



# Municipality of Brockton Non-Union Compensation Review

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**Gallagher**

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# Introduction and Objective

Gallagher was retained to assist the Municipality of Brockton with a compensation review to ensure the organization continues to provide appropriate and competitive levels of compensation for employees while meeting pay equity compliance requirements.

The scope of the review covers all permanent full time and part time positions (46):



## External Market Review

Assess competitiveness for talent and form the foundation of a new compensation program



## Pay Equity

Analysis of any risk exposure and any adjustments to meet compliance



## Pay Structure Development

Update the pay structure along with pay equity assessment and prepare an impact analysis

# Gallagher HR & Compensation Consulting

- Specialized compensation and HR practice formed with the acquisition of McDowall Associates in 2015 and Accompass Group in 2019
- Extensive experience completing similar market studies for both staff and elected officials
- Pay equity and job evaluation design and implementation are unique core competencies of the firm
- Consultants assigned to the project have depth of experience in the municipal sector with clients at lower, single and upper tier

# Background to the Assignment

- Last comprehensive compensation review completed in 2017 included job evaluation, pay equity analysis and a market assessment
- Internal equity has been maintained with new and changed jobs being evaluated to ensure appropriate band placement in the salary grid
- Annual cost of living/economic adjustments applied to the grid
- Meanwhile, municipal employment landscape has changed – aggressive recruitment and competition across the sector
  - Municipality is facing challenges in recruiting for talent

# Components of Compensation Policy

- Fairness
  - Job rates based on the value of jobs as determined through job evaluation of current and actual qualifications and responsibilities; provides relative value of a job within an employee group
- Compliance
  - Based on analysis of job rates for female jobs relative to similar value male jobs in an employee group to achieve compliance
- Competitiveness
  - Address attraction and retention issues, achieved by paying at a competitive percentile of a defined pay market
- Affordability
  - Determined by Council having regard to budget

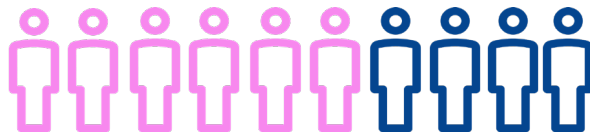
# Ontario Pay Equity Legislation

## Requirements

Under the *Ontario Pay Equity Act*, all public sector employers must achieve and maintain pay equity in their workplace.

All female jobs must be assessed for equity, as required in the *Act*. This includes Part-Time, Seasonal and most Casual positions.

### Gender Predominance



If 60% or more of incumbents are female, the role is *female-dominated*



If 70% or more of incumbents are male, the role is *male-dominated*



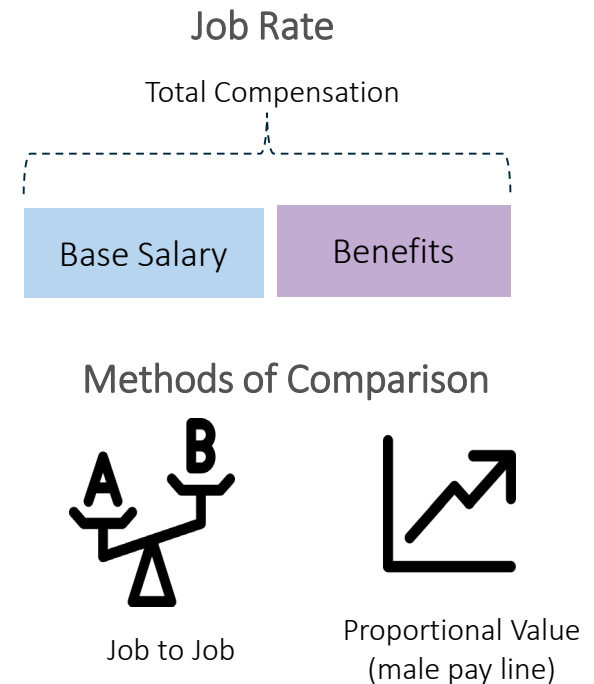
The role could be possible *gender neutral* if it doesn't meet either test



Historical incumbency and gender stereotyping must also be considered

# Pay Equity Compliance

- Is achieved:
  - When it can be demonstrated that all female job classes have the same job rate as the male comparator job class within the same band (job-to-job method)
  - If there is no male comparator through the job-to-job method, the proportional value method is used
- Is maintained:
  - By testing for compliance on a regular basis, ideally annually, to ensure new and changed jobs and job rates are addressed



# External Market Review

- Selection of municipal comparators giving consideration to organizations of:
  - Comparable size – population served, households, operating \$, number of employees
  - Similar employment markets
  - Equivalent scope of services
  - Rural community with urban centres
  - Lower tier within Counties that border County of Bruce
  - Growing communities

## Preliminary List of Comparators - 13

Municipality	Population 2021 Census
<b>Brockton</b>	<b>9,784</b>
Arran-Elderslie (2019 FIR)	6,913
Huron-Kinloss	7,723
Central Huron	7,799
Goderich	7,881
Hanover	7,967
Minto	9,094
Huron East	9,512
Mapleton	10,839
Meaford	11,485
Kincardine	12,268
West Grey	13,131
North Perth	15,538
Saugeen Shores	15,908

# External Market Review

- Data elements
  - Base compensation – job rates, hours of work
  - Benefits – vacation, overtime for management roles
- Consultant will complete all job matching based on understanding of the roles, requisite skills, qualifications, scope of responsibilities and reporting relationships

# External Market Review

- Analysis will illustrate any gaps to market on an aggregate basis as well as on an individual job level, where there are 4 or more observations
- Current pay policy is to target the median (50<sup>th</sup> percentile) of the comparator market group
- In consideration of the market analysis and recruitment challenges we will review the pay policy to ensure you remain competitive
- Update the 2022 salary grid based on the findings, prepare impact costing, and recommend implementation strategies to mitigate costs if necessary

# Project Timelines

- March – solicit comparator organizations, collate responses
- April – review preliminary observations, validate band placement (job evaluation updates if needed)
- May - preliminary updates to salary grid and implementation costing
- June – present to Council for approval

## For consideration – additional scope

- Insured Benefits Benchmarking Survey
  - To assess competitive, opportunities for improvement in coverage, administration, pooling, premiums
  - Provides a total compensation review to ensure overall competitiveness and potential cost savings due to current competitive insured benefits market space
- Council Remuneration Review
  - To assess Municipality's alignment with comparator councils on base remuneration, pay practices, per diems, travel allowances, and administrative and technology supports
  - Increasing interest in council remuneration to ensure it is fair and reasonable in consideration of attracting a more diverse pool of candidates, recognition of the increase in work/time commitments



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