



Staff Report

Report No.: CPS-44-2018
Meeting Date: December 19, 2018
Submitted by: Tiffany Farrell, Director of Corporate Services
Subject: Cost of Living Adjustment 2019

Recommendation:

That the Municipal wage grid be adjusted by a cost of living increase of 2% for 2019.

FURTHER THAT, the cost of living adjustment receive pre-budget approval and applied to employee wages effective January 1, 2019.

Purpose:

To obtain direction from Council on the cost of living adjustment for 2019.

Background:

Each year, the municipal comparators are contacted to collect information on their cost of living adjustment. This information is then provided to Marianne Love who provides a report to the Municipality and also recommendation for the cost of living adjustment for Middlesex Centre.

Analysis

Attached please see report provided by Marianne Love.

Financial Implications:

The financial impact is a 2% increase on the wage grid, which would be included in the draft budget for 2019.

Strategic Plans:

N/A

ML Consulting

December 6, 2018

PRIVATE AND CONFIDENTIAL

Ms. Tiffany Farrell CPA, CA
Acting Chief Administrative Officer
Municipality of Middlesex Centre
10227 Ilderton Road
RR#2 Ilderton, On N0M 2A0

Dear Tiffany,

RE: MARKET ADJUSTMENT PROJECTION FOR 2019

This letter outlines findings and recommendations relating to the 2019 market adjustment for the Municipality of Middlesex Centre Salary Grid.

Council adopted a compensation policy in 2011 that requires Council to consider annual market adjustments to the salary grid having regard to the average projected/budgeted market adjustment for the comparator group used in the 2011 compensation review and published survey data.

In 2018, the Municipality adjusted the salary grid by 1.7% having regard to the survey findings and recommendation.

The comparators used for the 2018 market review were surveyed to determine the 2019 projected/budgeted salary grid adjustments. The Municipality of Middlesex Centre collected the 2019 projected/budgeted market adjustment data. All respondents are providing an increase for 2019.

Based on the data received, the 2019 projected salary grid adjustment for the participating municipalities ranges from 1.5% to 2.29% with an average of 1.84% and a median of 1.89%; the County is projecting 2%. A copy of the market adjustment analysis is shown in **Appendix A**.

The 2019 salary planning surveys project slightly higher base salary increases in 2019 over 2018 (AON: 2.8%; Mercer: 2.5%. OMERS published CPI increases for 2019 at 2.29% based on increases noted October 2018 over October 2017. Attraction and retention of senior management and some professional positions continue to pressure municipalities, local boards and public libraries to retain market competitive jobs rates. The ability to pay and locally negotiated or arbitrated 2019 increases with union groups in the municipal sector will remain a strong influence in setting non-union rates for 2019.

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In summary, having regard to both local area municipal projections and published survey data it is recommended that the salary grid be adjusted by **2.0% for 2019** with full step movement based on successful performance.

Yours truly,

A handwritten signature in black ink, appearing to read "Marianne Love". The signature is written in a cursive style and is enclosed within a faint, light-colored rectangular border.

Marianne Love
ML Consulting

Attachment: Appendix A--Market Adjustment Projections for 2019

**Municipality of Middlesex Centre
Market Adjustment Projections for 2019**

Municipal Comparator	Projected % increase for 2019	Notes
1 Tilsonburg, Town of	1.5%	
2 Central Elgin, Township of	1.5%	
3 Lambton Shores, Municipality of	2%	
4 Middlesex, County of	2%	
5 North Perth, Municipality of	1.89%	
6 Essex, Town of	1.5%	
7 South Huron, Municipality of	2.2%	
8 Kingsville, Town of	2.29%	(based on OMERS COLA)
9 Strathroy-Caradoc, Municipality of	2%	
10 Thames Centre, Municipality	1.5%	

Average	1.84%
Median	1.9%
Minimum	1.5%
Maximum	2.29%