

THE CORPORATION OF THE DISTRICT OF BURNABY

1982 July 28

Our File: 2-4-70-3

File: 1947

TO: MUNICIPAL COUNCIL
FROM: EXEMPT STAFF COMMITTEE OF COUNCIL
SUBJECT: EXECUTIVE AND SENIOR EXEMPT SALARY ADMINISTRATION


The Exempt Staff Committee of Council, in a meeting on 1982 July 26, considered the attached report from the Director Administrative and Community Services, respecting the Executive and Senior Exempt Salary Administration. The Municipal Manager indicated to the Committee his concurrence in the Director's recommendation.

In considering the report, the Committee noted that the recommendation was for Senior Exempt Job Evaluation for the balance of 1982, and the 1983 policy line adjustment, rather than for an indefinite period of time. The Committee also noted that, with staff changes in the Municipality's own Personnel Department, and with staff changes in the compensation section of the GVRD Labour Relations Department, some of the services now being purchased on a contractual basis may be available from those sources, at a later date. Contractual arrangements with Mr. Van Eaton, then, is an interim measure, until other alternatives can be examined.


The Exempt Staff Committee recommends the adoption of the recommendations of the Director Administrative and Community Services.

RECOMMENDATION:

1. THAT an upset budget of \$14,000 be approved for the balance of 1982 for a salary administration consulting contract with Mr. Harry Van Eaton of the Compensation Institute Incorporated to cover the cost of up to four (4) Senior Exempt Job Evaluations, and the preparation of the 1983 Policy Line Recommendation.


Alderman V. V. Stusiak, Chairman


Mayor W. A. Lewarne, Member


Alderman F. W. Constable, Member

: - Agenda 1982 August 09
: - COPY - Manager
: - Acting Personnel Director

1982 July 21

TO: Mr. M.J. Shelley, Secretary
EXEMPT STAFF COMMITTEE OF COUNCIL

FROM: Mr. J.E. Fleming, Director Administrative & Community Services

SUBJECT: EXECUTIVE AND SENIOR EXEMPT SALARY ADMINISTRATION

RECOMMENDATION:

THAT the Council be requested to approve an upset budget of \$14,000 for the balance of 1982 for a salary administration consulting contract with Mr. Harry Van Eaton of the Compensation Institute Inc. to cover the costs of up to 4 Senior Exempt Job Evaluations, and the preparation of the 1983 Policy Line recommendations.

For sometime, the Corporation has been assisted in its overall administration of the Executive and Senior Exempt Salary Plan, including Policy Formulation, Job Evaluation and Policy Line setting, by Mr. Harry Van Eaton. In the initial stages, Mr. Van Eaton provided that service as a senior employee of the G.V.R.D. Labour Relations Department, and laterally, as an individual under contract to the G.V.R.D. The contractual arrangement expires as of 1982 July 31st, effectively leaving the Municipality without experienced and knowledgeable resources in the salary administration area.

As you will recall, we have had some discussion about developing the expertise in-house, or alternatively making arrangements for external assistance in this regard, presumably from a consultant.

There are a number of reasons why, in my opinion, the preferred alternative would be to arrange for a consultant. The subject material is sensitive; there is clear potential for, at the very least, a perception of conflict of interest; and finally I believe that there is a cost benefit in purchasing only the service that we need in this respect, rather than having to go to the expense of employing someone within the Personnel Department with that kind of specialized expertise. Certainly, the job is not a full-time, year around one. While the new Personnel Director should have some general salary administration knowledge, the specialized expertise required for Burnaby's plan can, in my opinion, best be obtained in this manner.

For that reason, then, the recommendation of this report will be to engage the services of a compensation consultant. Because of his long knowledge and experience with the Corporation of the District of Burnaby's Salary Administration Plan, discussions have been held with Mr. Harry Van Eaton of the Compensation Institute Inc. regarding the provision of such services. Mr. Van Eaton has submitted a written proposal for consulting services, in the form of a letter dated 1982 June 28th. A copy is attached.

Please note that there are two separate areas of service within the proposal, Senior Exempt Job Evaluation, and Policy Line Recommendations. It is estimated that, after the expiry of Mr. Van Eaton's contract with the G.V.R.D. that there will be approximately 3-4 Senior Exempt Job Evaluations remaining to be done in 1982. The cost for consulting service then would be approximately \$2,000, with an individual evaluation upset limit of \$600. Please also note that Mr. Van Eaton's proposal for a Policy Line recommendation, for 1983 adjustments, is \$7,500 to \$9,500, exclusive of the cost of obtaining Hay Associates and other salary surveys (estimated at \$2,500). It is therefore recommended that the Council approve an upset budget of \$14,000 for a consulting contract with Mr. H. Van Eaton of Compensation Institute Inc., for up to 4 Senior Exempt Job Evaluations in the balance of 1982, and a Policy Line recommendation, with associated expenses, for 1983 adjustments. Provisions will have to be made for the necessary funds in the 1982 recast budget.

1982 June 28th

Mr. M. J. Shelley, Municipal Manager
Corporation of Burnaby
4949 Canada Way
Burnaby B.C.

Dear Mr. Shelley

RE: Senior Exempt Salary Administration

As you suggested, I have prepared a proposal for the Continuation of those Senior Exempt Salary Administration Services which I provided as an Employee of the GVRD, and more recently, under contract to the GVRD. As you are aware this latter arrangement expires 1982 July 31st.

SENIOR EXEMPT JOB EVALUATION

Each Senior Exempt Job Evaluation assignment includes the following activities:

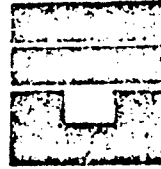
- Review the position description questionnaire, organization charts and other relevant written material.
- Review the subject position's relationship to superior and subordinate positions to ensure internal equity.
- Pre-rate the position prior to the Job Evaluation Committee meeting.
- Interview the Incumbent and others, and gather supplemental data as required by the committee.
- Attend and participate in the Job Evaluation Committee meeting.
- Record and transmit the Committee's job evaluation decisions and up-date various records.

A typical individual assignment requires from 5 to 8 hours to complete. Evaluation of a series of related positions may require less time per position while a particular complex assignment may require more time.

POLICY LINE RECOMMENDATIONS

Preparation of the annual policy line report to the Senior Staff Committee of Council has in the past included the following:

- Obtaining and analysing the Hay Associates general and specific salary survey data, including the commissioning of and analysis of a special survey of the B.C. Private Sector.
- Up-dating and analysing the GVRD Middle-Management Survey. (I have been assured verbally by Graham Leslie that the survey data and survey results will be made available to CII for use in reporting to the Corporation of Burnaby.)



Compensation Institute Inc.

P.O. Box 80533 Burnaby B.C. V5H 3X9

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- Obtaining and analysing Executive salary data regarding Middle-Management compensation in the Provincial and Federal Civil Service, and in certain Crown Corporations.
- Review various published statistical and survey reports to further assess current and projected trends in Executive and Middle-Management compensation.
- Review actual and/or anticipated Union salary levels in the Corporation to ensure an appropriate interface of Union and Non-Union salary levels.
- Formulate and present recommendations to the Committee, including various charts, diagrams, calculations and supporting documentation.
- Prepare such amendments and revisions to the Report as necessary to reflect the decisions of the Committee, for their use in presenting their recommendations to Council.
- Record the results of the Committee's appraisal of the Municipal Manager's performance over the year.

The formation of the 1983 Policy Line Recommendation will be unique in that the criteria salaries will have shifted both up and down during 1982. In the past the direction of the criteria shift has been constantly and universally up, with no requirement to react to negative as well as positive shift. In addition it will be necessary to ensure that any change in the policy line is in compliance with the Provincial Government's Compensation Stabilization Plan, and any other restraint programs which may come into place between now and December 31st.

Assuming that the GVRD is able to provide the Middle-Management survey data as promised, it is estimated that the work outline would require 100 to 125 hours to complete.

Cost estimates are based on the Institutes standard rate schedule (copy attached) and do not include the cost of obtaining Hay Associates and other salary surveys. A budget item of \$2500 is suggested for the purchase of surveys.

- Senior Exempt Job Evaluation - Est. \$375 to \$600 each position reviewed.
- Policy Line Recommendation - Est. \$7500 to \$9500 annually.

In closing, I would like to explain CII Compensation Institute Inc., is a totally independent, privately funded organization, specializing in Compensation research and wage and salary management. We have no ties with the GVRD or any other Government agency, except those who chose to engage our services as a normal client. We also accept assignments from Employee groups, Employer groups and Private sector Employers. Our objective is to provide accurate and complete technical services as an independent and neutral party.

I trust the above is in order, and I am of course available to discuss any aspect of this proposal at your convenience.

Yours truly



Harry B. Van Eaton

CII Compensation Institute, Inc.

CLI COMPENSATION INSTITUTE INC.

SCHEDULE OF RATES

1982 JUNE 01

CONSULTANT TIME : \$75.00 per hour

TRANSIT TIME : included in billed time *

MILEAGE : 25¢ per kilometer

TRAVEL : at cost

PHOTOCOPIING : 25¢ per copy

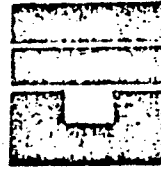
CLERICAL / TYPING : \$15.00 per hour

EXTERNAL DATA PROCESSING : cost plus 10%

OTHER EXPENSES : cost plus 10%

NOTE : VANCOUVER ISLAND ASSIGNMENTS - A flat fee of \$50.00 per day is charged to cover transportation and/or accommodation while attending Lower Vancouver Island assignments.

* When assignment time exceeds 6.5 hours per day, transit time is waived.



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