



March 16, 2026

Mayor Olivia Chow,
100 Queen Street West, 2nd Floor
Toronto, ON M5H 2N2

Sent via E-Mail: mayor_chow@toronto.ca

RE: Inequitable 2026 Cost-of-Living Adjustment (COLA) for Non-Union Employees

COTAPSA represents over 7000 non-union City of Toronto employees across all wage grades and Divisions. We previously wrote to you outlining our concerns with recent decisions related to the COLA increment approved for non-union employees.

At its meeting in February 2025, City Council delegated authority to the City Manager to establish COLA for non-union employees:

City Council direct the City Manager to establish the cost-of-living adjustment rate for non-union and management employees following the ratification of the collective bargaining agreements for CUPE Local 416 and CUPE Local 79, that takes into consideration the recently approved collective agreements with the City's unions; the previous year's average increase to Toronto's consumer price index (CPI); and the overall economic environment (CC 27.1(24) – adopted by Council on February 11, 2025).

We have several issues with the recent decision to award non-union staff a 1% COLA increase, which we feel contradict the direction provided in this Council decision. Our concerns are well documented and can be summarized as follows:

- There remains a disparity between COLA adjustments for non-union staff and those approved for unionized staff and Councillors;
- COLA approved for non-union staff does not take into consideration the rate of inflation/Consumer Price Index (CPI), which currently stands at 2.3%;
- The City of Toronto remains significantly behind the COLA other GTA municipalities have approved for their non-union staff; and
- Unjustly using Pay-for-Performance increases as a reason for a lower COLA.

While consistently approving non-union COLA below the rate of inflation has significant financial impact on employees, it also has negative consequences to the City of Toronto.

Having a group of employees who feel undervalued and underappreciated is not conducive to fostering a highly motivated workforce. Non-union employees are entrusted to advance Council-directed strategies and priorities and to lead the delivery of programs and services to meet the unique challenges of a diverse citizenry. In addition, they are also tasked with finding efficiencies and

improvements in programs and services, while taking on added responsibilities, particularly during the current hiring slowdown.

The City continues to lag other municipalities which consistently approves higher COLA and Pay-for-Performance or “Automatic Step Increases” to the salaries of non-union employees. The City takes great pride in offering “an exceptional place to work where employees feel valued, respected, and empowered”. This statement loses meaning when employees do not experience fair and equitable treatment where COLA is concerned. The City also advertises its award for being voted one of Greater Toronto’s Top Employers. Many non-union employees would argue that this does not reflect reality.

Consistently higher COLA for unionized employees relative to non-union employees has resulted in wage compression. There are many instances where non-union employees earn less than the unionized employees they supervise.

The City should be concerned that its decisions on non-union COLA will continue to make it difficult to attract the highly experienced and professional employees required to deliver the programs and services Toronto citizens deserve and demand. Many potential candidates will quite simply look elsewhere. Some of the City’s most experienced employees have already left by accepting positions with other municipalities where the value of their work is recognized.

COTAPSA questions whether the small savings from a 1% COLA increase are worth the harmful impacts this decision will have on the morale of non-union employees and their relationship with the City. We have been told that the COLA decision was based on the financial pressures of the City. We have estimated that the difference between a 1% and 2.5% COLA is approximately \$10.5 million or .11% of the City’s \$18.9 billion operating budget.

Our Members deserve your personal attention and commitment to addressing our concerns. We are requesting a meeting with yourself, the City Manager and Chief Financial Officer to discuss potential solutions to address the long-standing concerns outlined in our letter(s).

Thank you for your consideration

Sincerely,



Mike Major
Executive Director

CC:

Tobie Mathew Acting Chief People Officer (Tobie.Mathew@toronto.ca)
Paul Johnson, City Manager (paul.r.johnson@toronto.ca)
Stephen Conforti, Chief Financial Officer (Stephen.Conforti@toronto.ca)

Appendix 1. COLA Adjustments from 2020-2026

Year	CPI	Councillors	L79	L416	Non-union
2020	0.7	0	1.0	1.0	0
2021	3.4	0	1.0	1.0	0
2022	6.8	2.85	1.0	1.0	1.0
2023	3.9	6.51	1.5 (+.25 July 1)	1.5 (+.25 July 1)	1.5 (+.25 on July 1)
2024	2.4	4.23	1.75	1.75	1.75
2025	2.81	2.81	3.95	3.95	2.5
2026	2.3	2.5	3.9	3.9	1.0
TOTAL	22.3	18.9	14.35	14.35	8.0

Appendix 2. 2026 Non-union COLA in other Municipalities

Organization	2026 Cost of Living Adjustment (COLA)	Pay-for-Performance or Automatic Step Increases
City of Toronto	1%	yes
City of Mississauga	2.5%	yes
City of Brampton	2.5%	yes
City of Hamilton	3%	no
City of Vaughan	3%	yes
Region of Peel	2.5%	yes
Town of Caledon	2.75%	yes
Region of Durham	3.5%	yes