

TAB 7



City of Palmetto Agenda Item

Meeting Date

09/10/12

Presenter: **Jim Freeman**

Department: City Clerk

Title: Onetime payment of compensation to employees

Since the economic decline beginning in 2008, employees have not received annual step and COLA increases. The last step increase was in FY 2008 and the last COLA increase(2%) was in October 2008(FY2009). Employees did receive a one-time payment in September of 2010. The amount of the one-time payments was a net payment to each employee of \$1,000 for Full-Time, \$500 for Part-Time, and \$100 for Crossing Guards.

Since the decline began in 2008, the City and staff have worked hard to trim expenses and continue to do more with less. At the same time, we continue the goal of minimizing the service level impact to our citizens. This proactive and responsive approach has enabled the City to navigate through the tough economic environment and remain fiscally sound.

In an effort to give something back to our employees, we are proposing a onetime payment of compensation to our employees before the end of the calendar year 2012. Eligible employees would receive a net payment of \$1,000 (FT), \$500 (PT), \$250 (crossing guards) in mid December. The total cost to the City is \$162,839 and would be payable out of existing fund balance from each of the respective funds. Details of the proposal can be found in the supporting documents.

Recent changes to the Florida Statutes placed certain requirements/rules that must be followed in order to give employees a one-time payment. This proposal meets the requirements of the Florida Statute.

Budgeted Amount:	\$0	Budget Page No(s):		Available Amount:		Expenditure Amount:	\$162,839
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Additional Budgetary Information: A budget amendment will be brought back in November prior to payment.

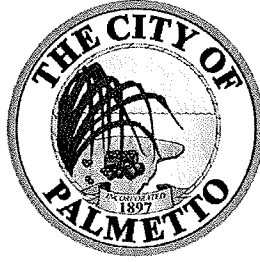
Funding Source(s):	Fund Balances	Sufficient Funds Available:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Budget Amendment Required:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Source:	
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City Attorney Reviewed:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Advisory Board Recommendation:	<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> N/A	Consistent With:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
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Potential Motion/ Direction Requested: Motion to approve Policy 2012-01 and authorize staff to proceed with a one time payment of compensation to employees in accordance with that policy in the amount of \$162,839 payable in December 2012.

Staff Contact: Jim Freeman

Attachments: Proposed Policy for one-time payment, costs by department



Policy 2012-01

Onetime Payment of Compensation to City Employees

Eligibility

- All City employees were considered for the one-time payment and must meet the following criteria as described in this policy.
- Must be a full time or part-time employee of the City
- Cannot be on probation as of the date of the end of the evaluation period which is November 30, 2012 (i.e., hired 6 months or less prior November 30, 2012 for City employees or 12 months or less prior to November 30, 2012 for sworn officers)
 - Probation status would include those that are newly hired and those that are on probation for disciplinary reasons.
 - Employees who have been transferred to a new position, but otherwise meet the other criteria for probation described above are eligible.
- The evaluation period for the one-time payment will start on October 1, 2012 and end on November 30, 2012.

Assumptions

- The award of a one-time payment will be based on work performance:
 - All employees must be reviewed and receive an overall ranking of 2.0 or higher on their performance review to receive the one-time payment. Employees who receive less than a 2.0 will not receive any payment. HRN Performance Pro(on-line system) will be used to evaluate performance. Each employee will be notified prior to the start of the evaluation period of the criteria being used to rate their performance. The performance standards will be consistent with those applicable factors in the HRN system as determined by the Supervisor. Performance evaluations must be completed before the payment date to be eligible to receive the one-time payment.
- Overall performance rankings are as follows:
 - 4 = High Performer
 - 3 to 3.99 = Valued Performer
 - 2.0 to 2.99 = Contributor
 - Below 1.99 = Needs Improvement

- Employees meeting the eligibility criteria will receive the following one-time payment amount:
 - Full Time employees will receive \$1,000 net (after all deductions)
 - Part Time employees will receive \$500 net (after all deductions)
 - Crossing Guards will receive \$250 net (after all deductions)
- Payments will be a one-time payment and will be distributed as a separate check/direct deposit during December (Target Date of December 14, 2012).

Other Considerations

- This is a one-time payment and will not be added to your base salary for future years(i.e., your annual salary will not go up by this amount for future years)
- This one-time payment will be included in your 2013 salary for pension purposes
- Your one-time payment will be grossed up for the employee paid portion of FICA/Medicare and Pension(5%) to arrive a the net amounts described above.
- Federal withholding will not be withheld from the payment and will be the responsibility of the employee when filing 2012 taxes.
- Employees must meet all aspects of this policy to receive the one-time payment.

**ONE-TIME PAYMENT OF COMPENSATION
COSTS BY FUND
(Payable December, 2012)**

<u>Fund</u>	<u>Total Position Costs</u>
General Fund	113,521
Building Department	4,571
CRA	5,459
Road & Bridge	5,712
Solid Waste	1,524
Water & Sewer	24,435
Stormwater	7,618
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City-Wide Total	<u><u>162,839</u></u>