

AGENDA

PERSONNEL STANDING COMMITTEE

Thursday, November 2, 2017 8:30 to 10:30

COMMITTEE ROOM #2

1. **MINUTES FOR ADOPTION** – September 7, 2017 (attached)(for adoption)
2. **EXEMPT COMPENSATION OVERVIEW** – (information attached)
Director of Corporate Services
3. **UPDATE ON EXTERNAL STAFF COMPLAINTS PROCESS** – (verbal report)
Director of Corporate Services
4. **OTHER**

... ADJOURNMENT ...

Saanich Exempt Compensation

1. Exempt Compensation is guided by Council Bylaw 9362 – Remuneration, Benefits and Representation for Exempt Group and is supplemented by numerous Administrative Policies and Procedures.
2. The District defines, and has defined for many years, its comparator market as the following organizations:

1. Abbotsford	2. Coquitlam	3. Delta
4. Kamloops	5. Kelowna	6. Langley (Township)
7. Nanaimo	8. Victoria	9. North Vancouver (District)

Each of these municipalities have been chosen as they have similar characteristics – population, total number of employees, comparable number of kilometers of roads, kilometers of sewer and water pipes and they provide protective services (fire and police/RCMP).

3. Saanich targets the median (P50) level for base salary ranges as compared to its defined external comparators. Like most organizations, Saanich does not wish to be at the top or the bottom of the market, but wants to be in the middle. The key to being competitive when using the median level of the marketplace is to define the most relevant marketplace: that is, from where do we attract potential employees and to where do we potentially lose employees.
4. When reviewing base salary it is important to keep in mind that “job value” of every position is based on a continuum, anchored at one end by the external market (benchmarking with our comparable markets) and the other end by internal relativity (an organization's classification or job evaluation assessment system of jobs). Typically, the more senior the position, the more sensitive it is to external market influence. Usually within any organization, the only position that is 100 percent market dependent is the CAO. The value of all other positions will be influenced by both the external market value and the organization's internal assessment of what it values.
5. Through a job evaluation process, Saanich has determined our own internal hierarchy for exempt positions. This process evaluates position in terms of education, experience, complexity, leadership, independence to name a few criteria. Each time a new position is created or an existing position is altered, the job review committee evaluates the job description against predetermined criteria.

Through this process all of the exempt positions have been grouped into seven grades for exempt staff, one for Directors and one for the CAO. (There are a few anomaly position – both the Deputy Fire Chief and Assistant Deputy Fire Chief positions have their salary tied to the IAFF collective agreement and the new Municipal Solicitor has its own grade given the unique qualifications and responsibilities of the position). Each of the seven exempt staff pay grades, the Municipal Solicitor pay grade and the Directors pay grade contain three steps or levels. An incumbent moves through these steps at the end of year one (at the completion of probation) and at the end of their second year of employment based on a satisfactory performance appraisal. The CAO pay grade contains five steps or levels that would be achieved with satisfactory performance over 4 years in the position.

6. Practice has determined that exempt compensation surveys are conducted on a three year cycle:
 - a. In the first year a comprehensive market survey is conducted by external consultants resulting in a custom compensation survey of approximately 20 positions at the selected

comparator market. The survey captures data on base salary, reporting relationships, and annual adjustments. Due to the variations in organizational structures amongst the comparator market, the consultants may not be able to match every position to every organization. It is important to note that when an external market survey is conducted, it is a snapshot in time of the organization's structure and positions. We need to recognize that organizations are changing all the time due to incumbent changes, retirements, and reorganizations. Consultants use the compensation principle or "best practice" that defines compensation as being competitive if it falls within 10% (above or below) the defined market data. Based on this and the survey data, recommendations for salary increases are made to Council.

- b. In the two intervening years, informal cost of living (COLA) surveys are conducted by the Corporate Services Department with the same comparator market. The market average is taken and then recommended as a salary increase to Council.
7. Compression with Union Staff – through the collective bargaining process, the unions - IAFF, CUPE and SPA negotiate wage increases along with other perquisite and language changes. These wage increases are often influenced by other successfully negotiated settlements within similar industries, regions or work groups. In many cases over the past few years, the wage increases realized by unionized employees have outstripped those of the exempt employees causing wage compression (unionized wages (comprised of base salary and overtime) are encroaching on or exceeding the wages of those managing them). The differential (between the lowest wage rate for a management supervisor and the highest rate for a CUPE worker in the same work unit) ranges from \$7,000 to \$30,000 per annum. This causes challenges for recruitment as a \$7,000 incentive may not be enough to have someone leave the security of the bargaining unit, give up overtime and other opportunities to take on a management portfolio and all of the ensuing responsibilities.
8. Benefit changes are facilitated in a different fashion. Bylaw 9362 states that the "benefits and working conditions will be at least equal in the aggregate to those municipal employees covered by the collective agreement of the related bargaining unit." When collective bargaining is concluded, exempt benefits are evaluated. However all of the exempt employees (police, fire and municipal) are covered by the same health and welfare benefit program. This causes some difficulties as the benefit coverage for both the IAFF and SPA are significantly greater than those benefits received by CUPE (e.g. retirement/ severance allowances).

Current exempt health and welfare benefits for all exempt staff are:

- Dental Care – 100% Employer paid
- Employee and Family Assistance Plan (EFAP) – 60% Employer paid, 40% Employee paid
- Extended Health Care Benefits – 100% Employer paid
- Insurance:
 - a) Group Life – First \$25,000 is 100% Employer paid, remainder is 100% Employee paid
 - b) Dependent Life – 100% Employee paid
 - c) Group Accidental Death and Dismemberment – 100% Employer paid
 - d) Optional Life – 100% Employee paid
 - e) Optional Accidental Death and Dismemberment – 100% Employee paid
- Long Term Disability – 100% Employee paid, the benefit is 60% of gross monthly earnings, to a maximum of \$13,000 / month.
- Medical Services Plan – 100% Employer paid

Other benefits:

- Municipal Pension plan – premiums are shared, retirement benefits based on specific group in which an employee is enrolled
 - Sick Leave – the District is self-insured for employee sick leave. Fire and regular exempt employees are entitled to 120 consecutive days of paid sick time for any one health issue. Sick leave is for health insurance purposes only and will not be paid out upon retirement or resignation, with the exception of Fire and Police exempt employees who are eligible for payouts earned due to their time spent within the union.
 - Vacation – entitlement is based on
 - Less than one year Pro-rated portion of 20 days
 - 1st year through 8th year 20 days per annum
 - 9th year through 16th year 25 days per annum
 - 17th year through 27th year 30 days per annum
 - 28th year and thereafter 33 days per annum
 - In the 25th year only, employees are entitled to one additional month (twenty working days) vacation which must be taken in that year.
 - Vacation carry over is allowed in exceptional circumstances, at the discretion of the Department Head
 - For those employees who come to Saanich with more than 8 years continuous experience in one municipality, they are given credit for the years of service with that other municipality towards their vacation entitlement. This credit is not included in the 25th year entitlement.
 - Overtime (excluding Police exempt)

In lieu of overtime, an Exempt Special Allowance is granted to all exempt staff. Credits will be placed on each employee's record on January 1st of each year.

 - a) The Chief Administrative Officer, Department Heads and Division Heads will receive ten (10) working days per annum. Additional time off may be granted for overtime in excess of the allowance upon written request to the supervising authority.
 - b) All staff in Pay Grades 3 to 7 other than those in (a) above will receive ten (10) working days per annum. Additional time off may be granted for overtime in excess of the allowance which may be taken as time off or pay.
 - c) Employees in Pay Grades 1 and 2 may elect to receive five (5) days per annum or to be compensated (paid out) for actual overtime worked.
 - d) Distinct overtime policies for police exempt staff were issued in mid-2016.
 - Severance Allowance

After five (5) full years of service, upon retirement exempt staff will receive two (2) days of pay for each completed year of service.
9. Staff Exempt Group – Bylaw 9362 allows for employees to establish an Exempt Staff Group. This group has been established and represents all exempt staff with the exception of the CAO, Directors, HR Manager and exempt members of the Police Department. This group meets on an ad hoc basis and represents the exempt staff in matters pertaining to salaries, benefits, policies and practices. Although this group is not recognized by the Labour Board (like our other unions), they have the ability to lobby the CAO for compensation and benefit changes.