

CITY OF PRINCE GEORGE

MANAGEMENT COMPENSATION REVIEW

NOVEMBER 2020

CITY OF PRINCE GEORGE  
MANAGEMENT COMPENSATION REVIEW

NOVEMBER 2020

**TABLE OF CONTENTS**

---

<u>INTRODUCTION</u>	<u>1</u>
<u>MARKET FINDINGS</u>	<u>3</u>
SALARIES/JOB RATES FOR THE CITY'S PAY BANDS	4
VEHICLE ALLOWANCE	5
VACATION ENTITLEMENT	6
OVERTIME POLICIES AND COMPRESSED WORK WEEK/EARNED DAYS OFF	7



## INTRODUCTION

In 2002, the City of Prince George developed and implemented a new salary structure for its management and exempt positions. At that time, a comprehensive compensation project was undertaken that had two key components: a market survey of comparison municipalities with similar positions to establish compensation levels that were market competitive; and, evaluation of the scope and requirements of the positions to ensure internal equity.

The City has a policy to review management compensation every three years. This normally involves the analysis of market data for a representative sample of benchmark positions from the City's comparison municipalities, the purpose of which is to determine the City's position in the market and provide the framework for recommendations to update the salary ranges and/or other elements of compensation if required to maintain competitiveness with the market.

Projects of this nature are not intended to review the internal equity of all of the exempt positions, as this requires an evaluation of the positions based on established job evaluation criteria to ensure they are appropriately placed relative to each other.

The comparison market includes the municipalities that the City has historically compared with for management compensation as well as Council remuneration, are shown in Table 1, below.

**Table 1 – Comparison Municipalities\***

ORGANIZATION	2016 CENSUS POPULATION	2019 EST POPULATION	2016 AREA SQ. KM	2018 MUNICIPAL EXPENDITURES CONSOLIDATED
City of Coquitlam	139,284	149,894	122	\$250,992,437
City of Kelowna	127,380	142,146	212	\$285,634,349
Township of Langley	117,285	130,924	308	\$245,202,000
District of Saanich	114,148	122,173	104	\$191,231,925
City of Delta	102,238	109,490	180	\$225,143,022
City of Nanaimo	90,504	99,856	91	\$157,690,640
City of Kamloops	90,280	100,046	299	\$196,509,020
District of North Vancouver	85,935	89,763	161	\$184,921,300
City of Victoria	85,792	94,005	19	\$198,914,194
City of Chilliwack	83,788	94,534	262	\$133,116,841
Median (50th Percentile)	96,371	104,768	170	\$197,711,607
Average	103,663	113,283	176	\$206,935,573
<b>CITY OF PRINCE GEORGE</b>	<b>74,003</b>	<b>81,345</b>	<b>318</b>	<b>\$169,130,000</b>

\*Source: Local Government Division of the Ministry of Municipal Affairs & Housing

The median<sup>1</sup> and average<sup>2</sup> for the municipalities' staff counts, including both the approximate total number of full-time equivalent staff (FTE) and the number of exempt staff are shown below, compared with the City of Prince George.

STATISTICS	APPROX NUMBER OF TOTAL FTE (EXCLUDING POLICE)	APPROX. NUMBER OF EXEMPT STAFF	EXEMPT STAFF AS % OF TOTAL FTE STAFF
Median (50th Percentile)	756	101	13.4%
Average	725	95	13.6%
<b>CITY OF PRINCE GEORGE</b>	<b>690</b>	<b>75</b>	<b>10.9%</b>

*Note: The City of Prince George's ratio of exempt staff to total FTE is in the lowest third of the market.*

<sup>1</sup> The median, also known as the 50<sup>th</sup> percentile, represents the middle of the market. Half the values are above the median and half are below.

<sup>2</sup> Also known as the mean, the average is derived from summing all of the values and dividing by number of organizations.

---

## MARKET FINDINGS

---

The scope of this project involved the analysis and comparison of:

- Salary ranges and job rates;
- Vehicle allowances;
- Vacation entitlements;
- Overtime policies; and,
- Compressed work week/earned days off programs.

This section presents a summary of our findings.

As noted earlier, this project involved analyzing market data on benchmark positions that represent a cross-section of the City of Prince George's management and exempt group, both hierarchically and functionally. The objective was to find market matches to multiple positions in each of the pay bands in the City's management salary structure. The exception is pay band 7, which has only one position. We were not able to find valid matches to that position amongst the comparison municipalities.

We used the job rates of the salary ranges for analysis and comparison rather than the actual salaries paid, since new incumbents may be paid lower in the range and thus skew the data downward. The job rate is the target salary for an individual who is meeting all expectations of the position, and is typically the maximum of the range.

The job rate is normally set at the position in the market that is consistent with the organization's compensation policy, and represents the "market rate" for that position, or group of positions in the pay band. Most of the incumbents in the matching positions at the comparison municipalities are paid at or near the job rate.

Some of the municipalities have made exempt salary adjustments for 2020. Since most of the municipalities follow CUPE increases for their exempt staff, those that have made increases are ones for which the collective agreements continue through 2020, and the average exempt increase for 2020 is 2%. The municipalities that are in the process of renegotiating their collective agreements have not yet provided increases for 2020. For that reason, we used the 2019 data for all municipalities to ensure consistent data comparison across the comparison market.

We used the median of the comparison group as the target market position against which we compared the City's job rates.

Most of the comparison municipalities, and others outside of the comparison group, have three to five steps in their exempt salary ranges, with most at 3 or 4. Their experience is that if the salary range minimum is too far below the market rate, it would be difficult to recruit qualified candidates.

## **SALARIES/JOB RATES FOR THE CITY'S PAY BANDS**

The table below presents the average of the data for the benchmark positions in each of the pay grades, along with a comparison of the City's job rates. The characteristics of the positions in each pay band are outlined in Appendix A.

**Table 2 –Market Rates by Pay Band**

CITY OF PRINCE GEORGE		AVERAGE OF THE MARKET MEDIAN JOB RATES BY PAY BAND	PG COMPARED WITH THE AVERAGE OF THE MARKET MEDIANS	POSITIONS IN THIS PAY BAND
PAY BAND	2019 JOB RATE			
18	\$264,089	\$277,437	95%	City Manager
9	\$195,478	\$194,454	101%	Senior Executive Level 2
8	\$181,002	\$177,366	102%	Senior Executive Level 1
7	\$155,835		n/a	
6	\$143,210	\$144,499	99%	Manager Level 3
5	\$131,984	\$125,693	105%	Manager Level 2
4	\$121,641	\$121,688	100%	Manager Level 1
3	\$103,918	\$117,907	88%	Exempt Supervisor
2	\$89,319	\$91,188	98%	Technical Specialist
1	\$71,389	\$76,822	93%	Administrative Support
12	\$164,000	\$187,919	87%	Fire Chief
17	\$151,920	\$150,904	101%	Deputy Fire Chief

The incidence and average monthly vehicle allowances are covered in the next section; however, it should be noted that when vehicle allowances are included with the job rates, the average market total cash provided for the top three pay bands increases by 2% to 3% as follows:

**Table 3 – Average Total Cash (Job Rate + Vehicle Allowance) for Senior Management Positions**

CITY OF PRINCE GEORGE		AVERAGE OF THE MARKET MEDIAN TOTAL CASH	PG COMPARED WITH THE AVERAGE OF THE MARKET MEDIAN TOTAL CASH	POSITIONS IN THIS PAY BAND
PAY BAND	2019 MAXIMUM TOTAL CASH*			
18	\$264,089	\$283,530	93%	City Manager
9	\$195,478	\$201,184	97%	Senior Executive Level 2
8	\$181,002	\$180,640	100%	Senior Executive Level 1

\*excludes the monthly vehicle allowance received by one senior manager

The majority of the comparison municipalities have a 35 hour work week for their exempt positions, while the City of Prince George has a 37.5 hour work week. When the data is adjusted for a common standard work week of 37.5 hours, the average market median job rate, by pay band, is as follows:

**Table 4 – Market Rates by Pay Band – Adjusted for a Common Work Week (37.5 hours)**

CITY OF PRINCE GEORGE		AVERAGE OF THE MARKET MEDIAN JOB RATE <u>NOT ADJUSTED FOR WORK WEEK</u>	AVERAGE OF THE MARKET MEDIAN JOB RATES BY PAY BAND <u>ADJUSTED FOR WORK WEEK</u>	
PAY BAND	2019 JOB RATE		AVERAGE OF ADJUSTED MEDIAN JOB RATE	PG COMPARED WITH THE AVERAGE OF THE ADJUSTED MARKET MEDIANS
18	\$264,089	\$277,437	\$297,254	89%
9	\$195,478	\$194,454	\$206,178	95%
8	\$181,002	\$177,366	\$189,083	96%
6	\$143,210	\$144,499	\$151,314	95%
5	\$131,984	\$125,693	\$132,740	99%
4	\$121,641	\$121,688	\$127,705	95%
3	\$103,918	\$117,907	\$122,083	85%
2	\$89,319	\$91,188	\$96,568	92%
1	\$71,389	\$76,822	\$81,662	87%
Fire Chief	\$164,000	\$187,919	\$198,587	83%
Deputy FC	\$151,920	\$150,904	\$159,509	95%

### **VEHICLE ALLOWANCE**

Vehicle allowances (or special allowances in lieu of vehicle allowance) are provided by the majority of the comparison municipalities, typically to the senior management positions only. The amounts vary widely. For the exempt fire positions, if they do not receive a vehicle allowance, they are normally provided the use a Fire and Rescue Services vehicle.

The following table sets out the average monthly vehicle allowances by position type:

**Table 5 – Monthly Vehicle Allowances**

CITY OF PRINCE GEORGE POSITION TITLE	NO OF MATCHES RECEIVING A VEHICLE ALLOWANCE	AVERAGE MONTHLY VEHICLE ALLOWANCE
City Manager	6	\$810
General Managers	6	\$689
Directors reporting to City Manager	5	\$627

Two municipalities include the vehicle allowance in salary, which makes it pensionable and subject to annual increases.

Other positions may be provided a vehicle allowance if the work requires the regular use of a vehicle. Positions that do not receive vehicle allowances are reimbursed for kilometers driven, typically at the current CRA rate per kilometer.

The City of Prince George provides a vehicle allowance to positions that require a vehicle in the performance of their duties. The monthly allowance is \$305 if the employee uses a car and \$374 if a truck. We understand that only one senior manager receives the vehicle allowance.

### **VACATION ENTITLEMENT**

The median and average vacation entitlements for the comparison municipalities are as follows:

**Table 6 – Vacation Entitlement Schedules**

YEAR OF EMPLOYMENT	CITY OF PRINCE GEORGE		COMPARISON MUNICIPALITIES	
	GM, DIRECTOR	OTHER EXEMPT	AVERAGE ENTITLEMENT (DAYS)	MEDIAN ENTITLEMENT (DAYS)
1	25	20	19.0	20
2	25	20	19.0	20
5	30	20	21.0	20
8	30	20	23.5	25
10	30	25	26.0	25
15	30	25	26.5	25
17	30	25	29.5	30
20	30	30	30.5	30
24	30	30	31.5	30
26	30	30	32.0	30
30	30	30	33.3	34

The maximum exempt vacation entitlements for the comparison municipalities are as follows:

**Table 7 – Maximum Vacation Entitlement**

MAXIMUM EXEMPT VACATION ENTITLEMENT	NUMBER OF MUNICIPALITIES	CITY OF PRINCE GEORGE
40 days per year	1	
35 days per year	4	
33 days per year	1	
30 days per year	4	✓



It should be noted that the tables 6 and 7 present the formal vacation policies reported by the comparison municipalities. Incumbents, particularly in senior or more difficult to recruit positions, often negotiate more vacation. For all exempt staff, prior service at other local government organizations is typically recognized in the consideration of vacation entitlement.

Supplementary vacation is extra vacation to recognize milestone lengths of service, and is provided by six of the ten comparison municipalities as follows:

- 5 days at years 11 and every 5 years after – 3 municipalities
- 5 days in year 25 and 5 days in year 30 – 1 municipality
- 5 days after 30, 35 and 40 years – 1 municipality
- extra 20 days in year 25 which must be taken that year – 1 municipality

The supplementary vacation days must be taken prior to the next five year credit. The City of Prince George does not provide supplementary vacation.

### **OVERTIME POLICIES AND COMPRESSED WORK WEEK/EARNED DAYS OFF**

Exempt overtime policies provide pay or paid time off for employees that work extraordinary hours beyond the standard work week, and the practices vary widely amongst the comparison municipalities. Overtime may be recognized through an automatic annual grant of extra vacation time in lieu of overtime or it may need to be earned and tracked. For those that have a maximum number of days that may be granted in lieu of earned overtime, they report that most employees earn and claim the maximum.

The City of Prince George provides the City Manager, General Managers, Directors, Fire Chief and Deputy Fire Chief with two additional weeks of vacation per calendar year in lieu of overtime. This time must be used in the calendar year or be lost. When other exempt staff are required to attend evening meetings or work extra hours because of work overloads, staff shortages and other circumstances, they may claim for overtime in pay or time off at one and one-half times their regular hourly rate.

A compressed work week, or earned days off program, offers employees the opportunity to work a longer workday in order to have a day off every two or three weeks. Employees still work the hours in a standard work week, but compressed over 9 or 14 days to receive the 10<sup>th</sup> or 15<sup>th</sup> day off. Three of the comparison municipalities have a compressed work week for exempt staff. The City of Prince George does not offer a compressed work week.

Some of the comparison municipalities provide both automatic vacation time in lieu of overtime and a compressed work week.

In order to take into account the total time off entitlements, the following table presents the exempt overtime policies and practices for each of the comparison municipalities, the number of days off where a compressed work week is provided, and the vacation entitlement at the 10<sup>th</sup> year.

**Table 8 – Summary of Total Time Off Entitlements**

ORG	OVERTIME POLICY/PRACTICE	EARNED OR AUTOMATIC	COMPRESSED WORK WEEK	DAYS OF VACATION AT YEAR 10	TOTAL DAYS FOR SENIOR MGMT.	TOTAL DAYS FOR OTHER EXEMPT
A	3 weeks of time off in lieu of overtime for those required to attend Council meetings on a regular basis; 2 weeks for all others	Automatic	Yes (17 days per year)	25	57 automatic	52 automatic
B	1 week in lieu plus OT at half time for council - max 3 weeks/yr	1 week automatic; the rest is earned	Yes (17 days per year)	20	42 automatic + max 10 earned	42 automatic
C	Time in lieu earned at straight time; max of 11 days	Earned	No	25	25 automatic + max 11 earned	25 automatic + max 11 earned
D	Earned at straight time to max 15 days for senior managers; 10 for others	Earned	No	25	25 automatic + max 15 earned	25 automatic + max 10 earned
E	No formal policy but people can adjust work schedule to accommodate having to work extra hours	N/A	Yes (14 days per year)	25	39 automatic	39 automatic
F	2 weeks time off in lieu of overtime. Additional time off may be granted for overtime incurred in excess of the 2 weeks time in lieu, upon request. Credit for additional earned overtime is at straight time.	Automatic for time in lieu; additional time may be earned	No	25	35 automatic	35 automatic
G	Senior managers receive 1 week in lieu of OT. Other exempt can claim OT at straight time for the first 80 hours worked, then 1/2 time for any additional OT worked up to 240 hours max	Automatic for senior managers; earned for others	No	30	35 automatic	30 automatic + max 10+ earned
H	No formal policy - but up to 5 days at discretion of the GM	N/A for senior; earned for others	No	30	30 automatic	30 auto + max 5 earned
I	2 paid days off per month in recognition of additional hours worked	Automatic	No	30	54 automatic	54 automatic
J	3 weeks time off per year in lieu of overtime	Automatic	No	25	40 automatic	40 automatic

ORG	OVERTIME POLICY/PRACTICE	EARNED OR AUTOMATIC	COMPRESSED WORK WEEK	DAYS OF VACATION AT YEAR 10	TOTAL DAYS FOR SENIOR MGMT.	TOTAL DAYS FOR OTHER EXEMPT
PG	2 weeks additional time off for senior management; others earn at 1.5x	Automatic for senior; earned for others	No	30/25	40	25 + earned

When vacation entitlement (but not supplementary vacation), automatic time in lieu of overtime/ expected maximum overtime earned, and the days off provided with a compressed work week program are all taken into account, the average annual number of paid days off in the tenth year of employment for the market comparators is 42 for senior managers and 41 for other exempt.

The City of Prince George's total time off entitlements are 40 days and 25 days for senior managers and other exempt staff respectively, not including pre-approved overtime for the City's exempt staff.

**Senior Executive Level 2 (General Managers, payband 9):**

- Reports to the City Manager and participates as a member of the senior management team.
- Work is guided by the broad strategic goals of the City and decisions involve issues that are very difficult, highly complex, politically sensitive, and have broad, long-term implications for the City.
- Very complex judgment and extensive interpretation are required.
- Poor decisions and/or errors have serious political consequences, negatively impact the City's image, and/or result in significant monetary loss, loss of goodwill and integrity, and may result in litigation and/or public outcry.
- Provides the highest level of leadership and ensures that Departmental activities are aligned with Council priorities; responsible for achieving strategic, fiscal and operating goals.
- Oversees a broad portfolio typically comprised of multiple operating divisions, both internally and externally focused.
- Direct reports are typically managers; large number of indirect reports.

**Senior Executive Level 1 (Directors, payband 8):**

- Reports to the City Manager and participates as a member of the senior management team.
- Work is guided by the broad strategic goals of the City and decisions involve issues that are very difficult, highly complex, politically sensitive, and have broad, long-term implications for the City.
- Very complex judgment and extensive interpretation are required.
- Poor decisions and/or errors have serious political consequences, negatively impact the City's image, and/or result in significant monetary loss, loss of goodwill and integrity, and may result in litigation and/or public outcry.
- Provides the highest level of leadership and ensures that Departmental activities are aligned with Council priorities; responsible for achieving strategic, fiscal and operating goals.
- Oversees a narrower portfolio than at the General Manager level, typically comprised of specialized expertise and technical support, primarily to either an internal or external client base.
- Direct reports are often supervisors, or a mixture of managers and supervisors; smaller group of indirect reports.

**Manager Level 3 (payband 6):**

- Reports to General Manager or Director and provides leadership to a large group of staff, including multiple exempt supervisors.
- Work is highly complex and technical, requiring the analysis of a variety of internal and external variables, and is closely aligned with Council priorities; responsible for achieving fiscal and operating goals.
- Requires extensive research, interpretation and analysis to develop solutions which often affect broadly based programs or policies; significant involvement in managing critical infrastructure and/or complex projects.
- Poor decisions and/or errors have a medium to longer term impact on the total organization and have serious negative effects on the City's image, extensive monetary loss, loss of goodwill, or loss of operational integrity.
- Responsible for coordinating the work of more than one major function.

**Manager Level 2 (payband 5):**

- Reports to General Manager or Director; provides leadership to a large group of staff involved in similar work OR provides leadership to the organization in highly technical areas involving significant potential liability.
- Work is highly technical and/or specialized and/or regulatory and may involve emergency response in the delivery of essential services; significant involvement in managing critical infrastructure and/or complex projects.
- Issues are not typically well defined and are complicated; environment is characterized by change.
- Poor decisions and/or errors have a medium to longer term impact on the total organization and have serious negative effects on the City's image, considerable monetary loss, loss of goodwill, or loss of operational integrity.
- Responsible for coordinating the work of one major function and achieving fiscal and operating goals.

**Manager Level 1 (payband 4):**

- Reports to General Manager or Director; may have a very small number of exempt supervisors as direct reports, but often provides direct leadership to unionized staff engaged in similar work.
- Work is typically highly technical and/or specialized; may involve emergency response in the delivery of essential services.
- Issues not always well defined and there may be some ambiguity; variables are moderately complicated; environment characterized by some change.
- Poor decisions and/or errors have an identifiable short to medium term consequence to the organization, moderate financial loss and image erosion possible; public and/or employees are affected by the consequences of the action.
- Responsible for coordinating the work of one functional area and achieving fiscal and operating goals.

**Exempt Supervisor (payband 3):**

- Reports to Manager, Director or General Manager; provides daily leadership and supervision to unionized staff engaged in operational activities OR subject matter expert providing a high level of technical support.
- Work typically involves diverse duties and may involve emergency response in the delivery of essential services.
- Judgement is required to set priorities and determine appropriate approach to be used.
- Issues are not always well defined and there may be some ambiguity but work is guided by standards, methods and procedures.

**Technical Specialist (payband 2):**

- Work is highly technical; issues and job variables are well defined and there is moderate variety.
- Judgment and interpretation are required but are guided by well-established and clearly defined standards, methods, procedures and regulations.
- May provide direct supervision to a very small group of staff engaged in similar work.

**Administrative Level (payband 1):**

- Senior level administrative support position with sufficient confidential exposure to necessitate exclusion from bargaining unit.