



# Corporate Policy Manual

Sub Topic:	Economic Adjustment	Policy No.	HR.9-03
Topic:	Compensation	Employees Covered: All Regular Full-Time and Regular Part-Time Non-Union Employees	
Section:	Human Resources	Council Adoption Date: June 25, 2007	
Effective Date:	January 1, 2006	Revision No:	Date:
		001	September 11, 2006
		002	June 18, 2007

## Policy Statement & Strategic Plan Linkages

The Town of Newmarket supports the administration of compensation practices that provide competitive salaries, acknowledging that the implementation of an annual economic adjustment is a key component in attracting and retaining a skilled, committed and productive workforce. The Town of Newmarket maintains its commitment to the Town's vision and mission and accordingly, endeavours to ensure competitive wages that continue to attract and retain the best talent. In situations of unforeseen/unusual circumstances this policy is subject to review as is the normal and usual practice.

## Purpose

Town of Newmarket will review the Consumer Price Index (CPI) – Toronto annually to determine the annual economic adjustment. The purpose of this policy is also to ensure that an annual assessment on economic/annual adjustments is conducted with the 9 comparator municipalities and, if necessary, provide for adjustments.

## Procedures

1. Obtain data on the Toronto Consumer Price Index (CPI) annually at the end of October and apply the CPI (Toronto area) as appropriate when determining economic adjustments for the subsequent year.
2. Automatically apply economic adjustments annually which shall be effective January 1<sup>st</sup> of each year.
3. Conduct an annual assessment on economic/annual adjustments provided to 9 area municipalities utilized in the full market assessment. If necessary, provide an adjustment to reflect the difference. This adjustment shall be the average of the 9 comparator municipalities'

adjustment figures, subject to the CAO determining if there is an outlier figure(s) (an outlier figure is one that differs greatly from the others, whether high or low). The Chief Administrative Officer is specifically authorized to implement this adjustment retroactively.

## **RESPONSIBILITIES OF EMPLOYER**

### Chief Administrative Officer is responsible to:

- Implement an economic adjustment on an annual basis effective January 1 of each year or as otherwise approved.

### Human Resources is responsible to:

- Conduct an annual assessment on economic/annual adjustments provided to 9 comparator municipalities and recommend any adjustments to the CAO.
- Develop revised salary schedules and circulate to payroll; make available on-line in accordance with Town practice.
- Ensure that Payroll has the required information to implement the annual economic adjustment, as appropriate, ensuring legislative compliance.
- Retain economic adjustment data and statistical analyses for future use and for consistent application of assessment criteria.

## **Cross-References**

HR.9-1 Salary Administration  
HR.9-05 Red Circle Rates