

COUNCIL REPORT

Meeting Date: March 17, 2025
Department: Human Resources
Report No.: HR-2025-07
Prepared by: William Versloot, Human Resources Generalist / Payroll
Submitted by: Doug Payne, Director of Human Resources
Approved by: Rob Browning, Chief Administrative Officer
SUBJECT: **2025 Compensation Adjustments for Elected Officials and Non-Union Staff**

RECOMMENDATION:

THAT: Report HR-2025-07 regarding “2025 Compensation Adjustments for Elected Officials and Non-Union Staff” be received for information, and further;

THAT: Council acknowledge the 2025 step advancements for non-union staff and approves expenditures related to the Cost-of-Living rate increase (COLA) for the non-union salary grid Bands 2-10 and council remuneration at 3.75% effective January 1, 2025, and further;

THAT: Council approve the wage adjustment to Band 1 of the wage grid as proposed in this report to account for the increase in minimum wage over the past years and to solidify the Municipality as an employer of choice in our community for new and young workers, and further;

THAT: Council be aware that Staff will update the non-union benefit plan to match the enhancements provided in the most recent union contract.

BACKGROUND:

Historically, Non-Union staff have received the same or similar cost-of-living increases and benefits as the unionized employee group, which is in line with By-law 62-07 – Administration and Personnel Management Policy.

At the February 18, 2025, Council meeting, Council approved the Minutes of Settlement staff negotiated with the Union, ratifying a new agreement between the two parties for the period of January 1, 2025 to December 31, 2028. A 3.75% cost-of-living increase is included in the agreement effective January 1, 2025. Also included in the Minutes of Settlement are benefit increases, including:

- Increase in the vision benefit from \$475 to \$525 per 24 months.

- Increase in the psychological benefit from \$750 to \$775 per calendar year.
- 100% Employer-paid LTD premiums (previously 50% employer paid)
- Increase in On Call pay from \$30 to \$35 per day.
- Vacation improvements:
 - o 3 weeks' vacation at 1 year (previously 3 years)
 - o 6 weeks' vacation at 24 years (previously provided 1 bonus week after 24th anniversary for that year only)
- Bereavement leave enhancements

At the February 3, 2025, Council meeting, Council adopted the 2025 budget. Included in the 2025 budget, an estimated cost-of-living adjustment equal to 3.00% was applied to all positions, union and non-union.

Additional information:

- 2024 COLA increase for non-union staff was approved by Council at 2.00%
- Band 1 of the salary grid is used for part-time and student positions.
- Increases in Ontario's minimum wage have outpaced the Municipality's COLA increases over the past few years resulting in Step 1 of Band 1 on our wage grid being, at times, below the legislated minimum wage. HR/Payroll has adjusted the rates for staff members who are at Step 1 of Band 1 to the legislated minimum wage in order to comply with the law.

COMMENTS:

Inflation

The Consumer Price Index (CPI) represents changes in prices as experienced by Canadian consumers. It measures price change by comparing, through time, the cost of a fixed basket of goods and services.

According to Statistics Canada, the average annual change in the Consumer Price Index (CPI) for 2024 was 2.4%. The following chart shows the increases provided to Non-Union staff versus the average annual CPI increase over the past four years:

Year	COLA applied to Non-Union Wage Grid	CPI*	Difference
2021	2.0%	3.4%	-1.4%
2022	1.75%	6.8%	-5.05%
2023	2.5%	3.9%	-1.4%
2024	2.0%	2.4%	-0.4%

*Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/250121/cg-b001-eng.htm>

As a result of the annual change in CPI and the cost-of-living increase negotiated with unionized employees, staff are proposing that a 3.75% cost of living adjustment be applied to Bands 2 – 10 of the Non-Union Wage Grid. Please see 'Band 1 Adjustment' below for the proposed increase to part-time and student wages.

Subject to Council approval, a 3.75% increase will be applied to Bands 2 – 10 of the wage grid as per the recommendation.

Band 1 Adjustment

In order to account for the increases in minimum wage over the past few years and to solidify the Municipality as an employer of choice in our community, Staff are proposing to adjust Band 1 as follows for 2025:

2024 Band 1:

Band (points)	Steps					Job Rate 100%
	1 80%	2 84%	3 88%	4 92%	5 96%	
1 (154 - 229)	\$ 17.20	\$ 17.67	\$ 18.52	\$ 19.36	\$ 20.20	\$ 21.04

**Band 1, Step 1 was adjusted from \$16.83 to \$17.20 to comply with the Ontario Minimum Wage increase effective October 1, 2024.*

Proposed 2025 Band 1:

Band (points)	Steps					Job Rate 100%
	1 80%	2 84%	3 88%	4 92%	5 96%	
1 (154 - 229)	\$ 17.75	\$ 18.64	\$ 19.53	\$ 20.41	\$ 21.30	\$ 22.19

Staff anticipate this increase will position Band 1 of the Wage Grid ahead of the expected minimum wage increase set for October 1, 2025.

This adjustment represents a 5.47% increase in the Band 1 wages, which will be applied to all part-time and student positions for 2025, pending Council's approval.

Benefit Enhancements

In line with By-law 62-07, Staff will update, effective February 18, 2025, the non-union benefit plan as follows:

- Increase in the vision benefit from \$475 to \$525 per 24 months.
- Increase in the psychological benefit from \$750 to \$775 per calendar year.
- 100% Employer-paid LTD premiums (previously cost shared at 50/50) (starting in the month of April)

Staff will increase the On Call rate from \$30 to \$35 per day for non-union employees, effective January 1, 2025.

Staff will bring a separate report forward at a future Council meeting, updated policies for Vacation and Bereavement which will include the enhancements made in the most recent union contract.

CONSULTATION:

- Chief Administrative Officer
- Human Resources Generalist / Payroll
- Director of Human Resources
- Director of Finance and Information Technology / Treasurer

FINANCIAL IMPLICATIONS:**Non-Union Staff**

	2025 with 3.75%
Number of Staff (2024)	48 (48 in 2024)
Number of Staff at Job Rate in 2025 (2024)	28 (18)
Number Eligible for Step Increase – Cost	30 – \$99,417.20 <i>(Budgeted at 3% = \$83,366.12 Difference = \$16,051.08)</i>
COLA Rate Increase - Cost	\$155,595.58 <i>(Budgeted at 3% = \$141,616.67 Difference = \$13,978.91)</i>
Part-Time Wages	5.47% Increase

Council

	2025
Number of Council Members	9
COLA Increase - Cost	\$8,902.72 <i>(Budgeted at 3% = \$7,122.18 Difference = \$1,780.54)</i>

At 3.75%, the increase to the 2025 Operation Budget compared to the budget passed by Council is \$31,810.53. Staff are confident this increase will be absorbed through existing vacant positions (Director of Building, By-Law and Planning, Manager of Building Services/CBO, and Communications Coordinator) that were included in the 2025 budget.

ALTERNATIVE(S) TO THE RECOMMENDATION:

1. Council to provide alternate direction.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities:

Economic Development, Industry, and Jobs: Strathroy-Caradoc will have a diverse tax base and be a place that offers a variety of economic opportunities to current and prospective residents and businesses.

Managing the Challenges of Growth for the Municipal Organization: Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources. We are committed to maintaining operational efficiency and economies of scale through these times of change.

ATTACHMENTS:

None