



## Compensation Guidelines


### Plan Maintenance

With proper care and maintenance of the pay plan, the frequency for a comprehensive pay plan review is minimized. The established guidelines should be followed to properly implement the compensation plan for equity amongst employees and consistency with the established pay philosophy.

As positions substantially change in responsibility, a compensation review will be conducted to ensure proper pay grade placement based on new job responsibilities. This will be initiated by the HR Director annually, coinciding with the budget process. The HR Director will work with the department managers to determine if a position has changed substantially and warrant review. Similarly, all newly created positions will be reviewed and analyzed for grade placement in the pay structure. The HR Director will partner with each department manager in creating a detailed job description and send it to Carlson Dettmann for evaluation.

### Compensation Guidelines

The guidelines below are to be followed when making wage decisions for employees. Any exceptions to these guidelines need Human Resources Director and Department Head approval and signature.

EMPLOYEE EVENT	GUIDELINE
New Hire	Step 1 with ability to offer up to Step 3 based on experience, partner with HR Director and Department Head for approval above Step 1
Annual Review	One step increase (2.5%) based on meeting expectations or above in performance review, note: no increase will be given if there was a promotional increase in the prior 6 months
 Annual Review, Red Circle Employees*	Exceptions: step increase of more than one (two steps) shall be approved through the Mayor and Common Council via resolution with detailed justification for the exception. Lump Sum Payments, paid in two installments (Jan & Jul)
Red Circle Employees*	1% of the control point of the position grade, based on meeting expectations or above in performance review
90 Day Review	No step increase
Promotion**	The step that provides at least a 5% annual increase, or up to Step 1 of the position grade the employee is being promoted into, whichever is greater
Transfer***	No step increase
Demotion	Decrease step to a level within the pay scale, each situation will be unique, partner with HR Director and Department Head for final approval

\*Red Circle Employees: employees whose pay is at or above the maximum of the pay scale

\*\*Promotion: moving to a position with a higher pay grade

\*\*\*Transfer: moving to a new position within the same pay grade