

**Appendix “A”**

**Town of Wasaga Beach  
2024 Compensation Review  
for Management/Non-Union and Members of Council  
Summary Report**

**Council Meeting  
June 13, 2024**

# Background

- ▶ The Town of Wasaga Beach completed a comprehensive compensation review for the Management/Non-Union employee group in 2018/2019. The review resulted in an updated salary grid with 17 Value Groups, job rates targeting the 55<sup>th</sup> percentile and a pay equity maintenance plan.
- ▶ Compensation for Members of Council at the Town of Wasaga Beach was last reviewed in 2019. Council maintained base pay rates at the 50<sup>th</sup> percentile of the defined comparator group.
- ▶ Wasaga Beach has a long-standing commitment to pay fair and competitive salaries for employees. A foundational element of the Town's compensation program includes a robust job evaluation process.
- ▶ The salary grid has been adjusted periodically having regard to market conditions, negotiated increases and ability to pay.
- ▶ The Consultant was retained in 2023 to conduct a review of the current compensation program for Management/non-union; specifically, to assess the competitive pay market and the current pay policy (percentile target) in an evolving pay market, update pay equity compliance and develop proposed job rates for implementation in 2024.
- ▶ The Consultant was also requested to review the competitive pay market for Members of Council.

# Management/non-union Project Overview

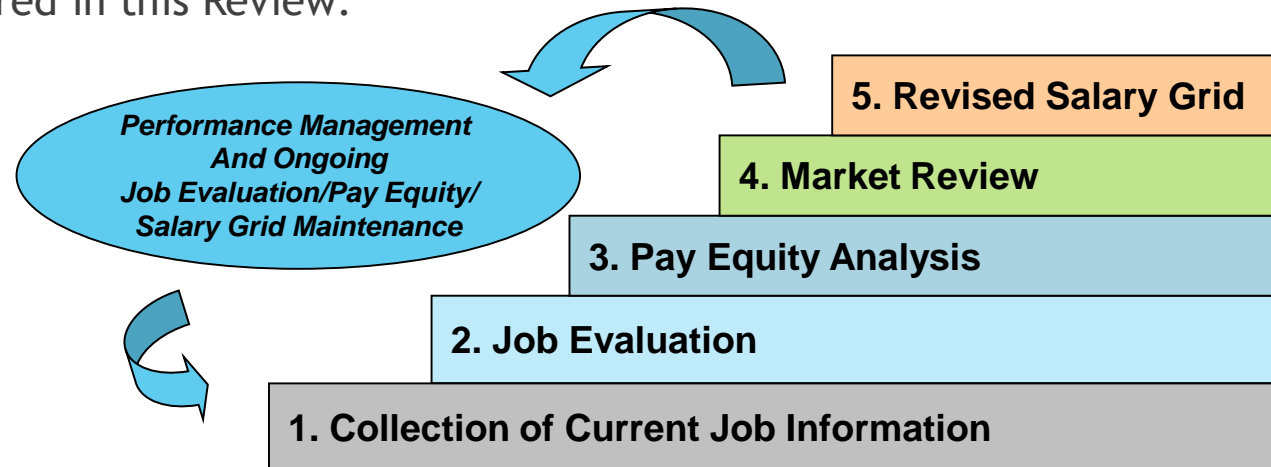
- ▶ The Consultant completed a custom market study using 8 municipal comparator organizations; these comparators were selected having regard to historical comparators, geographic placement and measures of size/scope of service.
- ▶ The Consultant reviewed evaluation ratings for all positions to ensure that any changes in job content were reflected in the updated salary grid.
- ▶ The current banding framework for Management/Non-Union positions was tested to ensure that it continues to support organization growth and job design.
- ▶ Proposed 2024 job rates were prepared based on the competitive pay market and pay equity was tested.
- ▶ A 2024 salary grid was prepared for implementation costing.
- ▶ The Consultant reviewed municipal comparator information collected by Wasaga Beach Staff and prepared a Base Pay Market Summary using percentile targets.

# Wasaga Beach's Approach to Compensation

Wasaga Beach's compensation philosophy addresses principles of:

- ▶ Internal Equity (fairness):
- ▶ Pay Equity (compliance)
- ▶ Market Equity (competitiveness)
- ▶ Pay for Performance
- ▶ Sustainability and Renewal

Wasaga Beach's compensation program consists of these elements, and all elements were considered in this Review:



# Executive Summary

- ▶ Ensuring employees are paid fairly and competitively is a requisite for effective service delivery, given the limited resources in municipalities and the challenges in attracting and retaining staff in specialized, technical and management positions.
- ▶ The 55<sup>th</sup> percentile pay target is recommended for Management/Non-Union and Members of Council, as representative, progressive and reasonable having regard to scope, size and composition of the 2024 comparator group in relation to the Town of Wasaga Beach.
- ▶ On aggregate, Wasaga Beach pays below 55<sup>th</sup> percentile of the defined comparator group; with greater deviation in some positions.
- ▶ The current banding framework for the Management/Non-Union group can support the organization design and placement of positions based on job content, internal equity and the defined pay market
- ▶ The updated compensation framework addresses:
  - ▶ Internal equity for all positions
    - ▶ All positions are placed in pay bands using consistent interpretation and application of the Job Evaluation System
  - ▶ Pay equity compliance
    - ▶ All female job classes have a job rate equal to the male comparator job rate.
  - ▶ Pay policy with job rates that reflect the 55<sup>th</sup> percentile target of the defined pay market

# Internal Equity and Pay Equity Compliance

- ▶ Internal equity has been maintained by evaluating new and changed positions using the 12-factor Job Evaluation System that produced the current banding framework.
- ▶ The current banding framework consists of 17 pay bands, holds jobs of similar value and supports the current salary grid.
- ▶ Positions were reviewed and job evaluation ratings were updated; 11 positions moved in Band placement based on changes in job content and application of the rating system; also supported by an assessment of the competitive pay market.
  - ▶ Chief Financial Officer & Treasurer
  - ▶ Director, Legislative Services & Clerk
  - ▶ Director, Human Resources
  - ▶ Manager, Engineering Services
  - ▶ Deputy Treasurer
  - ▶ Coordinator, Municipal Law Enforcement
  - ▶ Human Resources/Health and Safety Advisor
  - ▶ Human Resources/Payroll and Benefits Advisor
  - ▶ Information Systems Specialist
  - ▶ Payroll and Benefits Coordinator
  - ▶ Executive Assistant to Mayor, Council, CAO and Clerk
- ▶ Pay Equity compliance was reviewed; there are no pay equity impacts identified.

# Market Competitiveness - Comparators

- ▶ The market comparator group was selected to reflect relevant scope/criteria:
  - ▶ Geographic location; seasonal influx and proximity to larger city centres
  - ▶ Economic conditions
  - ▶ Similar service alignment/”like” services
  - ▶ Size - operating budget, population, tax base, service size
  - ▶ Historic comparators
- ▶ 8 comparators were selected for the 2024 Market Review.

# Market Comparators

- ▶ Innisfil\*
- ▶ King\*
- ▶ New Tecumseth\*
- ▶ Bradford West Gwillimbury
- ▶ Collingwood\*
- ▶ Orangeville\*
- ▶ Orillia
- ▶ Barrie

\*denotes historic comparators



# Market Competitiveness—Approach

- ▶ Positions were matched by the Consultant to similar positions in comparator organizations having regard to job title, job information, organizational charts, and 2024 annual and hourly job rates.
- ▶ A conservative approach was used in the job matching exercise and outlier matches were removed from the analysis so that results were not skewed.
- ▶ Market statistics based on 3 or more matches were calculated to determine market competitiveness using the 50<sup>th</sup>, 55<sup>th</sup> and 60<sup>th</sup> percentile values. Percentile targets help define Wasaga Beach's relative placement to the defined pay market.
- ▶ The percentile target is a measure of how the positions are ranked in the comparator group, highest to lowest.
  - ▶ the 55<sup>th</sup> percentile target is the \$ Rate where 55% of the wage rates in comparator organizations are below this amount, and only 45% are above.

# Market Competitiveness for Management/Non-Union positions—Aggregate comparison

*Aggregate Comparison—  
Wasaga Beach Job Rates  
compared to Market Percentile  
Targets (% below target)*

	<i>P50 (Median)</i>	<i>P55</i>	<i>P60</i>
<i>Annual Job Rate</i>	4.8%	6.2%	7.5%
<i>Hourly Job Rate</i>	4.2%	5.5%	6.8%

- ▶ The Market Summary indicates that on aggregate, Job Rates for Wasaga Beach positions are low to the competitive pay market target for all percentiles with greater deviation in some positions (i.e., paying below typical salary).
- ▶ The market analysis demonstrates that Wasaga Beach is less competitive when comparing job rates (maximum rates) for mid management and senior management positions (Bands 10 to 14). This is in keeping with market observations for many municipalities in the local area and across the province, given the age demographic and challenges to attract and retain top talent.
- ▶ Positions in Pay Bands 3 through 6 are closer to the identified targets, impacting the overall aggregate assessment.
- ▶ There is an inequity in competitive pay throughout the employee group.

# Result of the Market Review

- ▶ 80% of positions on the 2024 wage grid are paid below the current pay target of the 55th percentile
- ▶ Contributing factors to current market placement:
  - ▶ An evolving pay market...
    - ▶ Many of the Comparators have completed a salary review in the last 3 to 4 years and adjusted their salary grids accordingly.
    - ▶ Many of the Comparators have revisited their compensation policy and adjusted their comparator pool and/or increased the target market percentile above the 50<sup>th</sup> percentile to achieve competitive job rates.
  - ▶ 5 of the 8 comparators have adopted a pay target at the 55<sup>th</sup> percentile or higher

# Why the 55<sup>th</sup> Percentile for Wasaga Beach?

- ▶ It is recommended that Wasaga Beach adopt a pay policy that establishes job rates that reflect the 55<sup>th</sup> percentile of the defined pay market, having regard to:
  - ▶ the size/scope of the 2024 comparator group;
  - ▶ a conservative approach to job matching;
  - ▶ attraction and retention challenges;
  - ▶ geographic placement;
  - ▶ evolving pay practice in the comparator group; and
  - ▶ economic conditions and external influencers within the local/regional area.
- ▶ This reflects a reasonable approach in aligning job rates with an evolving and competitive pay market using the foundational job evaluation system and the banding framework.
- ▶ The pay target provides an opportunity to align the competitive pay rates for positions in the employee group and achieve equity when comparing to the defined pay market.

# Revised 2024 Job Rates and 2024 Salary Grid

- ▶ A 2024 job rate (maximum pay rate) was prepared for each band that reflects the 55<sup>th</sup> percentile target.
- ▶ A 2024 Salary grid framework was prepared for positions using job rates (maximum rates) that reflect the 55<sup>th</sup> percentile of the pay market. The framework consists of 5 steps with a 4% step differential; Step 5 (or the highest step in the Band) is job rate (maximum rate) for the pay band.
- ▶ An economic adjustment can be applied to the new grid framework for the 2025 budget cycle.
- ▶ Implementation costing has been prepared by staff using the next closest step value/reasonable step methodology. This represents a best practice in the sector considering consistency, equity, retention and sustainability.

# Pay Practice and Future Considerations

- ▶ It is recommended that Council give consideration to implementing the 2024 Salary Grid effective January 1, 2024.
- ▶ It is recommended that the following pay practices be continued to build resilience in pay policy, supported by prevailing practice in the sector:
  - ▶ That Wasaga Beach adopt the practice of undertaking a periodic market review of all positions on a 3 to 4-year cycle in order to ensure competitive pay practices in light of changing demographics and work practices in the municipal sector.
    - ▶ This has become a best practice in the sector, providing analysis that supports adjustments to the salary grid to ensure an organization is not overpaying or underpaying positions.
    - ▶ The revised review cycle will provide an opportunity to ensure that the Town maintains an appropriate market target in an evolving pay market.
  - ▶ That annual increases to the Salary Grid be determined by conducting a review of the comparator organizations to determine an average of the comparator group projected salary grid increases. This information, together with information relating to CPI increases and locally negotiated increases will inform the appropriate salary grid adjustments having regard to maintaining a sustainable compensation framework.
  - ▶ That new and changed positions continue to be evaluated using the job evaluation system; and that pay equity compliance be reviewed annually.

# Members of Council—Current Compensation and Pay Practice

- 2024 Annual base pay rates:
  - Mayor : \$45,379; Deputy Mayor: \$31,573; Councillor: \$24,631
- No additional meeting per diems are provided
- Per diems of \$140/day are paid for attendance at conferences and workshops
- \$100/day meal allowance is provided
- Extended Health, AD&D coverage is provided
- No OMERS participation or RRSP contributions
- Kilometrage expense reimbursement at \$.68/km
- Laptop/tablet is provided
- Internet service is reimbursed at \$50/month on request
- Cell phone is provided or \$50/month is paid by the Town for phone charges
- Base pay is typically adjusted on an annual basis effective January 1<sup>st</sup> each year at the same percentage rate as approved for the Management/Non-union Group (however, there was no adjustment approved for 2023 & 2024)
- A compensation review is conducted once during the term of Council; during the last year of the term

# Market Competitiveness—Methodology and Source Data

- The market comparator group was selected having regard to the comparator group that was used in the 2024 Employee Compensation study; 8 comparators were identified.
- Wasaga Beach is relatively placed within the comparator group having regard to size indicators (i.e., operating expenditures, population, size of Council)
  - Size of Council for the comparators ranges from 5 to 11 members (7 and 9 members are prevalent)



# Market Observations—Base Pay

- Base pay compensation for Mayor, Deputy Mayor and Councillor positions was reviewed and compared to the defined pay market using 2024 base pay rates.
- For all comparators, base pay compensates for Council meetings, committee meetings and special meetings of Council.

# Market Observations—Base Pay

- Base pay comparative statistics are shown in the Market Summary using the 50<sup>th</sup>, 55<sup>th</sup>, 60<sup>th</sup> and 65<sup>th</sup> percentile targets. The “% Difference” shown beside each percentile value is the amount that the current base pay rate for Wasaga Beach Elected Official positions is below the market target percentile value.

<b>Wasaga Beach Council Compensation</b>										
<b>2024 Base Pay Market Summary</b>										
	<b>2024 MARKET SUMMARY - ANNUAL BASE PAY RATE</b>									
	<b>( +_% = below market)</b>									
	<b>2024 Base Pay Rate</b>	<b>No. of Obs.</b>	<b>Market Median</b>	<b>% Diff.</b>	<b>Market P55</b>	<b>% Diff.</b>	<b>Market P60</b>	<b>% Diff.</b>	<b>Market P65</b>	<b>% Diff.</b>
Annual		Annual		Annual		Annual		Annual		
Mayor	\$45,379	8	\$60,689	+33.7%	\$63,512	+40.0%	\$74,296	+63.7%	\$86,076	+89.7%
Deputy Mayor	\$31,573	7	\$34,643	+9.7%	\$35,336	+11.9%	\$36,029	+14.1%	\$39,282	+24.4%
Councillor	\$24,631	8	\$30,157	+22.4%	\$30,887	+25.4%	\$35,364	+43.6%	\$40,310	+63.7%

# Market Observations—Base Pay

- The 2019 Compensation Review maintained base pay rates at the 50<sup>th</sup> percentile of the defined pay market. The compensation philosophy for Management/non-union positions establishes job rates at the 55<sup>th</sup> percentile pay target (2024).
  - the 55<sup>th</sup> percentile target is the \$ Rate where 55% of the wage rates in comparator organizations are below this amount, and 45% are above.
- Base pay rates for the Mayor, Deputy Mayor and Councillors are all below the 55<sup>th</sup> percentile of the defined comparator group.
- Market comparison for Wasaga Beach positions based on the 55<sup>th</sup> percentile is as follows:
  - ▶ The market rate for the Mayor is \$63,512. Pay rates range from \$46,834 to \$134,576.
  - ▶ The market rate for the Deputy Mayor is \$35,336. Pay rates range from \$31,070 to \$51,484.
  - ▶ The market rate for Councillor is \$30,887. Pay rates range from \$25,081 to \$43,408.

# Market Observations—Other compensation elements

Other compensation elements are generally comparable, as noted below:

- 7 comparators provide Extended Health and Dental benefits; 2 comparators provide AD&D and Life Insurance
- 5 comparators report that a Laptop or Ipad is provided
- 1 comparator reports reimbursement for long distance and cell phone charges; 1 comparator provides an allowance for cell phone line charges (\$540); 1 comparator provides \$600 annually for internet charges; 1 comparator provides \$2,160 annually for home office, internet and cell phone expenses
- 5 comparators provide diems for conference attendance (\$100, \$140)
- 5 comparators provide meal allowances ranging from \$100 to \$140/day; 1 comparator provides annual meal allowances—Mayor: \$3,000; Deputy Mayor: \$2,000; Councillor: \$1,500
- 1 comparator provides kilometrage reimbursement at CRA rates (\$.70/km); 3 comparators provide \$.68/km; 1 comparator provides \$.65/km; 2 comparators provides a car allowance—1 comparator provides \$840/year for all positions; 1 comparator provides an annual car allowance of \$6,600/year for Mayor, \$3,600 for Deputy Mayor and \$2,400 for Councillors
- Most of the comparators report that base pay rates are adjusted annually by an economic adjustment provided to staff/union positions.
- 4 of the 8 comparators report percentile pay targets at the 60<sup>th</sup> percentile or higher

# Members of Council Compensation—Conclusions & Recommendations

- The comparator group is representative based on select criteria.
- The 55<sup>th</sup> percentile pay target is reasonable based on the size/scope and pay practice of the comparator group and aligns with the pay target for the employee group.

## 2024 Base Pay Adjustments

- It is recommended that Council give consideration to implementing the following base pay adjustments, to meet the 55<sup>th</sup> percentile pay target, effective January 1, 2024:
  - Mayor: \$63,512
  - Deputy Mayor: \$35,336
  - Councillor: \$30,887

## P55 Market Target and Annual Adjustments:

- It is recommended that Council continue the practice of adjusting base pay for the Elected Official positions annually by using the % adjustment used to adjust the Employee salary grid. This allows for a year over year increase to align with cost-of-living increases, also supported by the survey results.

## Review Period:

- It is recommended that a compensation review be conducted once every term of Council.