



Office of the Mayor  
City of Columbus  
Ohio

**MANAGEMENT COMPENSATION PLAN (MCP) POLICY**  
**Pay Grades 86-100**

**PURPOSE:** In accordance with MCP Ordinance No. 1150-2007 as amended, the purpose of this policy is to establish guidelines for managing the Management Compensation Plan (MCP) in a manner that promotes consistency, efficiency, and effectiveness. By doing so, the City promotes compensation strategies that maximize the recruitment, performance, development, and retention of quality employees in support of the City's Covenant and strategic plan.

**GOALS:** Through its programs and practices, the City of Columbus will strive to achieve the following goals:

- Fair, equitable, and consistent pay practices for all employees;
- Fair, equitable and consistent pay opportunity for all employees;
- Competitive salaries relative to the appropriate labor market;
- Rewards and recognition for results-based performance and exceptional contributions;
- Credible programs which are easy to understand, communicate and administer;
- Financial effectiveness and efficiency;
- Compliance with federal, state, and city laws and regulations.

**MCP EMPLOYEES:** Employees covered by this policy include non-bargaining unit employees of the City of Columbus in the executive, administrative, professional, supervisory, confidential, and part-time classifications covered by the Management Compensation Plan.

**RESPONSIBILITY:**

**DEPARTMENT OF HUMAN RESOURCES:**

- Develops, implements, and monitors organization-wide compensation and performance management/appraisal policies, procedures and programs.
  
- Develops pay rates, pay structures and pay practices; approves pay rates; assigns pay grades to newly created and substantially revised classifications; analyzes market data regularly to determine changes necessary to ensure that the organization is competitive within the relevant labor markets.
  
- Ensures compliance with relevant wage and hour laws and regulations.
  
- Functions as an internal consultant to departments by working with directors, managers, supervisors, and employees on compensation problems and issues.
  
- Provides compensation reports and data needed for effective program review and control.

**CIVIL SERVICE COMMISSION (CSC):**

- Maintains the City's Classification Plan; all issues related to the creation, revision, abolishment, merger, etc. of classifications should be directed to CSC.
  
- Develops and maintains current job analysis and job classification information throughout the organization; continually monitors changes to the jobs, and revises, analyzes, and classifies jobs as appropriate.
  
- Certifies payroll to ensure that employees have been appointed or employed in accordance with the civil service provisions of the charter and rules established thereunder.

## **CITY COUNCIL:**

-Pursuant to Section 15 of the Charter of the City of Columbus, ...council shall fix by ordinance, the salary or compensation of all officers and employees of the city government: provided, however, that the board of health, and the trustees of the sinking fund shall have the power to fix the salary or compensation of the officers and employees in their respective departments. The salary or compensation so fixed shall be uniform for like service...

## **OPERATING DEPARTMENT:**

-Appointing Authorities, directors, administrators, managers, and supervisors have the following compensation responsibilities:

-Ensure that approved compensation policies, programs, and procedures are followed in all City agencies.

-Review recommended job descriptions and changes proposed by the CSC; ensure that the CSC is informed of all changes in job responsibilities so that classification specifications can be evaluated and revised or developed.

-Evaluate every employee's performance at least once a year and recommend appropriate salary increases. This responsibility requires discussing the performance review and rating with the individual employee.

-Recommend revisions in compensation policies, procedures, and practices when deficiencies and problems are identified.

## **POLICY GUIDELINES:**

### **1) PAY STRUCTURE:**

The pay structure establishes appropriate pay opportunities for positions through their assignment to pay grades.

The structure is based on competitive pay practices and internal equity considerations, and is intended to:

- a) Define the pay opportunity for employees;
- b) Establish appropriate differentials between pay grades to recognize different levels of demands and complexity of duties;
- c) Establish lower and upper limits of value for each position.

The MCP is an open-range pay structure in which the midpoints of the pay ranges are considered to be the market competitive values for positions in those ranges. The pay range minimum is 20% less than the midpoint or 80% of the going market rate for positions in that range. The pay range maximum is 20% higher than the midpoint or 120% of market rate for positions in that range. A pay range represents the pay opportunity for all employees in a particular classification ranging from someone newly hired to someone approaching retirement.

The market competitiveness of the pay structure is managed by the Department of Human Resources through ongoing participation in salary surveys, analysis of market data, and the periodic review of classification assignments to pay grades. Classification assignments to different pay grades (higher or lower) do not result in changes to pay because they represent a change in market value not a change in duties and responsibilities. However, if as a result of a change in a classification's pay grade assignment, an employee's pay would be below the minimum of the new pay range, their pay must be increased to the minimum of the new pay range. If an employee's pay exceeds pay range maximum, they will maintain their current pay rate (see Pay Range Maximum section regarding future increases).

Market competitiveness is managed consistently with the appropriate labor market strategy. To maintain competitiveness, the Department of Human Resources will determine pay structure movement as needed.

### **2) SALARY INCREASE BUDGET:**

Subject to City Council appropriation, the Finance Director will determine and establish available funds for performance increases for overtime-eligible and overtime-exempt employees. It's important to note that this determination is made based on the financial circumstances of the City, and that there may be years in which an increase is not feasible.

The criteria for allocation of the salary increase budget will be determined by the Director of Human Resources. The salary increase budget may be comprised of:

1) an across-the-board component, or 2) a performance component, or 3) a combination. Assuming the availability of funds, salary increases will be effective the first day of the pay period that includes April 1. (This section does not apply to Initial Performance Evaluation performance increases.)

### 3) SALARY DETERMINATION:

The following salary determinations (Hiring, Promotion, Adjustment, Transfer, Demotion) should be based on consideration of:

- a) Experience, education, and performance of the candidate or employee;
- b) Impact of the position on the goals and objectives of the unit;
- c) Analysis of relevant competitive markets (contact the Department of Human Resources);
- d) Internal equity within the department, and across the City;
- e) Availability of funding.

Employment status (i.e., full-time vs. part-time) should not be a consideration in making salary determinations.

#### New Hire

A new hire is an employee new to the City of Columbus. The departmental hiring range is 80-90% of market (pay range minimum to the beginning of the 2<sup>nd</sup> quartile, or ¼ of the way through the range). Based on consultation with the Department of Human Resources, the hiring range may be expanded to 90-100% of market (100% of market is equal to pay range midpoint).

Compensating for the shift in pension pick-up obligation should not be a consideration in determining new hire pay.

#### Initial Performance Evaluation

To ensure a department's ability to fully evaluate the performance of new employees, pay increases for those employees who are in their probationary period on April 1 will be given at the completion of the probationary period. Subsequent evaluation periods will then be aligned to the standard 12-month timeframe. It is important to note that the Appointing Authority may determine that the performance of the employee does not justify a performance increase.

#### Promotion

A promotion is a change to a different classification in a higher pay grade (a higher minimum, midpoint, and maximum). An employee accepting a promotion should typically receive a 5-10% pay increase. In no case should the promoted employee's pay rate be below the minimum of the higher pay range, nor should the employee's pay rate exceed the maximum of the higher pay range.

The promotional increase is effective the date of the promotion, and is in addition to any other increase for which the employee may be eligible.

This promotion language also applies to employees moving from another pay plan to a higher level classification in the MCP.

#### Pay Compression

Pay compression occurs most frequently when employees promote from FLSA-nonexempt positions to FLSA-exempt positions and/or moves from one bargaining unit to another as they promote up a job career series.

At the Appointing Authority's discretion, a nonexempt employee's previous 3 years' history of earned overtime pay may be averaged and added to their current pay rate to determine an adjusted pay amount to use to calculate an appropriate pay differential.

#### Transfer- Lateral Classification

A transfer-lateral classification is a voluntary move to a different classification, whether within or across departments, in the same pay grade. Both jobs have been determined to be of comparable value which is why they are assigned to the same pay grade.

#### Example:

*Employee A is a Fiscal Manager, pay grade 93, and makes \$29.95 per hour.*

*Employee A transfers to Budget Management Specialist, pay grade 93, and continues to make \$29.95 per hour.*

### **Adjustment or Transfer - Same Classification**

An adjustment is an MCP pay increase. With proper justification from the appointing authority or designee, adjustments of 2-4% for increased duties or responsibilities within the scope of the employee's job classification are likely to receive favorable consideration by the Department of Human Resources.

A transfer to the same classification, whether within or across departments, is a move to a different position in the same classification, and does not result in a change in pay rate.

#### **Example 1:**

*Employee B is an Office Manager, pay grade 89, in the Public Service Department, and makes \$19.58 per hour.*

*Employee B moves to Office Manager, pay grade 89, in the Recreation and Parks Department, and continues to make \$19.58 per hour.*

#### **Example 2:**

*If the same Employee B moved from one Office Manager position in Public Service to another Officer Manager position in Public Service, there would be no change in pay.*

### **Demotion (voluntary)**

A demotion is a change to a different classification in a lower pay grade (a lower minimum, midpoint, and maximum). An employee accepting a demotion should receive a 5-10% pay decrease.

In no case should the employee's pay rate be below the minimum of the lower pay range, nor should the employee's pay rate exceed the maximum of the lower pay grade.

### **Demotion (involuntary)**

Civil Service Rule XIII(A) gives an Appointing Authority the ability to discharge, reduce in pay or position, suspend or reprimand an employee for a variety of causes. Typically, a demotion results in a 5-10% pay decrease. In no case should the employee's new pay rate be less than the minimum of the lower pay grade, nor should the employee's pay rate exceed the maximum of the lower pay grade.

### **Interim Limited Appointment**

An interim limited appointment occurs when an employee is reassigned to a different position in a higher pay grade on a temporary basis.

#### **Example:**

*A division administrator terminates their employment with the City, and the assistant division administrator temporarily promotes into the administrator's position until a search can be conducted to fill the position.*

Criteria in the Promotion section should be followed in determining the new pay rate. It is prudent to consider a smaller promotion increase for an interim limited appointment than one would consider for the same person for a regular promotion to the position.

At the end of the interim limited appointment, the employee returns to their original position at their previous pay rate plus any performance and ATB increases that occurred during the appointment.

### **Pay Range Maximum**

Those employees whose pay rates are near or at pay range maximum, or were put in Step X as a result of the pay plan implementation, will receive the portion of their increase that would take their pay rate beyond pay range maximum in the form of a lump sum payment. The intent is that employees generally will not be paid at a rate higher than their pay range maximum (i.e., 20% above the market).

Example 1:\*

*Employee C is currently in pay grade 95, making \$44.22 per hour (the pay range maximum.*

*At the next increase, a decision is made to not move the pay structure.*

*Employee C receives a 2% increase:  $\$44.22 \times 2\% = .88$  per hour.*

*Employee C would continue to make \$44.22 per hour.*

*Employee C would receive the 2% pay increase in the form of one lump sum payment:*

*$.88 \times 2080$  hours (# of work hours in one year) = \$1830.40 (gross).*

Example 2:\*

*Employee D is currently in pay grade 94 and makes \$38.00 per hour. Pay range maximum is \$39.06.*

*At the time of the next increase, the pay structure is moved 2%. The new pay range maximum is \$39.84. (2% added to \$39.06).*

*Employee D receives a 5% increase: 5% added to \$38.00 is \$39.90.*

*Employee D receives a base increase to \$39.84; and then receives the balance of the increase in the form of one lump sum payment of  $.06 \times 2080 = \$124.80$  (gross).*

Step X is a mechanism created to accommodate those employees whose current pay rate was beyond the new pay range maximum at the time of the 2001 MCP pay plan implementation. Step X also applies in certain situations initiated by Human Resources or Civil Service [See MCP Ordinance Section 6(C)].

**4) PAY ADJUSTMENTS AND DETERMINATION OF BARGAINING UNIT EXEMPT STATUS:**

Occasionally, a position in a classification that is in a bargaining unit may be determined to be exempt from the bargaining unit, and therefore should be assigned to MCP. Since this is not a change in duties, there would typically not be a change to pay.

**5) EXCEPTIONS:**

Any exception is subject to the approval of the Director of Human Resources.

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**\* Examples assume a full-time employee**



City of Columbus  
**Department of Human Resources**  
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## Pay Rate Worksheet

Date Prepared: \_\_\_\_\_ Effective Date: \_\_\_\_\_  
 Employee ID: \_\_\_\_\_ Employee Name: \_\_\_\_\_  
 Job Code: \_\_\_\_\_ Class Title: \_\_\_\_\_  
 Department: \_\_\_\_\_ Division: \_\_\_\_\_  
 EPC Number: \_\_\_\_\_ Position(s) Type:  FT  PT /  R  L  S  
 Appointment To / Adjustment For:  CMAGE/CWA  HACP  MCP

Please indicate below the category associated with the appointment or change as reflected on the form PP20, and provide the following information regarding the intended pay rate for the employee: **1) Justification memorandum from appointing authority; 2) Employee resume, where applicable; 3) This form with original signature (not scanned or copied) of appointing authority.**

**New COC Employee**

The pay grade for this classification is \_\_\_\_, with a minimum pay rate of \$\_\_\_\_\_/hour and a maximum pay rate of \$\_\_\_\_\_/hour. The proposed hire rate of pay for this employee is \$\_\_\_\_\_/hour. This hire rate of pay falls within the:  
 1<sup>st</sup> Quartile  2<sup>nd</sup> Quartile  Above Market **(Proposed hire pay rates falling in the 2<sup>nd</sup> quartile or higher must be reviewed and approved by the Department of Human Resources.)**

**Promotion** (Current COC employee new to this pay plan or moving within the pay plan)

The pay grade for this new, higher classification is \_\_\_\_, with a minimum pay rate of \$\_\_\_\_\_/hour and a maximum pay rate of \$\_\_\_\_\_/hour. The proposed hire rate of pay for this employee is \$\_\_\_\_\_/hour. This represents a \_\_\_\_% increase in pay for the employee. **(Increases of less than 5% or greater than 10% must be reviewed and approved by the Department of Human Resources.)**

**Adjustment or Transfer – Same or Lateral Class** (Adjustments are MCP increases or CMAGE Sec. 17.9 wage rate adjustments)

The employee's previous rate of pay was \$\_\_\_\_\_/hour and, with this adjustment or transfer, the new rate will be \$\_\_\_\_\_/hour, reflecting a \_\_\_\_% increase in pay. **(Any change in pay must be reviewed and approved by the Department of Human Resources.)**

**Demotion**

The pay grade for this new, lower classification is \_\_\_\_, with a minimum pay rate of \$\_\_\_\_\_/hour and a maximum pay rate of \$\_\_\_\_\_/hour. The proposed hire rate of pay for this employee is \$\_\_\_\_\_/hour. This represents a \_\_\_\_% decrease in pay for the employee. **(Decreases of less than 5% or greater than 10% must be reviewed and approved by the Department of Human Resources.)**

**Interim Limited Appointment**

This employee will be receiving a limited appointment to this higher classification beginning \_\_\_\_\_, with an estimated ending date of \_\_\_\_\_. The pay grade for this new, higher classification is \_\_\_\_, with a minimum pay rate of \$\_\_\_\_\_/hour and a maximum pay rate of \$\_\_\_\_\_/hour. The proposed hire rate of pay for this employee is \$\_\_\_\_\_/hour. This represents a \_\_\_\_% increase in pay for the employee. **(Increases of less than 5% or greater than 10% must be reviewed and approved by the Department of Human Resources.)**

Appointing Authority Signature \_\_\_\_\_

Date \_\_\_\_\_

HR Department Approval \_\_\_\_\_

Date \_\_\_\_\_