

June 1, 2021

Reference No: 41-01MgtSalarySurveyRpt,June2021

Union Report: City of Edmonton – 2020 Management Salary Survey

Reference:

1. [Union Press Release: City of Edmonton – 2020 Management Salary Survey – Results](#)

Background:

CSU 52 conducted a 2020 salary survey to identify national salary comparisons for a select group of City of Edmonton management positions (see Attachment #1). The Union’s salary survey used a variety of salary sources to identify specific comparisons to the twelve management positions selected for the salary survey. The data was verified and checked for accuracy using multiple sources where possible. This approach is a standard “apple to apple” methodology used by most organizations to assess their salaries versus the marketplace.

Methodology:

Sources used to compile the data, included salary data from a national consulting company, salary schedules from municipal websites, salary disclosure lists from various provinces (i.e. British Columbia, Alberta, Ontario, etc.), and other sources. The survey focused on 2020 rates. Where necessary, management salary rates were extrapolated on the basis of 2.0 percent per year, if the actual salary data obtained was earlier than 2020.

The salary data focused on key municipal comparisons from across Canada. Where possible, the Union used the 50th percentile. Identifying the 50th percentile for lower-level management positions was more challenging, as it was more difficult to determine the total number of incumbents. The actual number of incumbents was not an issue for senior or executive management positions, as there is usually only one incumbent.

Benefit costs were not directly surveyed, but were reviewed. Based on Union’s knowledge of benefits, the Union calculated benefit costs for management jobs were 25% above a job’s basic salary. Benefits for higher level management jobs probably cost significantly more than 25%, based on added benefits (i.e. supplementary pension plan, flex benefits, vehicles leases, paid parking, memberships, etc.).

Analyses and Results:

Based on national salary market data, the 12 City of Edmonton management positions (as surveyed by the Union) were found to be paid higher than the 50th percentile for comparable position matches in other Canadian municipalities. The higher the level of the City of Edmonton management position, the higher the differential between the City’s management salaries and the market rates. The twelve City of Edmonton jobs were determined to be 7.5 to 25.0 percent higher than the market median rate.

The survey found comparable salary and positions matches for all twelve of the City’s positions. The one notable exception is the Deputy City Manager (DCM), Employee Services, where the City’s job was almost 40% over the market place. The Union’s research also suggests municipal comparisons for to the

DCM, Communications and Engagement would also show a very high differential between the City of Edmonton and the marketplace.

The Union has been informed a number of management jobs were recently approved for upward reclassification (i.e. a higher management salary). In one case, the salary change was apparently made to allow the hiring a specific applicant from the Alberta Government. The added salary and benefit cost is estimated at a cost of \$25,000 or more per year for each reclassified or converted management job. Over the last 5 years, conversion and reclassification costs for 100 management positions have cost the City an estimated \$3.0 million.

CSU 52 has jobs, which are 30% or more behind directly comparable jobs in other cities. The City of Edmonton has refused to allow any salary increases, even though our jobs experience high turnover (i.e. greater than 20%). If management jobs can be reclassified due to market comparisons, the same principle should apply to all city jobs, including the female-dominated jobs in CSU 52. It appears the City is discriminating against CSU 52 female-dominated jobs by paying them substantially below the market (e.g., 311 Team Lead, CPIC Operator I, etc.).

City Council should track classification costs (i.e. the added salary and benefit costs for management and union jobs). The costs or savings, including the reasons for upward, lateral or downward reclassifications should be reported through a quarterly report. A quarterly report could also show conversions of union to comparable management jobs and the creation or deletion of union or management jobs. For management jobs, the story a zero percent increase is erroneous and misleading. Simply put, it is not true. It is a fable.

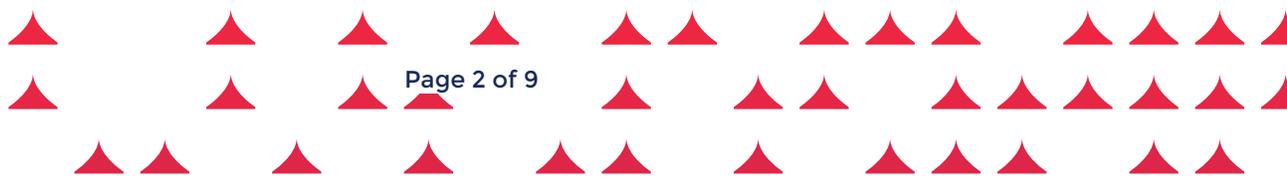
Determining more appropriate management salary rates using a national market survey (the 50th percentile) would allow the City to save millions (an estimated \$27.0 million per year based on a 15% reduction and an average salary of \$150,000 per year for 1,200 managers). Based on the market results, the City should reduce management salary rates or agree to more zero percent increase.

It is also possible some management jobs are incorrectly classified. In addition, management salaries for all City funded organizations (i.e. EPS, EPL, EEDC, etc.) should be directly comparable to the City of Edmonton’s salaries. City Council should also approve the use of a universal job evaluation system for all City jobs with one payline for all management and union jobs. It seems only fair for management jobs to be paid at market rates.

Historically, the City of Edmonton used market salary rates when comparing its “management and male-dominated” jobs to the national marketplace. CSU 52 believes the City of Edmonton needs to use market salary rates, because it is a best practice. Using market rates for management jobs will allow the City to better manage its salary costs. At the present time, the City should either reduce management salary rates or agree to further years of no increase. It is also possible more senior management jobs will need to take a salary reduction.

Observations

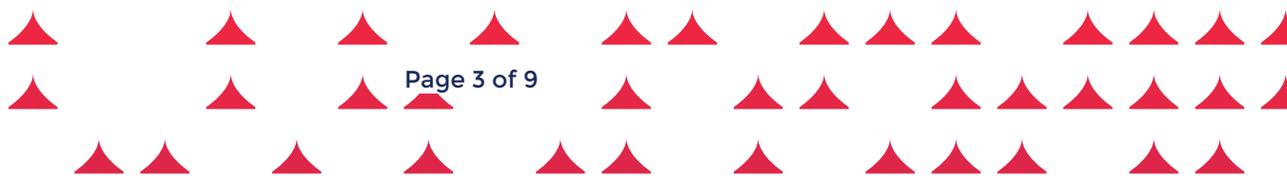
The Union’s salary survey examined comparable management jobs and salaries paid by other medium to large Canadian municipalities. The study considered reporting relationships, job titles accountabilities and hours of work to develop a number of observations, including:



1. The survey determined City of Edmonton management positions are paid more than the market median for comparable management positions. The survey results show City management positions are higher paid by 7.5 to 25.0 percent. The higher the position’s level, the higher the differential versus the market.

Aligning management salaries to the 50th percentile of the national marketplace would save the City an estimated \$27.0 million per year (based on an average 15% reduction for 1200 managers with an average salary and benefits of \$150,000 per year). This is a conservative estimate.

2. The Union determined the average hours of work for management positions varied from 35.0 to 37.5 hours per week. Reducing the current 36.9 hours of work for management jobs to 35.0 hours per week decreases annual salary costs by 5.15 percent (or an estimated \$9.27 million per year). Reducing hours or work would also move management jobs closer to the market.
3. The City of Edmonton and EPS (civilian) management titles are inconsistent with job titles used by other large municipalities (i.e. Vancouver, Calgary, Saskatoon, Winnipeg, Toronto, Halifax, etc.). For example, a Branch Manager in the City of Edmonton is a Director in other cities; a Director in the City of Edmonton is called a Manager in other cities, and a Manager in the City of Edmonton is called a Supervisor in other cities. Typically, a front-line or support “Supervisor” in other cities are considered to be union positions. The use of the comparable titles would provide a better comparison for jurisdictional reviews and salary surveys.
4. The survey found the Deputy City Manager, Employee Services was an estimated 40% above comparable Chief Human Resources Officer (CHRO) positions in other Canadian municipalities. Between 2016 and 2019, the Department expanded from 1 Branch Manager, 4 Directors and 2 managers (ML3 and higher) to 1 Deputy City Manager, 4 Branch Managers, 12 Directors and 4 managers (ML3 and higher) at an estimated salary and benefit cost of \$2.8 million per year.
5. In eight provinces, professional engineering positions are considered to be union jobs. Alberta and Prince Edward Island are the only two provinces legislating professional engineers as non-union jobs. A 2016 decision by the Supreme Court of Canada (SCC) may allow Engineers (below the level of a Director) to be unionized.
6. Management rates at EPS are an estimated seven percent more than the City of Edmonton management jobs, reducing their salaries would result in a savings of \$2.1 million per year. Reducing their hours of work to 35.0 hours per week from would save an estimated \$1.5 million in salary. The combined savings would be \$3.6 million (or the equivalent the salary costs for 35 police officers).
7. Historically, the City of Edmonton has compared its management salaries against Calgary, Toronto, Ottawa and Vancouver. Instead of chasing these cities, City Council should consider basing their salary rates on a larger national marketplace, including comparisons from the federal government, provincial governments, crown corporations, top 20 municipalities, school boards and relevant private sector comparisons (e.g., ATB, EPCOR, Stantec, etc.).
8. In 2018, the Parks and Roads Department added 36 management supervisors in (at an estimated cost of \$150,000 per year per position for a total cost of \$5.4 million per year). The City probably reduced these costs by 75% by unilaterally converting unionized Labour Foreman III jobs into non-union management jobs (e.g., ML2). The management and union job accountabilities are essentially



identical. In this example, the City deleted lower paid union positions to create more expensive (i.e. higher paid) management positions (e.g., costs differential of \$30,000 in higher salaries and benefits).

Conclusion:

Prior to 2016, the City of Edmonton used national salary surveys to assess the market value of the City’s executive/management jobs. Over the past 20 years, the City typically chased the 4 highest paid Canadian municipalities and resource industry comparisons. This practice is inconsistent with best practices and it has allowed management jobs be paid more the national market. The added costs are significant.

Reducing the hours of work for all managers to 35.0 hours per week would be consistent with the hours worked by managers in other large municipalities (i.e. Vancouver, Calgary, Winnipeg, Toronto, Ottawa, etc.). Keeping the same hourly rate paid to management employees would reduce the costs of management jobs by an estimated 5.15 percent. By reducing the hours of work for management staff, the City could use the savings to reduce or eliminate proposed 2021 budget cuts (i.e. lower community grants, facility closures, etc.).

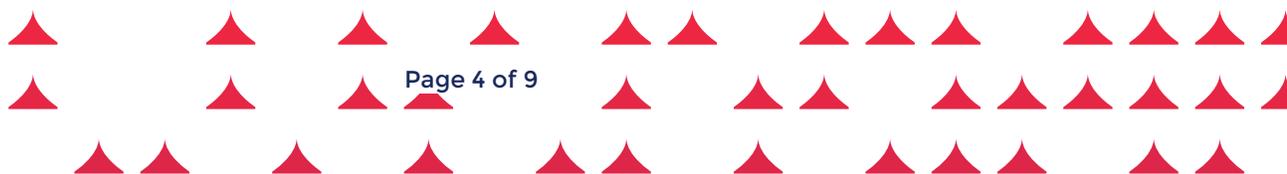
As a result of tightening budgets, City of Edmonton managers have received several years of zero percent. The market survey conducted by CSU 52 clearly shows the City’s management jobs could take several more years of zero percent (assuming a low rate of inflation of less than 2.0 percent per year). The most significant problem facing the City is the lack of revenue and other budget pressures – comparing management salaries to the market salary rates (i.e. 50th percentile) is potentially a cost effective solution.

City Council needs to address the appropriateness of management classifications changes, conversion of union jobs into management jobs, excessive number of management layers, narrow span of control, etc. City Council should track the reasons and costs when management jobs are created and/or reclassified and determine the source of the funds. City Council could ask for the total management salary costs for filled and vacant management jobs to verify if management payroll has increased. Council should also ask for a list of what and when management jobs were created, starting in 2010.

In summary, the City’s management jobs are better paid than comparable jobs based on the national marketplace. Aligning management salary rates based on a national market survey (i.e. 50th percentile) would allow the City to save millions (an estimated \$27.0 million per year) and reducing managements’ hours of work (an estimated savings of \$9.27 million), produces significant savings. These savings and other savings would allow the City to keep front-line services, provide community groups with grants and operate facilities currently scheduled to close, while cutting over \$191.82 million from the City’s budget. To achieve these savings, City Council needs to better manage the costs of the bureaucracy.

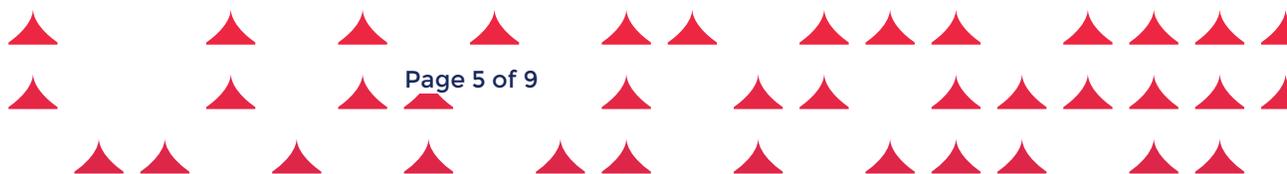
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Attachments:

1. Union Report – City of Edmonton – Management Rates versus National Market Survey
2. Union Report – City of Edmonton – Comparative Analysis
3. Union Report – City of Edmonton – Potential Cost Savings
4. Union Report – City of Edmonton – Management Salary Ranges



Attachment #1

Union Report – City of Edmonton – Management Rates versus National Market Survey Survey Data: September 2020

Edmonton Title	Common Market Title	Edmonton Maximum \$/Yr	Market Maximum \$/Yr	Edmonton Ratio	Market Ratio
1. City Manager	City Manager or CAO	\$332,400.00	\$286,038.64	100.0	78.9
2. Deputy City Manager (CFO)	CFO or General Manager	\$302,183.00	\$225,026.85	100.0	74.5
3. Deputy City Manager, Employee Svcs.	Chief HR Officer or Director, HR	\$302,183.00	\$184,404.55	100.0	61.0
4. City Solicitor	City Solicitor or Director, Legal Svcs.	\$217,080.00	\$211,129.34	100.0	85.6
5. Fire Chief	Fire Chief or Director, Fire Services	\$217,080.00	\$182,939.25	100.0	84.3
6. City Clerk	City Clerk or Director, Legislative Svcs.	\$217,080.00	\$177,308.48	100.0	81.7
7. Chief Information Officer	Director, Info. Technology or CIO	\$217,080.00	\$177,291.95	100.0	81.7
8. Director, Infrastructure Ops	Manager, Parks Maint or Operations	\$162,640.00	\$140,431.88	100.0	86.3
9. Director, Comm. & Rec. Facilities	Manager or Director, Recreation	\$162,640.00	\$144,478.07	100.0	88.8
10. Sr. Civil Engineer (PE3)	Senior Civil Engineer	\$125,105.00	\$107,296.03	100.0	85.8
11. LR Consultant (PT2)	Labour Relations (LR) Advisor	\$103,028.00	\$92,313.12	100.0	93.2
12. Civil Engineer (PE2)	Civil Engineer (FWL)	\$105,340.00	\$98,440.00	100.0	93.6

Notes:

1. Many of the jobs have been shown at 2020 rates. Where the original figures were not from 2020, an estimated 2% increase was added.
2. The Rates for senior executives should consider a number of factors to establish the comparable rates for a City the size and complexity of Edmonton.
3. No other large municipality has an equivalent position to the DCM, People Services.
4. The basic data potentially identifies City of Edmonton management positions are above the Canadian market using jobs from across Canada.
5. The analysis used salary disclosure list data or actual salary rates found in municipal reports (BC, AB, MB, ON, NS) or financial documents, including collective agreements for the PE2 and PE3 jobs. The Randstadt Salary Survey for 2020 was also used for some data (e.g., Engineer positions).
6. Market rates in red font are below the City of Edmonton rates. Market rates in green font are above the City of Edmonton's rates.

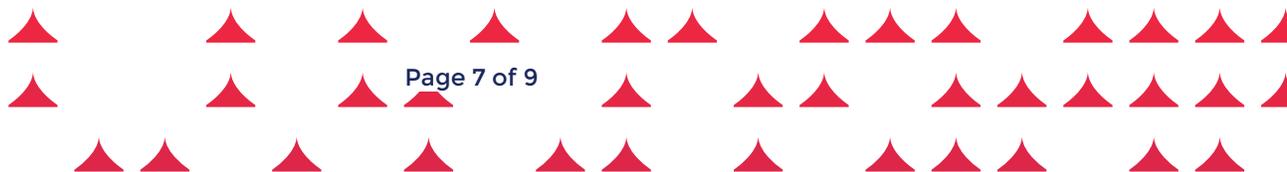
Attachment #2

Union Report – City of Edmonton – Comparative Analysis Survey Data: September 2020

COE JOB TITLE (See note 2)	MARKET COMPARISON (Plus diff means COE jobs are paid higher than market.)	COMMENTS
City Manager	+21.1	A further analysis based on the numbers of services, budgets and FTEs managed should be considered.
Deputy City Manager (DCM)	+25.5	The DCM, Employee Services is 39% above the market place. Position does not exist in other cities.
Branch Managers (BM1)	+16.7	The Fire Chief and City Solicitor are higher paid than CIO and City Clerk in the marketplace.
Directors (ML4)	+12.4	It would appear not all Directors should be equal in compensation.
Senior Engineer (PE3)	+14.2	This level is comparable to a Working Supervisor (ML2). Survey of ML2 Supervisors would be helpful.
Working Engineer (PE2)	+6.4	This level is comparable to other professional engineering staff.
LR Consultant (PT2)	+6.8	This level is comparable to other professional staff, such as Compensation Consultant.

Note:

1. For every management job, the survey gathered data from 20+ cities.
2. The number of positions in each category was averaged if there was more than one job match.



Attachment #3

Union Report – City of Edmonton – Potential Cost Savings Survey Data: September 2020

Proposed Cost Savings Solution – Management Costs	Cost Savings (millions/year)
a. Reduce management hours of work from 36.9 hours to 35.0 hours/week	\$9.27
b. Reduce salaries to national market median for City managers	\$27.00
c. Reduce EPS civilian management hours of work from 36.9 hours to 35.0 hours/week	\$1.50
d. Reduce number of managers in Employee Services to 2015 levels.	\$2.80
e. Reduce EPS civilian management salaries to City rates	\$2.10
f. Move management jobs back to union (unilateral conversion by the city) (See notes 1 and 2)	\$3.00
g. Move EPCOR managers to City management rates	\$20.00
h. Reduce management layers (i.e. to a maximum of four layers) (See notes 3 and 4)	\$75.00
i. Widen span of control to 1:10 (See notes 3 and 4)	
j. Reduce management classifications (reduce salaries for over-classified managers) See note 5)	\$1.00
k. Other potential cost savings (See notes 5 and 6)	\$50.00
Total Savings	\$191.67

Notes:

1. Need to address 36 managers created in PAR Department, which were converted from union Labour Foreman III jobs into management level jobs (ML2) at a cost of \$30,000 in salary and benefits costs.
2. Move EPS management jobs converted from union positions and include new management jobs created on the basis of the conversion.
3. Other reorganizations, such as IIS Department reorganization added an extra management levels. Removing the added layer and expanding the span of control would produce added savings for an estimated total of \$75.0 million/year).
4. In 2015, the IS Department reorganization was the start of the added management levels and reduced span of control across the City Administration.
5. Other ideas (see 2018 report), could increase the savings to just over \$191.0 million per year. These ideas include: delay West LRT; delay reduction in speed limits; delay new bike lanes; reduce \$'s for public art; reduce street lights by 50% between midnight and 6:00 am; introduce new job evaluation system for all city jobs – use one pay line; reduce number of DCMs to three from eight; create “one” shared corporate services for all City organizations; reduce floor space in leased facilities (i.e. Edmonton Towers); sell or lease out excess City-owned office facilities by allowing 50% “office-based” employees to work at home (where possible).
6. Need to examine the costs of regionalization versus annexation.

Attachment #4

Union Report – City of Edmonton – Management Salaries Survey Data: September 2020

COE Management Positions (Effective 09182018) - Salaries and FTEs - Open City					
Management Positions	Min \$	Max \$	Perm	Temp	Total
Managerial - PT4	101,542	145,060	78	7	85
Managerial - PT3	84,597	120,853	179	28	207
Managerial - PT2	72,246	103,208	157	7	164
Managerial - PT1	65,069	92,956	67	5	72
Managerial - PS4	117,611	168,019	0	1	1
Managerial - PS	85,124	168,019	35	9	44
Managerial - PE4	96,333	137,619	12	1	13
Managerial - PE3	87,574	125,106	139	2	141
Managerial - PE2	73,738	105,341	78	3	81
Managerial - PE1	58,849	84,076	27	4	31
Managerial - MS4	129,785	185,408	2	0	2
Managerial - ML6	211,531	302,183	7	1	8
Managerial - ML4	113,849	162,642	126	8	134
Managerial - ML3	96,333	137,619	136	12	148
Managerial - ML2	84,597	120,853	155	4	159
Managerial - ML1	69,404	99,149	40	2	42
Managerial - MCA	203,744	254,680	1	0	1
Managerial - DP1	48,166	68,807	2	1	3
Managerial - BM2	129,785	185,408	14	0	14
Managerial - BM1	151,956	217,080	25	4	29
Managerial 113 (Executive Assist.)	57,703	82,435	10	3	13
City Manager			1	0	1
Total			1291	102	1393

Notes:

1. The number of management staff has increased in 2020 and the numbers of union staff has decreased.
2. Management salaries have not changed from 2018 to 2020.
3. A new City Manager is starting in January 2021.
4. The Union identified up to 65 new managers in 2019 and 160 fewer union positions. The Administration has substantially reduced front-line unionized staff and significantly increased the number of management staff over the period 2015-2019.