Career Service Board Meeting #2362
Minutes
Thursday, June 20, 2019, 9:00am
Webb Municipal Building
201 W. Colfax Ave, Fourth Floor, Room 4.G.2

Karen DuWaldt (Co-Chair)
Neil Peck (Co-Chair)
Patricia Barela Rivera
David Hayes
Tracy Winchester

I. Opening: Meeting was called to order at 9:00am

1. Approval of the Agenda for the June 20, 2019 Board Meeting.
   The Board unanimously approved the agenda for the June 20, 2019 meeting.

2. Approval of the Minutes for the May 16, 2019 Board Meeting.
   The Board unanimously approved the minutes for the May 16, 2019 meeting.

II. Board Comments: None.

III. Public Comments: None.

IV. Public Hearing:

1. Public Hearing Notice No. 599 – Prevailing Wage: DIA Oil & Gas Positions

   Alena Duran, Classification & Compensation Analyst, presented Public Hearing Notice No.
   599 to adopt a change in the pay and/or fringe benefits of the wage classification series of,
   “Derrick Hand/Roustabout, Electrician, Mechanic, Pipefitter, Rig/Drill Operator and Truck
   Driver” in accordance with section 20-76(c)(3) of the Denver Revised Municipal Code.

   Based on this review, the following pay and fringe benefits revision was proposed, based on
   the service contract method:

<table>
<thead>
<tr>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Wage</td>
</tr>
<tr>
<td>Electrician</td>
<td>$24.90</td>
</tr>
<tr>
<td>Heavy Equipment Mechanic</td>
<td>$23.95</td>
</tr>
<tr>
<td>Pipefitter</td>
<td>$25.23</td>
</tr>
<tr>
<td>Rig/Drill Operator</td>
<td>$22.29</td>
</tr>
<tr>
<td>Truck Driver</td>
<td>$22.95</td>
</tr>
</tbody>
</table>

   The Career Service Board unanimously approved Public Hearing Notice No. 599.
2. Public Hearing Notice No. 600 – Prevailing Wage: Tile Setter & Tile Finisher

Alena Duran, Classification & Compensation Analyst, presented Public Hearing Notice No. 600 to adopt a change in the pay and/or fringe benefits of the wage classification series of, “Tile Finisher & Tile Setter” in accordance with section 20-76(c)(3) of the Denver Revised Municipal Code.

Based on this review, the following pay and fringe benefits revision was proposed, based on the base and fringe rates for Tile Series Journeymen and Finisher (Tile, Marble, Stone, Terrazzo Worker) provided by the International Union of Bricklayers & Allied Craftworkers-Local 7:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Wage</td>
<td>Fringes</td>
</tr>
<tr>
<td>Tile Finisher</td>
<td>$24.20</td>
<td>$9.37</td>
</tr>
<tr>
<td>Journeyman Tile Setter</td>
<td>$30.40</td>
<td>$9.43</td>
</tr>
</tbody>
</table>

The Career Service Board unanimously approved Public Hearing Notice No. 600.


Based on this review, the following pay and fringe benefits revision was proposed, based on the service contract method:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Wage</td>
<td>Fringes</td>
</tr>
<tr>
<td>De-icing Facility Operator</td>
<td>$27.14</td>
<td>$7.54</td>
</tr>
<tr>
<td>Maintenance Mechanic</td>
<td>$26.74</td>
<td>$7.50</td>
</tr>
<tr>
<td>Plant Controller</td>
<td>$17.36</td>
<td>$6.41</td>
</tr>
</tbody>
</table>

The Career Service Board unanimously approved Public Hearing Notice No. 604.

4. Classification Notice No. 1597 – Civilian Report Technician

Susan O’Neill, Senior Classification & Compensation Analyst, presented Classification Notice No. 1597 to amend the Classification and Pay Plan by creating the new classification of Civilian Report Technician.

<table>
<thead>
<tr>
<th>Job Code</th>
<th>Proposed Class Title</th>
<th>Proposed Pay Grade &amp; Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>CN3151</td>
<td>Civilian Report Technician</td>
<td>N-619 ($23.08 - $28.39 - $33.70)</td>
</tr>
</tbody>
</table>

The Police Department requested OHR create a new classification for specialized duties that respond to and investigate property crimes and vehicle crashes. The new Civilian Report Technician classification obtains information from the public to complete incident reports in situations, which do not require a police officer to respond, and investigates, collects evidence, issues citations (crashes), and prepares reports and documents.

The proposed Civilian Report Technician classification pay grade will be N-619. A custom survey was conducted of local jurisdictions to determine the appropriate pay grade. 34 employees will be reallocated to the new classification with a budget impact of $1,810 to bring three employees to the minimum of the new grade range.
Board Member Patricia Barela Rivera asked if this classification is considered to be a new position, to which Ms. O’Neill replied in the affirmative. Ms. O’Neill noted former Police Chief White began the initiative of hiring civilian employees to conduct information-gathering investigations for incident reports in situations where a uniformed employee was not required. As a result, the current employees were temporarily classified as Operations Assistants while Class & Comp conducted a formal study of their duties.

Board Co-Chair Neil Peck asked what type of training the technicians receive. Ms. O’Neill stated the fingerprinting training is for approximately eight weeks and involves training, testing, and evaluation before the technicians can do the work.

Ms. O’Neill also noted many of the positions are filled by retired police officers working approximately 30 hours per week. Ms. Barela Rivera asked if many women are employed in the role, to which Ms. O’Neill responded in the affirmative.

The Career Service Board unanimously approved Classification Notice No. 1597.

5. Classification Notice No. 1600 – Intern Classifications

Cindy Bishop, Deputy Director of the Office of Human Resources (“OHR”) stated she would like to thank Susan O’Neill, Senior Classification & Compensation Analyst, and Nicole Kim, Campus Relations Program Manager, for all of their hard work in conducting the study leading to the proposed changes in classifications for the city’s intern positions. Ms. Bishop noted the Intern Program has become a critical pipeline for hiring talent, with 22 full-time hires in 2019, which has not occurred in the past.

Ms. Kim introduced herself, noting she has been designing and managing the internship program over the last two years, highlighting several aspects of the internship experience she believes has contributed greatly to the increase in interns accepting full-time employment with the city. Ms. Kim noted the proposed changes to the intern classifications will make the city’s program more competitive with other internship opportunities in the market.

Karen Niparko, Executive Director of OHR, asked Ms. Kim to share how many interns are currently participating in the program versus in the past, to which Ms. Kim replied there are 68 paid interns out of 175 in total this year, approximately 24% more than prior years.

Board Member Patricia Barela Rivera asked when the program began, which Ms. Kim noted it was about three years ago when it was centralized in Talent Acquisition; prior to that each agency handled interns independently. Ms. Barela Rivera asked what Green Belt training encompassed. Ms. Kim stated the Green Belt was the first level of Six Sigma operational excellence training, which is very valuable to the interns when they begin their careers.

Board Member Tracy Winchester asked what the breakdown was for the interns in terms of age and educational level (i.e. high school or college). Ms. Kim stated most of the interns are college-level with a 50% participation rate for females. Ms. Bishop commented part of the reason for the changes in classifications was to increase diversity and open the program to other types of candidates, not just college attendees.

Ms. O’Neill presented Classification Notice No. 1600 to amend the Classification and Pay Plan by creating new classifications of Trades and Vocational Intern, Field Intern, Professional Administration Intern, and Professional Technical Intern. This proposed change will also abolish various associated classifications.

A study was conducted to ensure that the internship program is competitive and comparable to the current market. The proposal is to update the current intern classifications to make them more flexible and to ensure that they are available to more departments/agencies within the city.

The results also support updating the current pay structure with market competitive pay by providing increases as the interns’ complete levels of education. The proposal will also abolish existing intern classifications, grades and pay rates.
NEW CLASSIFICATIONS

<table>
<thead>
<tr>
<th>Job Code</th>
<th>Proposed Class Title</th>
<th>Proposed Pay Grade &amp; Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA3179</td>
<td>Trades &amp; Vocational Intern</td>
<td>A-411 ($15.61, $16.08, $16.56, $17.06, $17.57)</td>
</tr>
<tr>
<td>TA3180</td>
<td>Field Intern</td>
<td>A-412 ($17.89, $18.43, $18.98, $19.55, $20.14)</td>
</tr>
<tr>
<td>TA3182</td>
<td>Professional Tech Intern</td>
<td>A-414 ($19.95, $20.55, $21.17, $21.82, $22.46)</td>
</tr>
</tbody>
</table>

ABOLISHMENTS

<table>
<thead>
<tr>
<th>Job Code</th>
<th>Class Title</th>
<th>Pay Grade &amp; Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>TJ2465</td>
<td>Parks Intern I</td>
<td>J-405 ($11.84)</td>
</tr>
<tr>
<td>TJ2466</td>
<td>Parks Intern II</td>
<td>J-407 ($13.53)</td>
</tr>
<tr>
<td>TA2467</td>
<td>Parks Intern III</td>
<td>J-409 ($15.23)</td>
</tr>
<tr>
<td>TA1593</td>
<td>Prof. Occupational Intern I</td>
<td>A-404 ($13.90)</td>
</tr>
<tr>
<td>TA0015</td>
<td>Prof. Occupational Intern II</td>
<td>A-406 ($15.88)</td>
</tr>
<tr>
<td>TA1594</td>
<td>Prof. Occupational Intern III</td>
<td>A-408 ($17.87)</td>
</tr>
</tbody>
</table>

Below are the current intern classification titles and the new classification title and classification summary:

<table>
<thead>
<tr>
<th>Current</th>
<th>New</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>Trades &amp; Vocational Intern</td>
<td>Trades or vocational field (electrician, HVAC, carpentry)</td>
</tr>
<tr>
<td>Parks Interns I, II, &amp; III</td>
<td>Field Intern</td>
<td>Professional Outdoors (Horticulture, ecology, landscaping, natural resources)</td>
</tr>
<tr>
<td>Occup. Interns I, II, &amp; III</td>
<td>Prof. Admin Intern</td>
<td>Business/Community Develop.</td>
</tr>
<tr>
<td></td>
<td>Prof. Tech Intern</td>
<td>Science, IT, Engineering</td>
</tr>
</tbody>
</table>

City-wide communication has occurred to executive management, management and all employees through the Denver Employee Bulletin.

These changes will be effective August 18, 2019, which is after the summer 2019 internship program has ended, and before the fall/winter internship commences. There are four current interns impacted by these changes, with an estimated budget impact of $7,643.

Board Member David Hayes if the city had an apprenticeship program for the trades and whether there was any correlation with the intern program. Ms. Kim replied the city has engaged with an outside firm, CareerWise, to pilot a high-school level apprenticeship program with the North Denver Cornerstone Collaborative (“NDCC”) and the Denver Economic Development Opportunity (“DEDO”) agencies to determine if it makes sense for the program to expand to other areas.

Ms. Barela Rivera asked if the interns are recruited at the junior year of college, or is it open to other years. Ms. Kim replied at present most of the interns are in their junior year, but the changes will encourage agencies to recruit freshmen as well.

Ms. Barela Rivera asked how the recruitment is done. Ms. Kim noted the city partners with area colleges, schools, and tech training academies, as well as a few out-of-state colleges, to post open internship opportunities. Ms. Kim stated she also participates at alumni functions and various job fairs.

Ms. Winchester asked how many applications are received and what percentage are accepted into the program. Ms. Kim noted she did not have the city-wide statistics with her, but using the airport as an example, there were 600 applicants for 23 open summer positions. Ms. O’Neill stated there were 4,000 applicants for 200 positions city-wide.

The Career Service Board unanimously approved Classification Notice No. 1600.

Lauren Locklear, HR Compliance Officer, presented Public Hearing Notice No. 601 regarding proposed revisions to Career Service Rule 7-Compensation.

Rule 7-34C requires incumbents who are reallocated to a supervisory classification must have passed the required assessment testing and supervisor training prior to the change. Ms. Locklear noted the revision clarifies that any employee reallocated must meet the required assessment and training, not just supervisory positions, and this provision is moved to 7-43D.

Rule 7-60A is updated to reflect the changes to the intern and trainee pay schedule from a single rate classification without ranges to the new revised pay schedule, which provides a range of pay based on various factors under Rule 7-60.

The Career Service Board unanimously approved Public Hearing Notice No. 601.

7. Public Hearing Notice No. 602 – Proposed Revision to Career Service Rule 12

Lauren Locklear, HR Compliance Officer, presented Public Hearing Notice No. 602 regarding proposed revisions to Career Service Rule 12-Leave & Accommodations for Pregnancy and Extended Illnesses or Injuries.

Rule 12 is being revised in compliance with the city’s settlement with the Department of Justice (“DOJ”), which required increased emphasis on the interactive process regarding accommodation of employees with disabilities under the American with Disabilities Act, not just leave as accommodation as currently written in the Rule.

Board Co-Chair Karen DuWaldt asked if the changes were signed off by the DOJ’s attorneys as compliant with the settlement agreement, to which Ms. Locklear replied in the affirmative.

Board Member Tracy Winchester asked if the changes also accommodate paternity leave. Ms. Locklear noted the changes are not intended to create a paid family leave policy and only cover the individual who is pregnant. Ms. Locklear stated the city continues to explore options for creating a wider paid leave policy that is more gender-inclusive to a variety of situations.

Ms. DuWaldt asked for a brief history of the lawsuit that led to the settlement with the DOJ. Jennifer Jacobson, Senior Assistant City Attorney, replied the case involved an employee of the Sheriff’s Department who was disqualified from his position due to a medical condition, and subsequently restored to his job on appeal. The employee also filed a charge against the city to the Equal Employment Opportunity Commission (“EEOC”), which determined the city had discriminated against the employee due to his condition.

Ms. DuWaldt asked specifically what the DOJ found about the city’s accommodation process that was deemed inadequate. Ms. Jacobson stated the DOJ advised the city’s process was not interactive enough in ensuring every effort was made to accommodate, for example, the employee in question was entitled to certain breaks, which his supervisors did not always provide.

Ms. DuWaldt clarified if the employee was not originally accommodated, instead being placed on leave, to which Ms. Jacobson stated was correct, noting there was a breakdown in communication in terms of what management was required to do once the employee was reinstated. Board Co-Chair Neil Peck recalled this employee had also appealed to the Board in the matter.

Ms. DuWaldt asked what training is being provided to ensure the city is compliant in providing a more interactive accommodation process. Ms. Locklear noted OHR had updated all materials and communications regarding accommodation, while Ms. Jacobson stated all Sergeants and higher ranks in the Sheriff’s Department, as well as employees in OHR and Safety HR, had completed mandatory training.
Board Member David Hayes noted reference to an ADA Coordinator and commented it was very important this role reviewed and coordinated all the necessary requirements of interactive accommodation mandated by the DOJ.

Suzanne Iversen, HR Director, responded OHR hired additional resources as a result of the settlement to ensure the city had the required talent to provide education, training, and guidance to the agencies.

The Career Service Board unanimously approved Public Hearing Notice No. 602.

8. Public Hearing Notice No. 603 – 2020 Health Insurance Plans

Heather Britton, Director of Benefits & Wellness, presented Public Hearing Notice No. 603 in compliance with the Denver Revised Municipal Code (the “DRMC”) of the City and County of Denver (the “City”), section 18-2, subsection (a), part (3). Ms. Britton noted the City’s Employee Health Insurance Committee (the “Committee”), established by DRMC section 18-181, is responsible for advising the Career Service Board and the Office of Human Resources (“OHR”) regarding any recommended changes to the employee medical, life, dental and long-term disability insurance benefit programs. Eligible employees are those defined in DRMC section 18-171. Ms. Britton reminded the Board there is no approval required for this Notice.

Ms. Britton noted the city continues to offer both a high-deductible health plan (“HDHP”) and a deductible HMO plan (“DHMO”) for each of the three insurance plan providers (United Healthcare, Kaiser, and Denver Health Medical Plan). While 70% of the city’s employees are enrolled in a high-deductible health plan, the remaining 30% prefer to have defined co-pays for certain services provided under an HMO network.

For 2020, the four main changes to the medical plans are: (1) increasing the HDHP deductibles and out-of-pocket maximums to align with federal requirements for plans using HSA accounts; (2) replacing the United Healthcare Navigate HMO network with the Colorado Doctor’s Plan; (3) modifying the co-pays for Kaiser and Denver Health Medical Plan to match the new Colorado Doctor’s Plan network co-pays; (4) Self-funding the United Healthcare population.

The deductible minimums for the HDHP Plans are currently $1,350 for single employees and $2,700 for families. In 2020, the federal deductible minimum limit will increase to $1,400 for singles and $2,800 for families. The Employee Health Insurance Committee (“EHIC”) agreed to increase the city’s minimum deductible by $50 more than the minimum to avoid having to adjust annually as the federal minimum changes. Single employees will have a $1,450 minimum deductible, with the family minimum set at $2,900.

The same will apply to the maximum out-of-pocket limit, with the EHIC agreeing to increase the limit $50 higher than the federal minimum to $2,900 for single employees and $5,800 for families. Ms. Britton noted the limit has remained the same since 2016 and was initially $100 more than the federal minimum as approved by the EHIC.

Board Member Tracy Winchester asked if there was a way to add an automatic adjustment mechanism by which the employees’ deductibles are adjusted when the federal minimum level changes. Ms. Britton responded the federal government can change it at any time, making it difficult for the city to respond, as annual plan changes are decided upon within a set timeframe.

Ms. Britton gave an overview of the change in HMO network for the DHMO option offered by United Healthcare. The Colorado Doctor’s Plan is comprised of physicians and hospitals affiliated with Centura Health, which will require many employees to change their providers and reduces choices, however, there are fewer co-pays for primary care services and prescription costs are lower. Ms. Britton noted if employees wish to have a wider choice of providers and facilities, they can always switch to the HDHP offering, which is more cost-effective.
Ms. Britton stated the lower co-pays offered by the Colorado Doctor’s Plan will be matched by the DHMO offerings by Kaiser and Denver Health Medical Plan.

The EHIC is proposing moving from a fully-insured contract with United Healthcare, to self-insured for this population, which comprises approximately 30% of city employees and costs about $60 million annually. Ms. Britton noted the Kaiser offering is cost-effective under a fully-insured contract and will remain as-is.

Ms. Britton stated OHR has been exploring moving to a self-insured plan for several years, while the City Auditor recommended in their audit of OHR last year to begin discussion about self-insuring. A fully-insured plan is bid out every year to each insurance provider with the premium agreed upon based on claims experience. A self-insured plan places the claims risk on the city, with stop-loss insurance purchased to cover high claims at both the individual level (above $200,000) and the aggregate population level.

Ms. Winchester asked if the City Auditor’s recommendation to move to a self-insured plan was based on evaluating the city’s health insurance claims experience over a long period of time. Ms. Britton stated the City Auditor hired an external auditing firm to review the city’s health plans, also recommending the proposal be brought to the EHIC for formal consideration. Ms. Britton noted OHR had proposed self-insuring to the Department of Finance for several years, but this was the first year it was presented to the EHIC for their consideration.

The city is United Healthcare’s largest fully-insured contract, which Ms. Britton noted illuminates the fact that most employers of our size are self-insured. The cost of fully-insuring over the next three years is $197 million versus $185 million, providing a savings of $12 million.

Comparing Denver to other local municipalities, the State self-insures with United Healthcare and maintains a fully-insured contract with Kaiser, as does the City of Aurora, and the City of Broomfield. Nationally, almost every major municipality and county surveyed is self-insured, with the exception of the City of San Diego and San Mateo County in California. The feedback received regarding their experiences with self-funding was extremely positive and the savings were substantial.

2020 premium increases are 6% for Kaiser and 6.25% for Denver Health Medical Plan. United Healthcare’s increase of .09% is to fund a contingency as requested by the Budget & Management Office (“BMO”). Ms. Britton noted Kaiser continues to have the highest employee enrollment and there is no change to the amount of the wellness incentive or match to HSA accounts for 2020.

The final change to highlight is the increase in the city-paid term life insurance benefit to a maximum of $400,000, from the current $100,000. The city offers employees life insurance in the amount of two times their annual salary, which was capped at a $100,000 maximum benefit, making it uncompetitive with what most employers provide. The short-term disability benefit for sick & vacation grandfathered employees is being reduced to two options, rather than five, to better align with the benefit provided to PTO covered staff.

Ms. Winchester thanked Ms. Britton for her presentation, noting this was a complex proposal, and commending her for making it understandable.

Board Co-Chair Neil Peck noted Stephanie Adams, BMO Director, has signed up to speak. Ms. Adams introduced herself, stating she would like to give the Board an update on the budget assumptions for next year, as well as clarify some points regarding the self-insured proposal.

Ms. Adams noted the city’s annual budget planning process begins in April of the prior year, which creates some difficulty and lag for OHR Benefits since the health insurance plan offerings are decided upon prior to the Mayor having the opportunity to review all of the agencies’ budget submissions during the summer. The Charter requires the city to have a balanced budget, which is due each year by September 15th.
Ms. Adams stated the city’s sales and use tax revenues have softened since December 2018, a concerning trend as these revenues provide 50% of the General Fund, including most salaries and benefits. The total realized by the city for 2018 was below forecast. Ms. Adams reiterated the overall picture continues to be positive and sales and use tax revenues are still growing, albeit at a slower rate, which was widely expected after several years of record high revenue.

In line with the Mayor’s directive that all agencies should be cognizant of these trends, Ms. Adams noted BMO has been meeting with expending authorities to update them and ask for proactive caution on spending.

Year-to-date, the sales and use tax has increased by 3% versus the forecast of 5.5%, requiring adjustments in planned spending. Ms. Adams noted BMO has been particularly focused on asking expending authorities to review discretionary items such as food, travel, and conferences/training. While BMO is being conservative at this time, Ms. Adams stated it is easier to make any adjustments earlier, rather than later.

BMO has also asked agencies to carefully review their open positions and vacancies to determine whether there is an opportunity to make some decisions, given that economic conditions may begin moderating in the coming months. Ms. Adams made clear there is no plan to freeze hiring at this time.

Regarding self-funding, Ms. Adams thanked OHR for their extensive work and analysis over the last few years regarding this proposal and for addressing all of BMO’s concerns, which she will highlight for the Board.

The first concern is self-funding is a multi-year commitment versus having a defined expense from signing a fully-insured contract with a health insurance company. The second concern is moving the risk for paying claims from the health insurance carrier to the city, although Ms. Adams acknowledged the city’s claims experience has historically been quite favorable versus forecast.

Finally, while there are advantages to having more control over health care wellness and plan design from being self-insured, the question of how much additional staff and other resources would be needed by OHR had been a concern. Ms. Adams indicated Ms. Britton has assured BMO the existing Benefits team has the capacity and expertise to handle the self-insured option.

Ms. Adams concluded by stating the funding of the reserve required for being self-insured would be presented to the Mayor as part of the annual budget expansion review and it was ultimately his decision whether to include it as one of his priorities.

Ms. DuWaldt asked if individual agencies will have to make difficult decisions regarding their priorities once the cost of self-insured funding is allocated directly to their budgets. Ms. Adams responded these expenses are carried in a special fund, which accumulates the city’s and individual employees’ contributions for paying health benefits, and is invisible to individual agency heads.

Ms. DuWaldt clarified that agency managers will not see the changes in costs for employee health insurance plan offerings, which Ms. Adams confirmed was the case today and would not change with a self-insured plan. Ms. Adams stated individual agencies do not have direct control over employee compensation and benefits and does not impact their spending decisions.

Ms. Winchester asked if the 70% figure for employee salaries and benefits was generally the norm for other entities, and whether the city is experiencing a windfall in revenues from marijuana taxes.

Ms. Adams responded 65-70% for staff is typical for most municipalities. Regarding marijuana taxes, Ms. Adams noted the majority of the General Fund allocation is from sales and use tax, with a smaller percentage from property taxes.
The city does not budget based on projected windfalls, and Ms. Adams noted there is always a remote possibility the federal government could ban the legalized sale of marijuana nationwide. Most of the revenue from marijuana taxes is dedicated to marijuana operations in the form of licensing, enforcement, and collection, with the remainder invested in mayoral priorities.

V. Director’s Briefing:

1. 2018 Pay Survey Audit Results – Compensation Connections

Nicole de Gioia-Keane, Director of Classification & Compensation, introduced Kelly Greunke, BMO Financial Manager at the Department of Finance.

Ms. Greunke noted the City Charter requires the Mayor to conduct an independent audit of pay survey methodology a minimum of every four years. In compliance with this requirement, BMO worked closely with OHR Classification & Compensation to create a Request for Proposal to hire a consultant to conduct the audit. Ms. Greunke stated they are here today to present their findings.

Ms. de Gioia-Keane stated Compensation Connections, a firm from Seattle, would present their findings regarding the 2018 Pay Survey, which reflected the required review of pay data from 2017. Matt Johnson and Jacqui Demrose, Senior Consultants, introduced themselves.

Mr. Johnson noted the city hired Compensation Consultants to conduct an audit of the 2018 Pay Survey, which focused on two areas: (1) alignment of Class & Comp’s process and methodology with the city’s code and career service rules; (2) adherence to industry common and best practices for compensation analysis.

Mr. Johnson summarized the primary findings of the audit, which indicated no changes were recommended for alignment with the city’s code and career services rules. There is a recommendation to review Class & Comp’s survey sources to remove underutilized or duplicate coverage of jobs, including purchasing the ERI Salary Assessor.

A minor process adjustment is recommended when conducting survey aging to add a validation step to check the aging factors as well as switching to compounding when making the calculations.

Another process change recommendation is to create a master spreadsheet to validate pay range variance calculations, as well as annualizing hourly pay to reduce small errors, and to use actual pay rather than pay range data. Mr. Johnson stated these errors identified would not have affected the outcome.

Board Co-Chair Karen DuWalldt asked if the errors identified were limited to individual human error or was there a wider systemic issue identified that is creating them. Mr. Johnson responded the fix recommended should reduce the chance of human error creating a wider issue in the process, as the analysts work with a large amount of data.

Ms. DuWalldt stated she recalled a presentation from Class & Comp, in which it was stated there would be a change to using actual pay, rather than pay range data, when conducting the pay survey required under the Charter.

Ms. de Gioia-Keane responded this change was discussed at a board meeting in October 2018, as all the major compensation consultants, including the vendors used by Class & Comp, were changing to using actual pay, and this was done for the 2019 Pay Survey.

Board Co-Chair Neil Peck asked if the audit was being graded, what grade would be assigned to their findings, to which Mr. Johnson replied A minus. Mr. Peck commented this was excellent and congratulated Class & Comp for their great work.
VI. Pending Cases:  None

VII. Executive Session:

The Board went into executive session at 10:48am. Karen Niparko updated the Board on several OHR issues. In addition, the following appeal was adjudicated:

1. Andria Sparer vs. Denver Sheriff’s Department, Appeal No. 71-18
   The Career Service Board affirmed the Hearing Officer’s decision, written order to follow.

   The Board also dismissed Appeal No. 57-16, Irina Tenenbaum vs. Denver International Airport, for abandonment. The meeting was reconvened at 11:43am.

VIII. Adjournment:  Adjournment was at 11:44am.