

## ORDINANCE NO. \_\_\_\_\_

1 AN ORDINANCE amending Chapter 2.78 of the Lincoln Municipal Code relating  
2 to the Management Compensation Plan by amending Section 2.78.010 to add employees with a pay  
3 range prefixed by the letter “M” to be compensated under such plan; amending Section 2.78.020 to  
4 establish annual leave under the management compensation plan for employees with a pay range  
5 prefixed by the letter “M” and providing for vacation payout upon separation from city service;  
6 adding a new section numbered 2.78.025 to establish a variable merit pay plan for employees in  
7 classifications prefixed by the letters “DSS” and “M”; amending Section 2.78.030 to establish sick  
8 leave under the management compensation plan for employees with a pay range prefixed by the letter  
9 “M”; and repealing Sections 2.78.010, 2.78.020, and 2.78.030 of the Lincoln Municipal Code as  
10 hitherto existing.

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

12 Section 1. That Section 2.78.010 of the Lincoln Municipal Code be amended to read  
13 as follows:

14 **2.78.010 Management Compensation Plan Established.**

15 For the purpose of compensating department heads, ~~and~~ administrative assistants to elected  
16 officials, ~~and employees with a pay range prefixed by the letter “M”~~ for professional performance  
17 in the city service, there is hereby established a management compensation plan to be administered  
18 by the Mayor ~~and department heads~~. The Personnel Director shall be responsible for recommending  
19 a pay range within which all department heads shall be assigned a rate of pay, ~~and~~ a pay range within  
20 which all administrative assistants to elected officials shall be assigned a rate of pay, ~~and a pay range~~

1 for all employees in classifications with pay ranges prefixed by the letter “M”. A pay plan for  
2 employees with a pay range prefixed by the letter “M” shall be adopted in accordance with Section  
3 2.76.120 of this code. Such recommendation shall be submitted to the City Council and the pay  
4 ranges shall become effective when adopted by the City Council by ordinance.

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

12         The rate of pay and fringe benefits for an administrative assistant to an elected official shall  
13 be assigned by the elected official employing the same.

14         Section 2. That Section 2.78.020 of the Lincoln Municipal Code be amended to read  
15 as follows:

16 **2.78.020         Management Compensation Plan; Annual Leave.**

17         (a)         Effective on the first day of the second complete pay period in January of each year,  
18 each department head and each administrative assistant to an elected official shall be entitled to  
19 annual leave equivalent to 160 hours per year. Department heads and administrative assistants to  
20 elected officials may carry over unused annual leave to a maximum of forty hours, but any leave,  
21 over the maximum of forty hours, unused by the last day of the first complete pay period in January  
22 of the following year shall be forfeited. Any accumulated leave earned by a department head and

1 unused as of January 15, 1982, shall be retained by the department head and may be used at any  
2 future time, and for any remaining upon termination of employment with the city, shall be com-  
3 pensated for such unused accumulated vacation leave.

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

8 (b) Effective on the first day of the second complete pay period in January of each year, each  
9 employee with a pay range prefixed by the letter "M" shall be entitled to annual leave equivalent to  
10 160 hours per year, or 240 hours for those employees who work a fifty-six hour work week.

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

13 Employees with a pay range prefixed by the letter "M" may carry over unused annual  
14 leave to a maximum of forty hours, or sixty hours for employees with a fifty-six hour work week,  
15 but any leave, over the maximum of forty/sixty hours, unused by the last day of the first complete  
16 pay period in January of the following year shall be forfeited. Any accumulated leave earned by an  
17 employee with a pay range prefixed by the letter "M" and unused as of January 12, 2005, shall be  
18 retained by the employee and may be used at any future time, and for any remaining upon  
19 termination of employment with the city, shall be compensated for such unused accumulated  
20 vacation leave.

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

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

9           Section 3. That Chapter 2.78 of the Lincoln Municipal Code be amended by adding  
10 a new section numbered 2.78.025 to read as follows:

11 **2.78.025        Compensation Plan; Variable Merit Pay Plan - DSS and M Pay Ranges.**

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

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

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

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

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 as  
6 related to specific criteria to be recommended by each department and approved by the Personnel  
7 Director;

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

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

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

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

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

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

6 Section 4. That Section 2.78.030 of the Lincoln Municipal Code be amended to read  
7 as follows:

8 **2.78.030 Management Compensation Plan; Sick Leave.**

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

1           (b)    Sick leave for employees with a pay range prefixed by the letter “M” shall be paid in  
2 accordance with the provisions of Section 2.76.380 of this code.

3           Section 5. That Sections 2.78.010, 2.78.020 and 2.78.030 of the Lincoln Municipal  
4 Code as hitherto existing be and the same are hereby repealed.

5           Section 6. That this ordinance shall take effect and be in force from and after its  
6 passage and publication according to law.

Introduced by:

\_\_\_\_\_

Approved as to Form & Legality:

\_\_\_\_\_  
City Attorney

Approved this ____ day of _____, 2004:
_____
Mayor