

ORDINANCE NO. _____

1 AN ORDINANCE amending Chapter 2.76 of the Lincoln Municipal Code
2 relating to the personnel system by amending Section 2.76.130 , Position and Pay Range
3 Allocation, to make reallocation to a classification with a higher pay range conform with a
4 promotion as to rate of pay following such action; amending Section 2.76.160, Variable Merit
5 Pay Plan, to differentiate between increases received at the completion of original probation
6 by employees in given pay ranges; amending Section 2.76.175, Promotion, Transfer,
7 Demotion, or Temporary Promotion, to differentiate between a voluntary and involuntary
8 demotion and the employee's rate of pay as the result of such action; amending Section
9 2.76.380, Sick Leave with Pay, to simplify language and reflect negotiated changes; amending
10 Section 2.76.395, Vacation Leave with Pay, to allow employees in pay range "X" to accrue
11 vacation the first six months of employment; amending Section 2.76.495, Early Retirement,
12 to define and expand the definition of early retirement; and repealing Sections 2.76.130,
13 2.76.160, 2.76.175, 2.76.380, 2.76.395, and 2.76.495 of the Lincoln Municipal Code as
14 hitherto existing.

15 BE IT ORDAINED by the City Council of the City of Lincoln, Nebraska:

16 Section 1. That Section 2.76.130 of the Lincoln Municipal Code be amended
17 to read as follows:

1 **2.76.130 Compensation Plan; Position and Pay Range Allocation.**

2 (a) In those cases where a classification prefixed by "E" or "M" is allocated to a
3 higher pay range, the employee in the classification shall be paid at the minimum rate of the
4 new pay range or at his current rate of pay if it is within the new pay range, whichever is
5 greater. The Mayor may, with the recommendation of the Personnel Director and at the
6 request of a department head, adjust pay when it is consistent with the spirit and purpose of
7 the merit system. There shall be no change in the employee's eligibility date as a result of
8 such allocation.

9 In those cases where a classification prefixed by "E" or "M" is allocated to a
10 lower pay range, an employee in such classification shall be paid at the same rate of pay in
11 the lower pay range; provided, however, if the employee's rate of pay exceeds the maximum
12 rate of pay in the lower pay range, the employee's rate of pay shall be frozen until such
13 maximum rate of pay in such lower pay range is increased so that it exceeds the employee's
14 rate of pay. When the maximum rate meets or exceeds the employee's frozen rate, the
15 employee's frozen rate of pay shall then be increased to the maximum rate, but if the
16 maximum rate does not meet or exceed the employee's frozen rate of pay within one year
17 after such allocation, the employee's rate of pay will be reduced four and one-half percent or
18 to the maximum rate, whichever results in the smallest decrease in pay, and each year
19 thereafter, the employee's rate of pay shall be similarly reduced until the employee's rate of
20 pay equals the maximum rate.

21 (b) In those cases where a classification prefixed by "N" or "X" is allocated to a
22 higher pay range, the employee in the classification shall be paid at the minimum rate of the

1 new pay range, or at the next higher step in the new range above his present rate of pay,
2 whichever is applicable. There shall be no change in the employee's eligibility date as a result
3 of such allocation.

4 In those cases where a classification prefixed by "N" or "X" is allocated to a
5 lower pay range, the employee in the classification shall be paid at the same rate until the pay
6 range is increased to include the employee's rate of pay. However, if after one year the
7 employee's rate of pay continues to exceed the maximum rate for the classification as
8 reallocated, he shall begin receiving the maximum rate for that classification.

9 (c) In those cases where a position is reallocated to a classification prefixed by "E"
10 or "M" with a higher maximum pay range, the reallocated employee shall be paid at the
11 minimum rate of the new pay range, or ~~three~~ five percent above his rate of pay prior to
12 reallocation, whichever is greater. The effective date of the reallocation shall be used to
13 establish a new eligibility date, which shall be one year from the date of the reallocation.

14 In those cases where a position is reallocated to a classification prefixed by "E"
15 or "M" with a lower maximum pay range, the same provisions shall apply as have been
16 established for the allocation of a classification to a lower pay range pursuant to subsection
17 (a) of this section.

18 (d) In those cases where a position is reallocated to a classification prefixed by "N"
19 or "X" with a higher maximum pay range, the rate of the reallocated employee shall be
20 increased to that step in the new pay range next above his rate of pay prior to reallocation.
21 The effective date of the reallocation shall be used to establish a new eligibility date, which
22 shall be one year from the date of the reallocation.

1 In those cases where a position is reallocated to a classification prefixed by "N"
2 or "X" with a lower maximum pay range, the same provisions shall apply as have been
3 established for the allocation of a classification to a lower pay range pursuant to subsection
4 (b) of this section.

5 (e) In those cases where a position is reallocated to a classification with the same
6 maximum pay range, the rate of the reallocated employee shall remain unchanged and there
7 shall be no change in eligibility date.

8 Section 2. That Section 2.76.160 of the Lincoln Municipal Code be amended
9 to read as follows:

10 **2.76.160 Compensation Plan; Variable Merit Pay Plan.**

11 Notwithstanding any other section of the Lincoln Municipal Code to the contrary, the
12 compensation plan for employees in classifications with pay ranges prefixed by the letters "A",
13 "C", "E", and "M" shall provide for the awarding of merit increases within established pay
14 ranges based upon the employee's level of performance and shall be entitled "the variable
15 merit pay plan." The specific method of implementing and administering this plan shall be
16 set out in an executive order of the Mayor which shall, among other things, provide for:

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

19 (b) A three percent increase upon successful completion of the original probationary
20 period for employees in pay ranges prefixed by the letters "A" or "C"; a four and one-half
21 percent increase upon successful completion of the original probationary period for employees
22 in pay ranges prefixed by "E" or "M";

1 (c) For employees in pay ranges prefixed by the letters "A", "C", "E", or "M",
2 temporary exceptional service awards not to exceed two percent of the employee's current
3 annualized salary or \$300.00, whichever is greater, to be paid in two, four, or six pay periods;

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

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

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

17 (e) The eligibility date for evaluating performance of employees will be determined
18 by completion of the original probationary period, and the effective date of promotion,
19 demotion, reallocation, or layoff;

20 Employees in pay ranges prefixed by the letter "M" may have their eligibility
21 dates adjusted when necessary or appropriate for proper operation of any goal-oriented
22 employee evaluation program implemented by any department. The department head shall

1 forward a written request for such an adjustment to the Personnel Director who may, at his
2 discretion, approve the request. The eligibility date of an employee shall not be adjusted
3 under this subsection more often than once in any twelve-month period;

4 (f) Establishment of a committee to review and approve all merit increases in
5 excess of five percent.

6 Section 3. That Section 2.76.175 of the Lincoln Municipal Code be amended
7 to read as follows:

8 **2.76.175 Compensation Plan; Promotion, Transfer, Demotion, or Temporary**
9 **Promotion.**

10 (a) In the case of promotion for an employee with a pay range prefixed by "N" or
11 "X", the rate of the promoted employee shall be increased to that step in the higher range next
12 above his rate of pay prior to promotion. In the case of promotion for an employee with a pay
13 range prefixed by "E" or "M", such increase is intended to be at least five percent. In the case
14 of transfer, the employee's rate will remain unchanged at the time of transfer. In the case of
15 an involuntary demotion for an employee with a pay range prefixed by "E" or "M", the rate
16 of pay shall be reduced at least four and one-half percent. Under no circumstances shall the
17 new rate exceed the maximum rate for the lower class in the variable merit pay plan.

18 In the case of a voluntary demotion for an employee with a pay range prefixed by "E"
19 or "M", the employee concerned shall normally be paid at the same rate in the lower pay
20 range. If the employee's rate of pay exceeds the maximum rate of the lower pay range, the
21 employee's rate of pay shall be frozen (red-circled) until such time that the maximum rate,
22 through general increases, makes sufficient upward movement so that it exceeds the
23 employee's rate of pay. When the maximum rate meets or exceeds the employee's frozen

1 (red-circled) rate through general increases, the employee's frozen rate of pay shall then
2 increase to the maximum rate. However, if after one year the maximum rate does not meet
3 or exceed the employee's frozen (red-circled) rate of pay, the employee's rate of pay will be
4 reduced four and one-half percent (4.5%) or to the maximum rate, whichever results in the
5 smallest decrease in pay. Each year thereafter, the employee's rate of pay shall be reduced
6 an additional four and one-half percent (4.5%) or to the maximum rate, whichever results in
7 the smallest decrease in pay.

8 In the case of demotion for an employee with a pay range prefixed by "N" or "X", the
9 rate of the demoted employee shall be reduced to the next lower step for the lower class and
10 under no circumstances shall the new rate exceed the maximum rate for the lower class in the
11 merit pay plan.

12 (b) A promotion of any employee during such employee's probationary period shall
13 have the effect of ending the probationary period for that employee and making such
14 employee a regular employee. However, a reclassification of a probationary employee to a
15 position in a newly created class with a higher pay range will not terminate the probationary
16 period.

17 (c) Any regular employee with a pay range prefixed by "A", "M" or "P" may be
18 temporarily promoted to fill a budgeted position which is temporarily vacant and has a higher
19 maximum salary than provided by such employee's current pay range. Such temporary
20 promotion must first be approved in writing by the Director only after the department head
21 demonstrates that the employee is qualified for the vacant position. Once granted, the
22 employee must actually perform the duties of the vacant position and shall be paid at the rate

1 of at least five percent above the employee's current base salary, or at the minimum rate of
2 the established range of the vacant position, whichever is greater, but any increase in pay
3 greater than five percent must be approved in writing by the Director. No temporary
4 promotion shall be granted for less than forty hours or continue longer than one year from the
5 date of the original assignment and approval by the Director.

6 Section 4. That Section 2.76.380 of the Lincoln Municipal Code be amended
7 to read as follows:

8 **2.76.380 Sick Leave with Pay.**

9 Subsections (a) through (d) shall apply to employees not represented by a bargaining
10 unit.

11 (a) Amount. Sick leave shall be earned by each employee ~~not represented by a~~
12 ~~bargaining unit~~ at the factored hourly equivalent of eight hours for each full month of service
13 or twelve hours for each full month of service for an employee with a pay range prefixed by
14 "M" who works a fifty-six hour work week. Earnings shall be computed only for those hours
15 when an eligible employee is in a pay status, excluding overtime.

16 (b) When taken. Sick leave will be paid only when an employee is unable to
17 perform work duties due to actual personal illness, noncompensable bodily injury, pregnancy,
18 or disease, exposure to contagious disease under circumstances in which the health of other
19 employees or the public would be endangered by attendance on duty, or to keep a medical
20 or dental appointment and for no other reason. A sick leave pay account will be established
21 and funds appropriated for that reason only. Sick leave with pay is intended to be paid on
22 account of sickness rather than a continuation of salary.

1 Sick leave must be earned before it can be granted, and advancing sick leave
2 is prohibited. An employee may utilize no more than his accrued balance of sick leave.
3 When an employee finds it necessary to be absent for any of the reasons specified herein, the
4 employee shall cause the facts to be reported to his department head in accordance with
5 departmental rules and regulations.

6 Sick leave shall be earned, but not be granted, during the probationary period occurring
7 after original appointment ~~for an employee with a pay range prefixed by "E", "M", "A" or "C".~~
8 ~~Sick leave shall not be earned nor granted during the probationary period occurring after~~
9 ~~original appointment for an employee with a pay range prefixed by "N" or "X".~~ An employee
10 must keep his department head informed of his condition. This shall be on a daily basis unless
11 waived by the department head or designated representative. An employee may be required
12 by the Personnel Director to submit a medical certificate for any absence. Failure to fulfill
13 these requirements may result in denial of sick leave. No refund of vacation time shall be
14 allowed due to illness incurred while on vacation leave. Sick leave shall not accrue during
15 any period of leave of absence without pay.

16 (c) Accumulated sick leave. Unused sick leave may be accumulated to a total of
17 ~~1,920 hours for an employee with a pay range prefixed by "E" or "M"; 1,728 hours for an em-~~
18 ~~ployee with a pay range prefixed by "N" or "X"; or 2,880 hours for an employee with a pay~~
19 ~~range prefixed by "M" who works a fifty-six hour work week.~~

20 (d) Unused sick leave. Upon retirement ~~from the city service~~ or death, an
21 employee ~~with a pay range prefixed by "E" or "M"~~ or the employee's beneficiary shall be paid
22 one-fourth of his accumulated sick leave ~~with a maximum of 400 hours or 600 hours for an~~

1 ~~employee with a pay range prefixed by "M" who works a fifty-six hour work week with the~~
2 ~~rate of payment based upon the employee's regular pay at the time the employee retires. An~~
3 ~~employee with a pay range prefixed by "N" or "X" shall be paid one-fourth of his accumulated~~
4 ~~sick leave with a maximum of 320 hours with the rate of payment based upon the employee's~~
5 ~~regular pay at the time the employee retires. Upon the death of an employee with a pay range~~
6 ~~prefixed by "E" or "M", the employee's beneficiary shall be paid one-fourth of his accumulated~~
7 ~~unused sick leave with a maximum of 400 hours, or 600 hours for an employee with a pay~~
8 ~~range prefixed by "M" who works a fifty-six hour work week, with the rate of payment based~~
9 ~~upon the employee's regular pay at the time of the employee's death. Upon the death of an~~
10 ~~employee with a pay range prefixed by "N" or "X", the employee's beneficiary shall be paid~~
11 ~~one-fourth of his accumulated unused sick leave with a maximum of 320 hours, with the rate~~
12 ~~of payment based upon the employee's regular pay or at the time of the employee's death. A~~
13 ~~portion of the sick leave payout, for full-time regular employees, will be contributed to the~~
14 ~~Post Employment Health Plan (PEHP) in accordance with the policy established by the~~
15 ~~Personnel Director.~~

16 (e) An employee with a pay range prefixed by "E", "M", "A", or "C" may be granted
17 time off for a maximum of forty hours in each calendar year for illness in the employee's
18 immediate family. An employee with a pay range prefixed by "M" who works a fifty-six hour
19 work week may be granted time off for a maximum of sixty hours in each calendar year for
20 illness in the employee's immediate family. Immediate family will also include any other
21 family member, whether it be by blood, marriage, legal adoption, or foster children, residing

1 in the household. Such time off will be deducted from the employee's accumulated sick
2 leave.

3 (f) An employee with a pay range prefixed by "N" or "X" may be granted time off
4 for a maximum of forty hours in each calendar year for illness in the employee's immediate
5 family. For purposes of this subsection (f), the term immediate family shall include the
6 employee's mother, father, sister, brother, husband, wife, child, foster child, mother-in-law,
7 father-in-law, stepmother, stepfather, stepchild, grandparent and the grandparent of ~~this~~ the
8 employee's spouse. Such time off will be deducted from the employee's accumulated sick
9 leave.

10 Section 5. that Section 2.76.395 of the Lincoln Municipal Code be amended
11 to read as follows:

12 **2.76.395 Vacation Leave with Pay.**

13 (a) Amount. Each employee with a pay range prefixed by "E" or "M" shall earn
14 vacation leave credit annually as follows:

15 After original appointment – at the factored hourly equivalent of 88 hours per
16 year, or 132 hours per year for those employees with a pay range
17 prefixed by "M" who work a fifty-six hour work week.

18 After five years of service – at the factored hourly equivalent of 112 hours per
19 year, or 168 hours per year for those employees with a pay range pre-
20 fixed by "M" who work a fifty-six hour work week.

1 After seven years and six months of service -- at the factored hourly equivalent
2 of 120 hours per year, or 180 hours per year for those employees with
3 a pay range prefixed by "M" who work a fifty-six hour work week.

4 After ten years of service -- at the factored hourly equivalent of 128 hours per
5 year, or 192 hours per year for those employees with a pay range
6 prefixed by "M" who work a fifty-six hour work week.

7 After twelve years and six months of service -- at the factored hourly equivalent
8 of 136 hours per year, or 204 hours per year for those employees with
9 a pay range prefixed by "M" who work a fifty-six hour work week.

10 After fifteen years of service -- at the factored hourly equivalent of 160 hours
11 per year, or 240 hours for those employees with a pay range prefixed by
12 "M" who work a fifty-six hour work week.

13 After twenty years of service -- at the factored hourly equivalent of 184 hours
14 per year, or 276 hours for those employees with a pay range prefixed by
15 "M" who work a fifty-six hour work week.

16 After twenty-five years of service -- at the factored hourly equivalent of 192
17 hours per year, or 288 hours for those employees with a pay range
18 prefixed by "M" who work a fifty-six hour work week.

19 Each employee with a pay range prefixed by "N" or "X" shall earn vacation leave credit
20 annually as follows:

1 ~~After successful completion of the first six months of employment -- at the~~
2 ~~factored hourly equivalent of 40 hours for the second six months of~~
3 ~~service.~~

4 After ~~the first year of service~~ original appointment -- at the factored hourly
5 equivalent of 80 hours per year.

6 After five years of service -- at the factored hourly equivalent of 112 hours per
7 year.

8 After ten years of service -- at the factored hourly equivalent of 128 hours per
9 year.

10 After fifteen years of service -- at the factored hourly equivalent of 160 hours
11 per year.

12 After twenty years of service -- at the factored hourly equivalent of 176 hours
13 per year.

14 After twenty-five years of service -- at the factored hourly equivalent of 184
15 hours per year.

16 The department head may require that vacation leave be taken not less than one day
17 at a time. Vacation leave credit shall not accrue during a leave of absence without pay.

18 (b) Vacation leave shall not be granted during the first six months of employment.
19 Each department head shall keep records on vacation leave credit and use and shall schedule
20 vacation leave with particular regard to the seniority of employees, to accord with operating
21 requirements, and insofar as possible, with requests of employees.

1 (c) Accumulated leave. An employee may accumulate vacation leave to a
2 maximum of forty hours over and above the employee's maximum annual earning rate or sixty
3 hours over and above the employee's maximum annual earning rate for an employee with a
4 pay range prefixed by "M" who works a fifty-six hour work week.

5 (d) Vacation payout. Any employee who separates from the city service shall be
6 compensated for vacation leave accrued and accumulated to the date of separation. The
7 vacation payout shall occur with the paycheck immediately following separation. In the event
8 the separation is the result of retirement, as defined by the applicable retirement plan, an
9 employee may elect to utilize vacation until all accrued vacation has been exhausted.

10 (e) Waiving vacation. For the purpose of maintaining necessary personnel on duty
11 to accomplish city work, a department head, with approval of the Mayor, may waive
12 accumulated vacation leave in excess of eighty hours (120 hours for an employee with a pay
13 range prefixed by "M" who works a fifty-six hour work week) for any employee entitled to
14 more than eighty hours (120 hours for an employee with a pay range prefixed by "M" who
15 works a fifty-six hour work week) vacation leave in any year and in lieu thereof grant such
16 employee additional pay at the employee's usual rate of pay as of the last January 1; provided,
17 no department head shall waive vacation and grant additional pay in lieu thereof as provided
18 above, unless there are sufficient funds therefor in the department's budget for salaries. All
19 additional pay for such waived vacation shall be paid to the employee entitled thereto at the
20 first pay period in the month of July of each year.

21 Section 6. That Section 2.76.495 of the Lincoln Municipal Code be amended
22 to read as follows:

1 **2.76.495 Early Retirement.**

2 Any city employee, except those employees who are covered by fire or police
3 retirement plans, may retire upon written request after completing twenty-five years of service
4 and attaining age fifty-five. The early retirement date for employees employed prior to
5 September 1, 2000, shall be the earliest date resulting from either completing twenty-five years
6 of service and obtaining age fifty or completing twenty years of service and obtaining age
7 fifty-five. Such retirement shall be known as "early retirement."

8 Section 7. That Sections 2.76.130, 2.76.160, 2.76.175, 2.76.380, 2.76.395, and
9 2.76.495 of the Lincoln Municipal Code as hitherto existing be and the same is hereby
10 repealed.

11 Section 8. That this ordinance shall take effect and be in force from and after
12 its passage and publication according to law.

Introduced by:

Approved as to Form & Legality:

Chief Assistant City Attorney

Staff Review Completed:

Administrative Assistant