 CITY OF Welland	Title:	Non-Union Compensation Policy		
	Number:	HR – 023		
	Revision Date:	N/A	Approved by:	Council
	Revision Number:	N/A	Area:	Corporate
	Document Type:	Policy	Department:	Human Resources

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1.0 Policy Statement

- 1.1. The City of Welland (the “city”) is committed to maintaining a compensation policy that is internally equitable, externally competitive, and pay equity compliant. This framework will provide a solid foundation to support recruitment and retention efforts and is an integral component of succession planning and minimizing productivity lost from turnover.
- 1.2. This policy is intended to
 - Comply with the Pay Equity Act, Employment Standards Act, and any other applicable legislation.
 - Ensure employees are treated equally, fairly, and consistently, to support the recruitment and retention of high-performing employees.
 - Facilitate career progression and succession planning.
 - Promote consistency and transparency in non-union salary administration.
 - Recognize external market conditions, including municipal compensation benchmarks, and operate the city in an open, transparent, and fiscally responsible manner.
 - Identify roles and responsibilities with established principles
 - Promote regular review of the policy.
- 1.3. This policy is a companion policy to HR–019 Non-Union Performance Management
- 1.4. This policy applies to all non-union staff. Compensation for Bargaining Unit Employees shall be in accordance with the applicable collective agreement, and Compensation for elected officials shall be in accordance with Notice of Motion 2023-434 Remuneration for Members of Council.

2.0 Purpose

The purpose of a compensation policy is to establish a structured framework for determining and administering non-union employee pay and benefits within the city. It aims to attract, retain, and motivate a qualified workforce by ensuring fair and competitive compensation aligned with the city’s goals, industry standards, and employee performance.


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3.0 Principles

- 3.1. **Equity and Consistency** – promote equity and a performance-based culture that builds accountability, fairness, and consistency.
- 3.2. **Transparency** – ensure practices are communicated in an open, honest, and transparent manner.
- 3.3. **Market Comparison and Competitiveness** – ensure prevailing market conditions, comparators, and benchmarks are regularly reviewed and fundamental as a core principle in this policy and all respective procedures. Relevant information is collected to inform salary administration practices and processes and to ensure salary structures are, and remain, market competitive.

4.0 Definitions

- 4.1. **Internal Equity** – the comparison of employee positions in the organization to ensure fair pay.
- 4.2. **Market Comparator Group** – a group of municipalities selected based on size and scope of services provided, similar service alignment, geographic location, and reflection of the city’s economy and recruitment challenges.
- 4.3. **Job Evaluation System** – the system used to evaluate positions within the organization.
- 4.4. **Pay Schedule** – the overall pay structure, including a set number of pay bands, and rates of pay, separated by a spread determined by market competitiveness assigned to the structure.
- 4.5. **Compression** – occurs when bargaining unit positions are compensated at a rate equal to or greater rate than the management group they report to.
- 4.6. **Performance Management** – a comprehensive management process aimed at ensuring that employees contribute effectively to the achievement of organizational goals. Key components of performance management include goal setting, feedback and coaching, recognition and rewards, and performance reviews.
- 4.7. **Pay Equity** – equal pay for work of equal value. The Pay Equity Act requires employers to compensate female job classes at least equally to work done by comparable male job classes.

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5.0 Responsibilities:

5.1. Council

- Establish the framework to establish a policy that is consistent, transparent, fiscally responsible, compliant with legislative requirements, and aligned with the strategic goals of the city.
- Receive updates from staff on compliance and effectiveness and ensure the policy remains consistent with the city’s goals and objectives.
- Demonstrate a commitment to approving significant changes, including those in response to legislative compliance as identified by staff.
- Establish the pay schedule.
- Establish the pay target percentile.
- Approve the total compensation funding envelope as part of the budget process.
- Approve permanent full-time compliment (FTE) as part of the budget process.

5.2. CAO

- Set the administrative strategic direction to guide the development of policies to ensure they are aligned with the city’s goals.
- Support the policy by engaging the senior leadership team, communicating expectations for compliance, and addressing any concerns.
- Oversee the overall effectiveness of the policy and recommend adjustments as required.
- Demonstrate a commitment to compliance, leading by example, building a culture of accountability, and driving strategic goals.
- Ensure total compensation is aligned with the city’s financial resources, and integrated into the overall budget planning process.
- Allocate staffing resources, within the approved budget, to effectively meet operational needs.


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5.3. Human Resources Department

- Ensure ongoing review of market data and trends that impact this policy.
- Oversee the job evaluation system and implement it, including the creation of job descriptions.
- Lead the development of administrative policies and procedures to ensure they are built on best practices, are legislatively and legally compliant, and are aligned with the city’s strategic goals.
- Communicate to all levels providing explanations and guidance on policy requirements.
- Implement the policy by communicating with people leaders and providing training to ensure an understanding of the policy and its integration into the daily operations of the department.
- Monitor the overall effectiveness and compliance of the policy, identify opportunities for improvement, and address areas of concern.
- Ensure consistent and fair enforcement and application of the policy.
- Regularly review and recommend updates as required for compliance and effectiveness.
- Design, implement, and evaluate performance management systems and procedures.

5.4. People Leaders

- Implement the policy by communicating with employees and providing training to ensure an understanding of the policy and its integration into the daily operations of the department.
- Ensure consistent and fair enforcement and application of the policy.
- Demonstrate a commitment to compliance, reinforcing the strategic goals of the city.
- Monitor the overall effectiveness of the policy, identify opportunities for improvement, and provide feedback to the department head.
- Implement performance management directly with employees through ongoing performance reviews.
- Implement performance management plans if required.

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6.0 Application

6.1. Compensation Components

Salary: The monetary compensation paid to employees and determined based on a job evaluation system where positions are evaluated based on their responsibilities noted in their job description, skills, and benchmarks and ensure internal equity across the city will be maintained.

Benefits: Non-monetary rewards such as health and dental coverage, retirement benefits, paid time off, and other fringe benefits aimed at supporting employee well-being and work-life balance.


Recognition and Rewards: Non-financial rewards and recognition programs aimed at acknowledging and appreciating employee contributions, such as peer recognition programs, and milestone celebrations.

6.2. Compensation Review Process

Market Review: The pay target percentile is approved by council. The city will regularly conduct market reviews and benchmarking to assess the competitiveness of its compensation relative to industry standards and local labour markets. At a minimum, a comprehensive market review will be completed every three (3) years.

Performance Management: Compensation decisions are informed by performance reviews, considering factors such as individual achievements, job performance, skills development, and alignment with the strategic goals. Performance management is designed by human resources and implemented by the people leaders consistently to all non-union staff. Satisfactory performance, at a minimum, is the basis for moving employees through the steps within their established pay band. Employees who do not meet satisfactory performance will not progress through the steps of the pay band. Employees who do not meet satisfactory performance may be subject to a performance management plan.

Budget Allocation: The pay schedule is approved and allocated within established guidelines and budgetary constraints, based on business priorities and strategic objectives, with a focus on fiscal responsibility. Budget allocation for staffing line items, including the addition of full-time compliment, are approved as part of the annual budget process.

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6.3. Communication and Transparency

The compensation policy is an essential tool for attracting, retaining, and motivating employees. This policy reflects the city’s commitment to fairness, transparency, and alignment with its strategic goals and supports efforts to build a diverse, engaged, and high-performing team.

Employees will receive clear and timely information about their compensation, including details about the components, eligibility criteria, performance expectations, and opportunities for advancement.

6.4. Compliance and Governance

The city adheres to all relevant laws, regulations, and industry standards governing compensation practices, ensuring compliance with legal requirements.

6.5. Policy Review and Updates

This compensation policy will be reviewed periodically to ensure its continued relevance, effectiveness, and compliance with evolving legal and regulatory requirements.

Revision History

Date	Description of Change	Initials