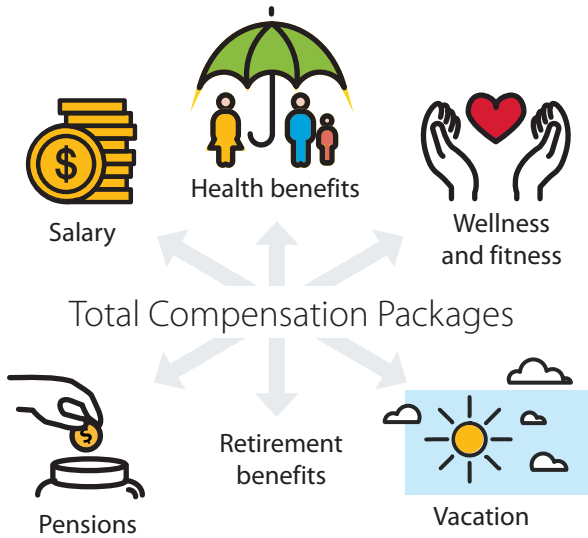




Total Compensation Review Findings and Next Steps



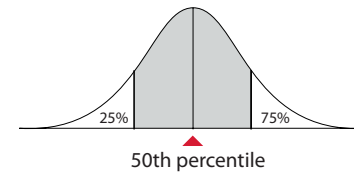
The City's compensation philosophy guides how it compensates employees for their work. It aims to achieve equal pay for equal work inside the organization and targets pay towards the middle of the external market in which it competes for talent. Compensation, as a major component of The City's operating budget must also be affordable.

Competitive with the market
 Equal pay for work of equal value Financially sustainable

The consultant who conducted the review (Morneau Shepell) found The City was competitive against the public and private sector organizations at the 50th percentile (mid-point of the data collected). The City's benefit and pension plans are generally ahead of the median, although specific provisions may lag behind.

NEXT STEP

The City will refresh its current compensation philosophy to ensure its principles still attract, motivate and retain staff while being defensible and accountable to taxpayers. We'll ask, "Should The City still aim for the mid-point?"



NEXT STEP

To review and modernize the exempt compensation system, which has been in place for over 20 years. Exempt employees represent 13% of our total workforce.

The road ahead

Administration made a commitment to Council to refresh its Compensation Philosophy based on the review findings. The City has hired a consultant to help it complete this work. It's important that changes are made in consideration of their impact on the effectiveness and competitiveness of the overall total compensation program.

For more information on this project, and to read the Morneau Shepell's report for yourself, visit myCity/totalcomp

How does the City measure up?

When the amount paid for City positions was compared to what employees earned for similar jobs in like-sized organizations, the consultant determined The City of Calgary was ahead in some areas and behind in others. The chart below shows how we compare for total cash.

TOTAL CASH City of Calgary % Ahead or Behind Comparative Market (Averages by Employee Group)

JURISDICTION	PUBLIC 50th percentile	PRIVATE 50th percentile	COMBINED 50th percentile	PUBLIC 75th percentile	PRIVATE 75th percentile	COMBINED 75th percentile
Exempt	3.0%	-6.2%	-1.5%	-6.6%	-17.6%	-12.0%
Fire	5.1%	no data	5.1%	-6.5%	no data	-6.5%
Sworn Officers	6.5%	no data	6.5%	-0.7%	no data	-0.7%
Senior Management	16.3%	-9.8%	7.1%	7.1%	-32.6%	-6.2%
Union	4.9%	-0.5%	2.4%	-3.0%	-10.8%	-6.5%
Grand Total Average (Non-weighted)	7.2%	-5.5%	3.9%	-1.9%	-20.3%	-6.4%
Grand Total Average (Weighted)	4.9%	-1.3%	2.6%	-3.6%	-9.3%	-6.5%

Competitive	<5% +/-
Significantly ahead of the market	>10% +
Slightly ahead of the market	Between 5% & 10% +
Slightly behind the market	Between -5% & -10% +
Significantly behind the market	>10% -

Total cash includes base salary and cash bonuses. While The City doesn't offer bonuses, these are given by other organizations, most commonly in private-sector companies.

Where exempt employees fall in their salary range

When the consultant compared rates of pay for City positions with other organizations, they used salary range maximums instead of actual salaries. Employees move through a range over time, which reflects their increasing skills and abilities. So, employees working in the same job at The City may earn different amounts based on where they fall within the range.

The chart below shows the salary range divided into thirds and the percentage of exempt employees who fall in each segment. This may help put the highs and lows from the chart on the left into

context. Where we are low, we are even lower as salary maximums were used for the benchmark.

NEXT STEP

The City will now focus on areas flagged higher or lower than the targeted mid-point. Aside from pay rates for certain positions, other examples include flexible spending accounts, sickness & accident provisions, eligibility for supplementary pension and vacation entitlements for exempt staff.

Distribution of Salary Ranges for Exempt Employees

SALARY RANGE →	Salary minimum			Salary maximum	Percentage Earning Salary Max / Market Rate
	1st third	2nd third	3rd third		
General Managers	28.5%	28.5%	43%		14.5%
Directors	6%	32%	62%		12%
Exempt employees	10%	30%	60%		22%

"Calgarians depend on services delivered by qualified, trained and engaged employees every day. The City, like other employers, needs to ensure it can attract and retain talent to serve Calgarians. At the same time, total compensation accounts for half of The City's operating budget so we also need to manage efficiently and cost-effectively to be accountable to taxpayers."

- DAVID DUCKWORTH

By the numbers

12,260* full-time employees

The City is the second largest employer in Calgary. * Full-time employee count, excluding seasonal workers, as of Sept. 30, 2020.

2013

The number of employees that work for The City today is less than the number employed in 2013 despite population increases. See financial facts at calgary.ca/financialfacts

420

The City of Calgary is one of 420 organizations that participate in the Local Authorities Pension Plan (LAPP)

12%

Approximately 12% of City employees are eligible to participate in supplementary pension plans, including firefighters who retire earlier than others as a result of their work.