

# CITY OF HAMILTON

## NOTICE OF MOTION

Council: November 8, 2017

**MOVED BY MAYOR EISENBERGER .....**

**Analysis of HSR Absenteeism (PW17096) (City Wide)**

- (a) That the Transit Bus Operator Complement Control Policy, attached as Appendix "A" to Report PW17096 (attached hereto), be approved;
- (b) That the General Manager of Public Works be authorized and directed to implement the Transit Bus Operator Complement Control Policy, attached as Appendix "A" to Report PW17096 (attached hereto) immediately, including the development of all necessary procedures; and,
- (c) That the General Manager of Public Works be directed to report back to the General Issues Committee, prior to the 2019 budget process, illustrating the effectiveness of the Transit Specific Complement Control Policy, with recommendations relative to its ongoing application.



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Transit Division**

<b>TO:</b>	Mayor and Members City Council
<b>COMMITTEE DATE:</b>	November 8, 2017
<b>SUBJECT/REPORT NO:</b>	Analysis of HSR Absenteeism (PW17096)(City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Debbie Dalle Vedove (905) 546-2424, Extension 1860
<b>SUBMITTED BY:</b>	Dan McKinnon General Manager Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the Transit Bus Operator Complement Control Policy, attached as Appendix "A" to Report PW17096, be approved;
- (b) That the General Manager of Public Works be authorized and directed to implement the Transit Bus Operator Complement Control Policy, attached as Appendix "A" to Report PW17096, immediately, including the development of all necessary procedures; and,
- (c) That the General Manager of Public Works be directed to report back to the General Issues Committee, prior to the 2019 budget process, illustrating the effectiveness of the Transit Bus Operator Complement Control Policy, with recommendations relative to its ongoing application.

**EXECUTIVE SUMMARY**

On November 1, 2017 staff provided the General Issues Committee with an update on the recent rise in HSR service cancellations, the correlated absenteeism issues and mitigation strategies. Staff provided an update on a series of issues that have been building over time and are prepared with additional information and a go-forward approach. Data has demonstrated that absenteeism has been rising consistently over the past five years, and the HSR has increasingly relied on over-time to maintain service levels.

This report provides recommended solutions to the issues, including a draft Transit Specific Complement Control Policy (TSCCP) that would allow the General Manager of Public Works the authority to exceed the Council-approved complement for transit operators by up to 12 per cent, as needed, to ensure HSR has enough operators to run full service every day, while significantly reducing the reliance on overtime to maintain service levels.

This report also includes more detailed information relative to absenteeism, overtime use to maintain service levels, and an update on the work of the past year, aimed at improving the culture and delivery of the HSR service overall. As a result of this work completed over a number of months, staff continue to develop plans for addressing HSR absenteeism which, by extension, will reduce the need for overtime and improve absenteeism going forward. Expenditures and timelines to implement the draft TSCCP are also included.

***Alternatives for Consideration – See Page 6***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The proposed policy would provide Transit the ability to exceed the current bus operator complement of 484.3 by up to a maximum of 12 per cent, or 58 FTE, to 542.3 as necessary.

Recognizing, as an example, that long-term leaves in transit in the operator position, are not filled the way they are in other industries or areas of the corporation and often result in immediate adverse effects on service levels.

Annually the use of overtime in order to prevent service cancellation and offset absenteeism under the current model costs approximately \$4,734,566. The policy recommended in this report would allow flexibility within the complement whereby service would be delivered at straight time and require up to an additional 58 FTEs, which with benefits, represents approximately \$3,947,942. This approach is expected to deliver a net reduction of \$786,624.

Staff anticipates an additional benefit from the use of the proposed policy relative to work/life balance and the operators' experience, which is also likely to result in less service cancellations and less overtime. Generally staff expects a positive outcome from this approach as we can better deliver transit as a service, be more flexible with operator scheduling and build a better experience for customers. Additionally, based on our projected analysis, the reduction in using overtime to maintain service levels and replacing it with straight time delivery will be more cost effective.

Staffing: The recommendations in this report provides for a Transit specific complement control mechanism that will allow staff to exceed budget when necessary to a maximum of 58 FTE to ensure approved service levels are maintained.

Legal: Not applicable

**HISTORICAL BACKGROUND**

Since 2012, Council has made investments in Transit that have included \$81.5 million in capital, an additional 118,569 hours of service on the road, and 75 total staff.

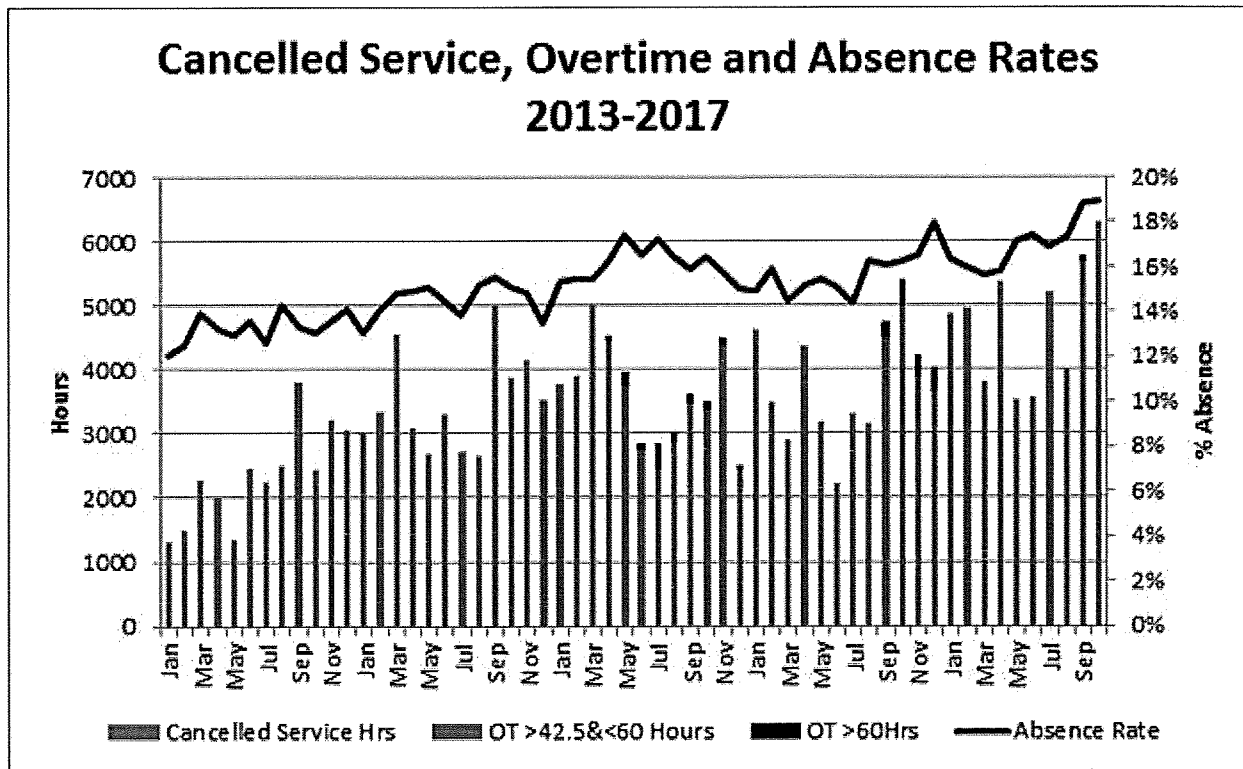
Absenteeism has steadily increased over the past five years (chart 1), as has overtime usage as HSR has relied on overtime to enable service delivery (chart 2) and offset absenteeism.

The combination of increasing absenteeism, heavy reliance on overtime and the inability to work in excess of 60 hours per week to maintain service reached a critical point throughout the fall of 2017 and HSR experienced significant service cancellation when absenteeism spiked to 19%.

**Chart 1**

Year	% Absence average
2012	12%
2013	13%
2014	15%
2015	16%
2016	16%
2017	17%

**Chart 2**



*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.*

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Corporate Complement Policy – the proposed policy in this report would be in addition to the Corporate Complement Control Policy and would be specific to Transit.

## **RELEVANT CONSULTATION**

Human Resources, Finance and Administration and Corporate Communications and the Performance Excellence Office were consulted, and are in agreement with the recommendations.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The bus operator segment of the City's workforce is very dynamic; the combination of general attrition, increasing service levels and absences create complex challenges to ensure the appropriate number of bus operators are available to provide the service approved by Council.

The most challenging dynamic is driven by bus operator absences. These absences are different than many other areas in the City in that, when bus operators are absent from work for any reason (including but not limited to: LTD, WSIB, STD and various other leaves), they must be replaced immediately by another bus operator in order to maintain Council approved service levels. This is very different from other program areas – as an example an office environment – where an employee is absent for a day, the option to postpone or reassign their work may be available.

Additionally, HSR does not have the ability to mitigate long-term disability in the same way other industries or business units typically do. It cannot backfill long-term leaves with temporary or part-time employees. This issue occurs regularly across the transit industry as a whole and creates an overreliance on overtime, traditionally up to 60 hours a week, and as necessary to 68 hours, and poses significant risk to service delivery consistency and reliability. In order to avoid service cancellation HSR has, over the course of several years, relied on overtime as part of the delivery model, which is not a long-term sustainable solution.

The HSR currently has 484 FTE budgeted complement and an additional 25 operators to compensate for the predictable but uncontrollable portion of the absences (including but not limited to: LTD, WSIB, STD and various other leaves), therefore the HSR currently has a headcount of 509. In addition there are currently 8 operators in training, and another 6 scheduled to begin training at the end of November.

Given the upward trend in absenteeism, the ability to exceed budgeted complement as necessary, up to 12 per cent, to replace absences and vacancies will result in a decrease in service cancellations and reduction in overtime expenditures. Additionally, Management would be able to reduce the amount of additional hours operators are asked to work and ultimately provide a healthier experience for operators and a more

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reliable service model for customers. Analysis demonstrates that reducing overtime to maintain service levels and replacing it with full time operators paid at straight time will be more cost effective.

Staffing: The recommendations in this report provides for a Transit specific complement control mechanism that will allow staff to exceed budget when necessary to a maximum of 58 FTE to ensure approved service levels are maintained, and that we improve both the operator and customer experience.

As employees who are on a long term absence return, the excess complement this creates can be controlled through the application of the TSCCP. As well the total number of bus operators required to fill non paid long term absences will be managed in the same way.

HSR continues to manage absences using all the tools available, with assistance from Labour Relations and Return to Work Services as necessary. Given the dynamic nature of transit operator complement and the number of operators we manage daily, the proposed policy will provide a more agile mechanism that will contribute to a more sustainable solution allowing us to reduce reliance on overtime and reduce service cancellations. Throughout 2018, the effectiveness of this policy will be monitored and reported to Council.

Three key initiatives are in the process of being implemented:

- Strengthening the management oversight of the absence reporting process; this will provide for better tracking of absences and increased accountability.
- Hiring a full time dedicated position to manage attendance on a day-to-day basis.
- Continue a root cause analysis of absenteeism to better understand why it is trending upward as well as provide the ability to understand statistics and trends on an ongoing basis.

Highlights of existing work underway at HSR:

HSR is committed to delivering a modern, progressive transit system that is reliable. Over the past several months, management has been working on a series of changes intended to improve the culture at the HSR, the operator experience and the service experience for customers.

A new management structure was put in place in late summer with clearer lines of accountability. The HSR is focused on moving to a culture where decisions consider data as a starting point, including a review of all systems and processes. Changes to the workforce planning function in the operations section to better accommodate operators and enable a different approach. Kaizen (LEAN) events intended to improve the environment. Developing action plans coming out of the workforce survey.

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Improving communications channels with customers including social media and an app that is being developed to enable easier access to information.

### **ALTERNATIVES FOR CONSIDERATION**

Council could choose not to approve the recommendations however staff would continue to need direction as to how to proceed maintaining service levels within corporate policy.

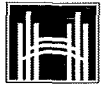
### **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

#### **Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

### **APPENDICES AND SCHEDULES ATTACHED**

Appendix A – Transit Bus Operator Complement Control Policy



Hamilton

Operational Policy	<b>Transit Bus Operator Complement Control Policy</b>
IMS #	PW-
No. of Pages:	2
Issue Date:	November 2017
Created by:	
Approved by: Print Name:	

## 1. PURPOSE

The purpose of this policy is to allow the General Manager of Public Works to exceed the Council-approved complement of transit operators to respond to an operator absenteeism rate of up to 12 per cent. This will help to reduce the reliance on overtime while maintaining a buffer so as not to exceed the resources necessary for approved service level.

## 2. POLICY USE

2.1 This policy applies to the hiring of full time bus operator positions only. This policy applies to all absences other than vacation.

## 3. RESPONSIBILITY

The Director of Hamilton Street Railway is responsible for the application of this policy including reporting to City Council on a regular basis as to the effectiveness of the policy and any proposed amendments.



**4. PROCEDURE**

Bus Operator Availability Forecast (BOAF) will be reviewed monthly, ensuring that the actuals are confirmed with the complement report provided by finance and administration.

Staff shall hire Bus Operator FTEs in numbers that correspond to 2% less than the forecast absence rate as determined monthly to a maximum of 12% of budgeted complement. The 2% buffer allows for the anticipated variability that occurs when staff return to work for various reasons. This will prevent the occurrence of being over complement considering absenteeism and relative to service levels.

**5. ANNUAL REVIEW**

On an annual basis the amount to exceed complement will be reviewed and the absenteeism rate adjusted as necessary.

ASSOCIATED DOCUMENTS

REVISION HISTORY