

Date: 2021-03-22

Subject: **Salary Administration Policy: Semi-Annual Reporting – July 1 – December 31, 2020**

Contact: Sandeep Aujla, Director, Human Resources, Corporate Support Services, 416-301-9224, Sandeep.Aujla@brampton.ca

Report Number: Corporate Support Services-2021-399

Recommendations:

1. That the report from Michael Davidson, Commissioner, Corporate Support Services and Sandeep Aujla, Director, Human Resources, Corporate Support Services, dated March 22, 2021, to the Committee of Council Meeting of March 31, 2021, re: Salary Administration Policy: Semi Annual Review, be received.

Overview:

- The City of Brampton's Salary Administration Policy is founded on the principles of building trust and confidence, ensuring transparency, consistency and equity, and fostering innovation.
- The Council approved Salary Administration Policy 4.1.0 on November 1, 2017 with an effective date of January 1, 2018. This policy focused on promoting our investment in people through fair and consistent guidelines applied across employees and clear oversight controls for accountable leadership and increased levels of authorization to establish public trust and confidence.
- In compliance with the Council Resolution CW378-2017, staff is required to report semi-annually to Council on the application of Salary Administration Policy 4.1.0.

Background:

The modernized Salary Administration Policy came into effect on January 1, 2018 along with Council Resolution CW378-2017 mandating the staff in Human Resources to report semi-annually to Council on the application of this policy.

Modernizing our salary administration policy, procedures and practices is critical to attracting, retaining and engaging a skilled and high-performing workforce and building a culture of customer service excellence and employee engagement. Reviewing the data associated with the out-of-policy critical cases would inform Council on the effectiveness of our salary administration approaches to attract and retain top talent.

Current Situation:

The Salary Administration Policy enables leaders to recognize and reward top talent by ensuring transparency, equity and fairness. This policy enables salary administration practices that maintain our progressive market position, while fostering an engaged and innovative workforce. The best practice principles within this policy elevate the level of oversight, compliance, and our commitment to leading industry practices. Our salary administration policy is guided by a series of principles, including, equity and consistency, transparency, market competitiveness, performance contributions, and fiscal responsibility.

In order to ensure policy compliance and meet staff direction within Council Resolution CW378-2017, Human Resources is required to report semi-annually to Council on the application of Salary Administration Policy 4.1.0. Specifically, this semi-annual report on the critical cases—where a business case was made and approved in circumstances that required consideration for the attraction and retention of top talent—and specific instances of inversion, under-fill, or voluntary transfer to a lower grade. See Appendix A for definitions and handling per Salary Administration policy 4.1.0.

The semi-annual reporting for the second half 2020 has been completed. Appropriate paperwork to document the approvals from HR, Finance and CAO have been completed in preparation for this report. Any salary adjustment transactions at the City of Brampton were processed using an Employee Data Change (EDC) form. Human Resources used the EDC query to examine all the salary adjustment transactions for the period: July 1, 2020 to December 31, 2020. The following summarizes the salary administration application and associated financial impacts.

Table 1: Salary Administration Usage of Key Initiatives (July 1, 2020 – Dec. 31, 2020)

Salary Admin Policy Category¹	No. of Employees	% of Eligible Employees	2020 Prorated Cost	Annualized Cost
Critical Attraction	6	7.9%	\$9,550	\$52,700
Critical Promotion	2	7.4%	\$3,150	\$18,150
Critical Retention	5	0.6%	\$3,650	\$23,850
Approved Critical Business Cases²	13	-	\$16,350	\$94,700
Inversion	-	-	-	-
Under-Fill	1	3.7%	(\$3,750)	(\$8,050)
Voluntary Transfer (to lower grade)	-	-	-	-
Total Incidents	14	-	\$12,600	\$86,650

The Critical Attraction and Critical Promotion business cases were used mainly for management roles (grades 8 and above), while the majority of Critical Retention business cases were used for non-management advisor and supervisory roles.

The 2020 full year average incremental increase approved through a critical business case was \$6,300, about \$1,500 lower than in 2018 and 2019. The total approved business cases for 2020 was 22, on par with both the 2018 and 2019 totals. The prorated cost was only two-thirds of the cost in 2018 and 2019.

Based on the Policy, and its intent to attract and retain top talent, an average of 10 employees received increases through the critical case policy provision, for each reporting period.

As per the policy, the approval of the above items required submission of a formal business case, which would have included consultation with Finance and Human Resources, along with sign-off by the department head, Human Resources, and the Chief Administrative Officer. The approval process for critical cases must also include a review of organizational impacts and an examination of internal equity to ensure fairness and consistency. Internal equity is the comparison of employee salaries in the same grade relative to knowledge, skills and years of experience based on the nature of the position.

The respective people leaders held discussions with the CAO, HR, and Finance during circumstances that warranted application of the critical business cases to effectively manage their teams, create developmental opportunities, and attract and retain top talent when required to support the execution of the City's Strategic Plan and Council Priorities.

Corporate Implications:

Financial Implications:

- The full year 2020 prorated costs associated with critical business cases was approximately \$60,000, compared to an average of \$88,000 in the prior two years.

Other Implications:

- Rigor in documentation of business cases and formally signed-off approvals is needed to illustrate compliance with the salary administration policy.

Term of Council Priorities:

- This report supports the Council's priority of being a well-run city.

Conclusion:

This report highlights full compliance to the Salary Administration Policy 4.1.0. and this review satisfies the application of policy and administration requirements, as per Council resolution CW 378- 2018. Human Resources will continue to provide semi-annual updates to Council.

Authored by:

[Author/Principal Writer]

Reviewed by:

[Manager/Director]

Approved by:

[Commissioner/Department Head]

Submitted by:

[Chief Administrative Officer]

Attachments:

Appendix A: Definitions and Handling per Salary Administration Policy 4.1.0