

ARTICLE 3. CLASSIFICATION AND COMPENSATION

Section

HR-3-01. Classification

HR-3-02. Salary Plans

HR-3-03. Salary Administration

HR-3-04. Performance-based Salary Adjustments

HR-3-05. Overtime Pay and Compensatory Leave

HR-3-06. On-call Assignment

HR-3-07. Travel

Purpose: To describe procedure for classifying positions by job duties and responsibilities.

HR-3-01. Classification

- A. General. The Human Resources Director shall group positions into classes or pay grades based on similarities of duties and responsibilities. All positions are assigned a position description with a specific title. Human Resources is the department with the authority provided by the City Administrator to appoint, transfer, promote, or demote an employee, suspend, terminate, or make any change in salary for any classified position.
- B. Class title. A department shall use the position title to designate the position in all budget estimates, payrolls, vouchers, and communications in connection with personnel processes.
- C. Job description. A job description indicates the duties and responsibilities described for that position. Each job description shall contain a statement of the education, experience, knowledge, skills, abilities, and other qualifications required to perform the work. Required postsecondary education shall be attained in an institution that meets the standards established by a recognized accrediting body.
- D. Change in classification plan. The Administrator may establish new positions and divide, combine, alter, or abolish existing pay grades or classes.
- E. Allocation. The City Administrator shall place every position in a class or pay grade based on its duties and responsibilities.
- F. Exempt and non-exempt positions. Human Resources shall establish exempt and non-exempt positions according to the Fair Labor Standard Act of 1938 (FLSA) and shall review them periodically and may change the exempt or non-exempt status of a position or an employee as appropriate to comply with FLSA.
- G. Change in job duties. If a material and permanent change takes place in the duties and responsibilities of a position, the Department Head shall report this change to the Human Resources Director or City Administrator who may order a reclassification of the position. The employee in the position at the time of reclassification is entitled to continue to serve in the position.

Purpose: To establish authority of the salary plan and the existence of a minimum and maximum pay grade for a position.

HR-3-02. Salary plans

- A. Pay plan. The Administrator will establish and City Council shall approve a competitive pay plan with procedures for assigning salaries and shall review it periodically as economic, government, and industry factors dictate.
- B. Authority.
 - 1. City Council shall approve a salary plan and related budget and may change, modify or add other incentive pay including but not limited to performance increases, skills pay, and cost of living increases.
 - 2. The City Administrator or authorized designee shall implement the salary plan and any other incentive pay to individual employees or classes.
- C. Pay grades. Human Resources shall allocate each position to a specific pay grade or rate.
- D. Salary. The base salary of an employee shall not be less than the minimum nor more than the maximum of the pay grade to which the employee's position is allocated.
- E. Alternative salary plan. The Council may approve a special salary plan and pay practice for a certain class or group of employees. In approving a special salary plan, City Council shall consider factors such as occupational patterns, economic conditions, and incentive plans common to government, business, and industry.
- F. Hiring bonus. The Administrator may authorize the payment of a hiring bonus not to exceed 7% of the minimum entry salary to attract a new employee when there is:
 - 1. A shortage in the labor market; and
 - 2. Recruitment or retention difficulty; and
 - 3. A requirement for a unique, critical skill; and
 - 4. To fill an exempt position

Purpose: To establish policy of salary administration for entry salaries for new hires, demotions, promotions and transfers and other employment situations requiring the allocation of a starting salary.

HR-3-03. Salary Administration

- A. Salary. The salary of an employee shall be not less than the minimum or more than the maximum of the pay grade of the position to which the employee's position is allocated except for:
- B. Employees that have reached their maximum may be entitled to a cost of living adjustment which they would receive as a lump sum at the beginning of each fiscal year. The amount of the adjustment would be determined by the C.O.L.A. percentage established by City Admin and Human Resources.
 - 1. The salary of an employee that exceeds the maximum salary of the pay grade of a class due to a downward reclassification of the employee's position;
 - 2. The salary of an employee that exceeds the maximum salary of the pay grade of a class due to a change of the class to a lower pay grade; Salary adjustment. The salary used to compute an adjustment covered in this Section is the employee's base salary not including overtime pay, shift differential, special performance adjustment previously granted, skills pay, or pay for other special situations. Following an adjustment to the base salary, a department shall add to the new rate of pay any special pay situation still valid.
- B. Administrative adjustment. Subject to available funding, the Administrator may approve a pay adjustment to:
 - 1. Increase the base salary of a supervisor that is below the base salary of a subordinate;
 - 2. Correct an inequity; or
 - 3. Increase a transferred employee's base salary based upon documentation of recruitment difficulties to fill the position, specific needs identified by the department, or the employee's education, experience, knowledge, skills, and abilities.
- C. Classification or pay grade changes.
 - 1. The base salary of an employee in a position that is reclassified to a position with a higher pay grade, or in a class that is allocated to a higher pay grade, shall be increased by 2.5%. If increasing the base salary of an employee whose position is reclassified to a class allocated to a higher pay grade would result in a salary level that is less than the entrance salary or greater than the maximum salary of the pay grade, the employee's salary shall be the entrance salary or the maximum salary of the pay grade, respectively.

2. The base salary of an employee shall remain the same if the employee's position is reclassified to a position with a lower pay grade, or is in a class that is allocated to a lower pay grade, and is:
 - a. Within the salary range of the new pay grade, or
 - b. Greater than the maximum salary of the new pay grade.
 3. In the situation described in subsection (D)(2)(b), the employee is not eligible for a general salary adjustment or performance based salary adjustment until the employee's salary is less than the maximum salary of the new pay grade.
- D. Demotion. An employee who has a change in assignment for cause from a position in one class to a position in another class having a lower pay grade shall receive a salary decrease. The employee's salary shall be within the range of the new pay grade. Employees, who request a demotion or are demoted due to a disciplinary action go back to their former pay grade if they are demoted to the same or similar position or to the minimum entry salary of the lower position.
- E. Basic hiring rate. A new employee may be paid a salary up to the midpoint of the pay grade established for the class to which the employee is appointed. The basic hiring rate for a qualified applicant is the minimum entry salary and may be up to the midpoint of the pay grade based on factors such as the applicant's education, experience, knowledge, skills, or abilities, the availability of qualified applicants, or the applicant's earning history. Human Resources will establish procedures under the Pay plan to assign numerical amounts or percentages for the factors mentioned above.
- F. Special recruitment rate. The Administrator may establish a special recruitment rate for a position up to the midpoint of the pay grade when:
 1. It is not possible to recruit a qualified employee at the established basic hiring rate; or
 2. Competitive starting salaries for the class exceed the established basic hiring rate.
- G. Promotion.
1. A permanent status employee who has a permanent change in assignment from a position in one class to a position in another class having a higher pay grade shall receive a salary increase of 5%. If the increase in the employee's salary results in a salary that is less than the entrance salary or greater than the maximum salary of the new pay grade, the employee's salary shall be within the range of the pay grade.
 2. Human Resources may authorize a salary increase for a qualified employee that is greater than the percentage listed in subsection (H)(1), based on factors such as the unusual and outstanding character of the employee's education, experience, knowledge, skills, or abilities, the availability of qualified applicants, or the applicant's earning history.
 3. A promoted employee may accept a lower salary in the new pay grade than is otherwise authorized if fiscal constraints prohibit the granting of

- the normal promotional increase and the new salary is not less than the entrance salary of the new pay grade.
- H. Reduction in force. The salary of an employee who is reduced to a class in a lower pay grade due to a reduction in force remains the same even if the salary is higher than the maximum salary of the new pay grade. Unless the employee's salary is less than the maximum of the new pay grade at a later date, the employee is not eligible for a general salary adjustment or a performance increase.
- I. Reemployment.
1. The salary of a former City employee who is reemployed—the employee was laid off or separated without prejudice and is reinstated to City service within 1 year—may:
 - a. Be the same salary as that paid when separated,
 - b. Not exceed the maximum salary of the pay grade, and
 - c. Not be less than the entrance salary of the pay grade.
 2. A former employee under reemployment may accept a lower salary in the pay grade than is otherwise authorized if fiscal constraints prohibit the granting of the former salary and the salary is not less than the entrance salary of the pay grade.
 3. The salary of a former City employee other than as described in (J)(1) of this section is the same as for new employees and in no case will be more than the midpoint.
- J. Reversion. An employee who is promoted and returns to the former position or to another position in a class in a lower pay grade shall be paid the same salary as that paid at the time just before the promotion, plus the percentage or dollar amount of increase of an intervening general salary adjustment or special market adjustment for which the employee is eligible, and the dollar amount of a performance increase that the employee received at the higher grade, if any.
- K. Shift differential. The City Administrator may authorize a shift differential to be paid to an employee on other than a day shift. The City Administrator may, at his/her discretion, establish a competitive shift differential rate periodically based on an annual survey of the market place. Employees in the same class in the same department who work on the same shift shall receive the same shift differential rate. The Administrator may decide not to establish a shift differential.
- L. Temporary Assignments. An employee temporarily assigned to cover another position of higher or lower grade or assigned to assume some of the duties of a higher or lower pay grade shall remain at the employee's regular rate of pay. For the purposes of this section, a temporary assignment may last from a fraction of a day to 3 months. When an employee is assigned to a temporary assignment that lasts longer than 3 months or of an indefinite nature where the supervisor cannot reasonably foresee an ending date for the assignment, the employee may receive the entry salary of the position or 5% increase from the employee's rate of pay, whichever is higher. The new wages have to be within the maximum rate for the temporary assignment.

- M. Transfer. The salary of an employee who is transferred from a position to a similar position or to another class in the same pay grade shall be the same salary as that paid before the transfer unless the provisions of subsection (C)(4) apply.
- N. Voluntary Pay Grade Decrease.
1. A permanent status employee who volunteers for a pay grade decrease shall be paid a salary decreased by an amount equal to the midpoint of the pay grade held before the pay grade decrease multiplied by 7.0% and then deducted from the employee's current base salary. If the decrease in the employee's salary is less than the entrance salary or greater than the maximum salary of the new pay grade, the employee's salary shall then be within the range of the new pay grade.
 2. An original probationary employee who volunteers for a pay grade decrease shall be paid the basic hiring rate of the new pay grade.

Purpose: To establish a policy and define authority to administer performance based salary adjustments.

HR-3-04. Performance-based Salary Adjustments

- A. Performance-based salary adjustment limits. Subject to City Council appropriation, the City Administrator shall determine employee eligibility and the minimum and maximum percentage for a performance- based salary adjustment.
- B. Performance-based salary adjustments.
 - 1. Human Resources shall issue performance-based salary adjustment guidelines and apply them.
 - 2. All employees who are working for the City on the date listed in the guidelines and meet the criteria listed in the guidelines are eligible for a performance-based salary adjustment that takes effect on the date set in the guidelines.
 - 3. A performance-based salary adjustment may not raise the base salary of an employee beyond the maximum salary of the pay grade.
 - 4. An employee may not receive a performance-based salary adjustment greater than the percentage limit set in the guidelines issued by the City Administrator.
- C. Special performance adjustment. An employee who is not due for a regular performance-based salary may be eligible for a special performance adjustment at the discretion of the City Administrator. A special performance adjustment may be made for a new or existing employee whose salary does not correspond to his experience and knowledge, for extraordinary achievement of an employee, or for other extraordinary circumstances. The special performance adjustment shall not go over the maximum rate for the position.
- D. The City Council may approve a special skills pay for specific positions or departments.
 - 1. These payments, just as any other benefit or increase, shall not be automatic and will depend on budgetary or financial constraints. City Council may decide on a periodic basis if such special skills pay will take effect.
 - 2. The special skills pay may be paid for any one or more parts of the fiscal year, for any one or any combination in whole or in part of several fiscal years, and may be modified, suspended or cancelled. The City is a whole entity, and if skills pay is approved for several positions or departments, payments shall be made to all qualified recipients. If available funds are insufficient, City Council may;
 - a. Distribute available funds among all qualified employees at a reduced rate
 - b. Modify, delay, suspend, or cancel special skills pay

- E. If City Council decides to implement any type of employment-related freeze such as hiring freeze, performance increase freeze, or pay grade freeze, such freeze actions automatically cancel special skills pay. Provisions for employee performance increases, regular hiring practices, and a competitive pay grade list shall be active before any skills pay can be considered.
- F. The decision of City Council is final, and employees have no right of appeal.
- G. If an employee is only eligible to receive skills pay during a portion of the approved period, the skills pay amount may be prorated at the discretion of the Finance Director.
- H. To be eligible to receive skills pay, an employee must be actively employed when skills pay is issued.

Purpose: To define overtime pay and compensatory leave and establish positions entitled to overtime pay as defined by FLSA.

HR-3-05. Overtime Pay and Compensatory Leave

- A. Approval of overtime work. A Department Head may require that an employee work overtime and:
 - 1. Shall approve in advance all work in excess of 40 hours per workweek, 212 hours per 28-day work period for firefighter positions, or in excess of a work period as defined by the Fair Labor Standards Act (FLSA); 29 U.S.C. 203, and
 - 2. May assign an employee who volunteers for overtime before mandatory overtime is required.
- B. Exemptions. Human Resources Director shall determine exemptions from minimum wage and maximum hour requirements in accordance with the Fair Labor Standards Act, 29 U.S.C. 213 and establish exempt and non-exempt positions.
- C. Non-exempt employees.
 - 1. The City shall compensate an employee in a non-exempt position who works in excess of 40 hours per workweek, for fire personnel who work an excess of 212 hours in a 28-day work period, or in excess of a work period as defined by the FLSA by either:
 - a. Additional pay at the rate of 1 1/2 times the employee's regular rate for each excess hour worked, or,
 - b. Compensatory leave at the rate of 1 1/2 hours for each excess hour worked.
 - 2. The supervisor shall select either overtime pay or compensatory leave for overtime compensation.
- D. Exempt employees. An employee in a position that is exempt from overtime under FLSA, who works in excess of 40 hours per workweek or in excess of an established work period shall not be eligible for overtime pay or compensatory pay.
- E. Hours worked. Only hours worked in excess of 40 hours during the employee's regular workweek or in the case of fire personnel, in excess of their regular number of hours during their regular work period count toward overtime pay and compensatory leave.
 - 1. Holiday pay, vacation pay, on-call pay, or compensation leave do not count toward hours worked to determine overtime pay or compensatory leave.
 - 2. Sick leave and any other type of leave do not count toward hours worked to determine overtime pay or compensatory leave.
- F. Payment.

1. The Department Head shall require an employee to take accumulated compensatory leave within the next pay period in which the leave was earned.
2. Compensatory leave that is not taken within the time described in (1) above must be paid at the appropriate overtime rate.
3. A department shall pay an employee who has unused compensatory leave at the time of separation for each hour of compensatory leave at the employee's final base salary.

Purpose: To establish on-call duty as non-work time and define guidelines to provide consideration for employees on-call.

HR-3-06. On-call Assignment

- A. Authority. A Department Head may assign an employee to on-call assignment when the Department Head considers such action to be in the best interests of the City.
 - 1. The Department Head may request that a classification be approved by the City Administrator as eligible for on-call pay subject to the availability of funds.
 - 2. The Department Head shall certify that the functions or services performed by the positions within the class assigned to on-call assignment require an employee to be available to answer calls and/or report to work to protect the public health, safety, or welfare or in emergency situations via telephone, beeper, or other notification method at a time when the employee is not scheduled to work.
- B. Rate of Pay. The rate of pay for on-call assignment shall be determined by the City Administrator. Payment for on-call assignment is a stipend and does not represent hours worked per 29 CFR 785.17.
- C. Pay Administration
 - 1. Once a class has been approved as eligible for on-call pay, payment begins when a person is required to be available to answer calls and/or report to work. On-call assignment ends in accordance with the standards set forth in subsections (C)(2)(a) and (b) below when an employee enters regular work status while performing a work assignment as stated in (C)(2)(a), (b) and (c), and shall resume on-call assignment upon completion of the work assignment if returning to on-call status.
 - 2. Upon reporting to work as a result of a call to duty as specified below in (a), (b), and (c), an employee shall be paid at the regular rate of pay if the employee has worked fewer than 40 hours during the normal workweek. If the employee has worked 40 hours during the normal workweek, the employee shall receive, as appropriate, overtime pay or compensatory leave if the employee's position is eligible for such overtime compensation.
 - a. Regular rate of pay will begin at the time the employee reports to the regular work site and will continue through completion of the work assignment.
 - b. If the employee is ordered to report to a location other than the regular work site, regular rate of pay will begin at the time the employee is ordered to report to work and will continue through completion of the work assignment and a reasonable return transit time.

- c. If the employee conducts business via telephone, etc., without reporting to a work site, regular rate of pay will begin at the time the employee begins the work assignment and will continue through completion of the work assignment.
 3. Time on-call shall not be used to determine eligibility for overtime compensation.
- D. Department procedures. A department that places employees on call shall adopt an on-call assignment procedure pursuant to this rule. Each department will submit its proposed on-call assignment procedure and any subsequent changes to the City Administrator for approval and to Human Resources. The procedure shall include as a minimum:
 1. Methods of scheduling employees for on-call assignments;
 2. Notification procedures, including use of pagers;
 3. Criteria to determine when on-call duty ends and resumes;
 4. Requirement that any on-call duty pay shall be reported and paid together with other earnings in the pay period for which it is earned.
- E. On-call assignment requirements. An employee on-call assignment shall be able and available to immediately answer a call to duty as follows:
 1. an employee on-call assignment is to remain sober and to abstain from consuming alcoholic beverages and other intoxicating substances that may impair his ability to work.
 2. an employee on-call assignment shall notify the Police Dispatcher if the employee is at a different location or telephone number.
 3. an employee must be able to respond to calls within a twenty-minute time period.
 4. on-call assignment is required of all employees assigned to a position approved for on-call assignment unless otherwise determined by the supervisor or Department Head.
 5. a supervisor or Department Head shall schedule and advise employees in advance for on-call assignments. A supervisor may excuse an employee from on-call assignment, may reassign the on-call assignment to another employee or modify an employee's schedule.
 6. an employee on-call assignment who fails to keep the dispatcher informed of location and telephone number, fails to respond to a call, or is under the influence of alcohol or its aftereffects when called to duty shall not receive on-call pay for that week and may receive disciplinary action up to and including dismissal.

Purpose: To establish a policy for travel reimbursement expenses and to define in-travel status.

HR-3-07. Travel

- A. Travel reimbursement is not a payment but an employee's reimbursement of travel expenses for travel assigned by the City and shall not be considered wages. The following guidelines apply:
1. Reimbursement is for approved travel only which was for business reasons.
 2. When possible, the use of the most economical mode of transportation should be used and not the employee's convenience.
 3. The use of city vehicles should be considered before an employee is authorized to use their personal vehicle. The supervisor must approve the use of an employee's personal vehicle prior to travel.
 4. Mileage reimbursement shall be the amount authorized by the federal government under the Internal Revenue Service in the computation of mileage reimbursement. Employees claiming mileage reimbursement must submit log form to supervisor for approval and then forward it to the Finance Department.
 5. The lodging allowance and meal per diem shall be determined in advance in a schedule approved by the Finance Director and the City Administrator.
 6. Travel arrangements including per diem, lodging, and transportation advance or reimbursement must be approved in advance by the Department Head, the City Administrator, and the Finance Director.
 7. Employees are allowed reimbursement of one call home per day when out of town in business.
 8. Employees shall not purchase, request advance or reimbursement for alcohol products from City funds.