

**Career Service Board Meeting #2393**  
**Minutes**  
**Thursday, February 18, 2021, 9:00am**

**Microsoft Teams**

**Karen DuWaldt (Co-Chair)**  
**Neil Peck (Co-Chair)**  
**Patricia Barela Rivera**  
**David Hayes**  
**LaNee Reynolds**

- I. **Opening:** *Meeting was called to order at 9:02am. Neil Peck, Board Co-Chair, asked for a roll call of those present for the record.*

*All members of the Career Service Board were present, in addition to Bob Wolf, Sr. Asst. City Attorney to the Board, Karen Niparko, Executive Director, Office of Human Resources (“OHR”), Nicole de Gioia-Keane, Director of Classification & Compensation, OHR, Karla Pierce, Sr. Asst. City Attorney & Employment Section Supervisor, City Attorney’s Office (“CAO”), and Mike Verdoorn, Managing Principal, Gallagher Human Resources & Compensation Practice.*

1. **Approval of the Agenda for the February 18, 2021 Board Meeting.**  
*Board Co-Chair Karen DuWaldt made a motion, seconded by Board Co-Chair Neil Peck, to approve the agenda for the February 18, 2021 meeting, which was approved unanimously by the Board.*
2. **Approval of the Minutes for the January 21, 2021 Board Meeting.**  
*Board Co-Chair Neil Peck made a motion, seconded by Board Member LaNee Reynolds, to approve the minutes for the January 21, 2021 meeting, which was approved unanimously by the Board.*

II. **Board Comments:** *None.*

III. **Public Comments:** *None.*

IV. **Public Hearing:**

1. Classification Notice No. 1670 – Redesign of the Classification & Pay Plan

*Karen Niparko, Executive Director, Office of Human Resources (“OHR”), stated Classification & Compensation has been reviewing the design and structure of the city’s compensation structure for the last few years to ensure market competitive practices.*

*OHR retained Arthur J. Gallagher & Company’s Human Resources & Compensation Consulting Practice to review the city’s current compensation structure and assist in developing recommendations for changes.*

*Nicole de Gioia-Keane, Director of Classification & Compensation, noted today’s recommendations are the culmination of a year of work with Gallagher and the Classification & Compensation team. Ms. de Gioia-Keane thanked the Class & Comp staff for their hard work with Gallagher in developing these proposals.*

*Mike Verdoorn, Managing Principal of Gallagher's HR & Compensation Practice, presented the four objectives and subsequent recommendations in the re-design of the city's Classification & Pay Plan: (1) streamlining and modernizing the city's pay structure; (2) developing new annual market analysis methodology; (3) improving and consolidating internal classification processes; and, (4) enhancing the classification study process.*

*Eight focus group sessions were held with leaders across multiple agencies in which a series of questions were prepared to identify the strengths, weaknesses, and opportunities of the city's current compensation system.*

*In addition, the current compensation structure, practices, and processes were reviewed with the Class & Comp team to ascertain the areas of focus and needed improvement. Current market data and information for trends and best practices were analyzed and reviewed as well.*

*The first objective was to streamline and modernize the pay tables and ranges from the current twenty to three. This will result in wider pay ranges and midpoint distances, and a much simpler compensation structure to maintain. Classifications will be mapped to the closest new pay range midpoint to maintain internal pay equity.*

*The second objective was to develop new analysis methodology in order to modernize the required annual market study and ensure competitiveness. Mr. Verdoorn noted Gallagher's recommendation the city should use a broad market survey data source, the Compensation Professional Association's WorldatWork, to determine current trends and changes to pay ranges.*

*In addition, pay range and market adjustments will be implemented at the same time (January 1 of each year), rather than two different times during the year, which was confusing to employees.*

*Market adjustments for individual classifications will be indicated if the midpoint for a position falls at least 10% behind the market data. Individual market adjustments for employees will be based on their position within the pay quartile, replacing the standard percentage increase based on grade movement. Pay grades will not change unless a study indicates an adjustment to a higher grade is appropriate for a classification.*

*Board Co-Chair Karen DuWaldt asked for clarification regarding the term "classification" as to whether this refers to an employee's title or their overtime exemption status. Ms. de Gioia-Keane replied it refers to position title only.*

*Ms. de Gioia-Keane stated it was also necessary to ask for the Board's approval to make a formal recommendation to the City Council to exempt 2021 from the annual market wage survey required by ordinance, due to the significant impact to current market data and the city's budget by the pandemic.*

*Ms. de Gioia-Keane noted current compensation market data does not fully reflect the impact to employment conditions from the pandemic, and is not expected to be updated and available until the end of this year.*

*Karla Pierce of the CAO clarified this request is a recommendation from the Career Service Board to the City Council and requires a formal Motion to approve.*

*Board Member LaNee Reynolds asked to hear any concerns or comments from other members of the Board regarding the recommendation. The Board agreed exempting 2021 from the annual market survey requirement makes sense given the pandemic.*

*Ms. Reynolds made a motion the Board formally recommend the City Council exempt 2021 from the ordinance requirement to conduct an annual market compensation survey for the city's classifications, which was seconded by Board Member David Hayes, and approved unanimously by the Board.*

*Mr. Verdoorn noted the third objective is to improve practices for individual position audits. This includes streamlining the position description questionnaire, increasing communication between an employee's manager, HR Business Partner, and Class & Comp Analyst, and creating a window of March–October for all audit submissions.*

*The revised process will also include an automatic pay review if the outcome of an audit results in a change to a higher classification, eliminating the current separate process of requesting a subsequent pay equity review.*

*Board Member David Hayes asked for clarification regarding current practice for position audits and pay reviews versus the proposed recommendation. Ms. de Gioia-Keane stated the current process reviews duties and responsibilities to determine if the employee is in the appropriate position classification.*

*If the employee is moved to a higher classification, a pay review is not initiated unless the employee's manager specifically requests it, creating potential inconsistencies in pay under the "like pay for like work" mandated by the city charter. The new process will incorporate an automatic pay review if the employee moves to a higher classification.*

*Ms. Reynolds asked if employees are currently able to request a position audit or pay review. Ms. de Gioia-Keane stated both requests must be initiated by the employee's manager and approved by the agency's appointing authority due to possible budget impact.*

*Ms. Reynolds expressed concern regarding a manager or agency leader declining to initiate a pay review, and asked whether employees have another avenue to discuss issues of unfairness or inequitable pay. Ms. de Gioia-Keane replied employees can also raise pay issues with their agency's HR Business Partner if they are uncomfortable discussing it with their manager.*

*The fourth objective is to improve practices for classification studies by ensuring: (1) regular conversations with agency leaders regarding classification and pay concerns; (2) incorporating additional information gathering with employee surveys, focus groups, and field observations; (3) initiating a study if there is significant turnover or changes in industry trends, hiring challenges, or data indicating a market lag of 20% in an annual market survey, or 10% for two consecutive market surveys.*

*Ms. de Gioia-Keane also reviewed the proposed changes through the city's Social Equity & Innovation values, including enhancing transparency, establishing processes to ensure employees are treated similarly, establishing unbiased systems, and increasing engagement on compensation issues.*

*The next steps in the approval process will be presenting required ordinance changes to the City Council's Finance & Governance Committee on March 9, followed by the Mayor-Council reading on March 16, first Council reading on March 22, and final approval by Council on March 29. Assuming a smooth approval process, OHR will return to the Board for approval of rule revisions necessary to implement the new Class & Pay Plan, followed by implementation on April 11.*

*Board Co-Chair Neil Peck asked for clarity as to why it is important for any city to have a classification and pay plan. Ms. de Gioia-Keane replied it is critical to have a compensation framework to ensure pay structures are aligned to the market, and internal pay practices demonstrate alignment with responsibilities and job complexity in a defensible and equitable fashion.*

*Mr. Peck commented it is also important for employees to feel they are being paid fairly and to see what their potential career path is. Mr. Peck asked if there are resources and help available to employees in answering their questions regarding this important issue.*

*Ms. de Gioia-Keane noted her staff is always available to help and there is additional information regarding the city's classification and compensation policies posted on the city's Hub intranet page.*

*Mr. Hayes asked how the city positions itself in terms of pay philosophy and target percentile. Ms. de Gioia-Keane replied the Charter and ordinance require the city to provide generally prevailing wages and benefits to employees, which targets the 50<sup>th</sup> percentile.*

*Lori Schumann, Sr. Classification & Compensation Analyst, presented Classification Notice No. 1670 to re-design the city's Classification & Compensation Plan. The proposed change amends the current Classification & Compensation Plan by: (1) abolishing twenty (20) pay tables and replacing them with three (3) proposed pay tables; and, (2) reassigning all current classifications to the proposed revised pay grade tables.*

*In 2019, the City and County of Denver contracted with Gallagher's Human Resources & Compensation Benefit Practice ("Gallagher") to conduct a review and analysis of the city's classification and compensation plan. Gallagher studied the city's structure of pay tables and ranges and provided recommendations based on current market trends and best practices.*

*These changes will improve employees' and management's understanding of the city's career paths and pay range structures, as well as simplify and improve efficiency in the annual maintenance of the city's pay tables and ranges.*

*The proposal will abolish the current twenty (20) pay tables and establish three (3) proposed pay tables: One (1) non-exempt, one (1) exempt, and one (1) community rate pay table. This will change all of the current Pay Grades and Pay Tables as presented in detail in the posted Classification Notice.*

*As a result of ongoing maintenance to these proposed Pay Tables and Ranges, classification changes made between February 1, 2021 through April 10, 2021 will be allocated to their proposed new pay grade per the same methodology applied to all other classifications in this study.*

*An effective date of April 11, 2021 is requested for these proposed pay grade and range changes, subject to final approval by the City Council, and subsequent approval of necessary rule changes presented to the Career Service Board at a future meeting prior to April 11.*

*Board Co-Chair Karen DuWaldt made a motion, which was seconded by Board Member David Hayes, to approve Classification Notice No. 1670, which was unanimously approved by the Board.*

## **V. Director's Briefing:**

### **1. Future Workplace Project – Patti Rowe**

*Patti Rowe, Director of Learning & Development, presented an update regarding the city's review of the Future Workplace. Ms. Rowe noted Learning & Development has been modifying the Directors and Managers Training Series to add learning regarding managing the workforce in a remote environment as a result of the pandemic.*

*Ms. Rowe noted 25 leaders across agencies have been meeting to discuss and identify issues the challenges in managing employees, technology, legal issues, and understanding various needs for both the current COVID-19 environment and the future. The project team will prepare findings by April 28, with a presentation of recommendations to the Mayor in May.*

*Future workplace guidance will consider a three-tiered approach to categorizing which employees can efficiently work-from-home, and which employees need to be physically present in support of essential city services.*

*The review will encompass: (1) legal compliance/career service rules; (2) cybersecurity; (3) financial considerations; (4) communication/change management; and, (5) talent and performance management.*

*A short employee survey will be launched on February 22 and kept open until March 3 with 30 questions to all city employees, except the uniformed services and the Library as these employees are physically reporting to their normal workplace.*

*Topics surveyed will include communication, technology, workspace sharing, performance measurement, staff productivity, customer service, safety procedures, work-life balance.*

*Board Member LaNee Reynolds commented she liked the approach and enthusiasm for this important project and would like to see what questions are asked.*

*Karen Niparko noted OHR would update the Board on the results of the survey and recommendations to the Mayor at a future meeting.*

**VI. Executive Session:**

*The Board went into executive session at 10:08am and discussed several OHR issues with Karen Niparko. In addition, the following appeal was adjudicated:*

1. Lindsay Hammond vs. Denver County Court, Appeal No. 042-20  
*The Career Service Board affirmed the Hearing Officer's decision, written order to follow.*

**VII. Adjournment:** *Adjournment was at 10:28am.*