

Date: 2022-01-06

Subject: **Salary Administration Policy: Semi-Annual Reporting – January 1, 2021 to June 30, 2021**

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Report Number: Corporate Support Services-2021-1266

Recommendations:

1. That the report from Cynthia Ogbarmey-Tetteh, Acting Director, Human Resources, dated January 6, 2022, to the Council Meeting of January 26, 2022, 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 new 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 the Council on the current potential 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 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 first half of 2021 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: January 1, 2021 to June 30, 2021. The following summarizes the salary administration application and associated financial impacts.

Corporate Implications:

Table 1: 2021 Usage of Salary Administration Provisions (January 1 – June 30)

Salary Admin Policy Category¹	No. of Employees	% of Eligible Employees	2021 Prorated Cost	Annualized Cost
Critical Attraction	7	9.1%	\$41,700	\$59,550
Critical Promotion	-	-	-	-
Critical Retention	9	1.0%	\$41,400	\$57,850
Approved Critical Business Cases¹	16	-	\$83,100	\$117,400
Inversion	4	0.5%	\$9,850	\$13,100
Under-Fill	0	-	-	-
Voluntary Transfer (to lower grade)	0	-	-	-
Total Incidents	20	NA	\$92,950	\$130,500

¹Note: beginning in 2021, the table above includes approved critical business cases from the Mayor's Office and Council Office.

The Critical Attraction business cases were used mainly for management roles (grades 8 and above) and for non-management advisory and supervisory roles, while the Critical Retention business cases were used for various leadership and non-leadership roles.

The January 1, 2021 – June 30, 2021 average incremental increase approved through a critical business case was \$7,100, about \$1,800 lower than 2018 to 2020. The total approved business cases for the first half of 2021 is higher than average though the prorated cost is slightly lower.

Based on the Policy and its intent to attract and retain top talent, an average of 11 employees received increases through the critical case policy provision since, for each reporting period since 2018. For 2021, the City is on track to exceed that average by about 45%.

As per the policy, the approval of the above items require submission of a formal business case, which includes consultation with Finance and Human Resources, along with sign-off by the department head, Human Resources, and 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.

Financial Implications:

- The 2021 prorated costs associated with critical business cases was approximately \$83,100, compared to a \$77,100 average in the prior three 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.

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Attachments: Appendix A – Definitions