

TEMPORARY POSITIONS WITHIN THE CITY OF EDMONTON

RECOMMENDATION

That the October 3, 2022, Employee Services report ES01389, be received for information.

Requested Council Action		Information only	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work to achieve our strategic goals.		N/A	
City Plan Values	N/A		
City Plan Big City Move(s)	N/A	Relationship to Council's Strategic Priorities	Conditions for service success
Corporate Business Plan	Managing the corporation		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none">Temporary and Seasonal Workforce Review		
Related Council Discussions	Council regularly receives workforce updates from Administration as part of budget, budget adjustment and bargaining process.		

Previous Council/Committee Action

At the July 4/6, 2022 City Council meeting, the following motion was passed:

That administration provide a report to Council outlining current use underway to revisit and rationalize the use of temporary positions within the City. The information provided may include, but is not limited to:

- A cost-benefit analysis that looks at the employee benefits vs. administrative costs related to off-boarding and on-boarding of employees (recruitment, mandatory training, regulatory certification).
- The potential impact of this work on our permanent and temporary workforce.

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Executive Summary

- As part of the City's commitment to continuous improvement under its Manage the Corporation for our Community goal, the City is working to ensure its temporary workforce complement reflects and supports the needs of the corporation while at the same time providing a positive employee experience for all City employees.
- The temporary workforce enables the City to meet the cyclical demand for services and ensures those services are provided to the public at the best value for their money.
- A Temporary and Seasonal Workforce Review project was created in June of 2021 to realign the workforce; develop a methodology to capture current resource capacity; develop a workforce planning toolbox; and optimize seasonal hiring practices.
- Administration has conducted a review of approximately 4,800 temporary assignments spanning 2021. Findings are included within this report.
- In the winter of 2021, the City began analyzing the composition of its seasonal and temporary workforce and converted 101 positions from temporary to permanent based on operational requirements. This work will continue over the next six months.
- Some position conversions may require additional funding to cover the cost of benefits provided to permanent employees that are not provided to temporary employees.
- The GBA+ process is being applied throughout this work to understand who is impacted and how in order to identify and implement equity measures.

REPORT

Introduction

The City of Edmonton is a service-delivery organization. Services are delivered by people, which means that City employees are essential to delivering excellent services to Edmontonians. Administration believes that a positive employee experience is essential to excellent service delivery and to the well-being of employees.

As part of the City's commitment to continuous improvement, a project team is re-examining all facets of the City's temporary and seasonal workforce.

The City is committed to transparency to employees and Edmontonians. The Temporary and Seasonal Workforce Review will result in guidelines and processes that will make decisions much clearer to employees why one job may be permanent and another may not be.

Workforce Overview

The City's workforce is critical to its success in meeting the diverse needs of Edmontonians and making Edmonton a great place to work, live, and play. The size and scope of the City's workforce reflects the variety of programs and services it delivers to Edmontonians; the City has approximately 70 distinct services and more than 950 types of jobs.

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As of September 30, 2021, the City of Edmonton has a full-time equivalency (FTE) count of 10,934. This is the workforce that is within the leadership purview of the City Manager; it excludes the Edmonton Police Service, Edmonton Public Library and other agencies that report directly to Council.

Administration uses September 30 as a consistent point of measurement for workforce composition annually. Given that the City's workforce constantly fluctuates due to seasonal demands (11,000 to 13,000 employees), establishing a consistent point-in-time for measurement helps to ensure that the data each year is comparable.

An FTE is the hours and associated costs worked by one employee on a full-time basis in a budget year, or a combination of positions that provide the same number of hours. A full-time employee is counted as one FTE, while a part-time employee gets an FTE value proportional to the hours they work.

The City's workforce includes FTEs that are funded through various sources such as tax-levy, capital grants, utility fees and enterprise business models, depending upon the service and function they support.

According to the Conference Board of Canada, in 2021, the total turnover rate for Canada-wide industries was 8.1 per cent, the turnover rate for public sector organizations was 3.7 per cent, and the turnover rate for municipal governments was 5.2 per cent. Based on these comparators, the City's annual turnover rate of 6.0 per cent in 2021, which has remained relatively consistent over the past five years, is within the healthy range for an organization.

Employment Status

Headcount refers to the total number of employees working at the City of Edmonton and includes full-time and part-time employees. Each employee is counted as "one" in the headcount, regardless of the hours that they work or their employee status. For example, two part-time employees working half time would count as one FTE but a headcount of two. As shown in the table below, the active headcount of employees as of September 30, 2021 was 11,999. This headcount excludes employees that are on Long-term Leave or Temporary Layoff. The fourth column titled '+/-' shows the change in the number of employees from September 2018 to September 2021.

Type	Sep 2018	Sep 2021	+/-	%	Trend
Permanent	9,366	9,277	(89)	-0.95%	—
Provisional	1,286	1,086	(200)	-15.55%	↓
Temporary	2,294	1,636	(658)	-28.68%	↓
Total	12,946	11,999	(947)	-7.32%	↓

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More than three-quarters of the City's total workforce is permanent. Since 2018, there has not been a significant change in the number of permanent employees; however, because of the reductions in provisional and temporary employees, permanent employees now make up a larger proportion of the City's workforce (77 per cent today compared to 72 per cent in 2018).

Employment status defines the benefits and entitlements of an employee at the City and is a key consideration for the City in its relationship with an employee. There are several different employment statuses at the City of Edmonton and these are detailed in Attachment 1.

Advantages of an Agile Contingent Workforce

Most large complex organizations, in both the public and private sector, utilize temporary workers to supplement their permanent workforce to manage fluctuations in work cycles and related demand for services. The majority of the City's temporary employees provide front-line, season-specific services, such as lifeguarding and snow removal. Administration believes its temporary workforce enables the City to meet the cyclical demand for services, and ensures those services are provided to the public at the best value for their money.

There are a number of advantages for the City of Edmonton, such as:

- maintaining staffing flexibility;
- ensuring a cost-effective labour practice, particularly when there is no identified need to permanently increase staffing levels. This practice reduces costs as the City pays for work as required;
- testing a scope of work before making a decision to fill the role permanently, especially when service lines and projects are shifting;
- enabling service lines to adjust more easily and quickly to workload fluctuations; and
- building a talent pipeline for the future as the City has the ability to evaluate potential future hires.

There are also advantages for temporary City workers, such as:

- retaining flex work arrangements as some employees may not want to work permanently nor full-time;
- providing a way for workers to try out different roles and backfilling roles while holding home positions for employees on temporary assignments;
- offering work experience opportunities to equity-deserving groups who may have barriers to employment;
- enabling temporary employees to experience the City as an employer before pursuing a permanent role; and
- providing an opportunity for students who want to pursue temporary employment and gain valuable experience with the City while completing their educational programs.

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Temporary and Seasonal Workforce Review

As part of the City's commitment to continuous improvement, the ongoing Temporary and Seasonal Workforce Review project started in June of 2021 and is organized into four streams. Its goals are to:

- A. **Realign the Workforce**, which aims to assess and then recalibrate, as necessary, the employment status (permanent, temporary, provisional) of temporary employees to reflect the current operational requirements of the work.

Examples of key deliverables include:

- an improved understanding of the current temporary and seasonal workforce;
- articulating the City's philosophy for utilizing the temporary workforce (including temporary assignment definitions);
- identify opportunities to convert temporary positions to permanent based on operational requirements;
- align operational requirements of the temporary workforce with the budget and allocated FTE; and
- stabilize the workforce where appropriate and ensure alignment with operational requirements.

- B. **Develop a Methodology to Capture Current Resource Capacity**, which will enable leaders to better understand and communicate what resource capacity business areas can execute on today.

Examples of key deliverables include:

- develop a uniform methodology to enable business areas to consistently document current resource capacity; and
- develop learning experiences to increase knowledge and embed accountability within leadership for continually assessing resource capacity.

- C. **Develop a Workforce Planning Toolbox**, which will support leaders in making data-informed decisions in relation to their workforce complement.

Examples of key deliverables include:

- design and implement a City of Edmonton suite of workforce planning resources and tools to support leaders in making data-informed decisions in relation to the workforce complement; and
- develop learning experiences to increase knowledge and embed accountability within leadership for continually ensuring the workforce complement aligns with service requirements.

- D. **Optimize Seasonal Hiring Practices**, which will redesign the recall and new seasonal hiring and onboarding processes with a focus on client, candidate, recruiter, and employee experience that aligns with the needs of the business.

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Examples of key deliverables include:

- re-design the seasonal hiring process for new hires with a focus on client, candidate, recruiter, and employee experience that aligns with the needs of the business, provides clarity to candidates and outlines clear accountabilities with strong governance;
- re-design the recall process including the payroll onboarding and offboarding of seasonal hires; and
- review the onboarding process to ensure employees have the corporate tools they need to perform their role.

Feedback from and the support of stakeholders will be sought throughout the project and the approach and methodology will be intentionally inclusive. Engagement of stakeholders (including employees, supervisors, unions and leaders) on this project will be guided in part by GBA+, the City's Cultural Commitments and the Working Relationship Agreement.

Temporary Workforce Demographics

In alignment with the GBA+ process, the City collects employee demographic data as part of the onboarding process of new hires. New employees have the option to provide information about their identities, including their age, gender, sexual orientation, Indigeneity, racial identity, and disability information.

This data for the time period of January 1 - December 31, 2021 was reviewed to determine the demographics of the temporary workforce for that time period.

A high-level overview of the data showed that the majority of the temporary workers who responded to the survey questions were white, male, straight, non-disabled and between the ages of 20-39.

A detailed analysis of the City's temporary workforce demographics is available in Attachment 2.

Temporary Assignment Review

The City of Edmonton utilizes different types of temporary assignments for three primary reasons: to backfill approved leaves of existing employees, to bring in additional resources to support the completion of specific work where there is no identified need to increase staffing levels permanently, and to effectively respond to seasonal fluctuations in service line needs.

The City also utilizes temporary ongoing assignments that are considered "casual". In casual assignments, shifts are not guaranteed and employees pick up shifts or are scheduled for work on an as-required basis. Employees in casual assignments are not eligible for benefits and have an ongoing employment relationship. These assignments are typically found in Community Services, including roles such as Group Fitness Instructors, Commonwealth Stadium Security Guards and Program Specialists.

Some key findings based on the review of approximately 4,800 temporary employment assignments spanning 2021 include:

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- There were more temporary assignments than there were unique employees who performed them. Some employees performed multiple short-term assignments during 2021, while others ended an 11-month or longer assignment and began another during 2021.
- Recurring assignments that had a duration of 11 months or longer comprised 5 percent of all temporary assignments in the analyzed time frame.
 - The positions associated with recurring 11-month or longer temporary assignments are being reviewed in the “Realign the Workforce” Stream of the Temporary and Seasonal Workforce Review to determine if any of these positions should convert to permanent based on operational need.
- Recurring assignments that lasted less than 11 months were the most common assignment at 52 per cent.
 - Positions associated with these assignments are being reviewed in Stream A of the Temporary and Seasonal Workforce Review to determine if they can be reasonably paired with another position to create a permanent employment opportunity.
 - Administration estimates there are currently a minimum of 250 permanent positions that are dual classification/dual role. Permanent employees in these positions regularly take on temporary assignments during the year. Some of these assignments involve moving to temporary positions with a different classification than the employee’s home position. When the assignment ends, the employee returns to their permanent home position.
- Not all temporary assignments were performed by temporary employees. Approximately 24 per cent of employees performing these temporary assignments were permanent employees, with provisional employees comprising an additional 28 per cent. Temporary employees comprised the remaining 48 per cent.

An overview of the analysis of temporary assignments including scope, methodology, and detailed results is available in Attachment 3.

Workforce Realignment

The City is focused on ensuring its temporary workforce complement reflects and supports the needs of the business while at the same time providing a positive employee experience for all City employees. As described earlier, Stream A of the Temporary and Seasonal Workforce Review project will assess and recalibrate, as necessary, the employment status (Permanent, Temporary, Provisional) of temporary employees to reflect the current operational requirement of the work.

During the winter of 2021, the City began analyzing the composition of its seasonal and temporary workforce and identifying opportunities to convert positions from temporary to permanent status based on the operational requirements of the service line. The City has completed a detailed assessment of 140 assignments and converted 101 temporary assignments to permanent positions. Conversions are detailed in Attachment 4.

It is important to note that these changes did not result in a significant increase in the size of the City’s workforce, nor did they eliminate the City’s need for continued utilization of temporary and

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seasonal employees.

Over the next three months, the project team is focusing their attention on completing a detailed assessment of the remaining 90 recurring assignments with a duration of 11 months or more. These remaining assignments are primarily found in the Community Recreation and Culture, Community Standards and Neighbourhoods, Infrastructure Delivery, Parks and Roads Services and Fire Rescue Services branches.

Additionally, Administration intends to complete a detailed assessment of approximately 1,000 recurring seasonal assignments that have a duration of less than 11 months to identify if there are any opportunities to merge roles together based on operational requirements to create full-time permanent positions. The bulk of these assignments are in the Parks and Roads Services and Community Recreation and Culture branches. It is anticipated that this work will be completed over the next six months.

Many of these proposed position conversions will result in the need for budgetary increases to fund the additional cost associated with the addition of benefits and result in service packages either as part of the 2023-26 budget process or as part of a supplementary budget adjustment in order to secure the additional funding required.

Administration is currently developing the four-year 2023-2026 operating and capital budgets using a prioritized budgeting approach that will balance the need to maintain existing service priorities with the desire to make transformational change in key strategic areas identified in ConnectEdmonton and the City Plan.

Financial Policy Considerations

Compensation Philosophy

Attracting and retaining a diverse group of qualified employees is fundamental to building a great city. Balanced with the City's fiscal responsibility to Edmontonians, our compensation philosophy strives to set pay positions for work performed at the average base salary within a defined target peer group. For the analysis, the City's target peer group includes:

- Canadian municipalities of similar size and revenue;
- Other public sector organizations; and
- Western Canadian organizations of similar annual revenue.

The compensation provided to employees at the City is determined by the role they perform.

Living Wage

The City utilizes the Alberta Living Wage Network (ALWN) to assess the City's wages and benefits for permanent and temporary employees. They are compared on an annual basis against the ALWN-calculated living wage recommendation for the year. The living wage is calculated based on the income needs of a two-parent family with two young children. It considers the hourly rate of pay needed for a household to maintain a modest standard of living, once government transfers have been added to the family's income, and taxes have been subtracted. The methodology

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assumes that both parents are working full-time hours and includes more than the basics of food, clothing and shelter, as the calculator also takes into account unexpected costs, small investments in education, and child care. The ALWN's customized living wage calculator includes benefit programs that can supplement an employee's wage (health and wellness benefits or transportation benefits such as a bus pass, etc.), which would offset the amount of the living wage.

In the Fall/Winter of each year, the ALWN releases the living wage for Edmonton and the City then determines if any adjustments are required for City employees. Any changes are then processed and take effect in January of the following year.

Cost/Benefit Analysis

Temporary and provisional employees are provided the benefits of employer contributions to the Canada Pension Plan and Employment Insurance premiums, supplementary income replacement, access to the employee family assistance program and certain entitlements related to statutory holiday and vacation pay. Some provisional employees are also entitled to a prorated health care spending account (Canadian Union of Public Employees, Local 30 (CUPE 30) only), three additional paid statutory holidays (Civic Service Union 52 (CSU 52), CUPE 30, International Brotherhood of Electrical Workers Local Union 1007 (IBEW 1007) and out-of-scope), and limited sick time (CSU 52, CUPE 30, IBEW 1007 and out-of-scope). Eligible employees can also access employee savings and discounts on passes for Edmonton Transit and City owned recreation centres.

Permanent employees receive a greater benefits package and are eligible for dental, major medical, either a flexible or health care spending account, group, dependent and optional life insurance, short-term disability, long-term disability, a pension and access to the employee family assistance program.

Although the benefit plans and contribution levels for permanent employees vary by class and union, the cost for these benefits is approximately 15 per cent of base salary (excluding Canada Pension Plan/Employment Insurance premiums). Hence, an approximated financial benefit commitment to a typical permanent employee with a base salary of \$100,000 is \$15,000 per annum. This approximates the primary incremental cost of converting temporary/provisional positions to permanent positions. The largest contributor to this figure is pension contributions from the employer (approximately 73 per cent of the additional benefit costs or \$10,950 per annum), followed by major medical plan contributions (13 per cent or \$1,950) and dental plan contributions (9 per cent or \$1,350).

The City of Edmonton does not typically provide the extent of these benefits to temporary/provisional employees, aside from access to the Employee Family Assistance Program. Any proposed change to temporary/provisional employee benefit eligibility would need to be negotiated with unions and associations, validated with the City's various providers for compliance purposes, and factored into the 2023-2026 budget.

Another cost consideration is the costs required to manage the turnover generated from a temporary/provisional workforce. Associated activities include recurring employee recruiting,

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onboarding, training and offboarding. Conversion of temporary employees to permanent status would be expected to reduce workforce management costs to some degree; however, the extent of costs reduction could vary depending on a number of factors related to the specific hire (e.g. sourcing, onboarding, training, administrative costs). These savings often relate to the time of salaried employees and are fixed in nature. Reductions to staff replacement and recruitment activity related to hiring of temporary employees would likely increase staff capacity across the City; however, it would not be considered to be tangible cost savings. Cost savings can only be achieved if salaried staff associated with workforce management were reduced accordingly.

Other Considerations

As noted previously, it is important to distinguish the temporary up to 11-month assignments and the temporary ongoing assignments. In general, there is an ongoing funding source applied to the base salaries of temporary ongoing employees. As such, conversion of these positions to permanent would require an additional incremental annual financial investment for a benefits package. Conversely, there is generally no ongoing funding source for short-term assignments, as their financial commitments are generally funded by the vacant permanent position they are covering, or a non-permanent funding source, such as an approved project.

Legal Implications

City Council has delegated authority to the City Manager to manage the City's employees and resources. Accordingly, it is the City Manager's responsibility to establish and change organizational structures and allocate resources as appropriate. Once delegated, a Council may not perform the same functions and any change to the delegated authority would require a bylaw amendment.

In the event of any transition of temporary employees to permanent status any applicable collective agreement obligations must be complied with, failing which, legal disputes are likely to ensue.

COMMUNITY INSIGHT

When City leadership creates the conditions that enable a positive experience at work, employees are happier, more productive and engaged. This means that employees are better able to serve the public and each other, and feel fulfilled as they do so. Input that senior leaders glean from employees helps inform the City's direction. Actions are determined based on that input, actively applying the engagement principles of listen, learn, and lead to further enhance the workplace.

Employees are key stakeholders in the Temporary and Seasonal Workforce Review project and genuine and meaningful engagement is a priority. The project team engaged with Union and Association presidents who have temporary members on August 25, 2022 to collect their insights and ensure they were aware of the information that the team would be looking to collect from front-line staff and the plan to obtain it. The project team has attended toolbox talks, team meetings, and hosted drop-in sessions at various worksites throughout the month of September to enhance the understanding of the experience front-line employees have with temporary and seasonal work. The GBA+ process was applied to ensure the engagement methods are inclusive

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and accessible.

GBA+

Initial external research of temporary work has revealed that:

- benefits of participating in temporary work include flexibility, opportunity to learn new skills, filling employment gaps and can lead to permanent employment (Terra Staffing Group, 2022);
- challenges include temporary employees not feeling part of the team, experiencing the work as repetitive or unfulfilling, and receiving lower pay (Terra Staffing Group, 2022); and
- women are more likely to work less than full-time, work in lower-paid occupations and are less likely to progress, compared with men. The resulting pay gap persists and more women are likely to live in poverty (Organization for Economic Co-operation and Development, 2022).

A preliminary analysis of the City's demographic data for the temporary workforce hired in 2021 shows that contrary to the Canadian trend, less than a third of respondents identified as female. As above, data shows that the majority of this temporary workforce respondents are white, male, straight, non-disabled and between the ages of 20-39.

As all streams of the Temporary and Seasonal Workforce project move forward, GBA+ will continue to be applied to identify who is impacted and how they are impacted by temporary work. Equity measures will be identified and implemented as possible. For Stream A in particular, the engagement plan's approach is to meet people at their job sites and provide opportunities for them to voluntarily share their experience with temporary employment at the City in a focus group setting, including why they chose temporary employment. A paper survey will be provided so participants may voluntarily provide anonymous feedback on the delivery of the engagement activity. Optional identity-related questions will be included to determine how inclusive the engagement is and ensure participants are representative of the broader temporary workforce.

ATTACHMENTS

1. Employment Status Definitions
2. Temporary Workforce Demographics
3. Temporary Assignment Review Summary
4. Workforce Realignment