

ARTICLE 3 – EMPLOYEE COMPENSATION

Section 1. Preparation of Employee Compensation

For the benefit of properly compensating various categories of employees, the Human Resources Director shall ensure a compensation (pay) structure is prepared for employees that is appropriate and meets the needs of the City. In arriving at the appropriateness in the various forms of compensation, consideration shall be given to rates of compensation for comparable work, the class/classification of the employee, internal equity of compensation grades, and other employment market demands, as well as the City's budget appropriations, financial condition and policies, and to other relevant factors or other compensation in the form of benefits.

Section 2. Enactment, Amendment and Revision of Compensation Plans

The enactment, amendment and revision of the Step Pay Plan and Merit Plan shall be included as a section of the budget book and approved each year.

Section 3. Types of Compensation Plans

- A. Step Pay Plan – These employees, upon their first day of employment, shall be placed at the entry-level rate of compensation based on the position grade in their job descriptions.
 - 1) Police Department: Eligible positions: Police Sergeant, Police Officer and Dispatcher.
 - 2) Fire Department: Eligible positions: Fire Captain, Fire Engineer and Firefighter.
- B. Merit Plan – All other regular full-time employees will be on the merit plan. This plan uses the entry level position as established by the Position Grade Schedule as the beginning level of compensation.

Section 4. Application of Compensation Rates

Regular full-time employees occupying positions in the City service shall be compensated under the step pay plan or merit plan. New employees shall start at the first step or minimum salary in the appropriate grade unless the City Administrator or Board determines that qualified applicants are not available at the salary specified at the first step, or that an applicant has special qualifications that justify a higher starting rate than the first step or minimum salary. The City Administrator may hire or appoint employees up to the maximum of the grade established for the class.

Section 5. Compensation Increases

The following are contingent upon budget appropriations and are included as a section of the budget book and approved each year:

- A. No compensation increase for regular full-time employees shall exceed the established step pay plan or merit plan unless approved by the City Administrator or Board.
- B. Merit increases shall not be automatic, but shall depend upon increased service value of an employee to the City, based on the employee's annual performance appraisal and how that score falls within the Merit Matrix.
- C. Market/ Cost of Living Adjustment compensation increases for all regular full-time employees, when approved through the budget process, shall occur on the first day of the new fiscal year.
- D. Employees on the step pay plan will advance one step to the right in the step pay plan, with a final score calculation of 3.0 or higher on their annual performance appraisal.

Section 6. Compensation Effective Dates

The effective date of any compensation increase shall be as follows:

- (1) Market/ Cost of Living Adjustments – The first day of the new fiscal year.
- (2) Merit Plan Compensation– Employee's annual performance appraisal date.
- (3) Step Plan increase – Employee's annual performance appraisal date.
- (4) Regular part-time, temporary, seasonal or intern – Employee's performance appraisal or anniversary date.

Section 7. Out of Class Compensation

The City Administrator is authorized to establish Administrative Rules with regard to out-of -class and acting assignment compensation.

Section 8. Appropriate Compensation

The City Administrator is authorized to assign employees to appropriate classifications and pay grades in conformity with the step pay plan and merit plan funded by the adopted city budget.

Section 9. Regular Part-time, Temporary, Seasonal or Intern Employees Compensation

Regular Part-time, Temporary, Seasonal or Intern Employees - These employees' compensation will be determined by their roles and responsibilities, and be in align with local market factors as established by Department Directors, with prior approval of the City Administrator and the Human Resources Director. Compensation increases will be as recommended by the Department Director, depending upon the employees' tenure with the City.

Section 10. Compensation period

Employees shall be paid every two weeks according to a compensation schedule established by the City Administrator.