

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ALLOWING A ONE- ) RESOLUTION NO. 02-3247  
TIME EXCEPTION TO THE PERSONNEL RULE )  
LIMITING RETROACTIVITY ON MERIT PAY ) Introduced by Mike Burton, Executive Officer  
INCREASES TO ONE YEAR )

WHEREAS, Metro Code Section 2.02.060 allows for the granting of merit pay increases based on performance for Metro employees; and

WHEREAS, Metro's salary administration policies require department directors to submit completed performance evaluations to Human Resources to implement such merit pay increases; and

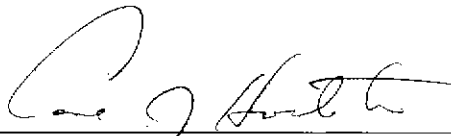
WHEREAS, in the event that department directors are unable to submit these evaluations by the affected employee's anniversary date, Metro Code Section 2.02.060 permits merit pay increases retroactive to the employee's anniversary date not to exceed one year of retroactivity; and

WHEREAS, due to changes in supervisor assignments, management structure and competing work demands, the performance appraisals for 8 employees were not completed in time to allow them to be considered for merit pay increases in 2000 and 2001; and

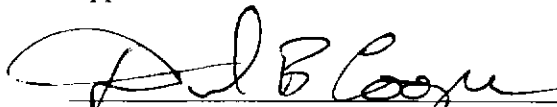
WHEREAS, the overdue performance evaluations have now been completed and it appears that the performance of 8 affected employees warrants consideration for retroactive merit pay increases beyond the one year limit allowed by Code; now therefore

BE IT RESOLVED, that the Metro Council allows an exception to Metro Code Section 2.02.060 limiting the retroactivity of merit pay increases so that the 8 employees listed in Exhibit A may be granted merit pay increases retroactive to their individual anniversary dates as listed, subject to the approval of the Executive Officer.

ADOPTED by the Metro Council this 10<sup>th</sup> day of December, 2002

  
\_\_\_\_\_  
Carl Hosticka, Presiding Officer

Approved as to Form:

  
\_\_\_\_\_  
Daniel B. Cooper, General Counsel

**Exhibit A**  
**Resolution #: 02-3247**

**Metro Merit Pay Cost**  
**(Employees with Performance Review Past Due for 12 Months or More)**  
**(Cost Reflects Differences between Pay Received and Actual Amounts due)**

Department Name	Employee	Review Date	FY 2000 (Cost includes merit pay % plus COLA)		FY 2001 (Cost includes merit pay % plus COLA)		FY 2002 Adjustment to Cost of Living (1)		Total Cost 00-02
			%	Cost	%	Cost	%		
Executive Office	#1	10/1/2000	4%	2,096	to the top of the range (less than 3%)	4,040	N/A	1,133	7,269
General Counsel	#2	8/14/2000	5%	1,833	to the top of the range (less than 3%)	248	N/A	0	2,081 (2)
Planning	#3	7/1/2000	5%	3,461	5%	1,614	N/A	413	5,488 (3)
Planning	#4	1/1/2001	to the top of the range (less than 1%)	240	N/A (top out)	486	N/A	124	850
Planning	#5	1/1/2001	to the top of the range (less than 1%)	73	N/A (top out)	156	N/A	42	271
Planning	#6	7/1/2001	N/A		to the top of the range (less than 5%)	3,001	N/A	768	3,769
Planning	#7	8/1/2001	N/A		to the top of the range (less than 2%)	1,342	N/A	374	1,716
REM	#8	6/29/2001	4%	8	4%	2,122	N/A	1,172	3,302
<b>Grand Total:</b>									<u><u>24,746</u></u>

(1) Adjustment reflects a higher base on which COLA would have been applied.

(2) Reflect final adjustment of cost based on employee receiving a 8% merit pay increase in FY 2002 in an effort to bring performance review current.

(3) Ditto

## GOVERNMENTAL AFFAIRS COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 02-3247, FOR THE PURPOSE OF ALLOWING A ONE-TIME EXEMPTION TO THE PERSONNEL RULE LIMITING RETROACTIVITY ON MERIT PAY INCREASES TO ONE YEAR

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Date: November 19, 2002

Presented by: Councilor Monroe

**Committee Recommendation:** At its November 19, 2002, meeting, the Governmental Affairs Committee voted 2-0 to recommend Council adoption of Resolution No. 02-3247. Voting in favor: Councilors Bragdon and Monroe. Voting against: None. Absent: Councilor Burkholder.

**Background:** Lilly Aguilar, Human Resources Director, presented the staff report. She stated that the resolution is intended to address performance evaluations for certain non-represented employees that were not conducted in the year due. The Human Resources department conducted an agency-wide audit of the status of performance evaluations, and found that eight employees had outstanding performance evaluations with potential retroactive merit pay. The matter was discussed with Cabinet, and they recommended that the Executive Officer request a one-time exemption to existing code to allow these employees to be brought up to date, with the proviso that future evaluations would not be allowed to be delayed beyond the one year stated in the code. These performances were not completed in a timely manner due to workload and supervisory changes. The total cost for this exemption would be under \$25,000.

**Committee Issues/Discussion:** Councilor Bragdon commented that he felt employees needed the kind of feedback provided by annual performance evaluations, and that he hoped this practice would not be continued. Ms. Aguilar replied that it would not; this would be a one-time exemption, and the managers would be keeping much closer tabs on pending reviews.

**Key Public Testimony:** There was none.

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 02-3247, FOR THE PURPOSE OF A ONE-TIME EXCEPTION TO THE SALARY ADMINISTRATION RULES REGARDING RETROACTIVITY OF MERIT PAY INCREASES

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Date: October 31, 2002

Prepared by: Lilly Aguilar

#### **Proposed Action**

Resolution No. 02-3247 requests a one-time waiver of Metro Code Section 2.02.060 relating to salary administration to allow merit pay increases for 8 employees to be granted retroactively more than one year.

#### **ANALYSIS/INFORMATION**

##### **1. Existing Law**

Under Metro Code 2.02.060 merit pay increases are awarded on an employee's anniversary date and are granted once a performance appraisal is approved and submitted to Human Resources by the department director. If the evaluation is not completed by the anniversary date, any merit increase assigned is retroactive to the affected employee's anniversary date not to exceed one year of retroactivity.

##### **2. Background**

In a review of the status of performance evaluations, the Departments identified employees who were not considered for merit pay increases in 2000 and 2001 because their annual performance evaluations were not completed in a timely manner. The Departments have now completed the evaluations and have recommended merit increases for 8 employees retroactive to 2000 and 2001. Metro Code 2.02.060 prohibits retroactive merit increases beyond the employee's most recent anniversary date or one year. This resolution permits a one-time waiver of the code restriction so that employees who earned merit pay increases in 2000 and 2001 may receive them. No other employees have been deprived of merit pay increases due to overdue performance evaluations. The waiver is limited to the 8 employees listed in Exhibit A.

##### **3. Budget Impacts**

The total costs, anticipated not to exceed \$25,000, to implement resolution No. 02-3247 will be covered by the respective departments' FY 02-03 adopted budget. No additional allocation of funds is required.

#### **RECOMMENDED ACTION**

The Executive Officer recommends passage of Resolution No. 02-3247 in order that employees have the opportunity to be made whole.