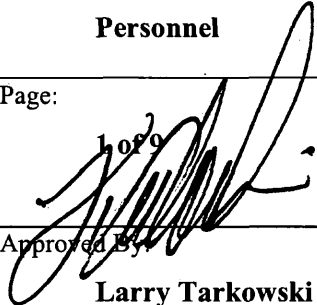


**TOWN OF PRESCOTT VALLEY
POLICIES AND PROCEDURES**

Subject: EMPLOYEE RECOGNITION	File Under Section: Personnel
Effective Date: April 8, 2004 Res. No. 1264, 4/8/2004	Number: 2-30
Supersedes: Res. No. 1117, 8/22/2002 Personnel Policy No. 2-30 Service Recognition	Page: 1 of 9 Approved By:  Larry Tarkowski Interim Town Manager Date: 4/8/04 /S

1.0 POLICY

- 1.1 The policy of the Town of Prescott Valley is to encourage employee commitment, high performance and morale by providing recognition events and awards. Such events and awards recognize and publicly acknowledge the contribution of Town employees while emphasizing Town values and the achievement of organizational goals.

2.0 PURPOSE

- 2.1 The purpose of this policy is to authorize and formalize guidelines on activities to recognize employees equitably across all Town departments. Activities shall fall within two broad programs, the Employee Suggestion Awards Program and the Employee Service Recognition Program, and shall complement all existing department recognition activities in place at the time of adoption of this policy.

3.0 APPLICABILITY

- 3.1 Department heads are ineligible except for length of service awards; otherwise, all regular full-time and regular part-time employees are eligible.

4.0 REFERENCE

5.0 EMPLOYEE SUGGESTION AWARDS PROGRAM (ESAP)

- 5.1 Definition of Program. The Employee Suggestion Awards Program (ESAP) is a program that provides employees with an opportunity to be rewarded for innovative and creative ideas for improving the productivity, safety, quality, and cost-effectiveness of Town services and operations.

5.2 Definition of Suggestion. A suggestion is a proposal by one or more eligible employees which will reduce or eliminate local government expenditures or improve operations, procedures, or safety.

5.3 Eligibility of a Suggestion

5.3.1 To qualify for consideration, a suggestion must do more than call attention to a problem; it also must set forth a constructive solution. The suggestion must be practical, efficient, and provide a benefit to the Town.

5.3.2 Suggestions break down into these three broad categories which identify:

5.3.2.1 Safety measures, practices, and procedures; or

5.3.2.2 Tangible savings that can be measured in before and after costs (ex. savings in labor, material, time or energy); or

5.3.2.3 Ideas (called intangible) which result in benefits that cannot be measured in dollars. These include such matters as improvements in service to the public, changes in procedures, revision of forms, and enhancement of employee working conditions, all of which promote better health, higher morale, and improved efficiency.

5.4 Non-Eligibility of a Suggestion

5.4.1 Some suggestions will not be accepted for consideration. These are ones which:

5.4.1.1 Deal with matters that are considered to be part of an employee's normal job responsibilities or pertain to a subject assigned to an employee for research, development or solution for which he/she has a clear and specific responsibility to offer as part of his/her normal job requirements.

5.4.1.2 Are currently being evaluated or have been evaluated within the last year through the ESAP.

5.4.1.3 Are not submitted within six months after date of implementation. (For example, circumstances may warrant that certain ideas be implemented immediately; consequently, this provision allows the employee who offered the suggestion time to follow up with the suggestion application in order for it to be considered for an award.)

5.4.1.4 Offer no specific solution or procedure for correcting/improving the cited problem area or which give only unsupported personal preferences.

5.4.1.5 Exist only because established policy and/or procedures are not being followed.

- 5.4.1.6 Involve procedures that have not been in effect for at least six months.
- 5.4.1.7 Advocate new or increased taxes or fees; or recommend additional revenues at the expense of a segment of taxpayers or citizens and which can be classified as unjust or inequitable.
- 5.4.1.8 Recommend a "study", "survey", or "review" with the course of action to be taken in accordance with the findings; or recommend budget and fiscal studies, surveys, reviews, or research matters already recommended for study, summary, or review; or embrace matters which are the result of assigned or contracted audits, studies, surveys, reviews, or research.
- 5.4.1.9 Deal with personal grievances, salary schedules, job classifications, time and leave regulations, fringe benefits, reorganization, the establishment or elimination of positions or other terms and conditions of employment.
- 5.4.1.10 Require the enactment of legislation.
- 5.4.1.11 (Where) A suggester has applied for patent rights to his or her suggestion. (Any and all patent rights shall be the sole property of the Town of Prescott Valley.)
- 5.4.1.12 Recommend corrections in spelling, punctuation, grammar or mathematical calculations. (These changes should be communicated through established departmental channels.)

5.5 Eligibility for Awards.

- 5.5.1 To be eligible for an award, an employee must propose a change that has a direct effect on the reduction or elimination of Town expenditure or improvement in the operation or safety of Town government. An award will not be granted in instances where a suggestion has been adopted as a result of an action which is not occasioned by nor resulting from the suggestion.
- 5.5.2 If two or more employees submit a jointly conceived idea for consideration, they will share equally in any award approved. The Suggestion Application must list all names, titles, and signatures of those who collaborated on the submission.
- 5.5.3 If identical or similar suggestions are received, the suggestion received first will receive preference. If received the same day, any cash award will be divided equally among the employees.
- 5.5.4 As a condition of eligibility for an award, each suggester shall execute the following agreement:

"The use by the Town of Prescott Valley of my suggestion shall not form the basis of a further claim of any nature upon the Town of Prescott Valley by me, my heirs or assigns."

- 5.5.5 To be considered eligible for an award, suggesters whose proposals are implemented prior to the submission of a Suggestion Application must submit an application with appropriate verification within six months following the date the suggestion was first put into effect.
- 5.5.6 Suggestions remain valid for one year from their submission. (for extension, see section 5.9)

5.6 Suggestion Procedures.

- 5.6.1 Suggestions must be submitted in writing on a Suggestion Application and forwarded to the Employee Recognition Coordinator (ERC); i.e., Human Resources Manager. Suggestion applications must be signed; however, the identity of an employee submitting suggestions shall not be revealed, other than for award purposes, unless the employee gives permission to do so on the application.
- 5.6.2 The employee submitting the suggestion shall determine the anticipated cost savings or describe the intangible benefit of the suggestion, using the guidelines provided. The employee shall provide documentation of how the savings or benefits were determined.
- 5.6.3 Suggestions that do not meet eligibility requirements shall be disallowed. If there is controversy regarding eligibility of a suggestion, it shall be referred to the Town Manager or his designee for review of the decision that disallowed the suggestion.
- 5.6.4 Suggestions will first be reviewed administratively for eligibility and completeness by the ERC. Those determined to be eligible are assigned a number for identification and confidentiality purposes. The ERC shall acknowledge receipt of suggestions and provide the identification number in writing to the suggester within five (5) working days of receiving the suggestion, and shall notify suggesters of any undue delay in the consideration of their suggestions.
- 5.6.5 Suggestions will be sent to department heads most knowledgeable about the scope of the suggestion for their evaluation and recommendations concerning adoption or rejection. Detailed reasons are required for those suggestions not recommended for adoption. Also required is the completion of an evaluation which assigns numerical values to such matters as degree and effectiveness of improvements expected, ingenuity of the idea, estimated cost savings, cost of adoption and amount of effort expended in coming up with the suggestion. The department head's reviews/recommendations shall be completed and returned to the ERC within 21 calendar days of receipt by the department head of the suggestion.
- 5.6.6 Suggestion applications, together with findings and recommendations of department heads, shall be sent for review to the Recognition Awards Committee (RAC). The RAC shall be comprised of department heads who are not otherwise involved in formally evaluating a suggestion on a Suggestion Evaluation Report. The RAC shall meet at least quarterly in

January, April, July, and October; and more frequently as the volume of applications warrant. The RAC shall make a recommendation to the Town Manager who has final approval. Such recommendation shall indicate whether a suggestion has been adopted; the date on which it was placed in effect, or estimated date of implementation; any actual or estimated reduction, elimination, or avoidance of expenditures or improvement in operations made possible by the suggestion; what award will be recommended; or the reasons, in detail, why the suggestion could not be adopted.

5.6.7 The Town Manager retains final authority adopt, modify, or deny the RAC's recommendation or to return it to the RAC for further review and evaluation.

5.7 Cash Awards. The following criteria shall apply to cash awards:

5.7.1 The minimum and maximum cash awards for adopted suggestions are \$50 and \$5,000 respectively. Cash awards are considered taxable income and will be included on an award winner's year-end W-2 form; however, no taxes will be withheld for cash award amounts of less than \$500.

5.7.2 Where annual net savings or increased revenues cannot be determined, or are calculated as less than \$500, a cash award may be recommended in accordance with the suggestion evaluation scales for Improved Procedures or Improved Safety. The maximum award for an improved procedure is \$150. If the suggestion affects the safety of Town employees or the public, the employee may receive an improved safety award, up to a maximum of \$500.

5.7.3 Where annual net savings or increased revenues are calculated as at least \$500, but not more than \$1,000, the recommended cash award shall be \$100. (Net savings are those that can be realized in a department's budget.)

5.7.4 Where annual net savings or increased revenues exceed \$1,000, the recommended cash award shall be 10 percent of the net savings or increased earnings realized during the first year following adoption of the suggestion, subject to subsection (5.6.3.1) below.

5.7.4.1 Awards computed under subsection (5.6.3) will be calculated at 5 percent of the net savings or increased earnings realized during the first year following adoption of the suggestion where the proposal required substantial refinement for implementation, and/or where an alternative solution was adopted as a result of the proposal, and/or where the proposal results in one-time savings or benefits.

5.7.4.2 If savings or benefits during the first year following adoption do not equitably measure the merits of a suggestion, then a different period of time may be used as an award standard.

5.7.4.3 A cash award of \$50 will be payable to the employee at the time the suggestion is approved for implementation. Twelve months following implementation, the employee will be paid the balance of the award. This is the difference between the initial award received by the employee and either 10% or 5% of the actual cost

reduction or increased earnings. (Refer to the guidelines in section 5.6.3 or 5.6.3.1 above.)

- 5.7.5 Where adopted suggestions result in “cost avoidance” of net verifiable savings of at least \$1,000, the cash award shall be 5 percent of the total net savings during the 12-month period following implementation. “Cost avoidance” savings are those which are not realized in a department’s budget, but do show a savings in employee time. For example, an employee will be able to perform more tasks due to the time saved.
 - 5.7.5.1 A cash award of \$50 will be payable to the employee at the time the suggestion is approved for implementation. Twelve months following implementation, the employee will be paid the balance of the award. This is the difference between the initial award received by the employee and either 10% or 5% of the actual cost reduction or increased earnings. (Refer to the guidelines in section 5.6.3 or 5.6.3.1 above.)
- 5.7.6 Suggestions determined by the RAC to have town-wide or multi-department applicability are eligible for an additional 25 percent bonus award. The bonus will be based on the award amount for the original suggestion. The maximum bonus award is \$1,000. Payment of a bonus award (in part or in full) may be subject to the completion of a full year of implementation of the suggestion in order to determine actual savings.
- 5.7.7 Recommendations made by the RAC are final. However, if new or additional information is presented, a decision will be reviewed.
- 5.7.8 The Town Council has the exclusive right to set award policy and structure and retains the right to terminate or change the ESAP at any time.
- 5.7.9 The maximum cash award for existing programs (i.e. Safety Poker) or departmental recognition programs which are separate from the criteria established for the employee recognition awards program is \$100 per employee per year. Departmental cash awards will not be issued if funds were not approved during the budgetary process.
- 5.8 Non-Cash Awards. Adopted suggestions which result in intangible improvements, or do not meet the \$50 minimum cash award, will be eligible for awards other than cash.
- 5.9 Non-Adopted Suggestions. Suggestions not adopted within one year of the evaluation date will be closed and receive no further consideration. A written request for a one-year extension may be made by an employee within 30 days of the end of the initial one-year period.
- 5.10 Notification of RAC Decisions.
 - 5.10.1 Shortly after the regular meetings of the RAC, but subject to Town Manager concurrence, suggesters and their department head will be advised of the Committee's decision. Those receiving a monetary award will have it added to their paycheck. Those receiving an honorary non-cash award will be presented with a certificate by the department head. In either case, a notice will be inserted in each winner's personnel file; the winner will be recognized

within his/her respective department, perhaps at a staff meeting; and winning suggestions will be publicized in the *Staff News*. Department heads are encouraged to promote the suggestion program through whatever manner of recognition is appropriate.

5.10.2 Thank you letters will be sent to those whose suggestions are not adopted, with a copy enclosed, where appropriate, of the reviewing official's comments upon which the RAC's decision was based.

5.11 Annual Winner. At the end of each calendar year, the RAC will review all award-winning suggestions to determine which one had the greatest impact on Town operations or services. The winning suggestion must not only surpass competing suggestions but be of such a significant benefit to the Town that it is worthy of additional recognition. The annual award is "Individual Suggester of the Year" and/or "Group Suggestion of the Year" and will be announced in January.

6.0 EMPLOYEE SERVICE RECOGNITION PROGRAM (ESRP)

6.1 Definition of Program. The Employee Service Recognition Program (ESRP) recognizes outstanding individual or group achievements, performance, proficiency, and service. With the exception of recognizing length of service milestones, employees are considered for special recognition through a nomination process. To ensure standardization in the appearance of awards, the style and design of all awards shall be approved by the RAC prior to purchase.

6.2 Length of Service Award.

6.2.1 The Town of Prescott Valley is proud of employees who achieve certain milestones of length of service with the Town. Inasmuch as these employees provide perspective, stability and knowledge that only length of service can assure, the Town wishes to show its appreciation through formal recognition.

6.2.2 Formal recognition of length of service will be awarded after completion of service increments of five years (i.e., five, ten, fifteen, etc.).

6.2.3 Special recognition will be given at retirement from Town service. "Retirement" is defined as follows.

6.2.3.1 For non-sworn personnel: Age 59-1/2 with ten years of service.

6.2.3.2 For sworn personnel: Age 55 with ten years of service.

6.2.4 Employees will be presented with their awards at Town Council meetings.

6.2.5 Awards for each service milestone will be determined and funded through the budget process each fiscal year.

6.3 Superior Accomplishment Award.

- 6.3.1 This award is for performance by an individual or team of employees which results in an exceptional contribution to improving Town government. In terms of specific areas of accomplishment, they may include:
 - 6.3.1.1 An unequaled personal effort in overcoming unusual difficulties or obstacles in the completion of a major task with substantial benefits to the Town.
 - 6.3.1.2 Completion of a major project or task in a significantly shorter period of time with substantial benefits to the Town.
- 6.3.2 Nominations for this award must be submitted by the department head to the RAC. The RAC will make a recommendation to the Town Manager who will make the final decision. The award consists of an engraved walnut plaque and a gift/cash award of \$50 up to a maximum of \$500 per individual or team.

6.4 Premier Award of Exceptional Customer Service.

- 6.4.1 Situations arise when employees deliver extraordinary service that goes far beyond the expectation of the customer (internal or external). It is important to officially recognize this service behavior and publicize it within the organization. Customer service activities undertaken at this level are to be considered for nomination for a Premier Award of Exceptional Customer Service. Nominations will be reviewed by the RAC on a quarterly basis, and award winners will be selected based upon how well the customer service delivered supports the Town's customer service philosophy. There is no limit on how many quarterly winners there are.
- 6.4.2 Nominations must detail how an individual exceeded the public's expectations for timely and effective delivery of Town services, or the expectations of internal customers to whom they offer support and services, or the leadership they provided to a work unit.
- 6.4.3 Non-supervisory employees must have demonstrated superior performance of the technical and interpersonal aspects of their job and consistently delivered positive service through telephone etiquette and general demeanor.
- 6.4.4 Supervisory employees must have created a service culture within their work unit that continuously reinforces and promotes excellence in all subordinate functions by their positive leadership example and effective management skills.

6.5 Department/Division Awards.

- 6.5.1 A Certificate of Commendation is an honorary award that may be presented to an employee for achievement/performance beyond what is expected or required, that is equaled by few, and that contributes directly to the accomplishment of the Department's goals and objectives. Nominations may be accepted from employees or the award may be issued at the department head's discretion. A copy of the certificate, along with supporting documentation of the basis for the award, will be placed in the employee's personnel file.

6.5.2 A Letter of Appreciation is an honorary award that may be presented to an employee who has performed an exceptional act/service or who continually performs required duties in an exceptional manner. Nominations may be accepted from employees or the award may be issued at the department head's discretion. A copy of the letter will be placed in the employee's personnel file.