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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** MATT ANASTASIA, FINANCE DIRECTOR  
**SUBJECT:** DISCUSSION: FISCAL YEAR 2025-2026 SALARIES & WAGES - COLA  
**AGENDA:** DECEMBER 3, 2024  
**DATE:** NOVEMBER 25, 2024

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**ISSUE**

Shall the Village discuss the FY2025-2026 Salaries & Wages regarding COLA.

**DISCUSSION**

In FY2022-2023, the Village Board went through an extensive salary schedule update to all positions within the Village, which will be completed every 3-years in conjunction with Union contract negotiations.

The Village Board approved 3-year contracts for the Sergeants and Patrol unions for FY2024-2026. The CPI for December 2022 was 6.50%, and the first year of the two Union contracts with increases for Sergeants (4.00%) and Patrol (4.00%) for FY2023-2024. For FY2023-2024, the Village Board approved a 4.00% for non-union employees, as well as being placed at their respective level within the new salary plan.

In FY2024-2025, the Union contracts were scheduled to receive 4.00% increases for Patrol & Sergeants. Non-represented employees were approved at 3.00% for COLA per Board approval in December 2023.

The CPI for December 2023 was 3.40%, which is the CPI utilized for PTELL during the Tax Levy process. The most recent CPI data available is for October 2024 at 2.60%. Below are a few articles from the Bureau of Labor Statistics and Social Security on CPI-U and COLA:

- [Compensation costs up 3.90% from September 2023 to September 2024, compared to 4.30% for the year ending in September 2023.](#)
- [Social Security increases for 2025 are 2.50%.](#)
- [CPI-u for Chicago-Naperville-Elgin increased 3.50% from October 2023 to October 2024, compared to 2.4% for the year ending October 2023.](#)

In the past, it has been viewed to give the average of the Union Contracts to Non-Union employees. Last year the average was 4.00% for Patrol & Sergeants, Non-Union Employees received 3.00%.

Staff is recommending based on the existing Union Contracts average and compensation rates for the prior year a 4.00% COLA increase for FY2025-2026.

### **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% - \$108,473 Total** - \$94,096 General Fund & \$14,377 Water Fund – This would be Patrol, Sergeants and Non-Union Step increases only.
- **1% - \$136,965 Total** - \$112,767 General Fund & \$24,198 Water Fund
- **2% - \$165,457 Total** - \$131,439 General Fund & \$34,018 Water Fund
- **3% - \$193,950 Total** - \$150,111 General Fund & \$48,839 Water Fund
- **4% - \$222,443 Total** - \$168,783 General Fund & \$53,660 Water Fund

These costs include all contractual increases for Patrol and Sergeants, Non-Union and Department Heads.

### **RECOMMENDATION**

The Village Board discuss and approve COLA increases to the Salaries & Wages schedule for FY2025-2026.