

## **ARTICLE 3 – COMPENSATION**

### **Section 3.1 COMPOSITION OF PLAN**

The Human Resources Classification and Compensation Plan shall consist of four pay scales for the following groups of employees: public safety sworn non-management employees, public safety sworn management employees, general employees, and executive employees.

The public safety pay scale for sworn non-management employees shall be a step plan. The pay scales for public safety sworn management employees, general employees, and executive employees shall contain a series of pay grades with open pay ranges. Each pay grade shall have a minimum, midpoint, and maximum pay rate.

The job classification list shall specify the pay grade and range assigned to each job classification. The pay range for each job classification shall be established with due regard for the relative difficulty, responsibility and characteristic duties of positions in the job classification; the minimum qualifications required; the prevailing rate paid for similar employment by Hampton Roads municipalities; and any other factors that may properly be considered to have a bearing upon the fairness or adequacy of the pay grade.

### **Section 3.2 NEW EMPLOYEES**

Except as otherwise provided in this section, a new employee shall be paid a pay rate of not less than the minimum amount established for his or her pay grade, taking into account his or her experience and qualifications, as well as internal equity factors. Pay offers above the position's pay grade minimum will require a written request for approval with justification in accordance with established policy.

The minimum pay rate for each job classification is based upon the assumption that a new employee meets the minimum qualifications stated in the job classification description. If it becomes necessary to appoint a new employee of lesser qualifications, he or she should be started at a pay rate below the minimum rate for the job classification, to be determined by the Director of Human Resources or designee. When the employee demonstrates to the department head's satisfaction that he or she meets the minimum qualifications, the employee will be advanced to the minimum of the pay grade. Requests for exception must be justified in writing and approved by the Director of Human Resources.

All current and future full-time employees shall receive a competitive wage rate which shall be determined by the City Manager. This rate shall be reviewed periodically by the Director of Human Resources who shall recommend to the City Manager any appropriate changes based on the federal poverty guidelines, federal minimum wage, and other relevant information.

### **Section 3.3 PAY INCREASES**

The City Manager shall have the authority to develop administrative regulations establishing eligibility criteria for pay increases. Pay increases will be administered by the Department of Human Resources in accordance with established administrative regulations.

- a. **Periodic Pay Increases:** Upon the recommendation of the City Manager and at the sole discretion of City Council, eligible employees may be granted periodic pay increases. Except as specifically adopted by City Council, granted increases shall not exceed the maximum of the pay grade for an employee's job classification, and the salaries of sworn public safety employees in positions graded within the step plan may fall between steps. Periodic pay increases are defined as general wage increases, merit or performance based increases, competitive wage rate increases, equity based increases, or market adjustments for a group or groups of employees. At the discretion of the City Manager or his or her designee, periodic pay increases may be prorated or eliminated for positions that receive all or a portion of State-funded pay increases.
- b. **Bonus/Incentive/Recognition Plans:** The City Manager may provide for additional compensation for a group or groups of employees outside the parameters of the compensation plan through the establishment of incentive, recognition and/or bonus plans. All programs shall be under the purview of the Department of Human Resources.
- c. **Special Allowances:** The City Council may provide for compensation in the form of special allowances to members of the unclassified and classified service outside of the parameters of this plan.
- d. **Special Pay Adjustments:** At the request of a department head, the City Manager or designee may approve a special pay adjustment for an individual employee based on criteria established by an administrative regulation.

### **Section 3.4 PROMOTIONS**

A promotion is the placement of an employee in a position with a job classification in a higher pay grade as the result of a competitive hiring process. Promotional pay increases will be administered by the Department of Human Resources in accordance with an established administrative regulation.

### **Section 3.5 DEMOTIONS**

A demotion is the placement of an employee in a position with a job classification in a lower pay grade due to a request by the employee, unsatisfactory job performance, or disciplinary action. Demotion pay decreases will be administered by the Department of Human Resources in accordance with an established administrative regulation.

### **Section 3.6 RECLASSIFICATIONS**

Reclassification is the study of actual tasks, duties, and responsibilities of a position which may result in a change to the job classification assigned to the position. Pay changes resulting from a reclassification will be administered by the Department of Human Resources in accordance with an established administrative regulation.

### **Section 3.7 REORGANIZATIONS**

A reorganization is a change to the distribution of budgeted positions within a department due to organizational and staffing needs and may include reclassifications, status changes, additions, and/or deletions of positions. Pay changes resulting from a departmental reorganization will be administered by the Department of Human Resources in accordance with an established administrative regulation.

### **Section 3.8 OVERTIME**

- a. Overtime shall be administered in accordance with the Fair Labor Standards Act (FLSA), 29 U.S.C. § 201 et seq., and applicable state law for the granting of overtime. The City Manager will adopt an administrative regulation for the administration of overtime for City employees.
- b. A workweek is defined as seven (7) consecutive days or one hundred sixty-eight (168) consecutive hours. The beginning and end of workweeks shall be set at the discretion of management, with approval by the Directors of Finance and Human Resources, and may be different for different groups of employees.
- c. For non-exempt general employees (i.e., employees other than sworn police, fire or sheriff's department employees covered by the FLSA's Section 207(k) partial overtime exemption), overtime pay shall be paid at the rate of one and one-half (1½) times the regular rate of pay for hours worked over forty (40) in a

workweek. Overtime leave shall be awarded at one and one half (1½) times the number of hours worked over forty (40) in a workweek.

- d. Overtime pay or leave shall be awarded to sworn police, fire and sheriff's department employees covered by the FLSA's Section 207(k) partial overtime exemption for all hours worked or in a paid status during the work period in excess of the regularly scheduled hours for such personnel. A work period is a regular, recurring work cycle between seven (7) and twenty-eight (28) days. The length of the work period shall be set at the discretion of management, with approval by the Directors of Finance and Human Resources, and may be of different lengths for different groups of employees.
- e. The Director of Human Resources shall designate those positions which are eligible for overtime pay or leave ("non-exempt" or "partially exempt" positions) and those which are not eligible for such pay or leave ("exempt" positions) in accordance with the standards of the FLSA.