



Town of Cobourg Non-Union Compensation Review Final Report

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Gallagher

Insurance | Risk Management | Consulting

Introduction

- Gallagher was retained to conduct a market assessment of current compensation for non-union positions against a comparator market to ensure the organization has fair, competitive pay for employees
- Scope of the Review:
 - Approximately 40 non-union jobs
 - A market assessment to determine competitiveness
 - A proposed salary structure that satisfies internal equity, pay equity and external equity

Background to the Assignment

- Last full compensation review completed in 2019 including job evaluation, pay equity and market assessment
- Maintenance of the structure:
 - New/changed jobs incorporated into existing structure through job evaluation
 - Annual economic adjustments applied to maintain market position
- Despite efforts to maintain market competitiveness recruitment has been challenging in recent years
 - Aggressive competition across the municipal sector continues with increased vacancies, depleting pool of candidates, and changing dynamics in the workplace with hybrid and work from home options
- Base pay is not the total offer, but posted salaries are the first considerations in attracting and retaining talent – do not want to lose candidates at this early stage

External Market Review

- Selection of comparator organizations is critical to provide an accurate reflection of ‘competition’ considering municipal organizations of:
 - Comparable size – population served, operating \$, employee head count, unionized
 - Similar employment markets
 - Similar scope of services
 - Actual competitors

- | | | | |
|---------------------|---------------------|--------------------|---------------|
| • Alnwick Haldimand | • Cramahe | • Belleville | • Brighton |
| • Hamilton Township | • Port Hope | • Quinte West | • Trent Hills |
| • Ajax | • Clarington | • Oshawa | • Scugog |
| • Whitby | • Northumberland Co | • Prince Edward Co | |

Custom Market Review - Results

- Market matches identified for 90% of the Town’s 40 positions – high statistical credibility of the results
- On aggregate the Town is below the target pay policy of market median (P50) with greater deviations at the individual job level
 - Differences in annual to hourly gaps is due to differences in hours of work across the comparator organizations
- Moving to a target pay policy of P60 would place the Town much more competitively particularly in consideration of pressure from municipalities in Durham and Town of Port Hope

Basis of comparison	% Diff/Gap to Market	
	P50	P60
Annual	+7.9%	+12.0%
Hourly	+5.6%	+10.5%

Proposed 2024 Salary Grid

- 2024 salary structure developed taking into consideration:
 - Current job rates
 - Pay equity compliance
 - Market competitiveness to 2024
 - Compensation design principles for internal equity, salary compression
 - Affordability
- 10 of the 13 bands were adjusted to target market rate or to mitigate compression between bands
- Implementation costs and options for effective dates are presented under Staff Report

For Council's Consideration

- Adopt the proposed 2024 salary grid that achieves internal equity, meets pay equity compliance obligations, and is externally competitive to the comparator market
- Maintain the compensation programs by:
 - Adjusting grids annually giving due consideration to negotiated union increases, plus CPI, comparator trends and or published survey projections
 - Evaluate new and changed jobs using the existing Job Evaluation Plan
 - Conduct periodic market reviews every 3 to 5 years to assess market position as pertains to salary, as well as benefits and working conditions
 - Test for pay equity compliance annually



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