



City of Hamilton
Non-Union Compensation Sub-Committee
AGENDA

Meeting #: 25-001
Date: January 10, 2025
Time: 9:30 am
Location: Council Chambers
Hamilton City Hall
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

	Pages
1. CALL TO ORDER	
2. CEREMONIAL ACTIVITIES	
3. APPROVAL OF AGENDA (Added Items, if applicable, will be noted with *)	
4. DECLARATIONS OF INTEREST	
5. APPROVAL OF MINUTES OF PREVIOUS MEETING	
5.1 June 21, 2022	1
6. DELEGATIONS	
7. ITEMS FOR INFORMATION	
8. ITEMS FOR CONSIDERATION	
8.1 HUR25001 Non-Union Benefit Plan Amendments (City Wide)	5
9. MOTIONS	
10. NOTICES OF MOTION	

11. PRIVATE & CONFIDENTIAL

12. ADJOURNMENT



Hamilton

**MINUTES
NON-UNION COMPENSATION SUB-COMMITTEE**

1:00 p.m.

June 21, 2022

Council Chambers, City Hall, 2nd Floor
71 Main Street West
Hamilton, Ontario

Present: Councillors L. Ferguson (Chair), M. Pearson (Vice Chair)

Absent: Councillor T. Whitehead - Personal

THE FOLLOWING ITEMS WERE REFERRED TO THE GENERAL ISSUES COMMITTEE FOR CONSIDERATION:

1. Senior Leadership Team Preventative Health Assessment (HUR22009) (City Wide) (Item 9.2)

(Pearson/Ferguson)

- (a) That the direction provided to staff in Closed Session respecting Report HUR22009, Senior Leadership Team Preventative Health Assessment, be approved; and,
- (b) That Report HUR22009, Senior Leadership Team Preventative Health Assessment, remain confidential until approved by Council.

Result: Motion CARRIED by a vote of 2 to 0, as follows:

Yes - Councillor Lloyd Ferguson, Chair
Yes - Councillor Maria Pearson, Vice Chair
Absent - Councillor Terry Whitehead

2. Non-Union Benefit Policy (HUR22008) (City Wide) (Item 9.3)

(Pearson/Ferguson)

- (a) That the Non-Union Benefit Policy, attached as Appendix "A" to Report HUR22008, be approved; and,
- (b) That Report HUR22008, respecting the Non-Union Benefit Policy and its Appendix "A" remain confidential until approved by Council, at which time both the report and the appendix may be publicly released.

Result: Motion CARRIED by a vote of 2 to 0, as follows:

- Yes - Councillor Lloyd Ferguson, Chair
- Yes - Councillor Maria Pearson, Vice Chair
- Absent - Councillor Terry Whitehead

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following change to the agenda:

8. GENERAL INFORMATION / OTHER BUSINESS

- 8.1 Revised Terms of Reference for the Non-Union Compensation Sub-Committee, with the balance of the agenda items to be renumbered accordingly.

(Pearson/Ferguson)

That the agenda for the June 21, 2022 Non-Union Compensation Sub-Committee be approved, as amended.

Result: Motion CARRIED by a vote of 2 to 0, as follows:

- Yes - Councillor Lloyd Ferguson, Chair
- Yes - Councillor Maria Pearson, Vice Chair
- Absent - Councillor Terry Whitehead

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) December 3, 2021 (Item 3.1)

(Pearson/Ferguson)

That the Minutes of the December 3, 2021 meeting of the Non-Union Compensation Sub-Committee be approved, as presented.

Result: Motion CARRIED by a vote of 2 to 0, as follows:

Yes - Councillor Lloyd Ferguson, Chair
Yes - Councillor Maria Pearson, Vice Chair
Absent - Councillor Terry Whitehead

(d) GENERAL INFORMATION / OTHER BUSINESS (Item 8)

(i) Revised Terms of Reference for the Non-Union Compensation Sub-Committee (Item 8.1)

(Pearson/Ferguson)

That the revised Terms of Reference for the Non-Union Compensation Sub-Committee, be received for information.

Result: Motion CARRIED by a vote of 2 to 0, as follows:

Yes - Councillor Lloyd Ferguson, Chair
Yes - Councillor Maria Pearson, Vice Chair
Absent - Councillor Terry Whitehead

(e) PRIVATE AND CONFIDENTIAL (Item 9)

(i) Closed Session Minutes – December 3, 2021 (Item 9.1)

(Pearson/Ferguson)

(a) That the Closed Session Minutes of the December 3, 2021, meeting of the Non-Union Compensation Sub-Committee be approved, as presented; and,

(b) That the Closed Session Minutes of the December 3, 2021, meeting of the Non-Union Compensation Sub-Committee remain confidential.

Result: Motion CARRIED by a vote of 2 to 0, as follows:

- Yes - Councillor Lloyd Ferguson, Chair
- Yes - Councillor Maria Pearson, Vice Chair
- Absent - Councillor Terry Whitehead

(Pearson/Ferguson)

That the Non-Union Compensation Sub-Committee move into Closed Session, respecting Items 9.2 and 9.3, pursuant to Section 9.1, Sub-sections (b) and (d) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-sections (b) and (d) of the *Municipal Act, 2001*, as amended, as the subject matter pertains to personal matters about an identifiable individual, including City employees; and, labour relations or employee negotiations.

Result: Motion CARRIED by a vote of 2 to 0, as follows:

- Yes - Councillor Lloyd Ferguson, Chair
- Yes - Councillor Maria Pearson, Vice Chair
- Absent - Councillor Terry Whitehead

(f) ADJOURNMENT (Item 6)

(Pearson/Ferguson)

That, there being no further business, the Non-Union Compensation Sub-Committee, be adjourned at 1:14 p.m.

Result: Motion CARRIED by a vote of 2 to 0, as follows:

- Yes - Councillor Lloyd Ferguson, Chair
- Yes - Councillor Maria Pearson, Vice Chair
- Absent - Councillor Terry Whitehead

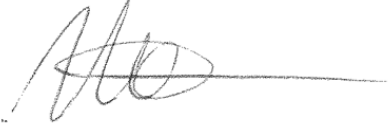
Respectfully submitted,

L. Ferguson, Chair
Non-Union Compensation Sub-Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Human Resources

TO:	Chair and Members Non-Union Compensation Sub-Committee
COMMITTEE DATE:	January 10, 2025
SUBJECT/REPORT NO:	Non-Union Benefit Plan Amendments (HUR25001)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Simmy Aujla, (905) 546-2424 Ext. 2631
SUBMITTED BY:	Nenzi Cocca Executive Director (Acting) Human Resources
SIGNATURE:	

RECOMMENDATION

- (a) That Committee approves amendments to the NU Plus Plan as outlined in Appendix A
- (b) That Committee approves amendments to the Classic plan as outlined in Appendix B.

EXECUTIVE SUMMARY

Human Resources is presenting amendments to the core benefit plan (Health and Dental) for Non-Union employees, along with an increase to the annual Health Care Spending Account (HCSA) entitlement. Having researched industry trends, claims utilization and the benefit survey results, these amendments represent a more comprehensive, modern, and flexible plan design to reward and recognize our employees and to ensure an optimal strategy for attracting and retaining talented staff.

If approved, all Non-Union employees will be notified of the plan changes regardless of their enrolment in the Classic or NU Plus plan. Those enrolled in the Classic Plan will have a one-time opportunity outside the open enrolment window to elect to move into the NU Plus Plan.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Alternatives for Consideration – See Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

- NU Plus: the annual cost related to these amendments is \$212,181.
- Classic: the annual cost related to these amendments is \$24,039.
- Monthly premiums related to health and dental costs are charged directly to the Departments.
- The 2025 budget recommendation for benefits has already been provided to Finance. The addition of these amendments will not impact the recommended budget.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The City of Hamilton Non-Union benefits plan redesign was implemented January 1, 2023. This was the first time Human Resources completed a fulsome review of the entire Non-Union benefits program. Human Resources worked with Mercer (third party benefits consultant) and Manulife to better understand industry trends and, conducted internal employee surveys and focus groups to help inform the design of the new plan.

There were a number of reasons to review the Non-Union benefit entitlements, but the three main drivers were:

- changing demographics,
- employee-centric approach, and
- best practice and modernization.

Eligible Non-Union employees were given the choice to enroll in the Classic plan or the NU Plus plan. On January 1, 2023, 63% of employees were enrolled in the Classic plan and 37% in the NU Plus plan. As of January 1, 2024, the enrolment statistics remained the same as 2023. Employees enrolled in the NU Plus plan following the 2024 election are locked into the NU Plus plan for the duration of their employment in a Non-Union position.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

To validate and support the proposed plan amendments, Human Resources surveyed approximately 1,000 benefits eligible Non-Union employees in February 2024.

Manulife (the City's Benefits Provider) was consulted on industry trends and cost projections associated with the recommended amendments.

SLT has approved the recommendations, and subject to approval by Council, Human Resources will initiate a communication plan, which includes leveraging Howi to share and distribute information, initiate the open enrolment window and oversee any PeopleSoft updates and enrolments. The plan amendments will be effective April 1, 2025.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

In February 2024 a survey was issued to approximately 1,000 Non-Union employees. The goal was to learn about the Non-Union benefit experience and to continue to provide a comprehensive benefit plan that meets the needs of most Non-Union employees. The survey had a 20% response rate (which was likely impacted by the Cyber Incident). Appendix C provides a summary of the survey results.

A review of claims data (excluding administrative fees) demonstrates that the NU Plus plan has incurred lower paid claims on a per capita basis. The total claims dollars for Non-Union employees for 2023 was \$5,060,686. 56% of this can be attributed to the Classic plan and 44% is from the NU Plus plan. The average annual spend per entitled Non-Union employee was \$4,736 for the Classic Plan and \$4,356 for the NU Plus plan, resulting in lower costs per eligible employee in the NU Plus plan.

ALTERNATIVES FOR CONSIDERATION

Alternatively, the Committee may decide to maintain current entitlements and plan provisions or approve some, but not all the plan amendments proposed.

By not proceeding with the staff recommendation, the City is at risk of not maintaining a competitive edge in the attraction and retention of key staff, as well as not adequately recognizing and addressing the increasing diverse needs of our employees. As such, this alternative is not recommended.

APPENDICES AND SCHEDULES ATTACHED

- Appendix 'A' to Report HUR25001 – 2025 Plan Amendments – NU Plus
- Appendix 'B' to Report HUR25001 – 2025 Plan Amendments – Classic

2025 Plan Amendments – NU Plus

Item	Current	Proposed	Cost	Rationale
Health Care Spending Account	\$1,000	\$1,250	\$124,000	<ul style="list-style-type: none"> The survey indicated that \$1,000 is not sufficient for employees that have family coverage. Data as of September 2024 suggests that 40% of employees with family coverage rely solely on the City's plan.
Drug Dispensing Fee	\$7	\$10	\$9,169	<ul style="list-style-type: none"> To reduce the out-of-pocket drug expense. Manulife standard is R&C which is currently \$11.99 in Ontario.
Mental Health Benefit	\$1,500	\$3,000	\$14,669	<ul style="list-style-type: none"> Manulife R&C is \$250 per session. Annual maximum of \$3,000 will allow for at least one visit per month. 2023 Manulife Insight stats show that 46% of mental health claimants are using therapy only and 14% are using therapy and drugs. Where these claimants are employees, they could transition to future LTD claims if the right resources aren't provided.
Prescription Glasses	\$400/24 months	\$500/ 24 months	\$9,134	<ul style="list-style-type: none"> Manulife has confirmed a large range of coverage depending on industry. They typically see between \$100 to \$600 per 24 months. Survey mentioned a low vision benefit.
Dental Fee Guide	1 year prior to the Current Fee Guide	Current Fee Guide	\$16,894	<ul style="list-style-type: none"> Survey indicated a lot of dissatisfaction with the dental changes especially for those employees that had family coverage. This will reduce the out-of-pocket expense while maintaining the 80% coinsurance on supplementary basic services. Employees expressed frustration with the increased administration required to be reimbursed from the HCSA.
Orthodontic Services (Dependents under 18)	\$2,500/lifetime	\$4,000/lifetime	\$2,862	<ul style="list-style-type: none"> Treatment will continue to be covered at 50%. Average cost of treatment is \$6,500 to \$7,500 and can be higher or lower depending on the treatment plan. Added supports for members with greater number of dependents.

Item	Current	Proposed	Cost	Rationale
Virtual Health Care	Not Covered	Covered	\$21,000	<ul style="list-style-type: none"> This was ranked #2 for the items not currently covered by the plan. \$3.55 per month per certificate for the first year and the cost is driven by utilization and is subject to change year over year.
Dietician Services/ Health Consulting	Not covered	Covered	\$3,252	<ul style="list-style-type: none"> Ranked #1 in importance of services that employees would like to have access too. Costing is based on Manulife's block of business. \$1,500 per year combined for all services. Each practitioner is limited to a maximum of \$500. Covered practitioners: chiropractor, massage therapist, speech pathologist, naturopath, osteopath, podiatrist/chiropracist and dietician services.
Fertility Treatment	Not covered	\$15,000 lifetime maximum per certificate	\$11,071	<ul style="list-style-type: none"> Ranked #4 in importance of services that employees would like to have access to. Manulife's standard benefit is to offer \$15,000 lifetime maximum per certificate not claimant. Costing is based on Manulife's block of business. We currently cover the drugs but not the treatment.
Total			\$212,181*	

* Monthly premiums related to health and dental costs are charged directly to the department The 2025 budget recommendation for benefits as already been provided to Finance. The addition of these amendments will not impact the recommended budget.

2025 Plan Amendments – Classic Plan

Item	Current	Proposed	Cost	Rationale
Mental Health Benefit	\$1,500	\$3,000	\$24,039	<ul style="list-style-type: none"> • Manulife R&C is \$250 per session. • Annual maximum of \$3,000 will allow for at least one visit per month. • 2023 Manulife Insight stats show that 26% of mental health claimants are using therapy only and 13% are using therapy and drugs. • Where these claimants are employees, they could transition to future LTD claims if the right resources aren't provided.
		Total	\$24,039*	

* Monthly premiums related to health and dental costs are charged directly to the department. The 2025 budget recommendation for benefits as already been provided to Finance. The addition of these amendments will not impact the recommended budget.