



Staff Report

Administration – Chief Administrative Officer

Report To: COW-Finance, Admin, Fire, Legal, Community Services
Meeting Date: January 9, 2023
Report Number: FAF.23.008
Title: Revisions to the Town's Compensation Administration Program Policy POL.COR.20.05
Prepared by: Shawn Everitt, Chief Administrative Officer

A. Recommendations

THAT Council receive Staff Report FAF.23.008, entitled "Revisions to the Town's Compensation Administration Program Policy POL.COR.20.05";

AND THAT Council repeal and replace the current Compensation Administration Program Policy POL.COR.20.05 as presented in this report;

AND THAT Council approve the range of Cost-of-Living Adjustment (COLA) to a minimum of 1.5% and to a maximum of 3% relative to the Canadian Consumer Price Index (CPI) annually based on the month of July CPI reporting.

B. Overview

The purpose of this report is to present options for Council to consider the setting of a range of the Cost-of-Living Adjustment (COLA) to provide clarity and consistency for decision making during the annual budget preparation and to recommend improvements to the current Corporate Policy.

C. Background

In July of 2020, Council approved Corporate Policy [POL.COR.20.05 – the Compensation Administration Program Policy](#) supported through [Staff Report FAF.20.095](#).

The Compensation Administration Program Policy outlines that annual Cost-of-Living Adjustments (COLA) to the non-union salary grid will be set to match the Canadian Consumer Price Index (CPI) as reported in September.

Since the establishment of this Policy and during the 2021 and 2022 budget processes, the adherence to the approved Policy has not been consistent. The lack of adherence to the Policy as written does create budgeting confusion along with frustration with the Policy not being consistently followed.

D. Analysis

Staff acknowledge and understand that COVID-19 has had a world-wide impact and has greatly impacted our own local economy and many within our community and region are still struggling with the volatile economy, and ever-increasing inflation impacts to our daily lives.

The Town also faces a highly competitive labour market, and the following two (2) Tables provide a snapshot of the previous COLA increases approved for the non-unionized Town staff as well as the 2022 Cost-of-Living Increases that our local comparators approved within their own budgets last year.

Table 1: 2018 – 2023 COLA for Non-Unionized Compensation Using September CPI

Year	End of September CPI of Previous Year	Approved COLA
2018	1.6% in Sept of 2017	1.5%
2019	2.2% in Sept of 2018	1.9%
2020	1.9% in Sept of 2019	1.75%
2021*	0.5% in Sept of 2020	0.50%
2022*	4.4% in Sept of 2021	1.62%
2023*	6.9% Sept of 2022	Staff recommending 3%

* Identifies years current Policy was in place.

Table 2: Using July CPI Compared to September CPI

Year	End of July CPI of Previous Year	+/- from Sept to July CPI	Approved COLA
2018	1.25% in July of 2017	-0.35%	1.5%
2019	3% in July of 2018	+0.8%	1.9%
2020	2% in July of 2019	-0.1%	1.75%
2021	0.1% in July of 2020	-0.4%	0.50%
2022	3.7% in July of 2021	-0.7%	1.62%
2023	7.6% July of 2022	+0.7%	Staff recommending 3%

Table 3: 2022 Grey County and Local Municipalities Non-Unionized Approved COLA

Municipality	Approved Cost of Living
County of Grey	1.62%
Chatsworth	4.7%
Clearview	1.8%
Collingwood	1.5%
Georgian Bluffs	2%
Grey Highlands	2.5%
Hanover	2%
Meaford	1%
Owen Sound	1.5%
Southgate	3%
Wasaga Beach	1.65%
West Grey	2%

Staff are recommending two (2) significant changes to the current Compensation Administration Program Policy:

1. Changing the Policy reference from the September CPI to the July CPI in order to provide earlier budgeting projections for the annual budget process.
2. Rather than leave the COLA to an open-ended percentage that has recently not been adhered to, staff suggest that a percentage range of 1.5% and 3% be set for the annual COLA.

The use of the percentage range simply allows staff to base the proposed COLA on July CPI as follows:

- The annual proposed COLA would reflect the actual July CPI percentage where that percentage is between a minimum of 1.5% and maximum of 3%.
 - For example, if the July CPI was 2%, staff would recommend a 2% COLA.

- Where the annual July CPI reflects a percentage that is lower than 1.5%, the Town's proposed COLA would result in a 1.5% increase proposal. For example, if the July CPI was 0.5%, staff would recommend the COLA at the minimum default of 1.5%.
- Where the annual July CPI reflects a percentage that is higher than 3%, the Town's proposed COLA would result in a 3% increase proposal. For example, if the July CPI was 6.9%, staff would recommend the COLA at the maximum default of 3%.

Staff suggest that the recommended Policy changes provide for effective decisions making while providing a range for Council and staff to budget within.

Staff have also provided recommended changes to sections of the policy that have been highlighted in Attachment 1 of this report, including the market place review cycle, the Salary Grid Administration and Rate of Pay Outside the Salary Grid that is in addition to the red circling section and the Administration section. Staff have provided these recommended changes as they provide improvements to the Policy and are recommended enhancements by our Human Resources Team.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

None.

G. Financial Impacts

The recommended revisions to the Town's Compensation Administration Program Policy POL.COR.20.05 provide an alternative method of budgeting for the annual COLA and additional Compensation Administration Management improvements.

H. In Consultation With

Senior Management Team

Manager of Human Resources

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Shawn Everitt, Chief Administrative Officer cao@thebluemountains.ca.

J. Attached

1. Draft Compensation Administration Program Policy POL.COR.23.XX

Respectfully submitted,

Shawn Everitt
Chief Administrative Officer

For more information, please contact:
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Report Approval Details

Document Title:	FAF.23.008 Revisions to the Town's Compensation Administration Program Policy POL.COR.20.05.docx
Attachments:	- Attachment-1-Draft-Compensation-Administration-Program-Policy-POL-COR-23-XX.pdf
Final Approval Date:	Dec 22, 2022

This report and all of its attachments were approved and signed as outlined below:

Shawn Everitt - Dec 22, 2022 - 9:00 AM