

# Appendix A

## Guidelines for Merit Increase

It is my responsibility as mayor to carefully look at the City's salary structure, and, if possible financially, find ways to keep up with the financial pressures being experienced by our employees. I believe our citizens and taxpayers would want us to encourage and support their employment.

I think it is possible, within our budget constraints, to put in place a plan to reward some number of the best performers, including employees and department heads, during the year. It would call for allocating a relatively small amount of funds devoted to exceptional performance awards. From time to time I would, with recommendations from department heads, award performance salary increases to deserving employees.

Our current salary plan places a job salary within three categories: minimum, midpoint, and maximum. The increase for exceptional job performance, and/or job related training or certifications would never be used to exceed the maximum for a particular job.

This plan would help the City retain our best performers, and maybe encourage others to improve performance. I do not anticipate that it would involve more than a small number of awards during the year, with no compulsion to spend the entire allocated amount.

Job related training must have prior approval from the department head. The course or certificate must be directly related to the employee's job.

At any time through-out the year any department head may submit documentation to include a performance evaluation, and/or proof of certification, and a written statement outlining the reason in support of an employee's merit increase for the Mayor's review. Upon approval by the Mayor, the Finance and Human Resource departments will be notified in writing by a payroll change form.

Merit increases will not exceed 25 percent of the employee's or department head's current base salary.

The City Council reserves the right to amend, discontinue, or modify the terms of this merit increase incentive plan.

The Merit Increase is not in lieu of any Cost of Living Adjustment (COLA).