



CITY OF BAY CITY MERIT PAY GUIDELINES

Based on budget parameters, at the beginning of each fiscal year the merit compensation pool will be determined and approved by the City Manager and City Council. Each Department Director will be provided merit guidelines to assist with the implementation of the City's merit-based evaluation policy.

The overall rating scale will be used to determine whether an employee is eligible to receive an increase. Merit-based increases will be provided as outlined below. Merit increases will become effective the next payroll, after the evaluation has been completed and approved by the City Manager.

Overall Rating	Overall Score	Merit Percentage
Rating 1	10-19 – Employee 10-25 – Supervisor	Ineligible for merit increase. Employee must be placed on a 90-day PIP. Failure to successfully pass the PIP will result in immediate termination.
Rating 2	20-29 – Employee 26-40 – Supervisor	Ineligible for merit increase, until successfully completes 90-day PIP. After the successful completion of the PIP, merit range will be between 1.5% and 3%.
Rating 3	30-39 – Employee 41-55 – Supervisor	Annual CPI – up to 3%
Rating 4	40-49 – Employee 56-70 – Supervisor	Up to 4.5%
Rating 5	50+ - Employee 71+ - Supervisor	Up to 6%

Employees paid at or near the maximum of the salary range:

- May not earn more than the maximum of their salary range.
- Will receive a lump sum or combination lump sum/base increase in lieu of the total base pay increase.