

City of Yuma, Arizona
ADMINISTRATIVE REGULATION

Issued by: **John D. Simonton**
Authority: City Administrator

SUBJECT:

PAY AND COMPENSATION

Issued: July 1, 2019

- 1.0 PURPOSE:** This Administrative Regulation sets forth the City's policy on pay and compensation issues, which may affect City of Yuma employees.
- 2.0 CITY POLICY ON COMPENSATION:** The City maintains a comprehensive compensation program for budgeted positions as approved by the City Council. This program rewards and recognizes employee commitment, skill development and quality service delivery through performance excellence. The City will consider the economic well-being of the organization in the administration of the compensation and benefits program.
- 3.0 PAY PLANS:** All full-time City positions are designated to Pay Plans. Employees will be paid no less than the bottom of the salary or step range (unless in a "trainee" status) nor more than the top of the salary or step range (unless specifically authorized by the City Administrator in extraordinary circumstances).
- 4.0 STARTING SALARIES:** Positions assigned to ranges lower than 38 are considered entry level with starting salaries assigned to the beginning of the salary range. For all other positions, Department Directors are authorized to offer starting salaries up to midpoint. Prior to the job offer, the Human Resources Department will review the hiring packet (including starting salary) in a timely manner. Any issues discovered will be discussed with the Department Director and any unresolved issues will be addressed by the City Administrator, who may authorize any starting salary up to the maximum of the assigned range. Exceptions to this Section are:
- 4.1 Police Cadet** until they have successfully completed the police academy currently being used by the Yuma Police Department. Upon academy graduation, the employee will be classified as a Police Officer and moved to step one of the Police Officer step plan.
- 4.2 Under-fill Appointments:** Department Directors may hire an applicant who does not meet the minimum qualifications of the advertised job description when qualified applicants are unavailable. The employee's starting salary will generally be 15% less than the starting salary of the advertised position. Once the employee meets the minimum qualifications of the position, they will be moved to the minimum of the pay range for the advertised position. Classification requirements must be met within the time specified by the Department Director, not to exceed twelve months from appointment.
- 4.3 Internal Employees:** City employees moving to another position in the City by having their current position reclassified, may receive a starting salary of 5% above their current salary or the beginning of the new range, whichever is greater. However, if the new range is only one range higher than their current range, the employee will receive a maximum of 2.5%. If an employee moves into a new position as a result of a competitive promotional process, the employee may receive an increase of up to 10% above current salary or the beginning of the new range, whichever is greater. In the event the

employee is moving from a non-exempt position to an exempt position, the increase may be up to 15% above their current salary. The City Administrator may grant greater increases as appropriate. Prior to the new salary being offered to the employee, the hiring authority must coordinate with Human Resources to review for pay equity of current employees and/or other pay issues.

When a Police Officer or Fire Fighter is promoted through a competitive promotional process they will be placed in step one of the next level step plan. If moving into a management position that is FLSA exempt and not on a step plan (Police Lieutenant or Fire Battalion Chief), the amount of the pay increase will be determined based on internal equity up to midpoint of the salary range.

5.0 PROGRESSION THROUGH THE SALARY RANGE: The City’s goal is to provide for reasonable movement through the salary range based on merit as approved by City Council.

5.1 Annual Increase: When approved by City Council, employees who receive a “meets expectations” or higher on their last performance evaluation will receive a pay rate increase of up to 3%, or one (1) step for employees on a step plan. Employees who are at the top of their salary range will receive a lump sum payment of up to 3% of their base pay in lieu of a salary increase. Employees who are at the top of their step plan will not receive a lump sum payment in lieu of a step increase. Employees who receive a “does not meet expectations” on their annual performance evaluation are not eligible for an annual increase until they receive an evaluation of “meets expectations”, at which time they will receive their annual increase with no retro-pay. Employees who are on a performance improvement plan will not receive their annual increase until they have successfully completed the performance improvement plan, at which time they will receive their annual increase with no retro-pay.

5.2 Part-Time Employees: Regular part-time employees (employees who have a regular 28 hour work week) are eligible for salary progression as listed in 5.1 and 5.2. Irregular part-time and seasonal employees are not eligible for salary progression.

6.0 ADJUSTMENTS TO SALARY RANGES: The City Administrator may adjust the salary ranges of the City’s salary structure.

7.0 OTHER PAY ADJUSTMENTS:

7.1 Special Adjustments: A Department Director may request a special adjustment for any employee whose current salary is less than mid-point of their current salary range. This request may occur at any time but must be justified and budgeted funds must be identified to support the decision. The Director of Human Resources and/or the Executive Team may be consulted before the City Administrator approves or denies the requested adjustment.

7.2 Longevity Bonuses: The City will recognize longevity through a schedule of lump sum amounts, which are a percentage of the midpoint of the salary range for the incumbent’s job class.

<u>Years of City Service</u>	<u>% of \$ Range Midpoint</u>
3 Years	1.0%
5 Years	1.0%
10 Years	1.5%
15 Years	2.0%

7.3 Assignment Pay: Department Directors may temporarily provide Assignment Pay up to six months (or longer with City Administrator approval) to employees who are temporarily performing duties from a higher graded position and are significantly different from the duties included in their job description. The Chief of Police or Fire Chief may assign public safety employees to positions or special assignments outside of the City's classification plan. These types of assignments may be for an indefinite period of time. The department must have available funds to pay for the assignment within their budget. Assignment Pay will be removed when the employee is not performing the job duties for which the Assignment Pay was granted. Operating Policies may be developed to provide additional information and criteria for various types of Assignment Pay for City employees. The list of employees who are receiving assignment pay will be reviewed bi-annually by the Human Resources Department.

7.4 Out-of-Class (Temporary Promotion) Pay: When an employee is temporarily assigned to a different position in a higher salary range, the employee may be eligible for Out-of-Class Pay during that assignment. To be eligible, the employee must meet the minimum criteria for the different position, must be performing the full range (or substantially all of the full range) of job duties of the position, and must perform duties for over 160 work hours (or the equivalent for Fire Suppression).

Whether or not an employee is to receive Out-of-Class Pay and the amount of that pay will be determined by the Department Director and based on departmental availability of funds. Compensation may be a percentage increase to the employee's normal base pay, up to 10%, or may be the minimum of the starting salary range of the classification to which the employee is temporarily assigned. Out-of-Class pay is limited to a maximum of 90 days. After 90-days, out-of-class pay can only be paid with the approval of the City Administrator.

7.5 On-Call Pay: On-Call pay is paid to both exempt and non-exempt employees who are required to "stand-by" and be available for after-hours, emergency call-out assignments that occur outside the employee's scheduled work day. On-Call Pay may be either an hourly amount or a weekly rate. The Department Director will determine the positions and employees within those positions entitled to receive On-Call Pay. The amount of On-Call Pay will be determined by the City Administrator for all City positions receiving On-Call Pay. On-Call Pay requires certain actions on behalf of the employee and may not be paid if the employee does not abide by the conditions set by the Department for employees receiving On-Call Pay. Department Directors have the discretion of removing employees from On-Call Pay assignments.

7.6 Emergency Call-Out Pay: Emergency Call-Out Pay is paid to non-exempt employees who have left their assigned work locations and are required to report to a location on their off-duty hours to perform emergency duties. This covers all off-duty hours of work by employees receiving On-Call Pay, as well as other employees who are required to report to work for emergency duties. Emergency Call-Out Pay is premium pay which is paid at 1.5 times the employee's regular hourly rate, even if the hours would otherwise not be counted as "overtime" under federal wage and hour laws. Emergency Call-Out Pay is paid at a two-hour minimum as a consideration for the inconvenience to the employee to respond on minimal notice from the employee's home or other location when the call was received. Emergency Call-Out Pay is not available to employees who are on paid or unpaid leave on the date the Call-Out is requested. Emergency Call-Out Pay does not cover preplanned before or after work duties, or duties which occur within thirty minutes before or after the employee's scheduled work day and the employee is at his/her work site. Employees will not be paid more than the two-hour minimum for

multiple call out assignments within the same two-hour period.

7.7 Demotion: Employees who demote will have their new pay rate determined by their Department Director in coordination with the Human Resources Director. The decrease in pay will normally be at least 5%, but may be less or more depending on the number of paygrades the employee is being changed.

8.0 OVERTIME PAY: The City will comply with the provisions of the Fair Labor Standards Act (FLSA) which is the federal law setting forth the standards, criteria and guidelines for compensation of overtime worked. (Arizona state law also covers law enforcement personnel.) Eligible employees, who are classified as non-exempt, will be paid overtime at a rate of 1.5 times their regular hourly rate for all hours worked in excess of 40 hours in a pre-set seven-day workweek. Eligible Fire Suppression employees will be paid overtime for all hours worked in excess of 212 hours in the 27-day work period, in accordance with the 7(k) exemption of FLSA.

8.1 Exempt and Non-Exempt Positions: FLSA distinguishes between those employees who must receive pay for overtime work (non-exempt) and those who do not receive pay for overtime work (exempt). The distinction is based on the nature of the work and wages paid. This distinction is contained in each job description.

(a) **Exempt Employees** are not entitled to overtime compensation under FLSA. They are required to work the number of hours necessary to fulfill their job responsibilities and no less than 40 hours per week. The City does not recognize compensatory time off for exempt employees in lieu of overtime. Exempt employees are considered to be “salaried” employees.

With the prior approval of the Director of Human Resources, certain exempt level employees may be eligible to receive grant funded overtime compensation. Exempt employees receiving grant funded overtime may not work in a supervisory capacity during the performance of the overtime.

(b) **Non-Exempt Employees** must be paid for all overtime worked in excess of the hours specified in Section 8.0; the hours must be worked and do not include any paid leave time. Non-exempt employees are considered to be “hourly” employees. The number of hours worked in one day does not automatically mean hours of overtime; that determination cannot be made until the week (or work period) is ended and total hours worked are counted. Compensation for overtime hours may be either compensatory time off or overtime payment, both of which are calculated at 1.5 times the employee’s regular hourly rate.

8.2 Compensatory Time: Payment for overtime worked may be given as Compensatory Time. This is paid leave time which has been accrued at one and one-half times the regular hourly rate of pay, and which was given to the employee for overtime work instead of cash payment. Accrual of Compensatory Time must be approved by the Department Director or authorized supervisor and applied consistently within work groups. A department may refuse the accrual of any Compensatory Time and make all overtime payment as cash payment. Additionally, an employee can refuse Compensatory Time as compensation for overtime worked and require cash payment. The City will consider all nonexempt employees as willing to accept Compensatory Time in lieu of cash payment unless the employee has given notice, in writing, that s/he will not accept Compensatory Time. Employees may change their choice of which method they accept for overtime payment no less than annually. At the department’s discretion, employees may be given the opportunity to change their determination on a quarterly basis.

The City has a maximum amount of hours that can be accrued as Compensatory Leave. Once that maximum is met, the employee will be paid overtime cash payment, unless unusual circumstances exist and the accrual maximum is temporarily increased, which will require the concurrence of Human Resources.

An employee must be granted Compensatory Time off work unless the supervisor can show that the time off would place a clear and definite hardship on the City operations.

The City reserves the right to pay off all accrued Compensatory Time for any reason. Upon termination from employment with the City, employees will be paid all compensatory hours in their accrual bank.

- 8.3 Overtime Approval:** All overtime must be approved by the supervisor prior to the employee working overtime. Employees who work overtime without prior authorization may be subject to disciplinary action. Unless authorized by their supervisor, employees may not elect to work outside their established schedule in order to make up for lost time.
- 8.4 Overtime Requirements:** All employees, whether exempt or non-exempt, shall work overtime when required by the supervisor or person authorized by the department to approve or request overtime. Failure to work overtime when requested will subject the employee to disciplinary action up to and including dismissal. Employees may be excused from an overtime assignment by an authorized supervisor due to physical inability to perform the overtime work or serious personal need of an emergency basis. The employee must provide the specific reason for the request to be excused from overtime to the supervisor, which may be verified by the supervisor or Department Director.
- 9.0 FLEXIBLE WORK SCHEDULES:** At the discretion of a supervisor, non-exempt employees may be given equivalent time off within the same work week to avoid exceeding 40 hours in the work week. Non-exempt employees may work a flexible work schedule with supervisory approval, only if the work schedule does not result in the employee working over 40 hours in the week. Exempt employees may work any flexible work schedule with supervisory approval.
- 10.0 VOLUNTEER WORK:** While employees are encouraged to perform volunteer work throughout the community, non-exempt employees who perform volunteer work that is similar to work performed for the City must receive written approval from their Department Director or authorized supervisor to do this volunteer work. Outside volunteer work that is similar to the employee's regular job duties (i.e., Fire Department employee volunteering to teach City businesses about fire prevention) may be compensable under certain circumstances, and the City must pre-approve this type of volunteer work.
- 11.0 TRAINING TIME:** Time spent by non-exempt employees in City-provided or sponsored training is usually counted as time worked and included toward overtime payment. This is true whether the training occurs during the employee's regular work shift or outside work hours. An exception is training that meets all of the following criteria: (a) outside the employee's assigned work hours; **and** (b) is not directly related to the employee's job; **and** (c) is totally voluntary; **and** (d) the employee does not perform any productive work for the City during attendance at the training.

There are various factors for consideration under the provisions of FLSA dealing with the compensability of Training Time. Please contact Human Resources for additional information or clarification.

- 11.1 Travel Time:** Time spent traveling between home and work is not compensable time that is required to be paid by the City, even if the employee is furnished with a City vehicle or the employee must report to a work site that is different from their normal work site. Travel time during assigned work hours from one location to another is counted as working hours.

Travel that keeps a non-exempt employee away from home overnight will be scheduled during the employee's assigned work hours whenever possible and counted as working hours, as the employee is substituting travel for their regular job duties. Travel time (with an overnight stay) is only compensable outside working hours or assigned working days if the employee is operating a vehicle. If the employee is a passenger in a train, plane, bus or automobile, the time is not counted as working hours if outside the regular work time. When travel is same day, meaning that there is no overnight stay, all travel time is compensated as work time.

12.0 DEBIT OF LEAVE OR PAY FOR EXEMPT EMPLOYEES WORKING LESS THAN FORTY HOURS IN A WORK WEEK OR LESS THAN A FULL WORK DAY:

FLSA-designated overtime exempt employees are considered salaried employees who are required to work the number of hours per week needed to accomplish their job duties. These employees are routinely expected to work in excess of 40 hours. When these employees are absent for one full work day, their appropriate leave accrual will be debited, and if they have no appropriate leave accrual, the time will be unpaid leave, to accomplish the City's requirements of accountability to the public and prohibition of paying employees when there is no work performed. Also, employees absent for partial days may have their leave banks debited (or if they have no leave accrual, the time will be unpaid leave) at the discretion of the Department Director.

- 13.0 CITY'S RIGHT TO WAIVE OR AMEND:** When it is in the best interest of the City to do so, the City Administrator, or designee, may waive or amend any portion of this Regulation, not in conflict with the Personnel Rules, City Charter or City Ordinance.