

Memorandum



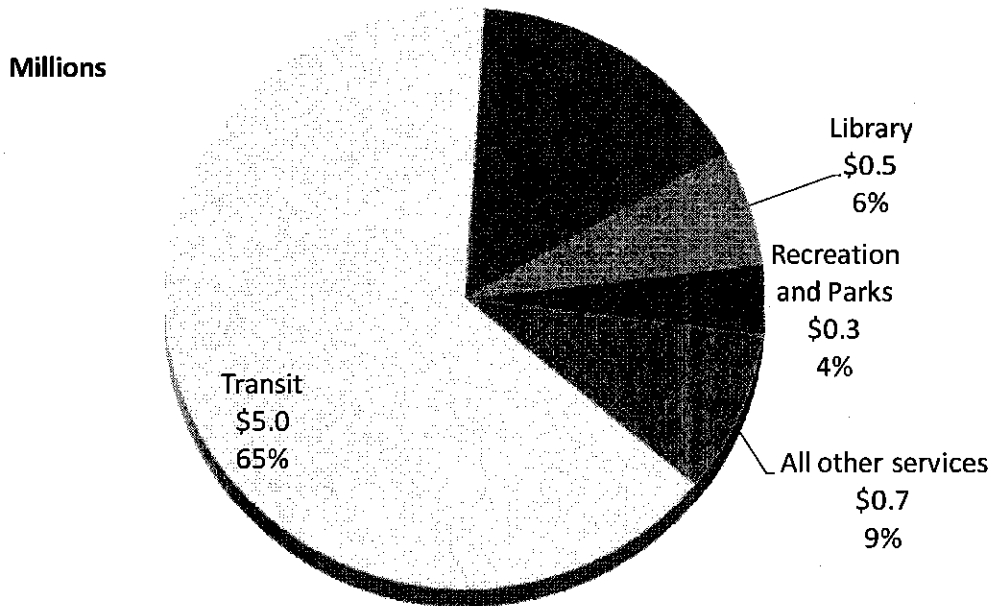
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BUDGET COMMITTEE
MAR - 2 2011

TO: Chair and Members of Budget Committee
FROM: Brenda R. Breault, CMA, MBA
Commissioner of Corporate Services and Treasurer
DATE: February 22, 2011
SUBJECT: Overtime Costs

Budget Committee requested information on overtime costs including actual overtime expenditures in previous years and overtime budget provisions in the 2011 Budget.

The following chart presents the 2011 overtime budgets by service area. Transit and Roads, Storm Drainage and Watercourses account for over 80% of the \$7.7 million budgeted for overtime expenditures in 2011.



Allocation of \$7.7 million 2011 Overtime Budget



The following table provides a comparison of actual to budgeted expenditures for the years 2007 to 2010 inclusive.

City Wide Overtime Summary				
(\$ 000's)				
	2007	2008	2009	2010
Budget	5,697.2	6,296.0	6,929.3	7,410.5
Actual	8,599.6	9,424.1	10,164.3	10,911.9
Variance	(2,902.4)	(3,128.1)	(3,235.0)	(3,501.4)

A number of overtime costs relate to predictable events and are included in the overtime budget, such increased workload demands related to snow clearing, special events, opening Libraries on Sundays, etc. Other overtime costs are due to uncontrollable events such as staff vacancies and absenteeism, emergency services, greater than normal winter or storm conditions, special assignments or urgent requests which cannot be determined ahead of time. These types of overtime expenditures would not be included in the overtime budget and result in over expenditures, however they are largely offset by labour gapping savings.

A breakdown of the 2010 overtime budget and expenditures by service area and explanations of overtime expenditures in excess of budget are presented in Appendix 1 attached.

Brenda R. Breault
 Brenda R. Breault, CMA, MBA
 Commissioner of Corporate Services and Treasurer

Appendix 1 – 2010 Overtime Analysis and Explanations of Overtime Overexpenditures by Service Area

Appendix 1 - 2010 Overtime Analysis and Explanations of Overtime Overexpenditures By Service Area
 (\$ 000's)

Service Area	Budget	Actual Expenditure	Variance Favourable / (Unfavourable)	Explanation of Overtime Expenditures Exceeding Budget by 5% or more
Arts & Culture	15.4	48.6	(33.2)	The overtime budget was overspent by \$33,240, which represents 1.3% of total labour cost. This overexpenditure was spread throughout the services in the Culture Division to ensure service reliability as follows: Meadowvale Theatre: Technical staff were required to support evening and weekend activities. Difficulty in attracting appropriately trained technical staff results in current staff working overtime hours. Arts & Culture Programs: Over expenditure was due to a short term disability situation and staff working with community groups during evenings. This over expenditure is anticipated to be reduced in 2011. Museums: Staff were needed to support opening and closing of the facility for evening and weekend rentals, to support weekend events and general administration. Filming: The film coordinator was required to address film activities during evenings and weekends. There is only one staff member in this area and the nature of the business requires 24/7 availability of staff contact.
Business Services	67.2	139.7	(72.5)	Extensive overtime in Payroll is related to the additional workload from growth in the City's employee base and increased complexities of collective agreements over the past several years without additional staff to handle these increased demands. Material Management work volumes and overtime increased due to infrastructure projects and information technology requests that caused higher overtime in 2010. In Human Resources, higher overtime spending was caused by the implementation of new SAP modules and high workload demands.
Departmental Business Services	92.0	66.6	25.4	Variance does not exceed budget by 5%
Facilities & Property Management	201.2	254.4	(53.2)	The majority of the overspending is due to time spent on technical support to filming events that is recovered through user fees, growth in facilities to be maintained with existing resources (e.g. new Transit facility) and HVAC related pressures resulting from TSSA regulations. Other overtime overspending relates to extensive office space relocation work undertaken outside of normal working hours to minimize service disruptions. Overtime costs were offset by labour savings.

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(\$ 000's)

Service Area	Budget	Actual Expenditure	Variance Favourable/ (Unfavourable)	Explanation of Overtime Expenditures Exceeding Budget by 5% or more
Financial Transactions	0.0	(5.1)	5.1	Variance does not exceed budget by 5%
Fire & Emergency Services	93.4	453.4	(360.0)	The Fire Division labour gapping savings of \$932,200 was partially offset by an over expenditure of \$360,000 in overtime. The total overtime expenditure of \$453,400 represents 0.57% of Fire's total labour budget. The following are the primary reasons for the overtime overexpenditure: Suppression: In situations where staffing levels are at the point where more than one truck will have to be removed from service to fill existing vacancies, the decision may be made to call firefighters in on overtime to fill those vacancies and avoid the service gaps that would exist by taking more than one truck out of service. Overtime over expenditures were more than offset by labour savings from vacancies. Training: Majority of overtime was offset by revenue. Mechanical: Emergency vehicle repairs - nights/weekends. Prevention: Fire prevention personnel are on call and often called after hours to provide fire cause investigations. Communications: 2 retirements, 2 maternity leaves in staff of 16. Vacancies/gapping resulted in additional overtime to ensure coverage.
Information Technology	46.3	71.0	(24.7)	Overtime was mainly required for the PeopleSoft to SAP migration project outside of normal working hours to address system issues and installation of year end support packages. After hours support calls for other system upgrade projects, the Fire/Emergency Services Computer-aided Dispatch system upgrade, telephone system, servers, etc. and additional work due to staff vacancies also caused overtime over expenditures.
Land Development	34.5	7.3	27.2	Variance does not exceed budget by 5%
Legislative Services	103.3	123.0	(19.7)	The majority of the overtime was due to a 6 month vacancy of 1 Legislative Coordinator in the Council Committee Support area. The additional overtime costs were offset by the labour savings.
Library Services	312.8	303.6	9.2	Variance does not exceed budget by 5%

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Mayor & Council	5.4	1.3	4.1	Variance does not exceed budget by 5%
Recreation & Parks	300.5	411.0	(110.5)	The overtime budget was overspent by \$110,500 as a result of the following: Forestry and Boulevards: In January 2010, Urban Forestry had a significant backlog of maintenance work orders. In an effort to reduce the backlog, staff worked overtime in the months prior to contractors being retained and 3 additional Arborist staff being hired (as per Council approving backlog funding). In addition to trying to reduce the backlog, crews continued to provide emergency 24/7 coverage attending to after hours (evening and weekend) emergency calls throughout the year. As well, a vacant position within Forestry resulted in additional overtime. Recreation Facilities: Overtime expenditures in excess of budget at recreation facilities as a result of coverage for staff vacancies, special projects and/or statutory holiday coverage. Park Planning & Development: Overtime expenditures in excess of budget resulting from coverage for staff vacancies, work on major capital projects, and evenings and weekends meetings.
Regulatory Services	126.8	154.6	(27.8)	The overtime budget was overspent as a result of the increase in workloads for staff that were created by the vacancy levels in full time salaried positions in Parking Enforcement. The overtime costs were offset by labour savings
Roads & Storm Drainage	1,334.0	1,388.4	(54.4)	Variance does not exceed budget by 5%
Strategic Policy	6.2	14.9	(8.7)	In the Corporate Strategy and Innovation Division there was an unfavourable labour overtime variance of \$7.8k. This was the result of a significant amount of work in the year to prepare a four year outlook and this triggered some overtime in an area where none is budgeted. This is not expected to repeat in 2011 in the CSI Division. In the Legal Services Division there was an unfavourable labour overtime variance of \$1.8k, which was the result of significant administrative workload pressures. For 2011, Legal Services overtime budget has been increased by \$2.4k to realistically reflect these administrative workload pressures, and this will be reviewed in 2012. No other significant overtime variances were noted in Strategic Policy.

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Transit	4,671.5	7,479.2	(2,807.7)	Overtime expenditures exceeded budget by \$2.8 million. This overexpenditure was largely offset by a savings in the Transit labour budget of \$2.1 million. Factors which resulted in overtime expenditures were: Increase in the number of operators absent from work (for all reasons) created an excessive amount of open work which had to be covered using operators at overtime rates. The number of transit operators absent from work has increased on average from 92.5 to 116.7 per day from 2007 to 2009 or by 18.5%. During the last five years Mississauga Transit's weekly indemnity costs have more than doubled. The increase is a result of both a higher number of claims (frequency) and an increase in the length of claims (severity). The number of hours operators perform non-driving work (known as "modified" or "light" duties) has increased from 16,438 hours in 2008 to 29,339 hours in 2009, an increase of 12,901 hours or 78%. All of the above factors have an adverse impact on the overtime budget as this open work must be covered by overtime to ensure service reliability on the street.
City Wide Total	7,410.5	10,911.9	(3,501.4)	