

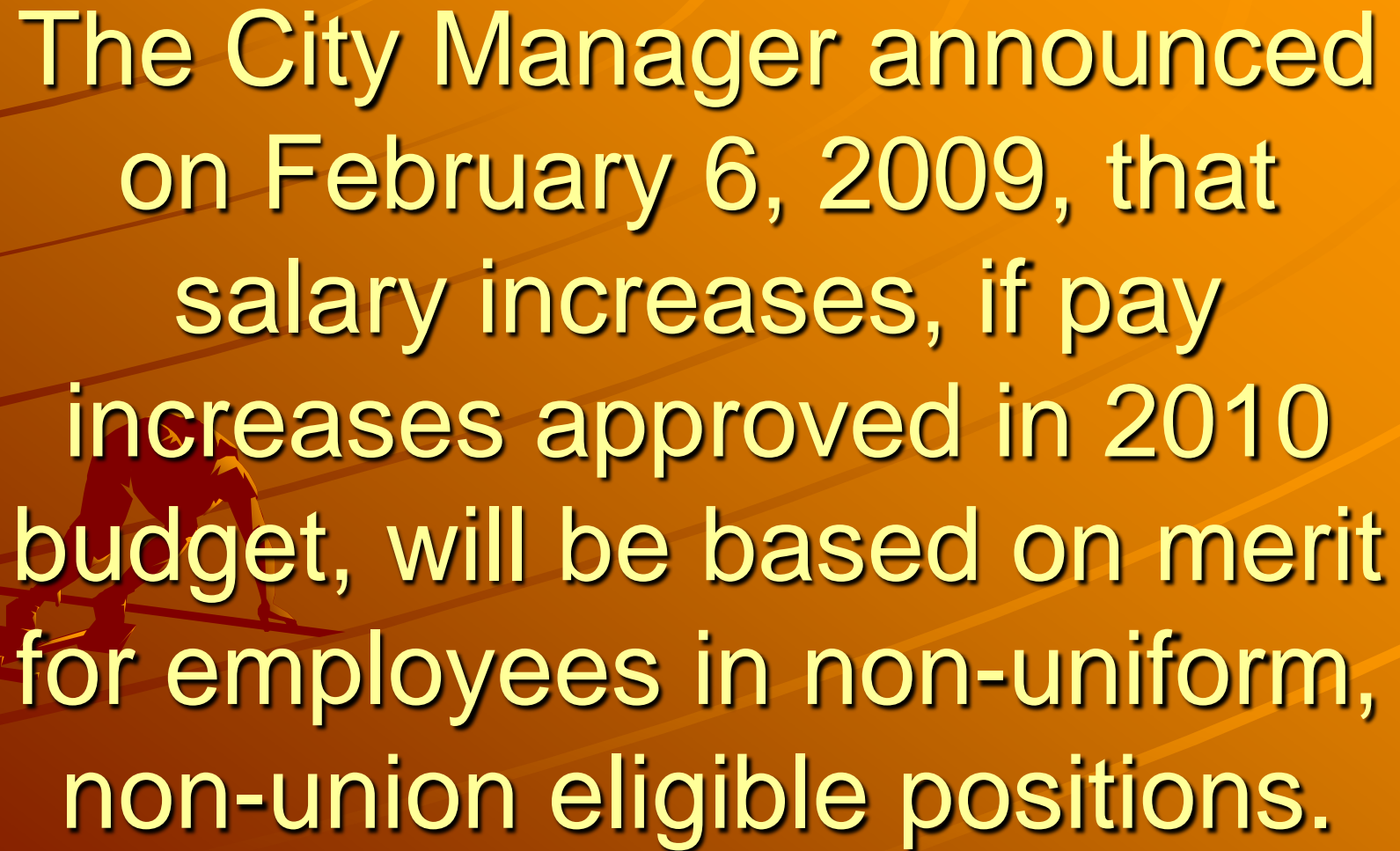
City of Little Rock Merit Pay Plan June 2009



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371-4564

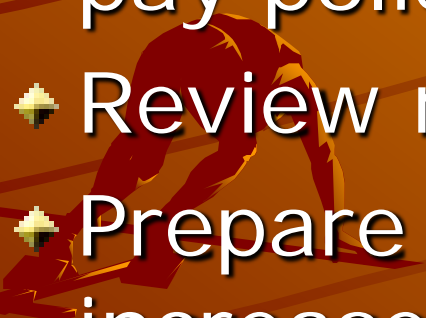


The City Manager announced on February 6, 2009, that salary increases, if pay increases approved in 2010 budget, will be based on merit for employees in non-uniform, non-union eligible positions.


The intent of the Merit Pay Plan is to reward those employees that excel in their positions.



Purpose of These Meetings

- ◆ Alert supervisors to related activities that must occur by July 1, 2009.
 - ◆ Provide supervisors copy of merit pay policy.
 - ◆ Review merit pay policy.
 - ◆ Prepare supervisors to conduct merit increase ratings in the fall.
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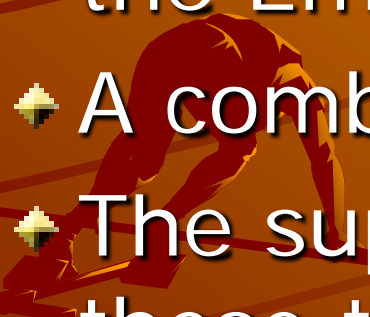
Merit Pay Responsibilities

- ◆ Department Directors shall ensure that their Department staff follows the procedure set forth in the policy.
 - ◆ Human Resources shall maintain the policy and completed merit pay forms for each employee and monitor for compliance with the policy.
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Covered Employee Groups

- ◆ All employees categorized as full-time non-union eligible except Mayor, City Manager, City Attorney, District Court Judges.
- ◆ At this time Battalion Fire Chief, Police Captain, and Assistant Police and Fire Chiefs are covered by this policy.

Source / Basis for Merit Increase Rating

- ◆ Performance Feedback Form Summary Rating, OR
 - ◆ Workplan Goals and Objectives for the Employee, OR
 - ◆ A combination of these two sources.
 - ◆ The supervisor decides which of these three approaches is most appropriate for the employee to be evaluated.
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Source / Basis Continued

Question: Must the source / basis for the merit rating for all "direct reports" to a supervisor be the same?

Answer: No. However, the source / approach must be based on the Performance Feedback Summary Rating, Workplan Goals and Objectives Rating, OR a combination of the two.

Example of Rating Combinations

- ◆ One Code Enforcement Officer reporting to Supervisor A may receive a Merit Increase Rating based 100% on Performance Feedback Summary Rating.
- ◆ Another Code Officer reporting to the same supervisor (Supervisor A) may receive a Merit Increase Rating based on a combination of Performance Feedback Form Rating and Goals and Objectives Rating.

Rating Combinations - Continued

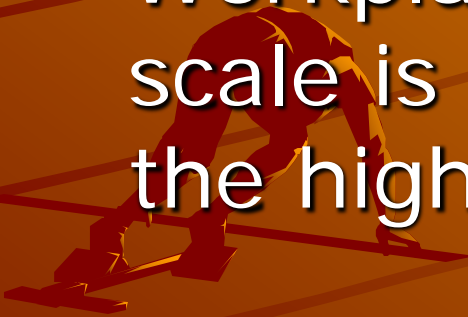
- ✦ The combination may be 60/40, 70/30, 50/50; whatever the supervisor establishes and communicates to the employee before the Merit Rating is performed.
- ✦ After full implementation, the supervisor will inform the employee of the source / basis for Merit Increase Rating and percent of each source at or near the beginning of the evaluation period.

Communicating Source of Merit Pay Rating

- ✦ By July 1 – supervisor should advise employee in writing whether merit increase based on:
 - ✦ Performance feedback summary rating only, **OR**
 - ✦ Workplan goals and objectives only **OR**
 - ✦ Combination of the two.
- ✦ During implementation year (2009), the percent weight (if both sources are combined) may be determined after July 1 but before October 1

Rating Scale

- ◆ Performance feedback summary rating scale is 1, 2, 3, 4 with 4 indicating the highest rating.
- ◆ Workplan goals and objectives rating scale is 1, 2, 3, 4 with 4 indicating the highest rating.



Combining Ratings


- ◆ Example: 50% weight for Performance Feedback Summary rating and 50% weight for Goals and Objectives rating.
- ◆ Hypothetical Performance Feedback rating of 3.5.
- ◆ Hypothetical Goals and Objectives rating of 3.0.
- ◆ Formula: $50\% \text{ (weight)} \times \text{Performance Feedback Rating (3.5)} = 1.75$
- ◆ $50\% \text{ (weight)} \times \text{Goals and Objectives Rating (3.0)} = 1.50$
- ◆ Final Merit Rating = $3.25 \text{ (1.75 + 1.50)}$

Threshold Merit Rating


Employees with merit ratings below 2.6 will NOT be eligible for a merit increase.

Note: If the merit rating is based on Performance Feedback Rating AND Goals and Objectives rating, a rating below 2.6 in one source may not exclude eligibility for a merit increase if the rating in the other source is very high).

By July 1, 2009

- ◆ Provide the following to employees covered by the Merit Pay Policy:
 - Memorandum dated February 6th from Bruce Moore regarding Merit Pay
 - Merit Pay Policy dated May 2009
 - Completed Performance Feedback Planning Session Worksheet if not already provided.
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By July 1, 2009

- Written Workplan Goals and Objectives if not already provided.
 - Written Revised Goals and Objectives if applicable.
 - Written notification of Source / Basis of Merit Rating (Performance Feedback Summary Rating or Goals and Objectives Rating or combination of the two).
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Rating Goals and Objectives

The rating scale is 1 - 4 with 4 being excellent.


4 – All goals were completed within or before assigned time frames with no time management issues. Projects were exceptionally researched, planned, and implemented; Goals and Objectives were consistently monitored by the employee and status reports provided in a timely manner.

Goals and Objectives Rating Scale

3 – Goals were completed within assigned time frames with no significant time management issues. A few time management issues were noted; projects were researched, planned and implemented with only a few significant exceptions; goals were well-monitored and project status reports provided with only a few significant exceptions.

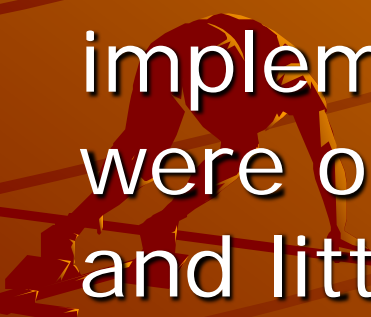
Goals and Objectives Rating Scale

2 – Goals frequently completed within assigned time frames with several significant time management issues; projects were frequently well researched, planned and implemented, but with several significant exceptions. Goals and Objectives were frequently monitored and project status reported but with significant exceptions.



Goals and Objectives Rating Scale

1 – Goals only occasionally completed within the assigned time frames; projects were only occasionally well-researched, planned and implemented; goals and objectives were only occasionally monitored and little or no project status reports were reported.



Goals and Objectives Ratings Documentation

Ratings of 1 or 4 require written documentation to be submitted with the rating to Human Resources.



Workplan Goals and Objectives

Q1. – Do I have to establish goals and project plans for every position / employee I supervise?

A1. – No, Goals, objectives, development plans, etc., can be developed and applied to most employees and positions. However, it is the supervisor's discretion whether or not to utilize Goals and Objectives for this purpose.

Workplan Goals and Objectives - Continued

Q2. – Do I have to establish the same number of goals, projects, or objectives for all direct reports?

A2 – No, however, the Goals and Objectives Rating Criteria assumes more than one goal or objective.



Workplan Goals and Objectives - Continued

Q3. – Can I modify the Goals and Objectives for the purpose of this policy during the year after we've already established Goals and Objectives?

A3. – Yes, if a new project becomes priority during the year, the supervisor should provide the employee a memo as soon as possible reflecting the change.


Workplan Goals and Objectives - Continued

Q4. – Is it too late to utilize a Goals and Objectives Rating for this year's process if I didn't establish the goals during the last review in November/December?



Workplan Goals and Objectives - Continued

A4. – No, you will need to:

1. develop goals that can reasonably be completed before November 30,
 2. communicate such goals to the employee by July 1, if possible and
 3. provide written documentation to the employee before October 1 identifying the weight of the Goals and Objectives for the Merit Rating.
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Phase 2 Training

- ◆ September or October
- ◆ Refresher for Performance Feedback Rating steps.
- ◆ Rating Goals and Objectives
- ◆ Feedback Interview with employees
- ◆ Merit Increase Pool
- ◆ Linking Merit Increase Amount to Merit Pay Rating