

MUNICIPALITY OF MONROEVILLE

ALLEGHENY COUNTY, PENNSYLVANIA

ORDINANCE NO. 2122

**AN ORDINANCE OF THE MUNICIPALITY OF MONROEVILLE
AMENDING THE CODE OF THE MUNICIPALITY OF
MONROEVILLE, CHAPTER A366, ADDING AN AMENDMENT TO
THE EMPLOYEE HANDBOOK**

BE IT ORDAINED AND ENACTED, by the Municipality of Monroeville in Council assembled as follows:

SECTION 1. The Municipality of Monroeville hereby adopts an amendment attached Exhibit "A" to the Municipality of Monroeville Employee Handbook for the purpose of adding the following Sections:

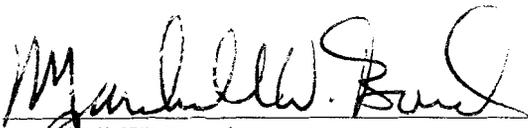
**6.15 POLICY AND GUIDELINES FOR THE MANAGEMENT AND
PERFORMANCE PAY AND REVIEW SYSTEM**

SECTION 2. Any Ordinance in conflict with said ordinance shall be repealed to the extent of such conflict.

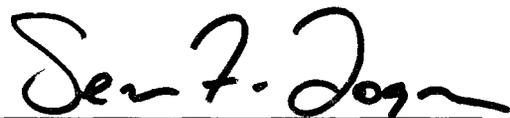
ORDAINED AND ENACTED this 14th day of September, 1999

ATTEST:

MUNICIPALITY OF MONROEVILLE



Marshall W. Bond
Municipal Manager



Sean F. Logan
Mayor

ENTERED INTO LEGAL BOOK: September 24, 1999

Municipality of Monroeville

Policy and Guidelines for the Management Compensation and Performance Pay and Review System

September 14, 1999

Introduction to the Management Compensation System

The Management Compensation System at the Municipality of Monroeville is comprised of market-driven salary ranges, a set of salary administration policies, a performance review system and a comprehensive benefits program. The goal of the Municipality of Monroeville's Management Compensation System is to provide an effective salary schedule that will attract qualified and professional people and motivate them to stay and devote their best interests to accomplishing the objectives of the Municipality.

All regular full-time Management, exempt and non-exempt, non-unionized employees shall receive a rate of compensation in accordance with the pay ranges established in the Municipality of Monroeville's Management Compensation System.

Hiring and promotional decisions and salary adjustments will be made without regard to race, color, veteran's status, religion, sex, national origin, age, medical condition, disability, familial status, sexual preference or other criterion as defined and protected by law.

This manual has been designed to assist Department Heads in understanding, implementing and working with Municipality of Monroeville's Management Compensation System.

Maintenance of the Compensation System

It is the policy of the Municipality of Monroeville that the Management Compensation System shall be consistent with the salary levels generally paid for comparable employment in the area from which the employees are recruited and from comparable governmental jurisdictions. In order to implement this policy, the Management Compensation System shall be reviewed periodically and adjusted as necessary to reflect changes in market costs, labor market conditions, employee recruitment and turnover experience factors.

Job Descriptions

A job description is a summary of the most important features of the job as it is performed. It identifies the job and describes the general nature of the work, specific task responsibilities, outcomes and employee characteristics required to perform the job.

An up-to-date job description is kept on file for every position. When a new position is created, a job description is created by the department head and finalized by the **Municipal Manager** and the **Director of Personnel & Finance**. The job description should be written using the following format:

1. **Statement of general purpose:** This paragraph is a description of the role the position plays in the department and in the municipality. It should summarize the goals, responsibilities and reporting relationship of the position. It should also indicate whether the position is exempt or nonexempt, a decision that will be made by the **Director of Personnel & Finance** according to the **Fair Labor Standards Act**.
2. **Job Responsibilities:** A list of typical day-to-day duties of the position. Any estimate of the percentage of time required to perform these duties is also helpful. Use action verbs that are as specific as possible, such as type, draft, write, edit, calculate, complete, direct, control, draw, assemble, and schedule, rather than words such as prepare, coordinate, do, make and other words which are open to misunderstanding.
3. **Minimum Qualifications:** This includes education and a description of the minimum amount of experience needed to do this job. Any physical requirements, such as frequent heavy lifting, ability to stand for long periods of time, etc. should also be included.

In general, a job description and salary range will be developed for each position before the interviewing process begins. This will facilitate more effective negotiations during the recruiting process and promote internal equity as the individual is hired.

Reference: Employee Handbook Section 1.6

Performance Review and Coaching on Performance Problems

The Municipality of Monroeville provides all employees with a formal and objective review of their performance on an annual basis, at a minimum. It is a process by which the Department Head and employee jointly discuss specific job responsibilities and the Department Head's evaluation of the employee's performance. The system should reinforce continuous communication of this information throughout the year (coaching) with a written summary of management observations.

Coaching is the management activity of monitoring or collecting information on performance, giving employees feedback, suggesting enhancement, obtaining commitment for performance changes and following up on results. Feedback is information that is given to employees that will help them learn about their behavior and its effect on others. It should be tied to performance goals and results. It should be specific, concrete and involve as many details as possible. If necessary, the Department Head and the employee should jointly agree to an improvement plan.

Misconduct counseling

Misconduct is behavior that is generally unacceptable in the workplace. Examples are excessive absenteeism or tardiness, consuming alcohol or illegal drugs, fighting, bringing firearms into the workplace and insubordination. The Municipality of Monroeville expects an employee to conform to acceptable standards of conduct. Each Department Head will communicate those standards to employees and will address a misconduct problem through a corrective process. Misconduct counseling provides a way to handle misconduct situations in a corrective, progressive, and nondiscriminatory manner.

When performing misconduct counseling, a Department Head must assure that an employee is treated in a nondiscriminatory manner without regard to race, sex, color, religion, age, national origin, disability, or veteran status according to the municipality's established EEO program.

When a misconduct situation occurs, the Department Head must review the employee's record to determine the impact of any previous misconduct actions. Prior misconduct actions may result in acceleration of the misconduct counseling process.

In those instances of misconduct that require immediate action, the Department Head will conduct a timely and private investigation of the situation to determine the facts, conferring with the Municipal Manager. If an employee's behavior is disruptive to the normal conduct of business or if it is deemed that the employee's presence is a threat to other employees, the Department Head may

decide, with the approval of the Municipal Manager, to immediately suspend the employee pending an investigation or to terminate the individual's employment.

Counseling

When a behavioral problem develops which can be handled by a verbal discussion, the Department Head must address it promptly and constructively. The problem should be discussed with the employee to obtain understanding and cooperation in correcting the unacceptable behavior. It is the responsibility of the Department Head to discuss what the employee must do to correct the unacceptable behavior and what action will be taken if the behavior is not corrected. The Department Head should then notify the Municipal Manager.

A written counseling process is used when an employee has not responded to verbal counseling or when the behavior violates a standard of conduct that warrants immediate formal action. All formal misconduct actions must be documented and the Department Head shall ensure that the following steps are taken when initiating corrective action:

- a. Summarize prior verbal counseling, if any.
- b. Record what standard of proper conduct/policy was violated and the incident(s) that resulted in the policy violation.
- c. Outline the possible result.
- d. Outline what the employee must do to correct the behavior.
- e. Establish in what period of time improvement should be shown and record an evaluation date.

The Department Head should meet frequently and regularly with the employee during the follow-up period, and the Department Head should document such meetings.

If the employee's behavior has not improved following the counseling process, the Department Head will review the case with Human Resources to evaluate the future status of the individual's employment. If the behavior does not warrant continued employment, termination of employment will occur if the behavior is not corrected.

Termination

As a general rule, an individual's employment may be terminated if:

- There is evidence of prolonged poor performance;
- There is evidence of misconduct, as defined above.
- There is a restructuring within the organization based upon financial considerations within the Municipality of Monroeville.

- The structure of the individual's job changes, requiring a realignment of job duties for which the individual's skills are not a match.

The Municipality of Monroeville makes every attempt to avoid a situation where a termination may be necessary. As an organization, the creation of new jobs and any restructuring which takes place is undertaken carefully and with input from any interested parties who may be able to provide insight into the organization's current and future needs.

This policy does not inhibit the right of the Municipality of Monroeville to terminate an individual's employment at any time for any reason, whenever the Municipality of Monroeville deems it in their best interest.

In any case of termination, every attempt will be made to provide as much notice as possible and an honest explanation to the individual for the change in status. Such conversations will be in confidence and with every attempt made to preserve the individual's privacy and sense of self-worth. In some cases, severance will be awarded, based on an individual's length of service and performance.

The Municipal Manager must authorize and approve any termination decision.

Reference: Employee Handbook Section 7.1

Salary Grades

Each position within the Municipality of Monroeville is evaluated and assigned to a salary grade. Salary grade assignments are made by reference to salaries paid to similar positions in other organizations (market data).

External compensation data is derived from salary surveys, which reflect different positions by scope of the organization, staff size and other factors. Market-based salary grades keep pay competitive, credible to employees and internally equitable.

The use of salary grades or ranges provides for financial rewards based on both performance and the location of employees' salaries within the assigned ranges. The critical points within the salary grades are as follows:

Lower Third

The lower third of the salary grade represents the salary that an individual would earn who is newly hired or within the first few years of employment, and who may still be learning some aspects of the job.

Midpoint/Middle Third

The midpoint of the salary range represents the approximate salary level paid for a competent, experienced employee performing all duties of the job at a satisfactory level. This rate of pay is considered the "going rate" within the community for trained, experienced people. The midpoint is the rate used for comparison when a competitive analysis of Monroeville Municipality pay levels is performed. The middle third of the grade surrounding the midpoint represents the salary that the individual who has fully learned the job and is demonstrating acceptable job performance is earning.

Upper Third

The upper third of the salary range generally represents employees who have learned all aspects of their jobs and are performing at the level expected for an experienced, skilled employee whose demonstrated performance is consistently above average or at a superior level, or to those employees who have extensive work records with the company.

Red Circle Rates

A “red circle rate” refers to the salary of those employees who have progressed through their pay grade and are now above the maximum salary for the grade. Grade maximums are often exceeded by job incumbents who have been with the organization for a long period of time, who are often among the most talented and dedicated in the organization.

Department Heads should make particular efforts to ensure that the job specifications and salaries classified for these individuals accurately characterize the work performed and the employee’s contributions to the company.

Green Circle Rates

A “green circle rate” refers to the salary of those employees who are below the minimum salary for the grade. Generally, employees should not be at a level below the minimum for their job classification, except under unusual circumstances. The situation may occur if someone is hired who requires additional training on the job, if an increase at the time of promotion does not bring the employee to the minimum or as a result of an increase in the salary schedule.

Salaries of employees below the minimum for the range should be reviewed at least every six months.

Guidelines

Applicants should not be hired below the minimum of the salary range established for the position. If the applicant’s qualifications meet more than the minimum requirements of the job, that applicant may be hired at a rate within the lower third of the salary range. No applicant may be hired above the midpoint of the salary range without the approval of the Municipal Manager.

Compa-Ratio

A compa-ratio is an index number that permits management to do an analysis of the anatomy of the pay grade or salary range by individual salary, department, or a variety of different criteria. The compa-ratio is the total actual pay divided by the midpoint. It measures how well actual practice corresponds to intended policy, and it is used to assess how employees are paid in relation to the midpoint.

Example:

<u>Actual Pay</u>	<u>Pay Midpoint</u>	<u>Compa-Ratio</u>
\$15,000	\$20,000	.75
\$18,000	\$16,000	1.13

Administrative Guidelines

Range Adjustments

Ranges will be adjusted on an annual basis to reflect change in the market rates due to inflation.

Newly Created Positions

In general, when a new job is created, salary surveys should be consulted to “price the job” and assess the grade into which the new job will fit. Keep in mind that the midpoints of the ranges are representative of salaries paid for similar positions in other municipalities.

New Hires

In general, employees should not be hired below the minimum of the salary range established for the position. No new employee may be hired above the midpoint of the salary range without the approval of the Municipal Manager.

Salary Increases

Generally, adjustments to salary will be achieved through five methods:

- Longevity pay;
- Merit increase;
- Performance Bonus Plan;
- Promotional increases; and
- Market adjustments.

Longevity Pay

Longevity Pay is a flat dollar amount paid to employees each year based on length of service; an amount is established each year to be paid out per year of service. This payment is independent of performance ratings.

Merit Increase Program

A performance review form drives the merit increase program. The performance review should facilitate communication and encourage unbiased judgment of performance by management. The annual merit increase rewards the achievement of individual performance goals. Since the amount budgeted for merit increases each year depends on organizational results, this program is tied into achievement of organizational financial goals also. All employees earning a rating of “Satisfactory” (a rating of 2.0 or higher on a 4.0 scale) or above are eligible for a merit increase. Each year, the Municipal Manager and the Municipal Council establish a budgeted range for merit increase percentages. This

budgeted range (usually from 1-6%) varies depending upon the financial health of the organization and the average merit increase granted in this region during the current year. All salary increases will be granted within this suggested range, unless the employee has received a promotion that warrants a higher increase or there are other special circumstances as defined by the Municipal Manager.

Performance Bonus Plan

A annual bonus plan recognizes and rewards achievement of extraordinary performance in the achievement of individual goals, team and organization-wide goals. The plan reinforces communication of goals and objectives through progress reports throughout the year. Total incentive payouts are limited to a budgeted amount each year that is tied in to organizational performance and agreed upon in advance. All employees who have met their goals and are in the 25% top performers of the organization, as documented on their performance review forms, are eligible for participation in the Performance Bonus Plan.

The Performance Bonus will be paid in a one time payment paid on the employee's anniversary date in the subsequent year following the year the qualifying performance rating was earned. The performance pay bonus will be confidential, known to the Municipal Manager and the Director of Personnel and Finance.

Promotions

A promotion occurs when an employee's job responsibilities change significantly. This does not necessarily occur whenever there is a title change. In general, promotions will result in a 10% salary increase.

If an employee is promoted into an existing position and his/her salary is below the minimum of the range for the position, the employee's salary will normally be immediately adjusted so that it is at the minimum for the range.

If bringing the employee to the minimum will result in more than a 15% increase, the employee will be given a 15% increase immediately and his/her salary will be re-reviewed in six months.

Market Adjustments

In some cases, when it is judged necessary, individual salaries may be adjusted which are not in line with the market. Any such increases will need to be approved by the Municipal Manager. Sometimes this results from the annual range adjustment or when employees are hired who lacked the minimum qualifications for the position at the time they were hired but are now fully qualified, or a lower rate was negotiated which is not in line with the current market.

Questions, Concerns & Future Issues

Even though the Management Compensation System has been carefully constructed, questions, concerns and future issues associated with it may arise. Employees having questions or comments are encouraged to discuss these matters with their supervisor. If the need still exists, the employee may then talk to the Municipal Manager who will report the item to the Director of Personnel & Finance along with a recommendation.