



## **SALARY ADMINISTRATION**

### **I. PURPOSE**

To maintain a program of internally equitable and externally competitive salaries recognizing the importance and value of each individual and maintaining a system of fair pay for equal work in support of organizational goals.

### **II. SCOPE**

This policy applies to all positions.

### **III. POLICY**

The City will maintain a compensation system, which is internally equitable and externally competitive with industry in our community, other competing markets, and similarly sized and similarly situated cities. Determination of salary policy is the responsibility of the Director of Human Resources who annually prepares a compensation plan for the City Manager to submit to the City Council for approval as a part of the annual budget. The Human Resources Department handles administration of the salary policy.

### **IV. SALARY PROGRAM ELEMENTS**

#### **A. Official Job Titles**

All positions shall be designated by official job titles. These official job titles shall be used on all official records, payroll and communications. No other job titles may be used.

#### **B. Salary Pay Grades/Ranges**

Each position is assigned to a pay grade. Each salary pay grade has been assigned a salary range based on a range around market averages for similar positions.



Within this framework, an employee's salary will generally be determined by starting qualifications. Unless the City determines that circumstances warrant otherwise, employees will receive a salary that is within the range limits of the applicable pay grade.

C. Pay for Performance

In any given year, the City Council may fund a one-time bonus incentive program to aid in retaining quality employees and reward employees for productivity and job performance. Employees with a hire date prior to October 1<sup>st</sup> of the current year will be eligible for the bonus incentive program administered in the fiscal year beginning October 1<sup>st</sup> of that same year. Any employee hired who has not completed a full year of employment upon the eligibility date will receive a pro-rated bonus, if awarded, based on the quarter in which they were hired.

This program will be funded with funds allocated by the City Council and paid as a lump-sum distribution for performance that exceeds expectations during the review period.

D. Cost of Living Adjustment (COLA)

In order to maintain the purchasing power of employee salaries relative to annual inflation, the City may fund an annual COLA for all regular, full and part-time employees not included in a defined pay plan. The COLA will be based on an average of the rolling previous three year annual Consumer Price Index (CPI) for the defined Texas Region. Employees with a hire date prior to September 1<sup>st</sup> of the current year will be eligible for the COLA administered in October of that same calendar year.

V. MAINTENANCE OF SALARY STRUCTURE & COMPENSATION PLAN

Salary ranges of the City pay structure will be reviewed by the Human Resources Department during the annual budget preparation process of each year to determine their adequacy for business conditions within the competitive job market and recommendations for any changes will be made to the City Manager. Adjustments will be made to the salary range structure as required to take effect at the beginning of the following fiscal year.