

## Overtime Utilization - 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 SmartStream, which is the City's payroll system.

The City uses overtime to increase organizational capacity, respond to changing service demand 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, and unpredictable events, including winter storms, anticipated or unanticipated absences and extended sick leaves, impact the management of service delivery, workload and staffing.

The ability to manage overtime is challenging as real-time 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 longer term workforce planning.

### 2018 OVERTIME HIGHLIGHTS

Table 1 shows the total wage and overtime amounts (including earned and/or banked overtime that was paid out in the calendar year) that the City paid to employees in 2018. Total overtime wages as a percentage of earnings (base salary, wage and other earnings) for 2018 is lower from the previous year.

**TABLE 1: BASE WAGE COSTS, TOTAL OVERTIME, AND OVERTIME AS A PERCENTAGE OF EARNINGS (2013 TO 2018)**

Year	Base Wages & Other Earnings	Overtime Wage	Overtime as a Percentage of Base Wages & Other Earnings
2013	\$176,962,258	\$11,436,353	6.46 %
2014	\$201,181,689 <sup>1</sup>	\$11,809,867	5.87 %
2015	\$200,436,337	\$10,683,240	5.33 %
2016	\$216,027,088 <sup>2</sup>	\$10,329,321	4.78 %
2017	\$236,278,888 <sup>3</sup>	\$11,523,620	4.88 %
<b>2018</b>	<b>\$240,071,187<sup>4</sup></b>	<b>\$11,489,821</b>	<b>4.79 %</b>

<sup>1</sup> Includes \$10,634,720 of retro pay due to ratification of collective bargaining agreements.

<sup>2</sup> Includes an additional \$10.5 million in relation to General Economic Increases in 2016 and retro pay due to ratification of collective bargaining agreements.

<sup>3</sup> Includes \$5.0 million in relation to General Economic Increases in 2017 and retro pay due to ratification of the ATU collective agreements.

<sup>4</sup> Includes \$791,264 of retro pay due to ratification of the CUPE 859 and CUPE 59 collective agreements in 2018.

The following provides several highlights of overtime utilization in 2018:

- There were approximately 695 job classifications in the corporation; only 321 classifications (46.2 percent) worked overtime. 374 classifications (53.8 percent) did not work any overtime.
- 22 classifications were greater than 1.0 percent of the total overtime cost (1,381 employees) and accounted for approximately 66.2 percent of total overtime hours and 63.0 percent of total overtime costs.
- The Transportation & Utilities Department, which is responsible for a significant portion of civic services that impact citizens, had the largest overtime expenditure (75.1 percent).
- Transit Operators (375 employees) accounted for approximately 14.5 percent of the total annual overtime hours and 11.4 percent of total overtime costs.
- The Operating occupational group (849 employees), which includes Transit Operators, makes up 19.2 percent of total employees and accounted for 48.8 percent of total overtime hours worked and 45.7 percent of total 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. 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/or increase service levels, while other divisions have changed work schedules to better coincide with service demands.

Increased reporting and improved data access for managers will continue to improve management's ability to respond to changing overtime trends. Divisions are also 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

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

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

This report does not include the remaining employees at SPS, Saskatoon Public Library, SaskTel Centre, TCU Place or Rемаi Modern, as they do not fall under the responsibility of the City Manager.

### OBJECTIVES

The objective of this report is to summarize the overtime observations and trends for 2018.

### SCOPE

The data source used for 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. time-and-a-half, 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 primarily 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 (ESA)
- IAFF Local 80 – Saskatoon Fire Fighters
- IBEW Local 319 – Saskatoon Light & Power
- SCMMA 222 – Saskatoon Civic Middle Management Association (SCMMA)

Employees covered by the ESA 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

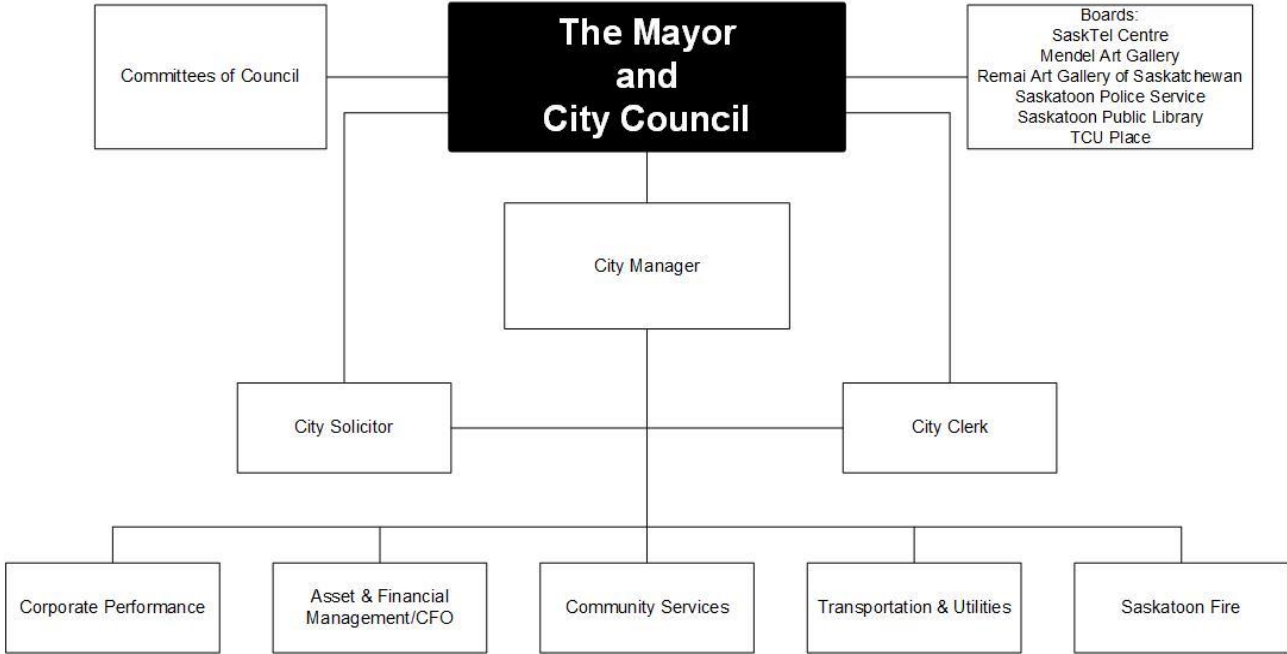
UNION	AGREEMENT OVERTIME PROVISION
ATU 615	1½ time (first 2 hours) and double time on days off or after 10 hours
CUPE 47	Double time on days off or after regular shift
CUPE 59	Double time on days off or after regular shift
CUPE 859	Double time on days off or after regular shift
IAFF 80	Double time on days off or after regular shift
IBEW 319	Double time on days off or after regular shift

**CITY OF SASKATOON ORGANIZATIONAL STRUCTURE**

In 2018, the City was comprised of the following five departments that fell under the responsibility of the City Manager:

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

**The City of Saskatoon Organization Chart**



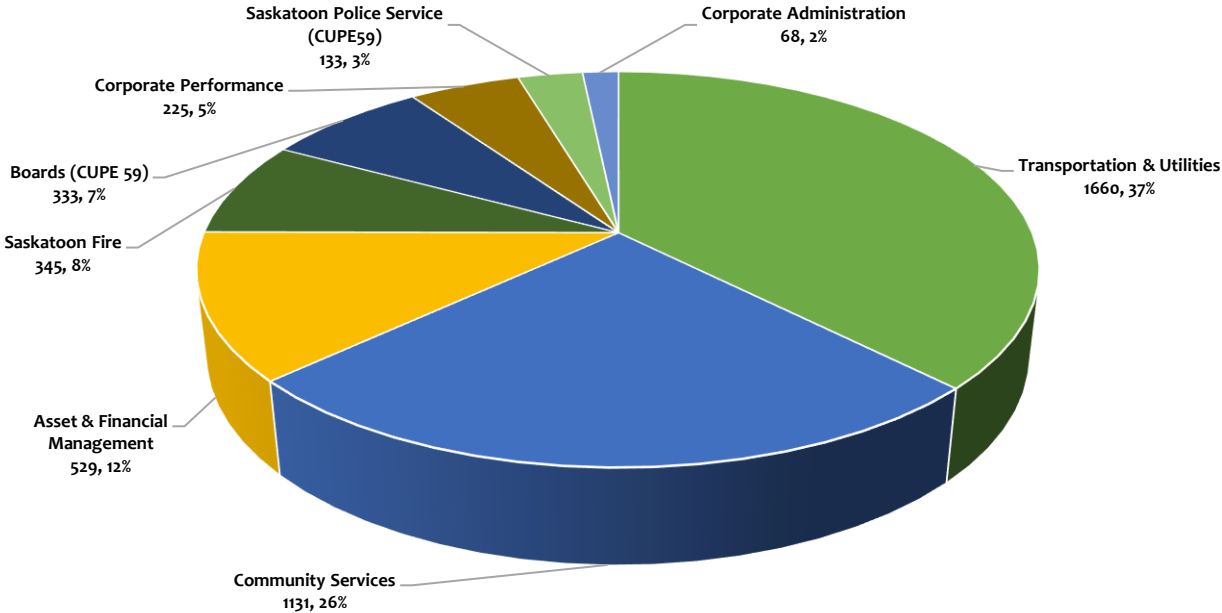
Notes: As this report presents the wage data and overtime costs for the year 2018, the report uses the 2018 City of Saskatoon organizational structure.

**OBSERVATIONS AND ANALYSIS**

**NUMBER OF EMPLOYEES**

In 2018, the City employed 4,423 employees. This number takes into consideration both new hires and terminations during the year. Chart 1 provides a profile of the number of employees and percentage distribution employed by department.

**CHART 1: EMPLOYEE DISTRIBUTION BY DEPARTMENTS (2018) (INCL. NEW HIRES AND TERMINATIONS)**



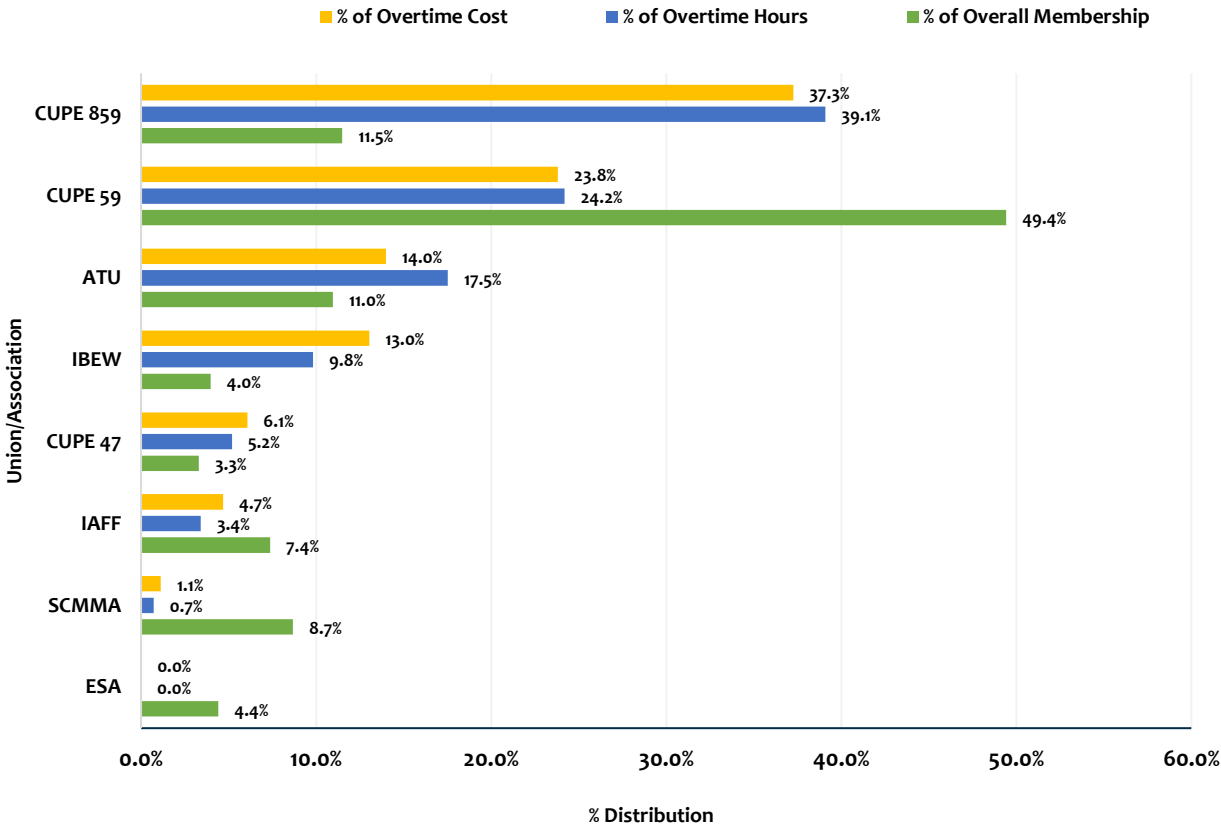
Transportation & Utilities is the City’s largest department, employing 37 percent of the City’s employee population. Community Services is the second largest department and employs 26 percent of the overall employee population, followed by Asset & Financial Management (12 percent), Saskatoon Fire (8 percent), Boards (CUPE 59 employees only - 7 percent), Corporate Performance (5 percent), SPS (CUPE 59 employees only - 3 percent) and Corporate Administration (2 percent).



OVERTIME UTILIZATION BY UNION AND ASSOCIATION MEMBERSHIP

As seen in Chart 2, CUPE 59 is the City’s largest union and represents 49.4 percent of the total employee population. CUPE 59 represents 49.4 percent of the employee population and accounted for 24.2 percent of the overtime hours worked and 23.8 percent of total overtime cost in 2018. CUPE 859 represents 11.5 percent of the employee population and accounted for 39.1 percent of the overtime hours worked and 37.3 percent of total overtime cost in 2018. ATU represents 11.0 percent of the employee population and accounted for 17.5 percent of the overtime hours worked and 14.0 percent of total overtime cost in 2018. IBEW represents 4.0 percent of the employee population and accounted for 9.8 percent of the overtime hours worked and 13.0 percent of the overtime hours worked and 13.0 percent of total overtime cost in 2018. IBEW represents 4.0 percent of the employee population and accounted for 9.8 percent of the overtime hours worked and 13.0 percent of total overtime cost in 2018. CUPE 47 represents 3.3 percent of the employee population and accounted for 5.2 percent of the overtime hours worked and 6.1 percent of total overtime cost in 2018. IAFF represents 7.4 percent of the employee population and accounted for 3.4 percent of the overtime hours worked and 4.7 percent of total overtime cost in 2018. SCMMMA represents 8.7 percent of the employee population and accounted for 0.7 percent of the overtime hours worked and 1.1 percent of total overtime cost in 2018. ESA represents 4.4 percent of the employee population and accounted for 0.0 percent of the overtime hours worked and 0.0 percent of total overtime cost in 2018.

CHART 2: OVERTIME COSTS, OVERTIME HOURS BY UNION MEMBERSHIP (2018)



## CITY OF SASKATOON OVERTIME

The total cost of overtime in 2018 is lower by \$33,799 when compared to 2017 (\$11,523,620 to \$11,489,821). The following year-to-year comparisons are based on total overtime costs and hours worked. Collective agreement General Economic Increases have contributed to increased overtime costs over the years.

Table 3 provides a six-year history of the City's overtime utilization and costs as a percentage of earnings. Table 1 shows the total wage and overtime amounts (including earned and/or banked overtime that was paid out in the calendar year) that the City paid to employees in 2018.

**TABLE 3: BASE WAGE COSTS, TOTAL OVERTIME, AND OVERTIME AS A PERCENTAGE OF EARNINGS (2013 TO 2018)**

Year	Base Wages & Other Earnings	Overtime Wage	Overtime as a Percentage of Base Wages & Other Earnings
2013	\$176,962,258	\$11,436,353	6.46 percent
2014	\$201,181,689 *	\$11,809,867	5.87 percent
2015	\$200,436,337	\$10,683,240	5.33 percent
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2017	\$236,278,888 ***	\$11,523,620	4.88 percent
<b>2018</b>	<b>\$240,071,187****</b>	<b>\$11,489,821</b>	<b>4.79 percent</b>

\* Includes \$10.6 million of retro pay due to ratification of collective bargaining agreements.

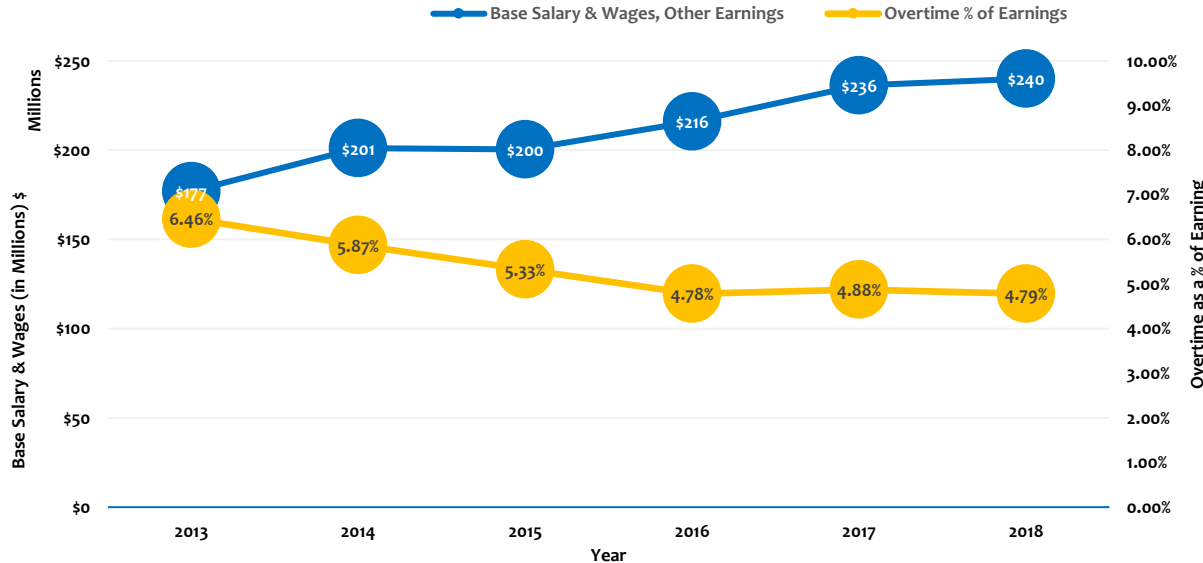
\*\*Includes an additional \$10.5 million in relation to General Economic Increases in 2016 and retro pay due to ratification of collective bargaining agreements.

\*\*\* Includes \$5.0 million in relation to General Economic Increases in 2017 and retro pay due to ratification of the ATU collective agreements.

\*\*\*\*Includes \$791,264 of retro pay due to ratification of the CUPE 859 and CUPE 59 collective agreements in 2018.

Chart 3 shows the six-year history of total base wage and earnings and overtime as a percentage of total wages and earnings (2013-2018). The graph shows that overtime as a percentage of total wages and earnings is trending downward and has declined over the last six years, (6.46 percent in 2013 to 4.79 percent in 2018).

CHART 3: BASE WAGE COSTS (IN MILLIONS), AND OVERTIME AS A PERCENTAGE OF EARNINGS (2013 TO 2018)



TOTAL OVERTIME HOURS DISTRIBUTION BY DEPARTMENT

Chart 4 provides a breakdown of the percentage of overtime hours by department. Transportation & Utilities had the largest overtime share (76 percent) in 2018, and Asset & Financial Management had the second largest overtime share (10 percent).

CHART 4: OVERTIME HOURS BY DEPARTMENTS (2018)

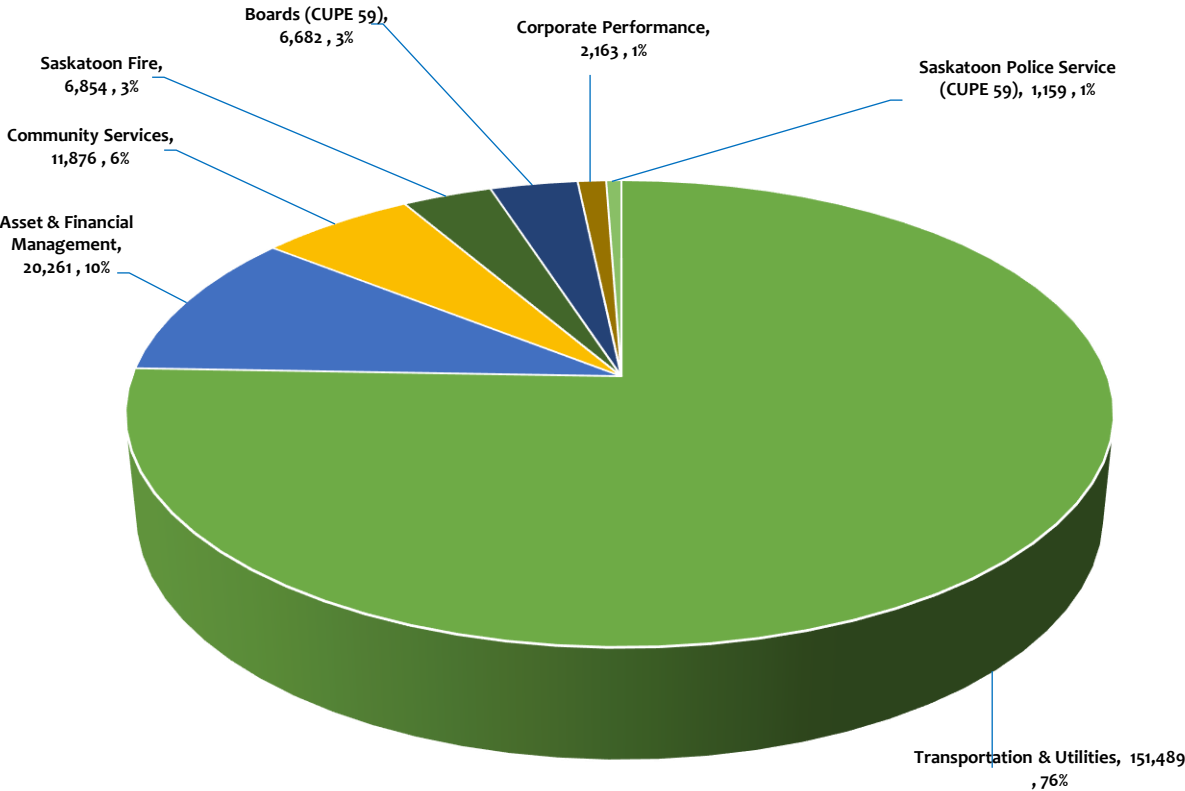
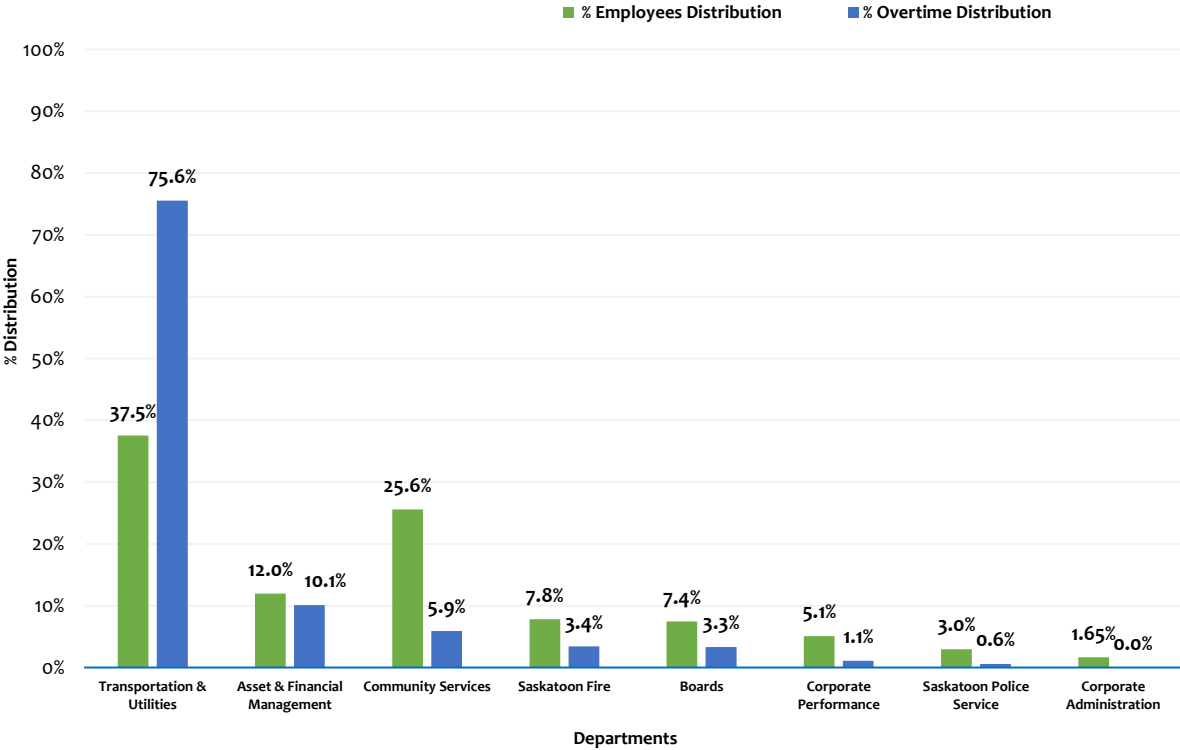


Chart 5 shows the total overtime hours and number of employees by department in 2018. Of the City’s total employee population, Transportation & Utilities employed 37.5 percent and accounted for 75.6 percent of the overtime hours worked. Asset & Financial Management employed 12.0 percent of the employee population and accounted for 10.1 percent of the overtime hours worked. Community Services employed 25.6 percent of the employee population and accounted for 5.9 percent of the overtime hours worked. Saskatoon Fire employed 7.8 percent of the employee population and accounted for 3.4 percent of the overtime hours worked. Boards employed 7.4 percent of the employee population and accounted for 3.3 percent of the overtime hours worked. Corporate Performance employed 5.1 percent of the employee population and accounted for 1.1 percent of the overtime hours worked. Saskatoon Police Service employed 3.0 percent of the employee population and accounted for 0.6 percent of the overtime hours worked. Corporate Administration employed 1.65 percent of the employee population and accounted for 0.0 percent of the overtime hours worked.

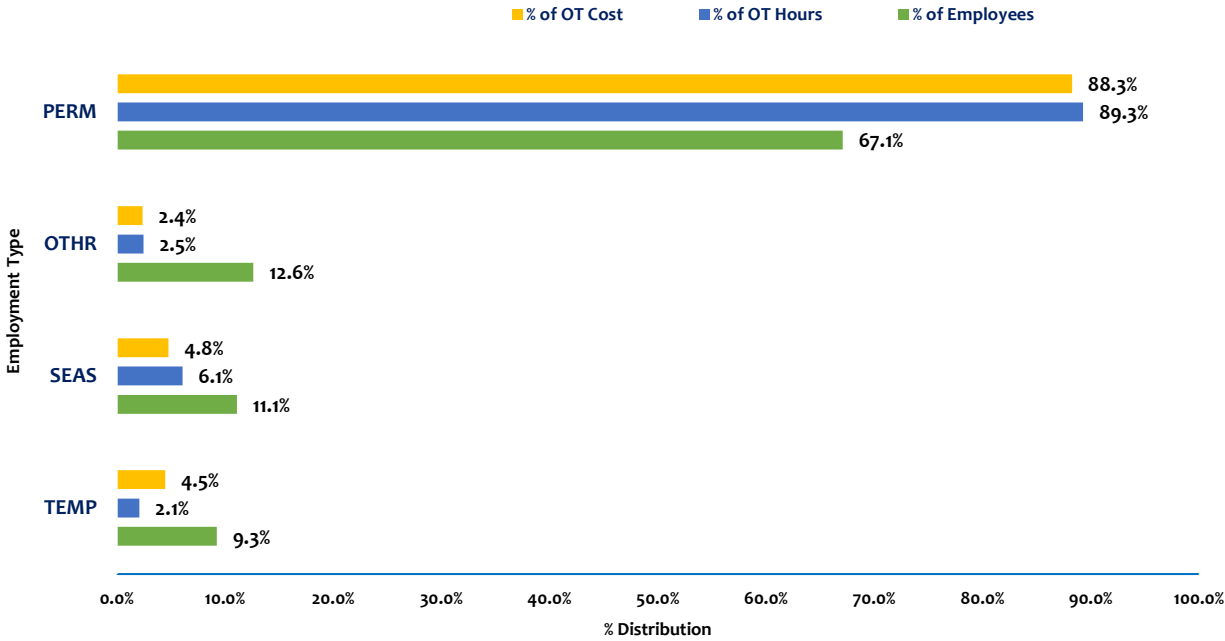
CHART 5: OVERTIME HOURS WORKED AND EMPLOYEES DISTRIBUTION BY DEPARTMENTS (2018)



OVERTIME TREND BY EMPLOYMENT TYPE

As shown in Chart 6, permanent employees comprised 67.1 percent of the total employee population, and accounted for 89.3 percent of total overtime hours worked and 88.3 percent total overtime costs in 2018. Seasonal employees made up 11.1 percent of the total employee population, and accounted for 6.1 percent of total overtime hours worked and 4.8 percent of total overtime costs in 2018.

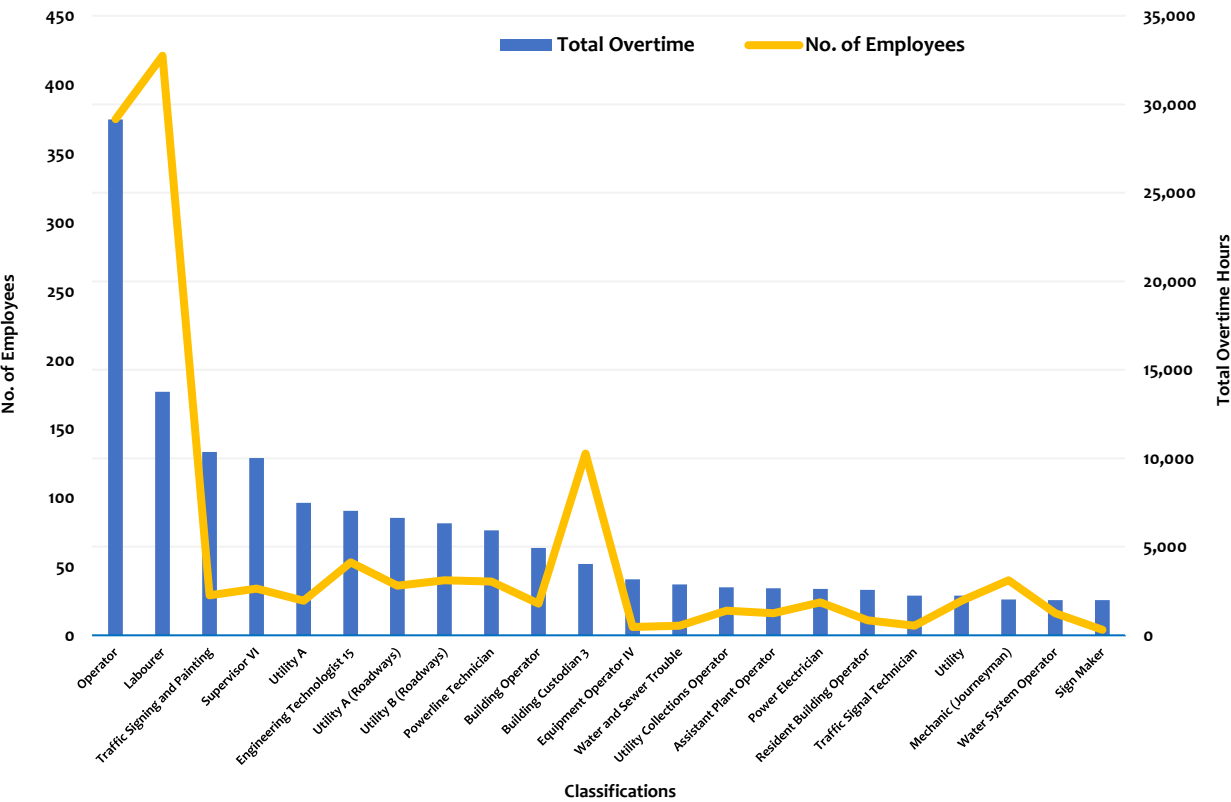
CHART 6: OVERTIME HOURS WORKED, COST OF OVERTIME BY EMPLOYMENT TYPE (2018)



OVERTIME COSTS BY CLASSIFICATION

The City had 695 job classifications in 2018. Chart 7 shows the 22 classifications that accounted for greater than 1.00 percent of the total overtime hours in 2018.

CHART 7: CLASSIFICATION >1 PERCENT TOTAL OVERTIME HOURS WORKED (2018)



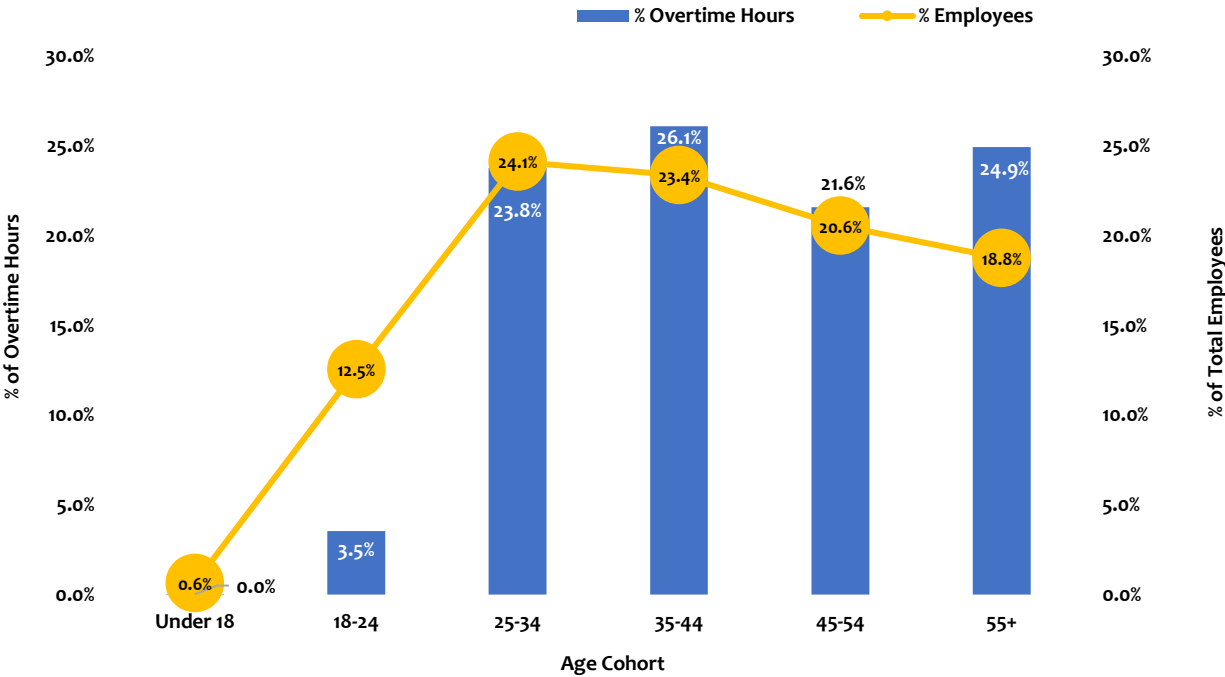
In 2018, 374 classifications (53.8 percent) did not work overtime. Twenty-two classifications (1,381 employees) accounted for 66.2 percent total overtime hours. Transit Operators (375 employees) accounted for approximately 14.5 percent of the total overtime hours. Labourers, the largest job classification group (421 employees), accounted for approximately 6.9 percent of the total overtime hours worked.

OVERTIME HOURS BY AGE COHORT

The 35 to 44 age cohort has the largest percentage of total overtime hours worked in 2018. About 23.4 percent of the City’s workforce is in the age cohort of 35 to 44 and accounted for 52,354 hours (26.1 percent) of the total overtime hours worked.

The 55+ age cohort constituted approximately 18.8 percent of employees and worked 50,014 hours (24.9 percent) of the total overtime hours. Alternatively, the 18 to 24 age cohort is about 12.5 percent of the City’s workforce and accounted for 7,106 hours (3.5 percent) of the total overtime hours worked.

CHART 8: OVERTIME HOURS BY AGE COHORT (2018)

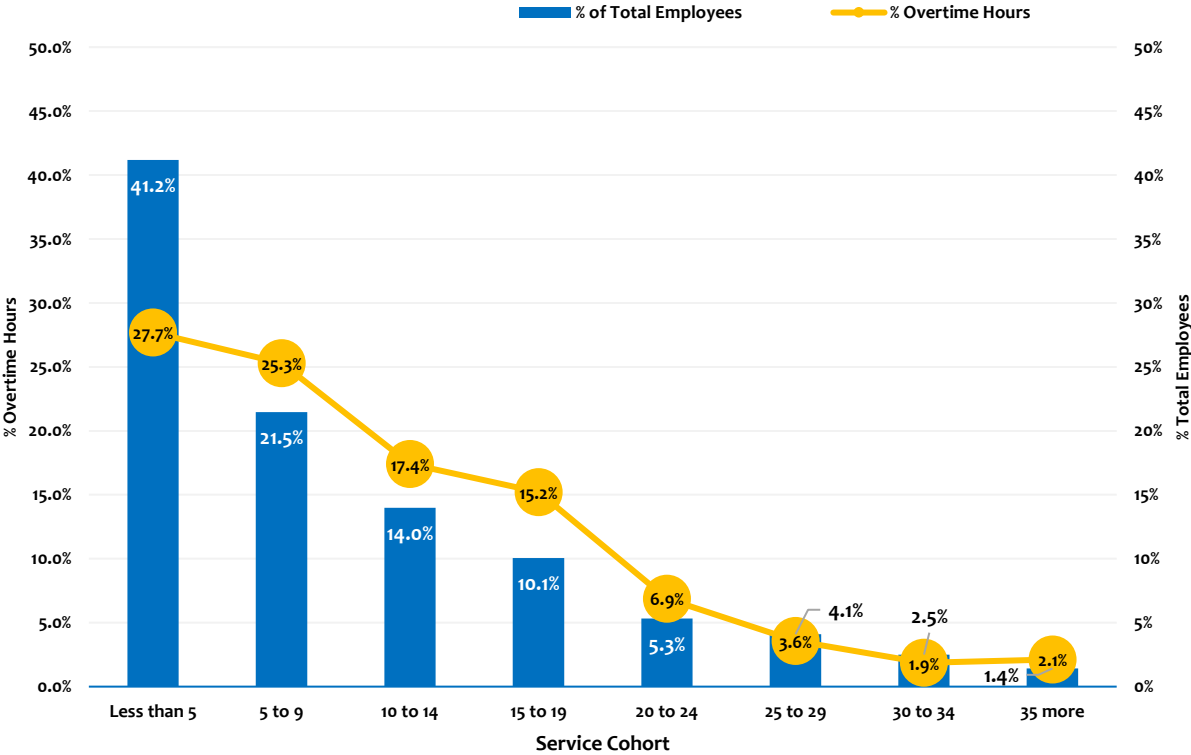




OVERTIME BY YEARS OF SERVICES

As shown in Chart 9, 41.2 percent of the City’s workforce had less than five years of service and accounted for 27.7 percent (55,510 hours) of overtime hours worked in 2018. Employees with longer service (i.e., 25 years or more) made up 8.0 percent of the workforce and accounted for 7.5 percent (15,118 hours) of the overtime hours worked.

CHART 9: OVERTIME HOURS WORKED BY SERVICE COHORT (2018)



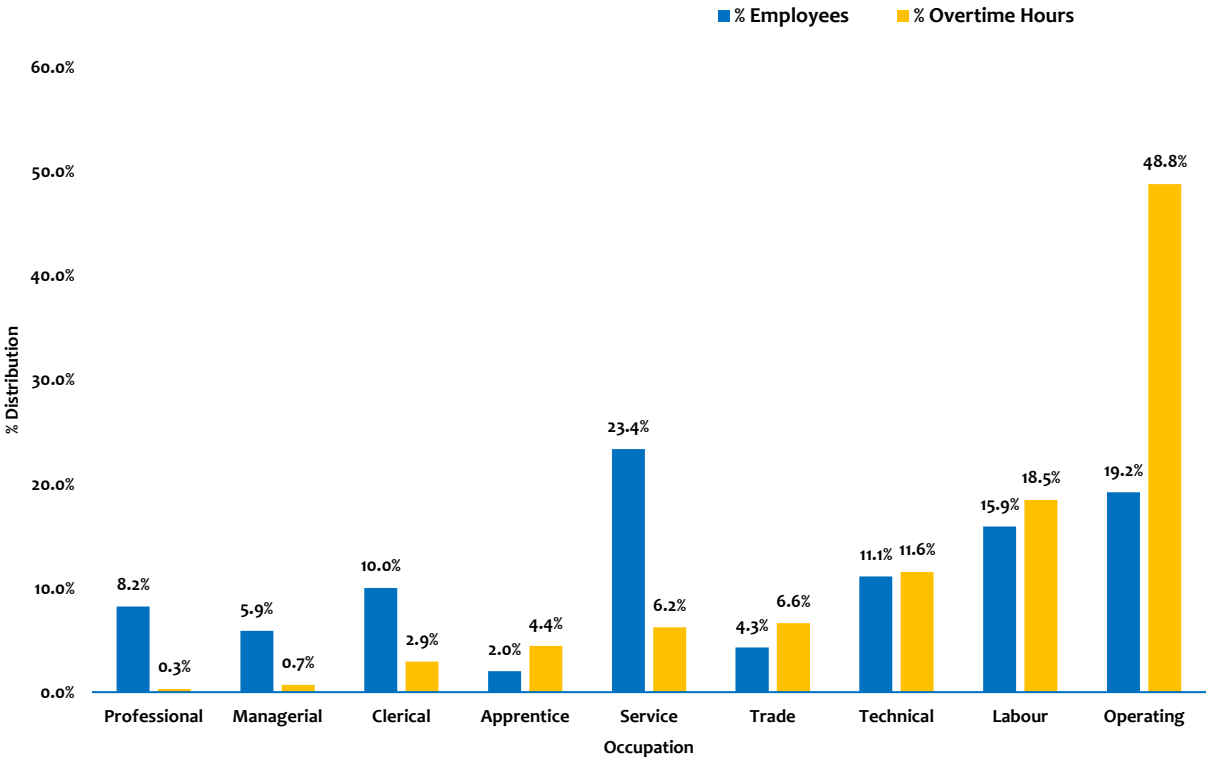
OVERTIME BY OCCUPATION GROUP

The City has created a number of occupational groups for purposes of analysis. The following is a list of the occupational groups:

- Professional
- Managerial
- Clerical
- Apprentice
- Service
- Trade
- Technical
- Labour
- Operating

Chart 10 shows employee distribution and overtime hours worked by nine occupational groups in 2018. The Operating occupational group makes up 19.2 percent of employees and accounts for 48.8 percent of the overtime (97,837 hours) worked in 2018. The Labour occupational group makes up 15.9 percent of employees and accounts for 18.5 percent of overtime (37,004 hours) worked in 2018.

CHART 10: OVERTIME HOURS BY OCCUPATIONAL GROUP (2018)



## 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 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, and cost containment perspective.

Proper management of absenteeism reduces workload fluctuations and improves management's ability to measure and utilize overtime effectively. Managing absenteeism is a 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 for 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 the corporation's data and reporting capabilities improve, so will the Administration's ability to manage overtime.

**Prepared by Human Resources Department**

