
C.A.O. BRIEFING NOTE

Overtime, Sick Days and Lost Days Analysis – 2002 & 2003

Issue/Background

At its meeting of February 10, 2004, the Works Committee moved the following motion:

“The Chief Administrative Officer submit to the Budget Advisory Committee a report that will examine the percentage of overtime to base wage costs, the number of sick days per employee by department and the number of lost days by employee by department, and to then set targets to strive for and show the savings that would occur from achieving these targets by good management practices.”

Key Point(s):

1) Overtime

Actual overtime expenditures were \$33.836 million in 2002 and \$32.251 million in 2003 for City operations and \$6.6 million in 2002 and \$8.524 million in 2003 for Water & Waste Water Services. Appendix A provides a detailed analysis of overtime at the program level.

The table below presents overtime as a percentage of base wage costs for actuals and budget by department for each of the years 2002 and 2003. Appendix A provides a detailed analysis at the program level.

**Analysis of Overtime as a Percentage of Base Wage Costs
for 2002 and 2003**

Department	2002 Overtime		2003 Overtime	
	Actuals	Budget	Actuals	Budget
Community & Neighbourhood Services	1.4%	0.9%	1.1%	1.7%
Works & Emergency Services	3.2%	2.2%	3.6%	1.9%
Economic Development & Culture	2.2%	1.2%	1.9%	1.3%
Urban Development Services	1.1%	1.1%	1.2%	1.0%
Corporate Services	1.9%	1.4%	1.8%	1.4%
Finance	1.7%	1.9%	1.1%	1.8%
Other City Departments	0.5%	0.0%	0.5%	0.0%
Toronto Public Health	0.9%	0.6%	0.8%	0.9%
SARS / Power Outage	36.1%	0.0%	18.6%	0.0%
Total	2.8%	1.5%	2.5%	1.5%
Water & Waste Water Services	8.3%	7.1%	9.6%	6.6%

- Actual overtime expenditures as a percentage of base wage costs was 2.8% in 2002 and 2.5% in 2003 for City operations excluding Water & Waste Water Services. Budgeted overtime expenditures as a percentage of base wage costs was 1.5% in both 2002 and 2003 for City operations excluding Water & Waste Water Services. Actual overtime expenditures as a percentage of base wage costs for Water & Waste Water is 8.3% in 2002 and 9.6% in 2003 and budgeted overtime expenditures as a percentage of base wage costs for Water & Waste Water is 7.1% in 2002 and 6.6% in 2003.
- The labour disruption in 2002 and the SARS outbreak and power outage in 2003 would have created a need for staff to work additional overtime. This contributed to a high percentage of 36.1% in 2002 and 18.6% in 2003 of actual overtime expenditure over actual base wage costs identified in the Corporate Accounts where these costs were recoverable.

2) Sick Days

- On July 24, 2001, City Council adopted an attendance management program for City employees. The objectives of the program are:
 - to reduce the costs and operational problems caused by absenteeism
 - to have a consistent approach to managing attendance
 - to bring to the attention of employees the impact on the operation of absences
 - to accommodate the needs of employees to achieve regular attendance and to make available resources and services to assist them.
- In order to meet these objectives, elements of the City's attendance management program include:
 - identification of workforce attendance averages
 - monitoring and reporting on both workforce and individual attendance
 - meetings and follow-up with employees whose level of absenteeism is above the workforce average, providing clear expectation for improvement
 - employee referrals to resources including employee health, rehabilitation and employee assistance programs.
- The following table indicates the average number of sick days used over the last three years, 2001, 2002 and 2003 by department. The second column of the table indicates that the average number of sick days used citywide in 2001 is 9.2 days, 8.9 days in 2002 and 8.5 days in 2003.

Annual Absenteeism Rates by City Departments

(average annual number of days absent per employee due to illness)

Year	City of Toronto	Corporate Services	Chief Admin. Office	Community & Neigh. Svcs.	Economic Dev.	Finance	Urban Develop. Svcs.	Works and Emergency Svcs.
2001	9.2	8.6	11.5	9.1	8.6	8.1	7.7	10.0
2002	8.9	7.4	5.7	9.2	7.3	8.4	9.1	9.6
2003	8.5	7.7	5.5	9.4	7.4	7.8	7.4	9.4

- The policy commits to a program of attendance management in a fair and consistent manner and to provide guidance and training to management staff who are responsible for dealing with attendance issues. Supporting guidelines describe the responsibility of managers for the attendance management program including maintenance of accurate records, regular monitoring and communication with the employee.

3) Lost Days

- The table below presents the average number of days lost due to workplace injury by department compared to the corporate average of 2.2 days in 2001, 2.1 days in 2002 and 2.1 days in 2003.

**Workers Compensation: Days Absent
by City Departments**

(average annual number of days absent per employee due to workplace injury)

Year	Corporate Total	Corporate Services	Chief Admin. Officer	Community & Neigh. Svcs.	Economic Dev.	Finance	Urban Develop. Svcs.	Works and Emergency Svcs.
2001	2.2	1.2	0	2.5	1.4	.7	.5	2.6
2002	2.1	.8	0	2.4	.7	.5	.7	2.6
2003	2.1	.6	0	2.6	.3	.3	.2	2.7

4) Target

- The initial target is established for each department based on the average number of occasions of absence for each division. Consistently using the actual absence experience to set the target is a requirement for the program to be defensible and supportable. The savings can be captured by comparing the departmental usage to the corporate average usage times the average rate of pay.

Date: March 11, 2004



Appendix A
CITY OF TORONTO
OVERTIME AS A PERCENTAGE OF BASE SALARY
OVERTIME AS A PERCENTAGE OF SALARY : 2002 & 2003 BUDGET AND ACTUALS (\$000's)

Program	2002						2003 Salaries and Overtime					
	Base Wage Cost		Overtime		Overtime as % of Base Wage Cost		Base Wage Cost		Overtime		Overtime as % of Base Wage Cost	
	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget
CHILDREN'S SERVICES	39,185	39,658	541	409	1.4%	1.0%	41,093	41,316	367	422	0.9%	1.0%
HOMES FOR THE AGED	95,042	98,555	941	0	1.0%	0.0%	98,776	106,355	1,514	2,218	1.5%	2.1%
SHELTER, HOUSING & SUPPORT	29,055	30,933	798	526	2.7%	1.7%	31,524	31,926	826	521	2.6%	1.6%
SOCIAL DEVELOPMENT	8,368	7,811	41	51	0.5%	0.7%	8,208	8,401	66	51	0.8%	0.6%
SOCIAL SERVICES	93,168	95,005	1,435	1,545	1.5%	1.6%	100,321	96,746	375	1,500	0.4%	1.6%
COMMUNITY AND NEIGHBOURHOOD SERVICES	264,818	271,962	3,757	2,531	1.4%	0.9%	279,922	284,743	3,147	4,711	1.1%	1.7%
EMERGENCY MEDICAL SERVICES	70,035	71,043	4,954	2,684	7.1%	3.8%	75,908	77,329	4,335	1,481	5.7%	1.9%
SOLID WASTE MANAGEMENT	54,516	54,696	3,133	2,354	5.7%	4.3%	61,303	57,916	4,158	2,265	6.8%	3.9%
FIRE SERVICES	216,118	198,300	1,215	1,114	0.6%	0.6%	214,976	208,240	1,744	1,540	0.8%	0.7%
TRANSPORTATION SERVICES	58,112	60,236	3,261	2,126	5.6%	3.5%	62,457	60,587	4,532	1,887	7.3%	3.1%
W.E.S. SUPPORT SERVICES	21,210	21,850	593	234	2.8%	1.1%	23,470	23,176	602	363	2.6%	1.6%
WORKS TECHNICAL SERVICES	31,432	33,052	1,447	1,276	4.6%	3.9%	33,930	34,194	1,629	1,075	4.8%	3.1%
EMERGENCY MANAGEMENT PLAN	294	2,894	15	0	5.1%	0.0%	480	487	15	0	3.2%	0.0%
WORKS AND EMERGENCY SERVICES	451,718	442,069	14,619	9,788	3.2%	2.2%	472,524	461,929	17,015	8,612	3.6%	1.9%
CULTURE	6,460	6,576	25	0	0.4%	0.0%	7,184	6,843	6	0	0.1%	0.0%
CUSTOMER & BUSINESS SUPPORT	12,801	12,865	130	188	1.0%	1.5%	13,378	13,145	133	148	1.0%	1.1%
ECONOMIC DEVELOPMENT	4,843	4,670	33	6	0.7%	0.1%	5,161	4,906	16	7	0.3%	0.1%
PARKS & RECREATION	123,296	124,199	3,110	1,571	2.5%	1.3%	134,992	127,581	2,923	1,840	2.2%	1.4%
TOURISM	2,765	2,655	5	0	0.2%	0.0%	2,743	2,716	8	0	0.3%	0.0%
WORLD YOUTH	291	302	2	0	0.7%	0.0%	0	0	0	0	0.0%	0.0%
ECONOMIC DEVELOPMENT, CULTURE	150,456	151,267	3,305	1,765	2.2%	1.2%	163,458	155,190	3,086	1,994	1.9%	1.3%
URBAN DEVELOPMENT SERVICES	56,409	58,518	607	651	1.1%	1.1%	61,591	64,092	741	654	1.2%	1.0%
CITY CLERK'S OFFICE	19,359	19,344	244	493	1.3%	2.5%	22,664	22,437	357	591	1.6%	2.6%
SERVICE IMPROVEMENT & INNOVATION	2,036	2,103	1	0	0.0%	0.0%	2,311	2,776	1	8	0.0%	0.3%
CORPORATE COMMUNICATIONS	4,548	4,372	37	7	0.8%	0.2%	4,648	4,543	50	0	1.1%	0.0%
FACILITIES & REAL ESTATE	36,623	37,304	1,178	956	3.2%	2.6%	38,831	37,066	1,158	940	3.0%	2.5%
FLEET SERVICES	9,086	10,729	196	365	2.2%	3.4%	9,774	10,806	326	365	3.3%	3.4%
HUMAN RESOURCES	18,598	18,620	285	41	1.5%	0.2%	19,631	18,534	39	35	0.2%	0.2%
INFORMATION & TECHNOLOGY	18,390	20,249	313	0	1.7%	0.0%	21,032	20,547	418	0	2.0%	0.0%
LEGAL	15,789	14,218	13	0	0.1%	0.0%	16,956	18,018	18	0	0.1%	0.0%
COURT SERVICES	7,056	9,063	216	0	3.1%	0.0%	8,574	8,424	230	0	2.7%	0.0%
CORPORATE SERVICES	131,485	136,002	2,484	1,862	1.9%	1.4%	144,420	143,151	2,596	1,940	1.8%	1.4%
FINANCE	37,780	39,772	659	775	1.7%	1.9%	37,906	41,193	404	748	1.1%	1.8%
CAO	3,500	3,899	3	6	0.1%	0.2%	4,033	4,285	1	3	0.0%	0.1%
AUDIT	1,967	2,063	4	0	0.2%	0.0%	2,021	2,164	10	0	0.5%	0.0%
MAYOR	942	905	0	0	0.0%	0.0%	1,903	1,252	4	0	0.2%	0.0%
COUNCIL	10,982	10,926	73	0	0.7%	0.0%	12,025	11,919	85	0	0.7%	0.0%
OTHER CITY DEPARTMENTS	17,391	17,793	79	6	0.5%	0.0%	19,982	19,619	99	3	0.5%	0.0%
CITY OPERATIONS	1,110,056	1,117,384	25,510	17,378	2.3%	1.6%	1,179,804	1,169,916	27,089	18,662	2.3%	1.6%
PUBLIC HEALTH	89,819	88,435	776	528	0.9%	0.6%	92,727	97,386	745	920	0.8%	0.9%
CORPORATE ACCOUNTS	20,938	40	7,549	0	36.1%	0.0%	23,681	40	4,416	0	18.6%	0.0%
LEVY OPERATIONS	1,220,813	1,205,859	33,836	17,906	2.8%	1.5%	1,296,211	1,267,343	32,251	19,582	2.5%	1.5%
WATER & WASTEWATER SERVICES	79,474	88,986	6,600	6,359	8.3%	7.1%	89,059	96,140	8,524	6,380	9.6%	6.6%