

Type of Decision									
Meeting Date	Friday, December 10, 2010				Report Date	Tuesday, November 23, 2010			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	x	Information Only			Type of Meeting	X	Open		Closed

REPORT TITLE
Request for COLA Report 10/12/10/1201

RECOMMENDATION: That COLA of 2.4% for staff and council honorarium be allocated effective January 1, 2011 as per past practise and honorarium policy.

BE IT RESOLVED THAT the salary grid and honorarium compensation be adjusted by a 2.4% increase to reflect the cost of living over the past year based on Stats Can's CPI of 2.4% for the year October 2009 to October 2010.

BACKGROUND/EXECUTIVE SUMMARY: Pretty self-explanatory. Past Council requested that no automatic policy be created but instead that an annual resolution be presented to Council for approval.

Data based on CPI <http://www.statcan.gc.ca/subjects-sujets/cpi-ipc/t101123a1-eng.htm>. The rate of CPI averaged from October to October was used in 2007 to set the rate of increase for 2008.

Information from Statistics Canada for the same time frame was used to determine the 2.4% increase recommended for 2011. There has not been a Cost of Living Increase since 2008 due to deflation in 2008 and a minuscule inflationary increase over 2009.

Options/Discussion:

FINANCIAL CONSIDERATIONS/BUDGET IMPACT: increases of \$4,280 - salaries; and \$370 - honorarium;

Policy Impact: None, as per past practise and according to policy.

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk

Melinda Reith

Consumer Price Index and major components, Canada

	Relative importance ¹	October 2009	September 2010	October 2010	September to October 2010	October 2009 to October 2010
		Not seasonally adjusted				
		(2002=100)			% change	
All-items	100.00²	114.6	116.9	117.4	0.4	2.4
Food	17.04	120.1	122.9	122.7	-0.2	2.2
Shelter	26.62	121.2	123.9	124.6	0.6	2.8
Household operations, furnishings and equipment	11.10	107.9	109.4	109.3	-0.1	1.3
Clothing and footwear	5.36	95.0	92.8	94.9	2.3	-0.1
Transportation	19.88	113.4	117.1	118.6	1.3	4.6
Health and personal care	4.73	112.9	116.1	116.0	-0.1	2.7
Recreation, education and reading	12.20	104.5	105.6	105.2	-0.4	0.7
Alcoholic beverages and tobacco products	3.07	131.4	134.4	134.5	0.1	2.4
Special aggregates						
Core CPI ³	82.71	114.2	115.8	116.3	0.4	1.8
All-items excluding energy	90.62	113.4	115.1	115.5	0.3	1.9
Energy	9.38	128.8	138.7	140.5	1.3	9.1
Gasoline	4.92	139.5	147.0	151.8	3.3	8.8
All-items excluding food and energy	73.57	112.0	113.4	113.9	0.4	1.7
Goods	48.78	107.0	109.2	109.7	0.5	2.5
Services	51.22	122.1	124.5	124.9	0.3	2.3

1. 2005 CPI basket weights at April 2007 prices, Canada, effective May 2007. Detailed weights are available under the Documentation section of survey 2301 (www.statcan.gc.ca/imdb-bmdi/index-eng.htm).

2. Figures may not add to 100% due to rounding.

3. The measure of Core [Consumer Price Index](#) (CPI) excludes from the all-items CPI the effect of changes in indirect taxes and eight of the most volatile components identified by the Bank of Canada: fruit, fruit preparations and nuts; vegetables and vegetable preparations; mortgage interest cost; natural gas; fuel oil and other fuel; gasoline; inter-city transportation; and tobacco products and smokers' supplies. For additional information on Core CPI, consult the Bank of Canada website (www.bankofcanada.ca/en/inflation/index.htm).