

**SENT VIA EMAIL**

December 2, 2016

Karl Van Gastel  
ABMEI Negotiation Team Member

Don Lindsey  
ABMEI Negotiation Team Member

Ron Davis  
ABMEI Negotiation Team Member

**RE: Step Increases and Promotions**

Dear Karl, Don and Ron:

Per our discussion on November 15, 2016, it is our understanding that ABMEI had questions concerning employees' "anniversary dates" being reset after receiving a qualifying promotion and the impact that would have on an employee's ability to receive a step increase (in addition to the wage increase the employee would receive for being promoted).

As we discussed, it is standard practice that, when an employee moves to a different classification via a promotion or qualifying promotion, the employee's rating period, or "anniversary date," is reset to match the date of entry into the new classification the employee is promoted into. Accordingly, an employee would be eligible for a step increase based on the new "anniversary date."

During our meeting, ABMEI raised concerns about an employee's ability to receive a step increase if they received a qualified promotion prior to accruing 2,080 hours in their previous classification. There were concerns that, because the employee's "anniversary date" would reset to match the date of entry into the new classification, the employee may miss their eligibility to receive the step increase.

As we discussed on November 15<sup>th</sup>, it is also standard practice that if, an employee receives a promotion or qualifying promotion to a different higher classification within five (5) pay periods (or 10 weeks) of receiving a step increase in their current classification, then the calculation of the new pay rate in the higher classification the employee is being promoted (or QP'd) into shall be based assuming that the salary step increase would have become effective had the employee remained in the lower classification. It should be noted that, if the employee received the step increase prior to being promoted, the new pay range in the higher classification would be based on their current rate of pay at the time of the promotion.

To illustrate this practice, please see below. Please note that all dates/figures/amounts are for **illustration purposes only** and taken from the City's pay plan as of July 3, 2016. It is assumed the employee meets all minimum qualifications:

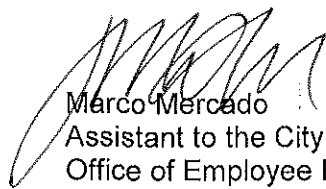
Employee is NOT QP'd		
Date	Classification	Action
1/1/16	Hired as Building Inspector Combination Certified I	Hired at \$40.92/hour (Step 2)
1/1/17	Building Inspector Combination Certified I	Eligible for step increase to \$41.93/hour (Step 3) if accrued 2,080 paid hours.

Employee is QP'd		
Date	Classification	Action
1/1/16	Hired as Building Inspector Combination Certified I	Hired at \$40.92/hour (Step 2)
11/1/16	QP'd to Building Inspector Combination Certified II	Because the employee was within 5 pay periods of receiving their step increase as a Building Inspector Combination Certified I, their new salary when QP'd as a Building Inspector Combination Certified II will be calculated as if they received their step increase (i.e. 5% pay increase for being QP'd was calculated at Step 3, even though the employee was only at Step 2 when QP'd).  $\$41.93/\text{hour (Step 3)} \times .05\% =$ $\$44.03/\text{hour}$ which places employee at $\$44.26/\text{hour (Step 4)}$ in Building Inspector Combination II Certified classification
11/1/17	Building Inspector Combination Certified II	Because the employee moved to a new classification on November 1, 2016, their rating period was reset as of this date and thus they would be eligible for a step increase to \$45.31/hour (Step 5) on November 1, 2017 if they accrued 2,080 paid hours.

We hope this information is useful to you. As we discussed during our meeting, the City will be continuing the practices described above, including resetting a person's "anniversary date" when they move or promote to a new classification, and basing an employee's new rate of pay upon promotion or QP at a higher step when the employee is within five (5) pay periods of being eligible to receive a step increase from the date of their promotion or QP.

Please let me know if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Mercado', is written over the typed name.

Marco Mercado  
Assistant to the City Manager  
Office of Employee Relations

c: Jennifer Schembri, Director of Employee Relations  
Harry Freitas, Director, PBCE  
Chu Chang, Deputy Director, PBCE  
Sarah Nunes, Human Resources