

Resolution #22-0477 - Personnel
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RESOLUTION AMENDING ARTICLES II AND III OF THE CITY OF WINSTON-SALEM PERSONNEL RESOLUTION AUTHORIZING THE CITY MANAGER TO OFFER COMPETITIVE MARKET ADJUSTMENTS, PERMITTING ADJUSTED SENIORITY FOR NEWLY HIRED EMPLOYEES, AND AUTHORIZING IN-SERVICE VACATION PAYOUTS FOR CITY EMPLOYEES

WHEREAS, the Human Resources Department regularly reviews benefits offerings to recruit and retain top talent; and

WHEREAS, paid time off is one of the most prevalent and valued benefits in United States workplaces; and

WHEREAS, the Human Resources Department has confirmed that many peer municipalities may provide adjusted seniority to employees; and

WHEREAS, vacation leave is an accrued benefit for which employees receive a payout at the end of service.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of Winston-Salem approves the following changes to the personnel resolution:

Section 1: Article II. Sec. 30. General policy – Pay (a)(2) is hereby amended as follows:

(a) *Revised General Pay Plan*. Effective January 1, 2022, this pay plan consists of twenty-eight (28) pay grades (Grades 3-30). All positions, except for sworn police, certified fire and positions on the flat rate pay plan, are included in this pay plan. All classifications in the revised general pay plan are assigned to one (1) of the twenty-eight (28) pay grades. Each pay grade has a minimum, midpoint, and maximum rate of pay established by the city manager and/or his designee.

(1) *Minimum rate; exceptions*. The normal beginning rate of pay for a new employee will be the minimum of the pay grade to which the employee's classification is assigned. The city manager, may, in special cases, authorize initial appointments above or below the established minimum of the pay grade. Examples of such special cases where a higher or lower rate may be authorized are: appointment of a former city employee who has demonstrated his/her competence in the same classification; appointment of especially well qualified individuals to certain classifications for which a scarcity of suitable applicants at the usual starting rate temporarily necessitates a higher starting

rate. A rate lower than the pay grade minimum may be authorized to employ an applicant who within a predetermined time period, usually one (1) year or less, will be able to complete the educational, licensing or certification requirements of the classification.

- (2) *Performance evaluations; merit increase consideration.* Employees appointed to full-time positions or receiving employee benefits, as described in Article III, Section 46, within the revised general pay plan will be scheduled for evaluation and merit increase consideration in accordance with the following schedule:

Initial employment—Merit increase consideration will be effective beginning the first pay period following October 1 of the new fiscal year and based on the amount/percentage adopted by the city council for that fiscal year.

Promotion—No change to employee evaluation schedule.

Demotion—(*voluntarily or involuntarily*). No change to employee evaluation schedule.

Lateral transfer—No change to employee evaluation schedule. *Reclassification*—No change to employee evaluation schedule. *Regrade*—No change to employee evaluation schedule.

Competitive market range adjustment—No change to employee evaluation schedule. The city manager is authorized to establish the performance evaluation dates for all city employees.

Supervisors may schedule employees for additional performance reviews as deemed necessary. Eligibility for pay changes; however, will be in accordance with the previous schedule.

- (i) *Basis for allowable amount of increase.* the allowable amount of an employee's pay increase will be based upon his/her overall performance rating. The city manager, upon recommendation of the human resources department, will annually set the allowable pay adjustments and type of award (cash award, base salary change or a combination of both) for each of the overall performance ratings not to exceed the amount/percentage adopted by the city council for that fiscal year. Effective April 8, 2019, with the exception of employees who are hired by the city prior to April 8, 2019, in no case, shall the authorized pay adjustment result in a salary amount that exceeds the maximum of the assigned pay grade.
- (ii) *Marginal performance rating.* Employees who receive a marginal performance rating will not receive an increase in pay. Employees receiving a marginal performance rating will be placed on a performance improvement plan and will be re-evaluated within three (3) months with eligibility for a pay increase upon full compliance with the performance improvement plan. The effective date of increase will be the date of the performance improvement plan review. The evaluation date will be retained.
- (iii) *Other compensation.* the city provides a performance appraisal and merit pay system to reward employees for overall meritorious job performance. However, when employees have exhibited performance that warrants immediate monetary recognition or in order to address market compensation issues, documented by the human resources department for individual positions, the city manager may initiate or act upon the

supervisor's recommendation to initiate an increase in an individual employee's compensation. In these instances, only the city manager is authorized to approve market or merit increases and the authorized increase shall not exceed ten (10) per cent of the recipient's annual salary. Effective April 8, 2019, with the exception of employees who are hired by the city prior to April 8, 2019, in no case, shall the authorized increase exceed the maximum of the assigned pay grade. Employees are eligible for such increases once in a twelve-month period and recipients of such increases shall retain their evaluation date. A record of any such increases will be made and retained in the human resources department.

- (iv) *Managed competition incentive pay.* The city manager may authorize additional payment to employees subject to managed competition for exceeding performance goals, for obtaining additional training and certification levels, and meeting/exceeding attendance goals. The city manager is authorized to develop and administer an appropriate incentive pay program. The total payout to an employee, excluding payments attributable to overtime, may not exceed fifty (50) per cent of the employee's base rate of pay during the contract period.
- (v) *Competitive Retention Offers.* The city manager is authorized to develop and implement a competitive retention offer policy offering up to five (5) percent higher than the presented offer to retain employees who present a bona fide offer of employment with an outside agency in a position similar to the employee's current position.

Section 2: Article II. Sec. 30(b) is hereby amended as follows:

- (b) *Public Safety (Sworn Police/Certified Fire) Pay Plans.* These plans consist of twenty-five (25) pay grades and covers sworn police and certified fire personnel up to and including assistant police chief and assistant fire chief.
 - (1) *Minimum rate; exception.* the normal beginning rate of pay for a new employee will be the minimum rate in the established range. However, the city manager, may, in special cases, authorize initial appointments above or below the minimum but only after an investigation of the case by the human resources director. Examples of such special cases where a higher or lower rate may be authorized are: appointment of a former city employee who has demonstrated his/her competence in the same classification; appointment of especially well qualified individuals to certain classifications for which a scarcity of suitable applicants at the usual starting rate temporarily necessitates a higher starting rate. A rate lower than the minimum rate may be authorized to employ an applicant who within a predetermined time period, usually one (1) year or less, will be able to complete the educational, licensing or certification requirements of the classification.
 - (2) *Performance evaluations.* Employees appointed to full-time positions or receiving employee benefits, as described in Article III, Section 46, within the public safety (sworn police/certified fire) pay plan will be scheduled for evaluation in accordance with the following schedule:

Promotion—No change in employee evaluation schedule.

Demotion (voluntarily or involuntarily)—No change in employee evaluation schedule.

Lateral transfer—No change to employee evaluation schedule.

Reclassification—No change to employee evaluation schedule.

Pay plan adjustments—No change to employee evaluation schedule.

The city manager is authorized to establish the performance evaluation dates for all city employees.

Supervisors may schedule employees for additional performance reviews as deemed necessary.

- (i) *Unacceptable performance rating.* An acceptable performance rating is one which meets general expectations of the job to which they are currently assigned. This includes a rating of "meets expectations" or higher. Employees who receive an unacceptable rating will not receive an increase in pay. Employees receiving an unacceptable performance rating will be placed on a performance improvement plan and will be re-evaluated within three (3) months with eligibility for a pay increase upon full compliance with the performance improvement plan. The effective date of increase will be the date the performance improvement plan review is completed. The evaluation date will be retained.
 - (ii) *Other compensation.* The city provides a performance appraisal and merit pay system to reward employees for overall meritorious job performance. However, when employees have exhibited performance that warrant immediate monetary recognition or in order to address market compensation issues, documented by the human resources department for individual positions, the city manager may initiate or act upon the supervisor's recommendation to initiate an increase in the individual employee's compensation. In these instances, only the city manager is authorized to approve market or merit increases and the authorized increase shall not exceed ten (10) per cent of the recipient's annual salary. Effective April 8, 2019, with the exception of employees who are hired by the city prior to April 8, 2019, in no case, shall the authorized increase exceed the maximum of the assigned pay range. Employees are eligible for such increases once in a twelve-month period and recipients of such increases shall retain their evaluation date. A record of any such increases will be made and retained in the human resources department.
- (3) *Promotion.* Promotions occur when an employee is moved from a classification with a lower pay range to a classification with a higher pay range. Employees promoted will receive at least a five (5) per cent increase in compensation or an amount sufficient to place the promoted employee at the minimum of the new assigned pay range. Under special circumstances, the city manager has the authority to approve increases in excess of five (5) per cent, for purposes other than to reach the new minimum. The city

- manager has the authority to enact procedures to initiate and manage promotional assignments by the city.
- (4) *Demotion.* Demotions occur when an employee is moved from one (1) classification to another classification at a lower pay range for inadequate job performance or conduct. Compensation for demoted employees will be reduced five (5) per cent for each pay range/pay level demoted and the demoted employee's evaluation date will be retained.
 - (5) *Reassignment.* Reassignments occur when an employee is moved from one (1) classification to another classification at a lower pay range for non-disciplinary reasons. Employees reassigned in this manner shall not, under any circumstances, receive an increase in compensation nor shall the reassigned employee's pay exceed the maximum of the assigned pay range. The city manager has the authority to enact procedures to initiate and manage the various types of employment reassignments by the city.
 - (6) *Lateral transfer.* In the case of lateral (same pay range level) transfers, the employee's pay rate will remain unchanged at the time of transfer, and the evaluation date will be retained.
 - (7) *Reclassification.* Employees, who are reclassified to a higher range to recognize actual changes in duties and responsibilities, will receive a sufficient percentage increase to place their salary at the minimum of the new range, but no less than five (5) per cent. If the salary, prior to reclassification, is in the new pay range, a five (5) per cent increase in pay will be granted provided five (5) per cent will not exceed the maximum of the assigned pay range. Such employees will retain their evaluation date. Reclassification to a lower range is described in subsection (a)(9) of this section, "Reduction in Classification."
 - (8) *Regrade.* When a regrade or range change is approved to reflect a general change in the external and/or internal compensation market level of a class, employees in the assigned class will receive a sufficient percentage increase to place their salary at the minimum of the new pay grade but not less than five (5) per cent. If the salary, prior to grade adjustment, is within the newly assigned pay grade, a five (5) per cent increase in pay will be granted provided five (5) per cent will not exceed the maximum of the newly assigned pay grade. Such employees will retain their evaluation date.
 - (9) *Pay plan adjustments.* When a pay plan adjustment is approved, those employees whose salaries fall below the newly adjusted minimum of the pay range will be scheduled for an immediate change in salary in order to bring the employee's salary up to the minimum of the pay range.
 - (10) *Administrative transfer.* Movement in assigned classification initiated by the department head or as a result of a classification study by the human resources department, may be exercised when such action will promote morale, or serve budgetary, manpower or general organizational needs. Such movements do not represent disciplinary action. Employees administratively transferred in this manner will be notified by the department head in writing with a copy to the personnel department and the office of the city manager. Employees moved as described in this policy will not have their pay rate or evaluation date changed. When special circumstances warrant and with approval of the city manager, an employee may be

considered for a monetary increase if the new assignment will result in placing the employee in a training and development stage for more than ninety (90) days to learn the methodology, procedures, policies and/or technology of the new assignment. Employees transferred in this manner will retain their evaluation date.

- (11) *Military incentive.* Sworn police and certified fire personnel, who are active military or have been honorably discharged from the Army, Navy, Air Force, Marines and Coast Guard, their Reserve units, and the National Guard, after at least one (1) year of service, shall be eligible for a five (5) per cent military incentive added to the employee's base pay. All eligible sworn police and certified fire personnel who are on the city's payroll as of July 1, 2017 will receive a five (5) per cent military incentive adjustment to their base pay. The sworn police and certified fire pay schedules are hereby revised to include the military incentive for eligible sworn police and certified fire personnel hired or promoted after July 1, 2017.
- (12) *Competitive Retention Offers.* The city manager is authorized to develop and implement a competitive retention offer policy offering up to five (5) percent higher than the presented offer to retain employees who present a bona fide offer of employment with an outside agency in a position similar to the employee's current position.

Section 3. Article III. Sec. 44. - Leave of absence is hereby amended as follows:

- (a) Vacation leave.
(i) General policy.

Each full-time employee accumulates vacation leave with pay at the rate of ten (10) days per year. One (1) week of paid vacation may be taken after the completion of the first six (6) months of employment. Another week of paid vacation may be taken at the end of one (1) full year of continuous service. Upon the completion of two (2) continuous years of service, each full-time city employee accumulates twelve (12) days' vacation per year. Upon the completion of five (5) continuous years of service, each full-time city employee accumulates fifteen (15) days' vacation per year. Upon the completion of ten (10) continuous years of service, each full-time city employee accumulates eighteen (18) days' vacation per year. Upon the completion of fifteen (15) continuous years of service, each full-time city employee accumulates twenty (20) days' vacation per year. Upon the completion of twenty (20) or more continuous years of service, each full-time city employee accumulates twenty-four (24) days of vacation per year.

An eligible employee may choose to substitute accrued paid vacation leave for unpaid leave in all situations covered by the Family and Medical Leave Act (FMLA). In the event of such substitution, the leave will be charged against both vacation leave and FMLA leave. Regular vacation leave (non-FMLA leave) will be scheduled so as to accommodate the operational requirements of the city and insofar as possible, the preference of the employee.

At the end of any calendar year beginning December 31, 2013, accrued unused vacation in excess of thirty (30) days shall be converted to sick leave on a one-for-one basis.

(ii) Adjustments to vacation accrual rates.

Effective October 1, 2022, newly hired employees shall be eligible for an adjustment to seniority for purposes of vacation leave accrual rates. At the time of hire, the city manager or their designee may approve adjusting the vacation accrual rate of such employee subject to this provision to match the employee's existing service in the North Carolina State Retirement System including the Local Governmental Employees' Retirement Systems (LGERS), the Teachers' and State Employees' Retirement System (TSERS) and any other North Carolina retirement system for local government employees. This does not apply to service in closed or withdrawn accounts.

(iii) In-Service Vacation Payout.

Full-Time and Part-Time employees certified for benefits are eligible to receive up to two annual vacation payouts from accrued vacation time while in active service status without being out of work. In-service vacation payouts must be taken in increments equaling one full, regular week of the employee's schedule, not to exceed 40 hours per week. However, the employee can request a payout of two full work weeks, not to exceed 40 hours per week, with one request which will count as two requests, for purposes of the policy, in the year in which the request is made. In-service payouts may not be combined across calendar or fiscal years. There must be a separation of twelve months between the last in-service vacation payout in one calendar or fiscal year and the next calendar or fiscal year. In-service vacation payouts shall be issued in addition to any hours worked for the pay period in which the payout is issued. Vacation hours credited to the pay period for the purposes of in-service vacation payout will not impact an employee's hours worked for that pay period and will not be included in overtime rate calculations for non-exempt employees. In-service vacation payouts shall be issued less applicable taxes based on the employee's current withholding status and other authorized and/or mandated deductions. The city manager is authorized to implement an administrative policy to manage the in-service vacation payout program."

BE IT FURTHER RESOLVED, that this resolution, except as otherwise noted herein, will take effect at the beginning of the first pay period following October 1, 2022.