

ORDINANCE NO. 132-2017

**TITLE: AMENDING COMPENSATION PROCEDURES
FOR THE NON-BARGAINING PAY PLAN**

**AN ORDINANCE AMENDING ORDINANCE NO. 24-2001 OF
COMPENSATION PROCEDURES FOR THE NON-BARGAINING PAY PLAN,
AND DECLARING AN EMERGENCY.**

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Barberton, State of Ohio:

SECTION 1. That Council hereby amends Ordinance No. 24-2001 Titled “Compensation Procedures for the Non-Bargaining Pay Plan” which now reads as follows:

1. Objectives

The main goal in developing a system of compensation is to establish a plan which will assist an employer in attracting and retaining qualified employees. To meet this goal, Clemans, Nelson & Associates, Inc. was retained in 1997 to assist the City in updating its compensation system with the following objectives in mind:

- a. to establish and maintain a sound, realistic, competitive rate structure;
- b. to establish and maintain fair and equitable pay differentials between classifications;
- c. to establish and maintain rates that consider the impact of the labor market as well as the City’s compensation philosophy; and,
- d. to encourage employees to seek and obtain promotions to management positions.
(Ord. No. 247, 11/22/99)

2. Plan Structure

The salary schedule has been developed to include nine (9) pay grades with a range of forty percent (40%) between the minimum and maximum rates for the lowest pay grade up to a range of fifty percent (50%) between the minimum and maximum rates for the highest pay grade. Each pay grade will include a minimum, a midpoint and a maximum rate of pay. The advantage of this type of structure is that it allows the City greater flexibility in the granting of pay increases, unlike a step system.

Each classification is assigned to a pay grade based upon the results of the wage survey, point factor analysis and the City’s pay philosophy. Employees shall advance through their assigned pay grade by way of receiving periodic increases.

Minimum, Midpoint and Maximum Rate

The minimum rate for each pay grade, and the classification assigned to that grade, is the base or starting rate. New employees shall normally be hired at the minimum rate for their classifications. Exceptions may be made for new employees who possess outstanding qualifications and experience. However, no new employee shall be hired above the midpoint without Council approval. (Ord. No. 16-1998, 2/9/98) “New employee,” for purposes of this procedure, does not include an employee currently employed by the City. (Ord. No. 247-1999, 11/22/99) The maximum rate is the top rate for a pay grade. No employee should be paid at a rate which exceeds the maximum rate for the pay grade. The maximum rate must, of course, increase whenever the salary schedule is adjusted upward.

A transfer is the act of moving an employee from a position in a department or division to a position with the same classification title in another department or division. A transfer is a change in work location and supervision of the employee, not a significant change in job duties. An employee's wages will not be affected by this type of personnel action.

Lateral Movement

A lateral movement is when an employee accepts appointment to a position which is in a different classification than the former position. However, the classifications are assigned to the same pay grade in the salary schedule and the employee's wages will not be affected by this type of personnel action.

Temporary Assignment

A temporary assignment is the act of assigning an employee to a job classification different than the employee's own for a temporary period of time. Such assignments normally occur because of illness, emergencies or other special circumstances.

An employee temporarily assigned to a classification with a lower rate of pay will not be reduced in pay. An employee temporarily assigned to a classification with a higher rate of pay should be advanced to whichever is the greater of the following:

- a. to the minimum rate for the classification to which the employee has been temporarily assigned; or,
- b. to a rate of pay which is at least five percent (5%) greater than the current rate of pay. However, no temporary increase will exceed the maximum rate of pay established for a classification.

In order to receive a temporary increase, an employee must be temporarily assigned the full duties and responsibilities of the higher-level classification. Temporary assignment of partial duties and responsibilities of the higher-level classification will not qualify an employee for a temporary increase. Also, an employee who is temporarily assigned partial duties and responsibilities of a lower level classification will not be eligible for additional compensation.

4. Plan Maintenance

Maintenance of the City of Barberton's compensation system is an important task which cannot be neglected. Failure to properly maintain the plan may eventually result in recruitment problems, pay inequities between classes, lowered employee morale, higher employee turnover and other related organizational problems.

There are numerous factors and influences which may contribute to the erosion of a compensation plan's validity. Common factors and influences generating change include:

- a. additions of new functions or responsibilities to a classification;
- b. abolishment or elimination of a classification's functions or responsibilities;
- c. reorganization of an organizational function, resulting in the consolidation of work activities;
- d. gradual change of a position by addition, deletion or modification of duties and responsibilities; and/or,
- e. new or revised licensure or certification requirements dictated by law.

In addition to the above factors, ever-changing market conditions may dictate that the compensation plan be upgraded in order for the City to remain in a competitive posture with comparable jurisdictions.

Since it has been pointed out that the compensation plan needs to be updated on a periodic basis in order to remain internally equitable and externally competitive, the following general procedures should be followed in order to achieve these results.

On each occasion when a position is classified or re-classified, it will be necessary to review that position's pay grade assignment in order to ensure that equity between classifications is maintained. If the position is assigned to a currently existing classification, it will only be necessary to reassign the position's pay grade to the level paid for that classification. If, on the other hand, the position is classified or re-classified to a new classification, i.e., a classification which does not currently exist in the City's classification plan, it will be necessary to point factor the new classification in order to determine the proper pay grade assignment.

In addition to the continual maintenance process, it is recommended that the City conduct a wage survey of benchmark positions on a periodic basis. It is recommended that such a survey be conducted at least every two (2) years. The wage survey will help to ensure that wage rates paid to employees are competitive and continually reflective of changing labor market conditions.

When conducting a wage survey, it is an opportune time to compare the current pay rates with the existing salary schedule to determine if a disproportionate number of rates are compressed toward the upper end of the pay ranges. If such is the case, a large percentage of employees may soon reach their maximum rates of pay, resulting in little opportunity for future financial growth with the City in their present positions. This may lead to dissatisfaction among the work force.

The most economical method of resolving this problem is to encourage the affected employees to bid on higher level positions. This not only adds to employee satisfaction, but fills upper level positions with employees who have demonstrated their work and abilities to the City.

It may be determined, however, that this method of resolving the problem of employees who are at their maximum rates is not feasible due to a large number of employees at or near the end of their pay range. It may be necessary in this situation to revise the entire salary schedule upward if such action is justified by the wage survey data. It needs to be emphasized, however, that if the wage survey data indicates that the schedule is competitive, the City is justified in allowing the situation of employees who are at their maximum rates to exist, since one of the premises of any sound compensation plan is that there is a maximum rate of pay for which any job is worth to an organization.

be and the same is hereby amended to read as follows:

A. Objectives

The goal in developing a system of compensation is to establish a plan which will assist an employer in attracting and retaining qualified employees. To meet this goal, Clemans, Nelson & Associates was retained in 1996 and 2014 to assist the City in updating its compensation system with the following objectives in mind:

1. to establish and maintain a sound, realistic competitive rate structure;
2. to establish and maintain fair and equitable pay differentials between classifications;
3. to establish and maintain rates that consider the impact of the labor market as wells as the City's compensation philosophy; and,
4. to encourage employees to seek and obtain promotions to management positions.

B. Plan Structure

Pay Grades. A Pay Grade Schedule has been developed to include nine (9) separate Pay Grades for Non-Bargaining employees. Within each Pay Grade a Minimum, Midpoint and Maximum rate of pay has been established. The Minimum, Midpoint and Maximum rates of pay have been benchmarked against the market to establish appropriate ranges of compensation.

Each Position is assigned to a Pay Grade based upon the evaluation of the job description using the Point Factor Manual. The Point Factor Manual was adopted within the Clemans, Nelson & Associates contract and per Ordinance No. 134-1997.

1. Step Increases: Years 1-9

Non-Bargaining employees in Pay Grades 1-9 shall advance through their assigned Pay Grade by receiving an annual Step Increase. An annual Step Increase shall begin the first pay period of the month an employee was appointed to their current position and current Pay Grade. Non-Bargaining employees shall not receive an annual Step Increase after the final step increase is given on the first pay period of the month of the ninth year of employment.

2. In no event shall any increase exceed the Maximum rate of pay established for a Pay Grade.

3. Ordinance No. 34-2017 Section 5:

City Council recognizes that maintaining the Pay Plan Procedure is critical to avoiding pay compression with the City's pay structure; future cost of living increases shall be as follows:

Non-Bargaining employees shall receive a cost of living raise based on the yearly average of all union contracts.

C. **Hiring**

Employees with no prior work experience with the City hired in Pay Grades one (1) through six (6) shall start at Step 1.

The Appointing Authority may exercise discretion when hiring employees with no prior work experience with the City in Pay Grades 7, 8, and 9 as follows:

1. Newly hired employees in Pay Grades 7, 8, and 9 may be hired between Step 1 and Step 6 without City Council approval. If the Appointing Authority chooses to hire an employee in Pay Grades 7, 8, or 9 @ a Step higher than Step 6, the Appointing Authority shall request City Council approval. Such approval requires 7 affirmative votes.

2. Current Non-Bargaining employees hired into Pay Grades 7, 8, and 9 and at a step higher than Step 1, shall be placed in the associated step in the Pay Schedule and advance through their assigned Pay Grade according to the Step in which they were placed.

Example: A Non-Bargaining employee hired in Pay Grade 8 at Step 7 shall be placed within the Pay Schedule at Step 7 and shall not advance to Step 8 until the first pay period of the month of their eight-year anniversary date.

D. **Advancement**

1. Non-Bargaining Employees

- a. Non-Bargaining Employees Promoted according to Section B., shall be placed in Pay Grades 1-6 as follows
 - i. in the higher Pay Grade and;
 - ii. one Step above the employee's current salary or rate of pay.
- b. Non-Bargaining Employees Promoted from a pay grade to Pay Grades 7, 8, or 9 shall be placed as follows:
 - i. in the higher Pay Grade and;
 - ii. one Step above the employee's current salary; or,
 - iii. pursuant to Section D (1)

2. Bargaining Unit Employees

- a. Bargaining Unit employees accepting a Non-Bargaining Position within Pay Grades 1-6 shall be placed within the appropriate Pay Grade as follows:
 - i. in the Pay Grade according to the position and;
 - ii. one Step above the employee's Annual Base Wage.

The Annual Base Wage is calculated as 2080 hours x employee's hourly rate at the time of appointment = Annual Base Wage.

- b. Bargaining Unit employees accepting a Non-Bargaining position within Pay Grades 7, 8, or 9 shall be placed as follows:
 - i. in the Pay Grade according to the position and;
 - ii. one step above the employee's current Annual Base Wage as calculated in this Section (2. B.) or;
 - iii. pursuant to Section D (1).

- 3. Current Bargaining Unit employees accepting a Non-Bargaining position within Pay Grades 7, 8, or 9 and at a Step higher than Step 1, shall advance through their assigned Pay Grade according to the Step in which they were promoted.

Example: An employee placed into Pay Grade 8 at Step 7 shall be placed within the Pay Schedule at Step 7 and shall not advance to Step 8 until the first pay period of the month of their eight-year anniversary date of the promotion into the current Pay Grade.

- 4. Current Bargaining employees accepting a Non-Bargaining position in all Pay Grades shall retain their total City service credit for purposes of sick leave, vacation, and severance and retirement benefits.

E. **Movement between Pay Grades**

1. Promotion

A Promotion is the act of placing an employee in a higher Pay Grade which requires greater skills, knowledge and abilities to perform more complex and responsible work than the employee was required to perform in a previous position.

2. Demotion

A Demotion is the act of reducing an employee to a Pay Grade which requires the performance of less complex or less responsible work than the employee was required to perform in the previous position. A demotion shall result in a salary reduction.

3. Transfer

A Transfer is the act of moving an employee from a position in a department or division to a position with the same Pay Grade with the City. A Transfer is a change in work location and supervision of the employee, not a significant change in job duties. An employee's wages will not be affected by a Transfer.

4. Temporary Assignment

A Temporary Assignment is the act of assigning an employee to a position different than the employee's own for a temporary period of time. Such assignments normally occur because of illness, emergencies or other special circumstances.

An employee Temporarily Assigned to a position in a lower Pay Grade will not be reduced in pay. An employee Temporarily Assigned a position in a higher Pay Grade should be advanced to whichever is the greater of the following:

- a. to the minimum rate for the position to which the employee has been Temporarily Assigned; or,
- b. Commiserate with the employee's years of service.

In order to receive a temporary increase, an employee must be Temporarily Assigned the full duties and responsibilities of the higher-level position. Temporary Assignment of partial duties and responsibilities of the higher-level position will not qualify an employee for a temporary increase. Also, an employee who is Temporarily Assigned partial duties and responsibilities of a lower-level position will not be eligible for additional compensation.

F. **Plan Maintenance**

Maintenance of the City of Barberton's compensation system is an important task which cannot be neglected. Failure to properly maintain the plan may eventually result in recruitment problems, pay inequities between Pay Grades, lowered employee morale, higher employee turnover and other related organizational problems.

There are numerous factors and influences which may contribute to the erosion of a compensation plan's validity. Common factors and influences generating change include:

1. additions of new functions or responsibilities to a job description;
2. abolishment or elimination of a position's functions or responsibilities;
3. reorganization of an organizational function, resulting in the consolidation of work activities;
4. gradual change of a position by addition, deletion or modification of duties and responsibilities; and/or;
5. new or revised licensure or certification requirements dictated by law.

In addition to the above factors, ever-changing market conditions may dictate that the compensation plan be upgraded in order for the City to remain in a competitive posture with comparable jurisdictions.

Since it has been pointed out that the compensation plan needs to be updated on a periodic basis in order to remain internally equitable and externally competitive,

the following general procedures should be followed in order to achieve these results.

On each occasion when a position is vacated, it will be necessary to review the job description and Pay Grade assignment in order to ensure that equity between Pay Grades is maintained. A new Pay Grade assignment to a current position will be determined by using the Point Factor Manual.

Newly created positions not in the City's Pay Grade plan, will be placed into the proper Pay Grade as determined by using the Point Factor Manual.

In addition to the continual maintenance process, it is recommended that the City conduct a wage survey of benchmark positions on a periodic basis. It is recommended that such a survey be conducted at least every two (2) years. The wage survey will help to ensure that wage rates paid to employees are competitive and continually reflective of changing labor market conditions.

When conducting a wage survey, it is an opportune time to compare the current pay rates with the existing salary schedule to determine if a disproportionate number of rates are compressed toward the upper end of the pay ranges. If such is the case, a large percentage of employees may soon reach their maximum rates of pay, resulting in little opportunity for future financial growth with the City in their present positions. This may lead to dissatisfaction among the work force.

The most economical method of resolving this problem is to encourage the affected employees to apply for higher level positions. This not only adds to employee satisfaction, but fills upper level positions with employees who have demonstrated their work and abilities to the City.

It may be determined, however, that this method of resolving the problem of employees who are at their maximum rates is not feasible due to a large number of employees at or near the end of their pay range. It may be necessary in this situation to revise the entire salary schedule upward if such action is justified by the wage survey data. It needs to be emphasized, however, that if the wage survey data indicates that the schedule is competitive, the City is justified in allowing the situation of employees who are at their maximum rates to exist, since one of the premises of any sound compensation plan is that there is a maximum rate of pay for which any job is worth to an organization.

Compensation Procedures for the Non-Bargaining Pay Plan is essential to Plan Maintenance and is a companion ordinance to Ordinance No. 104-2017, Employee Compensation and Pay Grades for Non-Bargaining Employees.

G. Annual Increase, Pay Schedule Maintenance, and Anniversary Step

1. The Annual Increase to the Non-Bargaining Pay Plan Schedule shall be given to all Non-Bargaining employees in Pay Grades 1-9, as described in B (3) of this procedure.

Such Increase shall be calculated by averaging the per-year increase of all union contracts as demonstrated in the example below:

EXAMPLE					
3yr Contract	AFSCME	IAFF	OPBA Blue	OPBA Gold	Non-Bargaining
Year 1	2%	2%	3%	3%	10/4 = 2.5%
Year 2	4%	3%	2%	2%	11/4 = 2.75%

Year 3	3%	4%	4%	4%	15/4 = 3.75%
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2. The Non-Bargaining Pay Plan Schedule (table) shall be updated according to the annual increase given to Non-Bargaining employees.
3. Non-Bargaining employees shall receive a Step Increase in Pay Grades 1 through 9 beginning with the first pay period of the month of the employee's anniversary date in the employee's current Pay Grade.

Non-Bargaining employees shall not receive step increases after the completion of Step 9.

SECTION 2. That it is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were meetings open to the public in compliance with the law.

SECTION 3. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety, convenience and welfare of the City of Barberton and the inhabitants thereof, for the reason that Council desires these amendments to be effective within the next 30 days, and provided it receives the necessary votes required by the City Charter, shall be in full force and effect from and after the earliest period allowed by law.

Passed _____ 2017

Clerk of Council

President of Council

Approved _____ 2017

Mayor