



<b>City of Delray Beach</b>  	<b>ADMINISTRATIVE POLICIES AND PROCEDURES MANUAL</b>		<b>SUBJECT:</b>  <b>CLASSIFICATION AND PAY PLANS</b>	
	<b>NUMBER</b> PER-4	<b>REVISIONS</b> 10	<b>EFFECTIVE DATE:</b> 07/19/16	<b>PAGE</b> 1 OF 6
	<b>SUPERSEDES REVISION 9</b>	<b>APPROVED BY:</b>  <b>Donald Cooper, City Manager</b>		

#### **PER 4.0. Purpose**

This policy is designed to establish uniform and consistent procedures to administer the City's Classification and Pay Plans for the purpose of recognizing, motivating and retaining its employees while adhering to the provisions of the Fair Labor Standards Act (FLSA).

This policy also clarifies the procedures to follow in order to manage an employee's salary from the initial point of employment through possible, transfers, promotions/demotions, reclassifications, reallocations, or merit increases.

#### **PER 4.1 - Definitions**

##### **A. Classification Plan:**

The Classification Plan is a system designed to determine how each position in the City is arranged according to its function, content, competencies, responsibilities, skills and requirements. The classification plan establishes the job description, pay grade, FLSA status and salary range for each position.

The job descriptions are developed and maintained solely by the Human Resources Department and are available to all employees. The City of Delray Beach utilizes the Fair Labor Standards Act, (FLSA) as guidelines when developing job descriptions and makes sure they are compliant with Americans with Disabilities Act (ADA) regulations.

##### **B. Pay Plan:**

The Pay Plan shall be directly related to the Classification Plan and shall provide the basis for compensation of employees. It is developed by assigning a position grade and determining a salary range for the position.

A position grade is established by assessing several core factors of a position such as, the level of complexity of functions, scope of responsibilities, degree of authority and degree of experience necessary to perform the essential functions of the position.

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The Pay Plan shall include tables of basic rates of pay and schedules of salary grades for each job title in the Classification Plan. Each position grade is assigned a salary range that is based upon salary data of similar and comparable organizations in the immediate geographical area of the City. The salary range represents the corresponding salary levels of a position at progressively increased levels of experience and job knowledge.

### **B. Regular Full-Time Employee:**

An employee who is hired to work on a continuous basis 40 hours per work week.

### **C. Regular Part-Time Employee:**

An employee who is hired to work on a continuous basis up to 29 hours per work week.

## **PER 4.2 - Procedures**

### **Administration of Pay Plan:**

#### **A. Initial Employment**

1. A new employee entering the City's work force will typically start at the minimum salary level of the pay grade assigned to his/her position. When there are exceptional considerations, such as advanced experience, education/training, or qualifications that significantly exceed the minimum requirements of a position, a hiring manager may request approval to start the employee at a salary that is above the minimum level for the position.
2. Requests for a starting salary that is up to twenty percent 20% above minimum salary level for a position shall require the approval of the Human Resources Director. Requests for a starting salary that is more than twenty percent (20%) above the minimum salary level for a position require the Human Resources Director's review with recommendations to the City Manager for final approval.

No manager has the authority to extend an offer of employment that is above the minimum salary for a position to a candidate without the Human Resources Director's and/or City Manager's prior approval.

3. As a matter of practice, the City of Delray Beach does not issue sign-on bonuses as part of its normal recruiting strategy, however, it does recognize the need for such a measure in unique hiring situations or when recruiting for extraordinarily difficult vacancies to fill. In these instances, the Department Heads must request authorization from the Human Resource Director, in writing, prior to offering a sign-on bonus.

Requests for sign-on bonuses require the Human Resources Director's and the City Manager's approval. Sign-on bonuses are subject to mandatory tax deductions.

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### **B. Promotions**

It is considered to be a promotion when a position is vacant and through the internal job posting process and in compliance with Equal Employment Opportunity (EEO) principles, an employee applies for the position and is selected to fill the position, if the vacant position is a higher classification and job grade than the employee's current position

The salary of an employee who is promoted will be increased by ten percent (10%) of the employee's salary before the promotion or to the minimum salary level of the new position grade, whichever is greater.

Requests for a salary that is up to twenty percent 20% above minimum salary level for a position shall require the approval of the Human Resources Director. Requests for a starting salary that is more than twenty percent (20%) above the minimum salary level for a position require the Human Resources Director's review with recommendations to the City Manager for final approval.

If a regular full-time employee receives a promotion which results in a salary increase of ten percent (10%) or higher, the employee's next annual performance review date, shall be adjusted to twelve (12) months from the date of the promotional salary increase and the employee will have one year probationary period.

### **C. Demotions**

A demotion occurs when an employee leaves one position and moves to a position with a lower classification and position grade. For example, when a position is vacant and through the internal job posting process an employee applies for the position and is selected to fill the position, if the vacant position is a lower classification and position grade than the employee's current position, then this is considered to be a demotion.

Demotions generally result in a decrease in salary which must be approved by the Human Resources Director and with final approval from the City Manager. The employee will have a one (1) year probationary period.

### **D. Reclassifications**

When a position changes significantly in terms of job content, scope, skills, and responsibilities, its classification may be changed by the Human Resources Department at the request of the Department Head. The change can be to a higher or lower classification and position grade.

If the new classification results in a lower job grade, the employee will have 90 days to apply for another position within the City that has a higher position grade and classification. If after ninety (90) days the employee is not successful in securing another position with a higher classification, the employee's

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salary will decrease according to the guidelines of a demotion.

If, on the other hand, a position is reclassified to a higher position grade, the incumbent's new salary shall be increased at least equal to the minimum salary level of the new position grade. If the employee's current salary is higher than the minimum salary of the reclassified position, the employee shall receive a four percent (4%) salary increase when the reclassification results in a one (1) grade increase; eight percent (8%) salary increase for two (2) grade increase; or ten percent (10%) salary increase for a three (3) grade increase. Reclassifications that result in more than a three (3) grade change increase will entitle an employee a four percent (4%) salary increase per grade change. In any case, the minimum increase is 2%.

If the reclassification results in a salary increase of ten percent 10% or higher, the employee's next annual performance review date shall be adjusted to one year from the date of the salary increase.

Changes to a job title or job description that do not result in changes in salary or rate of pay will require the Human Resources Director's review and approval.

A Department Head's request to deviate from the policy regarding reclassifications, must be in writing and approved by the Human Resources Director and the City Manager.

### **E. Reallocation**

A reallocation, as distinguished from reclassification, occurs when only the position grade changes in response to job market change. In these situations there are no changes in job content or responsibilities. If a position is downgraded as a result of a reallocation and filled by an incumbent, generally the incumbent's salary will not change. Where a filled position is upgraded as a result of a reallocation, the incumbent's new salary shall be at least equal to the minimum salary level of the new position grade. If the current salary of the incumbent is higher than the minimum salary level of the position grade of the reallocated position, the incumbent shall receive two percent (2%) salary increase for each number of grade changes. For example, the employee would receive a two percent (2%) salary increase for a one (1) grade adjustment; four percent (4%) salary increase for a two (2) grade adjustment; or six percent (6%) salary increase for a three (3) grade adjustment etc.

If a reallocation results in a salary increase of ten percent (10%) or higher, the employee's next annual performance review date shall be adjusted to one year from the date of the salary increase.

### **F. Transfers**

A transfer occurs when an employee changes job within the same position grade family, but to a different or same job title, and without a change in salary. This may occur when an employee applies for a vacant position and is selected to fill the position that has the same position grade or title as the employee's current position.

An employee's next annual performance review date remains unchanged with a transfer, however, the employee is subject to a twelve (12) month probationary period in the new position.

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### **G. Annual Merit Increases**

The City will make every effort to administer salary increases based on merit and job performance on an annual basis for full time, regular employees. However, there may be times when the City may not be able to administer annual merit increases for eligible employees. Immediate supervisors are responsible to complete and administer employee performance evaluations on a timely basis. Guidelines for percentage salary increases are established annually. Recommendations for merit salary increases that exceed the established guidelines, or for salary increases that are in addition to an employee's annual merit review cycle may be requested by a Department Head. Such requests must be in writing detailing the unusual or exceptional reason for the requests. Once submitted, the request shall be analyzed by the Human Resources Director who will forward a recommendation to the City Manager for final approval.

No full-time regular employee will receive a merit salary increase without a completed performance evaluation.

### **Salary Plateau or "Top Out"**

Salary Plateau or "Top Out" occurs when an employee reaches the maximum salary level of the salary range for his/her position grade. No employee's salary can exceed the maximum salary level of the salary range of his/her position grade unless approved by the City Manager. Employees whose salaries have plateaued or topped out will receive the equivalent of their merit salary increase, either as a full or partial lump sum bonus.

All bonus payments are subject to mandatory tax deductions.

For the purpose of monitoring job performance, employees whose salaries have plateaued or topped out are subject to annual performance evaluations.

### **H. Regular Part-time Employment Merit Increase**

#### **Eligibility**

The City will make every effort to administer salary increases based on merit and job performance on a bi-annual basis for part-time, regular employees. To be eligible for a merit pay increase, a regular part-time employee must have worked at least 700 hours in the twelve (12) months preceding the merit increase recommendation. Regular part-time employees who satisfy the merit pay requirements shall receive a merit pay increase twenty four (24) months after the date of hire.

Regular part-time employees who satisfy the merit pay increase requirements are eligible for merit pay increases twenty four (24) months after the last pay increase.

No part-time regular employee will receive a merit salary increase without a completed performance evaluation.

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### **I. Temporary Employees**

A temporary employee is defined as a person who is hired onto the City's payroll for less than 6 months, either on a part-time or full-time basis, to perform a short-term task, project, or assignment. This includes work performed seasonally, sporadically, or ad hoc.

Requests to hire a temporary employee must be submitted in writing to the Human Resources Director and the City Manager for approval.

Temporary Employees are not eligible for merit pay increases.