



Gavin Newsom
Mayor

James P. Horan
Acting Human Resources Director

Date: August 1, 2007

To: Appointing Officers
Personnel Officers
Payroll and Personnel Representatives

From: Steven Ponder, Compensation Manager

CC: James Horan, Acting Human Resources Director
Ed Harrington, Controller
Rebecca Rhine, Municipal Executives' Association

Subject: Procedures for Salary Placement and Progression in the Management Classification and Compensation Plan (MCCP) – FY07-08

Fiscal Year 2007-2008 marks the second year in which the MEA MOU permits post-appointment adjustments into ranges B and C. Adjustments may be requested to address retention issues, special skills or assignments, internal equity issues or exemplary performance.

The MEA MOU provides for an MCCP Adjustment Committee comprised of the Controller, the Human Resource Director and an MEA representative to administer the salary adjustment process. The Committee has developed policies and procedures which will be used to administer the program in accordance with Article III. Section C.C. (MCCP) of the parties' current MOU. *Please note the following:*

I. Deadlines to Submit Requests for MCCP Compensation Adjustments

The parties have agreed that the Adjustment Committee shall meet bi-annually to consider requests for post appointment adjustments into Ranges B and C.

- The first deadline to receive adjustment requests shall be **Friday, October 5th** by close of business. Responses by the Adjustment Committee to requests will be provided by Friday, November 2nd and may be retroactive back to July 1, 2007.
- The second deadline to receive adjustment requests shall be **Friday, March 3rd** by close of business. Responses by the Adjustment Committee to requests shall be provided by Friday, April 4th and may be retroactive to back to July 1, 2007.

II. Departmental Budgets for Adjustment Requests

The MEA MOU provided for 0.75% of MEA covered payroll in 2006-07 to be used for MCCP adjustments. In 2007-08 and 2008-09 an additional 0.5% of MEA covered payroll is reserved each fiscal year for MCCP adjustments.

These funds will be annualized, meaning that over the duration of the MOU the total amount of MCCP allocations into Ranges B and C (excluding initial, recruitment-based appointments into these ranges) are budgeted as follows:

2006-07	0.75%
2007-08	1.25% (0.75% + 0.5%)
2008-09	1.75% (0.75% + 0.5% + 0.5%)

These allocations are permanent such that any adjustments may be ongoing. Conversely, to the extent that any adjustments are time-limited or provided as a one-time, lump sum, the on-going value remains in subsequent fiscal years. If a department spent no money in Fiscal Year 2006-2007, in addition to maintaining the on-going value, the one-time value doubles as the department receives the value of the Fiscal Year 2006-2007 allocation for Fiscal Years 2006-2007 and 2007-2008.

For example, take a department that was allocated \$15,000 in Fiscal Year 2006-2007 per 0.75% of their MEA payroll. Note, for each dollar spent on on-going adjustments in Fiscal Year 2007-2008 there is a correlate reduction in the amount available for one-time adjustments.

<u>Allocation</u>	<u>FY06-07</u>	<u>FY07-08</u>	<u>FY08-09</u>
0.75%	\$15,000	\$15,000	\$15,000
0.5%	-	\$10,000	\$10,000
0.5%	-	-	\$10,000
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<i>Totals: On-Going</i>	\$15,000	\$25,000	\$35,000
One-Time	\$15,000	\$40,000	\$75,000

- If in Fiscal Year 2006-2007 the department spent no money, in Fiscal Year 07-08 the department would have \$25,000 available in on-going adjustments and up to \$40,000 for one-time adjustments depending upon the amount of on-going adjustments made.
- If in Fiscal Year 2006-2007 the department spent \$10,000 in permanent, on-going adjustments, in Fiscal Year 07-08 the department would have in \$15,000 available for on-going adjustments and up to \$20,000 in one-time adjustments depending upon the amount of on-going adjustments made.
- If in Fiscal Year 2006-2007 the department spent \$10,000 in one-time adjustments, in Fiscal Year 07-08 the department would have in \$25,000 available for on-going adjustments and up to \$30,000 in one-time adjustments depending upon the amount of on-going adjustments made.

- If in Fiscal Year 2006-2007 the department spent \$5,000 in one-time adjustments and \$5,000 in permanent, on-going adjustments, in Fiscal Year 07-08 the department would have in \$20,000 available for on-going adjustments and up to \$25,000 in one-time adjustments depending upon the amount of on-going adjustments made.

Based on the FY07-08 budgeted amounts, a chart showing each department's new 2007-08 0.5% allocation for MCCP compensation adjustments follows. Medium and large departments (i.e., those departments with an allocation over \$10,000) are listed individually. The parties have agreed to pool the remaining departments with an allocation under \$10,000 to provide additional flexibility and equity. Departmental budget allocations will be used as a general guide by the MCCP Adjustment Committee, but will not be considered definitively regulating.

Public Health	\$96,000
Public Utilities Commission	\$92,000
General Services Agency	\$89,000
Airport Commission	\$65,000
Human Services	\$40,000
Controller	\$21,000
Recreation and Park Commission	\$17,000
Human Resources	\$14,000
Port	\$15,000
Treasurer/Tax Collector	\$12,000
Retirement Services	\$11,000
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All Other Departments	\$121,000

Please note that these amounts are in addition to any remaining funds from the 2006-2007 0.75% allocation.

- For specific information as to the total amount of one-time and on-going dollars available for a specific department, please contact me directly.
- For "All Other Departments" there is total of \$181,000 available for on-going adjustments and up to \$243,000 in one-time adjustments depending upon the amount of on-going adjustments made.

Attached, please find: (1) DHR's Updated MCCP Policies and Procedures and (2) Article III Section C.C. (MCCP) of the parties' current MOU.

MCCP Policies and Procedures

These procedures have been established in accordance with the 2006-2009 Memorandum of Understanding between the City and County of San Francisco and the Municipal Executives' Association (MEA).

I. New/Vacant Appointments (Salary Assignment Form 1)

For all appointments to new or vacant positions, the Department of Human Resources requires that departments complete and submit by e-mail the MCCP Salary Assignment Form 1 providing:

- employee name and social security number
- MCCP classification number and title
- position working title (e.g., Airport Facilities Maintenance Manager)
- start date of appointment/adjustment
- position requisition number
- proposed base hourly rate of pay (corresponding to an existing salary grade)
- proposed base annual rate of pay (i.e., the above hourly rate multiplied by 2080)
- proposed salary range: range A, B or C
- department title and number
- for appointments into ranges B & C, the reasons for the request and related supporting rationale.

Additionally, departments will continue to utilize and submit the Personnel Action Request (PAR) form for MCCP hires. The purpose and routing of the PAR remains unchanged.

A. Range A

Appointments to range A are at the discretion of the Appointing Officer and may be set at any salary rate (on a salary grade) within this range.

B. Ranges B & C

Appointing Officers may request approval to appoint a new employee to a position at an annual salary rate (or salary grade) in range B or C. In order to be approved, the request must satisfy one or more of the following criteria:

1. demonstrated recruitment or retention issues;
2. unusual or extraordinary time-limited assignments;
3. exceptional or special skills or qualifications essential for job performance; or
4. internal equity considerations (which may include issues of compaction).

Process

Step 1. The Appointing Officer must note in the Salary Assignment Form submitted to the Department of Human Resources that one or more of the listed criteria have been satisfied. Further, sufficient explanation should be provided to demonstrate that the selected criteria have in fact been met. [See MCCP Ranges B & C Guidelines, pages 9-10]

Step 2. DHR will review the Salary Assignment Form to determine whether it satisfies one or more of the criteria listed above.

Step 3. If these criteria are satisfied, DHR/ERD will consult with the Mayor and Controller and advise the requesting department of the final decision.

Step 4. The final decision is not subject to grievance or appeal.

Salary Progression in Range A

Full-time employees placed at the minimum salary of range A will normally advance 5% upon completion of six (6) months continuous service, and at successive 5% intervals upon completion of each additional year of required continuous service up to the maximum salary in range A.

Full-time employees placed at any other salary within Range A will normally advance at 5% intervals following completion of one year required continuous service not to exceed the maximum salary in range A.

Part-time regularly scheduled employees placed at the lowest salary in rate in range A will normally advance 5% following completion of 1040 continuous hours of paid service, and to successive 5% intervals following completion of each 2080 hours of required continuous service, up to the maximum salary in range A.

Part-time regularly scheduled employees placed at any other salary rate within Range A will advance 5% intervals following completion of 2080 continuous hours of paid service to the maximum salary in range A.

Denial of Salary Progression. An employee's scheduled salary progression may be denied if the employee's performance has been unsatisfactory to the City. The denial of the increase is subject to the grievance procedure, provided, however, that nothing in this section is intended to or shall make performance evaluations subject to the grievance procedure.

Example: Appointing Officer appoints an employee to Class 0941 Manager VI during FY 2005-2006 in range A at an annual pay rate of \$135,200. The maximum of Range A is \$136,682 at the time of placement. With satisfactory service, this full-time employee would be eligible to advance 5% following completion of the required continuous 2080 hours of service. However, 5% would provide a pay rate that would exceed the maximum salary of range A for Manager VI, exclusive of scheduled wage increases. As a result, the employee will receive an interval increase of less than 5%. The exact percentage increase will be that remaining percentage that does not exceed the maximum of range A.

Salary Progression in Ranges B and C

Employees assigned to ranges B and C are not eligible for annual anniversary salary increases.

Once an appointment to ranges B and C is approved, the M CCP employees' rate of pay will only increase by scheduled wage increases provided in the collective bargaining agreement for Municipal Executives' Association (MEA) FY 2006-2009 or pursuant to the Incumbent Employee (Post-Appointment) Salary Adjustment Section provided below.

Promotive Appointment in a Higher Class

While the Promotive Appointment in a Higher Class section of the MOU (paragraphs 119-121) applies to appointments to MCCP classifications, the 7.5% adjustment cannot effectuate a rate of pay above the top of range A.

II. Post-Appointment Salary Adjustments (Salary Assignment Form 2)

The Department of Human Resources requires that departments complete and submit by e-mail the MCCP Salary Assignment Form 2 providing:

- employee name and social security number
- MCCP classification number and title
- start date of appointment/adjustment
- position requisition number
- current and proposed base hourly rate of pay (corresponding to an existing salary grade)
- current and proposed base annual rate of pay (i.e., the above hourly rate multiplied by 2080)
- current and proposed salary range: range A, B or C
- department title and number
- which of the two biannual Adjustment Committee meetings form being submitted
- reason for adjustment and related justifying information

Range A Adjustments. The Appointing Officers may seek approval to place incumbent employees (post-appointment) at a rate of pay in ranges A based on consideration of whether the adjustment would serve one or more of the following purposes: 1) to retain an employee; 2) to move towards internal equity (which may include issues of compaction); 3) to compensate an employee exercising special skill; and/or 4) to compensate an employee assigned to a special assignment of limited duration or to recognize exemplary performance.

Ranges B and C Adjustments. On a biannual basis, Appointing Officers may seek approval to place incumbent employees (post-appointment) at a rate of pay in ranges B & C based on consideration of whether the adjustment would serve one or more of the following purposes: 1) to retain an employee; 2) to move towards internal equity (which may include issues of compaction); 3) to compensate an employee exercising special skill; and/or 4) to compensate an employee assigned to a special assignment of limited duration or to recognize exemplary performance. The committee will convene on or around October 15 and March 15 of each fiscal year. Submissions must be received at least fifteen (15) calendar days prior to the above date for each biannual meeting.

Non-MCCP Eligible Employees. MEA-represented employees appointed to classifications that are not eligible for placement into MCCP, who have already been at step 5 for at least 12 months, may be eligible to advance to salary step 6 and, after 12 months at step 6, to salary step 7 for their assigned classification. Salary steps 6 and 7 will be set at 5% increments. Appointing Officers may seek approval to place employees at step 6 or step 7 based on consideration of whether the placement would serve one or more of the following purposes: 1) to retain an employee; 2) to move towards internal or external equity (which may include issues of compaction); 3) to compensation an employee exercising special skill; and/or to compensation an employee assigned to a special assignment of limited duration or to recognize exemplary performance.

Financial Limitations. The aggregate, annualized value of ranges B & C adjustments and placement of non-MCCP eligible employees into step 6 and 7 shall not exceed three-quarters percent (0.75%) of MEA covered payroll (as defined by the Controller) for fiscal year 2006-2007; one-half percent (0.5%) for fiscal year 2007-2008; and one-half percent (0.5%) for fiscal year 2008-2009. Said monies shall be allocated proportionally among departments. Any unused funds shall rollover and be used by the adjustment committee the following year.

Adjustment Committee. A committee consisting of the Controller (or designee), the Human Resource Director (or designee), and a designated representative of MEA will consider the application made by the appointing Officer for placement of incumbent employees at a rate of pay in ranges B & C or, for non-MCCP eligible employees, to steps 6 or 7. Subject to the applicable financial limitations and criteria, the Adjustment Committee will decide in its sole discretion whether to approve such applications in whole or in part. Please note that approval is additionally required by the Mayor for those employees that report directly to the Mayor. Decisions of the committee are final and not subject to the grievance procedure. Any confidential personnel information made available to committee members for purposes of participating in decisions of the committee will be maintained in confidence.

III. Status Grant Allocations (Salary Assignment Form 3)

The Department of Human Resources requires that departments complete and submit by e-mail the MCCP Salary Assignment Form 3 providing:

- employee name and social security number
- MCCP classification number and title
- position working title (e.g., Airport Facilities Maintenance Manager)
- position requisition number
- current classification number and title
- current base hourly rate of pay
- current base annual rate of pay (i.e., the above hourly rate multiplied by 2080)
- associated salary range: range A, B or C
- department title and number

For employees that have been allocated into MCCP by virtue of a status grant by the Civil Service Commission, complete and submit by e-mail the MCCP Salary Assignment Form 3. An employee's current rate of compensation will remain the same pursuant to this type of appointment into an MCCP classification.

Salary Progression in Range A. Employees placed in MCCP in Range A pursuant to this section who have been fixed at their compensation level for at least 12 months as of January 1, 2007 ("Fixed Employees") will receive a 5% increase in pay effective January 1, 2007. Thereafter, such Fixed Employees shall be eligible for a 5% increase in pay on January 1, 2008 and January 1, 2009. All other employees placed in MCCP in Range A will receive a 5% increase in pay on their anniversary date (anniversary date for their pre-MCCP class, if applicable, or else their employment anniversary date).

For additional information regarding status grant allocations, please reference DHR Memo#03-2006.

Please note, the following MEA classifications were status granted to the following MCCP classifications. However, rather than appointing employees to the status granted MCCP classifications, these underlying classifications will continue to be utilized, but provided the same compensation pay plan as the status granted

MCCP classification to which they were allocated. These underlying classifications shall be administered pursuant to this memorandum consistent with the MCCP classification upon which their compensation is based.

Underlying Class		MCCP Class
8148	Chief District Attorney's Investigator	0941
8150	Principal District Attorney's Investigator, Special Unit	0931
8315	Assistant Sheriff	0954
8330	Director, Log Cabin Ranch	0922
8344	Director, Juvenile Hall	0923
8348	Undersheriff	0954
8413	Asst. Chief Probation Officer	0953
8416	Director, Probation Services	0922
8418	Chief Probation Officer, Juvenile Court	0963
8435	Division Director, Adult Probation	0922
8436	Chief Adult Probation Officer	0962
8470	Executive Director, County Parole Commission	0932

Should you have questions regarding these instructions, please contact Steven Ponder, Compensation Manager, at 557-4917.

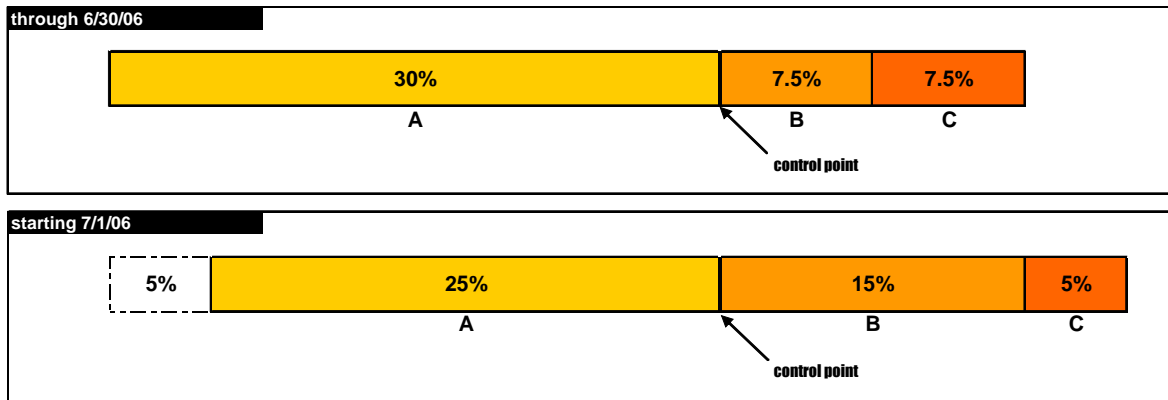
Establishing the Rate of Pay and Salary Progression

	Salary Range	New / Vacant Positions	Allocations / Status Grants	Post-Appointment Salary Adjustments
Establishing the Rate of Pay	Range A	AO may appoint anywhere within Range A	Appoint at current rate of pay (if within Range A)	AO may adjust rate of pay within Range A with approval DHR based on recruitment/retention, time limited, special skills or internal equity
	Ranges B & C	AO may appoint within Ranges B & C with approval of Mayor, Controller and DHR based on recruitment/retention, time limited, special skills or internal equity	Appoint at current rate of pay (if within Ranges B & C)	AO may adjust rate of pay within Ranges B & C pursuant to approval of biannual meeting Adjustment Committee subject to financial limitations and based on recruitment/retention, time limited, special skills or internal equity
Salary Progression	Range A	5% annual increments up to the top of Range A based upon satisfactory performance	5% annual increments up to the top of Range A based upon satisfactory performance beginning on January 1, 2007 for employees whose compensation has been fixed for at least the preceding twelve months	NA
	Ranges B & C	No progression within Ranges B & C	No progression within Ranges B & C	NA

Compensation Effective July 1, 2006

In establishing new individual rates of pay for MEA MCCP employees, please note the following changes effective July 1, 2006:

- Range A:** The current 30% range will have the bottom 5% dropped off becoming a 25% range. Any employees that had a rate of pay anywhere in the bottom 5% of range A will have their rate of pay set at the bottom of the new range A.
- Range B:** The current B & C ranges will be combined to form a new range B. An employee that was at the top of range C on 6/30/06 will be at the top of the new range B on 7/1/06.
- Range C:** A new range C of 5% will be created. Upon its creation, there will be no employees initially in this range.
- The entire MCCP range shall be increased by 7%.



In exchange for employees agreeing pay their 7.5% member contribution to retirement, employees shall receive a 7% wage increases effective 7/1/06. Please note that for employees enrolled in PERS, they shall receive a 7.5% wage increase in exchange for paying their 9% contribution to PERS. For example, an employee that was at the top of Range A (the control point) on 6/30/06, will continue to be at the top of Range A on 7/1/06 with a base rate of pay that is 7% higher. However, if that employee is enrolled in PERS, his/her rate of pay shall be 0.5% higher than the top of Range A on 7/1/06.

Please note, in calculating adjustments to the base rate of pay, that rate should conform to the nearest, existing salary grade. For example, if providing a 7% wage adjustment calculates to a rate of \$63.8514, upon review of the nearest salary grades (salary grade 07845, Step 5 is \$63.7625 and salary grade 07850, Step 5 is \$63.9000), the rate of \$63.9000 from salary grade 07850 should be utilized.

MCCP Ranges B and C Guidelines

When submitting a request for a range B or C appointment, it is the department's responsibility to provide DHR with a detailed, factual analysis that provides the rationale for the request. The request's contents should be unique to the individual and the position. The specific factors that DHR considers will differ based on the reason for the request. The interests of the Mayor's Office and the Controller's Office center on the need for the position and available funding.

I. For proposed placement based upon recruitment or retention, the following information should be included:

- Length of time the position has been vacant, if applicable
- Position turnover rate and history of efforts to fill the position.
- Description of recruitment strategies employed: types of media used (internet sites, ads, etc.), recruitment area (national, state, local, etc), resources used (headhunter, staff, etc.), focused outreach (job fairs, personal contacts, etc.)
- Number of qualified applicants and general profiles.
- Qualifications of proposed appointee.
- Number of job offers tendered and rejected.
- Regional compensation comparison.
- Specific job offers made to existing staff.

II. For proposed placement based upon unusual or extraordinary time-limited assignments, the following information should be included:

- Description of the assignment.
- Circumstances giving rise to the need for the unusual assignment.
- Discussion of why the assignment is unusual in comparison to similar positions in the department, unit, etc.
- Explanation of why the proposed appointee is uniquely qualified to perform the assignment, in comparison to other individuals in similar positions.
- Timeline of the proposed assignment.

Please note, time-limited assignments without a defined end date may only be approved through the end of the fiscal year and must be renewed annually.

III. For proposed placement based upon exceptional or special skills or qualifications essential for job performance, the following information should be included:

- Principal assignments of the position.
- Comparison of the announcement's minimum qualifications to the proposed appointee's educational qualifications. The unique qualifications should be tied to the principal assignments (e.g., although not required, the analytical skills acquired with a JD degree would measurably facilitate the department's ability to quickly develop policies and procedures to implement new, complex federal and state legislation.)
- Comparison of the announcement's minimum qualifications to the proposed appointee's work experience. The unique work experience should be tied to the principal assignments;

e.g. demonstrated expertise in workforce planning where the principal assignment is to prepare a strategic staffing plan.

IV. For proposed placement based upon internal equity, the following information should be included:

- Historical compensation relationship.
- Similarity of work performed.
- Skills and performance.
- Working relationship.

V. For proposed placement based upon exemplary performance, the following information should be included:

- Most recent performance evaluation.
- Level of progress toward current goals and measurable objectives.
- Standards used to measure the performance.

CITY – MEA MOU Article III C.C (MCCP)

224. Effective July 1, 2001, there was established a new series of classifications created under the Management Classification/Compensation Plan (“MCCP”).

A. Initial implementation of the MCCP for existing employees.

225. Allocation Process. Upon completion of the necessary administrative preparation, which may include discussions with department management and/or the affected employee, DHR will notify each department and any remaining non-allocated represented employee of the MCCP class to which his or her position is allocated (Notice of Allocation). Each employee will have the opportunity to request that DHR reconsider this allocation prior to appointment processing by returning a Request for Reconsideration form within 30 calendar days of the postmarked mailing date of the notice of allocation. Permanent civil service employees may file an appeal of the final allocation decision with the Civil Service Commission, as provided by Commission rules.

226. Voluntary Participation. All permanent employees will also receive an Opt-In form with their Notice of Allocation into the MCCP.

227. Permanent civil service employees may choose to participate in the initial implementation of Phase 2 of the MCCP by signing and returning the Opt-in form to the Department of Human Resources within thirty (30) calendar days of the postmarked mailing date of the Notice of Allocation, or the resolution of the DHR reconsideration process, whichever is later. If a permanent civil service employee does not return the Opt-in form, but appeals the classification action to the Civil Service Commission, the appeal shall be considered that employee's election to participate in the MCCP. The decision of the Civil Service Commission shall be final and binding on both the City and the employee, and will be promptly implemented.

228. If a permanent civil service employee does not return the Opt-in form and does not file an appeal with the Commission, it will be assumed that the employee has elected to be excused from the initial implementation of Phase 2. Upon the vacancy of such a position, the position will be placed in the MCCP according to the allocation decision of DHR.

229. Later requests to participate. An employee who chooses to be excused from the plan may request to be moved into the MCCP after the time for electing voluntary participation has passed. Late requests that can be implemented with no additional administrative work will take precedence. Late requests that require additional evaluation or other administrative work will proceed as feasible.

230. Effective July 1, 2006, all represented positions and employees that can be appropriately classified into MCCP shall move into MCCP, subject to the limitations set forth in the TRIPARTITE MCCP SETTLEMENT (defined in Appendix under “Related Matters”) except that any employee permanently appointed to an existing non-MCCP class may elect to be excused from the MCCP. Exempt employees, provisional employees, new hires and promotive hires shall not have the option to be excused from the MCCP.

231. Placement of current employees. All current employees will be placed into the MCCP at the exact base rate of pay that they presently earn in their current classification. In no event, however, shall any employee be placed at a rate of pay that exceeds the top of Range C of the class to which he or she is allocated.

B. MCCP Salary Plan

232. Effective July 1, 2006, the Salary Plan for MCCP shall be modified as set forth in Appendix G, which is attached hereto and is incorporated herein for reference. The plan consists of three pay ranges, A, B, and C. Range A is a 25% open range. Range B is a 15% open range. Range C is a 5% open range. Adjustment of compensation for individual employees is addressed below.
233. Scheduled Salary Progression in Range A. Subject to the other provisions of this section B, employees placed in MCCP in Range A who have been fixed at their compensation level for at least 12 months as of January 1, 2007 (“Fixed Employees”) will receive a 5% increase in pay effective January 1, 2007. Thereafter, such Fixed Employees shall be eligible for a 5% increase in pay on January 1, 2008 and January 1, 2009. All other employees placed in MCCP in Range A will receive a 5% increase in pay on their anniversary date (anniversary date for their pre-MCCP class, if applicable, or else their employment anniversary date). Salary progression under this paragraph is not available for employees placed in Ranges B or C.
234. No progression above top of Range A. No employee can be increased to a level above the top salary available in Range A for the applicable classification.
235. Denial of Salary Progression. An employee’s scheduled salary progression may be denied if the employee’s performance has been unsatisfactory to the City. The denial of the increase is subject to the grievance procedure, provided, however, that nothing in this section is intended to or shall make performance evaluations subject to the grievance procedure.
236. Range B and C Adjustments. On a quarterly basis, Appointing Officers may seek approval to place incumbent employees (post-appointment) at a rate of pay in ranges B & C based on consideration of whether the adjustment would serve one or more of the following purposes: to move towards internal equity (which may include issues of compaction), to address demonstrated recruitment or retention issues, to compensate an employee exercising special skill, to compensate an employee assigned to a special assignment of limited duration or to recognize exemplary performance.
237. Non-MCCP Eligible Employees. MEA-represented employees appointed to the below-listed classifications that are not eligible for placement into MCCP, who have already been at step 5 for at least 12 months, may be eligible to advance to salary step 6 and, after 12 months at step 6, to salary step 7 for their assigned classification. Salary steps 6 and 7 will be set at 5% increments. Appointing Officers may seek approval to place employees at step 6 or step 7 based on consideration of whether the placement would serve one or more of the following purposes: to move towards internal equity (which may include issues of compaction), to address demonstrated recruitment or retention issues, to compensate an employee exercising special skill, to compensate an employee assigned to a special assignment of limited duration or to recognize exemplary performance. This paragraph shall apply to the following classifications:
- 2620 Food Service Manager Administrator
 - 2785 Assistant General Services Manager
 - 3233 Marina Associate Manager
 - 4310 Commercial Division Assistant Supervisor
238. Financial Limitations. The aggregate value of Range B & C adjustments and placement of non-MCCP

eligible employees into step 6 and 7 shall not exceed three-quarters percent (0.75%) of MEA covered payroll (as defined by the Controller) for fiscal year 2006-2007; one-half percent (0.5%) for fiscal year 2007-2008; and one-half percent (0.5%) for fiscal year 2008-2009. Any unused funds shall rollover and be available for these purposes the following fiscal year.

239. Adjustment Committee. A Committee consisting of the Controller (or designee), the Human Resource Director (or designee), and a designated representative of MEA will consider the application made by the appointing Officer for placement of incumbent employees at a rate of pay in Ranges B & C or, for non-MCCP eligible employees, to steps 6 or 7. Subject to the applicable financial limitations and criteria, the Adjustment Committee will decide in its sole discretion whether to approve such applications in whole or in part. Decisions of the committee are final and not subject to the grievance procedure. Any confidential personnel information made available to committee members for purposes of participating in decisions of the committee will be maintained in confidence.
240. Compensation Adjustments. All compensation adjustments made pursuant to this MOU shall be rounded to the nearest salary grade and shall commence at the start of the payroll period closest to the specified date.

C. Placement in new and vacant positions.

241. All new and vacant MEA-represented positions eligible for inclusion shall be classified into the MCCP. Appointments shall be to range A, except as described below.
242. Range A. An appointing officer may make an appointment at any rate in range A based on consideration of whether the placement would serve one or more of the following purposes: to move towards internal equity (which may include issues of compaction), to address demonstrated recruitment issues, to compensate an employee exercising special skill or compensate an employee assigned to a special assignment of limited duration.
243. Ranges B & C. Subject to approval from the Human Resource Director, Controller and Mayor's Budget Director, appointing officers may request that new employees (to the position) be placed at a rate of pay in range B or C. Placement in range B and C shall be based on objectively verifiable criteria in one or more of the following areas:
- demonstrated recruitment or retention issues,
 - unusual or extraordinary time-limited assignment,
 - exceptional or special skills or qualifications which are essential for job performance; or
 - internal equity considerations (which may include issues of compaction).
244. Where appropriate, approval shall be time-limited. Once approved, the employee's rate of pay shall not be increased, except according to the scheduled salary increases specified in Article III.A. Wages.
245. Placement into ranges B and C is not grievable or appealable.

D. Rules applicable to all employees in the MCCP.

246. Supervisory differential, night duty, POST premium and acting assignment pay shall be administered according to traditional practices, except that EM employees and employees who are placed in range B or C shall not receive acting assignment pay.
247. For employees who supervise an employee in a lower classification, supervisory differential shall be measured from the supervisee's actual rate of pay or the top of Range A for the supervisee, whichever is higher.
248. Where an employee in an MCCP class supervises at least one other employee in the same MCCP class, and satisfies the other contractual requirements for supervisory differential, and the supervisor's base rate of pay is less than 5% above the base rate of pay of the highest paid supervisee, the supervisor shall receive an additional 5%. However, if the supervisor supervises only one employee in the same MCCP class, the supervisor's rate of pay, including the differential, shall not exceed the top of range C.