

MEMORANDUM

REVISION 38 SERIES C

TO: Holders of CSA Rule Books
FROM: Career Service Board
DATE: July 1, 2009
SUBJECT: Revision to Career Service Rules

The Career Service Board has approved the revision of Career Service Rule 8 **COMPENSATION**. The effective date of this revision is July 1, 2009.

This rule revision removes references to pay bumps from Rule 8-43, as this practice is now covered by City ordinance. In addition to deleting the former Career Service Rule 8-43, this rule revision makes some organizational changes to Rule 8 (and Career Service Rule 9-35) so that it is easier to read and better reflects how CSA surveys pay and recommends pay adjustments.

	<u>Page Number</u>	<u>Issuance Dates</u>
Remove: Entire Rule 8	8-1 8-2, 3 8-4 8.A.-1, 8.B.-1 9-5, 9-6	January 12, 2007 May 3, 2006 January 12, 2007 January 1, 2006 May 20, 2008
Replace	8-1 through 8-4 8.A.-1, 8.B.-1 9-5, 9-6, 9-6.1	July 1, 2009

PLEASE INSERT IN YOUR RULE BOOK AS SOON AS POSSIBLE. THANK YOU.

**RULE 8
COMPENSATION**

(Effective January 1, 2006; Rule Revision Memo 2C;
Revised effective July 1, 2009; Rule Revision Memo 38C)

Section 8-10 Definitions

- A. Benchmark classification: A classification that is representative of several classifications within an occupational group for which external pay data can be readily collected.
- B. Classification: One or more positions so nearly alike in the essential character of their duties and responsibilities that the same pay grade, title and specification can be applied, and such that they can fairly and equitably be treated alike under like conditions for all other personnel purposes.
- C. Market survey: The collection, analysis and reporting of external pay data for a number of benchmark classifications.
- D. Occupational groups: Groupings of classifications that are so similar in the nature of the work performed that the same pay survey adjustments can be applied.
- E. Pay survey adjustment: A pay survey adjustment is a change in the pay structure resulting from a comparison with the pay prevailing in the Denver Metropolitan Area.
- F. Pay grades: Identifying numbers for pay ranges within a pay schedule.
- G. Pay ranges: The range of pay in a pay grade beginning at the entry rate and going to the maximum rate of the pay grade. The pay range is established for a classification by the classification and pay ordinance.
- H. Pay schedules: A pay schedule is a listing of the pay grades, and the corresponding pay steps for each classification in an occupational group.

Section 8-20 Compensation Policy

The policy of the City and County of Denver is to provide generally prevailing compensation to City employees as provided by the City Charter and the Denver Revised Municipal Code ("DRMC"). This compensation policy is designed to attract, retain and motivate employees in order to support and reinforce the City's vision, values, and strategic business goals. To implement this compensation policy the Career Service Authority ("CSA") will:

- A. Perform market surveys to ensure the City's external market competitiveness;
- B. Provide like pay for like work within classifications; and
- C. Utilize pay for performance plans.

Section 8-30 Establishing and Maintaining Pay Schedules

- A. CSA shall establish the following pay schedules in order to facilitate the City's compensation policy:
1. Non-exempt salary schedules: applicable to those classifications not exempt from overtime pursuant to the provisions of the Fair Labor Standards Act (FLSA);
 2. Community rate schedules: applicable to classifications in the sports and entertainment field which do not have traditional year-round or seasonal schedules. These classifications are non-exempt under the FLSA;
 3. Short-range schedules: applicable to certain classifications comprised solely of on-call positions used on a seasonal basis. All classifications in the short range schedule are non-exempt under the FLSA;
 4. Trainee schedules: applicable to classifications included in the Trainee Program. These are single rate classifications that do not have ranges. The FLSA exemption varies according to the type of work performed; and
 5. Exempt salary schedules: applicable to those classifications exempted from overtime under the FLSA.
- B. Each occupational group shall have one or more of these pay schedules assigned to it as appropriate.
- C. Classifications shall be assigned to a pay grade within the appropriate pay schedule.

Section 8-40 Pay and Benefit Survey Process

8-41 Establishing Pay for Classifications

- A. The pay for a classification shall be set at generally prevailing rates of pay for comparable jobs in the Denver Metropolitan Area using the market survey process described below.
- B. CSA shall perform an annual market analysis to determine what pay survey adjustments, if any, should be recommended for occupational groups and/or classifications covered by the classification and pay plan (as defined in Rule 7 CLASSIFICATION).
- C. If market survey data are inadequate or inappropriate for a statistical analysis, pay for a classification will be determined based on internal relationship comparisons to other City and County of Denver classifications according to practices established by CSA (see Appendix).

8-42 Market Surveys

In order to provide generally prevailing compensation to employees CSA shall use market surveys which include a sample of public and private sector employers and jobs throughout the local market or other appropriate geographical areas.

- A. Benchmark classifications shall be identified in each occupational group. Market data shall be used to analyze these classifications in order to determine what pay survey adjustments, if any, should be recommended.
- B. The local market shall be defined as the "Denver Metropolitan Area" which includes Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties.
- C. The use of other geographical area data will be determined on a case-by-case basis for a classification. When other geographic areas are selected to be used in a survey, several factors are considered such as, but not limited to, the market where such jobs are recruited for, comparable organizations, populations and cost of living factors.
- D. Whenever salary and related information is furnished to CSA on the condition that such material remains confidential, the individual pay data by organization in such surveys shall not be disclosed.
- E. CSA shall establish written criteria for selecting surveys, which must be published and followed. Before changing the criteria for selecting surveys, CSA must inform the Board at a public meeting (see Appendix).

8-43 Implementation of Pay Survey Recommendations

- A. In accordance with Rule 2, the Career Service Board ("Board") shall hold a public hearing to determine whether to accept, reject, or modify the pay survey recommendations.
- B. The Board provides their recommendations to the Mayor and City Council as required by ordinance.
- C. City Council and the Mayor may accept, reject, or modify the recommendations.
- D. CSA shall implement the pay survey adjustments as approved by City Council and the Mayor and as provided in the DRMC.

8-44 Employee Benefits

- A. Upon request of the Mayor, City Council, or the Board, the Career Service Personnel Director (“Personnel Director”) shall survey and recommend changes to employee benefits as necessary to attract and retain a qualified and competent workforce and to maintain the city’s policy to provide generally prevailing compensation to employees.
- B. The Board shall conduct at least one public hearing on any proposed changes to employee benefits prior to the Personnel Director making any recommendations to the Mayor and City Council.

APPENDIX 8.A.

**CSA PRACTICES FOR DETERMINING INTERNAL RELATIONSHIP COMPARISONS
BETWEEN CITY AND COUNTY OF DENVER JOB CLASSIFICATIONS
(REFERRED TO IN RULE 8-41 C.)**

These comparisons will include, but not be limited to items such as the:

1. Duties and responsibilities of the job;
2. Level of decision making;
3. Level of supervision exercised and received;
4. Level of difficulty;
5. Minimum qualifications.

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

APPENDIX 8.B.

CRITERIA FOR SELECTING MARKET SURVEYS (REFERRED TO IN RULE 8-42 E.)

The following criteria shall be used to select published surveys:

1. The survey should provide written documentation of the methodology used to select the sample of the organizations surveyed; match the type of work performed; and collect, analyze, and report the data.
2. The methodology outlined should meet professionally accepted compensation standards.
3. The survey should provide written documentation showing that only organizations meeting criteria established in these rules were surveyed.
4. The survey should provide a list of the organizations surveyed.
5. The survey must provide descriptions of work in sufficient detail to ensure comparable jobs are being matched.
6. The survey must provide an effective date for all data reported.
7. The survey should provide rate structure data, actual rates of pay by quartile, median, and/or weighted average; and the number of organizations and rates the results represent.
8. The number of firms surveyed must provide a large enough sample to be considered representative of the generally prevailing wage.

CSA is required to establish written criteria for selecting market surveys by the Career Service Rules. These criteria must be published in the Appendix to this Rule 8 and followed. Before changing this Appendix 8.B., CSA must inform the Board at a public meeting.

9-34 Employee Internship Appointment

When a current Career Service employee accepts an Employee Internship Appointment, pay shall be set by the appointing authority. Any step between step "1" and step "9" of the non-exempt pay schedule or step "11" of the exempt pay schedule may be designated. In no event shall the new pay be lower than the entry rate or higher than step "9" of the non-exempt pay schedule or step "11" of the exempt pay schedule for the new classification.

9-35 Re-allocation

- A. When a position is re-allocated to another classification, the incumbent's pay shall be set at a step that is closest to that employee's existing rate of pay without losing pay. If the employee's pay is higher than the last step of the pay range of the new classification, the employee's pay shall remain at the employee's existing rate of pay until such time that either:
1. The employee changes positions; or
 2. The pay range of the new classification catches up to the employee's rate of pay when the pay range is adjusted.

In no event shall the employee receive less than the entry rate of the pay range of the new classification.

- B. When an employee meets the requirements to progress to a higher classification in a current delegated progressive classification series and the Personnel Director approves the progression to the higher classification, the employee's pay shall be set at a step that reflects a two and one quarter percent (2.25%) increase in pay. In no event shall the employee receive less than the entry rate of the pay grade of the new class.
- C. When a classification is changed to a different occupational group, pay grade, and/or pay range as the result of a re-allocation as described in Rule 7 CLASSIFICATION, the pay for employees in that classification shall be set at the step in the new pay range that is closest to the employees' current rate of pay without a loss in their current pay. In no event shall an employee receive less than the entry rate of the new pay range.

9-36 Re-instatement Appointment or Promotional Re-instatement Appointment

Upon re-instatement or promotional re-instatement, either after lay-off or after demotion in lieu of lay-off, an employee's pay shall be set at the rate of pay the employee received immediately prior to such lay-off or demotion in lieu of lay-off. If payment at this rate would result in a decrease in pay for a current City employee, the pay rate shall be set at the pay step closest to the employee's present rate of pay, without a loss in pay. In no event shall the pay rate be lower than the entry rate of the pay range.

Section 9-40 Work Assignment Outside of Job Classification
(Revised effective May 20, 2008; Rule Revision Memo 28C)

- A. An appointing authority may temporarily assign the duties of a vacant position in a higher level classification to an employee in a lower level classification for a period of one year in accordance with the criteria established in this rule. Assignments for periods longer than one year require the approval of the Personnel Director.
- B.
 - 1. Employees are eligible for additional pay for such assignments when they have been assigned all of the duties and responsibilities of the vacant position in the higher level classification;
 - 2. Additional pay for work outside of an employee's job classification shall start at the beginning of the work week following the fifteenth day of the temporary assignment, and continue for the duration of the assignment.
- C. The employee shall receive additional pay equal to six and nine-tenths percent (6.9%) above his or her regular base pay, unless the employee is receiving equipment differential.
- D.
 - 1. The employee's job classification will not change as a result of a temporary assignment of higher level job duties and responsibilities. Employees receiving additional pay for working outside of their assigned classification shall not be eligible for re-allocation to the higher level classification.
 - 2. If an employee's Merit Date falls within the period of the temporary assignment and the employee receives a merit increase, the pay for the work assignment outside of job classification shall be re-calculated based on the employee's base pay with the merit increase. The re-calculated pay shall be effective as of the date of the merit increase.
- E. Upon completion of the temporary assignment, the employee's pay shall return to the employee's base pay prior to the temporary assignment, including any merit increase awarded during the temporary assignment.
- F. Pay for work outside of an employee's job classification does not impact subsequent pay for promotion, demotion or any other personnel action.

Section 9-50 Recruitment and Retention Pay

A. Recruitment premium (Revised effective May 20, 2008; Rule Revision Memo 28C):

A department or agency may pay a one-time premium of up to \$4,000 to attract a highly qualified external candidate whose skills, knowledge and/or abilities are deemed essential to the mission of the City. The request must be approved by the Budget and Management office prior to extending the bonus offer. The candidate will be eligible to receive this bonus upon the completion of employment probation.

B. Relocation premium (Revised effective May 20, 2008; Rule Revision Memo 28C):

A department or agency may pay relocation costs of up to \$7,500 to attract a highly qualified external candidate whose skills, knowledge and/or abilities are deemed essential to the mission of the City. The individual receiving the relocation assistance must stay employed by the city for two (2) years. If the individual voluntarily terminates employment prior to serving two (2) years, he or she must repay part of the relocation pay. The basis for repayment shall be pro-rated for each month of service. The Budget and Management office must approve relocation pay and the employee receiving such pay shall sign a form acknowledging their acceptance of the terms of this rule.