



January 27, 2017

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

Dear Councillors:

COTAPSA is Canada's oldest and largest non-union association representing the voice of our City's non-union employees and as such we must speak out on a series of motions that we believe to be a direct attack and a questionable attack on our members. Specifically:

- eliminating the Performance Management System;
- rolling back previously approved Cost of Living Allowance; and
- a 10% reduction of management positions.

Obviously, such measures are abhorrent to the principles of the *Talent Blueprint* adopted by Council, would unjustly punish the very people entrusted to provide Council with leadership and advice required to run the City, and are counterproductive to creating a high performing, skilled, motivated, engaged, and accountable workforce.

We urge the Committee to consider the following points in your budget deliberations, many of which were highlighted by your own City manager:

- In the vast majority of cases, the Performance Management System simply allows non-union employees to move through their salary range, provided they meet expectations – unlike unionized employees who receive automatic step increases;
- Based on a performance rating of "meets expectations" it still takes an excessively long time (7 years) to move from the minimum to the top of one's salary range;
- A competitive compensation program including salary progression and merit performances is critical to driving a high-performing workforce;
- Non-union management groups have previously received wage freezes and cancellation of performance payments, resulting in a reduction of salary increases relative to unionized colleagues;

- Any type of freeze to non-union compensation will contribute to salary compression as union wages continue to rise, while non-union do not. The result in some cases is having a unionized employee earning similar compensation as the manager that oversees their work program;
- Providing differential salary treatment to non-unionized employees fails to recognize the added responsibility of non-unionized staff including leading Council mandated change, keeping the City running during labour disruptions, and responding to emergency situations; and
- Consider the impacts of any pay freezes on employee morale, engagement, and the City's ability to attract and retain talent.

With respect to a proposed 10% reduction in management positions, we wish to highlight the following:

COTAPSA continues to contend that the City cannot achieve long-term fiscal sustainability and meet current and future service demands through further expenditure reductions, staff reductions, one-time fixes, or the misguided belief that "yet to be found" service efficiencies will solve our long term fiscal problems.

The preliminary budget already includes \$10 million in service reductions and the elimination of over 400 positions. How can this not affect the delivery of current services let alone meet future service demands, particularly from those people in the most need? It is folly to believe that an additional \$73 million in expenditure and staff reductions will not affect services

In 2011, after an exhaustive review of City Services, the City's own consultant (KPMG) produced an exhaustive list of service cuts, but identified few savings.

A 2013 internal consultants study found Toronto had an "exemplary" ratio of one manager to 11.3 workers, compared to Chicago's ratio of one manager to 7.1 workers. The report further stated that deleting manager positions would harm the City's ability to effectively deliver services to the public.

Finally, it is unfair to keep placing a negative focus on this group of loyal employees, in effect using them as a 'scapegoat' for the serious financial issues the City faces. We respectfully submit that it is not the number of managers nor the performance management system that is the cause of the City's financial problems and any changes to the system will not solve those problems.

Regards,



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Executive Director, COTAPSA

cc. COTAPSA Board of Directors