

## Recruitment Incentive Program

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### I. Purpose

The City's Recruitment Incentive Program provides the City Manager with additional tools to attract highly qualified candidates for critical vacancies. This policy authorizes the City Manager to approve the use of certain recruitment incentives when the organizational need exists. The recruitment incentive options include a signing bonus, employee referral bonus, relocation benefits, and vacation and sick leave accruals.

### II. Background

Human Resources has determined that there are four major challenges that can lead to difficulty in recruiting qualified job candidates for critical vacancies. Those challenges are the labor market conditions, job competencies, critical need, and lack of success of the recruitment.

**A. Labor market conditions:** the location, comparative salaries, and the local economy in the area can play a role in attracting candidates to our job openings.

**B. Job competencies:** skills, knowledge, abilities, and other special characteristics can make it difficult to recruit for certain positions based on number of qualified candidates in the field.

**C. Critical need:** positions that are related to public safety or health affiliated, and if not filled in ample time, can cause major interruption in services for the public.

**D. Recruitment success (or lack of):** the quality of the recruitment can be dictated by acceptance rates and the length of time it takes to fill a position.

One or more of these challenges can be used to provide a valid business reason for the need of an incentive to increase the quality of the recruitment and selection process. A recruitment incentive program allows the City an opportunity to secure highly qualified employees for positions that the City has determined to be difficult to fill with starting salary and benefits alone.

### III. Policy

The City intends to provide responsive, cost effective, and innovative local government services. A highly qualified, performance oriented, and motivated work force which generally reflects the community in terms of economic and cultural diversity is critical. The

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achievement of this objective may, on occasion, require special action to attract and retain highly desirable candidates for permanent positions.

### IV. Incentives

From time to time, the labor market for certain critical positions within the City is extremely tight and the demand for individuals with the requisite skills is very high. Upon recommendation of the appointing authority and concurrence of the Human Resources Department that such conditions exist with respect to a particular recruitment (which in special situations might include hard to fill vacancies), the City Manager may approve one or more of the following recruitment incentives subject to the limitations specified in Section IV, G.

**A. Signing Bonus.** A one-time signing bonus equal to a percentage of the offered starting annual salary shall be paid upon satisfactory completion of service as follows: fifty-percent (50%) of the bonus shall be paid upon satisfactory completion of six (6) months of continuous service or satisfactory completion of the field training program for sworn police personnel and the balance paid upon successful completion of at least 12 months of continuous service or 18 months of continuous service for sworn police personnel. In no event, will the second installment of the signing bonus be paid unless or until the required probation period has been satisfactorily completed. This signing bonus shall be in addition and unrelated to any merit pay adjustments.

**B. Relocation Assistance.** Reimbursement for relocation expenses shall be limited to one or any combination of the following: home-finding trips, home search assistance, up to thirty days of temporary living accommodations, en-route expenses, and household goods shipping expenses. Reimbursement for non-qualifying expenses as defined in the Internal Revenue Code will be reported as taxable income. Candidates who have been reimbursed for relocation expenses and who voluntarily terminate their service with the City within the first year of employment shall repay the City for a pro-rata portion of the total reimbursement based on the number of months employed.

**C. Vacation and Sick Leave Pre-Accruals.** A vacation and/or sick leave bank equal to the first year's accrual shall be credited against the first year's accrual, but not in addition to that accrual. No additional leave shall be added to the vacation and/or sick leave accruals until following the first year of employment. In the event of a termination during the first year of employment, the employee will be eligible to receive only that portion of the unused vacation that would otherwise have been accrued as of the date of termination. No portion of the sick leave accrual is payable upon termination.

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**D. Vacation Leave Accrual Rate.** Upon hire, prior years of continuous public sector service shall be considered for vacation leave rate accrual.

**E. Referral Bonus.** A referral bonus in the amount of one thousand dollars (\$1,000) shall be paid to a current City employee who refers an applicant for employment. The person referred must identify the City employee responsible for the referral on the official City employment application at the time of filing. A name cannot be added to an employment application at a later date. Only one employee per applicants may receive this incentive. If the applicant is selected for employment by the City, the bonus shall be paid to the employee upon successful completion of the referred employee's probation period. The bonus will only be paid to those employees who are in active status on the date the employee successfully completes probation and only upon certification by the Department Head and Human Resources Department as to the authenticity of the personal referral. Employees who are involved in the recruitment and/or selection process as part of their assigned duties are not eligible for the referral bonus to safeguard against conflicts of interest.

**F. Income Tax Considerations.** The taxability of any recruitment incentive shall be based on current state and federal tax regulations and applicable taxes shall be borne by the incentive recipient.

**G. Limitations**

1. Relocation assistance benefits shall be offered within the first year of employment only to those candidates whose move would meet or exceed the Moving Expenses distance test specified in the Internal Revenue Code.
2. The total cost of the signing bonus and relocation assistance benefits shall not exceed 20% of the offered starting salary.
3. Neither the signing bonus, referral bonus, nor the taxable portion of any relocation assistance benefit will be treated as reportable income for the purposes of any City provided benefit program including retirement.

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4. The new employee must sign a written service agreement to complete the specified period of employment with the City in order to receive a recruitment incentive. The service agreement must specify the length, commencement, and termination dates of the service period; the amount of the incentive; the method and timing of incentive payments if applicable; the conditions under which an agreement will be terminated by the agency; any obligations on behalf of the City or the employee if a service agreement is terminated; and any other terms and conditions.

#### V. Roles and Responsibilities

**A. City Manager** is delegated by the City Council to approve and authorize the use of employment incentives in an effort to attract and retain performance oriented, motivated, quality employees for key positions. The City Manager establishes, administers, and provides policy direction by:

1. Assigning the Human Resources Department the primary staff responsibility for administering the details of this Recruitment Incentive Program.
2. Ensuring that all appointing authorities are aware of their responsibilities to use discretion when recommending the use of recruitment incentives and to ensure department funds are available and expendable.

**B. Department Heads.** Department Heads shall be responsible for:

1. Ensuring department resources are available to fund recruitment incentives cost.
2. Coordinating with the Human Resources Department in identifying the need for a recruitment incentive, determining which components would be most appropriate in the individual case, and determining how the recruitment incentives will be applied.
3. Proposing to the City Manager through the Human Resources Department a percentage figure of the position's first year's salary to be used for recruitment incentives and the recommended incentive components.

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**C. Human Resources Department.** The Human Resources Department is responsible for assuring compliance with the Recruitment Incentive Program. In this role, the Human Resources Department will recommend and/or confirm those positions considered to be key positions and coordinate with the appointing authority in determining the proper amount of recruitment incentives to be offered. Specifically, the Human Resources Department shall be responsible for:

1. Coordinating with the hiring department to evaluate a request to use recruitment incentives and provide a recommendation to the City Manager.
2. Identifying key positions in which the labor market demand has created a need to use recruitment incentives as a means of attracting and hiring qualified candidates.
3. Determining how to apply the recruitment incentives to the recruitment of the vacant position.
4. Coordinating with the hiring department for reimbursement authorization.
5. Upon City Manager approval, providing the Finance Department with authorization documentation, including receipts and procedures to ensure employees are compensated according to this program.

**D. Finance Department.** The Finance Department will be responsible for identifying funds used for reimbursement as taxable income and for the accounting and distribution of these funds. Specifically, the Finance Department shall be responsible for:

1. Retaining payment voucher and receipts from employee for reimbursement and coordinating payment.