
Memorandum

BRC-C 12-2024

Subject: Non-Union Compensation Review Phase 2 – Budget Impacts

Date: December 5, 2024

To: Budget Review Committee of the Whole

From: Melanie Steele, Associate Director, Reporting & Analysis

The purpose of this memo is to provide Council with further information regarding the budget impacts of a three-year implementation plan for the non-union compensation review phase 2 project (market pricing and salary structure).

Background information on the non-union compensation review project was provided through HR 03-2024 presented in March 2024. As a key component of the Niagara Region's People Plan, a qualified firm was selected, through a Request for Proposal (2023-RFP-118), to provide consulting services with respect to compensation strategy, policies, practices, external market competitiveness and labour market conditions.

A 3-year implementation plan would result in the non-union compensation review phase 2 project being in place by April 1, 2027. Since the Region's annual compensation cycle runs from April 1st to March 31st, the impact is prorated across budget years to align with the April effective date.

The following table outlines the incremental budget impacts in each budget year associated with implementation over 3 years. The 2025 impacts are included in the proposed budget. The financial strategy is to smooth the impact over the 3-year timeline as equally as possible.

Table 1: Annual incremental budget impact of 3-year implementation plan

(in millions)	2025	2026	2027	2028	Total
Cost January-March		\$1.10	\$0.37	\$0.42	\$1.90
Cost April-December	\$3.30	1.13	1.28		5.70
Sub-total of Implementation Cost	3.30	2.23	1.65	0.42	7.60
Annual Adjustment for Market Wage Growth		1.61	2.15	2.15	5.91
Total incremental cost of Non-Union Compensation Review	\$3.30	\$3.84	\$3.80	\$2.57	\$13.51
General Levy Cost Only (excludes Rate and Special Levy portion)	\$2.84	\$3.30	\$3.27	\$2.22	\$11.63
Estimated % of General Levy	0.59%	0.63%	0.58%	0.36%	

For comparison purposes, the below table outlines the incremental budget impacts in each budget year associated with implementation over 2 years.

Table 2: Annual incremental budget impact of 2-year implementation plan

(in millions)	2025	2026	2027	2028	Total
Cost January-March		\$1.10	\$0.80		\$1.90
Cost April-December	3.30	2.40			5.70
Sub-total of Implementation Cost	3.30	3.50	0.80		7.60
Annual Adjustment for Market Wage Growth		1.61	2.15	2.15	5.91
Total incremental cost of Non-Union Compensation Review	\$3.30	\$5.11	\$2.95	\$2.15	\$13.51
General Levy Cost Only (excludes Rate and Special Levy portion)	\$2.84	\$4.40	\$2.54	\$1.85	\$11.63
Estimated % of General Levy	0.59%	0.84%	0.45%	0.30%	

Respectfully submitted and signed by

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