



July 5, 2007

## **Payroll Costs, Job Evaluation and the Port Moody/Local 825 Settlement – the Real Story**

In October of 2006, the City of Port Moody and CUPE Local 825 concluded terms of a new collective agreement. Ever since, GVRD bargainers have recommended the general wages increases of the Port Moody settlement at other tables.

But when employers describe the wage increases in the Port Moody settlement, they leave out key information on a new Job Evaluation plan that puts the wage increases in context.

The new joint gender-neutral Job Evaluation plan will result in significant pay increases for most hourly employees. The general wage increases in the Local 825 settlement have to be understood in the context of the pay increases that will result from the Job Evaluation plan.

The general wage increases in the Port Moody settlement (not considering Job Evaluation) are as follows:

- January 1, 2007 – 3%
- January 1, 2008 – 3%
- January 1, 2009 – 3.5%
- December 31, 2009 - .25%

The agreement expires March 31, 2010.

But for most members of CUPE Local 825, the new Job Evaluation plan means significant pay increases over and above the general wage increase. The new Job Evaluation plan will be phased in over three years. **Over the three year period, the Job Evaluation plan will increase hourly payroll costs for the employer by 7%**. Specific increases for each classification vary, but one third of the Job Evaluation increases will be paid out each year of the plan.

Some employees will receive no increase as a result of the Job Evaluation plan and different classifications will benefit from the plan differently, but examples of increased pay over three years from job evaluation (at the top job rate and not taking into account the general wage increase) include: 15% for Clerk-Typist II; 10.9% for Labourer II; 9.5% for Utility Maintenance Worker II; 14.7% for Secretary; 13.1% for Utilities Supervisor; and 7.3% for Lead Mechanic. The

compounded general wage increase of 10% over the full term of the agreement will be on top of those Job Evaluation increases.

Taken together, the general wage increase and increased pay costs for Job Evaluation will cost Port Moody 17% over the 39 month term, which on an annualised basis is **5.23% per year** (17 divided by 39 multiplied by 12 = 5.23).

The Job Evaluation Plan comes into effect on July 1, 2007. The City of Port Moody has reallocated funds to create a budget of \$66,000 in 2007 and \$132,000 in 2008 to specifically fund the Job Evaluation increases in those years.

The new Port Moody Job Evaluation plan is not referenced in the collective agreement Memorandum of Settlement of October 13<sup>th</sup>. But the reality is that Port Moody was working on its Job Evaluation plan prior to bargaining a new collective agreement. Both parties entered collective agreement negotiations in 2006 with an understanding that the Job Evaluation plan was nearly concluded and was important to get back to after collective bargaining concluded.

The true payroll costs of both the Port Moody settlement and the Job Evaluation plan are the context for any discussion of the Port Moody settlement at other tables around the region.

It is also important to remember that the City of Port Moody has served notice to leave the GVRD Labour Relations Bureau. Like Richmond, Surrey and Port Coquitlam, Port Moody would like to handle its own labour relations without the GVRD at the table.