

1 **CONSOLIDATED COMMISSION ON UTILITIES**

2 **RESOLUTION NO. 2012-49**

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4 ***RESOLUTION RELATIVE TO AMENDING THE PROMOTION/DEMOTION/TRANSFER***
5 ***POLICY***
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7 **WHEREAS**, the General Manager, Guam Power Authority petitions the Consolidated
8 Commission on Utilities (CCU) to amend the Promotion/Demotion/Transfer Policy, and
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10 **WHEREAS**, the CCU has the lawful authority under Public Law 28-159, Section 3.0.b to
11 approve and amend a unified pay scale and implementation plan for employees in certified,
12 technical, and professional positions; and
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14 **WHEREAS**, the Guam Power Authority is a public corporation established and existing
15 under the laws of Guam; and
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17 **WHEREAS**, in 2007, the CCU adopted the recommendations of the Compensation and
18 Benefits Study conducted by Alan Searle & Associates; and
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20 **WHEREAS**, the CCU also endorsed a plan to transition GPA to the new compensation
21 model over a five (5) year period beginning fiscal year 2008; and
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23 **WHEREAS**, the transition plan also included a compensation formula used to determine
24 new rates of pay upon an employee's promotion and/or demotion into another position; and
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26 **WHEREAS**, based on the current pay policy, upon promotion, an employee's new base
27 salary is determined by slotting the current salary into the higher pay grade closest to but not
28 less than the current salary earned and is then awarded a further six sub-steps; and

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WHEREAS, the implementation of the current pay policy distorts internal equity; and

WHEREAS, when upon promotion, junior employees are slotted at the minimum range with an additional six sub-steps increase surpassing senior employees whose step placements were slotted at the minimum range at the time of a transitional movement to the next market percentile.

WHEREAS, the proposed policy change corrects this problem by making a process change to when the six sub-steps is applied.

WHEREAS, when an employee is being promoted the first step will be to identify a new base salary six sub-steps up from the employee's current base salary. If the new base salary is still below the minimum of the implementation range he/she is promoted to then they are slotted at the minimum of the new implementation range.

WHEREAS, for demotions, the process will be applied with a six sub-step decrease down the grade prior to slotting into the new lower grade.

NOW THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities does hereby approve and authorize as follows:

1. The amendment of the Promotion/Demotion/Transfer Policy applicable to CTP positions and personnel at GPA as delineated in Appendices "D, E and F" of Exhibit 1.
2. That the Guam Waterworks Authority also review the effect of the pay policy applicable to the determination of new pay rates assigned upon a promotion/demotion/transfer of personnel in CTP positions as delineated in Appendices "D, E and F" of Exhibit 1.

1.1 Promotion

A pay adjustment resulting in a promotion either by competition, reclassification, pay grade reassignment or temporary appointment is effectuated by initially increasing the employee's current base salary by six (6) sub-steps on the grade they are currently allocated. If this figure is:

- a) below the minimum of the new implementation range they would be slotted at the minimum of the new implementation range. This identifies the employee's new base salary.
- b) above the minimum of the new implementation range they would be slotted at the closest sub-step (just on the high side) of the new grade. This identifies the employee's new base salary.
- c) The General Manager at his / her discretion, or upon the recommendation of a respective Division Manager, may grant up to three (3) additional sub-steps, based on superior performance, significant contributions made to the business unit or the Authority as a whole, or demonstration of personal enrichment and development related to and beyond the job requirement. All requests for additional sub-step placement must be justified in writing.

1.2 Demotion

A pay adjustment resulting in a decrease either by demotion, voluntary, reclassification, or pay grade reassignment is effectuated by initially decreasing the employee's current base salary by six (6) sub-steps on the grade they are currently allocated. If this figure is:

- d) below the minimum of the new implementation range they would be slotted at the minimum of the new implementation range. This identifies the employee's new base salary.
- e) above the minimum of the new implementation range they would be slotted at the closest sub-step (just on the low side) of the new grade. This identifies the employee's new base salary.

1.3 Transfer

For a transfer to another position within the same pay grade or a reclassification of a position to another class within the same pay grade, the current salary (sub-step) is retained provided this is not less than the lowest sub-step of the new implementation range. Should the latter occur, a pay adjustment to the lowest sub-step of the new implementation range will identify the new base salary.

2.0 RECRUITMENT

The implementation range of any position encompasses sixteen (16) sub-steps with the high end representing the market percentile to which the compensation model is currently based. In migrating existing employees to the new compensation model implementation criteria encompassing : performance, nine (9) sub-steps, qualifications, four (4) sub-steps and experience, three (3) sub-steps dictates the eventual salary, (grade, step and sub-step) of all employees. This criteria can also be used for recruitment purposes as outlined below :

- a) The educational qualifications of a new hire / recruit will be evaluated as per the implementation criteria used in migrating existing employees to the new compensation model. This provides a range of one (1) to four (4) sub-steps.
- b) In addition to a) above, the previous experience of a new hire / recruit will be evaluated as per the implementation criteria used in migrating existing employees to the new compensation model. This provides a range of one (1) to three (3) sub-steps.
- c) In addition to a) and b) above, should the prior performance of a new hire / recruit be quantifiable either by reference checks or by some other means an additional one (1) to nine (9) sub-steps can be awarded at the discretion of management (Human Resources).
- d) The sum of all sub-steps awarded above identifies the new employee's base salary using the implementation range of the position to which he/she is being considered.