

DATE OF MEETING OCTOBER 1, 2018

AUTHORED BY JOHN VAN HORNE, DIRECTOR OF HUMAN RESOURCES

**SUBJECT BYLAW 7000 REVISIONS**

## **OVERVIEW**

### **Purpose of Report**

This Report outlines the proposed amendments to the Management Terms and Conditions of Employment Bylaw 2005, No. 7000, identifies potential impacts of those changes and provides options for Council to consider.

### **Recommendation**

That Council provide direction on Bylaw 7000.

## **BACKGROUND**

Throughout 2018, Council has embarked on a review of the *Management Terms and Conditions of Employment Bylaw 2005 No. 7000* (“Bylaw 7000” or the “Bylaw”), including the opportunity for members of Council individually to submit proposed revisions. The Bylaw coming forward this evening reflects the direction received from Council regarding the amendments to be made to the Bylaw, which if adopted will be numbered 7273. Since at least 2009, the Bylaw has come before Council for review a number of times. The current version of the Bylaw is Attachment A.

The Core Services Review (“CSR”) included one specific recommendation related to the Bylaw:  
*Amend the Management Terms & Conditions of Employment Bylaw to reduce the banking of vacation days.*

The CSR did not give a recommendation as to the level of banked vacation that should be permitted. The CSR also suggested amendments to the Exempt Salary Administration policy (the “Policy”) in relation to the Hay system of job evaluation. The Policy serves as a companion document to the Bylaw. The CSR provided a cursory look at the span of control exercised by managers and base salary data at a handful of comparator local governments, but did not delve further into the total compensation structure (i.e., salary, benefit, time off and other terms and conditions of employment) at each comparator.

In April 2018 Council engaged in a half-day, line-by-line review of the Bylaw to consider alternatives and decide on the final revisions. These revisions were reviewed by the City’s legal counsel to minimize ambiguity and ensure the chosen wording adequately captured the concepts Council was seeking to achieve. The proposed new version as Attachment B.

Bylaw 7000 forms part of the employment contract for every exempt employee at the City. In revising the Bylaw, Council is making unilateral changes to the terms and conditions of these employees, approximately 65 individuals. The City is required to serve notice to the affected employees before the changes can take effect for those individuals. However, employees hired after the adoption of the proposed Bylaw will be subject to the new terms immediately.

Staff have recommended that the City engage the services of a compensation consultant to review the total compensation package prior to finalizing revisions to the Bylaw to ensure that the City remains competitive in the market for employees. A more detailed third-party analysis will inform Council as to the City's competitive position in relation to the market in which it competes for talent, and will likely provide additional options for Council to consider.

Staff have advised Council of the potential outcomes of revising the Bylaw, notably the impacts on recruitment, and retention of affected employees. The proposed Bylaw removes terms that are provided by the City to bargaining unit employees, which may create a barrier for career development through promotion and succession planning.

Attachment C reflects the revisions Council proposes to make. ]

## OPTIONS

1. That:
  1. "Management Terms and Conditions of Employment Bylaw 2018 No. 7273" (To establish the terms and conditions of employment for officers and excluded employees of the City) pass first reading;
  2. "Management Terms and Conditions of Employment Bylaw 2018 No. 7273" pass second reading; and,
  3. "Management Terms and Conditions of Employment Bylaw 2018 No. 7273" pass third reading.
    - **Budget Implication:** None in current budget year due to the notice period requirements outlined below. However, in subsequent years the City can expect the liability for outstanding vacation to begin to decrease and the sick leave gratuity to disappear.
    - **Legal Implication:** The City is required to provide notice to existing staff who are impacted by these changes.
    - **Policy Implication:** The proposed changes to the Bylaw will require changes to the Policy as well, to avoid inconsistent and confusing direction to staff who apply the Bylaw and Policy as part of their jobs.
    - **Other Implications:** The changes proposed, in their entirety, will very likely impact the City's ability to attract and retain staff.
2. That Council defer consideration of any amendments to Bylaw 7000 to the next Council.
  - **Budget Implication:** None.
  - **Policy Implication:** Deferring consideration will permit time for a consultant to review exempt staff total compensation, and offer additional information and recommendations to Council. It will also allow time for a review of the Policy that works in concert with the Bylaw.
  - **Political Implications:** Deferring consideration will let the incoming Council determine which, if any, changes it wishes to implement and consider additional information that will become available through the consultant's review. If the incoming Council wishes to make additional changes, or repeal changes made by the current Council, it will result in duplication the Bylaw adoption process.
3. That Council provide some alternative direction to staff. ]

### **SUMMARY POINTS**

- Council has directed that changes be made to Bylaw 7000, which governs the terms and conditions of employment for exempt employees.
- Staff have recommended additional steps be taken to gather information for Council regarding the City's relative position in a competitive market for employees. |

### **ATTACHMENTS**

- Attachment A: current version of "Management Terms and Conditions of Employment Bylaw 2005 No. 7000"
- Attachment B: new proposed "Management Terms and Conditions of Employment Bylaw 2018 No. 7273"
- Attachment C: table of changes made to Bylaw 7000 in creating Bylaw 7273

### **Submitted by:**

John Van Horne  
Director of Human Resources |

### **CITY MANAGER COMMENT:**

A comprehensive compensation review for the non-bargaining unit staff is scheduled for 2019. As such, I recommend that Council receive this report and accompanying background information and refer it to the compensation review process in 2019.

Bylaw 7000, the compensation schedules, benefits portfolio and related human resources policies collectively form the basis to retain and attract non-bargaining unit employees. The City needs to maintain a competitive and attractive compensation system while being fiscally prudent. |