

MEMORANDUM

RULE REVISION 95D

TO: Interested Parties - Career Service Rules
FROM: Career Service Board
DATE: September 19, 2025
SUBJECT: Revisions to Career Service Rule 9 - Pay Administration

The following revisions to Career Service Rule 9 – Pay Administration were approved on September 18, 2025.

RULE 9 Pay Administration

- F. Pay Factors: When setting pay, appointing authorities, in alignment with OHR, shall base their decision on the following pay factors, which are not listed in any particular rank order: (Revised August 19, 2021; Rule Revision Memo 69D)
1. Related experience.
 2. Previous work record.
 3. Education and/or certification.
 4. Internal equity.
 5. Level of responsibility of accepted; and
 6. Merit system.

Section 9-20 Pay When First Employed

- A. An appointing authority, in alignment with OHR, should hire an employee at the range minimum if the employee minimally meets the position requirements.
- B. An appointing authority, in alignment with OHR, may set pay for a new employee higher than the range minimum and up to the range midpoint if the appointing authority determines that one or more of the pay factors defined in this Rule 9 **Pay Administration** justify such a starting salary.
- C. An appointing authority, in alignment with OHR, may set pay for a new employee higher than the range midpoint and up to the range maximum if the applicant substantially

exceeds the minimum requirements for the position and the appointing authority determines that one or more pay factors defined in this Rule 9 **Pay Administration** justify such a starting salary.

Section 9-30 Changes in Classification and Pay

- A. A change in an employee's classification may occur through promotion, transfer, demotion, or re-allocation.
- B. Retroactive pay changes shall not extend into the prior fiscal year, unless approved by the OHR Executive Director or designee. (Revised November 7, 2016; Rule Revision Memo 22D)
- C. An employee must pass probation before they may apply for a promotion or a transfer to a position in the same or another classification.

9-31 Promotion

Upon promotion an employee's pay shall be set by the appointing authority in accordance with the pay factors defined in this Rule 9. The pay shall not be lower than the range minimum, or greater than the range maximum of the pay range for the new classification. The increase in pay from the promotion shall be up to 15% or the range minimum, whichever is greater. When setting the increase in pay, internal equity shall be considered for other substantially similar workers.

9-32 Transfers

When an employee transfers positions from one classification to another classification with the same pay range minimum, the employee's pay shall be set by the appointing authority, in alignment with OHR, in accordance with the pay factors defined in this Rule 9.

If the employee's pay upon transfer will be more than the range maximum of the new pay range of the new classification the employee's pay shall be set at the range maximum of the pay range of the new classification.

An employee transferring to a position within the same classification for budgetary reasons shall not receive an increase in their pay. Otherwise, the increase in pay shall not be more than 5% if transferring to a different classification at the same pay grade.

An employee must remain in the position into which they were hired until they have passed probation.

9-35 Re-allocation

- A. When an individual position is re-allocated to another classification at the request of the appointing authority pursuant to Rule 7-34, the incumbent employee shall receive the same pay as before the re-allocation, subject to the following exception:
 - 1. If the new classification has the same or a higher pay grade, the incumbent

employee's pay shall be reviewed by OHR, in consultation with the appointing authority, as part of the reallocation process.

If, as a result of such a review, OHR and the appointing authority both agree that the employee's pay should be increased in accordance with Rule 9-39, the reallocation and accompanying increase in pay shall take effect on the same date. In no case shall employees be paid less than the range minimum of the pay range of the new classification.

- B. When a classification is changed to a different pay grade, and/or pay range as the result of a classification study pursuant to Rule 7-35, the employees in that classification shall receive the same pay as before the re-allocation.
1. If the employee's current pay is less than the range minimum of the pay range of the new classification, the employee's pay shall be set at the range minimum of the pay range of the new classification.
 2. If the employee's current pay is higher than the range maximum of the pay range of the new classification, the employee's pay shall remain the same until such time that either:
 - a. The employee changes positions; or
 - b. The pay range of the new classification is adjusted to the point that the range maximum exceeds the employee's current pay.
 3. If the new classification has the same or a higher pay grade, the incumbent employee's pay may be reviewed by OHR, in accordance with Rule 9-39 and the process associated with 9-39, in consultation with the appointing authority, as part of the reallocation process.

9-36 Reinstatement Appointment

Upon reinstatement after layoff, an employee's pay shall be set at the rate of pay the employee received immediately prior to such layoff.

9-37 Counteroffer (Revised April 9, 2021, Rule Revision Memo 66D):

- A. A counteroffer may be made for any of the reasons listed below:
1. To retain an employee whose skills, knowledge or abilities are deemed essential to the mission of the City or a department or agency.
 2. To avoid recruiting and training costs when those costs clearly exceed the costs of a counteroffer.
 3. When it has been determined that turnover rates in a classification exceed the calculated turnover rate for that job family, or classification and pay has been determined to be a significant cause; or,

4. When the vacancy rate within a classification reaches a level where additional loss of personnel may interfere with the City's ability to provide adequate levels of services to the public.
- B. An appointing authority may make a counteroffer to an employee when the following conditions have been met:
1. The base salary and employee benefits the employee will receive at the prospective employer are greater than the base salary and employee benefits the employee is currently receiving from the City.
 2. The counteroffer does not exceed the range maximum of the pay range the employee occupies at the time the offer is extended (Revised October 17, 2010; Rule Revision Memo 47C).
 3. The prospective employer is not a department or agency of the City; and
 4. The appointing authority has verified the authenticity of all job offers which constitute the basis for a counteroffer.
- C. The appointing authority shall submit a copy of the written offer of employment from the prospective employer with the Personnel Action Form.

9-38 Interim pay practices

- A. The OHR Executive Director may, on a temporary basis, create or temporarily adjust a pay practice for any type of employee (e.g. career service, on-call, etc.), to increase pay, if any of the following conditions exist:
1. Recruitment and Retention Difficulties: If the following factors apply to one or more classifications within an agency or division of an agency:
 - a. Numerous vacancies exist in the classification(s) that will be affected by the proposed pay practice.
 - b. Recruitment has not been effective.
 - c. Retention rate is low; and
 - d. Market driven personnel shortages in the classification(s) are causing difficulty in fulfilling an essential mission of the City.
 2. City-wide Emergency: The Mayor has declared a city-wide emergency and the employees' regular or temporarily assigned duties are critical to address the emergency; or
 3. Mayoral Request: The Mayor requests the OHR Executive Director to create or adjust the pay practice on the basis of exigent circumstances or

compelling operational needs.

- B. At the next regular Board meeting the OHR Executive Director must inform the Board of the interim pay practice and the basis for the interim pay practice. If the Board does not agree with the interim pay practice then, upon a majority vote of a quorum of the Board members attending the meeting, the interim pay practice shall be suspended immediately or within a specified time period designated by the Board.
- C. An interim pay practice shall remain in effect for the time specified by the OHR Executive Director or the Board or for a period of six (6) months, whichever is shorter, and may be extended by the OHR Executive Director for such increments of time not to exceed two (2) years total. The OHR Executive Director shall follow the process set forth in subparagraph B, above, with respect to each approved extension.

9-39 Pay adjustment within the pay range

- A. An appointing authority may request a pay equity review for consideration to have an employee's pay adjusted within that employee's current pay range, as long as the purpose is to eliminate a pay disparity for which an employee's pay is being compared with the pay of another employee who is performing substantially similar work that is:
 - 1. In the same classification; or
 - 2. In the same classification series; or
 - 3. In a classification within the same job family performing comparable types of duties; or (Revised April 9, 2021, Rule Revision 66D)
 - 4. Subordinate to the existing employee in that employee's chain of command.If OHR does not find an existing pay disparity, then the adjustment shall not be implemented.
- B. The appointing authority's request shall explain:
 - 1. The reason the pay inequity exists between or among the employee(s) performing substantially similar work including information about how pay factors (as listed in Rule 9-5 F and/or Appendix 7.A.) have contributed to the pay inequity; and
 - 2. How the employee's duties are substantially similar to the identified comparator; and
 - 3. If applicable, why employees in the same classification in the same work group are not being considered in the request. This explanation should include information about how the excluded employees are not affected by the pay factors as listed in Rule 9-5 F and/or Appendix 7.A.

- C. Substantially similar work most often exists within the employee's immediate work group but may be found within the employee's department or agency.
- D. A pay equity adjustment within the pay range requires the approval of the OHR Executive Director. The effective date of any such pay adjustment shall be the beginning of the work week following approval by the OHR Executive Director.

In the case of extraordinary circumstances, and with the approval of the OHR Executive Director, the effective date of the pay adjustment may be for a retroactive date at the beginning of a work week. However, no retroactive pay adjustment shall extend into the prior fiscal year.

- E. Pay adjustment requests cannot be implemented after the last Sunday of November nor before the first Sunday of March. (Revised July 21, 2022; Rule Revision Memo 79D)

Section 9-101 Retention Bonus

- A. In order to retain a highly qualified employee(s) whose skills, knowledge and/or abilities are deemed essential to the mission and operations of the City, a department or agency may, upon approval of the OHR Executive Director, pay a retention bonus to a current employee(s) at the end of a specified period of time.
- B. The payment of any retention bonus must be justified in writing and submitted by the appointing authority to the OHR Executive Director for approval.
- C. The following standards shall apply to an appointing authority's request for approval to pay a retention bonus:
 - 1. The success (or lack thereof) of recent efforts to recruit external candidates for the same positions, using indicators such as job offer acceptance rates, the length of time required to fill similar positions, turnover rates, and the probable cost of additional recruitment efforts if the current employee(s) resigns;
 - 2. Employment trends and competition in the local labor market that make it difficult to recruit candidates for the same positions or that entice current employees to resign from the city;
 - 3. The degree to which essential services have been disrupted;
 - 4. Special qualifications or competencies (i.e., knowledge, skills, abilities, education, etc.) required for the position. These competencies must be applicable to a vast majority of the duties and responsibilities of the job and/or be of critical importance to the job;
 - 5. The desirability of the duties, work, or organizational environment of the position;
 - 6. The employee's work history, including length of employment with the city, performance ratings, and disciplinary record; and

- a. A retention bonus will not be considered for any employee that has been formally disciplined in the 12 months preceding the appointing authority's request for approval to pay a retention bonus;
 - b. A retention bonus will not be given to any employee that received a Development Needed or Unacceptable performance rating in the prior year performance evaluation period.
 - c. To receive a retention bonus, an employee must have been employed with the Agency in the same classification for a minimum of 6 months prior to the start of the retention period. Exceptions may be made for on-call employees.
 - d. A retention bonus will not be given to any employee who received a recruitment bonus for the same classification.
 - e. A retention bonus will not be given to an employee working out of class.
7. Any other supporting factors.
- D. No retention bonus may exceed \$5,000 to any employee in single or multiple payments and the amount of any payment should be scaled in proportion to the position, the level of need, and the length of the retention period. The amount of the bonus will not be grossed-up to cover taxes and other deductions on behalf of the employee.
- E. No retention bonus shall be offered to an employee prior to final approval by the OHR Executive Director. The appointing authority's request for approval to pay a retention bonus indicates sufficient existing budget funds to cover the expense.
- F. If payment of a retention bonus is approved, the agency or department will enter into an agreement with the employee(s) in which the employee(s) agrees to continue to be employed in their current position for a specified period of time in exchange for receiving the retention bonus at the end of that specified period of time. Payment of a retention bonus and the employee's acceptance of these terms shall not constitute an employment contract. The terms of the agreement must include the following:
1. The agreement does not prohibit the agency or department from applying and enforcing the Career Service Rules, including Rule 16, during the retention period.
 2. If the employee receives a suspension, a temporary reduction in pay, or is terminated or involuntarily demoted pursuant to Rule 16 prior to the end of the specified retention period, the employee shall forfeit the bonus.
 3. If the employee takes leave without pay for two or more weeks (consecutively and/or intermittently), resigns, retires, promotes, transfers, works out of class, or voluntarily demotes during the retention period, the employee will forfeit their right to the retention payment.