



Committee Report

To:	Warden Hicks and Members of Grey County Council
Committee Date:	Thursday, June 23, 2022
Subject / Report No:	Confidential HRR-CW-04-22
Title:	Senior Management Team Compensation
Prepared by:	Jennifer Moreau and Mary Lou Spicer
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	
Status:	Released from closed session July 14, 2022 Committee of the Whole per Resolution CW104-22;

Recommendation

1. That Report HRR-CW-04-22 regarding Senior Management Team Compensation be received; and
2. That the compensation for the positions of Director, Deputy CAO and CAO be adjusted to reflect a forty-hour work week;
3. **AND THAT** the unbudgeted expense for 2022 be funded from Covid Safe Restart funding.

Executive Summary

This is a report that details compensation issues with the Senior Management Team. All members of the senior team routinely work well in excess of 40 hours per week. Human Resources is observing compensation rates for senior leaders in other counties that are significantly higher than Grey County's salary band. A review of compensation for the non-union group was last conducted in 2013. A full market review of non-union compensation was planned for 2020, but due to COVID-19 the review has been deferred to 2023. In order to address market competitiveness issues and future budget challenges, staff are recommending moving the SMT to a standard 40-hour work week or 2080 hours annually. The full year impact of this adjustment in 2022 would total \$312,000; staff recommends an implementation effective July 1 which would result in an impact of \$156,000 to be funded from the County's COVID Safe Restart funding.

Background and Discussion

As part of their due diligence and corporate planning responsibilities, Human Resources tracks job ads and salary trends. Over the past year there has been an increasing incidence of positions advertised (in upper and lower tier municipalities) with significantly higher salaries than the same positions we have within Grey County. Examples in the last month include the County of Simcoe (Director Social Services, Director of Paramedic Services), City of Waterloo (Director of Transportation Services, Director Human Services), City of Richmond Hill (Director of Planning), CAO (Chatham Kent, Bruce County). The positions had a beginning or start rate that was higher than our job rate (the top of the salary band). We conducted a survey of our upper tier municipal comparators to see if our SMT salaries were competitive.

Market rates for compensation have traditionally been 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. This assists in maintaining the County's position as a desirable employer with candidates and avoids creating significant funding gaps. The last full market review of compensation was conducted in 2013 with results to Council in March of 2014 (HRR-CS-07-14). This comprehensive compensation was completed with the assistance of McDowall Associates.

Moving the Senior Management Team to a forty-hour work week recognizes the reality of the work they are performing and provides fairness and equity in their remuneration. Presently all management positions receive 1 week (35 hours) of lieu time. The actual overtime worked by Directors and above is in excess of 10 hours per week.

A comprehensive review of all non-union positions is scheduled for 2023. Staff will be bringing forward a report in the fall of 2022 to ask for pre-approval to issue an RFP in January of 2023 to assist the HR department in completing the review. Although the review is planned to be conducted with Council approval in 2023, available data provides a strong indication of market conditions. The availability of Safe Restart funding provides a path to address the situation without delay.

Why does effective compensation matter?

- Successful cost-effective and customer-service driven organizations have competitive salaries.
- An organization's current and future success is dependent upon its ability to recruit and retain high performing individuals.

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- The retaining and attracting of high-performing leaders to maximize organizational performance requires the need to have competitive salaries.
- The shrinking labour market is becoming a major challenge as baby boomers retire; employers are competing for fewer and fewer available highly skilled individuals

External Market Review –2022 Rates

Director Wage Grid Comparison*		
Municipality	Step One	Job Rate
Bruce County	\$ 130,185	\$ 153,153
Chatham-Kent	\$ 134,807	\$ 230,444
County of Hastings	\$ 131,439	\$ 166,337
Huron County	\$ 129,748	\$ 151,788
Lambton County	\$ 167,153	\$ 194,961
Norfolk County	\$ 122,779	\$ 153,474
Northumberland County	\$ 123,869	\$ 179,579
Oxford County	\$ 142,469	\$ 178,087
Wellington County	\$ 153,517	\$ 179,598
County of Simcoe (1950)	\$ 153,447	\$ 221,713
County of Grey	\$ 129,930	\$ 146,164

*Note – all annual salaries are based on 35-hour work weeks or 1820 hours annually except for County of Simcoe which is based on a 37.5-hour work week and 1950 hours annually.

Director Annual Salary	Step One	Job Rate
Average	\$ 138,122	\$ 177,754
Median	\$ 131,439	\$ 178,087

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CAO Wage Grid Comparison			
Municipality	Step One	Job Rate	Population
Bruce County	\$ 178,506	\$ 210,010	68,423
Chatham Kent	\$ 234,889	\$ 262,533	104,316
Wellington County	\$ 242,060	\$ 283,192	97,286
Huron County	\$ 154,190	\$ 180,380	31,105
Lambton County	\$ 207,131	\$ 249,555	132,972
Northumberland	\$ 168,132	\$ 210,137	91,027
County of Simcoe	\$ 232,245	\$ 278,698	479,650
County of Grey	\$ 182,018	\$ 204,732	103,209

CAO Annual Salary	Step One	Job Rate
Average	\$ 194,818	\$ 228,846
Median	\$ 182,018	\$ 210,073

Moving the members of SMT to a 40-hour work week would result a wage band that is:

	Step One	Job Rate
CAO at 2080 Hours Annually	\$ 208,021	\$ 233,979

	Step One	Job Rate
Director at 2080 Hours Annually	\$ 148,491	\$ 167,045

Legal and Legislated Requirements

1. Employment Standards Act, 2000, S.O. 2000, c.41
2. Pay Equity Act, R.S.O. 1990, c.P.7

Financial and Resource Implications

The full year impact of the adjustment in 2022 totals \$312,000; if the adjustment is made effective July 1, the impact would be \$156,000. There are available Safe Restart funds to support this expense. The current value of that reserve is approximately \$1,000,000.

Relevant Consultation

- ☒ **Internal:** Kim Wingrove, Chief Administrative Officer, Sandra Shipley, Human Resources Manager
- ☒ **External:** David Wakely, Filion Wakely Thorup Angeletti