

Policy for Employee Raises & Job Analysis for FY23 Budget Year

The FY23 Budget authorizes and allocates funding for employee pay-for-performance raises for FY23 for Full-Time and Part-Time Regular Employees as defined by the Personnel System Policy. The Reserve for Salary Increases Account (#100-9200-5999) contains a budget figure of \$505,546 for pay out of employee raises during FY23. This is an increase of 135,570 over last year's figure of \$366,976 (due to additional headcount and 22% added benefit cost).

Under the City's automated Performance Appraisal System, raises are awarded each year on the employee's anniversary date (date of hire). The employee's final review is due by the employee's anniversary date and the employee will receive their merit raise on the pay check following the first full pay period following receipt of the Final Appraisal.

The performance appraisal rating scale and the associated raises are as follows:

Consistently Exceeds Standards (score of 45.5 – 50.0)	= 5% raise
Exceeds Standards (score of 35.5 – 45.4)	= 4% raise
Meets Standards (score of 25.5 – 35.4)	= 3% raise
Partially Meets Standards (score of 15.5 – 25.4)	= 0% raise
Does Not Meet Standards (score of 0 - 15.4)	= 0% raise

Standard Operating Procedures for Raises:

Under the Halogen Performance Appraisal System, raises are awarded each year at the time of the employee's original hire date. The employee's final review is due by the employee's anniversary date and the employee will receive their merit raise on the pay check following the first full pay period following receipt of the Final Appraisal.

It will be the responsibility of the Directors/Department Heads to get the Final Appraisal in on time so the employee can receive their raise on time. If the Final Appraisal is not turned in on time, the raise will be awarded on the pay check following the first full pay period following the date of receipt of the Final Appraisal. Human Resources will not back pay raises.

Note: For Directors, Department Heads and executive level full-time, regular employees who do not receive employee performance appraisals through Halogen, the City Administrator will recommend the percentage amount of the raise to the Mayor on the same time line as described above. The Mayor will then solicit input from the Council members and based on that input will make the final decision on the percentage or dollar amount of the raise for each of these employees. The City Administrator will then

deliver the decision on the raise in an email to the HR Director who will then process it through payroll on the same time line as described above.

HR will provide Finance a quarterly report to journal entry the necessary figures to departmentalize the cost of raises. This will move the funds out of the Reserve for Salary Increases account to the actual departmental personnel accounts.

There is a \$50,000 pool of funds budgeted in this account for anticipated job analysis requests from Directors on current employee pay grades that we anticipate to occur during the FY23 Budget year. Based upon the results of the job analysis, position pay grades and departmental salary accounts will be adjusted (upon City Council approval) using these funds if the job(s) qualify for an upgrade.

Standard Operating Procedures for Requesting Job Analysis:

Directors will request a position upgrade through HR using the "Request for Job Analysis Form". If it appears that the job duties are substantially changing and effecting the essential duties of the position, HR will forward the Job Assessment Tool (JAT) form to the employee to complete. The JAT will then be used to analyze the five job factors of 1) Leadership; 2) Working Conditions; 3) Complexity; 4) Decision Making; and 5) Relations. A Market survey will also be conducted to obtain market data for both an internal and external analysis.

If the analysis indicates that the job needs a pay grade adjustment, FLSA status change, modified job title, etc. then HR will prepare a Council Resolution to bring before the Council for consideration of the adjustment to the City's Pay Classification Plan for the position.

There is also \$521,046 budgeted in this account for a 3% Cost of Living Adjustment (COLA) for Full-Time and Part-Time Regular Employees as defined by the Personnel System Policy, effective with the first pay period in January 2023.

\$505,546 (pay raises)
50,000 (job analysis)
<hr/> + 521,046 (3% COLA)
\$1,076,592 Total Budgeted Amount for Reserve for Salary Increase Account