

CITY OF TORONTO'S VOLUNTARY LAYOFF PROGRAM FAILS



Ah, the voluntary layoff program, it is an employers last ditch chance to make needed cuts to their staff without having to look like the bad guy. As the economic downturn continues to go on with little to no signs of improvement more companies and governments are giving them a shot, with mixed results. In some cases older employees may take the buyout to extend retirement, but when you have a younger workforce you will often find them less willing to go quietly into the night. The City of Toronto tried a voluntary layoff plan this year, which recently ended. The city was hoping that this program would help them to shed 700 positions. If that sounds more than a little pie in the sky to you then you are not alone. The harsh light of reality has come shining in on that number. As the program came to a close the city found that it had not the desired 700 workers lining up to be laid off but instead only 230 employees who were willing to give up their civil service jobs and take part in voluntary layoff program. City Manager Joe Pennachetti, the brains behind the 2012 budget for the city, had hoped to find that the voluntary layoff plan gave the city some substantial savings, but apparently he failed to take a few things into consideration. One of those things was the fact that a fair number of positions could not be eliminated because of legal obligations to provide certain services to the citizens of the city. "I was fairly optimistic on the 700," he said to reporters. "I should have realized that there were a lot of cost-shared programs." This lack of voluntary removals has left the city in a bit of a bind. The city will save about \$20 million a year because of the staff who chose to leave. The city will have to spend roughly \$13 million this year as well in order to eliminate the jobs. This means that in order to remain fiscally solvent the city is going to have to layoff staff. While this is something that previous city administrations have avoided like the Black Death it simply must be done. That being said the city is not yet sure exactly how many positions, or which job titles, are going to be the ones on the chopping block. "There will be layoffs and that's been known for a long time," Pennachetti said. "I can't put a number to it." This sentiment was echoed by Mike Del Grande, the budget chief for the city who told reporters that, "I'm still looking for the plan, which we're feverishly putting together to see what it will take to balance the budget." He then went on to say, I can tell you this: that the city has grown in employees since amalgamation and the whole idea was to not grow in employees - one of the objectives in amalgamation was to have lower staffing and I don't think that's been achieved."

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