IN THE MATTER OF A DISPUTE UNDER LETTER OF UNDERSTANDING DATED
JULY 8, 2016
RE: JOB EVALUATION

BETWEEN:

CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL 2974.2

-AND-

THE CORPORATION OF THE COUNTY OF ESSEX

AWARD

Mediator-Arbitrator:	Laura Trachuk
For Canadian Union of Public Employees, Local 2974.2:	Michael Klug
For the Corporation of the County of Essex:	David L. W. Francis

AWARD

The Canadian Union of Public Employees, Local 2974 (the "Union") represents a bargaining unit of employees working in Essex-Windsor Emergency Services for the Corporation of the County of Essex (the "Employer"). There are six job classifications in the bargaining unit:

Vehicle Services Technician	1 incumbent
Shift Scheduling Clerk	2 incumbents
Logistics Technician	2 incumbents
Primary Care Paramedic (PCP)	244 incumbents
Vulnerable Patients Navigator	5 incumbents
Advanced Care Paramedic (ACP)	36 incumbents

The parties signed a Letter of Understanding (LOU) on July 8, 2016 in which they agreed to implement a new Job Evaluation process. Part of the Terms of Reference for that process required the following:

> 4. Then, after the sub-factor degree levels for the positions within the Local 2974.2 bargaining unit are determined, the County and Local 2974 shall forthwith enter into good faith negotiations on how these degree levels shall be integrated into pay grades and wage rates. That is the parties will engage in good faith negotiations with a view to reaching agreement with respect to:
>
> (a) the points to be allocated for each degree of each sub-factor;
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> (b) the range of total points for each pay-grade, or band, in the wage scale; and
>
> (c) the wage rates to be paid in respect of each pay grade, or band, in the wage scale.
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> 5. In the event that these negotiations are not successful within 120 days of their commencement, either party may refer the outstanding issues to mediation arbitration by Laura Trachuk. In this event, the parties agree that the mediator-arbitrator shall have the authority pursuant to section 50 of the Labour Relations Act to make the determinations referenced in paragraph 4 above. In this event, the mediator-arbitrator shall make a final and binding determination of the matter based on the following:
>
> (a) the points allocated to each degree within a sub factor shall increase in equal amounts, e.g. 5 for degree 1, 10 for degree 2, 15 for degree 3 etc.
>
> (b) overall the sub-factors may be weighted differently but not in such a way that is not gender neutral in intent or effect
>
> (c) the pay grades or bands shall be comprised of an equal number of points each
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> (d) the wage rates attached to the pay grade bands shall increase from one band to the next

(e) the resulting wage scale shall include, like the existing Schedule A to the Local 2974.2 collective agreement, five steps, ranging from Low to High

(f) there shall be 16 pay grade bands

(g) the intent and purpose of the parties is to ensure internal and gender equity in compensation practices within the 2974.2 bargaining unit and not to secure overall increases or decreases in employee compensation

(h) any other factor relevant to achieving the purpose of providing a sound wage and salary administration program for the 2974.2 bargaining unit.

The LOU goes on to provide for a pay equity analysis. It also includes provisions for red circling and retroactivity in the event that positions are placed in a pay band with a higher or lower wage attached to it after the completion of the process. Somewhat different provisions apply to the paramedic job classes than apply to the other three.

The parties agreed to a new Gender Neutral Compensation System and applied it to the six job classifications. They reached agreement on the factor ratings but had a number of other disputes. A mediation-arbitration was held on April 24, 2019 and the outstanding issues were resolved except for the following:

(c) the wage rates to be paid in respect of each pay grade, or band, in the wage scale.

The parties have agreed to 16 pay bands with a 10 point spread starting with Band 1 from 255 to 264 points and ending with Band 16 from 405 to 414 points. The result of that is that the 6 job classes fall into the following pay bands:

Vehicle Service Technician:	1
Shift Scheduling Clerk:	2
Logistics Technician:	4
Primary Care Paramedic:	12
Vulnerable Patients Navigator:	13
Advanced Care Paramedic:	16

The parties have agreed to continue a five step wage progression for each pay band. The outstanding issue is what the wages associated with each pay band will be. The parties agreed to provide written submissions on that issue. The final submissions were received on July 12, 2019. All of the wages referred to in the following discussion are assumed to be the highest wage in the band.

Submissions of the Union

The Union argues that the appropriate wage grid uses the current top and bottom rate as the top and bottom pay band and then determines the rate for the other 14 pay bands on a proportionate basis. That approach results in an increase of 0.634 cents from one level to the next. The resulting wage rates would be as follows:

Vehicle Services Technician – no change
Shift Scheduling Clerk – reduction of 0.54/hour

Logistics Technician – increase $1.90/hour
Primary Care Paramedic – increase $1.04/hour
Vulnerable Patients Navigator – increase $1.68/hour
Advanced Care Paramedic– no change

The Union contends that this approach "accomplishes the objective of the exercise (ensuring internal and gender equity in compensation practices); is not designed to secure overall increases or decreases in wages; and is consistent with generally-applicable and sound principles regarding how to transition to a new wage grid in such circumstances."

The Union argues that the goal of ensuring internal and gender equity in compensation practices requires a strict consistency between wages attached to pay grades and points attached to pay grades. It says that means that there must be a common numerical difference in wages from one pay grade level to the next. The Union maintains that the Employer's proposal does not meet the requirement of equity because there is an unequal increase/decrease in wages from one level to the next. It notes that there are much larger increases from levels 13 to 16 than from levels 1 to 12. The Union contends that there is no logic to that approach except to eliminate or reduce the increases to which the PCPs would otherwise be entitled.

The Union argues, further, that its "low-high" approach offers simplicity and will, therefore, be easily understood by employees. It also says that it does not unnecessarily disrupt the existing wage scale.

The Union contends that the Employer's proposal is premised on avoiding any increase to the PCP rate. It says that that defeats the entire purpose of the internal equity project. According to the Union, that purpose is to ensure that the PCPs and others are paid equitably vis a vis other jobs. The Union also submits that the parties agreed that the cost (lower or higher) of the changes required to achieve equity would not be a consideration. It says that was the intention of paragraph 5(g) in the Terms of Reference set out in the LOU.

The Union maintains that the parties agree that the low and high rates from the collective agreement should be used as a foundation of the new wage scale. It says that agreement should weight heavily in the result. The Union argues, however, that only those two collective agreement rates should be imported into the new wage scale. It says that there is no principled basis to select any other positions to ground the new wage scale. The Union claims that the "wage differential from top-to-bottom reflects the parties "collectively-bargained agreement on the appropriate spread of wages within the bargaining unit and thus provides the appropriate point of departure for a process which was designed explicitly at the outset not to secure overall increases or decreases in wages." It asserts that the fact that its straight line approach results in increases "arises entirely from the relatively higher total points awarded to these positions on evaluation".

The Union refers to principles it says are included in *CUPE's Guide to Job Evaluation* (the CUPE Guide) and the Economic Research Institute's *ERI Distance Learning Center: Online Compensation Textbook* (the ERI Textbook). It says that the CUPE Guide supports its approach although it acknowledges that the Guide does say that its approach is not universally applicable. The Union also asserts that its straight low-high line approach is referenced in the ERI Textbook.

The Union argues that a “freehand” or “least squares” line would not make the resulting wage grid more equitable. It says that such an approach “will only serve to further disrupt the existing wage scale by making some employees pay by way of effective reductions in pay for achieving the joint objective of redressing historical inequity of the employer’s pay practices”. The Union also argues that adopting a freehand or regression line “would amount to elevating the effect on the employer’s overall wage bill to an independent basis for the decision, which is precisely what the parties agreed should not happen”.

The Union also contends that a regression line is more appropriate for a proportionate value pay equity exercise and is less appropriate for establishing wage rates for each pay grade for internal equity purposes.

The Union submits that a low-high line is a typical and well-accepted manner for setting a wage grid in a unionized environment. It contends that the ACP wage rate is competitive and set in interest arbitration, often with reference to the labour market for that position. The Union says that “a reduction in ACP rates may have an unintended effect on the County’s ability to recruit and retain ACPs and/or cause division within the service which is at odds with a sound wage administration program”.

The Union argues that its approach is the most appropriate because the lowest and highest rated positions were jointly rated under the previous job evaluation plan and the wage rates attached were the result of collective bargaining. It asserts that a numerically equal increase in wages is required between the pay grades and bands “to ensure the necessary proportionality between the positions’ total job evaluation points and the wage rates assigned to the positions”.

Submissions of the Employer

The Employer’s proposed wage grid is not a straight line. It looks more like a hockey stick. It involves a wage difference at pay bands 1 through 12 of 54 cents. However, the difference at each pay band from 12 to 16 is 90 cents. The result would be:

Vehicle Service Technician – no change
Shift Scheduling Clerk - reduction of 0.63/hour
Logistics Technician – increase $1.62/hour
Primary Care Paramedic- no change
Vulnerable Patients Navigator – increase $0.90/hour
Advanced Care Paramedic – no change

The Employer submits that its proposal balances internal and external (“market rate”) considerations because the PCPs represent 84 percent of the employees in the bargaining unit and drive the wage increases at interest arbitration. It says that the “PCPS are a natural, logical and justifiable anchor for the pay grid.”

The Employer submits that its proposal reflects the two separate point clusters on the scattergram of the positions. It argues that single pay lines are only appropriate to single job clusters. The Employer argues that this situation commends itself to “an algorithmic (or geometric progression line) as opposed to a straight line”. It advises that it attempted to map that line using the bottom rate, the top rate and the PCP rate but that led to massive wage decreases for all positions. The Employer says that it then looked at the two cluster option. It maintains that the clusters illustrate that there are two different groups of employees. The first group is comprised of the clerks and technicians and the second is comprised of the paramedics and the Vulnerable Patients Navigator. The Employer submits that the scattergram demonstrates that they are not similar jobs.

The Employer denies that its proposal amounts to gerrymandering. It submits that its proposal is justified because the PCPs are paid at the higher end of the market for their position so there is no “unfairness” in their current wage that requires correction. It asserts, further, that the evaluation process “illustrated no marked change in the relative rating as between ACPs and PCPs”. Therefore, according to Employer, there is no need to change their relative relationship.

The Employer submits that the line proposed by the Union and any other two point line is “in effect, random because it can be altered and manipulated based only on moving one point or another”. It provides an example of using the PCP and the ACP rates as the two points since they comprise 96.5 percent of employees. The resulting line would result in an increase for the Vulnerable Persons Navigator and significant decreases for the three lowest paid positions.

The Employer argues that the Union’s proposal does not include any analysis of the scattergram and does not visualize the resulting line. It submits that doing that analysis shows that all but one position falls below the low-high line. The Employer says that occurs because the ACP rate is an outlier and using it to anchor a two point line results in almost all other positions falling below it. It submits that the “authorities” that the Union has provided do not support the accuracy of its method.

The Employer denies that increases in wage rates for the pay grades must be equal in order to achieve internal equity. It points out that the parties have not agreed that increases must be the same for each pay grade and that where they did agree to a straight line relationship like that they said so. For example, they agreed that that each band was to be comprised of an equal number of points.

The Employer also argues that none of the “authorities” cited by the Union support its claim that a straight pay line is necessary for internal equity.

The Employer submits that “internal equity requires a rational and objective basis for the pay differentials between jobs”. It says that “is the actual goal to which the parties are directed”.

The Employer denies that it has agreed to the top and bottom positions on the wage scale remaining unchanged. It acknowledges that they remain unchanged in its proposal but submits it has not agreed that they will remain unchanged if a different approach is used.

The Employer argues that a straight line is not necessary but if one is to be used the Union’s proposal does not have integrity and should not be awarded. The Employer maintains that there are other straight line options none of which move from the lowest wage rate to the highest.

The Employer contends that the Union’s approach results in pay increases for almost everyone and is not, therefore, internal equity. It denies that the increases are simply a neutral outcome of the process. The Employer says that the Union chose to advance that pay line because it results in wage increases to virtually all classifications. It also submits that the Union is starting from the premise that wages should go up as a result of the job evaluation process and that is contrary to the LOU. The Employer argues that the Union assumes that the PCPs are entitled to a wage increase as a result of the job evaluation process but that wage entitlement arises only from the choice of a pay line.

The Employer submits, further, that its proposal is less disruptive of the wage scale than the Union's.

The Employer argues that the Union opposed a regression line on the basis of potential costs to employees but objects to any consideration of cost to the Employer. It says that if employer cost is not relevant than neither is employee cost.

The Employer submits that the Union relies on collectively bargained outcomes to support the use of the low and high rate but otherwise claims that those outcomes "should be discarded as inequitable". It argues, further, that the Union has not provided an accurate description of how bargaining has worked for this unit. The Employer notes that the parties have resorted to interest arbitration in their last five rounds of negotiations and that the PCP, not the ACP, rate is used for comparison. The Employer contends that the PCPs are "consistently among the higher paid PCPs in the market". It insists that it is the PCPs that have driven the negotiations because there are 244 of them and only 46 other employees. The Employer says that the wage grid is built around the PCPs and that if there is any inequity it would not be resolved by raising the PCP rate but by adjusting positions around the PCP rate.

The Employer's Alternative Position

In the alternative, the Employer proposes a "least squares", also referred to as a regression, line. It says that the possibility that the method may be more difficult to explain to the "statistically unsophisticated" should not be a concern. It submits that a regression line is more accurate and therefore more equitable than a two point low-high line. The Employer argues that a regression line is based on a mathematical analysis of the job ratings and wage rates.

The Employer submits that a straight regression line based on the plotting of *all* positions based on their band location and wage rates would result in three positions above and three positions below the line. The results would be as follows:

Vehicle Services Technician – decrease $0.40
Shift Scheduling Clerk – decrease $0.98
Logistics Technician – increase $1.38
PCP – increase $0.20
VPN – increase $0.80
ACP- decrease $1.00

However, the Employer does *not* propose the above line because the coefficient measure of accuracy of that straight line regression is only 0.9393. According to the Employer, that means that "the data subset has significant outliers and it is a struggle to fit the data into a straight line." It says that is because there are effectively two separate subsets of employees. The Employer contends that the ACP position is out of step with the mathematical generation of an accurate line and skews the data. It proposes, instead, a four point anchored regression line based on the Vehicle Services Technician, the Shift Scheduling Clerk, the PCP and the Vulnerable Patients Navigator. That results in two positions above and two positions below the line. The results of this alternative proposal are:

Vehicle Services Technician – increase $0.34
Shift Scheduling Clerk – decrease $0.36
Logistics Technician – increase $1.80
PCP – decrease $0.24
VPN – increase $0.25
ACP – decrease $1.87

The Employer submits that the above is the most accurate line it could achieve with a coefficient R squared (R2) of 0.988. It says that it is, therefore, the line of best fit. The Employer contends that if a straight line is necessary this one represents increases and decreases which are a true outcome of the process.

The Employer concludes that its primary position should be awarded because it “recognizes the goals of the parties in the Memorandum, the nature of this workforce and the relationships of the jobs with respect to one another”. It also says that it “achieves internal equity while doing the least disruption”.

Reply Submissions of the Union

In its reply, the Union reiterates that both parties have agreed on the pay bands 1 and 16 rates as the lowest and highest current wage rates because those are the lowest and highest rates in their proposals. It contends that both proposals are also built on those two rates. The Union asserts that that agreement ousts the arbitrator’s jurisdiction to order different low and high rates. In the alternative, the Union says, the parties’ agreement should weigh heavily in the determination.

The Union also replies that the Employer’s proposal is based on cost concerns and not objective job evaluation principles. It says that the parties agreed that overall employee compensation would not be a guiding principle of the process. It acknowledges that the precise relationship between current rates and new rates are relevant to a “sound wage and salary administration program” but says that cost effect is not.

The Union denies that its proposal is motivated by the increases that result from it and points to the agreement that the parties have reached on all other issues. It notes that it made its proposal before they had agreed to factor weights, total points per job, points per band and placement on the bands.

The Union agrees that disrupting the existing wage scale is a relevant factor under paragraph 5(h) of the LOU but that it is only relevant to the choice of method for achieving internal equity. The Union argues that its proposal achieves internal equity while minimally disrupting the existing wage grid. It says that the new grid must be built off the old grid and that its proposal to keep the low and high rates respects the current wage grid and achieves internal equity.

The Union replies that while current collective agreement rates are relevant, external labour market rates are not. It denies that the PCP rate has driven wage negotiations in the past. It contends, further, that the PCP and ACP rates do not derive from the "market" but from the former job evaluation plan. The Union also denies that the PCPs are "consistently among the higher paid PCPs in the market".

The Union also replies that the number of incumbents in the PCP job class is irrelevant and that considering that fact is contrary to the LOU. It says that the parties agreed to ensure internal equity without regard to the number of incumbents in each job. The Union contends that the Employer's proposal locks in the relative underpayment of the PCP and other positions.

The Union replies that a "one straight-line result" is necessary because a wage line that is not straight would not achieve internal equity among all of the jobs in the bargaining unit, which is what the parties agreed to do. The Union denies that the Employer's two straight lines proposal achieves pay equity within the bargaining unit. It contends that the parties did not agree to create internal equity between a subset of "clerks and technicians" and separately create internal equity within another subset of PCPs, VPNs and ACPs. The Union submits that the parties agreed that all positions and pay grades would be compared to all others in the bargaining unit.

The Union replies, further, that the issue before the arbitrator is to determine the wage structure for each of the 16 pay grades. It says that means ensuring internal equity among the 16 pay grades and is only indirectly about fixing rates for the six positions. The Union asserts that there is no rational or objective basis for setting rates on separate pay lines.

The Union also replies that the scattergrams show that the current wage rates do not represent internal equity and also that the Employer's proposal would not achieve it. It submits that a regression analysis of the mid-point in job evaluation points per pay grade shows significant inequities arising from the Employer's proposal. The Union says that the R2 result is 0.9886 which indicates an absence of internal equity. It asserts that focusing on the actual points for each job leads to similar results. However, the Union claims that an analysis of its pay band proposal shows that it does achieve internal equity. The R2 result is 1. It contends, further, that a regression analysis of its proposed job rates for the six positions has an R2 result of 0.9996. The Union says that is probably as good as can be achieved since the pay grades cover a certain number of job evaluation points each.

The Union denies that the ratings have not changed for the PCPs and the ACPs under the new job evaluation system. It says that the point score for the PCP has increased in relation to the ACPs. The Union maintains that, in any case, job evaluation ratings under the old system are irrelevant.

The Union acknowledges that other straight lines drawn through the existing rates will yield different results. It says that the questions are which line to use, whether any existing rates should be imported as anchors and, if so, which ones. It maintains that the line must run through the 16 predetermined pay bands.

The Union replies that a straight progression line using all of the old rates is a line of best fit and the most "accurate" but it denies that it produces any more equity than its own low-high proposal. The Union says that its proposal should be preferred for other reasons including that it “maintains the existing high-low spread of arbitrator-awarded (or collectively- bargained”) wages, and is otherwise consistent with sound wage administration principles”. It also asserts that the straight regression line should not be awarded because neither party is asking for it. The Union says that neither party is proposing a line of best fit of all existing wage rates as the basis for the job rates on the new grid.

The Union submits that the “accuracy” to which the Employer refers is distinguishable from internal equity. It says internal equity is “a state of constant relationship between the *new rates* proposed and the value (or JE point totals) assigned to the pay grades or positions”. It says that may be assessed by a regression analysis using the new rates. It does however, agree that line of best fit using the current rates would create internal equity.

The Union replies that the Employer’s alternative proposal to exclude the ACP and Logistics Technician positions should be rejected because there is no analysis showing that those positions were improperly evaluated. It also says that the Employer’s alternative position “arbitrarily tilts the pay line horizontal” to ensure that there is no increase to the PCPs. The Union contends that the elimination of the Logistics Technicians and the ACPs is arbitrary. It submits that the resulting pay line is only more “accurate” in relation to the remaining four positions. It is less accurate in relation to the six positions. The Union denies that the relationship between job evaluation points and wage rates make the Logistic Technician and the ACP positions outliers. It says that the Shift Scheduling Clerk and Vulnerable Patient Navigator have similar size “errors in prediction”. However, by removing the Logistic Technician and ACP positions the Employer tilts the wage line towards the horizontal reducing rates for the higher paid classifications and moving the PCPs from below to above the line. The Union says that the results to the wage rates for other positions are inconsistent to their assessed value. It contends that the Employer’s alternate proposal causes massive disruption to the wage grid.

DECISION

I have received no case law related to the establishment of wage grids after job evaluation. That is not surprising because wage grids are usually either in place before positions are evaluated or the parties negotiate them using the information and analysis arising from the process. In this case, while the parties were able to resolve everything else they were unable to reach agreement on the wage rate to be attached to each pay band and have resorted to the dispute resolution process for which the LOU provides.

Both parties have acknowledged that a straight regression line based on the band location and current wage rates results in a “best fit” of job values in relation to current wages. However, neither party proposes that approach. Nevertheless, I find that it is the most appropriate.

A straight line regression (also referred to as the least squares line) is acknowledged to be the most accurate line. However, the ERI Textbook provided by the Union says that it is not necessarily recommended because it may be difficult for people to understand. That is not a good enough reason to reject it. There are various potential versions of internal equity and choosing between them is essentially a decision about wage increases or decreases. That is why there is an expectation that there will be a negotiation about wage rates at the end of the process. However, in the absence of agreement, the mathematically most accurate line is the most appropriate and justifiable. The Employer expresses concern that the coefficient measure of accuracy, the R2 number, does not reflect sufficient accuracy in the straight line regression. However, the straight line regression is the most accurate that can be achieved using all of the current rates and band location.

The straight line regression is preferable to either party's proposal because it establishes internal equity using all six positions, i.e. it compares the wage rates of all six positions to their value on the grid. The associated scattergram represents the best fit line through all six positions and shows three above and three below the line. The resulting straight line regression establishes wage bands that increase by .5943 cents and will result in internal equity when the adjustments are made.

The parties' proposals are not appropriate because they take some of the positions out of the analysis which assumes that they are already properly paid. The Union's proposal does that with the lowest and highest paid jobs which amount to one third of the positions in the bargaining unit. The Employer's proposal eliminates three positions which amount to half of those in the bargaining unit. The Employer's alternative proposal is also inappropriate because it eliminates two, i.e. one third of the positions from the analysis. In its primary proposal, the Employer wants to leave the pay rate for three positions unchanged on the basis that they should be deemed appropriate because they were set in collective bargaining or interest arbitration. In its alternative proposal it wants to eliminate two positions from the calculation on the basis that they are outliers. However, there is no justification for assuming that the wage rate for any position is appropriate or inappropriate for internal equity purposes until they are all subject to analysis. Only the straight line regression using all of the positions establishes, as accurately as possible, the fit that best establishes internal equity among all six positions.

The Union claims that its proposal should be preferred because it "maintains the existing high-low spread of arbitrator-awarded (or collectively- bargained") wages, and is otherwise consistent with sound wage administration principles". As noted above, maintaining the highest and lowest rates assumes that their wage rates already reflect internal equity. There is no reason to rely on arbitrator awarded rates for one third of the positions in the bargaining unit and not the others. The parties agreed to do job evaluation and achieve internal equity for all positions. Furthermore, the Employer's primary proposal does not establish internal equity among all six positions. It essentially creates two pay lines, one for clerical and technical employees and another for paramedical employees and that is not what the parties agreed to do.

The Union also asserts that the parties have agreed on maintaining the highest and lowest rates because their proposals both include them. However, the Employer denies that there is any such agreement. There is no such agreement in the LOU. The parties may have both used the lowest and highest rates in their proposals but as noted before, there are many wage lines that can be drawn and the fact that these two particular proposals use two of the same rates does not mean that they have agreed to use those rates no matter what line is used.

The Union contends that a regression analysis of its proposal results in a better R2 number than the Employer's or than the straight regression line. That may be the case but it is based on the assumption that the ACP is paid significantly more than the PCP because the ACP rate is consistent with its assessed value and that the PCP rate is, therefore, undervalued by the whole wage gap between them. However, that is not necessarily the case. This is not a pay equity analysis in which we assume that the pay rate for any position reflects the correct value. The straight line regression shows how much the ACP is overvalued and how much the PCP is undervalued in an assessment of the points versus current wages. It makes sense to use current wages to establish internal equity but it does not make sense to assume that any of those wages are correct before the analysis i.e. the straight line regression has been done.

The Union also asserts that the line of best fit of all existing wage rates should not be awarded because neither party is asking for it. However, this is not a "final offer acceptance" process and I have the authority to order a wage grid that I determine to be the most appropriate to achieve the purposes of the LOU.

The Union submits that the "accuracy" to which the Employer refers is distinguishable from internal equity. It says internal equity is "a state of constant relationship between the *new rates* proposed and the value (or JE point totals) assigned to the pay grades or positions". However, that misconceives the project. The *new rates* are those determined by establishing internal equity using the old rates. That internal equity is determined by a straight line regression analysis using those old rates. I note that the Union does agree elsewhere in its submissions that the line of best fit using the current rates would create internal equity. It also agrees that the new grid should be built off of the old grid although it says that in support of keeping the lowest and highest rates. However, the straight line regression line also builds a new internally equitable wage grid off of the old rates.

On the one hand, the Union contends that old wage rates based on negotiation and interest arbitration are not relevant to rates that reflect internal equity but on the other hand, it wants to keep two of those six rates and, in fact, use them to determine all of the other rates. It walks that line by saying that current rates are relevant to the choice of how to achieve internal equity and that the choice should include consideration of what is less disruptive to the current grid. However, the Union's proposal is more than minimally disruptive to the current grid .

The Employer argues that there should be no increases to the PCP rate because it has been established through collective bargaining/interest arbitration. However, when parties agree to do job evaluation for internal equity purposes they know that some positions may be found to be overvalued and some may be found to be undervalued. That is why they provide, as these parties did, for red circling and the possibility of retroactivity. They know that the results may not reflect the rates that have been established through collective agreement negotiation and/or interest arbitration. It is not consistent with the project of establishing internal equity to take positions out of the analysis just because they have been set by negotiation or interest arbitration. However, after the job evaluation and wage grid analysis has been done the parties may agree to adjust the results and are free to do so. Such post-analysis negotiation is contemplated in the description of the various methods included in the materials provided by the Union. However, in this case, the parties have been unable to agree and I have been asked to set the rates. I find that the wage rates established through the straight line regression analysis are the most appropriate.

For all of the above reasons, and pursuant to my authority under paragraph 5 of the Letter of Understanding dated July 8, 2016 and section 50 of the *Labour Relations Act,* I make the determination that the wage grid shall be as follows:

Wage Band	Rate
1	33.00
2	33.59
3	34.18
4	34.78
5	35.38
6	35.97
7	36.56
8	37.16
9	37.75
10	38.35
11	38.94
12	39.53
13	40.13
14	40.72
15	41.32
16	41.91

The above rates are the highest rate for each wage band. The parties have agreed on how the rate for the other four steps in each band will be determined.

I remain seized with respect to any issues that arise with respect to the interpretation or implementation of this award.

August 29, 2019

Laura Trachuk
Mediator-Arbitrator