

Vacancies and Staff Actions

Date:	May 12, 2014
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

This report responds to a request from City Council to provide information regarding staff actions and strategies to expedite the filling of vacancies and reduce the level of vacant positions. The report also outlines current and future factors that impact and/or contribute to position vacancy rates (e.g., gapping, turnover, churn rate, hiring processes, staffing levels). This report shows that there continues to be an increased volume of staffing activity with a 35% increase in the number of staffing requisitions received by the HR Division in the first quarter of 2014 compared to the first quarter of 2013.

A number of proactive strategies and renewed efforts are being made to expedite the filling of an increasing and high number of vacancies in the Toronto Public Service. For example:

- the use of "on-going job posting" for positions that are needing to be regularly and often filled;
- the use of "eligibility lists" to pre-qualify candidates on one job posting for future job postings of the same job classification to minimize duplication of recruitment steps;
- the implementation of a centralized Skills Assessment Centre to streamline large demands for recruitment skills and competency testing;
- the launch in January 2014 of a proactive Social Media strategy (for example, Facebook, Twitter and new employment web pages focusing on talent attraction of highly qualified candidates) to attract new talent
- increased collaborative efforts with City Divisions including specific additional attention to recruitment of difficult to recruit positions, for example, Planning, Information & Technology, and Engineering & Construction Services Divisions;

- a business process review of the end-to-end recruitment processes within City Divisions and the HR Division to streamline processes, remove bottlenecks and steps to increase the speed of posting and filling of vacant positions;
- increased position vacancy requisition "file management" between the hiring manager and HR staff to proactively plan and schedule the recruitment steps required to expedite filling of vacancies including the candidate short listing schedule, interview scheduling, reference checking, etc.;
- the centralization of administrative recruitment processes (e.g., filling of unionized positions and the order of consideration processes) to improve the efficiency of filling vacancies;
- commencement of a review (capital project submission) to replace the current inadequate electronic applicant tracking and job posting system with a new improved system to meet the city's high volume posting demands and its analysis and reporting requirements; and
- the addition of new Human Resources Division recruitment staff (recently approved by the City Manager and City Council in October 2013) to replace previous cut positions during past budget cuts;

The City of Toronto's 2014 average budgeted gapping rate is 2.2%. The rate of vacancies as reported in the Operating Variance Report for the three-month period ended March 31, 2014, as a percentage of total approved position complement, after gapping, was 3.6% as at March 31, 2014. This represents the vacancy rates for all approved positions to deliver services (operating positions) and capital projects (capital positions) within the Toronto Public Service and City Agencies. Of the total 3,060.8 vacancies reported, 1,275.3 were in the Toronto Public Service, 262.2 vacancies were in the rate supported programs, and 1,523.3 vacancies were in the City Agencies. The overall vacancy rate currently stands at 3.6% and City Divisions are projecting the year-end vacancy rate, after gapping, to be 0.3%.

RECOMMENDATIONS

The City Manager recommends that:

1. The Executive Committee receive this report for information.

Financial Impact

There are no direct financial implications in relation to this particular report.

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

DECISION HISTORY

At its meeting of January 29, 2014 City Council approved a motion requesting that:

The City Manager to report no later than the April 23, 2014 meeting of the Executive Committee on a plan to expedite the filling of vacant staff positions.

<http://www.app.toronto.ca/tmmis/viewAgendaItemItemHistory.do?item=2014.Ex37.1>

The data and information required for this report, for the first quarter of 2014 (January 1 – March 31, 2014), were not available until the Executive Committee meeting in May.

At the December 5, 2013 meeting, the Executive Committee considered EX36.8 "Enforcement Activities in City Divisions, and requested that:

The City Manager provide a quarterly report on the number of approved and filled enforcement staff positions, by division.

<http://www.toronto.ca/legdocs/mmis/2013/ex/bgrd/backgroundfile-64268.pdf>

This report provides information on the filling vacancies in the first quarter of 2014, as well as the planned activities and planned strategies to expedite the filling of vacancies. The report also summarizes the factors that impact and contribute to the level of vacancies in the organization at any given time.

Appendix D provides a summary of approved and filled enforcement positions, as of March 31, 2014.

ISSUE BACKGROUND

The Council approved 2014 position complement for the Toronto Public Service (all City Divisions) and the City Agencies is 52,668.

The Operating Variance Report for the Three-Month Period Ending March 31, 2014 identified 49,607.6 occupied positions, including operating, rate and capital funded full-time, part-time, temporary, casual and seasonal positions for the Toronto Public Service (all City Divisions) and the City Agencies.

<http://www.toronto.ca/legdocs/mmis/2014/bu/bgrd/backgroundfile-68972.pdf>

Appendix A: Approved Positions as at March 31, 2014, identifies the vacancies in the Toronto Public Service (all City Divisions) and the City Agencies.

The average budgeted gapping rate for the City is approximately 2.2% in the 2014 Approved Salary Budget, with an equivalent 2.2% vacancy rate on average.

It was also reported that there were 3,060.8 or 5.8% vacant approved positions City-wide as at March 31, 2014; these represented operating, rate and capital funded vacant positions. Thus, the vacancy rate after approved gapping was 3.6%.

Table 1: Net Vacancy Analysis

Vacancy Rate	5.8%
Average Gapping Rate	-2.2%
Net Vacancy Rate	3.6%

By year-end, the City is projecting a strength of 51,324.7 positions. After required gapping, the projected year-end vacancy rate is expected to be 0.3%, as outlined in Appendix B.

Of the reported 3,060.8 city-wide vacant positions as of March 31, 2014:

- 42% of them (1275.3) were in City Operations
- 50% of them (1523.3 positions) were in City's Agencies (e.g., Toronto Public Health, Toronto Police Services, Toronto Transit Commission, Toronto Public Library)
- 8% of them (262.2) were in Rate Supported Programs (Solid Waste Management, and Toronto Water).

Table 2: Approved Positions and Vacancies as at March 31, 2014

City of Toronto	Approved Positions: <i>including</i> Operating, Rate and Capital funded Full-time, Part-time, Temporary, Casual and Seasonal positions	Vacant Positions: <i>including</i> Operating, Rate and Capital funded	Vacancy Rate After Gapping
Toronto Public Service: Operating Divisions	22,947.2	1275.3	3.2%
City Agencies (<i>including Toronto Public Health</i>)	26,192.3	1523.3	3.7%
Rate Supported Programs (<i>including Toronto Water, Solid Waste Management services</i>)	3,134.9	262.2	6.1%
TOTAL	52,668.4	3,060.8	3.6%

COMMENTS

A. STRATEGIES TO EXPEDITE THE FILLING OF VACANCIES

Since 2012 and the lifting of cost restraint measures, there has been a continuous increase in hiring activity undertaken in the Toronto Public Service. Table 3 below summarizes the number of positions filled each year from 2009 to 2013 in City Divisions.

Table 3: Number of Vacancies Filled (Permanent, Temporary, Seasonal & Part-time), 2009 to 2013

Year	Number of Positions Filled	Year over Year % Increase/Decrease
2009	6268	
2010	2542	-59%
2011	4455	+75%
2012	6150	+38%
2013	7141	+16%

Since 2010, the level of hiring activity has been continuously increasing.

As at March 31, 2014, the City's HR Division is currently managing, 1083 Active Staff Requisitions to fill 2,369 vacancies, of which 867 or 37% are permanent vacancies and 1472 or 63% which are temporary, seasonal or part-time. There are **35% more** active requisitions at this time, compared to the number that were active as at March 31, 2013. See Appendix C for a detailed break-down.

Table 4: Current Active Staff Requisitions, as at March 31, 2014

# of Active Requisitions	Permanent Vacancies being filled	Temporary & Seasonal Vacancies	Part-time Vacancies	Total Vacancies being recruited
1083	867	926	577	2369

In the first quarter of 2014, a total of **2046** positions have been filled. Of the 2046 positions that were filled, 322 (15.7%) were filled with external applicants. This means that the large majority of vacancies (84.3%) were filled with internal, existing employees. The high percentage of positions that are filled by current employees means that there is a large domino-effect of vacancies in the organization, contributing to the significant "churn" rate that is regularly experienced.

It should also be noted that the 2046 positions filled, year-to-date, represents a 24% **increase** in the number of positions filled by City Divisions, compared to the number of positions filled in the same period last year (1648 positions were filled in the first quarter of 2013). This represents a notable increase in the number of vacancies filled.

Table 5: Comparison of positions filled in Q1 period

Q1	Total # of positions filled	Percentage increase/decrease over previous year
2010	1232	
2011	1313	+7 %
2012	1293	-2 %
2013	1648	+27%
2014	2046	+24%

There was a 27% **increase** in positions filled in the first quarter of 2013 compared to the 1st quarter of 2012. In 2014, there has been an **additional 24% increase** in positions filled in the first quarter of the year, compared to the same time period last year.

Since 2010, the number of positions filled in the first quarter of the year has increased by 66%.

A number of actions and strategies have been implemented which are contributing to the increased capacity to expedite the filling of vacancies. These strategies include:

1. Additional Staff for the Human Resources Division

In July 2013, the City Manager provided approval for HR to hire an additional five (5) temporary positions dedicated to support the hiring process. These positions were filled as of September 1, 2013.

In October, 2013 the City Manager sought and obtained approval from City Council for an additional five (5) permanent positions in the HR Division to support the hiring process, funded from a reallocation of the 2013 Non-Program Budget. These positions were filled as of mid-January 2014.

In addition, some City Divisions (for example, I&T, City Planning, Toronto Water, Transportation Services) also provide additional support to augment the number of HR staff resources dedicated to filling vacancies in their respective divisions.

The additional positions are enabling HR to address the high volume of recruitment and selection activity and to expedite the filling of vacancies upon receipt of a division's requisitions. Ultimately this enables the City divisions to increase their staffing levels to their approved positions complement level.

2. Streamlining the Hiring Processes

Consistent with the HR Division's strategic direction that its processes be simple, fast and smart, internal reviews have identified opportunities for streamlining the hiring and selection processes to increase efficiencies and ensure that vacancies can be filled as quickly as possible. Some examples of the streamlined activities being implemented include:

- combining hiring requisitions from various sections within a City Division (e.g., Municipal Licensing & Standards, Engineering & Construction Services, Toronto Public Health, Toronto Building, City Planning, Toronto Water) into one hiring requisition process activity, where possible and feasible, to fill vacancies in the same classification;
- adopting a more proactive approach and creating job postings for *anticipated* vacancies and positions that have demonstrated a demand for regular filling. These "Ongoing Opportunities" create a pool of applications ready to be considered, rather

than waiting to start the process when the position (e.g., Planner, Engineer, Support Assistant C) becomes vacant.

See Appendix E (Ongoing Postings: 2014)

<http://www.brainhunter.com/frontoffice/enterSeekerHomeAction.do?sitecode=pl435>

- when possible, creating "eligibility lists" from internal job competitions for the filling of future vacant positions (e.g., Assistant Planner). These are lists of candidates who have applied to a job posting and were successful during the interview and assessments but were not offered a job. They are identified as being eligible for a similar position if it becomes available within the next year without having to repost the position;
- implemented a centralized Skills Assessment Centre that conducts standardized testing of candidates using specialized computer-based software to support a variety of job competitions and evaluations/assessments. This centralized approach to testing improves the efficiency of the hiring process by eliminating duplication of testing of the same candidates. Test results are maintained on file for one year and are used when a candidate applies to multiple vacant positions; and
- working closely with divisional hiring managers to pro-actively manage the numerous steps of the hiring processes that require their involvement, such as approving job postings, screening applications, conducting interviews, etc, to ensure that the hiring processes continue to move forward in a timely fashion.

By the end of 2013, the combined impact of these strategies have helped contribute to the filling of **7,141** positions, a 'record' number of positions. Of the 7,141 vacancies filled (permanent, temporary, seasonal and part-time), they included:

- 416 positions in Toronto Public Health
- 129 positions in I&T
- 286 positions in Transportation Services
- 104 positions in City Planning
- 75 positions in Municipal Licensing & Standards.

3. External Business Process Review

In addition to the actions noted above, in the fall of 2013 the HR Division retained the services of an external consulting firm to carry out an end-to-end (City Divisions and HR) Business Process Review of the hiring and selection processes, from the time the vacancy occurs within a division, through to the time the division submits its requisition to HR and then through to when the position is filled. The review also considered the appropriate technology required to support the hiring and selection processes. The City's current applicant tracking system has limitations in the data that it is able to capture and report on, making it difficult to carry out a comprehensive analysis, to identify benchmarks, and where bottlenecks may be occurring, etc.

The review has concluded and an implementation plan has been developed, in accordance with recommendations that are being adopted to support a more streamlined hiring process. Changes which are expected to further contribute to the expedited filling of vacancies are now being implemented and include:

- an enhanced use of existing applicant tracking system
- use of telephone interview screening for external candidates where appropriate,
- consideration of further centralization of HR duties to reduce any duplication of effort
- creation and maintenance of centralized assessment bank.

4. Talent Hiring Solutions Unit and Social Media Strategy

The Strategic Recruitment section of the HR Division has re-purposed a couple of its positions to focus on building capacity for developing and implementing innovative talent acquisition solutions to support organizational priorities. This includes:

- creating a Centre of Expertise for sourcing and selecting talent to fill critical/vulnerable positions
- using social media and other progressive methods and tools for branding and targeted outreach
- developing and nurturing talent pipelines with community and industry partners.

The HR Division officially launched its 'Employment TO' Twitter and Facebook pages in January 2014, to increase the digital presence of the City as an employer, and to attract new talent by driving qualified applicants to job postings through multiple digital channels. Since its launch, the City has rapidly realized the following achievements:

- reached over 30,000 Facebook users
- 1390 Twitter followers
- retweet reach is over 710,000

The number of followers and Facebook friends continues to grow every day.

5. Workforce Plan: Talent Blueprint 2014-2018

The exiting of the projected retiring permanent employees will be a substantial loss of highly qualified and experienced talent from the Toronto Public Service. The Human Resources Division has been pro-actively developing and consulting widely on the next Toronto Public Service workforce plan that directly addresses Strategic Action #18 contained in the City Manager's Strategic Action 2013-2018 Report confirmed by City Council at its October 2013 meeting.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX34.5>

A great city needs a great public service. City management proactively manages the workforce based on analysis of hiring challenges, demographic information, retirement projections, health and safety demands, and the learning, training and career path/succession planning needs to effectively deliver the City's programs and services. The City Manager's Strategic Actions included the implementation of a new Toronto

Public Service workforce plan; the new workforce plan "Talent Blueprint 2014-2018 - building a great Toronto Public Service".

The Talent Blueprint is the second Toronto Public Service workforce plan (People Plan 2008-2012) and its goal is to create: an engaged, diverse, high performing, adaptive and productive workforce to meet the current and future needs of the City.

The Blueprint identifies actions in four focus areas: Employee Engagement; Diversity; Building Capacity; and Effective Leaders. Examples of some actions include: a new Learning Management/eLearning System that will increase employee access to training; implementing a new talent management program to ensure we have the capacity to replace retiring and promoted managers and staff; conducting and using an employee engagement survey to improve the workforce morale; implementing both a management and Executive on-boarding program (both of which have now been implemented).

The Talent Blueprint builds on the accomplishments of the first People Plan 2008-2012 that, for example, doubled employee attendance in courses; improved succession planning capacity with an executive development programs with 52 participants; introduced a new performance program for non-union employees; introduced an enhanced suite of training programs including the new Emerging Leaders Certificate Program (one year program of 10 courses for new supervisors); continuous improvement year after year in decreasing injury rates, etc.

The Talent Blueprint, affirmed by City Council at its May 6,7, 2014, meeting was developed based on human resource best practices research and in consultation with senior management, the Workforce Strategy Team (WST), key City staff and COTAPSA, CUPE Local 79, TCEU/CUPE Local 416, and TPFPA (Fire Fighters) Local 3888.

B. FACTORS IMPACTING VACANCIES

The implementation of a number of different actions and strategies is contributing to an enhanced ability to fill vacancies. At the same time, it is important to understand that in a large, complex, unionized, multi-layer and multi-service delivery oriented organization, there are a number of contributing factors that impact the vacancy rate, a figure which is never a static number, given the numerous job competitions underway at any point in time. The section below outlines some of these key factors.

As reported to the May 1, 2014, Budget Committee in the Staff Report on the Operating Variance Report for the Three-Month Period Ended March 31, 2014, each year Council approves a complement of operating and capital positions for services delivered and capital project delivery, respectively. The strength, or the number of positions filled at a point in time, will fluctuate throughout the year. The number of vacancies represent a *snapshot* of positions not filled mainly due to timing in hiring, as well as gapping.

City Programs and Agencies hold some positions vacant for a certain period of time due to natural turn-over and/or to meet requirements to control costs without affecting service

levels. This type of vacancy is referred to as 'gapping' and is reflected in the approved salary budget. The average budgeted gapping for the City is approximately 2.2% in 2014 Approved Salary Budget, with an equivalent 2.2% vacancy rate on average. This means that divisions can never hire to their 'full complement'.

It is not a new phenomenon that the City of Toronto has a certain percentage of its positions vacant at any given time. Appendix F and Appendix G provide the City of Toronto Historical Vacancy Analysis. Since 2010, at any given point in time, City divisions have had in the range of 1100 -1500 vacant positions. See Appendix H for further details/explanation on Gapping.

There are numerous factors that contribute to the current and future level of vacancies at the City of Toronto. This section will briefly explain the impact of some of the key factors such as:

- Employee Exits (Turnover)
- Churn Rate of Vacancies
- Hiring Process Challenges
- HR Staff Resources
- Hiring Activity Volume and Cycle
- Unreduced Pension Retirement Eligibility

1. Employee Exits (Turnover)

The Human Resources Division (HR) has reviewed the data in regards to the annual turnover rates of permanent employees in the Toronto Public Service for the period January 1, 2006 to December 31, 2013. "Turnover" occurs when a permanent employee exits (i.e. leaves) the employment of the City of Toronto regardless of the reason (e.g., retirement, voluntary termination-resignation, involuntary termination, death) other than layoff.

Table 6: Permanent Employee Turnover Rate

Year	Annual Average Permanent Employee Headcount**	Total Number of Permanent Exits	Turnover Rate
2006	20,518	623	3.04%
2007	20,989	672	3.20%
2008	21,083	704	3.34%
2009	21,453	654	3.05%
2010	21,457	713	3.32%
2011	21,335	1,234	5.78%
2012	20,471	925	4.52%
2013	20,645	806	3.90%

*** Employees in the Mayor's office, Councillors' offices, and offices of Accountability Officers are excluded*

The exit of a permanent employee from the Toronto Public Service creates a vacancy that requires recruitment activity to replace that person. Depending on the level of position within the organization, one vacancy in a senior position could cause a cascading effect of four to six subsequent sequential job competitions resulting as a result of promotions or transfers of existing staff from other positions.

2. Churn Rate of Vacancies

The Human Resources Division has analyzed the "Churn Rate" for positions or the filling-vacancy-filling cycle for all Toronto Public Service positions between the period January 1, 2006 and December 31, 2013, regardless of reason. A "Churn" occurs whenever hiring or staffing activity occurs to fill a position whether, for example, it is filled with a current employee transfer, temporary assignment, internal promotion, recall or rehire of a previous employee, or an external hire of a new employee.

When a vacant position is filled by an existing employee, there can also be subsequent multiple filling of vacancies caused by a cascading effect requiring multiple employee transfers, temporary assignments, or promotions.

**Table 7: Churn Rate of Permanent Positions
January 1, 2006 to December 31, 2013**

Year	Yearly Average Permanent Employee Headcount**	Number of Permanent Position Change Staffing Transactions	Churn Rate
2006	20,518	1,647	8.02 %
2007	20,989	1,814	8.64 %
2008	21,083	2,437	11.56 %
2009	21,453	1,975	9.21 %
2010	21,457	1,783	8.31 %
2011	21,335	1,193	5.59 %
2012	20,471	1,874	9.15 %
2013	20,645	2517	12.19%

*** Employees in the Mayor's office, Councillor offices, and offices of Accountability Officers are excluded*

**Table 8: Churn Rate of Temporary Positions
January 1, 2006 to December 31, 2013**

Year	Yearly Average Temporary Employee Headcount**	Number of Temporary Position Change Staffing Transactions	Churn Rate
2006	2,670	2,662	99.7 %
2007	2,302	2,778	120.7 %
2008	2,431	3,390	139.4 %
2009	2,674	2,944	100.1 %
2010	2,846	2,795	98.2 %
2011	2,757	2,231	80.9 %
2012	2,531	2,503	98.9%
2013	2,347	2,623	111.7%

**Table 9: Churn Rate of Part-Time Positions Excluding Recreation Workers
January 1, 2006 to August 12, 2013**

Year	Yearly Average Part-Time Employee Headcount**	Number of Part-Time Position Staffing Transactions	Churn Rate
2006	3,564	922	25.8 %
2007	3,445	795	23.1 %
2008	3,149	869	27.6 %
2009	3,193	861	26.9 %
2010	3,198	781	24.4 %
2011	3,079	602	19.6 %
2012	3,096	600	19.4 %
2013	3,140	744	23.7%

3. Hiring Process Challenges

There are a number of factors that influence the time it takes to fill a vacancy. The hiring and staffing processes require a series of sequential steps, starting when the vacancy first arises in a City Division, to when the request to fill the vacancy is received by HR, to when the position is posted on the City's job internet and posting boards, and ultimately to when the appointment/hiring offer is accepted and the selected candidate starts working in the position.

Close to 90% of positions in the Toronto Public Service are bargaining unit positions and contractual obligations in the City's collective agreements must be adhered to. The numerous processes within these agreements must be followed and each step contributes to the length of time it takes to fill a vacancy.

A couple of such key processes are highlighted below:

(i) Order of Consideration

"Order of considerations" are procedural steps outlining the sequence that employees represented by CUPE Local 79 (10 sequential review steps) and TCEU/CUPE Local 416 (6 sequential review steps) are to be considered for placement first to vacant positions in accordance with the specific provisions contained in the collective agreements and city policies. The order of consideration lists contains the names of employees who require first consideration for vacancies as a result of an employee's transfer request, a position deletion, layoff, recall or accommodation. The order of consideration process includes an extensive review, by HR staff, of each employee's qualifications and seniority to determine if placement is possible before each job vacancy is posted or advertised. The length of time to complete the order of consideration process varies depending upon the particular vacancy, how many employees are on layoff, the accommodation needs of employees and the co-operation of these employees and the hiring manager and any potential intervention of the union in each stage of the process.

The order of consideration process increases the time it takes to fill a vacancy. Collective agreement obligations also require that current employees of a given bargaining unit be considered prior to considering other applicants for a vacancy. A vacancy cannot be posted on the City job board until the order of consideration process has been completed.

(ii) Applicant Screening

The collective agreements require that applications received for job competitions must be screened jointly by both HR staff and the hiring manager to identify candidates who meet the required qualifications for the position. A similar practice occurs for non-union job competitions. This is a labour intensive task that cannot be automated by technology.

Some recent responses from job postings are highlighted below to provide a sense of the volume of applications received in response to City job postings:

- Court Services posted for a Collections Officer and received 1103 applications
- Toronto Water posted for an Engineering Technologist Trainee and received over 700 applications
- Municipal Licensing & Standards posted for a Municipal Standards Officer and received 746 applications

Human Resources Division has received over 155,000 applications to specific job competitions in 2013; on average, an external job posting receives over 200 applications.

(iii) Job Applicant Tracking System Limitations

The Toronto Public Service has an internet-based eRecruit system for job postings and applicant tracking. Its functional capacity is limited compared to some other more sophisticated (and more expensive) systems available in the market place.

Since January 2012, all external applicants to all vacancies and since August 15, 2012, all applicants (external or employees) to non-union positions have been required to apply on-line. Bargaining unit employees have the ability to apply via paper resume, paper application or online; the receipt of paper is not an efficient process as it requires HR staff intervention to upload the resumes or application into the eRecruit system. The City has attempted to require all bargaining unit employees to apply online. One of the challenges is that many employees do not have a city email address and/or intranet access, which is a cost to the City, or personal access to the internet or are resistant to making online applications.

4. HR Staff Resources

In order to meet its 2010 and 2011 approved budgets, the number of staff and services managing and supporting the recruitment and selection processes were reduced among other HR positions, resulting in 15-20% fewer staff supporting the recruitment and selection processes in 2013 compared to 2009.

Council approval in 2013 to provide additional temporary and permanent HR resources to support hiring processes is contributing to increased capacity to fill vacancies.

It should be noted that the HR staff responsible for supporting the hiring and selection processes are also responsible for managing, administering and supporting a number of other complex and time labour intensive processes, including:

- Redeployment of bargaining unit employees;
- Layoff and subsequent recall of bargaining unit employees;
- Divisional reorganizations or restructuring and the resulting staffing activity;
- Employee terminations without cause (for non-union employees); and
- General consultation and advice for City Division management on any employment-related issues.

Given the current and anticipated volume of hiring activity, and in order to meet the divisions' projected year-end vacancy rates, it is critical that the level of resources in HR supporting the hiring process be maintained to ensure adequate resources are available to facilitate the filling of vacancies.

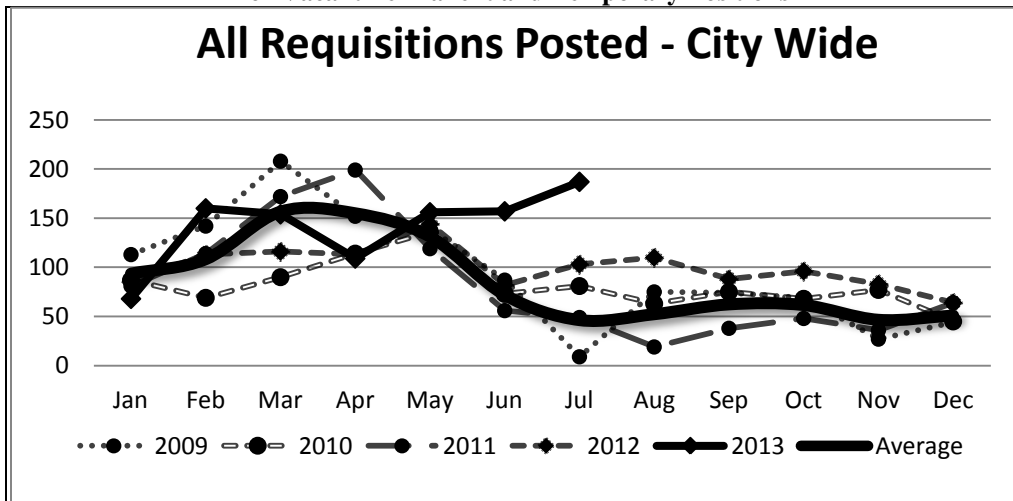
5. Hiring Activity Cycle and Volume

There is an historic regular annual hiring cycle that sees an increase in the level of requisitions and job posting in the early Spring of each year with a lower level of recruitment activity in the Fall. In 2012 and 2013, the seasonal surge occurred earlier, generally attributed to Council approving the annual budget earlier in the calendar year.

A second surge of recruitment requisitions was received by HR in June and July 2013 that had previously not occurred.

Chart 1 below provides the monthly recruitment requisitions posted for the period January 1, 2009 to December 31, 2013, for the Toronto Public Service.

Chart 1: 2009 - 2013 Monthly Recruitment Requisitions Posted for Vacant Permanent and Temporary Positions



In 2013, HR received over 1500 requisitions from City Divisions and there were a total of 7141 positions filled (permanent, temporary, part-time, seasonal).

Table 10 below summarizes the number of positions filled each year from 2009 to 2013 via requisition requests from City Divisions.

Table 10 : Number of Vacant Positions Filled by Requisition (2009 to 2013)

Year	Number of Positions Filled
2009	6268
2010	2542
2011	4455
2012	6150
2013	7141

Currently, as at March 31, 2014, the HR Division is currently working on 1083 requisitions to fill 2369 vacant positions (temp, perm and part-time). This represents a continued increase in hiring activity.

Table 11: 2014 Recruitment Activities

Number of Position Vacancies Filled <i>as at March 31, 2014</i>	Number of <i>Current</i> Open Requisitions <i>as at March 31, 2014</i>	Number of <i>Current</i> Vacancies Requested to be Filled by City Divisions <i>as at March 31,2014</i>
2046	1083	2369

Appendix C: Current Open Requisitions and Vacancies identifies the current staff requisitions and vacancies that HR is working on, as requisitioned by each of the City divisions.

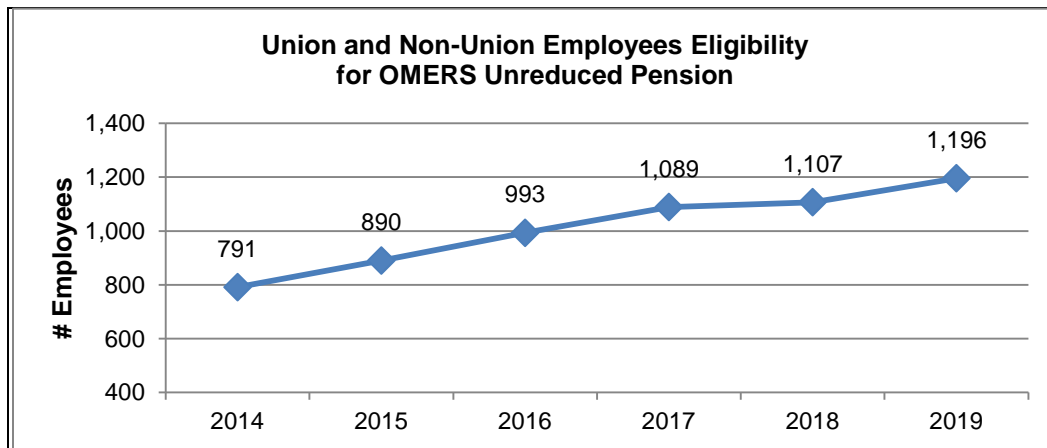
6. Unreduced Pension Retirement Eligibility: Future Impact

Based on analysis conducted by HR of the Toronto Public Service, there is a projected future large number of permanent staff eligible for an unreduced pension particularly at the levels of supervisor, manager and director. An "Unreduced Pension" is the pension eligibility factor that when reached (based upon an employee's years of service and age) allows that employee to retire without a penalty. Employees who retire that do not have an unreduced pension are penalized 5% per year for each year of early retirement.

It is projected that a minimum of near 50% of each level of supervisor, manager and director are now or will become eligible for an unreduced pension by 2018.

There will be two projected all-employee retirement waves with the first commencing in 2015 and the second, higher wave commencing in 2018. The projected cumulative effect of these retirements is that there will be 6,622 vacancies from retirement exits alone in the next five to seven years. It should be noted that employees eligible for an unreduced pension have the greatest likelihood of leaving the Toronto Public Service; however, many employees do choose not to immediately retire upon eligibility but will eventually retire.

Chart 2: Permanent Employees Eligible for Unreduced Pension



CONTACT

Barbara Shulman
Director, Strategic Recruitment
Compensation & Employment Services
Human Resources Division
(416)392-7987
bshulman@toronto.ca

Bruce L. Anderson
Executive Director of Human Resources
Human Resources Division
(416)397-4112
banders2@toronto.ca

SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Appendix A: Approved Positions as at March 31, 2014
Appendix B: Projected Year End Position Vacancy
Appendix C : Current Open Requisitions and Vacancies
Appendix D – Enforcement Staff Positions
Appendix E: Ongoing Postings 2014
Appendix F & G: Historical Vacancy Analysis
Appendix H: Gapping

**Appendix C – Current Open Requisitions for Vacancies,
Toronto Public Service (City Operations) as of March 31, 2014**

	Open Requisitions	Open Vacancies
Cluster A		
Deputy City Manager A Office	0	0
Affordable Housing Office	2	2
Children's Services	24	189
Court Services	8	8
Economic Development & Culture	13	28
Emergency Medical Services	13	69
Employment & Social Services	8	114
Long Term Care Homes & Services	110	215
Parks, Forestry & Recreation	110	259
Shelter, Support & Housing Admin	30	125
Toronto Public Health	65	67
Social Development, Finance & Admin	8	12
Toronto Office of Partnerships	0	0
Cluster Total	391	1,088
Cluster B		
Deputy City Manager B Office	1	2
City Planning	27	56
Engineering & Construction Services	30	52
Fire Services	12	75
Municipal Licensing & Standards	15	34
Policy, Planning, Finance & Admin	18	56
Solid Waste Management Services	34	79
Toronto Building	26	30
Toronto Water	61	119
Transportation Services	140	244
Cluster Total	364	747
Internal Services C		
Deputy City Manager/CFO's Office	1	1
Corporate Finance	0	0
Finance & Administration	0	0
Financial Planning	1	1
Information & Technology	120	138
Office of the Chief Corporate Officer	1	1
311 Toronto	7	71
Energy & Environment	3	3
Facilities Management	48	59
Fleet Services	8	8
Real Estate Services	26	27
Office of the Treasurer	0	0
Accounting Services	7	9
Pension, Payroll & Employee Benefits	7	8
Purchasing & Materials Management	16	18
Revenue Services	16	53
Cluster Total	261	397
City Manager's Office		
Equity, Diversity & Human Rights	1	1
Executive Management	2	2
Human Resources	1	1
Human Resources	18	19
Internal Audit	0	0
Strategic & Corporate Policy	3	4
Strategic Communications	6	6
CMO Total	31	33
Other City Programs and AOs		
City Clerk's	28	96
Legal Services	5	5
Auditor General's Office	1	1
Integrity Commissioner's Office	0	0
Lobbyist Registrar	0	0
Office of Ombudsman	2	2
Other City Programs and AOs Total	36	104
Grand Total	1,083	2,369

Appendix D – Enforcement Staff Positions

The table below provides an overview of enforcement staff within the Municipal Licensing and Standards, Toronto Buildings, Toronto Fire Services, Toronto Water and Transportation Services Divisions. These Divisions each have some degree of regulatory accountability for enforcement of the by-laws relevant to their areas of responsibility, all of which are aimed at promoting public safety and ensuring compliance with their governing legislation.

There are 65 vacancies for enforcement staff as of March 31, 2014. This represents 23 more vacancies than reported in late 2013, primarily due to the addition of new enforcement positions approved during the 2014 budget process, as well as the reallocation of divisional resources to enforcement activities.

It is anticipated that the majority of these positions will be filled by June 2014 as 58 of the 65 vacancies are currently under active recruitment at various stages of the hiring process.

Number of Enforcement Staff by Division						
Division	2012 Approved Positions	2012 Filled Positions	2013 Approved Positions	2013 Filled Positions	2014 Approved Positions	2014* Filled Positions
Municipal Licensing & Standards	232	209	230	217	234	217
Toronto Building	130	121	130	124	130	125
Toronto Fire Services	101	92	116	111	133	106
Toronto Water	37	32	35	28	37	31
Transportation Services	39	31	39	28	44	34
Grand Totals:	539	485	550	508	578	513

**2014 Filled Positions as @ March 31, 2014*

Appendix E

Ongoing Job Postings 2014

Senior Planner, Community Planning	Planning
Planner, Community Planning	Planning
Assistant Planner, Community Planning	Planning
Application Technician	Planning
Application Examiner	Planning
Zoning Examiner	Planning
Engineer	Engineering & Construction
Engineer - Design and Construction	Engineering & Construction
Senior Engineer	Engineering & Construction
Senior Engineer Design and Construction	Engineering & Construction
Dentist	Public Health
Arborist 3	Parks, Forestry & Recreation
Gardener 2	Parks, Forestry & Recreation
Forestry Data Collector	Parks, Forestry & Recreation
Natural Resource Worker 2	Parks, Forestry & Recreation
Court Clerk Monitor	Court Services
Court Clerk Monitor (Bilingual)	Court Services
Support Assistant	Various
Support Assistant (Part-Time)	Various
Support Assistant C (Bilingual)	Various
Calltaker/Dispatcher	Fire Services
Fire Prevention Inspector	Fire Services
Emergency Medical Dispatcher	Emergency Medical Services
Paramedic Level 1 (Primary Care)	Emergency Medical Services
Maintenance Patroller	Transportation Services
Heavy Equipment Operator	Various
Arena Operator	Parks, Forestry & Recreation
Arena Pool Operator 2	Parks, Forestry & Recreation
Pool Operator	Parks, Forestry & Recreation
Security Control Centre Officer	Facilities
Security Guard	Facilities
Cleaner, Heavy Duties (Part-Time)	Various
Cleaner - Light Duties	Various

Appendix F – City of Toronto Historical Vacancy Analysis

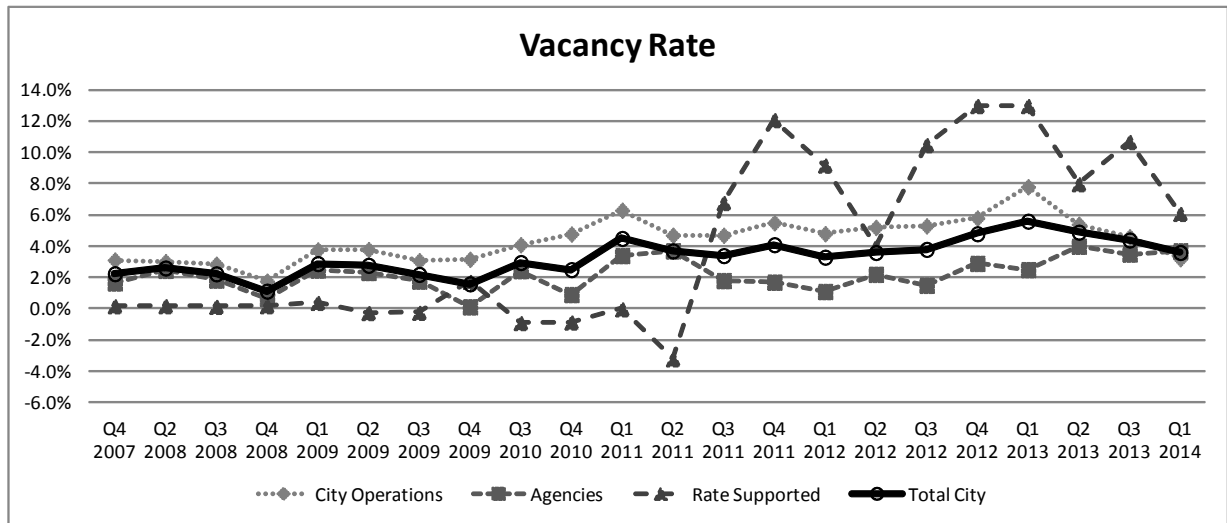
Based on the quarterly Finance Variance Reports, the quarterly (snapshot) year to date vacancy rate since the first quarter of 2007 are as follows:
 (Source: Toronto Public Health is included with Agencies, Toronto Water and Solid Waste Management are included in Rate Supported Divisions)

Vacancy Rate %

	Q4 2007	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q3 2010	Q4 2010	Q1 2011
City Operations	3.1%	3.0%	2.8%	1.8%	3.8%	3.8%	3.1%	3.2%	4.1%	4.8%	6.3%
Agencies	1.7%	2.5%	1.8%	0.7%	2.5%	2.3%	1.8%	0.1%	2.4%	0.9%	3.4%
Rate Supported	0.2%	0.2%	0.2%	0.2%	0.4%	-0.2%	-0.2%	1.8%	-0.9%	-0.8%	0.0%
Total City	2.2%	2.6%	2.2%	1.1%	2.9%	2.8%	2.2%	1.6%	3.0%	2.5%	4.5%

Vacancy Rate %

	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
City Operations	4.7%	4.7%	5.5%	4.8%	5.2%	5.3%	5.8%	7.8%	5.4%	4.6%	N/A	3.2%
Agencies	3.7%	1.8%	1.7%	1.1%	2.2%	1.5%	2.9%	2.5%	4.0%	3.5%	N/A	3.7%
Rate Supported	-3.2%	6.8%	12.1%	9.2%	4.0%	10.5%	13.0%	13.0%	8.0%	10.7%	N/A	6.1%
Total City	3.7%	3.4%	4.1%	3.3%	3.6%	3.8%	4.8%	5.6%	4.9%	4.4%	N/A	3.6%



Appendix G – City of Toronto Historical Vacancy Analysis

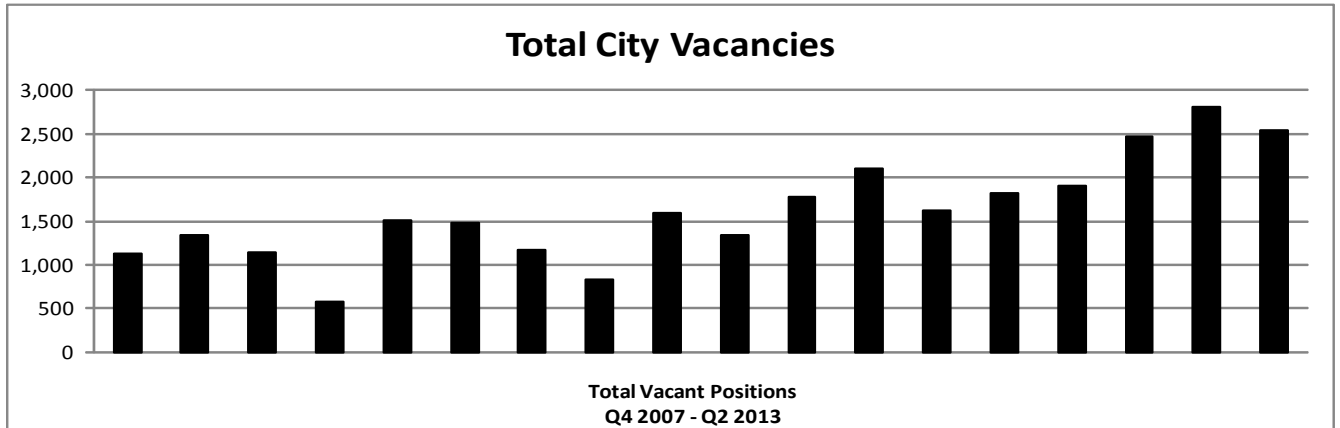
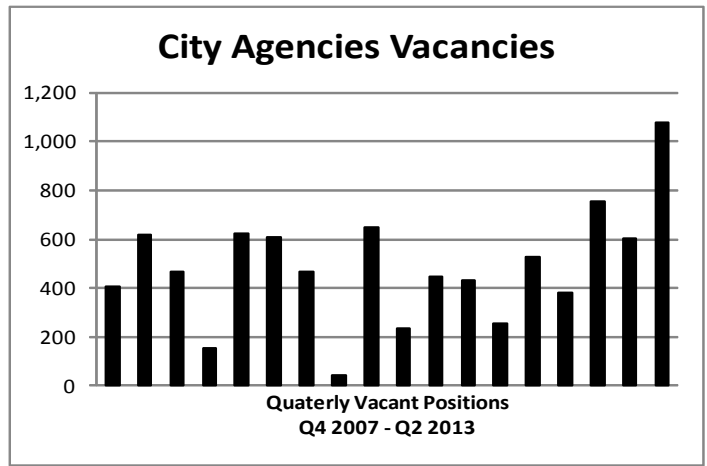
Based on the quarterly Finance Variance Reports, the quarterly (snapshot) year to date vacancy since the first quarter of 2007 are as follows
 (Source: Toronto Public Health is included with Agencies, Toronto Water and Solid Waste Management are included in City Divisions)

Total Vacant Positions

	Q4 2007	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q3 2010	Q4 2010
City Divisions	731	721	682	424	887	871	706	794	943	1,100
Agencies	404	617	466	155	623	608	466	45	646	235
Total City	1,135	1,338	1,148	579	1,510	1,479	1,171	839	1,589	1,333

Total Vacant Positions

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013
City Divisions	1,475	984	1,334	1,668	1,365	1,293	1,519	1,716	2,201	1,468
Agencies	900	983	445	431	256	529	380	755	605	1,075
Total City	2,375	1,967	1,779	2,099	1,621	1,822	1,899	2,471	2,806	2,543



APPENDIX H

GAPPING

A. Approved Gapping Rates

A City Division or Agency has its annual operating budget set based upon the expected costs to deliver its approved service levels. In setting that budget, the salary and benefits budget is adjusted to reflect a particular City Division's or Agency's gapping level or rate.

"Gapping" represents the difference in:

- (1) the funding that would be required for salaries, wages and benefits for a fully staffed and funded approved position complement; and
- (2) the actual approved budgeted funding that is derived by an historical turnover experience analysis based upon what is likely expected to arise during the year but also accounts for any legislative requirements that necessitate certain mandated staffing levels.

The City Division's or Agency's funding for salary and benefit budgets are reduced to capture the expected savings that would be realized as a result of gapping. The gapping rate is expressed as the savings or reduction in salary and benefit costs as percentage of total salary and benefits costs.

"Gapping Rates" are established based on historical experience and is dependent on a particular City Division or Agency's workforce profile. For example, the overall gapping rates may be significantly lower for those divisions that have a high proportion of part-time staff since gapping is only applied to permanent positions. In addition, positions that are fully funded by the Province are not gapped nor are operations that provide 24/7 services (e.g., Long Term Care Services) or that must maintain regulated staffing ratios.

A periodic review of a City Division's and Agency's actual gapping experience is done to ensure that the gapping level or rate continues to be appropriate, and if any significant change is warranted, a business case is submitted in the budget process for consideration.

The City of Toronto's 2014 Average Gapping Rate is 2.2% but varies from 0% to 12.0% depending on the City Division or Agency. Appendix B: *Gapping Analysis – 2014 Approved Operating Budget* provides the gapping rates in the 2014 Approved Operating Budget for each City Division and Agency.

- (i) How does gapping work?

For example, a City Division's salary and benefits costs for a full complement of employee occupied positions for one year could be \$20,000,000 for all salary (salary and benefits) costs.

If that City Division's gapping rate has been set at 2.5%, then Council actually approves a reduced salary and benefits budget of \$19,500,000 (\$20M – 2.5% = \$19.5M) for that City Division. That is, the projected lower annual salary and benefits expenditures needed for that City Division, due to vacancies that occur during the year, is taken into consideration when the operating budget for that City Division is approved by Council.

To effectively manage the City Division's or Agency's approved salary and benefits budget, a City Division or Agency must monitor expenditures to ensure the gapping savings are achieved.

City Divisions and Agencies are expected to realize their gapping savings annually by managing their recruitment and selection processes during the year, requiring there be a sufficient number and duration of position vacancies during that year in order to meet their reduced Council approved budget. If, for example, the above illustrated division had no vacancies during the year (i.e. a full complement of employees in occupied positions) then the expenditures would be \$20M and that division would be \$500K overspent. Therefore, to meet its Council approved budget, City Divisions must monitor and strategically plan to leave some of their vacant positions vacant for a period of time in order to ensure that their approved reduced budget is not exceeded.

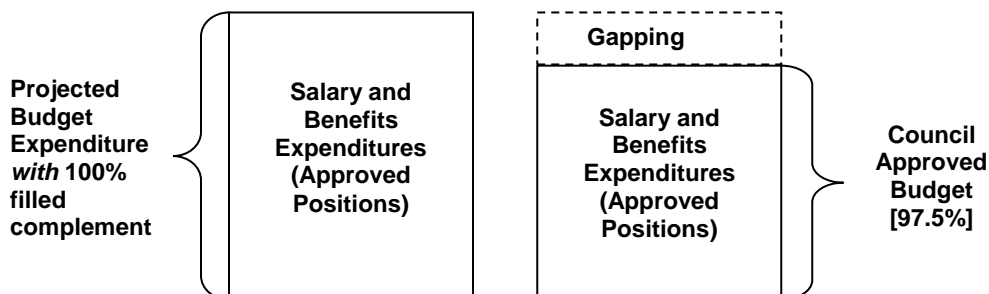
The type of positions and the frequency of employee changes that occur within a division and across the organization during a particular year depends on many different determinants (e.g., unexpected position changes, employee transfers, resignations, retirements, promotions, terminations, deaths, economic conditions). Some divisions may choose to partially meet their reduced approved budgets by keeping some of their positions vacant for an extended period of time. This is commonly called "planned gapping".

Essentially, a City Division or Agency will effectively manage a combination of its planned and unplanned gapping in order to ensure it meets the approved reduced salary and benefits budget.

The utilization of gapping targets has existed and been approved by Council since amalgamation.

Chart 1 provides an illustration of the above, utilizing an example of 2.5% gapping.

Chart 1: Gapping Illustration



Appendix C and D *City of Toronto – Historical Vacancy Analysis* provide a quarterly analysis of position vacancies from the First Quarter 2007 to the Second Quarter 2013. The Average Position Vacancy Rate was 3.2% during this period.

(ii) Impact of Gapping on Position Vacancies

When the Operating Variance Report for the Six Month Period Ended June 30, 2013, <http://www.toronto.ca/legdocs/mmis/2013/bu/bgrd/backgroundfile-61206.pdf> was submitted to Budget Committee for its September 3, 2013 meeting, the report provided information that the corporate-wide position vacancies level was 4.9% as at June 30, 2013; however, that report did not provide the reasons for the position vacancy levels but only provided a total *snapshot* of all vacancies (operating, rate or capital funded approved positions) regardless of the reason for the vacancy as at June 30, 2013.

There were 2,542.6 approved positions (operating, rate or capital funded) reported as vacant as at June 30, 2013. Of that figure, 1,561.6 were vacant positions within the Toronto Public Service (City Divisions *including* Toronto Public Health, Toronto Water and Solid Waste Management Services) and 981 vacant positions were in the City's Agencies (e.g., Toronto Police Services, Toronto Transit Commission, Toronto Public Library, etc.).

As noted in the above example, a Division with a \$20,000,000 projected salary and benefits budget that has been reduced to an approved Council budget of \$19,500,000 to address its 2.5% gapping target must ensure that by the end of the year it has not had an additional \$500,000 in expenditures. If a City division had all of its positions filled (i.e. no vacancy) throughout the whole year or did not hold a certain number of positions vacant, it would be \$500,000 overspent of its approved Council budget.