

SECTION 2. THE PAY PLAN

The pay plan includes the basic salary schedule adopted and amended by the City Council. The salary schedule shall consist of minimum and maximum rates of pay with developmental pay and performance based pay components for all classes of positions included in the position classification plan.

Definitions

Developmental Pay: The developmental pay period is the period where employees are on an accelerated learning curve to learn the duties of their job and the culture of the City. Developmental increases are pre-determined amounts added to based pay which stop when an employee reaches job rate. Developmental increases are automatic, unless there is a clear, documented trail of performance issues and corrective action has risen to the level of the employee file retained in the Human Resources office. Developmental increases occur on the anniversary date of the last pay action.

Job Rate: 17.5% above range minimum and the rate at which an employee has met their developmental pay period and becomes eligible for budgeted performance based pay.

Market/Pay Study: Salary market study of the compensation system to ensure the City's compensation is in line and competitive with other similarly situated organizations.

Market Pay Adjustments: The result of a market/pay study. This adjustment is based solely on the job, not the individual and has nothing to do with quality or quantity of work as is 100% market driven data.

Performance Based Pay (PBP): Pay reserved for the City's best performers. Longevity does not make someone a candidate for performance based pay. These increases may be in the form of a percentage increase to base pay, flat dollar amounts added to base 32 City of Asheboro Employee Policies and Procedures Manual pay, one-time bonus amounts— it depends on the economic situation at the time and the budget of the City. In what form they are dispersed will be the decision of the City Manager. An employee cannot receive a developmental increase and a performance based pay increase in the same fiscal year. Unlike Market Adjustments, PBP is based on the individual, not the job. These increases will occur at a set time(s) of the year.

Salary Grade: The salary grade is the actual number used to refer to the position such as "This position is in grade 64, 65, 106, etc."

Salary Range: The salary range is the total spread of potential pay for the position. For example, \$25,000 minimum pay to \$50,000 maximum pay means an employee in that position would be paid no less than \$25,000 annually for performing the duties of the position and no more than \$50,000 annually for performing the duties of the position.

Years of Service (Longevity) Increases: Years of Service (YOS) increases given at 5, 10, 15, 20, and 25 years of service at a value of 2.5% for each YOS anniversary. These increases shall be effective on the nearest payroll date to which the qualifying event occurs.

Maintenance of Pay Plan

The human resources department under the direction of the city manager shall be responsible for the maintenance and administration of the pay plan. The pay plan is intended to provide equitable compensation for all positions when considered in relation to each other, to general rates of pay for

similar employment in the private sector and in other public jurisdictions in the area, to changes in cost of living, to financial conditions of the area and other factors. The human resources department will periodically make comparative studies of all factors affecting the level of salary ranges and will recommend to the city manager such changes in salary ranges as appear to be pertinent. Adjustments to the assigned salary level for the class of employees affected will be subject to approval by the city manager.

Transition to a New Pay Plan

The following provisions shall govern the transition to a new pay plan.

- a) No employee shall receive a salary reduction as a result of the transition to a new pay plan.
- b) An employee being paid at a rate lower than the minimum rate established for such employee's class shall be raised to a salary at or above the new minimum for the class.
- c) An employee being paid at a rate above the maximum rate established for such employee's class shall remain at such rate until their salary falls within the established salary range for the classification.

Use of Salary Ranges

Salary ranges are intended to furnish administrative flexibility in recognizing individual differences among positions allocated to the same class, in providing employee incentive and in rewarding employees for meritorious service. All employees covered by the pay plan shall be paid at a listed rate within the salary ranges established for their perspective job classes except for employees in a trainee status.

Hiring Rate/Starting Salaries

Hiring rates are determined using multiple factors, including, but not limited to, education and experience required for the position, market conditions, internal equity where applicable, and budget constraints. When an applicant meets the minimum requirements, the hiring rate will be the minimum of the pay grade. When an applicant exceeds the minimum requirements and those requirements are needed for the position, concessions may be allowed to hire that applicant at a higher starting salary than range minimum. Above-the-minimum appointments will be based on such factors as the applicant's qualifications where they exceed the minimum experience requirements for the position and market recruitment conditions such as job market competitiveness, talent pool, etc. Department heads wishing to hire above range minimum must complete the New Hire Worksheet for Hiring Managers prior to consulting with the human resources director to determine hiring rates above the range minimum. The human resources director may approve hiring rates up to 15% above range minimum and will refer anything above that to the city manager for approval.

Promotion, Demotion, or Transfer

Promotions: It shall be the policy of the city to seek qualified applicants for vacant positions giving first consideration to promoting from within and across departmental lines. In the absence of qualified candidates for promotion, vacancies shall be filled by recruiting from the outside. Employees shall be considered for promotion on the basis of job-related experience, skill knowledge and ability; and on a review of the quality of past performance and general suitability for the higher level position. Factors

shall not be considered in judging eligibility for promotion that are not job related, such as age, sex, race, color, religion, non-job related handicap, national origin or political affiliation. A department head's recommendation to promote an employee shall be reviewed by the human resources department and the city manager. When a promotion occurs, if the employee's salary is below the new minimum, it shall be at least increased to the minimum rate of the salary range assigned to the class to which he is promoted. If an employee's current salary is already above the new minimum salary rate, his salary may be increased in accordance with the new responsibilities being assigned to and required of that employee.

a) Employees receiving a one grade promotion will receive a one-time promotional 5% increase to base pay.

b) Employees receiving a multi-grade promotion will receive a one-time promotional increase to base pay equal to two developmental pay increases in the employee's current range or will be placed at the range minimum of their new salary range, whichever is higher.

When an employee is promoted, all compensatory time accrued up to the date of promotion will be paid out at the current rate of pay and compensatory accruals will begin on the date of the promotion for the employee at his/her new rate of pay and compensatory accrual rate (exempt v. non-exempt).

Transfers: It is the policy of the city to transfer employees temporarily or permanently from one department to another when doing so will be in the best interest of the city. A transfer to an authorized vacancy may be arranged upon mutual agreement of all interested administrative officials and the employee.

1) When an employee is transferred from the position of one class to the position of another class of the same level, the employee will continue to be paid at the same rate.

2) Subject to the following requirements, the pay of an employee transferred to a position of lower classification shall be adjusted within the grade to which the employee is assigned:

a) When the transfer is the result of a mutual decision by the employee and the city that such a transfer is in the best interest of both parties, the employee shall remain at the same rate of pay in the lower grade.

b) When the transfer is at the sole request of the employee, the employee's pay will be adjusted to the appropriate level of pay within the lower grade. Such an adjustment may result in a decrease in pay.

Unlike when an employee is promoted, there is no accrued compensatory time payout when someone is transferred to another position.

Demotions: The pay of an employee demoted to a position of lower classification shall be adjusted to the new pay grade to which the employee is assigned. This action may result in a decrease in pay.