4.0 - THE COMPENSATION PLAN

4.1 – Purpose – It is the purpose of the Compensation Plan to provide an orderly and fair means for the compensation of employees on the basis of work performed and the efficiency of performance.

4.2 - Pay Ranges - The Compensation Plan shall consist of a schedule of pay ranges for each classification indicating a minimum and maximum (and intermediate rates, if provided for in CBAs) for each classification. The Compensation Plan shall constitute the official schedule of salaries for all positions in the City service.

4.3 - Administration of the Plan - The Compensation Plan shall be administered by the City Manager in accordance with these rules as supplemented by administrative regulations. The following procedures, which the City Manager may delegate to the Human Resources Director, shall be followed for establishing the pay rate for individual employees:

4.3.1 - New Employees - New employees will generally be appointed at the minimum of the pay range established for each classification. However, upon recommendation of the Department Head and the Human Resources Director, new employees may be hired at a rate above the minimum when the employee has substantial qualifications in excess of the minimum requirements or when there is a shortage of qualified applicants available at the minimum rate. In order to facilitate the hiring of the best qualified individuals, the City Manager may provide Assistant City Managers, Department Heads, Assistant Department Heads and Division Heads a temporary housing allowance, household moving and other relocation and/or transition expenses when filling these positions. Additional benefits may be provided to Assistant City Managers as recommended by the Human Resources Director with the approval of the City Manager.

4.3.2 - Temporary & Emergency Employees - Temporary and emergency employees shall generally be hired at the minimum of the pay range for the classification.

4.3.3 - Pay Rate Upon Promotion - When an employee is promoted to a position in a higher classification, the salary of the employee shall be increased at least to the minimum of the pay range for the new classification. An employee who has been working in a higher level classification and who has been receiving a 10% increase for such work, and who is promoted to that position, is eligible to retain the 10% increase. If the present salary of the employee to be promoted is at or above the minimum established for the promoted classification, the employee's salary shall be increased by an increment of 5% above the present salary so long as it remains within the pay range of the new classification or as approved by the

City Manager**.** An employee who receives a 10% wage increase or more due to a promotion will have the next raise date changed to one year from the date of the increase due to promotion.

4.3.3.1 – Technology Changes – Equipment or technology upgrades do not necessarily change the employee's job description, and therefore, no salary adjustment will be granted.

4.3.4- Pay Rates Upon Demotion - When an employee is demoted to a position in a lower classification and the salary of the employee is higher than the maximum salary for the lower classification, the salary of the employee shall be decreased by 5% or to the maximum of the lower classification at the discretion of the City Manager.

4.3.5 - Pay Rates Upon Transfer - When an employee is transferred from one position in a classification to another position in the same classification, the salary shall remain the same.

4.3.6 - Pay Rates Upon Recall - The salary for a recalled employee shall be within the salary range for the classification appointed. Generally, the employee will be recalled to the same classification and pay rate that was received at the time of separation.

4.3.7 - Salary Increases - Salary increases may be granted to employees in accordance with the following procedures. If covered by a CBA, that CBA supersedes.

4.3.7.1 – A regular, full-time employee is eligible for a merit increase annually on the raise date upon receiving a satisfactory evaluation (those using the percentage scale must have a 2.5 rating or higher). All merit increases shall remain within the position pay range. Under no circumstances will the merit increase take the employee's salary beyond the maximum of the pay range of the employee's job classification.

The raise date is initially and generally the date of hire and is changed only upon promotion, demotion, when an employee has been on a No-Pay status for more than one month, except as provided for in RULE 12.10 Family Medical Leave Act, (FMLA) or when an employee evaluation has been deferred for re-evaluation in excess of six months.

4.3.7.2 - Adjustments may be granted for exceptional employment conditions. The Department Head must justify the requested pay increase. The recommendation of the Human Resources Director and approval by the City Manager are required.

Adjustments may also be granted for exceptional work performance. A regular, full-time employee who is not covered by a collective bargaining agreement and who receives a total performance rating (i.e., the weighted scores for each of the performance factors) of at least 4.75 may be eligible for a pay adjustment of up to 5.0% provided that all of the following factors are met:

(1) the employee receives acceptable ratings in the safety, attendance, punctuality and appearance categories
(2) the employee has performed at an exceptional level over and above simply meeting the basic requirements of the position
(3) the Director of Human Resources justifies the exceptional performance by setting forth in writing objective factual examples of the employee's exceptional performance
(4) the City Manager or designee reviews and agrees with the recommendation of the Director of Human Resources.

4.4 - Maintenance of the Plan - The City Manager is responsible for maintenance of the Compensation Plan. Maintenance of the plan may be delegated to the Human Resources Director and shall include the following:

4.4.1 – Reviews - Periodic reviews will be conducted of the factors affecting the level of pay ranges in the Compensation Plan. These factors may include cost of living data, the financial conditions of the City, the interrelationship of rates paid for similar classifications in other cities, and other factors the City deems appropriate. The City Manager will approve all changes to the Compensation Plan.

4.4.2 - Amendments - As new classifications are created during the fiscal year, the Compensation Plan may be amended upon recommendation of the Human Resources Director and approval of the City Manager.

4.5 – Reorganization/Restructuring Related to Excluded Employees – Notwithstanding the City's Personnel Rules and Regulations and any other administrative provisions, should the assignment and/or duties of any excluded employee be modified as a result of a reorganization or restructuring, the salary and benefits of any such excluded employee may be adjusted with the recommendation of the Human Resources Director and approval of the City Manager.