

Career Service Rule Section 2-20 B. - Adoption, Amendment or Repeal of Career Service Rules. When the Board or the OHR Executive Director considers that a change in the Rules is necessary or desirable, the procedure shall be as follows: ... 2) The proposed rule change shall be posted on bulletin boards and made available to appointing authorities, employees, and the general public for comments and suggestions. A short summary of the proposed rule changes shall be posted with the proposed rule change. 4) A public hearing on the proposed rule change shall be held by the Board."

**PLEASE POST ON ALL BULLETIN BOARDS AS SOON
AS POSSIBLE**

Public Hearing Notice - No. 552

A Career Service Board Public Hearing has been scheduled regarding proposed provisional revisions to Career Service Rule 13 **PAY FOR PERFORMANCE**.

The scheduled time for the public hearing is **THURSDAY, OCTOBER 19, at 9:00 A.M.**, in **Room, 4.G.2.**, Webb Municipal Building, 201 West Colfax Avenue.

If anyone wishes to submit written comments or talk to OHR staff regarding this notice, please contact:

Heather Smith
HR Compliance Officer
Office of Human Resources
201 West Colfax, 4th Floor
Department 412
Denver, Colorado 80202
(720) 913-5618
heather.smith@denvergov.org

Comments regarding this notice should be submitted no later than **12:00 noon on MONDAY, OCTOBER 16, 2017**.

If anyone wishes to address the Board regarding this notice please contact Heather Smith at (720) 913-5618 or at heather.smith@denvergov.org no later than **12:00 noon on MONDAY, OCTOBER 16, 2017** to get on the agenda.

You are encouraged to submit written comments regarding the subject matter of your testimony at this time so that the Board has time to adequately consider your input.

**PLEASE POST ON ALL BULLETIN BOARDS
AS SOON AS POSSIBLE**

RULE PROPOSAL 460B

TO: Appointing Authorities, Managers, and Employees

FROM: Karen Niparko, OHR Executive Director

DATE: October 6, 2017

SUBJECT: Proposed revision of Career Service Rule 13 PAY FOR PERFORMANCE

THIS PROPOSED PROVISIONAL REVISION TO THE CAREER SERVICE RULES IS BEING POSTED FOR PUBLIC COMMENT AND HEARING TO BE HELD ON

**THURSDAY, October 19, 2017, at 9:00 A.M.
Webb Building Room 4.G.2**

Every year the OHR revises the merit table and performance review schedule in Career Service Rule 13 PAY FOR PERFORMANCE to reflect the amount allocated by the City Council for merit increases and to adjust performance review deadlines. OHR is seeking provisional approval of Rule 13, to be confirmed upon final approval by the City Council of the merit increase allocation. Here is a summary of the proposed rule change:

Rule 13 Pay for Performance			
CURRENT RULE	REVISED RULE	NEW RULE NUMBER	REVISION INTENTION & IMPACT
Departments and agencies are responsible for determining the percentage increase associated with each employee rating within each quartile. The percent increase for all eligible employees shall average 3.3% for merit increases and merit payments delivered in 2017.	Departments and agencies are responsible for determining the percentage increase associated with each employee rating based on an open merit table. The proposed percent increase for all eligible employees shall average 3.27% for merit increases and merit payments delivered in 2018.	13-32 B.	Merit increase is adjusted from 3.3% to a proposed 3.27% and year adjusted from 2017 to 2018.
Outdated Table	New Table	13-32 C. <u>Merit Table</u> : 1.	Revises the merit table for 2018 to reflect a proposed average 3.27% merit increase (compared to a 3.3% increase in 2017).
		Appendix 13.A.	Updates the appendix of the Pay for Performance rule to reflect the 2017 processing deadlines.

DELETIONS ARE INDICATED BY strike through AND ADDITIONS ARE INDICATED BY bold, italics, and underline.

**RULE 13
PAY FOR PERFORMANCE**

(Revised May 12, 2017; Rule Revision Memo 26D)

Purpose statement:

The purpose of this rule is to explain the performance review program and how the individual performance of eligible Career Service employees is evaluated, reported and rewarded with merit increases and merit payments.

Section 13-10 Definitions:

- A. Eligible Employee: All Career Service employees are eligible for merit increases and merit payments as provided in this Rule, except:
1. On-call employees;
 2. Employees holding positions in the Training pay schedule, which only has one pay rate;
 3. Employees who hold positions in classifications contained in the Undersheriff pay schedules; and
 4. Employees hired in the Career Service after September 30th of the previous year.
- B. Merit Increase: Periodic increase to an employee's base rate of pay as determined by an employee's performance rating.
- C. Merit Payment: Lump sum payment is a percentage of an employee's current annual base salary. A merit payment will not increase an employee's base rate of pay.
- D. Performance Improvement Plan ("PIP"): A document which may be used at any time during an employee's evaluation period to supplement the employee's individual goals that may include, but is not limited to, levels of performance that must be achieved to obtain a successful rating, current performance deficiencies, support that may be provided by the department or agency, actions the employee must take to address the performance deficiencies, and a timeline for completion of the actions.

Section 13-20 Goal Setting and Performance Reviews

13-21 Purpose

The purposes of goal setting and performance reviews are to outline job expectations, establish performance outcomes and measures, encourage and support professional development, provide ongoing performance feedback, and evaluate performance in a timely manner.

13-22 Written Goal Setting

An eligible employee's supervisor shall work with the employee to identify the goals for the performance outcomes and measures against which the employee's performance is evaluated every year. This shall be done annually for current employees, as well as upon appointment to a new position, or the assignment of substantially different duties to an employee. These goals shall be provided to the employee in writing.

13-23 Performance Reviews

- A. All eligible employees shall have their performance for the previous calendar year formally evaluated and rated in a written performance review. This evaluation shall occur once every year according to the schedule attached as Appendix A.
 - 1. Eligible employees who have been absent from their position for less than a calendar year shall have their performance evaluated based on the time they were present at work.
 - 2. Eligible employees who have been on a leave of absence from their position for all of the preceding calendar year shall have their pay adjusted to reflect what they would have received with a "Successful" merit increase set at the mid-point of the applicable range for the quartile containing the employee's pay rate.
- B. Whenever an eligible employee changes supervisors, the employee's former supervisor should evaluate the employee's performance in relation to the employee's goals. Each goal should be rated individually, and no overall rating is required. If the change in supervisors is the result of the employee's former supervisor terminating employment with the City, the next level manager is responsible for evaluating the employee's performance. These ratings shall cover the period from the beginning of the year until the effective date of the change in supervisors.
 - 1. The employee's current supervisor, as well as the employee, will receive the interim evaluation electronically.
 - 2. At the end of the evaluation year, the employee's current supervisor shall prepare a performance review for the entire calendar year. This performance rating should take into account the information provided by the previous supervisor, and the employee's current performance in proportion to the time spent in each assignment.

Section 13-30 Performance Review Process

13-31 Performance Ratings

- A. An eligible employee's overall performance shall be evaluated in an employee's review as one of the following:

Rating	Rating Name	Definition
5	Exceptional	Consistently delivers outcomes rarely achieved by others. Always exceeds standards. This rating is a special commendation for the employee who offers truly outstanding overall performance.
4	Exceeds Expectations	Consistently exceeds expected job requirements and frequently surpasses established goals. Delivers outcomes that are superior the majority of the time. This rating recognizes overall performance that consistently exceeds standards.
3	Successful	Consistently achieves expected job requirements and established goals. Employee is a solid contributor to the success of the department and the City and County of Denver by completing expected outcomes.
2	Below Expectations	Meets many, but not all established goals and job requirements. Outcomes are generally less than expected, with improvement required in one or more specific area affecting their performance or behavior.
1	Unacceptable	Work does not meet job expectations in most, if not all, areas. This is considered a rating where significant improvements are immediately required in overall performance.

- B. "Unacceptable" Rating Procedure:

1. If an eligible employee's annual performance evaluation rating is expected to be "Unacceptable," the department or agency shall advise the employee of the expected rating a reasonable time in advance, but not less than seven (7) calendar days prior to the date of the meeting scheduled to discuss the employee's performance review, and shall allow representation at this meeting in accordance with the provisions of Rule 16 **CODE OF CONDUCT AND DISCIPLINE**.
2. The employee shall be provided with a PIP no later than ten (10) calendar days after the date of the meeting regarding the employee's "Unacceptable" rating.

13-32 Merit Increases and Merit Payments

- A. The funding for merit increases and merit payments is provided in the annual appropriation ordinance. The pay increase associated with a particular performance rating shall be reviewed annually and adjusted as necessary to reflect prevailing practices in the community. The award of merit increases and merit payments is contingent upon this annual appropriation being approved by City Council and the Mayor. In case of a conflict between ordinance and these rules, the ordinance will prevail.
- B. 1. Departments and agencies are responsible for determining the percentage increase associated with each employee rating ~~within each quartile~~. The percent increase for all eligible employees shall average ~~3.27~~ **3.3%** for merit increases and merit payments delivered in ~~2018~~ **2017**.
2. When there is a change to an employee's pay rate on the same effective date as the merit increase, the merit increase will be applied before any other pay rate change(s).
- C. Merit Table:
1. Eligibility for merit increases and merit payments is based on an eligible employee's overall annual performance rating as measured by a performance review ~~and the quartile in which the employee's salary is found in accordance with the following table:~~

<u>Performance Rating Category</u>	<u>Merit Increases for Salaries in the 1st Quartile</u>	<u>Merit Increases for Salaries in the 2nd Quartile</u>	<u>Merit Increases for Salaries in the 3rd Quartile</u>	<u>Merit Increases for Salaries in the 4th Quartile</u>	<u>Salaries at or Above Pay Range Maximum</u>
5: Outstanding (Exceptional for 2017 ratings)	3.7-4.5%	4.3-5.1%	3.7-4.5%	3.1-3.9%	2.5% - 3.3% Lump Sum Merit Payment
4: Exceeds Expectations	3.1-3.9%	3.7-4.5%	3.1-3.9%	2.5-3.3%	1.0% - 2.7% Lump Sum Merit Payment
3: Successful	2.5-3.3%	3.1-3.9%	2.5-3.3%	1.9-2.7%	0.0%
2: Below Expectations	0.0%	0.0%	0.0%	0.0%	0.0%
1: Failing (Unacceptable for 2017 ratings)	0.0%	0.0%	0.0%	0.0%	0.0%

<u>2017 Performance Rating</u>	<u>2018 Merit Increase Percent</u>	<u>2018 Lump Sum Merit Payment Percent</u>
<u>5: Exceptional</u>	<u>2.60% - 4.60%</u>	<u>1.80% - 3.20%</u>
<u>4: Exceeds Expectations</u>		
<u>3: Successful</u>		
<u>2: Below Expectations</u>	<u>0%</u>	<u>0%</u>
<u>1: Unacceptable</u>		

2. An eligible employee whose current pay rate is within the pay range of the pay grade assigned to the employee's job classification shall receive a merit increase in accordance with the above table.

3. An eligible employee whose current pay rate is at or above the pay range maximum of the pay grade assigned to the employee's job classification shall receive a lump sum merit payment in accordance with the above table.

4. No eligible employee shall receive a merit increase that exceeds the range maximum of the pay grade assigned to the employee's job classification. If the application of this sub-paragraph results in an employee receiving a merit increase that is less than the percentage increase awarded to the employee, the employee shall receive the difference between the merit increase awarded and the merit increase received in the form of an additional merit payment.

D. In the case of a declared fiscal emergency by the Mayor, and upon the request of the Mayor, there will be no merit increases or merit payments awarded for increments of at least one year. During the declared fiscal emergency appointing authorities, managers and supervisors shall complete performance reviews for eligible employees, but no merit increases or merit payments will be awarded during this time.

13-33 Pro-ration for New Hires

Employees hired after January 1st and on or before September 30th will have their merit increase pro-rated to the employee's start date.

13-34 Effective Date of Merit Increase

A. Merit increases and merit payments will be calculated from an employee's annual base salary as of the Saturday before the first Sunday of the calendar year and be effective on the first Sunday of the calendar year for eligible employees who were employed in the Career Service on December 31st of the previous year.

- B. An employee's merit increase shall not be included as part of another pay change (such as a promotional increase), and must be applied as a separate merit increase.

13-35 Performance Review Schedule

Departments and agencies shall submit proposed merit increases and merit payments to the Office of Human Resources ("OHR") as provided in the schedule attached as Appendix A.

13-36 Review of Performance with Employee

Each employee's written performance review shall be reviewed with the employee as provided in the schedule attached as Appendix A.

13-37 Official Records

The annual performance review and any supporting documentation shall be made a permanent part of the employee's official personnel record.

13-38 Discipline

The written performance review and/or PIP(s) may be used as a basis for disciplinary action under Rule 16 **CODE OF CONDUCT AND DISCIPLINE**, up to and including dismissal, if an employee's performance fails to comport with the standards set forth in any of these documents.

13-39 Grievances and Appeals Relating to Performance Reviews

- A. An eligible employee may grieve any performance rating pursuant to Rule 18 **DISPUTE RESOLUTION**.
- B. An eligible employee may appeal a grievance of an "Unacceptable" rating in accordance with Rule 19 **APPEALS**. Appeals of grievances of other ratings are not permitted.
- C. An eligible employee may not grieve or appeal any other aspect of the performance review program.

APPENDIX 13.A

2017~~2016~~ PERFORMANCE REVIEW SCHEDULE

DUE DATE	TASK
December 22 ²⁴ , 2017 ²⁰¹⁶	Deadline for performance evaluations for the 2017 ²⁰¹⁶ calendar year to be completed by supervisors, and <u>second level</u> managers, and <u>agency approvers</u> .
January 26 ¹³ , 2018 ²⁰¹⁶	Deadline for appointing authorities to submit merit increase and merit payment recommendations to the OHR. All eligible employees must be accounted for in these recommendations. The percent increase for all eligible employees in a department or agency should average 3.27 ^{3.3} % for merit increases and merit payments delivered in 2018 ²⁰¹⁷ .
February 23 ²⁴ , 2018 ²⁰¹⁷	Merit increases and merit payments appear on employee paychecks, <u>as well as retroactive merit increases and merit payments for the period from January 7th until February 3rd.</u>
March 10, 2017	Merit increases and merit payments are paid retroactively for the period from January 1st until March 10th.

This Appendix is provided for informational purposes and is not considered a part of the Rules.