

COUNCIL ACTION FORM

SUBJECT: REVISION TO PERSONNEL POLICIES AND PROCEDURES MANUAL

BACKGROUND:

The Human Resources Department has identified an area of the Personnel Policies and Procedures Manual that needs to be revised. An explanation is shown below, along with new language shown in bold.

The current language regarding **demotions** in Chapter 7 allows an employee who voluntarily demotes to a lower position to retain their current rate of pay or the maximum salary of the lower classification, whichever is less. Adding additional language that allows for a case by case review would give flexibility to further reduce the salary in certain situations (e.g., maintaining internal equity with similar classifications in a department). The existing language only contemplates salary reductions for involuntary demotions.

7.9 Demotion

A voluntary or involuntary demotion may be made to a vacant position in a class with a lower maximum salary in accordance with these Policies and Procedures. An employee who is voluntarily or involuntarily demoted must possess the minimum qualifications for the lower position.

A demoted employee's salary shall be the employee's current rate of pay or the maximum of the salary range for the lower class, whichever is lower, except that an employee who receives an involuntary demotion may also be subject to a salary reduction in accordance with Section 7.8 of these Policies and Procedures. **The City Manager may also authorize an alternative salary reduction for a voluntary demotion as warranted by a review of the situation.** A demoted employee's pay rate shall be effective with the first day that the employee assumes the duties of the lower class.

ALTERNATIVES:

1. Approve the proposed change to the City's Personnel Policies and Procedures.
2. Do not approve the proposed change and retain the existing wording.

MANAGER'S RECOMMENDED ACTION:

This revision provides greater flexibility for situations where employees accept voluntary demotions, as opposed to involuntary demotions.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the above revision to the City's Personnel Policies and Procedures.