

Career Service Authority Board Meeting #2071

MINUTES

Thursday, April 19, 2007

9:00 A.M.

Webb Municipal Building

201 West Colfax, Fourth Floor, Room 4.F.6

Present: Co-Chair Ashley Kilroy
Co-Chair Nita Henry
Tom Bonner (not present)
Luis Toro
Kit Williams

I. Opening – The Board meeting opened at 9:05 a.m.

A. Approval of Agenda – April 19, 2007

The Board approved unanimously the agenda for the April 19, 2007 Board meeting.

B. Approval of Minutes – April 5, 2007

The Board approved unanimously the minutes for the April 5, 2007 Board meeting.

II. Board Comments: None

III. Director's Briefing:

CSA Director Don Cordova:

- Introduced new CSA employee Lance Dorris (Administrative Support Assistant IV) who started working in the Administration division of CSA.
- TOD and Employee Relations Director interviews will be wrapped up this Saturday. Once the interviews are complete, the top 1 or 2 candidates will be brought to the Board.
- Last Tuesday's 9News Health Fair was very successful; a variety of CSA staff volunteered to help staff the efforts.
- Elected Clerk and Recorder – Mr. Cordova received legal opinion from Chris Lujan regarding the Election Judges stating that they will not be Career Service employees. Classification staff has started their work to classify all the Election Commission positions.

IV. Public Comments:

- **David Ridenour, PW Engineer and AFSCME President of Local 105** – Has two comments. First comment: Now that a Compensation Advisory Committee has been established, Mr. Ridenour wonders whether labor will be represented on the Committee because he is interested in participating. Division Director Bruce Backer explained that the committee is a management committee he set up solely to work on the working future design of the City's pay plans. There is no labor representation on this committee. Mr. Ridenour stated that he is concerned that this is a closed committee and wants to go on record as stating this. CSA Director Don Cordova explained that this is a preliminary step for information gathering and that labor will have the opportunity to provide its input at a later date. Second comment: Mr. Ridenour said that the Board's agenda was not posted on the City's web site as of this morning. Latest agenda on web was March 15th. It was later discovered that assigned staff was new and did not realize there was a need to post both the agenda and the minutes. This issue will be taken care of in the future.
- **Verne Howard, Blacks in Government (www.BIGnet.org), and Parks and Recreation Operations Supervisor.** Four issues. First, he is a City mediator and believes that mediation should be made mandatory for all first line supervisors and above. This would help solve problems because it would allow employees and managers to work out their problems. Second issue: There is an employee he knows who has received exceptional ratings and didn't get a promotion; the promotion was awarded to an employee with a mar on her record. The independent CSA should

make hiring decisions. Third issue: the City should adopt a clearing house through CSA for Human Resource matters because the HR staff working in the agencies and departments are unable to be independent and must align with the department head. Fourth issue: PEPRs can only be grieved if the rating was not "Successful." All ratings should be grievable.

Board Co-Chair Kilroy explained that the Board made decision in a previous public hearing that mediation would not be made mandatory. Mr. Cordova explained that main reason for this is because people cannot be forced to get along and the likelihood of the success of mediation decreases if people are forced into a situation. Mr. Cordova also said that he has never seen an organization where field HR personnel were not aligned with the "corporate" or centralized personnel as is the case in the City and County of Denver. This approach makes for inconsistent operations and implementation of human resource principles across the City. CSA is piloting a senior Human Resource business partner concept in organizations with no HR support. This concept provides a dual reporting relationship to both CSA and the agency/department.

[NOTE: CSA staff followed up with Mr. Howard and clarified that Career Service Rule 13-50 states that any rating may be grieved. However, the only rating that can be appealed to the Hearings Officer is the "Needs Improvement" rating.]

- V. **Valerie McNaughton, Chief Hearings Officer** introduced Christine McBride, the new Paralegal in the Hearings Office to the Board. Ms. McNaughton also provided a quarterly operations update of the Hearings Office. Highlights of that presentation are attached:

[View Hearing Office Report First Quarter 2007](#)

VI. **Items for Public Hearing and Board Approval:**

A. Classification Notice 1231 - The proposed change amends the Classification and Pay Plan by changing the title and pay grade of Financial Management Analyst (Entry) 805-V to Staff Financial Management Analyst 616-V. Presented by classification analyst Steve Adkison. The City Attorney's Office reviewed the classification and agrees that the exemption status of this position should be non-exempt. This recommendation also proposes to change the title using "Staff" in place of "Entry" for consistency with the rest of the classification and pay plan. There were no speakers.

The Board approved unanimously Classification Notice 1231.

B. Classification Notice 1232 – The proposed change amends the Classification and Pay Plan by adding City Council Aide I, II, and III. Presented by Classification Division Director Bruce Backer. Recommendations are based on a request made by City Council and the pay grades were determined based on internal equity. There were no speakers.

The Board approved unanimously Classification Notice 1232.

C. Classification Notice 1233 – The proposed change amends the Classification and Pay Plan by changing the title and pay grade of Risk Administrator (810-A) to Risk and Safety Administrator, pay grade 812-A. Presented by Classification Analyst Pat Anderson. The position with this title was vacated and the manager of this position changed duties and responsibilities of the job. An analysis of the new duties was performed which resulted in these recommendations. There were no registered speakers.

The Board approved unanimously Classification Notice 1233.

D. Classification Notice 1234 - The proposed change amends the Classification and Pay Plan by adding Senior Information Technology Technician. CSA is also changing the titles of Information Technology Technician I to Staff Information Technology Technician and Information Technology Technician II to Associate Information Technology Technician. Recommendations presented by Classification/Compensation Analyst Melissa Palmer. Pay recommendations were based on both

internal equity and market data. After recommendations were posted, an additional four positions were reviewed which resulted in a budget impact not reported on the initial Board Report but were presented to the Board in this hearing. There were no speakers.

The Board approved unanimously Classification Notice 1234.

E. Classification Notice 1235 - The proposed change amends the Classification and Pay Plan by creating Agency Training Supervisor. Presented by Classification Analyst Pat Anderson. There were no speakers.

The Board approved unanimously Classification Notice 1235.

F. Classification Notice 1228 - 2007 Annual Pay Survey Recommendations (continued from April 5, 2007). Division Director Bruce Backer provided an overview of the same presentation provided to the Board at its April 5, 2007 meeting. Board inquired about due date for the Appointed Charter Officer study and he said that it will be done by the first part of May. Compensation Supervisor Roberta Monaco also reviewed recommended changes from the initial posting. Highlights are:



Board Presentation
2007 Pay Survey 2nd

- **Danny Lopez, Candidate for Mayor/Public Works Television Unit Supervisor**— Recommends that the sliding scale go away. City Council agreed to spend \$1.7 million for a miniature golf course, an indication that there is no longer a deficit. The local newspapers report that the Mayor now has a balanced budget. Mayoral appointees received up to 10% increases and now City Council itself will receive another pay increase. Employees should also. Employees tell me that they have not had a raise since the Webb administration. Performance evaluations together with sliding ranges and benefit increases are a polite way to give employees a raise and then take it back. No raise is a raise unless it is felt in the pocketbook. City workers deserve to feel the raise now that the budget crisis is over and others are receiving pay increases. Board Member Williams inquired about the bonus plan since it offers additional money beyond a base increase. Mr. Lopez said that many employees didn't receive a bonus and of those that did, many received a rate less than 2%. Especially when calculated based on the number of hours worked in a year, 2% or less is not a meaningful amount.
- **David Ridenour, President of AFSCME Local 158.** As written, the pay survey recommendations violate the City Charter since the ranges are proposed to slide. Though the ranges themselves may be competitive with the market, employees are pushed back in the range and actual employee pay is not keeping up with the market. Therefore wages are not in compliance with Charter requirements which state that the prevailing wage shall be paid to employees. The Board has not addressed this issue. Mountain States Employers Council testified against the recent House Bill 1072 which would have created all union shops. Mr. Ridenour questions whether the City should continue using MSEC during its annual pay survey process because of this. The 2007 recommendations have more good than evil in them and he recommends they move forward. He also requests that the Board set up a working group to review how employees progress through the range. He believes that the Board is in the best position to correct this problem and it should not defer to the Mayor or to City Council.

Board Member Toro said that he has not seen anything that makes him question the integrity of MSEC data and asks whether there is a survey Mr. Ridenour would recommend to be used in its place. Mr. Ridenour recommends that the City use Department of Labor data in its place. Division Director Bruce Backer explained that the Department of Labor data is not good data for using in the annual survey process because it is frequently outdated and does not meet the integrity requirements of the Career Service Rules. CSA Director Cordova stated that the pay survey has been audited for the past several years and the audit showed that CSA is keeping the wages up with market as the Charter requires and that the approach is consistent with technically and professionally sound methodologies. Mr. Backer

also stated that the sliding range approach is consistent with what most other organizations in the market do. Mr. Backer further added that the Compensation Advisory Committee is discussing the amount of pay that should be delivered when merit increases are delivered.

Mr. Ridenour attempted to interrupt Mr. Backer's explanation and Chair Kilroy asked him to wait until Mr. Backer completed his testimony and she would go back to him. He continued to object and Ms. Kilroy asked him to sit down. Mr. Ridenour left the meeting.

- **Mike Anderson – Public Works Engineer.** Presented a handout that shows how he has moved through the pay ranges over a five year period including the impact of sliding ranges over the years. Employees are dropping medical coverage in order to give themselves pay increases. Over half the non-exempt employees are at less than the market rate (range midpoint) and 43% of the exempt employees are at less than the market rate. Next year, over half the total employee population will be paid less than the market rate. Mr. Anderson recommends abandoning the sliding of ranges. He also said that the 2% bonus is taxed at 38% making the bonus program not meaningful. The City's priority is to fund miniature golf but not pay its employees fairly. He added that Bruce Backer keeps arguing that pay increases are not funded and therefore no greater pay raises can be given but the budget is not CSA's concern; it is the concern of City Council and the Mayor. Mr. Anderson also said that Chief of Staff Kelly Brough now says that sliding ranges is a permanent change but the Spotlight that was published when sliding ranges were started said that it was an interim step. Division Director Backer said that employees at the top of the range who do not get a base merit increase are eligible for a 1% non-base building increase with at least a Successful rating. Mr. Backer also said that the issue that he is facing is that there is no funding to pay greater amounts for merit increases than what is currently provided for. The Board asked Mr. Backer about Mr. Anderson's assessment of employees' placement in the range being less than the market rate and Mr. Backer said that information is inconsistent with his figures.
- **Danny Lopez, Candidate for Mayor/Public Works Television Unit Supervisor** – At Wastewater, the agency head stated that employees are not able to receive exceptional ratings. This invalidates the PEPR system and the Career Service Rules, making a flaw in the system. The budget crisis does not exist anymore and it is time for the Mayor and City Council to deliver increases to employees and not just themselves. Also, the Rules say that employees cannot grieve successful ratings.

[NOTE: CSA staff followed up with Mr. Lopez and clarified that Career Service Rule 13-50 states that any rating may be grieved. However, the only rating that can be appealed to the Hearings Officer is the "Needs Improvement" rating.]

- **Verne Howard – Operations Supervisor, Parks and Recreation.** As a supervisor, he has been directed to write things in his subordinates' PEPRs that prevent them from getting a rating higher than Successful. When employees work and cannot receive exceptional ratings, employees are prevented from earning the cost of living rate. City employees are resigning from the City to work for the City's contractors because the City pays employees in the prevailing wage program and that work for contractors more than it does to City employees. It is not appropriate that exceptional ratings cannot be given to exceptional performers.
- **Karen Brennan – Public Works** – An article in the Denver Post last week says that in Colorado, wages went up 20% in the past 5 years but Ms. Brennan's went up only 6.25%. Sliding ranges were supposed to be in place for one year like the State did with its sliding range program. This year the State funded/budgeted \$54.7 million for salary survey market increases and \$18 million for merit increases, an indication that they moved away from sliding ranges. Ms. Brennan found two universities that use sliding ranges and asks "If sliding scales is a prevailing practice, can CSA name 10 Fortune 500 companies that do?"
- **Bill Miles – Public Works HR Director** –

1. The budgeting process for merit pay has not changed from that used pre-amendment 1A (in 2003). What has changed is how we deliver pay to our employees. The board should not focus on budget, but rather on appropriate pay delivery systems.
2. We have switched in effect, from a 3 tier to a 2 tier performance rating system. This limits a supervisor/manager's options for differentiating performance levels within their work groups and has created some system-wide rating inconsistencies.
3. Generally prevailing wage is being determined by the mid-point of a pay range for a classification. We have no definitions or guidelines explaining how an employee should fit into that scale. If an employee was hired as a fully qualified individual with the appropriate number of years of experience to start at the midpoint of a pay grade, how do we justify that s/he slips well below the midpoint after working 5 more years successfully in that same job?

Board Chair Kilroy stated that people generally believe in pay for performance principles but added that the question is whether we are properly administering the amount in the pay for performance program and asked whether staff has recommendations about next steps. Compensation Division Director Bruce Backer said that the Compensation Committee is working with the Budget Office so that adjustments would be funded in future budgets and he outlined the timelines for the budgeting process.

Board Member Williams said that the question of whether employees are being moved through the range adequately came up last year and it was supposed to be addressed by CSA staff but wasn't. She said that such recommendations should be made to the Board more timely. Without such recommendations presented to the Board (to include the models, the costs and the recommendations), it is difficult for the Board to make specific recommendations to City Council. It is time to address this.

Co-Chair Henry said that there a couple of things she sees that CSA can do to move forward. One is to review Mr. Anderson's data which shows that more than half of the employees are paid below market. We need to know: is it or is it not prevailing wage for an employee to be paid below the midpoint of the range? We need to think forward, beyond this moment right now. The second thing Ms. Henry sees is making recommendations about the amount of pay delivered during an employee's annual performance review.

Board Member Toro asked "Is falling behind the midpoint also falling behind the prevailing wage?" It's more compelling to say that it's bad policy than to argue it's a violation of Charter. Mr. Toro doesn't believe that MSEC data is biased. There has been no presentation of facts or numbers to substantiate that claim.

Mr. Cordova said that CSA staff has worked on the 1% merit payment and the pay bump language.

The Board instructed staff to prepare a letter from the Board to City Council stating that the compensation plan may not be properly funded, the reasons the Board believes it may not be properly funded, and that the Board may be recommending that greater dollars be associated with merit increases by (date). This will allow advance notice for funding the budget with greater dollars.

The Board approved unanimously Classification Notice 1228 including modified recommendations as provided to Board by Roberta Monaco.

VII. New Case:

- A. Cathryn Diaz**, Appellant vs. Denver Zoological Foundation, Department of Parks and Recreation, Appeal No. 72-06.

VII. Pending Case:

- A. Mikoyan Watson and Herman White**, Appellants vs. Department of Parks and Recreation, Appeal No. 63-06 and 64-06.

The Board moved unanimously to deny the appellant's motion for permission to file reply brief.

- B. Shelly Dysart**, Appellant vs. Department of Human Services, Appeal No. 19-06.

VIII. Executive Session: From 11:54 a.m. to 12:23 p.m.

IX. Adjournment: The Board adjourned at 12:24 p.m.