

**CITY OF GRAND PRAIRIE
HUMAN RESOURCES POLICIES AND PROCEDURES**

Section B: **CLASSIFICATION AND COMPENSATION SYSTEM**
No. 2 **Classification and Compensation Plan Administration**
Revised and Approved: **06/03/2022**

1.0 Purpose:

It is the purpose of the City of Grand Prairie to establish and administer a competitive compensation plan that allows the City to attract and retain qualified employees as well as offer pay opportunities commensurate with their positions internal and external value.

2.0 Scope: All Departments

3.0 General Exempt/Non-Exempt Pay Plans:

- 3.1 Changes to pay, including new hires, promotions, transfers, demotions, shift differential pay, etc. shall only occur on the 1st day of a pay period as indicated on the payroll calendar.
 - a. Any exceptions to this should be rare and agreed upon between the department, Human Resources and Payroll as this requires some manual involvement to ensure the pay is correct.
- 3.2 Recommended pay rates shall never be discussed with a candidate, internal or external, until final consideration and approval by Human Resources. Human Resources shall be the first point of contact for pay considerations. They will consult with the City Manager's Office as appropriate in cases that warrant such additional approvals.
- 3.3 **Pay Structure:** Most authorized positions will be assigned to a pay range defined by a minimum and maximum dollar limit.
 - a. Unclassified positions are jobs which do not fall within an established pay range due to the external market value of the position versus how that position actually falls based on job point evaluation factors.
 - 1) Compensation for unclassified positions is at the discretion of the Human Resources Department and City Manager's Office and is subject to budget considerations. There are very few positions that will fall into this "unclassified status."
 - b. Compensation for "Executive" (Director Level and above), is at the discretion of the City Manager's Office and subject to budget, market value and internal equity. Additionally, there are no job descriptions for this level as their duties, departments, divisions and other factors are subject to change at the sole discretion of the City Manager.
- 3.4 **New Employees:** New employees shall normally be compensated at the minimum of the approved salary grade unless their qualifications, work experience and/or market conditions justify paying above minimum. In such circumstances, compensation above the minimum may be reviewed by the department, and a recommendation to authorize a higher rate of pay sent to Human Resources for consideration.
 - a. The following conditions and approvals are to be followed when determining an appropriate new hire pay rate:
 - 1) Do not discuss pay rates with the applicant until approval by Human Resources and/or CMO is received.
 - 2) Offers above minimum up to and including 20% must be reviewed and approved by Human Resources.
 - i) Offers above minimum require written justification with internal equity considered based on similarly situated employees and their qualifications.

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- ii) Human Resources will coordinate with departments on final approved pay rates.
- 3) Human Resources will review with the City Manager's Office offers requested that are greater than 20% of minimum.
- 4) Offers which present concerns in equity, do not demonstrate sufficient justification for the rate desired, or other similar concerns, will be reviewed by Human Resources with the City Manager's Office for a final decision.
- 5) Recommendations for equity adjustments to other city employee's resultant from a new hire/rehire offer are very restrictive and limited to situations in which the applicant presents substantial qualifications, valuable knowledge or other such work experience as compared to other existing employees in the grade and/or job code.
- b. Newly hired, transferred or promoted employees remain eligible for any merit approved and/or given to ensure equity remains.

3.5 Promotions:

- a. Employees promoting to a position in a higher pay grade shall move to the minimum of the new position or a rate deemed equitable to others in that new grade above their current salary, whichever is commensurate with their qualifications and equity review by Human Resources.
- b. Salary increases greater than 20% in total change to their salary, other than moving to minimum, are subject to review and approval by both Human Resources and the City Manager's Office. Written, detailed justification of the reason for the increase must be provided by the hiring manager, including equity review.
- c. Equity review of similarly situated employees by position, job code, education and/or related experience, as well as fair market value of the position may be considered when determining equitable pay on promotions.

3.6 Lateral Transfers:

- a. Employees moving to another job within the same pay grade are generally ineligible for a pay change.
- b. In rare circumstances where the scope and authority of the new position is substantially greater than their current position, adjustments may be considered, but are not guaranteed. Internal equity must be reviewed against other similarly situated employees, positions or job codes.

3.7 Demotions:

- a. Employees demoted to a lower pay grade due to a position re-evaluation, and whose salaries fall above the maximum of the new salary range, will have their pay adjusted to the maximum of the new pay range.
- b. Involuntary demotions to a lower pay grade due to performance or disciplinary issues may be considered on a very limited basis. Pay will be reduced to a rate that is equitable to other employees in that grade based on education, experience and qualifications. Involuntary demotions require a memo signed by the employee of expectations of job performance, duties and expectations for continued employment. Human Resources should be consulted prior to any involuntary demotion.

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- c. Employees who voluntarily demote to a position in a lower pay grade shall not receive an increase in pay and may, as a condition of the voluntary demotion, have their salary reduced to that which is equitable to other similarly situated employees.
- 3.8 **Reclassifications:** A Position Reclassification may be requested by a Department Director if the duties of a position have substantially changed to deem the position incorrectly classified in the pay structure, or the title is inaccurate.
- a. A reclassification request through the online HR Service Request shall be submitted by the Department Director, or designee, to the Human Resources Department. Other documents such as a job description questionnaire (in the case of reclassifying to a title not previously in the pay plan), org chart(s) or other information may be necessary in order to complete the reclassification analysis. Reclassifications may take several weeks, from the point all necessary documentation is received by the requesting department, to complete due to the time and analysis required.
 - b. The Human Resources Department may do any of the following singularly or in tandem, as necessary to conduct a position review submitted: conduct a market analysis, perform a desk audit, review pay, people or similarly situated positions in grade, and/or assess hierarchy of related positions.
 - 1) If the position is to be classified to a higher pay grade and the employee's current salary falls within the new pay range, there is typically no adjustment to their salary.
 - 2) If an employee moves from a non-exempt to an exempt position, or the reclassification proves that the change in duties, scope and authority are so substantial, Human Resources may recommend a salary adjustment in consideration of these special factors.
 - 3) Final recommendations for reclassification requests and any pay adjustments, if appropriate, are made by Human Resources Department to the City Manager's Office for final review and approval or denial. Meetings are scheduled monthly to review recommendations for reclassifications requests.
 - 4) Approved reclassifications are not retroactive and shall become effective on the 1st day of the pay period following final approval. They are not retroactive to the date of the reclassification request.
- 3.9 **New Positions:** New job titles may be established when a position is created or evolves and cannot be appropriately classified into any existing job title.
- a. Requests should be submitted through the online HR Service Request by the Department Director, or designee, to the Human Resources Department. Departments wanting the addition of a title that is not found in the current pay plan must also fill out the Job Description Questionnaire. Other paperwork may be deemed necessary in order to create the new title.
 - b. The Human Resources Department will conduct a market analysis and also review salary survey information to determine the external competitive worth of the position. Internal equity of any other positions in similar classifications may also be considered.
 - c. Requests for new positions require approval from Budget and final approval from the City Manager's Office before being placed in the pay structure.
- 3.10 **Temporary Promotions (Acting Pay):** Employees temporarily assigned to work in a full-time capacity in a supervisory position in a higher pay grade, not to include Acting Directors, shall be compensated at the minimum rate of the temporary pay grade, but not less than a 5% change. In the event that the salary of the employee already falls in the higher pay grade, their

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salary shall be increased no less than 5% and up to 15% depending upon the degree of responsibility and span of control change in moving to the temporary position. Changes of greater than 15% shall require that Human Resources seek approval from the City Manager's Office for any recommended rate. Human Resources will assist in determining appropriate acting pay rates to retain equity and competitive and fair pay. Acting pay shall be calculated and applied on a flat rate basis by payroll as an extra pay, and not a change to the base pay rate, so that it can be removed easily.

- a. Employees assigned to serve as Acting Director will receive acting pay as determined by the City Manager's Office for that role and responsibility. Such pay shall also be applied on a flat-rate basis per pay period and not added to base pay.
- b. Employees who are temporarily assigned to a higher-level supervisory position must meet the minimum qualifications for the position, and must actually perform, the full range of duties expected of the position for a majority of the time.
- c. In order for the employee to qualify for acting pay, the assignment must be for an extended period of time generally considered a minimum of two working weeks or a full payroll cycle and the person is designated as acting. Simply being asked to perform some of the duties, part of the time or covering certain key meetings for a person during their absence does not qualify for acting pay.
- d. Employees eligible for acting pay for a period exceeding two months must get written approval from the City Manager's Office and/or Human Resource Director.

4.0 Civil Service:

- 4.1 **Pay Structure:** All sworn uniformed job ranks in the Police and Fire departments shall fall under a separate pay plan from non-civil service employees.
 - a. Sworn Police and Fire employees will receive step increases as determined by budget and the current pay plan in effect until topped out or promoted to a higher rank.
 - b. Changes to pay, including promotions, transfers, demotions, shift differential pay, etc. shall only occur on the 1st day of a pay period. In the case of fire it shall be on the 1st day of a 28-day cycle.
 - 1) Any exception to the above changes that occur on a date different from the 1st day of a 28-day cycle shall be on a rare basis and must be coordinated closely between the department, Human Resources and payroll to ensure pay is properly calculated.
- 4.2 **Anniversary Date:** A civil service employee's anniversary date will be the effective date of their annual step increase.
 - a. The anniversary date will occur annually on the first day of the month in which the employee was hired.
 - b. Civil service employees who promote to a higher rank will receive a new anniversary date reflecting the first day of the month in which they were promoted.

5.0 Skill Based Pay Plans

- 5.1 **Pay Structure:** Pay Plans are set up with various zones, levels and/or steps to allow an employee to progress based upon performance and acquired skills.
- 5.2 Only selected positions will be authorized to allow skill-based pay following review by Human Resources and approval by the City Manager's Office.
- 5.3 Administration of skill-based pay plans shall be in accordance with the individual skill-based pay structure documents.

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6.0 Pay Plan Maintenance/Merit Increases

- 6.1 **Pay Plan Maintenance:** Human Resources is responsible for developing recommendations regarding pay grade, structure adjustments and employee salary increases. All recommendations are subject to review and approval by the City Manager's Office.
- a. Market surveys will be conducted as deemed necessary by Human Resources and The City Manager's Office.
 - b. The City conforms to the requirements of the Fair Labor Standards Act (FLSA).
- 6.2 **Merit Increases:** Pay adjustments will be considered on an annual basis during the budget process and are contingent upon the availability of funds. Increases are subject to final approval by the City Manager's Office as well as the City Council.
- a. Employees who have reached the maximum pay for their position in the pay grade are not eligible for any additional adjustments to base pay due to merit increases unless the pay range increases. Any additional merit pay options for topped out employees is an annual consideration in the budget process and is not guaranteed. Maximum pay for positions will be adjusted according to market data and when determined appropriate by Human Resources and the City Manager's Office.
 - b. Some employees may be deemed ineligible for a merit increase for all or part of the budget year based on current or recent disciplinary action. Such ineligibility is subject to change and will be communicated by Human Resources as to any rules regarding ineligibility.
- 6.3 **Suspensions and/or No-Pay Status**
- a. When an employee has a period of no-pay that extends for the duration of a full pay period (two pay weeks), all compensation pay types (allowances, certification pay, assignment pay, etc.) that would otherwise normally occur for that pay period shall also cease.

7.0 Appendices

- a. None