

4.1.8 – Pay Plan

ARTICLE III. - PAY PLAN

Sec. 54-61. - General purpose.

The pay plan is a complementary document to the classification plan and is intended to provide competitive and equitable compensation for all positions when considered in relation to each other, to general rates of pay for similar employment in the private and public sectors in the area, to changes in the cost of living, and to financial conditions of the city. The pay plan includes a pay schedule, as adopted by the board of aldermen, and a schedule of pay ranges consisting of minimum, midpoint and maximum rates of pay for all classes of positions included in the classification plan.

(Ord. No. 2012-178, § 1, 11-27-12)

Editor's note— Ord. No. 2012-178, § 1, adopted November 27, 2012, amended § 54-61 to read as set out herein. Former § 54-61 pertained to purpose; contents and was derived from Ord. No. 1994-43, art. III, § 1, adopted July 26, 1994.

Sec. 54-62. - Maintenance.

The human resources director shall be responsible for the on-going administration and maintenance of the pay plan. Each year, prior to the preparation of the annual budget, the human resources director shall secure information concerning the general level of salaries paid and fringe benefits provided to comparable municipal, county, state employees and the private sector, along with any changes in the cost of living for the area during the fiscal year and shall make recommendations to the city manager for such increases, decreases or amendments to the pay plan as deemed necessary to maintain the fairness, competitiveness and adequacy of the plan. The city manager, based upon recommendations of the human resources director and such other studies as deemed necessary, including the general financial conditions of the city, shall incorporate whatever recommendations he/she may feel necessary in the annual budget.

(Ord. No. 1994-43, art. III, § 2, 7-26-94; Ord. No. 1997-42, § 2, 8-26-97; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-63. - Transition to a new pay plan.

- (a) The following four principles shall govern the transition to a new pay plan:
- (1) No employee shall receive a salary reduction as a result of the transition to a new pay plan.
 - (2) An employee being paid at a rate below the minimum of the range for his/her respective class will have his/her salary adjusted to a rate at or below the minimum of the new range. An employee who is considered in a "trainee" status may remain at a salary below the minimum.
 - (3) An employee being paid at a rate above the maximum of the range for his/her respective class will remain at his/her present salary as long as the maximum rate is below his/her present salary rate. Such an employee is not eligible to receive salary increases as long as the maximum rate is below his/her present salary rate.
 - (4) An employee being paid at a within the new range assignment for his/her respective class will not receive any salary adjustments, except pay for performance increases, if applicable.
- (b) In addition, the foregoing procedures do not take into consideration internal inequities or quality of performance. If implementing a new pay plan according to the foregoing procedures creates internal inequities, an employee may be considered for an administrative salary adjustment to a higher rate

4.1.8 – Pay Plan

of pay within the pay range. The extent of such an increase shall be determined and justified on an individual basis.

(Ord. No. 1994-43, art. III, § 3, 7-26-94; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-64. - Payment within pay range.

All employees covered by the pay plan shall be paid at a rate within the pay range established for their respective position classification, except employees in a "trainee" status or employees whose present salaries are above the established maximum rate following transition to a new pay plan.

(Ord. No. 2012-178, § 1, 11-27-12)

Editor's note— Ord. No. 2012-178, § 1, adopted November 27, 2012, amended § 54-64 to read as set out herein. Former § 54-64 pertained to payment to be at listed rate and was derived from Ord. No. 1994-43, art. III, § 4, adopted July 26, 1994.

Sec. 54-65. - Pay periods and direct deposit.

All employees shall be paid on a bi-weekly schedule on the Friday following the end of the respective pay period. Payment shall be made for all hours worked during a given pay period, including any overtime pay or other pay allowances as approved in the pay plan. Direct deposit of an employee's pay shall be made to the depository(s) named by the employee on the authorization form. When a regular payday falls on a scheduled holiday, payroll shall be direct deposited on the last workday before the holiday. Otherwise, payroll will not be released prior to the scheduled payday.

(Ord. No. 2012-178, § 1, 11-27-12)

Editor's note— Ord. No. 2012-178, § 1, adopted November 27, 2012, amended § 54-65 to read as set out herein. Former § 54-65 pertained to pay periods and paychecks and was derived from Ord. No. 1994-43, art. III, § 5, adopted July 26, 1994.

Sec. 54-66. - Use of pay ranges; within range pay increase.

Pay ranges are intended to furnish administrative flexibility in recognizing individual differences among positions allocated to the same class in providing employee incentive and in rewarding employees for meritorious service. The following general provisions shall govern the granting of within-range increases:

- (1) The minimum rate established for the class is the normal hiring rate. The city manager may deviate from the normal hiring rate when he/she determines, based upon the joint recommendations of the respective department head and the human resources director, that the best interest of the city would be served because:
 - a. The qualifications of the applicant are higher than the experience, educational and/or training minimum qualifications for the classification;
 - b. There is a shortage of qualified applicants available at the minimum rate;
 - c. Qualified applicants refuse to accept employment at the minimum rate.
- (2) An employee promoted shall have the salary level set through negotiations with the human resources director and department head with the approval of the city manager.

4.1.8 – Pay Plan

- (3) Employees may receive education incentive payments in the form of bonuses or salary increases in accordance with the educational assistance program upon successful completion of an approved degree program. This incentive is subject to the availability of funds. (Refer to section 54-242 and educational assistance program policy)

(Ord. No. 1994-43, art. III, § 6, 7-26-94; Ord. No. 1997-42, § 2, 8-26-97; Ord. No. 1999-67, 11-9-99; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-67. - Entrance at the minimum.

Each new employee who meets the minimum requirements for the classification which employed shall be employed at the minimum rate of the pay range to which the classification is allocated except:

- (1) If the new employee does not meet the minimum requirements of the position he/she may be designated as a "trainee" and employed at a salary below the minimum; or
- (2) If the city manager determines that there has been a demonstrated inability to recruit at the minimum salary or that an applicant possesses exceptional qualifications, the city manager may authorize the employment of an applicant at a higher rate than the minimum in the pay range.

(Ord. No. 2012-178, § 1, 11-27-12)

Editor's note— Ord. No. 2012-178, § 1, adopted November 27, 2012, amended § 54-67 to read as set out herein. Former § 54-67 pertained to pay of new employees and was derived from Ord. No. 1994-43, art. III, § 7, adopted July 26, 1994.

Sec. 54-68. - Pay for trainee.

- (a) A new employee who does not fully meet the desirable education and experience requirements or who may lack certain abilities required to perform the work of the position to which hired, may be appointed with the recommendation of the respective department head, approval of the human resources director and approval of the city manager, as a "trainee" at a pay rate below the minimum of the pay range for the class to which appointed. Trainee pay rates should be set in consultation with the human resources director. An individual in a trainee pay status shall have his/her performance and progress on the job, as well as salary, reviewed closely at three-month intervals from the date of employment.
- (b) Employees in trainee status will remain in such status (not to exceed a maximum of 12 months) until the department head certifies and the human resources director approves the certification to advance the employee to the minimum rate of the appropriate range. The period of time referred to as a "trainee" status is probationary in nature and satisfactory performance is essential for continuation of employment. Employees in "trainee" status may be discharged if it becomes apparent that they cannot meet the desirable requirements or perform at the expected level of competence.

(Ord. No. 2012-178, § 1, 11-27-12)

Editor's note— Ord. No. 2012-178, § 1, adopted November 27, 2012, amended § 54-68 to read as set out herein. Former § 54-68 pertained to pay of trainees and was derived from Ord. No. 1994-43, art. III, § 8, adopted July 26, 1994 and Ord. No. 1997-42, § 2, adopted August 26, 1997.

Sec. 54-69. - Pay for performance.

4.1.8 – Pay Plan

- (a) The city manager shall prepare or cause to be prepared, a plan providing for increased salaries based on demonstrated performance of the employees. Such plan shall be reviewed periodically and revised as needed.
- (b) The purpose of the plan is to support the city's mission by encouraging employees to develop and contribute to the maximum of their potential by compensating those employees based on job performance and assignment within the pay range.
 - (1) Employee performance reviews will be conducted on an annual basis. Upward movement within the established salary range for an employee is not automatic but rather based upon job as well as the employee's salary as it relates to salaries in the market. Procedures for determining performance levels and salary increases shall be established in procedures approved by the city manager. Pay for performance is subject to annual budget appropriation.
 - (2) Employees must meet the following criteria to be eligible for a performance based increase:
 - a. Must be a regular full-time or regular part-time employee who has completed the required probationary period.
 - b. Employees who are at the maximum of the salary range for their position classification are not eligible to be considered for a performance increase or performance bonus at their regular performance evaluation.
 - c. If an employee is in an interim position and/or receiving a temporary salary increase during the evaluation period, the employee will be eligible to receive a performance based increase based upon their previous salary and assignment within the pay range.
 - (3) The pay plan contains a number of salary grades that represent pay ranges with minimum, midpoint and maximum base pay rates. Classes are assigned to salary grades according to a job evaluation process which considers the internal relationships of classes and pay for similar jobs in the city's labor market.
 - (4) Advancement through a pay range is based on job performance as evaluated by an employee's supervisor and the employee's assignment within the pay range. The percentage of the performance based increase is based on the employee's position in the salary range and level of performance. The percentage of the increase will be determined by the department head in accordance with guidelines that have been set based upon budget appropriation.
 - (5) The following reflects the realities of the normal job growth curve:
 - a. Generally, if an employee's salary is between the minimum and the midpoint of the range, he/she is acquiring many basic job skills, knowledge, and abilities and demonstrating whether or not they have appropriate work habits and behaviors. Most employees in this range should make rapid progress in meeting standard job expectations. The pay plan is designed to move these employees up to midpoint. The lower in the range an employee is, the larger the percentage of increase for a specific level of performance.
 - b. Generally, if an employee's salary is between the midpoint and the maximum of the range, he/she is expected to have an increased level of knowledge, skills, and abilities based on training and experience. Employees in this range progress through the range at a slower pace. The higher in the range an employee is, the smaller the percentage of increase for a specific level of performance.
 - c. Employees whose performance falls below standards for the established evaluation period will not receive an increase.
 - (6) Additionally, since each pay range has a maximum base salary, an employee who is already receiving pay commensurate with his performance may only receive base pay adjustments up to that maximum of the range.
 - (7) Pay for performance increase percentages and effective dates will be determined each fiscal year depending upon budgetary appropriation.

4.1.8 – Pay Plan

- (8) All pay adjustments shall become effective on the first day of the respective pay period that follows the approval of the adjustment, unless the approval date and the first day of the respective pay period coincide, in which case the adjustment shall become effective on that date.

(Ord. No. 2012-178, § 1, 11-27-12)

Editor's note— Ord. No. 2012-178, § 1, adopted November 27, 2012, amended § 54-69 to read as set out herein. Former § 54-69 pertained to incentive raises and was derived from Ord. No. 1994-43, art. III, § 9, adopted July 26, 1994.

Sec. 54-70. - Pay of reclassified employees.

An employee whose position is reclassified to a class having a higher pay range will receive a five percent salary increase, unless the increase will result in the employee's pay being above the maximum (in which case the salary can only be increased to the maximum), or will receive an increase to the minimum rate of the new pay range, whichever is higher. However, if the position is reclassified to a classification in the same or a lower pay grade, the employee's salary will remain unchanged.

(Ord. No. 1994-43, art. III, § 10, 7-26-94; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-71. - Pay of promoted employees.

An employee promoted shall, at a minimum, receive a five percent salary increase or be increased to the minimum rate of the new pay range, whichever is higher. Deviations may be made by the city manager based on criteria set forth in subsection 54-66(a). Employees promoted will serve a six-month adjustment period in the new position and will be retained in the promoted position at the completion of the adjustment period or reinstated in the former position or in a position in the same class at the former salary, if such position is available.

(Ord. No. 1994-43, art. III, § 11, 7-26-94; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-72. - Pay of transferred or reassigned employees.

The salary of an employee reassigned or transferred to a position in the same class or to a position in a different class with the same pay range shall not be changed by the reassignment. Employees reassigned or transferred will serve a six-month adjustment period in the new position. (Ord. No. 1994-43, art. III, § 12, 7-26-94; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-73. - Pay of demoted employees.

The salary of an employee demoted shall be adjusted to the maximum of the new range or five percent below the former salary, whichever is lower (in no case will salary exceed the maximum of the new range). Employees who cannot successfully perform the duties of the position to which demoted are subject to dismissal. Employees demoted will serve a six-month adjustment period in the new position.

(Ord. No. 1994-43, art. III, § 13, 7-26-94; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-74. - Pay for part-time employment.

4.1.8 – Pay Plan

Temporary and regular part-time employees will be paid on an hourly rate established for their respective position by the pay plan. Employees working part-time will be paid on the same schedule as all other employees.

(Ord. No. 2012-178, § 1, 11-27-12)

Editor's note— Ord. No. 2012-178, § 1, adopted November 27, 2012, amended § 54-74 to read as set out herein. Former § 54-74 pertained to pay of part-time employees and was derived from Ord. No. 1994-43, art. III, § 14, adopted July 26, 1994.

Sec. 54-75. - Effective date of pay adjustments.

All pay adjustments shall become effective on the first day of the respective pay period that follows approval of the increase or adjustment, unless the approval date and the first day of the respective pay period coincide, in which case the adjustment shall become effective on that date.

(Ord. No. 1994-43, art. III, § 15, 7-26-94; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-76. - Overtime compensation.

- (a) The administration of and compensation for overtime shall be in accordance with the overtime provisions of the Fair Labor Standards Act (FLSA) and regulations as established by the city manager in appropriate administrative policy. FLSA defines overtime as hours worked in excess of 40 during a work week (except law enforcement and fire).
- (b) Exempt personnel are not eligible for overtime compensation as mandated by the FLSA. Non-exempt personnel are eligible for overtime compensation as mandated by FLSA.
- (c) Sick leave, annual leave, civil leave, funeral leave and holiday pay will not be included as time worked in the computation of overtime.
- (d) No employee shall work overtime except when authorized by the department head or designee or city manager. Any variance from the provisions of this section. shall require the prior authorization of the city manager.

(Ord. No. 1994-43, art. III, § 16, 7-26-94; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-77. - Standby pay.

- (a) Any employee who is specifically required for a specific period of time to be at home or in close contact so as to be available to answer emergency calls during off-duty hours shall be compensated for such inconvenience at the rate of one-hour per workday, Monday thru Friday; and one and one-half-hour per weekend day, Saturday or Sunday; at the employee's regular rate of pay. No additional time shall be allowed for holidays since supervisors are expected to rotate standby duty among qualified personnel.
- (b) Employees called back to work while on standby will receive pay for such call backs at the rate of one and one-half times their hourly rate with a minimum payment of one-hour. Call-back is defined as time which begins with the employee's call out and ends with his/her arrival at home.

(Ord. No. 1994-43, art. III, § 17, 7-26-94; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-78. - Call-back pay.

4.1.8 – Pay Plan

Any hourly employee called in to work for any period not immediately before or after his normal work period shall receive call-back pay in the amount of one and one half times their hourly rate for all hours worked with a minimum of two hours. This provision does not apply to any employee on a standby basis.

(Ord. No. 1994-43, art. III, § 18, 7-26-94; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-79. - Payroll deductions.

- (a) Federal and state income taxes, FICA (social security), Medicare taxes, retirement contributions, group health and life insurance premiums, contributions to 457(k) plan, 401(k) contributions and deductions, short term disability premiums, employee credit union deductions, United Way fund deductions and prorated garnishments are authorized payroll deductions. All other requests for payroll deductions shall be evaluated by the human resources director and approval for such additional deductions must be approved by the city manager.
- (b) In order for approval of such deductions to be justified:
 - (1) At least two-thirds of the full-time regular employees must request the deduction, or
 - (2) The deduction shall be of such a nature as to benefit, in the opinion of the city manager, the city work force, or
 - (3) The deduction must be authorized by the board of aldermen.

(Ord. No. 1994-43, art. III, § 19, 7-26-94; Ord. No. 1997-42, § 2, 8-26-97; Ord. No. 2012-178, § 1, 11-27-12)

Sec. 54-80. - Improper pay deductions for exempt employees.

The city compensates employees in compliance with all applicable state and federal laws, specifically including the Fair Labor Standards Act (FLSA). The city prohibits improper deductions from the pay of exempt employees, and considers improper deductions as serious violations of city policy. Pursuant to the FLSA, the city provides a complaint process whereby exempt employees who think that their pay has been docked improperly can complain. If an employee notifies the city that he or she believes that an improper deduction has occurred, the city is committed to the prompt resolution of the complaint.

- (1) Subject to the exceptions listed below, an exempt employee must receive the full salary for any week in which the employee performs any work, regardless of the number of days or hours worked. Deductions from pay are permissible when an exempt employee is:
 - a. Absent from work for one or more full days for personal reasons other than sickness or disability;
 - b. Absent for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness;
 - c. In receipt of amounts as jury or witness fees, or for military pay;
 - d. On an unpaid disciplinary suspension for one or more full days, imposed in good faith for workplace conduct rule infractions (see company policy on penalties for workplace conduct rule infractions);
 - e. In the initial or terminal week of employment;
 - f. Imposed penalties, in good faith, for infractions of safety rules of major significance; or
 - g. On unpaid leave under the Family and Medical Leave Act (FMLA). In these circumstances, either partial day or full day deductions may be made.

4.1.8 – Pay Plan

Deductions from pay are not permissible for:

- a. Variations in the quantity or quality of the employee's work; or
- b. Absences due to the operating requirements of the business;

If the employee is ready, willing, and able to work, deductions may not be made for time when work is not available.

- (2) If an employee believes that an improper deduction has been made from his/her salary, he or she should notify his/her department head or the human resources director within 24 hours of the time he or she becomes aware of the deduction. The department head or human resources director will suspend such deductions, investigate the complaint promptly, review the investigation results with the city manager and city attorney, and make a good faith determination as to whether the deduction was improper by no later than five work days or the next pay date, whichever occurs later. In the case of an improper deduction, the city will cease making the improper deduction and employees will be reimbursed for any improper deduction.
- (3) In the case of reimbursement for improper deduction, the city makes a good faith commitment to comply with the law in the future. A good faith effort will include providing notice to all department heads who supervise exempt employees. That notice will describe the improper deduction and its resolution and describe the potential impact for city loss by any future, and particularly repeated, improper deduction.

(Ord. No. 2012-178, § 1, 11-27-12)

Editor's note— Ord. No. 2012-178, § 1, adopted November 27, 2012, amended § 54-80 to read as set out herein. Former § 54-80 pertained to personal delivery of checks by finance director; payroll audit and was derived from Ord. No. 1994-43, art. III, § 20, adopted July 26, 1994 and Ord. No. 1997-42, § 2, adopted August 26, 1997.

Sec. 54-81. - Final paychecks.

When an employee separates, either voluntarily or involuntarily, from the city, the employee's last paycheck shall be forwarded to the human resources department in order that an exit interview may be conducted and the employee's personnel file may be closed out. All paystubs will be issued on regular payday, regardless of whether the employee resigns or is discharged. Prior to the receipt of the final pay, it is the employee's responsibility to return all city equipment and property which has been issued. Employees failing to return issued equipment/property are subject to have the replacement cost deducted from their final pay.

(Ord. No. 1994-43, art. III, § 21, 7-26-94; Ord. No. 1997-42, § 1, 8-26-97; Ord. No. 2012-178, § 1, 11-27-12; [Ord. No. 16-039, § 2, 8-9-16](#))

Editor's note— [Ord. No. 16-039, § 1, adopted August 9, 2016](#), repealed § 54-81, in its entirety; and § 2 renumbered § 54-82 as 54-81. Former § 54-81 pertained to "Finance director to pay," and was derived from Ord. No. 2012-178, § 1, 11-27-12.

Secs. 54-82—54-110. - Reserved.