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| <b>Title:</b> CAO Compensation Policy   |                      | <b>Policy No:</b> 30.46<br><b>Supersedes:</b> N/A |
| <b>Effective Date:</b><br>November 4, 2025  | <b>Amended Date:</b> | <b>Review Date:</b><br>November 4, 2027           |
| <p><b>Policy Statement:</b><br/>The Chief Administrative Officer (CAO) Compensation Policy establishes a transparent and systematic framework for setting and managing compensation for the CAO, the sole employee of Council. This policy is in alignment with the City’s Exempt Total Compensation Philosophy which guides the process of attracting, engaging, retaining and assessing the performance of its CAO. Grounded in fairness and performance excellence, the policy supports Council’s Strategic Priorities, the City’s Mission and Vision, and its commitment to good governance and corporate excellence.</p>   |                      |   |
| <p><b>Purpose:</b><br/>To provide a transparent and consistent framework for determining and managing compensation for the Chief Administrative Officer (CAO), to be able to attract and retain the right employee for its CAO role in order to ensure the achievement of Council’s Strategic Priorities, Objectives and Key Results, while operating within the principles of fairness and good governance.</p>  |                      |   |
| <p><b>Scope:</b><br/>This Compensation Policy will apply to the CAO role.</p>   |                      |   |
| <p><b>Definitions:</b><br/> <b>Exempt Total Compensation Philosophy</b> means the philosophy in which the City targets its total compensation pay levels to be equal to the 65th Percentile Total Compensation provided to comparable roles by the City’s Comparison Organizations.<br/><br/> <b>65<sup>th</sup> Percentile Total Compensation</b> means that the City targets total compensation that is equal to 65% of what the City’s Comparison Organizations provide for similar roles, and lower than the top 35% of the City’s Comparison Organizations pay.<br/><br/> <b>Total Compensation</b> means the total compensation package provided to the CAO, including salary, perquisites, group and retirement benefits, and paid time off.<br/><br/> <b>City’s Comparison Organizations</b> consist of an array of public and private organizations of similar size and scope where relevant, that compete for similar talent.<br/><br/> <b>City’s Strategic Priorities</b> means the City’s five Strategic Priorities which are informed by the Mission, Vision and Core Values and will guide the decisions and actions of the City. They consist of Livable</p> |                      |   |

Community, Climate Leadership and Environmental Stewardship, Engaged Healthy Community, Diversified Thriving Economy, and Governance and Corporate Excellence.

**Procedures:**

**Annual Performance Review & SMART Objective Setting Process**

**1. CAO Annual Report and Objectives**

In mid January, the CAO shall present to Council the CAO annual report from the prior year, including SMART objectives. The SMART objectives for the new performance year will also be confirmed and finalized at this time.

**2. Performance Review Initiation**

By the end of January, the Director of Human Resources shall distribute the performance review survey and links as follows:

- Council members shall receive the link to the Council Performance Review Survey for completion.
- The Mayor shall receive the Supervisor Review form for completion.
- The CAO shall complete a Self-Assessment Review.

**3. Compilation and Draft Review Preparation**

In mid February, the Director of Human Resources shall compile all completed performance review documents, and prepare a Draft CAO Annual performance review, including all performance ratings.

**4. Council Review and Approval Process**

By the end of February, Council shall:

- Review the draft annual performance review and provide feedback, revisions or edits as required.
- Receive from the Director of Human Resources, an Annual Compensation Summary Report, along with a review of the CAO's current Employment Agreement.
- Upon completion of review, provide a Council Resolution with direction on the final performance review, the final performance rating, any applicable salary step movement, and the payment of the 2% merit award, where applicable.

**5. Performance Review Discussion**

In early March, the Mayor and CAO shall meet to discuss the finalized performance review results, including any approved salary step movement and merit payment.

**6. Implementation of Adjustments**

In Mid March, the Director of Human Resources shall implement all approved salary adjustments and merit payments in accordance with the council resolution.

**7. Ongoing Reporting**

There will be a mid year check-in with CAO and Council to review the annual SMART objectives.

*\*In the year following an election Council and Human Resources have the ability to adjust the timelines.*

**General Wage Increase**

1. The Director of Human Resources shall review and, as necessary, adjust the CAO salary range to maintain alignment with the general wage increases (cost of living adjustments) established through the CUPE collective agreement. The Director of Human Resources shall present any such adjustments to Council for approval through council resolution prior to implementation.

**Tri-annual Market Review**

1. The Director of Human Resources (DHR) shall work with an independent compensation consultant every three years to conduct an external market review of CAO Total Compensation. The review shall be based on a number of factors, including the City’s Exempt Total Compensation Philosophy and the City’s Comparison Organizations. The CAO external market review will occur concurrently with the external market review for exempt employees.
2. The Director of Human Resources shall provide recommendations to Council for a new salary range based on the external market review, with the aim of being equal to the 65<sup>th</sup> Percentile Total Compensation.
3. Council shall be responsible for reviewing and approving all salary range recommendations and subsequently providing confirmation to the Director of Human Resources regarding Council’s decision thereon through council resolution.

**Salary Administration & Transparency**

1. The Director of Human Resources shall meet with Council in January of each year, and any time throughout the year that there is an adjustment to CAO salary.
2. The Mayor shall be copied on all salary administration communications related to the CAO.
3. Prior to the release of the Annual Statement of Financial Information (SOFI) to the public, the Director of Human Resources shall review the CAO’s salary details in the SOFI report with Council.

**Administration:**

The Director of Human Resources shall be responsible for the administration, maintenance, and operational modifications of this Policy.

**Consequences:**

Failure to adhere to the Policy will hinder the City’s ability to attract, engage and retain the CAO talent required to achieve Council’s key strategic priorities.

Breaching the Policy could have both short-term and longer-term consequences for the City and its citizens.

**Accommodations:**

If the City’s budget will not allow the City to achieve its targeted compensation level relative to the market, the Director of Human Resources shall develop and implement a plan to achieve its targeted compensation levels over several years. Council shall be responsible for reviewing and approving the plan for subsequent confirmation to the Director of Human Resources regarding Council’s decision thereon.

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| <b>(Administration Only)</b><br><b>Resolution No.:</b> | <b>Signature</b><br>_____ | <b>Date Signed</b><br>_____ |
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