

City of Mississauga

Corporate Report



<p>Date: October 6, 2020</p> <p>To: Chair and Members of General Committee</p> <p>From: Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Originator's files:</p> <hr/> <p>Meeting date: October 21, 2020</p>
--	--

Subject

Working Remotely Policies

Recommendation

1. That the new Working Remotely Policy (Appendix 1) be approved effective October 28, 2020 including:
 - a. Implementation of the Working Remotely Agreement by December 31, 2020 for all staff working remotely (Appendix 2); and
 - b. Expansion of the eligible expenses under the Wellness Account for non-union employees to include expenses as detailed in the policy effective January 1, 2021.
2. That the amended Allowable Business Expenses (Appendix 3), Car Allowance (Appendix 4) Policies be approved effective October 28, 2020.

Report Highlights

- Human Resources undertook a detailed review of the current Alternative Work Arrangements (AWA) Policy, specifically the Work from Home portion of the policy, as a result of the recent shift in employees working remotely.
- The review resulted in the recommendation to remove Working from Home from the AWA Policy and create a stand-alone Working Remotely Policy which was endorsed by the Leadership Team (LT).
- This new policy has taken into consideration the new reality of a virtual workplace, while ensuring employee performance and productivity, offering flexibility in application of the policy, protecting employee safety and encouraging work life balance. The policy also emphasizes mandatory compliance with many existing Policies that govern the employment relationship between the City of Mississauga (City) and employees. The new policy reflects the City's Office Space Strategy principles, and is fundamental to our real estate strategy
- Throughout the COVID-19 period, the Corporation has made a number of administrative decisions to be flexible and meet the emerging needs of our

employees. The new Policy's approach is balanced in addressing the need to deliver on standard service level agreements (SLAs), meeting expected operational requirements, establishing and delivering on appropriate performance goals while allowing employees to maintain work life balance.

- As a result of employees having to set up their home office permanently, and in response to the feedback received in the Checking In During COVID-19 Employee Survey, a full review of potential home office expenses was conducted and amendments are recommended to the Allowable Business Expenses Policy.
- The resulting Working Remotely Policy also required changes to the Car Allowance policy to clarify mileage entitlement for travel between remote work sites and City facilities.

Background

With Council approval of the Corporation Pillar Recovery Plan and decisions by a number of City Divisions to continue to work remotely as an alternative for employees. Human Resources undertook a detailed review of the current AWA Policy, specifically the Work from Home portion of the policy. The review intended to simplify the policy, guidelines and documents related to working remotely as well as update the policy to reflect current times as it was originally approved by Council 12 years ago. A number of aspects of the AWA policy are closely connected with other policies and/or procedures and were reviewed including but not limited to Allowable Business Expenses Policy, Car Allowance/Reimbursement for Use of Personal Vehicles for City Business Policy, Rest Periods (Breaks) Policy, Records Management Program Policy (including confidentiality), Access to and Acceptable Use of IT Resources Policy; Health and Safety policies (Reporting Accidents; Workplace Violence); Reporting a City-Owned Property Damage Insurance Claim Policy, Reporting Potential Liability Insurance Claims Policy and Ergonomic Requirements.

The team leading the review of the AWA policy collaborated with various stakeholders across the City (Employee Health Services, Safety, Employee and Labour Relations, Talent Acquisition, Finance, Risk Management, Legal, Information Technology and Facilities and Property Management) to develop a new Working Remotely policy, documents and procedures. The new Policy was reviewed and commented on by the Extended Leadership Team and endorsed by the Leadership Team.

The proposed changes to the policies associated with working remotely are rooted in best practices as well as benchmarking and have taken into consideration the new reality of a virtual workplace, streamline the current process, protect employee health and safety as well as ensure flexibility in the application of the policy. The new Working Remotely policy is based on the foundational principle to ensure employees are meeting internal and external service levels, supporting all operational requirements, establishing and delivering on the performance goals, and continuing to be productive while encouraging work life flexibility. The policy also reflects and reinforces the principles in the Office Space Strategy (OSS) as

well as the lessons learned by the OSS team from COVID-19. The policy advances the OSS objectives by formalizing how employees can work remotely and continue delivering on their goals as well as the roles and responsibilities of leaders to ensure the success of working remotely.

Present Status

The AWA Policy currently outlines a number of alternative work arrangements, for example, Work From Home, Flex Time, Banking of Hours and more.

As a result of COVID-19, and with the approval of the Corporation Pillar Recovery Plan, working remotely may not be a decision initiated by an employee but instead by the City. In addition, for almost 40% of City employees working remotely is no longer an alternative way of work but a regular way of work.

According to the results of benchmarking amongst comparable municipalities and the broader public sector, 64% of organizations already have an established stand-alone policy that describes working remotely arrangement.

Comments

To align with today's new reality and best practices for working remotely as well as to reinforce the objectives of the OSS, it is recommended that the working from home arrangement be removed from the AWA Policy and a new Working Remotely Policy (Appendix 1) and agreement (Appendix 2) be approved by the Council. This allows for a more comprehensive policy as well as allows for specific considerations, unique to working remotely, to be described. The Working Remotely Policy emphasizes accountability, compliance, expectations to meet service level agreements, performance goals as well as health and safety requirements and work life balance.

The policy includes a Working Remotely Agreement that reflects the roles and responsibilities of the employee and the leader and ensures a mutual understanding of responsibilities. Some examples of the modernized Agreement include: a checklist confirming an understanding of the policy; confirmation of core working hours; requirement to maintain service levels, establish and maintain performance goals, the importance of confidentiality and safety requirements and more.

On an annual basis, all employees working remotely will be required to renew the agreement as a part of the performance appraisal cycle. New employees joining the City will have language included in their offer letters notifying them that their position is deemed to work remotely. Human Resources will work with affected Unions to establish agreements that incorporate working remotely while meeting job expectations.

Reporting for employees working remotely will continue using the appropriate Time and Labour code, and this reporting will be used to generate the T2200 Declaration of

Conditions of Employment tax form. Under current Canada Revenue Agency (CRA) rules the home office must be the principal place of employment (i.e. work space is used more than 50% of the time), or used exclusively for the purpose of earning employment income and on a regular and continuous basis for meeting customers or other persons in the course of employment duties. Appropriate language is included in the new policy and the Agreement to reflect that Finance will be determining eligibility for T2200 based on CRA requirements and applicable reporting of the time code by employees.

Home Office Expenses

As a part of understanding the landscape for the new workplace, analysis of the trends related to home office expenses was completed. There are a variety of measures that organizations are launching to help employees transition to working remotely and to assist with the associated expenses as well as ensure the health and safety of employees.

The following are some of the examples of how various organizations have recently addressed and compensated employees for home office expenses:

- Expanding or introducing a Wellness Account;
- Allotting a fixed annual allowance (anywhere between \$200 - 1,500);
- Introducing a one-time reimbursement of expenses; and
- Expanding the reimbursement of certain expenses under existing policies.

To align with the City's Wellness strategy and to keep the costs neutral, it is recommended to expand the Allowable Business Expenses Policy effective October 28, 2020 as well as expand the definition of the eligible expenses under the existing non-union Wellness Account (Personal Spending Account) effective January 1, 2021. By expanding the definitions under the Wellness Account employees can purchase home office related expenses beyond those provided by the City.

A review of potential home office expenses and how they can be accounted for has been completed considering a variety of factors including cost, health and safety of employees and benchmarking. Expenses have been grouped into the following four categories:

1. Items provided by the City (charged to centralized budget or divisional budget as appropriate);
2. Items required for employees to set up a home office based on individual needs (through the expansion of the Allowable Business Expenses Policy);
3. Items that employees may choose to purchase for their home office based on individual preferences (expansion of Personal Spending / Wellness Account); and
4. Ineligible expenses – such as internet usage, electricity and phone (other than BYOD).

The Allowable Business Expenses Policy provides examples of specific expenses that would be eligible for reimbursement under City Policies/programs. To ensure consistent application of the Allowable Business Expenses Policy, expenses may be subject to eligibility based on the percentage of time worked remotely, frequency and threshold dollar limits. All the equipment provided by the City and/or reimbursed under the Allowable Business Expenses Policy, with the exception of desks and items purchased under Personal Spending (Wellness) Account, will be returned to the City if the employment relationship ceases.

It is recommended to expand the definition of the eligible expenses under the existing non-union Wellness Account (Personal Spending Account) effective January 1, 2021 which will allow employees to purchase home office related expenses beyond those items provided by the City or covered in the Allowable Business Expense Policy, if they choose to do so. If adopted, eligible non-union employees will be able to make their selection of their Health Spending / Wellness Account funds during the annual re-enrollment in November 2020 for the Benefit year starting January 1, 2021. If funds are directed towards the Wellness Account, employees will be able to utilize the funds for the expenses occurred for their preferred home office setup in 2021 and onwards. Where appropriate and as required, Human Resources will work with the Unions that currently have a Wellness Account as a part of the benefits plan to address this change in the Collective Agreement for those Unions that allow their employees to work remotely due to the nature of their job and in the context of pandemic.

In order to reflect the changes introduced with the new Working Remotely Policy and described above, appropriate changes were made to the Allowable Business Expenses Policy (Appendix 3) and the Car Allowance Policy (Appendix 4).

As a part of communication plan, and in response to the feedback received from employees in the Checking In during COVID-19 Employee Survey, Human Resources is developing a number of tools to assist employees and leaders who continue working remotely. Examples of communications tactics forming the rollout plan include Leading Virtually toolkit, e-Learning modules, information sessions for employees, FAQs, and more.

Financial Impact

There is no identified financial impact for the proposed changes for the Allowable Business Expenses Policy as eligible expenses will be covered by the existing Divisional budgets.

Adding identified expenses under the Wellness Account will be cost neutral as the amount of the funds available to eligible employees (\$500) remains the same; it is budgeted on an annual basis by Finance assuming 100% utilization. There is a minimal one time setup fee of \$1,000 payable to the City's benefits provider.

Conclusion

Throughout the COVID-19 period, the City has made a number of administrative decisions to be flexible and meet the emerging needs of our employees while continuing to meet standard service levels, meeting all operational requirements and delivering on work plans. With Council approval of the Corporation Pillar Recovery Plan and decisions by a number of City Divisions to continue offering working remotely as an alternative to employees, Human Resources undertook a detailed review of the Work from Home portion of the current AWA Policy. The review included an analysis of the current trends, best practices and collaboration with a number of stakeholders as well as ensuring the review of many aspects of the employment including compliance with a number of policies, employment standards and requirement to meet existing service levels while remaining productive. Human Resources have recommended a creation of a standalone new Working Remotely Policy and as a result, changes to Allowable Business Expenses and Car Allowance policies. These recommendations are intended to support the new way of work for current employees, serve to attract, engage and retain employees and are fundamental to the Office Space Strategy and our real estate strategy.

Attachments

- Appendix 1: Working Remotely Policy
- Appendix 2: Working Remotely Agreement
- Appendix 3: Revised Allowable Business Expenses Policy
- Appendix 4: Revised Car Allowance Policy



Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Elena Shiganova, Senior Manager Total Rewards