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Purpose This policy is to provide all employees with an understanding of the classification and compensation systems at the City of Albany.

Policy The City shall establish an employee compensation system that takes into account internal equity, labor market considerations, complexity or difficulty of the work, total compensation and the City's economic condition. It is the goal of the City to attract and retain qualified employees and encourage high levels of performance. Additionally, the City will utilize a valid and consistent methodology for evaluating jobs. It is the City's policy that:


- direct and indirect compensation (wages, premiums, health benefits, pensions, etc.) are to be considered collectively in determining appropriate levels of compensation for employees;
- wage and benefits packages are considered "externally competitive" if they are plus or minus five percent (+ or – 5%) of the average of the total compensation offered in applicable labor markets for similar work;
- other factors such as compression between classifications, recruitment and retention of qualified employees, the City's economic condition, and incentives linked to performance may also be considered in establishing wages and benefits;
- annual adjustments to the compensation plan may be made based upon a formula that considers the consumer price index. Annual adjustments may also result from a classification/compensation study.

The City recognizes the legitimate role of collective bargaining in determining compensation for represented employees. The Council shall approve the pay grades for all job classifications used by the City.

Job Descriptions

Each position must be described in a written job description which shall include:

- The title of the position; general description and purpose of the classification and position; distinguishing characteristics from other similar positions or classifications in a series; supervision received and exercised; essential functions and responsibilities; minimum qualifications and special requirements; requisite knowledge, skills, and abilities; tools and equipment used; physical demands; work environment or conditions; effective date; department; and FLSA Status.
- Job descriptions are not meant to list every specific duty in a position nor are they meant to limit the authority of management staff in assigning work.

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Every regular employee must have a written job description for their position, and it is the responsibility of the manager to ensure job descriptions are accurate and up to date. Job descriptions should be reviewed annually at the time of the employee’s performance evaluation and revised accordingly.

Managers are to use the job description template provided by Human Resources and follow Human Resources procedures for filing the official version of the job description with Human Resources.

Pay Grades

Each classification shall be assigned a pay grade with a minimum and maximum rate and identified steps in between the minimum and maximum rates.


Executive employees will have open pay ranges with only minimum and maximum salaries listed. Salary increases for Executive employees shall be at the discretion of the City Manager but shall generally not exceed five percent (5%) annually. Exceptions may be approved by the Human Resources Director and City Manager.

New employees will be hired at the first step unless extenuating circumstances exist, such as prior experience and education that exceeds the minimum requirements listed. In order to hire an employee above the minimum level, the department director must receive approval from the Human Resources Director. A temporary or seasonal worker hired on the City’s payroll or through a temporary agency shall generally be paid at the minimum of the pay range unless the temporary/seasonal worker is returning to the same temporary/seasonal placement in which the employee previously worked.

Employees performance will be assessed annually, normally around the employee’s step advancement date, at which time the employee may receive a step and/or merit increase depending on the level of their performance during the preceding 12 months and whether the employee’s rate of pay is below the maximum of the range. Exceptions may be approved by the Human Resources Director.

Occasionally due to unforeseen circumstances such as a demotion, downward reclassification initiated by the City, or the implementation of a compensation study, an employee may be paid at a rate higher than the maximum of the range. As a result, the employee’s pay would be frozen until the maximum of the range is equal to or exceeds the employee’s rate of pay. Once the employee’s rate of pay is equal to or below the maximum, the employee may receive a cost-of-living adjustments and/or step increases, if applicable.

Annually, the City Council will establish the cost-of-living adjustment (COLA) for Nonbargaining and Executive staff. The change in the Consumer Price Index (CPI-W) from January of the prior year to January of the current year will be a consideration in establishing the COLA. The Council may elect to adopt the exact amount or choose a higher or lower figure depending on the financial resources of the City or other

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pertinent factors. Pay grades will be adjusted accordingly each year based on the Council’s action.

In addition to pay grade adjustments based on the COLA or upon the completion of a compensation study, the Human Resources Director may approve a pay grade change for the following reasons:


- a substantial change in the duties and responsibilities of the classification; or
- an inordinate amount of turnover within the classification is attributed to an inadequate pay level; or
- difficulty in recruitment of qualified candidates for a classification is attributed to an inadequate pay level;
- a new classification is needed at a time outside of the biennial budgetary process; or
- other unusual or extraordinary business need as approved by the City Manager.

Additional Incentives

Upon request from a department director, the Human Resources Director or designee may approve one of the following forms of incentives for a Nonbargaining employee. The granting of these incentives shall be based on sustained exemplary performance over a significant period of time or to recognize exemplary performance on a discrete project or assignment of significant scope. The department director must document the performance in writing and confirm that there are sufficient funds in the department’s budget to cover the incentive. Employees shall not have an expectation of receiving an incentive in any given year.

- a. Increased vacation leave accrual above the accrual rate due based on the employee’s months of service.
- b. Up to forty (40) hours of professional leave (“merit leave”) for the current fiscal year. If fewer than sixty (60) days remain in the fiscal year, the additional professional leave may be applied to the following fiscal year. This additional leave must be taken as paid time off during the fiscal year or be forfeited. The additional leave may not be cashed out.
- c. A lump-sum, non-recurring merit adjustment not to exceed three and one-half percent (3.5%) of the employee’s annual base pay.
- d. Other indirect monetary award as approved by Human Resources.

An employee is not eligible for these additional incentives during the year in which the employee is eligible for a longevity increase.

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Safe Harbor Regulation Exempt Employees- Fair Labor Standards Act (FLSA)

It is the City’s policy to comply with the salary basis requirements of the FLSA. Therefore, all management staff are prohibited from making improper deductions from the salaries of exempt employees. *If An Improper Deduction Occurs:* the employee should immediately report this information to his/ her direct supervisor or to the Human Resources Department. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will be promptly reimbursed for any improper deduction made.

Deductions from pay are permissible when an exempt employee:

- is absent from work for one or more full days for personal reasons other than sickness or disability;
- for absences of one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy, or practice of providing compensation for salary lost due to illness;
- to offset amounts employees receive as jury or witness fees, or for military pay; or
- for unpaid disciplinary suspensions (if approved by the Human Resources Director) of one or more full days imposed in good faith for workplace conduct rule infractions.

Also, an employer is not required to pay the full salary in the initial or terminal week of employment; for penalties imposed in good faith for infractions of safety rules of major significance, or for weeks in which an exempt employee takes unpaid leave under the Family and Medical Leave Act. In these circumstances, either partial day or full day deductions may be made.

Shift Differentials

Shift differentials will be paid in accordance with Collective Bargaining Agreements.

Longevity

Nonbargaining and Executive employees shall be eligible for the following longevity pay/leave provided the employee has received a satisfactory performance rating on their most recent evaluation prior to becoming eligible for the longevity pay or leave award:



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Years of Continuous Service	Longevity Pay/Leave (not cumulative)
120 months (10 years)	3%
168 months (14 years)	6%
228 months (19 years)	9%
264 months (22 years)	11%
300 months (25 years)*	One-time award of 40 hours of longevity leave


Employees shall receive longevity pay as a percentage of their regular base pay per pay period based on their completed years of continuous regular status employment with the City. Longevity pay is not cumulative for different years of service.

*25-year Longevity Leave – Employees who have completed 300 months (25 years) of continuous regular status employment with the City shall be granted a one-time award of forty (40) hours of longevity leave. This leave must be used within a twelve-(12) month calendar period from the time of the award. If these longevity leave hours are not used within the following 12-month period, they will be cashed out. The employee may request to cash out the longevity leave at any time during the 12-month period and will be paid at their regular rate of pay that was in effect at the time of the award. *Employees who received 40 hours of longevity leave at 22 years of service under prior policy HR-BC-03-016 shall not be entitled to an additional 40 hours at 25 years.*

Working out of Class

Employees who are working out of class or acting in capacity will receive five percent (5%) of their base pay or the minimum rate of pay in the higher classification, whichever is greater, for the duration of the out-of-class assignment. Generally, working-out-of-class assignments will last no longer than six months. A department may request an extension of the working-out-of-class assignment if extenuating circumstances exist.

In order to receive working out of class pay, the Human Resources Department must be notified by the Department in writing prior to the assignment commencing.

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Incentive/Certification Pay

1. Provisions for all Nonbargaining employees:

a) **Spanish Bilingual Incentive**

Employees who are regularly assigned Spanish bilingual duties, such as interpreting for Spanish-speaking customers of the City, translating written material into Spanish, or providing outreach services to or programming for the Spanish-speaking community, shall receive incentive pay of three percent (3%) of their regular base pay per pay period when such duties are assigned on an ongoing basis as evidenced by being added to the employee’s job description. Employees must successfully pass a proficiency assessment administered by the City’s evaluator prior to being assigned bilingual duties and receiving the associated incentive pay. Assignment and removal of such duties is at the City’s sole discretion.

2. Provisions for Nonbargaining Albany Fire Department (AFD) employees:

a) **Paramedic/EMT Certification**

Battalion Chiefs who possess a State of Oregon EMT-P and EMT-Intermediate Certification and have current standing orders from the Department’s medical director shall receive incentive pay as a percentage of their base pay per pay period as follows:


Job Classification	Certification (not cumulative)
Battalion Chiefs	Oregon State EMT Intermediate – 2.5% Oregon State Paramedic – 5.0%

The percentages listed above for certification pay are not cumulative. Employees will receive certification pay based on their highest level of certification achieved and at the rate listed for their current classification.

Employees must maintain the certification to continue receiving the differential. It is the employee’s responsibility to keep their certifications current and to notify Human Resources when they qualify for certification pay.

b) **Conflagration and Emergency Response Teams**

Chief Officers in the Fire Department who respond off duty for participation in state conflagrations and state-sponsored emergency response teams shall receive compensation at a rate of one and one-half

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times their hourly rate for overtime associated with these activities, if such time is reimbursed by the State.

3. Provisions for Nonbargaining Albany Police Department (APD) employees:

a) **DPSST Certification**

Nonbargaining APD employees will be eligible for DPSST certification pay, at the rates stated below, provided the employee has a current certification for their respective job classification as follows:

Job Classification	Certification (not cumulative)
Police Support Services Manager	DPSST Management Certificate – 4%
Police Lieutenant	DPSST Management Certificate – 4%
Police Captain	DPSST Executive Certificate – 4%


The percentages listed above for certification pay are not cumulative. Employees will receive certification pay based on their highest level of certification achieved and at the rate listed for their current classification.

Employees must maintain the certification to continue receiving the differential. It is the employee’s responsibility to keep their certifications current and to notify Human Resources when they qualify for certification pay.

b) **Education Incentive**

Nonbargaining APD employees will be eligible for education pay (for one degree at the highest level held) as follows:

Job Classification	Education Pay (not cumulative)
Police Lieutenant	Bachelors – 3%

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c) **Specialty Unit Pay**

Employees at the rank of Lieutenant shall receive specialty unit pay of five percent (5.0%) of their base pay per pay period when assigned as Community Resources Lieutenant, Detective Lieutenant, or Administrative Lieutenant.

Lateral Transfer

Lateral Transfer – is the reassignment of an employee, typically through a recruitment process, to a classification within the same pay grade for which the employee meets the minimum and special qualifications of the new classification. Transfers may be inter- or intra- departmental. In order to be eligible for a voluntary transfer, an employee must have completed their probationary or training period and be in good standing in their current position. The City may involuntarily transfer an employee if the City deems it is in its best interests.

Lateral transfers will be made effective on the first day of a full pay period (1st or 16th). An employee will continue to be paid at the same rate of pay.

Promotion

Promotion – is the movement of an employee, through a recruitment process, to a classification with a higher pay grade.

Upon promotion, an employee will be placed no higher than the step in the new pay grade that provides for a pay increase. Exceptions may be approved by the Human Resources Director.

Promotions will be made effective at the beginning of a pay period (1st or 16th of each month). Thereafter, the promotion date shall become the employee’s new evaluation and step advancement date.

Demotion

Demotion – is the movement of an employee, through a recruitment process, to a classification with a lower pay grade. However, the City may involuntarily demote an employee without a recruitment process for disciplinary reasons.

If the demotion is for cause, the pay grade will be set by the Human Resources Director at an appropriate level in the lower grade that is less than the existing pay grade.

If the demotion is not for cause, the department director will determine the appropriate pay grade with the approval of the Human Resources Director and the City Manager. Demotions will be made effective on the first day of a full pay period (1st or 16th). Exceptions may be approved by the Human Resources Director.



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Reclassification

Reclassification – is a change in a position’s classification, without a recruitment process, due to a substantial change in duties, responsibilities and/or authority; but the requisite knowledge skills and abilities (KSAs) to perform the new duties are similar to the KSAs of the former classification. An employee must meet the minimum and special qualifications of the new classification. Reclassifications are not approved due solely to an increased workload or an employee’s longevity with the City or in a particular position. A reclassification is implemented through a position review by the Human Resources Department. Additionally, approval of the City Council is required for reclassifications upward.

If the duties of an existing position change for an ongoing purpose and sufficiently so the current job description is no longer appropriate, a request for a position review must be submitted to the Human Resources Director or designee.

A request for a position review should be sent to the Human Resources Director outlining the reason for the request including all supporting documentation in order to assist Human Resources in making a decision.

A request for a position review may be made by the City Council, department directors, managers/supervisors, or by an incumbent in a position. A request for review may only be submitted once in a 12-month period. The Human Resources Director may initiate a position review at any time.


The Human Resources Director or designee shall act upon the request for review without undue delay and shall give notice to management and the affected employee.

Reclassifications will be effective with the first full pay period following the date on which the paperwork and all required documentation was filed with the Director of Human Resources unless another date is requested by the department director and is approved by the Human Resources Director and the City Manager. Reclassifications will generally not be effective retroactively; however, exceptions may be approved by the Human Resources Director.

Upon reclassification upward (to a classification at a pay grade higher than the employee’s current classification), an employee will be placed in the new grade at the next higher rate that provides for a pay increase. Exceptions may be approved by the Human Resources Director.

Upon reclassification downward (to a classification at a pay grade lower than the employee’s current classification):

- a. The employee will maintain their current rate of pay if the current rate of pay is a step within the new pay grade;
- b. If the current rate of pay is within the new grade, but not on a step, the employee will be moved to the closest step without loss of pay;

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- c. If the employee’s current rate of pay is above the maximum rate of the new pay grade, the employee’s pay will be frozen until the maximum of the range is equal to or exceeds the employee’s rate of pay. Once the employee’s rate of pay is equal to or below the maximum, the employee may receive cost-of-living adjustments and/or step increases, if applicable.

Reclassifications will be made effective on the first day of a full pay period (1st or 16th), which thereafter shall become the employee’s new step advancement date. Exceptions may be approved by the Human Resources Director.

Definitions

Chief Officers in the Fire Department include: Deputy Chief, Division Chief - Fire Marshal, Training Division Chief, and Battalion Chief.

References

Refer to specific Collective Bargaining Agreements.

Review and Authorization

Supersedes: HR-BC-03-017; 10/1/22	Created/Amended by/date: HR; 6/14/2023	Effective Date: 7/1/2023
HR Director: <i>Signature on File</i>		City Manager: <i>Signature on File</i>

- 1. Form or worksheet revision related to this document? No Yes

If yes, attach a copy of the revised form or worksheet.

- Training required? No Yes