

Corporate Report

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BUDGET COMMITTEE
JUN - 9 2009

DATE: May 24, 2009

TO: Chair and Members of Budget Committee
Meeting Date: June 9, 2009

FROM: Janice M. Baker, CA
City Manager and Chief Administrative Officer

SUBJECT: **Voluntary Focused Early Retirement Program**

RECOMMENDATION: That the report titled “Voluntary Focused Early Retirement Program”, from the City Manager and Chief Administrative Officer, dated May 24, 2009, be received for information.

BACKGROUND: In late Fall, 2009, as the budget pressures for 2010 and the economic downturn became more certain, the City Manager advised Council of two new programs as part of the strategy to build a sustainable business plan: myidea and a focused early retirement program.

The “myidea” program would encourage every employee to share their idea for budget savings directly with the Leadership Team for their consideration. The outcomes of the myidea program are summarized in a separate report to Budget Committee.

The purpose of this report is to outline the approach and outcomes of the Voluntary Focused Early Retirement Program.

COMMENTS: The Leadership Team set in place very stringent criteria to allow for the permanent elimination of positions in the 2010 budget.

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Criteria

1. A targeted retirement incentive would only be offered where an operational/ service review supported the permanent elimination of a position.
2. The incentive was limited to a maximum of one year's pay to be funded from the 2009 operating budget.
3. The program was offered only during the month of January, 2009.
4. The employee voluntarily participated in the program and was prepared to enter into a Voluntary Retirement Agreement signed by each participating employee.

Assessment of Opportunities

The approach taken was for each Commissioner to work with their Directors to assess opportunities.

A list of potential positions was then discussed with the City Manager and Commissioners who worked with the Director of Human Resources and the local Director to ensure individuals were approached in a respectful way.

Positions Eliminated

The following positions were eliminated

1. Zoning Plans Examiner, through the early retirement of the Supervisor, Permit Administration, Planning and Building
2. Two (2) Building Inspectors, Planning and Building
3. Manager, Building Service Centre, Planning and Building
4. Financial Analyst, Transportation and Works
5. Promotions Assistant, Corporate Services

Of the six (6) positions eliminated, two (2) were realized in the 2009 budget and four (4) will be deleted in the 2010 budget.

FINANCIAL IMPACT: Permanent savings of \$518,000 were achieved in this program. \$127,000 are already reflected in the 2009 budget, with a further \$391,000 reduction in the 2010 budget. All of these budget reductions are permanent and will continue beyond 2010.

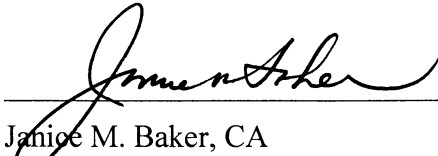
To implement the program, one time costs of \$444,000 were incurred and absorbed within the 2009 operating labour budget.

CONCLUSION:

The Voluntary Focused Early Retirement Program was a success as it was rolled out maintaining the Corporation's philosophy of continuing to be an employer of choice. It was a win/win situation for the Corporation and the participating employees.

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The Corporation achieved the elimination of six (6) full time permanent positions, which would have not become vacant for many years. The program has been positively viewed by staff.



Janice M. Baker, CA
City Manager and Chief Administrative Officer

Prepared By: Gary Kent, Director of Finance