



City of Vernon, California
Human Resources Policies and Procedures

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SALARY PLAN ADMINISTRATION

PURPOSE:

To describe the Salary Plan and provide basic guidelines for Plan administration.

DEFINITION:

The term Salary Plan includes the City pay schedules and the means by which pay is adjusted, such as merit, promotional and reclassification increases, demotional decreases and differential payments.

Computation of Pay: The following formulas shall be used when determining salary rates identified in the salary schedules:

Fifty-six (56) Hour Week Personnel

- (a) The stated "monthly rate" multiplied by 12 equals the "annual rate"
- (b) The "annual rate" divided by 2,912 equals the "hourly rate"
- (c) The "hourly rate" multiplied by 112 equals the "biweekly rate"

Forty (40) Hour Shift Personnel

- (a) The stated "monthly rate" multiplied by 12 equals the "annual rate"
- (b) The "annual rate" divided by 2080 equals the "hourly rate"
- (c) The "annual rate" divided by 26 equals the "biweekly rate"

City Administrator, City Attorney and City Councilmembers: The formula herein shall be used to convert the monthly rates provided for the City Administrator, City Attorney and City Councilmembers to biweekly amounts without considering the hours worked by said officers:

- (a) The stated "monthly rate" multiplied by 12 equals the "annual rate"
- (b) The "annual rate" divided by 26 equals the "biweekly rate"

POLICY: Employees are paid on a bi-weekly basis. If the payday falls on a non-business day, paychecks will be issued the previous business day.

1. **Basic Pay Policy of the City:**

Within limitations of the meet and confer process and financial ability of the City, to provide:

- a. Equal pay for substantially equal work performed under similar conditions.
- b. Differences in pay based on compensable factors including recognizable differences in work performed, responsibilities assigned, experience, and qualifications required.

This policy is intended to attract, retain, and motivate highly qualified staff that are necessary to enable the City of Vernon to discharge its obligations to the community with regard to the quality and timeliness of services provided. Based on the desire of the City Council to provide high quality services and leadership to the community and management to the organization, the compensation policy should be postured to pay market average compensation levels at a minimum, with an ideal of paying employees at the 75th percentile of the applicable labor market. To this end, the Human Resources staff shall make available to the City Administrator for consideration in determining pay, the salary grade at the 75th percentile of the competitive surveyed rates. The 75th percentile will be one of several internal and external factors that the City will use to consider appropriate compensation.

2. **Pay Schedules:**

Pay schedules are listings of classes by Bargaining Unit or unrepresented grouping, with monthly salary ranges assigned to the class. The ranges have from 1-5 salary steps (increments) with each step approximately 5% greater than the preceding step.

Classes excluded from the Classified Service (*i.e.*, Department Heads), do not have specific salary steps and may range from a minimum to a maximum salary rate.

Classes in the Special Classes section (*i.e.*, Trainee) may have one or more hourly rates, one flat monthly salary rate, or a pay range within one step.

3. **Plan Maintenance:**

The Human Resources Director shall be responsible for maintenance of the Salary Plan and shall prepare all revisions to the Plan for approval by the City Administrator and City Council. However, the City at its sole discretion may hire a consultant with experience and expertise in the area of salary surveys to conduct a classification or compensation study. To ensure internal pay equity

and citywide pay comparisons, the salary survey methodology approved by the City Council for employee groups shall be the same methodology used when conducting salary surveys for the executive and management groups. Revisions may include adjustments to fringe benefits and salary range of a class or group of classes based on: Internal pay comparisons between classes. Prevailing rates of pay based upon the approved comparable labor market survey.

- a. Internal pay comparisons between classes
- b. Prevailing rates of pay based upon the approved comparable labor market survey
- c. Employee recruitment and/or retention problems.
- d. Negotiations with represented or non-represented employees.

Revisions shall become effective the first pay period after City Council approval or the recommended date approved by City Council.

New job classes and salary ranges shall not be added to the Plan during the yearly budget preparation process without the review and concurrence of the Human Resources Director, Finance Director, and City Administrator (see policies II-1 and II-2 for expanded treatment).

4. **Placement within a Salary Range:**

The City Administrator has broad authority to approve placement of employees (those being hired as well as existing City employees) to any higher step within the established salary range for a particular position based upon merit, or to meet unique recruiting/retention needs within a particular Department.

- a. Upon Initial Appointment - Original appointment to any position in a job class shall be made at the minimum or first step of a salary range for that job class. A department head may, as authorized by the City Administrator, appoint at mid-range of a salary range when:
 - 1) An applicant's experience, training, knowledge, skills, and abilities are substantially over and above the requirements of a job class and other applicants or,
 - 2) A critical shortage of suitable applicants exists and a higher step is required to fill a vacancy.

Initial compensation at the step above mid-range and higher in a salary range requires approval by the Human Resources Director and City Administrator in each instance.

- b. Upon Promotion - An employee promoted from a position in one class to a position in another class with a salary range having a higher maximum

rate of pay shall advance to the closest higher step within the new salary range that would provide a minimum of a 5% increase, not to exceed the maximum of the range.

c. Upon Reclassification (see Policy II-2)

- 1) Upward Reclassification - An employee promoted or reclassified from a position in one class to a position in another class with a salary range having a higher maximum rate of pay shall be entitled to the closest higher step within the new salary range that would provide a minimum of a 5% increase, not to exceed the maximum of the range.
- 2) Downward Reclassification - An employee in a position reclassified to a new or existing class with a lower maximum salary rate shall either:
 - a) Retain current salary rate if it is the same as a step within the salary range of the new class; or
 - b) Be placed on the next highest step within the salary range of the new class that approximates the current salary if the current salary is between steps in the new salary range; or
 - c) Be reduced to the maximum step of the salary range of the new class if current salary is greater than the maximum rate of the new salary range; or
 - d) Be assigned a "Y" rate (red circle) designation that holds the incumbent at a current salary which is above the new range until such time as the salary rate of the new class is the same as or exceeds the amount of the "Y" rate. Establishment of a "Y" rate is an administrative determination and requires approval of the Department Head, Human Resources Director, and City Administrator.
- 3) Lateral Reclassification - An employee in a position reclassified to a new or existing class with a salary range having the same maximum salary rate, shall retain current salary rate.

d. Upon Transfer - An employee transferred from a position in one job class to a position in the same or parallel job class having the same maximum rate of pay, whether in the same or another department, shall receive the same salary step in the new range as held in the former position. An employee's eligible merit increase date shall not change.

e. Upon Reinstatement and Re-Employment

- 1) After Military Service - An employee returning from an approved

military duty leave of absence (temporary or regular active duty) shall be placed at the equivalent salary rate that had been attained prior to leave.

- 2) After Lay-Off – A full-time employee, reinstated within 12 months of lay-off to a position in the job class previously held, shall be placed on the same salary step that had been attained prior to lay-off.
 - 3) After Voluntary Resignation - An employee reinstated, within 12 months of voluntary resignation, to a position in the job class previously held shall be placed on the same salary step that had been attained prior to voluntary resignation.
- f. Upon Demotion - An employee demoted to a job class with a salary range having a lower maximum rate of pay because of less than satisfactory performance, disciplinary reasons, or the employee's own request, may be placed on the step closest to, but not more than, the salary range equal to the employee's current rate of pay. Such step determination shall be made by the Department Head and approved, in advance, by the Human Resources Director and City Administrator.
- g. Upon Upward Salary Range Change - An employee in a job class where the entire salary range is adjusted shall be compensated at the equivalent to one step greater in the new salary range than he/she was receiving in the previous salary range, not to exceed 5% increase, but not less than the first step in the new salary range subject to City Administrator and City Council approval, and the City's financial ability to pay.
- h. Upon Addition of a Step to a Salary Range - An employee in a job class where the number of steps in a salary range is increased by the addition of one or more steps to the top or bottom of the existing salary range shall:
- 1) Retain current salary and step when an additional step is added to the top of the salary range. Step advancement shall be at the next review date in lieu of any special agreement with employee and/or bargaining unit.
 - 2) Retain current salary but have step number changed when the additional step is added to the bottom of the salary range.
- i. Adjustments in Salary Ranges: General adjustments in salary ranges made hereafter by virtue of increases or decreases shall be made by adjusting classes upward or downward to the appropriate standard salary range.

Where the salary range for a given class or for several classes is revised upward or downward, the employees holding positions in classes affected shall have their existing salary adjusted to the same relative step in the

new salary range provided.

5. **Advancement Within a Salary Range:**

- a. Effective Date - The effective date of a salary step (merit) increase shall be in accordance with the Personnel Policies and Procedures Performance Evaluation IV-1.
- b. Merit Increases - All salary advancements within a salary range for a job class shall not be automatic but shall be based upon merit and ability as recorded on a performance evaluation form and upon the financial ability of the City to make such advancements. Please refer to Personnel Policies and Procedures Performance Evaluation IV-1 for additional policy.
- c. Frequency of Merit Increases for Full-time Employees - Employees may be granted a merit increase to the next step of the salary range at yearly (26 pay periods) intervals of continuous service based on the criteria established in the Personnel Policies and Procedures Performance Evaluation IV-1.
- d. Frequency of Merit Increases for Part-time Employees - Part-time employees will advance within the salary range according to 2,080 hours worked, effective after completion of the first 2,080 hours of service following their initial hire date. Subsequent salary step (merit) increases shall be effective on the first full pay period in July after completion of 2,080 hours worked. Progression to succeeding steps does not convey or imply any additional employment or other rights beyond a wage increase.
- e. Merit increases for Temporary Employees - Temporary employees are hired at Step 1 and remain at the 1st step throughout their employment as temporary employees.
- f. Temporary Assignments and Acting Pay - Part-time employees and full-time employees who are employed in a temporary or acting job classification with a higher salary range may be appointed at Salary Step 1 or a higher salary step in order to provide a minimum 5% salary increase.
- g. Apprentice/Trainee Programs - Salary step increases for apprentice/trainee programs shall be based on the Program's criteria for such step increases.
- h. Adjustments Coinciding with Step Increases - In the event that a promotion, reclassification, or change in salary allocation is to be effective on the same date that an employee is eligible for consideration for a step increase, he/she shall first receive the step increase if approved.
- i. Compensation for Portion of Pay Period – An employee serving on a full-

time basis who works less than a full bi-weekly pay period, except when on authorized leave of absence with pay, shall receive as compensation for such period an amount equal to the number of hours worked times the employee's hourly rate. The number of hours worked in such bi-weekly pay period shall include paid holidays.

- j. Denial of a Salary Step (Merit) Increase – Prior to July 1, 2017, when an employee has not demonstrated the minimum required satisfactory / meets standards rating for performance on the job during the review period, the department head shall defer the salary step (merit) increase for a specified period of time that may extend to the next review date not to exceed one year. Starting July 1, 2017, when an employee has not demonstrated the minimum required above average / exceeds standard rating for performance on the job during the review period, the department head shall defer the salary step (merit) increase for a specified period of time that may extend to the next review date not to exceed one year.

If the department head declines to recommend an annual salary step (merit) increase, the department head shall state his/her reasons in a written evaluation of the employee's job performance for the period in which such performance is being evaluated; such evaluation shall be reviewed by the department head with the employee and a copy of the evaluation forwarded to the City Administrator and Director of Human Resources. When in the judgment of the department head, the employee has at any time thereafter earned a merit increase, he/she shall so recommend in writing to the City Administrator. Upon written approval by the City Administrator, the employee shall advance to the next higher step in the salary range and receive a new salary anniversary date.

Employees shall be notified in writing of denial of a merit increase on or before the effective date of the employee's evaluation, as outlined in the City's Performance Evaluation Policy. If the employee is not notified on or before his/her evaluation date, the employee shall be considered to have met the minimum required performance evaluation rating standard on the job during the review period, and shall be eligible for annual salary (merit) step in accordance to applicable policy. Starting July 1, 2017, employees shall be notified in writing of the denial of a merit increase on or before the effective date of the employee's evaluation. If the employee is not notified on or before his/her evaluation date, the employee shall be considered to have met the minimum required rating standard for performance on the job during the review period, and eligible for annual salary (merit) step in accordance to applicable policy.

6. **Supplemental Pay Provisions:**

- a. Salary Differentials - Individual employees may receive additional pay (either a dollar amount or percentage) above base salary when assigned additional duties and responsibilities not normally found in their class, when assigned to positions that entail a specified hazardous condition, when possessing a special talent or ability utilized by the City, or hold

certain certificates for educational achievement.

After approval by the City Administrator and Director of Human Resources, premium pay as defined below shall be assigned to persons found to possess on a regular or temporary assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant this salary step over the base class.

1. 5% Premium Pay - A temporary 5% increase in pay shall be given to employees during periods when they temporarily assume some of the duties of higher level job classes. Upgrade pay does not apply for short term absences or vacation coverage (2 weeks)
2. 10% Premium Pay – A temporary 10% increase in pay shall be given to employees when in the judgment of the Department Head and concurrence with the City Administrator they temporarily assume more higher and complex additional duties and responsibilities not normally found in their class. Upgrade pay does not apply for short term absences or vacation coverage (2 weeks).
3. Notary Public Certification Pay - A 2.5% increase in base pay shall be given to employees who are designated by the City Administrator (excluding City Clerk) to perform notary public services on behalf of the City.
4. Salary Adjustment Increase - In the event of a pay inequity between employees within a Division or Department (i.e. employee of a higher rank receiving a lower salary than employee(s) under their supervision), the City Administrator may authorize a salary adjustment increase (SAI) up to ten percent (10%) per month of the employee's base salary. SAI pay is intended to be temporary and is authorized only during the period of pay inequity; SAI pay shall be eliminated when the pay inequity is resolved through attrition or other means.

Exceptions, additions and/or limitations to this basic policy concerning salary differentials may be found in the respective Memoranda of Understanding.

- b. Overtime - All full-time, non-exempt employees, by the provisions of the Fair Labor Standards Act (FLSA), who perform authorized work in excess of his/her normal work period, shall be compensated for such work at the rate of 1.5 times the regular hourly rate of pay.

The City Administrator, department heads, and those management employees designated as exempt by the provisions of the Fair Labor Standards Act (FLSA), shall not be subject to overtime compensation, but shall work such hours as may be necessary for the effective operation of their respective departments.

Exceptions and/or limitations to this basic policy concerning overtime work after certain hours are found in the Overtime Policy or respective Memoranda of Understanding\.

All full-time, non-exempt employees, by the provisions of the Fair Labor Standards Act (FLSA), may request compensatory time off for overtime worked in lieu of cash payment, calculated by multiplying the number of hours of overtime worked by one and one-half, and subject to approval by the department head; provided, however, that accrued compensatory time off at any point in time does not exceed the maximum allowed in accordance with the Overtime Policy, Compensatory Time or respective Memoranda of Understanding.

- c. Call Time – Call time shall be that period of time other than regularly scheduled working time, when an employee at the direction of the department is on standby duty, is required to remain in the immediate area, and is available to receive and respond to calls for emergency service.

Exceptions and/or limitations to this basic policy concerning Call-Time are found in the respective Memoranda of Understanding.

- d. Emergency Premium Pay – Full-time, part-time and temporary employees will be compensated at time and a half (1.5x) for all time worked beyond their regular work schedule in a day due to a state of emergency being declared by either the City Council or City Administrator.

Exceptions and/or limitations to this basic policy concerning Emergency Premium Pay are found in the respective Memoranda of Understanding.

- e. Court Time Pay – An employee subpoenaed to testify in court in a matter arising within the course and scope of his/her City employment shall be given paid leave to appear during on duty hours. Off duty hours shall be compensated at the applicable pay rate.

Exceptions and/or limitations to this basic policy concerning Court Time Pay are found in the respective Memoranda of Understanding.