

	<b>Policy:</b> Performance Evaluation; Performance Pay Bonus	<b>Effective Date:</b> May 19, 1992
		<b>Revision Effective Date:</b> August 19, 2003, March 1, 2007
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	<hr/> <b>City Manager</b>	<hr/> <b>Human Resources Responsible Party</b>

## **PURPOSE**

Supervisors and/or department directors shall conduct performance evaluation conferences with each employee at least once a year. These performance evaluations shall be documented in writing. Employees may be considered for advancement within the established salary range based on the quality of their overall work performance. Procedures for determining performance levels and performance pay increases shall be published in policies developed by the City Manager, assisted by the Human Resources Director.

Employees who are at the top step of the salary range for their position classification are eligible to be considered for a performance bonus. Performance bonuses shall be awarded based upon the performance of the employee as described in the performance evaluation. Performance bonuses shall be awarded in lump sum payments and do not become part of base pay.

## **EFFECTS ON SALARY RATE**

(A) *Promotions.* When an employee is promoted, the employee's salary shall normally be advanced to the minimum level of the new position, or to a salary which provides an increase of at least approximately 5% over the employee's salary before the promotion, provided, however, that the new salary may not exceed the maximum rate of the new salary range. The purpose of the promotion pay increase is to recognize and compensate the employee for taking on increased responsibility.

(B) *Demotions.* When an employee is demoted to a position for which qualified, for other than disciplinary or performance-based reasons, the employee will be placed at a pay rate within the new pay grade which the appointing Department Director determines is (1) consistent with the employee's skills, knowledge and ability as related to the new position; and (2) equitable to the incumbents in that classification. Exceptions to this policy may be granted by the City Manager if an employee is being forced into another position (e.g. Reduction in Force action, reorganization, etc.). If the demotion is for cause, the salary shall be decreased at least approximately 5%, or to the maximum of the new range, and no merit increase will be granted for twelve months.

(C) *Transfers.* The salary of an employee reassigned to a position in the same class or to a position in a different class within the same salary range shall not be changed by the reassignment.

(D) *Reclassifications.* When it has been determined by the City Manager that there has been a change in the knowledge, skills, abilities and responsibilities required by an employee to perform his/her position, and the position is reclassified to a class having a higher salary range,

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the employee shall receive a pay increase of approximately 5% or an increase to the minimum of the new pay range, whichever is higher. If the position is reclassified to a lower pay range, the employee's salary shall remain the same. If the employee's salary is above the maximum established for the new range, the salary of that employee shall be maintained at the current level until the range is increased above the employee's salary.

**SALARY RANGE REVISIONS; EFFECTIVE DATE OF SALARY CHANGE**

(A) Whenever it has been determined by the City Manager that there is a change in the knowledge, skills, abilities, and responsibilities required to perform the duties of a class of positions and when a class of positions is assigned to a higher salary range, employees in that class may receive a pay increase of at least approximately 5%, or to the minimum step of the new range, whichever is higher. When a class of positions is assigned to a lower salary range, the salaries of employees in that class will remain unchanged. If this assignment to a lower salary range results in an employee being paid at a rate above the maximum step established for the new class, the salary of that employee shall be maintained at that level until such time as the employee's salary range is increased above the employee's current salary.

(B) Salary changes approved after the first working day of a pay period shall become effective at the beginning of the next pay period, or at such specific date as may be provided by procedures approved by the City Manager.

**EXTENSION OF PERFORMANCE REVIEW PERIOD**

(A) Employees who are out of work because of an extended leave shall have their performance review period extended by the amount of time out on leave to allow their evaluation period to encompass a full twelve month review period of work.