

Addendum No. 1
Attachment C
County Manager Policy 1175 – Compensation Administration
RFP NO: 25-41



INCORPORATED COUNTY OF LOS ALAMOS
ADMINISTRATIVE PROCEDURE GUIDELINE

Index No. 1175

Effective: July 2015
Revised: June 1, 2017
Revised: June 1, 2020
Revised: October 14, 2023

COMPENSATION ADMINISTRATION

I. Purpose

The purpose of the Compensation Administration policy is to document the policies and procedures that will be followed in the administration of the County's Compensation and Classification program. It is intended to provide all County employees with a clear understanding of how compensation will be administered and how they may expect to progress within the County's compensation structure as a result of various employment actions, to provide County managers and supervisors with the guidelines and procedures that will be applied by the Human Resources division and the County Manager's Office when administering compensation, and to ensure consistency in the interpretation and application of the policies governing classification and compensation.

The Compensation and Classification program is administered in compliance with the County's Administrative Procedure Guidelines on Equal Employment Opportunity Policy, which affords equal opportunity for all persons regardless of race, color, religion, sex, age, national origin, sexual orientation or gender identity, disability, veteran status or other protected classes.

II. Policy

The County Charter, County Code and Personnel Rules and Regulations provide the basic framework through which the Classification and Compensation program is maintained and administered.

Under this framework, the County Manager is required to establish, maintain and publish a complete set of job classifications and descriptions that must be reviewed no less frequently than once every four (4) years. Establishment of new or revised job classes and the abolishment of existing classes are subject to approval by Council. Additionally, the Human Resources Manager is required to conduct salary surveys of the compensation plan no less frequently than once every four (4) years, which the County Manager in consultation

with the Personnel Board, uses to make compensation plan recommendations to Council.

Compensation Philosophy

The purpose of Los Alamos County's compensation philosophy is to define a competitive total compensation approach that enables Los Alamos County to achieve its overall mission, vision and goals.

The County is committed to providing a compensation program that is market competitive, that provides a good balance of compensation, benefits, and rewards, and that enables the County to recruit, retain and reward a high performing and motivated workforce that supports the County's commitment to serve its citizens.

In determining market competitiveness, the County considers peer employers of similar size, providing similar services, and in similar industries. Different geographic labor markets are considered as follows:

Local/Statewide: Grades 101 to 124

Statewide/Southwest Regional: Grades 125 to 132, and 201 to 215

National: Grades 301 and above

The County's competitive market positioning and total compensation package has enabled the County to attract and retain a well-qualified and motivated workforce that can sustain the County's wide range of essential services and infrastructure. A regional Department of Labor, Bureau of Labor Statistics established cost factor may be recommended to Council annually for application to the compensation plan structure.

The County maintains approximately 335 job classes and descriptions within an overall structure of job families and considers both the external market value of benchmarked jobs and the internal value of non-benchmarked jobs when assigning job classes to salary grades. In general, each job class is assigned to the salary grade whose midpoint of the range most closely matches the combination of target market positioning and internal positioning of the job class within its job family.

Regular and Limited Term Compensation Plan Structure

The regular and limited term compensation plan structure consists of 57 salary grades into which all job classes are assigned. There is a 5% difference between grades. Each grade represents a market salary range, and all job classes that are assigned to the same salary grade will have the same salary range. This compensation plan structure is also referred to as the salary plan.

There are 3 grade series within the salary plan; the 100 series for non-exempt, the 200 series for exempt, and the 300 series for executive jobs, and these series broadly align with labor market strategy and recruitment policy. Progression through the salary range is determined by a step plan consisting of 50 steps with approximately one percent between each step.

Casual and Temporary Employee Compensation Plan Structure

The Temporary and Casual Compensation Plan will mirror the Regular and Limited Term Compensation Plan except the Casual and Temporary salary grades will be 4 grades below the grade for the same regular or limited term job title.

Initial Hiring Placement

Employees are initially placed within the salary range for their job based on their individual combination of experience, education, and ability to meet business needs that are related to the job requirements.

Progression through the Range Regular & Limited Term Employees

Once placed, regular and limited-term employees then progress through the salary range for their job primarily based on their individual annual performance ratings, with limited recognition also given for the completion of an additional educational degree beyond the minimum job requirements, and non-temporary job expansions, such as the addition of a new program or service.

Progression through the Range Casual Employees

Once placed, casual employees then progress through the salary range for their job based on the number of hours worked during the previous twelve months that exceed the defined threshold.

Placement & Alignment Limitations

In no case shall step placement be above the maximum step for the grade.

Market factors may cause a job to change in grade, as determined by formal market study or internal job reevaluation. When a job decreases in grade and should this cause an employee's salary to exceed the new range, the principle of causing no harm to the employee is generally applied and the employee may be frozen in place (i.e. 'red-circled' or 'grandfathered') until future market factors bring the salary back into alignment within the range. Conversely, when a job increases in grade, and should this cause an employee's salary to fall below the minimum of the range, a market adjustment is customarily applied to bring the employee's salary up to the first step within the grade. When jobs change in grade due to market factors and the employee's salary

remains within the range of the new grade, any market adjustment made will be contingent on budget availability.

III. **Responsibility**

The County Manager must approve this policy and any changes thereto. The County Manager is responsible for the implementation and procedural requirements of this policy, administration of this policy is delegated to the Human Resources Manager.

IV. **Procedures**

Step Placement of Newly Hired Employees (Non-Collective Bargaining Agreement employees)

Employees are initially placed at step one within the salary range for the job class; the following placement criteria are then applied:

- 1) One- and one-half steps (rounded up to the next whole step) are granted per full-time equivalent year of experience exceeding minimum requirements doing the same or a substantially similar job. The County reserves the right to determine the percentage of time/work experience that would be considered substantially similar and the ability to prorate the amount of time applied for that work experience to be used in determining minimum requirements.
- 2) Two steps are granted for the possession of each degree level i.e. associate degree, bachelor's degree, master's degree, or doctoral degree in a major *related* field (as determined solely by the County) that exceeds the minimum education requirements for the job, up to a maximum of four steps in total. Partial credits towards degree completion will not be counted for this evaluation, with the exception that sixty or more credits from an accredited institution will be granted the equivalency of an associate degree.
- 3) Upon written recommendation of the Department Director, the Human Resources Manager is granted the authority to consider and award up to five additional discretionary steps for additional relevant and documented qualifications, certifications, experience, and ability to meet business needs related to the job requirements.
- 4) Additional discretionary steps beyond the above criteria and all appointments above step 20 require documented business justification for approval by the County Manager/Utilities Manager.

Step Placement of Newly Hired Probationary Fire Operations

Employees

Initial placement will be indexed below step 1 of the Firefighter

2 step plan.

- a. Probationary Firefighter 2 will be 95% of Firefighter 2 Step 1. Upon assignment to shift employee will increase to Firefighter 2 Step 1.
- b. Probationary Firefighter 1 will be 90% of Firefighter 2 Step 1. Upon assignment to shift employee will increase to 95% of Firefighter 2 Step 1.
- c. Probationary Fire Recruit will be 95% of Firefighter 2 Step 1. Upon successful graduation of the fire academy and assignment to shift employee will promote to Firefighter 2 and be placed at Step 1 increase to 90% of Firefighter 2 Step 1.

Initial Step Placement of Certain Difficult to Fill Positions

Certain difficult-to-fill positions have become chronically difficult to fill. For these positions, initial placement will start at Step 10 rather than Step 1. Those positions are:

Transit Operators (Trainee, 1, 2, and Lead)
Lifeguards (Trainee, Lifeguard and Supervisor)
Parks Maintenance (Parks and Trails Specialist 1, Maint. Spec. 2 & 3)

Step Placement of Newly Hired Probationary Utilities Employees Whose Job Titles are identified in their Respective Collective Bargaining Agreement

Initial placement will receive the job rate identified in the Collective Bargaining Agreement(s).

Collective Bargaining Agreement Promotions

Employees covered by collective bargaining agreements will be promoted in accordance with the terms of the relevant collective bargaining agreement.

Step Placement of Employees moving from a Collective Bargaining Agreement into the County's Salary Plan

Step placement will be determined as either New Hire Step Placement (as described above) or as promotional placement based on the following process:

- a. Police (IUPA) and Fire (IAFF) (based on 2080 hours):
 - 1) The salary range of the position within the collective bargaining agreement will be matched to the closest

- corresponding salary grade in the County's Pay Plan.
- 2) The employee's current rate of pay within the collective bargaining agreement, including incentive pay and longevity pay, will be matched to the step closest to the employee's rate of pay (step placement may be equal to or higher than the employee's rate of pay but it will not be lower).
 - 3) Using the table below the grade movement from the collective bargaining agreement into the County's Pay plan will be determined and the step placement will be calculated.
- b. Journeyman Linemen (IBEW) and Plumbers and Pipefitters (UAPP)
- 1) The step placement in the promotional grade will be calculated by adding ten percent (10%) above the base salary rate identified in the collective bargaining agreement for the employee's position, rounded up to the closest step in the County's Step Plan.

Step Placement of Newly Promoted Regular and Limited Term Employees

Employees are be placed on a step within the salary range based on the following matrix:

Employment Action	Movement	Increase Percentage
1 grade promotion	Move to greater of same step in new grade, or new hire step placement	5%
2 grade promotion	Move to greater of 3 steps lower in new grade, or new hire placement	7%
3 grade promotion	Move to greater of 6 steps lower in new grade, or new hire placement	9%
4 grade promotion	Move to greater of 9 steps lower in new grade, or new hire placement	11%
5 grade promotion	Move to greater of 12 steps lower in new grade, or new hire placement	13%
6 grade promotion	Move to greater of 15 steps lower in new grade, or new hire placement	15%

7 grade promotion	Move to greater of 18 steps lower in new grade, or new hire placement	17%
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This table may be used in "reverse" for demotions or downward movement within the salary plan.

Step Placement Due to Market Realignment

When an employee's salary falls below the job grade due to market changes, the salary will normally be brought within the range by placing the employee on step one of the range. Any further realignment resulting from market changes is dependent on available funding.

Annual Step Advancement based on Performance Planning & Appraisal (PPA) Rating for Regular and Limited Term Employees

Subject to annual approval and budget funding of the salary plan:

1. Employees on the top step of their pay grade are frozen in place and may only be eligible for any cost factor applied to structure.
2. Employees receiving a rating of 'Far Exceeds Expectations' may be granted a three-step increment plus any cost factor applied to structure.
3. Employees receiving a rating of 'Exceeds Expectations' may be granted a two-step increment plus any cost of labor factor applied to structure.
4. Employees receiving a rating of 'Meets Expectations' may be granted a one-step increment plus any cost factor applied to structure.
5. Employees receiving a rating of 'Does Not Meet Expectations' or 'Unsatisfactory' will not be granted any step increment, except for any cost factor applied to structure.

Annual Step Advancement Based on Hours Worked for

Casual Employees Subject to annual approval and budget

funding of the salary plan:

1. Casual employees who have worked more than 400 hours during the prior year will be eligible to receive a one-step increase.
2. Casual employees who are Lifeguards and instruct water aerobics class but do not provide lifeguarding duties; who have current Aquatic Exercise Association (AEA) Certification and have worked more than 150 hours in the prior year will be eligible to receive a one-step increase.
3. Pay increases will become effective in the first full pay period beginning

on or after July 1.

Out of Annual Cycle Step Increments for Regular, Limited Term and Casual Employees

Subject to approval of the County Manager or Utilities Manager (under Personnel Rule 305), and in accordance with budget availability, out-of-annual-cycle step increments may be granted in recognition of the following *non-temporary* job changes:

1. Up to three steps may be granted for a non-temporary job expansion such as the absorption of a documented new program or service, or an expansion of job responsibilities from an equivalent or higher-level job due to attrition or reorganization.
2. Two steps may be granted for completion of an Associates, Bachelors, Masters or Doctorate in a major *related* field that exceeds the minimum education requirements for the job, up to a maximum of four total steps.
3. Two steps may be granted upon promotion to an employee who has completed 60 general educational credits at the college level.
4. The County Manager, or the Utilities Manager in the case of Department of Public Utilities employees, may grant salary changes based upon Department Director recommendations as appropriate in accordance with Personnel Rule 305
5. Corrective steps may be granted as a result of adverse impact analysis (e.g. age, race, gender etc.) as recommended by the HR Manager.

Lateral Transfer

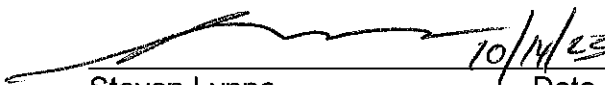
Lateral transfers will be applied in accordance with Personnel

Rule 308.7. Demotion

Salary changes related to demotion will be applied in accordance with Personnel Rules 308.3 and 308.4.

Prepared by: County Manager's Office

Approved by:


Steven Lynne
County Manager

10/14/23
Date