



Council Report

Report Number: CORP2023-024
Meeting Date: October 24, 2023
Title: Compensation Policy Amendment

Author and Title: Liana Patterson, Chief People Officer

Recommendation(s):

That Report **CORP2023-024 Compensation Policy Amendment**, be received; and

That the policy entitled Compensation Policy, attached as Appendix A to Report CORP2023-024 be adopted and numbered for inclusion in the City's Policy Manual, replacing Policy CP2021-021 (being the Non-Union Compensation Policy) and all predecessor versions.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

This report is to recommend an adjustment to three key components of the Compensation Policy, specifically, the listing of comparators, the pay policy and the intention to consider the pay policy for other employee groups and not solely for Non Union.

Rationale:

Staff recommend that we revise the list of comparators to support the ability to attract new, and retain existing, employees. Amending the list of comparators to neighbouring municipalities expands the groups of local candidates, creating a greater pool of possible applicants. Including a mix of similar municipalities considers those with similar services and resulting skill needs and types of funding and challenges. Specifically, the changes recommend the removal of City of Brantford, Fleming College, Orillia Soldiers Hospital, Orillia Power Corporation, Peterborough Utilities and Ross Memorial Hospital from the list of comparators. The recommendation is to add City of Greater Sudbury, Haliburton County, Norfolk County, Municipality of Chatham-Kent, Simcoe County and Prince Edward County. The resulting list is shown on the draft policy appended to this report.

The other change is to increase the targeted outcome from the 50th percentile to the 60th percentile (P50 to P60). In statistics, a percentile is a term that describes how a score compares to other scores from a group of data. P60 means that 60% of the comparators surveyed are paying at or less than the rate noted for the particular position. Or conversely, 40% of the comparators are paying more than the rate noted.

The rationale for increasing the percentile is to endeavour to remain competitive as compared to other municipalities. Consultants from Pesce & Associates, working with the staff on data research related to wages, indicated that a number of municipalities are adjusting their pay policies from P50 to P60 or higher.

That the following five changes are applied to Policy CP2021-021 entitled Non Union Compensation Policy:

1. The policy be renamed to "Compensation Policy" from "Non-Union Compensation Policy";
2. The following sentences be added to the Scope –

This Policy is intended to provide a compensation structure for all Non Union Employees, however the Employer shall endeavor to integrate Council's compensation philosophy to attract, engage and retain qualified employees through an internally equitable, non-discriminatory and externally competitive compensation program for all City employees."

Amendments to Sections:

3. 2.1 External competitiveness is set at the 60th percentile for the Non Union compensation grid.

4. 2.3 The comparator organizations for the purposes of evaluating market competitiveness are:

| | |
|-------------------------|------------------------------|
| City of Belleville | Hastings County |
| City of Greater Sudbury | Municipality of Chatham-Kent |
| City of Kingston | Municipality of Clarington |
| City of Orillia | Norfolk County |
| City of Peterborough | Northumberland County |
| City of Quinte West | Prince Edward County |
| County of Peterborough | Simcoe County |
| Haliburton County | |

5. 3.0 Specify Non Union in the section heading to clarify that these provisions apply to the Non Union group.

6. 4.0 Specify that salaried employees are those in the Non Union group.

Other Alternatives Considered:

Council could choose to maintain the current policy. This is not recommended by staff as the current policy doesn't address the current market competitiveness we are striving for, nor reflect best comparators to Kawartha Lakes.

Alignment to Strategic Priorities

This report aligns with the strategic priority of Good Government.

Financial/Operation Impacts:

There are no direct financial impacts at this time. The financial impact of implementation of this policy change will be incorporated and addressed through annual operating budgets.

Consultations:

Chief Administrative Officer
Director, Corporate Services

Attachments:

Appendix A – Council policy



CP2021-021
Compensation Polic

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