



Corporation of the Municipality of Temagami

Memo No.
2018-M-063

Memorandum to Council

Staff
 Committee

Subject: Impact of Minimum Wage Increase

Agenda Date: October 18, 2018

Attachments:

RECOMMENDATION

That Council receive Memo 2018-M-063 regarding the impact of the minimum wage increase and further that Council approves a 5.74% increase to the salary/wage grid effective January 1, 2018, which would ensure that all of the rates included on the grid comply with the minimum wage standard.

INFORMATION

Council received Memo 2018-M-014 on March 22, 2018. This memo recommended a phase in of the impact of the minimum wage increase over an unspecified number of years. The supporting calculations were based on the effect of minimum wage moving from \$11.60 to \$14.00 per hour.

If, instead, the wage structure that is presently in effect is examined, there is one category where our present approved wage rate is below the new standard of minimum wage. That rate is presently \$13.24 per hour. If the impact is based on bringing this wage rate to the new standard, the difference that would require adjustment equates to \$0.76 per hour or 5.74%.

With the principals of Pay Equity, it is also important that the various wage categories within a unit are adjusted at the same rate to ensure equity remains. As such, this 5.74% would be applied to the other categories on the non-union wage grid maintained by the Municipality. (Please note that each bargaining unit have their own pay equity requirements).

In January 2018, the stated CPI for the past year was 1.7%. As the suggested increase is more than the stated CPI, the Cost of Living Adjustment could be considered to be within the increase through minimum wage.

It is estimated that the effect of this increase, based on the maximum levels of each wage position, would be \$43,000. Included in the 2018 Annual Budget is \$30,000 for future wage increases. The remaining \$13,000, and the effect of the increase in statutory benefits would be funded through the budget surpluses created as some positions have sat vacant for periods of 2018.

While the recommendation is for the grid to be adjusted effective January 1, 2018, Council does have the option of moving the effective date to April 1, 2018 which would correspond to the increase in the minimum wage and also have the effect of ensuring any COLA would also be met.

Further increases in minimum wage are yet to be confirmed by the new Provincial Government. These can be reviewed when known and recommendations to ensure that any changes in this standard and our policies are both respected can be made at that time.

Prepared by:

Reviewed by:

Craig Davidson, Treasurer/Administrator

Name, Position

Name, Position

On behalf of:

Name of committee if applicable