



STAFF REPORT ACTION REQUIRED

Non-Union Compensation – 2012 and 2013

Date:	September 4, 2012
To:	Employee and Labour Relations Committee
From:	City Librarian

SUMMARY

At its meeting on July 11 - 13, 2012, City Council approved market-rate adjustments and performance pay increases for all non-union employees of the City, for 2012 and 2013; and Council also approved changes to the benefits plan for non-union staff, effective January 1, 2013.

The purpose of this report is to obtain the approval of the Toronto Public Library Board's Employee and Labour Relations Committee to recommend to the Library Board the same 2012 and 2013 market-rate adjustments and performance pay increases for all non-union employees of Toronto Public Library, and the same changes to the benefits plan, as approved by City Council.

The Toronto Public Library's compensation plan for non-union employees has been modelled on the City's plan since 2003. The approval of the recommendations in this report will ensure that the Library will continue to have a non-union compensation plan modelled on the plan for City non-union employees.

RECOMMENDATIONS

The City Librarian recommends that the Employee and Labour Relations Committee recommends to the Toronto Public Library Board that it:

1. adopts the same market-rate adjustments and performance pay increases for 2012 and 2013, for all non-union employees of Toronto Public Library, as were approved by City Council for City non-union employees, and as identified below:
 - A. For 2012:
 - i. Performance based increases for progression through the salary range will be 0% to 3%, based on the objectives that were established for an employee's performance and assessing the work performed by the employee in 2011. The Performance pay increases are as follows: Did

Not Meet Objectives – 0%; Developmental – 1% ; and Met Objectives – 3%;

- ii. For those employees who have reached the top of the salary range, there is a re-earnable lump sum payment of up to 0%, 1% or 3%, based on the 2011 performance rating, and 2011 earnings;
- iii. The annual market-rate adjustment (cost-of-living) will be 1.9%; and
- iv. The market-rate adjustment and performance pay adjustment are retroactive to January 1, 2012.

B. For 2013:

- i. A new Performance Pay system is introduced effective January 1, 2013, based on the assessment of work performance in 2012, with performance ratings and pay increases for progression through the salary range, as follows: Unsatisfactory – 0%; Meets Most But Not All Expectations and/or Developmental – 1%; Meets Expectations – 2%; and Exceeds Expectations – 3%;
- ii. For those employees who have reached the top of the salary range, there is a re-earnable lump sum payment of up to 0%, 1%, 2% or 3%, based on the 2012 performance rating, and 2012 earnings;
- iii. The annual market-rate adjustment(cost-of-living) will be 1.9%;
- iv. The market-rate adjustment and performance pay adjustment are effective January 1, 2013; and
- v. The new Performance Pay system includes ‘targets’ for the allocation of performance ratings, as follows:

Performance Review Levels	Performance Target Allocations*	Performance Financial Rewards
Unsatisfactory	3% of staff complement	0%
Meets Most But Not All Expectations and/or Developmental	10% of staff complement	1%
Meets Expectations	70% of staff complement	2%
Exceeds Expectations	Up to 20% of staff complement	3%

*Approximate allocations

2. approves the same changes to the non-union benefits plan, as were approved by City Council for City non-union employees, and as identified in the chart below and effective January 1, 2013:

Benefit Type	New/Changes to Provisions
Drugs	Dispensing Fee Cap of \$9.00
Physiotherapy	\$2,000.00 maximum per person, per year
Orthopaedic Devices	One device every 2 years for persons over 18 years of age (for persons 18 and under, the entitlement remains one device per person per benefit year) and payment will be limited to the cost of the modification on the device
Dental	One year lag on Ontario Dental Association (ODA) Fee Guide
Health Care Spending Account	\$50 for single and \$100 for family coverage
Paramedical Coverage	Eliminate the option for \$800 for one (1) practitioner
Dental	Move from six to nine month Recall for routine exams only for adults

FINANCIAL IMPACT

The 2012 cost for the market-rate adjustment for non-union staff totals \$243,000 and a request will be made to the City for an in-year budget adjustment from the City's Non-Program Expenditure Budget. The 2012 cost for the performance progression pay and re-earnable lump sum pay is \$333,000 and this is already included in the approved 2012 approved operating budget.

The 2013 cost for the market-rate adjustment for non-union staff is \$251,000 and instructions will be forthcoming from the City on how to reflect this in the 2013 operating budget process. The 2013 cost for the performance progression pay and re-earnable lump-sum pay is \$235,000 and this has been incorporated into the 2013 operating budget submission.

The changes to the non-union benefits plan in Recommendation 2 are expected to result in a 7% savings in 2013 on the related benefits, estimated at \$37,000.

The Director, Finance and Treasurer has reviewed the financial impact statement and is in agreement with it.

BACKGROUND AND COMMENTS

At its meeting on March 24, 2003, the Toronto Public Library Board approved implementation of the City model for non-union compensation, which included provisions for annual market-rate adjustments (cost-of-living) and performance based increases. Since that time, the Library Board has approved the same annual cost-of-living and performance based increases as the City, including those years for which there were no increases.

On July 11, 2012, the City Council approved market-rate adjustments and performance pay increases for all non-union employees, for 2012 and 2013.

This report seeks to obtain the approval of the Employee and Labour Relations Committee to recommend to the Toronto Public Library Board that it approves the same 2012 and 2013 market-rate adjustments and performance pay increases, and changes to the benefits plan, for all non-union employees of Toronto Public Library, as approved by City Council.

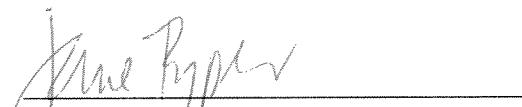
The City of Toronto developed its recommendations to City Council about non-union compensation in consultation with the Hay Group. The work with the Hay Group included a market review of best practices to ensure an affordable and competitive compensation policy and program for non-union employees. Among the observations that the Hay Group made was that wage increases for union and non-union employees in the period between 2007 and 2011 resulted in non-union employees lagging behind unionized employees by a cumulative impact of -3.89%.

The plan that was approved by City Council reconfirmed a pay-for-performance model as a basis for non-union compensation for 2012. It expanded the pay-for-performance feature of the plan in 2013.

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SIGNATURE



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