
COMPENSATION PLAN**Section 3.1 COMPOSITION, ADOPTION AND AMENDMENTS**

The compensation plan shall consist of two salary schedules, one for public safety sworn positions and one for general employees. Each will contain a schematic list of classes assigned to salary grades and a group of policies that govern the administration of the plan.

The salary schedules shall contain a series of salary grades, each grade having a minimum, market rate, and maximum salary.

The schematic list of classes shall determine the salary grade for each class of position with due regard to the salary grades for other classes; the relative difficulty, responsibility and characteristic duties of positions in the class; the minimum qualifications required; the prevailing rate paid for similar employment outside the City service; and any other factors that may properly be considered to have a bearing upon the fairness or adequacy of the salary grade.

The Director of Human Resources shall periodically prepare and recommend to the City Manager a compensation plan. The City Council shall adopt the compensation plan by ordinance, with or without modifications. When adopted by the City Council, the compensation plan shall remain in effect until amended by the City Council. When a compensation plan has been adopted, the City Council shall not increase or decrease salaries of individual members of the classified service, but shall act in fixing salaries of members of the classified service only by the amendment of the compensation plan. The Director of Human Resources will recommend any adjustments to the compensation plan to the City Manager for consideration in the preparation of his or her recommended annual budget.

Section 3.2 NEW EMPLOYEES

Generally, a new employee shall be paid the minimum rate of pay for his or her class. If a potential employee will not accept the minimum rate of pay, the City Manager's executive staff, department head or other management level employee, as designated by the City Manager, may enter into negotiations for a starting salary up to the market rate within the assigned salary grade. If a department head determines that a salary above the market rate is appropriate, a written request for approval with justification must be submitted to the City Manager or designee.

The minimum rate for each class is based upon the assumption that a new employee meets the minimum qualifications stated in the class specifications. If it becomes necessary to appoint a new employee of lesser qualifications, he or she should be started at a salary below the minimum rate for the class to be determined by the department head. When the employee demonstrates to the department head's satisfaction that he or she meets the minimum qualifications, the employee will be advanced to the minimum rate of the salary grade.

All current and future full-time employees shall receive a competitive wage rate which shall be established and implemented by the City Manager. This rate shall be reviewed periodically by the Director of Human Resources who shall recommend to the City Manager any appropriate changes based on the federal poverty guidelines, federal minimum wage and other relevant information.

Section 3.3 SALARY INCREASES

- a. Periodic Salary Increases: Upon the recommendation of the City Manager and at the discretion of City Council, employees may be granted periodic salary increases. Under no circumstances shall granted increases exceed the maximum of the salary grade for an employee's class of position. Periodic salary increases are defined as general wage increases, merit or performance based increases, competitive wage rate increases or equity based increases. The Director of Human Resources may also recommend salary range modifications based on market conditions. Adoption of these recommendations will rest with the discretion of the City Council. Periodic salary increases shall be reviewed during the City's official budget cycle and proposed changes will be implemented as scheduled by the City Council.
- b. Supplemental Bonuses/Increases: The City Manager may provide for additional compensation for employees outside the parameters of the compensation plan through the establishment of incentive plans and performance and experience bonuses. All programs will be administered within the Department of Human Resources. Requests for a bonus or increase made under these programs must be approved by the Director of Human Resources and the City Manager or designee.
- c. Special Allowances: City Council may provide for compensation in the form of special allowances to members of the unclassified and classified service, which amounts are outside of the parameters of salary ranges provided in this plan.

Section 3.4 PROMOTIONS

When an employee is promoted to a position in a higher class, his or her salary shall be increased to the minimum rate for the higher class or the rate which is 10% above the employee's salary, whichever is greater. In the case of a promotion to a class which is one range higher than the employee's present class, he or she shall receive a 4% increase. In cases where there is a significant increase in responsibilities and the department head determines that a higher percentage increase is warranted, a written

request for approval with justification must be submitted to the City Manager or designee. Promotional salary increases shall be effective on the date of promotion.

When an employee is promoted to a position in a higher class but does not meet all of the qualifications, such employee should be started below the minimum rate of the class to be determined by the department head. When the employee demonstrates to the department head's satisfaction that he or she meets the minimum qualifications, the employee will be advanced to the minimum rate of the grade.

Section 3.5 DEMOTIONS

When an employee is demoted to a lower class position, he or she shall be paid at a rate which is a minimum of 5% below the employee's previous salary within the approved grade for the lower class position. The rate of pay shall be approved by the Director of Human Resources. Based on extenuating circumstances, the City Manager may grant an exception to the salary reduction requirement.

Section 3.6 RECLASSIFICATIONS

When an employee's position is reclassified, his or her salary shall be adjusted to the same rate of pay within the new grade that equals his or her salary before reclassification.

Reclassification is defined as change to the class title established by ordinance or the grade assigned to a particular class title.

When an employee's position is reclassified to a lower pay grade and his or her present salary is above the maximum for the lower grade, the employee shall be permitted to continue at his or her present rate of pay during the period of incumbency (except in event of general service-wide reductions or reductions involving an entire City operation), but shall not be entitled to a salary increase.

Section 3.7 OVERTIME

- a. Overtime shall be authorized for emergencies only, except when regularly scheduled work hours exceed Fair Labor Standards Act (FLSA) standards for the granting of overtime.
- b. Overtime pay or leave shall be awarded to employees other than sworn police, fire and corrections employees for all hours over forty (40) hours worked in a workweek. A workweek is defined as seven (7) consecutive days or one hundred sixty-eight (168) consecutive hours. The beginning and end of workweeks shall be set at the discretion of management, and may be different for different groups of employees. Overtime pay shall be paid at the rate of one and one-half (1½) times the regular rate of pay for all hours worked over forty (40) hours in a workweek. Overtime leave shall be awarded at one and one half (1½) times the number of hours over forty (40) hours worked in a workweek. Overtime pay shall be awarded at a "half-time" basis for those employees who receive a fixed salary for a fluctuating workweek.

- c. Overtime pay or leave shall be awarded to sworn police, fire and corrections employees for all hours worked during the work period in excess of the regularly scheduled hours for such personnel. A work period is a regular, repeating work cycle between seven (7) and (28) days. The length of the work period shall be set at the discretion of management and may be of different lengths for different groups of employees within these divisions or departments.

Overtime pay or leave awarded shall be as follows:

- (i) If regularly scheduled hours for the work period are less than or equal to the overtime standards set by the FLSA. Overtime pay shall be paid at one and one-half (1½) times the regular rate for all hours worked in excess of regularly scheduled hours. Overtime leave shall be awarded at one and one-half (1½) times the number of hours worked in excess of the regularly scheduled hours.
- (ii) If regularly scheduled hours for the work period exceed the overtime standard set by the FLSA. Overtime pay shall be paid at one-half (½) times the regular rate for all hours worked that exceed the limit set by the FLSA but are equal to or less than the regularly scheduled hours for the work period.

Overtime leave for such hours shall be awarded at one half (½) times the number of hours worked which exceed the limit set by the FLSA but are equal to or less than the regularly scheduled hours for the work period.

Overtime pay and leave for all hours exceeding the regularly scheduled hours for the work period shall be awarded as set-out in subsection (i) above.

- d. Those employees who are authorized for overtime pay or leave, and whose normal work schedule would not require working on holidays and Sundays, will receive time and one half (1½) for work on such days.
- e. The Director of Human Resources shall designate those positions which are eligible for overtime pay or leave ("non-exempt" positions) and those which are not eligible for such pay or leave ("exempt") in accordance with the standards of the FLSA.

Section 3.8 PART-TIME EMPLOYMENT

When employment is on a part-time basis, only the proportionate part of the rate for the time actually employed shall be paid.

The annual salary of part-time employees shall be determined by reference to the salary grade to which the employee's position classification is assigned. The part-time employee's annual salary shall be such proportionate part of the full-time annual salary as reflects the hours worked by the part-time employee.