



**City of Riverside, California
Human Resources Policy and Procedure Manual**

Approved:

Human Resources Director

City Manager

Number: II-3 Effective Date:

SUBJECT: SALARY PLAN ADMINISTRATION

PURPOSE:

To establish consistent procedures for administering the Salary Plan; provide guidelines for Plan administration.; and to provide the City with an equitable and competitive salary structure and fringe benefit package to recruit, attract, and retain qualified employees.

The term Salary Plan includes the City pay schedules and the means by which an employee's pay is adjusted upward or downward, including merit, promotional and reclassification increases, demotion and salary differential payments. Several of these provisions originate in the Fringe Benefits and Salary Plan ,each respective Memorandum of Understanding (MOU) and/or Collective Bargaining Agreement (CBA), and Chapter 2.32 of the Riverside Municipal Code (RMC). and are summarized in this section.

POLICY:

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; and

Levels of pay that are competitive within the average of prevailing levels of pay for substantially comparable work within the City Council approved Labor Market Basket .

2. Salary Schedules:

Salary schedules are alphabetical listings of all Council approved classifications by Bargaining Unit with monthly salary ranges assigned to each class.



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Classifications represented by a labor union have ranges from 1-10 salary steps (increments) with each step approximately 5% greater than the preceding step.

Non-represented classifications do not have specific salary steps and are listed with a pay band of minimum and maximum salary rates.

Classifications in the Special Classes (temporary/non-benefited classes) section have one or more hourly rates, one flat monthly salary rate, or a pay range within one step. Special Classes are not eligible for negotiated salary adjustments or salary differentials afforded to represented and non-represented classifications.

3. **Plan Maintenance:**

The Human Resources Director is responsible for maintenance of the Salary Plan and shall prepare all revisions to the Plan for approval by the City Council. Revisions may include adjustments to fringe benefits and salary range of a class or group of classes based on:

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

Revisions shall become effective the first pay period following City Council approval or the recommended date approved by the City Council, unless otherwise negotiated by a represented bargaining unit or determined by the City Manager.

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

- 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 Human Resources Director, 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 premium 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 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 that step in the new salary range that shall provide a minimum increase of 5% (one salary step)¹, not to exceed the maximum of the new range. Advancement to a step in the new salary range that provides more than 5% (one salary step) increase will require authorization by the Human Resources Director. Furthermore, salary differential pay (additional pay) shall be considered in determining the appropriate pay rate in the new range upon promotion.

c. Upon Reclassification (see Policy II-2)

- 1) Upward Reclassification - An employee 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 advance to that step in the new salary range that shall provide a minimum increase of 5% (one salary step)², not to exceed the maximum of the new range. Salary differential pay (additional pay) shall be considered in determining the appropriate pay rate in the new range upon reclassification. The employee's merit increase date shall be adjusted based on the reclassification effective date as indicated in the frequency of merit increases provision below.
- 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 closest step within the salary range of the new class that approximates the current salary if the

¹ Municipal Code Section 2.32.060.

² Municipal Code Section 2.32.060.

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 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 Human Resources Director.
- 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 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 on that step of the salary range for their job class that would have been attained had the employee not gone on the military duty leave of absence (see policy V-5).
 - 2) After Lay-Off - An employee, reinstated within 24 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 (see policy I-4).
 - 3) After Voluntary Termination - An employee reinstated, within one year of voluntary termination, to a position in the job class previously held shall be placed on the same salary step that had been attained prior to voluntary termination (see policy I-4).
- 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 any step of the lower salary range that provides a rate of pay less than or 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.

Factors to be considered by the department head in determining the rate of pay in demotion may include one or more of the following as applicable:

- 1) Past and current performance evaluations
 - 2) Discipline record
 - 3) Previous experience in the lower class
 - 4) Budgeted funds and/or limitations
 - 5) Circumstance(s) for the demotion
- g. Upon Upward Salary Range Change - An employee in a job class where the entire salary range is adjusted upward shall be placed on the same step in the new salary range as held in the former salary range. An employee in an unrepresented class with a minimum and maximum pay range shall have the salary rate adjusted by the same percentage approved by City Council. Salary adjustments are effective the first pay period following City Council approval of the new salary range. An employee's merit increase date shall not change.
- 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.

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

- a. Effective Date - The effective date of a salary step (merit) increase shall be the beginning of the pay period immediately following completion of the time and performance requirements specified below.
- 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. A regular merit increase will constitute advancement to one salary step or minimum increase of 5%, not to exceed the maximum of the salary range. In the event where the performance evaluation and the merit increase date do not coincide, the most recent performance evaluation form should be submitted.
- c. Frequency of Merit Increases - An employee whose appointment was to the first step of a salary range may be granted an increase to the second step after satisfactory completion of twelve months (26 pay periods) of continuous service (and rated overall "3" or higher on performance evaluation), and may be granted the remaining steps in the salary range at

yearly (26 pay period) intervals of continuous satisfactory service until the maximum salary rate is attained. Exceptions to this rule are defined in each Collective Bargaining Agreement.

- d. Merit Increases for Part-time Employees - Generally, part-time employees will advance within the salary range according to the number of hours worked with 2080 hours being equivalent to one year of service. Exceptions to this rule are defined within specific classification specifications.
- e. Merit Increases for Temporary Employees - Generally, temporary part-time employees will advance within the salary range according to the number of hours worked with 2080 hours being equivalent to one year of service. Exceptions to this rule are defined within specific classification specifications. Merit Increases may or may not be given to temporary employees which is at the discretion of the department head and subject to available funding.
- f. Special Merit Increases - An employee may, upon recommendation of the department head, concurrence of the Human Resources Director, and approval of the City Manager, be awarded one or more salary step increases within the salary range for their job class prior to completion of the required time in the current step for outstanding performance, as documented in a written performance appraisal or salary justification form. Special merit increases may not be granted during a probationary period.

As justification for this special salary step (merit) increase, the department head recommendation shall state:

- 1) How work performance exceeds the normal requirements (standards) of the position or class and how work performance contributes to the department's strategic goals and objectives.
- 2) How work performance is superior in comparison with others in the same class, level, or type of work.
- 3) That the employee has been consistently outstanding in all critical categories for at least six months prior to the date of recommendation.
- 4) Any additional consideration for recommending the special merit increase in lieu of the above.

The effective date of a Special Merit Increase shall be the beginning of the pay period following approval by the City Manager unless otherwise specified. The employee's regular anniversary date shall not be adjusted as a result of the special merit increase.

- g. Special Retention Increases - An employee may, upon recommendation of the Department Head, concurrence of the Human Resources Director and

approval of the City Manager, be awarded one or more salary step increases within the salary range for their job class prior to completion of the required time in the current step for retention purposes.

The effective date of a Special Retention Increase shall be the beginning of the pay period following approval by the City Manager unless otherwise specified. The employee's regular anniversary date shall not be adjusted as a result of the special merit increase.

- h. Apprentice Programs - Salary step increases for apprentice programs shall be based on the Program's criteria for such step increases.
- i. Denial of a Salary Step (Merit) Increase - When an employee has not demonstrated the minimum required satisfactory rating (overall rating of "2" or lower) 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. During such deferment period, formal interim performance reviews shall be made at intervals determined by the department head with the concurrence of the Human Resources Director.

An employee whose salary step (merit) increase is withheld on his/her review date, but approved at a later date, shall have the effective date of the subsequent approval become the new review date for eligibility unless the department head and Human Resources Director mutually agree on an earlier date.

- j. Increases for Non-Classified Employees - An employee who is excluded from the classified service who serves in an "at will" capacity shall be compensated based on performance.

6. **Supplemental Pay Provisions:**

- a. Salary Differentials - Individual employees may receive additional pay (either a dollar amount or percentage) above base salary when regularly assigned additional duties and responsibilities are not found in their current class specification, 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 (see Fringe Benefit and Salary Plan, Salary Differential Section for further details).

For purposes of CalPERS special compensation (salary differentials) reporting above the regular base salary, all special compensation reporting must be compliant with CalPERS eligibility rules. The City must comply with all CalPERS requirements and it does not determine if a special compensation is deemed to be reportable to CalPERS or not.

- b. Temporary Upgrade - A temporary 5% salary differential shall be given to

employees during periods when they temporarily assume the duties of certain higher level job classes. (See Fringe Benefit and Salary Plan, Salary Differential Section or respective Memorandum of Understanding).

- c. Shift Pay Differentials - Premium pay for shift work applies when employees work either swing or graveyard shifts in addition to having employees working on day shifts, or certain other designated shifts (for definitions of designated shifts and premiums paid, see Fringe Benefit and Salary Plan, Salary Differential Section or respective Memorandum of Understanding).

Shift premium pay shall be payable only for hours actually worked and shall not be paid for non-work time such as holidays, vacation, sick leave and other leaves except for certain Police public safety personnel who shall receive shift premium pay in a flat amount per shift. Excluded from the shift pay provisions are Fire public safety personnel.

- d. Overtime - All full-time, non-exempt employees, by the provisions of the Fair Labor Standards Act (FLSA), who perform authorized work in excess of their normal work period, shall be compensated for such work at the rate of 1.5 times the regular hourly rate of pay. Refer to the Fringe Benefit and Salary Plan or respective Memorandum of Understanding for specific overtime provisions by bargaining unit.

The City Manager, 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 nighttime hours, by temporary/part-time employees, 48 or 56 hour work week employees, 4/10 hour day employees, and 9/80 employees, are found in the Fringe Benefits and Salary Plan and in Policy No. II-6 of this manual.

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 Fringe Benefit and Salary Plan or respective Memorandum of Understanding.

- e. Standby (Call Time) Pay - A non-exempt employee assigned to standby duty, who is required to remain in the immediate area to respond to emergency situations arising at times other than during normal working hours, shall be compensated at the rate of 1 hour of normal hourly pay for standby time from the end of a regularly scheduled work shift to the

beginning of the next regularly scheduled work shift or 4 hours of normal hourly pay for each continuous 24 hours on call. Exceptions and/or limitations to this basic policy concerning standby (Call Time) pay are found in Part I of the Fringe Benefit and Salary Plan or respective Memorandum of Understanding.

- f. Court Time Pay (Public Safety Employees) - A Police Officer or Firefighter required to appear during off-duty hours as a witness for court matters within the scope of their employment shall receive a minimum of 2 hours of compensation at the applicable overtime rate for Police, or 4 hours of compensation at the applicable regular hourly rate for Fire (see Part I of the Fringe Benefit and Salary Plan for further details).