

2024-30 CONTRACT CONVERSIONS TO FULL-TIME EQUIVALENTS

Department: Corporate Services

This business case has been updated to reflect the elimination of a contract position for a Machine Operator. Items have been crossed out and amended as of February 23, 2024.

OVERVIEW

1. Description

The Town utilizes a number of contract employees in various capacities for delivering municipal services, which include but is not limited to, maintaining parks, the community centre, grass cutting, and water and waste water services. Contract positions are best suited for seasonal work, keeping the positions flexible and meeting specific needs that are not year-round. Over time, though, some positions evolve to the extent that an employee may be working year-round in that capacity, and the position is no longer best suited as a contract.

Budget savings were previously a strong deciding factor in keeping costs manageable and as a contract position, but with recent changes in the Ontario Municipal Employment Retirement System (OMERS), contract employees can now elect to enroll in OMERS at any time. Therefore, budget savings are significantly less, and the only savings would be the difference in providing benefits to an employee. As the Town wishes to promote employee morale, staff retention and exceptional customer service, it is recommended that certain contract positions are converted to full-time employment status. These include the following contracts:

- OPS Labourer – Parks – approx. \$16k
- OPS Labourer – Community Centre – approx. \$16k
- ~~Machine Operator – Phragmites Management – approx. \$10k (30% is levy supported)~~
- Communications Coordinator – approx. \$10k
- Cleans Yards/Property Standards Officer – approx. \$43k (50% is levy)
- Lord Mayor's Executive Assistant and Communications – approx. \$10k

The additional budget impact of converting 6 positions is \$105,000 with \$76,500 translating into a levy impact, and the balance being covered by rates.

Council requested Staff to take a more holistic approach to evaluating the conversion of contracts. The above list is a comprehensive list of the positions reviewed.

2. Strategic Plan Links

Council's 2022 – 2027 Strategic Plan

Pillar: Optimize Organizational Excellence

Action Items: Culture and Workforce – Culture and Workforce

When employees feel a sense of security in their jobs it shows that the Employer cares about the employees, which results in a more positive workplace. The conversion of these positions also provides the employees with an improved work life balance which may reduce turnover. This will help to build an inclusive culture and workforce committed to increasing diversity and promoting equity across the organization.

Pillar: Optimize Organizational Excellence

Action Items: Customer Experience – Customer Experience

By converting this contract position into an FTE position, it will create positive morale which directly affects the customer service experience.

3. Benefits of Implementation

The benefits of implementation include, but are not limited to:

- Improved levels of customer service
- Contract staff currently work on a rotating contracting basis, there is uncertainty with schedule, hours, etc. Implementation of an FTE allows for more security with regard to hours and scheduling.
- Increased staff loyalty and teamwork due to enhanced employee retention
- Employees will take a higher sense of ownership when employed as full-time compared to contract
- Low budget impact

4. Consequences/Risks of Non-Implementation

When staff are continually in a contract position, it leads to turnover as the staff are continuously seeking permanent position elsewhere. This leads to implications for recruitment and retraining costs, productivity, customer service and work quality.

5. Legislative Requirement

N/A

FINANCIAL CONSIDERATIONS

6. Cost

All associated costs would be to fund the employee's benefits and pension (OMERS). OMERS is no longer a controllable cost for contract positions, as the eligibility

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requirements for OMERS have changed and contract positions can enroll at any time. Benefits are provided on an Administration Services Only (ASO) basis; or, on a pay-as-you-go basis. Total budget changes related to contract conversions are \$105,000, \$95,000, with ~~\$76,500~~ \$73,500 being funded from levy-supported areas, and the balance of ~~\$28,500~~ \$21,500 from rate-supported areas.

7. Funding

The positions identified are a mix of levy and rate-supported areas. The majority is funded by property taxes, with the balance coming from rate-supported areas.

8. Tax Rate Increase

The cost of converting the above contracts to full-time is ~~\$76,500~~ \$73,500 which represents a 0.52% increase on the tax bill, or approximately ~~\$6.10~~ \$5.86 for the average tax bill.

9. FTE Count

This position would convert 5 existing contracts to 5 FTE's.

10. Potential Cost Savings

Converting contract positions to FTE's will save time and resources with training due to potential turnover.

11. Appendices

N/A