

| Type of Decision  |                          |                  |  |    |                 |                           |      |  |        |
|-------------------|--------------------------|------------------|--|----|-----------------|---------------------------|------|--|--------|
| Meeting Date      | Friday, December 2, 2011 |                  |  |    | Report Date     | Friday, November 18, 2011 |      |  |        |
| 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 02/12/11/1201 |

RECOMMENDATION: That COLA of 2.9% for staff salary and Council honorarium be allocated effective January 1, 2012 as per past practise.

**BE IT RESOLVED THAT** the salary grid, Council honorarium and applicable contracts be adjusted by a 2.9% increase to reflect the cost of living over the past year based on Stats Can's CPI of 2.9% for the year October 2011 to October 2012.

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. The annual COLA helps to keep current salaries in alignment with other similar workplaces preventing the huge discrepancies that were once the norm in HCM.

Data based on CPI located at <http://www.statcan.gc.ca/subjects-sujets/cpi-ipc/t111118a1-eng.htm>.

Information from Statistics Canada for the same time frame has been used in previous years. The CPI increase has been worked into multi-year contracts for various services such as grounds keeping, winter maintenance and recycling.

FINANCIAL CONSIDERATIONS/BUDGET IMPACT:

|        | Total Salary Increase | Total Honorarium Increase |
|--------|-----------------------|---------------------------|
| @ 2.9% | \$4,657               | \$551                     |

Most of our external contracts now include a CPI increase as well. The same percentage suggested for staff and Council has been built into our existing contracts for Recycling, Plowing and Summer Maintenance.

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

| Approved and Recommended by the Clerk |                      |
|---------------------------------------|----------------------|
| Melinda Reith,<br>Municipal Clerk     | <i>Melinda Reith</i> |

**Table 1 Consumer Price Index and major components, Canada – Not seasonally adjusted**

| <b>Consumer Price Index and major components, Canada – Not seasonally adjusted</b> |                                  |              |                |              |                           |                              |
|--|----------------------------------|--------------|----------------|--------------|---------------------------|------------------------------|
|  | Relative importance <sup>1</sup> | October 2010 | September 2011 | October 2011 | September to October 2011 | October 2010 to October 2011 |
|  | %                                | (2002=100)   |                |              | % change                  |                              |
| <b>All-items Consumer Price Index (CPI)</b>  | <b>100.00<sup>2</sup></b>        | <b>117.4</b> | <b>120.6</b>   | <b>120.8</b> | <b>0.2</b>                | <b>2.9</b>                   |
| Food   | 15.99                            | 122.7        | 128.2          | 128.0        | -0.2                      | 4.3                          |
| Shelter  | 27.49                            | 124.6        | 125.7          | 126.5        | 0.6                       | 1.5                          |
| Household operations, furnishings and equipment                                    | 11.55                            | 109.3        | 111.6          | 111.9        | 0.3                       | 2.4                          |
| Clothing and footwear  | 5.31                             | 94.9         | 95.0           | 96.1         | 1.2                       | 1.3                          |
| Transportation   | 20.60                            | 118.6        | 126.3          | 126.5        | 0.2                       | 6.7                          |
| Health and personal care   | 4.95                             | 116.0        | 117.5          | 117.4        | -0.1                      | 1.2                          |
| Recreation, education and reading  | 11.20                            | 105.2        | 106.9          | 106.0        | -0.8                      | 0.8                          |
| Alcoholic beverages and tobacco products   | 2.91                             | 134.5        | 135.9          | 135.8        | -0.1                      | 1.0                          |
| <b>Special aggregates</b>  |                                  |              |                |              |                           |                              |
| Core CPI <sup>3</sup>  | 82.15                            | 116.3        | 118.4          | 118.7        | 0.3                       | 2.1                          |
| All-items CPI excluding energy   | 89.92                            | 115.5        | 117.8          | 117.9        | 0.1                       | 2.1                          |
| Energy   | 10.08                            | 140.5        | 156.0          | 156.9        | 0.6                       | 11.7                         |
| Gasoline   | 5.80                             | 151.8        | 180.4          | 179.4        | -0.6                      | 18.2                         |
| All-items CPI excluding food and energy  | 73.93                            | 113.9        | 115.5          | 115.6        | 0.1                       | 1.5                          |
| Goods  | 47.80                            | 109.7        | 113.5          | 113.9        | 0.4                       | 3.8                          |
| Services   | 52.20                            | 124.9        | 127.8          | 127.7        | -0.1                      | 2.2                          |