



Working together with our community

## Budget Committee Meeting – October 16, 2025

Subject: 2026 Non Union Economic Increase  
Report Number: CAO-25-088  
Division: Office of the Chief Administrative Officer  
Department: Human Resources  
Ward: All Wards  
Purpose: For Decision

---

### Recommendation(s):

That report CAO-25-088, 2026 Non Union Economic Increase be received as information; and

That Norfolk County Council approve a 3% economic increase for Non Union staff effective January 1, 2026.

### Executive Summary:

Competitive compensation plans are essential as Norfolk County competes to attract and retain competent staff. Staff have incorporated a 3% increase for all Non Union staff into the 2026 Operating Budget to mirror the economic increases recently bargained and approved for CUPE Local 4700 for 2026 and is in line with cost of living increases of our municipal comparators.

### Discussions:

As part of the Talent Management Strategy, Norfolk County Council endorsed, in principle, the 60<sup>th</sup> percentile of the approved municipal comparator group as the County's overall target pay position for all Norfolk County employees.

Although the exact number for cost of living increase will not be known until mid-October, online sources suggest that the most recent prediction for the 2026 cost of living increases in Ontario is 2.7%. This is based on factors like inflation, wage growth, and the rising costs of essential goods and services. Salary increases are also expected to align with this trend, with projections indicating an average of 3.1% for 2026.

In a recent 2026 Cost of Living Adjustment (COLA) Survey, municipalities are either proposing or have included non-union COLA increases ranging from 3% to 3.5% for 2026.

When comparing the historic Norfolk County COLA amounts to the Ontario Consumer Price Index, the CPI increases have outpaced COLA amounts by approximately 7% over the past decade. The Ontario Minimum Wage has increased by 33% more than the Norfolk County COLA over the same time period. The ongoing pressures of alleviating wage compression and competing in an expanding job market will continue to drive reviews within the salary grid structure throughout the year.

Year	Norfolk County		Ontario CPI Excluding Energy		Ontario Minimum Wage <sup>2</sup>	
	Non Union COLA	Indexed Impact	CPI Increase	Indexed Impact	Minimum Wage Increase	Indexed Impact
2025	3.00%	123.37	2.88% <sup>1</sup>	130.81	2.33%	156.44
2024	3.00%	119.78	2.50%	127.15	10.97%	152.89
2023	3.25%	116.29	4.35%	124.04	0.00%	137.78
2022	2.00%	112.63	5.66%	118.87	8.01%	137.78
2021	1.00%	110.42	2.54%	112.50	0.70%	127.56
2020	1.00%	109.33	1.25%	109.71	1.79%	126.67
2019	2.00%	108.24	2.25%	108.36	0.00%	124.44
2018	2.00%	106.12	2.23%	105.97	20.69%	124.44
2017	2.00%	104.04	1.64%	103.66	1.75%	103.11
2016	2.00%	102.00	1.99%	101.99	1.33%	101.33
		100.00		100.00		100.00

<sup>1</sup> 2025 CPI Excluding Energy through August 2025 as per Stats Canada

<sup>2</sup> Ontario Minimum Wage based on amount effective October 1 of the given year

Staff have incorporated a Non Union economic increase of 3% effective January 1 in the 2026 operating budget. This increase is reflective of our neighboring municipalities and aligns with the Council approved economic increase for our CUPE bargaining unit for 2026.

### Finance Comments:

The ongoing non-union staffing complement represented approximately \$21.5 million of the salaries and benefits expense in the 2025 Levy Operating Budget and \$1.6 million of the expense in the 2025 Rate Operating Budget.

A 3.0% cost of living adjustment effective January 1, 2026 results in an expense increase of approximately \$684,000 in the 2026 Levy Operating Budget and \$48,000 in the 2026 Rate Operating Budget. Of the levy impact, approximately \$42,000 of the expense occurs in fully funded departments. Additionally, some of the levy impact would be subject to partial funding and cost share agreements, reducing the net levy impact.

For the average assessed residential property, the levy budget impact is estimated at an annual increase of \$17.09 per year, or \$1.42 per month. This estimate is for context only. It is based on the current average assessed residential property and does not reflect potential changes in assessment values or education tax rates for 2026. Actual impacts will vary depending on individual property assessments and tax classes.

#### **Interdepartmental Implications:**

The Finance team will incorporate the non union economic increase in the 2026 budget and the Human Resources team will be responsible for the calculation and issuance of economic adjustments as outlined in this report.

#### **Consultation(s):**

The senior leadership and financial services team were consulted in the drafting of this report.

#### **Strategic Plan Linkage:**

Serving Norfolk - ensuring a fiscally responsible organization with engaged employees who value excellent service

#### **Attachment(s):**

- None

#### **Approval:**

Approved By:  
Al Meneses, CAO

Prepared By:  
Erin Anderson,  
Director, Human Resources