RULE IV. COMPENSATION

Section 1. Preparation of Plan
The Director of Administrative Services shall recommend a compensation plan covering all classes of positions in the classified service. In arriving at recommended salary rates or ranges, consideration shall be given to: prevailing rates of pay and consideration of working conditions for comparable work in other public agencies and in private employment, to current costs of living, to suggestions of department heads, to the City's financial condition and policies, and to other relevant factors. Prior to any such recommendation, the Director of Administrative Services and representatives of employee organizations which are recognized for purposes of meeting and conferring/consulting, shall meet-and-confer/consult in good faith to endeavor to reach agreement on matters concerning wages, hours, and other terms and conditions of employment in classifications represented by such employee organizations. At such time as agreement is reached for such classifications, the parties shall jointly submit a written memorandum of such understanding, which shall not be binding, to the City Council for determination.

Section 2. Adoption of Plan
The compensation plan shall be adopted and may be amended from time to time by action of the City Council. At the time of consideration, any interested party may appear and be heard. No position shall be assigned a salary or wage not in conformance with the compensation schedule unless the compensation schedule for the class is amended in the same manner as herein provided for its adoption. Affected employee organizations shall be given prior notice of amendments and revisions, in accordance with State law.

Section 3. Hours of Work
The full-time work week shall be defined as forty (40) hours. Incumbents of classified positions employed in a work week greater than that defined herein shall be compensated for hours in excess of the full-time work week on the basis of, and in accordance with, the provisions of Section 6 hereof relating to overtime, unless otherwise provided by the resolution establishing the compensation plan.

Section 4. Hours and Pay
City employees in classified positions shall be paid on a monthly rate basis. The rates set forth in the resolution establishing the compensation plan for each class of position shall be the rates for the full-time work week. In lieu of a monthly rate of a classified position, the City Administrator may fix the compensation of any temporary position at a corresponding hourly rate, and designate that position as an exempt position.

Section 5. Salary Steps
Salary steps comprising the monthly salary range for all classes of classified positions shall be provided in the compensation plan adopted by the City Council pursuant to Sections 1 and 2 above.

Salary step advancements shall be granted upon approval of the appointing authority for continued meritorious and efficient service and continued improvement by the employee in the efficient performance of the duties of his/her position. Classified employees shall be eligible for consideration for salary step advancement as follows.

A. To the “B” step of the salary range after completion of six months of service in the “A” step.

B. To the “C” step of the salary range after completion of six months of service in the “B” step.

C. To the “D” step of the salary range after completion of one year of service in the “C” step.

D. To the “E” step of the salary range after completion of one year of service in the “D” step.

Upon hire, the entrance salary step of a new classified employee shall be as determined by the appointing authority. Approved regular salary step advancements shall be effective as of the first day of the biweekly payroll period nearest the eligibility date for such salary step advancement.

In those cases approved by the appointing authority wherein an employee demonstrates exceptional ability and proficiency in the performance of his/her duties, said employee may be granted a special salary step advancement to the next higher step in the salary range without regard to the above minimum length of service provisions.

An employee who is being paid at a salary step higher than the “A” step may be reduced by one or more steps on the basis of unsatisfactory work performance or conduct. Such action shall require the specific approval of the appointing authority.

An employee promoted or reclassified from one job class to a higher job class in the same promotional series shall be placed at a salary step in the range of the higher job class which provides not less than 5.4% salary increase, and shall be given a new anniversary date for purposes of salary step advancements.

An incumbent employee reclassified with his/her position to a lower job class shall retain his/her rate of pay and his/her anniversary date for purposes of merit pay increases, or shall be placed in the step of the lower salary schedule closest to his/her rate of pay. If the “E” step of the salary schedule of the lower job class is lower than the incumbent’s rate of pay, the rate of pay shall be identified at the “Y” step of the lower salary schedule. An employee compensated at the “Y” step because of a downward reclassification, shall remain in the “Y” step until such time as his/her job class is assigned to a salary schedule in which the “E” step is equivalent to or higher than the “Y” step, at which time the employee shall be placed in the “E” step. An incumbent

employee reclassified with his/her position to an equivalent job class shall retain his/her rate of pay and his/her anniversary date for purposes of merit pay increases.

An employee who is demoted shall be placed in the step of the lower salary schedule that will provide a reduction in pay of not less than 5.4%. The employee shall be given a new anniversary date for purpose of salary step advancement.