



Subject: Salary Market Review

Department: Corporate Services

Division: Human Resources

Report #: CPS-2024-049

Meeting Date: 2024-11-04

Recommendations

That report CPS-2024-049, 2024 Salary Market Review be received.

Overview

- A municipal salary market review is a process used by local governments to evaluate and adjust employee compensation to ensure competitiveness and equity.
- In Q2 2024, the Town of Orangeville commenced a salary market review. The three (3) key components for consideration in the 2024 review included: internal equity, pay equity and a market summary.
- The review was conducted by an external consultant to ensure the outcome is fair and free of bias.
- The market summary shows that overall, the Town salaries are lower than the target for competitive pay when compared to other municipalities.
- The Town will continue to compensate staff at the 60th percentile of the pay market.
- Finance will incorporate the costs associated with this target into the 2025 budget proposal for Council's consideration, ensuring the Town's compensation strategy is both equitable and fiscally responsible.

Background

A municipal salary market review is a process used by local governments to evaluate and adjust employee compensation to ensure competitiveness and equity. The review benchmarks salaries against comparable roles in other municipalities and aligns them with market standards. The goals of the review are to ensure the municipality can attract and retain qualified staff, maintain internal and external equity, manage the budget effectively, and support staff attraction and retention. The process involves data

collection, benchmarking, analysis, and recommendations for salary adjustments. These reviews are conducted regularly, typically every 3-5 years, or once per Council term.

In Q2 2024, the Town of Orangeville commenced a salary market review for all salaried, hourly, full-time, part-time, and contract staff. The review was conducted by an external consultant to ensure the outcome that is fair and free of bias. The Town compared salaries to the following 14 municipalities based on several criteria including location, population, services provided and proximity. Larger and upper tier areas were also considered to help provide a balanced comparison:

1. City of Guelph
2. City of Orillia
3. County of Brant
4. County of Dufferin
5. County of Wellington
6. Town of Bradford West Gwillimbury
7. Town of Caledon
8. Town of East Gwillimbury
9. Town of Halton Hills
10. Town of Milton
11. Town of New Tecumseth
12. Town of Whitchurch-Stouffville
13. Township of Centre Wellington
14. Township of King

The three (3) key components for consideration in the 2024 review included: internal equity, pay equity and a market summary. Internal equity, the first step in the review process, ensures that all positions are accurately captured by reviewing the Town's job descriptions. In terms of pay equity, the Town is required to comply with pay equity legislation, and a thorough review was conducted to confirm compliance throughout the process. Following this, a market analysis assessed the Town's competitiveness against municipal comparators. This evaluation helps address issues related to staff attraction and retention, while also guiding the recommendations for a revised competitive pay grid.

Current Situation

The market summary shows that overall, the Town salaries are lower than the target for competitive pay when compared to other municipalities. This is not unexpected at the end of a market review cycle. Some jobs have a bigger gap, meaning they pay even less than the typical salaries for similar roles.

It is recommended that the Town continue with the 60th percentile of the pay market. This means setting pay rates that are higher than 60% of comparable municipalities. This approach is seen as balanced and forward-looking, considering Orangeville's size and the changing job market.

Corporate Implications

Finance will incorporate any costs associated with the salary market review into the 2025 budget proposal for Council's consideration.

Conclusion

In summary, this salary market review has provided a comprehensive analysis of the Town's compensation structure, addressing key components such as internal equity, pay equity compliance, and a market comparison. Based on the findings, the Town should continue with compensating staff at the 60th percentile of the pay market to remain competitive with comparable municipalities. Finance will incorporate the costs associated with this target into the 2025 budget proposal for Council's consideration, ensuring the Town's compensation strategy is both equitable and fiscally responsible.

Strategic Alignment

Strategic Plan

Strategic Goal: Corporate Capacity

Objective: Approachability: Ensure the Town's staffing complement can achieve service levels and complete projects.

Notice Provisions – Not applicable.

Respectfully Submitted,

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