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# Employee Appreciation Bonus

- BR22-1575
- BR22-1576

Finance and Governance Committee  
November 29, 2022

# Current State

- Since freezing positions in 2020, employees have had to often cover for vacant positions.
- In many instances, employees have not been able to take time off or had to work extra hours.
- Loss of institutional knowledge for training or support from colleagues to succeed in new promotional roles.

# Efforts to Address Vacancies and Retention

- The City experienced exceptionally high vacancies at end of 2021 and 2022.
- New tools were developed, such as ‘double overtime’ and a temporary retention bonus program, to address shortages and vacancies.
- Existing tools, such as hiring bonuses and pay equity adjustments, were used more frequently.
- Vacancy savings were used as the primary funding source for the new and existing strategies as they were not budgeted.

# Why Now

- Even after using vacancy savings for these efforts, there will be savings.
- General Fund appropriation lapses at the end of the calendar year.
- Based upon recent yearend expenditures, the funds proposed in BR 22-1575 will lapse.



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# Ordinance to Create the Program

# Proposed Employee Appreciation Payment

- Provide each eligible City employee with a one-time \$600 bonus in appreciation for their dedication and service in 2022 when staffing shortages impacted departments and agencies across the city, often at the expense of the city's workforce.
- Vacancy savings across the City will cover the costs of this payment.

# Eligibility

- Career Service employees where the agency has ‘opted in’
- Part time/’on call’ employees eligible for benefits through the Affordable Care Act.
- Must be on payroll at the time of the payment.
- Must have been hired by September 30, 2022.

# BR 22- 1574: City Council Action Requested

- Modifying Article II, Chapter 18 of the Revised Municipal Code of Denver by creating a new Division 6 titled “2022 Employee Appreciation Bonus Program” for the purpose of providing a one-time \$600 bonus to be paid to eligible employees in appreciation for their dedication and service in 2022 when staffing shortages impacted departments and agencies across the city, often at the expense of the city’s workforce
- Contingent upon approval of BR 22-1575



# General Fund Rescissions and Reappropriations

# Overall Projected Costs

	General Fund	Grant and Special Revenue Funds	TOTAL COVERED by GENERAL FUND	DHS and Enterprise Funds Only	Citywide All Funds Total
Number of Eligible Employees *	5,190	532	5,722	2,566	8,288
Projected Cost**	\$3,866,882	\$396,381	\$4,263,263	\$1,914,559	\$6,177,822

*\*as of November 18, 2022*

*\*\*includes all costs associated with DERP and Federal Taxes  
Does include the 83 on-call benefit eligible employees per ACA*

# General Fund Financial Plan

Agency	Amount
Sheriff	\$1,400,000
Finance	\$800,000
Office of Human Resources	\$650,000
Unemployment	\$600,000
Community Planning & Development	\$550,000
Technology Services	\$150,000
Mayor Office	\$150,000
<b>TOTAL</b>	<b>\$4,300,000</b>

# BR 22-1575: City Council Action Requested

- Rescind \$4,300,000 from agency General Fund appropriations and makes appropriations in the Department of Finance Special Payments Program.
- Contingent upon approval of BR 22-1574

# Timeline

Item	Timeline	Notes
Finance and Governance Committee	29-Nov	
Citywide Communication	29-Nov	
Mayor Council	6-Dec	
First Reading	13-Dec	
Second Reading	19-Dec	LAST City Council meeting of 2022
Paycheck reflecting payment	By 12/30	Goal is 12/23 paycheck

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# Questions?

Thank you



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# Appendix

# FAQs

- Is this a cost-of-living increase?
  - No, this is based upon the vacancy savings available to distribute
- Is this base building?
  - No, this is a one-time payment
- Why is it \$600?
  - This is based upon the vacancy savings available in 2022, after achieving the City's projected budget.
- Do taxes apply?
  - Yes.
- When will I see it in my paycheck?
  - By December 30.
- CPD is contributing 2022 vacancy savings to this proposal yet has significant backlogs. Can some of these savings be used to contract additional support for CPD?
  - No, CPD's current contract for on call support has sufficient encumbered funds to maximize the resources available through the end of the year. There is no additional capacity in the contract to add budget in the next five weeks.
- Is there a list of all agencies requesting to roll encumbrances/budget into 2023?
  - Total encumbered funds will not be determined until the year ends. Agencies will continue to payout on legal obligations until the fiscal year is closed out. This determination will not be made until late in the first quarter of 2023.



# Current Pay Tools

- Merit – 2022 3.2% and 2023 4.0%
- DERP – absorbing annual contribution increase
  - Reduction of employee contribution of 0.4% in 2022 and reduction of 0.4% in 2023
  - This contribution was absorbed by the employer contribution (the City portion)
- Pay Equity Analysis
- Position Audits
- Hiring Bonus
- Temporary Double Overtime
- 2022 Commuter Subsidy Program
- 2022 Retention Payment Program