



<b>Report Presented To:</b>	Township of Southgate Council Meeting
<b>Meeting Date:</b>	2024-12-04
<b>Report Number</b>	HR2024-008
<b>Title:</b>	COLA and Staff Step Increases
<b>Open/Closed Session:</b>	Open Session
<b>Prepared By:</b>	Kayla Best Human Resources Manager
<b>Approved By:</b>	Kayla Best Human Resources Manager
<b>Approved By:</b>	Dina Lundy Chief Administrative Officer

#### **Executive Summary:**

The Statistics Canada Ontario Consumer Price Index (CPI) was released for October and shows a 1.996% increase year over year. Staff are presenting the proposed COLA at 2% for 2025. This increase is applied to wage grids and affected agreements.

In addition to COLA, staff are recommending approval of a one-step increase to eligible staff for 2025.

#### **Recommendation:**

**Be it resolved that** Staff Report HR2024-008 be received for information; and  
**That** Council approve the COLA increase of 2% to the 2025 Staff Pay Grid effective the first full pay period of 2025; and  
**That** council approve the COLA increase of 2% to the 2025 Council Pay Grid and Volunteer Firefighter Pay Grid, effective January 1, 2025; and  
**That** Council approve the COLA increase of 2% to all affected agreements and other Township established inflationary conditions, effective January 1, 2025; and  
**That** Council approve a one step pay band increase for eligible employees, effective the first full pay period of 2025.

#### **Background:**

Under provisions of Pay Administration Policy #16, employees who meet or exceed job requirements may advance one step within their pay band. All step movements (merit increases) will be presented to Council for approval each year.

Also under Pay Administration Policy #16, " Each year on January 1, the entire pay band grid may move up by a percentage using an established formula using the Statistics Canada Ontario Consumer Price Index (CPI) for October".

### **Analysis**

As we continue to assess the current economic conditions, it continues to be essential to address our compensation strategies in a manner that aligns with both the rising cost of living and our commitment to recognizing employee contributions based on merit. Continuing with these practices will support the Township's attraction and retention initiatives as identified as part of the Community Strategic Plan.

The Statistics Canada Ontario Consumer Price Index (CPI) for October was 1.996%. Staff have rounded this number to the nearest decimal to equal 2%. The total cost impact to all wages, including staff, council and volunteer is \$129,425.00 annually (\$21,451.85 user fees and \$107,973.15 taxation).

Through the performance appraisal process, 42 employees are eligible to receive a one-step increase within their pay band. Employees that are not eligible for a step increase include those that are at job rate, not on the pay grid, seasonal employees and employees currently on probation. The total 2025 budget impact for step increases effective the beginning of 2025 is \$87,425.41 (\$18,992.86 user fees and \$68,432.55 taxation).

Staff have identified several operational challenges with the transition of the payroll system in late 2023, due to the system being unable to process two rates in the same period without significant intervention and manual calculations from staff. Staff recommend changing the effective date to be as of the first full pay period of 2025 (January 4, 2025) and will look to update the policy with this wording for the future.

Below is the history of the October CPI and approved COLA for the past 5 years:

<b>Year</b>	<b>October CPI</b>	<b>Approved COLA</b>
2025	2.00%	
2024	3.29%	3.30%
2023	3.28%	3.30%
2022	6.50%	4.00%
2021	4.90%	3.00%
2020	0.70%	0.70%

### **Internal Policy and Legislated Requirements:**

This report aligns with the Township's Pay Administration Policy #16.

**Financial and Resource Implications:**

A summary of the total 2025 budget impact is as follows

<b>Increase Type</b>	<b>Total with User Fee Wages</b>	<b>Total without User Fee Wages</b>
COLA (2%)	\$129,425.00	\$107,973.15
Step Increase (~2%)	\$87,425.41	\$68,432.55
<b>TOTAL</b>	<b>\$216,850.41</b>	<b>\$176,405.70</b>

**Strategic Priorities:**

Priority: Operational Excellence

Goal: Goal 10: Position Southgate as a Leading Small, Rural Municipal Employer

Action Item: 10 a). Develop a Human Resources Plan for the Township to Formalize Staff Attraction and Retention Initiatives

**Attachments:**

List Attachments:

None