

STAFF REPORT: Financial Services



REPORT TO: Finance & Administration Committee
MEETING DATE: March 18, 2008
REPORT NO.: FS.08.09
SUBJECT: Cost of Living Adjustment
PREPARED BY: Robert Cummings, Director of Finance

A. Recommendations

THAT Council receives staff report FS.08.09 Cost of Living Adjustment (COLA), and authorizes Financial Services staff to process the 2008 COLA of 3% on Town employees' base salary.

B. Background

The Town of The Blue Mountains' 2008 Budget provided for a Cost of Living Adjustment (COLA) of a 3% increase to staff compensation for the year. In the Budget, there was noted a split of the 3% COLA between a base salary adjustment (estimated at 1.6%) and the employer adoption of the payment of Long Term Disability (LTD) premiums (about 1.4%). The combination of these would provide for the COLA amount of 3%. Further analysis reveals the actual split to be significantly different from the estimate in the budget. Applying the 3% COLA directly to base salary is more beneficial to the employee from an income tax perspective. It's intended that senior staff will revisit LTD premiums during the 2009 budget discussions if there is a change in circumstances that may make this more beneficial to the employee.

C. The Blue Mountains' Strategic Plan

Providing a strong well-managed municipal government.

D. Budget Impact (cc: Treasury if required)

There is no financial change to the approved 2008 Budget.

E. Attached (Relevant documentation not personal information about an identifiable person)

Nil.

Respectfully submitted,

Signature