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Date: August 27, 2019
To: Mayor and Council
Author: Jennifer Galea, Human Resources Manager
RE: Union Pay Equity and Internal Equity
Report No.: CS-2019-16

AIM

To provide a formal update to council on the pay equity plan for the union employees. Additionally, to obtain council approval on the internal equity adjustments for the union employees.

BACKGROUND

The Town of Kingsville achieved pay equity compliance in 2006 when a Pay Equity Plan was posted for the union employee group. The *Pay Equity Act*, requires all employers to show that pay equity has been achieved and maintained in their workplace. To meet the minimum requirements of the Act, all employers must carry out the following activities for each of their establishments:

- Determine job classes, including gender and job rate of job classes.
- Determine the value of job classes based on legislative requirements of skill, effort, responsibility and working conditions using a gender neutral comparison tool.
- Conduct job comparison for all female job classes using job-to-job and/or proportional value method of comparison.
- Identify and adjust the compensation of underpaid female job classes so that they are paid at least as much as an equal or comparable male job class or classes. All retroactive payment must include interest.

On November 10, 2016, the IBEW Local 636 Collective Agreement for Full-Time employees ("CA") was ratified. As part of the CA, the parties negotiated a Letter of

Understanding (“LOU”) which provided that Pay Equity and Internal Equity be addressed by the parties:

“This letter will serve as confirmation of an understanding that has been reached between the Parties during contract negotiations with the respect to Pay Equity and Internal Equity. The Parties agree to begin these negotiations one (1) year after ratification of this collective agreement. The Parties agree to address any wage disparities arising from the Pay/Internal Equity Review within one (1) year of completing this process.”

Marianne Love of ML Consulting was selected to facilitate the pay equity component of the LOU. A Joint Pay Equity Committee was established and was comprised of members representing the Town and Union. The CAO, Director Corporate Services, and HR Manager, represented the Town and the Business Representative for Local 636 along with employees from Public Works, Environmental Services and Office Support represented the Union. The committee has been meeting over the last year to complete the pay equity process.

Job information questionnaires were complete by the job incumbents and signed off by the managers for each unique job classification. The Committee evaluated each position using the information questionnaires and scored the jobs with McDowall Job Evaluation System Tool. The committee subsequently reviewed each evaluated job. Job bands were created that spanned a range of 70 points and job classes of equal or comparable value were placed in the appropriate band. Refer to the Town of Kingsville and IBEW Local 636 Amended Pay Equity Plan Services (please refer to Appendix ‘A’).

DISCUSSION

The results of the pay equity analysis establish that the Town is compliant with the *Act* and there are no pay equity adjustments required.

However, the pay equity analysis indicates that there are internal equity issues with 2 positions: Environmental Services and Seasonal/Part Time Parks and Recreation. Both the Environmental Services and Seasonal/Part Time Parks and Recreation positions are not being paid the same rate as the other positions within their job band, which in turn has created an internal equity issue. The Environmental Services position is located in Band 2 is currently paid a wage rate of 29.73 per hour, but the rate of pay for Band 2 is \$32.46 an hour. This leaves a shortfall of \$2.73 an hour.

Currently, the wage rate for employees in Environmental Services position is commensurate with the licence level attained, as depicted in the chart below. To achieve internal equity, it is proposed that the wages are adjusted upwards so that operators with a Waste Water License of L1 and a Water Distribution License of L3 are paid the band rate of \$32.46. This proposal maintains the current tiered system that is currently in place and achieves internal equity in accordance with the LOU.

Waste Water License	Water Distribution License	Base Current	Waste Current	Water Current	Current Rate	Base Proposed	Waste Proposed	Water Proposed	Proposed Rate
OIT	OIT	\$29.28	\$0.25	\$0.25	\$29.78	\$29.28	\$0.48	\$0.48	\$30.24
OIT	L1	\$29.28	\$0.25	\$0.45	\$29.98	\$29.28	\$0.48	\$0.87	\$30.63
L1	L1	\$29.28	\$0.45	\$0.45	\$30.18	\$29.28	\$0.87	\$0.87	\$31.01
L1	L2	\$29.28	\$0.45	\$1.10	\$30.83	\$29.28	\$0.87	\$2.12	\$32.27
L1	L3	\$29.28	\$0.45	\$1.20	\$30.93	\$29.28	\$0.87	\$2.31	\$32.46

The Seasonal/Part Time Parks and Recreation position is located in Band 1. This position is currently paid an hourly rate of \$19.56 per hour, while all other positions in that Band are paid an hourly rate of \$29.28. To achieve pay equity, it is proposed that the wage rate for this position be raised to \$29.28 per hour.

LINK TO STRATEGIC PLAN

Effectively manage corporate resources and maximize performance in day-to-day operations.

FINANCIAL CONSIDERATIONS

There are no financial impacts from the pay equity plan amendment.

The financial impacts from internal equity for the positions of Environmental Services and Seasonal/Part Time Parks and Recreation for the 2019 budget would be \$42,644 with an effective date of September 9, 2019. This cost can be absorbed from the 2019 vacancies in staffing. The annual impact to the budget for 2020 and will be approximately \$121,828 which will have to be funded by taxation.

CONSULTATIONS

CAO
Director of Corporate Services
Director of Finance

RECOMMENDATION

That Council receive the update on the pay equity plan, and that Council approve the internal equity adjustments that have been outlined from the pay equity analysis.

Jennifer Galea
Jennifer Galea, CHRL
Human Resources Manager

Jennifer Astrologo
Jennifer Astrologo B.H.K. (Hons), LL.B.
Director of Corporate Services/Clerk

Peggy Van Mierlo-West

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Chief Administrative Officer