

Appendix 6

Municipality of West Grey 2020 Compensation Update

Public Summary Report

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November 24, 2020

Background

- ▶ A Compensation Review was conducted in 2015 for the Municipality of West Grey. The external consultant developed a pay grid structure which achieved internal, external and statutory equity using updated job evaluation scoring and market rates that reflected the 55th percentile of the defined pay market.
- ▶ Library positions have been included in the municipality's Pay Equity Plan.
- ▶ The Salary Grid has been adjusted annually having regard to cost of living increases.
- ▶ As part of the total compensation package, West Grey implemented an enhanced group benefits program in 2020 that included an increased dental plan per family member, rather than a flat rate per household, maintained prescription drug and para-medical coverage, and formalized vision care coverage.
- ▶ ML Consulting was retained to review and recommend a revised salary grid for West Grey positions that meets legislative standards, best practices and competitive compensation; specifically, to assess the Municipality's current pay policy (percentile target), ensure internal equity and Pay Equity compliance, and develop a revised salary grid for implementation in 2021. West Grey Library Services was included in this review.
- ▶ This review did not include volunteer firefighters.

Project Overview

- ▶ The Consultant introduced a new job evaluation system and job description template, reviewed updated job descriptions and evaluated all full time and permanent part time positions using the job evaluation system.
- ▶ Positions were grouped by similar value and a banding framework was prepared consisting of 17 pay bands.
- ▶ A pay equity analysis was completed using 2020 job rates and the job evaluation results.
- ▶ A custom market study was completed using 11 municipal comparator organizations.
- ▶ Proposed 2020 job rates were prepared to reflect the 55th percentile of the defined pay market; and further tested for pay equity compliance.
- ▶ A 2020 salary grid was prepared for implementation costing; a 2021 salary grid was prepared, adjusting the 2020 job rates by 1.5%.

Executive Summary

- ▶ The 55th percentile pay target is representative and reasonable having regard to scope, size and composition of the comparator group in relation to West Grey and current challenges of attraction and retention at the Municipality and in the municipal sector.
- ▶ On aggregate, West Grey pays below all percentile targets of the defined comparator group (50th, 55th and 60th); with greater deviation in some positions.
- ▶ The revised compensation structure addresses:
 - ▶ Internal equity for all positions
 - ▶ All positions were reviewed using consistent interpretation and application of the Job Evaluation System
 - ▶ Pay Equity compliance
 - ▶ Pay equity impacts have been identified and can be addressed by revised band placement and new job rates in the new salary grid
 - ▶ Pay Policy with Job Rates (i.e., maximum rate in the salary range for each pay band) reflecting the 55th percentile in the market
- ▶ The banding framework was tested and determined that it will support organization growth and job design (i.e., considering number of Bands, position complement and placement of positions).

Compensation Philosophy

The following principles were considered during this Review:

- ▶ Fairness
 - ▶ **Internal equity** is achieved through Job Evaluation and placing similar valued positions in the same Band with a common Job Rate
- ▶ Compliance
 - ▶ **Pay Equity** maintenance is achieved through analysis and preparing an updated Pay Equity Plan
- ▶ Competitiveness
 - ▶ **Market competitiveness** addresses attraction and retention issues; achieved by paying at a competitive percentile relative to the market
- ▶ Affordability
 - ▶ Determined by Council taking into account **budget implications and projections**

Internal Equity and Pay Equity Compliance

- ▶ A new job evaluation system was introduced to determine internal equity and support pay equity compliance
- ▶ The Job Evaluation System was measures Skill, Effort, Responsibility and Working Conditions (the 4 requirements of Pay Equity compliance) with factor language and factor levels that can effectively evaluate diverse positions in the Municipality.
- ▶ All full time and regular and recurring part time positions were evaluated and placed in Bands with positions of similar value.
- ▶ The banding framework is used to test for pay equity compliance and provides the foundation for the updated Salary Grid
- ▶ Pay equity must be achieved and maintained in every band, and this obligation for public sector employers spans back to 1990
- ▶ Pay equity should be tested annually and when there are new positions.

Market Survey

- ▶ A custom market survey was conducted using 11 Municipal comparator organizations
- ▶ Municipal comparators were selected and reviewed by Council in June 2020; using the following criteria:
 - ▶ comparable size (population/households)
 - ▶ similar employment markets
 - ▶ equivalent scope of services
 - ▶ innovative service delivery

2020 Municipal Comparators (11)

Municipality	County/District/Region	Population*	Operating Expenses**
The Blue Mountains	Grey	7,035	\$30,258,217
Minto	Wellington	8,671	\$13,595,059
Brockton	Bruce	9,461	\$17,466,105
Grey Highlands	Grey	9,804	\$16,986,117
Meaford	Grey	10,991	\$19,955,144
Wellington North	Wellington	11,914	\$16,058,422
Guelph Eramosa	Wellington	12,854	\$12,833,154
North Perth	Perth	13,130	\$24,459,446
Clearview	Simcoe	14,151	\$21,902,972
Springwater	Simcoe	19,059	\$23,366,750
Collingwood	Simcoe	21,793	\$54,319,785
West Grey	Grey	12,518	16,508,154
		*2016 Statistics Canada data	**2018 FIR data

Market Competitiveness

- ▶ Positions were matched by the Consultant to similar positions in comparator organizations having regard to job title, job information, organizational charts, and 2020 annual and hourly job rates. A conservative approach was used in the job matching exercise and outlier matches were removed from the analysis.
- ▶ The Market Summary indicates that on aggregate, West Grey is not competitive to the defined market with greater deviation in some positions (i.e., paying below typical salary).
- ▶ Revised band placement for some positions has aligned pay rates closer to market based on internal equity.

Recommended 2021 Salary Grid

- ▶ Job rates targeting the annual and hourly 55th percentile of the pay market are recommended based on the size/scope of the comparator group, and retention challenges experienced at the Municipality. The 55th percentile was the recommended pay target in the 2015 Compensation Review.
- ▶ Job rates were tested for compression and adjusted for pay equity compliance.
- ▶ Job rates for full time and part time positions (other than Student positions) are higher than the 'Living Wage' published for Grey-Bruce (\$18.39).
- ▶ Staff will prepare an implementation costing for placement of all positions in the new bands, for council's consideration in the 2021 budget deliberations.

Future Considerations and Next Steps

- ▶ It is recommended that the Municipality of West Grey:
 - ▶ maintain internal equity by evaluating new and changed positions and test Pay Equity annually
 - ▶ adjust the salary grid annually having regard to average projected adjustments provided by the comparator group, published survey projections, and ability to pay
 - ▶ monitor job rates and market sensitive positions to ensure competitiveness
 - ▶ conduct a cyclical market review (every 3 to 5 years) to mitigate large market adjustments in any one year
 - ▶ review the market comparator group and/or consider adjusting the target market percentile in future years
 - ▶ create a Salary Administration Policy that addresses these elements (job evaluation, pay equity, performance management program)