



Benefits & Compensation Policy

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	Legal Review/Approval: 

Purpose

This policy is to provide all employees with an understanding of the benefits, compensation, and classification systems adopted by the City of Millersburg ("City").

Policy

The City has established an employee compensation system that takes into account internal equity, labor market considerations, complexity or difficulty of the work, total compensation, and the City's economic condition. It is the goal of the City to attract and retain qualified employees and encourage high levels of performance. With this in mind the City generally works to achieve parity of wages and benefits with like positions employed by the City of Albany with the exception of executive level employees. It is the City's policy that:

- Direct and indirect compensation (wages, premiums, health benefits, pensions, etc.) are to be considered collectively in determining appropriate levels of compensation for employees;
- Wage and benefits packages are considered "externally competitive" if they are plus or minus five percent (+ or - 5%) of the average of the total compensation offered in applicable labor markets for similar work;
- Other factors such as compression between classes, recruitment and retention of qualified employees, the City's economic condition, and incentives linked to performance may also be considered in establishing wages and benefits;
- Annual adjustments to the compensation plan may be made based upon a formula that considers the Consumer Price Index (CPI).

The Council shall approve the salary ranges for all job classifications used by the City.

Salary Ranges

Each job description shall be assigned a pay grade with a minimum and maximum salary range and identified steps in between the minimum and maximum rates. Executive employees (City Manager and Assistant City Manager/City Engineer) will

have open pay ranges. Salary increases for employees having an open range shall be at the discretion of the City Council, but shall generally not exceed five percent (5%) annually.

New employees will be hired in at the first step unless extenuating circumstances exist, such as prior experience and education exceeds the minimum requirements listed. In order to hire an employee above the minimum level, approval must be received from the City Manager.

Employee's performance will be assessed annually, generally around the employee's salary advancement date (normally based on date of hire), and the employee may receive a step and/or merit increase depending on the level of their performance during the preceding twelve months, and if the employee's rate of pay is below the maximum of the range.

Exceptions may be approved by the City Manager. Occasionally due to unforeseen circumstances such as a demotion or the implementation of a compensation study, an employee may be paid at a rate higher than the maximum of the range. As a result, the employee's pay would be red-lined until the maximum of the range is equal to or exceeds the employee's rate of pay. Once the employee's rate of pay is equal to or below the maximum, he/she may receive cost of living adjustments and/or step increases, if applicable.

Annually the City Council will establish the cost of living adjustment (COLA) for employees and executive staff. The change in the Consumer Price Index (CPI-W) from January of the prior year to January of the current year will be a consideration in establishing the COLA. The Council may elect to adopt the exact amount or choose a higher or lower figure depending on the financial resources of the City or other pertinent factors. Salary ranges will normally be adjusted accordingly to become effective July 1 based on the Council's action.

In addition to salary range adjustments based on the COLA or upon the completion of a compensation study, the City Manager may approve a salary range change, with Council concurrence for the following reasons:

- A substantial change in the duties and responsibilities of the classification; or
- An inordinate amount of turnover within the classification is attributed to an inadequate salary level; or
- Difficulty in recruitment of qualified candidates for a classification is attributed to an inadequate salary level; or
- A new classification is needed at a time outside of the annual budgetary process.

Safe Harbor Regulation Exempt Employees - Fair Labor Standards Act (FLSA)

It is the City's policy to comply with the salary basis requirements of the FLSA. Therefore, all management staff are prohibited from making improper deductions from the salaries of exempt employees. If an improper deduction occurs, the employee should

immediately report this information to his/her direct supervisor or to the City Manager. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will be promptly reimbursed for any improper deduction made.

Deductions from pay are permissible when an exempt employee: is absent from work for one or more full days for personal reasons other than sickness or disability; for absences of one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness; to offset amounts employees receive as jury or witness fees, or for military pay; or for unpaid disciplinary suspensions (approved by the City Manager) of one or more full days imposed in good faith for workplace conduct rule infractions.

Also, the City is not required to pay the full salary in the initial or terminal week of employment for penalties imposed in good faith for infractions of safety rules of major significance. In these circumstances, either partial day or full day deductions may be made.

Longevity Award

Employees who have ten (10) years of continuous regular status employment and have received a satisfactory performance evaluation on their most recent evaluation shall receive a one-time three (3%) percent longevity increase.

Employees with twenty-seven (27) years of continuous regular status employment shall be granted a one-time two percent (2%) longevity step.

Incentive/Certification Pay

Employees in the classification of City Recorder and Deputy City Recorder will be eligible for a three percent (3%) differential in pay upon earning the designation of Certified Municipal Clerk from the International Institute of Municipal Clerks (IIMC). Employees in these classifications who earn the designation of Master Municipal Clerk from IIMC will be eligible for an additional two percent (2%) differential in pay.

Vacation Accrual

Vacation may be taken by an employee after six months of continuous service in accordance with procedures established by this policy and the policies outlined in the Employment Handbook.

Monthly vacation accrual for employees shall be computed on the basis of time actually served from the employee's first date of employment. The rate that vacation leave accrues shall depend on the number of months of total continuous service for the City.

The amount of vacation to which an employee becomes entitled is determined by the employee's length of service as of his or her employment anniversary date. For regular, full-time employees, vacation accrues as follows:

Months of Continuous Service	Bi-Weekly Accrual Rate	Equivalent Annual (hours)	Accrual (days)	Maximum Accrual (hours) 2 x Annual
1 through 48 months	3.23 hrs.	84	10.5	168
49 through 96 months	4.62 hrs.	120	15.0	240
97 through 168 months	5.08 hrs.	132	16.5	264
169 through 228 months	6.0 hrs.	156	19.5	312
229 months and over	6.46 hrs.	168	21.0	336

Regular, part-time employees earn vacation based on their employment anniversary date in the proportion that the normally scheduled number of hours bears to a 40 per week or hours worked for year based 2080 hours. For example, a regular, part-time employee who works 20 hours per week would earn 50 percent of the hours of vacation upon completing his or her first year of service. An employee who works a non-standard workweek i.e. 25 hours one week 15 hours the following for a total of 1040 hours a year would also receive vacation at 50 percent of a full-time employee.

Earned vacation must be taken. Employees are not entitled to pay in lieu of taking time off for vacation. Vacation must be scheduled with one's supervisor at least two weeks in advance of the date(s) the employee wishes to take as vacation.

Separation of Employment

Any regular employee who is laid off, discharged, retired, or terminated from the service of the City for any reason will be compensated for all earned but unused vacation accumulated at the time of separation. To be eligible for this compensation, an employee must be employed for a minimum of six months.

Sick Leave Accrual

The City of Millersburg provides eligible employees with paid sick leave in accordance with Oregon's Paid Sick Leave Law. This policy will be updated as necessary to reflect changes in and to ensure compliance with Oregon law.

Employees with questions about this policy may contact the City Recorder. Please also refer to the Oregon Sick Leave Law poster that is posted in the breakroom and is incorporated herein by reference.

Eligibility and Accrual of Sick Leave

Under Oregon's Sick Leave Law and this policy, "employee" includes part-time, full-time, hourly, salaried, exempt, temporary, and non-exempt employees.

Sick leave is subject to management approval, and may not be used until the first day of the month after it is earned. Sick leave is accrued at eight (8) hours per month based on a forty (40) hour work week (3.6923 hours per bi-weekly pay period).

Temporary Employees begin to accrue pro-rated paid sick leave on the first day of employment, but may not use paid sick leave until the 91st day of employment. After the 91st day of employment, paid sick leave may be used as it is accrued.

Exempt employees are presumed to work forty (40) hours in each work week for purposes of their sick leave accrual unless their normal workweek is less than forty (40) hours, in which case sick leave is accrued based on the employee's normal workweek.

Maximum Accrual

Sick leave is meant to be used or carried over; any unused sick leave has no monetary value and will not be cashed out upon separation from employment. If an employee leaves employment and is rehired within 180 days, the employee's sick leave balance will be restored.

Employees may accrue up to a maximum of 850 hours of accrued and unused sick leave.

Holidays and Floating Holidays

City of Millersburg recognizes ten (10) holidays each year. All full-time employees will receive their regular straight-time compensation for each holiday. Regular part-time employees receive pay for each designated holiday in the proportion that their normally scheduled number of hours equals 40 hours per week. The holidays celebrated are:

New Year's Day	Labor Day
Martin Luther King Day	Veterans Day
President's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

To be eligible for holiday pay, an employee must have worked his or her regularly scheduled hours the workday before and the workday after the holiday; or have been on an approved vacation day or any other excused absence under City of Millersburg policy. If an employee is on vacation when a holiday is observed, the employee will be paid for the holiday and will be granted an alternate day of vacation at a later date.

Any hourly, non-exempt employee required to work on a holiday will receive double-time payment for the hours worked.

Floating Holidays

Employees may select twelve (12) additional hours of "with pay" (known as "floating holidays") during a calendar year; floating holiday hours must be used before the end of the calendar year, and have no pay out value.

Floating holidays may be used in no less than two (2) hour increments.

Employees must coordinate requests for floating holidays with their supervisor. Part-time employees, who are eligible for benefits, may select the following number of holidays, based upon their regular work schedule:

30 to less than 40 hours	12 hours
20 to less than 29 hours	8 hours
10 to less than 19 hours	4 hours
Less than 10 hours	0 hours

Employees who begin employment after January 1 receive a pro-rated number of floating holidays. See the City Manager or Assistant City Manager for more information.

Reference(s)

- City of Millersburg Employment Handbook