



**Meeting Date:** September 18, 2024

**Prepared By:** Michael Di Lullo, CAO

**Submitted by:**

**Report No:** CAO-24-2024

**Subject:** Cost of Living Adjustment for 2025

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**Recommendation:**

THAT Report CAO-24-2024 re: Cost of Living Adjustment for 2025 be received;

AND THAT the cost of living adjustment of two percent receives pre-budget approval for 2025 and applied to employee wages effective January 1 for the calendar year.

**Purpose:**

To update Council on planning ahead with respect to the Cost of Living Adjustment to municipal staff / council wages for 2025 as we commence the 2025 Budget process.

**Background:**

This report sets out the reasoning and justification and forecast approval of a two percent adjustment to the employee wage grid for next year, being 2025.

To prepare for the upcoming budget, the report is submitted to council directly for consideration so that there can be confirmation to help prepare and forecast when preparing the 2025 Budget.

**Analysis:**

The Consumer Price Index (CPI) represents changes in prices as experienced by Canadian consumers. It measures price change by comparing, through time, the cost of a fixed basket of goods and services.

According to Statistics Canada, the Consumer Price Index (CPI) rose 2.5% year over year in July.

Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/240820/dq240820a-eng.htm>

The Ministry of Municipal Affairs released the rent increase guidelines which are capped at 2.5% for 2025.

Source: <https://www.ontario.ca/page/residential-rent-increases>

Due to the annual change, it is proposed that a 2% cost of living adjustment be forecasted in the budget for 2025 which would apply to full-time, part-time, contract positions, including paid on call firefighters and council members, with the exception of employees who receive minimum wage, this is increased by the Province.

If council is amenable to this suggestion, the proposed 2025 Budget will have two percent earmarked as per the recommendation.

### Salary Grid Review

The Municipality completed a salary grid review in 2023 and all full-time positions are up-to-date. The remaining operation is the fire and emergency services department and a report was brought forward in August of this year to address grid updates and is also taken into consideration as part of the update to the salary grid review which is applicable to all staff.

### **Financial Implications:**

The financial impact of 2% on the wage grid equates to approximately \$180,000 which will be included in the draft budget.

### **Strategic Plan:**

This matter aligns with following strategic priorities:

- Responsive Municipal Government
- Balanced Growth

This change enables the municipality to plan ahead for the upcoming year remaining competitive and offering fair and equal remuneration in accordance with the rising prices taking effect.

### **Attachments:**

N/A