



Corporation of the Municipality of Temagami

Memo No.
2024-M-174

Memorandum to Council

Subject:	Staff Bonus Recommendation
Agenda Date:	October 10, 2024
Attachments:	

RECOMMENDATION

BE IT RESOLVED THAT Council approve a one-time bonus for all current municipal staff, equivalent to what a retroactive 3.9% COLA adjustment would have provided from the first pay period of the year to the effective date of Pay Period 20.

AND FURTHER THAT this bonus will be exclusively available to employees who are actively employed as of Pay Period 20. It will not be extended under any circumstances to former employees, individuals who have resigned or been terminated, or anyone not currently on the municipal payroll at the time passing the Resolution 24-433.

PURPOSE

The purpose of this report is to request Council's approval for a one-time bonus for all current staff, based on what a retroactive 3.9% Cost of Living Adjustment (COLA) would have provided if applied from the first pay period of the year. This bonus is intended to address concerns related to inflationary pressures and to promote staff retention.

BACKGROUND

At a recent Council meeting, Resolution 24-433 was passed to implement a 3.9% COLA effective from Pay Period 20. During the discussions, Council acknowledged the importance of adequately compensating staff in light of the rising cost of living and challenges related to staff retention. It was also noted that previous COLA adjustments had been applied retroactively from the first pay period of the year.

The Municipality has experienced turnover among its staff, with several employees citing compensation as a key factor in their decision to leave. This proposed one-time bonus would address the gap between the first pay period of the year and Pay Period 20, offering financial relief to current staff facing increased living costs

FINANCIAL CONSIDERATIONS

The Municipality's budget was prepared with contingencies in mind, accounting for potential increases, including overtime and unforeseen staffing costs, with a 10-20% buffer. The proposed bonus, calculated as the difference between what the 3.9% COLA would have provided had it been applied retroactively, can be absorbed within this contingency. Therefore, it is expected that this bonus will not result in additional financial strain

RATIONALE

- **Staff Retention:** One of the key issues raised during the Council meeting was the ongoing challenge of staff turnover, largely attributed to compensation concerns. By providing a one-time bonus equivalent to a retroactive 3.9% COLA adjustment, the municipality signals its commitment to valuing staff contributions. This recognition can foster a stronger sense of loyalty and encourage employees to remain with the organization.
- **Cost of Living:** The rising cost of living has significantly impacted our employees, and they have shouldered this burden since the beginning of the year. Previous retroactive COLA adjustments have helped alleviate some of this financial pressure. Offering this bonus would demonstrate that the municipality understands and acknowledges these challenges, supporting employees during difficult economic times.
- **Turnover Costs:** The financial implications of turnover are considerable. When employees leave, the associated costs can reach 150-200% of an employee's annual salary, encompassing separation, recruitment, onboarding, and lost productivity. These costs far exceed the investment required for retention strategies, such as the proposed bonus. By prioritizing staff retention through this financial incentive, the municipality not only reduces turnover costs but also maintains a more stable and effective workforce.

Respectfully submitted

Laala Jahanshahloo