



CITY OF WATAUGA – PERSONNEL, ADMINISTRATION AND FINANCIAL POLICIES AND PROCEDURES MANUAL

POLICY TITLE	Classification and Compensation Plan
INITIAL EFFECTIVE DATE	October 24, 2016
LAST REVISION DATE	January 1, 2023
POLICY NUMBER	6.04

OBJECTIVE It is the policy of the City of Watauga to provide a systematic and organized approach for the administration of salaries for classified employees in a uniform, city-wide basis and to provide equitable and competitive compensation based on position classification, performance, and market analysis. It is the philosophy of the City to compensate employees in direct relation to the value of the position and their contributions to the success of the City and their department goals and objectives.

SCOPE This policy applies to all employees. Police Officers and Fire Fighters are subject to the applicable provisions of Texas Local Government Code Chapter 143, the Rules of the City of Watauga Firefighters and Police Officers Civil Service Commission, and the general and special orders of the Police and Fire Departments, which may incorporate some or all of the provisions of this policy.

POLICY

A. Definitions

1. **Regular Full-Time Employee:** Employees who are scheduled to work a full work week (40 hours/week) or a full work period on a regular basis and have successfully completed probation with the city. These employees are eligible for full benefits.
2. **Regular Part-Time Employee:** Employees who are scheduled to work less than a full work week schedule or less than a full work period and have successfully completed probation with the city. These employees whose positions are scheduled to work at least 1,000 hours per year (20 hours/week but less than 40 hours/week) must participate in TMRS retirement plan.
3. **Probationary Employee:** Full-time or part-time employees who have not yet completed their initial probationary period, which is generally six (6) months but may be extended up

to one (1) year from hire date. Probationary employees can be either full-time or part-time. See **Policy 3.03 Probation Period**.

4. **Part Time Employee Under 20 Hours** – Employees who are scheduled to work 20 hours or less are not eligible for Benefits such as Vacation, Holiday, and Sick. Employees work less than 1000 hours per year will participate in a retirement plan with the City through PARS (Public Agency Retirement Service) provider.
5. **Temporary Employee:** Full-time or part-time employees who are hired for a specific period of time, determined at the onset of employment and is usually twelve (12) months or less. Part-time employees whose function is to supplement the regular work force on a sporadic as-needed basis. Employees must work less than 1,000 hours per calendar year (19 hours/week or less). Temporary employees do not accrue benefits; however, they must participate in the Part-time, Temporary, or Seasonal (PTS) retirement plan through the city's PARS (Public Agency Retirement Service) provider.
6. **Dual Employment:** No employee may hold more than one position within the City of Watauga at any given time.
7. **Range:** A designation within the structure; linked through the midpoint (control point) to the external prevailing wage; all positions within an assigned grade have similar relative internal and external value.
8. **Minimum:** Typically, the rate at which an employee is paid who has acquired the minimum qualifications.
9. **Midpoint:** Statistical average of the surveyed data for positions assigned to that grade. Calculation = (Minimum + Maximum)/2
10. **Maximum:** Typically, the maximum value of a position and above which an incumbent's pay should not exceed; long-tenured staff with little position movement typically will have a pay rate toward the top end of the assigned grade.
11. **Exempt Position:** Positions paid on a salaried basis as determined by Human Resources based on job analysis to ensure compliance with Fair Labor Standards Act (FLSA). Exempt from coverage of the overtime rule; therefore, not eligible for compensation for hours worked in excess of 40 in the work week.
12. **Non-Exempt Position:** Positions paid on an hourly basis as determined by Human Resources based on job analysis to ensure compliance with Fair Labor Standards Act (FLSA). Compensation of all hours worked including hours in excess of 40 in a work week either through overtime (time and ½) or compensatory time.

B. City of Watauga Classification and Compensation Plan

1. The Human Resources Department maintains the City's Classification and Compensation Plan. The plan includes the positions and salary ranges for all employees of the City of Watauga. When extensive changes occur, Department Directors may submit written requests to the City Manager through the Director of Human Resources to reclassify current position(s). **Policy 6.06 Position Classification and Evaluation** provides direction regarding the reclassification process.
2. The administration of the pay system is under the direction of the Director of Human Resources, who is responsible for the following:
 - a. Communication of pay issues with the workforce, including training, orientation and other processes.
 - b. Conducting salary surveys annually to adjust the salary structure as established through budgetary guidelines and eligibility criteria.
 - c. Utilizing comparator cities adopted by the City Council to evaluate compensation for its Non-Civil Service (Exempt/ Non-Exempt) and Civil Services positions.
3. The classification plan comprises a list of job titles supported by written job descriptions setting forth the duties and responsibilities of each job and the qualifications necessary for appointment to a position of that job. The classification plan shall:
 - a. Provide equal pay for equal work under the provisions of the Equal Pay Act.
 - b. Establish qualification requirements for recruiting applicants.
 - c. Provide supervisors with a means of analyzing work distribution, areas of responsibility, lines of authority and other relationships between positions.
 - d. Assist departments in determining budget requirements.
 - e. Provide a basis for developing standards of work performance.
 - f. Provide uniform titles for positions.

C. Employee Compensation

1. Compensation Plan
 - a. The Human Resources Department maintains the compensation plan. The plan includes a schedule listing pay at the minimum, midpoint and maximum for each salary range. The minimum represents the minimum salary level for a new employee meeting the minimum qualifications of the job.

- b. Salaries are listed on an annual, monthly and hourly basis for both exempt and non-exempt positions. Part-time employees are classified as non-exempt.

2. Starting Salary

New employees meeting the minimum job requirements are hired at the “minimum” salary. There may be circumstances where a new employee offers an unusual skill level, the number of qualified applicants is lacking, or there may be market conditions or specific job duties requiring higher compensation levels, in which the employee may be offered compensation above the “minimum,” contingent upon available funding. Starting salaries above the minimum require the approval of the City Manager.

3. Changes in Compensation

The City Manager must authorize all salary adjustments, except for adjustments to zero during a separation of employment. The City Council must authorize compensation adjustments for the City Manager.

The City Manager is prohibited from authorizing any change in any employee's salary or wages that exceeds the pay ranges approved in the Classification Plan that has been approved by the City Council. Any change in salary or wages outside of the Classification Plan requires the prior consent and approval of the City Council in an open meeting.

The following types of increases may be given as approved through the budgetary process.

a. Merit Increase (Non-civil service employees)

The compensation plan is designed to allow pay increases to employees rewarding ability, education and efficiency with consideration given to market factors for each job. Dependent upon budgetary appropriations individual increases may be granted upon recommendation of Department Directors, who shall give careful consideration to the performance record of each employee. Merit increases are given to an employee based on an assessment of their work performance based on their annual written performance evaluation. Evaluations are based on calendar year, due March 1st of each year. For employees who have received a probationary evaluation within 60 days of the end of the calendar year, annual evaluations are not required.

The amount of merit increase is determined annually through the budgeting process. The schedule for the ratings is determined by the City Manager using this format:

Rating Scale:

- 5 - Far Exceeds 3%
- 4 - Exceeds Expectations 2%
- 3 - Meets Expectations 1%
- 2 - Below Expectations
- 1 - Needs Improvement

b. Market Increase

Market increases are based on results of an annual compensation market study. It occurs when an assigned grade of the job is adjusted to a grade higher and the affected position's current salary falls below the minimum of the new grade.

c. Cost of Living Adjustments

Across-the-board pay rate increases occur at the beginning of the fiscal year if approved by City Council. Typically, these types of increases are given as Cost of Living Adjustment (COLA). A COLA adjusts salaries based on changes in the Consumer Price Index or some other measurement.

d. Equity Adjustment

Equity adjustments are intended to correct a pay disparity within a job classification. Equity adjustments will be made on a case-by-case basis and must be approved by the City Manager subject to fund availability.

Employees under active disciplinary action may have their increases withheld until performance returns to acceptable standards. These will be reviewed by the Department Director and City Manager on case-by-case basis. This section does not apply to Civil Service employees.

D. Promotions

If an employee is promoted to another classification in a higher salary range, the employee's rate of pay may be increased in accordance with the same criteria outlined for new hires in **Section C. 2. Starting Salary** of this policy. In no case shall the employee's rate of pay be less than the minimum of the higher pay range. **See Section 3.02 Selection Process, D. Promotions** for more information.

E. Demotions

1. An employee who is either voluntarily or involuntarily demoted to a classification with a lower pay range or lower maximum salary shall have their salary reduced by a minimum of 5% unless otherwise authorized by the City Manager.
2. The salary for employees receiving voluntary or involuntary demotions must be placed below the maximum pay level of the assigned salary range.

3. **See Policy 3.02 Selection Process, F. Demotions and Policy 11.01 Discipline Section B.5. Demotions** for more information.

F. Lateral Transfers

1. When an employee applies and is selected for a position in the same salary range this is considered a lateral transfer. In most cases of lateral transfers, the employee's rate of pay will remain unchanged unless otherwise authorized by the City Manager.
2. **See Section 3.02 Selection Process, E. Lateral Transfers** for more information.

G. Compensation At or Exceeding Top of Pay Range

Employees whose base salary is at, or exceeds, the maximum of their pay range, shall receive an annual one time lump sum in lieu of any across-the-board or merit increases. Lump sum payments shall be approved by the City Manager. The lump sum payment shall not be included in the employee's annual salary. As such, it will not be considered in calculating any rate-based pay increases, determining the amount of life insurance or disability insurance provided to the employee by the City or any other salary-based considerations unless required by law or City policy.

H. Completion of Probationary Period Increase

A newly hired or promoted employee who successfully completes the six (6) month probationary period may be authorized an increase up to five percent (5%) of their salary based on their 6-month evaluation by their respective Department Director as approved by the City Manager.

I. Compensation for Supervisors

All supervisors shall be paid at a higher rate than their subordinates. In the event that a supervisor is paid a rate of pay equal to or less than one or more of their assigned subordinates, the supervisor shall be advanced to a rate of pay five percent (5%) higher than any subordinate.

J. Temporary Assignment Pay

An employee who is required to serve in a position of a higher classification shall receive a minimum of ten percent (10%) above the present salary of the employee as approved by the City Manager. The amount will be based on the employee's knowledge, skills, abilities, experience, training, and education.

The following must occur to qualify for the higher pay:

1. The employee must be able to perform the duties of the position of higher classification.

2. The employee is asked to serve in a position of a higher classification.
3. The employee accepts the responsibility for work in a higher position.
4. The assignment to a higher-class position is regular and continuous in character for at least thirty (30) days.
5. The assignment is approved by the Department Director. If it is a Department Director position, the City Manager or their designee will make the determination.

Duty Assignments for Civil Service employees are governed by Chapter 143 of the Local Government Code and the City of Watauga Firefighters' and Police Officers' Civil Service Rules and Regulations, Chapter 7.

Employees who separate employment while on Temporary Assignment Pay will not be paid previously accrued hours at Temporary Assignment pay.

An employee may be temporarily assigned to the work of any position of the same or lower-class grade without change in pay.

K. Sign-on Bonuses

Police Officer applicants who are certified Peace Officers and meet the qualifications and requirements of the Watauga Police Department may receive a sign-on bonus. The amount will be subject to available funds. Applicants will receive half of the bonus at the time of hire. The other half will be paid upon successful completion of the Field Training Officer (FTO) program.

L. Employee Recruitment Compensation

Employees who expend time and effort to recruit prospective Police Officer applicants, who possess the credentials of being a certified peace officer in Texas and who meet the qualifications and requirements of the Watauga Police Department, may receive Employee Recruitment Compensation. The amount will be subject to available funds.

The following policies apply:

1. The Police Applicant Candidate must be hired by the City of Watauga Police Department and successfully complete the Field Training Officer (FTO) program. Once this is satisfied, the recruiting employee will be eligible to receive Employee Recruitment Compensation.
2. The recruiting employee must complete and submit the Police Candidate Recruitment Form (**See Appendix A**) to Human Resources prior to the date the applicant takes the department entrance examination.
3. The recruiting employee must be employed with the City of Watauga to receive Employee Recruitment Compensation.
4. The first employee to complete the Police Candidate Recruitment Form will be the only employee eligible for payment.
5. All information regarding the hiring decision will remain strictly confidential.

Appendix A



Police Candidate Recruitment Form

Entrance Examination Date: _____

Police Candidate's Name: _____

Date Candidate Applied: _____

Recruiting Employee's Name: _____

Recruiting Employee's Phone Number: _____

I have read and understand the City of Watauga policy *Employee Recruitment Compensation* found in Policy 6.04 Classification and Compensation Plan, Section L.

Recruiting Employee's Signature

Date

INTERNAL USE ONLY

Date form was received: _____ HR Initials: _____

Was candidate hired by WPD? Yes No (Circle)

Date of Hire: _____ HR Initials: _____

Date Candidate completed Field Training Officer Program: _____

Payroll Date for Employee Recruitment Compensation: _____

Approved Amount: _____

Approvals:

HR Director

Date

City Manager

Date