

STAFF REPORT: Financial Services



REPORT TO: Council
MEETING DATE: March 12, 2007
REPORT NO.: FS.07.08
**SUBJECT: Salary Administration Plan /
Pay Equity Plan Review Project
- Information Update**
**PREPARED BY: Teresa Oakley, Manager of
Revenue**

A. Recommendations

THAT Council authorize the Mayor and Clerk to enter into an Agreement with D & G Dudar Consultants and HR-on-Demand Inc. to release D & G Dudar Consultants from the agreement to provide professional services to upgrade the existing Pay Equity and Salary Administration Plans dated October 23, 2006, on condition that HR-on-Demand carries out and is bound by the terms of the Agreement.

B. Background

The Town entered into an Agreement with D & G Dudar Consultants in October of 2006 (Report Nos CAO.06.33 and CAO.06.20) to provide professional services to upgrade the existing Pay Equity and Salary Administration Plans. D & G Dudar Consultants have reviewed the plans and prepared a report which includes several recommendations on moving forward.

Don Dudar has notified us that he has recently been appointed as a Judicial Officer (Justice of the Peace). As a result of this appointment he has inactivated his business. Don Dudar has recommended that his colleague, David Boyle, PhD, President of HR-on-Demand Inc., be allowed to complete the project on the remaining terms of the Agreement.

David Boyle is a Certified Management Consultant with emphasis on compensation, pay equity, executive selection, performance development, and motivation. In recent years a significant portion of his consulting practice has been devoted to assisting organizations with pay equity issues, preparing plans, addressing complaints and responding to pay equity audits, and litigating matters before the Pay Equity Hearings Tribunal. David Boyle will replace Don Dudar as the trainer for AMCTO workshops on Compensation and Pay Equity. We are satisfied that David Boyle is qualified to provide the same level of service as that of Don Dudar.

C. The Blue Mountains' Strategic Plan (Statement(s) identifying how actions further the goals of the Strategic Plan)

N/A

D. Budget Impact (cc: Treasury if required)

N/A

E. Attached (Relevant documentation not personal information about an identifiable person)

Agreement
Report No CAO.06.33
Report No CAO.06.20

Respectfully submitted,

Original Signed by T. Oakley

Signature

AGREEMENT

**SALARY ADMINISTRATION PLAN REVIEW
PAY EQUITY PLAN REVIEW**

THIS AGREEMENT entered into on the day of March, 2007.

B E T W E E N:

D & G DUDAR CONSULTANTS

(Hereinafter referred to as the "Consultant")
OF THE FIRST PART

- a n d -

**THE CORPORATION OF THE TOWN OF THE
BLUE MOUNTAINS**

(Hereinafter referred to as the "Town")
OF THE SECOND PART

-and-

HR-ON-DEMAND INC.

(Hereinafter referred to as

"HR")

OF THE THIRD

PART

WHEREAS the Consultant and the Town entered into a contract dated the 23rd day of October, 2006 entitled "Salary Administration Plan Review - Pay Equity Plan Review" (hereinafter referred to as the "Contract") which required the Consultant to provide the professional services described therein for a fixed project fee and expenses in the amount of \$35,750.00;

AND WHEREAS the Consultant has provided part of the professional services required by the Contract and the Town has paid the Consultant for the professional services provided to the date of this Agreement in the amount of \$5,000.00;

AND WHEREAS the Consultant desires to be released from the Contract and the Town has agreed to release the Consultant therefrom on condition that HR undertakes to carry out and be bound by the terms of the Contract and provide the balance of the professional services required by the Contract.

NOW THEREFORE the Parties hereby covenant and agree as follows:

1. The Parties agree that the recitals herein are true and accurate and form part of this Agreement.
2. HR agrees to carry out the Contract and be bound by the terms of the Contract in all respects as if it were the original party to the Contract in place of the Consultant and to provide the balance of the professional services required by the Contract for the balance of the fixed project fee and expenses in the amount of \$30,750.00.
3. The Consultant and the Town hereby mutually release each other from all claims and demands in respect of the Contract, and the Town accepts HR in place of the Consultant as the substituted party to the Contract, and hereby agrees with HR to be bound by the terms of the Contract in all respects as if HR had been originally named in the Contract as a party thereto in place of the Consultant.
4. That this Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement.

SIGNED, SEALED AND DELIVERED

) **D & G DUDAR**
) **CONSULTANTS**
) **Per:**
) _____
)
) _____
) **Title**
)
) **THE CORPORATION OF THE**
) **TOWN OF THE BLUE**
) **MOUNTAINS**
) **Per:**
) _____
) Ellen Anderson - Mayor
)
)
)

STAFF REPORT: CAO



REPORT TO: Finance & Administration Committee
MEETING DATE: September 26, 2006
REPORT NO.: CAO.06.33
SUBJECT: Award for a Pay Equity Plan
PREPARED BY: Paul Graham, CAO

A. Recommendations

THAT Council award consulting services to upgrade the existing Pay Equity and Salary Administration Plans for the Town and Library employees to D&G Dudar Consulting in the fixed amount of \$25,500 plus GST, and

THAT an allowance for additional funding be created, in the amount of \$10,250 plus GST, for the option to have D&G Dudar Consulting proceed with the job data collection and job descriptions creation/updates component, if required, and

FURTHER THAT the Mayor and the Clerk be authorized to execute the Contract Documents.

B. Background

See attached Staff Report CAO.06.20 entitled, "Compensation Review", prepared by D. Creech, dated May 16/06.

In July, 2006 the Town received three responses to our Request for Proposal (RFP) for consulting services to upgrade the existing Pay Equity and Salary Administration Plans for the Town and Library employees.

The following table summarizes the proposals received:

<u>Consultant</u>	<u>Proposed Fee</u>	<u>Option for Job Description Component</u>
D&G Dudar Consulting	\$25,500 + GST	\$10,250 + GST
McDowall Associates	\$27,918 + \$2,119 (previous work) + GST	N/A
E. Dean & Associates	Did not meet requirements of RFP	

The Pay Equity Proposals Review Team comprised of Staff members

P. Graham, C. Fawcett, T. Oakley and I. McGuire recently reviewed the three responses and recommend that the contract be awarded to D&G Dudar Consultants being the lowest price meeting all the requirements of the RFP.

We anticipate using some or all of the allowance to create job descriptions since staff will need help in completing this task in a timely manner.

C. Budget Impact (cc: Treasury if required)

Funding of \$35,750 plus GST is proposed from discretionary Reserve Account #100 300 1010 to cover the total cost of the core project and option for the job description component. There is currently \$65,000.00 in that Reserve Account. The \$65,000.00 was accumulated about five years ago from the divestiture of the Mutual Insurance Co., (town's benefits carrier at the time), as Mutual paid a % of profit back to the Town.

Using the Reserve results in no impact on the 2006 budget.

D. Attached (Relevant documentation not personal information about an identifiable person)

1. Staff Report CAO.06.20 – Compensation Review, dated May 16/06

Respectfully submitted,

Original signed by P. Graham

Signature

STAFF REPORT: C.A.O.



REPORT TO: Finance & Administration
MEETING DATE: May 16, 2006
REPORT NO.: CAO.06.20
SUBJECT: - Compensation Review
PREPARED BY: David Creech, CAO

A. Recommendations

That Council approve:

- A.
 - i) The salary scales attached for Grades 1-7 for salaried workers.
 - ii) The hourly pay scales attached for Grades 1-10 for hourly paid workers.
- B. the CAO to work with the Finance Department – Payroll to position each staff member in the appropriate level of these new scales, to be effective June 1, 2006.
- C. the “salary adjustments for market conditions” for several additional positions:
 - Fire Prevention Officer
 - Community Emergency Management Coordinator

That salary adjustments be implemented for the two financial analyst positions in the Finance Department during the Department reorganization to reflect the lower actual market rates.
- D. the development and preparation of an updated Pay Equity Plan.
- E. the revised Town policies for accumulation of overtime (lieu time policy) be amended as per Schedule “D”.
- F. the “regular hours of work” for these additional positions as shown on Schedule “E”.
- G. the payment of the 3% COLA increase to all Staff which was included as part of the 2006 current budget.

B. Background

Compensation Adjustments – Revised Salary Scales

In March 2006 Council adopted a recommendation to approve an updated salary structure for senior management positions, and directed the CAO to prepare an updated pay schedule for all other employees and report back to Council.

Since that time, I have worked with the consultants to rationalize and finalize two additional pay schedules; one for all other salaried staff and one for hourly paid workers. (see Schedules A & B)

I have also made a preliminary assessment of these new scales, and placement of employees into the appropriate categories. The estimate impact is an annual cost of \$20,000, or \$12,000 for 2006.

In my view the impact of these new scales is very reasonable given that the scales have not been rationalized since 1990.

Pay Equity

In addition, it has become quite clear that work completed in 2001/2 regarding pay equity plans were never fully implemented by the Town. We have had preliminary reviews done on the status of our plan and the work which needs to be done. There is some urgency to move forward with a Comprehensive Pay Equity Review. This work needs to be lead by professional pay equity consultant and will take some months to complete. We need to issue an RFP for consultant and convene this work as soon as possible in order to meet our legislative requirements.

In the meantime, you should be aware that we are not aware of any substantive adjustments that would need to be made to job grades or pay as a result of pay equity legislation, but a plan does need to be developed and formally posted.

Additional Market Adjustments

In addition to the original positions which we compared to other municipalities there were four additional positions that are currently market sensitive which were compared.

The two financial analysts are currently paid almost seven percent over market, but with upcoming changes in the job descriptions in the Finance Department this should be resolved.

The two positions in the Fire Department are currently about eight percent below market at job rate. I have outlined the salary adjustment to place the “positions” into the new Grade 12 with a job rate of \$65,334 versus \$59,238 at the present

time. I have proposed a phased approach to the actual levels of the individuals to minimize upfront impact.

Overtime / Lieu Time

Town staff have been reviewing the lieu time policy and procedure for several months and have found a number of inconsistencies across the Departments which should be eliminated. We have also reviewed OT/lieu time policies of other municipalities. The changes being prepared will make the Town's practices more consistent and rationale.

The key issue in OT/lieu time policies, procedures and practices is the overtime must be managed effectively and must take into account specific operational concerns in all departments.

C. Budget Impact (cc: Treasury if required)

D. Attached (Relevant documentation not personal information about an identifiable person)

1. Schedule "A" - Salary Scales
2. Schedule "B" - Hourly Pay Scales
3. Schedule "C" - Salary Adjustments - Outline
4. Schedule "D" - Draft Personnel Policy – Section 13.1 "Overtime, Lieu Time"
5. Schedule "E" – "Regular Hours of Work"

Respectfully submitted,

Original signed by D. Creech

Signature