

POLICY STATEMENT

Subject: Employee Compensation

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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 Performance Appraisal Form for 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 Performance Appraisal Form for annual review reflects an overall rating of "Does Not Meet Expectations" then an employee may be provided a period of time, not to exceed ninety (90) calendar days, to bring the performance up to a satisfactory level. At the conclusion of this time period, a recommendation shall be forwarded to the City Manager, Deputy City Manager, or designee, indicating that the employee should receive a salary increase as approved and scheduled by City Council or continue employment with no increase; or that action should be taken to demote, reassign, or terminate the employee for performance problems.

c. Employees at the Maximum of their Range

If the Performance Appraisal Form for annual review reflects an overall rating of "Meets Expectations", a lump sum salary increase may be recommended for employees who are at the maximum of their range based on 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.

3. 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.

4. Promotion

When an employee is promoted 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. However, if the employee exceeds the minimum relevant experience requirements for the job by two to five 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 to nine 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 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.

5. 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 to five 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 to nine 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 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.

6. Transfer at Same Salary Range

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

7. 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 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 Guideline 830. The demotion of an employee while in their trial period due to a promotion is not appealable.

8. 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. Such appointment shall be for a stated period not exceeding two (2) years. While on acting assignments, employees will receive performance reviews on their regular schedule. If the employee is eligible for a pay increase while in an acting assignment, 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:

1. Non-exempt Positions

Non-exempt employees who serve in an acting assignment for a minimum of 14 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.

2. Exempt Positions

Exempt employees who serve in an acting assignment for a minimum of 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.

9. 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.

10. 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 work force and are not subject to the discipline, grievance, and/or appeal process.

C. Rates of Pay

1. Starting Salary

Normally an employee will be appointed or reinstated at the minimum of the salary range for the job classification. However, if the employee exceeds the minimum relevant experience requirements for the job by two to five 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 to nine 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 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 MOUs.

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 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 hours for each hour of overtime worked, provided the employee and the immediate supervisor agree to the compensatory time accrual prior to the performance of the work.

4. Bilingual Pay

Employees who are required to speak, interpret, read and write in a language other than English including American Sign Language (ASL) and pass the examination 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 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 guideline 210

5. Holiday Compensation (See 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.

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. 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 30 minutes travel time to/from work, at one and one-half 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 cannot receive stand-by pay concurrently with call out pay.
- c. 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.
- d. 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 year of service, by December 1, shall be eligible for longevity pay. The longevity pay program is contingent on available budgeted funds.

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

Completed Years of Service (Completed by Dec. 1)	Dollar Amount
8	\$400.00
9	\$500.00
10	\$600.00
11	\$700.00
12	\$800.00
13	\$900.00
14+	\$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 requiring a 25% tax withholding in addition to all other applicable taxes.

10. Fire 40-hour Day Shift Assignment

To determine the 40-hour day shift assignment rate of pay for non-exempt shift personnel (Firefighters, Fire Engineers, and Fire Captains), 3054 annual hours will be used, additional pays with the

exception of Bilingual pay, will be calculated based upon a 1.47 multiplier.

11. Paramedic Pay

Firefighters, Fire Engineers, and Fire Captains may be paid an additional \$2.40 per hour added to their regular rate of pay for Paramedic Pay. See MOU for details.

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 Guideline 210). Communication Training Operator/Supervisor (CTO) assignment pay will be paid at 5% of the midpoint of the Telecommunication Operator salary range. Non-exempt, sworn police employees may participate in as many assignments as determined by the Department, but may only collect assignment pay up to 10%. 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 5% 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 5% 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 the City Manager. 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.

13. Uniform Allowance

Sworn Police employees will be paid a uniform allowance of \$506 four times a year. Sworn Fire employees will be paid a uniform allowance of \$250 four times a year. Non-sworn City positions approved by the City Manager are listed in Guideline 210 to receive a uniform allowance of \$253 four times a year. Uniform allowance is contingent on available budgeted funds.

14. Hazardous Materials Team Skill Pay

Firefighters, Fire Engineers, and Fire Captains may be paid an additional \$1.10 per hour added to their regular rate of pay for Hazardous Materials Team Skill Pay. See MOU for details.

15. Shift Differential Pay

Shift differential shall be paid to non-exempt employees who do not work 24-hour shifts for scheduled hours actually worked on an assigned second, third, or fourth shift. Shift differential shall be paid to exempt employees who do not work 24-hour shifts for scheduled hours actually worked on an assigned second, third, or fourth shift for more than 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 a.m. – 3:00 p.m.	N/A
2 nd Shift	11:00 a.m. – 9:00 p.m.	\$0.50
3 rd Shift	4:00 p.m. – 2:00 a.m.	\$0.75
4 th Shift	8:00 p.m. – 6:00 a.m.	\$1.00

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, second, third, or fourth shift) during a pay period.

16. Special event pay for Firefighters, Fire Engineers and Fire Captains will be paid in accordance with the MOUs.