

Subject: Overtime Policy Review and Updates

Recommendation:

BE IT RESOLVED THAT Council receive Report #2022-0193 Overtime Policy Review and Updates, for information;

AND THAT Council repeal the Emergency Call-in Pay Policy S600-17;

AND THAT Council approve the Overtime Policy S100-13, as amended.

Background:

The Town's current policies which relate to overtime (Policy S600-13 and Policy S600-17) have not been reviewed since 2016 and 2014, respectively. In the years since, a portion of the Town's staff has unionized, a new compensation system for non-union employees has been implemented and managers with salaries that fall in pay band 10 and above ceased to be able to accumulate banked overtime.

Further, there were additional new complements created in 2018 to support events, reducing the amount of full-time staff needed to assist with Canada Day, the Summer Chill Series, the Christmas Market, etc. In light of all of these structural changes, the existing policies related to compensation for overtime hours require updating and modification.

Analysis:

The Town's existing Emergency Call-in Pay Policy S600-17 pertains only to staff in the Public Works department and references employees in pay bands 1 through 5. Since unionizing, an entirely new salary grid has been implemented and these staff are now governed the terms of the collective agreement, where the rules around overtime compensation are clearly defined. Where they conflict, the terms of the Collective Agreement take precedence, therefore this policy is now redundant and should be repealed.

The existing Overtime Policy S600-13 is somewhat vague, leaving both staff and management unsure when it comes to how overtime should be compensated in

various situations. For instance, the supervisors in the Public Works department have taken on the responsibility for the on-call service since unionizing which the current policy does not address. The existing policy is also silent on staff opting to work through their lunch period, travel time, or the requirement to obtain approval prior to working additional hours. The current policy also encourages staff to volunteer their time at Town events without the expectation of compensation. The *Employment Standards Act* is quite clear, as is the associated case law, that any work performed by those employed by the Town should be compensated. There are very few instances where it would be appropriate to allow staff to perform work without being paid. The policy language around volunteering has been amended for this reason.

The Senior Leadership Team has identified an issue with overtime payouts in certain departments. This has been addressed in the updated version of the policy which now limits the amount of overtime an employee can be paid out in any given year and requires all staff to reach their time bank maximum before being able to receive a payout. Another area of concern is the accumulation of an unreasonable amount of banked overtime, leading to operational difficulties as this lieu time must be taken within the calendar year in which it is earned.

Summerfest has historically been one of the major contributors to the significant banked overtime accumulation as this event requires support from staff across the organization. This past Summerfest was the first time staff who worked in the bar, wrist banding, and ticket sales were paid in the form of an honorarium (funded by the Summerfest budget) instead of the usual practice of banking overtime hours. The opportunity to work these shifts was extended to both permanent staff and summer students and the change to the means of compensation was generally well received. The policy has been updated to include this change which will not only reduce the amount of banked overtime staff accumulate, but it will also help better determine the actual costs of running this event.

Additional policy revisions include a change in scope to include only non-union employees in pay bands 1 through 9, the requirement to obtain prior approval to work additional hours, as well as rules around the on-call service, travel time, and voluntarily working through lunch periods. The policy provides much clearer direction and will allow management to better plan for and control overtime costs.

Financial Considerations:

Overtime costs are already accounted for in the operating budget, to the best of Town Administration's ability to predict the amount needed a year in advance. These policy revisions will not require additional dollars to implement.

Alternatives Reviewed:

The Emergency Call-in Policy is redundant and should be repealed, regardless of whether or not Council votes to approve the amended Overtime Policy. The Overtime Policy could remain as is, although this is not the recommended way forward as the existing policy does not address the many changes that have occurred since its creation.

Strategic Plan Relationship: Financial Sustainability

These policy updates, such as a cap on overtime payouts and the requirement to reach the banked overtime maximum before being able to be paid out should actually reduce overall overtime costs in future budget years.

Consultation:

All members of the Senior Leadership Team were consulted throughout the revision process of the Overtime Policy.

Other Pertinent Reports/Attachments:

Appendix "A" – Overtime Policy S600-13

Appendix "B" – Emergency Call-in Policy S600-17

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