

**DATE:** November 27, 2020

**TO:** MAYOR AND COUNCIL

**NAME AND TITLE:** Walter Babicz, Acting City Manager

**SUBJECT:** Management/Exempt Compensation Survey

**ATTACHMENTS:** 1. Report from Sainas Consult Inc.

**RECOMMENDATION:**

That Council RECEIVES FOR INFORMATION the report dated November 27, 2020, from the Acting City Manager, titled “Management/Exempt Compensation Survey.”

**PURPOSE:**

At its September 14, 2020 meeting, Council passed a resolution directing Administration to “*proceed with a comprehensive compensation survey to determine and assess market conditions for exempt employee compensation, as outlined with the “Exempt Employee Compensation and Conditions of Employment” Policy, and return a report to Council regarding the survey results by December 21, 2020.*”

**APPROACH:**

The City contracted with Sainas Consult Inc. to conduct the attached survey of its management compensation structure, vacation and overtime considerations, and other elements of total compensation. Most recently, Sainas Consult Inc. completed the external survey related to Council remuneration and has a long history with the City’s management compensation structure, having been involved in development of its job evaluation plan in 2002.

The ten comparator municipalities used in the attached Management Compensation Review are the same ones as were utilized in the Council Remuneration Survey, as follows:

City of Chilliwack  
City of Coquitlam  
City of Delta  
City of Kamloops  
City of Kelowna  
City of Nanaimo  
City of Victoria  
District of North Vancouver  
District of Saanich  
Township of Langley

#### SUMMARY OF FINDINGS:

The following summarizes some key findings of the attached Management Compensation Review:

- The City's management compensation structure includes nine (9) paybands. These paybands are generally on par with the comparison municipalities, ranging from 88% of the median to 105% of the median, depending on the paygrade. A description of the position levels in each payband is included in the attached Management Compensation Review at Appendix A.
- Each payband in the City's management compensation structure is comprised of three steps, and based on satisfactory performance, employees are eligible to receive a step-progression increase each year until they reach the maximum salary level (step 3, also referred to as the "market rate"). This structure is similar to that of most of the comparison municipalities, where each payband is comprised of either three or four steps.
- The maximum vacation entitlement for management/exempt staff at the City of Prince George is thirty (30) days, while just over half of the comparison municipalities provide more.
- To aid in recruitment efforts, the vacation entitlement schedule for senior management (the City Manager, General Managers and Directors) at the City of Prince George advances more quickly than at comparison organizations, enabling employees to reach the maximum entitlement of thirty (30) days after three (3) years of employment compared to the median at seventeen (17) years of employment.
- Of the ten comparison municipalities, six provide an automatic allotment of additional vacation days annually for senior management positions (including the City Manager, General Managers and Directors) in lieu of overtime. Of the remaining four comparison municipalities, two organizations allow senior staff to earn additional time off in lieu of overtime, and two do not provide any consideration for overtime for senior staff.
- Six of the ten comparison organizations provide a monthly vehicle allowance to employees in the positions of General Manager and City Manager, while five organizations provide a monthly vehicle allowance to Directors and above. At the City of Prince George, one member of the senior management team currently receives a monthly vehicle allowance.
- The majority of comparison municipalities have a shorter standard work week (35 hours per week) than the City of Prince George (37.5 hours per week).
- The ratio of management/exempt staff to total employees (full-time equivalents) at the City of Prince George is 10.9%. Seven of the ten comparator municipalities have a higher ratio of management/exempt staff to total FTE than the City of Prince George.

#### CONCLUSION:

The findings of the external market compensation survey demonstrate that the City's management compensation structure and practices are generally consistent with Council's Exempt Employee Compensation and Conditions of Employment policy, which states:

"The City's exempt employee compensation structure will be equitable, competitive, performance-based, and consistent with market conditions. The City's exempt salaries, benefit plans, provisions for overtime, vacation entitlements and other conditions of employment will be structured to aid in attraction and retention.

A comprehensive compensation survey will be conducted every three years to determine and assess market conditions. The City's compensation for its exempt employees will be reflective of market conditions."

**NEXT STEPS:**

A revised Exempt Overtime Procedure has been approved by the Acting City Manager and will be implemented effective January 1, 2021. The procedure that existed during the 2017 and 2018 wildfire evacuation events allowed overtime claims by all levels of management staff when involved in supervising emergency events, with specific entitlements related to events falling under the Provincial Emergency Act and payable by the Provincial government. The revised Exempt Employee Overtime Procedure prohibits the City Manager, General Managers and Directors from claiming overtime, regardless of the circumstance. In other words, those positions may not claim overtime in connection with emergency events.

As determined by the compensation survey, the majority of the City's peer municipalities generally do not provide compensation to senior management for overtime but instead provide an additional annual allotment of vacation to recognize extra time worked by these senior positions. To remain consistent with practices at the majority of peer municipalities, the revised Exempt Employee Overtime Procedure continues to provide an allotment of two additional weeks of vacation (in lieu of overtime) to senior management who regularly attend Council meetings, but reduces that allotment to one additional week of vacation for senior management who do not regularly attend Council meetings. This vacation time cannot be carried forward into subsequent years, nor may it be paid out.

Due to financial challenges caused by the COVID-19 pandemic, the City's management/exempt employees will not receive a cost-of-living increase in 2020 or 2021. As set out in the attached Management Compensation Review, a number of the City's peer municipalities have awarded a 2020 cost-of-living increase to their management employees.

**RESPECTFULLY SUBMITTED:**

Walter Babicz, Acting City Manager

**PREPARED BY:** Rae-Ann Emery, Director of Human Resources and Corporate Safety

Meeting Date: 2020/12/07