

ORDINANCE NO. \_\_\_\_\_

1 AN ORDINANCE amending Chapter 2.76 of the Lincoln Municipal Code  
 2 relating to the Personnel System to incorporate negotiated changes and changes applicable  
 3 to employees not represented by a bargaining unit by amending Section 2.76.145 to provide  
 4 that the Mayor may grant permanent one- or two-step merit increases; amending Section  
 5 2.76.153 to provide that both probationary and regular employees may be paid shift  
 6 differential; amending Section 2.76.160 to provide that employees in pay ranges prefixed by  
 7 "A" and "C" receive a 4 1/2% increase after probation and to provide 4% temporary  
 8 exceptional service awards to employees in pay ranges prefixed by "A", "C", "E" and "M";  
 9 amending Section 2.76.380 to increase certain accrual amounts and to clarify sick leave  
 10 accrual amounts, to define the amount of sick leave payable upon death retirement or  
 11 reduction in force, and to provide a waiver for increased family sick leave in special  
 12 circumstances; and repealing Sections 2.76.145, 2.76.153, 2.76.160, and 2.76.380 of the  
 13 Lincoln Municipal Code as hitherto existing.

14 BE IT ORDAINED by the City Council of the City of Lincoln, Nebraska:

15 Section 1. That Section 2.76.145 of the Lincoln Municipal Code be amended  
 16 to read as follows:

17 **2.76.145 Compensation Plan; Merit Pay Plan; Administration and Requirements for**  
 18 **Advancement.**

19 (a) Advancement by an employee through the merit pay steps in the merit pay plan  
 20 shall be on the basis of performance as determined by the employee's department head. In  
 21 making the decision as to whether or not an employee deserves and shall receive a merit pay

1 step increase, the department head must find that the employee being considered has  
2 performed in a commendable or outstanding manner.

3 A merit step increase shall be awarded only when an employee receives the  
4 score required for an increase. In any case where a merit increase has been denied, the next  
5 eligibility date for receipt of a merit step increase will be one year from the current eligibility  
6 date, at which time the employee must receive the score required for an increase.  
7 Supplemental ratings may be done throughout a rating period, but merit step increases may  
8 not be granted other than on the employee's eligibility date.

9 Merit increases shall be awarded on the basis of performance only, and under  
10 no circumstances shall any department head award or deny any employee a merit step  
11 increase on the basis of personal or political favoritism or discrimination.

12 (b) A probationary employee shall become eligible for a one-step merit pay increase  
13 in accordance with the standards specified in subparagraph (a) above after completion of the  
14 probationary period of employment. Except as otherwise provided in subparagraph (c) below  
15 and Section 2.76.150, a one-step merit pay increase, subsequent to the first such increase after  
16 completion of the probationary period of employment, may be granted no more often than  
17 one year of service from the date the last merit step increase became effective. Merit step  
18 increases shall take effect at the beginning of the pay period in which the pay eligibility date  
19 occurs for pay ranges prefixed by "P" or "F". Merit step increases shall take effect at the  
20 beginning of the first full pay period following the established eligibility date for pay ranges  
21 prefixed by "N" or "X". Salary increases or decreases resulting from the amendment of the  
22 compensation plan in accordance with Sections 2.76.125 and 2.76.130 shall have no effect

1 on the within-range merit step increases authorized by this section unless otherwise specified  
2 in Section 2.76.130.

3 (c) Upon a showing by an employee of exceptional and unusual circumstances in  
4 connection with his classification and with the recommendation of the appointing authority,  
5 the Mayor may grant permanent ~~merit~~ one- or two-step merit increases which are consistent  
6 with the spirit and purpose of the merit system provisions of the city charter. The effective  
7 date of the merit step increase(s), granted in accordance with this subparagraph (c), shall be  
8 used to establish a new eligibility date, which shall be one year from the effective date of the  
9 merit step increase(s). This subsection applies only to ranges prefixed by "N", "X", "F", or "P".

10 Section 2. That Section 2.76.153 of the Lincoln Municipal Code be amended  
11 to read as follows:

12 **2.76.153 Compensation Plan; Merit Pay Plan; Shift Differential.**

13 Probationary and regular ~~E~~employees in pay ranges prefixed by "N" or "X" who are  
14 regularly assigned to second and third shifts shall be paid an additional twenty cents per hour  
15 for second shift and thirty cents per hour for third shift. The differential pay per hour shall be  
16 included as an addition to their current hourly rate. To be entitled to second shift differential  
17 pay, an employee must work a majority of his ~~or her~~ regularly scheduled shift hours between  
18 5:00 p.m. and 11:59 p.m. To be entitled to third shift differential pay, an employee must work  
19 a majority of his ~~or her~~ regularly scheduled shift hours between 11:59 p.m. and 9:00 a.m.  
20 Current hourly rate shall mean the hourly rate of pay which is applicable to the employee's  
21 regularly assigned job classification; provided, however, that if an employee is entitled to out-

1 of-class pay, the employee's current hourly rate shall be the applicable out-of-class hourly rate  
2 of pay.

3 Employees who are entitled to shift differential pay shall also receive the shift  
4 differential pay in addition to their current hourly rate for paid leaves of absence such as  
5 vacation, sick leave, holiday pay, and funeral leave. For the purpose of computing overtime  
6 pay, an employee's "regular hourly rate", as defined by the Fair Labor Standards Act, shall  
7 include the additional twenty or thirty cents per hour shift differential.

8 Section 3. That Section 2.76.160 of the Lincoln Municipal Code be amended  
9 to read as follows:

10 **2.76.160 Compensation Plan; Variable Merit Pay Plan.**

11 Notwithstanding any other section of the Lincoln Municipal Code to the contrary, the  
12 compensation plan for employees in classifications with pay ranges prefixed by the letters "A",  
13 "C", "E", and "M" shall provide for the awarding of merit increases within established pay  
14 ranges based upon the employee's level of performance and shall be entitled "the variable  
15 merit pay plan." The specific method of implementing and administering this plan shall be  
16 set out in an executive order of the Mayor which shall, among other things, provide for:

17 (a) Variable merit increases of between zero and six percent. Merit increases shall  
18 be effective beginning the first full pay period following the established eligibility date;

19 (b) ~~A three percent increase upon successful completion of the original probationary~~  
20 ~~period for employees in pay ranges prefixed by the letters "A" or "C"; a four and one-half~~  
21 ~~percent increase upon successful completion of the original probationary period for employees~~  
22 ~~in pay ranges prefixed by "E" or "M";~~

1           (c) ~~For employees in pay ranges prefixed by the letters "A", "C", "E", or "M",~~  
2           Temporary exceptional service awards not to exceed ~~two~~ four percent of the employee's  
3           current annualized salary ~~or \$300.00, whichever is greater,~~ to be paid in two, four, or six pay  
4           periods;

5                       Such increases shall be paid only on recommendation of the department head  
6           supported by a convincing showing in writing of exceptional service or unusual circumstances  
7           as related to specific criteria to be recommended by each department and approved by the  
8           Personnel Director.

9                       The Personnel Director shall annually send a written report to the Mayor listing  
10          employees approved for exceptional service pay increases.

11          (d)       The Personnel Director, with the approval of the Mayor, may grant permanent  
12          salary increases within an employee's pay range that are consistent with the spirit and purpose  
13          of the merit system provisions of the City Charter if a department head presents written  
14          evidence of unusual circumstances. The effective date of any increase granted in accordance  
15          with this subsection shall be used to establish a new eligibility date, which shall be one year  
16          from the effective date of such increase. This subsection applies only to pay ranges prefixed  
17          by "E" or "M".

18          (e)       The eligibility date for evaluating performance of employees will be determined  
19          by completion of the original probationary period, and the effective date of promotion,  
20          demotion, reallocation, or layoff;

21                       Employees in pay ranges prefixed by the letter "M" may have their eligibility  
22          dates adjusted when necessary or appropriate for proper operation of any goal-oriented

1 employee evaluation program implemented by any department. The department head shall  
2 forward a written request for such an adjustment to the Personnel Director who may, at his  
3 discretion, approve the request. The eligibility date of an employee shall not be adjusted  
4 under this subsection more often than once in any twelve-month period;

5 (f) Establishment of a committee to review and approve all merit increases in  
6 excess of five percent.

7 Section 4. That Section 2.76.380 of the Lincoln Municipal Code be amended  
8 to read as follows:

9 **2.76.380 Sick Leave with Pay.**

10 Subsections (a) through ~~(d)~~ (f) shall apply to employees not represented by a bargaining  
11 unit.

12 (a) Amount. Sick leave shall be earned by each employee at the factored hourly  
13 equivalent of eight hours for each full month of service or twelve hours for each full month  
14 of service for an employee with a pay range prefixed by "M" who works a fifty-six hour work  
15 week. Earnings shall be computed only for those hours when an eligible employee is in a pay  
16 status, excluding overtime.

17 (b) When taken. Sick leave will be paid only when an employee is unable to  
18 perform work duties due to actual personal illness, noncompensable bodily injury, pregnancy,  
19 or disease, exposure to contagious disease under circumstances in which the health of other  
20 employees or the public would be endangered by attendance on duty, or to keep a medical  
21 or dental appointment and for no other reason. A sick leave pay account will be established

1 and funds appropriated for that reason only. Sick leave with pay is intended to be paid on  
2 account of sickness rather than a continuation of salary.

3 Sick leave must be earned before it can be granted, and advancing sick leave is  
4 prohibited. An employee may utilize no more than his accrued balance of sick leave. When  
5 an employee finds it necessary to be absent for any of the reasons specified herein, the  
6 employee shall cause the facts to be reported to his department head in accordance with  
7 departmental rules and regulations.

8 Sick leave shall be earned, but not be granted, during the probationary period occurring  
9 after original appointment. An employee must keep his department head informed of his  
10 condition. This shall be on a daily basis unless waived by the department head or designated  
11 representative. An employee may be required by the Personnel Director to submit a medical  
12 certificate for any absence. Failure to fulfill these requirements may result in denial of sick  
13 leave. No refund of vacation time shall be allowed due to illness incurred while on vacation  
14 leave. Sick leave shall not accrue during any period of leave of absence without pay.

15 (c) Accumulated sick leave. Unused sick leave may be accumulated to a total of  
16 1,920 hours for an employee with a pay range prefixed by "E", "M", "N" or "X"; or 2,880  
17 hours for an employee with a pay range prefixed by "M" who works a fifty-six hour work  
18 week.

19 The accumulation of unused sick leave is unlimited for an employee with a pay  
20 range prefixed by "A" or "C".

21 (d) Unused sick leave. ~~Upon retirement or death, an employee or the employee's~~  
22 ~~beneficiary shall be paid one-fourth of his accumulated sick leave with the rate of payment~~

1 based upon the employee's regular pay at the time the employee retires or at the time of the  
2 employee's death. A portion of the sick leave payout, for full-time regular employees, will be  
3 contributed to the Post Employment Health Plan (PEHP) in accordance with the policy  
4 established by the Personnel Director. Upon retirement, death or reduction in force, an  
5 employee with a pay range prefixed by "E" or "M", or the employee's beneficiary, shall be  
6 paid one-half of his accumulated sick leave for a maximum of 620 hours. An employee with  
7 a pay range prefixed by "M" who works a fifty-six hour work week shall be paid one-half of  
8 his accumulated sick leave for a maximum of 930 hours. The rate of payment shall be based  
9 upon the employee's regular pay at the time the employee retires, is laid off, or at the time of  
10 the employee's death.

11 Upon retirement, death or reduction in force, an employee with a pay range  
12 prefixed by "A" or "C", or the employee's beneficiary, shall be paid one-fourth of his  
13 accumulated sick leave. The rate of payment shall be based upon the employee's regular pay  
14 at the time the employee retires, is laid off, or at the time of the employee's death.

15 Upon retirement or death, an employee with a pay range prefixed by "N" or "X",  
16 or the employee's beneficiary, shall be paid one-fourth of his accumulated sick leave. The rate  
17 of payment shall be based upon the employee's regular pay at the time the employee retires  
18 or at the time of the employee's death.

19 (e) An employee with a pay range prefixed by "E", "M", "A", or "C" may be granted  
20 time off for a maximum of forty hours in each calendar year for illness in the employee's  
21 immediate family. An employee with a pay range prefixed by "M" who works a fifty-six hour  
22 work week may be granted time off for a maximum of sixty hours in each calendar year for



1 illness in the employee's immediate family. Immediate family will also include any other  
2 family member, whether it be by blood, marriage, legal adoption, or foster children, residing  
3 in the household. Such time off will be deducted from the employee's accumulated sick  
4 leave. Upon written request from an employee in the above-referenced pay ranges, the  
5 Personnel Director may waive the forty or sixty hour limit after reviewing the individual  
6 circumstances in support of the request.

7 (f) An employee with a pay range prefixed by "N" or "X" may be granted time off  
8 for a maximum of forty hours in each calendar year for illness in the employee's immediate  
9 family. For purposes of this subsection (f), the term immediate family shall include the  
10 employee's mother, father, sister, brother, husband, wife, child, foster child, mother-in-law,  
11 father-in-law, stepmother, stepfather, stepchild, grandparent and the grandparent of the  
12 employee's spouse. Such time off will be deducted from the employee's accumulated sick  
13 leave.

14 Section 5. That Sections 2.76.145, 2.76.153, 2.76.160, and 2.76.380 of the  
15 Lincoln Municipal Code as hitherto existing be and the same are hereby repealed.

16 Section 6. That this ordinance shall take effect and be in force from and after  
17 its passage and publication according to law.

Introduced by:

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Approved as to Form & Legality:

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City Attorney

Staff Review Completed:

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Administrative Assistant

Approved this \_\_\_ day of \_\_\_\_\_, 2001:

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Mayor