

## Chapter 4: 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.***

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### SALARY SCHEDULE

*APPLICABILITY: All employees, unless otherwise stipulated in a collective bargaining agreement, and not including employee in non-IMRF, part-time positions (e.g. emergency preparedness technicians, crossing guards, and meter readers).*

The City has established a [compensation policy](#) to administer its compensation system complying with its compensation philosophy. It allows the City to effectively attract and retain qualified employees and ensures salaries are equitable and commensurate with the duties performed in each position. All compensation is subject to budget approval. The salary schedule applies to all employees not covered by a collective bargaining agreement. The City's 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 the first quartile of each salary range. Employees with salaries below the first quartile of the salary range will receive step increases in lieu of merit pay until they reach the first quartile.

#### **Car Allowance**

The city administrator and department directors will be allotted a car allowance paid on each check over 24 pay periods or a City vehicle in lieu of an allowance. The amounts are subject to change or elimination at any time.

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### POSITION DESCRIPTIONS

*APPLICABILITY: All employees.*

Position descriptions shall be maintained by the Human Resources Department for all positions.

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 will work with the department director or his/her designee to make changes to position descriptions as needed. Position descriptions are distributed annually or whenever there are significant changes. In order to ensure an understanding of the position responsibilities and requirements, position descriptions will be signed and copied to the employees, the supervisor, and Human Resources.

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## COMPARABLE COMMUNITIES

*APPLICABILITY: All employees.*

Comparable communities are established by meeting 12 criteria

| Criterion                                   | Source  | Weighting          |
|---|---|--------------------|
| 1. Municipal Fire Department                | Office of the Illinois State Fire Marshal (OSFM)              | Informational Only |
| 2. Home Rule Status                         | Illinois Municipal League Website                             | Informational Only |
| 3. Population                               | U.S. Census, American Fact Finder 5-Year Estimates            | 10 pts.            |
| 4. Distance from St. Charles (central city) | GIS   | 15 pts.            |
| 5. Number of Full-Time Employees            | Illinois State Comptroller Local Government Warehouse FY TBD  | 10 pts.            |
| 6. Number of Part-Time Employees            | Illinois State Comptroller Local Government Warehouse FY TBD  | 10 pts.            |
| 7. General Fund Expenditures                | Illinois State Comptroller Local Government Warehouse FY TBD  | 10 pts.            |
| 8. Total Expenditures                       | Illinois State Comptroller Local Government Warehouse FY TBD  | 10 pts.            |
| 9. Equalized Assessed Value                 | Illinois State Comptroller Local Government Warehouse FY TBD  | 10 pts.            |
| 10. Square Miles                            | U.S. Census 2010  | 5 pts.             |
| 11. Sales Tax Revenue                       | Illinois State Comptroller Local Government Warehouse FY 2013 | 10 pts.            |
| 12. Median Household Income                 | U.S. Census, American Fact Finder 5-Year Estimates            | 10 pts.            |

Based on the above criteria, the comparable communities as of December 2017 are:

- |                    |                      |                  |
|--------------------|----------------------|------------------|
| 1. Batavia         | 7. Elk Grove Village | 13. Romeoville   |
| 2. Buffalo Grove   | 8. Elmhurst          | 14. South Elgin  |
| 3. Carpentersville | 9. Geneva            | 15. Streamwood   |
| 4. Crystal Lake    | 10. Hanover Park     | 16. West Chicago |
| 5. DeKalb          | 11. Lombard          | 17. Wheaton      |
| 6. Downers Grove   | 12. Palatine         | 18. Wheeling     |

### Survey of Communities

Human Resources will survey the communities for comparable positions by requesting position descriptions and salary range information. The compensation

philosophy for the City is based on a commitment to hire and retain qualified, motivated employees at all levels within the organization. Therefore, City's salary ranges are determined at the 75<sup>th</sup> percentile of the comparable communities' positions using the maximum rate of the range. The minimum rate is 70 percent of that maximum rate.

### **Pay Grade Adjustments**

Once the pay grades are validated through the comparable community survey process, adjustments may be made to some or all the pay grades based on the survey data.

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## **PAY INCREASES**

*APPLICABILITY: All employees, unless otherwise stipulated in a collective bargaining agreement.*

The City Council may authorize a budget for market pay adjustments and/or step/merit pay increases.

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.

### **Market Adjustment**

When market adjustments are authorized by City Council through the budget process, they are given to all non-union employees in each grade to maintain their position within the salary range. In order to qualify for a market adjustment, the employee must be actively employed by the City on the date the market adjustment is issued. Employees who have separated from service for any reason are not eligible to receive the market adjustment. The market adjustment is typically effective May 1.

### **Step Increases**

Employees with a pay rate between the minimum and the first quartile (25%) of the salary range will receive a 3.45% step increase on April 30, as long as they receive an acceptable performance evaluation. The steps allow for employees to reach the first quartile of the salary range in about three years. Employees with pay rates at the first quartile of the salary range and higher are only eligible for the merit pay – no steps. If a step increase brings an employee past the first quartile, 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 months of service by December 31 of the fiscal year. If a new employee does not achieve six months of service by December 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 effective on April 30. Employees at the maximum of their salary range will receive merit pay as a lump sum bonus.

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 non-union employees shall be eligible for merit pay. Auxiliary part-time employees 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 months of service by December 31. If a new employee does not achieve six months of service by December 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 six months by December 31 of the fiscal year.

Employees must be employed on April 30 to receive merit pay for that fiscal year.

### **Re-Evaluation**

In the event that the salary of any position is re-evaluated 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 re-evaluation 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 the human resources director or designee, commensurate with experience.

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## **CLASSIFICATION PLAN**

*APPLICABILITY: All employees, unless otherwise stipulated in a collective bargaining agreement.*

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, and to periodically review the entire classification/grade plan and make appropriate changes in the allocations or in the classification plan. Based on the results of a job evaluation, a pay grade is assigned. Positions with similar qualifications and responsibilities including skills required, content of work performed, and the relative contribution of the work to the City's overall mission, are typically assigned to the same salary grade.

### **Periodic Review**

Positions are evaluated at the time of creation and when duties and responsibilities have significantly changed. Human Resources also conducts periodic studies of positions when there is an indication that the employee is working above or below established responsibilities for that position. Several methods may be used to evaluate positions in order to determine their relative worth. Methods may include point factor analysis, market data review relative to that position, and internal equity within the department and the organization as a whole. Per City Council direction a complete review of the classification/grade plan by an outside consultant will occur every three years.

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## **PROMOTIONS/TRANSFERS**

*APPLICABILITY: All employees, unless otherwise stipulated in a collective bargaining agreement.*

Employees may apply for any vacancy for which they qualify in accordance with the City's hiring process. 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. In all instances, the City will seek to retain the most qualified candidate. 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 an "acting" basis, and the employee returns to his/her regular position upon completion of the assignment. 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. When an employee is promoted 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. Transferred employees are eligible for all benefits associated with their new position. The rate of accumulation of vacation hours, sick leave hours, and participation in a pension fund will be determined by the position, initial date of full-time employment, and any applicable collective bargaining agreement.

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## **DEMOTIONS**

*APPLICABILITY: All employees, unless otherwise stipulated in a collective bargaining agreement.*

An employee reassigned to a position in a lower classification regardless of the reason will receive a reduction in pay commensurate with the maximum of the new salary range, unless prohibited by law.

### **Guidelines**

1. No employee shall be demoted to a position for which he/she does not possess the minimum qualifications.
2. An employee being demoted shall be notified two 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 to meet performance standards during their introductory period shall be terminated.

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## ACTING SUPERVISOR ASSIGNMENT/RATE OF PAY

*APPLICABILITY: All employees, unless otherwise stipulated in a collective bargaining agreement.*

The City retains the sole discretion to assign acting supervisors in the absence of a manager or supervisor. Employees who are designated as acting managers or supervisors shall receive \$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. Non-union subordinate employees who are assigned acting assistant or deputy department director will receive a 5% increase in pay or the minimum of the range for the position, whichever is greater, beginning the first pay period in which the appointment becomes effective.

Non-union subordinate employees who are appointed by city council as acting department director or acting city administrator will receive a 5% increase in pay or the minimum of the range for the position, whichever is greater, beginning the first pay period in which the appointment becomes effective.

### 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.

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## ANNIVERSARY DATE

*APPLICABILITY: All employees, unless otherwise stipulated in a collective bargaining agreement.*

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. 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.

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## OVERTIME

*APPLICABILITY: 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 normal workweek, consistent with 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 1, 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. Non-exempt employees are not allowed to work "off the clock."

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 40 hours per work week for full-time and part-time employees or per the tenants of the applicable collective bargaining agreement.

### **Premium Time**

Unless articulated otherwise in the applicable collective bargaining agreement, 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 times his/her regular rate of pay for those hours worked, which is in lieu of any other overtime compensation.

Any part-time employee who is required to work on a Sunday or holiday shall be paid at one and one-half 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**

Unless articulated otherwise in the applicable collective bargaining agreement, an employee who is called back to work after having been released after his/her regularly-scheduled work day, and prior to two hours before the start of his/her next scheduled work period, shall receive a minimum of two 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 16 continuous hours (eight hours regular time and eight hours overtime; 16 hours overtime on Saturday; or 16 hours premium time on Sunday) shall be entitled to an eight-hour rest period before being required to return to work. After working a regular workday, paid at straight time, and four 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 hours prior to being paid at double time.

### **No Pyramiding**

Any hour paid for at the overtime rate (time and one-half or double time) or call-in pay shall not again be paid for at or counted in computing overtime pay. There shall be no pyramiding or duplication of overtime payments.

### **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.

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## **MEAL ALLOWANCE**

*APPLICABILITY: Teamsters and IBEW Employees.*

A meal allowance of \$20.00 will be provided to Teamsters and IBEW employees for non-scheduled, emergency overtime, as determined by the

division manager, unless otherwise stipulated in the applicable collective bargaining agreement. The division manager will determine what qualifies as reimbursable and reserves the right to request verifying documentation in appropriate circumstances. Reimbursements for alcohol and non-food items will not be permitted. Meal reimbursements are subject to income tax.

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## **PAYROLL PROCEDURES**

*APPLICABILITY: All employees.*

### **Timesheets**

All employees shall complete and submit an electronic timesheet. Any employee who fails to accurately record all hours of work on his/her timesheet will be subject to disciplinary action, up to and including termination.

### **Approval**

Employees are prohibited from authorizing a co-worker or a subordinate to approve their timesheet or that of their subordinates.

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## **PAY PERIODS**

*APPLICABILITY: 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.

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## **PAYROLL DEDUCTIONS**

*APPLICABILITY: All employees.*

The Finance Department will administer all required and optional deductions on employee paychecks.

### **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. Any notice of garnishment will be received and signed for by the Human Resources Department.

### **Optional Deductions**

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

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



4. Union dues and initiation fees (provided that a signed dues authorization form is on file with Human Resources)

### **Statement of Earnings**

Employees may view and/or print their paycheck stub on each pay day by going through Employee Self-Service ([link on ISC](#)). 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 leave 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 do so through Employee Self-Service ([link on ISC](#)) by noon on the last Wednesday of the pay period. 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.

### **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 through Employee Self-Service ([link on ISC](#)).