



# Council Briefing Notes

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## OPERATING VARIANCE REPORT SHOWS CHRONIC VACANCIES

### LOCAL 79 RESPECTFULLY REQUESTS:

- The Committee recommend that staff report to the August 31st meeting of the Budget Committee on workforce development plans and strategies to address the City's chronic vacancy problem in a sustainable manner and that the report include:
  - An analysis of retirement and succession planning;
  - Linkages to Toronto's Talent Blueprint; and
  - Updates on the success and failures of the hiring strategies described in the Staff Report for BU 44.2: *Vacancies and Staff Actions*.

### DIVISIONS ARE STRUGGLING WITH CHRONICALLY LARGE VACANCY RATES

In 2013, Councillors asked staff to report on strategies to reduce the large number of vacancies in the City's approved complement (see BU 44.2). Although there was an initial push to hire staff to fill these vacancies, there has been very little progress overall. Under-staffing puts additional pressure on front-line services, most of which have already been struggling with below-inflation budgetary increases.

In 2015, faced with over 2,500 vacant positions, staff projected that it would hire 1,031.3 positions by year end. In fact, the City has gone backwards, with a current vacancy rate of over 3,000 positions, or 5.7%, in the 1st Quarter of 2016.

UPDATE	TOTAL VACANCY (including gapping)
2015 3 <sup>rd</sup> Quarter (Actual)	2,578.9
2015 Year-End (Projection)	1,547.6
2016 1 <sup>st</sup> Quarter (Actual)	3,088.8

The current Operating Variance Report once again projects significant hiring over the next three quarters – 1,610 positions – to meet a year-end vacancy target of 2.7%.

Comparing the City's attempts to reduce vacancy levels in 2014 (the last year for which all numbers are available) to projections for this year shows that this year's target is unlikely to be met unless a comprehensive plan is adopted.

VACANCY		1 <sup>ST</sup> QUARTER	YEAR-END	REDUCTION
(%)	2016	5.7% (actual)	2.7% (projected)	3.0% (projected)
	2014	5.8% (actual)	4.6% (actual)	1.2% (actual)
(#)	2016	3088.8 (actual)	1,478.6 (projected)	1,610.2 (projected)
	2014	3060.8 (actual)	2,442.8 (actual)	618 (actual)

Numbers and percentages in this table include gapped vacancies.

Source: BU21.1: Operating Variance Report for the Three-Month Period Ended March 31, 2016 (Staff Report, pp. 23-24); EX 42.24: Operating Variance Report for the Three-Month Period Ended March 31, 2014 (Staff Report, p. 23); BU 8.3: Operating Report for the Year Ended December 31, 2014 (Staff Report, p. 16).

Vacancies well in excess of budgeted gapping rates are chronic and getting worse. Although the overall current vacancy rate is 5.7%, twenty-one separate divisions or departments have higher rates, with court services topping the chart at 22% vacancy. These include many front-line public-facing services such as:

- Transportation Services (11%)
- Toronto Building (10%)
- 311 (7.4%)
- Toronto Public Health (5.8%)

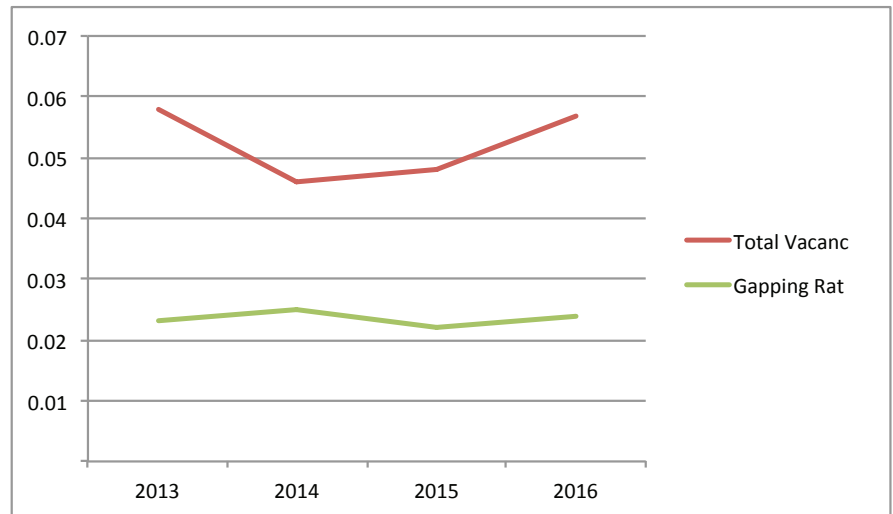


Chart displays year-end total vacancies and gapping rates for 2013 and 2014. Year-end data is unavailable for 2015, so 3rd quarter figures were used. 2016 uses 1st quarter figures.

High vacancies lead to excess costs due to overtime and reliance on supplementary contract services, pressure on service standards, and negative health impacts on workers due to stress. It is no surprise that the April 2016 report on the City of Toronto Employee Engagement Survey flagged wellness as one of three key areas needing further attention.

### **BU21.1 CREATES ADDITIONAL PRESSURE**

The overall positive variance (surplus) reported in BU 21.1 masks additional squeezes on front-line services. The City Manager has distributed \$6.801 million in budget reductions across City divisions. Further, Toronto Public Health, Facilities, Real Estate, Environment and Energy (FREE), and Toronto 311 are proposing a combined reduction of 22 front-line positions. These measures will put additional pressure on the services Toronto's communities value.

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