



Committee Report

To: Warden Mitch Twolan
Members of the Human Resources Committee

From: Marianne Nero
Director of Human Resources

Date: December 20, 2018

Re: 2019 Non-Union COLA and Benefits Adjustments

Recommendation:

That the Human Resources Committee review the salary and benefits recommendations provided and recommend a 2% non-union salary grid increase effective January 1st, 2019 for the approximate cost of \$299,932 and the benefits for an approximate increase of 0.025% and a cost of \$38,762.

Background:

The salary adjustment for the Non-Union group is reviewed annually and group benefits adjustments are reviewed every two years. The Non-Union salary adjustment was reviewed for 2018 and the Non-Union group benefits were reviewed in 2017. This report outlines proposed 2019 salary and group benefits adjustments.

It is important to maintain the Non-Union benefits relative to the municipal market place. The Senior Management Team (SMT) has taken the following factors into account when considering benefits changes for Non-Union employees in 2019. The SMT considered alignment of benefits enhancements within our internal benefit groups, wellness initiatives and our fiscal responsibilities.

- Health Benefits (Drug Plan) - Remove the \$2 co-pay per prescription
- Health Benefits (Vision Care) - Increase maximum coverage from \$375 to \$400 every 24 months
- Mental Wellness - Increase calendar year maximum from \$500 to \$625 (Clinical Psychologist)
- Dental Care Benefits - Change recall frequency from 9 months to once every 6 months
- Dental Care Benefits - Increase employer portion from 75% to 80%
- HR Policy E19 - Increase safety boots from \$150 to \$225

It is notable that for the previous two Non-Union benefit reviews, we were able to obtain benefit savings by decreasing benefits without major impacts to staff to assist in off-setting benefit enhancements.

Benefit	Details	2019
Health	Remove \$2 co-pay	\$5,956
Vision Care	Increase to \$400	\$7,445
Psychiatrist	Increase to \$625	\$7,445
Dental	Increase recall frequency to every 6 months	\$3,503
Dental	Increase Employer Portion 75% to 80%	\$12,613
Safety Boots	Increase allowance from \$150 to \$225	\$1,800
	Total Additional Cost	\$38,762

There are many economic factors that influence salary increase decisions. These include prior year's market-driven movement of wages, increases and decreases in the consumer price index (CPI), Gross Domestic Product, unemployment rates and internal turnover rates. The Consumer Price Index (CPI) for Canada is 2.4% and the CPI for Ontario is 2.5% (represents the period from October 2017 to October 2018).

The County of Bruce Unions will be receiving the following 2018 increases:

Union	2019 Increase
CUPE - Highways	1.75%
CUPE - Library	2.0%
Unifor - LTC	TBD
Unifor - Library	2.0%
ONA	1.75%
OPSEU	TBD

The following County comparators were surveyed to ascertain their projected 2018 Non-Union COLA increases:

Non-Union Comparators	2019 COLA
County of Lambton	1.75%
Oxford County	TBD
County of Grey	1.65% (pre-set formula)
Wellington County	2.0
Northumberland County	TBD
Middlesex County	TBD
County of Lanark	1.6%
County of Dufferin	TBD
Huron County	1.5%
Elgin County	TBD

Wage Adjustment Survey and Forecast

Morneau Shepell is a source that conducts an annual survey of a broad range of organizations to collect information about plans for annual wage adjustments. The result of their survey was reported on August 14, 2018, "Employers in Canada are expecting non-union salaries to rise by an average of 2.6 per cent in 2019", according to Morneau Shepell's annual survey of Trends in Human Resources.

Unemployment

As of October 2018, the unemployment rate in Ontario was 5.9%.

Top Factors Influencing Compensation Decisions

According to Mercer's Canada Compensation Planning Survey, the top three factors influencing compensation decisions for 2019 are; 1. Retention, 2. Attraction, 3. Overall economic climate.

Recent historical non-union increases have ranged between 2.0% to 2.5%. The County undertook a non-union market review in 2016 implemented as of July 1, 2017. A salary increases of 2.0% for 2019 can reasonably be expected to maintain the County of Bruce's competitive position.

Financial/Staffing/Legal/IT Considerations:

The financial considerations are as follows:

Projected Increase	Salary Costs	Benefits Costs Associated with salary increase	Total Annual Projects Cost
2.0%	\$299,932	\$38,762	\$338,695

There are no staffing, legal or ITS considerations associated with this report.

Interdepartmental Consultation:

The Senior Management Team have been provided information.

Link to Strategic Goals and Elements:

Not applicable.

Written by: Marianne Nero

Approved by:

Murray Clarke
Acting Chief Administrative Officer