POL-ADM.2018.101 Title: *Salary Administration*

Type:	Human Resources
Authority:	CEO
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ADM.2018.101.1 Purpose Statement

The Blue Mountains Public Library follows the Town of The Blue Mountains wage grid. However, the Board and CEO are responsible for preparing job descriptions and job fact sheets which are then evaluated by a third party using a job evaluation process to ensure equity and placement on suitable pay grade.

ADM.2018.101.2 Scope

This procedure applies to all Library, Museum and Gallery employees including permanent full-time, part-time, and contract positions. Any exception requires a business case and approval from the CEO and Board, after which it will be presented to the Town's Manager of Human Resources for evaluation and placement on the grid, prior to any action being taken.

ADM.2018.101.4 Definitions

1. **Pay Grade**
   Provides a framework for compensation by defining the internal structure hierarchy and placing each job on the appropriate grade as determined by the job evaluation process. The Town currently has 17 pay grades within the compensation structure.
2. **Salary Range**
   The range or levels of pay established for each pay grade. A salary range has a minimum and maximum rate on a scale of 5.
3. **Maximum Rate (Job rate)**
   The maximum wage an employee can earn, within each pay grade. Also referred to as job rate.
4. **Annual Economic Adjustment**
   A common percentage salary increase which is typically applied on an annual basis to the Town's salary structure and affects all permanent full-time and permanent part-time staff of the BMPL and others as specified.
5. **Red-Circling**
   Occurs when an employee is in a position where the current salary of the employee is greater than the maximum rate of the salary range. The employee will not be eligible for increases, including annual economic adjustments, until their salary drops below the maximum rate of the salary range.
6. **Reclassification**
   The re-evaluation of a position through the Job Evaluation process and its placement in a higher or lower pay grade than the current position.

7. **Performance Appraisal**
   The assessment of the employee's performance over a calendar year, while actively at work.

8. **Promotion**
   A move to a position with a higher pay grade than the employee's current position.

9. **Lateral Transfer**
   A move to another position or project within the same pay grade as the employee's current position. Lateral transfers may be permanent or temporary. Temporary transfers are normally given as a growth or learning opportunity.

10. **Demotion**
    A move to a position in a lower pay grade than the employee's current position. Demotions are usually a result of an unsatisfactory performance. Documented efforts by the Manager or CEO to improve performance through coaching and counselling normally precede demotion.

11. **Secondment**
    A secondment involves an external organization and occurs when there is a mutual benefit for both organizations and employees. It involves an individual who temporarily transfers to the BMPL from an external organization or an internal employee who temporarily transfers to an external organization, usually the Town or another library/museum.

12. **Acting Assignment**
    A temporary move to a position in a higher pay grade where an employee is designated to fulfill the assigned duties and responsibilities of a permanent full-time or permanent part-time position for a minimum of thirty (30) consecutive calendar days.

ADM.2018.101.3 Market Competitiveness

1. It is the Board's strategy to compensate employees for their services in a way that attracts, retains, and motivates competent people and is legislatively compliant.
2. It is the policy of the Board to be externally competitive with the employment market while providing internal equity with the Town through compensation practices that are fair, equitable, consistent, competitive, fiscally responsible and in accordance with all applicable legislative requirements. The purpose of this procedure is to provide a consistent approach in the administration of compensation.
3. A market review will be undertaken by the municipality, on behalf of the BMPL Board, every four (4) years in the second year of the Term of Council for implementation in the third year of the Term of Council to determine the average market increase for comparator municipalities which will then be presented to Council during the budget process. If approved, it will be appropriately budgeted for and applied on the date recommended within the budget or retroactively to January 1 of the applicable year (unless otherwise stated by Council).
4. External market survey data will be collected and/or external compensation consultants will be accessed to ensure an objective documented review assessment.

ADM.2018.101.5 Disclosure

1. Individual salaries under $100,000 annually are and should remain confidential, as they fall under the legislated requirements of the *Municipal Freedom of Information and Protection of Personal Privacy Act* (MFIPPA).

2. *The Public Sector Salary Disclosure Act* mandates that the Employer disclose annually the names, positions, salaries and total taxable benefits of employees paid $100,000 or more in a calendar year. Any BMPL positions which meet this criterion will be publicized accordingly.

ADM.2018.101.6 Salary Grid Administration

1. Starting Salary for New Employees

1.1. All employees will be paid in accordance with the salary band corresponding to their position classifications.

1.2. Each band will be comprised of five (5) levels; level 5 is considered the job rate.

1.3. Positions will be assigned to bands based on the Town's job evaluation system, considering levels of skill, effort, responsibility, working conditions, and current applicable legislation.

1.4. Differentials between bands will be sufficiently wide to provide adequate recognition of the differences, responsibilities, and requirements between positions.

1.5. The Salary Band will be reviewed each year as part of the budget process. An annual review for pay equity compliance will also be performed by the Town's Human Resources Department, with any relevant insights provided by the Library CEO.

1.6. Newly hired employees who possess the minimum qualifications to assume the duties and responsibilities of a position will normally be assigned to the minimum salary for the band.

1.7. There may be circumstances in which a candidate is highly experienced and would quickly become fully competent; brings advanced credentials not required for the position, but which the CEO deems will benefit the organization; or where market pressures may necessitate hiring at a higher salary. At no time may a position be offered at a rate higher than the job rate.

1.8. Advancement through the salary band will reflect performance, recognizing that performance standards will increase as the employee approaches the maximum for the band.

1.9. New/Probationary Employees that start at Step 1 and have successfully completed their probationary period will receive a step increase on their six-month anniversary date and will follow the performance management review cycle thereafter.

1.10. New/Probationary Employees that start from Step 2 to Step 4 and have completed their six-month probation by the Competency Assessment/Year-end Review Step of the performance management cycle for that year will receive a step increase if they receive a successful or outstanding rating.

1.11. New/Probationary Employees that start at Step 2 to Step 4 and have not completed their six month probation by the Competency Assessment/Year-End Review Step of the performance management cycle for that year will move to the regular annual performance review process and are eligible for a step increase in the following cycle, pending a successful or outstanding Competency Assessment/Year-End Review rating.

2. Seasonal, Student, or Contract Employees

2.1. Seasonal and student employees will be paid an hourly wage based on market competitiveness and pay equity. Advancement through the seasonal/student wage scale will be based on years/seasons of service in the identified position.

2.2. Contract employees will be eligible for step increases annually in accordance with the performance management cycle if they receive a successful or outstanding rating.

3. Annual Economic Adjustment

3.1. Annual economic adjustment rates are established by Town Council as part of the budget process and reflect the external labour market and economic conditions. This adjustment is often referred to as a cost-of-living adjustment (COLA).

3.2. The COLA increase will be considered annually and within the following range of low and high increase limits based on the Canadian Consumer Price Index (CPI) as reported in July;
    - COLA Increase of No Less than 1.5% if the July CPI is less than 1.5%
    - COLA Increase of No More than 3% if the July CPI is more than 3%

3.3. Once an annual economic adjustment has been approved by Council, the Human Resources Department initiates the salary change for all eligible employees and notifies the BMPL CEO.

4. Salary Grid Progression

Employees who have not yet reached the maximum of their compensation band (Step 5/Job Rate) may receive an annual step increase if performance is satisfactory as per the BMPL's Performance Management Program.

5. Reclassification

5.1. If an existing position has undergone significant and/or material changes, an employee may request review and consideration in consultation with the CEO to determine if the magnitude of changes warrants a re-evaluation, in accordance with job evaluation standards.

5.2. An employee whose job is reclassified to a higher pay grade will be placed in the new grade at a level which is no less than their current salary. Any increase will be effective on the date the job evaluation is finalized. Any salary change resulting from an organizational restructuring will be effective on the date the organizational changes take effect.

5.3. An employee, whose job is reclassified to a lower pay grade, will have their salary red-circled if their salary is higher than the maximum rate of the position in the lower pay grade for the legislated notice period, or as otherwise approved by the CEO and the Manager of Human Resources. After which, the employee's salary will be amended to reflect the maximum rate of the lower salary range of the position.

6. Transfers, Promotions, and Demotions

6.1. When an employee is permanently promoted to a position in a higher pay range, the new rate of pay will provide for an appropriate increase (usually 5%). The percentage differentials that exist between salary levels will allow for a meaningful adjustment. Again, experience will be a factor in determining the appropriate level.

6.2. If an employee is permanently transferred to a position in a lower pay grade, the salary will reflect this new position.

7. Wage Compression

7.1. Wage compression issues will be monitored and, wherever possible, adjusted by the Town.

7.2. Management positions will be paid at least ten percent (10%) more than the employees they supervise, having regard to salary grid band differentials.

8. Red Circling

8.1. When a position is evaluated, and the conclusion is that an employee's compensation exceeds the job rate, the Town will "red circle" (e.g., freeze) that employee's rate of pay. The intent of "red circling" is to curtail the growth of wage increases.

8.2. The employee's compensation will not be adjusted with any annual salary adjustments until economic growth in wages indicates that the red-circled wage is consistent with the level of compensation payable for the position in question.

8.3. The BMPL will continue to provide an annual performance review of all staff.

9. Rate of Pay Outside the Salary Grid

9.1. When a position is evaluated and the conclusion is that an employee's compensation exceeds the job rate, the BMPL will consider the following options:

9.1.1."Red circle" and maintain that employee's rate of compensation (e.g., the employee will be precluded from receiving increases) to curtail the growth of wage increases until economic growth of wages indicates that the red-circled wage is consistent with the level of compensation payable for the position in question;

9.1.2. "Pink circle" and provide fifty percent (50%) of any current and future general wage increases approved by the Board until economic growth of wages indicates that the pink-circled wage is consistent with the level of compensation payable for the position in question; or,

9.1.3."Green circle" and continue to provide any current and future general wage increases approved by the Board and granted to employees until such time as the employee vacates the position (new hires to these roles would be aligned to the approved salary grid).

9.2. When a position is evaluated and the conclusion is that an employee's compensation is significantly below the minimum rate of their new band placement and grid, a temporary implementation step (e.g. Step A) may be utilized to mitigate costs. This implementation step may be discontinued once the employee has moved into Step 1, assuming a satisfactory performance review.

9.3. Decisions regarding circumstances outlined in a and/or b above will be made in consideration of the impact upon an employee's economic well-being and the market sensitivity of the position. The CEO will consult the Manager of HR and make a recommendation to the Board. The Board shall provide the final approval.

ADM.2018.101.7 Secondment

1. Only the CEO may approve a secondment for employees; and only the Board may approve a secondment of the CEO.

2. An employee who is seconded to an external organization will continue to be paid by the BMPL at their current salary and receive qualifying benefits. The BMPL will be reimbursed, in full, by the outside organization for these costs. Additional fees, such as travel, may be charged to the contracting organization and be passed on to the seconded employee.

3. The employee continues to be an employee of the BMPL for Workers Safety Insurance Board (WSIB) purposes. If injured while seconded to an external organization, the injury shall be reported to the Town.

4. An external employee who accepts an approved secondment opportunity to a lower-level position at BMPL will continue at the salary rate of their home position.

5. The CEO does not qualify for a secondment outside of The Blue Mountains Public Library or The Town of The Blue Mountains without a Board resolution.

ADM.2018.101.8 Acting Assignment

1. An acting appointment may occur when there is:

• A vacancy due to resignation, termination, reclassification, or the creation of a new position;

• A project of significant length is assigned to the employee that is not consistent with the current level of responsibility within the employee's regular role;

• An approved leave of absence; or

• An absence due to illness.

2. Procedures for Acting Responsibility:

2.1. An appointment is deemed "Acting" when an employee is made specifically accountable for the duties of a position/project other than their own. The "Acting" employee will be responsible for all the duties of that position/project and any duties that become the responsibility of that position. An Acting appointment may be assigned at the discretion of the CEO.
2.2. Employees who revert from an Acting appointment to their former position will receive the salary rate aligned with their original position.
2.3. In special circumstances, the CEO may approve compensation outside the guidelines for Acting appointments.
2.4. The Board may approve compensation for an Acting CEO appointment outside the guidelines.
2.5. If an employee is temporarily assigned to a position/project in a higher pay level for a period longer than fifteen (15) regular workdays, they should be paid either at the start rate of the new pay grade or receive an increase of 10%, whichever is higher retroactive to the date they started. If the temporary position normally pays less than the employee's current pay rate, the employee will retain their current salary during the assignment.
2.6 Temporary positions and Acting assignments will be reviewed after twelve (12) months.

ADM.2018.101.9 Consequences of Non-Compliance

Breaches of this policy will be addressed through the Board's policy POL-ADM.2018.40 entitled "Corrective Action".