

Municipality of Lakeshore – Report to Council

Strategic & Legal Affairs

Workforce Development



To: Mayor & Members of Council

From: Lisa Granger, Division Leader – Workforce Development

Date: September 17, 2021

Subject: Appendix C - Recruitment Challenges.docx

Recommendation

This report is for information only.

Background

Lakeshore is experiencing challenges in recruiting and hiring qualified talent. The Municipality has experienced denial of offers of employment made to qualified applicants, lack of qualified and experienced applicants for postings, information and recommendations received through the results of the 2021 organizational review.

In 2021, Council set a goal for Administration to develop Lakeshore as an Employer of Choice in Ontario. A culture review is now underway to support this goal. Part of this review will involve evaluating the current workplace environment as well as employment trends that will support the Employer of Choice initiative endorsed by Council. The results of the review will be presented to Council in a report to Council upon completion of the review.

Comments

Results of Organizational Review

The recent organizational review identified areas where the service delivery requirements were under-resourced with a specific focus on the service delivery in Information Technology (IT) and Human Resources (Workforce Development, WD). The review revealed that there is a broad perception across the Municipality that workloads are high. The results of the 2021 organizational review has informed the planning to address the resourcing gaps of the Municipality. As such, Administration is using the results of the 2021 organizational review as a type of master plan for the future organizational design of the Municipality.

Current Attraction Challenges

The current pandemic has had a significant influence on the traditional workplace as well as on attracting employees. In addition to the challenges caused by the pandemic, the Municipality has been experiencing attraction challenges of talent in the past few years for several reasons. Common themes from information gathered at the time of denials of employment offers are summarized below:

- Low compensation levels and benefits;
- Counter offers from current employers;
- Work burden vs work/life balance;
- Increasing trend of potential employees requesting flexible working arrangements (for example, remote work, flex time).

The widely recognized impact of the baby boomer generation leaving the workforce is creating a volume of retirements occurring industry-wide in the municipal sector that is applying significant pressure on the labour market increasing the need to be competitive in the market.

Additionally, the Municipality is increasingly experiencing challenges (also being experienced throughout the Region) in attracting qualified professionals:

- Reduced labour pool (i.e., not enough planners in the labour pool to satisfy the demand in the Province); and,
- lack of availability of specific qualified and experienced required.

The Municipality has observed several situations where the Municipality needed to post a job opportunity twice or use a recruiter to seek out candidates. These challenges have impacted the Municipality's ability to recruit qualified professionals for vacant positions.

Compensation of Non-Union Employees

For the past several years, the Municipality has been experiencing issues regarding attracting qualified and experienced professionals. The themes of reasons received include:

- 1) Candidates refuse offers because the wage rates on the wage grid are too low. Recently, we had at least 2 offers declined because, as they indicated, they would be taking an \$8,000 - \$10,000 per year loss to transfer to the Municipality of Lakeshore.
- 2) Vacation entitlements are not as high as with other municipalities.
- 3) Their current employer offered them a promotion in order to retain the employee.
- 4) Personal reasons unrelated to the Municipality.
- 5) Changed their decision about moving to the region.

- 6) Requesting option to work remotely for a couple days per week post pandemic.

On September 12, 2017, Council directed Administration to:

- 1) implement the 55th percentile as a benchmark for the non-union salary grid
- 2) complete a comprehensive salary review including pay equity every 4 years as a standard practice (for the non-union positions since collective bargaining addresses this need for unionized positions); and
- 3) align annual economic increases for the non-union salary grid with the annual Consumer Price Index (CPI).

The 55th percentile only applies to non-union positions. In comparison, historically, Union staff have been compensated at the 65th to 80th percentile as a result of the bargaining process and Council is compensated at the 60th percentile.

The Municipality of Lakeshore cannot compete with other municipalities with the wage demands of the candidates while the Municipality is committed to being at the 55th percentile in terms of wages. One of the recommendations arising from the recent organizational review included re-evaluating the 55th percentile target in order to compete with regional neighbours and other comparator municipalities and the desired objective of becoming an employer of choice.

In addition to the compensation percentile target not being competitive, the annual economic increase for Lakeshore non-union positions has not been competitive over the past few years. Annual economic increases in the region are determined differently across the region. Some municipalities align non-union increases with that which was negotiated in respective collective agreements in order to address compression issues between non-union positions and union positions. Some municipalities align non-union increases with the OMERS CPI adjustment.¹ OMERS determines this rate through a number of factors including the rolling average of the CPI rate over the last several years. Other regional municipalities use the average increase throughout the region as its target. There is no one approach utilized throughout the region.

In Lakeshore, the current CPI rate at the time of budget preparation is used for non-union increases. While using this rate aligns with current inflation, it does not address the compression issues between non-union positions and union positions. It also does not support a competitive position with the rest of the region. The annual economic increase in 2021 to the non-union group was .7% in accordance with the CPI from 2020. However, the average annual economic increase in the region ranged from 1.75 to 2%.

To address competitive gaps and comply with the *Pay Equity Act*, the Municipality of Lakeshore has a salary review for non- union group every 4 years. The last salary review in Lakeshore was completed in 2016/17. Currently, Administration is working with a Consultant to complete a salary review in 2021 which should provide

¹ This is the CPI adjustment applied to the OMERS pension plan.

recommendations regarding a percentile that will allow the Municipality to be more competitive as well as recommend any salary adjustments required through the pay equity analysis and market wage data analysis portions of the review. The outcome of the salary review will be presented to Council in October. The preliminary outcome of the salary review shows that the wage level for the leadership positions in Lakeshore are below the 50th percentile.

Workload burden challenges vs work/life balance

Overtime: In addition to the overtime worked by unionized staff, it is not uncommon for non-union staff to work through weekends and average working 65 to 70 hours each week to address gaps in service delivery and increased work burdens. Non-union staff are not paid overtime. Non-union staff receive 35 hours of paid time off in lieu of overtime to represent all overtime worked over the year. It is estimated that the average amount of overtime worked by non-union staff exceeds 200 hours of overtime each year. For example, it is estimated that many non-union staff work a minimum of 80 – 100 hours of overtime per year just attending Council meetings alone. This does not include Committee meetings or public meetings requiring after hours attendance. This does not include overtime in completing work to meet deadlines. Therefore, non-union staff are not adequately compensated for the additional effort required to keep the Municipality operating. Administration anticipates reviewing this matter further in the upcoming culture review.

Service/Staffing Gaps: The continued high rate of growth of Lakeshore automatically creates an increase in service delivery demands. In addition, over the past several years, Council has directed increases to service delivery and service delivery levels. As a result, there are a number of Divisions currently experiencing increased levels of sustained levels of stress and/or providing service levels lower than Council expectations. The 2021 organizational review identified Lakeshore to be under-resourced to sustain the service delivery expectations. To support this, Chart A: Regional Comparison of Staffing Levels below shows the staffing comparisons with other local municipalities.

Chart A: Regional Comparison of Staffing Levels

2021	Municipal Populations	Full Time	Part Time	Seasonal/ Students	Volunteer Firefighter	Total approx FTE (not including fire and police)
Lakeshore	37,000	120	232	51	96	166
Leamington	27,595	120	114	30	0	176
LaSalle	30,180	145	46	17	96	168
Amherstburg	21,936	88	51	0	65	112
Town of Essex	20,427	68	88	0	60	98
Tecumseh	23,229	152				152
Kingsville	21,552	56	18	7	60	66

While Lakeshore appears to have the average amount of staffing, in comparing the size of Lakeshore geographically and population as well as the continued rate of growth, the growth in the level of staffing in Lakeshore, in this context, has not been proportionate to growth in order to sustainably deliver the service level demanded of a municipality of this size and rate of growth.

Recommendations from the 2021 organizational review included creating new positions and or adding to existing position complements in order to address workload demands due to growth of the community and increased demand on municipal services. Administration has reviewed all of the recommendations and will be proposing a phased in approach over the next several years through future reports to Council.

Administration expects that the coming years will show that additional investment in resourcing will satisfy the demands of service delivery expected by Council and the public. To address these gaps, Council has approved some positions already. At the Council meeting on August 12, 2021, Council approved the following positions to start October 1, 2021:

- 1) Division Leader – By-Law
- 2) Team Leader – Public Service
- 3) Solicitor/Risk Management
- 4) Team Leader – Flood Protection & Mitigation
- 5) Engineering Tech – Storm & Sanitary

This will take time to materialize. The next set of critical positions required to address the above noted challenges that will be requested for approval from Council include:

- 1) Workforce Advisor
- 2) Corporate Leader – Community Health and Safety
- 3) Financial Analyst
- 4) Water Management Coordinator
- 5) By-law Administrative Assistant

The above list is not the complete list but rather the next set of critical positions to be hired as identified in the organizational review and prioritized by Administration. These positions will be requested in future budgets as pressures allow and/or reports to Council. There will be other positions in addition to the above noted list requested over the next several years through future budgets and/or reports to Council recommended as a result of the 2021 organizational review.

Workload did not permit for preparation of a report regarding the challenges in retention. A report to Council regarding employee retention challenges will be presented at the first meeting in October.

Flexible Workplace Arrangements

The pandemic has changed the way many people think of the workplace in terms of the traditional practices of working location and hours of work for office related positions. Advances in technology can now support working from a variety of locations and at non-traditional hours of work. The view of the post pandemic workplace is changing from the traditional concept of the workplace which includes traditional practices of workplace arrangements. Trends that Professionals in Human Resources are following suggest that the post pandemic workplace will experience an increase of the number of employees requesting more flexibility in workplace arrangements and employees are leaving employers who are not allowing such flexibility. The most common flexible options being requested include:

- 1) a hybrid work location model that includes working in the office for a portion of the work week and working remotely for the other portion of the work week; and,
- 2) working the same total hours of work each week but not always between 8:30 am and 4:30 pm. It is common to have a core set of working hours then be flexible with the rest of the hours to make up the total hours worked in the week.

Administration anticipates that the upcoming culture review will incorporate recommendations to address these new trends.

Others Consulted

Regional Municipalities

2021 Organizational Review.

Financial Impacts

This report is being provided as information. Staffing requests will be brought forward in the 2022 Draft Budget as pressures allow.

Report Approval Details

Document Title:	Recruitment Challenges.docx
Attachments:	
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This report and all of its attachments were approved and signed as outlined below:

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