

ORDINANCE S-53059

AN ORDINANCE REPEALING ORDINANCE S-51144; AND ADOPTING A COMBINED ORDINANCE FOR A CLASSIFICATION PLAN, PAY RATES AND COMPENSATION; AND FURTHER AUTHORIZING THE CITY CONTROLLER TO DISBURSE ALL FUNDS FOR THE PURPOSES OF THIS ORDINANCE.

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BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX as follows:

SECTION 1. Ordinance No. S-51144, which adopted a combined ordinance for a classification plan (Exhibit A), and pay rates and compensation (Exhibit B) of all employees of the City of Phoenix, is repealed as of the effective date of this Ordinance.

SECTION 2. A Classification Plan providing specifications for each position in the classified and unclassified service of the City is attached as Exhibit A, which is incorporated herein by this reference.

SECTION 3. On July 6, 2026, the effective date of this Ordinance, all compensation to be paid to employees of the City of Phoenix shall be computed from Exhibit B, which is incorporated herein by this reference. Exhibit B includes those compensation changes set forth in Section 6 hereof.

SECTION 4. The City Manager is authorized to provide a benefits program for City employees as described by various administrative regulations and the benefits reference guides.

SECTION 5. On and after the effective date of this Ordinance, employees of the City of Phoenix shall be compensated on a biweekly schedule in accordance with

the attached Exhibit B and in accordance with those certain Memoranda of Understanding, to wit:

Memorandum of Understanding 2026-2028 by and between the City of Phoenix and the Laborers International Union of North America, Local 777, AFL-CIO, covering Field Unit 1.

Memorandum of Understanding 2026-2028 by and between the City of Phoenix and the American Federation of State, County and Municipal Employees, Local 2384, AFL-CIO, covering Field Unit 2.

Memorandum of Understanding 2026-2028 by and between the City of Phoenix and the American Federation of State, County and Municipal Employees, Local 2960, AFL-CIO, covering Office and Clerical Unit 3.

Memorandum of Understanding 2026-2028 between the City of Phoenix and Phoenix Law Enforcement Association, covering Police Officers Unit 4.

Memorandum of Understanding 2026-2028 by and between the City of Phoenix and Phoenix Firefighters Association, Local 493, IAFF, covering Unit 5.

and shall work a schedule of hours in accordance with applicable administrative regulations and ordinances and consistent with the determination of work hours by the City, based on the needs of the City.

#### **SECTION 6. Compensation**

The compensation schedules set forth in Exhibit B shall be effective and/or modified in accordance with the following:

- (a) Effective July 6, 2026, a 2.0% base wage increase will be applied to all Unit 1 pay steps. In addition, full-time Unit 1 employees will receive a non-continuous payment of \$500.00 and part-time Unit 1 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and full-time Unit 1 employees will receive a non-continuous payment of \$599.00 and

part-time Unit 1 employees will receive a non-continuous payment of \$100.00, to be paid on the first full pay period in August 2026.

- (b) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 1 pay steps. In addition, full-time Unit 1 employees will receive a non-continuous payment of \$934.00 and part-time Unit 1 employees will receive a non-continuous payment of \$100.00, to be paid on the first full pay period in August 2027.
- (c) Effective July 6, 2026, a 2.0% base wage increase will be applied to all Unit 2 pay steps. In addition, full-time Unit 2 employees will receive a non-continuous payment of \$500.00 and part-time Unit 2 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and Unit 2 employees will receive a non-continuous payment equal to 1.0% of their base wage, to be paid on the first full pay period in August 2026.
- (d) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 2 pay steps. In addition, Unit 2 employees will receive a non-continuous payment equal to 1.5% of their base wage, to be paid on the first full pay period in August 2027.
- (e) Effective July 6, 2026, a 2.0% base wage increase will be applied to all Unit 3 pay steps. In addition, full-time Unit 3 employees will receive a non-continuous payment of \$500.00 and part-time Unit 3 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and full-time Unit 3 employees will receive a non-continuous payment of \$630.00 and part-time Unit 3 employees will receive a non-continuous payment of \$251.00, to be paid on the first full pay period in August 2026.
- (f) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 3 pay steps. In addition, full-time Unit 3 employees will receive a non-continuous payment of \$980.00 and part-time Unit 3 employees will receive a non-continuous payment of \$390.00, to be paid on the first full pay period in August 2027.
- (g) Effective July 6, 2026, a 2.0% base wage increase will be applied to all Unit 4 pay steps. In addition, full-time Unit 4 employees will receive a non-continuous payment of \$500.00 and part-time Unit 4 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and full-time Unit 4 employees will receive a non-continuous payment equal to 1.0% of their base wage, to be paid on the first full pay period in August 2026.

- (h) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 4 pay steps. In addition, full-time Unit 4 employees will receive a non-continuous payment equal to 1.5% of their base wage, to be paid on the first full pay period in August 2027.
- (i) Effective July 6, 2026, a 2.0% base wage increase will be applied to all Unit 5 pay steps. In addition, full-time Unit 5 employees will receive a non-continuous payment of \$500.00 and part-time Unit 5 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and full-time Unit 5 employees will receive a non-continuous payment of \$896.00, to be paid on the first full pay period in August 2026.
- (j) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 5 pay steps. In addition, full-time Unit 5 employees will receive a non-continuous payment of \$1,394.00, to be paid on the first full pay period in August 2027.
- (k) Effective July 6, 2026, a 2.0% base wage increase will be applied to all Unit 6 pay steps. In addition, full-time Unit 6 employees will receive a non-continuous payment of \$500.00 and part-time Unit 6 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and full-time Unit 6 employees will receive a non-continuous payment equal to 1.0% of their base wage, to be paid on the first full pay period in August 2026.
- (l) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 6 pay steps. In addition, full-time Unit 6 employees will receive a non-continuous payment equal to 1.5% of their base wage, to be paid on the first full pay period in August 2027.
- (m) Effective July 6, 2026, a 2.0% base wage increase will be applied to all Unit 7 pay steps. In addition, full-time Unit 7 employees will receive a non-continuous payment of \$500.00 and part-time Unit 7 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and Unit 7 employees will receive a non-continuous payment equal to 1.0% of their base wage, to be paid on the first full pay period in August 2026.
- (n) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 7 pay steps. In addition, Unit 7 employees will receive a non-continuous payment equal to 1.5% of their base wage, to be paid on the first full pay period in August 2027.

- (o) Effective July 6, 2026, a 2.0% base wage increase will be applied to all Unit 8 pay steps. In addition, full-time Unit 8 employees will receive a non-continuous payment of \$500.00 and part-time Unit 8 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and Unit 8 employees will receive a non-continuous payment equal to 1.0% of their base wage, to be paid on the first full pay period in August 2026.
- (p) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 8 pay steps. In addition, Unit 8 employees will receive a non-continuous payment equal to 1.5% of their base wage, to be paid on the first full pay period in August 2027.
- (q) Effective July 6, 2026, a 2.0% base wage increase will be applied to Unit 9 and 10 pay grades and employees (excluding Lifeguards and the Chief Presiding Judge). In addition, all full-time Unit 9 and 10 employees will receive a non-continuous payment of \$500.00 and part-time Unit 9 and 10 employees (except for Lifeguards and part-time judges) will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and Unit 9 and 10 employees (except for Lifeguards and part-time judges) will receive a non-continuous payment equal to 1.0% of their base wage, to be paid on the first full pay period in August 2026, after completing requirements set forth by the City Manager relative to their performance evaluations.
- (r) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 9 and 10 pay grades and employees (excluding Lifeguards and the Chief Presiding Judge). In addition, Unit 9 and 10 employees (except for Lifeguards and part-time judges) will receive a non-continuous payment equal to 1.5% of their base wage, to be paid on the first full pay period in August 2027, after completing requirements set forth by the City Manager relative to their performance evaluations.
- (s) Effective July 6, 2026, a 2.0% base wage increase will be applied to Unit 17 and 19 pay grades and employees. In addition, all full-time Unit 17 and 19 employees will receive a non-continuous payment of \$500.00 and part-time Unit 17 and 19 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and Unit 17 and 19 employees will receive a non-continuous payment equal to 1.0% of their base wage, to be paid on the first full pay period in August 2026, after

completing requirements set forth by the City Manager relative to their performance evaluations.

- (t) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 17 and 19 pay grades and employees. In addition, Unit 17 and 19 employees will receive a non-continuous payment equal to 1.5% of their base wage, to be paid on the first full pay period in August 2027, after completing requirements set forth by the City Manager relative to their performance evaluations.
- (u) Effective July 6, 2026, a 2.0% base wage increase will be applied to Unit 16 and 18 pay grades and employees. In addition, all full-time Unit 16 and 18 employees will receive a non-continuous payment of \$500.00 and part-time Unit 16 and 18 employees will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and Unit 16 and 18 employees will receive a non-continuous payment equal to 1.0% of their base wage, to be paid on the first full pay period in August 2026, after completing requirements set forth by the City Manager relative to their performance evaluations.
- (v) Effective July 5, 2027, a 0.5% base wage increase will be applied to all Unit 16 and 18 pay grades and employees. In addition, Unit 16 and 18 employees will receive a non-continuous payment equal to 1.5% of their base wage, to be paid on the first full pay period in August 2027, after completing requirements set forth by the City Manager relative to their performance evaluations.
- (w) Effective July 6, 2026, a 2.0% base wage increase will be applied to Council Office Salary Plan 023 pay grades and employees. In addition, all full-time employees in Salary Plan 023 will receive a non-continuous payment of \$500.00 and part-time employees in Salary Plan 023 will receive a non-continuous payment of \$250.00, to be paid on the first full pay period in July 2026; and employees in Salary Plan 023 will receive a non-continuous payment equal to 1.0% of their base wage, to be paid on the first full pay period in August 2026.
- (x) Effective July 5, 2027, a 0.5% base wage increase will be applied to Council Office Salary Plan 023 pay grades and employees. In addition, employees in Salary Plan 023 will receive a non-continuous payment equal to 1.5% of their base wage, to be paid on the first full pay period in August 2027.

SECTION 7. On July 6, 2026, the effective date of this Ordinance, the pay rates for employees of the City of Phoenix shall be that shown in Exhibit B, except that employees designated as Election Workers, Council Office Staff, Executives, or Middle Managers or enrolled in an apprenticeship program and assigned to apprentice compensation grades shall have a salary set by the City Manager which shall be at or between the minimum and maximum rates assigned to that classification.

SECTION 8. On and after the effective date of this Ordinance, no overtime work shall be authorized, unless it shall have first been approved as provided by administrative regulation.

SECTION 9.     **New Hire Salary**

New employees shall be hired at the minimum entry rate of the established grade for each classification. Full-time, part-time, and non-seasonal employees will be hired at a rate no lower than the City's established minimum entry rate of \$15.15 per hour. An employee hired into a position responsible for regularly supervising employees shall receive one additional step increase above the minimum hiring rate in accordance with the provisions of Section 19 (f) of this Ordinance if they regularly supervise a higher paid subordinate. For new hires into classifications with a top step of 17, a department head may authorize a beginning rate up to step 14 of the pay grade after conducting an analysis with Human Resources. The City Manager and Human Resources Director may authorize a beginning rate above step 14 of the pay grade in the event of labor market requirements or due to the unusual qualifications of a candidate. Certified Police Officer candidates from other jurisdictions may be brought in at a higher step based upon the

number of years of experience they have after receiving certification as a law enforcement officer.

**SECTION 10. Salary Review Date**

The salary review date of employees shall be the date on which they were hired.

- (a) An employee on a continuous leave of absence of one hundred eighty (180) calendar days or longer, whether such leave is paid or unpaid, shall have the salary review date adjusted to account for the period of absence from the one hundred and eightieth day until the employee's return-to-work effective date. An employee who returns to work following a continuous industrial leave of one hundred eighty (180) calendar days or longer shall have the salary review date adjusted to the return-to-work effective date only if the salary review was due during the continuous industrial leave; if the salary review was not due during the continuous industrial leave, the salary review date will remain unadjusted. This provision does not apply when the leave involved is military leave unless the employee is probationary and has been on probation for less than nine months.
- (b) Salary review dates for incumbents of positions which are reclassified and/or regraded shall be handled in accordance with Section 20(b) of this Ordinance.

**SECTION 11. Merit Increases**

In recognition of continued meritorious service, full-time employees become eligible to be considered for a merit pay increase on each salary review date until they have advanced to the maximum step in their pay grade. Employees eligible for merit increases shall be advanced one step in the pay grade in accordance with this section only upon approval of the department head or the City Manager, except that:

- (a) Employees designated as Executive and Middle Manager and assigned to executive and middle manager compensation grades may be advanced within their assigned pay grade by the City Manager based upon periodic review of the individual employee's

work performance.

- (b) Employees designated as Council Office Staff and assigned to council office staff compensation grades may be advanced within their assigned pay grade by the Executive Assistant to City Council based upon periodic review of the individual employee's work performance.
- (c) Sworn employees in the classifications of Police Sergeant and Police Lieutenant, who meet performance expectations and have not already reached the top step of the pay range, will receive a one-step merit increase when they have completed twenty (20) years of continuous service with the Phoenix Police Department. The effective date of the one-step merit pay increase shall become the salary review date for future merit pay increases.
- (d) Sworn employees in the ranks of Firefighter, Fire Engineer and Fire Captain shall be considered for merit pay increases on each salary review date until they have advanced to the maximum step in their pay grade. Employees eligible for merit increases shall be advanced one step in the pay grade in accordance with this section only upon approval of the department head or the City Manager in accordance with the structure outlined in the compensation schedule and structure set forth in Exhibit B.
- (e) Part-time employees, excluding seasonal employees, may be considered for advancement to the next step and each subsequent step in a grade after working two thousand eighty (2,080) hours at each step. Part-time employees, upon returning from military leave, will be given credit for working the average number of hours they would normally have worked during the time of leave.
- (f) It is further provided that a special merit pay increase for superior performance or a step adjustment for unusual circumstances may be granted at lesser intervals for any employee, upon recommendation of the employee's department head and approval by the Human Resources Director.
- (g) Employees enrolled in an apprenticeship program and assigned to apprentice compensation grades may be advanced within their assigned pay grade by the City Manager based upon periodic review of the individual employee's work performance.
- (h) Employees designated as Election Workers may be advanced within their assigned pay grade by the City Manager based upon

periodic review of the individual employee's work performance.

**SECTION 12. Assignment Pay, Differential, Standby and Other Additional Compensation**

- (a) Rules for designated holidays and premium pay shall be established by administrative regulations, applicable Memoranda of Understanding and applicable Memoranda of Agreement.
- (b) Employees shall receive the assignment pay provided for certain classifications only during the period they are working on these assignments.
  - 1. Employees shall receive an immediate increase upon entering an assignment, provided the assignment is allocated to a higher grade than the base classification, or to the minimum entry rate of the new assignment, whichever is greater. If no such rate exists, the employee shall be placed in the closest step which is not less than that amount, regardless of the number of grades in the differential above the base classification.
  - 2. In cases of assignments in Public Safety Middle Manager or Executive category classifications, employees shall receive a pay rate that is a minimum of 5% higher than their current rate, but not higher than the maximum pay rate of the new pay grade, using a formula established by the Human Resources Director.
  - 3. When an employee is no longer working in the assignment, the employee shall be returned to the base class at the step at which they would be had they never been placed in the assignment.
- (c) Sworn employees at the rank of Police Officer who are Field Training Officers or who the department selects to conduct department approved officer field training will receive an additional 6% of their regular pay rate for each day they are assigned to an officially authorized field training position. Employees assigned to train an officer-in-training in traffic/DUI enforcement will receive 6% training pay for each day the employee actually trains. Employees assigned as Canine Unit Training Officers will receive 5% training pay for each day they are assigned to an officially authorized Canine Unit Trainer position. Employees assigned as Team Leaders on SAU squads will receive an additional 5% base hourly

rate of pay while assigned to this position. Detectives selected by the department to conduct department-approved Detective or Civilian Investigator training will receive an additional 5% of their base rate of pay for every day they perform such training. Officers selected by the department to mentor and evaluate newly assigned special assignment bureau members will receive an additional 5% of their base rate of pay for every day the new member is under their mentorship.

- (d) Sworn employees at the rank of Police Sergeant who supervise a designated Field Training Officer (FTO) squad will receive 10% additional pay while assigned. Sergeants who supervise a Field Training Officer (FTO) training in place will receive 5% additional pay while an Officer In Training (OIT) is assigned to the squad.
- (e) Employees working in positions which, because of unusual hours, should receive extra compensation may receive a shift differential as provided by administrative regulation.
- (f) Certain Unit 2 employees required by the City to maintain a Commercial Driver License (CDL) as a secondary part of their regular position duties shall receive an additional twenty cents (\$0.20) per hour.
- (g) Employees in the following circumstances shall receive bilingual pay as provided by administrative regulation.
  - 1. Unit 3 and Confidential Office and Clerical employees who are authorized, certified, and required by management to use a language other than English to conduct official City business may receive bilingual pay as provided by administrative regulation.
  - 2. Phoenix Firefighters Association Unit 5 employees who speak Spanish to conduct official City business may receive bilingual pay as provided by administrative regulation.
  - 3. Municipal Court employees performing legal, verbatim, and formal translation duties may receive bilingual pay as provided by administrative regulation.
  - 4. Qualified sworn personnel in the Police Department who are requested to perform verbal interpretation or written translation in a language other than English, or signing activities, while conducting police-related investigations may receive bilingual

pay of ten dollars (\$10.00) per hour as provided by the Unit 4 Memorandum of Understanding.

- (h) Certified/registered Unit 1 employees who are assigned to continuous, non-incidental application of herbicides or pesticides may receive premium pay of one dollar (\$1.00) per hour as provided in the Unit 1 Memorandum of Understanding.
- (i) Certified/registered Unit 2 employees who are assigned to continuous, non-incidental application of herbicides or pesticides may receive premium pay of fifty cents (\$0.50) per hour as provided in the Unit 2 Memorandum of Understanding.
- (j) Any Aviation Dispatcher, Fire Emergency Dispatcher, Police Communications Operator, Police Communications Operator\*Radio/911, or Crime Scene Specialist who is selected by their Department to conduct department approved field training will be paid a one-step differential or a minimum of three percent (3%) of base wages, whichever is higher, for those hours actually spent training other staff members.
- (k) Trained and certified employees in the classifications of User Technology Specialist, Senior User Technology Specialist, and Lead User Technology Specialist may receive a per diem of fifty dollars (\$50.00) when required to climb wireless communication towers in the performance of their assigned duties.
- (l) Fire Management Command Officers who are assigned to and work in the Constant Staffing Program may receive monthly premium pay as provided by administrative regulation.
- (m) Upon recommendation of the employee's department head and approval of the Human Resources Director, a premium payment of up to two hundred fifty dollars (\$250) per week may be authorized to be paid to exempt employees for taking on substantial special projects, projects or events requiring significant extended hours or weekends, or considerable additional duties due to staffing shortages, as provided by administrative regulation.
- (n) Exempt personnel may receive additional pay, as provided by administrative regulation, for performance of their usual City duties in catastrophic field conditions in extreme and protracted emergency events involving a state or federal non-military deployment in which circumstances do not permit normal work and rest cycles. For an employee to be eligible for the additional

payment, the deployment must be approved by the department head and City Manager. The deployment must exceed forty (40) continuous hours and the payment amount will be determined based on a formula determined by the Human Resources Director and shall be consistent for all personnel deployed. Such payment may be approved only if it meets all reimbursement guidelines specified by the state or federal agency.

- (o) Specific employees recruited or trained in specific advanced information technology fields, as such employees and job fields are approved by the Chief Information Officer, Human Resources Director, and City Manager, may receive specialty skills premium pay not to exceed 10% of base salary as provided by administrative regulation.
- (p) Compensation for employees who are assigned to standby duty shall be calculated at a rate which, over a twenty-four (24) hour period, shall not exceed the prevailing federal or state minimum hourly wage, whichever is higher.
- (q) Sworn Police Officers below the rank of Sergeant and Unit 3 employees assigned to court standby shall receive the following:
  - 1. Sworn Police Officers below the rank of Sergeant may receive two (2) hours of pay at one and one-half (1-1/2) times the base hourly rate for court dockets scheduled before 12:00 p.m. (noon), and an additional two (2) hours of pay at one and one-half (1-1/2) times the base hourly rate for court dockets scheduled after 12:00 p.m. (noon). If an employee is required to remain on standby after 12:00 p.m. (noon), the employee may receive an additional one (1) hour of pay at one and one-half (1-1/2) times the base hourly rate of pay. For each day a court proceeding continues in session and the officer remains subject to call, the employee may be entitled to court standby compensation as provided in this paragraph and in the Unit 4 Memorandum of Understanding.
  - 2. As provided in the Unit 3 Memorandum of Understanding, Unit 3 employees shall be compensated the greater of either \$100 per day or in accordance with the current provisions of the Fair Labor Standards Act.
- (r) Sworn Police Supervisory and Professional employees assigned to court standby may receive two (2) hours of pay at one and one half (1½) times the base hourly rate per day for court standby. An

additional hour of pay at one and one half (1½) times the base pay rate shall be paid if the employee is required to remain on standby after noon.

- (s) The City Manager is authorized to provide call-out pay to hourly employees, as provided by administrative regulation. Where appropriate, these payments shall be made in accordance with the applicable Memoranda of Understanding or applicable Memoranda of Agreement.
- (t) The City Manager is authorized to provide out of class pay differential to employees, as provided by administrative regulation.
- (u) The City Manager is authorized to award additional vacation leave to an employee, when it is in the best interest of the City as determined by the City Manager.
- (v) Sworn employees at the rank of Police Officer who are department qualified/certified Drug Recognition Experts (DRE) who are current in all training and requirements set forth in Police, and have completed all necessary training, shall be paid a premium of \$15.00 per hour, calculated to the nearest ¼ hour, in addition to their base hourly rate for each hour they are engaged in DRE activities.
- (w) Sworn employees at the rank of Police Officer who are department qualified/certified phlebotomists who are current in all training and requirements set forth in Police, and have completed all necessary training, shall be paid a premium of \$15.00 per hour, calculated to the nearest ¼ hour, in addition to their base hourly rate for each hour they are engaged in phlebotomy activities.

### **SECTION 13. Awards Programs**

- (a) An employee suggestion program shall be established by administrative regulation. Employees may be eligible for a cash award or for other awards for making suggestions which qualify under the program. The cash award to employees, per suggestion, shall not exceed sixteen thousand six hundred sixty-seven dollars (\$16,667).
- (b) An employee safety awards program may be established by administrative regulation. Employees may be eligible for a one-time cash award or other awards as part of the City safety program. Any single cash award shall not exceed one hundred dollars (\$100).

- (c) A program to recognize employee excellence may be established by administrative regulation. The total allocation per department shall not exceed one dollar (\$1.00) per full-time equivalent employee or three hundred dollars (\$300) per year or one shift (not to exceed 10 hours) of performance recognition leave per recognition award.
- (d) The City Manager is authorized to establish a performance-based cash award program for employees.
- (e) The City Manager is authorized to implement incentive programs to reward employees for exceptional performance and/or substantial savings to the City.
- (f) The City Manager is authorized to establish a hiring incentive cash award not to exceed seven thousand five hundred dollars (\$7,500) for employees hired into critical positions, positions that are hard to fill, or positions that require a rare skill set, when it is in the best interest of the City as determined by the Human Resources Director and the City Manager. This award is not applicable to rehires within 3 years. The provisions of this paragraph do not apply to retirees.
- (g) The City Manager is authorized to establish a cash award program for employees who refer successful candidates for City employment, when it is in the best interest of the City. The cash award to employees, per successful candidate, shall not exceed two thousand five hundred dollars (\$2,500).
- (h) The City Manager is authorized to establish a retention incentive cash award not to exceed seven thousand five hundred dollars (\$7,500) to retain employees in critical positions, positions that are hard to fill, or positions that require a rare skill set, when it is in the best interest of the city as determined by the Human Resources Director and the City Manager. Employees receiving this award must meet performance standards as determined by the City Manager. Retention incentives may not be awarded to an employee more than once every two years and employees may be required to repay awards if they leave the city sooner than two years after receiving an award.

#### **SECTION 14. Allowances and Reimbursements**

- (a) The City Manager is authorized to provide for a transportation allowance for employees designated as Executive and Middle Managers and certain professional staff in the Offices of the Mayor

and City Council who are not assigned a City vehicle on a regular basis.

- (b) Elected City officials shall receive the benefits package of their choice as provided for in the Charter.
- (c) The City Manager is authorized to provide to elected officials either (1) a transportation allowance as provided in the chosen benefits package, or (2) a mileage expense reimbursement when using a personal vehicle for travel in carrying out official duties. Such reimbursement shall include mileage expenses of elected officials traveling from their places of residence to their City offices or City functions/events. These expenses are determined to be necessary expenses in the conduct of an elected official's office. Reimbursement will be provided at the prevailing mileage rate set by the Finance Department for all City employees.
- (d) The City Manager is authorized to establish a program to provide payment of moving expenses, relocation expenses, and housing allowance. The reimbursement amount per employee shall not exceed \$20,000.
- (e) The City Manager is authorized to establish a program for payment of a communications allowance paid monthly for eligible Middle Managers, Executives, and certain professional staff in the Offices of the Mayor and City Council. To be eligible for the communication allowance, employees are required to provide a cellular phone and be responsible for all related expenses.
- (f) Clothing allowances shall be established by administrative regulation and in accordance with applicable Memoranda of Understanding or applicable Memoranda of Agreement.
- (g) The City Manager is authorized to establish a program for distributing public safety uniform allowance funds for sworn public safety employees.
- (h) Employees in certain classifications covered by the Unit 2 Memorandum of Understanding shall receive a tool maintenance allowance of up to six hundred dollars (\$600) per year, as provided in the Unit 2 Memorandum of Understanding, and as specified by administrative regulation.
- (i) The City Manager is authorized to provide reimbursement to employees for actual and necessary expenses incurred while

engaged in City business. The requirements for such reimbursement shall be set forth in administrative regulation.

- (j) The City Manager is authorized to provide a stipend for volunteers in the Police Department for certain expenses incurred as a result of their volunteer duties. This may include expenses incurred as a result of court appearances and for maintaining a uniform and equipment.
- (k) The City Manager is authorized to provide reimbursement to employees or make payments in advance for tuition-related expenses incurred for training in employment-related courses, memberships, and seminars only for employment-related courses that have been approved in advance and are consistent with administrative regulations, applicable Memoranda of Understanding, and applicable Memoranda of Agreement.
- (l) Employees who have received advanced tuition reimbursement for tuition related expenses shall agree in writing to repay the City for any failure to meet the criteria set forth in the administrative regulations concerning reimbursement. Any unpaid balances may be deducted from the employee's pay.
- (m) The City Manager is authorized to provide:
  - 1. At the City Manager's discretion, reimbursement of individual development expenses up to an annual maximum equal to two thousand six dollars (\$2,006) for Executives and Middle Managers. Any reimbursement to an employee under the provisions of this paragraph shall be deducted from the total amount of tuition funds available for the individual employee pursuant to Section 14(k).
  - 2. Reimbursement for professional memberships and seminars of up to one thousand dollars (\$1,000) for employees designated as Supervisory or Professional. Any reimbursement to an employee under the provisions of this paragraph shall be deducted from the total amount of tuition funds available for the individual employee, pursuant to Section 14(k).
  - 3. Reimbursement for sworn employees in the classifications of Police Sergeant and Police Lieutenant for professional memberships and seminars of up to eight hundred dollars (\$800). An employee may carry over the unused balance

from the previous fiscal year such that the maximum total reimbursement does not exceed \$1,600 across any two-year period. Any reimbursement to an employee under the provisions of this paragraph shall be deducted from the total amount of tuition funds available for the individual employee, pursuant to Section 14(k).

4. Reimbursement for Police Officers below the rank of Sergeant for professional memberships and seminars of up to five hundred dollars (\$500). Any reimbursement to an employee under the provisions of this paragraph shall be deducted from the total amount of tuition funds available for the individual employee, pursuant to Section 14(k).
5. Reimbursement for professional memberships, job-related seminars, and workshops of up to two thousand dollars (\$2,000) for sworn employees in the ranks of Firefighter, Fire Engineer, and Fire Captain. Any reimbursement to an employee under the provisions of this paragraph shall be deducted from the total amount of tuition funds available for the individual employee, pursuant to Section 14(k).
6. Reimbursement for Confidential Office and Clerical employees for professional memberships and seminars of up to four hundred fifty dollars (\$450). Any reimbursement to an employee under the provisions of this paragraph shall be deducted from the total amount of tuition funds available for the individual employee, pursuant to Section 14(k).
7. Reimbursement for Office and Clerical employees in classifications specified in the Unit 3 Memorandum of Understanding of up to five hundred dollars (\$500) to attend one-day, in-state, City-related seminars/training, and professional memberships. Any reimbursement to an employee under the provisions of this paragraph shall be deducted from the total amount of tuition funds available for the individual employee, pursuant to Section 14(k).
8. Reimbursement for all Unit 1 employees up to one hundred fifty dollars (\$150) to attend one-day, in-state, City-related seminars/training. Any reimbursement to an employee under the provisions of this paragraph shall be deducted from the total amount of tuition funds available for the individual employee, pursuant to Section 14(k).

9. Certain employees specified in the Unit 3 Memorandum of Understanding shall be reimbursed on a one-time basis only for expenses incurred as a result of passing a required certification test as provided in the Unit 3 Memorandum of Understanding and as specified by administrative regulation.
  10. Reimbursement for certain Unit 2 employees for CDL endorsements as provided in the Unit 2 Memorandum of Understanding and as specified by administrative regulation.
  11. Certain employees specified in the Unit 1 Memorandum of Understanding, Unit 2 Memorandum of Understanding, and the Unit 7 Memorandum of Agreement shall be reimbursed for expenses incurred as a result of renewing commercial driver licenses and endorsements, including HazMat background screening fees, as provided in the aforementioned memoranda, and as specified by administrative regulation.
- (n) Employees who are called to military service with presidential call-up orders may receive "gap pay" as defined in the applicable administrative regulations. They must first exhaust their paid military leave benefit.

#### **SECTION 15. Vacation/Compensatory Time Sell-Back**

- (a) At the City Manager's discretion, employees designated as either General Executive or General Middle Manager for each fiscal year may be paid for up to a maximum of eighty (80) hours of accumulated vacation time payable in November. The payment is contingent upon the use of two (2) regular weeks of vacation time during the same calendar year.
- (b) At the City Manager's discretion, employees designated as either Police Executive or Police Middle Manager for each fiscal year may be paid for up to a maximum of eighty (80) hours of accumulated vacation time payable in November. The payment is contingent upon the use of two (2) regular weeks of vacation time during the same calendar year.
- (c) At the City Manager's discretion, employees designated as either Fire Executive or Middle Managers who work a 40-hour shift for each fiscal year may be paid for up to a maximum of eighty (80) hours of accumulated vacation time payable in November. Employees who work a 56-hour shift may be paid for up to a

maximum of one hundred and twelve (112) hours of accumulated vacation time payable in November. The payments are contingent upon the use of two (2) regular weeks of vacation time during the same calendar year.

- (d) Employees designated as Unit 1 for each fiscal year may be paid up to a maximum of forty (40) hours of accumulated vacation hours, twice per year, for an annual maximum of eighty (80) hours, after accumulating a minimum of one hundred seventy-five (175) hours of vacation leave, contingent upon the use of forty (40) hours of vacation/compensatory time during the same calendar year.
- (e) Employees designated as Unit 2 for each fiscal year may be paid up to a maximum of forty (40) hours of accumulated vacation time twice per calendar year, after accumulating a minimum of one hundred twenty (120) hours of vacation leave, contingent upon the use of forty (40) hours of vacation/compensatory time during the same calendar year.
- (f) Employees designated as Unit 3 for each fiscal year may be paid up to a maximum of forty (40) hours of accumulated vacation time twice per calendar year, after accumulating a minimum of one hundred twenty (120) hours of vacation leave, contingent upon the use of forty (40) hours of vacation/compensatory time during the same calendar year. Employees may be paid up to a maximum of one hundred twenty (120) hours of accumulated compensatory time as specified by administrative regulation. Payments of up to sixty (60) hours each will be made effective the last pay day in August and the first pay day in December.
- (g) Employees designated as Unit 8 (Confidential Office/Clerical) for each fiscal year may be paid up to a maximum of forty (40) hours of accumulated vacation time, one time per calendar year, contingent upon the use of forty (40) hours of vacation/compensatory time during the same calendar year. Employees may be paid up to a maximum of one hundred twenty (120) hours of accumulated compensatory time as specified by administrative regulation. Payments of up to sixty (60) hours each will be made effective the last pay day in August and the first pay day in December.
- (h) Employees designated as Unit 4 and Unit 5 for each fiscal year may be paid for accumulated compensatory time as specified by the applicable Memorandum of Understanding.

- (i) Police Officer employees may be paid for up to a maximum of eighty (80) hours of accumulated vacation time contingent upon their use of forty (40) hours of vacation/compensatory time during the same calendar year. Payment shall be made effective on the first pay day in December.
- (j) Employees designated as Unit 5 may be paid up to a maximum of eighty (80) hours of accumulated vacation time if it will not cause their total bank of hours to drop below 150 or 210 hours, depending upon the work schedule. This benefit shall not exceed a total of 80 hours and may be used as follows: 40 hours on the last pay period in November and/or May of each M.O.U. year.
- (k) Employees designated as Unit 6 (Police Sergeant and Police Lieutenant) may be paid for up to a maximum of eighty (80) hours of accumulated vacation time contingent upon their use of forty (40) hours of vacation/compensatory time during the same calendar year. The requirement to use time may be waived in the calendar year prior to retirement provided the employee submits a written notice of intent to retire on a specific date the following year. Payment shall be made effective on the first pay day in December.
- (l) Eligible sworn Public Safety personnel may receive a lump sum payment for accrued vacation time.
- (m) Employees designated as Supervisory/Professional for each fiscal year may be paid twice per year up to a combined maximum of eighty (80) hours of accumulated vacation time each year contingent upon their use of eighty (80) hours of vacation time during the same calendar year.
- (n) Hourly (non-exempt) employees designated as Supervisory and Professional for each fiscal year may be paid for accumulated compensatory time as specified by administrative regulation.

**SECTION 16. Productivity Enhancement/Performance-Based Cash Award Program**

- (a) The City Manager is authorized to establish a productivity enhancement program, as specified by administrative regulation, to pay qualifying employees up to two hundred fifty dollars (\$250) per year of service up to a maximum of six thousand one hundred twelve dollars (\$6,112).
- (b) The City Manager is authorized to establish a performance-based

cash award program for those Middle Managers and Executives who are at the equivalent of the top step of their salary ranges.

**SECTION 17. Deferred Compensation Program and Post Employment Retirement Accounts**

- (a) The City will contribute 0.45% of base annual salary to the 401(a) Defined Contribution Plan under the Phoenix Employees' Deferred Compensation Program for those employees designated as represented by Unit 1 for each fiscal year. If contributions from all sources exceed the federal maximum allowed for 401(a) defined contribution plans, excess City contributions will be contributed to the 457(b) Deferred Compensation Plan under the Phoenix Employees' Deferred Compensation Program. If the full amount of the excess City contributions cannot be contributed to the 457(b) Deferred Compensation Plan due to federal 457(b) deferred compensation plan contribution limits, including catch-up provisions, the balance of the City contributions converts to ordinary wages.
- (b) The City will contribute 3.62% of base wages to the 401(a) Defined Contribution Plan under the Phoenix Employees' Deferred Compensation Program for those employees designated as represented by Unit 2 for each fiscal year. If contributions from all sources exceed the federal maximum allowed for 401(a) defined contribution plans, excess City contributions will be contributed to the 457(b) Deferred Compensation Plan under the Phoenix Employees' Deferred Compensation Program. If the full amount of the excess City contributions cannot be contributed to the 457(b) Deferred Compensation Plan due to federal 457(b) deferred compensation plan contribution limits, including catch-up provisions, the balance of the City contributions converts to ordinary wages.
- (c) The City will contribute 2.36% of monthly base wages to the 401(a) Defined Contribution Plan under the Phoenix Employees' Deferred Compensation Program for those employees designated as represented by Unit 3. If contributions from all sources exceed the federal maximum allowed for 401(a) defined contribution plans, excess City contributions will be contributed to the 457(b) Deferred Compensation Plan under the Phoenix Employees' Deferred Compensation Program. If the full amount of the excess City contributions cannot be contributed to the 457(b) Deferred Compensation Plan due to federal 457(b) deferred compensation

plan contribution limits, including catch-up provisions, the balance of the City contributions converts to ordinary wages.

- (d) The City will contribute 2.56% of monthly gross wages to the 401(a) Defined Contribution Plan under the Phoenix Employees' Deferred Compensation Program for those employees designated as represented by Unit 4 for each fiscal year. If contributions from all sources exceed the federal maximum allowed for 401(a) defined contribution plans, excess City contributions will be contributed to the 457(b) Deferred Compensation Plan under the Phoenix Employees' Deferred Compensation Program. If the full amount of the excess City contributions cannot be contributed to the 457(b) Deferred Compensation Plan due to federal 457(b) deferred compensation plan contribution limits, including catch-up provisions, the balance of the City contributions converts to ordinary wages.
- (e) The City will contribute 4.42% of each employee's biweekly gross pay to the 401(a) Defined Contribution Plan under the Phoenix Employees' Deferred Compensation Program for those employees designated as represented by Unit 5 for each fiscal year. If contributions from all sources exceed the federal maximum allowed for 401(a) defined contribution plans, excess City contributions will be contributed to the 457(b) Deferred Compensation Plan under the Phoenix Employees' Deferred Compensation Program. If the full amount of the excess City contributions cannot be contributed to the 457(b) Deferred Compensation Plan due to federal 457(b) deferred compensation plan contribution limits, including catch-up provisions, the balance of the City contributions converts to ordinary wages.
- (f) The City will contribute 1.5% of base annual salary to the 401(a) Defined Contribution Plan under the Phoenix Employees' Deferred Compensation Program for those employees designated as sworn Police Supervisory and Professional for each fiscal year. If contributions from all sources exceed the federal maximum allowed for 401(a) defined contribution plans, excess City contributions will be contributed to the 457(b) Deferred Compensation Plan under the Phoenix Employees' Deferred Compensation Program. If the full amount of the excess City contributions cannot be contributed to the 457(b) Deferred Compensation Plan due to federal 457(b) deferred compensation plan contribution limits, including catch-up provisions, the balance of the City contributions converts to ordinary wages.

- (g) The City will contribute 1.92% of base annual salary to the 401(a) Defined Contribution Plan under the Phoenix Employees' Deferred Compensation Program for those employees designated as Confidential Office/Clerical for each fiscal year. If contributions from all sources exceed the federal maximum allowed for 401(a) defined contribution plans, excess City contributions will be contributed to the 457(b) Deferred Compensation Plan under the Phoenix Employees' Deferred Compensation Program. If the full amount of the excess City contributions cannot be contributed to the 457(b) Deferred Compensation Plan due to federal 457(b) deferred compensation plan contribution limits, including catch-up provisions, the balance of the City contributions converts to ordinary wages.
- (h) The City will contribute 6.5% of base annual salary to the 401(a) Defined Contribution Plan under the Phoenix Employees' Deferred Compensation Program for those employees designated as Supervisory/Professional for each fiscal year. If contributions from all sources exceed the federal maximum allowed for 401(a) defined contribution plans, excess City contributions will be contributed to the 457(b) Deferred Compensation Plan under the Phoenix Employees' Deferred Compensation Program. If the full amount of the excess City contributions cannot be contributed to the 457(b) Deferred Compensation Plan due to federal 457(b) deferred compensation plan contribution limits including catch-up provisions, the balance of the City contributions converts to ordinary wages.
- (i) The City will contribute 9.0% of gross annual salary to the 401(a) Defined Contribution Plan under the Phoenix Employees' Deferred Compensation Program for anyone authorized to have an Executive or Middle Manager benefit package. If the 9.0% of gross annual salary does not equal at least \$9,500.00, the City will contribute the remaining amount not to exceed a combined maximum of \$9,500.00. If contributions from all sources exceed the federal maximum allowed for 401(a) defined contribution plans, excess City contributions will be contributed to the 457(b) Deferred Compensation Plan under the Phoenix Employees' Deferred Compensation Program up to the annual Internal Revenue Service defined maximum. If the full amount of the excess City contributions cannot be contributed to the 457(b) Deferred Compensation Plan due to federal 457(b) deferred compensation plan contribution limits including catch-up provisions, the balance of the City contributions converts to ordinary wages.

- (j) The City will contribute one hundred fifty dollars (\$150) per month to a post-employment health plan (PEHP) for eligible employees. The eligibility of employees will be determined by the City Manager, or his designee. The City will contribute one hundred fifty dollars (\$150) each month the employee is eligible.

**SECTION 18. Retirement, Pensions, Termination, Death Benefits**

- (a) Sworn Public Safety personnel may receive a cash lump sum payment for accrued sick leave as provided by administrative regulation.
- (b) The City Manager is authorized to establish guidelines to have a portion of accumulated sick leave hours at retirement converted to service credit under the City of Phoenix Employees' Retirement Plan or converted to an employer contribution to the 401(a) Defined Contribution Plan.
- (c) The City Manager is authorized to provide a retirement incentive for retirement eligible employees who occupy positions affected by a City Council approved reduction in force and who meet the requirements of a City Council approved incentive plan, as established in administrative regulation.
- (d) The City Manager is authorized to provide for the payment of severance pay to certain employees as established in administrative regulation.
- (e) The City Manager is authorized to grant a partial benefit package to employees who occupy full-time regular positions at the time their positions are reduced by the City to less than full-time because of funding limitations.
- (f) The City Manager is authorized to pay all or a portion of accrued sick leave to an Executive or Middle Manager employee when it is in the best interest of the City for the separation of the employee from City employment.
- (g) The City Manager is authorized to grant the following:
  - 1. Police Officers, upon approval of the Police Chief, may purchase, at the time of retirement or medical retirement, their breast badge mounted on a plaque, their retired flat badge and holder, and a specified duty weapon for one dollar (\$1.00); and

2. Within thirty (30) days of death, the spouse or adult survivor of a Police Officer who has died in the line of duty may elect to receive the deceased officer's breast badge mounted on a plaque, and the department issued service weapon for one dollar (\$1.00).
- (h) The City Manager is authorized to grant the continuation of health insurance coverage for eligible surviving dependents of a City employee who has died in the line of duty with the City as specified by administrative regulation and in accordance with applicable Memoranda of Understanding or applicable Memoranda of Agreement.
  - (i) The City Manager is authorized to provide that, upon the in-line-of-duty death or death resulting from an in-line-of-duty injury of any City employee, the City will pay the full cash value of the accrued sick leave existing at the time of the employee's death.
  - (j) The City Manager is authorized to provide that, upon the death of a Unit 2 employee while on active work status or on an approved leave status, the City will pay the full cash value of the accrued sick leave existing at the time of the employee's death. Paid leave status, as the term is used in this paragraph, excludes retired employees, employees on suspension, and employees on long-term disability or unpaid leave.
  - (k) The City Manager is authorized to provide that, upon the death of a Unit 3 employee while on active work status or on an approved leave status, the City will pay the full cash value of the accrued sick leave existing at the time of the employee's death. Paid leave status, as the term is used in this paragraph, excludes retired employees, employees on suspension, and employees on long-term disability or unpaid leave.
  - (l) The City Manager is authorized to provide that, upon the death of a sworn Police employee while on active work status or on an approved leave status, the City will pay the full cash value of the accrued sick leave existing at the time of the employee's death. Paid leave status, as the term is used in this paragraph, excludes retired employees, employees on suspension, and employees on long-term disability or unpaid leave.

## **SECTION 19. Promotion**

The following rules concerning promotions shall apply to employees:

- (a) Upon promotion to another classification as a result of competitive appointment, an employee shall receive a rate of pay that corresponds to the next step in the employee's present pay grade except that if no such rate exists, the employee shall be placed in the closest step which is not less than that amount. If the employee is currently at the top of their pay grade, but not yet receiving productivity enhancement pay, the employee shall be placed in the closest step which is not less than 4.9% above their current rate of pay.
- (b) Upon promotion, employees who are receiving productivity enhancement pay shall be moved to at least that step of the new grade which is not less than 4.9% above their combined base pay and previous productivity enhancement amount. Placement in the new grade will be limited to the maximum step in the grade.
- (c) Employees eligible to be considered for a merit pay increase within ninety (90) calendar days of the effective date of a promotion shall be entitled to receive the promotional increase based upon the amount they would have received at the next merit increase pursuant to paragraph (a) of this section.
- (d) In cases of promotions into General or Public Safety Middle Manager or Executive category classifications, employees shall receive a pay rate which is a minimum of 5% higher than their current rate, but not higher than the maximum pay rate of the new pay grade.
- (e) Part-time or job share employees who have worked at least one thousand forty (1,040) hours since their last merit increase and are promoted into a full-time position shall be entitled to receive the promotional increase based upon the amount they would have received at the next merit increase pursuant to paragraph (a) of this section.
- (f) An employee hired or promoted into a position responsible for regularly supervising employees shall receive one additional step increase above the minimum hiring rate or normal promotional increase if they regularly supervise a higher paid subordinate. The additional step increase shall not apply in the following cases: the supervisor laterally transfers into a situation where a subordinate is higher paid; a higher paid subordinate rotates into the supervisor's work group; a higher paid subordinate is hired after the supervisor

is hired or promoted; the subordinate is being paid higher than the salary range [Y-rated pursuant to the provisions of Section 20(a)]; the subordinate is higher paid due to receiving special assignment pay; or the subordinate is higher paid due to specialized technical skills as determined by the Human Resources Director. The applicability of this provision shall be determined by the Human Resources Director. This section does not apply to Middle Manager or Executive employees.

- (g) In Public Safety promotions, employees promoted to a supervisory position shall receive a rate of pay that is at least one step higher than the maximum base rate of pay of the highest paid sworn rank they may supervise, excluding any special assignment pay in the lower rank and excluding any employees paid higher than the salary range [Y-rated pursuant to the provisions of Section 20(a)].
- (h) In cases of promotion from Police Officer to Police Sergeant, employees who have been receiving Productivity Enhancement Pay shall have that amount factored along with their base pay when calculating the promotional rate.
- (i) In cases of promotions from Police Sergeant to Police Lieutenant, employees receiving a pay increase of less than 3% shall have their merit increase date set six (6) months from the date of promotion.
- (k) In cases of promotions into the sworn classifications of Police Sergeant and Police Lieutenant, employees who at the time of promotion have already completed a minimum of twenty (20) years of continuous service with the Phoenix Police Department shall receive one additional pay step above regular promotional calculations, but not higher than the maximum pay rate of the new pay grade.
- (l) Employees who receive a promotion to a higher classification and receive a pay increase of less than 3% shall have their merit increase date set six (6) months from the date of promotion.
- (m) For promotions into classifications with a top step of 17, a department head may authorize a promotional increase up to step 14 of the pay grade after conducting an analysis with Human Resources. The City Manager and Human Resources Director may authorize a promotional increase above step 14 of the pay grade in the event of labor market requirements or due to the unusual qualifications of a candidate. The provisions of this paragraph shall not apply to individuals entering the classifications of Police Recruit

and Firefighter, Assign: Recruit.

**SECTION 20. Reclassification or Grade Change**

When a position is reclassified to a classification at a different pay grade, or when the classification is assigned to a different pay grade, the following rules shall apply to employees in impacted positions:

- (a) The affected employee shall be assigned to that step of the new grade which corresponds to the employee's present pay rate except that if no such rate exists, the employee shall be placed in the closest step which does not result in a pay decrease.
  - 1. Placement in the new grade will be limited to the maximum step in that grade. However, in unusual circumstances, the City Manager may permit an employee in a reclassified position to remain at a pay rate which is above the maximum rate of the lower classification for a period not to exceed two (2) years for each pay grade the classification is reduced. (This practice is known as "Y rating.") This practice may also be followed in determining pay rates of employees in classifications with pay grades that have been reduced. Employees paid above the maximum step rate for their classification will be moved to the maximum step of the appropriate grade, and the salary difference required to maintain the present rate will be entered as a payroll adjustment for a period not to exceed two (2) years for each pay grade the classification is reduced.
  - 2. Employees who are receiving productivity enhancement pay shall be moved to that step of the new grade which corresponds the closest to their combined current base pay and previous productivity enhancement amount, and which does not result in a decrease from that combined amount. Employees that were previously at top step and receiving productivity enhancement pay and subsequently are placed at the top step after the reclassification or pay grade change shall continue to receive productivity enhancement pay.
  - 3. Employees who have been at the top step of their grade for one year or more and NOT receiving productivity enhancement pay shall be moved up one additional step in

the new grade if the increase in grade is an even number (e.g., 2, 4, 6, etc.).

4. When the reclassified position is changed from non-supervisory to supervisory, and the incumbent will be responsible for supervising higher paid subordinates, the employee shall be moved up one additional step in the new grade. Any applicable circumstances as described in Section 19(f) are not affected by this paragraph.
- (b) Employees who are placed at less than top step for their pay grade shall have their next salary review date (i.e., merit date) determined by the following rules:
1. Employees who were at less than the top step of their grade prior to the reclassification or grade change shall have no change to their next salary review date.
  2. Employees who were at the top step of their grade for less than one year prior to the reclassification or pay grade change shall have their next salary review date established at one year from their step date prior to the reclassification or grade change if the increase in grade is an even number (e.g., 2, 4, 6, etc.).
  3. Employees who were at the top step of their grade, other than those identified in #2 above, shall have their next salary review date established based on the percentage of increase in pay the employee received at the time of implementation as shown in the following table.

% Change	Calendar Days from date of implementation to next salary review date (NSRD)
Less than 1%	30
1% to less than 2%	90
2% to less than 3%	150
3% to less than 4%	210
4% to less than 4.5%	270
4.5% or more	365

- (c) It is further provided that an adjustment to an employee's NSRD for unusual circumstances may be granted upon recommendation of the employee's department head and approval by the Human

Resources Director.

**SECTION 21. Demotion**

Employees who are demoted shall have their pay reduced, unless otherwise provided for in this section.

- (a) Under certain circumstances, employees who voluntarily demote to a lower paid classification may be retained at their present rates of pay with the approval of the City Manager, if their rate of pay is within the pay grade of the new classification in which they are placed.
- (b) Employees who are involuntarily demoted for the purpose of discipline or failure to meet the requirements of their classification of work shall have their pay reduced at a rate determined by the Human Resources Director, but which shall not exceed the maximum rate of the lower classification.

**SECTION 22. Re-employment**

Employees reemployed or recalled to a full-time position in the same classification or a related classification within five (5) years of separation from city service shall be placed at a pay rate that is not less than the rate of pay the employee was receiving at the time of layoff, demotion, or separation, except where concessions remain in effect thereby reducing the previous rate of pay by a percentage respective to the employee Unit. Under no circumstances will an employee be placed above the maximum rate of the grade into which they are being re-employed or recalled. The applicability of this provision shall be determined by the Human Resources Director. The provisions of this paragraph do not apply to promotions after reemployment.

**SECTION 23. Transfer**

If an employee transfers within the same classification, but in a different meet and confer unit, the Human Resources Director is authorized to designate the pay

step to which the employee shall be assigned.

**SECTION 24. Underpayments and Overpayments**

- (a) Retroactive calculations to underpayments or overpayments will not exceed 3 years earlier than the date the employee notifies the Human Resources Department in writing of a payment dispute, or a payment error is discovered and brought to the attention of the Human Resources Director.
- (b) Corrections of underpayments shall be processed through the City's payroll system within a reasonable period following identification and verification of the underpayment, subject to administrative review and payroll processing timelines.
- (c) In the event of an overpayment, the City shall provide a written notice to the employee identifying the amount of the overpayment and the applicable period during which the overpayment occurred. Repayment arrangements shall generally extend over a period of time comparable to the duration in which the overpayment was made. However, if the total overpayment amount is less than \$250, the City may recover the full amount in a single lump-sum deduction unless alternative repayment arrangements are agreed upon by the City and the employee. All overpayment recoveries shall be processed through the City's payroll system. Any outstanding overpayment balance remaining at the time of the employee's separation from employment shall become immediately due and payable. The City reserves the right to recover any unpaid balance from final salary payments, accrued leave payouts, or any other benefit amounts payable to the employee.
- (d) Final authority regarding any corrections to be made under this section rests with the Human Resources Director.

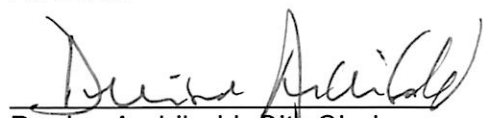
**SECTION 25.** The City Controller is authorized to disburse the necessary funds for the purposes of this ordinance. Unless otherwise specified, the provisions of this Ordinance shall be effective as of the 6th day of July, 2026.

PASSED by the City Council of the City of Phoenix this 17th day of June,  
2026.



MAYOR

ATTEST:

  
Denise Archibald, City Clerk

APPROVED AS TO FORM:  
Julie M. Kriegh, City Attorney

BY:   
Assistant Chief Counsel

MS

REVIEWED BY:

  
Ed Zuercher, City Manager

MS/bc:LF26-1344:6-17-2026:4934-5313-1444v1