
2021 OPERATING BUDGET BRIEFING NOTE

City-wide Staffing Levels and Voluntary Separation Program

Issue/Background:

- The Budget Committee, at its meeting of January 20, 2021, requested the City Manager to prepare a briefing note detailing City-wide staffing levels over the last 5 years, including staff who have accepted the Voluntary Separation Program (VSP) package; and the impact of the VSP on staffing levels.
- The City adopted a VSP in 2020 for permanent employees of the Toronto Public Service (TPS) who were eligible to retire with an unreduced pension by December 31, 2020. Eligible employees received a lump sum payment of up to three (3) months' salary. To ensure that savings were realised, divisions were required to hold the resulting position vacant (or, in exceptional cases, an equivalent vacancy) for a minimum of six (6) months following the employee's retirement.

Key Points:

Voluntary Separation Program

- From time to time the City offers a voluntary separation program to employees. In 2020, this program was specifically offered to address cost constraints. In addition to saving costs, the program is offered as part of a succession management program. Offering incentives for employees who are eligible to retire provides opportunities for other people to assume roles that are vacated. The VSP also provides divisions an opportunity to consider their future needs and to contemplate whether to fill the vacancy as is or whether the work can be performed in a different way or whether a different role or skillset is required going forward.
- In 2020, a total of 464 employees participated in the VSP, reflecting 1.6% of the 2020 Toronto Public Service approved complement. Table 1 below, provides further details of VSP approved applicants by City divisions.

Table 1: 2020 Voluntary Separation Program Summary

City Division	# Invited to Apply for VSP	Approved for VSP	VSP Uptake Rate
311 Toronto	8	1	13%
Accounting Services	16	5	31%
Children's Services	116	19	16%
City Clerk's	62	8	13%
City Planning	54	13	24%
Corporate Real Estate Management	103	18	17%
Economic Development & Culture	42	10	24%
Employment & Social Services	312	62	20%
Engineering & Construction Services	100	23	23%
Environment & Energy	2	1	50%
Financial Planning	11	3	27%
Fire Services	1	1	100%
Fleet Services	22	3	14%
Legal Services	43	2	5%
Municipal Licensing & Standards	54	10	19%
Parks, Forestry & Recreation	349	61	17%
Pension, Payroll & Employee Benefits	21	5	24%
People & Equity	39	9	23%
Policy, Planning, Finance & Admin	20	2	10%
Public Health	201	52	26%
Purchasing & Materials Management	14	4	29%
Revenue Services	41	9	22%
Social Development, Finance & Admin	12	3	25%
Solid Waste Management Services	165	28	17%
Strategic Public & Employee Communications	5	2	40%
Technology Services	52	14	27%
Toronto Building	60	13	22%
Toronto Court Services	23	9	39%
Toronto Paramedic services	1	1	100%
Toronto Water	301	39	13%
Transportation Services	178	31	17%
*Other	5	3	60%
Toronto Public Service Total	2433	464	19%

*Other references a grouping of divisions with fewer than 20 employees to maintain confidentiality

City-wide Staffing Levels

- Toronto Public Service approved complement has increased in the past 5 years (2016-2020) from 28,662 FTE to 29,574 FTE, reflecting an increase of 912 FTEs or 3.2%.
- The City-wide vacancy rate has ranged from 4.7% to 6.4% between 2016 - 2019 averaging 5.6%.
- The vacancy rate increased to 7.8% during the third quarter of 2020 as a result of COVID-19 related hiring challenges and the impacts of a hiring slow-down for non-essential and non-critical positions, implemented in 2020 as a cost mitigation strategy as the City began to experience significant financial impacts, both in the form of added costs and revenue losses as a direct result of the COVID-19 pandemic.
- The 2021 recommended complement for City Programs (excludes Agencies) is 30,483 and reflects an increase of 748 positions above the 2020 approved complement. This includes increases in key program areas such as:
 - Long-term Care Homes – 214 added positions;
 - Shelter, Support & Housing Administration – 138 added positions; and
 - Public Health – 382 added positions.
- In preparation of the 2021 Recommended Operating Budget, staff continued with the elimination of gapping positions and instead factored current vacancy levels when forecasting for 2021 salary and benefit costs.
 - The former practice of "gapping", reflected a savings target that was required to be achieved by City programs through employee turnover (the time from when a position is vacant to when it is filled), in some cases requiring positions to be held vacant for the year to achieve gapping targets.
 - Beginning in 2020, staff eliminated gapping targets and instead forecast expected salary and benefit costs for the year, factoring the level of current vacancies and the expected time to fill positions.
 - The benefits of this new approach to budgeting eliminated targeted savings to be achieved in year, providing more flexibility for hiring divisions; and at the same time ensured that a position which was vacant on December 31 was not assumed to be filled on January 1 in the following year's budget.
 - This process continues in future years, with costs annualized for filled positions and forecasts adjusted for current vacancies, resulting in a better alignment of Salary and Benefit budgets to expected experience. This also addresses historical underspending in salary and benefit budgets enabling staff to allocate available funding to service needs where funds are expected to be spent.
 - For 2021, focus has been further strengthened on establishing a budget that will preserve service levels and deliver on desired outcomes, while recognizing and accounting for impacts associated with public health guidelines.
- Table 2 below, provides further details on approved complement and staffing levels over the past five years by City divisions.

Table 2: 2016-2020 (Q3) Toronto Public Service Approved Complement and Vacancy % (Including Operating and Capital Position) Compared to 2021 Recommended Budget

City Division	2016		2017		2018		2019		2020 Q3 (Year-to-Date as of Sept 30)		2021 Recommended Budget			
	Approved Complement	Vacancy %	Approved Complement	Vacancy %	Approved Complement	Vacancy %	Approved Complement	Vacancy %	Approved Complement	Vacancy %	2020 Year-end Approved Complement	Base Change	New / Enhanced	Complement Request
Community and Social Services														
Children's Services	990.9	4.2%	1,007.5	2.6%	1,088.6	1.8%	1,112.7	5.1%	1,074.8	6.2%	1,074.8	(74.1)		1,000.7
Court Services	288.0	26.0%	258.0	15.5%	229.0	10.0%	241.0	7.9%	253.2	16.3%	253.2	(2.0)		251.2
Housing Secretariat	23.0	21.7%	25.0	20.0%	25.0	8.0%	28.0	10.7%	28.0	35.7%	28.0	0.0		28.0
Economic Development & Culture	323.5	1.5%	300.5	0.7%	302.5	3.5%	306.5	4.7%	316.2	7.3%	316.2	(1.3)		314.9
Parks, Forestry & Recreation	4,609.2	6.3%	4,443.1	3.4%	4,522.2	3.4%	4,527.3	3.1%	4,639.1	3.7%	4,643.2	(76.6)		4,566.7
Seniors Services and Long-Term Care	2,372.0	4.9%	2,373.9	0.0%	2,390.0	0.0%	2,426.6	2.6%	2,435.2	0.0%	2,435.2	214.3		2,649.5
Shelter, Support & Housing Administration	771.4	7.0%	809.4	9.1%	886.4	9.4%	935.4	9.6%	971.1	8.6%	968.6	137.6		1,106.2
Social Development, Finance & Administration	148.5	10.8%	150.0	5.3%	169.0	8.9%	181.0	14.9%	271.0	15.1%	260.0	7.0	15.0	282.0
Toronto Employment & Social Services	2,120.0	2.6%	2,011.0	0.6%	1,985.0	4.0%	1,907.0	4.3%	1,790.5	3.7%	1,801.5	5.0		1,806.5
Toronto Paramedic Services	1,445.3	0.8%	1,453.3	1.0%	1,477.3	1.4%	1,520.3	3.0%	1,606.3	5.0%	1,606.3	32.0		1,638.3
Toronto Public Health	1,864.6	8.1%	1,855.9	3.8%	1,881.4	3.2%	1,923.2	8.8%	1,921.2	10.9%	2,025.9	381.6		2,407.6
Sub-Total Community and Social Services	14,956.4	5.5%	14,687.5	2.7%	14,956.4	3.1%	15,109.0	4.7%	15,306.5	5.2%	15,413.0	623.5	15.0	16,051.5

City Division	2016		2017		2018		2019		2020 Q3 (Year-to-Date as of Sept 30)		2021 Recommended Budget			
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Infrastructure and Development Services														
City Planning	376.0	5.9%	392.0	9.2%	430.0	10.9%	439.0	7.3%	450.0	13.1%	450.0	(3.0)	4.0	451.0
Engineering & Construction Services	566.1	8.3%	574.1	10.5%	592.1	12.0%	600.1	9.0%	616.1	10.6%	625.1	(8.0)	14.0	631.1
Fire Services	3,168.3	0.8%	3,174.3	1.6%	3,214.3	1.6%	3,212.3	1.6%	3,192.3	3.4%	3,192.3	(1.0)		3,191.3
Municipal Licensing & Standards	473.0	9.1%	479.5	5.6%	492.5	7.5%	533.5	6.9%	538.5	10.2%	538.5	(0.0)		538.5
Office of Emergency Management*							21.0	4.8%	21.0	4.8%	21.0			21.0
Policy, Planning, Finance & Administration	196.4	6.8%	190.4	7.0%	200.1	10.0%	165.1	5.5%	170.1	8.8%	169.1	(2.0)		167.1
Solid Waste Management Services	1,108.7	8.5%	1,113.7	5.7%	1,116.3	4.9%	1,122.8	5.6%	1,128.3	6.5%	1,128.3	(3.0)		1,125.3
Transit Expansion							33.0	51.5%	59.0	57.6%	59.0			59.0
Transportation Services	1,129.0	8.5%	1,119.5	5.3%	1,179.8	8.1%	1,201.3	12.0%	1,297.3	20.6%	1,311.3	18.0	11.0	1,340.3
Toronto Building	456.0	8.8%	468.0	6.4%	468.0	6.0%	472.0	6.6%	477.0	12.8%	487.0	(0.0)	50.0	537.0
Toronto Water	1,758.7	7.3%	1,752.7	6.4%	1,764.7	8.9%	1,805.7	7.1%	1,820.3	9.2%	1,841.3			1,841.3
Sub-Total Infrastructure and Development Services	9,232.2	5.5%	9,264.2	4.9%	9,457.8	6.0%	9,605.7	5.9%	9,769.9	9.3%	9,822.9	1.0	79.0	9,902.9
Finance and Treasury Services														
Office of the Chief Financial Officer	115.0	13.0%	118.0	17.8%	133.0	11.3%	148.0	20.9%	117.0	12.0%	117.0	(5.0)		112.0

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Office of the Controller	703.2	10.1%	645.2	9.6%	664.7	11.5%	677.0	8.9%	693.0	13.7%	694.0	4.0	35.0	733.0
Sub-Total Finance and Treasury Services	818.2	10.5%	763.2	10.9%	797.7	11.5%	825.0	11.1%	810.0	13.5%	811.0	(1.0)	35.0	845.0
Corporate Services														
Corporate Real Estate Management**	1,023.5	15.1%	1,011.0	11.8%	1,042.1	16.5%	1,078.5	17.0%	1,037.4	14.3%	1,033.4	9.0		1,042.4
Environment & Energy***									101.6	31.5%	101.6			101.6
Fleet Services	194.0	15.5%	186.0	12.9%	187.0	13.4%	197.0	21.3%	207.0	32.4%	207.0			207.0
Office of the Chief Information Security Officer											39.0		23.0	62.0
Technology Services	848.0	16.6%	851.0	15.4%	849.0	13.8%	854.0	13.0%	830.0	17.3%	791.0	(28.0)		763.0
311 Toronto	185.3	8.8%	178.0	6.7%	180.5	5.0%	183.0	3.8%	183.0	6.0%	183.0	(1.0)		182.0
Sub-Total Corporate Services	2,250.8	15.2%	2,226.0	12.8%	2,258.6	14.3%	2,312.5	14.8%	2,359.0	17.1%	2,355.0	(20.0)	23.0	2,358.0
City Manager														
City Manager's Office	429.0	4.0%	438.0	8.2%	456.0	9.2%	444.0	4.7%	465.0	8.4%	465.0	(4.0)	8.0	469.0
Sub-Total City Manager	429.0	4.0%	438.0	8.2%	456.0	9.2%	444.0	4.7%	465.0	8.4%	465.0	(4.0)	8.0	469.0
Other City Programs														
City Clerk's Office	413.9	4.6%	404.6	4.4%	413.8	3.1%	382.5	3.1%	375.9	2.9%	375.9	(7.6)		368.3
Legal Services	306.4	11.2%	367.9	12.5%	377.9	11.0%	391.9	10.3%	400.4	10.0%	405.4	(14.0)	5.0	396.4
Mayor's Office	20.0	5.0%	20.0	0.0%	1.0	0.0%	1.0	0.0%	1.0	0.0%	1.0			1.0
City Council	180.0	0.0%	180.0	0.0%	25.0	0.0%	1,122.8	5.6%	25.0	4.0%	25.0			25.0

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Sub-Total Other City Programs	920.3	5.9%	972.5	6.6%	817.7	6.6%	1,898.1	6.1%	802.3	6.5%	807.3	(21.6)	5.0	790.7
Accountability Offices														
Auditor General's Office	31.5	7.9%	32.0	6.3%	36.0	8.3%	36.0	2.8%	36.0	0.0%	36.0	5.0		41.0
Office of the Integrity Commissioner	3.0	0.0%	3.0	0.0%	3.0	0.0%	3.0	33.3%	3.0	0.0%	3.0			3.0
Office of the Lobbyist Registrar	8.3	3.0%	8.3	3.0%	8.3	3.0%	8.3	3.0%	8.3	15.2%	8.3			8.3
Office of the Ombudsman	12.0	-8.3%	12.0	0.0%	12.0	0.0%	12.0	0.0%	14.0	7.1%	14.0			14.0
Sub-Total Accountability Offices	54.8	3.2%	55.3	4.1%	59.3	5.5%	59.3	3.8%	61.3	3.7%	61.2	5.0	0.0	66.2
Toronto Public Service Total	28,661.7	6.4%	28,406.5	4.7%	28,803.4	5.4%	30,253.6	6.1%	29,574.0	7.8%	29,735.4	582.8	165.0	30,483.3

*formerly part of Policy, Planning, Finance & Administration prior to 2019

**formerly Facilities, Real Estate, Energy & Environment prior to 2020

***formerly part of Facilities, Real Estate, Energy & Environment prior to 2020

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