

PUB (MPI) 1-24

Volume:	I and II	Page No.:	CC, Attachment A and B EXP.3.2.4, Page 25
Topic:	Operating Expense		
Sub Topic:			
Issue:	Cost Containment - Staffing Levels		

Preamble: MPI states that the vacancy allowance has resulted in savings of \$7.5 million, representing 100 FTEs. This equates to about \$75,000 per FTE. MPI has also indicated that it has achieved a staffing reduction of 30 FTEs at a saving of \$1.5 million, or \$50,000 per FTE.

Question:

- a) Please confirm that a full time position is the same as a Full Time Equivalent (FTE). If not, please reconcile.
- b) Please provide the supporting calculations around the 2015/16 savings related to the 30 FTE reduction, including the number of positions by classification, the average salary including benefits by department, and the projected savings on this basis.
- c) Please provide a continuity schedule of staffing level for total corporate operations by department for 2013/14 and the changes in staffing levels in 2014/15 , 2015/16 and 2016/17
- d) Please provide the annualized impact of the 30 FTE savings on 2016/17.
- e) Please indicate what average salary and benefits per FTE is used within the Corporation for head count analysis.
- f) Please elaborate on what other cost savings measures are being considered by the Corporation.

Rationale for Question:

To test the reasonableness of cost containment savings related to staff reductions.

RESPONSE:

- a) Confirmed.
- b) The Corporation identified 30 positions that would comprise the reduction during the 2015/16 fiscal year. The specific position classifications, along with the associated Division subject to the FTE reduction has been provided below:

Position Type	General Counsel	Bus Dev Comm	Finance	Cust Serv	IT/Bus Trans.	* Avg Salary	Approx Savings
Clerical	(2.0)	(2.0)		(12.0)		45.4	726.4
Tech/Prof		(2.0)	(2.0)		(6.0)	66.2	662.0
Mgmt		(1.0)	(2.0)		(1.0)	109.0	436.0
Corp. Total	(2.0)	(5.0)	(4.0)	(12.0)	(7.0)		1824.4

*Average salary per Vol II Expenses Appendix 7

As can be seen from the above chart, the estimated full year savings for salaries on the 30 FTE is approximately \$1.8 million. Due to the uncertainty as to when these positions would be removed (beginning, middle, or end of year), the Corporation budgeted for an approximated savings of \$1.5 million.

- c) Please refer to PUB (MPI) 1-30 for staffing levels by division for 2013/14 and 2014/15. Staffing levels for 2015/16 and 2016/17 can be found in Vol II Expenses Table 3.1.1.2, page 17.
- d) The projected annualized impact of the 30 FTE savings on 2016/17 is approximately \$1.8 million.
- e) Average salary typically used for headcount analysis is \$75,000.

- f) Please refer to Vol I Cost Containment page 6 and 7 which identify other areas the Corporation is seeking to control and reduce costs.