MEMORANDUM

REVISION 242, SERIES B

TO: Holders of CSA Rule Books

FROM: CS Board

DATE: October 3, 2003

SUBJECT: Personnel Rule Revision – Rule 9-40, Merit Increases

The Career Service Board has adopted an amendment to Rule 9-40 that was published as Rule Proposal 335B. The effective date of this revision is October 3, 2003.

<table>
<thead>
<tr>
<th>Page Number</th>
<th>Effective Date(s)</th>
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<td>9-2 to 9-5</td>
<td>July 30, 2003</td>
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<td>9-2 to 9-5</td>
<td>October 3, 2003</td>
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PLEASE INSERT IN YOUR RULE BOOK IMMEDIATELY. THANK YOU.
9-32 How Implemented

A. The annual pay survey adjustment shall be implemented on July 1 of each year following completion of the annual pay survey. (9/12/02, 228B)

B. **Computation:** A pay adjustment shall be computed by:

1. **Establishing entry rate:** Multiplying the entry rate in a pay range by the percentage of increase, if any, for that occupation in the appropriate schedule as determined by the pay Survey, in accordance with Rule 8 Compensation Rates; and

2. **Establishing pay steps:** Adjustments shall be made by increasing each pay step in the exempt and nonexempt pay ranges by an amount equal to two and one-quarter percent (2.25%) of the preceding pay step. Adjustments to the short-range pay schedule shall be the same except that the pay differential between each step shall be equal to four and one-half percent (4.5%). (5/1/91, 148B)

C. **Effect of pay adjustment on personnel transactions:** When a personnel transaction, such as promotion, demotion, or transfer has occurred between July 1 and the effective date of City Council approval of the classification and pay plan ordinance, such personnel transaction shall retain its original identity at the time it was processed. The employee’s pay shall be adjusted by the change in rate of the pay step in the classes involved. (9/12/02, 228B)

Section 9-40 Merit Increases

9-41 Policy

Nothing in this Section 9-40 or any subsection thereof, shall apply to Deputy Sheriffs. Eligibility for merit increases is based on employee performance as measured by the Performance Enhancement Program Reports. (Effective October 3, 2003, Rule Revision Memo 242B)

9-42 Establishing Eligibility for Merit Increase

a) **Performance Enhancement Program Report**
   (Effective January 4, 1990; Rules Revision 137b)

1) **Anniversary date of appointment:** A completed Performance Enhancement Program shall be filed with the Career Service Authority on or before the annual anniversary date of the initial appointment to the class. (This report does not replace the report due on or before the completion of probation as provided in Subsection 5-53 Performance Enhancement Program Reports During Probation). This provision also applies to reinstatement appointments, reemployment appointments, re-promotions, and promotional reinstatement appointments, as provided in Rule 5 APPOINTMENTS AND STATUS.
2) Transfers and demotions: A Performance Enhancement Program Report shall be completed by the supervisor immediately preceding the transaction of transfer or demotion. This report shall cover the period from the last anniversary date to the effective date of the transaction and shall be given to the receiving supervisor. The receiving supervisor shall prepare the Performance Enhancement Program Report for the period between anniversary dates by taking into account the preceding supervisor as well as the employee’s performance between the effective date of the transaction and the next anniversary date.

b) Merit increase eligibility date:

1) General Provision: An employee becomes eligible for merit increase at the beginning of the pay period following the annual anniversary date for the Performance Enhancement Program Report, provided requirements of Subsection 9-43 are also met and the provisions of subsection 9-42 (b)(2) do not apply. (01/01/92, 153B; 10/03/03, 242B)

2) Declared Fiscal Emergencies: In the case of a declared fiscal emergency by the Mayor, and upon the request of the Mayor, the merit increase eligibility date for all employees shall be extended for one year. During the fiscal emergency Appointing Authorities, managers and supervisors shall complete Performance Enhancement Program Reports for employees and no merit increases will be awarded during this time. (10/03/03, 242B)

c) Effect of reallocation: A reallocation does not affect the eligibility date. (01/04/90; 137B)

d) Late filing of Performance Enhancement Program Report: If an agency is late in filing the Performance Enhancement Program Report, any merit increase to be awarded as a result of the rating shall be granted retroactively to the merit increase eligibility date. (10/03/03, 242B)

e) Failure to file Performance Enhancement Program Report: If a Performance Enhancement Program Report is not received in the office of the Career Service Authority within sixty (60) days after the due date, "Meets Expectations" rating shall be assumed, and a merit increase equivalent to "Meets Expectations" rating shall be granted retroactively to the merit increase eligibility date, except when a fiscal emergency has been declared and an extension of merit increase eligibility dates has been imposed. If the Performance Enhancement Program Report is filed after the sixty (60) days and (1) it shows an "Exceeds Expectations", or "Outstanding", the increase in merit pay shall be granted retroactively to the merit increase eligibility date; or (2) it shows a "Below Expectations" rating, the employee shall continue to receive the "Meets Expectations" rating and a merit increase, if any, associated with such rating. (1/20/94, 168B; 10/03/03, 242B)

9-43 Pay Range Sectors

a) Learning Sector: A sector of the pay range in nonexempt and exempt schedules related to the period of time when an employee is acquiring on-the-job experience needed to reach full competence.
1) **Length**: The learning sector of a pay range extends from step “1” (entry rate) up to and including step “8” in the nonexempt schedules and up to and including step “10” in exempt schedules. (01/01/92, 156B; 10/03/03, 242B)

2) **Amount of merit increase**: The amount of the merit increase is governed by the overall rating on the Performance Enhancement Program Report. Merit increases in the learning sector shall be granted as follows:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Number of Steps</th>
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<tbody>
<tr>
<td>Outstanding</td>
<td>4</td>
</tr>
<tr>
<td>Exceeds Expectations</td>
<td>3</td>
</tr>
<tr>
<td>Meets Expectations</td>
<td>2</td>
</tr>
<tr>
<td>Below Expectations</td>
<td>0</td>
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</tbody>
</table>

In no event shall the increase exceed the top of the range. (01/240/94, 168B; 10/03/03, 242B)

b) **Growth Sector**: A sector of the pay range in nonexempt and exempt schedules related to the period of time after which an employee has completed acquisition of the experience needed to reach full competence, and is now refining and applying acquired skills.

1) **Length**: The growth sector of a pay range begins at step “9” in nonexempt schedules and step “11” in exempt schedules, and extends up to and including step “17”. (01/01/92, 156B; 10/3/03, 242B)

2) **Amount of merit increase**: The amount of the merit increase is governed by the overall rating on the Performance Enhancement Program Report. Merit increases in the growth sector shall be granted as follows:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Number of Steps</th>
</tr>
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<tbody>
<tr>
<td>Outstanding</td>
<td>3</td>
</tr>
<tr>
<td>Exceeds Expectations</td>
<td>2</td>
</tr>
<tr>
<td>Meets Expectations</td>
<td>1</td>
</tr>
<tr>
<td>Below Expectations</td>
<td>0</td>
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In no event shall the increase exceed the top of the range. (01/20/94, 168B; 10/03/03, 242B)

c) **Extraordinary Performance Sector**: An additional sector of the pay range of exempt schedules which rewards employees in exempt classes for exceeds or outstanding performance as measured by the Performance Enhancement Program Report. (1/1/92, 156B; 10/03/03, 242B)

1) **Length**: The extraordinary performance sector starts at step “18” and extends up to and including step “22”. (01/01/92, 156B; 10/03/03, 242B)

2) **Amount of merit increase**: The amount of the merit increase is governed by the overall rating on the Performance Enhancement Program Report. Merit increases in the extraordinary performance sector shall be granted as follows:
### Rating Number of Steps

- Outstanding: 2
- Exceeds Expectations: 1
- Meets Expectations: 0
- Below Expectations: 0

In no event shall the increase exceed the top of the range. (01/20/94, 168B; 10/03/03, 242B)

### 9-44 Amount of Merit Increase in Pay Ranges Without Sectors

(Effective May 1, 1991; Rules Revision No. 148B)

Community rate schedules and short range pay schedules have no pay sectors; accordingly, merit increases cannot be granted. Trainee pay schedules are governed by Rule 6 CAREER TRAINING SERVICE.

There shall be no merit increase in the short-range pay scale. Employees may advance one (1) pay step in the pay range, except during a declared fiscal emergency, as follows:

a) **Parks seasonal laborer**: After having served two consecutive annual terms (an annual term is a minimum of six hundred (600) hours) or one term of six hundred (600) hours and completion of a certificate of credit program as approved by the Department of Parks & Recreation. (10/3/03; 242 B)

b) **Police traffic controller**: After having served two consecutive annual terms (annual term is a minimum of six hundred (600) hours).

c) **All other short-range classes**: After having served two consecutive annual terms (annual term is minimum of four hundred (400) hours).

### Section 9-50 Pay When First Employed

#### 9-51 General

Under normal circumstances, a newly appointed employee is paid at the entry rate ("A" step).

#### 9-52 In-Grade Hires

a) **Appointing Authority**: If the class to which a new employee is to be appointed is in a pay schedule which has sectors, the appointing authority may designate a different step (but not to exceed the "I" step in a nonexempt schedule and the "K" step in an exempt schedule) if necessary to obtain services of an unusually well-qualified person. The decision to appoint at a step higher than the beginning step should be based on market conditions, related experience, previous work record, specialization of education, salary history and quality/quantity of education. In any event, qualifications should exceed the minimum qualifications stated in the class specification. (Effective January 1, 1992; Rules Revision No. 156B)

b) **Career Service Approval**: If the class to which a new employee is to be appointed is in a pay schedule which has sectors, and