

May 28, 2010

To: Executive Committee

From: Budget Committee

Subject: Toronto Public Library – Special Payout – Illness or Injury Plan

Recommendation:

The Budget Committee recommends to the Executive Committee that:

- 1. City Council approve a one-time increase in the Toronto Public Library 2010 Operating Budget by \$2,418,230 Gross and \$0.0 Net, with funding from the Employee Benefits Reserve Fund to reflect the special payout for eligible employees who transferred to the Illness or Injury Plan (IIP).**

Background:

The Budget Committee on May 28, 2010, considered a letter (May 12, 2010) from the City Librarian, entitled "Toronto Public Library – Special Payout – Illness or Injury Plan".

for City Clerk

Merle MacDonald/tk

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May 12, 2010

Budget Committee
City of Toronto
10th Floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Members of Budget Committee:

The Toronto Public Library Board, at its meeting on May 10, 2010, adopted the following motion:

It is recommended that the Toronto Public Library Board:

- 1) forwards a request to the City of Toronto to fund the cost of the special payout for eligible employees who transferred to the Illness or Injury Plan (IIP), which is an estimated one-time increase of \$2,418,230 to the 2010 operating budget*

I am attaching the relevant report provided to the Board at the May 10th meeting.

Sincerely,

Jane Pyper
City Librarian

Attachments



STAFF REPORT ACTION REQUIRED

Special Payout – Illness or Injury Plan

Date:	May 10, 2010
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

On November 11, 2009, a Memorandum of Settlement was ratified that amended the collective agreement between the Toronto Public Library Board and Toronto Public Library Workers Union, Local 4948 CUPE.

The Memorandum of Settlement included a new Illness or Injury Plan (IIP) for permanent full-time and permanent part-time employees. The terms of the IIP include a special payout provision which allowed current employees who transfer to the IIP an option to receive an immediate payout of banked sick credits.

This report makes a recommendation regarding the funding of the special payout.

RECOMMENDATION

The City Librarian recommends that the Toronto Public Library Board:

1. forwards a request to the City of Toronto to fund the cost of the special payout for eligible employees who transferred to the Illness or Injury Plan (IIP), which is an estimated one-time increase of \$2,418,230 to the 2010 operating budget.

FINANCIAL IMPACT

The estimated cost of the special payout is \$2,418,230, and there is no provision for the special payout in the Library's 2010 operating budget. A request for funding will be forwarded to the City of Toronto.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

As part of the approval of the 2010 operating budget, Council, at its meeting of April 15, 2010, approved a recommendation requesting the Toronto Public Library Board to report to Budget Committee on the special sick leave payout cost estimates resulting from the implementation of the new Illness or Injury Plan, once the financial impact is known.

BACKGROUND

In 2009, the Toronto Public Library and the Toronto Public Library Workers Union, Local 4948 CUPE, engaged in collective bargaining. The negotiations were successfully completed, and a Memorandum of Settlement to amend the collective agreement was ratified on November 11, 2009.

The Memorandum of Settlement included a new Illness or Injury Plan for permanent full-time and permanent part-time employees. The IIP that was negotiated by the Library and Local 4948 was closely modelled on the IIP that was ratified by the City of Toronto and its CUPE Locals 79 and 416. Indeed, all of the significant features of the City's IIP are included in the Library's IIP.

One significant feature of the IIP at both the City and the Library is the provision for an employee hired before the date of ratification of the collective agreement, and who transfers to the IIP, to receive an immediate special payout of her sick credit bank. Employees who opt for the special payout receive a payment on or before July 31, 2010, and their sick banks are eliminated. Also, as a result of the special payout, the liability for the future payout of an employee's bank sick credits is eliminated.

COMMENTS

The special payout formula in the Library's collective agreement is the same as the special payout formula in the City of Toronto's collective agreement with Local 416 CUPE. It is based on a pro-rating of the payout formula under the current sick leave plan.

In February 2010, all permanent full-time and permanent part-time employees hired before the date of ratification of the collective agreement were sent letters explaining the new IIP and their individual options under the plan. Election forms were included in the package of information, and each employee was to return the form having indicated whether or not she wished to receive the special payout.

There were 1,961 employees eligible to transfer to the IIP, and 924 employees elected to join the IIP.

The cost of the special payout for those employees who elected to take this option is estimated at \$2,418,230. The cost is an estimate because the final attendance information for these employees has not been finalized.

The City of Toronto was advised in August 2009 that the Library would be making a separate request to have the City fund the cost of the special payout.

CONTACT

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SIGNATURE

Jane Pyper
City Librarian