



HUM-004.....Staff Compensation

Current Revision: 22.Feb.2005

POLICY

The City of Fort Saskatchewan (City) will maintain a compensation structure for administrative staff that results in cost-effective service delivery through:

- Offering competitive salaries to attract and recruit employees who have the competencies to appropriately deliver the necessary services;
- Retaining staff, by ensuring that the City's compensation structure does not serve as an incentive for employees to seek out better pay for a similar job in another organization;
- Applying salary administration decisions for non-union employees equitably and openly.

DEFINITIONS

- *Job level* – a pay level, within which all positions are judged to be equivalent, based on the application of the City's job evaluation system.
- *Salary range* – the dollar value attached to a particular job at the City, expressed as the range minimum (set at 85% of the range maximum), a series of five intervening steps of equal percentage amounts (3%), and the range maximum (the typical rate paid for fully experienced, fully competent performance in similar jobs in the City's reference market).
- *Market salary adjustment* – the amount by which the salary range or an employee's salary may be adjusted from time to time in response to external influences (market, economic, cost of living, skill-set supply and demand, etc.) so as to permit the City to recruit and retain qualified competent staff. *Where unique market conditions require the establishing of a salary range which differs substantially from salary ranges for other positions in the same job level, a separate range (e.g. range 4A) shall be specified for those positions with such identified market conditions.*
- *Salary adjustment* – an upward step-to-step increase in an employee's salary within a salary range in recognition of assessed levels of performance that are deemed to be fully competent or better.

GUIDELINES AND PROCEDURES

1. Salary Administration Policy Review

Guidelines

- City Council will review and approve the administrative staff compensation policy and guidelines, setting out the principles for managing the compensation of non-union staff.
- The City Manager will be held responsible by City Council for ensuring that salaries for non-union staff are administered within the parameters of the policy.

Procedures

- 1.1 Annually, or more often as deemed necessary, the City Manager and department Managers shall formally assess the performance of this policy and shall identify any refinements or adjustments considered necessary and appropriate.
- 1.2 The City Manager and department Managers will seek input from staff to facilitate this process.

2. Salary Administration

Guideline

Application of salary ranges to individual employees will be equitable and open.

Procedures

2.1 Salaries on Appointment to Permanent Positions

- 2.1.1 When an employee is appointed to a permanent position, that person's salary rate shall be established at not less than the minimum of the range for the job to which the employee has been appointed.
- 2.1.2 In recognition of particularly relevant additional experience, the employee may be appointed at a rate above the minimum of the range, with due regard, however, for salary relativities within the appointee's work unit specifically, and within the City generally.
- 2.1.3 The amount of the appointee's salary shall be determined by the responsible department Manager, in consultation with the City Manager. In the case of an appointee who will report directly to the City Manager, the City Manager shall determine the appointment salary.

2.2 Salaries on Promotion

- 2.2.1 Where a City employee is promoted to a job in which the maximum of the new range exceeds the maximum of the range for the employee's pre-promotion job, the employee's salary shall be placed at a rate in the higher range representing at least a two-step increase on the former range or at the maximum of the range, whichever is the lesser.
- 2.2.2 The amount of the promoted employee's salary increase shall be determined by the responsible department Manager in consultation with the City Manager. In the case of promotion to a position reporting directly to the City Manager, the City Manager shall determine the amount of the salary increase.
- 2.2.3 At the discretion of the City Manager, and upon recommendation by the responsible department Manager, an additional increase may be granted provided the resulting salary does not exceed the maximum of the salary range for the position.

2.3 Salaries on Temporary Promotion and/or Appointment as an Acting Incumbent

- 2.3.1 In the event the City appoints a staff member to temporarily undertake additional duties, such that the maximum of the range for the temporary role exceeds the maximum of the range for the staff member's pre-temporary promotion position, the City shall increase the salary of the staff member for the term of the temporary promotion, provided the conditions set out in section 2.3.2 are met.
- 2.3.2 In order to qualify for an increase in salary, the period of appointment must exceed, or be reasonably expected to exceed, *30 calendar days* and the staff member must perform the *substantial portion of the duties of the position* to which he/she has been temporarily promoted.
- 2.3.3. Where a staff member is temporarily promoted to a position under the terms of section 2.3.1 the staff member's salary shall be placed either at a rate in the range for the position in which the staff member is acting which represents at least a two-step increase on the former range or at the maximum of the new range, whichever is the lesser.
- 2.3.4 Where the period of appointment exceeds, or is reasonably expected to exceed, 30 calendar days and the staff member is clearly performing duties at a higher level than those of the staff member's pre-temporary promotion position, but the staff member is not performing the substantial portion of the duties of the position to which he or she has been temporarily promoted, the staff member's salary shall be placed at a rate on an intervening range which represents at least a two-step increase on the staff member's pre-temporary promotion range provided that new rate does not exceed the top of the selected range.
- 2.3.5 No temporary promotion/acting incumbency pay shall be provided for any temporary appointment of less than the period specified in section 2.3.2 above.
- 2.3.6 The specific amount of the employee's salary increase resulting from the temporary promotion or acting incumbency appointment shall be determined by the responsible department Manager in consultation with the City Manager. In the case of an appointee who will report directly to the City Manager, the City Manager shall determine the appointment salary.

- 2.3.7 Payment for temporary promotion/acting incumbency appointments which meet the criteria outlined in section 2.3.2 or section 2.3.4 shall be based on the full term of the period of temporary promotion/acting incumbency.

2.4 Salaries Upon Upward Reclassification

- 2.4.1 Where an employee's position is reclassified through the application of the City's job evaluation system and the maximum of the new range exceeds the maximum of the range for the employee's pre-reclassification level, the employee's salary shall be placed at a step on the higher range which is nearest to but not less than the Employee's former salary rate; this salary shall not be less than the minimum nor greater than the maximum of the new range.
- 2.4.2 The amount of the employee's salary increase resulting from the reclassification shall be determined by the responsible department Manager in consultation with the City Manager. In the case of an employee who reports directly to the City Manager, the City Manager shall determine the amount of the salary adjustment.
- 2.4.3 At the discretion of the City Manager, and upon recommendation by the responsible department Manager, an additional increase may be granted provided the resulting salary does not exceed the maximum of the salary range for the position.

2.5 Salaries Upon Downward Reclassification

- 2.5.1 Where an employee's position is reclassified through the application of the City's job evaluation system and the maximum salary of the new pay grade is lower than the maximum salary or maximum wage of the pay grade for the employee's pre-reclassification level, the employee's salary shall be frozen ("*red circled*") until such time as the maximum salary for the new pay grade meets or exceeds the employee's "*red circled*" salary rate.
- 2.5.2 When the correct range for the job meets or exceeds the "*red circled*" salary, the employee's salary will be placed on the appropriate range and the employee will once again be eligible for both market and performance increments.

2.6 Salaries Upon Transfer

Where an employee is transferred to a job where the maximum salary of the new job level is the same as the maximum salary of the job level for the employee's pre-transfer job, there shall be no adjustment to the employee's salary.

2.7 Salaries Upon Demotion

- 2.7.1 Where an employee is moved to a job where the maximum salary of the job level is less than that of the employee's former job, the employee's salary shall be reduced so that it falls at or below the maximum of the range for the new job.
- 2.7.2 The positioning of the employee's salary on the lower job level shall be determined by the responsible department Manager, in consultation with the City Manager. In the case of an employee reporting directly to the City Manager, the City Manager shall determine the positioning of the salary.
- 2.7.3 Provided the employee's performance in the new job is assessed as fully competent or better, the employee shall be eligible, in accordance with the terms of this policy, for any market or performance adjustments, which the City may implement.

3. Market Compensation Survey for Non-Union Positions

Guidelines

- Unless otherwise approved by Council, a formal market survey shall be conducted every third calendar year. For each intervening year, the City shall explore general salary and wage adjustments which are applied by the comparison group set out below and shall consider this information in making any recommended changes to its salary and wage ranges.
- Market surveys shall focus on information from the following group of comparison municipalities:
Cities: Spruce Grove, Camrose, Leduc, Wetaskiwin, St. Albert.
Counties: Sturgeon, Parkland, Leduc, Strathcona.
Towns: Stony Plain, Devon.

Procedures

3.1 Development of Survey Information Package

- 3.1.1 An information package shall be prepared by staff of the Human Resources department and provided to comparison organizations to facilitate validity with the process of job matching.
- 3.1.2 This package shall incorporate the following components:
 - Summary job descriptions which outline:
 - § core responsibilities;
 - § position dimensions (budget responsibility, FTE's supervised, etc.); and
 - § necessary qualifications.
 - Organization chart showing reporting relationship of each surveyed position.
 - Requested information (salary range, effective date, hours of work, etc.).

3.2 Analysis and Verification of Comparator Data

Response information shall be explored by staff of the Human Resources department with a contact person in each comparison organization to ensure validity of matches as regards core position functions, necessary qualifications, reporting level, size of unit, hours of work, etc.

3.3 Match Assessment Criteria

- 3.3.1 Match assessment criteria shall be as follows:
 - good match – approximately 75%, or greater, similarity in core functions, reporting relationship, core job dimensions, and qualifications;
 - fair match – approximately 50-75% similarity in core functions, reporting relationship, core job dimensions, and qualifications;
 - poor match – less than half of the criteria are similar.
- 3.3.2 No data shall be used for any matches considered to be of poor quality.

3.4 Market Compensation Survey Conclusions

- 3.4.1 No fewer than three good/fair matches shall form the basis for any recommended adjustments to City salary ranges.
- 3.4.2 The average market maximum, as representative of the average rate paid to fully-experienced fully-competent employees in comparable jobs within the comparison group, shall serve as the reference point for recommended adjustments to the maximum of the City's salary range; the recommended range shall be calculated downward from that amount.

4. Market Salary Adjustments

Guideline

Council will review and approve the City's annual salary budget.

Procedures

- 4.1 Salary ranges attached to each non-union job will be periodically reviewed in response to external influences (market, economic, cost-of-living, etc.) and adjusted where it is deemed appropriate and fiscally responsible.
- 4.2 From time to time, at the discretion of the City Manager and in response to particular market conditions, a specific individual market survey may be conducted with regard to a particular position or group of positions. In such a circumstance, the survey may include comparators outside those noted in section 3 above. At the earliest opportunity, the City Manager shall report to Council any resulting changes to salaries/wages along with rationale for these changes.
- 4.3 Where unique market conditions require the establishing of a salary range which differs substantially from salary ranges for other positions in the same Job Level, a separate range (e.g. range 4A) shall be specified for those positions with such identified unique market conditions.
- 4.4 The City's market compensation survey process is set out in section 3 of this policy. This process shall govern the manner in which a compensation survey, as referenced in sections 4.2 and 4.3 of this policy, shall be conducted.
- 4.5 Eligibility - Permanent (Non-Probationary) Employees
Should an upward market adjustment to the pay range be deemed necessary, all permanent (non-probationary) employees, regardless of length of service, shall be eligible for such an increase, provided the employee's position is not "red circled".
- 4.6 Eligibility – Probationary Employees
In the case of an employee who has not yet completed the City's probation period, and provided the employee's position is not "red circled", where a market adjustment has been made to the employee's salary range, the employee's salary shall be increased in accordance with the provisions of section 4.7 of this policy. This adjustment is for the purpose of maintaining the integrity of the City's salary administration system and should not be interpreted as a reflection of an assessment of the employee's performance.
- 4.7 Application of Market Salary Adjustments
Market adjustments to salaries shall be in the form of movement to the same relative step on the adjusted range (i.e. step 3 on the former range to step 3 on the adjusted range).
- 4.8 Market Salary Adjustments to Salary Ranges Attached to Red-circled Positions
There shall be no market adjustment to the salary range or to the actual salary of the employee of a red-circled position until the conditions set out in section 2.5.2 of this policy are met.

5. Salary Increments

Guideline

In recognition of assessed performance, salaries may be adjusted by incrementing steps within the salary range.

Procedures

5.1 Salary Adjustment Amounts

5.1.1 Salary adjustments will be made in accordance with the criteria below.

Performance Category	Salary Increment Adjustment
Assessed performance <i>Below Fully Competent</i> performance category	No increment
<i>Fully Competent</i> performance category	A one-step increase within the range
<i>Consistently Exceeds Expectations</i> performance category	A two-step increase within the range

5.1.2 There shall be no salary adjustment to the salary of an employee whose performance is assessed in the *Below Fully Competent* performance category until such time as that employee's performance is assessed as fully competent or better. At that time, at the discretion of the department Manager and City Manager, an adjustment may be made; however, there shall be no retroactivity in any such adjustments.

5.2 Eligibility

5.2.1 Effective Date

With the exception of special salary increment adjustments, as noted in section 5.2.3, salary adjustments shall take effect January 1 of each year. Exceptions to this policy may occur at the discretion of the City Manager upon recommendation by the responsible department Manager.

5.2.2 Salaries at the Maximum of the Range

The salary of an employee whose performance is assessed in the categories of *Fully Competent* or *Consistently Exceeds Expectations* may not exceed the maximum of the range (except as specified in section 2.5 of this policy) nor is that employee eligible for a lump sum bonus.

5.2.3 Special Salary Increment Adjustments

Subject to an assessed level of performance in the *Consistently Exceeds Expectations* category, at the discretion of the City Manager and upon recommendation by the responsible department Manager, an employee may be eligible for one additional salary increase during the year. The amount of this special adjustment shall be determined in accordance with the provisions of section 5.1 of this policy.

5.3 Authorities for Salary Adjustments

5.3.1 Non-Supervisory Employees

Salary adjustments for non-supervisory employees shall be reviewed and decided upon by the responsible department Manager on recommendation by the employee's immediate supervisor.

5.3.2 Employees Reporting Directly to a Department Manager

Salary adjustments for employees reporting directly to a department Manager, with the exception of those adjustments noted in section 5.3.4, shall be reviewed and decided upon by the City Manager, upon recommendation by the responsible department Manager.

5.3.3 Employees Reporting to the City Manager

Salary adjustments for employees reporting directly to the City Manager shall be reviewed and decided upon by the City Manager.

5.3.4 Salary Adjustments for *Consistently Exceeds Expectations* Category

Salary adjustments reflecting performance which has been assessed in the *Consistently Exceeds Expectations* category shall be reviewed by and, if deemed appropriate, approved by the City Manager.

City Manager (Original Signed by LR)

*Ict/HUM-004.DOC/LN-PolicyManual-HumanResources

