



# City of Hudson, Ohio

## Staff Report With Text

**File #:** 16-179      **Version:** 1      **Name:**  
**Type:** Ordinance      **Status:** Passed  
**File created:** 11/3/2016      **In control:** City Council  
**On agenda:** 12/20/2016      **Final action:** 12/20/2016

**Title:** AN ORDINANCE AMENDING THE CITY’S PAY RANGE STRUCTURE ADOPTED BY ORDINANCE NO. 15-183, AMENDING THE CITY’S PAY RANGE ASSIGNMENTS SCHEDULE ADOPTED BY ORDINANCE NO. 16-121 AND CREATING AN INCENTIVE COMPENSATION PLAN FOR ALL REGULAR FULL-TIME AND PART-TIME EMPLOYEES; AND DECLARING AN EMERGENCY.  
 Executive Summary: This Ordinance updates the current classification plan established in 2000 by flattening the Pay Range Assignments. The goal of this update is to move the City away from an entitlement program and into a pay for performance environment. This Ordinance also creates an Incentive Compensation Plan as a method to reward employees who make a significant contribution to the City through a work initiative above and beyond their current job duties. The objective is to recognize employees for excellence through continuous improvement and productivity efforts.

**Sponsors:** David A. Basil

**Indexes:** Administration

**Code sections:**

**Attachments:** 1. 2017 Pay Ranges - Non Union - Final, 2. 2017 Pay Range Assignment - Final, 3. Incentive Compensation Plan - Final, 4. Ordinance No. 16-179 (as introduced 11-15-2016), 5. Ordinance No. 16-179 (as amended 12-20-2016)

Date	Ver.	Action By	Action	Result
12/20/2016	1	City Council	third reading	
12/20/2016	1	City Council	adopted as amended	Pass
12/6/2016	1	City Council	second reading	
11/15/2016	1	City Council	first reading	

**AN ORDINANCE AMENDING THE CITY’S PAY RANGE STRUCTURE ADOPTED BY ORDINANCE NO. 15-183, AMENDING THE CITY’S PAY RANGE ASSIGNMENTS SCHEDULE ADOPTED BY ORDINANCE NO. 16-121 AND CREATING AN INCENTIVE COMPENSATION PLAN FOR ALL REGULAR FULL-TIME AND PART-TIME EMPLOYEES; AND DECLARING AN EMERGENCY.**

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### Legislative History

Ord. No. 15-183, to amend City’s Pay Range Structure for 2016, passed November 17, 2015.

Ord. No. 16-121, to amend City’s Pay Range Assignments Schedule, passed July 19, 2016.

### Purpose & Explanation

This Ordinance updates the current classification plan established in 2000 by flattening the Pay Range Assignments from 14 letters with between 10 and 16 steps per letter to 3 pay bands with a minimum and maximum rate for each pay band. The pay bands will be divided into a Seasonal, Support Staff, and Supervisors band. The goal of this update is to move the City away from an entitlement program and into a pay for performance environment with the added benefit of creating flexibility to modify workload and compensation as the City continues to look for ways to streamline operations.

This Ordinance also creates an incentive plan for all regular full-time and part-time employees. The Incentive Compensation Plan is a method to reward employees who make a significant contribution to the City, through a work initiative above and beyond their current job duties which has a defined start and end date, while not adding to the employee's base rate. The objective is to recognize employees for excellence through continuous improvement and productivity efforts through various forums. The award of an incentive payment will be determined by an Incentive Compensation Plan Review Board established by the City Manager or their designee.

The purpose of updating the non-bargaining pay classification and creating the incentive compensation plan is to move the City towards a performance based compensation model and to provide the flexibility to use compensation to focus and direct employee efforts in a cost-effective manner. Performance raises will generally range from 0% to 3% and incentive compensation will range from 1 to 5 vacation days, or the monetary equivalent. An incentive reward can only be received once per calendar year.

### Timing Considerations

To be effective January 1, 2017.

### Fiscal Impact

- Currently Proposed in the 2017 Operating Budget
- Supplemental Appropriation Required
- Appropriation Not Required.

### Suggested Action

Staff recommends passage of this Ordinance.

### Submitted by,

Jane Howington, City Manager