



Staff Report

Report To: Council Meeting

From: Magda Badura, CAO/Treasurer

Date: 2024-12-19

Subject: Compensation Policy for Non-Unionized Employees and Wage Increases

Recommendation:

That West Elgin Council hereby receives the draft copy of the compensation policy from M. Badura, CAO/Treasurer and That, West Elgin council approves the policy as presented.

And That; West Elgin Council repeal policy HR-3.6 – Compensation Policy and 2020-10 Short-term Acting Positions policy.

And That; West Elgin Council approves wage increase of 2.0% in accordance with the October's Statistics Canada Ontario Consumer Price Index (CPI) for All Goods.

And That; West Elgin Council approves revised 2025 Employee Remuneration schedule for Seasonal Employees.

Purpose:

The purpose of this report is to establish a structured, fair, and transparent framework for determining employee compensation and recommending pay adjustments for all municipal staff and council, effective January 1, 2025.

Background:

In January 2023, West Elgin council took a critical step toward modernizing its compensation practices by retaining a consultant to review its compensation program. This initiative resulted from a long-standing need to address issues surrounding pay equity, internal equity, and market competitiveness—areas that had not been reviewed since 2015.

The Consultant's work began with a deep dive into the organizational structure, starting with the existing salary grid, which consisted of 13 pay bands adjusted annually for cost-of-living increases based on the Municipality's ability to pay. Despite these adjustments, it was evident that the compensation structure fell behind the competitive market, particularly given the challenges of attracting and retaining talent in the municipal sector. Additionally, an Organizational Review Report from January 2020 highlighted the importance of updating job descriptions, supporting succession planning, and ensuring appropriate pay rates.

In January 2024, the Consultant met with staff to refine project objectives and finalize tools, systems, comparators, and processes. To ensure the accuracy of their evaluation, updated job descriptions were reviewed and revised to reflect current job duties and qualifications. A new 12-factor Job

Evaluation System was introduced, designed to measure skill, effort, responsibility, and working conditions. This system, widely used in the municipal sector, provided a standardized and equitable approach to evaluating all positions. It also ensured compliance with the Pay Equity Act by addressing historical and systemic pay differences.

The Consultant's analysis extended to a custom market study, comparing West Elgin's compensation with nine municipal organizations selected based on geographic proximity, scope of services, and organizational size. The findings revealed that, on aggregate, West Elgin compensated employees below the 50th percentile of the competitive pay market. This gap was more pronounced in certain positions, underscoring the need for adjustments to the salary grid.

The attached policy prepared for the council's review is addressing key issues of pay equity review consisting of internal equity, pay equity, market competitiveness and organizational growth.

This policy aligns with legislative requirements and supports the recruitment, retention, and motivation of qualified staff. Therefore, staff recommend adopting the Non-Union Employee Pay Policy to ensure fair, competitive, and consistent compensation practices across the Municipality of West Elgin. This policy aligns with legislative requirements and supports the recruitment, retention, and motivation of qualified staff.

In parallel with the compensation review, the Council endorsed a Pay Administration Policy, which outlined procedures for annual adjustments to the pay grid. These adjustments were tied to the Ontario Consumer Price Index (CPI) for All Goods. For 2025, a proposed 2% adjustment aligned with the CPI is recommended, covering all staff categories, including full-time, part-time, seasonal, all unionized employees, firefighters, and Council members.

Please note that since the Municipality and Union have been unable to reach agreement, the collective agreement expired on December 31, 2023. Earlier this year, the Municipality implemented the terms and conditions of employment for all unionized employees and therefore I recommend that CPI increases be applied to this group as well.

On October 1, 2024, the province announced new minimum wage requirements: \$17.20 per hour for most jobs and \$16.20 per hour for students under 18 working 28 hours or less per week. The attached 2025 Seasonal Employee Remuneration has been updated to reflect these changes.

Additionally, the PGTP Supervisor pay grid has been increased and aligned with the pay grid for non-unionized employees in supervisory roles.

Financial Implications:

2025 Operating Budget deliberations

Policies/Legislation:

Repeal Policy HR-3.6 – Compensation Policy
Repeal 2020-10 Short-term Acting Positions

Respectfully submitted by,

Report Approval Details

Document Title:	Compensation Policy - 2024-56-Administration Finance.docx
Attachments:	<ul style="list-style-type: none">- Pay Administration Policy - Final Copy.pdf- HR-3.6 Compensation Policy.pdf- 2020-10 - Short Term Acting Positions.pdf- 2025 Seasonal Employees Remuneration.pdf
Final Approval Date:	Dec 16, 2024

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

Terri Towstiac