



## SALARY ADMINISTRATION POLICY

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In order to attract and retain qualified personnel with the potential to assume responsible positions within the organization and to fill openings at all levels, it is the City of Sandpoint's policy to maintain consistent and competitive salary ranges based on the economic requirements of the agency and commensurate with those of the community in which we operate.

### A. PURPOSE

1. To obtain the highest possible degree of employee performance, morale, and loyalty through salary administration.
2. To seek internal consistency within and between all service areas of the City.
3. To provide an effective means of controlling payroll costs and salary expenditures.
4. To provide for recognition and reward for differences in individual ability and performance.
5. To provide uniform methods for establishing and applying salary rates, and to facilitate the employment, classification, and promotion of personnel.

### B. RESPONSIBILITIES

1. City Council – It is the responsibility of the legislative body to:
  - a. Review and approve salary structures, ranges, and related schedules as part of the annual budget process. The City Administrator, Mayor, Finance Director, and/or Director over Human Resources may be granted discretionary authority to make changes during the budget year to meet administrative needs but not to exceed the overall salary and benefits budget as adopted by the City Council.
  - b. Review and approve salary administration policies.
  - c. Review and render decision on matters for which authority has not been otherwise delegated.
2. Supervisors – It is the responsibility of each supervisor to:
  - a. Plan and administer the salary rates of personnel under his or her supervision within approved budgets and in accordance with the guidelines established by this policy.
  - b. Review the functions performed by each member of his or her staff, and prepare and submit position description questionnaires to the Director over Human Resources Manager.
  - c. Review and appraise the performance of each member of his or her staff periodically, and relate salary increases to performance ratings.



3. Director over Human Resources (HR) Manager – It is the responsibility of the Director over Human ResourcesHR Manager to:
  - ~~a.~~ Assist the City Administrator with the developing and maintaining a consistently fair and competitive salary structure that complies with the City pay philosophy of being within +/- 5% of current market rates.
  - ~~b.~~ a. Develop and recommend salary administration policies.
  - ~~b.~~ b. Develop procedures and techniques for the implementation of uniform salary administration practices.
  - ~~c.~~ c. Develop evaluation systems that will group positions of substantially comparable content into like salary grades, and maintain files of current position descriptions.
  - ~~d.~~ d. Maintain such records as may be required to facilitate the administration of salary rates and provide adequate control of salary costs as well as maintain records required by law.
  - ~~e.~~ e. Review and approve personnel action notices for compliance with established policy, adherence to sound practices, consistency between service areas, and legal compliance.
  - ~~f.~~ f. Review all deviations from established salary administration policy with the City Administrator or Mayor, who will render a final decision.

### C. GUIDELINES

1. Before an applicant may be hired or an employee promoted to a new or revised position, a job description must be prepared using the position description questionnaire submitted by the division director. The position must be evaluated, approved, and placed in a salary group.
2. Hiring rates for new employees shall be determined by the Director over Human ResourcesHR Manager in consultation with the Department Director hiring manager. Normally, this rate should start at step one for the position and be no more than the central point of the salary grade, unless the applicant possesses qualifications clearly exceeding those generally required for the position, or competitive conditions in the area indicate the starting rate should be increased. If an applicant is hired above the central point, the Department Director hiring manager shall submit a written request to the Director over Human ResourcesHR Manager providing a valid business case to support the hiring rate. The request is subject to review and final approval by the Mayor, City Administrator and/or Director over Human Resources, City Administrator.
3. Step increases are in-grade adjustments in salary, granted for increased proficiency and/or changes in position content that are not sufficient to warrant reclassification. Length of service may be considered in assessing proficiency, but it shall not be the determining factor.
4. Step increases may not be granted more frequently than once each year without the approval of the Director over Human Resources HR Manager and Mayor and/or City Administrator.
5. Employees who are hired in or promoted to their grade at step 5 or below in the salary range

for the position may be eligible for a step increase upon completion of six months' service. The supervisor must submit a written request to the Department Director and Director over Human Resources/HR Manager providing a valid business case to support the increase. The request is subject to review and final approval by the Mayor and/or City Administrator. Upon completion of an additional six months' service, employees in this category may again be considered for a step increase. Thereafter, step increases are generally only granted at annual intervals based on the employee's anniversary date. In rare instances, a Department Director-division-head may submit a written request to the HR Director over Human Resources/Manager for an additional increase due to justifiable business need. The request is subject to review and final approval by the Mayor and/or City Administrator.

6. In administering this policy, it should be remembered that step increases are not automatic. The employee's behavior and performance on the job should always be the governing factor in determining the amount and time interval in granting salary increases.
7. The following factors are also considered in determining step increases:
  - a. Performance and accomplishments since last review,
  - b. Potential for advancement,
  - c. Assumption of increased responsibility, and
  - d. Attainment of goals established in the previous review.
8. Employees are not eligible for step increases if they are subject to a performance improvement plan (PIP) or received a written warning at any time during the annual performance review period. While every effort should be made to salvage marginal performers, such efforts should not include pay increases as a form of encouragement. Step increases are granted only for "meets requirements" or better performance.
9. Step increases may be delayed by the amount of time spent on a leave of absence granted by the City.
10. Each succeeding salary increase within the range should be considered in light of increasingly higher standards of performance. The central point in the range is the salary that is considered to be a fair and equitable rate of compensation for an employee who is fully qualified from the standpoint of training and experience, and whose demonstrated performance on the job over a period of time (usually three to five years) is entirely satisfactory in all respects.
11. Promotion is the advancement from a position in one salary grade to another position in a higher salary grade. When promoted, an employee will generally receive the minimum salary for the new position. However, the new salary shall not be less than 2-1/2% nor more than 5% of the employee's current rate and shall not be based on a step-to-step adjustment. If the employee's step increase date (in current position) is within 30 days before or after the promotion, the step increase is given first, and then the promotional increase is calculated. Promotional increases in excess of 5% require prior approval of the Director over Human Resources/HR Manager and Mayor and/or City Administrator. The effective date of the promotional increase establishes a new annual performance review and step increase date from the effective date of the Promotion. Progressive promotions from a position in a lower salary grade to another position in a higher salary grade, within the same line of progression (i.e. Water Treatment Operator I to Water Treatment Operator II) are limited to one per year from the date of the most recent

promotion.

12. Reclassifications may be made when a major change in the position content occurs, or when the incumbent in the position relinquishes or assumes substantial responsibilities. When a position warrants reclassification, a position evaluation job survey shall be conducted by the Director over Human Resources/HR Manager to re-evaluate the duties for assignment to the proper position classification. If, as a result of the evaluation job survey, a position is changed to a higher or lower salary grade, the incumbent's salary should be adjusted to reflect the reclassification. The effective date of the reclassification does not establish a new annual performance review and step increase date.

~~13. When a position is upgraded because of a change in market value, it is not considered a promotional increase. The only salary change is an adjustment to bring the incumbent(s) up to at least the minimum of the new grade and no less than the employee's current salary. The effective date of the position upgrade does not establish a new annual performance review and step increase date.~~

~~14. When a position is downgraded because of a change in market value it is not a demotion. The salary of the employee may remain the same, as long as the resulting salary is within the new range. Should the employee's current salary exceed the range maximum upon downgrade, the employee's salary shall be frozen until it is within the range maximum. The effective date of the position downgrade does not establish a new annual performance review and step increase date.~~

~~15.~~13. Transfers may be affected from one position to another within the same salary grade, or from a position in one Department or Division service area to a position of the same grade in another Department or Division service area or division. An employee shall not receive an adjustment in salary unless a promotion is involved. The effective date of the transfer establishes a new annual performance review and step increase date.

~~16.~~14. A demotion is movement from the current position to a position in a lower salary grade. The salary of a demoted employee may remain the same or may be reduced, as long as the resulting salary is within the new range. The effective date of the demotion does not establish a new annual performance review and step increase date.

~~17.~~15. Situations that may result in a demotion include:

- a. Voluntary – Employee requests to be moved back to a lower-graded position due to personal reasons, inability to perform current job, or merely a preference for the type of work;
- b. Involuntary – The City acknowledges the employee's inability to perform current position duties or poor job performance on the current job and demotes the employee to a lower-level job in which the employee can meet performance expectations.

~~18.~~16. Factors generally to be considered in setting pay levels for a position include, but are not limited to, knowledge, skill and abilities required for the position, pay levels in the community, working conditions, special licenses required, scope of responsibility, management responsibility, and budget responsibility.

#### D. TRAINING & DEVELOPMENT INCENTIVE PROGRAM

Revised October/March 2025

The City recognizes that training and professional development provides greater skill and knowledge to employees, which translates to improved job performance. Improved job performance, in turn, means greater efficiency, fewer errors, and better productivity. Only non-~~exempt-exempt~~, hourly employees are eligible for training and development incentives that are not part of their core job responsibilities and do not provide a promotional opportunity for obtaining such license or certification.

The well-trained employee acquires an advantage for him- or herself as well. By participating in training, employees can deepen or expand their existing skill set and increase their understanding of the organization. In addition, a well-trained employee may be able to take advantage of internal promotion opportunities. All Specialty Pay must be job related to employee's current classification regular job responsibilities and duties and pre-approved by the Department/division Director/head and; HR Director over Human Resources, and Mayor and/or Manager and City Administrator.

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Specialty pay is effective the beginning of the first full pay period after verification of any valid license and/or certification is received, reviewed and approved by Department Director and the Director over Human Resources/HR Director/Manager. Specialty Pay is only effective if applicable licenses and/or certifications are valid. Expired licenses and/or certifications need to be renewed for Specialty Pay to resume. If a license or certification expires, the Specialty Pay will be removed and resume once renewed if it is a license or certification that is directly related to the employee's current classification and regular job responsibilities and duties. No Specialty Pay will be paid or reinstated for redundant licenses or certifications that are not an employee's regular job duties or responsibilities.

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The following is a list of certifications, licenses, and assignments that are considered eligible for Specialty Pay as well as the associated, predetermined compensation amounts. Additional job-related certifications, licenses, and assignments to an employee's current classification may be requested in writing by the Department Director/division-head to the HR Director/Manager for review and consideration. The request is subject to final review and approval by the Director over Human Resources and/or Mayor or City Administrator.

~~1. Dual License Specialty Pay: Additional compensation of \$0.50 per hour, to a maximum of \$2.00, shall be granted to employees who obtain one or more of the following licenses in addition to that which is a minimum requirement of their current position:~~

- ~~a. Water Distribution Operator I, II, III~~
- ~~b. Water Treatment Operator I, II, III, and IV~~
- ~~c. Wastewater Collection Operator I, II, III~~
- ~~d. Wastewater Treatment Operator I, II, III, and IV~~
- ~~e. Backflow Assembly Tester~~
- ~~f. Wastewater Laboratory Operator I, II, III, IV~~

1. Public Works Department Specialty Pay. Additional compensation shall be granted to Public Works employees who complete the following Specialty programs:

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a. Backflow Assembly Tester : Additional compensation of \$0.50 per hour for three Utilities employee who obtains the Backflow Assembly Tester Certification and acts in this capacity as part of their regular job duties. This Specialty Pay is limited to three Utilities employee and selection is determined and approved by the Department Director.

b. Water Distribution Operator I, II, III/Wastewater Collection Operator I, II, III – Utilities employees only shall receive additional compensation of \$0.50 per hour to a maximum of \$1.50 per hour.

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2. Road Scholar Specialty Pay: Additional compensation of \$1.00 per hour, to a maximum of \$2.00, shall be granted to employees who complete the following Idaho Department of Transportation (IDT) programs administered by the Local Highway Technical Assistance Council (LHTAC):

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a. Road Scholar Program

b. Road Master Program

c. Pre-Treatment Operator Certification: Additional compensation of \$1.50 per hour for one Wastewater Treatment Plant employee who obtains the Pre-Treatment Operator Certification and acts in this capacity as part of their regular job duties. This specialty pay is limited to one Wastewater Treatment Plant employee and selection is determined and approved by the Department Director.

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Public Works employees receiving Specialty Pay not referenced in this Policy for active certifications as of October 01, 2025 are eligible to continue receiving that Specialty Pay until termination of employment. An active certification must be maintained at all times or the Specialty Pay associated will end and is not eligible for reinstatement.

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3.2. Police Department/Division Specialty Pay: Additional compensation ranging from \$0.50 to \$1.00 per hour, to a maximum of \$2.50, shall be granted to police department employees/officers who complete the following specialty programs:

a. Emergency Response Team (ERT): \$0.50/hour

b. K-9: \$0.50/hour

c. Drug/Narcotics: \$0.50/hour

d. Polygraph: \$0.50/hour

e. Instructor: \$0.50/hour

f. Bilingual: \$0.50/hour

g. Detective: \$1.00/hour

h. School Resource Officer: \$1.00/hour

i. Animal Control Officer/ Animal Abuse Investigator: \$0.50/hour – available only to Community Resource Officers

j. Animal Abuse Investigator: \$0.50/hour

4.3. ~~Police Department~~ ~~Division~~ Assignment Pay: Additional compensation of \$1.00 per hour, to a maximum of \$2.50 when combined with specialty pay, shall be granted to police officers who are assigned to the following specialty areas:

- a. Field Training Officer (FTO)
- b. Shift Differential

Assignment pay shall be effective upon assignment and is limited only to hours worked in the performance of assigned specialty area duties.

~~5. Professional Development Certification Payment: Additional compensation administered as a one-time lump sum of \$100, effective the first full pay period after completion, shall be granted to employees who complete a job-related certification program consisting of a minimum of two or more Continuing Education Units (CEUs). The program must be pre-approved by the division head, HR Manager and City Administrator. Employees are limited to a maximum of two certification payments per calendar year.~~

#### E. YEARS OF SERVICE (LONGEVITY) RECOGNITION AWARDS

The recruitment and retention of well-qualified and highly motivated staff is a top priority of the City. It is understood that competitive compensation and City-sponsored benefits are the fundamental basis for long-term employment. It is also understood that recognition of the loyalty and service by leadership staff and elected officials plays an important role in the retention of City staff.

1. Longevity pay is to recognize long-term years of service. Full-time, regular, non-union employees become eligible for a service award when they have completed at least five years of consecutive City service and shall receive a lump sum payment as follows:
  - a. 5 years - \$50
  - b. 10 years - \$100
  - c. 15 years - \$150
  - d. 20 years - \$200
  - e. 25 years - \$250
  - f. 30 years - \$300
  - g. 35 years - \$350
  - h. 40 years - \$400

Payment shall be made by the pay period following the date the employee is eligible to receive longevity pay.

2. A retirement recognition award of \$500 is given to full-time, regular employees upon retirement under the following circumstances:
  - a. After completion of 20 years of consecutive City service; or
  - b. If the employee is at least age 50 with at least 10 years consecutive City service; or

- c. If the employee is at least age 55 with at least 5 years of consecutive City service.

Payment shall be made in the last pay period following the date the employee retires.

3. For Police, in addition to the retirement recognition award a retiring employee would receive as outlined in #2 above, a retiring police officer would also be provided their duty weapon to take with them at retirement.

#### **F. SUMMARY**

The goal of the salary administration policy is to:

- Improve morale by providing the opportunity to increase earning through performance management.
- Provide positive financial incentives for outstanding performance.
- Maintain internal equity and external competitiveness.

The City, at its discretion, may amend, modify or discontinue this policy at any time and without notice. Nothing in this policy creates or is intended to create a contract or alter the at-will nature of employment with the City.