

Non-Union Salary Administration Policy

Presented To:	Finance and Administration Committee
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Recommended by:	General Manager of Corporate Services

Report Summary

This report provides a recommendation regarding the Non-Union Salary Administration Policy as directed by resolution FA2024-25.

Resolution

THAT the City of Greater Sudbury approves the revised list of comparators for external salary benchmarking and the process for conducting the external market review for non-union salaries as outlined in the report entitled "Non-Union Salary Administration Policy" from the General Manager of Corporate Services, presented at the Finance and Administration Committee meeting on April 22, 2025.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

Achieving Council's desired outcomes from its Strategic Plan and Climate Change Action Plans require the attraction and retention of talented municipal employees with the right combination of competence, technical skill, education, experience and commitment to public service. The Non-Union Salary Administration Policy is a critical tool for enabling the achievement of Council's priorities.

Financial Implications

There are no financial implications associated with this report. The first comprehensive non-union salary review will be completed in 2027 with a subsequent report presented to Council with recommendations and any financial implications of those changes.

Background

The organization employs approximately 360 non-union, full-time employees and 218 full-time equivalent non-union part-time employees. Most non-union part-time employees are employed in entry level or student jobs (e.g., junior arena maintenance, service and program staff in Leisure Services).

A review of the Non-Union Salary Administration Policy was completed by an external consultant, Marianne Love of ML Consulting. A report with the results of that assessment and recommendations for additional analysis was presented to the Finance and Administration Committee at the September 10, 2024, meeting.

The report suggested the following additional analysis be completed:

- A. Revise the list of comparators (relevant labour market) used for external equity comparison purposes to the list recommended by the consultant in Appendix A and review the market comparators for pay groups 10 and below and recommend a set of comparators that based on criteria more specifically addressing roles within these groups; and,
- B. Change the process for performing an external review, once per Council term that considered both the suitability of comparators and an external equity analysis providing a thorough report for Council and recommendations to meet external equity goals; and,
- C. Update the salary administration plan based on the changes in A and B above.

At the September 10, 2024, Finance and Administration Committee Meeting, resolution FA2024-25 was passed:

THAT the City of Greater Sudbury Council directs staff, with assistance of an external consultant to produce, by the end of Q4 2024, a report outlining the implications associated with changes to:

- a) The list of comparators used for external salary benchmarking.
- b) The process for conducting the external market review for non-union salaries

Analysis

This report provides a summary of the work completed by the consultant on the list of external market comparators, including the implications associated with the changes. Recommendations on the market comparators and process for ongoing review, including a new salary administration policy are being presented for approval (see Appendix 1 – Non-Union Salary Administration Policy).

External Market Comparators

Historically, a defined comparator group was approved by Council for General Manager (GM) and Chief Administrative Officer (CAO) positions with another comparator group for positions in pay bands 1 through 18. Some comparators were common for both employee groups.

Table 1: External Comparators - Historical

The following provides a list of the approved Council comparators, the list of comparators recommended in the September 10, 2024, report and the final recommended list of comparators.

City of Greater Sudbury Municipal Comparators				
	Current Council Approved Municipal Comparators		Appendix 2 Sep.10.2024	Final Recommendation
	Non-Union Group 1-18	CAO/GM	All Non-Union	All Non-Union
Barrie	■		■	■
Brantford			■	■
Burlington	■	■		
Cambridge	■		■	■
Chatham-Kent	■	■	■	■
Durham			■	■
Guelph - City	■		■	■
Haldimand			■	
Hamilton - City		■		■
Kingston	■	■	■	■
Kitchener	■	■		
London		■	■	■
Markham	■			
Niagara - Region		■	■	■
Oakville	■		■	■
Oshawa	■	■		
Richmond Hill	■		■	■
Sault Ste Marie			■	
Simcoe County			■	■
St. Catherines	■			
Thunder Bay	■	■	■	■
Vaughan	■			
Waterloo - Region		■	■	■
Windsor	■	■	■	■

Table 2: External Comparators – Recommended

Due to the similarity in service scope and availability of good job matches, staff are recommending the City of Hamilton be added to the list of comparators. Sufficient data was not available for job matches with the

municipalities of Haldimand and Sault Ste. Marie. As a result, the consultant and staff recommend that these are not included as external market comparators.

The final recommended list of comparators for external market comparison is the following:

City of Greater Sudbury Municipal Comparators	
City	All Non-Union
Barrie	■
Brantford	■
Cambridge	■
Chatham-Kent	■
Durham	■
Guelph - City	■
Hamilton - City	■
Kingston	■
London	■
Niagara - Region	■
Oakville	■
Richmond Hill	■
Simcoe County	■
Thunder Bay	■
Waterloo - Region	■
Windsor	■

The proposed external market comparators are being recommended to apply to all non-union positions, including the CAO and General Managers as they closely represent municipalities of similar size and population, geographic location, budget and revenue, and service scope. It is critical to the process that enough accurate matches exist among comparators and this revised list of comparators provides good job matches. The reason this is important is so that there is adequate, comparable data in the relevant labour market to make external market comparisons and draw meaningful conclusions about the job rates in the market.

Salary Administration Policy

The Non-Union Salary Administration Policy sets out the pay philosophy and four (4) compensation goals:

- internal equity
- external equity
- employee compensation (attraction, retention, motivation)
- ability to pay

The principles and goals of modern salary administration programs were outlined in the September 10, 2024 report to the Finance and Administration Committee and are reflected in the revised Non-Union Salary Administration Policy (Appendix 1 – Non-Union Salary Administration Policy).

The purpose of this policy is to establish a framework for administering non-union employee salaries that ensures equitable, objective, consistent and transparent salary administration practices. This policy enables the organization to attract, retain, and reward a qualified and diverse workforce while ensuring fiscal responsibility and compliance with applicable laws and regulations. This policy applies to all management and all non-unionized employees.

Process for Market Review

The consultant utilized a comprehensive job-to-job matching process to assess market competitiveness. Just over 70% of all positions were matched by the consultant to similar positions in comparator organizations having regard to job title, job information, organizational charts, and 2024 annual and hourly job rates. The same set of comparators was used for all positions. Any outlier matches were removed from the analysis.

The process undertaken by the consultant of job matching up to 70% of all positions is recommended moving forward and is included in the revised Non-Union Salary Administration Policy. It is recommended that an external consultant conduct this review once per term of Council on a four-year cycle.

Market statistics based on three or more matches were calculated to determine market competitiveness using the 50th, 55th, 60th and 65th percentile values. Percentile targets help define CGS's relative placement to the defined pay market.

The percentile target is a measure of how the positions are ranked in the comparator group, highest to lowest.

- The 50th percentile target is the dollar rate where 50% of the wage rates in the comparator organizations are below this amount and 50% are above; this is the market median
- The 65th percentile target is the dollar rate where 65% of the wage rates in the comparator organizations are below this amount and 35% are above

A review of CGS's position with the external market at the various percentiles shows that we fall within a reasonable range of just under 5% overall in comparison with the 50th percentile. The consultant has recommended that should Council approve to remain at the 50th percentile, that CGS should make every attempt to pay as close to the 50th percentile as possible. The consultant indicates many municipalities pay at a higher percentile than 50th with the 60th percentile being the most prevalent. There are potential risks to remaining below the median of the external market including difficulty in attracting and retaining talented staff to lead and deliver municipal services.

Staff recommend the target percentile remain at 50th percentile for pay groups 1 to 18 but change the variance in the current policy from within 10% to be within a 5% variance of the 50th percentile. Also, staff recommend a change to be within 5% variance of the 65th percentile for the General Manager and CAO roles. This recommendation is based on the review and recommendation by the consultant, the nature of the labour market, and the need to be fiscally responsible while remaining competitive to the external market. Also, with reviews being completed once per Council term (i.e. every four years) the 5% variance will ensure non-union staff pay groups do not fall substantially behind market or be allowed to get too far ahead without correction.

Staff will continue to monitor turnover, the labour market and CGS's ability to attract qualified candidates to non-union roles. Compensation is an important factor in employee attraction and retention. It is not the only factor though and needs to be considered along with employee benefits, the existence of a competitive OMERS pension, corporate culture and employee relations policies and leadership. Processes used to gather employee engagement feedback, information about satisfaction with various employee policies and programs and data from departing employees is also important information to guide further, non-compensation related policy.

Conclusion and Next Steps

Staff recommend the Finance and Administration Committee approve the revised list of market comparators and the process for conducting the external market review.

The revised policy provides the framework to enable the organization to attract, retain and reward a qualified and diverse workforce while ensuring alignment with CGS's long term financial goals and compliance with applicable legislation. The updated policy provides a revised set of external market comparators, along with a modified and comprehensive approach to determine market competitiveness. It is recommended the current pay philosophy of targeting the 50th percentile with a 5% variance is adopted for all non-union roles and continuing to target the 65th percentile with a 5% variance for the CAO and General Manager roles. A comprehensive review by an external consultant will be completed once per term of Council on a four-year cycle to enable a review of the comparator group and market competitiveness.

If the revised list of comparators and external market review process is approved, the Non-Union Salary Administration Policy will be posted on City Links and the external website to be open and transparent on CGS's pay philosophy and goal of attracting and retaining key talent to the organization. The first comprehensive review will be presented to the next CGS Council in the first half of 2027.

Resources Cited

Review of Non-Union Salary Administration Policy - Report to Finance and Administration Committee on September 10, 2024.