

## CAO Compensation Policy

**Recommendation:**

**THAT CAO Compensation Policy No. 30.46 be adopted.**

<b>Report Purpose and Summary Statement:</b>	The purpose of this report is to inform Council about the development of a Chief Administrative Officer (CAO) Compensation Policy that formalizes the City's administration of CAO compensation. The policy is consistent with compensation governance best practices and is in alignment to successfully deliver on Council's strategic priorities and achieve its Objectives and Key Results (OKRs).
<b>Financial Impact:</b>	There are labour cost implications associated with conducting a market review as well as the annually negotiated general wage increases. These adjustments may result in changes to the CAO salary to maintain internal equity and market competitiveness.
<b>Funding Source:</b>	Within the existing financial plan and business planning
<b>Strategic Alignment:</b>	Governance & Corporate Excellence
<b>Climate Impact:</b>	Not applicable
<b>Advisory Committee Consultation:</b>	Not applicable
<b>Communications:</b>	Required internal communications at the time of compensation changes
<b>Applicable Legislation/Bylaw/Policy:</b>	Not applicable

## **Chief Administrative Officer Compensation Policy**

### **BACKGROUND:**

The purpose of this report is to present the Chief Administrative Officer (CAO) Compensation Policy for Council's consideration..

### **ANALYSIS:**

#### **Project Description:**

##### **Policy Purpose and Alignment**

This policy establishes a consistent, transparent and systematic approach to setting and managing compensation for the CAO. The CAO plays a critical role in advancing Council's Strategic Priorities and achieving key organizational objectives.

The CAO Compensation Policy aligns with the City's human resources strategic plan and is grounded in the principles of fairness, innovation, and performance excellence. It further supports the City's overall strategic direction by reinforcing the Objectives and Key Results (OKRs) that reflect the City's Mission, Vision, and Core Values, with a particular focus on good governance and corporate excellence.

##### **Compensation Philosophy**

The City of Maple Ridge has adopted a market-aligned approach to all exempt total compensation, targeting the 65th percentile of a defined group of comparator organizations. This group includes an array of public organizations of similar size and scope where relevant, that compete for similar talent.

##### **Policy Application and Procedure**

This policy applies exclusively to the Chief Administrative Officer (CAO) position.

##### Annual Performance Review and SMART Objective Setting

Council conducts an annual performance review of the CAO to ensure accountability, alignment with strategic objectives, and transparency in salary administration, while establishing and monitoring SMART objectives for the performance year.

Each January, the CAO presents the prior year's Annual Report, including SMART objectives and progress updates. SMART objectives for the new performance year are also finalized at this time.

The Director of Human Resources (DHR) distributes performance review surveys to Council, the Mayor, and the CAO for completion. By mid-February, the DHR will compile results and prepare a draft performance review and Annual Compensation Summary to Council.

By the end of February, Council reviews the draft, provides feedback and direction on the final performance review, performance rating, any salary step movement, and merit award via council resolution. In early March, the Mayor and CAO discuss the finalized results, and the DHR implements any council approved adjustments. There will be a mid-year check-in with the CAO and council to review the annual SMART objectives. In the year following an election, Council and Human Resources can adjust these timelines.

### General Wage Increases

To ensure consistency and transparency in salary administration, annual general wage increases for the CAO shall follow the same process established for exempt employees and shall remain aligned with cost-of-living adjustments (COLA). The DHR shall review and, as necessary, adjust the CAO salary range to maintain alignment with these adjustments. The DHR shall present such recommendations to Council for approval by council resolution prior to implementation.

### Tri-Annual Market Review

A comprehensive external market review of total compensation for the CAO shall be conducted every three years by an independent compensation consultant, under the direction of the DHR. The review shall be based on the City's Exempt Total Compensation Philosophy, comparator organizations, and relevant compensation indicators to ensure continued competitiveness. Following completion of the review, the DHR shall provide recommendations to Council for a revised salary range (if applicable), targeting total compensation equivalent to the 65th percentile of the market. Council shall review and approve any proposed adjustments and confirm its decision to the DHR through a Council resolution.

### Salary Administration and Transparency

To support ongoing transparency and oversight, the DHR shall meet with Council in January of each year, and any time throughout the year that there is an adjustment to CAO salary to review the CAO's salary details and employment agreement. The Mayor shall be copied on all salary administration communications related to the CAO. Prior to the public release of the Annual Statement of Financial Information, the DHR shall review the CAO's salary details contained within the report with Council.

## **Strategic Alignment:**

Support Council's Strategic Priorities through:

- I. Governance and Corporate Excellence by ensuring compensation is in line with those across the region, supports recruitment initiatives for "hard to recruit" positions.
- II. Helps to support a diversified thriving economy by enabling the city to be responsive to our evolving community needs through the recruitment and retention of qualified professionals.

Aligns with the Human Resources Strategic Plan by:

- I. Demonstrating a commitment to the recruitment and retention of our employees through competitive wages, benefits and flexible working hours for employees.
- II. Positions the City of Maple Ridge as an employer of choice.
- III. Supports the City's ability to attract and engage the necessary talent to move forward on achievement of Council's Strategic Priorities, while also reflecting the organization's value statements.
- IV. Maintains competitive market positioning, while ensuring internal equity and fairness.

**Financial Impact:**

There are labour cost implications associated with conducting a market review as well as the annually negotiated general wage increases. These adjustments may result in changes to the CAO salary to maintain internal equity and market competitiveness. Annual general wage increases, in alignment with the cost-of-living adjustments negotiated through the CUPE Collective Agreement during its term, will continue to be incorporated in existing financial planning practices.

**OPTIONS & IMPLICATIONS:**

One alternative is to not formalize the CAO Compensation Policy which carries risks without a clear documented processes and potential challenges in maintaining consistency. Adoption of a neutral, bona fide policy ensures a consistent, transparent framework that aligns with best practices and reduces risk, providing clarity and accountability in compensation management.

**CONCLUSION:**

The CAO Compensation Policy supports the City's commitment to good governance, transparency, talent retention, and strategic service delivery. By aligning compensation with market standards, ability to pay, and organizational values, the City strengthens its capacity to achieve Council's strategic goals and maintain continuity of service to the community. This policy further ensures that Council remains fully informed through regular reporting and a clear, transparent process for compensation review and approval.

Staff recommend that Council approve the policy as presented.

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**Attachments:** (A) Policy 30.46 CAO  
Compensation

## Report Approval Details

Document Title:	CAO Compensation Policy 30.46 - Committee of the Whole.docx
Attachments:	- CAO Compensation Policy 30.46 Nov 4 COW.docx
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This report and all of its attachments were approved and signed as outlined below:

Michelle Lewis, Chief Human Resources Officer/Director, Human Resources

Corinn Howes, Deputy Corporate Officer

Scott Hartman, Chief Administrative Officer