



Meeting Date: September 8, 2021

Submitted by: M. Di Lullo, CAO

Report No: CAO-19-2021

Subject: Cost of Living Adjustment for 2022

Recommendation:

THAT Report CAO-19-2021 re: Cost of Living Adjustment for 2022 be received;

AND THAT the cost of living adjustment of two percent receives pre-budget approval for 2022 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 wages for 2022.

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 2022.

Amidst the COVID-19 pandemic, Report CAO-39-2020 was approved to scale-back and adjust the cost of living for 2021. This purpose of this report is to reinstate two percent per year for the next two years, which is attributed to the rise in the consumer price index.

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 to 3.7% on a year-over-year basis in July, up from a 3.1% gain in June. On a monthly basis, the CPI rose 0.6% in July, the fastest pace since January 2021.

Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/210818/dq210818a-eng.htm>

Due to the annual change, it is proposed that two percent be proposed in the budget for 2022 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 2022 Budget will have two percent earmarked as per the recommendation.

Financial Implications:

The financial impact of 2.0% on the wage grid equates to approximately \$137,000 which will be included in the draft budget.

Strategic Plan:

This matter aligns with following strategic priorities:

- Balanced Growth

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

Attachments:

N/A