

A. Statement of Purpose

To maintain a non-civil service employee classification pay plan of internally and externally equitable salaries. The primary purpose of the pay system is to attract, retain and motivate employees through the payment of financial compensation commensurate with the individual's ability, responsibility and contribution to the City's goals.

B. General Policy

1. There are four categories of employee status:

a) FULL TIME REGULAR employees are scheduled to work forty hours or more per week in regular positions (Note: Full time fire civil service suppression personnel are scheduled to work a total of 168 hours per a 21-consecutive day work cycle).

b) PART TIME employees work not more than thirty-five hours per week.

i. Part time employees should be limited to thirty-five hours per week.

ii. Part time employees working twenty or more hours per week will be eligible for the same benefits as full time employees except for health and life insurance. Health and life insurance are not available to part time employees regardless of the number of hours they work.

iii. Part time employees accrue benefits in proportion to the number of annual budget hours for that position at the following rate:

- At least 20 but not greater than 24 hours per week – accrue at 62% of the benefits accruing to full-time, regular non-civil service employees (holiday pay, vacation and sick leave).
- At least 25 but not greater than 29 hours per week – accrue at 75% of the benefits accruing to full-time, regular non-civil service employees (holiday pay, vacation and sick leave).
- At least 30 but not greater than 35 hours per week – accrue at 87% of the benefits accruing to full-time, regular non-civil service employees (holiday pay, vacation and sick leave).

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- iv. Accrual rates will NOT fluctuate between pay periods but may be adjusted on an annual basis.
 - c) TEMPORARY employees are hired for a specific job, task, project or assignment for a relatively short duration and are scheduled, and limited, to work less than 1000 hours for a period of 12 months from the date they begin working.
 - i. Temporary employees are not eligible to receive holiday pay or benefits available to full time and part time employees.
 - ii. Temporary employees must be separated from City employment prior to completing 1,000 hours of temporary employment unless they have written authorization from the City Manager to continue as temporary employees.
 - d) SEASONAL employees are those employees hired for a specific season and are scheduled and limited to work less than 1,000 hours for a period of less than seven months from the date they begin working.
 - i. Seasonal employees are not eligible to receive holiday pay or benefits available to full-time and part-time employees.
 - ii. Seasonal employees must be separated from City employment prior to completing 1,000 hours of temporary employment unless they have written authorization from the City Manager to continue as temporary employee.
2. Human Resources maintains the City's Position Classification Plan
- a) Exempt positions (System A) are grouped according to pay classifications which are determined by the following factors: knowledge required, experience, organizational control, human relations, planning, budget responsibility, authority exercised, complexity and working conditions.
 - b) Non-exempt (System B) position factors include knowledge required, experience, organizational control, human relations, responsibility, authority exercised, complexity and working conditions.
 - c) With broadbanding a job will require an extensive change in responsibilities/ duties to move into a new job class or pay range.
 - When extensive changes occur, department directors may submit written requests through the City Manager or Assistant

City Manager to Human Resources to reclassify the current position(s). Policy EMP-6 provides direction regarding the reclassification process.

3. The administration of the pay system is under the direction of the Director of Human Resources, who is responsible for the following:
 - a) Communication of pay issues with the workforce, including training, orientation and other processes.
 - b) Conducting salary surveys annually to adjust the salary structure as a percent of the cost of labor movement. The City utilizes peer cities adopted by the City Council to evaluate its Non-Civil Service (Exempt/ Non-Exempt) and Civil Services positions.

C. Employee Compensation

1. Pay Plan
 - a) Human Resources maintains the pay plan. The plan includes a schedule listing pay at the minimum, the calculated minimum and maximum for Pay Quartiles 1-4 for each pay grade (i.e., each pay grade is divided into four quartiles along with the minimum salary). The *calculated minimum* represents the minimum salary level for a new employee meeting the minimum qualifications of the job. The maximum of Quartile 4 represents the maximum salary level of the pay grade. The salary range from the minimum to the calculated minimum represents a training rate for employees not meeting the minimum qualifications for the job.
 - b) Salaries are listed on an hourly and bi-weekly basis for exempt positions and on an hourly basis for non-exempt classifications. Executive, administrative and professional employees are generally classified as exempt (System A). All others are classified as non-exempt (System B).
 - c) Part time employees are paid in accordance with the same pay plan as full time employees.
2. Starting Salary
 - a) New employees meeting the minimum job requirements are hired at the “calculated minimum” salary. There may be circumstances where a new employee offers an unusual skill level, the number of qualified applicants is lacking, or there may be market conditions or specific job duties

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requiring higher compensation levels, in which the employee may be offered compensation above the “calculated minimum,” contingent upon available funding.

- Starting salaries at the training rate (“actual minimum salary”) require the approval of the department director and the Director of Human Resources.
- Starting salaries above the calculated minimum within the first quartile require the approval of the department director.
- Starting salaries within the second quartile up to the maximum of Quartile 2 require approval of the department director and the Director of Human Resources.
- Starting salaries within Quartile 3 up to the maximum of Quartile 3 require the approval of the department director, Director of Human Resources and the appropriate Assistant City Manager.
- Starting salaries within the fourth quartile require the approval of the department director, Director of Human Resources, the appropriate Assistant City Manager, and the City Manager.

b) A position may be temporarily filled at a pay rate below the “calculated minimum” when qualified applicants are not available or when the applicant does not meet the minimum requirements of the job. This represents the training rate for employees who lack the skills for a particular position, but who are able and willing to develop these skills on the job. Employees hired at the training rate are increased to the “calculated minimum” pay rate once they gain the skills and qualifications required for the position.

3. Method of Payment

a) City employees are paid every other Thursday for the two-week period ending the Saturday one-week before the payday. When a payday falls on a holiday, checks are distributed on the preceding workday.

b) Paychecks are in the amount of the number of hours worked times the hourly rate less mandatory deductions such as retirement, social security and withholding tax, when applicable. Additional pays and overtime compensation would also be included when applicable. Employees may

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authorize other voluntary deductions such as insurance premiums, deferred compensation, etc.

c) Direct deposit of payroll checks to the employee's bank or credit union is available and recommended.

D. Overtime

1. Supervisors are required to limit work in excess of established schedules.
 - a) Overtime will be worked ONLY when determined to be absolutely necessary by the respective department's supervisory chain of command. Employees who work overtime without the prior approval of their supervisors are subject to disciplinary action, up to and including termination.
 - b) Non-Exempt personnel are compensated for overtime hours at a pay rate of one and one-half times their hourly rate.
 - c) If deemed necessary by the department's supervisory chain of command, an employee may receive adjusted time off during the same week for the purpose of limiting overtime.
 - d) Sick time does not count toward overtime.
2. When an employee changes from non-exempt to exempt status, the overtime pay rate of one and one-half times the hourly rate is forfeited, with the exception of civil service personnel governed by Chapter 142 of the Texas Local Government Code.

E. Differential Pay.

Differential pay shall be governed by City Policy CMP-6.

F. Promotions

If an employee is promoted to another classification in a higher pay range, the employee's rate of pay may be increased in accordance with the same criteria outlined for new hires (see "Starting Salary" CMP-1, C, 2, a). In no case shall the employee's rate of pay be less than the calculated minimum of the higher pay range.

G. Demotions

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1. An employee who is either voluntarily or involuntarily demoted to a classification with a lower pay range or lower maximum salary shall have their salary reduced by a minimum of 5% unless otherwise authorized by the City Manager.
2. The salary for employees receiving voluntary or involuntary demotions must be placed below the maximum pay level of the assigned pay range.

H. Transfers

An employee who applies and is selected for a position in the same job classification, or who applies and is selected for a position in a different classification within the same pay range, is not eligible to receive a pay increase.

I. Reclassified Employees

1. If an employee's position is reclassified to another classification in a higher pay range, the rate of pay, if increased, may be increased up to ten percent. However, in no case shall the employee's rate of pay be less than the calculated minimum of the higher pay range.
2. If an employee's position is reclassified to another classification in a lower pay range, or to another position in the same pay grade, the rate of pay will typically not be adjusted, provided the employee is below the maximum salary level of the pay range of the newly classified position.



Larry D. Groth, P.E., City Manager
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