



STAFF REPORT ACTION REQUIRED

Funding the Job Evaluation and Pay Equity Plan Settlement for Toronto Public Library

Date:	September 19, 2008
To:	Budget Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2008\Internal Services\FP\Bc08012Fp (AFS #8466)

SUMMARY

This report responds to the request made from the City Librarian in the report entitled "Job Evaluation and Pay Equity Plan Settlement - Toronto Public Library" to the City of Toronto to fund the settlement costs of job evaluation and pay equity plan that was reached between the Toronto Public Library (TPL) and the Toronto Civic Employees' Union, Local 416 (CUPE).

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. The retroactive payment of approximately \$6,384,930 (from March 1, 2004 to December 31, 2007) for the job evaluation and pay equity plan settlement be funded from the Employee Retiree Benefits Reserve Fund, resulting in a one-time increase to the Toronto Public Library's 2008 Operating Budget of \$6,384,930 gross and \$0 net.
2. Toronto Public Library make every effort possible to mitigate within the 2008 Approved Operating Budget, the 2008 financial impact resulting from the job evaluation and pay equity plan settlement.

Financial Impact

There is no provision to fund the job evaluation and pay equity plan settlement costs within the Toronto Public Library's or the City's 2008 Approved Operating Budget.

The settlement results in a 2008 budget pressure of \$8,332,585, comprised of an in-year 2008 pressure of \$1,947,665 and a retroactive payment of \$6,384,930 from March 1, 2004 to December 31, 2007. The settlement also results in an on-going budget pressure of approximately \$280,000 for 2009. The settlement costs are as follows:

Year	Prior to 2008 (one-time)	2008 (ongoing)	2009 (ongoing)
Settlement Costs	\$6,384,930	\$1,947,655	\$280,000

Consistent with past practices, this report recommends that the retroactive payment of \$6,384,930 from March 1, 2004 to December 2007 be funded from the Employee Retiree Benefits Reserve Fund. Also, the 2008 in-year impact of \$1,947,655 is recommended to be mitigated where possible from savings within Toronto Public Library's 2008 Approved Operating Budget. Finance staff will be monitoring spending of the Toronto Public Library and corporately throughout the remaining of the year to mitigate this pressure and report as part of the year-end 2008 Operating Variance report. The total incremental cost of \$2,227,655 (\$1,947,655 in 2008 and \$280,000 in 2009) is to be included in the Toronto Public Library's 2009 Operating Budget Submission and subject to the 2009 operating budgetary guidelines and targets.

The projected uncommitted balance to December 31, 2008 of the Employee Retiree Benefit Reserve Fund is \$147.824 million.

COMMENTS

This report responds to the request made from the City Librarian in the report entitled "Job Evaluation and Pay Equity Plan Settlement - Toronto Public Library" to the City of Toronto to fund the settlement costs of job evaluation and pay equity plan that was reached between the Toronto Public Library (TPL) and the Toronto Civic Employees' Union, Local 416 (CUPE).

As communicated in the report from the City Librarian, after almost two years of negotiations, TPL had reached a settlement with Local 416 CUPE to resolve both the first pay equity plan for the amalgamated TPL and the collective agreement requirement to complete job evaluation. The City Librarian has requested that the City fund: the retroactive payment of \$6,384,930 for the period from March 1, 2004 to December 31, 2007, and the ongoing incremental costs of \$2,227,655 (\$1,947,655 for 2008, and \$280,000 for 2009).

Past practice has been to fund retroactive payments, (which covers the period from March 1, 2004 to December 31, 2007), through the Employee Retiree Benefits Reserve Fund. Programs are required to make every effort possible to maximize cost savings and efficiencies to minimize the in-year pressures. Also, future incremental costs should be included in the 2009 Operating Budget Submission and subject to the 2009 operating budgetary guidelines.

CONTACT

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SIGNATURE

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