equity plan and implementation of a revised 2010 pay grid for non-union staff.

In the McDowall Associates report were several recommendations, including a recommendation for the City to apply an economic adjustment to the grid in the following year (2011) to ensure the grid remained competitive to market for that year. In keeping with this, average compensation adjustments for similar employee groups should be reviewed annually to determine whether future adjustments should be made to the City's non union grid.

In 2012, the budget deliberations included a 2.75% economic adjustment for non union staff. This adjustment amount was determined based on Council direction to include an economic adjustment for non union staff in the draft 2012 budget equal to that given to CUPE staff for 2012. Council approved the allocation of these funds in the budget as part of the budget process.

Under the City's salary administration policy, #HR-3-1, the following section applies to economic adjustments to the non-union salary grid:

B. Economic Adjustments

1. Annual economic adjustments to the Management Pay Grid may be authorized by Council.
2. Factors to be considered when any adjustment is to be made to the Management Pay Grid shall include:
 - Ability of the Municipality to pay based on approved budget guidelines
 - Wage and benefit package approved by Council for City employees covered by CUPE, IBEW, and KPFFA Collective Agreements
3. Effective date for any economic adjustment to the Management Pay Grid shall be January 01st or as otherwise approved by Council.

In accordance with policy, the economic adjustment for non-union staff as included within the budget is now being brought forward to Council for consideration.

Also approved within the City's budget was grid movement for non-union staff. This grid movement would be done in accordance with City policy #HR-3-1. The relevant section is as follows:

A. Job Classification, Wages, and Progression

1. Rates of pay and job classifications shall be established in accordance with the approved Salary Structure Grid for Non-Union/Management Staff, hereto known as the Management Pay Grid.
2. There shall be no upward movement between levels in the Management Pay Grid for a specific job classification established through the Pay Equity process.
3. An employee shall be eligible to receive a one merit increase upon satisfactory performance evaluation effective upon the employee's anniversary date and conditional upon meeting requirements as outlined in section 6 below. For purposes of this policy, an employee's anniversary review date will be December 31st of each year.
4. One merit is required to move one step on the Management Pay Grid.
5. Normal progression on the Management Pay Grid will be January 01st of each year.
6. Appointed Non-Union supervisory staff shall complete Performance Reviews and Job Plans for their respective staff on an annual basis by January 31st of the next year in order to be eligible for their own merit increase.

Council Remuneration Impact

In 2011, the City underwent a review of Council remuneration in comparable municipalities. Following this review, a recommendation was made to Council to make an adjustment to Council remuneration in light that the remuneration remained unchanged since the City's amalgamation in 2000. In addition, the recommendation was made to Council:

"That staff be directed to develop a policy that will ensure that Council will receive an annual adjustment that is the same annual percentage increase as received by the Non-Union Group commencing in 2013, with the 2013 adjustment being equal to the combined 2012 and 2013 economic adjustments, and thereafter based on the actual annual percentage adjustment given..."

A copy of the detailed report on Council remuneration is posted with the City's November 2011 reports, and will be distributed for ease of reference upon request. As a result, in December 2011, Council approved the Council Travel & Per Diems Policy (Policy #CC-15-1). The intent of the amendment was to tie Council remuneration to the economic adjustments given to non-union staff. The relevant policy section reads as follows:

Policy

1. 2013 - Annual Remuneration:

Annual Remuneration will be paid to Council commencing in 2013, with the 2013 adjustment being equal to the combined cumulative 2012 and 2013 economic adjustments.

2. Annual Remuneration after 2013

Following the 2013 remuneration increase, annual remuneration on a forward basis will be based on the actual annual percentage adjustment approved for the City's Non-Union Group.

3. Remuneration approved by By-law

All annual remuneration increases will be ratified by adoption of the required by-law and provision of any applicable notice in accordance with Council's Notice By-law.

In passing this policy, it is recognized that in approving an economic adjustment for non-Union staff will also set the proposed adjustment to Council wages, in this case commencing in 2013. It is important to understand, however, that in accordance with section 3 of the policy, Council remuneration will continue to be set by by-law, and in those years where an economic adjustment is approved for non-Union staff, Council will need to independently contemplate authorizing an amendment to Council remuneration. As per the

policy, the required by-law and applicable notice provision will continue to be part of the City's process for amending Council remuneration.

Budget:

The economic adjustment and grid movements have both been factored into the City's 2012 operating budgets, and were discussed during the 2012 budget deliberations. These items were approved for inclusion in the budget by Council and form part of the final approved budget.

Communication Plan/Notice By-law Requirements:

An updated non-union pay grid will be provided to the appropriate staff in the City's Human Resources and Finance departments.