

CHAPTER 2.78

MANAGEMENT COMPENSATION PLAN*

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*Editor's Note: Sections 2.78.010 through 2.78.060, codified from prior code Sections 2.58.600, 2.58.610, 2.58.620, 2.58.630, 2.58.640, 2.58.645 and Ordinance Nos. 13295, 15011 and 15488 were formerly codified in Chapter 2.76, Personnel System as Sections 2.76.580 through 2.76.605 and were renumbered and amended by Ordinance No. 15988.

2.78.010 Management Compensation Plan Established.

For the purpose of compensating department heads, administrative assistants to elected officials, and employees with a pay range prefixed by the letter "M" for professional performance in the city service, there is hereby established a management compensation plan to be administered by the Mayor and department heads. The Personnel Director shall be responsible for recommending a pay range within which all department heads shall be assigned a rate of pay, a pay range within which all administrative assistants to elected officials shall be assigned a rate of pay, and a pay range for all employees in classifications with pay ranges prefixed by the letter "M". A pay plan for employees with a pay range prefixed by the letter "M" shall be adopted in accordance with Section 2.76.120 of this code. Such recommendation shall be submitted to the City Council and the pay ranges shall become effective when adopted by the City Council by ordinance.

Once adopted, the Mayor shall assign a rate of pay within the established pay plan to each department head; and may adjust the rate of pay for department heads within the established pay range as may be warranted under the circumstances, to adequately reflect appropriate compensation for the quantity and quality of work performed by such department head. The Mayor shall also establish, by executive order, a uniform schedule of fringe benefits to be provided to department heads which benefits may include life insurance, health insurance, disability insurance, pension benefits, and such other and different benefits as the Mayor may deem appropriate.

The rate of pay and fringe benefits for an administrative assistant to an elected official shall be assigned by the elected official employing the same. (Ord. 18478 §1; December 13, 2004: prior Ord. 15988 §1; October 14, 1991: Ord. 15488 §115; March 12, 1990: P.C. §2.58.600: Ord. 13295 §2; January 11, 1982).

2.78.020 Management Compensation Plan; Annual Leave.

(a) Effective with the beginning of the first pay period after January 1 of each year, each department head and each administrative assistant to an elected official shall be entitled to annual leave equivalent to 160 hours per year. Department heads and administrative assistants to elected officials may carry over unused annual leave to a maximum of forty hours, but any leave, over the maximum of forty hours, unused by the last day of the first complete pay period in January of the following year shall be forfeited. Any accumulated leave earned by a department head and unused as of January 15, 1982, shall be retained by the department head and may be used at any future time, and for any remaining upon termination of employment with the city, shall be compensated for such unused accumulated vacation leave.

Any department head or administrative assistant to an elected official entering the management compensation plan at any time after the first day of the second complete pay period in January of any year shall be entitled to and shall receive only a pro-rated portion of the otherwise authorized management leave for that year.

(b) Effective with the beginning of the first pay period after January 1 of each year, each employee with a pay range prefixed by the letter "M" shall be entitled to annual leave equivalent to 160 hours per year, or 240 hours for those employees who work a fifty-six hour work week.

After twenty years of service -- annual leave equivalent of 200 hours per year, or 300 hours for those employees who work a fifty-six hour work week.

Employees with a pay range prefixed by the letter "M" may carry over unused annual leave to a maximum of 80 hours, or 100 hours for employees with a fifty-six hour work week. Any accumulated leave earned by an employee with a pay range prefixed by the letter "M" and unused as of January 12, 2005, shall be retained by the employee and may be used at any future time, and for any remaining upon termination of employment with the city, shall be compensated for such unused accumulated vacation leave.

Any employee with a pay range prefixed by the letter "M" and hired at any time after the first day of the second complete pay period in January of any year shall be entitled to and shall receive only a pro-rated portion of the otherwise authorized annual leave for that year.

Any employee with a pay range prefixed by the letter "M" may use vacation during their probationary period upon approval by their supervisor.

(c) Vacation payout. Any employee who separates from the city service shall be compensated for vacation leave accrued and accumulated to the date of separation. The vacation payout shall occur with the paycheck immediately following separation. In the event the separation is the result of retirement, as defined by the applicable retirement plan, an employee may elect to utilize vacation until all accrued vacation has been exhausted. (Ord. 19620 §1; September 19, 2011: prior Ord. 19369 §1; April 5, 2010: Ord. 19146 § 2; September 22, 2008: Ord. 18505 §1; February 28, 2005: Ord. 18478 §2; December 13, 2004: Ord. 15988 §2; October 14, 1991: Ord. 15488 §116; March 12, 1990: P.C. § 2.58.610: Ord. 15011 §1; October 10, 1988: Ord. 13295 §3; January 11, 1982).

2.78.025 Compensation Plan; Variable Merit Pay Plan - DSS and M Pay Ranges.

Notwithstanding any other section of the Lincoln Municipal Code to the contrary, the compensation plan for employees in classifications with pay ranges prefixed by the letters "DSS" and "M" shall provide for the awarding of merit increases within established pay ranges based upon the employee's level of performance and shall be entitled "the variable merit pay plan." The specific

method of implementing and administering this plan shall be set out in an executive order of the Mayor which shall, among other things, provide for:

(a) Variable merit increases of between zero and five percent. Merit increases shall be effective beginning the first full pay period following the established eligibility date;

(b) A four and one-half percent increase upon successful completion of the original probationary period with the exception of pay ranges prefixed by the letters "DSS";

(c) Temporary exceptional service awards not to exceed two percent of the employee's current annualized salary to be paid in two, four, or six pay periods with the exception of pay ranges prefixed by the letters "DSS";

Such increases shall be paid only on recommendation of the department head supported by a convincing showing in writing of exceptional service or unusual circumstances as related to specific criteria to be recommended by each department and approved by the Personnel Director;

The Personnel Director shall annually send a written report to the Mayor listing employees approved for exceptional service pay increases.

(d) The Personnel Director, with the approval of the Mayor, may grant permanent salary increases within the employee's pay range that are consistent with the spirit and purpose of the merit system provisions of the City Charter if a department head presents written evidence of unusual circumstances. The effective date of any increase granted in accordance with this subparagraph (d) shall be used to establish a new eligibility date, which shall be one year from the effective date of such increase. This subsection applies only to pay ranges prefixed by the letter "M".

(e) The eligibility date for evaluating performance of employees will be determined by completion of the original probationary period, and the effective date of promotion, demotion, reallocation, or layoff, or in the case of a department head or an administrative assistant to an elected official, the date of hire;

Employees in pay ranges prefixed by the letter "M" may have their eligibility dates adjusted when necessary or appropriate for proper operation of any goal-oriented employee evaluation program implemented by any department. The department head shall forward a written request for such an adjustment to the Personnel Director who may, at his discretion, approve the request. The eligibility date of an employee shall not be adjusted under this subsection more often than once in any twelve-month period;

(f) Establishment of a committee to review and approve all merit increases in excess of four percent. (Ord. 18788 §2; August 14, 2006; prior Ord. 18478 §3; December 13, 2004).

2.78.027 Management Compensation Plan; Longevity Pay.

Employees with a pay range prefixed by the letter "M" shall annually receive longevity pay based upon the total length of continuous service with the city. Such pay shall be effective beginning with the first full pay period following completion of the specified years of service. Payment shall be made on a prorated basis on each regular pay day. Employees with a pay range prefixed by "M" who are scheduled to work less than forty but at least twenty hours per week shall receive longevity pay based on the number of hours worked each pay period. The longevity schedule shall be as follows:

<u>Completed Years of Service</u>	<u>Annual Pay</u>
10 Years	\$1,639.00
15 Years	\$2,400.00
20 Years	\$3,251.00
25 Years	\$3,840.00
30 Years	\$3,952.00

For the purpose of longevity pay, any employee who terminates employment and who is later reemployed shall be treated as a new employee. (Ord. 19621 §1; September 19, 2011: prior Ord. 19369 §2; April 5, 2010).

2.78.030 Management Compensation Plan; Sick Leave.

(a) Sick leave shall be paid when a department head or an administrative assistant to an elected official is unable to perform work duties due to actual personal illness, bodily injury, pregnancy, or disease, exposure to contagious disease under circumstances in which the health of other employees or the public would be endangered by attendance on duty or to keep a medical or dental appointment, and for no other reason. When a department head or an administrative assistant to an elected official finds it necessary to be absent for any of the reasons specified herein, the department head or administrative assistant to an elected official shall cause the fact to be reported to the appropriate supervising elected official. Department heads or administrative assistants to elected officials shall be entitled to no payment for accumulated or unused sick leave upon retirement or death, except sick leave accrued by the department head or administrative assistant to an elected official prior to participation in the management compensation plan, shall be credited to such department head or administrative assistant to an elected official as unused sick leave, and paid in accordance with the provisions of Section 2.76.380(d) of this code.

(b) Sick leave for employees with a pay range prefixed by the letter “M” shall be paid in accordance with the provisions of Section 2.76.380 of this code. (Ord. 18478 §4; December 13, 2004: prior Ord. 15988 §3; October 14, 1991: Ord. 15488 § 117; March 12, 1990: P.C. § 2.58.620: Ord. 13295 §4; January 11, 1982).

2.78.040 Management Compensation Plan; Other Leave.

Other provisions of Chapter 2.76 of this code relating to holiday pay, noncumulative personal holidays, funeral leave and family illness, injury leave, maternity leave, and military leave shall, to the extent feasible, be applicable to the taking of such leave by department heads and administrative assistants to elected officials. (Ord. 15988 §4; October 14, 1991: prior Ord. 15488 § 118; March 12, 1990: P.C. § 2.58.630: Ord. 15011 §2; October 10, 1988: Ord. 13295 §5; January 11, 1982).

2.78.050 Department Head or Administrative Assistant to Elected Official; Severance Pay.

Any department head or any administrative assistant to an elected official who is removed from office or requested by the Mayor, or where appropriate in the case of an administrative assistant to an elected official, by the City Council, to resign for any cause except misconduct in office, willful neglect of duty, or upon conviction of a felony or of any other crime involving violation of official oath, is entitled to severance pay equivalent to the number of working days in the next ninety calendar days after termination at the pay range such department head was being compensated upon the effective date of the termination thereof.

Any department head or any administrative assistant to an elected official who retires shall not be entitled to severance pay as provided for in this section. (Ord. 15988 §5; October 14, 1991: prior Ord. 15488 § 119; March 12, 1990: P.C. § 2.58.640: Ord. 15011 §3; October 10, 1988: Ord. 13295 §6; January 11, 1982).

2.78.060 Resignation.

Any department head may voluntarily resign from the city service by presenting his or her resignation in writing to the Mayor at least thirty days prior to the effective date thereof. Any administrative assistant to an elected official may voluntarily resign from the city service by presenting his or her resignation in writing to the elected officials employing the same at least thirty days prior to the effective date. (Ord. 15988 §6; October 14, 1991: prior Ord. 15488 § 120; March 12, 1990: P.C. § 2.58.645: Ord. 13295 §7 January 11, 1982).

2.78.070 Health Insurance; Continuation of City Contribution After Retirement.

Any department head who elects to retire at age 60 or thereafter and who has served as a City department head for ten or more years may, prior to the effective date of his or her retirement, elect to continue to participate in any then available group health insurance contract, health maintenance agreement, or self-funding health benefit plan with the City paying the same percentage of the contribution or premium as it would pay if such retired department head were still actively employed as a department head. The City contribution shall continue from the date of retirement until such time as such retired department head attains the age of 65 years or is eligible for benefits under the Health Insurance for the Aged Act (Title XVIII of the Social Security Amendments of 1965) commonly known as Medicare as the same exists or as it may be amended from time to time. Such retired department head may at any time elect to cease his or her participation in such group health insurance plan, health maintenance agreement, or self-funding health benefit plan, or may change the level of coverage as may be permitted under such plan or agreement.

The City's duty to contribute, and the retired department head's eligibility to participate, shall terminate on the earliest of the following dates:

- (a) The date on which such retired department head becomes eligible for other group hospital, surgical, or medical coverage, whether insured or self-insured, or the date the retired department head becomes eligible for Medicare; or
- (b) The date on which the City ceases to offer health coverage to city employees, whether through a group health insurance policy, health maintenance agreement, or self-funded health benefit plan, or otherwise; or
- (c) The date on which the retired department head provides notice to the City that he or she no longer wishes to participate in such plan or agreement; or
- (d) The date of expiration of the monthly period for which premiums were paid in the event of a non-payment of premium by the retired department head. (Ord. 17477 §1; March 8, 1999).