



## MUNICIPALITY OF **West Elgin**

### Staff Report

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**Report To:** Council Meeting  
**From:** Magda Badura, CAO/Treasurer  
**Date:** 2023-03-23  
**Subject:** 2023 Compensation Review

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#### **Recommendation:**

That West Elgin Council hereby receives the report from M. Badura, CAO/Treasurer re: 2023 Compensation Review;

AND FURTHER, that West Elgin Council accepts the proposal by ML Consulting to undertake a Pay Equity and Compensation review at a cost of \$25,200.00 (excluding HST), plus travel and out of pocket expenses; and

That West Elgin Council hereby gives pre-budget approval for the Pay Equity and Compensation review.

#### **Background:**

In 1987, the Ontario government passed the *Pay Equity Act*. The Act describes the minimum requirements for ensuring that an employer's compensation practices provide pay equity for all employees in female job classes. The purpose of this Act is to redress systemic gender discrimination in compensation for work performed by employees in female job classes.

As a result of major changes to staff and positions during the Organizational Review report dated January 2020, it was recommended that a review of job descriptions, positions and appropriate pay rates are defined to support succession planning. ML Consultants was approached with the request of HR/Compensation advisory services to facilitate the completion of a comprehensive compensation review for the Management/non-union employee group.

The proposal submission includes review of the current compensation program; specifically, to assess the competitive pay market and percentile targets, assess internal equity, update pay equity compliance, and develop a revised salary grid for implementation in 2024. The outputs of this review will provide the foundation to align fair and competitive pay with performance that can be reflected in a new performance management program, also recommended in the Organizational Review Report.

At the conclusion of the process the municipality will receive a pay grid which complies with the Pay Equity Act for all positions. The consultant will also consider market comparators and organizational structures of similarly sized municipalities and make recommendations for Council's consideration. With respect to updating job descriptions, ML Consultants will train staff on how to update job descriptions thereby, reducing dependance on the consulting firm.

Finally, a draft summary report will be prepared in presentation format that outlines the methodology, observations and recommendations of the market review incorporating the market analysis, recommendations, revised salary structures, recommended policy statements and future considerations. In addition, implementation options that consider cost effectiveness, fairness, compliance and attraction/retention strategies will be presented.

Based on staff's review, the proposal received from ML Consultants for the work proposed is very extensive and the analysis is extremely detailed and thorough. Pay equity and compensation review is their sole area of business with over 30 years of experience in the field. Employee engagement and participation is key to their proposal and open lines of communication with senior management staff is evident throughout the process. ML Consultants has worked with organizations of all sizes and types and understands resource limitations of smaller municipalities. For this reason, their proposal includes staff training to reduce reliance on consultants. During a recent conversation to gather price information ML Consulting commented they will tailor their approach to meet our needs.

By undertaking this study, pay equity and compensation issues will be resolved. By approving the project launch meeting with employees, staff morale will also increase. Employees will be actively participating in the process, and they will have personal knowledge that an independent third party with no prior history of the municipality is undertaking the study. Equitable employee participation in the process will also demonstrate all employees are valued and have an equal opportunity. For these reasons, it is suggested employees will be supportive of the process and have confidence in the study's findings.

### **Financial Implications:**

Overall project budget is estimated at \$25,200 + HST to complete the Pay Equity Study, funds received from the province in 2022, under Municipal Modernization Service & Digital - Intake 3 program, will be allocated towards this project.

### **Policies/Legislation:**

*Pay Equity Act*

**Report Approval Details**

Document Title:	2023 Compensation Review - 2023-19-Administration Finance.docx
Attachments:	- West Elgin 2023 Compensation Review_Work Plan and Fee Estimate_ML Consulting.pdf
Final Approval Date:	Mar 22, 2023

This report and all of its attachments were approved and signed as outlined below:

Jana Nethercott