

RESOLUTION NO. 1142

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, ADOPTING A COMPENSATION POLICY AND ADMINISTRATIVE PROCEDURES FOR COLLECTION OF MARKET DATA, ESTABLISHING AN APPEALS PROCESS, AND AMENDING THE MERIT MATRIX ADOPTED BY RESOLUTION 1063.

WHEREAS, the City Council desires to establish a compensation policy and administrative procedures for the collection of market data, and to adopt an appeals process for employees adversely affected by changes in pay or job classification, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO RESOLVE AS FOLLOWS.

Section 1. Compensation Policy. The compensation policy attached hereto as Exhibit "C" and incorporated by this reference as if set forth in full is hereby adopted.

Section 2. Administrative Guidelines. The administrative procedures for the collection of market data attached hereto as Exhibit "D" and incorporated by this reference as if set forth in full are hereby adopted.

Section 3. Appeals Process. The appeals process attached hereto as Exhibit "E" and incorporated by this reference as if set forth in full is hereby adopted.

Section 4. Merit Matrix. The Merit Matrix Guidelines adopted by Resolution 1063 are hereby amended as provided on Exhibit "F" attached hereto and incorporated herein by this reference as if set forth in full.

Section 5. Duties of Human Resources Director. The Human Resources Director is hereby authorized and directed to make any necessary changes to the City's Personnel Manual in order to reflect the actions taken under the above sections.

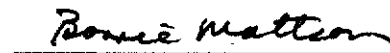
Section 6. Conflicts -- Severability. If any provision of this resolution conflicts with any provision of the City of Redmond Personnel Manual or any other resolution or policy of the City of Redmond, the provisions of this resolution shall govern. If any section, sentence, clause or phrase of this resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

Section 7. Effective Date. This resolution shall take effect immediately upon passage.

CITY OF REDMOND


MAYOR ROSEMARIE IVES

ATTEST/AUTHENTICATED:


CITY CLERK, BONNIE MATTSON

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
EFFECTIVE DATE:
RESOLUTION NO.: 1142

February 4, 2002
February 5, 2002
February 5, 2002

CITY OF REDMOND

Compensation Policy

The City of Redmond is committed to attracting and retaining a skilled workforce. To achieve this goal, the City's compensation program will:

- Be competitive with the local labor market.
- Recognize the differences in employee capability and performance through pay.
- Be comprised of base pay and benefits.

1. Base Pay

Our base pay program will be based on external market factors and will be designed to provide competitive salaries that adequately reflect the full range of experience, capabilities, commitment and performance of our employees.

2. Benefits

The City of Redmond's benefits program will provide a high quality benefits package that incorporates physical and mental health, training and retirement benefits, that is competitive with the market, and family friendly.

The City intends to continue researching variable pay incentive options. At some point in the future, variable pay may become a third component of the compensation program.

CITY OF REDMOND

Administrative Guidelines for Collecting Market Data and Implementing Recommendations

Procedures for Collecting Market Data

- Both private sector and public sector data will be collected.
- For positions with public sector data only, the City will strive to find ten market matches.
- Published survey data will be used for data regarding private sector job matches.
- Classification descriptions and other public documents will be used to determine public sector job matches.

Calculating Market Averages

- Salary ranges will be used as the primary point of comparison.
- Job matches will be weighted according to the number of survey respondents.
 1. In instances where City of Redmond jobs are unique or different from the market, market matches will be based on a job analysis and appropriate weightings assigned to each market match.
 2. Where exact matches cannot be found, the job will be evaluated based on similar positions where sufficient market data is available. In these instances, the market rate will be adjusted either up or down to reflect the greater or lesser responsibilities of the job.

Modifying Salary Structures and Determining Individual Pay

- Redmond salary ranges will be matched to market.
- Market trends will be monitored on an on-going basis to ensure that salaries remain competitive with the market and a market-based adjustment will be made to salary ranges annually.
- On even years, a market analysis will be completed and the effective date of any salary changes that result from the analysis will be January 1, of the following year.
- When market data is used to make adjustments to salary ranges, individual employee pay will be adjusted in accordance with the following rules:

1. When the base pay of individual employees is found to be below the bottom of the new salary range, the individual's pay will be raised to the bottom of the new range and performance incentive rules will apply.
2. When the base pay of an individual employee is found to be above the top of the new salary range, the individual's pay will be frozen until such time as their base pay is within the assigned salary range for their position. Employees who are at the top of their range, or beyond the top of their range, will continue to be eligible for performance incentives, in instances where performance incentives are applicable.
3. When the base pay of an individual employee is within the new salary range, no adjustment will be made to an individual's pay. Performance incentive rules will apply when applicable.

Appeal Process – Non-Union Employees

Employees may appeal any decision that impacts pay or classification. Appeals will be considered only when the employee can identify an issue that was not considered during the initial review. All appeals must be submitted in accordance with the process outlined below:

1. The appeal shall be submitted in writing to the employee's Department Director and must identify an issue that was not considered during the initial analysis, as well as any specific concerns regarding the initial decision. The appeal must be submitted within fourteen (14) calendar days of the receipt of a final recommendation regarding classification and/or pay.
2. The Department Director will acknowledge receipt of the appeal, and will review the appeal with the Human Resources Department. Human Resources and the Department Director will work to resolve issues and may initiate further research and analysis of the job. A decision will be reached within thirty (30) calendar days of receipt of the appeal, and will be forwarded to the employee.
3. If the employee continues to disagree with decisions regarding classification and/or pay, the employee may request a review by the Mayor. This request must be made in writing to the Department Director within fourteen (14) calendar days of receipt of the response from the Department Director and Human Resources.
4. The Mayor will review the initial decision made regarding classification and/or pay and the decision of the Department Director and Human Resources. The review by the Mayor will be completed within fourteen (14) calendar days of receipt of the appeal. The decision of the Mayor will be final and binding.
5. The Human Resources Director and/or the Mayor can extend the deadlines set forth in this appeal process at any time, at the Human Resources Director and/or the Mayor's sole discretion. Any such extensions shall be in writing in order to be effective.

MERIT MATRIX GUIDELINES FOR RAISES OF NON-UNION EMPLOYEES

Numerical Rating	Performance Level	Up to Midpoint	Above Midpoint	At Top
4.01 – 5.00	Level 1	Not an option	Not an option	5% lump sum *
3.70 - 4.00	Level 2	5% on base + 2% lump sum	4% on base + 2% lump sum	3% lump sum
3.40 - 3.69	Level 3	5% on base	4% on base	2% lump sum
2.76 - 3.39	Level 4	3% on base	2% on base	0
2.00 - 2.75	Level 5	1% on base	0	0
1.00 - 1.99	Level 6	0	0	0

NOTES ON THE MERIT MATRIX:

- (A) *Lump Sum*= This percent of annual salary is paid all at once and not added to base.
- (B) A non-union employee's raise depends on two factors: (1) Their performance, and (2) the employee's current salary relative to the midpoint of their salary range.
- (C) "The compensation system will allow employees who perform to job standards to reach the midpoint of the salary range for their job class. Employees who perform at a level that exceeds job standards will be eligible to receive compensation that exceeds the salary grade midpoint."
(Adopted City Policy)

* This level of reward is seen on a very infrequent basis and is only available to employees at the top of their pay range; exceptional performance awards require approval from the Mayor.

(See reverse side for Rating Guidelines)

RATING GUIDELINES

NUMBER	RATING	DESCRIPTION
5	Exceptional	The employee demonstrates performance that significantly exceeds goals, targets, or expectations for all aspects of the job and has made important and lasting contributions to the City of Redmond.
4	Outstanding	The employee has exceeded the expectations for this objective or critical skill area <i>by a wide margin</i> . Very few employees achieve this level of performance.
3	Exceeds Expectations	The employee's behavior is above <i>meets expectations</i> and is consistent with the definition for exceeds expectations for this objective or critical skill area.
2	Meets Expectations	The employee has <i>met</i> the performance expectations for this objective or critical skill area.
1	Needs Improvement	The employee has <i>failed to meet</i> one or more of the significant performance expectations for this objective or critical skill area. Immediate improvement is necessary within ninety days.