

Report HRR-CS-07-14

To: Chair Pringle and Members of the Corporate Services Committee
From: Grant McLevy, Director of Human Resources
Meeting Date: Tuesday, May 13, 2014
Subject: **Maintaining a Competitive Non-Union Salary Grid**
Status: Recommendation adopted by Committee as amended per Resolution CS46-14 May 13 2014; Endorsed by County Council June 3, 2014 per Resolution CC76-14;

Recommendations

WHEREAS the County of Grey is committed to maintaining sound and effective compensation practices in order to attract and retain qualified employees;

AND WHEREAS the firm of McDowell and Associates was hired to conduct an external salary survey of non-union positions and make recommendations to County Council regarding adjustments necessary to maintain the County's non-union salary grid competitive position within the 45th and 55th percentile of comparator municipalities;

AND WHEREAS Grey County Council has historically strived for compensation to be in the 45th to 55th percentile of its comparator group of municipalities;

NOW THEREFORE BE IT RESOLVED THAT the findings and recommendations of the McDowell review, as outlined in Report HRR-CS-04-14, be received;

AND THAT the Non-Union Salary Grid be adjusted according to the new 2014 salary grid included in Report HRR-CS-07-14 and based on the 50th percentile on average of the County's responding comparator group of municipalities;

AND THAT implementation of the recommendations be effective on January 1, 2014 where all employees move to the closest dollar on the new salary grid;

AND THAT this expense be funded from any 2014 Year End Operating Surplus and/or One Time Funding Reserve as may be required.

Background

On Tuesday, March 25, 2014, Report HRR-CS-04-14 related to a recommended non-

union budgeted wage increase and recommended adjustments to the non-union salary grid was presented to Committee. Marianne Love of McDowell Associates presented results of the external non-union salary survey that her firm conducted for the County.

The recommendation concerning adjustments to the non-union grid based on the findings of the research of the consultants was referred back to staff to gather the following additional information and report back to committee:

1. The current and proposed salaries for non-union staff as recommended in the staff report;
2. A broader range of pay percentiles so as to compare for instance the difference between the 40th percentile, 50th percentile and 60th percentile of comparator municipalities as it relates to non-union salaries; and
3. An appropriate percentile target for Council to apply to the non-union grid i.e. should non-union employees be paid at the 40th, 50th, 60th percentile relative to comparator municipalities.

This report provides the requested additional information as well as the information originally presented in report HRR-CS-04-14.

Additional Information

Question #1:

What are the current and proposed salaries for non-union staff as of January 1st, 2014?

Current and Proposed Job Rates - McDowell Associates

Similar Value Group (pay grade)	CURRENT Step 4 (Job Rate) \$	PROPOSED Step 4 (Job Rate) \$
20	92.17	98.08
19	66.28	70.01
18	64.14	66.01
17	62.01	62.01
16	57.72	57.79
15	52.99	54.58
14	48.59	50.47
13	45.24	47.24
12	41.79	44.00
11	39.46	40.41
10	37.33	38.41
9	35.42	36.41
8	33.56	34.22

Similar Value Group (pay grade)	CURRENT Step 4 (Job Rate) \$	PROPOSED Step 4 (Job Rate) \$
7	31.24	32.04
6	29.52	30.52
5	27.76	28.99
4	26.04	26.04
3	24.87	24.87
2	23.67	23.67

Prepared by McDowall Associates

Question #2:

Can you provide a broader range of pay percentiles so as to compare for instance the difference between the 40th percentile, 50th percentile and 60th percentile as it relates to non-union salaries?

Percentile Range Chart - McDowall Associates

2013 JOB RATES BASED ON AVERAGE OF THE MARKET PERCENTILES WITHIN SIMILAR VALUE GROUP						
Similar Value Group	2013 Job Rate \$P.HR	P40 \$P.HR	P45 \$P.HR	Median P50 \$P.HR	P55 \$P.HR	P60 \$P.HR
20	\$90.36	\$94.88	\$95.52	\$96.15	\$96.87	\$97.58
19	\$64.98	\$67.57	\$68.10	\$68.64	\$69.26	\$69.78
18	\$62.88					
17	\$60.79					
16	\$56.59	\$56.42	\$56.54	\$56.66	\$58.11	\$59.56
15	\$51.95	\$49.85	\$50.05	\$50.26	\$50.96	\$51.65
14	\$47.64	\$50.58	\$50.68	\$50.81	\$51.38	\$52.12
13	\$44.35	\$47.21	\$47.43	\$47.70	\$47.96	\$48.26
12	\$40.97	\$45.01	\$45.79	\$46.58	\$46.90	\$47.22
11	\$38.69	\$39.14	\$39.36	\$39.61	\$39.94	\$40.22
10	\$36.60	\$38.77	\$39.46	\$40.08	\$40.84	\$41.70
9	\$34.73	\$37.09	\$37.31	\$37.55	\$37.75	\$37.96
8	\$32.90					
7	\$30.63	\$32.67	\$32.92	\$33.17	\$33.30	\$33.43
6	\$28.94	\$29.61	\$29.76	\$29.92	\$30.07	\$30.21
5	\$27.22	\$27.74	\$28.08	\$28.43	\$28.62	\$28.86
4	\$25.53					
3	\$24.38	\$23.77	\$23.89	\$24.02	\$24.58	\$25.15

2	\$23.21
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Notes:

- 1 The figures shown reflect the average of the percentiles calculated for all positions within a Similar Value Group (ie. the 40th percentile job rate for Similar Value Group 19 is based on the average of the 40th percentiles calculated for each of the 10 positions in the group).
- 2 Figures are not shown for Similar Value Groups 17, 8, 4 and 2 given that there are less than 5 observations (ie. job matches) for each of the positions in these groups.
- 3 Figures are not shown for Similar Value Group 18 given that there are no positions in the group.

Prepared by McDowall Associates

Question #3:

What is an appropriate percentile target to apply to the non-union grid ie. Should non-union employees be paid at the 40th, 50th, 60th percentile?

It is clear that attracting and retaining talented staff is the key. At the County of Grey it is our people, our behind the scene clerical staff, our front line supervisors, managers and directors who are responsible for keeping everything operating — they are a critical asset to our organization.

As a forward thinking and progressive County, we are often seen as a leader in municipal government, and salaries, investment in our people should be top priority.

With that in mind, and upon further discussion with Marianne Love from McDowell, it is recommended that the appropriate level of compensation, or appropriate “target percentile” for the Non Union Salary Grid should remain at the 50th percentile. This target is being recommended based on market compensation data from the municipal sector, and is in keeping with Council’s commitment to maintain a committed and competitive workplace.

Original Report Information

The following information was first presented to Committee as part of report HRR-CS-04-14. It is provided here along with the new information above, for ease of reference.

There are 135 different non-union positions in the County Corporation (176 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 within what is called 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 to competing for talent. It is necessary for both attracting new hires to the organization and retaining the talent that the organization currently employs.

Compensation rates are determined by surveying comparable municipal corporations 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. Annual adjustments to compensation rates are also considered in order to maintain the competitiveness of the overall system within the municipal labour market and stay on pace with inflationary and other market pressures.

The current non-union salary grid last underwent a comparative review by County Council in 2008. There have been periodic economic adjustments approved by Council since that time. In 2012 an independent organizational review of the Human Resources Department identified the need to update the non-union salary grid. This recommendation was contained in the department's Strategic Plan, which was adopted by Council, and forms part of the department's work plan for 2013/14.

Annual Adjustments

According to HR Policy 6-10.7, County Council is responsible, on the advice of the Chief Administrative Officer and the Corporate Services Committee, for determining economic adjustments made to the non-union compensation plan. Policy states that Council's decision is to be guided by the Consumer Price Index, trends in municipal salaries, economic trends in the area, labour market factors and other economic indicators.

Salary Grid Review

Salary Surveys...What are they and why do we need them?

The use of surveys for an external market salary comparison is a generally accepted practice in the private and public sectors. The information obtained from these surveys is used to implement sound and effective compensation practices, and allows organizations to establish pay policy lines, which can be monitored over time, and adjusted according to corporate objectives and changing market conditions when required.

A salary survey is a standard method of finding out what other organizations are paying for specific jobs or job classes. Large organizations in particular, routinely conduct compensation surveys to determine prevailing pay rates and benefits. These surveys not only determine the low, high and average salaries for a given position, but also provide a sense of what other organizations are paying. Organizations may purchase results of surveys conducted by a variety of organizations proficient in the collection, analysis and distribution of salary data, or they may choose to conduct their own salary survey.

Salary surveys are conducted with numerous employers to determine pay levels for specific job categories and are generally conducted either by region, sector or job classification for the purposes of comparability. In conjunction with other tools, salary

surveys provide useful information to attract, support and retain employees within the context of an overall Human Resources and organizational plan. When designed and used properly, salary surveys can provide useful benchmarking information for comparing salaries and benefits.

Assessing Salary Surveys

A key to successfully using the data contained in a salary survey is to understand the assumptions and criteria used to collect the information. Finding surveys that clearly report the basis for collection and dissemination of information will help ensure that you are referencing a survey that is relevant for your organization.

The information below outlines what makes a salary survey useful for bench-marking. Salary surveys need to be readily comparable and scientifically credible to be useful for benchmarking. The following provides a summary of how to assess a salary survey.

1. Compare Apples to Apples

It is important, when reviewing salary surveys, to make sure that you are comparing information that is similar. Looking at salary and benefits levels in organizations vastly different from your own will not provide the information you need. Here's what to look for:

2. Review Job Descriptions or Position Profiles in the Survey Report

It is important to look at job duties and responsibilities, not just job titles, when deciding if the salary survey information is comparable. The jobs must have a similar level of responsibility and range of duties.

3. Note Region

Appropriate salary comparisons will come from organizations with a similar geographic focus: local, regional, provincial or national. Good salary comparisons may come from different municipalities with similar responsibilities and scope.

4. Note Operating Budgets of Respondent Organizations

As a general rule larger operating budgets mean higher salaries. Comparable salaries come from organizations of a comparable size. Size is usually estimated by using the operating budget or looking at the number of paid full-time staff.

5. Note the Types and Descriptions of Respondent Organizations

Are the functions, services offered, clientele, and sources of funding of the organizations in the salary survey comparable to your organization? For example, an organization providing childcare services through provincial funding may have very different salaries than an organization providing parent/child resources through its own fundraising.

6. Note the Education Level and Status (Full/Part-time/Union/Contract) of Respondents

The level of education required for a job and the type of employment arrangement can have an impact on salaries.

7. Note the Year of Data Collection and Date of the Report

Labour market forces can result in significant changes in salaries in a short period of time. More recent data will be more useful in establishing current salaries.

8. Evaluate the Validity

It is important to ensure that the salary survey was conducted in an objective, valid and reliable manner. What are the sampling frame, sample size and response rate?

For information to be valid it has to come from a large enough sample size. For example, if you collected just three salaries for the same position and one salary is high, one is low, and one is in the middle, you wouldn't be able to conclude much because your sample is too small to provide valid and useful information.

You also want to be sure that the information is reliable. Reliability means that the survey gives consistent results. You should therefore carefully consider how the information is gathered and decide if it makes sense to you. For example, if the survey instrument is included in the report, assess if it would be easy for you to give accurate answers to the questions.

9. Rate the Usability

A good salary survey will define terms and provide the user with enough information to help him or her easily understand the data. Technical terms should be explained or defined and the report should be comprehensible to non-specialists.

10. Look at All of the Numbers

The actual salary paid to an individual will be influenced in part by the person's years of experience and qualifications. Therefore, the salary range for a position provides more useful information than the actual salary an individual is being paid. Other statistical information such as median - the value in the middle when all the values are arranged from lowest to highest - will also help make sense of the data.

Proposed Job Rate Determination – McDowall Associates

Similar Value Group	2013 Job Rate	Average of the Market Medians	% Diff Between Job Rate and Average of Market Medians	2013 Proposed Job Rate	Job Rate Rationale
20	\$90.36	\$96.15	6.40%	\$96.15	Market Median of position
19	\$64.98	\$68.64	5.60%	\$68.64	Average of the market medians
18	\$62.88			\$64.71	Average of Bands 17 and 19
17	\$60.79			\$60.79	Current job rate
16	\$56.59	\$56.66	0.10%	\$56.66	Market median of position
15	\$51.95	\$50.26	-3.30%	\$53.51	Proportional value rate
14	\$47.64	\$49.48	3.90%	\$49.48	Average of the market medians (select jobs)
13	\$44.35	\$47.70	7.50%	\$46.31	Average of Bands 12 and 14
12	\$40.97	\$43.14	5.30%	\$43.14	Average of the market medians (select jobs)
11	\$38.69	\$39.61	2.40%	\$39.61	Average of the market medians
10	\$36.60	\$35.83	-2.10%	\$37.65	Average of Bands 9 and 11
9	\$34.73	\$35.69	2.80%	\$35.69	Average of the market medians (select jobs)
8	\$32.90			\$33.55	Average of Bands 7 and 9
7	\$30.63	\$31.18	1.80%	\$31.42	Proposed Band 6 job rate + 5%
6	\$28.94	\$29.92	3.40%	\$29.92	Average of the market medians
5	\$27.22	\$28.43	4.40%	\$28.43	Average of the market medians

Similar Value Group	2013 Job Rate	Average of the Market Medians	% Diff Between Job Rate and Average of Market Medians	2013 Proposed Job Rate	Job Rate Rationale
4	\$25.53			\$25.53	Current job rate
3	\$24.38	\$24.02	-1.50%	\$24.38	Current job rate
2	\$23.21			\$23.21	Current job rate

Prepared by McDowall Associates

“--” denotes insufficient observations

11. What Now?

In keeping with the information as outlined above, and as recommended in the Human Resources Operational Review conducted in 2012, it was noted that as part of an overall salary administration policy, the Human Resources Department should be conducting an external salary survey for the Non Union group of employees approximately every three years. Since the last external salary survey was completed in 2008, we were overdue for updated information.

Accordingly, on June 6, 2013, the County of Grey issued RFQ-HR-02-13 to conduct a Non Union Market Comparison Study using a representative comparator group of municipalities as approved by County Council. (See attached Comparator Report HRR-FP-03-08 and corresponding spreadsheet).

In addition, we also requested recommendations and input with respect to the current salary structure, performance measures, and broader compensation issues such as effectively managing overtime pay, acting pay, etc., while keeping the County’s ability to pay at the forefront of its compensation planning.

Following the issuance of the request for quotation, the winning bid to complete the survey was awarded to McDowall Associates, a Canadian consulting firm focused on compensation issues and design, with expertise in the areas of market review, compensation issues, and recommendations of best practices.

As part of the process, McDowell and Associates performed the following:

- Conducted a Non Union Market Comparison study using the comparator group of municipalities as approved by County Council.
- Collected and analyzed market data for approximately 60 benchmark positions; surveying salary and overtime/acting pay policies;
- Analyzed the market results with respect to the overall compensation structure;
- Adjusted the salary grid that includes both internal and external pay equity;
- Ensured the updated salary grid is compliant with Ontario's Pay Equity legislation;
- Prepared costing of implementation of the proposed adjusted salary grid;
- Provided advice and recommendations with respect to improving/strengthening the performance management system, and addressed a number of broader compensation issues such as compression or overpayment of certain positions, overtime issues, acting pay issues, pay for performance measures, internal equity issues, etc.;
- Made conclusions and recommendations for consideration by the Corporate Services Committee, CAO and Council; and
- Assists in communicating the results of the findings and recommendations.

McDowell and Associates Survey Results

As a result of the survey, the following information was received from McDowell and Associates.

Responses to the survey have indicated that the market average wage rates for similar municipalities and similar positions to the County of Grey are 5.8% above our wage rates, with the market median at 5.4% above our wage rates, see McDowell Executive Summary attached.

Why Strive for Competitive Salaries?

There is no easy answer to that question, but it is clear that attracting and retaining talented staff is the key. At the County of Grey it is our people, our behind the scene clerical staff, our front line supervisors, managers and directors who are responsible for keeping everything operating — they are a critical asset to our organization.

As a forward thinking and progressive County, we are often seen as a leader in municipal government, and salaries, investment in our people should be top priority.

Upon much review and discussion with Marianne Love from McDowell, it is felt that the proposed increase for the Non Union Salary Grid is based on solid market

compensation data from the municipal sector, and is in keeping with Council's commitment to maintain a placement of between the 45th and 55th percentile.

Further, as part of the work completed by McDowell and Associates, the Human Resources department also received information regarding broader compensation issues such as compression or overpayment of certain positions and overtime issues, of which we will be reporting on in the future. It should be noted that in keeping with current policy, all grid movement wage increases for Non Union employees are merit based, and are only provided upon receipt of a satisfactory performance appraisal.

Financial / Staffing / Legal / Information Technology

Considerations

There are 176 employees in 135 job classifications in the Non Union Employee group.

There are options available for implementation of the recommendations from McDowell as listed below:

1. Please note that the option of full implementation effective January 1, 2014 has been removed in an effort to mitigate the financial impact.
2. Implementation of the recommendations on January 1, 2014 where all employees move to the closest dollar on the salary grid: \$246,417.33*
3. Implementation of the recommendations on July 1, 2014 where all employees move to the closest dollar on the salary grid: \$123,208.67*

*Please note that the 2015 budget will be impacted by \$138,232.03 as there is a deferred cost of implementation until January 1, 2015.

Link to Strategic Goals / Priorities

This wage increase to the Non Union Salary Grid and the outcomes contained in this report align with labour relations plans to create and maintain open and honest communications with all employee groups, while maintaining budget parameters in an effort to control costs.

Respectfully submitted by,

Grant McLevy
Director of Human Resources

Attachment – County of Grey Non Union Ladder Chart

County of Grey Non Union Ladder Chart

Similar Value Group	Job Title
20	Chief Administrative Officer
19	Clerk/Director of Council Services
	Director of Emergency Medical Services
	Director of Finance
	Director of Housing
	Director of Human Resources
	Director of Information Technology
	Director of Long Term Care
	Director of Planning and Development
	Director of Social Services
	Director of Transportation Services
18	
17	Administrator - Grey Gables
	Administrator - Lee Manor
	Administrator - Rockwood Terrace
16	Director of Care - Grey Gables
	Director of Care - Lee Manor
	Director of Care - Rockwood Terrace
	Manager - EMS VACANT
15	Assistant Director of Care - Lee Manor
14	Deputy Director Finance
	Human Resources Manager
	Maintenance Management Controller - VACANT
	Manager Museum and Archives
13	Engineering Manager
	Maintenance Manager - TS
	Senior Planner
12	Administration Manager - SS - VACANT
	Area Foreman (Level 2) - VACANT
	Business Solutions Manager
	Children's Services Manager - SS
	Economic Development & Tourism Manager
	Housing Manager
12	Ontario Works Manager - SS
	Operations Manager - EMS
	Provincial Offences Court Manager
	Purchasing Manager

Similar Value Group	Job Title
	Quality Assurance Manager - EMS
	Registered Dietitian
	Senior Engineering Technologist
	Technology & Infrastructure Manager
11	Area Foreman
	Business Analyst/Programmer
	Deputy Clerk/Records Manager
	Engineering Technician - VACANT
	Financial Analyst
	GIS Coordinator
	Housing Programs Manager
	Paramedic Duty Supervisor
10	Accounting Supervisor
	Bridge Crew Foreman
	Building Services Supervisor - Lee Manor
	Building Services Supervisor - Rockwood Terrace
	Disability Manager
	Health & Safety Manager
	Heritage Program Supervisor
	Information Services Co-ordinator
	Intermediate Planner
	Property Supervisor - Housing
	Property Supervisor - Housing
	Technical Supervisor - Housing
9	Archivist
	Buyer
	Collections Manager
	Communications Officer and Accessibility Coordinator
	Community Relations Co-ordinator
	Emergency Systems Co-ordinator
	Human Resources Coordinator
9	Intermediate Engineering Technologist
	Maintenance Manager - Grey Gables
	Nutrition Manager - LTC
	PSW Coordinator
	Resident & Family Services Manager Lee Manor
	Resident & Family Services Manager Rockwood

Similar Value Group	Job Title
	Resident Care Coordinator - GG
	Shop Foreman
	Sign Graphics Co-ordinator
8	Activity Supervisor - Grey Gables
	Building Services Supervisor - Grey Gables VACANT
	Building Superintendent - Grey Roots
	Building Superintendent - Housing
	Community Relations Worker - Housing
	Coordinated Access Supervisor
	Economic Development Officer
	Finance Officer - TS
	General Foreman (Level 1) VACANT
	Heritage Interpretation Co-ordinator
	Office Coord./Building Services Supv. - GG VACANT
	Planner
	Resident Assessment Instrument Coord. - LTC
	Senior Engineering Technician - VACANT
7	Executive Assistant CAO/Warden
	Field Engineering Technician - TS VACANT
	GIS Specialist
	Information Services Specialist VACANT
	Junior Engineering Technologist - TS
	Office Coordinator - Grey Gables
	Office Coordinator - Lee Manor
	Office Coordinator - Rockwood Terrace
	Payroll and Personnel Officer - HR
	Planning Technician
	Trial Co-ordinator/Disclosure Clerk - POA
	Web Coordinator
6	Administrative Assistant - Clerk/Council Services
	Administrative Assistant - EMS
	Administrative Assistant - Finance
	Administrative Assistant - Housing VACANT
	Administrative Assistant - HR
	Administrative Assistant - LTC
	Administrative Assistant - Planning
	Administrative Assistant - SS

Similar Value Group	Job Title
	Administrative Assistant - TS
	Affordable Housing Program Admin. Coord.
	Committee Coordinator
	Finance Officer
	Finance Officer - POA
	Finance Officer - Social Services
	Finance Officer - Social Services
	Help Desk Analyst
	Office Coordinator - TS VACANT
	Purchasing and Quality Control Technician
	Registrar - Grey Roots
5	Accounting Clerk - Finance
	Assistant Archivist
	Assistant to the Manager of Grey Roots
	Assistant to the Tourism Manager
	Collections Officer - POA VACANT
	Coordinated Access Clerk
	Court Services Clerk
	EMS Manager Assistant VACANT
	Finance Officer Assistant - POA
	Heritage Interpreter - Grey Roots
	Maintenance Management Assistant
	Medical Secretary - Rockwood Terrace VACANT
	Tourism Specialist
4	Custodian - Admin. POA
	Custodian - HLTC
	Data Entry Clerk/Office Assistant - POA - VACANT
	Maintenance - Grey Roots
	Receptionist/Bookkeeper – GG - VACANT
4	Supply Teacher - SS (PT)
	Unit Clerk - Lee Manor
	Unit Clerk - Rockwood Terrace
3	Accounting/Administrative Support Clerk - TS
	Accounting Clerk - TS VACANT
	Bookkeeping Clerk VACANT
	Customer Service Rep. - Grey Roots
	Receptionist

Similar Value Group	Job Title
	Receptionist/Bookkeeper - HLTC
	Receptionist/Bookkeeper - Lee Manor
	Receptionist/Bookkeeper - Rockwood Terrace (PT)
	Receptionist/Scheduler - RT VACANT
	Scheduler - LTC
	Secretary - SS (PT) VACANT
	Scheduler/PAD Assistant - EMS
2	Secretary - TS (PT) - VACANT
	Secretary/Receptionist - TS - VACANT