



8.04 COMPENSATION

Compensation Policy

The City shall establish employee compensation that takes into account internal equity, labor market considerations, complexity or difficulty of the work, total compensation and the City's economic condition. It is the goal of the City of Portland to attract and retain qualified employees and encourage high levels of performance. Additionally, the City will utilize a valid and consistent methodology for evaluating jobs. It is the City's policy that:

- direct and indirect compensation (wages, premiums, health benefits, holidays, vacation and other leaves, pensions, etc.) are to be considered collectively in determining appropriate levels of compensation for employees;
- wage and benefits packages are considered "externally competitive" if they approximate the average of the total compensation offered in applicable labor markets for similar work;
- other factors such as compression between classes, recruitment and retention of qualified employees, the City's economic condition, and incentives linked to performance may also be considered in establishing wages and benefits;
- annual adjustments to the compensation plan may be made based upon a formula that considers the consumer price index. Annual adjustments may also result from a classification/compensation study.

The City recognizes the legitimate role of collective bargaining in determining compensation for represented employees.

The Council shall fix the salaries of all employees of the City.



Compensation Plan

During the regular budgetary process, pay grades and compensation ranges for all classifications shall be set for the upcoming fiscal year and shall be published in a Compensation Plan.

The City Compensation Plan shall be revised in conjunction with the annual budgetary process and/or as a result of a classification/compensation study. The Director of Human Resources shall recommend appropriate pay ranges for each classification in accordance with the compensation policy.

Adjustments to assigned ranges for individual classifications, and presentation to Council of new classifications and ranges, shall be done in conjunction with the annual budgetary process or as the result of a classification/compensation study, except where the Director of Human Resources determines that:

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1. a substantial change in the duties and responsibilities of the classification necessitates a salary adjustment; or
 2. an inordinate amount of turnover within the classification is attributed to an inadequate salary level, thereby necessitating an immediate salary review; or
 3. difficulty in recruitment of qualified candidates for a classification is attributed to an inadequate salary level, thereby necessitating an immediate salary adjustment; or
 4. a new classification is needed at a time outside of the annual budgetary process.
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Salary Ranges

1. Non-Represented Classifications

Each non-represented classification is assigned an open pay range with a minimum, midpoint and maximum salary rated. Non-represented employees may be paid at any rate within the assigned range and in accordance with this rule.

2. Represented Classifications

Each represented classification shall be assigned a pay range with a minimum and maximum salary range and identified steps in between the minimum and maximum rates. Represented employees must be paid within that range and on an assigned step to that range except as provided in the [Administrative Rule on Classification](#).

3. All Employees

An employee's rate of pay shall not be less than the entry pay rate or more than the top pay rate for the classification except as noted below.

The Director of the Bureau of Human Resources may approve retaining an employee's salary at their current rate even if higher than the top rate for his/her classification (red-circling) where the employee would otherwise suffer a reduction in pay due to a settlement agreement, as the result of a reclassification that occurs as part of the implementation of a classification/compensation study, or in the implementation of the Employee Transition Services Program.

Progression Through a Pay Range

1. Non-Represented Employees

Non-Represented Permanent, Limited Term and Job-Share employees shall progress through their assigned salary range based on the City's Performance Management System and in accordance with the Compensation Policy. [See Administrative Rule on Performance Management](#).

2. Represented Employees

Progression to steps in the salary range shall be as prescribed in the compensation plan.

Compensation for Elected Officials

The salary rates for the Mayor, Commissioners and Auditor shall not be assigned to a salary schedule and shall be established separately by the Council.

Compensation for Council Member Secretary and Administrative Staff, City Attorney and Deputies to City Attorney

The secretary and administrative staff of each Council Member, the City Attorney, and the deputies to the City Attorney shall be compensated in an open range in the non-represented salary schedule in the pay range assigned to their classification. The commissioner, for their staff, or City Attorney for deputies, may designate or change the employee's salary, within the pay range, at any time.

Initial Appointments to Other Positions Exempt from Chapter 4 of the City Charter

The initial appointment to other positions exempt from Chapter 4 of the City Charter may be made at a rate above the entry point if approved by the Director of Human Resources and the Commissioner-In-Charge.

Initial Appointment To Non-Represented Classifications

All initial full-time and part-time permanent, limited duration and job-share appointments to non-represented classifications shall be to the entry rate of the pay range for the classification except as follows:

1. At the discretion of the Bureau Director, an employee's initial appointment to a classification may be at a rate up to the midpoint of the assigned range.
 2. [Initial appointments above the midpoint](#) may be made only with the approval of the Director of Human Resources.
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Other Adjustments Within The Pay Range For Non-Represented Classifications

The pay rate for a non-represented employee may be adjusted within the pay range at other than initial appointment or anniversary date. Such adjustments may be made only for the following reasons and must be approved in writing by the Human Resources Director:

1. due to a bonafide retention issue for a key position; or
 2. due to a substantial increase and expansion of the job responsibilities within the classification of the employee; or
 3. to increase the compensation of existing employees, when due to market considerations a new employee within the same classification and work group is initially appointed to a higher level within the range; or
 4. the scope of work expected of an employee in a newly created position is broader than originally anticipated at the time the position was created.
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Initial Appointments To Represented Classifications

The initial appointment for a represented classification shall be the minimum rate for the salary range. The requirements for appointment above the minimum rate are contained in the applicable collective bargaining contract and/or in the [Compensation Plan](#)

Appointment of Temporary Employees

Initial appointment for full-time and part-time non-represented temporary employees shall be set in the same manner as permanent non-represented employees.

Temporary employees in represented classification are appointed and progress through the pay range in accordance with the applicable collective bargaining agreement.

Seasonal Employees

The Council shall establish a separate salary schedule for classifications designated by the Director of Human Resources to meet seasonal work needs of the City. The Bureau Director or designee may appoint and change the pay rates of seasonal employees to any pay rate within the pay range designated in the compensation plan for the classification.

Transfers**1. Non-Represented Employees**

When a permanent non-represented employee transfers to a position in a different classification with the same pay range, the bureau director may appoint the employee:

- a. At their current pay rate and anniversary date for future eligibility for performance increases, or
- b. As provided above under Initial Appointment for Non-Represented Classifications. The employee's anniversary date changes to reflect new appointment.

Employees who transfer to a different position in the same classification maintain their current pay rate and anniversary date.

2. Represented Employees

When a represented employee is either temporarily or permanently appointed to a position within the same or a different classification with the same maximum rate of pay, the employee's pay rate shall be the step within the range which is closest to but no lower than the employee's regular rate of pay in the former classification.

Promotion**1. Non-Represented Employees**

When a permanent employee is appointed to a classification with a higher maximum pay range, the bureau director may appoint the employee:

- a. At the entry rate for the higher pay range, or at a pay rate in the higher pay range which gives them a 5.0 percent pay increase (not to exceed the maximum of the salary range) which ever is higher, or
- b. As provided above under Initial Appointment for Non-Represented Employees.

A permanent employee's salary shall not be reduced due to an appointment to a position in a classification with a higher maximum pay range.

2. Represented Employees

When an employee is either temporarily or permanently appointed to a classification with a higher maximum rate of pay, the employee's pay rate shall be the step within the higher classification range which represents at least a 3% increase over the employee's regular rate in his or her former classification, provided that in no event shall the new rate of pay exceed the maximum rate for the higher classification.

Demotion

Employees demoted for disciplinary reasons shall receive the rate of pay in the lower salary range of the new class specified as part of the disciplinary action. In no case shall the employee's rate of pay be below the first step of the new classification.

1. Non-Represented Employees

If a permanently appointed employee voluntarily demotes to a lower paying classification they shall retain their anniversary date and their salary shall be at the rate in the new pay range which affords the least reduction in pay.

2. Represented Employees

Except as provided in the [Administrative Rule on Classification](#), when an employee is either temporarily or permanently appointed to a classification with a lower maximum rate of pay, the employee's rate of pay shall be the step in the lower classification pay range which represents the least or no reduction in pay for the employee. In no event shall an employee receive an increase in pay upon demotion.

**Reinstatement or
Reappointment From a
Layoff List or Return from
Leave of Absence**

When an employee is reinstated under the reinstatement rules, reappointed from a layoff list or returned from leave of absence, his/her salary rate shall be at the same position in the pay range as when the employee last served in that classification.

**Reappointment after
Return From Leave of
Absence**

[See Administrative Rule on Reinstatement.](#)

Anniversary Date and the Impact of Leaves and Prior Service for Non-Represented Employees

Except as provided below, the anniversary date of an employee is the date of initial appointment to the classification. Thereafter, an anniversary date for pay purposes shall be adjusted to exclude time spent on layoff or officially approved leaves of absence of more than 30 days in duration, unless otherwise required by federal or state law.

An officially approved absence from duty without pay because of military leave, Family Medical Leave, or injury in line of duty shall not change an employee's anniversary date.

Impact of Appointments to Other Classifications

If a permanently appointed employee accepts a temporary appointment in a classification in the same pay range and is later reappointed to the former classification, the employee shall retain his/her current salary rate and anniversary date.

If a permanently appointed employee accepts a temporary appointment in a classification in a higher pay range and is later reappointed to the former classification, the employee's anniversary date and salary rate shall be reset as if they had continued in the original classification.

Shift Differentials

Non-Represented employees assigned to work a full swing shift or full graveyard shift are entitled to a shift differential as follows:

1. Recreation Supervisors and Emergency Communications Supervisors:
Swing shift – 50 cents per hour.
Graveyard shift - 70 cents per hour.
2. All other non-represented employees:
Swing shift - \$.84 cents per hour.
Graveyard shift - \$1.16 per hour.

As used in this Section, a “swing shift” is any work shift that begins between 12:00 noon and 6:59 p.m., inclusive, and a “graveyard shift” is any work shift that begins between 7:00 p.m. and 5:59 a.m., inclusive.

The hourly premium authorized by this section does not apply during hours on vacation, sick leave or any other paid leave of absence.

This section does not apply to sworn personnel in the Bureau of Fire, Rescue and Emergency Services, and the Bureau of Police, or to seasonal employees, or persons temporarily employed for a period of 6 months or less.

Special Assignment Pay

Special assignment pay differentials may be recommended by the Director of Human Resources for the incumbents of positions who are assigned to supervise the work of one or more employees whose base salaries are in the same or higher salary range as the supervisor.

Such pay differentials are subject to approval by the Council. The amount of the pay differential may be up to ten percent (10%) above the top of the pay range for the incumbent's classification for such assignment. Such special assignment pay differential shall remain in effect for the duration of the assignment only, unless rescinded sooner by the bureau or Director of Human Resources.

Compensation for Controlled Classes

Under exceptional circumstances, a class may be identified as a "controlled class" and pay may be established at levels necessary to accomplish compelling City purposes. Such actions shall be based on a review and recommendation by the Human Resources Director and approval by the Council and shall be established for a specific period of time.

Exceptional circumstances may include:

1. market comparisons
2. recruitment and retention issues
3. exceptional personnel shortages that require departure from the normal salary range assignment for a classification; or
4. a temporary organizational need that cannot be accommodated within current salary schedule assignments.

The classification shall return to the original salary range assignment at the end of the time period designated for the higher pay range, unless the Human Resources Director approves an extension.

The employee who is in a "controlled class", during a period of time when a higher salary range assignment is designated, may continue to receive normal merit adjustments within the new range. Upon returning the classification to its original salary range assignment, affected employees will only continue at their current rate of pay providing that rate is not higher than the control point of the range. The Human Resources Director may consider red-circling the pay of such employees in cases where the controlled class has been established for the maximum period of time.

The process for approving a higher rate for a "controlled class" shall be as follows:

1. A bureau may make a request and provide an initial basis for consideration by the Human Resources Director.
2. The Human Resources Bureau shall confirm or further research the need for the use of a controlled class.
3. Upon the completion of such review, the Human Resources Director shall request the adjustment of the compensation for the classification via ordinance. Such pay range designated or established by the Human Resources Director shall not be more than 20% over the current pay range, and shall be limited to a period of not more than two years, unless extended by the Director of Human Resources based on additional review at the end of the two year period.

Pay Status

An employee is in paid status when working, when on paid leave, or when on worker's compensation leave. An employee is not in paid status after the last day of work when separated because of resignation, dismissal, death, retirement or Layoff.

Payment to Separated Employees

Employees who separate from City service shall be paid in accordance with applicable law.

Boards and Commissions

No member of any board or commission shall receive any salary or other compensation for his or her services on such board or commission.

Overtime

See the [Administrative Rules regarding Hours Work and Overtime](#).

Administrative Rule History

Adopted by Council March 6, 2002, Ordinance No. 176302
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Revised: October 15, 2002
