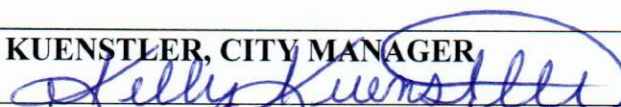




<b>SECTION: HUMAN RESOURCES</b>	<b>REFERENCE NUMBER: A6</b>
<b>SUBJECT: COMPENSATION PROGRAM</b>	<b>EFFECTIVE DATE: 09/01/2018</b>
<b>FROM: KELLY KUENSTLER, CITY MANAGER</b> 	<b>LAST REVISION DATE: 09/1/2014</b>

A. **PURPOSE**

The Compensation Program ensures internal equity, starting salaries are determined based on the applicant's prior experience and/or education directly related to the position. A department may pay starting salaries up to the market reference salary range midpoint of a job, provided internal equity is observed.

The Compensation Program is also designed to reward staff members for developing skills and competencies in their current jobs. It also supports career development by giving a staff member the opportunity to promote.

B. **DEFINITIONS**

**Merit Increase** – An employee is only eligible to be considered for a merit increase on his/her anniversary date.

**Anniversary Date** – An anniversary date is established when an employee is hired or promoted to a full-time or part-time budgeted position. The anniversary date is used to determine eligibility for merit increases and does not guarantee the employee a merit increase.

**PAR** – Personnel Action Request Form.

C. **RESPONSIBILITIES**

1. Department Heads are responsible for:
  - a. Ensuring job descriptions for current positions are up to date and include all essential job functions. This will ensure correct market salary range is allocated for the position.
  - b. Responsible for reviewing the performance evaluation and ensuring that the minimum qualifications for awarding a merit increase are established for each position within their department. These qualifications should reflect the individual's increased productivity, experience, and organizational skills to the department. Qualifications will be reviewed with the Employee during both informal and formal counseling sessions.
  - c. Recommending approval or disapproval of all merit increases.

- d. Recommending approval of the appropriate percentage of merit increase if the city is using performance based merit increase.
  - e. Forwarding the Employee Performance Evaluation and PAR to the Human Resources Department for processing.
2. Employees are responsible for:
    - a. Ensuring that core essential job functions are included in the employee's job description.
    - b. Completing the Employee Evaluation Worksheet.
    - c. Submitting employee's evaluation worksheet to their supervisor ten days prior to their anniversary date.
  3. The Human Resources Director is responsible for:
    - a. Ensuring that current market salary ranges are provided to the City Manager in an effort to ensure current market values.
    - b. Reviewing all requests for merit increases to ensure that the requests are consistent with City policies.
    - c. Ensuring that all appropriate paperwork is submitted.
    - d. When granted, forwarding the PAR indicating the merit increase to the Payroll Clerk.
  4. The City Manager is responsible for:
    - a. Informing City Council of the current salary market trends.
    - b. Completing Performance Evaluations on the Department Directors.
    - c. Recommending approval or disapproval of all requests for merit increases for Department Directors.
    - d. Forwarding the Department Director's Performance Evaluation to the Human Resources Department for processing.

D. **PROCEDURE FOR MERT**

1. An Employee is only eligible for a merit increase on their anniversary date.
2. An employee completes the Employee Evaluation Worksheet and submits to their supervisor ten days prior to the anniversary date.
3. The Supervisor will then review the employee's evaluation worksheet and complete the annual performance evaluation on the employee.
4. The supervisor will then submit the performance evaluation to the Department Head indicating whether the employee's performance merits an increase between 1-4%.
5. The Department Head will then review the performance evaluation and approve or deny the merit increase.

6. If the Department Head recommends approval of the merit increase, The Department Head will forward the evaluation and indicate the amount of the Merit Increase to the Human Resources Department. If, the Department Head or Supervisor does not recommend approval of the merit increase, it should be noted on the performance evaluation.
7. Upon receipt of appropriate paperwork, the Human Resources Department will confirm that the Employee is eligible for a merit increase and forward the PAR to the City's Payroll Clerk.
8. The Pay Roll Clerk will process the PAR on the next available pay cycle.
9. The performance evaluation will be filed in the Employee's official personnel file.