

Chapter 5: COMPENSATION

The City of St. Charles reserves the right to interpret and deviate from all City policies. Both the City and employee have the right to terminate the employment relationship at any time, with or without cause and/or notice.

SALARY SCHEDULE

*APP: ALL EMPLOYEES
UNLESS OTHERWISE
STIPULATED IN A
COLLECTIVE BARGAINING
AGREEMENT*

It is the policy of the City to establish a compensation system that will allow the City to effectively attract and retain qualified employees and to ensure that salaries are equitable and commensurate with the duties performed by each employee. All compensation is subject to budget approval.

The salary schedule shall apply to all employees not covered by a collective bargaining agreement.

The City of St. Charles compensation system complies with applicable state and federal laws. Any discriminatory decision or action with respect to compensation is in violation of this policy.

Salary Grades, Ranges, and Steps

The City is committed to establishing salary grades and salary ranges based upon the complexity of the position, the relationship of that position to all other positions within the City, and the relationship of that position to positions of similar qualifications and responsibilities in comparable communities.

Grades are established by grouping positions together using certain criteria and assigning a shared salary range that is established based on comparable community data.

Salary steps are determined for the minimum to midpoint of each salary range. Employees with salaries below midpoint of the salary range will receive step increases in lieu of merit pay until they reach midpoint.

POSITION DESCRIPTIONS

APP: ALL EMPLOYEES

Position descriptions shall be maintained by the human resources department for all positions.

Position Description Format

The position descriptions shall include:

1. Position Title
2. Department
3. Division
4. Section
5. Reports to
6. FLSA Status
7. Union
8. Positions Supervised

9. Salary Grade
10. Position Description Overview
11. Essential Job Functions (Standard, Position-Specific)
12. Additional Job Functions (Standard, Position-Specific)
13. Basic Requirements - Knowledge, Skills, Abilities (Standard, Position-Specific)
14. Education and Experience
15. Physical/Environmental Demands
16. Acknowledgement

The position description does not constitute an employment agreement between the City and employee and is subject to change as the needs of the City and as the requirements of the position change.

Examples of duties listed in the position description are intended only as illustrations of the various types of work performed. The omissions of specific statements of duties do not exclude them from the position if the work is similarly related or a logical assignment to the position.

Updates/Revisions

The Human Resources Department shall initiate the update/revision process. The department director or his/her designee shall make changes to position descriptions as needed. Position descriptions are distributed whenever there are significant changes. A copy will be routed to the employee, the supervisor and Human Resources for signatures. Signatures are obtained to ensure that employees are aware of their responsibilities and have an understanding of any changes that were made. Signed copies of the position description are returned to the employee and the supervisor and one is kept in the employee's personnel file.

COMPARABLE COMMUNITIES

APP: ALL EMPLOYEES

Comparable communities are established by meeting four (4) criteria.

1. The distance is less than twenty (20) miles from City Hall.
2. A council-manager form of government recognized by the International City/County Manager's Association (ICMA).
3. The corporate budget is more than \$18,739,174.
4. The equalized assessed value (EAV) per capita must be between \$19,813 and \$59,438.

Based on the above criteria, the comparable communities as of October 2016 are:

- | | | |
|----------------------|----------------------|---------------------|
| 1. Addison | 9. Elk Grove Village | 17. Rolling Meadows |
| 2. Algonquin | 10. Elmhurst | 18. Romeoville |
| 3. Arlington Heights | 11. Hoffman Estates | 19. Schaumburg |
| 4. Batavia | 12. Lombard | 20. South Elgin |
| 5. Bensenville | 13. Mount Prospect | 21. Streamwood |
| 6. Carol Stream | 14. Naperville | 22. Villa Park |
| 7. Crystal Lake | 15. Palatine | 23. Westmont |
| 8. Downers Grove | 16. Plainfield | 24. Wheaton |

Survey of Communities

Human Resources will survey the communities for comparable positions by requesting position descriptions and salary range information. The supervisor and/or the department director, with the input of the Director of Human Resources, determine what positions are comparable based on the position description. The City's salary ranges are determined at the 75th percentile of the comparable communities positions, using the maximum rate of the range. The minimum rate is 70 percent (70%) of that maximum rate.

For example: Administrative Assistant

Comparable Community	Maximum Rate
Addison	\$29,751
Bensenville	\$32,455
Schaumburg	\$37,760
Naperville	\$38,538
Batavia	\$38,841
Wheaton (75%)	\$39,120
Lombard	\$39,910
Mount Prospect	\$41,741

Number of communities = 8
8 x 75% = 6 th community
Community to use = 6
Maximum = \$39,120
Minimum = \$27,384 (70% of maximum)

Market Adjustments

Once the new salary ranges are determined through the comparable community process, the appropriate percent increase is determined for each grade. Market adjustments are given to all employees in each grade to maintain their position within the salary range. Market adjustments are usually effective on May 1.

In the event that a grade does not receive a market increase for more than two consecutive years and other grades have received a market increase, the employees in that grade will receive the average market increase in the third year.

PAY INCREASES

*APP: ALL EMPLOYEES
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Market Pay

The City Council may authorize a budget for market pay adjustments. Market pay adjustments are typically given when salary ranges are within the compensation philosophy of the 75th percentile. These market pay adjustments are usually effective on May 1.

In order to qualify for a market pay adjustment, the employee must be actively employed by the City on the date the market pay adjustments are issued. Employees who have separated from service for any reason shall not be eligible to receive any market pay adjustments

Step Increases

Employees with a pay rate between the minimum and midpoint of the salary range will receive a 3.96% step increase on April 30, as long as they receive an acceptable performance evaluation. The steps allow for employees to reach the

midpoint of the salary range in five (5) steps. Employees with pay rates at the midpoint of the salary range and higher are only eligible for the merit pay – no steps. If a step increase brings an employee past midpoint, they will receive the full step.

New employees who are eligible and qualify for a step increase will receive a pro-rated value for the fiscal year they begin employment as long as they have achieved six (6) months of service by January 31 of the fiscal year. If a new employee does not achieve six (6) months of service by January 31, they will be eligible for a step increase the following fiscal year.

Merit Pay

The City Council may authorize a budget for merit pay. Merit pay is typically effective on April 30. Merit pay has two (2) components; citywide impact and individual merit. Employees at the maximum of their salary range will receive merit pay as a lump sum bonus.

Citywide impact merit is team based and recognizes cooperation, collaboration and teamwork. Citywide impact merit is measured by employees' contributions to the success of the team, department, and the City's success in general. Eligibility will be determined by the employee's supervisor and validated by the documentation provided on the nonunion assessment form. All employees who qualify for Citywide impact merit will receive the same percent increase or bonus as determined for that fiscal year.

Individual merit is earned by achieving a qualifying total score on the non-union assessment. Depending on the amount budgeted, each department director will be provided a pool of merit dollars to distribute to their top performing employees based on assessment scores and established distribution criteria.

Full time and regular part time (as defined in Chapter 2) non-union employees shall be eligible for merit pay. Auxiliary part-time employees (as defined in Chapter 2) who are in positions eligible for merit pay will be eligible for a merit pay increase on a pro-rated basis based on hours worked in the prior year. To illustrate, 1040 hours = 100% of eligible merit pay, 520 hours = 50% of eligible merit pay, and 260 hours = 25% of eligible merit pay.

New employees who are eligible and qualify for merit pay will receive a pro-rated value for the fiscal year they begin employment as long as they have achieved six (6) months of service by January 31. If a new employee does not achieve six (6) months of service by January 31, they will be eligible for merit pay the following fiscal year.

Employees promoted from a non-union position to another non-union position are eligible for merit pay on the next April 30 based on their most recent assessment evaluation. Employees promoted from a union to a non-union position will be eligible for merit pay on a pro-rated basis on the next April 30, as long as they have been in the new position for a minimum of 6 months by January 31 of the fiscal year.

Employees must be employed on April 30 to receive merit pay for that fiscal year. Employees who are terminated for misconduct or who resign in lieu of potential disciplinary action between April 30 and the date when merit pay awards are finalized shall not be eligible to receive any merit pay. All other employees shall be considered eligible to receive merit pay if they meet the qualifications for the merit program.

Reevaluation

In the event that the salary of any position is reevaluated by the Human Resources Department and it results in an increased or decreased salary range for the position, the employee shall retain his/her current salary or assume the minimum of the new grade/range, whichever is greater.

Pay Rates Exceeding Range Maximum

Any employee whose pay rate exceeds the maximum prescribed for his/her grade as a result of a reevaluation of his/her position to a lower grade will not be reduced in pay. This does not apply to demotions. The employee will not be eligible for future salary increases until he/she occupies a position for which the salary range maximum for the grade is more than the pay rate he/she currently receives.

New Employees

New employees will normally be paid the minimum rate in the appropriate salary range. Exceptions may be permitted with the approval of Human Resources, commensurate with experience.

CLASSIFICATION PLAN

*APP: ALL EMPLOYEES
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Positions with similar duties and responsibilities are assigned to the same salary grade. The Director of Human Resources conducts periodic studies of various positions when there is an indication the employee is working above or below the established responsibilities for that position. These studies are normally initiated at the request of the department director and are conducted in accordance with the administrative policy on reclassifications.

Maintenance of the Salary Plan

The Human Resources Department will be responsible for the continuous maintenance and administration of the City's compensation plan. The review will include an analysis of prevailing rates of pay for similar positions in comparable communities, budgetary considerations, and other related factors.

RECLASSIFICATION

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Revision of position descriptions shall be made as often as necessary to maintain accuracy and fairness to the employee and the City.

Periodic Review

It is the Human Resources Department's responsibility to examine all positions and to allocate them to existing or newly created classifications and/or grades, to make changes in the classification/grade plan as are made necessary by changes in the duties and responsibilities of existing positions, and to periodically review the entire classification/grade plan and recommend appropriate changes in the allocations or in the classification plan.

New Positions

When a new position is requested by a department director or the duties of an old position are substantially changed, the department director shall submit a recommendation to the Director of Human Resources including justification for the reclassification and emphasizing changes in position responsibilities or requirements for qualifications (i.e. experience, education, certifications, etc.). The Director of Human Resources or his/her designee will then conduct a job analysis in order to determine if changes in the position description and/or position are necessary.

Classification Appeals

Any employee who considers his/her position improperly classified shall first submit a request in writing for reclassification to his/her department director who shall review the request and transmit it with written recommendation to the Director of Human Resources.

PROMOTIONS

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The City attempts to fill all vacant positions with qualified City employees before advertising to the general public, following a policy of upward mobility whenever possible.

Guidelines

1. Employees are encouraged to apply for any vacancy (access [Internal Application form](#) on the City iNet) for which they may qualify in accordance with the policy on hiring process (see Position Postings).

2. Selection of an employee for a promotion (or lateral transfer) is based on past work record, education, knowledge of the position duties, supervisor references, as well as time in service.
3. When considering the promotion (or lateral transfer) of City employees having the same or similar qualifications, the position will be filled after considering the factors listed above.
4. No offer of promotion may be made to any employee prior to completion of the recruitment and selection process. Temporary assignments may be made by the department director for a specified time or assignment as necessary. Such appointments are made on "acting" basis and the employee returns to his or her regular position upon completion of the assignment.
5. Employees offered a transfer or promotion must pass any physical and functional job screen associated with the position. The job offer may be withdrawn if the employee fails any testing.
6. When an employee is promoted, as determined by Human Resources, to a higher position, or whenever an employee's position is upgraded, the employee will normally enter the new grade/position at the entry level of the new position. In the event the entry-level rate of the new or upgraded position does not provide a salary increase of 5 percent (5%) or more, the employee shall enter at the next closest rate, which provides a salary increase of 5 percent (5%) or more. The new pay rate, upon promotion, shall not exceed the maximum of the new pay range; however, if a 5% increase would bring the employee's salary above the maximum of range, the employee's salary moves to the maximum of the range. Exceptions may be permitted with the approval of Human Resources, commensurate with experience.

DEMOTIONS

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An employee reassigned to a position in a lower classification regardless of the reason (disciplinary, in lieu of layoff, for reasons of disability or incapacity, department reorganization, etc.) will receive a reduction in pay commensurate with the maximum of the new salary range.

Guidelines

1. No employee shall be demoted to a position for which he or she does not possess the minimum qualifications.
2. An employee being demoted shall be notified two (2) weeks prior to demotion except in emergency situations.
3. Any demotion to prevent layoffs may be revised when the employee's previous position is reopened.
4. Persons demoted to new positions will be subject to the standard introductory period for the new position, unless specifically waived by the Human Resources Department. Those who fail the introductory/probationary period shall be terminated.

TRANSFERS

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Any current employee (regular part-time or regular full-time) interested in applying for a transfer must file a completed “Internal Application” form (see Appendix A) with the Human Resources Department in accordance with instructions listed on the employment opportunities notice.

If the employee meets the stated requirements for the position, he/she will proceed through the regular hiring procedures with all other applicants as described in the policy on the hiring process. Generally, employees are expected to serve in their current position for at least six (6) months before being considered for promotions or transfers. All else being equal, current City employees will be given priority for open positions.

The personnel file of the transfer applicant will be made available to the department director and/or supervisor responsible for filling the open position.

Coordination of Transfer

If the employee accepts the position, it will be the responsibility of the two (2) supervisors, along with Human Resources, to reach agreement on a transfer date. Every effort should be made to accomplish the transfer within two (2) weeks of the employee’s acceptance.

The salary offered to the employee must be consistent with the salary and requirements of the new position. Thus, an employee who meets only the minimum requirements for the position will start at the minimum of the salary range regardless of the employee’s current salary. Employees who exceed the minimum requirements for the position may be offered a salary consistent with the employee’s level of skills, experience, and knowledge at the discretion of the Human Resources Department.

Benefits

Transfer employees remain eligible for all benefits included with the previous position and any additional benefits that the new position may provide.

ACTING SUPERVISOR ASSIGNMENT/RATE OF PAY

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The City retains the sole discretion to assign acting supervisors in the absence of a supervisor. Employees who are designated as acting supervisors shall receive one dollar and twenty-five cents (\$1.25) per hour in addition to the employee’s normal hourly rate or the minimum of the range for the position, whichever is greater.

Employees who are designated as acting director for more than thirty (30) days shall receive a 5% increase in pay or the minimum of the range for the position, whichever is greater. This increase will be for all hours worked during the acting assignment.

Collective Bargaining Rights

Union employees who are assigned as acting supervisor shall retain all collective bargaining rights. Employees who are assigned as acting supervisor may be assigned to carry a pager or cell phone when the employee is off duty

ANNIVERSARY DATE

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An employee who is promoted, demoted or transferred will have his/her anniversary date changed to the effective date of the promotion, demotion or transfer. Likewise, the employee's adjusted hire date will be updated to reflect the date of any change that affects the employee's classification. (*See also Chapter 2, Employment Classification and Status.*) Exceptions may be made by the Human Resources Department.

Layoff

An employee reinstated to the same position or a position in the same class following layoff from the City will have his/her anniversary period extended by the same length of time as the duration of the layoff.

OVERTIME

*APP: ALL NON-EXEMPT
EMPLOYEES UNLESS
OTHERWISE STIPULATED
IN A COLLECTIVE
BARGAINING AGREEMENT*

Work should be accomplished within the normal workweek. When it is necessary that an employee work beyond the provisions of the Federal Fair Labor Standards Act (FLSA), the employee will be compensated in accordance with the provisions of this policy, the act and/or the applicable collective bargaining agreement. (*See also Chapter 2, Normal Work Hours – Extra Hours for Hourly, Non-Union Employees.*)

Authorization

In order to perform any work outside normal work hours, an employee must have prior authorization from his/her direct supervisor. This includes, but is not limited to, checking City email and/or voicemail and returning work-related phone calls. This policy shall not contravene the provisions of the FLSA pertaining to the minimum rate of compensation for employment in excess of an established work period, excluding exempted positions.

Overtime Pay Rate

Overtime will be paid at the rate of one and one-half times his/her regular rate of pay for those hours worked in excess of forty (40) hours per work week for full-time and part-time employees or the collective bargaining agreement.

Premium Time

Any full-time employee who is required to work on a Sunday or a holiday (unless Sunday is part of the regularly scheduled workweek) shall be paid at two (2) times his/her regular rate of pay for those hours worked.

Any part-time employee who is required to work on a Sunday or holiday shall be paid at one and one-half (1 ½) times his/her regular rate of pay for those hours worked. Premium time is available only for actual work performed on a Sunday or observed holiday.

Call-Back Time

An employee who is called back to work after having been released after his/her regularly-scheduled work day, and prior to two (2) hours before the start of his/her next scheduled work period, shall receive a minimum of two (2) hours pay at one and one-half times his/her regular rate of pay. The callback time shall start when the employee reports for work and end when the employee leaves his/her place of work.

Extended Overtime

An employee who has worked sixteen (16) continuous hours (eight (8) hours regular time and eight (8) hours overtime; sixteen (16) hours overtime on Saturday; or sixteen (16) hours premium time on Sunday) shall be entitled to an eight (8) hour rest period before being required to return to work. After working a regular workday, paid at straight time, and four (4) additional continuous hours at time and one-half, all additional continuous hours shall be paid as double time. (If a day is being paid as time and one-half, e.g., due to being a regular day off, the employee shall work continuously, except for appropriate breaks, the equivalent of a regular working day plus four (4) hours prior to being paid at double time.)

Department Director Responsibilities

It shall be the responsibility of each department director to equitably administer the provisions of this policy within their respective departments.

Department directors will exercise extreme discretion in the utilization of overtime within their departments. Overtime shall be considered necessary only in emergency situations, wherein additional effort is needed to complete a task, which is critical in nature.

MEAL ALLOWANCE

*APP: TEAMSTERS
EMPLOYEES*

Guidelines

1. There will not be any meal reimbursement for scheduled non-emergency overtime unless traveling outside the City or as authorized by the manager or his/her designee.
2. The City may reimburse employees the cost of meals for emergency overtime only.
3. Employees must get prior approval from their division manager or his/her designee for the cost of meals to be reimbursed.
4. Division manager or his/her designee shall set the schedule when meal breaks are to be taken.
5. With approval of the division manager or his/her designee, employees will be reimbursed \$11.00, including the meal cost, tax, tip, service charges, etc.
6. Any amount exceeding the \$11.00 per meal allowance will be the responsibility of the employee.
7. At no time will the City reimburse for alcohol, chewing tobacco, cigarettes, gum, breath mints, etc. Only food and drink that can be immediately consumed will be reimbursed.
8. An employee may be reimbursed for a meal after authorization from the division manager or his/her designee, and under the following parameters:
 - a) The employee shall purchase a meal and turn in a receipt for reimbursement to the division manager. The employee shall write on the receipt, in his/her own handwriting, his/her name, the date in which the emergency overtime was worked, and the type of emergency work performed (e.g. water main break, etc.).
 - b) The meal must be purchased during the emergency hours worked or within one (1) hour of the end of the emergency work.
 - c) The employee must submit a receipt for reimbursement to the division manager within 12 hours of the end of the emergency work, except when emergency work is being conducted on a weekend or holiday, at which time a receipt shall be submitted the next business day.
9. An employee may be reimbursed for a meal under the following guidelines:
 - a) If an employee works four (4) or more consecutive hours not continuous with the normal scheduled workday he/she may be reimbursed for a meal not to exceed \$11.00, or if an employee works an emergency four (4) hours prior to or after his/her normal work shift, he/she may be reimbursed for a meal in the amount of \$11.00.
 - b) An employee who is provided with authorization of reimbursement for a meal may not receive an additional authorization for reimbursement for a period of four (4) continuous emergency hours worked after meal number one (1).
10. Meal reimbursements are subject to income tax.

PAYROLL PROCEDURES

APP: ALL EMPLOYEES

Time Sheets/Time Cards

All employees shall complete and submit an electronic time sheet. The time sheets must be approved by the supervisor for submission to Accounting by 10:00 a.m. on the Monday preceding the payday in order to receive a paycheck.

PAY PERIODS

APP: ALL EMPLOYEES

Pay periods are bi-weekly. Employees are paid on the Friday following the conclusion of a payroll period. The payroll period begins on Monday and ends on Sunday.

Paycheck Distribution

Pay checks and pay stubs are mailed to employees' home addresses on payday (Friday). Employees are strongly encouraged to have their paycheck direct deposited.

PAYROLL DEDUCTIONS

APP: ALL EMPLOYEES

Required Deductions

The following deductions are required by law from each employee paycheck:

1. Federal and state income tax withholding;
2. Social Security (except police officers and firefighters);
3. Medicare (certain police officers and firefighters may not qualify);
4. Retirement contributions (eligible employees only);
5. Health insurance premiums (single coverage, depending on the plan and level; Employee + 1 or Employee + 2 or more);
6. Deductions authorized by law, such as garnishments.

Optional Deductions

Additional deductions, which are optional and may be requested by the employee include but are not limited to:

1. Supplemental benefits
2. Combined Charities contributions
3. Payment to a City approved credit union or financial institution
4. Deferred compensation

5. Union dues and initiation fees (if provided in collective bargaining agreement)

Statement of Earnings

Employees may view and/or print their paycheck stub on each pay day by going to Employee Self Service. This paycheck will reflect a statement of deductions and earnings, which itemizes the various deductions made, as well as appropriate cumulative totals. The balance of sick leave, vacation time, and personal time will also appear on the paycheck stub for full-time employees. It is also the employee's responsibility to ensure his/her paycheck is correct (i.e. rate of pay, time accrual, etc.)

It is the employee's responsibility to maintain current payroll deduction information with the Human Resources Department.

Changes to Deductions

Employees wishing to add or change their payroll deductions should contact Human Resources by noon on the last Wednesday of the pay period (one (1) week and two (2) days prior to payday). Changes submitted after that time will take effect on the next payroll.

Direct Deposit

Direct deposit, which deposits payroll funds directly into personal bank accounts, is strongly encouraged for all employees. All financial institutions (banks and credit unions) participate in the City's payroll deduction system.

Guidelines

1. Employees have the opportunity to request payroll deductions processed for such items as deferred compensation, additional life insurance, combined charities, repayment of loans, personal savings, and personal checking accounts.
2. Employees participating in direct deposit must complete a Direct Deposit of Payroll form (access forms on the City iNet) or make additions, cancellations, and updates on the City's online, electronic employee self service system.

GARNISHMENT

APP: ALL EMPLOYEES

Any notice of garnishment will be received and signed for by the human resources department.

Administrative Processing

The notice of garnishment will be forwarded immediately to the Human Resources Department. Human Resources will review the paperwork and forward it to Finance to enter it in the payroll system.

A check for the garnished amount will be written and forwarded to the creditor as directed.

Employee Notification

The Human Resources Department will attempt to notify the employee that the garnishment has been received and of the processing date.