



Report to Personnel Committee

Department: Human Resources
Date: November 26, 2021
Prepared by: Brandi Sieben
Submitted by: Brandi Sieben
Report Number: Human Resources 2021-02
Subject: HR Policy 05-04 - Non-Union Salary Administration Policy
Number of Pages: 12

Recommendation(s)/Conclusion(s)

It is recommended that:

- i) Human Resources Report 2021-02 be received; and
- ii) That Personnel Committee provide a recommendation for Council approval and adoption of HR Policy 05-04 Non-Union Salary Administration Policy

Reason for the Report

Personnel Committee review is needed to adopt new Corporate HR policies for the Town.

Background

Currently, the Town does not have a salary administration policy for non-union employees. The Corporate HR Policy 05-04 will provide the framework for a fair, equitable and renewable non-union salary administration, while ensuring consistency in the Town's processes. The policy is designed to formalize current practices and procedures and ensure the Town remains competitive within the market to attract and retain talent. The policy also incorporates HR Policy 05-02, Acting Assignments/Temporary Transfer Policy which was approved by Council in 2017.

This provides guidelines in the following areas:

- Salary Structure and Band
- Hours of Work
- Vacation in Lieu of Overtime
- Non-Union Job Evaluation Committee
- Assigning Compensation for New Employees
- Step Management within a Salary Range
- Job Rate
- Annual Increases
- Promotions
- Demotions
- Lateral Transfers
- Acting Assignment and Temporary Transfer
- Responsibilities

Financial Impact

There is no financial impact to the implementation of this policy.

Consultations

Lori Chadwick, Director, Development Services

Kevin Girard, Director, Infrastructure Services

Kate Giurissevich, Director, Corporate Services

Doug Sweet, CAO

Link to Strategic Priorities

☐ Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.

☐ Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.

☐ Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.

☐ Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.

☐ Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.

☒ Improve the Town's capacity to meet the ongoing and future service needs of its citizens while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.



Policy Manual

Section:	Human Resources
Subject:	Non-Union Salary Administration Policy
Policy Number:	HR-05-04
Approval Date:	
Approved By:	
Prepared By:	Brandi Sieben, Manager, Human Resources

Overview

The Corporation of the Town of Essex is committed to providing a work environment where all individuals are treated in a fair and consistent manner as it relates to the administration of pay amongst other items. The Town will maintain a pay policy that is internally equitable, externally competitive and payequity compliant.

Purpose

1. The purpose of the policy is to provide the framework for an ongoing and renewable salary administration program.
2. This policy is intended to support and acknowledge the dignity and worth of each individual working with and for the Town and to support retention of

employees through a competitive compensation program.

Scope

This policy applies to all permanent full-time non-union employees.

This policy does not apply to contract and union employees. Contract employees will receive compensation in accordance with the terms of their contract.

Compensation and wage administration for bargaining unit employees will be covered by the Collective Agreement.

This policy shall be reviewed every four (4) years from the date it becomes effective or sooner at the discretion of the CAO.

Definitions

For the purpose of this policy,

“Acting Pay” is pay provided to an employee when they will be substantially accountable for a substantive portion of the duties and responsibilities of a position reassigned to them on an interim basis, given certain qualifying criteria and waiting periods. The majority of the essential/fundamental duties and tasks of the absent incumbent that could arise during such absence are to be considered the duties of the replacing incumbent.

“Additional Duties and/or Responsibilities Pay” is pay provided to an employee in recognition of the additional duties and/or responsibilities they have taken on (but not all duties and/or responsibilities), which are normally performed by another person in another role.

“Employee” means any non-union, regular, full-time staff member.

“Job Rate” is defined as Step 5 on the salary grid. The salary grid is comprised of five (5) steps for each salary band, with five percent (5%) step intervals.

“Red-Circle” occurs when an incumbent is in a position where the Job Rate of the Salary range is less than the current pay of the incumbent. As a result, the current pay of the incumbent will be “red-circled”, or held at the current rate until such time as that rate is within the pay band for the position.

General Guidelines

1. Salary Structure and Salary Bands

- 1.1 Employee salaries will be determined with regard to a grading system that defines a minimum and a maximum amount for each salary band. Each salary band is comprised of a job rate and a salary range from 82% to 100% of the full job rate. The bands shall be adjusted for inflation, subject to Council approval.
- 1.2 Remuneration for positions that are assigned a salary band is limited to that band and is not to exceed the maximum.
- 1.3 The non-union salary grid will be reviewed every four (4) years to ensure the Town remains competitive in their compensation package and continue to achieve the Town's pay philosophy of 60% of market.

2. Hours of Work

- 2.1 All non-union salary bands are established on the basis of a 35 hour work week. All non-union employees are expected to work a 35 hour work week as a minimum. The actual work schedules are defined in the employment contract and changes to schedules shall be subject to CAO approval.

3. Vacation in Lieu of Overtime

- 3.1 The Town recognizes that managers and non-union staff are typically required to attend Council meetings, attend to Town business via the use of remote technology after hours, and generally work more than 35 hours per week on average.
- 3.2 Management and non-union employees are not eligible for overtime pay however, employees are able to bank one hour in lieu of overtime for every approved hour of overtime worked up to a maximum of 35 hours for the first 35 overtime hours worked and to bank one hour in lieu of overtime for every approved hour of overtime worked in excess of 35 overtime hours worked up to a maximum of an additional 35 hours in lieu of overtime. Lieu time banking is capped at a maximum

of 70 hours.

3.3 Employees, who have a minimum of fifteen (15) vacation days, including time off in lieu of overtime, earned in any one year, and do not use their total vacation in that year, may carry forward the unused portion for use in the following year. The maximum amount of vacation and time off in lieu of overtime that may be carried forward is five (5) days. For purposes of this policy five days equates to thirty-five (35) hours.

4. Non-Union Job Evaluation Committee

4.1 A Job Evaluation Committee, composed of members of the Corporate Leadership Team, will rate all new positions utilizing the Universal Job Evaluation Plan which weighs the following factors for all positions:

- Knowledge/Education
- Experience
- Decision & Skill in Operations
- Ingenuity & Creativity
- Independent Action
- Budget & Funds
- Mental Effort & Impact
- Confidentiality
- Leadership, Supervision & Functional Advice
- Influencing Others
- Physical Skill & Effort
- Disruption to Lifestyle & Working Conditions

All factors, weightings and factor descriptions are gender neutral and meet all requirements of pay equity legislation in Ontario.

New positions must be rated by the Job Evaluation Committee prior to the start of the recruitment process.

4.2 If the duties and responsibilities of a position are permanently altered from the original ratings assigned to the position, an employee may request that their position be re-evaluated using the following process:

- a) The request for the position to be re-rated is submitted to the appropriate manager on the "Request for Salary Review" form with any other

supporting documentation to demonstrate the reasons for change in rating. The Manager is to consult with their Director and the Human Resources Manager with regard to the merit of the request within the job evaluation tool and the completeness of the documentation.

- b) The Job Evaluation Committee shall review requests received for re-evaluation utilizing the existing Universal Job Evaluation Plan.

5. Assigning Compensation for New Employees

5.1 A Hiring Manager or the Director of the division the position is being filled shall provide their recommendations on appropriate step level of compensation within the established salary grade for their new employees. Starting a new employee at a salary within Steps 1 -3 of the salary grade provides some latitude to provide annual increases that reflect the employee's performance toward 'full competence' and ensures some internal equity of salaries relative to other longer-term employees currently in a same functional group. Some flexibility is required, however, to accommodate those situations where the new employee has significant prior experience in a similar position or brings special skills that reduce the on-the-job learning period. In any event, a longer-term salary management plan that reconciles the expected learning curve of the employee with a progression toward the job rate must be established. Human Resources shall ensure compensation decisions are in keeping with the Town's compensation philosophy and guiding principles. Final compensation levels must be approved by the CAO.

6. Step Management Within a Salary Range

6.1 The five (5) steps within the Town's Non-Union salary grid represents salaries that fall between 82% (minimum) and 100% of the job rate. Salaries within steps one (1) through four (4) are reflective of those for:

- Employees still developing the required skills for the position
- Less than satisfactory performance

- Entry-level hires

7. Job Rate

7.1 Step five (5) of the Non-Union Salary Grid represents 100% of the job rate. The Job Rate is reserved to reflect the level of “full competence” in the job. This represents the maximum base salary achievable for all employees and should only be awarded when the employee has demonstrated the on-going skill, ability and motivation to fully and satisfactorily perform all aspects of their job.

8. Annual Increases

8.1 Council may award an annual overall increase to the salary grid (i.e. inflationary increase). For the purposes of consistency in timing, increases are reviewed and awarded following the ratification of the C.U.P.E Collective Agreement.

9. Promotions

9.1 Promoting a non-union employee from one job level to a higher job level involves the filling of a vacant, pre-approved and/or posted position. Promotional increases must ensure the employee’s new salary is at least at the minimum of the new salary grade and is not less than the employee’s current rate. When determining appropriate compensation, careful consideration of providing compensation that is reflective of the job/position expectations, the employee’s capability, and the expected timeframe for the employee to reach ‘full competence’.

10. Demotions

10.1 If an employee is demoted or is moved involuntarily to a position in a lower salary grade for non-disciplinary/non-performance reasons, the present salary level should be continued, unless there is a compelling reason for not doing so. The salary is to be “red-circled” when it exceeds the job rate of the range. This means that the base salary is frozen until such a time when it is once again aligned with the job rate in the salary range of the new lower-level position (recall that the job rates generally experience regular increases over time as the

market dictates). When an employee is demoted for disciplinary or performance related reasons, their salary should be adjusted to the job rate of the new position.

11. Lateral Transfers

11.1 For the purposes of career development and growth, an employee may select to move into a different position, whereby the salary grade of the new position is the same as the salary grade for the employee's previous position. In this case, the employee's salary will continue to be administered at the current level. However, the compensation will need to be monitored carefully as the employee is new to the position, even though the salary grade has not changed. Therefore, the employee's salary should be viewed relative to other employee salaries in the same position based on the job/position expectations, and the employee's capability and potential for performance in the new job.

12. Acting Assignments or Temporary Transfers

12.1 If an employee is formally requested to perform a substantive portion of the duties of a vacant position on an interim basis the employee will be compensated as follows:

- a) Assignment/Transfer – Same Salary Grid - If the assignment/transfer is to a position on the same salary grade no salary change shall occur
- b) Assignment/Transfer – Lower Salary Grid - If the assignment/transfer is to a position on a lower salary grade no salary change shall occur.
- c) Assignment/Transfer – Higher Salary Grid - If the assignment/transfer is to a position rated as a higher job grade than the employee's present position and the duration is more than ten (10) consecutive working days, the employee shall be provided a 10% 'acting pay' increase over his or her present salary for the remainder of the assignment and receive acting pay retroactive to the date the assignment/transfer commenced.

12.2 Additional Guidelines for Acting Assignments or Temporary Transfers

1. For extended assignments/transfers of six (6) months or longer the CAO, or their designate, may approve a recommendation for a percentage increase of more than 10% pending approval through the Acting Assignment/Temporary Transfer or Additional Responsibilities Pay Request & Approval Form.
 - a. Should the extended assignment/transfer be for the position of CAO, the Personnel Committee may approve a recommendation for a percentage increase of more than 10% for final approval.
2. An employee may be eligible for 'additional responsibilities pay' when they are accountable for tasks (but not substantially responsible for a substantive portion of duties) which are usually performed by a person in another position, where said position is temporarily vacated for more than ten (10) consecutive working days. The employee may be provided a rate of pay which is 5% above the employee's existing rate of pay, provided that the additional job tasks warrant the said adjustment and has been approved through the Acting Assignment/Temporary Transfer or Additional Responsibilities Pay Request & Approval Form sign off process. The employee shall be provided a 5% increase over his or her present salary for the remaining period of time for which the additional duties have been assigned and will receive payment retroactive to the date the assignment/transfer commenced and only for hours worked. For clarity, this means that the employee will not receive additional responsibilities pay for non-worked hours including vacation and lieu time or statutory holiday pay.
3. The appointment of the incumbent must be confirmed in writing, indicating the anticipated end date of the assignment/transfer or period of time for which 'additional responsibilities pay' is being sought.
4. At the conclusion of the acting assignment/temporary transfer or period

requiring the employee to take on 'additional responsibilities' the employee's rate of pay will be returned to the rate that would have been paid if the assignment/transfer had not taken place or the 'additional responsibilities' not been assigned.

5. An increase in compensation for 'acting pay' or 'additional responsibility pay' is not automatic and must receive full approval through the Acting Assignment/Temporary Transfer or Additional Responsibilities Pay Request & Approval Form sign off process.
6. Consecutive scheduled workdays do not include statutory holidays, vacation or lieu time for the purpose of this policy.

13. Responsibilities

Council has the authority and responsibility to:

1. Approve Non-Union Salary Administration Policy
2. Determine the inflationary increase to be a to the salary grid having regard to market competitiveness, the pay philosophy, compression issues and ability to pay.

The CAO has the authority and responsibility to:

1. Ensure compliance with the Non-Union Salary Administration Policy
2. Review salary grade and step recommendations for new employees and provide final salary approvals
3. Provide final approval of Acting Pay/Temporary Transfer requests.

Directors have the authority and responsibility to:

1. Make salary grade and step recommendations to the CAO for new employees.
2. Provide approval of Acting Pay/Temporary Transfer request.

Managers have the authority and responsibility to:

1. Make salary grade and step recommendations to the CAO for new employees.

Manager, Human Resources has the authority and responsibility to:

1. Administer and recommend changes to the Salary Administration Policy
2. Acts as Chair of Non-Union Job Evaluation Committee
3. Make salary grade and step recommendations to the CAO for new employees.

Staff have the responsibility to:

1. Abide by and adhere to the Salary Administration Policy

14. References and Related Documents

- Universal Job Evaluation Plan
- Request for Salary Review Form
- Acting Assignment/Temporary Transfer OR Additional Responsibilities Pay Request & Approval Form
- Town of Essex Non-Union Salary Grid
- Town of Essex Pay Equity Plan

CHANGE RECORD LOG

Revision Level	Revision Date	Prepared By: (Position Title)	Approved By: (Position Title)	Description of Change
A	11/22/2021	B. Sieben Manager, HR	D. Sweet CAO	<ul style="list-style-type: none">• Creation of new policy