SUBJECT: Transfer of Transition Funds (City Wide) (HUR06012)

RECOMMENDATION:

That $130,000 be transferred from Transition Account 300150 “Performance Management” to Transition Account 300154 “Job Evaluation – Union”.

EXECUTIVE SUMMARY:

At amalgamation, provincial Transition Funds were provided to the City of Hamilton for specific purposes, including human resources initiatives. These funds were allocated to accounts earmarked for these purposes, one of which was union job evaluation.

At the present time, the requirements for union job evaluation programs are considerably more complex than could possibly have been anticipated at amalgamation. As a result, the funds allotted for union job evaluation are not sufficient to support the completion of the job evaluation processes made necessary by the municipal amalgamation.

The Compensation Assistant position has been temporarily funded from Transition Funds since amalgamation, but due to the increased number and complexity of the union job evaluation programs, it will not be possible for the remaining two compensation staff to perform the work required to implement and support the City’s union job evaluation programs.
The transfer of funds from one account within Transition Funds to another account will ensure sufficient funds to complete union job evaluation.

**BACKGROUND:**

At the time of amalgamation, the Province allocated funds to the City of Hamilton to assist with various human resources initiatives that were anticipated in support of the amalgamated organization. These funds were divided amongst five accounts for certain purposes. These accounts, along with some examples of the initiatives they were intended to support, are as follows:

- Performance Management for the redesign and roll-out of performance management for unionized employees and the redesign and roll out of the now discontinued Exemplary Performance Incentive Program (EPIP);
- Union Job Evaluation for salary costs of a Compensation Assistant and for the development and implementation of union job evaluation programs;
- Transition Training Program Development for the development and delivery of training to meet the needs of an amalgamated municipality;
- Transition Training/Recruitment for the development of training for Human Resources staff to ensure effective functioning in a distributed services model and currency with human rights issues such as work accommodation and early return to work initiatives; and
- Career Management to develop programs to support employees making career changes following amalgamation.

As a result of unanticipated events and organizational changes in the years since amalgamation, some of the initiatives noted above will not be pursued and others have proven to be more extensive than originally contemplated.

With respect to union job evaluation, the funds initially allotted have proven to be insufficient to support the job evaluation programs as negotiated with the City’s bargaining agents since amalgamation. The largest of these programs relates to C.U.P.E. 5167. The job evaluation program was an element in the collective agreement negotiated with the union to cover the period January 1, 2003 to December 31, 2006. Shortly after ratification of this agreement, Human Resources staff begin discussions with the union to define how the program would unfold. This included large numbers of information sessions for a very diverse and geographically dispersed workforce, as well as the development of documents and communications material to be distributed to all members of the bargaining unit to ensure that they were informed and participated as appropriate in the program.

A major milestone in this program has been reached since all 628 jobs in the bargaining unit have been evaluated based on information submitted by the incumbents. The process negotiated with C.U.P.E. also includes an appeal process which has also been completed. During this process, 357 appeals were submitted and decided by a Joint Job Evaluation Appeals Committee in accordance with the negotiated agreement. The final step in this process will consist of discussions with C.U.P.E. to determine point band widths, factor weightings and a salary schedule. The agreement with the union states that the job evaluations are retroactive to January 1, 2005.
For C.U.P.E. 1041, the process is similar to that of C.U.P.E 5167, but involves approximately 110 jobs. At the time of amalgamation, this bargaining unit was considerably smaller than it is today, consisting of mostly Forepersons. The rates of pay for jobs within the bargaining unit were negotiated rather than established through job evaluation. As a result of post-amalgamation proceedings before the Labour Relations Board, C.U.P.E. 1041 now includes most of the City's first line supervisory positions which were non-union prior to the Labour Relations Board’s decision to place them in this bargaining unit. The process is now at the stage where jobs are being evaluated. There is an appeal process similar to C.U.P.E 5167 and once that process is complete, discussions with the union will begin to determine point band widths, factor weightings and a salary schedule. The agreement with C.U.P.E. 1041 states that the job evaluations are retroactive to May 1, 2005.

In addition, the Amalgamated Transit Union (A.T.U.) Local 107 has been combined with the former A.T.U. Local 1585. The collective agreement covering the new, larger bargaining unit provides for a job evaluation process, including an appeal. Unlike the C.U.P.E. processes in which the evaluations are done by Human Resources staff, all A.T.U. jobs are evaluated by a joint union-management committee. Previously, only the former Local 1585 jobs, (i.e. inside or administrative positions) were subject to job evaluation, with the majority of the jobs (i.e. outside positions including bus operators) having their rates determined through negotiations. As a result of this change, there will be a new on-going requirement for Compensation staff to support this job evaluation program.

The Human Resources Department has a total of two Compensation Specialists and a Compensation Assistant. The Compensation Assistant position has been temporary since 2001 and funded from the Union Job Evaluation Account within Transition Funds.

The workload involved in implementing and maintaining job evaluation programs is significant. Implementation currently involves evaluating or, in the case of A.T.U. tracking, the evaluation of almost 1,000 jobs, providing appropriate support to the appeal processes provided in the collective agreements, analyzing the implications to the organization of various scenarios arising out of particular band width and factor weighting scenarios, developing job descriptions for all positions in the bargaining units and working co-operatively with the bargaining agents to ensure that the programs are managed appropriately and that effective communication and other processes are put in place. In addition, the Compensation staff administer the job evaluation process for the Non-Union group, the salary administration process for other employee groups within the organization such as the part-time non-unionized staff, provide support for the creation of new positions, and provide information and advice to management on organization design to ensure appropriate relationships between and amongst jobs.

Once a job evaluation program is completed, including the development of a salary schedule, the next major milestone is implementation. This means that any pay changes resulting from a job evaluation program must be entered into the computerized system which runs the payroll so that staff are paid correctly on a “going forward” basis and receive their correct retroactive pay. However, this work is extremely labour intensive, since the collective agreements provide that the programs are retroactive to January 1, 2005 in the case of C.U.P.E. 5167, to May 1, 2005 for C.U.P.E. 1041 and to
January 1, 2006 for A.T.U. As a result, considerable manual work must be done to review each employee’s job history and ensure that all appropriate adjustments are made based on their job history. In some cases, these adjustments could be pay increases, in other cases, they could be “red circling” if the rate for the job under the new job evaluation program is lower than the current rate. In addition, specialized computer programming resources will be required to program the system to automate as much work as possible.

**ANALYSIS/RATIONALE:**

The City of Hamilton is bound by the terms of the collective agreements negotiated with its bargaining agents and is committed to honouring those agreements. The job evaluation programs for C.U.P.E. 5167, C.U.P.E. 1041 and A.T.U. 107 were negotiated items and it is the Human Resources Department’s intention to implement the programs as quickly as possible to ensure that staff in these bargaining units, which comprise a majority of City staff, are paid fairly and equitably in accordance with their collective agreements. Failure on the part of the employer to follow through in a timely way could result in grievances being filed and reduction in motivation and morale amongst staff.

In order to implement these programs, additional resources are required and it is thus proposed that funds be transferred from the Performance Management account to the Union Job Evaluation Account within Transition Funds.

**ALTERNATIVES FOR CONSIDERATION:**

Transferring $130,000 from the Performance Management Account within Transition Funds will not negatively impact on any planned human resources initiatives. These funds should thus be made available to ensure that the implementation of the C.U.P.E. 5167, C.U.P.E. 1041 and A.T.U. job evaluation programs occurs efficiently and effectively.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

The proposed transfer of funds will not increase spending or staffing levels.

There are no legal implications to the proposed transfer of funds.

**POLICIES AFFECTING PROPOSAL:**

None.
RELEVANT CONSULTATION:

Consultation occurred with staff from the Information Technology Services Division and the Payroll & Pensions Section of the Financial Services Division in the Finance & Corporate Services Department, as well as with Human Resources staff who will be involved in the implementation of this project.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Evaluate the implications of your recommendations by indicating and completing the sections below. Consider both short-term and long-term implications.

Community Well-Being is enhanced.   ☐ Yes ☑ No

Environmental Well-Being is enhanced.   ☐ Yes ☑ No

Economic Well-Being is enhanced.   ☐ Yes ☑ No

Does the option you are recommending create value across all three bottom lines?   ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?   ☑ Yes ☐ No

The recommendation will ensure that sufficient resources are available to complete the implementation of the job evaluation programs as negotiated with the City's bargaining agents. This, in turn, will ensure that City staff in the applicable bargaining units are paid fairly and in accordance with the relevant collective agreements and that they can rely on their employer to follow through on its commitments.