POLICY SUBJECT: Employee Recruitment Incentive REFERENCE NUMBER: HR003-2022 **EFFECTIVE DATE: September 20, 2022 APPROVED:** <u>Deborah Knight</u>

Pehorah Knight (Sep 30, 2022 16:37 PDT)

City Administrator 22 19:43 PDT) Mayor **RECEIVED:** City Attorney City Clerk Finance Human Resources ____ Municipal Court Parks & Recreation Public Works Police Community Development

The statements contained in this policy are guiding and summaries. They do not bind the City of Monroe. The City reserves the right to change, revoke or make exceptions to the City policies at any time and at its sole discretion.

1.0 PURPOSE

A labor shortage has been observed, strongly impacting the City's ability to fill positions. This recognized labor shortage has resulted in longer vacancy periods and a decrease in qualified applicants for City of Monroe employment positions. The local employment market is currently extremely

competitive and the City has an interest in attracting qualified professional employees. The City recognizes that recruiting and hiring an experienced and professional workforce who possess the proper skillsets and training is critical to effectively delivering municipal services to the Monroe community and ensuring the long-term wellbeing of the City.

To establish a policy and procedures, for the issuance of a financial incentive to newly hired employees, where appropriate at the discretion of the Mayor in consultation with the City Administrator. This program also provides an incentive to current employees to assist in recruitment efforts.

2.0 DEFINITIONS

Difficult to recruit – job classifications that are highly competitive in the labor market due to specialized skills and/or certifications, high turnover, or labor shortage that significantly complicates the City's efforts to recruit and retain staff.

Financial incentive – a monetary payment by the City of Monroe to a new or current employee.

3.0 GENERAL PROVISIONS

A candidate for a position with the City of Monroe who has accepted an offer for a position designated as *difficult to recruit* are eligible for award of a financial incentive at time of hire, at the discretion of the Mayor in consultation with the City Administrator.

- 3.1 <u>Applicability</u>. The Mayor shall have the authority to designate specific classifications as difficult to recruit under any of the following circumstances:
 - 3.1.1 <u>Standard Advertising</u>. Two recruitments utilizing standard advertising on the City's website, the Association of Washington Cities Job Board, and standard internet job boards to generate qualified applicants. Standard advertising timing is a minimum of three (3) weeks.
 - 3.1.2 <u>Specialty Advertising</u>. Advertising in trade journals, specialty publications, direct mail solicitations, and/or retention of a professional recruitment firm for two consecutive recruitments fails to generate an adequate pool of qualified applicants.
 - 3.1.3 <u>Job Market</u>. The job market is highly competitive due to a documented shortage of applications.
 - 3.1.4 <u>Specific Requirements</u>. Technical expertise, certifications, licensing and/or advanced educational requirements limit the pool of qualified applicants.

- 3.2 <u>Approval</u>. Upon designating a classification as *difficult to recruit*, the Mayor shall have the authority to:
 - 3.2.1 <u>Recruitment</u>. Approve positions (classifications) to receive recruitment incentives during active recruitments. <u>Recruitment incentives</u>. Pay a current employee who refers a successful candidate with a recruitment incentive.
- 3.3 <u>Eligibility</u>. Persons hired in positions deemed *difficult to recruit* by the City on or after the effective date are eligible to receive a financial incentive with the following conditions and repayment obligations:
 - 3.3.1 <u>Structure</u>. Financial incentives shall be issued in increments equivalent to the recipient employee's monthly salary, up to a maximum of \$20,000.
 - 3.3.2 Offer and Acceptance. Incentives shall be offered by the City expressly in writing. Incentive offers to new employees shall be stated in their employment offer letter. Return of a signed copy of the offer letter to the Human Resources Department shall constitute the employee's acceptance of the offered financial incentive.

New Employees. Persons hired by the City into a full-time position in a classification designated as difficult to recruit, on or after the effective date, are eligible to receive a financial incentive based on their number of years of full-time equivalent, professional work experience as determined by the HR Department. Monetary incentives shall be paid over three (3) installments of equal value with the first paycheck after being formally hired, after 6 months of employment, and after 12 months The incentive will be paid in three installments equal to the following total incentive:

- 3.3.3 <u>0-2 years' experience</u>. One-month salary equivalent.
- 3.3.4 <u>3-5 years' experience</u>. Two-months' salary equivalent.
- 3.3.5 <u>6+ years experience</u>. Three-months salary equivalent.
- 3.5 <u>Accrual Incentive</u>. An employee hired into a classification designated as *difficult to recruit* are also eligible to receive an accrual incentive in accordance with the following:
 - 3.5.1 Sick Leave Bank. Sick leave not to exceed eighty (80) hours.
 - 3.5.2 <u>Vacation Leave New Employees</u>. The City may provide vacation accruals to newly hired employees commensurate with experience at a rate of accrual this is equal with the new employee's years of service.

- 3.5.3 <u>Vacation Leave Hiring Bank.</u> The City may also provide a vacation leave amount not to exceed forty (40) hours.
- 3.5.4 <u>No Cash Value</u>. Amounts applied to an employee's leave bank as part of this program shall not have any cash value and are not subject to payout upon an employee's voluntary separation within the first year (12 months) of the date of issuance.
- 3.6 Recruiter Incentive. An employee who referred a candidate not currently employed by the City of Monroe for employment into a position classified as difficult to recruit shall be eligible to be paid a \$500 recruiter incentive. Payment for such referrals shall be made only if the referred candidate is hired and successfully completes the appropriate probation period for the classification. To be eligible for the recruiter incentive, the referring employee must inform Human Resources via email at the time the candidate applies for the vacant position. In addition, the referring employee must not be involved in the hiring process. This includes but is not limited to, participating in the interview panel or being the hiring manager. The City Administrator, Department Heads and Human Resources employees are not eligible for the incentive. If any dispute arises over the source of a hiring referral, the Mayor (or their designee) shall make a final determination as to the appropriateness of a recruiter incentive, and to whom such a payment (if any) shall be made.
- 3.7 <u>Not to Exceed</u>. The total value of financial incentive paid to an eligible employee shall be capped at and not exceed \$20,000. This does not include vacation/ sick leave accruals or placement on the vacation schedule.
- Monetary Incentive: Recruitment and retention incentives are offered in consideration of the new employee's agreement to serve the City for a period of not less than three year of continuous service. The payment and provision of the incentives are conditioned on the new employee's written agreement to repay the incentives pursuant to the Schedule set forth below in the event of a voluntary separation prior to the end of three years of employment. The conditions for the incentive bonus will be considered fully executed if the employee successfully completes thirty-six (36) months of continuous employment with the City. For new employees, the thirty-six-month period is measured from the employee's first day of employment (hire date) to any separation date (last day of work). If the employee is separated from employment for any reason, including resignation, except in the case medical disability or death, the incentive must be repaid on the following schedule:

Separation from Employment	Repayment Obligation
0-12 months (Probationary Period)	100% of total monetary incentive
12 -24 months	75% of total monetary incentive
After 24 months less and 36 months	50% of total monetary incentive
After 36 months	0%

- 3.9 <u>Repayment</u>. Through submission of signed acceptance of the offer by the employee, pursuant to section 3.3.2 of this policy, the employee agrees that the City may deduct any repayments from their final paycheck. This requirement shall be expressly stated in the offer documentation.
- 3.10 <u>Conditions</u>. All incentives are subject to required and permissible payroll deductions and withholdings. In addition to the terms of section 3.3, in the event of separation before the conclusion of the 36-month period, the City may offset any amount owed by the City against any payments, including but not limited to payments for wages, bonuses, expenses, or vacation pay, otherwise owed by the City to the employee, in addition to other rights and remedies available to the City under applicable law.
- 3.11 <u>Effective Date</u>. This policy shall be effective on upon the date of approval by the City Council.
- 3.12 <u>Expiration</u>. This policy shall automatically expire on December 31, 2024, if not extended by the Mayor with approval of the City Council.
- 3.13 <u>Termination</u>. The City may terminate this policy at any time and for any reason. Termination of this policy shall not create any obligation to bargain with any employee bargaining units. Upon expiration or termination, any current or new employee who has been offered a financial incentive in writing will be permitted to receive or maintain the incentive, except as otherwise set forth herein. No new offers may be made including these incentives after termination.
- 3.14 <u>Integration and Severability</u>. To the extent that this policy is inconsistent with the City's Personnel Policies, this policy controls. If the provisions of this document if conflict with a Collective Bargaining Agreement (CBA), the CBA will prevail. The terms or condition of this policy is found to be invalid; the remaining terms and conditions shall remain in full force and effect.

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