

*Request for Decision United Townships of Head, Clara & Maria Council*

Type of Decision									
Meeting Date	Friday, December 5, 2014				Report Date	Monday, November-24-14			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed

## Consumer Price Index (CPI) and Cost of Living Allowance (COLA) - Report #05/12/14/1403

**Subject:**

Consideration of implementing a cost of living adjustment for contracts, honoraria and salaries for 2015.

**RECOMMENDATION:**

That Council adopt the following resolution authorizing a COLA increase based on the October to October change as in years past recognizing that there was not a COLA increase for 2014.

**BE IT RESOLVED THAT** the salary grid, Council honoraria and applicable contracts be adjusted by a 2.8% increase to reflect the cost of living over the past year based on Stats Can’s Consumer Price Index report for the year October 2013 to October 2014.

**BACKGROUND/EXECUTIVE SUMMARY:**

It is easily proved that staff and Council in the United Townships of Head, Clara & Maria are paid on a scale lower than other county municipalities and most other Ontario municipalities as evidenced by the annual reports circulated through the County.

Awarding cost of living increases in line with inflation as determined by the year over year Consumer Price Index has been an acceptable method of ensuring that costs do not increase significantly and that hard earned increases in compensation are not eroded by inflation. We may never reach the levels paid in other municipalities however; we should do our best to at least keep up with inflation for staff, Council and contractors’ compensation.

The October to October Consumer Price Index for Ontario has been used to base increases on over the past 5 or so years.

The current stats are available at <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/cpis01g-eng.htm> or Google “Consumer price index by province monthly October 2014” and click on Ontario.

### Options/Discussion:

The adjustment may be made at the current rate, at another rate or not at all. Contracts and honoraria are tied to staff wages. If COLA is awarded to employees, it is built into recent contracts and by-laws that it is also applied at the same rate to the applicable contracts.

### Financial Considerations/Budget Impact:

The following increase has been built into the budget proposal presented for discussion later in this meeting.

Category	Increase
Salary	\$6,279
Honoraria	\$560
Contracts	\$2,839
<b>Total Increases</b>	<b>\$9,678</b>

### Policy Impact:

As per past practise, although a defined policy does not exist. COLA is considered each year by Council as a stand-alone issue.

### Others Consulted:

Previous reports and decisions of Council. Stats Can, Noella LeBreton, Treasurer.

Approved and Recommended by the Clerk

Melinda Reith,  
Municipal Clerk