

**RESOLUTION NO. 1033**

**A RESOLUTION OF THE CITY OF GIG HARBOR,  
WASHINGTON, ADOPTING AN AMENDMENT TO THE 2007  
PERSONNEL REGULATIONS MANUAL RELATED TO  
DISCRETIONARY PERFORMANCE-BASED PAY.**

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**WHEREAS**, the City of Gig Harbor Personnel Regulations Manual is updated on an as-needed basis; and

**WHEREAS**, the current Employees' and Supervisors' Guild Contracts eliminated the former Merit/Bonus Pay Plan contract language (that was discontinued in 2008) and established a Discretionary Performance-Based Pay Plan pilot project that expires on December 31, 2017, unless approved for continuation; and

**WHEREAS**, the City intended to include non-represented employees in the eligibility requirements for the Discretionary Performance-Based Pay Plan; and

**WHEREAS**, non-represented employees have historically been included in represented employees' compensation strategies; and

**WHEREAS**, an amendment to the manual is needed to include the non-represented employees in the Discretionary-Based Performance Plan; and

**WHEREAS**, the inclusion of this policy adjustment in the manual is chiefly necessary for the efficient operation of the City; now, therefore,

**THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON,  
HEREBY RESOLVES AS FOLLOWS:**

Section 1. The City Council hereby adopts an amendment to the 2007 City of Gig Harbor Personnel Regulations, attached hereto as Exhibit A and incorporated herein by this reference.

PASSED ON THIS 11<sup>th</sup> day of April, 2016.

APPROVED:

  
MAYOR JILL GUERNSEY

ATTEST/AUTHENTICATED:

  
MOLLY M. TOWSLEE, CITY CLERK

FILED WITH THE CITY CLERK: 03/31/16  
PASSED BY THE CITY COUNCIL: 04/11/16  
RESOLUTION NO. 1033

Exhibit A

**PERSONNEL REGULATIONS AMENDMENT  
4/11/16**

**F. MERIT/BONUS PAY**

~~Employees shall be eligible for merit/bonus pay increases in accordance with the provisions set forth below:~~

- ~~1. Merit/bonus pay increases shall be within the city's budget in an appropriate fund within each department's budget.~~
- ~~2. The amount of the merit/bonus pay salary increase for each employee shall be based solely on performance.~~
- ~~3. Merit/bonus pay salary increases shall be granted by the City Administrator and confirmed by the Mayor.~~

**DISCRETIONARY PERFORMANCE-BASED PAY PROGRAM**

1. In an effort to attract and retain talented employees, the City offers performance-based incentives to eligible employees as described below. This program is available to non-represented employees and to members of the City of Gig Harbor Employees' and Supervisors' Guild under the terms of their respective collective bargaining agreements. In the event of a conflict between this regulation and an applicable collective bargaining agreement, the agreement prevails.
2. Discretionary Performance-Based Pay is intended to recognize employees who perform beyond their employment duties as described in their job descriptions and who provide excellent value and exceptionally high quality service that benefits the City of Gig Harbor. Discretionary Performance-Based Pay is only available to employees who are no longer eligible for performance pay increases because they have reached the maximum level of their salary range. This discretionary performance-based pay shall not be added to the employee's base pay and is separate, non-cumulative compensation.
3. The percentage awarded will range from 1% to 4% in defined incremental amounts of 0.5% or greater. The percentage awarded shall depend on the employee reaching certain specific criteria as described below:
  - a. A supervisor, in collaboration with each eligible employee, shall set specific goals and/or criteria representing tangible and/or intangible contributions resulting in providing excellent value or exceptionally high quality service. The goals and/or criteria shall be included in the employee's annual

performance evaluation along with associated percentages of pay for achieving each of the goals and/or criterion. This will be known as the Discretionary Performance Plan (Plan).

- b. Occasionally, due to an unforeseen project(s) or exceptional circumstances that arise during the review period, an employee may request to amend their previously approved Plan. The request will be reviewed and considered for approval by the supervisor and the City Administrator. The Plan for each employee shall be approved in advance by the City Administrator, with input from Human Resources.
  - c. The review period shall be for one year, beginning on the employee's annual anniversary date and continuing through the subsequent 12 months.
  - d. The discretionary performance-based pay awarded shall be calculated solely on the employee's annual base salary.
  - e. At the end of the review period, the supervisor shall meet with the employee to determine which, if any, of the Plan elements have been achieved and therefore, what percentage of pay, if any, has been earned by the specific employee.
  - f. The City Administrator shall review the decisions of the supervisor with regard to any Discretionary Performance-Based Pay recommended by that supervisor. The City Administrator retains discretion to reject the supervisor's decision in the event that the Plan elements, approved in accordance with Item 2 of this section, have not been achieved.
  - g. To receive the discretionary-based performance pay, the employee must be in good standing with the City, meaning no pending or imposed disciplinary actions during the previous 12 months of the review period.
  - h. This program is a pilot program and will expire on December 31, 2017. Any discretionary pay earned in 2017 shall be paid to employees at the end of their review period in 2018, regardless of whether the pilot program is continued.
4. The City's budget shall reflect a budget line item called "Discretionary Performance-Based Pay" with an estimated amount of funds, if any, to be used for Discretionary Performance-Based Pay. Payment of Discretionary Performance-Based Pay is conditioned on the availability of budgeted funds.