

February 25, 2019

To: His Worship the Mayor
And Members of City Council

Re: Out-of-Scope General Wage Increase 2019

RECOMMENDATION

RECOMMENDATION OF THE EXECUTIVE COMMITTEE – FEBRUARY 13, 2019

That Out-of-Scope employees receive a 1.00% General Wage Increase for 2019 retroactive to January 1, 2019.

EXECUTIVE COMMITTEE – FEBRUARY 13, 2019

The Committee adopted a resolution to concur in the recommendation contained in the report.

Recommendation #2 does not require City Council approval.

Mayor Michael Fougere, Councillors: Lori Bresciani (Chairperson), Sharron Bryce, John Findura, Bob Hawkins, Jason Mancinelli, Mike O'Donnell, Andrew Stevens and Barbara Young were present during consideration of this report by the Executive Committee.

The Executive Committee, at the **PRIVATE** session of its meeting held on February 13, 2019, considered the following report from the Administration:

RECOMMENDATION

1. That Out-of-Scope employees receive a 1.00% General Wage Increase for 2019 retroactive to January 1, 2019.
2. That this report be submitted to the February 25, 2019 City Council meeting.

CONCLUSION

A 1 per cent GWI provides a compensation adjustment for Out-of-Scope (OOS) employees recognizing the City's current fiscal environment and supports the need to attract, recruit and retain high-valued OOS employees.

BACKGROUND

The City of Regina employs a total of 2,858 employees comprised of permanent, part-time and seasonal workers, as outlined in Appendix A. The majority of employees are members of one of five bargaining units. OOS employees comprise approximately eight per cent of the workforce.

While wage adjustments tend to be consistent, OOS have slowly lost ground to their in-scope counterparts. Over the past eight years, the overall per cent wage increase for in-scope employees of 18.9 per cent exceeded the 17.6 per cent provided to OOS employees, as presented in Appendix B.

DISCUSSION

Fair and modestly competitive compensation practices are a cornerstone of an effective organization. Maintaining a competitive position in our labour market is also necessary to ensure that we continue to attract and retain qualified employees.

Provincial Observations:

Within the public sector, including education, health, crown corporations and the provincial government, a continued drive to reach settlements at or below a zero general wage increase has, to date, resulted in limited progress.

Projected 2019 Salary Increases:

In the fall of each year, consulting firms publish salary projections for the upcoming year. These projections are based on reported planned salary increases from a broad representation of organizations. Salary forecasts are based on previous years' economic environment and trends, the current economic environment, the geographic region and the survey responses provided by numerous employers across Canada. Average projected increases for non-unionized employees in Saskatchewan in 2019 are 1.5 per cent, which is equivalent to the Western Canadian average and slightly below the Canadian average of 1.73 per cent. Appendix C contains supplemental information.

City of Regina Settlements:

Negotiations are currently underway with CUPE 7 and CUPE 21, and negotiations will commence with IAFF and ATU by the end of March.

Wage Compression:

A concern for Administration is wage compression. This occurs when rates of pay between responsibility levels become negligible. Based on the City of Regina's current organizational structure, the most likely place for wage compression to occur is between OOS and CMM positions. Over the two-year period of 2017 and 2018 CMM increases were 1.40 per cent higher than OOS increases. Also, with the ability of in-scope employees to earn overtime pay, the

incentive for employees to take higher levels of responsibility and move to OOS is less attractive. This difference is having a minimal impact; however, long term suppression of OOS wages may exacerbate this problem and create inversion (i.e. in-scope wages exceed that of management).

Summary:

The Administration recommends a GWI of 1 per cent for OOS employees be approved and implemented retroactive to January 1, 2019.

RECOMMENDATION IMPLICATIONS

Financial Implications

A 1 per cent GWI, would be in alignment with the approved 2019 budgets.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

Providing a 1 per cent GWI for OOS employees will contribute to retaining and attracting employees to ensure we can achieve our corporate goal of delivering reliable services to citizens.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

After approval of the recommendation by City Council, the City Manager will issue a general communication to all OOS staff informing them of the GWI.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,

EXECUTIVE COMMITTEE

A handwritten signature in black ink, appearing to read "J. Nicol", written in a cursive style.

Jim Nicol, Secretary