

September 19, 2008

To: Executive Committee

From: Budget Committee

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

**Recommendations:**

**The Budget Committee recommended to the Executive Committee that City Council approve the following:**

- 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 an 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.**

**Decision Advice and Other Information:**

The Budget Committee received the report (September 19, 2008) from the City Librarian for information.

**Background:**

The Budget Committee on September 19, 2008, considered the following reports:

- a. (September 19, 2008) from the Deputy City Manager and Chief Financial Officer, entitled "Funding the Job Evaluation and Pay Equity Plan Settlement for Toronto Public Library"
- b. (September 19, 2008) from the City Librarian entitled "Job Evaluation and Pay Equity Settlement – Toronto Public Library".

for City Clerk



## STAFF REPORT ACTION REQUIRED

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

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

#### SUMMARY

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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

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**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 an 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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Joseph P. Pennachetti  
Deputy City Manager and Chief Financial Officer



## STAFF REPORT ACTION REQUIRED

### Job Evaluation and Pay Equity Settlement – Toronto Public Library

<b>Date:</b>	September 19, 2008
<b>To:</b>	Budget Committee
<b>From:</b>	City Librarian
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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The Toronto Public Library Board and the Toronto Civic Employees' Union, Local 416 (CUPE) have reached a settlement on a job evaluation and pay equity plan.

This report is a request to the City of Toronto to fund the settlement costs.

#### **RECOMMENDATIONS**

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**The City Librarian recommends that:**

1. the City of Toronto fund the cost of the Toronto Public Library's Job Evaluation and Pay Equity Plan settlement, which includes an increase to the 2008 operating budget of \$1,947,665 and a further increase in 2009 of \$280,000, and a retroactive payment of \$6,384,930.

#### **FINANCIAL IMPACT**

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There is no provision for the job evaluation and pay equity settlement in the Library's 2008 operating budget.

The settlement requires an increase to the 2008 Operating Budget of \$1,947,665. There is a further increase on January 1, 2009 of \$280,000. The cost of the retroactivity to December 31, 2007 is \$6,384,930.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **COMMENTS**

After almost two years of negotiations, the Library has reached a settlement with Local 416 CUPE to resolve both the first pay equity plan for the amalgamated Toronto Public Library and also a collective agreement requirement to complete job evaluation.

The settlement was approved by the Library Board at its meeting on June 16, 2008.

Briefings have been provided to senior City staff throughout the negotiation process. Moreover, City staff was advised that once settlement was reached, the Library would be making a request to the City of Toronto to adjust the operating budget to accommodate the settlement and to pay for the retroactivity, which is the normal process for funding such settlements.

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian