



The Corporation of the Town of Tecumseh

Chief Administrative Officer - People & Culture

To: Mayor and Members of Council

From: Michelle Drouillard, Director People and Culture

Date to Council: Tuesday, August 12, 2025

Report Number: CAO-PC-2025-06

Subject: Non-Union and Council Economic Salary Adjustment 2025

Recommendations

It is recommended:

That CAO-2025-06 entitled “Non-Union and Council Economic Adjustment for 2025” **be received;**

And that an annual economic adjustment for 2025 of 3.0% **be approved**, effective January 1, 2025, for the Management and Non-union Administrative Staff Wage Grid, in accordance with the Compensation and Salary Administration Policy No. 67;

And further that an annual economic adjustment for 2025 of 3.0% **be approved** for all Elected Official positions, in accordance with By-Law No. 2006-84, as amended by By-law No. 2023-116, being a by-law to provide for the remuneration of Members of Council;

And furthermore, that \$51,000, being the total economic adjustment in excess of the 2% allocation included within the 2025 Approved Budget, for the Management and Non-union Administrative Staff and all Elected Official positions, **be funded** from the Town’s Tax Rate Stabilization Reserve.

Background

The Compensation and Salary Administration Policy No. 67 (Policy) provides the framework for the annual compensation to be paid to the Management and Non-union Administrative Staff.

The Policy stipulates that an annual economic adjustment will be made upon approval by Town Council and reflected in the Wage Grid.

In each year, an adjustment to the Wage Grid will be made, to be effective January 1st, and in doing so shall be made taking into consideration:

- The annual economic adjustment based on the Consumer Price Index (CPI) year over year
- The OMERS annual increase
- Municipal comparators' general average percentage increase
- The average/median range adjustments for Municipalities/Public Sector employers
- Negotiated increases with the Local Bargaining units, and
- Financial capabilities

Comments

The Wage Grid for the Non-union Management Group was approved by the Personnel Committee on December 10, 2024, based on a compensation review undertaken by an external consultant in that same year. The Wage Grid is comprised of eleven (11) classification levels, with each of the classifications having five (5) salary steps. The Wage Grid is adjusted annually based on the Council approved economic adjustment.

Section 9.1 of the Policy provides that a salary survey and evaluation will be conducted to review the Management and Non-union Administrative Staff Salary Schedule, every three (3) to five (5) years, relative to market comparators and comparable positions in both the public and private sectors. This group of employees is generally referred to as the non-bargaining unit (NBU).

Economic Adjustment

According to Statistics Canada, the Ontario Consumer Price Index (CPI) increase for average of the last four years was 4.25%. This past year CPI has decreased to 2.4%. OMERS announced that pensions will increase by 4.42% in 2024 and 2.61% in 2025. Inflationary data over the past four years has been higher than the NBU economic adjustments provided to NBU as they matched the CUPE contracts at 2%.

The Collective Agreements with all four CUPE Locals 702.1 which settled in June 2025 included a 6.25% increase retroactive to January 1, 2025.

Regionally, the Town's comparators have mainly matched their NBU economic increases to their labour contracts. Increases for 2024 and 2025 have ranged from 2.5% to upwards of 5% excluding market studies. The Town as well has historically matched labour settlement

increases with NBU economic increases. For the Town to provide a fair increase to NBU employees and remain competitive with municipal market comparators an economic increase for 2025 will need to be approved in excess of the 2% increase in the approved 2025 budget.

Considering the above factors in accordance with the Policy for the non-union management group, it is recommended that an economic increase of 3% be approved for the NBU retroactive to January 1, 2025.

Grid Advancement Based on Performance

Evaluations are carried out annually for each Management and Non-Union Administrative Staff on their respective achievement of objectives, recognized job performance and productivity in relation to certain established criteria and organizational objectives.

Step increases for 2025 were completed in October 2024 and accounted for in the 2025 budget. Step increases will be recommended by Directors, for their respective management and non-union support staff, and the Chief Administrative Officer, for all Directors, who are not currently at job rate as of January 1, 2026.

Council

By-law No. 2006-84, as amended by By-law No. 2023-116, sets out the annual salary for the Mayor and Members of Council and provides for an annual salary adjustment equal to the economic adjustment awarded to non-union employees of the Corporation and that:

“The economic adjustment for the Mayor, Deputy Mayor and Councillor positions in 2024, and future years, be varied to normalize the base pay for the three positions in order to be more aligned with the comparator practice and the 65th percentile: 100% of the economic adjustment for the Mayor, Deputy Mayor, Councillors.”

Consultations

Chief Administrative Officer
Financial Services

Financial Implications

The 2025 Approved Budget included a provisional 2% increase to non-unionized (NBU) employee wages, consistent with prior years. Administration recommends funding the 2025 budget shortfall through the Town's Tax Rate Stabilization Reserve.

- The estimated increase to wages for 2025 is \$153,000, with \$102,000 already factored within the 2025 Approved Budget. Administration recommends funding for the 2025 increase in excess of the budget allocation (\$51,000) from the Town's Tax Rate Stabilization Reserve.

- For 2026 Budget purposes, the 2025 increase in excess of the budget allocation of \$51,000, will represent a 0.17% increase to the General Tax Levy, subject to Council deliberations for the 2026 budget.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input checked="" type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Michelle Drouillard, BA Hons., CHRL
Director People & Culture

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None