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DENVER
THE MILE HIGH CITY

Career Service Board Meeting #2413
Minutes
Thursday, August 18, 2022, 9:00am
201 W. Colfax Ave, First Floor, Career Service Hearings Office

Karen DuWaldt, Co-Chair
David Hayes, Co-Chair
Patricia Barela Rivera
Erin Brown

I. Opening: *The meeting was called to order at 9:00am by Board Co-Chair Karen DuWaldt. Members of the Career Service Board were present are listed above, in addition to Bob Wolf, Sr. Asst. City Attorney to the Board, and Kathy Nesbitt, Executive Director, Office of Human Resources ("OHR").*

1. **Approval of the Agenda for the August 18, 2022 Board Meeting.**
   Board Member Patricia Barela Rivera made a motion, seconded by Board Member Erin Brown, to approve the agenda for the August 18, 2022 meeting, which was approved unanimously by the Board.

2. **Approval of the Minutes for the July 21, 2022 Board Meeting.**
   Board Co-Chair David Hayes made a motion, seconded by Board Member Patricia Barela Rivera, to approve the minutes for the July 21, 2022 meeting, which was approved unanimously by the Board.

II. Board Comments: *Kathy Nesbit thanked Board Co-Chair Karen DuWaldt for being a great advocate for the city on the Career Service Board. Karen Duwaldt thanked everyone for their work.*

III. Public Comments: *None.*

IV. Public Hearing: *None.*

V. Director's Briefing:

1. Employee Engagement Survey – Chris Longshore

Kathy Nesbitt introduced Director of Human Resources Technology and Innovation, Chris Longshore and Justin Wolfe, Senior Data Analyst to share results of the 2022 Citywide Employee Engagement survey. Mr. Longshore thanked Co-Chair Board Member Karen DuWaldt for her leadership and guidance while serving on the Career Service Board.

Mr. Longshore informed the board the survey is an employee engagement survey as opposed to an employee satisfaction survey. Mr. Longshore added an employee engagement survey measures how engaged employees are in their work stating engaged employees produce better work and are more productive.

The city has been conducting surveys for fifteen years but did not conduct a survey in 2021 as a result of the Covid19 pandemic. In the past the city has partnered with a firm to conduct the survey. OHR asked for funding in 2021 and 2022 to conduct the survey and did not receive it. Because OHR felt the need for a survey was very important they did the survey inhouse and saved the city $140k and received some amazing results. The downside to conducting a survey inhouse is there is no national benchmarking numbers.

The survey is measured on a 100% scale and the city's engagement went up from 75% to 78.2%. In 2019 the national average for government employees engagement using the same questions was 58%.

The survey captured the overall engagement score, that employees value meaningful work, employees understand city goals and employees have strong relationships with their direct supervisors.

The opportunities identified as a result of the survey are 36.4% employees feel burned out. 21% employees intended to leave the city within the next twelve months due to burn out or the Great Resignation. Employees who said they are planning on leaving the city have left the organization. 58% employees do not feel they are paid fairly for the work they do. Compensation has always been an issue, but the city believes they are competitive and our Classification & Compensation Division keeps the city competitive.

Going forward OHR can now focus less on increasing engagement and start working on employee satisfaction. Mr. Longshore, his team, and Heather Britton's team have started meeting with all agencies on their report results and are working on action planning teams.

Board Co-Chair David Hayes asked if the city intends to conduct the survey inhouse going forward? Mr. Longshore responds it depends on workloads. The reports produced are every bit the quality we would have received from a vendor but it takes many months to complete and often calls for other projects to be put on the back burner. In the future OHR intends to ask for funding so staff can focus on other projects but is willing to conduct a survey inhouse again if needed.

Board Co-Chair Karen DuWaldt stated she is excited to see the survey conducted inhouse noting it has always been a default to use an outside firm, this way OHR saved the city money and could tailor the survey to better serve the city's needs.

Co-Chair Hayes asked if the survey allowed for commentary or narratives? Mr. Longshore responded no they did not allow for comments. In the past, a lot of inflammatory comments were received from a small part of the respective organization. OHR decided not to allow for commentary and has only received one request out of eleven thousand wishing there was a place to comment.

Co-Chair Hayes further inquired if OHR finds the people who are participating in the commentary are on one side of the spectrum? Mr. Longshore agreed and stated the comments tend to be very negative. Having a commentary section is also very burdensome because you have to look through every survey for comments to make ensure OHR does not need to involve legal or other city agencies. This process can take many hours for the commentary alone.

Kathy Nesbitt adds OHR intentionally left out the commentary portion. The strategy was to make the survey as simple as possible to try and drive participation. When adding commentary, it lengthens the time to participate in the survey. Most items in the survey are not actionable or they draw the attention away from the other data. Most managers and leaders tend to review the comments first before they look at the data and OHR wanted to bypass this.

2. FMLI – Heather Britton

Kathy Nesbitt introduced Director of Benefits and Wellness to provide information on the new Family Medical Leave Insurance that was voted on November 2020 by the citizens of Colorado. The law provides a paid family leave benefit to any citizen of Colorado. This is an employment-based plan.

There is a monthly premium all employers with more than sixteen employees are charged at .9% of current leave of all pay roll. Employers can choose how to split the costs with employees and is generally split in half. An employer can choose to pay all of .9% if they choose.

The law also created a state office in 2021 and this office is similar to unemployment. All premiums will be made to the state office and those premiums will be used to pay for claims for paid family leave for employees.

The state office has started rolling out guidelines and Heather and her team have started working with the Colorado Public School of Health and have been assigned a case worker. While reviewing the new law with the assigned case worker, it was determined the FMLI is not beneficial to the City and County of Denver's employee population.

The FMLI premium is due to start paying on January 1, 2023 but benefits do not begin until January 1, 2024. Therefore, it will cost the city ten million dollars, based off current staffing levels, five million due from the city and five million due from the employees. As the city of Denver's staff goes up in numbers, so will the premium cost.

The premium is based on the state's average weekly wage, similar to the unemployment benefit. Anyone who makes half of the state's average weekly wage will receive 90% wage replacement. Anyone making over half of the state's average weekly wage will only receive 50% wage replacement. It's $1100 a week maximum. The benefit is geared toward a lower income.

The city determined 70% of city employees under the state's plan will get less than 70% wage replacement and in most cases because of the $1100 weekly maximum. The city does not have a paid family leave and there is a need. The city has Family Medical Leave (FML) which employees are eligible for after a year of employment. FML is unpaid and can only protect an employee's job. Employees can use sick, vacation or PTO to subsidize their income. The city also pays for short term disability, but generally under FML employees will received half of their salary paid with Short Term Disability.

The city explored the option to opt out because the law was written that municipalities and local governments are given the option to opt out and do nothing. Or municipalities can opt out and offer an alternative plan. Private employers can opt out of the state plan but will have to develop a plan that matches the state's plan.

Co-chair Hayes asked if the private sector plan can exceed the state's plan? Ms. Britton responded yes.

Ms. Britton provided an example of Children's Hospital opting out. Children's Hospital has higher paid employees and wants to officer their employees a richer benefit than what the State can offer because of the $1100 week maximum.

Ms. Britton further stated she has met with many municipalities and to date have only found one municipality that opted in the state's program and that is Boulder County.

Ms. Britton stated Benefits and Wellness will be bringing a new Career Service Rule to the board in the coming months because the City and County of Denver would like to opt out and create an eight-week paid leave bank called Care Bank.

Ms. Britton provided an example of the difference in the state's program versus Care Bank. If an essential city worker is out on leave, the agency has to pay for overtime or backfill costs. Whether the city is under the state's plan, the city still has to pay for costs of getting the essential job done as well as the $1100 week premium. Under the city's own plan, the city would only have to pay the overtime/backfill costs.

Heather and Kathy Nesbitt have been working diligently with City Council since February 2022. In order for the City of Denver to opt out, it has to be approved by Denver City Council. Heather has been working very closely with Councilwoman Robin Kniech as she is very passionate about this issue and initially wanted to opt into the state's program.

Ms. Britton walked Councilwoman Kniech through the numbers and other variables (i.e., high minimum wage) to show the city's own plan is more favorable to employees than the state's plan. Heather and Kathy offered to meet with every city council member and was able to meet with ten out of the thirteen members. As a result of those meetings, all ten of the members decided Denver should opt out of the state's plan, thus starting the city council process for approval.

Community coalitions, one being Nine to Five, have been working with Councilwoman Kniech on issues with the city opting out of the state's program. These coalitions attempted to defer the vote or create doubt and convince City Council to opt into the state's program. Councilwoman Kniech advised OHR to hold a Town Hall to answer any questions employees may have. Approximately 300 employees attended the Town Hall and were supportive of Denver creating Care Bank. The Town Hall is also posted on OHRs website. OHR was then asked to delay the final hearing to work through issues with the community coalitions. Theresa Marchetta and the Marketing and Communications team worked actively to promote Care Bank to employees and asked employees to reach out to City Council about why it is best to opt out of the state's program. The intent was to drown out the community voices and hear the employee voices. The final City Council hearing is scheduled for August 29, 2022.

Co-chair Karen DuWaldt asked why the community groups are opposed to opting out of the State's program when Denver's is more generous? Ms. Britton stated it is because they do not understand and are afraid there will not be enough money. Also, the state's program is geared toward the lower end earners. Denver needs a program that we are paying into more than we are taking out. A lot of employers are opting out of the state's program.

There is one point the city cannot match since family is a portable benefit. If an employee pays into the program at one job and then starts with the state the next day, he/she can take the benefit immediately.

Co-chair Hayes asked if the employee has to wait a year? Ms. Britton stated no they can get the benefit without having to wait a year. However, there's no guarantee the employee can keep their job, there's no job protection.

Co-chair DuWaldt inquired if the non-guarantee of keeping their job is because they have not yet worked there for a year and are not covered by FML? Ms. Britton stated yes that is correct and City Council has asked OHR to match that. The city cannot match because the State has an advantage. The State can pay and not guarantee the employee can keep their job. The only way the city could pay is by keeping the employee employed. That is one disadvantage and one area where the City's plan is a little weaker than the State's program.

Kathy Nesbitt added the city's plan is better for 95% of the population. For those individuals where it isn't the best option for them, those individuals can opt into the state's program. Employees cannot double dip, but they have the option of opting out of the City's program and into the State's program and vice versa.

Co-Chair DuWaldt asked if the employee will then have to pay the .9%? Ms. Nesbitt responded the employee will only have to pay their portion of the .9% and the city will not have to pay anything. Ms. Nesbitt further states the need to be careful when stating the city's plan is better because there are a few exceptions as we know with any benefit plan. This is absolutely the right thing to do for the city's population in general.

Heather added if employers opt out, the employees can opt in individually and pay half the price. If an employee changes their mind, they can opt back in annually.

Co-Chair Hayes asked if employees opt back in during open enrollment? Ms. Britton stated per legislation, employees can opt back in during the annual budget cycle.

If the city does not opt out of the state's program, the city has to stay in the state's program for four years. Councilwoman Kniech is working with the community coalitions and has brought their issues with opting out to OHR. However, most are not issues because the city offers sick, vacation, PTO, short term disability and job protection through Career Service Rules. The state's law is trying to cover all those incentives the city already offers. Councilwoman Kniech was meeting with the community today and will be in support of Care Bank.

Kathy Nesbitt suggests it would be very helpful, if the board feels comfortable to do so, to contact city council and let them know the Career Service Boards is in favor of opting out of the State's program and supports Care Bank.

Heather reiterated she will be bringing a new Career Service Rule to support the Care Bank to the board in an effort for Care Bank to go into effect January 1, 2023. The state's program will not go into effect until 2024.

Kathy thanked Heather for her tremendous amount of work stating it is not easy when some council members do not support the issue or when there is lobbying against what OHR thinks is the right thing to do. Hats off to Heather for staying engaged.

Board member Erin Brown asked Theresa Marchetta if there was a particular language the board needs to use when sending their message of support to city council. Ms. Marchetta stated her team has a great document that provides comparisons for different scenarios and she can also put together a draft email for the board to send to city council. The board was also encouraged to visit OHRs website on the issue.

In conclusion of the Director's Briefing portion of the meeting, Kathy Nesbitt also introduced Kat Barker, Interim Deputy Director, Tammy Davis, Interim DHS Service Team Director and Theresa Marchetta, *Director of Marketing and Communications.*

Co-chair DuWaldt asked Bob Wolf if the board needs to vote on sending the supporting email to city council. Mr. Wolf stated the board just voted by all concurring with supporting the issue.

Board member Patricia Barela Rivera asked the best way to send the communication. Frances Trujillo informed the board they have an inbox and the supporting email can be sent from that mailbox.

Board member Erin Brown moved to adjourn the public hearing portion of the meeting. Board Co-Chair Karen DuWaldt second the motion and the board unanimously approved going into executive session at 9:39am.

VI. Executive Session:

The Board went into executive session at 9:39am and discussed several OHR issues with Kathy Nesbitt.

VII. Adjournment: *Adjournment was at 10:05am.*