



Staff Report

Human Resources

Report To: Committee of the Whole
Meeting Date: June 26, 2017
Report Number: FAF.17.83
Subject: 2017 Compensation Review
Prepared by: Jennifer Moreau, Manager of Human Resources

A. Recommendations

THAT Council receive the Staff Report FAF.17.83 "2017 Compensation Review" for information purposes.

B. Overview

This is a staff report that details the plan for a compensation review for all non-union positions, including a work plan and costs associated with the review.

C. Background

There are 94 different non-union positions in the Town (100 full-time non-union employees). The wages and salaries for these positions are set and managed through a Council-approved Compensation Program. Each position is placed within a pay range or salary band on the salary grid.

The program is intended to ensure reasonable, consistently applied, internally equitable and externally competitive pay practices that will attract, retain, reward and motivate quality employees. Being a preferred employer is integral when competing for talent. It is necessary for both attracting new hires to the organization and retaining the talent that the organization currently employs.

Competitive pay is determined by surveying comparable municipal organizations and assessing general trends within the labour market. Typically every three to five years a major review of the non-union salary grid is undertaken to ensure that it remains relevant and competitive. The Town completed the last comprehensive compensation review in 2012 with the assistance of McDowall Associates. The Town has utilized the Consultant subsequent to the review to periodically evaluate new and changed positions, perform market evaluations on identified positions and to ensure pay equity is maintained.

D. Analysis

To complete the compensation update, the Town will utilize McDowall Associates in order to maximize the benefits of continuity of knowledge, consistent interpretation and application of the job evaluation system, pay equity compliance and partnering with Town staff. Principal considerations of the review include:

- Reviewing management positions to ensure there is no compression issues between management and union wage rates;
- equity within the non-union group be maintained;
- design of the salary grid system provides for ease and logical administration ;
- wage rates for full-time and part-time non-union staff fall within the grid system;
- job rates are market competitive and pay equity compliant; and
- implementation of the revised salary grid system will be cost effective and reflective of ability to pay.

The Finance Department, Human Resources and the Consultant will identify municipalities that would be good market comparators for the Town of The Blue Mountains, using the following selection criteria:

- # of households in the municipality;
- total weighted assessment per household;
- taxes per household;
- # of full-time positions employed by the municipality;
- salary per full time equivalent (“FTE”) ;
- total tangible capital assets managed by the municipality;
- total financial assets; and
- total annual municipal costs.

Municipalities in geographic proximity to the Town can present both the highest risk for losing employees to, and the greatest opportunity to attract employees from; therefore, the list of comparator municipalities will include a number of local comparators. The following preliminary list of municipalities have been selected based on the criterion above as potential comparators:

1. King Township
2. Orangeville
3. East Gwillimbury
4. Wasaga Beach
5. Collingwood
6. Niagara-on-the-Lake
7. Saugeen Shores
8. Innisfil
9. Huntsville
10. Gravenhurst
11. Midland

12. Oro-Medonte

Components of the Compensation Review will include the following:

1. The Town will update all job descriptions to ensure information is accurate. The Consultant will review the updated job information to ensure positions are equitably placed in the salary bands.
2. The Consultant will conduct a Non-Union Market Comparison study using an agreed upon comparator group of municipalities. Town positions will be matched to positions in comparator municipalities having regard to scope and responsibilities and organization structure. Comparative statistics will be prepared for 2017 job rates for each position with 4 or more observations having regard to market average, median and various percentiles.
3. The Consultant will prepare a Summary Analysis and recommend the appropriate percentile target for Town positions.
4. The Consultant will test the current banding structure to ensure it continues to support organization design; a revised salary grid will be prepared that incorporates internal equity and market competitiveness; and revised job rates will be tested for pay equity compliance.
5. The Consultant will provide recommendations on implementation having regard to municipal best practice and the Town's ability to pay.
6. Town staff will prepare the implementation costing of the proposed adjusted salary grid;
7. The Consultant will provide advice and recommendations to address a number of broader compensation issues such as compression or overtime payment or certain positions, overtime issues, acting pay issues, internal equity issues; provide observations and recommendations for consideration by the Senior Management Team and Council and;
8. Assist in communicating the results of the findings and recommendations.

E. The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational & Operational Excellence

- To be an Employer of Choice
- To Consistently Deliver Excellent Customer Service
- To be a Financially Responsible Organization
- Constantly Identify Opportunities to Improve Efficiencies and Effectiveness

F. Environmental Impacts

N/A

G. Financial Impact

Human Resources has allocated \$25,000 from current budget funding for this project.

H. In consultation with

Ruth Prince, Director Finance & IT Services

Troy Speck, CAO

Marianne Love, McDowall & Associates

I. Attached

Respectfully Submitted,

Jennifer Moreau
Human Resources Manager

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