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## 2014 OPERATING BUDGET BRIEFING NOTE

### Overtime Requirements

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#### Issue/Background:

- At the December 12, 2013 City Budget Committee meeting, the CEO of the TTC was requested to provide a briefing note regarding 2013 overtime costs in relation to the 2014 overtime budget.
- Overtime is a necessary component of operating a transit system as efficiently and cost-effectively as possible. The objective is to minimize the overall labour and benefit costs by achieving an appropriate balance between performing work on an overtime basis and adding workforce. Despite the premium paid for overtime work, it is often the least expensive and most flexible method of providing service.

#### Key Points:

- While 2013 overtime results have not as yet been finalized, expenses have largely increased over 2012 levels as a result of:
  - higher wage rates from the arbitrated award of the existing collective bargaining agreement;
  - more Capital work which necessitated numerous weekend subway closures; and
  - the July 8th storm which resulted in unplanned overtime work for bus shuttle service to replace subway service, crowd control, customer service and communications, emergency response and repairs, clean up and remediation and security.
- A comparison between the 2013 and 2014 budgeted overtime levels in the TTC's operating budgets is presented below.

\$000s	2013	2014	CHANGE
OVERTIME	29,081.8	27,982.0	(1,099.8)

- Overall, 2014 overtime costs are expected to drop by \$1.1 million or 3.8% from the 2013 budgeted level. After accounting for the arbitrated wage and salary increase included in the collective bargaining agreement which will impact 2014 costs, the actual drop is about \$1.2 million or 4.3%.

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