



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Dwayne Evans
DATE: 02/10/2017
SUBJECT: Pay Equity and Compensation Review Proposals
ATTACHMENTS:

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receives this report;

AND FURTHER, that Council accepts the proposal by Gallagher McDowall Associates to undertake a Pay Equity and Compensation review at a cost of \$39,080 (excluding HST), plus travel and out of pocket expenses;

AND FURTHER, that Council requests Gallagher McDowall Associates organize a project launch meeting with employees at a cost of approximately \$3500 (excluding HST), plus travel and out of pocket expenses, to describe the approach and processes to be undertaken;

AND FURTHER, that Council requests Gallagher McDowall Associates present their final report to Council at a cost of approximately \$2100 (excluding HST), plus travel and out of pocket expenses;

AND FURTHER, that Council hereby amends the approved 2017 budget by transferring the necessary funds from Reserves to fund the applicable costs.

EXECUTIVE SUMMARY

At the August 8, 2017 regular meeting and as a result of major changes to staff and positions during the shared services and the timeliness of the human resources policy review, Council authorized staff to issue a Request for Proposal for consulting services to undertake a pay equity and compensation review. Four consultants known to staff were invited to submit a proposal. Two submissions were received. One consulting firm declined to make a submission due to their existing workload. No submission or correspondence was received from the fourth consulting firm.

DISCUSSION

Gallagher McDowall Associates is a recognized and well-established firm that specializes on compensation issues and has in-depth expertise in job evaluation and pay equity. Their team has over 72 years of human resource and analytical experience and has worked with organizations of all sizes and types. Some of their existing clients include the Association of Municipalities of Ontario, County of Huron, Bluewater District School Board, County of Bruce, County of Grey, Municipality of Brockton, Town of Amherstburg, Town of Caledon, Town of Goderich, Town of Wasaga Beach, to name a few.

The proposal submission includes a meeting with the CAO and the collection of existing municipal data and documentation. An optional meeting with employees to launch the project has been offered for an additional cost. At this meeting Gallagher McDowall Associates would describe to

employees the approach and processes they will be deploying to achieve Pay Equity compliance and establish an equitable hierarchy of positions. Gallagher McDowall Associates would also deploy, if necessary, a Job Information Questionnaire at the project launch meeting. The questionnaire would be completed by employees and reviewed by department heads. As stated in their submission, this project launch meeting is being recommended by staff because it reduces the expectation that all employees will get a raise and further, the meeting will eliminate misconceptions about pay equity, market comparison and salary range adjustments. The project launch meeting would require a full day of staff's time to attend.

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, Gallagher McDowall Associates will train staff on how to update job descriptions thereby, reducing dependence on the consulting firm. Gallagher McDowall and Associates has also offered to review and edit draft job descriptions at no additional cost and will provide staff training on the tools and pay equity requirements for ongoing maintenance of the Pay Equity Plan and compensation program. Finally, Gallagher McDowall Associates has offered to review the municipality's current performance review process and recommend improvements that are aligned to the new compensation program and that reflect best practices within the municipal sector.

The second proposal submission was received from Ward and Uptigrove at a total cost of \$28,975 (excluding HST), including travel costs. Ward and Uptigrove has performed extensive work for the municipality in the last 17 years and assisted the municipality with amalgamation in 2001. In 2007 Ward and Uptigrove performed a market check and pay equity update and recently assisted with the shared service initiative. As a result of their work in North Huron, Ward and Uptigrove have knowledge of the municipality's structure, history and staff.

Ward & Uptigrove has approximately 75 team members comprised of professional accounting staff, tax specialists, certified financial planners, human resource professionals, certified computer consultants, bookkeepers and administrative staff. The human resource division was founded in 2001 and has grown to seven staff.

Based on staff's review, the proposal received from Gallagher McDowall Associates is more extensive (more time taken to complete the process) and the analysis is more detailed and thorough. Pay equity and compensation review is their sole area of business and two of their three member team have 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. Gallagher McDowall Associates 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. The Interim Director of Public Works and the CAO have also experienced positive working relationships with this firm. During a recent telephone conversation to gather price information on the optional items presented, Gallagher McDowall Associates commented they will tailor their approach to meet our needs.

FINANCIAL IMPACT

With respect to short term costs, a Pay Equity and Compensation Review study was not included in the 2017 budget. For this project to proceed, the 2017 budget needs to be amended by transferring the necessary funds from Reserves to cover the necessary expenses. During the 2018 budget discussions, consideration will need to be given to potential salary adjustments.

FUTURE CONSIDERATIONS

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.

RELATIONSHIP TO STRATEGIC PLAN

Goal #4-Our administration is fiscally responsible and strives for operational excellence.



Dwayne Evans, CAO