

**TOWN OF PRESCOTT VALLEY
POLICIES AND PROCEDURES**

Subject:

COMPENSATION

File Under Section:

PERSONNEL

Effective Date:

**October 9, 2014
Res. No. 1889**

Number:

2-04

Page:

1 of 8

Supersedes:

July 1, 2010, Res. No 1699

Approved By:


**Larry Tarkowski
Town Manager**

Date: **10.9.14** /S

1.0 POLICY

- 1.1 It is the policy of the Town to maintain a compensation plan designed to pay salaries that are equitable internally (i.e. salaries that are in a proper relationship of worth to all other positions within the Town). It is also the policy of the Town, to the extent it is financially able, to pay its employees at the prevailing rates paid for similar occupations by the public and private employers with whom it competes for high-quality staff, based upon unweighted average rates of those employers.

2.0 PURPOSE

- 2.1 The necessity of changing employee classifications, modifying position descriptions, or updating other elements of the plan may arise due to the assumption of new Town services, the expansion or contraction of existing services, changes in the salary levels of comparable positions in other similar cities and the local area, or economic changes.
- 2.2 The application of the plan will be reviewed on a continuing basis to verify the adequacy of position descriptions, the proper allocation of the positions to the appropriate salary ranges, to assure that employees are properly classified and compensated, and to address current economic conditions.
- 2.3 The Town Council shall establish the compensation schedule as part of the budget process each fiscal year, after receiving the Town Manager's recommendations. Consideration shall be given to a) the need to adjust positions within the salary structures, and b) making a general salary or other compensation adjustment effective July 1 of the fiscal year based on competitive conditions and the Town's financial capabilities. The Council may also review the compensation schedule during the fiscal year as needed, and make further adjustments in accordance with the budget and economic conditions after receiving recommendations from the Town Manager.

3.0 APPLICABILITY

3.1 All Town of Prescott Valley full and part-time employees.

4.0 REFERENCE

5.0 PERFORMANCE INCREASES

5.1 Performance increases shall not be automatic, but shall depend upon increased service value of an employee to the Town as exemplified by recommendations of the supervising official, performance record, special training undertaken, or other pertinent evidence within the advancement policy established by this compensation plan. In any given year, the Town retains full discretion to award performance increases based on any factors it deems pertinent, and further retains the full discretion to deny any performance increase at all.

5.2 All employees will be evaluated annually on their anniversary date.

5.3 In the event that an employee is under a disciplinary status that prohibits the employee's eligibility to receive an increase (reference Disciplinary Action Policy) on the date the employee is scheduled to receive a performance increase, a general wage increase or a salary review as provided by Section 5.1 above, such salary increase, general wage increase, or salary review shall not be implemented until the date the employee is removed from such status on a pro-rated basis. No salary increase shall be payable for any period of time an employee is under a disciplinary status that prohibits the employee's eligibility to receive an increase.

5.4 Upon promotion to a position of higher salary range, the employee's future performance increase will be effective on the anniversary date of the promotion.

5.5 Performance Increase Matrix: Annually, the Town Manager will establish a performance increase matrix based upon the funding contained in the fiscal year budget as approved by the Town Council. Nothing in any performance increase matrix constitutes a promise to pay any particular employee a performance increase. The performance matrix may include deviation based upon comparative ratio (the percentage relationship of an incumbent's salary to the midpoint of the salary range for the position's classification) and the employee's level of performance proficiency (i.e. Unacceptable, Needs Improvement, Meets Expectations, Exceeds Expectations, and Far Exceeds Expectations)

5.6 Employees who are currently at or above the established maximum of their salary range may be eligible for a performance increase in the form of a lump sum payment. In this instance, there will be no increase applied to base salary. A performance increase may be granted as a lump sum payment in combination with an increase in base salary when a portion of the increase applied to the base salary takes it to the maximum of the salary range thereby causing the balance of the increase to be paid as a lump sum.

6.0 COMPENSATION

- 6.1 Newly-hired employees are compensated at the minimum of the salary range. The Town Manager may authorize hiring a new or reinstated employee at a higher salary when it is determined to be in the Town's best interest.
- 6.2 Compensation within the plan adopted by the Council is an administrative decision of the department director as approved by the Town Manager.
- 6.3 No salary advancement shall be made so as to exceed any maximum rate established in the compensation plan for the classification to which the advanced employee's position is allocated.

7.0 BILINGUAL PAY PROGRAM

- 7.1 The Town recognizes the importance of having bilingual employees to communicate with citizens and visitors in order to meet their needs. The Town believes it is appropriate to compensate employees who are regularly called upon to use their bilingual skills to meet service delivery needs.
- 7.2 Employees receiving bilingual pay may be required to report to work during non-scheduled working hours, have a role in disaster recovery efforts and be expected to work during periods of emergency response by the Town.
- 7.3 Bilingual pay applies to those positions designated by Human Resources as eligible to receive bilingual pay according to the following standards.
 - 7.3.1 Position is designated as full or part-time; not seasonal or temporary.
 - 7.3.2 Requires use of the bilingual skill on a continuing basis at least 10% of the time.
 - 7.3.3 Must be in a work setting that requires the use of bilingual skills to meet the needs of the public in either a:
 - Direct public contact position, or
 - Position utilized to perform interpretation, translation or specialized bilingual activities for the department and its customers.
 - 7.3.4 Must be in a setting where there is a demonstrated customer or correspondence flow where bilingual skills are clearly needed.
 - 7.3.5 Where feasible, department directors should ensure that positions clearly meet the standards by centralizing the bilingual responsibility in as few positions as possible.
 - 7.3.6 Actual time spent conversing or interpreting in a second language and closely related activities performed directly in conjunction with the specific bilingual transaction will count toward the 10% standard.

7.4 Employee Eligibility:

- 7.4.1 Bilingual skills are certified through a formal testing process administered and approved by Human Resources.
- 7.4.2 Employees must receive authorization from their department director.
- 7.4.3 Employees must be in a position that qualifies for bilingual pay.
- 7.4.4 Employees may be required to be re-certified at the discretion of the department director and/or Human Resources.

7.5 Bilingual Pay Compensation:

- 7.5.1 Exempt employees paid on a salary basis will receive \$60 per month to be paid on the 1st and 2nd pay periods of each month.
- 7.5.2 Employees paid on an hourly basis will receive \$0.35 per hour.
- 7.5.3 Employees are eligible to receive bilingual pay on the first day of the pay period following approval by Human Resources.
- 7.5.4 Employees may receive bilingual pay during periods of paid time off up to two weeks. Employees on unpaid leave are not eligible for bilingual pay for those hours.
- 7.5.5 Bilingual pay will not be included in the calculation for lump sum payments and termination payoffs.
- 7.5.6 Multilingual employees are eligible for no more than the rate of bilingual pay established in this section irrespective of the number of languages they speak.
- 7.5.7 Bilingual pay will be discontinued if the employee is reassigned to a different position or the functions of the position no longer meet the requirements, employee voluntarily withdraws from the program, employee's usage of bilingual skills no longer satisfies guidelines or is no longer recommended by the department director. Bilingual pay will be withdrawn effective the first day of the next pay period.

8.0 SHIFT DIFFERENTIAL PAY

- 8.1 Non-exempt employees who are scheduled on a regular, rotating or sporadic basis to work during the evening hours may be eligible for extra compensation designated as shift differential pay. For the purposes of this section, "evening hours" begin at 9:00 p.m. and end at 6:00 a.m.

Only actual hours worked during evening hours will be considered in calculating the appropriate shift differential pay. Schedules that begin prior to or end after evening hours will be paid at the regular rate for hours worked outside of evening hours, and differential pay for hours worked within evening hours. Paid leave

time of any kind to cover evening hours scheduled but not worked is not eligible for differential pay.

8.2 Compensation for shift differential pay is fifty (50) cents per hour.

9.0 PUBLIC SAFETY GRANT PAY

9.1 Federal, state or other public safety “overtime grant” work performed by a non-exempt employee may be eligible to be compensated at a premium rate of pay.

9.2 To be eligible for grant premium pay the non-exempt employee cannot have leave without pay (LWOP) for any part of the 40 hour workweek in which the “overtime grant” duties were performed.

9.3 Premium pay is calculated at one and a half times the employee’s regular hourly rate of pay.

10.0 EMPLOYEE RECLASSIFICATIONS

10.1 It is the department director’s responsibility to assure that each of the department’s employees is properly classified and receiving the proper salary. When an employee is reassigned to, and working a majority of the time in a higher, lower, or otherwise different classification than that in which presently classified, an appropriate reclassification action is to be initiated by the employee’s department director to the Human Resources director.

10.2 Upon promotion to a position of higher salary range, the employee shall receive an increase in salary which is five percent (5%) higher than currently paid or to the minimum of the new range whichever is greater, unless a higher salary percentage is approved by the Town Manager.

11.0 WORK OUT-OF-CLASS

11.1 Policy: Employees may be asked to temporarily perform duties outside of their current classification. Whether such work is at lower or higher classifications, it is considered part of the employee’s normal duties.

11.2 Assignment: Employees may be assigned duties outside of their current classification when:

- a. a position is currently vacant;
- b. an employee normally filling the position is on authorized leave;
- c. an employee normally assigned to the position has been temporarily relieved of regular duties to complete a special project approved by the Town Manager; or
- d. workload requirements in the other position have temporarily increased.

11.2.1 Employees shall generally not be assigned duties outside of their current classification for more than six (6) consecutive months unless specifically approved by the Town Manager. However, the Town

Manager may extend any such assignment for an additional six (6) months. Any subsequent extensions must be re-approved by the Town Manager.

11.3 Compensation:

11.3.1 Except as provided herein, employees temporarily assigned to work outside of their current classification shall retain their current salary range and pay.

11.3.2 If the salary range for the classification that an employee is temporarily assigned to is five percent (5%) or greater than the salary range for the employee's current classification, then the employee shall be eligible to receive out-of-class compensation beginning on the fifteenth (15th) calendar day of performing the duties of the higher-level classification. The employee may become eligible on the first (1st) day of performing the duties of the higher-level classification if the higher-level classification is vacant.

11.3.3 The out-of-class compensation shall be 5% above the current rate of pay (or the entry rate of the higher classification, whichever is greater, but not to exceed the maximum rate of the higher classification).

11.3.4 Work performed pending action on a request for reclassification of a position, or approval of a recommendation to reclassify a position, is specifically not covered by this section. Out-of-class compensation is not used to avoid requesting reclassification or to reward employees for outstanding service.

11.4 Procedure:

11.4.1 Assignments to work out-of-class within a department may be made in writing by a department director, with a copy of the assignment forwarded to the Human Resources director. Assignments to work out-of-class in another department shall be made in writing by the Town Manager, with a copy of the authorization forwarded to the Human Resources director.

11.4.2 Any authorization for out-of-class compensation must be signed by the department director where the out-of-class work is being performed.

11.4.3 Out-of-class compensation shall apply only to time actually worked in a higher-level classification. Leave time is paid at the employee's normal rate of pay.

11.4.4 The consecutive-month work period may be interrupted by approved leave of not more than fifteen (15) consecutive working days if the out-of-class work is continued on the 1st day returned.

12.0 TRANSFER

- 12.1 Except as set forth in Section 13.0 below, when an employee is voluntarily or involuntarily transferred from one position within a salary range to another position within the same salary range, there shall be no change in the employee's pay. If an employee is transferred to a position in a classification having a higher salary range than the classification from which the employee was transferred, there shall be no change in the employee's pay unless such transfer is a result of a promotion. In both cases the anniversary date may change if their duties have significantly changed with the transfer.

13.0 DEMOTION

- 13.1 When an employee is voluntarily or involuntarily reassigned or transferred from a position in one classification to a position in another classification having a lower maximum pay rate as a result of a non-disciplinary action, the employee shall maintain a pay rate that will not exceed the maximum pay rate for the new salary range.
- 13.2 Disciplinary Action: When an employee is demoted from one classification to another having a lower salary range due to a disciplinary action, the employee shall receive at least a five percent (5%) reduction in pay but no more than a fifteen percent (15%) decrease. The date of demotion shall become the new evaluation date for the computation of wages. The provisions regarding introductory periods will apply in all cases of disciplinary demotions.
- 13.2.1 No demotion shall be made as a disciplinary action unless the employee to be demoted is eligible and qualified for the lower classification and shall not be made if any employee in the lower classification would be laid off or otherwise displaced by reason of such action.
- 13.2.2 The duration of the reduction in pay and responsibility may be definite or indefinite as dictated by circumstances. An indefinitely-demoted employee is entitled to progress within the appropriate salary range like any other employee, based upon job performance and other applicable criteria.
- 13.3 Voluntary: When an employee requests a voluntary demotion, the employee shall be allowed to apply for any vacant position for which the employee is qualified. The Human Resources director shall notify the employee as to the employee's salary in the new classification prior to the employee's acceptance or rejection of the voluntary demotion. The new salary will not exceed the maximum pay rate of the salary range for the classification to which the employee has requested a voluntary demotion. The date of demotion shall become the new evaluation date and all provisions regarding the introductory period will apply.

14.0 POSITION DESCRIPTION CHANGES

- 14.1 When the duties and responsibilities of any position change significantly, the position description will be revised accordingly and the position reevaluated into the appropriate salary range – up or down.
- 14.2 It is the responsibility of the department director to initiate the appropriate action and to assure that a revised description is prepared and submitted for review and approval by the Human Resources director.

15.0 REVIEW OF POSITION CLASSIFICATIONS

- 15.1 The Town Manager or designee is responsible for reviewing requested reevaluations of existing positions or the establishment of new positions. This responsibility includes evaluating the particular position duties, ranking the position against the established benchmark positions, and assignment of the position to a salary range in the appropriate salary structure. The employees affected will then be appropriately reclassified and adjusted in salary, if applicable.

NOTE: Benchmark positions will be reevaluated only after a thorough study and evaluation and when appropriate survey data indicates that a change is necessary. A review of benchmark positions against survey data will be accomplished on a periodic basis by Human Resources.

16.0 GENERAL SALARY/OTHER COMPENSATION ADJUSTMENTS

- 16.1 Following approval of any general salary or other compensation adjustment by the Town Council, each employee's compensation shall be adjusted accordingly.
- 16.2 General salary or other compensation adjustments shall normally be effective July 1. However, nothing shall preclude general salary or other compensation adjustments by the Council based on economic conditions after receiving recommendations by the Town Manager during the fiscal year. Employees who are currently at or above the established maximum of their salary range may be eligible for market adjustment increases in the form of a lump sum payment. In this instance, there will be no increase applied to base salary. Any market adjustment increases may be granted as lump sum payments in combination with increases in base salary when a portion of the increase applied to the base salary takes it to the maximum of the salary range thereby causing the balance of the increase to be paid as a lump sum.

17.0 ADMINISTRATIVE PROVISIONS

- 17.1 The administration of this plan is the responsibility of the Town Manager as authorized by the Town Council, and the plan shall be administered by Human Resources as directed in accordance with its spirit and intent as set forth herein.