

To: Policy Board

From: Matt Hart, Executive Director

Meeting Date: March 23, 2022

CC: P. Yoder

Subject: FY 2022/23 Cost of Living Adjustment for Regular Staff

Background: Staff recently discussed this topic with the Personnel & Finance Committee in the context of CRCOG's FY 2022/23 Operating Budget. The general consensus of the committee was in support of a Cost of Living Adjustment (COLA) adjustment of no more than 3% for next fiscal year.

Over the last five years, CRCOG has set the employee COLA at a level consistent with the Bureau of Labor Statistics Consumer Price Index (CPI) Inflation Calculator from February to February (https://www.bls.gov/data/inflation_calculator.htm). The annual COLA that CRCOG has awarded has averaged 2% during that time frame.

This past year, however, the CPI has increased precipitously to 7.9%. Consequently, I feel that a higher COLA would be appropriate, and believe that 3% would strike the appropriate balance to assist our employees with absorbing inflationary costs while mitigating the financial impact on our member municipalities. (Please note that the COLA would not apply to me in the role of Executive Director.)

Benefit to Member Towns/CRCOG: As stated above, awarding a 3% COLA in FY 2022/23 would help compensate employees for their increased costs while managing the impact on our taxpayers. Recruitment and retention are issues for all employers today, and CRCOG is no exception. We want to continue to attract talented staff and to retain them long-term.

Financial Impact: A 3% COLA would increase operating costs by \$58,293 in FY 2022/23. The Policy Board would not need to increase member dues next fiscal year to accommodate this adjustment.

Recommended Action: For the reasons stated above, I recommend that the Board authorize me to award staff a 3% COLA for FY 2022/23.

If the Board concurs with this recommendation, the following motion would be in order:

Move, to authorize the Executive Director to award a 3% cost of living increase for CRCOG employees, effective July 1, 2022.