

THE CORPORATION OF THE TOWNSHIP OF HORTON  
**Special Human Resources/Council Meeting**  
July 29, 2014

There was a Special Human Resources Committee Meeting which all Council Members were invited to attend. Present was Chair Margaret Whyte, Mayor Don Eady and Susan Humphries. Present from Council was Councillors Glen Campbell, Bob Kingsbury and Jamey Larone (2:18). Staff present was Jennifer Barr, Treasurer and Mackie McLaren, CAO/Clerk. Also present was Bruce Beakley, Human Resources Director with the County of Renfrew.

1. CALL TO ORDER

Chair Whyte called the Meeting to Order at 1:00 p.m.

2. DECLARATION OF PECUNIARY INTEREST

There was no declaration of pecuniary interest by Members of the Committee. For the record the Treasurer and CAO/Clerk declared as their wage grid was the subject of this meeting.

3. MERIT PAY GOALS AND PROCEDURES

Chair Whyte welcomed Bruce Beakley to the Council Table. She briefly reviewed that the three senior positions being CAO/Clerk, Treasurer/Tax Collector and Public Works Manager are all below the average wage for similar positions in the rural lower tier municipalities in the County. The CAO/Clerk had requested that these positions be increased to the average and this meeting is part of that review process. Chair Whyte noted that the CAO/Clerk is currently paid \$10 - \$12,000 below the average. She also set out that at the previous meetings the members received a presentation from Mr. Beakley on changes to the grid and on a merit pay system. It was the recommendation of the HR Committee that Council adopt a merit pay system and it was passed by a 3-2 vote at the July 8<sup>th</sup> Council Meeting.

Chair Whyte asked Mr. Beakley to make a presentation on the goals and objectives that are required as part of the merit pay system, but first asked him for a quick review of his recommended merit pay system to rectify the shortfall for senior management staff.

Mr. Beakley said that merit pay system brings in accountability. It requires goals and objectives in order to assess whether senior staff have met these to qualify for a merit pay. He presented copies of the 2013 township grid and copies of a Regression Analysis effect to staff salaries if the CAO/Clerk received an increase of \$5,000, \$7,000, \$10,000, \$12,000 and \$15,000. He also provided a copy of the 2013 salary survey for lower tier municipalities prepared by the County. He noted that there was a subsequent 2014 Township wage grid and a County wide survey that would be taken into consideration before the Members made any recommendations. He noted that the Regression Analysis is required to ensure Pay Equity is maintained throughout this process. Whatever is given to the top position, it effects the female positions in the organization.

Mr. Beakley reviewed the pay equity system. The last time the grid was reviewed in 2011 it was looked at "in house" to make sure it met pay equity but it was not looked at outside the organization for comparison. He reviewed the County merit pay system and restated it is an accountability procedure.

Councillor Kingsbury asked who determines the percentage of merit pay for the staff. If Council sets the percentage for the CAO/Clerk position is that the same rate for the other staff. Mr. Beakley said that the CAO/Clerk needs to carry out performance reviews of all staff and at those reviews, discuss the goals from the previous year. Were they met, if not why etc. He then makes a recommendation on a merit increase for eligible staff and brings back a confidential report to Council who considers his recommendation. It is Council that determines the CAO/Clerk's percentage. Councillor Kingsbury asked if this would create

animosity if employees received different rates. Mr. Beakley said it can, but it is all about holding staff accountable to the goals that were set the year before.

Mayor Eady asked if we could add three more columns to the grid for advancement. He also asked if a merit increase between columns (i.e. level B to C) means that the advancement is not automatic, it must be earned. Mr. Beakley said yes. Someone that does not have a satisfactory appraisal doesn't have to receive a merit increase.

Jennifer Barr, Treasurer/Tax Collector asked if you can modify the top three levels of the grid only without affecting the remaining positions as the remaining female positions are above the pay equity salary based on regression analysis. Councillor Campbell asked will the pay grid we have now be restructured. Mr. Beakley said it is up to Council. Councillor Campbell asked if the difference in the job rates for the CAO/Clerk is because of the change over in similar jobs throughout the County.

Mr. Beakley said you could fix the grid today without adopting the merit pay program. He warned that this doesn't setup the framework for goals and objectives for staff and Council.

Chair Whyte said that we have now heard that we don't have to attach the merit pay to the 3 positions to bring in goals and objectives. The CAO/Clerk said that for the past two years, he has presented goals to staff members during the annual appraisals. Mr. Beakley said there needs to be competencies included in the appraisal review as well. He suggested start by picking at least one competency. The Treasurer/Tax Collector said an employee not meeting their goals and objectives is a reason not to advance a merit/grid increase.

Councillor Campbell asked if the pay grid is broken. Mr. Beakley said no. It is pay equity compliant but does not compare with the market trends with other municipalities. He added that the Members need to determine what rate the CAO/Clerk should be making that determines the rates for the lower positions.

Mayor Eady suggested that there should be extra steps added to the grid or we will have the same problem next year. Mr. Beakley suggested not. This change would correct a lot of grid problems.

Councillor Campbell said he sees that the grid will only be fixed until the next position is filled in his mind.

Susan Humphries said that if the CAO/Clerk salary was increased to the lower tier average we would have a better chance in getting a proper fit for his replacement when he retires in several years.

Councillor Campbell asked what an example would be for a "merit goal". Mr. Beakley said it is a priority task given to an employee to complete during a year. i.e. no auditor recommendations, project completed within a time frame etc. One way to do this is to ask the individual staff member to come up with 5 goals for Council's consideration.

Councillor Larone arrived at this time.

Mr. Beakley added that staff should be proposing the goals and presenting them to Managers and Council for consideration and approval. At the County, the Corporation's business plan flows from this process. The Township can create their business plan from this process as well. He said that there should be no more than 5 goals per employee but the objectives could be endless. This opens up dialogue between staff and their manager and between the CAO and Council. Better dialogue means better work environment.

Mr. Beakley took some time to bring Councillor Larone up to speed on the parts of his presentation made before Councillor Larone's arrival.

Chair Whyte called for comments or suggestions.

Mayor Eady suggested we fix the grid and discount merit at the present time. Build performance measurement into the procedures. Make the process as simple as possible. It will be a bit of a bite now. No one be red circled.

Councillor Campbell said he is still trying to digest this. He said he thought the grid had been fixed for two years and now we are back to this now.

Councillor Kingsbury said he is not a merit system person. The problem with a merit system is justifying the merit to the public. He supports changes to the grid.

Councilor Larone said he understands the scenario that increases to the top position will result through pay equity increases for the two female managers vs. if the two managers were male, but he is trying to understand the common sense to this and reasoning when we changed the grid two years ago and now looking at the top 3 positions. Why does it matter who is in a position that makes a difference in the pay rates? Mr. Beakley said that the grid approved 2 years ago does not have a problem with pay equity today. But if you raise the top male salary, the law states you have to raise the female positions. You have gone through the pay equity exercise and achieved maintenance. Council does not have to do anything but they would have unsatisfied employees. He suggested merit pay as a vehicle that didn't affect pay equity.

Susan Humphries said she appreciated Mr. Beakley's comments that we could fix the grid as the solution. She supported making changes to the grid.

Mayor Eady said that he likes that future progression on the grid can be based on performance. Councillor Campbell reviewed the potential for an increased based on performance.

Mayor Eady said the current grid has a 3% increase between steps. This can be changed. Mr. Beakley said yes, 3% is seen by industry as acceptable. He also acknowledged the comment not to support red circling which he supported.

Chair Whyte asked where we go from here. Mr. Beakley said that the Committee has been working on this file for some time, now is the time to make a decision.

Chair Whyte said we have discussed this request of senior staff to be paid the average of their lower tier rural municipal peers throughout the County. Today we have discussed a new direction.

Mayor Eady said that changes to the grid should be effective 2014. Where do we find the funds in the budget if we want to fix the grid? He suggested that staff by requested to come back with a report. We also need to agree on what the increase amount would be.

Chair Whyte asked the Treasurer/Tax Collector to review the current budget and bring back a report on where necessary funds can be found to fund any grid increases in 2014. Mayor Eady added that this report should be submitted to a Committee of the Whole Finance Committee, at which time the Members can review the whole 2014 budget for potential savings and surplus predictions for each Department.

Jennifer Barr, Treasurer/Tax Collector said that she needs to do a calculation of revenues to determine HST information for the Recreation Department. With tax bills due out shortly, this report can be prepared within the next two weeks. She will prepare a report using the financial statements and circulate to all Council Members. She will circulate the county wide Council Remuneration report information at the same time. She will also prepare the scenarios and include the 2014 grid survey.

Mayor Eady said that once this information is available, a Committee of the Whole Finance Meeting will be held, prior to the September 2<sup>nd</sup> Council Meeting date. Members suggested the meeting be held during the last week of August.

The Committee authorized Ms. Barr to prepare three scenarios based on current 2014 pay grid survey for county municipalities prepared by the County HR Department and to have ready for the Committee of the Whole Finance Meeting.

4. OTHER BUSINESS

Janitorial Contract Requirements under HR Policy

Chair Whyte informed the Members that when Council increased the rate of pay for the Caretaker at the Community Centre from \$12 -15/hour, the HR Committee had requested the CAO/Clerk review the HR Policies concerning requirements for a contractor to produce. She explained that it has been determined that the caretaker at the Community Centre is paid as a contractor as she has other clients that she performs the same work for.

The CAO/Clerk presented a report on his review of the HR Policies. For a small "contract", the contractor is required to supply a copy of current WSIB documents and execute a Confidentially Statement. The current contractor was performing the work before this policy was approved, so there has not been any documentation completed. He will contact the caretaker to request the required documents.

Councillor Kingsbury, who was Chair of the Recreation Committee at that time, explained that the previous caretaker received a permanent position elsewhere and as the current caretaker was already performing the same work under a tender for the Municipal Office, Fire Hall Office and Public Works Office, she was approached to fill in until the first caretaker actually resigned. When she did resign, as the current caretaker was already performing the tasks as a fill in, she was asked by the Committee to continue.

Councillor Larone said that the Finance Committee would require a cost of what the \$3.00 per hour increase will actually be to the Community Centre budget bottom line. Chair Whyte said that all depends on the number of bookings. The Treasurer/Tax Collector said she could review the invoices for the past three years.

Mayor Eady said we have to resolve that she was appointed but we have no written contract agreement. She evolved into the job. What do we need to make this official? The CAO/Clerk will draft up a contract for review at the meeting set out above in late August. The Treasurer/Tax Collector suggested a list be prepared on responsibility for equipment.

5. NEXT MEETING

Chair Whyte said the follow up meeting on the grid system will be held on a date to be determined in the last week of August. The next regular HR Committee Meeting is scheduled for September 16, 2014 at 9 am.

6. ADJOURNMENT

Moved by Don Eady, Seconded by Glen Campbell that this Committee Meeting be adjourned at 3:15 p.m.

Carried