
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: MATT ANASTASIA, FINANCE DIRECTOR
SUBJECT: DISCUSSION: FISCAL YEAR 2024-2025 SALARIES & WAGES - COLA
AGENDA: DECEMBER 5, 2023
DATE: NOVEMBER 29, 2023

ISSUE

Shall the Village discuss the FY2024-2025 Salaries & Wages regarding COLA.

DISCUSSION

Last year, the Village Board went through an extensive salary schedule update to all positions within the Village. In addition, the Village Board also approved new 3-year contracts for the Sergeants and Patrol unions. In FY2022-2023 the CPI for December 2021 was 7%, but at the time we had two current Union contracts with increases for Sergeants (2.90%) and Patrol (2.75%), respectively. The normal practice for the Village Board had been to give the average of the two contracts if there were current contracts in place, therefore, the non-represented employees received a 2.825% COLA increase. In FY2023-2024, while we were in the process of this salary plan update, the December 2022 CPI was 6.5%. The Union contracts were approved in December 2022, each with 4% increases annually. Non-represented employees were placed at their respective levels in the new salary plan, which was also adjusted for a 4% COLA when implemented.

The most recent CPI data available is for October 2023 at 3.21%. [The Bureau of Labor Statistics- indicates the cost of living increased 3.7% from September 2022 to September 2023. Social Security increases for 2024 are 3.2%.](#) The current union contracts are 3 years in term, with 4% increases annually. Fiscal year 2024-2025 is year 2 of the contracts, the Sergeants and Patrol will receive 4% COLA, in addition to their respective steps, if applicable.

Staff is recommending continuing the practice of keeping the COLA increases for all employees the same, with a 4% COLA increase for FY2024-2025.

COST

The Village's current Salaries & Wages schedule has annual step increases for each position. Below is a schedule of the additional cost for each 1% of COLA increase:

- **0% - \$114,901 Total** - \$94,195 General Fund & \$20,705 Water Fund
- **1% - \$130,483 Total** - \$103,295 General Fund & \$27,188 Water Fund
- **2% - \$146,064 Total** - \$112,393 General Fund & \$33,671 Water Fund
- **3% - \$161,645 Total** - \$121,491 General Fund & \$40,154 Water Fund
- **4% - \$177,226 Total** - \$130,590 General Fund & \$46,636 Water Fund

These costs include all contractual increases for Patrol and Sergeants as well.

RECOMMENDATION

The Village Board discuss and approve COLA increases to the Salaries & Wages schedule for FY2024-2025