

# SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

## CORPORATE POLICY 6.02

### COMPENSATION AND SCHEDULE

Chapter: 6.0 – Personnel Policies  
Section: 6.02 – Compensation and Schedule  
Effective Date: November 17, 2010

#### 1.0 PURPOSE

1.1 To establish a policy for setting and evaluating the equitable compensation for all positions of the CORPORATION.

#### 2.0 EFFECTIVE DATE AND AMENDMENTS

2.1 This Policy shall be effective upon the approval by the BOARD. This Policy may only be amended by approval of the BOARD.

#### 3.0 PROCEDURES

3.1 The PRESIDENT or his/her designee is authorized to establish and disseminate administrative procedures to implement this BOARD POLICY, as applicable. . The administrative procedures must be approved by the BOARD prior to establishment and dissemination.

#### 4.0 POLICY

4.1 All CORPORATION positions are assigned a salary range in the CORPORATION BUDGET. The salary range has been established to provide payment for work performed and to provide the CORPORATION the ability to reward work performance. Salary ranges will be evaluated from time to time by the PRESIDENT for all full-time and part-time positions. Any recommended changes must be approved by the BOARD as a CORPORATE BUDGET amendment.

4.1.1 New hires generally will begin at or near the bottom of the salary range established for the position. Situations that require a new hire to begin higher in the range must be approved by the PRESIDENT prior to the offer being made.

4.1.2 A reclassification is an increase or decrease in the salary range which may result from a change in duties of the position, a change in the market value of the job, or

# SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

## CORPORATE POLICY 6.02

### COMPENSATION AND SCHEDULE

a combination of both. Reclassifications are determined annually prior to the budget process and shall be reflected in the CORPORATION BUDGET. Typically, no salary adjustments are made as a result of the reclassification unless the employee's salary falls below the minimum or above the maximum for the new salary range. Then the employee's salary may be adjusted to fall within the new salary range.

- 4.1.3 A merit increase is an increase in salary within a salary range given to recognize and reward individual performance and meritorious contribution to the CORPORATION. An employee may be recommended for a merit increase by his/her supervisor upon successful completion of his/her probationary period, if his/her performance is adequate and the cumulative results are above the desired level. Satisfactory performance reviews will not necessarily result in wage increases. The supervisor shall not have any discussions with the employee regarding the recommended increase until all necessary approvals have been obtained. Any and all merit increases must be within the CORPORATION's budget and must be approved by the PRESIDENT or the BOARD as follows:
  - 4.1.3.1 A merit increase of up to five percent (5%) of an employee's salary must be approved by the PRESIDENT, unless the employee is in an executive position;
  - 4.1.3.2 A merit increase of greater than five percent (5%) of an employee's salary must be approved by the BOARD; and
  - 4.1.3.3 All merit increases for executive employees, including the PRESIDENT, must be approved by the BOARD.
- 4.1.4
- 4.1.5 A cost-of-living adjustment ("COLA") shall be considered mid-fiscal year according to the CORPORATE BUDGET and BOARD approval. The COLA rates will defer to the federal and state Consumer Price Index ("CPI"). Any and all COLA must be consistent with CITY cost of living increases. Increased cost-of-living will not necessarily result in wage increases.

# SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

## CORPORATE POLICY 6.02

### COMPENSATION AND SCHEDULE

- 4.1.6 A one-time bonus based on individual performance shall be recommended by the employee's supervisor to the PRESIDENT for consideration. All bonuses require BOARD approval and must be within the CORPORATION's approved budget.
- 4.1.7 Transfers and/or promotions will be made when the interests of both the employee and CORPORATION are served. Job announcements of all open recruitment are posted for employees to review. All employees who are transferred or promoted to another position will be considered probationary for six (6) months and will be evaluated at the completion of three (3) months and six (6) months in the new position. Employees may return to their former position within the probationary period only if the former position is available and the supervisor approves. An employee promoted to a new position that is in a higher salary range may be eligible for an increase of up to 5 percent of their current salary or to the minimum of the new salary range, whichever is lower. The employee may be eligible for subsequent salary increases after completing the probationary period and annually thereafter. An employee transferred to a position in the same or lower salary range will receive no salary increase. If the employee's current salary is more than the maximum of the new salary range, a salary decrease may be considered. The employee may be eligible for salary increases within the salary range after completing the probationary period and annually thereafter.
- 4.2 EMPLOYEE CLASSIFICATIONS. For personnel administration purposes, employees are classified by job function, work schedule, method of compensation, and eligibility for benefits. The terminology used in classifying an employee is defined as follows:
- 4.2.1 Exempt Employee – Those employees in job classifications determined exempt from the wage and hour provisions of state and federal law.
- 4.2.2 Non-Exempt Employee - An employee whose job duties have been classified as being subject to the wage and hour provisions of state and federal law.
- 4.2.3 Regular Full-Time Employee - Employees normally scheduled to work and who do work a schedule of forty (40) or more hours per week.

# SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

## CORPORATE POLICY 6.02

### COMPENSATION AND SCHEDULE

- 4.2.4 Regular Part-Time Employee - Employees normally scheduled to work and who do work a schedule of less than forty (40) hours and more than 30 hours a week.
- 4.2.5 Hourly Part-Time Employee - An employee who works a varied schedule that fluctuates according to employee needs.
- 4.3 Regular and Hourly Part-Time Employees are not eligible to receive benefits defined in sections 6.03 ("Benefits") and 6.04 ("Leave") of Chapter 6.0 of the CORPORATION's BOARD POLICIES.
- 4.4 The CORPORATION is normally open for business from 8:00 a.m. to 5:00 p.m., Monday through Friday, with a one-hour lunch break. Employees will be assigned a schedule and will be expected to begin and end work accordingly. In order to accommodate the needs of our business, it may be necessary to change individual work schedules on either a short-term or long-term basis. Full-time employees generally work eight hours, five days a week. Exempt employees are paid for their professional contribution and not by the hour. Therefore, their specific schedule may be flexible as appropriate to meet their commitments with supervisor approval. In exchange for this flexibility, exempt employees are expected to keep their supervisors and co-workers informed regarding their schedule and how they can be reached when not at the office during regular business hours. At times, emergencies such as power failures, earthquakes, fires, or severe weather may interfere with operations. In such an event, the CORPORATION may order a temporary shutdown of its operations and time off may not be paid.
- 4.5 Exempt employees are paid on a salary basis for the quality of work performed as well as the quantity of work performed. This means that exempt employees do not receive additional compensation for hours worked in excess of 40 hours in a workweek, or for attending meetings, completing particular projects, preparing the annual budget, tending to business emergencies, or sporadic "peak" work requirements.
- 4.6 OVERTIME. Non-Exempt Employees will be paid overtime in accordance with state and federal law. All overtime must be pre-approved by the employee's supervisor. Working overtime without prior authorization may result in disciplinary action. Overtime hours must

# SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

## CORPORATE POLICY 6.02

### COMPENSATION AND SCHEDULE

be appropriately noted on all time sheets. Supervisors will initial the time sheet next to the total overtime hours worked for a given pay period.

4.6.1 For purposes of calculating overtime for non-exempt employees, the workday begins at 8:00 a.m. and ends at 5:00 p.m. and the workweek begins at 12:00 a.m. on Monday and ends at 11:59 p.m. Sunday.

4.6.2 All Non-Exempt Employees who work more than eight (8) hours in one workday or more than forty (40) hours in one workweek will receive overtime pay computed as follows:

4.6.2.1 Overtime at the rate of 1.5 times the employee's regular rate of pay for all hours worked in excess of forty (40) in any one workweek.

4.6.2.2 Overtime at the rate of 1.5 times the employee's regular rate of pay for the first four (4) hours worked in excess of eight (8) hours in any one workday and for the first eight (8) hours on the seventh day of work in any one workweek.

4.6.2.3 Overtime at the rate of double the employee's regular rate of pay for all hours worked in excess of twelve (12) in one workday, and for all hours worked in excess of eight (8) on the seventh day of work in one workweek.

4.6.3 Non-exempt, full-time employees may be granted compensatory time off ("CTO") at the rate of one and one-half hours per hour of overtime worked in-lieu of payment of overtime, if requested by the employee in writing, and approved by the Supervisor. An employee must use such CTO time within thirty (30) days following the period that the overtime was earned. Upon an employee's separation from employment, the CORPORATION will repurchase any unused, accrued CTO time.

4.7 MEAL PERIODS. All Non-Exempt employees working more than five (5) hours in one day are authorized and permitted to take an unpaid meal period of at least thirty (30) minutes and no more than sixty (60) minutes each work day. This meal period must begin within the first five hours of work regardless of the employee's start time. Each employee is

# SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

## CORPORATE POLICY 6.02

### COMPENSATION AND SCHEDULE

responsible for coordinating the timing of the meal period with their Supervisor and is encouraged to take their lunch hour between 11:00 a.m. and 1:00 p.m.

4.7.1 Availability and Waiver of Second Meal Period. Non-Exempt Employees working in excess of six (6) hours must take a thirty (30) minute unpaid meal period. Non-Exempt Employees working in excess of ten (10) hours in a workday will be required to take a second thirty-minute unpaid meal period, unless waived by mutual written agreement signed by both the employee and either the PRESIDENT or Human Resources Manager. Non-Exempt Employees working in excess of twelve (12) hours are not permitted to waive the second meal period. When a meal period is waived, the off-duty meal period shall be converted to an on-duty meal period, for which the employee shall be paid but during which the employee shall not be relieved of all duties, and shall remain at his or her normal duty station.

4.7.2 All Non-Exempt Employees must account for their meal periods on daily time records by recording the time the meal periods began and ended.

4.8 REST PERIODS. All Non-Exempt Employees are entitled to a 10-minute rest period for every four hours of work or major fraction thereof, to be taken approximately in the middle of each four-hour work period. Each employee is responsible for coordinating the timing of the rest period with his/her supervisor. Employees are paid for rest periods, which are counted as hours worked toward the normal eight-hour workday. Rest periods may not be waived.

4.9 Paydays are on the 15<sup>th</sup> and the last workday of the month for the preceding pay period. If a regular payday falls on a weekend or holiday, payday will be on the preceding workday.

4.9.1 If there is an error in your check, please report it immediately to the Human Resources Manager. No one other than to whom the paycheck is written will be allowed to pick up a paycheck.

4.10 Job-related educational course costs or certification programs may be reimbursed by the CORPORATION upon prior approval by the PRESIDENT and depending upon the availability of funds within the APPROVED BUDGET. Reimbursement for educational

# SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

## CORPORATE POLICY 6.02

### COMPENSATION AND SCHEDULE

courses will not exceed \$750.00 per fiscal year or 100% for certification programs after successful completion. Successful completion will be defined as a grade equivalent to a "C" or better. Other reimbursements for textbooks and materials required are not to exceed \$250.00. Proof of payment for tuition costs, textbooks and other materials must be provided to the satisfaction of the Chief Financial Officer.

4.10.1 The employee must continue Regular Full-Time Employee status with the CORPORATION for a minimum of one year after successful completion of the course(s) for which reimbursement has been approved and paid. In the case of a voluntary separation where reimbursement has been made and this requirement is not met, the employee shall be required to return the complete reimbursement to the CORPORATION. New employees are eligible for tuition reimbursement after serving one year of full-time employment with the CORPORATION.

4.10.2 The CORPORATION supports employee attendance at seminars and workshops which are directly related to their functional job and have an immediate impact on performance. Employees who wish to attend a seminar or workshop shall obtain written approval from their Supervisor or the PRESIDENT. Attendance is established through the budget process and must be within the State of California.

4.11 Employees using their personal automobiles for corporate business shall be compensated on a per mile basis at the rate allowed by the current IRS mileage reimbursement regulations without tax consequences.

4.11.1 Employees utilizing public transportation may be reimbursed for the cost of a monthly bus or trolley pass. Employees must submit a receipt for the monthly pass to the Chief Financial Officer for approval.