

Memorandum

Department of Public Works



TO: Michael O. Geisel, P.E.
City Administrator

FROM: James A. Eckrich, P.E. *JAE*
Public Works Dir. / City Engineer

DATE: January 29, 2024

RE: Salary Administration Plan

As you know, in 2023 the City of Chesterfield City Council approved several recommended actions intended to improve employee recruitment and retention. These included reclassifying a number of “trade” positions, implementing a parental leave program, and reducing the probationary period from one-year to six-months. Because of these actions it is necessary and prudent to review the Salary Administration Plan (Plan), most recently updated on November 1, 2021. Accordingly, I have performed a thorough analysis of the Plan, and recommended changes as shown in the attached document – CLEAN and REDLINE. The overwhelming majority of these changes are related to the change in probationary period and employee compensation within the first year of employment. The most substantive related change is that moving forward probationary employees who fall below any adjusted minimum will be moved to the new minimum (Chapter IV, Section 4). The recommended changes also include a clarification on the administration of employee compensation adjustments within the first year of employment (Chapter IV, Section 7(L)).

During the budget deliberations, there was discussion about the submittal of the annual budget to the Finance and Administration Committee, as well as the differences between the merit raise and annual classification range adjustment. Specifically, there was concern that adjustment of the classification plan by only 75% of the merit pool would not ensure that our starting pay would remain competitive. During these discussions the Administration stressed the importance of maintaining a difference between the merit pool and the classification plan adjustment. There was general consensus amongst all in attendance that there should be a better way to address this. At that time the Administration indicated that Staff would study the matter and present a recommendation to City Council in the future.

After reviewing the matter at length, it is my recommendation that each year the initial budget presented to the Finance and Administration Committee of the Whole

include a merit increase of 1.5 times the CPI-U (but not less than three percent nor more than eight percent). The ultimate decision on the merit increase will still be debated during Budget work sessions and rest entirely with the Finance and Administration Committee of the Whole. The classification ranges would then be adjusted by the CPI-U, but no greater than 75% of the merit increase. The recommendations are included in the attached Plan.

I will be prepared to provide a presentation of the Plan changes at the Finance and Administration Committee meeting where this matter is considered. Should you have questions or require additional information, please contact me.

Action Recommended

This matter should be forwarded to the Finance and Administration Committee of City Council for consideration. Should F&A concur with the recommended changes they should recommend approval to the full City Council.

CHAPTER I
INTRODUCTION

The City of Chesterfield Salary Administration Manual described herein has been established to meet the following objectives and goals:

- A. To promote economy and effectiveness in the personnel services rendered to the City of Chesterfield.
- B. To establish and maintain a uniform plan of position classification based upon relative duties, responsibilities and functions of positions in the classified service.
- C. To ensure that employees receive fair compensation for their contribution to the ongoing operation and effectiveness of the City of Chesterfield administration and that the City receives fair return for its payroll expenditures.
- D. To provide a modern system of personnel administration which will support the City of Chesterfield's role as an equal opportunity employer, and in which fair and equal opportunity shall be accorded to all qualified persons to be employed, promoted and retained on the basis of merit and fitness.
- E. To make the City of Chesterfield an attractive employer and to encourage each employee to render their best service to the City of Chesterfield.
- F. To guide managers and supervisors administering the salary administration program and to assist them in the administration of the program so that it is fair and consistent to individual employees and the City of Chesterfield.

CHAPTER II
DEFINITIONS

Words used in this manual in the present tense include the future as well as the present, the singular includes the plural; and the plural includes the singular. The following words have the significance attached to them in this section, unless otherwise apparent from the context of the section in which they appear.

CITY - City of Chesterfield, Missouri

CITY ADMINISTRATOR - The Chief Administrative officer of the City of Chesterfield.

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CHAPTER III

COMPENSATION CLASSIFICATION AND ASSIGNMENT POLICIES

Section 1. Compensation Classification - Description and Purpose

The Compensation Classification plan is comprised of a list of compensation classifications for positions supported by written specifications (i.e., job descriptions) setting forth the duties and responsibilities within each class of positions. The purpose of the classification plan shall be to:

- A. Provide similar pay for similar work.
- B. Establish qualification standards for recruiting purposes.
- C. Provide a means of analyzing work distribution, areas of responsibility, lines of authority, and other relationships between positions.
- D. Assist in determining budget requirements.
- E. Provide a basis for developing standard work performance.
- F. Establish lines of promotion and career growth.
- G. Indicate training needs.
- H. Provide uniform titles for positions.

All full-time employees of the City of Chesterfield shall be included in a position classification plan. Commissioned law enforcement employees will be addressed in a separate volume.

Section 2. Compensation Classes

Compensation classifications shall consist of one or more positions that are similar in the basic character of their duties and responsibilities so that the same pay level, title and qualification requirements can be applied and the positions can be treated fairly and equitably under like conditions.

Section 3. Job Descriptions

Job descriptions are concise, written documents summarizing accountability, nature and scope, duties, qualifications, contacts, complexity and working conditions associated with a position. Job descriptions are important sources of information for developing performance standards, evaluating jobs in the marketplace, and training employees.

Current job descriptions will be maintained for all positions in the position classification plan. The format and definition of terms used in the job descriptions will be as follows:

- A. Identification - This section will list the position title, the department which the associated position is assigned and the immediate supervisor.
- B. Position Summary - This section shall broadly explain the kind and level of work which characterizes the position and thereby distinguishes it from other classes. It may include references to such factors as level of responsibility, independence of action, areas of expertise, and supervision exercised.
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- D. Skills, Knowledge and Abilities - This part of the job description shall set forth the special skills, knowledge and abilities which are required of new employees at the time of their appointment.
- E. Minimum Education, Certification, and Experience Requirements - This section shall present a general statement of the minimum experience, education and other additional training/certifications which would ordinarily provide adequate preparation for a position and for successful performance of the work characteristics of the position.

Section 4. Maintenance of Job Descriptions

It will be the responsibility of each Department Head to review the job description of each position in their department regularly. Appropriate revisions and recommendations shall be submitted to the City Administrator for review and approval. The City Administrator may require revisions prior to approval. The Human Resources Manager shall maintain copies of each currently approved job description.

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Section 6. Position Evaluation

Position evaluation is the process of determining the value of a position and assigning it to the appropriate compensation classification level. It shall be the responsibility of the City Administrator to assign each job title to its appropriate group by function and then by positions which are substantially similar with respect to difficulty, responsibility, and character of work. Such similar positions shall require generally the same amount of training and experience for proper performance to merit approximately equal pay.

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It shall be the responsibility of the Department Head to re-evaluate job positions for which revised position descriptions have been submitted; evaluate new positions for which position descriptions have been submitted; and submit all position evaluations and re-evaluations to the City Administrator for approval.

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THE PAY PLAN AND SALARY ADMINISTRATION POLICIES

Section 1. Pay Plan Structure

The City of Chesterfield pay plan structure consists of forty-six (46) individual compensation positions. Each compensation classification position consists of an alpha-numeric identifier (e.g. D4), a compensation minimum, midpoint and maximum, and is characterized by a defined “spread”, which is the percentage difference between the maximum and minimum compensation levels. The compensation classifications are designed to include values for each civilian job position within the City of Chesterfield. The compensation classifications are designed to uniformly increase at four (4%) percent between each successive position. The pay plan structure is generally designed with 30% spread between the minimum and maximum compensation for each classification. However, there are a number of specific positions that have been identified as “critical” positions, and those positions have been designed with 40% spread of compensation values.

- A. A sufficient number of pay levels were included to capture the full range of job values represented in the city administration and the full range of job values anticipated in the future.
- B. Each pay level was made wide enough (30% - 40%) to allow employees to earn merit increases while performing their responsibilities.
- C. The distance between pay levels (4%) was made large enough to reflect actual differences in relative values of jobs in each pay level.
- D. Each position was assigned to the pay level which best represented its combined internal value to the City and external value in the marketplace.

Section 2. Annual Adjustment of Compensation Classification Ranges for Non-FOP employees

An annual uniform adjustment will be made to the compensation classification ranges based upon the All Urban Consumers (CPI-U) <https://data.bls.gov/timeseries/CUUR0200SA0>, Midwest region, All items CUUR0200SA0, not seasonally adjusted, one-year recorded percent index

change over the previous year, as reported for June in the prior calendar year. To ensure that the minimum and maximum value of the pay levels reflect the current market value of city jobs and the movement of salaries in comparable labor markets, the compensation plan ranges shall be adjusted annually, in January, immediately after distribution of the annual merit increases, if applicable. Individual salary increases will not occur as a result of this range adjustment process, unless the salary of an employee is beneath the minimum salary for his/her position after any merit increase has been awarded. In any year where the CPI is zero or less, there will be no adjustment to salary ranges the following year. However, in any given year, the annual compensation plan adjustment is limited to a value that shall not exceed 75% of the merit pool approved by City Council. This limitation is essential to preserve separation between existing employees and new hires.

Section 3. Determination of Annual Budget for Performance Based (Merit) Increases

As part of the initial Annual Budget submittal, the City Staff will include a merit based increase of 1.5 times the CPI-U referenced in Chapter IV, Section 2, with a minimum of three percent and a maximum of eight percent. It is understood that this value is included in the initial draft in order to present a more realistic draft budget and that Council will consider the value of the merit compensation increase pool and value and provide direction to staff as to a final value to include in the final budget submission. While it is imperative that the maximum and minimum compensation rates are adjusted to keep the City competitive in the labor markets, it is equally important that the merit pool exceed these adjustments to avoid compression and sufficiently compensate the existing employees.

The Finance and Administration Committee of Council of the whole will review the value of the merit pool for compensation increases and provide direction as to what value is to be included in the final budget submission. Staff will provide any/all information requested by the Finance and Administration Committee including but not limited to; CPI, relevant Labor indexes, and City Revenues such that the Committee can provide the recommendation for the merit pool budget. While Staff will submit an initial budget with a merit pool of 1.5 times the CPI-U, the decision as to what

figure to include in the final budget submitted to City Council rests solely with the Finance and Administration Committee of the whole.

Should the City Council elect to fund an annual merit increase, the amount allocated to the annual budget will be based on the following, and any other factors the Council chooses to consider.

- A) A percentage stipulated and approved by City Council based upon economic factors, labor information, and revenues available to the City.
- B) Actual salaries of all current and eligible employees who were on the payroll as of September 1 of current year. This will exclude the salaries of employees who are at the maximum of the range for their job position, but may include a dollar sum adjustment to account for employees who may be near the maximum salary for their respective range and otherwise eligible for less than the approved percentage that has been allocated to the annual budget.
- C) It is anticipated that any merit increase dollars not used for employees who may have left the payroll prior to September 1 of the following year will be sufficient to allow and award partial year increases for those employees who may join the payroll after September 1 of the current year.
- D) There will be no allocation made for vacant positions as of September 1st of the current year or positions that are forecast to be vacant or eliminated.

Section 4. Compensation Below Assigned Pay Level

If an employee's salary falls below the minimum compensation within a classification that employee's pay shall be raised to the new minimum.

Section 5. Compensation Above Assigned Pay Level

As a result of a compensation classification adjustment and/or the re-evaluation and reassignment of certain positions in the position classification plan, individual salaries may be above the maximum value of the appropriate pay level.

If an employee's salary is above the maximum for their pay grade, they shall not receive merit increases until such time as they are within the appropriate salary range defined for that position. Once the employee's salary falls

within the appropriate salary range, they will once again be eligible for merit increases.

Section 6. Compensation Levels For New Hires

The salary level for a new employee will depend upon the employee's qualifications. As a rule, new employees will be hired at the minimum amount of their pay level. Any hires above the minimum pay level up to the established maximum salaries described in the previous paragraph, may not occur without a written recommendation by the Department Head to the City Administrator stating why the candidate exceeds the minimum qualifications for the position. New employees may be hired at a compensation level not more than ten percent (10%) above the minimum pay for their job classification with the expressed approval of the Department Head. When job or market conditions necessitate, new employees may be hired at a compensation level up to the job classification midpoint only with the written permission of the City Administrator.

If at any time, acute competition, demonstrated exceptional qualifications of a candidate and/or labor shortages in the labor market create an unusually difficult situation for hiring personnel, the City Administrator may request that the Finance and Administration Committee so declare such situation and provide exemptions from the hiring salary limitation.

Section 7. Compensation Actions

The following types of compensation action may occur and affect the placement of any employee in the merit pay plan:

- A. Promotions - A promotion is the assignment of an employee from one position to another position having a higher maximum salary. When an employee is promoted to a position in a higher classification, the employee's salary shall be increased to not less than the minimum rate for the higher classification or to another point in salary range, whichever provides the employee with a salary increase of at least five percent (5%) above their current rate of pay. This action should be distinguished from a reclassification of a position which is assigned to a higher pay level.
- B. Demotions - A demotion is the involuntary assignment of an employee from one position to another position having a lower maximum salary.

When an employee is involuntarily demoted to an assignment in a classification having a lower maximum rate than the salary received at the time of reassignment, then the employee shall receive the maximum rate established for the classification to which the employee is being demoted; otherwise, the employee shall receive their present rate if that rate is lower than the maximum rate of the classification to which they are being demoted.

- C. Separations - Separations shall include resignation, dismissal, retirement, lay-off, disability or death. No salary actions shall be taken as a result of an employee's separation, unless such action is specified by ordinance or an employee contract.

- D. Transfer - A transfer is the voluntary assignment of an employee from one position to another position having either a lower or higher maximum salary. An employee who voluntarily transfers to another position will be subject to the pay level of the position being accepted and will start at a salary most equivalent to their salary in the previous position but not to exceed the maximum rate of the new range or fall below the minimum rate of the new range.

- E. Performance - Performance is the carrying out of required action and displayed patterns of behavior. Performance evaluations shall determine performance levels and the assigned merit increases according to performance.

- F. Overtime - All full-time non-exempt employees covered by the Fair Labor Standards Act must be compensated at the rate of 1-1/2 times the number of hours worked over forty (40) in a seven (7) day work week or over an established work period or receive compensatory time off. The work week for purposes of this section shall be defined as beginning at 12:01 a.m. Sunday morning and proceeding for seven (7) full continuous days until midnight the following Saturday night. Authorized absences with pay during the work week or work period because of vacation, holidays, military training leave, or compensatory time off shall be considered authorized work for the purposes of calculating overtime. The City reserves the right to change work schedules during the work week or work period to reduce overtime liability.

- G. Overtime/Callouts on Holidays and Vacation - Any non-exempt employees covered by the Fair Labor Standards Act, who are called to work on a holiday or while on vacation shall be paid at the rate of one (1) times the employee's hourly rate for all hours worked. Such overtime compensation shall be in addition to regular pay received for the holiday. Both the holiday hours and the hours worked on the holiday shall be included in the calculation of all hours worked for the work week.
- H. Call-Outs - If an employee is called back to work outside of a normally scheduled work day or is called back to work after having completed a regularly scheduled work day, the City shall compensate the employee a minimum of two (2) hours.
- I. Approval of Overtime - The City shall not be obligated to pay overtime not expressly authorized in advance by a direct supervisor. Employees who perform unauthorized overtime work shall not receive payment. All overtime should be recorded and claimed in the appropriate pay period and on the appropriate time sheet.
- J. Scheduling of Overtime - When scheduling overtime, supervisors shall attempt to equitably distribute overtime among all qualified employees and it shall be assigned to the most appropriate position classification which can perform the work.

Supervisors shall when possible, give employees reasonable advance notice of overtime work. When sufficient personnel with appropriate skills are not available on a voluntary basis to perform required overtime, employees who refuse to work assigned overtime or who fail to report upon notice for overtime work may be subject to appropriate disciplinary action.

- K. Compensatory Time Off - All employees covered by the Fair Labor Standards Act are eligible for compensatory time off in lieu of overtime pay when work hours exceed forty (40) hours in a seven (7) day work week or their work period hours. Employees cannot receive both compensatory time and overtime as compensation for the same excess hours worked. The city will grant compensatory time off in lieu of

overtime unless the operations of the city would be unduly disrupted by the employee's absence from work.

Accrual of compensatory time shall be limited to a maximum of forty (40) hours for all covered employees except those employees responding to an emergency or significant event. In this event, compensatory time may be temporarily accrued up to eighty (80) hours.

Compensatory time shall be accrued at a rate of one and one-half (1-1/2) hours for each excess hour worked. All compensatory time accrual as well as compensatory time taken, must be approved by the employee's supervisor and reviewed by his Department Head. Employees will be compensated for unused accrued compensatory time remaining at the time of separation from employment.

L. New Hires – The performance of all new hires shall be assessed during the six-month probationary period. At the end of the probationary period the employee shall be provided notice that he/she meets the minimum standards of the position and has been removed from probationary status. At the one-year anniversary of the hire date the employee is eligible for a merit-based increase not to exceed the most recent authorized increase as detailed in Chapter IV, Section 3. After the one-year anniversary all employees are eligible, but not entitled to, merit raises when authorized. However, the first raise after the one-year adjustment shall generally be pro-rated based upon the month of hire. For example, an employee who starts on May 1 and receives a full adjustment on the next May 1 will generally receive a pro-rated raise (7/12) on January 1.

- If an employee's pay was adjusted to the new minimum during his/her first year of employment, that employee remains eligible for an adjustment at the one-year anniversary. However, in that case the employee's maximum adjustment at the one-year anniversary cannot exceed the difference between the overall authorized increase and the adjustment to the minimum previously provided.

CHAPTER V
PERFORMANCE APPRAISAL PROGRAM

Section 1. Objectives

The objectives of the City of Chesterfield Performance Appraisal Program are to optimize each employee's job performance by providing good information to an employee in regard to established performance standards. Employees must be compared to their job description and work performance and not to their co-workers. The Performance Appraisal Program also provides managers and supervisors with a more acceptable tool for employee compensation decision-making.

Section 2. Policy

To accomplish the objectives of the Performance Appraisal Program, it is important that both managers and employees view the process as a positive tool to produce more effective working relationships and work ethic. This is more likely to occur when employees understand their job responsibilities, receive feedback on their performance against specific job standards and are given the opportunity to develop useful action plans to improve performance when deficiencies exist.

Section 3. Performance Appraisal Schedule

The City of Chesterfield Performance Appraisal Schedule shall be as follows:

- A. All new employees shall be evaluated prior to six (6) months of service from their date of hire. This six-month evaluation will determine whether the employee has satisfied the probationary requirements of the position. They shall be evaluated again after twelve (12) months of service from their date of hire. This twelve-month evaluation shall determine the basis for any merit-based increase as provided in Chapter IV, Section 7(L).
- B. After the six (6) month and twelve (12) month evaluations, all employees shall be evaluated annually prior to January 1. If the twelve-month evaluation detailed in Chapter V, Section A occurred June 1 or later that evaluation shall serve as the annual evaluation.
- C. Following the successful completion of the six (6) month probationary

evaluation and the annual evaluation thereafter, an employee shall be eligible for a merit based increase in compensation as determined in conjunction with the compensation plan in effect at the time of the evaluation. The total dollars budgeted for salary increases shall be determined each year by the City Council during the annual budget process.

Section 4. Performance Appraisal Evaluation

All evaluations completed by subordinate supervisors must be approved by each level of supervision in the department including the Department Head. The City Administrator shall evaluate all Department Heads and Executive staff.

The Department Head will forward their recommendations for merit awards to the Finance Director, who shall review them and forward them to the City Administrator for final approval.

The Supervisor and/or Department Head shall review all performance evaluations with the individual employees. Employees shall sign their evaluation forms and all original evaluation forms shall be returned to the Personnel Office to be filed permanently in the employee's personnel file. At a different meeting, the Department Head or his/her designee shall conduct the salary discussion and communicate the merit increase, if any.

Section 5. Performance Appraisal Appeal

If employees do not agree with the performance evaluation they receive, they may appeal the review to their Department Head. Signature on the evaluation form shall not signify acceptance of the evaluation. It shall merely be acknowledgement of the review with the employee by the Department Head. The appeal shall be filed separately. Employees can access forms on CCNET. All appeals must be filed within seven (7) days of the evaluation. Failure to submit a timely appeal will be regarded as acceptance of the evaluation, and the right to further appeal will be forfeited. Appeals must be filed in duplicate with the Department Head and the Human Resources Manager. The Human Resources Manager shall notify the City Administrator of all performance evaluation appeals.

Following receipt of an appeal, the Department Head must review and decide on the appeal within seven (7) days. The Department Head shall notify the

employee and Human Resources Manager of the decision. If the employee is unwilling to accept the determination of their Department Head, they may request the appeal be reviewed by the City Administrator. The City Administrator must review and decide on the appeal within fourteen (14) days. The decision of the City Administrator shall be final.

The performance appraisal appeal shall not be confused with the appeals process for the administration of discipline for employees. Disciplinary actions involving dismissal, suspension, or demotion shall be separately provided for in the grievance procedure described in the City of Chesterfield Personnel Rules and Regulations.

The appropriate form for a performance appraisal appeal may be obtained from the Human Resources Manager or on CCNET.

CHAPTER VI
COMPENSATION DECISION-MAKING

Section 1. Objective

It is the City of Chesterfield's objective to develop a fair and equitable linkage between the performance appraisal system and the merit pay plan. The compensation plan approved by the City Council shall be used for this purpose.

Section 2. Policy

All compensation decisions shall follow the performance appraisal process and the overall performance ratings for each employee shall be individually reviewed and awarded. All decisions regarding compensation should be made without the influence of issues which bear no relationship to the review of work performance.

Section 3. Merit Increases

A merit increase is the total payment granted an employee as a result of his overall performance rating. A merit increase cannot be granted which would result in any employee exceeding the maximum compensation assigned for their specific job title.

Section 4. Procedure to Determine Compensation

The following procedure shall be used in compensation decision-making:

- A. The Finance Director shall inform the Department Heads of the actual payroll and total dollars available for merit increases. The Finance Director shall also provide information relative to the current compensation classifications.
- B. The Performance Appraisal Program shall have specific guidelines for assisting Department Heads in tying the percent merit increase to the work performance score. When there are multiple employees within a single job title, the merit award assigned to each employee should reflect their relative performance ranking. In no circumstance, should an employee with a lesser performance ranking receive a superior merit increase as compared to a peer having the same job title, with a lower performance rank.

- C. The Department Head shall prepare Personnel Action Forms to affect all salary changes. After all signatures are affixed to the Personnel Action Form, and the Finance Director receives a copy, all salary changes shall be entered into the payroll system. Department Heads shall be responsible for informing their respective employees of increases to be received. Additionally, the Finance Director shall prepare statements for each employee affected by either the minimum salary adjustment or the conversion onto the annual review cycle.

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- D. Each position was assigned to the pay level which best represented its combined internal value to the City and external value in the marketplace.

Section 2. Annual Adjustment of Compensation Classification Ranges for Non-FOP employees

An annual uniform adjustment will be made to the compensation classification ranges based upon the All Urban Consumers (CPI-U) <https://data.bls.gov/timeseries/CUUR0200SA0egi-bin/surveymost?eu>, Midwest region, All items CUUR0200SA0, not seasonally adjusted, one-year

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recorded percent index change over the previous year, as reported for June in the prior calendar year. To ensure that the minimum and maximum value of the pay levels reflect the current market value of city jobs and the movement of salaries in comparable labor markets, the compensation plan ranges shall be adjusted annually, in January, immediately after distribution of the annual merit increases, if applicable. Individual salary increases will not occur as a result of this range adjustment process, unless the salary of an employee is beneath the minimum salary for his/her position after any merit increase has been awarded. In any year where the CPI is zero or less, there will be no adjustment to salary ranges the following year. However, in any given year, the annual compensation plan adjustment is limited to a value that shall not exceed 75% of the merit pool approved by City Council. This limitation is essential to preserve separation between existing employees and new hires.

Section 3. Determination of Annual Budget for Performance Based (Merit) Increases

As part of the initial Annual Budget submittal, the City Staff will include a merit based increase of 1.5 times the CPI-U referenced in Chapter IV, Section 2, with a minimum of three percent and a maximum of eight percent. It is understood that this value is included in the initial draft in order to present a more realistic draft budget and that Council will consider the value of the merit compensation increase pool and value and provide direction to staff as to a final value to include in the final budget submission. While it is imperative that the maximum and minimum compensation rates are adjusted to keep the City competitive in the labor markets, it is equally important that the merit pool exceed these adjustments to avoid compression and sufficiently compensate the existing employees.

The Finance and Administration Committee of Council of the whole, will review the value of the merit pool for compensation increases City Staff submittal and annually provide direction as to what value is to be included in the final budget submission make a recommendation to the full City Council regarding the merit pool, with regard to what amount to budget for performance based compensation adjustments in the upcoming budget. Staff will provide any/all information requested by the to the Finance and Administration Committee including but not limited to; CPI, relevant Cost

~~of Labor indexes, and City Revenues such that the Committee can provide the recommendation for the value of the merit pool budget. While Staff will submit an initial budget with a merit pool of 1.5 times the CPI-U, the decision as to what figure to include in the final budget submitted to City Council rests solely with the Finance and Administration Committee of the whole.~~

Should the City Council elect to fund an annual merit increase, the amount allocated to the annual budget will be based on the following, and any other factors the Council chooses to consider.

- A) A percentage stipulated and approved by City Council based upon ~~CPI~~, economic factors, ~~labor information~~, and revenues available to the City.
- B) Actual salaries of all current and eligible employees who were on the payroll as of September 1 of current year. This will exclude the salaries of employees who are at the maximum of the range for their job position, but may include a dollar sum adjustment to account for employees who may be near the maximum salary for their respective range and otherwise eligible for less than the approved percentage that has been allocated to the annual budget.
- C) It is anticipated that any merit increase dollars not used for employees who may have left the payroll prior to September 1 of the following year will be sufficient to allow and award partial year increases for those employees who may join the payroll after September 1 of the current year.
- D) There will be no allocation made for vacant positions as of September 1st of the current year or positions that are forecast to be vacant or eliminated.

~~A dollar figure will be calculated based upon the above criteria, and this amount will be forwarded to the City Council as a recommended value to be included in the proposed budget.~~

Section 4. Compensation Below Assigned Pay Level

~~In no event shall a probationary employee's compensation be increased as a result of the annual CPI-U compensation plan adjustment. A probationary employee may temporarily be compensated below grade, until they have successfully completed their probationary period and received their first~~

~~annual merit increase, at which time their compensation shall be adjusted to ensure they are within the appropriate pay grade.~~

~~If an employee's salary falls below the minimum compensation within a classification that employee's pay shall be raised to the new minimum. is too low to coincide with the position classification plan, the compensation will be increased to the minimum value of the newly assigned pay level.~~

Section 5. Compensation Above Assigned Pay Level

As a result of a compensation classification adjustment and/or the re-evaluation and reassignment of certain positions in the position classification plan, individual salaries may be above the maximum value of the appropriate pay level.

If an employee's salary is ~~above the maximum for their pay grade, too high,~~ they shall not receive merit increases until such time as they are within "recaptured" by the appropriate pay salary range defined for that position level. Once the employee's salary falls within the appropriate salary ~~range level,~~ they will once again be eligible for merit increases.

Section 6. Compensation Levels For New Hires

The salary level for a new employee will depend upon the employee's qualifications. As a rule, new employees will be hired at the minimum amount of their pay level. Any hires above the minimum pay level up to the established maximum salaries described in the previous paragraph, may not occur without a written recommendation by the Department Head to the City Administrator stating why the candidate exceeds the minimum qualifications for the position. New employees may be hired at a compensation level not more than ten percent (10%) above the minimum pay for their job classification with the expressed approval of the Department Head. When job or market conditions necessitate, new employees may be hired at a compensation level up to the job classification midpoint only with the written permission of the City Administrator.

If at any time, acute competition, demonstrated exceptional qualifications of a candidate and/or labor shortages in the labor market create an unusually difficult situation for hiring personnel, the City Administrator may request

that the Finance and Administration Committee so declare such situation and provide exemptions from the hiring salary limitation.

Section 7. Compensation Actions

The following types of compensation action may occur and affect the placement of any employee in the merit pay plan:

- A. Promotions - A promotion is the assignment of an employee from one position to another position having a higher maximum salary. When an employee is promoted to a position in a higher classification, the employee's salary shall be increased to not less than the minimum rate for the higher classification or to another point in salary range, whichever provides the employee with a salary increase of at least five percent (5%) above their current rate of pay. This action should be distinguished from a reclassification of a position which is assigned to a higher pay level.

- B. Demotions - A demotion is the involuntary assignment of an employee from one position to another position having a lower maximum salary. When an employee is involuntarily demoted to an assignment in a classification having a lower maximum rate than the salary received at the time of reassignment, then the employee shall receive the maximum rate established for the classification to which the employee is being demoted; otherwise, the employee shall receive their present rate if that rate is lower than the maximum rate of the classification to which they are being demoted.

- C. Separations - Separations shall include resignation, dismissal, retirement, lay-off, disability or death. No salary actions shall be taken as a result of an employee's separation, unless such action is specified by ordinance or an employee contract.

- D. Transfer - A transfer is the voluntary assignment of an employee from one position to another position having either a lower or higher maximum salary. An employee who voluntarily transfers to another position will be subject to the pay level of the position being accepted and will start at a salary most equivalent to their salary in the previous

position but not to exceed the maximum rate of the new range or fall below the minimum rate of the new range.

- E. Performance - Performance is the carrying out of required action and displayed patterns of behavior. Performance evaluations shall determine performance levels and the assigned merit increases according to performance.

- F. Overtime - All full-time non-exempt employees covered by the Fair Labor Standards Act must be compensated at the rate of 1-1/2 times the number of hours worked over forty (40) in a seven (7) day work week or over an established work period or receive compensatory time off. The work week for purposes of this section shall be defined as beginning at 12:01 a.m. Sunday morning and proceeding for seven (7) full continuous days until midnight the following Saturday night. Authorized absences with pay during the work week or work period because of vacation, holidays, military training leave, or compensatory time off shall be considered authorized work for the purposes of calculating overtime. The City reserves the right to change work schedules during the work week or work period to reduce overtime liability.

- G. Overtime/Callouts on Holidays and Vacation - Any non-exempt employees covered by the Fair Labor Standards Act, who are called to work on a holiday or while on vacation shall be paid at the rate of one (1) times the employee's hourly rate for all hours worked. Such overtime compensation shall be in addition to regular pay received for the holiday. Both the holiday hours and the hours worked on the holiday shall be included in the calculation of all hours worked for the work week.

- H. Call-Outs - If an employee is called back to work outside of a normally scheduled work day or is called back to work after having completed a regularly scheduled work day, the City shall compensate the employee a minimum of two (2) hours.

- I. Approval of Overtime - The City shall not be obligated to pay overtime not expressly authorized in advance by a direct supervisor. Employees

who perform unauthorized overtime work shall not receive payment. All overtime should be recorded and claimed in the appropriate pay period and on the appropriate time sheet.

- J. Scheduling of Overtime - When scheduling overtime, supervisors shall attempt to equitably distribute overtime among all qualified employees and it shall be assigned to the most appropriate position classification which can perform the work.

Supervisors shall when possible, give employees reasonable advance notice of overtime work. When sufficient personnel with appropriate skills are not available on a voluntary basis to perform required overtime, employees who refuse to work assigned overtime or who fail to report upon notice for overtime work may be subject to appropriate disciplinary action.

- K. Compensatory Time Off - All employees covered by the Fair Labor Standards Act are eligible for compensatory time off in lieu of overtime pay when work hours exceed forty (40) hours in a seven (7) day work week or their work period hours. Employees cannot receive both compensatory time and overtime as compensation for the same excess hours worked. The city will grant compensatory time off in lieu of overtime unless the operations of the city would be unduly disrupted by the employee's absence from work.

Accrual of compensatory time shall be limited to a maximum of forty (40) hours for all covered employees except those employees responding to an emergency or significant event. In this event, compensatory time may be temporarily accrued up to eighty (80) hours.

Compensatory time shall be accrued at a rate of one and one-half (1-1/2) hours for each excess hour worked. All compensatory time accrual as well as compensatory time taken, must be approved by the employee's supervisor and reviewed by his Department Head. Employees will be compensated for unused accrued compensatory time remaining at the time of separation from employment.

L. New Hires – The performance of all new hires shall be assessed during the six-month probationary period. At the end of the probationary period the employee shall be provided notice that he/she meets the minimum standards of the position and has been removed from probationary status. At the one-year anniversary of the hire date the employee is eligible for a merit-based increase not to exceed the most recent authorized increase as detailed in Chapter IV, Section 3. After the one-year anniversary all employees are eligible, but not entitled to, full merit raises when authorized in January or any other time. However, the first raise after the one-year adjustment shall generally be pro-rated based upon the month of hire. For example, an employee who starts on May 1 and receives a full adjustment on the next May 1 will generally receive a pro-rated raise (7/12) on January 1.

- If an employee's pay was adjusted to the new minimum during his/her first year of employment, that employee remains eligible for an adjustment at the one-year anniversary. However, in that case the employee's maximum adjustment at the one-year anniversary cannot exceed the difference between the overall authorized increase and the adjustment to the minimum previously already provided.

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CHAPTER V
PERFORMANCE APPRAISAL PROGRAM

Section 1. Objectives

The objectives of the City of Chesterfield Performance Appraisal Program are to optimize each employee's job performance by providing good information to an employee in regard to established performance standards. Employees must be compared to their job description and work performance and not to their co-workers. The Performance Appraisal Program also provides managers and supervisors with a more acceptable tool for employee compensation decision-making.

Section 2. Policy

To accomplish the objectives of the Performance Appraisal Program, it is important that both managers and employees view the process as a positive tool to produce more effective working relationships and work ethic. This is more likely to occur when employees understand their job responsibilities, receive feedback on their performance against specific job standards and are given the opportunity to develop useful action plans to improve performance when deficiencies exist.

Section 3. Performance Appraisal Schedule

The City of Chesterfield Performance Appraisal Schedule shall be as follows:

- A. All new employees shall be evaluated ~~prior to~~ after six (6) months of service from their date of hire. This six-month evaluation will determine whether the employee has satisfied the probationary requirements of the position. They shall be evaluated again after twelve (12) months of service from their date of hire. This twelve-month evaluation shall determine the basis for any merit-based increase as provided in Chapter IV, Section 7(L).
- B. After the six (6) month and twelve (12) month evaluations, all employees shall be evaluated annually prior to January 1. If the twelve-month evaluation detailed in Chapter V, Section A occurred June 1 or later that evaluation shall serve as the annual evaluation. ~~If a new employee received their twelve (12)-month service evaluation~~

~~after January 1 and prior to April 1 of any given year, they shall be added to the next annual evaluation cycle with all other employees on November 1. If a new employee has received his twelve (12) month service evaluation on or after April 1 and prior to January 1, they shall not be required to be evaluated during the next regular annual evaluation cycle. They shall, however, be eligible for a pro-rata merit increase effective the first full pay period after January 1st, based upon the percentage amount included in the fiscal year budget for merit increases. From that date forward, the employee shall be included in the regular January 1st evaluation cycle.~~

- C. Following the successful completion of the ~~six (6) twelve (12)~~ month probationary evaluation and the annual evaluation thereafter, an employee shall be eligible for a merit based increase in compensation as determined in conjunction with the compensation plan in effect at the time of the evaluation. The total dollars budgeted for salary increases shall be determined each year by the City Council during the annual budget process.

Section 4. Performance Appraisal Evaluation

All evaluations completed by subordinate supervisors must be approved by each level of supervision in the department including the Department Head. The City Administrator shall evaluate all Department Heads and Executive staff.

The Department Head will forward their recommendations for merit awards to the Finance Director, who shall review them and forward them to the City Administrator for final approval.

~~Prior to the six (6) month or twelve (12) month service date or January 1, The Supervisor and/or the Department Heads shall review all performance evaluations with the individual employees, in their respective department. Employees shall sign their evaluation forms and all original evaluation forms shall be returned to the Personnel Office to be filed permanently in the employee's personnel file. At a different meeting, the Department Head or his/her designee shall conduct the salary discussion and communicate the merit increase, if any.~~

Section 5. Performance Appraisal Appeal

If employees do not agree with the performance evaluation they receive, they may appeal the review to their Department Head. Signature on the evaluation form shall not signify acceptance of the evaluation. It shall merely be acknowledgement of the review with the employee by the Department Head. The appeal shall be filed separately. Employees can access forms on CCNET. All appeals must be filed within seven (7) days of the evaluation. Failure to ~~submit a timely appeal~~ submit a timely appeal will be regarded as acceptance of the evaluation, and the right to further appeal will be forfeited. Appeals must be filed in duplicate with the Department Head and the Human Resources Manager. The Human Resources Manager shall notify the City Administrator of all performance evaluation appeals.

Following receipt of an appeal, the Department Head must review and decide on the appeal within seven (7) days. The Department Head shall notify the employee and Human Resources Manager of the decision. If the employee is unwilling to accept the determination of their Department Head, they may request the appeal be reviewed by the City Administrator. The City Administrator must review and decide on the appeal within fourteen (14) days. The decision of the City Administrator shall be final.

The performance appraisal appeal shall not be confused with the appeals process for the administration of discipline for employees. Disciplinary actions involving dismissal, suspension, or demotion shall be separately provided for in the grievance procedure described in the City of Chesterfield Personnel Rules and Regulations.

The appropriate form for a performance appraisal appeal may be obtained from the Human Resources Manager or on CCNET.

CHAPTER VI
COMPENSATION DECISION-MAKING

Section 1. Objective

It is the City of Chesterfield's objective to develop a fair and equitable linkage between the performance appraisal system and the merit pay plan. The compensation plan approved by the City Council shall be used for this purpose.

Section 2. Policy

All compensation decisions shall follow the performance appraisal process and the overall performance ratings for each employee shall be individually reviewed and awarded. All decisions regarding compensation should be made without the influence of issues which bear no relationship to the review of work performance.

Section 3. Merit Increases

A merit increase is the total payment granted an employee as a result of his overall performance rating. A merit increase cannot be granted which would result in any employee exceeding the maximum compensation assigned for their specific job title.

Section 4. Procedure to Determine Compensation

The following procedure shall be used in compensation decision-making:

- A. The Finance Director shall inform the Department Heads of the actual payroll and total dollars available for merit increases. The Finance Director shall also provide information relative to the current compensation classifications.
- B. The Performance Appraisal Program shall have specific guidelines for assisting Department Heads in tying the percent merit increase to the work performance score. When there are multiple employees within a single job title, the merit award assigned to each employee should reflect their relative performance ranking. In no circumstance, should an employee with a lesser performance ranking receive a superior merit increase as compared to a peer having the same job title, with a lower performance rank.

- C. The Department Head shall prepare Personnel Action Forms to affect all salary changes. After all signatures are affixed to the Personnel Action Form, and the Finance Director receives a copy, all salary changes shall be entered into the payroll system. Department Heads shall be responsible for informing their respective employees of increases to be received. Additionally, the Finance Director shall prepare statements for each employee affected by either the minimum salary adjustment or the conversion onto the annual review cycle.