

Non-Union Cost-of-Living Adjustment

Date: September 8, 2017
To: Employee & Labour Relations Committee
From: City Manager
Wards: All

SUMMARY

The purpose of this report is to provide recommendations regarding the general annual salary range increase for Management/Non-union employees and Accountability Officers.

RECOMMENDATIONS

The City Manager recommends that City Council approve the following:

1. That general annual salary range increases, representing cost-of-living adjustments, be implemented for Management/Non-union employees and Accountability Officers employed in the Toronto Public Service as per Table 1 below:

Table 1

Effective Date	General Increase
January 1, 2018	1.25%
January 1, 2019	1.25%

FINANCIAL IMPACT

General Salary Range Increases

In 2016, the City paid approximately \$515.2 million in salaries for Management/Non-union employees, Accountability Officers and Elected Officials.

The recommended increase of 1.25% effective January 1, 2018 and 1.25% effective January 1, 2019 would result in the following incremental costs:

Table 2: Salaries (in \$millions):

Tax Supported Budget			Rate Supported Budget
Salaries	Cost (Gross)	Cost (Net)	SWM & TW (Gross)
1.25% Base Pay (January 1, 2018)	2018 - \$7.5M	2018 - \$6.6M	2018 – \$0.8M
1.25% Base Pay (January 1, 2019)	2019 - \$7.6M	2019 - \$6.7M	2019 – \$0.8M
			100% recovered through SWM & TW Rates

Over the two years, the salary increases will result in overall incremental base wage costs totalling \$15.1 million gross.

For the tax supported budget there will be incremental base wage costs totalling \$7.5 million gross and \$6.6 million net in 2018, which will be included in the 2018 Non-Program Expenditure Budget submission. For the rate supported budget, there will be incremental base wage costs totalling \$0.8 million, which will be 100% recovered through the Solid Waste and Toronto Water rates in 2018.

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

ISSUE BACKGROUND

Annually, City Council approves the budgets for the City of Toronto that includes the compensation funding, as per the Council approved Management/Non-union employee Compensation Policy, for all Management/Non-union employees and Accountability Officers in the Toronto Public Service.

City Council, in 2016 approved four-year collective agreements for CUPE Local 79 and TCEU Local 416 collective agreements including wage increases of 1.25% for each of 2016-2019 inclusive.

Subsequently, City Council approved annual wage increases of 1.25% for Management/Non-union employees, for each of 2016 and 2017.

COMMENTS

The provision of similar general annual salary increases as approved for unionized employees ensures that increases in unionized salaries do not result in salary compression challenges. In addition, it prevents differential treatment that negatively impacts morale. It ensures the City of Toronto remains competitive within the market place in order to retain and attract high performing professional and managerial employees at all levels of the organization.

CONTACT

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SIGNATURE

Peter Wallace
City Manager