

# 2011 Business Plan & Budget

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## Human Resources & Payroll

### **Mission Statement & General Service Description**

Our mission is to assist the County's operating departments in achieving the most effective, efficient business operations and to champion a safe and productive workplace through leading-edge human resources management.

The Human Resources department creates and implements all policies, practices and processes to effectively organize and manage all human capital resources in the workplace with the ultimate goal of attracting and retaining quality staff.

The practice of human resource management includes providing advice to internal clients, managers and employees in matters pertaining to employee and labour relations, recruitment and selection, employee health and wellness and corporate training and development; administration of payroll, compensation and benefit programs; program development and evaluation in areas such as attendance and performance; and maintaining or changing relations between employees or between managers and employees.

### **The Human Resources Department**

The role of the Human Resources Department is to foster organizational effectiveness in the following ways:

- Recruit and maintain professional, skilled and dedicated staff to enable the County's eight departments to perform as effectively as possible.
  - Maintain constructive union/management relations with the County's six union locals.
  - Promote high staff morale and productivity leading to high performance
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- Safe and healthy workplace relations through administration of Bill 168 legislation (preventing workplace violence and harassment) and through corporate responsibilities under the Occupational Health & Safety Act;
- Guide and support employees and operating departments, resolving conflict, promoting collaboration and teamwork;
- Develop, communicate and support corporate policies and procedures to ensure consistency and high quality work practice;
- Administer the Non-Union Job Evaluation & Compensation program.
- Maintain Pay Equity;
- Guide and support staff with performance and attendance management;
- Assist operating departments with WSIB claims, modified work programs and return to work initiatives;
- Striving for continuous improvements by encouraging growth and building from within;
- Being recognized as a business partner involved in the strategic/business planning process along with all other divisions;
- Being the change leader, helping the County communicate and adapt to change;
- Being a champion for employees, vigorously representing their concerns to senior management;
- Enhance employee attraction & retention through competitive compensation packages;
- Coordinate initiatives with neighbouring Human Resources professionals;
- By leading and coordinating the development of training programs which increase management effectiveness and enhance the relationships of all County staff;

## **Mandatory Programs**

The following are items that are mandatory through the payroll process. The annual costs paid by the County based on our annual payroll are as follows:

Employment Insurance (EI)	\$404,414
Canada Pension Plan (CPP)	\$818,381
OMERS	\$1,205,881
Employer Health Tax (EHT)	\$437,074
Workplace Safety Insurance Board (WSIB)	\$382,300
<b>Total Employer Costs</b>	<b>\$3,248,050</b>

## **Discretionary Programs**

### ***Corporate Training & Development***                      \$150,000

Since 2006 the County has placed a large focus on team dynamics and building/enhancing team relationships. All employees have participated in anti-harassment and bullying in the workplace seminars.

Through 2007 to 2010 the focus areas, like many other organizations, had been to define a clear process for succession planning and also to provide management training sessions to all supervisors & middle managers to allow for the opportunity to develop from within. In addition to continuing with the team building programs, we have identified the Managing and Leading in a Municipal Environment as a key initiative to on which to focus. Our goals are twofold – to develop future leaders from within and to create work unit environments characterized by continuous improvement and innovation. Bill 168 has presented further training requirements for all employees.

Examples of training that is funded through the Corporate Training fund are as follows:

- Performance Management Program/Training
- Management development – Managing & Leading in a Municipal Environment (Loyalist College)
- Conflict Resolution
- Employment related conferences
- Continuing Education
  - o CGA program
  - o Information Technology – upgrade training
  - o AMCTO – Municipal Administration Program
- Ontario Accessibility Customer Service Training
- Bill 168 – Occupational Health & Safety Amendment Act (Violence & Harassment in the Workplace)

### ***Occupational Health Services***                      \$90,000

Since 2007 the Human Resources Department has placed a concentrated effort on reducing the number of workplace related incident/illnesses. All forms of absenteeism are costly and directly affect the productivity and culture of the workplace. Disability Management is an integrated and systematic strategy to reduce absenteeism, whatever the reason.

In 2007 County Council approved the Occupational Health Services Budget that would enable Human Resources to hire contracted services to assist with the Occupational Health function. The following are some of the key responsibilities fulfilled by the Occupational Health Nurse and Doctor.

- Ensure that the organization is in compliance with all applicable statutes and regulations relating to the Workers' Safety and Insurance Board.

- Ensure the timely processing of WSIB correspondence to and from all departments.
- Establish and maintain a tracking system to provide current financial and demographic information on all claims.
- Investigate in conjunction with department managers/supervisors, the cause and effects of workplace accidents to ensure remedial action plans are implemented.
- Review and authorize all WSIB Forms before submission to WSIB to ensure completeness and accuracy of information.
- Liaise with WSIB representatives, health professionals, managers/supervisors and staff to ensure return to work program and legislated obligations are met.
- Co-ordinate/collaborate with managers/supervisors, health care providers, and staff on all employee return to work placements.
- Maintain detailed expenditure records of WSIB related costs to facilitate recommendations for cost savings or program expenditures.
- Together with the Occupational Health Doctor recommend appeal strategies against WSIB.
- Submit written appeals to WSIB on behalf of the County.
- Establish early and safe return to work plans for injured/ill employees.

Together with Occ Health, the Golden Plough management team became much more aggressive in ensuring employees were returned to work in a timely fashion or returned to WSIB in order to allow the Board to facilitate a return to work process. Historically there has not been a formalized process for ensuring employees do not remain on modified work for excessive amounts of time. The following illustrates the success of regular meetings with staff on modified work and an aggressive approach to a safe and timely return to work.

GPL Modified Hours	2009	2010
	10,050.50	6,987

## Environmental Scan

- 490 Employees County Wide
  - Emergency Medical Services 24/7 – 96 employees
  - Golden Plough Lodge 24/7 – 205 employees

- Community & Social Services – 41 employees
- Transportation & Waste – 108 employees
- Corporate Services – 40 employees
  - Finance, Human Resources & Payroll, CAO, Clerk, Administrative Support, Provincial Offenses, Economic Development & Tourism

## **Funding**

Human Resources & Payroll are considered a Corporate overhead expense and therefore the cost for the delivery is allocated to each operating department.

## **Legislative**

The Human Resources department operates within the guidelines established through the Ontario Employment Standards Act, Labour Relations Act, Ontario Human Rights Code and the Occupational Health & Safety Act.

## **Prior Year Accomplishments**

- Continuation of Management Development Program
  - Managing & Leading In A Municipal Environment
    - Completion of intakes 5, 6, & Registered Staff (GPL)
    - Continuation of Intake 7
    - Commencement of Intake 8
- Introduction and Implementation of Solution Circles through Loyalist College
  - Managers Circles
  - Directors Circles
- Collective Bargaining
  - ONA – Golden Plough Lodge
  - OPSEU – Emergency Medical Services
- Bill 168 – Occupational Health & Safety Amendment Act - Violence and Harassment in the Workplace Legislation
  - Amended policies and procedures
  - Risk of Violence Assessments complete
  - Employee awareness program & training 90% complete
- Occupational Health
  - Reduction in WSIB & absenteeism
    - 2009 claims = 48
    - 2010 claims = 35
- Performance Management Program
- Accessibility for Ontarians with Disabilities Training
  - Trained all County employees

- Establishment of training database
- Development of non-union job descriptions
- Recruitment & Selection – 77 vacancies filled
- Review of County Benefit program
  - Financial viability
  - Customer satisfaction
- Development of New Staff Orientation Package

## **Five to Ten Year Strategic Objectives**

- Management Development Program
  - Proactive program to develop next generation of leaders from within
- Continuous Improvement Program
  - Establish and sustain cooperative work relationships and a culture of effectively involving employees
- Employee Retention
  - Competitive compensation practices, non-monetary benefits, superior work environment
- Succession Planning
- Effective Management/Union Relations
- Organizational Effectiveness
  - Labour relations support
  - Attendance management, occupation health support
  - Conflict resolution
  - Performance management
- Review and implementation of Recruitment process
  - Social media/networking

## **2011 Service Objectives and Related Work Initiatives**

- Continuation of Employee Communication Strategy
  - Intranet
  - Effective communication techniques
- Succession Planning
- Development of a “Workplace of Choice” methodology
  - Become the employer of choice
  - Provide alternate, flexible work arrangements to support work/life balance
  - Provide a supportive, quality work environment

- Total Compensation Review – monetary & non monetary
- Education/Awareness
  - Workload management
  - Workload stress management
  - Work/life balance
- Continuation of Management Development Program
  - Managing & Leading In A Municipal Environment
    - Intakes 8 & 9
    - Solutions Circle Program
- Occupational Health
  - Claims management
    - Early and safe return to work
    - Reduce number of incidents
  - Promote proactive rehabilitation and back to work objectives
  - Short term disability claims management
  - Reduction of workplace incidents
    - Training/awareness
- Labour Relations
  - Collective Bargaining
    - Golden Plough Lodge (2 agreements)
    - Material Recovery Facility
  - Mediation/Arbitration
    - Several scheduled for EMS
  - EMS Workplace Intervention
- Re-development of Recruitment Process
  - Electronic process inclusive of Facebook, Twitter etc
- Human Resources Records management
  - Population of Human Resources Information System (HRIS)
    - Employee master files
- Development and approval of Position Descriptions for all County functions

## **2012 Forecast and Strategic Priorities**

- Continue with 2011 priorities
- New pressures
  - Economical pressures & collective bargaining
  - Aging workforce



## ISSUE PAPER #1 – OMERS Rate Increases

### 1. Purpose:

This report is to provide County Council with an update on the OMERS rate increases and the financial impact the changes will have on the County of Northumberland.

### 2. Background:

As a Municipal employer, the County is mandated to participate in the OMERS Pension Plan. In 2010 OMERS announced a three-year rate increase for members and employers. The increases will be an average 1% of a member's earnings per side (employee and employer) in 2011, 1% in 2012 and 0.9% in 2013. The increases will begin with the first full pay period in 2011.

The rates paid by members and matched by the County will be as follows: Note: the exact rates for 2012 and 2013 will be determined next year.

		2010	2011
Normal retirement age 65 members	On earnings up to CPP earnings limit*	6.4%	7.4%
	On earnings over CPP earnings limit*	9.7%	10.7%
Normal retirement age 60 members	On earnings up to CPP earnings limit*	7.9%	8.9%
	On earnings over CPP earnings limit*	13.1%	14.1%

*\*CPP earnings limit in 2010 is \$47,200; the limit in 2011 will be higher.*

Here are examples showing the bi-weekly pay impact of the contribution increases.

Normal retirement age 65 (most OMERS members)

Total annual earnings example	2010 contributions	2011 contributions	Difference per pay* (gross)	Difference per pay* (net, after-tax benefit)
\$ 25,000	\$ 61.54/pay	\$ 71.16/pay	\$ 9.62	\$ 7.11
\$ 50,000	\$126.63/pay	\$145.86/pay	\$19.23	\$13.24
\$ 75,000	\$219.90/pay	\$248.75/pay	\$28.85	\$19.34
\$100,000	\$313.17/pay	\$351.63/pay	\$38.46	\$21.77

For example, Alex’s annual earnings are \$50,000 in 2011. The increase in the amount of contributions he pays per bi-weekly paycheque is \$19.23. The amount he actually pays drops to \$13.24, once his additional tax savings are factored in.

Normal retirement age 60 (most OMERS police officers and firefighters)

Total annual earnings example	2010 contributions	2011 contributions	Difference per pay* (gross)	Difference per pay* (net, after-tax benefit)
\$ 50,000	\$157.52/pay	\$176.75/pay	\$19.23	\$13.24
\$ 75,000	\$283.48/pay	\$312.33/pay	\$28.85	\$19.38
\$100,000	\$409.45/pay	\$447.91/pay	\$38.46	\$21.76

For example, Maria’s annual earnings are \$75,000 in 2011. The increase in the amount of contributions she pays per bi-weekly paycheque is \$28.85. The amount she actually pays drops to \$19.38, once her additional tax savings are factored in.

*\*Based on 26 pay periods annually and the 2010 CPP earnings limit. As the 2011 limit will be higher, the actual dollar increases in contributions may be slightly less than those indicated here.*

The changes were undertaken as a temporary strategy to support the funded security of OMERS Primary Plan. The Primary Plan had a funding shortfall of \$1.5 billion at December 31, 2009.

### 3. Financial Implications

The annual payroll for the County is approximately \$25 million although not all employees are enrolled in OMERS as part time employees are not required to participate. The financial impact of the 1% increase in 2011 will be approximately \$170,000.

#### **4. Recommendation**

All municipalities are required to contribute to OMERS per the identified rate schedule.