

LETTER OF UNDERSTANDING #13

Re: Determination of Market Supplement Rates

It is agreed, Employers and/or HSAS will identify areas/classifications where skill shortages have or will impede service delivery. Either party or Employee(s) may submit a recommendation to the SAHO Provincial Market Supplement Review Committee (PMSRC) in accordance with the following provisions:

1. Where the SAHO PMSRC receives a request to conduct a market supplement review, the Committee must request market information from Employers and HSAS within ten (10) working days of the date the request is submitted to the Committee.
2. The SAHO PMSRC shall render its decision within forty-five (45) working days of the date the Committee requests labour market information from SAHO's Employer membership and HSAS.
3. Where the SAHO PMSRC fails to render its decision within the timeframe identified above, the issue of consideration of market supplement shall be referred directly to adjudication in accordance with the provisions specified below.
4. Where the SAHO PMSRC report does not recommend that a classification receive a market supplement, the matter may, within a period of forty-five (45) working days from the date the Union receives the report, be referred by the Union to the Market Supplement Adjudicator in accordance with clauses 6 and 7.
5. Where the SAHO PMSRC report recommends a market supplement, the determination of market supplemented wage rates shall be subject to negotiation by HSAS and SAHO. Should agreement not be reached by the parties in such negotiations within a period of forty-five (45) working days from the date the Union receives the report, the matter shall be referred to the Market Supplement Adjudicator, in accordance with clauses 6 and 7.
6. The named Market Supplement Adjudicator shall have the responsibility to make a final determination on matters referred under clauses 4 and 5 above. For purposes of this Letter of Understanding, the named Market Supplement Adjudicator shall be Beth Bilson. In the event Beth Bilson is not available to conduct the adjudication and render a decision within the timeframes identified below, the matter shall be referred to one of the following alternate adjudicators: Daniel Ish or Phil Johnson.
7. When the matter is referred to the Market Supplement Adjudicator, the following process shall be adhered to:
 - (a) The Market Supplement Adjudicator shall hear the matter within twenty (20) working days of it being referred to her.
 - (b) In the case of review on the matter of whether a market supplement is appropriate, both HSAS and SAHO shall be limited to presenting only that labour market review criteria identified in Article 7(c). In the case where a market supplemented wage rate is disputed, both HSAS and SAHO shall present a proposed market supplemented wage rate, and shall be entitled to present supporting written documentation. Witnesses shall not be utilized in the hearing.
 - (c) The jurisdiction of the Market Supplement Adjudicator in determining a market supplemented wage rate, or determining whether or not a market supplement is appropriate, shall be limited to consideration of the following labour market review criteria:

- Service delivery impacts: service delivery impacts are analyzed, including options for alternative service delivery models.
- Turnover rates: an annual turnover (loss of Employees to other competitor Employers) ratio to the existing staff complement in any given occupation. Local analysis of reasons for leaving will be necessary to determine any trends that may be emerging.
- Vacancy rate analysis: whereby the frequency and timing of vacancy occurrences (i.e., seasonal; always following an event; etc.) are analyzed for trends that may affect recruitment/retention efforts.
- Recruitment issue analysis: whereby issues such as length of recruitment times, training investments, licensing issues, supply and demand issues, etc. are analyzed for trends which may affect recruitment/retention efforts.
- Salary market conditions: affected Employer's salary levels are lower than other Employers that affected Employers would expect to recruit Employees from, or other Employers that affected Employees are recruited to. This may be local, provincial, regional or national depending on the occupational group and traditional recruitment relationships. Cost of living considerations may or may not be appropriate to factor into market salary comparisons.

(d) The Market Supplement Adjudicator's jurisdiction shall be limited to choosing either HSAS's or SAHO's final position in the event a market supplemented wage rate is disputed.

(e) The Market Supplement Adjudicator's decision shall be published within five (5) working days of the hearing. Sufficient detail to explain the rationale for the decision shall be included in the written decision. The decision shall be final and binding on the parties and will not be subject to appeal.

8. HSAS and SAHO will equally share the costs of fees and expenses of the Market Supplement Adjudicator.
9. The time limits as specified throughout this Letter of Understanding may be extended by mutual consent in writing between HSAS and SAHO (i.e. point #1, #2, #3, #4, #5 and #7).
10. In the event that a market supplement is deemed appropriate either by agreement between the parties or through the adjudication process, the effective date of the market supplement shall be deemed to be the same date as SAHO PMSRC rendered its decision under point #2 of this Letter of Understanding.