

**Township of Southgate  
Administration Office**

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## **Staff Report HR2022-033**

**Title of Report:** Market Check  
**Department:** Human Resources  
**Council Date:** July 6, 2022

**Recommendation:**

**Be it resolved that** Council receive Staff Report HR2022-033 for information; and  
**That** Council direct staff proceed internally with a Council compensation review; and  
**That** Council direct staff to discuss hiring a consultant for a staff Market Check during 2023 budget discussions.

**Background:**

In 2018 a Market Check was started for all Township of Southgate staff and members of Council.

At the August 1, 2018 Council Meeting the following resolution was passed as amended:

**Moved By** Councillor Dobreen **Seconded By** Acting Deputy Mayor Woodbury

**Be it resolved that** Council receive Staff Report CAO2018-095 as information; and

**That** Council direct staff to develop a Council compensation proposal to reflect a neutral impact of the loss of the 1/3 tax free exemption based on Council's present remuneration; and

**That** Council approve the increase of the daily meal allowance to \$65.00 per day when outside the Township; and

**That** Council approve increasing the maximum number of conferences per year to 3 for the next term of Council; and

**That** Council amend the fifth clause to read: "That Council direct staff to proceed with acquiring more employee market check data in relation to employee compensation for review in the 2019 budget".

**Carried No 2018-482**

At the April 3, 2019 Council Meeting came the following resolution:

**Moved By** Councillor Frew **Seconded By** Deputy Mayor Milne

**Be it resolved that** Council receive staff report CAO2019-031C for information; and

**That** Council receive Southgate 2018 Market Check Consultants Report as presented dated March 15, 2019; and

**That** Council direct staff to work with the Southgate Human Resources Consultant to implemented options #3.

**Carried No 2019-233**

**Staff Comments:**

**Council Compensation Review**

Southgate's Policy #21 Council Member Compensation, Expenses & Meeting Claims Guidance and Approval Policy states

*"This policy may be reviewed in last 180 days prior to the municipal election and approved every 4 years by the outgoing council or a committee of council as theyso choose.*

*The initial step in the review of this policy will be to have staff complete a market check analysis of surrounding communities and other area municipalities. Any information previously received in our market check surveys for staff compensation and council compensation should also be reviewed and considered. This analysis would then be presented to council for approval and/or an external peer review."*

Staff recommend that Council direct staff to proceed internally with the Council compensation review.

### **Staff Compensation Review**

Southgate's Policy #16 Pay Administration Policy, section 7 states

- *"Normally every four years the entire pay band grid will be compared to the market to ensure the municipality is paying employees fairly".*
- *"The median or 50<sup>th</sup> percentile of the comparators will be used. This comparison may involve using a purchased pay survey of the compensation of benchmark positions at comparable municipalities in the area or other methods."*
- *"Council will approve any market survey and the implementation of the results."*

Staff have been investigating various options for a Market Check and are looking for direction from Council on how to proceed. A full Market Check requires external resources that have the expertise to not only get the correct comparator data and analyze it but to also analyze factors such as compression and pay equity. A full Market Check with an external source was not included in the 2022 budget and would need to be funded out of funds such as Modernization Fund or Tax Reserves if completed in 2022.

Another option is to have internal staff gather comparator data from similar sized municipalities and complete a smaller scale compensation review and report back to Council on those findings. Staff have recently begun to learn about a compensation database that is available through Ontario Municipal Administrators' Association (OMAA) and Muniserv that would allow municipalities to load their wage data into the database and also run reports on all data in the system in order to find comparisons. This would be one option staff would look at if completing the research internally. However, to our knowledge this is something that is just starting to be used in our area so may not have enough local data yet.

Staff recommend making the staff market check a 2023 budget discussion due to the timing around potential for lame duck and the consideration of hiring a consultant to perform this work. This would still align with policy timelines as the last Market Check was implemented in 2019.

### **Financial Implications:**

There is no financial impact as a result of this report other than staff time.

**Communications & Community Action Plan Impact:**

This report has been written and presented to Council to communicate accurate information to the public.

**Concluding Comments:**

1. That Council receive this report as information.
2. That Council direct staff to complete Council compensation review internally.
3. That Council direct staff to discuss staff Market Check as part of the 2023 budget discussions.

Respectfully Submitted,

**Human Resources:** *Original Signed By*

Kayla Best, HR Coordinator/ Assistant to the CAO

**CAO Approval:** *Original Signed By*

Dave Milliner, CAO

**Attachments:**

None.