

	TOWN OF PARADISE VALLEY Administrative Policy	
	Title: COMPENSATION	Policy No. AP-07.1
Policy Owner: Gina Monger, Human Resources Director		
Approved By: Andrew Ching, Town Manager		Effective Date: 06/23/2024
Authorized By: <i>Chapter 7: Compensation, Town Employee Handbook</i>	Revision History: 06/30/2005, 06/04/2019, 08/31/2020, 02/01/2021, 06/09/2023	

1. PURPOSE

This policy will provide further guidance for the administration of the provisions as authorized by *Chapter 7: Compensation of the Town of Paradise Valley* (hereinafter referred to as the "Town") *Employee Handbook*.

2. BASE PAY

2.1. Base pay ranges for each active position in the Town are identified in a compensation schedule. See *Appendix A* for current compensation schedule. In determining range assignment, consideration may be given to external market comparisons, internal equity, and budget constraints.

2.2. Base pay for new hires will be determined by Human Resources, in consultation with the respective department heads, and Town Manager, as appropriate. In determining base pay for new hires, consideration will be given to the candidate's desired pay, experience, and education, in addition to Town internal equity and budget limitations.

2.3. Apprentices/Apprenticeships

An apprentice as defined in the recruitment and selection policy will be appointed at 10% below the minimum rate of pay for the position. Apprentices who are current Town employees making above the minimum of the pay range will not receive a decrease in pay.

2.4. Interns/Internships

Interns and internships, as described in the recruitment and selection process, are generally unpaid. The Town Manager may establish a paid internship program, subject to budget limitations, to support Town operations and recruitment strategies.

2.5. Police Officers

Base pay for newly hired Police Officers will be determined by the number of years of qualifying law enforcement experience, excluding time spent in the police academy. Part years of experience will be rounded up to the next whole year for salary placement purposes.

2.4 Police Lead/Dispatchers

Base pay for newly hired Police Lead/Dispatchers will be determined by the number of years of qualifying dispatch experience. Part years of experience will be rounded up to the next whole year for salary placement purposes.

3. BASE PAY ADJUSTMENTS

3.1. Promotions

- 3.1.1. Employees who are promoted to a position with a higher salary range maximum will receive at least a 5% salary increase. An employee's new salary, after the increase, must be within the new salary range for the position to which the employee has been promoted.
- 3.1.2. If the new salary, after the increase, remains below the minimum of the new position's salary range, the employee's salary will be increased to at least the minimum salary of the new pay range.
- 3.1.3. The Town Manager may authorize a higher salary increase should the specific circumstances warrant such action.

3.2. Demotions

- 3.2.1. An employee who is demoted to a position with a lower salary range maximum will retain the same base salary, provided that such salary falls within the new range and does not result in adverse internal equity impacts.
- 3.2.2. If the base salary of a demoted employee exceeds the maximum of the employee's new range, the employee's base salary will be set equal to the new lower range maximum, provided that such action does not result in adverse internal equity impacts.

3.3. Transfers

Employees who transfer laterally from one position to another, where both positions have the same pay range, will retain the same base pay.

3.4. Reclassifications

- 3.4.1. A reclassified employee will generally not receive a salary increase if the employee's salary falls within the salary range of the reclassified position. Exceptions may be made, and a salary increase granted by the Town Manager, if the employee has been assigned additional responsibilities.
- 3.4.2. An employee's salary will be frozen (red-circled) if the new maximum salary range is lower than the incumbent's salary. The employee will receive no salary increase until the new maximum salary is higher than the employee's salary.

3.5. Performance/Merit Pay

- 3.5.1. Performance (merit) pay is an increase to the base pay, as authorized by the Town Council, and will only be administered up to the maximum of the salary range for each eligible employee. Merit pay will be awarded in accordance with the performance review policy.
- 3.5.2. Merit increases for eligible employees will go into effect July 1st of the new fiscal year, following the end of the most recent performance review period.
- 3.5.3. Merit increases to base compensation will only be administered up to the maximum of the salary range. Merit increase amounts in excess of the salary range, will be paid out in a one-time lump sum payment.

3.6. Equity and Retention

- 3.6.1. The Town Manager may make an adjustment of up to 5% base salary increase if the direct application of the compensation schedule and merit salary adjustment does not equitably compensate an employee. An employee should only receive one equity adjustment in a 12-month period and such adjustments cannot cause an employee to exceed the salary range maximum.
- 3.6.2. Adjustments under this subsection may be made by the Town Manager, including but not limited to, when an employee:
 - 3.6.2.1. Has assumed additional compensable duties and/or responsibilities that are not adequately compensated through administration of the compensation schedule.
 - 3.6.2.2. Demonstrates sustained excellent performance that is not adequately compensated by annual performance evaluation and merit pay increase.

4. ASSIGNMENT PAY

4.1. Acting/Interim Appointments

- 4.1.1. An employee is in an acting/interim capacity when assigned to a higher position, and fully performing all of the duties of that position, on a temporary basis in the absence of the incumbent for two or more weeks. Such designation will be made in writing.
- 4.1.2. Compensation for such appointments may be authorized by the department director/head and will be retroactive to the first day of the acting capacity, in accordance with the provisions for salary-setting for promotions as defined in *Subsection 3.1* of this policy.
- 4.1.3. Exempt employees who, as a result of their acting/interim capacity, exceed their normal workweek hours, may receive additional compensation or leave at the discretion of the Town Manager.

4.2. Rotational Assignments

- 4.2.1. Police Department employees assigned to rotational duties will receive a 2.5% increase to their base salary for the duration of the assignment.
- 4.2.2. The Chief of Police/designee is responsible for ensuring that requirements and the selection process(es) for rotational assignments are defined. Employees will be notified of the (approximate) duration of the assignment. Employees may be assigned to the position that gave rise to the assignment pay during the rotation period.
- 4.2.3. Rotational assignments include:
 - 4.2.3.1. Criminal Investigative Unit (CIU) Detectives
 - 4.2.3.2. CIU Sergeants
 - 4.2.3.3. Police Community Resource Officers
 - 4.2.3.4. Police Motor Officers

4.3. Special Work Assignments

- 4.3.1. Department directors may temporarily assign additional or specialized duties for up to 12 months or until the end of the period necessitating the duties, whichever comes first. Qualifications, selection,

assignment, and reassignment are at the discretion of the department director and not appealable. Employees on special work assignments (SWA) do not lose any rights or entitlements held in their regular positions.

- 4.3.2. Employees on a SWA may receive assignment pay for the duration on the SWA as authorized by the Town Manager. The amount of assignment pay is established based on the SWA. Department directors must submit their recommendations for special work assignment pay in writing to the Town Manager for consideration.
- 4.3.3. Assignment pay for a SWA may exceed the maximum salary range of the employee's regular position for up to 12 months from the effective date of the SWA. Employees will be notified of the (approximate) duration of the SWA.

5. PREMIUM PAY

5.1. Shift Differentials

- 5.1.1. Eligible positions for shift differentials only include Police Officers, Police Corporals, Police Sergeants, Police Lead/Dispatchers, and Detectives.
- 5.1.2. Nightshift differential includes hours worked between 6:00 p.m. and 6:00 a.m. at a base rate of \$1.25 per hour and \$1.88 per overtime hour for all eligible hours.
- 5.1.3. Weekend shift differential includes hours worked between 6:00 p.m. on Friday and 6:00 a.m. on Monday, at a base rate of \$3.00 per hour and \$4.50 per overtime hour for all eligible hours.
- 5.1.4. Yearly base differential rate calculations for employees regularly assigned to nightshift and/or weekends are based upon 2,080 hours a year and 26 pay periods per year.
 - 5.1.4.1. Full-time base nightshift differential: $\$1.25 \times 2,080$ equals \$2,600 per calendar year, divided by the 26 pay periods, equals \$100 per pay period of nightshift differential compensation in lump sum.
- 5.1.5. Partial yearly rates may be calculated as follows:
 - 5.1.5.1. Part-time regular nightshift differential: $\$1.25 \times$ number of qualifying hours per week \times 52 weeks, divided by 26 pay periods, equals the amount of regular nightshift differential to be paid each pay period in lump sum.
 - 5.1.5.2. Regular weekend differential: $\$3.00 \times$ the number of qualifying hours per week \times 52 weeks, divided by 26 pay periods, equals amount of weekend differential per pay period in lump sum.
- 5.1.6. Employees may be eligible for both nightshift and weekend differentials for the same scheduled hours.
- 5.1.7. Employees regularly assigned to work the hours described in *Subsection 5.1.2.* are entitled to the applicable shift differentials for all hours worked and authorized paid leave. Employees not regularly assigned to the hours described in *Subsection 5.1.2.* are eligible for nightshift differential only for actual hours worked during the hours described in *Subsection 5.1.2.*
- 5.1.8. Employees assigned to work the hours defined in *Subsection 5.1.3.* are entitled to the applicable weekend differentials for all hours worked and authorized paid leave.

5.2. Standby Duty

5.2.1. Standby duty is an assignment that requires hourly employees to be available to report to work outside of their regular schedule. Employees on standby must be available to report for duty within a specified period of time, and be fit to report for duty. Department directors/designees determine the positions to be assigned to standby duty and for what frequency and duration. Such assignments should be in writing and provided to the affected employees.

5.2.2. Standby premium pay is equal to one hour of pay for each regularly scheduled workday and two hours of pay for each non-scheduled workday (regular days off) while on standby duty.

5.2.3. Standby duty premium pay rate is equal to the assigned employee's overtime rate. Standby hours do not count towards hours worked for the purposes of determining overtime.

5.3. Callback

An employee is eligible for callback premium pay when an hourly employee is called to duty after having been properly relieved from their shift or on their scheduled day off. Callback premium pay is equal to three hours of the employee's base rate of pay, exclusive of any additional compensation or other premium pay.

5.4. Police Instructors

A Police Department employee who facilitates a structured training session, that includes a lesson plan and training materials, for a group or sworn officers or an individual sworn officer, will be compensated an additional \$10.00 per hour, exclusive of any other premium pay or compensation, for every hour engaged in providing such training. Preparation time for instructor-led training is excluded.

5.5. Field Training Officers

Police Officers certified as Arizona Peace Officers Standards and Trainings Board (AZPOST) Field Training Officers (FTO) will be compensated an additional \$5.00 per hour, exclusive of any other premium pay or compensation, for all hours worked performing FTO duties.

5.6. Weed Control

A Public Works Department employee assigned to duties that require an Arizona Department of Agriculture applicator certification for weed control will be compensated an additional \$15.00 per hour, exclusive of any other premium pay or compensation, for all hours worked performing qualifying weed control duties.

6. REFERENCE

Appendix A: Compensation Schedule – Located on Town Shared Drive (X:\Human Resources)