

CITY OF CHESAPEAKE, VIRGINIA

NUMBER: 2.60

ADMINISTRATIVE REGULATION

EFFECTIVE DATE: 05/01/2019

**SUBJECT: DEPARTMENT OF HUMAN RESOURCES
MERIT PAY POLICY**

SUPERCEDES: 07/01/16

I. PURPOSE

To demonstrate a commitment to excellence by rewarding high-performing employees who consistently improve the efficiency and effectiveness of City operations.

II. OBJECTIVE

To establish a merit pay plan that recognizes and rewards superior performance through meaningful pay adjustments to demonstrate that high-performance is valued by the organization.

III. APPLICABILITY

The provisions of this policy cover all full-time, part-time, and seasonal/substitute employees working in departments/agencies that operate under the direction of the City Manager, provided they are not subject to compensation provisions of the State. Appointed officials and constitutional officers may elect to participate in this program. For the purpose of this policy, references to the City Manager, Director of Human Resources, or department/agency head shall include their designees.

IV. GENERAL PROVISIONS

A. Each department will receive a merit pay budget proportional to the size of its workforce. The formula used to calculate each departmental amount will be the total budgeted dollar amount divided by the average number of filled full-time equivalents (FTEs) in the prior calendar year, multiplied by the average number of filled FTEs in the department for the same period. Each department's budgeted amount will be rounded to the nearest \$500. Departments with five or fewer positions may recommend one employee every other year. The Department of Human Resources will notify all department/agency heads of the total dollar amount that will be available for merit pay each fiscal year.

B. Selected full-time employees paid on a semi-monthly basis will receive an annual base pay increase in the amount of \$500, \$1,000 or \$1,500, provided such amount will not cause an employee's salary to exceed the maximum of the pay range. If such amount

would cause the employee's salary to exceed the maximum, he/she will receive a prorated pay increase up to the maximum of the employee's pay range and will receive the excess as a one-time lump sum payment.

- C. Selected full-time employees paid on a weekly basis, as well as selected part-time and seasonal/substitute employees, will receive a base pay increase of \$0.2404, \$0.4808 or \$0.7212 per hour. This amount is equivalent to \$500, \$1,000 or \$1,500 annually, based on a 40-hour workweek. The actual annual amount received will vary based on the number of hours worked or in a paid status.
- D. The effective date of the merit pay increases will be determined by the City Manager each fiscal year.
- E. This program is dependent upon available funding each fiscal year.

V. ELIGIBILITY

Department heads are responsible for ensuring that employees recommended for merit pay meet all eligibility requirements.

- A. To be considered for a merit pay increase, an employee's most recent hire date must be on or prior to July 1st of the fiscal year in which the employee is nominated.
- B. To be eligible for a merit pay increase, the employee must have been assigned to the nominating department in the same job class for at least six months during the year immediately preceding the submission deadline for the award.
- C. In addition to meeting the criteria above, recommended employees must meet the following criteria:
 - 1. Display superior conduct and consistent demonstration of the City's core values;
 - 2. Have solid performance ('Meets Expectations' or above) for the most recent rating year;
 - 3. Have no discipline on file within the last twelve months; and
 - 4. Exhibit an exceptional level of initiative, dependability, problem-solving skills, technical competency, professionalism, customer-service, work ethic, willingness to accept responsibility, leadership, creativity, productivity,

contribution to the efficiency and effectiveness of the Department and/or City, or other characteristics which warrant special recognition.

VI. RECOMMENDATION AND SELECTION PROCESS

- A. Once per year, at a time and on a form designated by the Department of Human Resources, department/agency heads may submit recommendations. Supporting documentation must include a specific description of how the criteria in item 1 and/or 4 in section V.C above were met.
- B. The recommendation form and any supporting documentation must be submitted to the Department of Human Resources by the established deadline. All forms and other documents submitted in connection with the recommendation and selection process will be considered personnel records.
- C. The City Manager has final approval authority. Once the City Manager has approved the merit pay recipient list, no substitutions can be made (e.g. for terminations, promotions, transfers, selections not approved by the City Manager).
- D. The funds allocated for a disapproved employee or for a selected employee who terminates employment prior to receiving the merit pay increase may not be reallocated to increase the merit pay amount of other selected employees.

APPROVED AS TO FORM AND CONTENT:

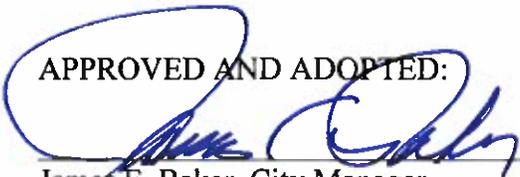


Dana English Sanford, Deputy City Attorney

4.22.2019

Date

APPROVED AND ADOPTED:



James E. Baker, City Manager

4/30/19

Date