RESOLUTION NUMBER 783

A RESOLUTION OF THE CITY OF KETCHUM, IDAHO, ADOPTING COMPENSATION POLICIES AND PROCEDURES FOR THE CITY OF KETCHUM.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF KETCHUM, IDAHO:

WHEREAS, the attached Compensation Policies and Procedures for the City of Ketchum, dated August 6, 2001, is hereby adopted.

Now THEREFORE, be it resolved by the City Council and Mayor of the City of Ketchum, Idaho, as follows:

1. The Compensation Policies and Procedures dated August 6, 2001 is hereby adopted by the City Council of the City of Ketchum, Idaho.

This Resolution shall be in full force and effect after its passage, approval, and publication according to law.

PASSED by the Ketchum City Council and APPROVED by the Mayor this 20th day of August, 2001.

CITY OF KETCHUM, IDAHO

DAVID C. HUTCHINSON
Acting Mayor

ATTEST:

SANDRA E. CADY
Ketchum City Clerk

CITY OF KETCHUM
COMPENSATION POLICIES AND PROCEDURES

1.0 Objective and Definitions

Provide guidelines for consistent implementation and administration of the compensation program and movement of employees from position to position (i.e., promotion, transfer, demotion, etc.) and within their grade range.

"In-Guideline"approvals require Department Head and Mayor or designee signature and are within the approved budget.

"Out-of-Guideline" situations will be considered on a case-by-case basis and require the signatures listed in "In-Guideline" plus the majority vote of the Council. In the event of a tie, the Mayor will cast the deciding vote. The situations may be outside the approved budget.

A **promotion** is a reassignment of an employee to a position in a higher salary/wage range or grade than the employee's prior position. The promotion may be to a new position (e.g., Clerk to Legal Secretary) or growth within a job family (e.g., Operator I to Operator II). Promotional increases are effective when the promotion takes place.

A **demotion** is a reassignment to a position of a lower salary/wage range than the employee's prior position.

A **transfer** is a lateral move to a different job in the same grade.

A **short-term** (less than three (3) calendar months) reassignment is not considered as a promotion, transfer, or demotion.

Moving to another shift is not considered a promotion/ transfer unless meeting the above criteria.

Steps are incremental increases in wage/salary within a grade range. Movement from step to step is based on performance evaluation. Step increases can only be given on April 1 or October 1.

A position or group positions is assigned to a **grade** based on internal equity (the amount positions are paid relative to one another with the organization) and a **range** is developed with a minimum and maximum wage/salary based on the desired level of external competitiveness (the amount other outside similar organizations are paying).

Range adjustment increases will be considered effective every October based on external competitiveness, budgetary demands, etc. If the ranges are adjusted, the steps within the grades will also be changed proportionately.

The mid-point of the range is halfway between the minimum and maximum of the range.

2.0 Current Employees with Wages/Salaries Below the Minimum of Their Grade Range
These individuals will be taken directly to the minimum of their range.

3.0 Employees Currently Over the Maximum Of Their Grade Range
These employees would be considered for the range adjustment increase for two (2) years. If after two (2) years the employee is above the range maximum, he/she will be frozen until recaptured in the range. Individuals over the maximum of the range may be considered for increases through "out-of-guideline" approvals.

4.0 Increase Amounts for Employees in the Range
Steps for the range will be published. If the increase is allowable given the approved budget, employees will move through the range by progressing from step-to-step based on their performance evaluations. On April 1 and October 1 the employee's performance will be reviewed.

5.0 Review Schedule

5.1 New Hires and Rehires
Employees will be reviewed at least every three (3) months during the first year of employment and for every six (6) months on April 1 and October 1 thereafter. Employees are eligible to move from step to step within a grade after the equivalent of one (1) year of employment has been completed. Employees must first complete one (1) year of service before being considered for step increase on either April 1 or October 1. These requests are to be submitted to the Mayor by those dates.

Example: An employee is hired on November 1, 20X1. The employee would be reviewed on February 1, 20X2, May 1, 20X2, August 1, 20X2 and November 1, 20X2. The supervisor then may consider the employee for step increase on April 1, 20X3.

5.2 Interim Step Adjustments
Supervisors may request early increases on an exception basis. Such a review will be approved through "out-of-guideline" channels. Such an interim adjustment will be effective when approved by the "out-of-guideline" channels.

5.3 Promoted Employees

The earliest an "in-guideline" step adjustment can be considered is after one (1) year on April 1 or October 1, whichever is soonest.

6.0 Differentials

Differentials (e.g., shift, etc.), if applicable, are additions to the base and will be given up when the specific condition is no longer required.

7.0 Start Rate

7.1 New Hires

New hires will normally start at the minimum of their grade range.

If the individual filling the position has considerable background, knowledge, education, etc. which merits entering at a higher rate, Department Head and the Mayor or his/her designee can approve a rate up to the mid-point of the range (half way between the minimum and maximum of the range) if allowable by the approved budget. If he/she is entering above the mid-point or the amount is not allowable given the approved budget, "out-of-guideline" approvals are needed.

7.2 Rehires

Terminated employees who are rehired will be considered "new hires" (see 7.1 for guidelines).

Employees returning from an approved leave of absence are not considered as "rehires."

8.0 Updating the Program

8.1 Ranges

The City Council will review the wage/salary ranges on an annual basis.

8.2 Grades Reviewed by the Compensation Committee

The Compensation Committee will be designated by the Mayor. They will meet at least annually to review the grades, re-evaluate positions which have significantly changed, and slot new positions.

9.0 Procedure

9.1 Supervisor's Responsibility

The Department Head or designee will complete a Performance Evaluation form

for each of their employees by April 1 and October 1.

9.2 In-Guideline Increases
The Department Head forwards the Performance Evaluation(s) to the Mayor or his/her designee.

9.3 Sending of Forms Back to the Department Head
After the Mayor or his/her designee has approved the reviews, they will be sent back to the Department Head for a meeting with the employee.

9.4 Meeting with the Employee
The supervisor will discuss the review with the employee and have he/she sign his/her Performance Evaluation. The supervisor gives the employee a copy of the Performance Evaluation and forwards the original to the City Clerk.

9.5 No Preliminary Discussion with Employee
No discussion of the Performance Evaluation or the increase should be held with the employee prior to receipt of fully approved documents.

9.6 Responsibility for Review Outcome
The immediate supervisor or Department Head should take responsibility for the amount of the review. In no case should a supervisor or Department Head lead an employee to believe they tried for a larger increase, but could not get it approved by other management.

9.7 Wage/Salary Increase Philosophy
All step increases in the grade are "earned" by the employee not "given" by management. All increases are earned by merit. Merit considers job performance.

10.0 Employees on Leave of Absence (LOA) and Layoff (LO)

If the employee has been on LOA or LO for less than two (2) months of the six (6) month review period, the employee will be reviewed as if he/she had not been on leave.

If an employee is on LOA or LO on April 1 or October 1 and he/she has satisfied the requirement(s) for a step increase, he/she will receive the step increase when returning to work. Likewise if the annual step adjustment occurred while the employee was on LOA or LO, he/she will be adjusted to the new rate for his/her step.

11.0 Returning from LOA/LO or Transferring to a Position in a Lower Grade

Unless the employee being considered is a Department Head, the employee's rate of pay

will be determined by the Department Head and the Mayor.

Department Heads being demoted will have their wage determined by the Mayor and Council.

12.0 Amounts Noted for Salaried Positions

Salaries quoted in monthly amounts are for convenience and do not imply a contractual obligation for future employment.

13.0 Promotion Eligibility

13.1 Qualifications

Eligibility for promotion/transfer compares minimum relevant qualifications of the new position and the employee's qualifications. Factors which generally relate to the position include:

- the duties and responsibilities of the position;
- education, training, or special knowledge required; and
- experience, including both the nature and length of previous assignment.

Factors which relate to the employee include:

- speed, accuracy and attitude;
- length of service;
- certifications;
- present and past performance levels;
- potential for successful performance in the new position; and other relevant factors.

13.2 Required Length of Service

As a general rule, an employee must have a minimum of one (1) year of service in his/her current position prior to a request for promotion/transfer unless receiving approval from all levels of management starting with the Supervisor up to and including the Department Head and Mayor or designee.

13.3 Employee Performance Criteria for Granting of Requests

13.3.1 The employee being considered for the promotion/transfer must not be on any type of documented disciplinary warning with an employee receipt acknowledgment signature or probation.

13.3.2 The employee being considered for the promotion/transfer must have documented good work performance.

14.0 Job Posting Procedures

14.1 Procedures

14.1.1 The open position will be posted showing the related grade and range.

14.1.2 The employee requesting the promotion/transfer must notify his/her Department Head.

14.1.3 The employee will complete an employment application for the position. Screening of applicants by the prospective Department Heads will be done.

14.1.4 After the position has been filled, the hiring Department Head will inform candidates of the decision.

14.2 Posting of Positions

Positions will be posted for five (5) working days on a designated board for employees to review.

14.3 Outside Recruiting

The City reserves the right to consider outside applicants simultaneously. If an employee and an outside applicant are equal in qualification, the employee will receive first consideration.

15.0 Selection Process

The candidate who is best matched for the open position will be selected. This determination will be made through such methods as interviews, past performance, evaluation, etc. As an equal employment opportunity employer, age, race, sex, national origin, religion or handicap will not be discriminatorily considered.

16.0 Wage/Salary Adjustment for Promotions

All increases will be based on merit. Depending on the performance of the employee and the location of the promoted individual's current wage/salary, the following schedule will be used as it relates to the lowest range for the grade.

	Salary/Wage Location in New Range	
Below Min.*	**Min to Mid-Pt.**	**Over Mid-Pt.**
Up to minimum	Up to 8%, but not to exceed Mid-Pt.	0%

16.1 Maximum Amount of Increase When Below the Minimum of the New Range

Promoted employees will be taken to the minimum of the grade.

16.2 Current Wage/Salary Between Minimum and Mid-Point
The employee will be able to receive up to an eight percent (8%) increase, but not to exceed the mid-point at the time of promotion. The promoted employee will be placed at the step in the new grade given the above promotion schedule.

16.3 Current Wage/Salary Above the Mid-Point
Typically, the current wage/salary will be considered to slot the employee into the new grade and step. Unless the employee's current rate is exactly the same as the step of his/her new grade, the employee will receive the next highest step in the new grade. Example: Any employee's current rate is $6.70. They are over the mid-point of the range they are being promoted to. Given the steps within the new grade, the employee falls between the 8th and 9th steps. The amounts of those steps are $6.65 and $6.97. Because the employee is making more than $6.65 he/she would be placed at the 9th step and receive $6.97.

The advantage for the employee is he/she will assume a range with a greater maximum than in his/her previous grade. Any exceptions will be processed through the "out -of-guideline"approval channels.

* Minimum is used if 8% increase is still below minimum of range.

16.4 Effective Date of Promotional Increases
The promotional increase is effective at the time the qualifications are met.

16.5 Approvals
If there is previously approved budget authority for the promotion, the Department Head and Mayor would be involved in the approval process. If there is no budget for the promotion, "out-of-guideline" approvals are necessary.

16.6 Review Schedule
The next earliest an "in-guideline" step adjustment can be considered is after one (1) year on April 1 or October 1, whichever is soonest.

17.0 Introductory Period for Employees Who are Promoted/Transferred
An employee selected for promotion/transfer will enter an Introductory Period of not more than (1) year to assess his/her performance. Completion of the Introductory Period will not result in a wage/salary review. Should the selected employee be unable to satisfactorily perform the duties of the new position, he/she will be notified by his/her supervisor. The Department Head and Mayor will be involved in this process. Efforts

will be made to place the employee in another position within the organization. However, if no match is found, termination may occur.

18.0 Demotions

Employees, other than Department Heads, being placed in positions with a grade lessor than the one from which they originated will have their wage/salary determined by the Department Head and Mayor. Employees being demoted will normally receive a decrease in wage/salary.

Department Heads being demoted will have their wage determined by the Mayor and Council.

19.0 Transfers at the City's Request

19.1 City Initiated

Occasionally, transfers may be made at the City's request to satisfy operational needs. Consideration will be given to employee's speed, accuracy, attitude, background and experience, personal situation (i.e., preferred shift, etc.).

19.2 Job Elimination

In the event of job elimination, refusal to accept a reasonable transfer at the City's request will be interpreted as a termination. Layoff(s) of regular full-time employees must be approved through "out-of-guideline" channels.

20.0 Step Merit Increases

20.1 Schedule

An employee must have at least two (2) consecutive acceptable performance reviews over a twelve (12) month time period to be considered for a step merit increase. New hires must have four (4) consecutive performance reviews or a duration of one (1) year's evaluations whichever comes first.

20.2 Disqualification from Merit

An employee with two "Below Expectations" ratings in any category is ineligible for a step merit increase. The two "Below Expectations" ratings can be in one evaluation or there can be one "Below Expectations" rating in two consecutive evaluations.

20.3 Disposition of Lost Merit Increase

Upon a favorable recommendation by the Supervisor, the Mayor can grant a two (2) step increase to an employee who did not qualify for a step merit increase after the employee completes two consecutive favorable performance evaluations over

a twelve (12) month time period.

21.0 Performance Incentive

21.1 Qualification

If the employee has more than 50% for each of their two (2) consecutive performance reviews in the "Exceeds Expectation" category, the employee will be eligible for a performance incentive. New hires must have four (4) consecutive performance reviews or a duration of one (1) year's evaluation whichever comes first. The performance incentive is a one time payout and not added to the base rate. The performance incentive may be earned annually if performance and budget allow.

21.2 Disqualification

An employee with a "Below Expectations" rating in any category is ineligible for a performance incentive for a twelve (12) month time period.

22.0 Annual Adjustments to Steps and Ranges

An annual adjustment to the range will be considered. When the ranges move, the steps in the range will be adjusted proportionately.