

ACTION

Subject: OPL Management Group - Economic Increase 2012

Prepared by: Monique Désormeaux, Division Manager, Service Excellence

Prepared for: Ottawa Public Library Board

Meeting of: June 27, 2012

Date of preparation: June 18, 2012

RECOMMENDATION:

That the OPL Board authorize a 1.5% economic increase for the Library's Management Group, retroactive to January 1, 2012.

That the Board extend the temporary suspension of the lump sum (bonus) component of the MPE Performance Development program to include the 2012 performance year.

References

1. Doc. 04-IC-004, OPL Management Group – Cost of Living (Economic) Increase 2004

Background

Shortly after amalgamation, the Library Board approved that the Library's Management Group Terms and Conditions of Employment be linked to those of the City of Ottawa Management and Professional Exempt (MPE) in terms of Job Evaluation, Pay Equity and Terms and Conditions of Employment. Since then, the Library's Management Group has received the same economic increases as that of the City MPE group in order to ensure compliance with their comparators at the City of Ottawa. The Library's Management Group also continues to benefit

from the same Terms and Conditions of Employment as the City of Ottawa MPE group.

City Council approved the following approach to determining Management Professional Exempt Group (MPE) economic increases at the City of Ottawa:

“This approach will see the economic increase based on CPI be awarded annually to this group effective the 1st of January each year. The quantum of the increase will be based on the forecast of the Ottawa CPI for the effective year, and any differences between the forecast and actual CPI will be taken into account when setting the following year’s increase.”

The approach was approved on a go-forward basis for the City of Ottawa Management Group.

While the Library Board agreed with the approach Council took, it did not want to bind future library boards to this commitment. As a result of discussions held at its Meeting of April 2005, the Library Board requested that the percentage economic increase for the Library Management Group be brought forward to the Board on an annual basis.

Economic Increase 2011

On June 15, 2012, a Management Bulletin was issued by the City Manager, stating:

A proposal for the MPE 2012 Economic Increase and the Merit Pay Program was approved by Council on Wednesday.

The Mayor and Council are committed to governing the operation of the City using the principles of responsible government and fiscal accountability. One of the strategies of Council’s current fiscal framework is compensation restraint. In this regard, the following, which affects MPE employees, was approved:

- *An economic increase of 1.5 per cent in 2012, which is less than what would be provided based on current policy.*
- *An extension of the Council approved temporary suspension of the lump sum (bonus) component of the MPE Performance Development program to include the 2012 performance year.*

- *Council directed staff to review the approach to management compensation.*

With the adoption of Council's motion, City of Ottawa MPE employees will receive a 1.5 per cent economic increase effective retroactively to January 1, 2012. In order to ensure pay equity compliance, it is recommended that the OPL MPE employees receive the same 1.5 per cent economic increase effective retroactively to January 1, 2012.

Economic increases comparison: 2008-2012

	2008	2009	2010	2011	2012
OPL-MPE	2.2%	1.5%	1.6%	2%	1.5% <i>(proposed)</i>
CUPE 503 Library Group	3.0%	2.5%	2.5%	2.75%	TBD

Financial Implications

The estimated cost for the 2012 economic increase for the 25 eligible MPE employees at OPL (including the Chief Executive Officer) is \$36,000. This cost was factored into the City's overall budget. Pending Board approval, the OPL compensation budget will be adjusted accordingly.

Next Steps

Should the Board approve the 1.5% economic increase, payment of the increase, including all retroactive pay going back to January 1, 2012 will be remitted on the July 26, 2012 pay, based on payroll timelines.