



2021 July 26

To: Mayor Nenshi and Members of City Council

From: Carla Male, Chief Financial Officer

Re: Administrative Inquiry – City of Calgary Staff Overtime Payout (Cllrs Chu and Farkas)

The following information is Administration’s response to the Administrative Inquiry received during the Combined Meeting of Council on 2021 April 12:

On a yearly basis from 2017 to 2020:

How many employees were paid overtime?

City Administration			
	Union	Exempt	Total
2017	7,713	427	8,140
2018	8,076	462	8,538
2019	7,987	435	8,422
2020	7,181	627	7,808
4-Year Average			8,227

(Approx. 62.0% of City Administration workforce)

Calgary Police Service				
	Union	Exempt	Sworn Members	Total
2017	298	30	1,824	2,152
2018	305	33	1,857	2,195
2019	296	33	1,861	2,190
2020	270	40	1,768	2,078
4-Year Average				2,154

(Approx. 72.5% of Calgary Police Service workforce)

What were the estimated costs (\$ millions)?

City Administration			
	Union	Exempt	Total
2017	24.1	1.8	25.9
2018	31.4	1.8	33.2
2019	30.8	1.7	32.5
2020	25.6	3.3	28.9
4-Year Average			30.1

(For those employees who received overtime, the payout was approximately \$3,659.00 per employee/year)

Calgary Police Service				
	Union	Exempt	Sworn Members	Total
2017	1.3	0.2	12.4	13.9
2018	1.5	0.2	13.0	14.8
2019	1.2	0.2	14.3	15.7
2020	0.9	0.1	9.1	10.1
4-Year Average				13.6

(For those employees who received overtime, the payout was approximately \$6,314.00 per employee/year)

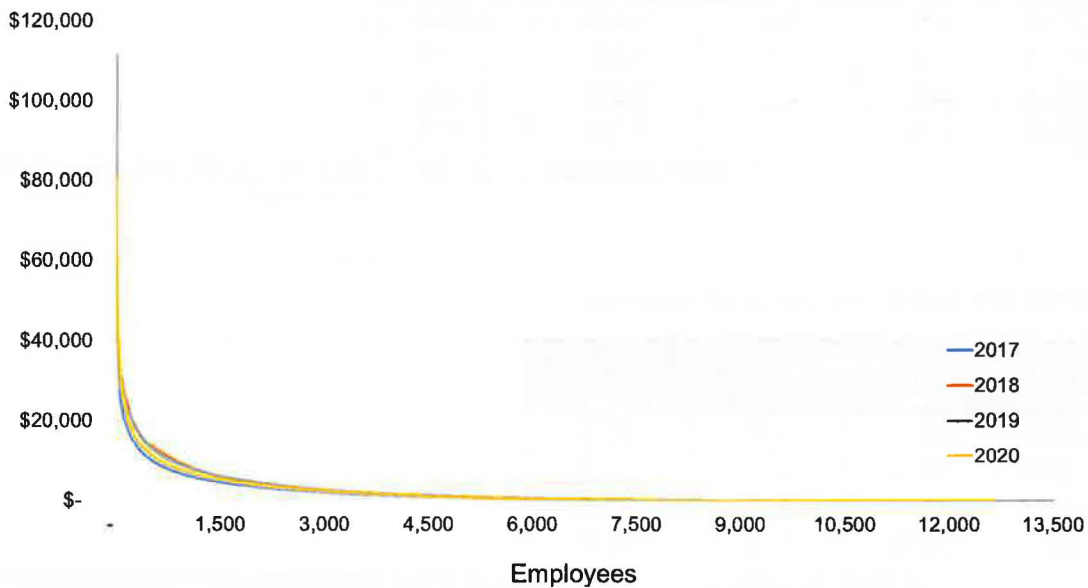
NOTES:

- Overtime values exclude City Manager, General Managers and Directors, as they are not eligible for overtime.
- 2020 estimated costs include COVID-19 related response

The 4-year combined average overtime cost of \$43.7 million (\$30.1 for City Administration, \$13.6 for Calgary Police Service) represents just over 2% of salary & wage expenditures and 1% of total City annual expenditures.

A graphical representation of overtime distribution for City Administration (excludes Calgary Police Service) is provided below for each of the years 2017 through 2020. As a percentage of the entire workforce, very few employees receive a high overtime payout. Approximately 95% of employees received less than \$10,000 and 98.5% of employees received less than \$20,000 in overtime annually.

City Administration - Overtime Distribution



What was the highest individual payout?

Year	Total Annual Overtime	Business Area
2017	94,827.23	Calgary Police Service
2018	100,319.65	Calgary Community Standards (911)
2019	111,529.55	Calgary Community Standards (911)
2020	80,217.29	Water Services*

*The previous business area highlighted was incorrect and has been adjusted to Water Services.

Overtime payouts are generally higher in business areas that experience greater volatility in service needs from the community, and often require uninterrupted support.

Looking forward, what is Administration's strategy to reduce overtime costs?

City Administration

The Executive Leadership Team met on 2021 May 11 for a discussion on overtime that centered on the reasons for its existence, how it is used to address workload, and tactics to manage it.

It was recognized that even through the COVID-19 pandemic, overtime expenses for City Administration decreased by approximately 11% from 2019 to 2020. In addition, the number of individuals receiving overtime decreased by approximately 7.3% in that same period.

The primary reasons for the requirement of overtime include:

- planned or anticipated requirements (e.g. adherence to timelines/deliverables)
- unplanned emergencies or crises
- unplanned requirements (e.g. legislated change)
- flexibility to support minimal service disruption (e.g. Transit operator scheduling)

Overtime is also a management tool to manage fluctuations in workload, address staffing issues, and respond to one-time, emergency or unplanned events.

Tactics to manage or reduce overtime costs include:

- creating heightened awareness through proper and consistent application of policies and collective agreement provisions
- possible scheduling changes
- renegotiating overtime provisions (e.g. hours of work, overtime rates)
- targeting specific areas where overtime is high
- reviewing staffing levels in certain business areas where consistent overtime need is evident
- enhancing accountability, through regular reporting on excessive hours
- modelling behavior and setting leadership expectations
- Budget owners historically have received quarterly reports indicating those employees who have worked more than 50 hours of overtime in the current year. Effective in 2021 quarterly reports are now sent directly to General Managers

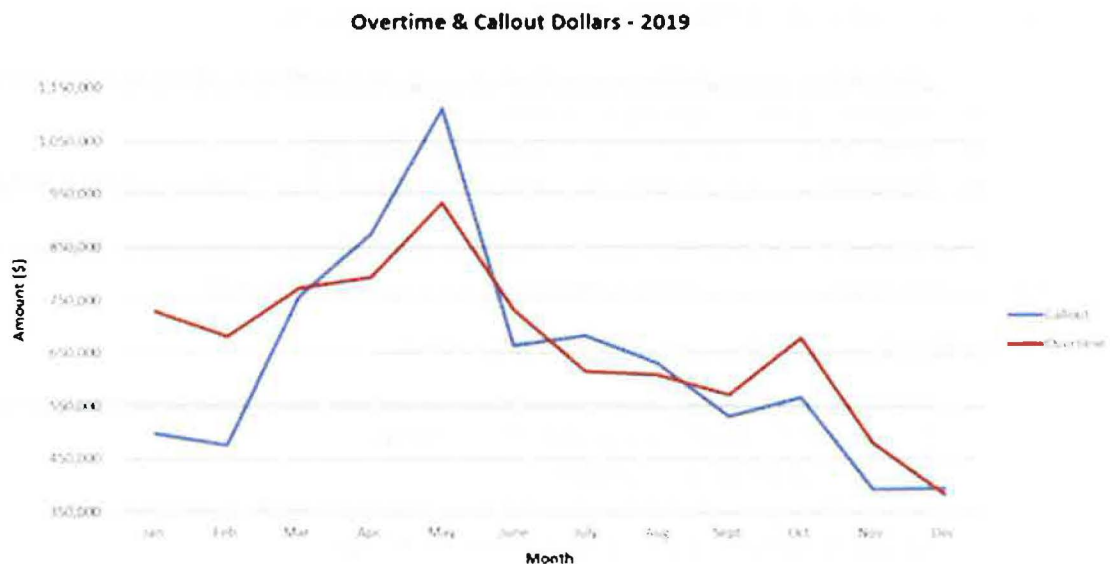
Calgary Police Service

The Calgary Police Commission (CPC) continues to diligently oversee this issue. The Calgary Police Service has implemented overtime controls at the request of CPC as evidenced by the significant reduction of overtime expenses in 2020.

With a new leadership team it created new opportunities to change behavior when it came to managing overtime. Through a coordinated effort lead by the Executive Leadership Team (ELT) and Senior Leadership Team (SLT) the Calgary Police Service has reduced overtime by approximately 36%. The following initiatives were implemented.

- Engagement of all Commanders and Supervisors
- Distribute the accountability and responsibility throughout the organization
- Enhancing management controls and reporting
- Awareness of policies and collective agreement for all levels
- Monthly reporting requirements to/from the leadership teams (Executive Level reporting and bureau breakdowns to the teams)
- Implementation of the top 25 sworn and civilian employees earning overtime in each bureau

The graph below shows the impact the Calgary Police Service has had by implementing strong management controls and the distributed leadership and accountability when managing overtime and call out. To date the Calgary Police Service has continued to manage overtime with success and implementing additional controls where possible.



Carla Male
 Chief Financial Officer
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 cc: Executive Leadership Team; City Clerk