

**Date:** 2020-11-06

**Subject:** **Salary Administration Policy Review Report**

**Secondary Title:** Semi-Annual Reporting - January 1, 2019 to June 30, 2019, July 1, 2019 to December 31, 2019 and January 1, 2020 to June 30, 2020

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

**Report Number:** Corporate Support Services-2020-387

**Recommendations:**

That the report from Michael Davidson, Commissioner, Corporate Support Services and Sandeep Auja, Director, Human Resources, Corporate Support Services, dated November 06, 2020, to the Council Meeting of November 18, 2020, 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 was 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 high performance 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 2019 and the first half of 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: January 1, 2019 to June 30, 2020. The following summarizes the salary administration application and associated financial impacts.

**Table 1: Salary Administration Usage (Jan. 1, 2019 – Jun. 30, 2019)**

Salary Admin Policy Category <sup>1</sup>	Number of Employees	% of Eligible Employees	2019 Prorated Cost	Annualized Cost
Critical Attraction	5	9.1%	\$41,200	\$56,500
Critical Promotion	1	5.3%	\$5,700	\$8,000
Critical Retention	6	0.7%	\$41,150	\$50,900
<b>Approved Critical Business Cases<sup>2</sup></b>	<b>12</b>	<b>15.1%</b>	<b>\$88,050</b>	<b>\$115,400</b>
Inversion	4	-	\$14,200	\$18,900
Under-Fill	1	-	(\$8,600)	(\$11,450)
Voluntary Transfer (to lower grade)	1	-	(\$10,050)	(\$11,650)
<b>Total Incidents</b>	<b>18</b>	<b>-</b>	<b>\$83,600</b>	<b>\$111,200</b>

Note:

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.

**Table 2: Salary Administration Usage (Jul. 1, 2019 – Dec. 31, 2019)**

Salary Admin Policy Category <sup>1</sup>	Number of Employees	% of Eligible Employees	2019 Prorated Cost	Annualized Cost
Critical Attraction	5	9.1%	\$7,350	\$32,100
Critical Promotion	2	15.4%	\$1,850	\$21,700
Critical Retention	2	0.2%	\$2,550	\$8,800
<b>Approved Critical Business Cases<sup>2</sup></b>	<b>9</b>	<b>24.7%</b>	<b>\$11,750</b>	<b>\$62,600</b>
Inversion	-	-	-	-
Under-Fill	-	-	-	-
Voluntary Transfer (to lower grade)	-	-	-	-
<b>Total Incidents</b>	<b>9</b>	<b>-</b>	<b>\$11,750</b>	<b>\$62,600</b>

Notes:

Similar to the first half of 2019, the Critical Attraction and Promotion business cases were used for management roles while the Critical Retention business cases were used for non-management roles.

The 2019 full year average incremental increase approved through a critical business case was \$8,500. The total approved business cases for 2019 was 21, on par with the 2018 total.

**Table 3: Salary Administration Usage (Jan. 1, 2020 – Jun. 30, 2020)**

<b>Salary Admin Policy Category<sup>1</sup></b>	<b>Number of Employees</b>	<b>% of Eligible Employees</b>	<b>2019 Prorated Cost</b>	<b>Annualized Cost</b>
Critical Attraction	2	6.1%	\$6,250	\$8,700
Critical Promotion	2	13.3%	\$18,650	\$21,600
Critical Retention	3	0.9%	\$17,250	\$25,850
<b>Approved Critical Business Cases<sup>2</sup></b>	<b>7</b>	<b>20.3%</b>	<b>\$42,150</b>	<b>\$56,150</b>
Inversion	2	-	\$5,700	\$7,650
Under-Fill	-	-	-	-
Voluntary Transfer (to lower grade)	1	-	(\$11,750)	(\$13,500)
<b>Total Incidents</b>	<b>10</b>	<b>-</b>	<b>\$11,750</b>	<b>\$50,300</b>

The first half of 2020 had the lowest cost since the January 1, 2018 implementation of the revised Salary Administration Policy.

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. This is expected to decrease for the 2nd half of 2020 due to the hiring freeze implemented through the COVID-19 pandemic.

As per the policy, the approval of the above items required submission of a formal business case, which included 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.

However, there was a delay in completing the paperwork for six incidents in 2020 and two incidents in 2019 partly because of the significant workload constraints exacerbated by COVID-19. Nevertheless, discussions were held in all of the cases by the respective people leaders 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:

- Year-over-year trend of the prorated costs associated with critical attraction and critical retention is approximately \$100,000.

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 partial compliance of Salary Administration Policy 4.1.0. and this review satisfies the application of policy and administration requirements, as per Council resolution CW 378- 2018 after the completion of the required documentation of business cases and formal approvals from all appropriate parties. Human Resources will continue to provide semi-annual updates to Council.

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**Attachments:**

Appendix A – Definition and Handling per Salary Administration Policy 4.1.0