

ACTION

Subject: OPL Management and Professional Exempt (MPE) Group - Economic Increase 2013

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Prepared for: Ottawa Public Library Board

Meeting of: December 10, 2012

Date of preparation: November 26, 2012

RECOMMENDATION:

That the OPL Board authorize a 1.93% economic increase for the Library's Management and Professional Exempt (MPE) Group, effective January 1, 2013.

References

1. Doc. 04-IC-004, OPL Management Group – Cost of Living (Economic) Increase 2004
2. Finance and Economic Development Committee, Report 26A, November 28, 2012

Background

Shortly after amalgamation, the Library Board approved that the Library's Management Group be linked to the City of Ottawa MPE compensation 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 such, at its April 2005 meeting, 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 2013

At a recent FEDCO meeting, the following motion was passed by and forwarded to Ottawa City Council on November 28, 2012 for consideration:

WHEREAS the current Council approved methodology governing annual economic adjustments for Management and Professional Exempt (MPE) staff aligns to increases in the Ottawa Consumer Price Index; and

WHEREAS this methodology would result in an economic increase of 2.1% in 2013; and

WHEREAS Council directed staff to review the current methodology for the MPE economic increases and report back with any recommended changes prior to the 2013 budget deliberations; and

WHEREAS a more comprehensive review of MPE compensation is required and the results of this review are not anticipated to be completed and brought before Committee and Council for consideration until late 2014; and

WHEREAS Human Resources has reviewed past practice and recommends MPE economic adjustments which provide internal equity and recognize Council’s desire for fiscal restraint within a tax increase of no more than 2.5 per cent;

THEREFORE BE IT RESOLVED that draft budgets be prepared based on economic adjustments for Management and Professional Exempt (MPE) staff that mirror those awarded to the Civic Institute of Professional Personnel (CIPP), until such time as Committee and Council have had the opportunity to review and consider the results of a comprehensive review of MPE compensation resulting in an economic adjustment of 1.93% in 2013, and

BE IT FURTHER RESOLVED that staff work within existing delegated authority and budget allocations to develop and implement measures to address current compression issues.

City of Ottawa MPE employees will receive a 1.93 per cent economic increase effective January 1, 2013. The economic increase is determined based on the motion forwarded by FEDCO and approved at Council during the 2013 budget deliberations.

In order to ensure pay equity compliance at the OPL for the MPE group, it is recommended that the OPL MPE employees receive the same 1.93 per cent economic increase effective January 1, 2013.

Other Approved Changes to MPE Terms and Conditions of Employment (for information):

Amendments will also be made to the Terms and Conditions of Employment for City MPE staff to ensure the applicable terms are in line with those available to unionized staff.

All updates will be effective January 1, 2013 unless otherwise indicated. This will also be the case for OPL MPE employees. Changes include:

- Mileage
The car mileage rate will be increased to 53.0 cents/km for employees who are required to travel for business purposes.
- Insured Benefits:
 - Paramedical Services: The paramedical services coverage will now include services from dietitians.
 - Massage Therapy: A medical prescription is now required for massage therapy once every 12 consecutive calendar months.
 - Medical Certification Authorities: Registered clinical psychologists, physiotherapists and dentists have been added to the list of medical practitioners who may provide a medical certification.

- COLA on LTD: The Long Term Disability program will allow a cost-of-living increase of up to 3% per year.
- Money in lieu of benefits: An amount equal to 4% of annual income will be provided to MPE employees who are over the age of 69 and are no longer receiving benefit coverage under the City plan.
- Retiree Benefit Program: Optional Enhanced Retiree Benefit Plan will be made available to employees between the ages of 55 and 65.

Financial Implications

The estimated cost for MPE employees at the Library is \$40,800, based on the following:

- 21 employees (including Chief Executive Officer)
- Associated 2012 merit pay increases (average 4%, rating TBD, payout in 2013)
- 1.93% economic increase effective January 1, 2013

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 1.93% economic increase, payment of the increase will take effect on January 1, 2013.