

**COMPENSATION****1.4.8****H. MERIT SALARY INCREASES****1. Eligibility for a Merit Increase**

Merit increases are based solely upon job performance, they are not automatic, and there is no annual entitlement to them. Employees are eligible for a merit increase each year based upon the evaluation of their performance. Only regular appointees are eligible for merit increases, and no employees will receive an advancement that exceeds the maximum rate established for their classification. In order to receive a merit increase, employees must receive both a rating of “meets expectations” or above on their job performance evaluation and a recommendation for a merit increase by the Department Head. Any such merit increases will be applied to the employee’s most recent evaluation date. Safety employees may be eligible for a merit increase upon completion of 6 months of employment at the discretion of the Department Head.

In the event an employee’s overall rating is not at a “meets expectations” or above, they will not be eligible for a merit increase until the next evaluation period. The employee shall also be placed on a performance improvement plan for a period of no less than 90 days.

**2. Merit Increases for Exceptional Circumstances**

Upon written recommendation of a Department Head, the City Manager, in his/her sole discretion, may authorize a merit increase outside of a regularly-scheduled performance evaluation if exceptional performance or other appropriate circumstances warrant advancement. An increase for exceptional performance shall not exceed the highest step in the employee’s current salary range. The evaluation date will not change due to an increase outside of the regular performance schedule.