

adjustment may be appropriate to correct equity imbalances that may arise on the basis of either internal or external factors affecting particular positions.

The *AIS* Committee shall consider recommendations from the Administration on the need for equity adjustments for any position. The total recommended equity adjustment shall be the amount, if any, that the *AIS* Committee determines should be allocated for equity adjustments to the base annual salaries of Department Directors for the succeeding fiscal year.

B. Variable Pay

1. Performance Bonus. The *AIS* Committee shall determine the maximum percentage of the adjusted base salaries for Directors to be made available to the Mayor to provide additional compensation in recognition of individual effort and annual performance contributions.

The amount shall be based on the Director's annual performance appraisal rating and shall not exceed the maximum percentage established by the *AIS* Committee. This variable amount shall be considered a bonus opportunity to be paid in a lump sum and will not be added to base pay.

Section 4. The *AIS* Committee recommendation may include the carryover of unallocated funds from prior budget years to be included as part of the annual compensation pools.

Section 5. At the last regular meeting of the City Council in the month of June, the *AIS* Committee shall make a written recommendation to the Council concerning the total equity, general, and performance adjustments, if any, for the compensation for the Department Directors as a group for the succeeding fiscal year. This amount, if approved by Council, shall be listed in the Budget for that succeeding fiscal year.

Section 6. At its last regular meeting in the month of June, the City Council shall authorize the Mayor to make equity adjustments to the base annual salaries and provide performance bonuses for one or more Department Directors in a fiscal year, provided that the total equity and general adjustments, and total performance bonuses do not exceed the amount that was approved by the Council for that fiscal year.

Section 7. At the last regular meeting of the City Council in the month of June, the Council shall formally state in a resolution the total cash compensation that is available for the Department Directors as a group in the Budget for the succeeding fiscal year. This total amount shall be the sum of the following individual amounts:

A. The total dollars available for the base annual salaries for the Department Directors as a group in the Budget for the current fiscal year, which may include unallocated funds from previous years.