

REPORT Meeting Date: May 12, 2011

For Information

DATE:

April 11, 2011

REPORT TITLE: NON-UNION ECONOMIC SALARY ADJUSTMENT - COMMON DATE

FROM:

R. Kent Gillespie, Commissioner of Employee and Business Services

OBJECTIVE

To provide Regional Council with an update on the 2011 economic salary adjustment for nonunion staff as a result of the suspension of the merit program.

REPORT HIGHLIGHTS

- In the 2011 budget process, Regional Council resolved that for 2011, non-union merit adjustment component of performance management increases be suspended for the 2011 Current Budget and that the budget include a 2% non-union salary band adjustment.
- Implementation problems were identified if the economic adjustment was to be applied throughout the year on employee performance appraisal dates.
- The solution was to implement the economic adjustment on a common date of March 31, 2011 which does not exceed the Council approved salary budget.

DISCUSSION

1. Background

Regional Council passed the following resolution:

"That the salary portion of the 2011 Regional Budget which includes a two percent nonunion salary band adjustment be approved;

And further, that the non-union merit adjustment component of performance management increases be suspended for the 2011 current budget;

And further, that the salary portion of the budget be reduced by \$1.6 million and the tax levy adjusted by the net amount of \$1.1 million."

The effect of this resolution was to limit performance management increases to 2%. In keeping with past Regional practice the economic adjustment would be applied at the time of the performance appraisal. In addition to this resolution, the Chief Administrative Officer (CAO) was directed to communicate with the CAO's of the area municipalities to see if a common practice regarding payment of the economic adjustment was possible.

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In considering the effect of delinking the performance pay portion of the increase from the economic adjustment at the Region, it became apparent that the practice of providing increases at the time of the performance appraisal created some implementation problems. The solution was to apply the economic adjustment on one common date. After reviewing the cost of doing so with budgeted amounts, it was determined that the application of the economic adjustment on the pay period beginning on March 31, 2011 would result in the same cost as budgeted or slightly under. The practice of a common date for application of the economic adjustment in 2011 is consistent with the practice in Brampton and Mississauga.

CONCLUSION

A common adjustment date of March 31, 2011 was adopted for the 2% non-union economic adjustment for all eligible employees who have not received the adjustment before March 31, 2011. The March 31 date is consistent with the City of Mississauga's April 1 adjustment date. Performance appraisals will continue to be done concentrating only on the performance issues and without any adjustment of salary.

R. Kent Gillespie

Commissioner of Employee

and Business Services

Approved for Submission:

D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Kent Gillespie at extension 4201 or via email at kent.gillespie@peelregion.ca

c. Legislative Services