

AGENDA # K.4
Scio Township Board of Trustees
Authorization of Cost-of-Living Adjustment (COLA) for Eligible Employees effective April 1, 2024.

FOR MEETING DATE OF: March 19, 2024

PREPARED ON: 03/13/2024

PREPARED BY: Aurora Northrup

SUBMITTED BY: Human Resources

ITEM TYPE: Possible Action

BACKGROUND:

The Township Policy on Cost-of-Living Allowance (COLA) adopted in spring 2020 is as follows:

"A COLA increase applies to wages only, and not to on-call or other incentive pay. If the BOT awards COLA increases, they will be awarded to all regular full-time employees, and all temporary employees with regularly scheduled shifts, except for those employees entitled to increases under a collective bargaining agreement. COLA increases will not be awarded to elected officials. The Compensation Commission recommended increases for elected officials effective April 1, 2024.

"All employees eligible for a COLA increase will be given the same percentage increase and the awards will be made effective at the beginning of the Fiscal Year."

It is not recommended that probationary employees receive the COLA increase until completing their probationary period and approved by the board of trustees.

The data used for the calculation of change is from the US Bureau's of Labor Statistics Consumer Price Index, as averaged by the State Tax Commission, to Calculate Inflation Rate Ration for 2024 Property Taxes. This reports a 5.1% inflationary rate. The capped value to be used for property values in the assessor notification is 5.1%. This method has been used for calculating the COLA recommendation since 2022.

The history of board approved COLA is as follows:

<u>Year</u>	<u>% of COLA</u>
2014	5.0%
2015	5.0%
2016	3.0%
2017	3.0%
2018	2.0%
2019	3.0%
2020	0.0%
2021	2.8%
2022	3.3%
2023	7.9%

FISCAL IMPACT: \$104,476.24 in the FYE 2024/25 Budget, across General, Fire, Parks, Water, and Sewer funds. Subject to approval of completion of employee's probationary period.

RECOMMENDATION: Township Manager and HR Generalist recommend approval of Cost-of-Living Allowance increase of up to 5.1% based on a determination of the Board of Trustees.

MODEL MOTION:

To authorize, effective April 1, 2024, a Cost-of-Living Allowance increase of __%, in wages only, and not to on-call or other incentive pay, to all regular full-time employees and all temporary employees with regularly scheduled shifts, except for those employees entitled to annual increases under a collective bargaining agreement. All probationary employees will receive the COLA increase after completing their probationary period and approved by the board of trustees. This increase shall not be awarded to elected officials.

Fiscal Impact: 3% =\$61,819.80. 5%= \$104,476.24.

ATTACHMENTS:

[MI STC Inflation Rate Multiplier Bulletin.pdf](#)