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## General Government & Finance Committee Summary Minutes

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**Wednesday, May 18, 2011**

**10:30 AM**

**City & County Building, Room 391**

**Members Present:** Brown, Faatz, Lehmann, Robb, Sandoval

**Members Absent:** Boigon

**Other Council** Nevitt

**Present:**

**Committee Staff:** Debra Bartleson

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### Bill Requests

**BR11-0270 Approves classification notice #1340 for the 2011 Pay Survey Recommendations to the Classification and Pay Plan for City employees.**

*Bruce Backer, Career Service Authority; Roberta Monaco, Career Service Authority; Blair Malloy, Career Service Authority*

Bruce Backer, and Blair Malloy, Career Service Authority, provided highlights from the 2011 market study for prevailing wages from the Denver metro area for the annual survey recommendations to the classification and pay plan. The recommendations include adjustments to six occupational groups and thirteen individual classifications (see attachments).

Mr. Backer stated that benchmarks are utilized to match pay in both the private/public sectors. Metro surveys and information from national specialists - Towers Watson - for national market data is also used. The City Charter guides the compensation policies, requiring that prevailing wages are implemented for all occupational groups and classifications, to assure that the City is competitive. Predominately, health classifications represent the majority of individual classes requiring market bumps. There are classes remaining in the CSA system that include employees at Denver Health.

The total cost for the range adjustments is \$298,146. These costs will impact the 2011 and 2012 budgets (the total is split between both years). The occupational

group adjustments are effective on July 1, 2011. Pay grade bumps are effective on January 1, 2012 and will impact the 2012 budget in the amount of \$44,806.

Parks and Recreation will be impacted the most monetarily for the cost of the adjustments and bumps, primarily because of seasonal pay changes. (See attachment for other agency cost impacts.)

Councilmember Faatz requested all information concerning pay range adjustments. She believes that the City should consider a policy that requires losing pay if the market information shows a loss in pay. Mr. Backer said he would send the pay figures for all adjustments. He added that since the City has changed the compensation practices to implement pay survey changes to ranges – “sliding the range” - rather than base pay to employees, and the implementation of the merit system, the data reflects a normal distribution of pay. Very few employees are moving to the end of their pay ranges, said Mr. Backer. When an employee reaches the top of their pay quartile, if they receive an exceptional merit review, they could get a 1% merit bonus, which is not base building. Councilmember Robb asked if the 2011 budget anticipated the increases.<sup>1</sup>

Mr. Backer commented that balancing the various pay policies in conjunction with market information can be challenging. He will provide the entire data concerning pay information – decreases in the occupational groups – and cautioned that sometimes certain occupational groups could be negatively impacted by lowering pay, for example, lowering pay of low wage earners or reducing pay for certain occupational groups where there is difficulty recruiting and retaining. He could provide compensation models for what that would look like. Councilmember Robb added that furloughs over the years are other ways that pay is reduced.

Councilmember Brown questioned how the Mayor’s staff’s pay is set. Mayoral staff has specific classifications and pay ranges. CSA provides recommended changes for the ranges and the Mayor selects pay within the range.

Councilmembers agreed to look at possible pay policy changes related to pay reductions if the data shows decreases in occupational groups.

A motion offered by Councilmember Brown, duly seconded by Councilmember Lehmann, to file a bill to approve the 2011 Pay Survey recommendations, carried by the following vote:

AYES: Nevitt, Brown, Faatz, Lehmann, Robb, Sandoval(6)  
NAYS: (None)  
ABSENT: Boigon(1)  
ABSTAIN: (None)

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<sup>1</sup> Subsequent to the meeting, Council staff spoke to Ed Scholz, Manager of Finance, and he noted that it is difficult to project what the pay surveys will report, and the amounts are generally not substantive. He would be amenable to include projections in future budgets.