

## Overtime Utilization

City of Saskatoon | May 2018



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## EXECUTIVE SUMMARY

### INTRODUCTION

This report examines overtime utilization for the City of Saskatoon (City). The wage and overtime data is obtained from the City's payroll system, SmartStream.

The City uses overtime to increase organizational capacity and manage temporary workload fluctuations. Utilizing overtime in these circumstances is typically more cost effective than adding new employees when the cost of hiring, training, and benefits is considered.

A wide range of factors, such as collective agreement provisions, hiring lags, seasonal variability, fluctuating demands, unpredictable events including winter storms, anticipated or unanticipated absences and extended sick leaves, impact the management of workload and staffing.

The ability to manage overtime is challenging, as the total daily overtime costs are not easily or readily available to managers. Payroll data has a limited benefit to managing day to day overtime drivers but is helpful in identifying systemic overtime issues and workforce planning.

### 2017 OVERTIME HIGHLIGHTS

Table 1 shows the total wage and overtime amounts that the City paid to employees in 2017. Total overtime wages as a percentage of earnings (base salary, wage and other earnings) for 2017 is slightly higher from the previous year.

TABLE 1: TOTAL OVERTIME BASE WAGE COSTS AND PERCENTAGE OF EARNINGS (2013 TO 2017)


YEAR	BASE WAGES & OTHER EARNINGS	OVERTIME WAGE	OVERTIME % OF BASE WAGES & OTHER EARNINGS
2013	\$176,962,258	\$11,436,353	6.46%
2014	\$201,181,689*	\$11,809,867	5.87%
2015	\$200,436,337	\$10,683,240	5.33%
2016	\$216,027,088 **	\$10,329,321	4.78%
2017	\$236,278,888 ***	\$11,523,620	4.88% 

Table 1 includes earned and/or banked overtime that was paid out in the calendar year.

\* This amount included \$10,634,720 of retro pay due to ratification of collective bargaining agreements.

\*\*This amount included an additional \$10.5 million in relation to General Wage Increases in 2016 and retro pay due to ratification of collective bargaining agreements

\*\*\* This amount includes \$5.0 million in relation to General Wage Increases in 2017 and retro pay due to ratification of the ATU collective agreements.

- There are approximately 678 job classifications in the corporation in 2017.
- Three hundred and twenty four classifications (48.4%) did not work any overtime in 2017.

- Twenty-five job classifications accounted for approximately 64.7% of the total overtime costs.
- Transportation and Utilities department, which is responsible for a significant portion of our services that impact citizens, had the largest overtime expenditure (76.4%) in 2017.
- Transit Operators (313 employees) accounted for approximately 14.5% of the total annual overtime hours in 2017.
- Labourers, the largest job classification group (444 employees), accounted for approximately 7.2% of the total annual overtime hours worked in 2017.

## CONCLUSION

Workforce management is an important element to managing overtime. This involves forecasting workload, calculating staff requirements, managing work schedules and analyzing and monitoring processes and trends. Divisions within the City that have sustained overtime continue to introduce workforce management strategies to address this issue. Some divisions have introduced alternative shift schedules in order to reduce overtime and increase service levels. Other divisions have changed work schedules of certain services to coincide with regular work schedules.

Increased reporting and improved data access for managers will continue to improve management's ability to respond to changing overtime trends. Divisions are placing an increased emphasis on managing absenteeism in order to reduce overtime costs that occur as a direct result of short, medium and long term absences.

## METHODOLOGY

### REPORT OVERVIEW

The overtime report is complimentary to the City of Saskatoon's Public Accounts report which includes all City of Saskatoon employees as well as all Police and Boards highlighting earnings greater than \$50,000.

This report only includes employees falling under the responsibility of the City Manager at the City of Saskatoon, including employees covered by the CUPE 59 Collective Agreement that work at Saskatoon Police Service, SaskTel Centre, TCU Place, and Remai Modern Art Gallery of Saskatchewan.

This report does not include the remaining employees at Saskatoon Police Service, Saskatoon Public Library, SaskTel Centre, TCU Place or the Remai Modern Art Gallery of Saskatchewan as they do not fall under the responsibility of the City Manager.

### OBJECTIVES

The objectives of this report are to exam the overtime utilization of City employees and summarize the observations and trends.

### SCOPE

The data source used in this report is obtained from the City's payroll system, SmartStream. Base wage data is determined using pay elements that are considered Earnings. Overtime data is made up of a combination of pay elements that cover the various types of overtime employees can earn under the collective agreements (e.g. 1½ time, double time, etc.). This report only includes employees that earned some amount of regular pay during the calendar year being reported.

The overtime data also includes banked overtime that was paid out in the calendar year but does not include overtime that has been banked during the calendar year. Data for the calendar year is determined as at December 31 of each year.

## COLLECTIVE AGREEMENTS

The City's workforce statistics represented in this report are comprised of employee data from the following eight unions and associations:

- ATU Local 615 – Saskatoon Transit Employees
- CUPE Local 47 – Saskatoon Water and Wastewater
- CUPE Local 59 – Essentially Inside Workers
- CUPE Local 859 – Essentially Outside Workers
- ESA 292 – Exempt Staff Association
- IAFF Local 80 – Saskatoon Fire Fighters
- IBEW Local 319 – Saskatoon Light & Power
- SCMMA 222 – Saskatoon Civic Middle Management Association

Employees covered by the ESA (Exempt Staff Association) agreement are not entitled to overtime. SCMMA employees are predominately management. Employees covered by the SCMMA agreement have only limited and exceptional entitlements to overtime.

The remaining bargaining units have collective agreements that provide for overtime. Table 2 provides a summary of the primary overtime provisions in each collective agreement.

TABLE 2: PRIMARY OVERTIME PROVISIONS IN THE COLLECTIVE AGREEMENT

UNION	AGREEMENT OVERTIME PROVISION
ATU 615	1 ½ time (first 2 hours) and Double time on days off or after 10 hrs
CUPE 47	Double time on days off or after regular shift
CUPE 59	Double time on days off or after regular shift
CUPE 859	Double time on days off or after regular shift
IAFF 80	Double time on days off or after regular shift
IBEW 319	Double time on days off or after regular shift

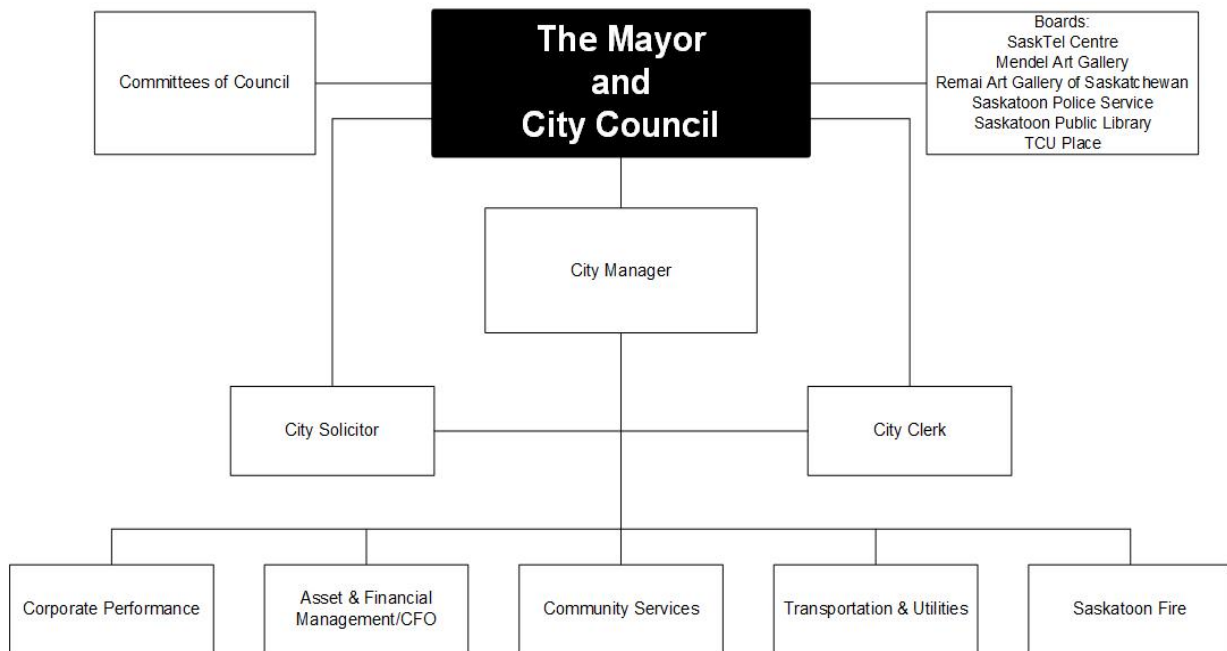
**OBSERVATIONS & ANALYSIS**

**CITY OF SASKATOON ORGANIZATIONAL STRUCTURE**

The City of Saskatoon is comprised of five departments that fall under the responsibility of the City Manager:

- Corporate Performance
- Asset & Financial Management
- Community Services
- Transportation & Utilities
- Saskatoon Fire

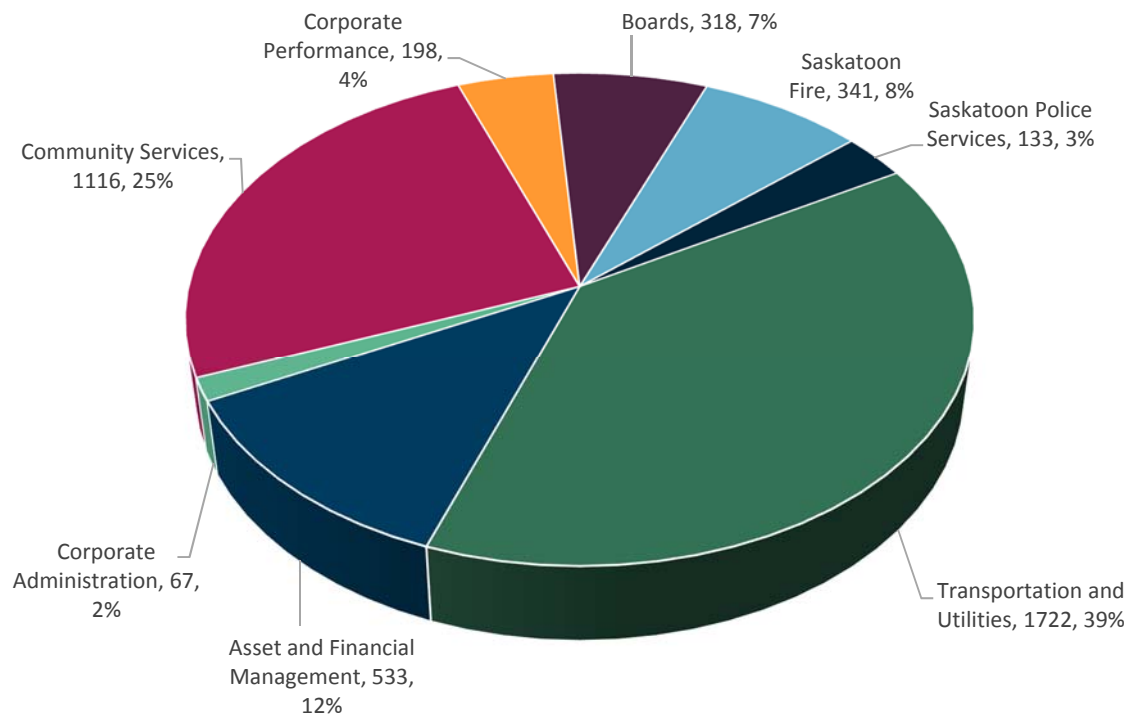
**The City of Saskatoon Organization Chart**



NUMBER OF EMPLOYEES

In 2017, the City employed 4,428 employees. This number takes into consideration both new hires and terminations during the year. These are employees that had regular earnings greater than zero dollars in the 2017 calendar year. Chart 1 provides a profile of the number of employees and percentage distribution employed by department.

CHART 1: EMPLOYEE DISTRIBUTION BY DEPARTMENTS (2017) (INCL. NEW HIRES AND TERMINATIONS)

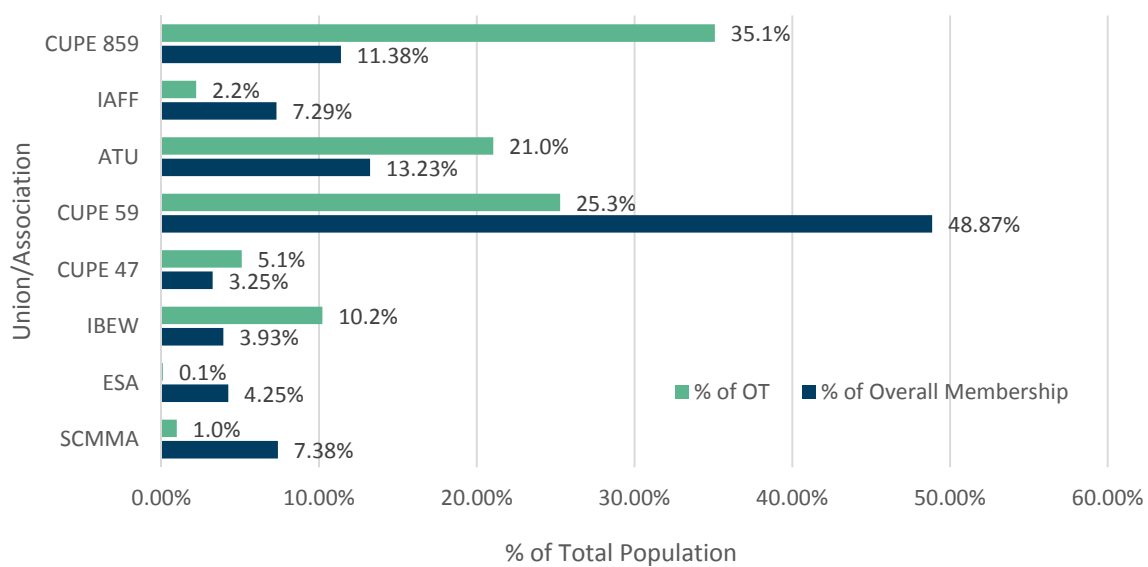


UNION AND ASSOCIATION MEMBERSHIP DISTRIBUTION

CUPE 59 is the City’s largest union and represents 48.9% of the overall union and association membership. While CUPE 59 has nearly 49% of the union membership, it only accounted for 25.3% of the overtime hours worked in 2017. CUPE 859 has 11.4% of the union membership but accounted for 35.1% of the overtime hours worked in 2017. ATU has 13.2% of the union membership but accounted for 21.0% of the overtime hours worked in 2017. IBEW has only 3.9% of the union membership but accounted for 10.2% of the overtime hours worked in 2017.



CHART 2: OVERTIME HOURS BY UNION MEMBERSHIP (2017)



CITY OF SASKATOON OVERTIME

The cost of overtime in 2017 is higher when compared to 2016 (\$10,329,321 to \$11,523,620). The following year-to-year comparisons are based on total overtime costs and hours worked. Collective agreement wage increases have contributed to increased overtime costs over the years.

Table 3 provides a five-year history of the City’s overtime utilization and costs as a percentage of earnings.

TABLE 3: TOTAL OVERTIME BASE WAGE COSTS AND PERCENTAGE OF EARNINGS (2013 TO 2017)

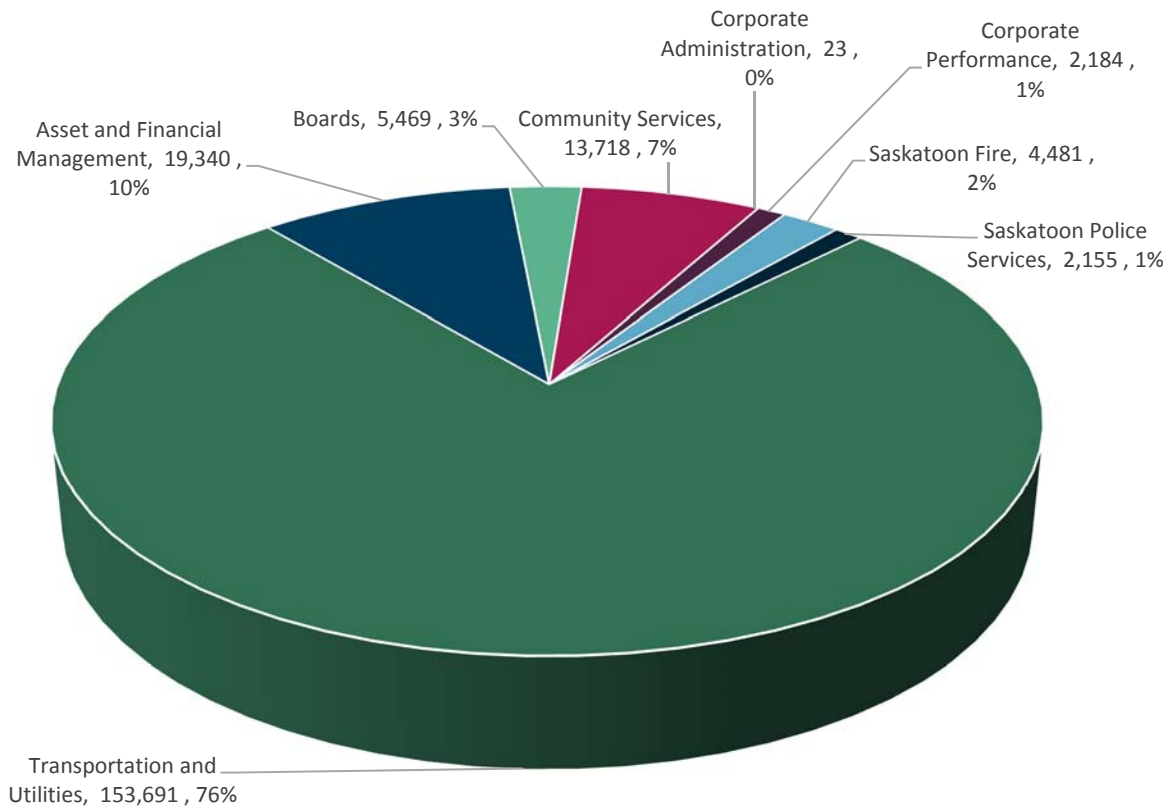
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TOTAL OVERTIME % BY DEPARTMENT

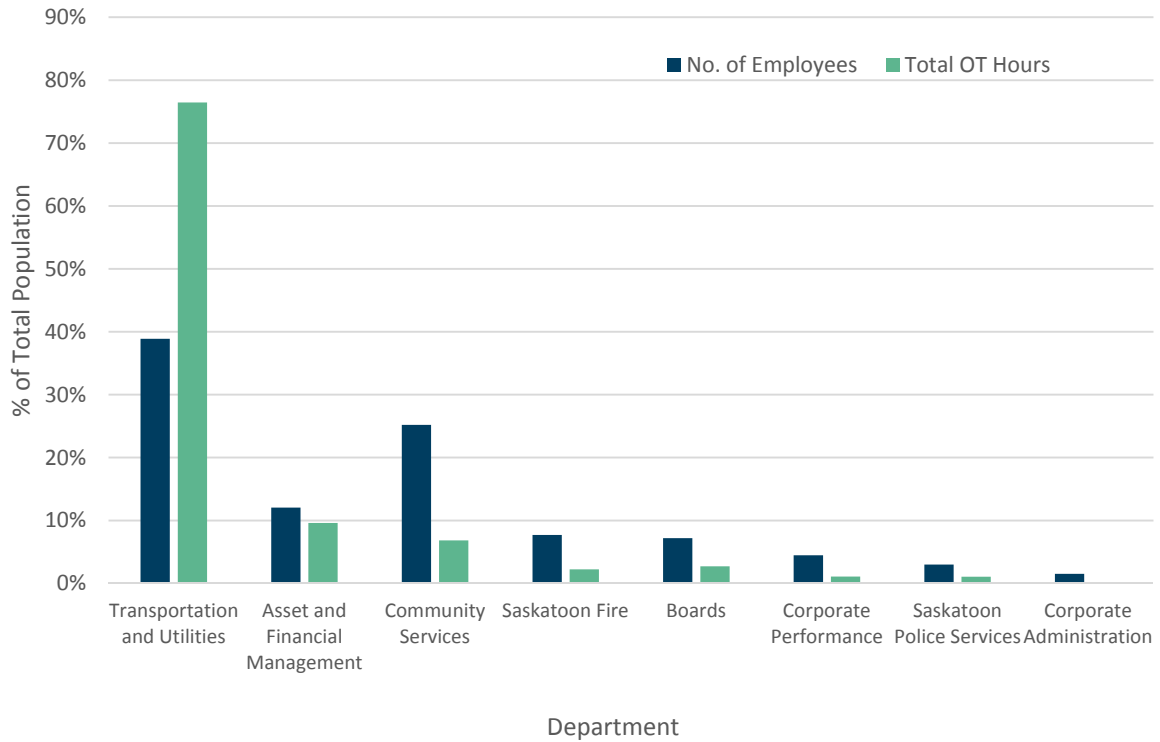
Chart 4 provides a breakdown of the percentage of overtime cost by department and shows that Transportation and Utilities has largest overtime share (76.4%) in 2017. The Transportation and Utilities department is responsible for providing a significant amount of services that have direct impact on our citizens.

CHART 4: OVERTIME COST % BY DEPARTMENTS (2017)



The following chart shows the total overtime hours and number of employees by department in 2017. Transportation & Utilities department, which is responsible for a significant portion of our services that impact citizens, accounted for 76.4% of the total overtime hours in 2017.

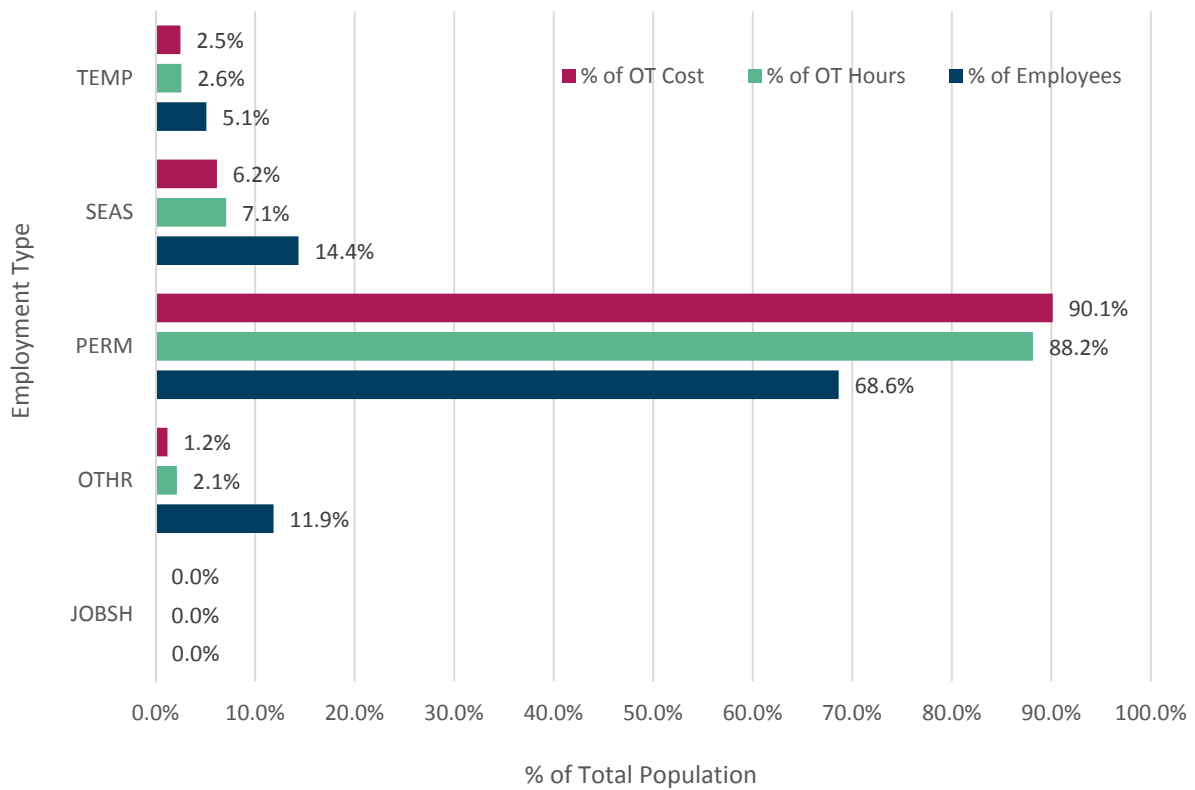
CHART 5: EMPLOYEES COUNT VS OVERTIME HOURS WORKED BY DEPARTMENT (2017)



OVERTIME TREND BY EMPLOYMENT TYPE

Permanent staff comprises 68.6% of the total workforce in 2017 and accounted for 88.2% of the overtime hours worked in 2017.

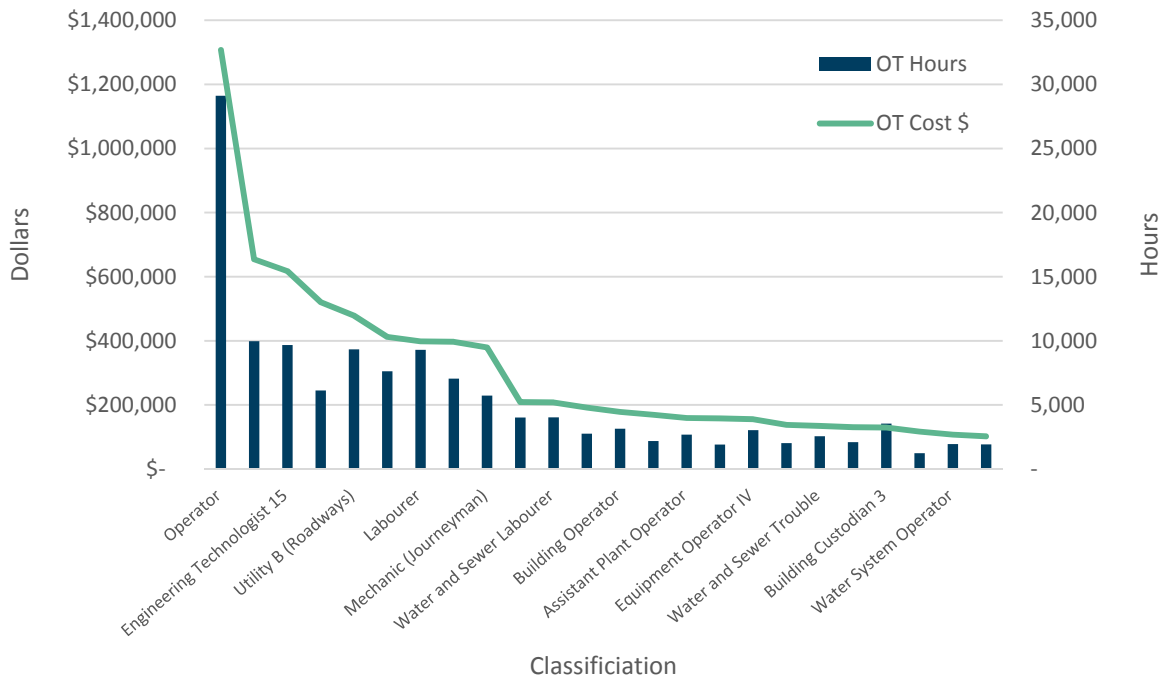
CHART 6: OVERTIME HOURS WORKED BY EMPLOYMENT TYPE (2017)



OVERTIME TREND BY CLASSIFICATION

The City has approximately 678 job classifications. Chart 7 exhibits the classifications that accounted for the majority of the total overtime worked in 2017.

CHART 7: CLASSIFICATION >1% TOTAL OVERTIME WORKED (2017)

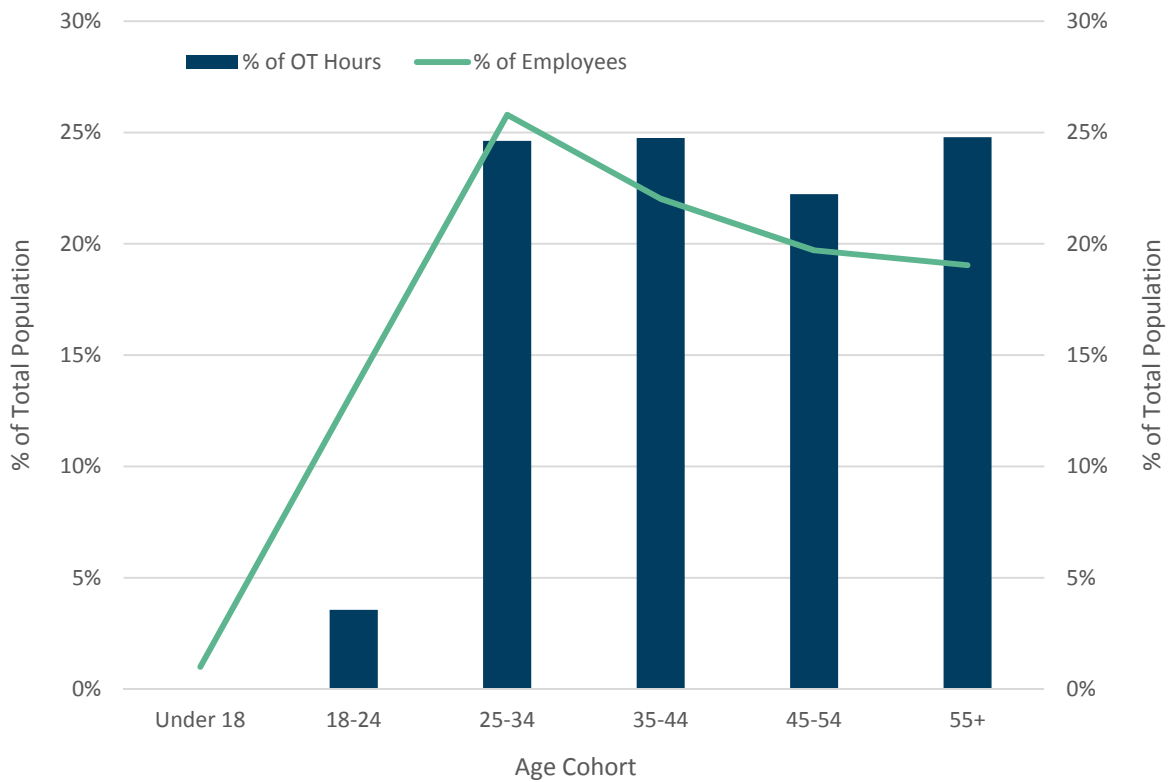


Three hundred and twenty four classifications (48.4%) did not work any overtime in 2017. Twenty-five job classifications accounted for 64.7% of the annual overtime hours in 2017. Transit Operators (313 employees) accounted for approximately 14.5% of the total annual overtime hours in 2017. Labourers, the largest job classification group (444 employees), accounted for approximately 7.2% of the total annual overtime hours worked in 2017. Supervisor VI positions (35 employees) accounted for 5.68% of the total annual overtime hours worked in 2017.

OVERTIME BY AGE

The 35 to 44 age cohort has the largest percentage of total overtime hours worked for the City in 2017. About 24.76% of the City's workforce is in the age cohort of 35-44 and accounted for 49,774 hours (22.0%) of total overtime worked in 2017. Alternatively, the 18 to 24 age cohort is about 13.4% of the City's workforce and accounted for 7,162 hours (3.56%) of the total overtime hours worked in 2017.

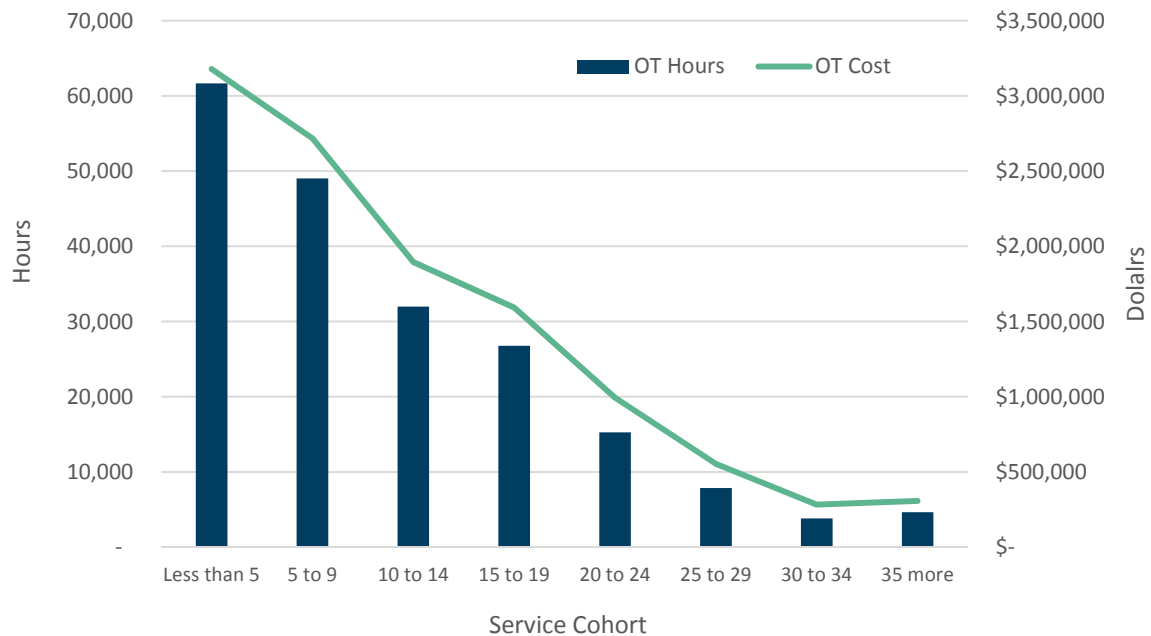
CHART 8: OVERTIME HOURS BY AGE COHORT (2017)



OVERTIME BY YEARS OF SERVICES

Fifty one percent of the City’s workforce has less than 5 years of service and accounts for 61,670 hours of overtime hours worked in 2017. The less than five years’ service cohort has the largest percentage of total overtime hours worked in 2017. Employees with longer service (i.e., 25 years or more) make up 3.6% of the workforce and accounted for 16,337 hours (8.1%) of the overtime hours worked in 2017.

CHART 9: OVERTIME HOURS WORKED BY SERVICE COHORT (2017)



DRIVERS OF OVERTIME

OVERTIME UTILIZATION

Several services provided by the City have frequent demand spikes (e.g., transit and power services) and seasonal fluctuations (e.g. snow removal, road repairs and parks maintenance). While some of these fluctuations are patterned, many of the fluctuations are random and difficult to project or anticipate ahead of time. A wide range of information is required by management to be able to respond to these workload demand fluctuations.

Absences due to vacation, illness, disability, training, and employee turnover also have an impact on overtime costs. In addition, longer service employees have more time off and are often not replaced during absences (e.g., vacation). It is anticipated that departments that have higher absenteeism or longer service employees will tend to incur more costs as replacement staff are required on short notice and often at overtime rates or the remaining staff are utilized to provide extra hours at overtime rates.

## RISKS OF OVERTIME

While there are substantial benefits of using overtime in the City's service delivery model, it is important to monitor overtime utilization to ensure excessive overtime is managed from a departmental and individual perspective.

Excessive overtime can result in lower productivity, increased absenteeism, missed work due to injury or illness, or result in higher employee turnover. Excessive overtime for long durations is a concern for the City both from an employee health and wellness perspective and cost containment.

Proper management of absenteeism reduces workload fluctuations and improves management's ability to measure and utilize strategic overtime effectively. Managing absenteeism is necessary factor in controlling overtime costs.

## CONCLUSION

Workforce management is an important element to managing overtime. This involves forecasting workload, calculating staff requirements, managing work schedules and analyzing and monitoring processes and trends. Increased reporting and improved data access to managers will improve management's ability to respond to changing overtime trends.

Divisions within the City that have sustained overtime have begun to implement workforce management strategies to address this issue. Some divisions have added additional FTEs in order to reduce overtime costs and/or increase service levels for the same cost. Other divisions have changed work schedules of select services to coincide with regular work schedules.

All divisions are placing an increased emphasis on managing absenteeism in order to reduce overtime costs that occur as a direct result of short, medium and long term absences. As our data and reporting capabilities improve so will our ability to manage overtime.





Prepared by Corporate Performance Department  
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