

CITY OF COMMERCE

ADMINISTRATIVE POLICIES

COMPENSATION

1.0 PURPOSE

To establish policy and procedures for compensating City employees.

2.0 POLICY

- 2.1 It is the policy of the City and the purpose of this plan to establish a compensation system that will allow the City to effectively compete for qualified personnel and to ensure that salaries are equitable and commensurate with the duties performed by each employee.
- 2.2 The salary schedule will be adopted by the City Manager and will apply to all employees.
- 2.3 Copies are available for viewing in the Department of Administrative Services.
- 2.4 New Employees: All new employees will ordinarily be paid the probationary rate in the appropriate salary range except as approved by the City Manager.
- 2.5 Promotions: See related Administrative Policy.
- 2.6 Demotions: See related Administrative Policy.
- 2.7 Transfers: See related administrative Policy.
- 2.8 Cost-of-Living: Cost-of-living adjustments/salary modifications may be granted by the City Council upon recommendation by the City Manager. If granted, they are generally effective the first pay period beginning in October of each year.
- 2.9 Pay for "Acting" Status or Temporary Promotions: See Administrative Policy on TEMPORARY PROMOTION.
- 2.10 Performance/Merit Pay Increases: Employees who have successfully completed their probationary period will be eligible for a performance pay increase and be raised to the minimum rate in the appropriate salary range. If funds are approved by the City Council, merit pay adjustments are usually effective the first pay period beginning in October of each year.
- 2.11 Reevaluation: In the event that the salary of any position is reevaluated by the City Manager, and results in an increased salary range for the position, the employee

will retain his/her current salary within the range or assume the probationary level of the new range, whichever is greater.

- 2.12 **Pay Rates Exceeding Range Maximum:** Any employee whose pay rate exceeds the maximum prescribed for his/her classification as a result of a reallocation of his/her position to a lower classification when there have been no recent, dramatic changes in assigned duties and responsibilities will not be reduced in pay. This does not apply to demotions. The employee will not be eligible for future salary increases until he/she occupies a position for which the salary range maximum is more than the pay rate he/she currently receives.
- 2.13 **Classification Plan:** Jobs with similar duties and responsibilities are assigned to the same salary level. The City Manager conducts periodic studies of various jobs when there is an indication the employee is working above or below the established responsibilities for the position. These studies are normally initiated at the request of the Department Head and are conducted in accordance with the Administrative Policy on RECLASSIFICATIONS.
- 2.14 **Maintenance of the Salary Plan:** The Department of Administrative Services will be responsible for the continuous maintenance and administration of the City's Compensation Plan. The review will include an analysis of prevailing rates of pay for similar positions in comparable labor markets, organizations, cost-of-living factors, budgetary considerations, and other related factors. On the basis of this information, the City Manager will make changes to keep the plan current, uniform and equitable. Such changes will be approved by the City Manager and will then be submitted in the annual budget to the City Council.

EFFECTIVE: 06-01-97

LAST REVISED: 09-20-94

CITY MANAGER APPROVAL: _____



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