



Staff Report HR2022-054

Title of Report: **Staff 2023 Wage Grid and Steps**
Department: **Human Resources**
Council Date: December 7, 2022

Recommendation:

Be it resolved that Council receive staff report HR2022-054 for information; and

That Council approve a one step pay band increase for eligible employees, effective January 1, 2023; and

That Council approve the COLA increase of 4% to the 2023 Staff Pay Grid, Council Pay Grid and Volunteer Firefighter Pay Grid, effective January 1, 2023; and

That Council approve the COLA increase of 4% to all affected agreements and other Township established inflationary conditions, effective January 1, 2023; and

That Council approve an additional 2.5% increase to the Staff Pay Grid as part of the initial budget adjustments in the Market Check process for 2023, effective January 1, 2023.

Background:

Under provisions of Pay Administration Policy #16, employees who meet or exceed job requirements may advance one step within their pay band. Employees that consistently exceed job requirements may advance a further step within their pay band if recommended by their department head. All step movements (merit increases) will be presented to Council for approval each year.

Also under Pay Administration Policy #16, "Each year on **January 1**, the entire pay band grid may move up by a percentage using an established formula using the Statistics Canada Ontario Consumer Price Index (CPI) for October".

Policy #16 Pay Administration Policy also states the following in regards to a market check:

- *Normally every four years the entire pay band grid will be compared to "the market" to ensure the municipality is paying employees fairly.*
- *The median or 50th percentile of the comparators will be used. This comparison may involve using a purchased pay survey of the compensation of benchmark positions at comparable municipalities in the area or other methods.*
- *The overall pay band grid may increase, decrease or remain the same as the result of this comparison.*
- *No employee's pay will be reduced as a result of this exercise. However individual pays may be frozen until the pay band for their position catches up to their current pay.*

- *Council will approve any market survey and the implementation of the results.*

The last market check was completed in 2018 and implemented in June of 2019.

Staff Comments:

Step Increases

Through the Performance Appraisals process there are 36 employees that are recommended to receive a one-step increase within their pay, effective January 1, 2023.

30 employees are not eligible for a step increase on January 1st (14 are on probation, 2 are on leave, 12 are at job rate, 1 is not on the pay grid, 1 position remains vacant and will be on probation when filled).

The total 2023 budget impact for the step increase is \$57,980 (\$46,808 in taxation impact when removing user fee supported wages).

Cost of Living Allowance (COLA)

The October Statistics Canada Ontario Consumer Price Index (CPI) is 6.5%. Staff recommend applying a 4% COLA increase to the entire pay grid for all positions, including those on probation.

The total 2023 budget impact for the 4% COLA increase is \$137,658 (\$115,018 in taxation impact when removing user fee supported wages).

NOTE: The COLA increase also applies to the Council and Volunteer Firefighter pay grids as well as any affected agreements.

Market Adjustment

Staff have completed an initial market check and the results show that the entire pay grid is below the market's 50th percentile. The comparison was done using comparable municipalities either comparable by location (Grey County and other surrounding county municipalities) or size (under 100 employees in Ontario). Staff recommend adjusting the entire grid by an additional 2.5% on top of the COLA increase in order to bridge some of the gap between the current pay grid and the 50th percentile. Staff will bring a separate report during operating budget to address the rest of the gap.

The total 2023 budget impact for the 2.5% Market Adjustment is \$90,915 (\$75,917 in taxation impact when removing user fee supported wages).

Financial Implications:

A summary of the total 2023 budget impact is as follows plus the cost of benefits.

Increase Type	Total with User Fee Wages	Total without User Fee Wages
Step Increase (2%)	\$57,980	\$46,808
COLA (4%)	\$137,658	\$115,018

Market Adjustment (2.5%)	\$90,915	\$75,917
TOTAL	\$286,553	\$237,743

COLA increase of 4% will also be added to the Volunteer Firefighter Pay Grid and Council Pay Grid which are not included in the above calculations.

Communications & Community Action Plan Impact:

This report has been written and presented to Council to communicate accurate information to the public.

Concluding Comments:

1. Staff recommend that Council receive staff report HR2022-054 as information.
2. Staff recommend that Council approve a one step pay band increase for eligible employees, effective January 1, 2023.
3. Staff recommend that Council approve a 4% COLA increase to the entire pay grid, effective January 1, 2023.
4. Staff recommend that Council approve a 2.5% Market Adjustment increase to the entire pay grid, effective January 1, 2023.
5. Staff recommend that Council approve a 4% COLA increase to all affected agreements and Southgate established inflationary conditions, effective January 1, 2023.

Respectfully Submitted,

HR Approval: **Original Signed By**
Kayla Best, HR Coordinator

CAO Approval: **Original Signed By**
Dave Milliner, CAO

Attachments: None