

POLICY STATEMENT

Subject: Employee Compensation

Origination Date: 04/01/2001

Revision Date: ~~07/01/2022~~05/08/2023

Policy Number: 200

Purpose

The purpose of the compensation plan is to attract, retain, and motivate employees through financial compensation commensurate with the employee's ability and responsibility. This plan is designed to recognize employee performance, achieve internal equity, and be externally competitive with market compensation.

Policy

A. Maintenance and Administration of the Compensation Plan

The Human Resource Director, or designee, shall be responsible for maintenance and administration of the Compensation Plan. This includes recommending to the City Manager any amendments or market changes to the Plan. The Compensation Plan shall establish salary ranges, including a minimum and maximum pay rate for an employee to progress through their range. The City will conduct salary surveys and propose recommendations to the City Council for market-based adjustments as needed to maintain a market competitive position. The City will establish pay periods and pay dates.

The City will strive to provide a total compensation package that is affordable, yet allows the City the opportunity to attract qualified applicants and retain excellent performing employees. Total compensation includes base pay, applicable assignment/specialty pay, and indirect pay (comprehensive benefits).

B. Adjustments to Salary

The overall amount allocated for all adjustments to salary will be determined based on the City's fiscal constraints. No individual's salary should be increased beyond the maximum of their salary range.

1. Annual Salary Increase

Annual salary increases for employees may be a percentage of base pay, or be withheld or postponed, depending on job performance and budgeted funds.

a. Salary Increase

If the employee's performance ~~rating for the annual review~~ reflects an overall rating of "Meets Expectations" an increase may be recommended based on budgeted funds.

b. Salary Increase Withheld or Postponed

If the employee's performance ~~rating for the annual review~~ reflects an overall rating of "Does Not Meet Expectations" then the salary increase will be withheld until the performance rating is "Meets Expectations." This increase is not retroactive.

c. Employees at the Maximum of the Range

If the employee is at the maximum of their range, a lump sum salary increase may be recommended based on availability of budgeted funds. Lump sum salary increases are not added to the employee's base pay and will be equal to the raise an employee would have received had they not been at the maximum of the range.

2. Equity Adjustments

Equity adjustments are salary changes outside of normal salary adjustments (promotions, reclassifications, market increases, etc.) to remedy salary issues such as external pressure in high demand areas, internal salary compression, equal pay for equal work, and/or retention considerations. Any potential equity adjustments must be analyzed by Human Resources and approved by the City Manager or designee.

3. Promotion or Reclassification

When an employee is promoted or reclassified to a position at a higher salary range, the employee will receive a five (5) percent increase or the entry of the new range, whichever is greater. Under certain circumstances, the City Manager, Deputy City Manager, or designee may authorize employees to start within the range depending on experience, special skills, or difficulty to fill. However, if the employee exceeds the minimum relevant experience requirements for the job by two (2) to five (5) years, a starting salary within 80%-90% of midpoint can be authorized by the department director. If the employee's relevant experience exceeds the minimum requirements by six (6) to nine (9) years or a special skill requirement is identified, a starting salary within 91%-100% of midpoint can be authorized by the department director. If the employee has over ten (10) years of relevant experience beyond the minimum qualifications, the employee has special skills or background, or there has been difficulty in recruiting for the position, the Deputy City Manager or City Manager may approve a starting salary above midpoint. In all cases, documentation justifying the request must be received by Human Resources.

4. Reclassification

~~When an employee is reclassified to a higher salary range, the employee will receive a five (5) percent increase or the entry of the new range, whichever is greater. However, if the employee exceeds the minimum relevant experience requirements for the job by two (2) to five (5) years, a starting salary within 80%-90% of midpoint can be authorized by the department director. If the employee's relevant experience exceeds the minimum requirements by six (6) to nine (9) years or a special skill requirement is~~

~~identified, a starting salary within 91%-100% of midpoint can be authorized by the department director. If the employee has over ten (10) years of relevant experience beyond the minimum qualifications, and the employee has special skills or background, the Deputy City Manager or City Manager may approve a starting salary above midpoint. In all cases, documentation justifying the request must be received by Human Resources.~~

When an employee's position is reclassified to a lower salary range, the employee's salary will not be decreased unless their salary is higher than the maximum step of the new range. If the employee's salary is above the maximum of the new range, the department director may recommend, and if the City Manager, Deputy City Manager, or designee approves, the employee's salary will remain the same and will be frozen until the salary in the new range reaches the employee's salary level, based on market adjustments.

~~When an employee's position is reclassified to a position in the same pay range, no adjustment in salary will be made.~~

5.4. Transfer or Reclassification at Same Salary Range

When an employee is transferred ~~from~~ or reclassified from one position to another having the same salary range, the employee's pay shall remain the same.

6.5. Demotion for Non-Disciplinary or Disciplinary Reasons

Demotion occurs whenever an employee is moved to a position with reduced pay. Employees will receive a minimum of a five (5) percent (or greater with City Manager or Deputy City Manager approval) reduction in pay and will not exceed the maximum of the new salary range, unless prior approval is received by the City Manager, Deputy City Manager, or designee. This should not place the employee's salary below the entry of the range or above the maximum of the range. ~~If an employee demotes within twenty-four (24) months of a promotion, the salary reduction will be equal to the amount of the promotional increase. Employees may appeal an involuntary demotion which results in the loss of pay through the City's appeal procedures as outlined in Administrative Guideline #830. The demotion of an employee while in their trial period is not appealable.~~

7.6. Temporary Re-Assignment to Higher Classification

The City Manager, Deputy City Manager, or designee, may authorize an employee to serve in an "acting" assignment to fill in for a higher position on a temporary basis. ~~While on acting assignments, employees will be eligible for a pay increase. Their salary will be recalculated using their regular position salary, adding the pay increase and then acting assignment pay. If this recalculation would not change the salary in their acting assignment, they will not receive an increase at that time. Once the acting assignment is completed, the employee will be moved to the appropriate salary in their regular position to reflect the pay increases they were scheduled to receive~~

~~during their acting assignment. Temporary assignments may be removed at any time by the City Manager, Deputy City Manager, or designee and it is not appealable.~~

~~For performing all of the essential functions of the position being filled.~~

a. Non-exempt Positions

~~Non-exempt employees who serve in an acting assignment for a minimum of thirty (30) consecutive calendar days shall receive either the entry of the pay range of the acting position or a five (5) percent increase in pay, whichever is greater, for the duration of the assignment. The employee will maintain the non-exempt status if the employee continues to perform their non-exempt job functions while filling in for an exempt status job. If the employee is no longer performing the non-exempt job functions of their original position and is performing only the exempt job functions of the acting assignment position, the employee will be considered exempt status while serving in the acting assignment.~~

b. Exempt Positions

~~Exempt employees who serve in an acting assignment for a minimum of thirty (30) consecutive calendar days shall receive either the entry of the pay range of the acting position or a five (5) percent increase in pay, whichever is greater, for the duration of the assignment.~~

8-7. Market Adjustment

When the salary structure is updated, all regular employees who are below the proposed minimum of their salary ranges will be brought up to the new minimum. If financially possible, all employees within the structure will be moved the same percentage as the structure movement, and remain at their respective position within the range to prevent compression.

9-8. Regrade Movement

When individual positions are moved to another grade because of market movement or misalignment identified in a compensation study, incumbents may be moved to the new grade (higher or lower) without impact to their salary. If the regrade results in movement to a lower grade that places the incumbent over the maximum of the range, the incumbent will be "red lined" above the range maximum.

10-9. Temporary Salary Adjustments

The City Manager may authorize temporary reductions to employee rates of pay due to budget constraints. Temporary reductions under this section shall be of general applicability to the City workforce and are not subject to the discipline, grievance, and/or appeal process.

11-10. Monetary Recognition Awards

In support of maintaining a high performing culture and providing recognition for exemplary performance and achievements, the City Manager is

authorized to develop recognition incentive programs that provide awards including monetary, trophy, plaques, certifications, and annual award events. Any taxation requirements which arise based upon I.R.S. rules will be taxable to the employee.

C. Rates of Pay

1. Starting Salary

Normally an employee will be ~~appointed~~ hired or reinstated at the minimum of the salary range for the job classification. ~~Under certain circumstances, the City Manager, Deputy City Manager, or designee may authorize employees to start within the range depending on experience, special skills, or difficulty to fill. However, if the employee exceeds the minimum relevant experience requirements for the job by two (2) to five (5) years, a starting salary within 80%-90% of midpoint can be authorized by the department director. If the employee's relevant experience exceeds the minimum requirements by six (6) to nine (9) years or a special skill requirement is identified, a starting salary within 91%-100% of midpoint can be authorized by the department director. If the employee has over ten (10) years of relevant experience beyond the minimum qualifications, the employee has special skills or background, or there has been difficulty in recruiting for the position, the Deputy City Manager or City Manager may approve a starting salary above midpoint. In all cases, documentation justifying the request must be received by Human Resources.~~

Lateral Police Officers and Firefighters will be hired in accordance with their Memorandum of Understanding (MOU).

2. Overtime Compensation

Pursuant to the Fair Labor Standards Act (FLSA), the City will pay overtime to non-exempt employees who work in excess of forty (40) hours in their designated workweek.

Exception: The Fire Department certified non-exempt personnel will receive overtime for hours worked above their regularly scheduled shifts (hours in excess of 106 hours on their 120-hour pay period or 96 hours on their 96-hour pay period).

- ~~a. Employees eligible for overtime shall be compensated at a rate of one and one-half (1 ½) times their regular rate of pay.~~
- ~~b. For purposes of calculating overtime pay, compensatory time used, industrial related leave to attend off-duty appointments, and administrative leave shall not be considered time worked and shall be deducted from "hours worked" in the workweek. All other leaves will be considered hours worked.~~
- ~~c. Positions which are exempt under FLSA will not receive overtime, but may be given time off for extensive "after hours" work on special projects~~

~~or under extenuating circumstances as approved by the department director.~~

~~d. Non-exempt employees must get approval from their supervisor prior to working overtime. Non-exempt employees who work overtime without prior approval from their supervisor may be subject to disciplinary action.~~

3. Compensatory Time

Pursuant to the FLSA, the City will provide compensatory time in lieu of overtime pay, at a rate of one and one-half (1 ½) hours for each eligible hour of overtime worked, provided the employee and the immediate supervisor agree to the compensatory time accrual prior to the performance of the work. Compensatory Time earned may be cashed out by request of the employee or by the City on any regular payroll.

4. Bilingual Pay

Employees who are required to speak, interpret, read and/or write in a language other than English including American Sign Language (ASL) and pass the City approved examination will receive bilingual pay. ~~will receive \$0.95 per hour added to their regular rate of pay and employees who are required to speak and interpret in a language other than English including American Sign Language (ASL) and pass the City approved examination will receive \$0.55 per hour added to their regular rate of pay.~~ Bilingual pay is counted as wages for the purpose of calculating an employee's regular rate of pay for overtime purposes.

Eligibility requirements for bilingual pay are found in Administrative Guideline #210.

5. Holiday Compensation

See Administrative Guideline #620.

6. Red Line Rates of Pay

Based upon classification studies, reclassification of a position or a voluntary demotion, the City Manager or Deputy City Manager may authorize "red line" rates of pay. A "red line" salary is in excess of the maximum rate of pay assigned to the position classification. No salary adjustments to base pay shall be effective for an employee with a "red lined" salary. Employees with a "red lined" salary are eligible for lump sum increases.

7. Call Out Pay

Call out pay is intended to compensate ~~non-exempt~~ employees for actually working during a time an employee is not scheduled to work (i.e. in response to an emergency or to meet minimum staffing levels.) ~~Call-out pay is not~~

~~intended to compensate non-exempt employees who are called in to work to cover a shift. The criteria for call out pay is as follows:~~

- ~~a. The employee is advised with less than twelve (12) hours' notice that they need to come to work; and~~
- ~~b. The notice is a minimum of two (2) or more hours prior to the employee's regular scheduled start time. If the employee is called to work less than two (2) hours prior to the employee's regular scheduled start time, the employee will be compensated at an hourly rate that complies with the FLSA; or~~
- ~~c. The notice is after the employee has left work.~~

~~An employee who is called out shall be paid a minimum of two (2) hours call out pay (or up to the start of their regular start time), which includes thirty (30) minutes travel time to/from work, at one and one-half (1 ½) times their regular rate of pay regardless of the hours actually worked that workweek.~~

8. Stand-by Pay

~~Stand-by pay for non-exempt employees will be paid at a rate of \$2.00 per hour for every hour of stand-by time served.~~

Stand-by duty is a specific period of time during non-scheduled work hours in which an employee remains available to respond to an emergency. Stand-by response times will be determined by the department.

- ~~a. It is the employee's responsibility to advise their supervisor, or other person who would call them out, the phone number they can be reached at while on stand-by.~~
- ~~b. Employees on stand-by are expected to remain in a geographic vicinity that permits the employee to respond within thirty (30) minutes~~
- ~~c. Employees cannot receive stand-by pay concurrently with call out pay. Once an employee on stand-by is called out, call out pay provisions will apply.~~
- ~~d. Employees who become ill or experience a circumstance that would prevent them from responding to an emergency will immediately make the necessary notifications and will be removed from stand-by status.~~
- ~~e. Employees on stand-by status who fail to respond to a direction to come to work, or are unable to respond may be subject to disciplinary action.~~

9. Longevity Pay Program

Regular full-time employees who have completed their eighth (8) eligible years of service, by December 1, shall be eligible for longevity pay. The longevity pay program is contingent on available budgeted funds. ~~Longevity pay is considered an element of base pay in regards to the FLSA, any overtime implications will be calculated using hours worked beginning on November 1 and ending on October 31.~~

~~When budgeted funds are available, longevity will be paid on the first payroll that begins after December 1 of each year, and according to the following chart.~~

Completed Years of Service (Completed by Dec. 1)	Dollar Amount
8 years	\$400.00
9 years	\$500.00
10 years	\$600.00
11 years	\$700.00
12 years	\$800.00
13 years	\$900.00
14+ years	\$1,000.00

~~An employee MUST be actively employed at the time longevity checks are issued to be eligible. Payment of longevity pay is considered supplemental wages and is subject to I.R.S. guidelines regarding tax withholding in addition to all other applicable taxes.~~

10. Fire 40-hour Day Shift Assignment

To determine the forty (40) hour day shift assignment rate of pay for non-exempt shift personnel (Firefighters, Fire Engineers, and Fire Captains), 3,054 annual hours will be used, additional pays impacted by this assignment, with the exception of Bilingual Pay, will be calculated based upon a 1.47 multiplier.

11. Specialty Pay

Specialty Pays may be authorized to compensate employees for unique skills needed and approved by the department. Specialty pay is counted as wages for the purpose of calculating an employee's regular rate of pay for overtime purposes.

11.12. Assignment Pay

~~Police Department Assignment Pay for non-exempt, sworn positions will be paid at 2.5% – 5% of the midpoint of the Police Officer salary range and is added to the employee's base rate of pay (a specific listing of assignment pays can be found in Administrative Guideline #210). Communication Training Operator/Supervisor (CTO) assignment pay will be paid at five (5%) percent of the employee's current salary. Non-exempt, sworn police employees may participate in as many assignments as determined by the Department, but may only collect assignment pay up to ten (10%) percent. Assignment Pay may be removed at any time and is not appealable.~~

Assignment Pay for non-sworn positions will be paid to employees who, due to unique circumstances are assuming secondary work that is being performed on an ongoing basis and is distinctly separate from and unrelated to an employee's primary position; or are responsible for the management of specific budgeted projects. ~~Employees approved for Assignment Pay will receive a five (5%) percent increase in base pay for the period of time the employee is performing the special assignment. If the employee is at the maximum of the salary range, the salary will be five (5%) percent above the maximum of the range during the special assignment. Department directors, Deputy City Managers and contract employees are excluded from receiving Assignment Pay. Assignment Pay will be recommended by the department director and approved by Human Resources. Employees serve in special assignments at the discretion of the department director and the removal of an employee from a special assignment is not an adverse employment decision that is subject to grievance and/or appeal.~~

12.13. Uniform Allowance

~~Sworn Police employees will be paid a uniform allowance of \$506 four (4) times a year. Sworn Fire employees will be paid a uniform allowance of \$250 four (4) times a year. Non-sworn City positions approved by the City Manager are listed in Administrative Guideline #210 to receive a uniform allowance of \$253 four (4) times a year. Uniform allowance will be authorized for specific positions as outlined in Guideline #210. Uniform allowance is contingent on available budgeted funds.~~

13.14. Shift Differential Pay

Shift differential shall be paid to non-exempt employees who do not work twenty-four (24) hour shifts for scheduled hours actually worked on an assigned second (2nd), third (3rd), or fourth (4th) shift. ~~Shift differential shall be paid to exempt employees who do not work twenty four (24) hour shifts for scheduled hours actually worked on an assigned second (2nd), third (3rd), or fourth (4th) shift for more than fourteen (14) consecutive days.~~ Shift differential is added to the employee's base rate of pay and shall be included in the calculation of the overtime rate as required by the FLSA.

Shift	Start/End Time	Differential Amount
1 st Shift	5:00 am—3:00 pm	N/A
2 nd Shift	11:00 am—9:00 pm	\$0.50
3 rd Shift	4:00 pm—2:00 am	\$0.75
4 th Shift	8:00 pm—6:00 am	\$1.00

~~Non-sworn employees whose shift begins after 5:59 p.m. will receive fourth (4th) shift pay. Pay will be adjusted for non-exempt employees only after an employee has worked a minimum of four (4) consecutive days on the same~~

~~shift [whether first (1st), second (2nd), third (3rd), or fourth (4th) shift] during a pay period.~~

14.15. Returning Salary (from Layoffs)

Employees rehired within their same position at the time of layoff will return to the same paygrade and rate of pay including (plus or minus) any adjustments made during the time of layoff. This should not place the employee's salary below the entry of the range or above the maximum of the range.

If the employee returns in a position in a lower pay grade they will return at the same rate of pay, not to exceed the maximum of the range. If the employee is above the maximum of the range, their rate of pay will be adjusted to the maximum of the range.