

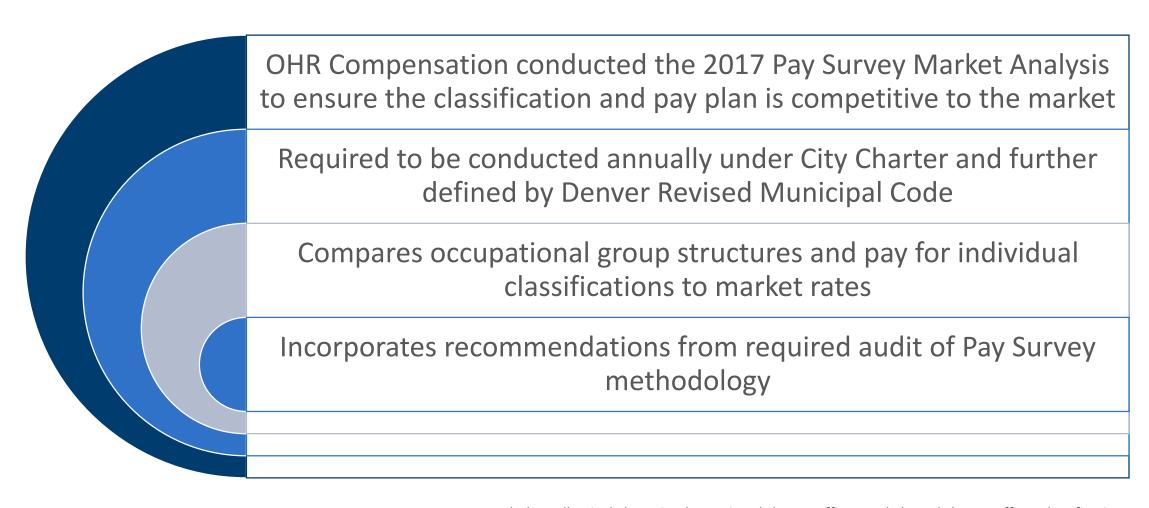
2017 Pay Survey Market Analysis Recommendations

Office of Human Resources

Classification & Compensation Division

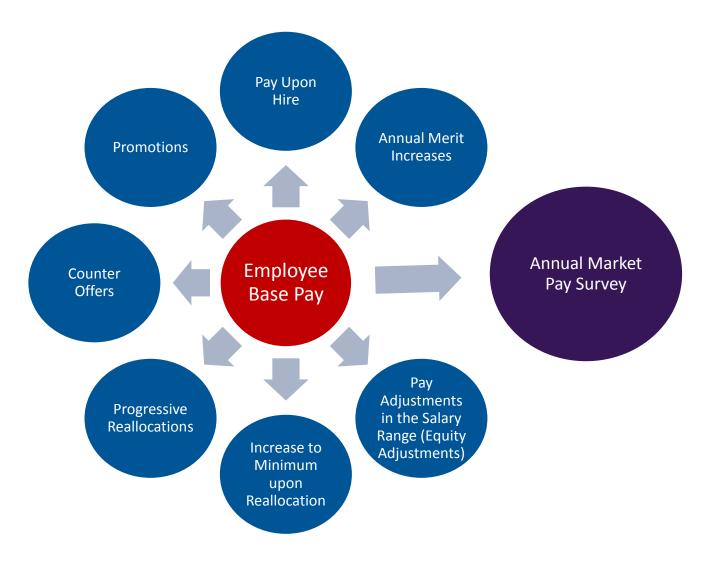


2017 Pay Survey Market Analysis





Factors Determining Employee Base Pay





Vulnerabilities in a Dynamic Market

14%

Employee turnover

This is higher than **13.3%** for other Denver metro public sector employers in 2016 ¹

71 average days to fill

~1,000 vacancies/month

2,200 positions filled (2016)

7,918 active employees in April 2017

City growth + expanded services placing added stress on existing staff performing the work:

City and County of Denver population growth of 1,000 residents per month⁵

34%

Employees identified pay as the second most cited reason for leaving² Robust influences upon employee movement Market driving recruitment and retention challenges:

- Low Denver metro unemployment rates in Q1 2017: 3.2% compared to national average of 4.5%³
- 47% Denver metro employers plan to increase starting salaries/wages⁴
- 22% Denver metro employers plan to increase salary range structures⁴



Pay Survey Market Analysis – Q4 2016 - Q1 2017

Incorporates
leading practice
recommendations
from external
audit

- Use an industrystandard tool to adjust national data to Denver market
- Compare market range structure to Denver's range structures
- Minimize market lag by proposing a more timely response to adjust individual pay grades



Compiles data from local and national sources

- Local Sources: Mountain States Employers Council (public and private employers, multiindustry), Colorado Municipal League (public sector)
- National Sources:
 Mercer Consulting
 (multi-industry large
 employers), Airport
 Council International
 (aviation industry),
 Dietrich Surveys
 (engineering)



Reviews entire classification and pay plan

- Matched ~300 benchmark classifications, across all occupational groups and job families
- Compares city range midpoints to market range midpoints from published surveys

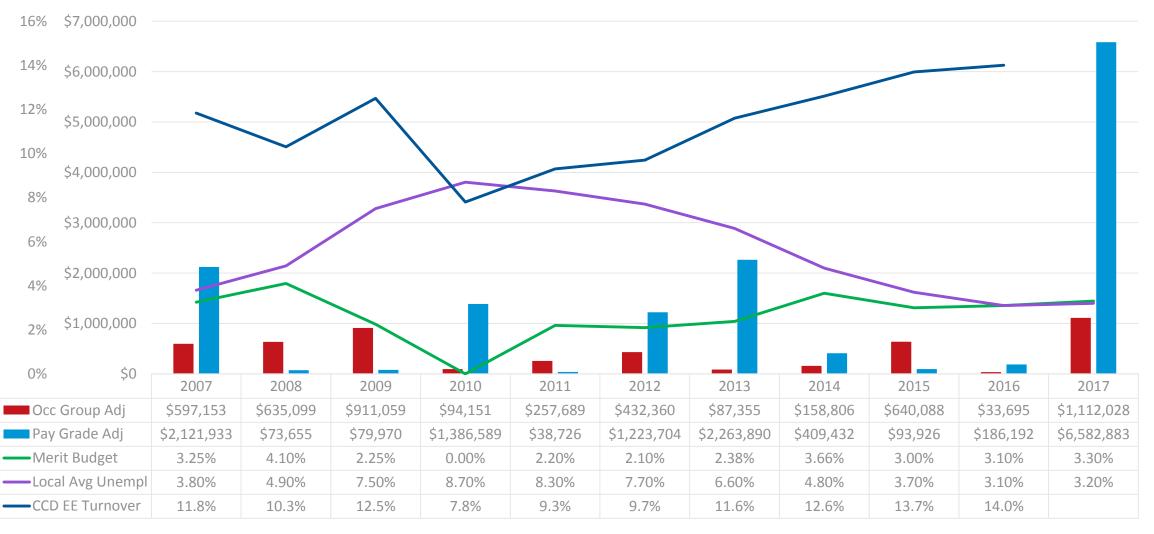


Averages data into a composite rate

- National data adjusted to local market; Local and national data aged to January 1, 2017
- Local and national data averaged into one composite market rate per benchmark classification



Compensation History 2007-2017





Annual Pay Survey Market Recommendations

Occupational

Ensures pay ranges are competitive with generally Group Adjustments prevailing rates (Effective 7/1/2017) - \$1.1m

- Adjustments are made to range minimums and range maximums within entire occupational group
- No impact to employee pay except for those whose pay falls below new range minimum

Individual Pay

Compares market midpoints of individual Grade Adjustments classifications (Effective 1/1/2018) – \$6.5m

- Adjustments are made where individual classification has fallen behind market by -10%
- DRMC provides a 4.55% pay increase for each pay grade their classification adjusted
- Recommendations include review of internal pay relationships



Recommendations & Costs

		Occupational Group Adjustments			Individual Pay Grade Adjustments			
Occupational Group		2017 Range Adjustment	# EEs in Occupational Group	# EEs moving to Pay Range Minimum	Cost of moving EEs to Pay Range Minimum	# Proposed Changes to Pay Grades	# Affected Employees	Cost of EEs with Pay Grade Adjustments
General Administrative	(A)	3.71%	3,297	836	\$754,364	28	548	\$2,757,063
Clerical	(C)	5.13%	1,163	300	\$316,649	0	0	\$0
Engineering and Science	(E)	0.63%	596	12	\$4,060	36	279	\$1,330,378
Information Technology	(1)	2.73%	433	2	\$3,342	40	290	\$1,310,665
Maintenance & Operations	(1)	0.62%	1,753	70	\$13,166	1	1	\$4,754
Legal	(L)	0%	317	0	\$0	0	0	\$0
Enforcement, Compliance and Protective Services	(N)	0.74%	696	68	\$20,433	3	27	\$54,237
Healthcare	(O)	0%	96	0	\$0	0	0	\$0
Fiscal	(V)	0%	505	0	\$0	35	293	\$1,125,785
TOTAL 2017 COSTS			8,856	1,288	\$556,007			
TOTAL 2018 COSTS					\$1,112,014	143	1,438	\$6,582,883
			Effective Ju	ly 1, 2017		Effec	ctive January 1, 20	018



Cost by Fund Organization

Fund Type	Annual Cost of Occupational Group Adjustments	Annual Cost of Individual Pay Grade Adjustments	Total Cost of Adjustments
General	\$861,086	\$2,556,850	\$3,417,936
Denver Health Medical Center	\$0	\$8,056	\$8,056
Enterprise	\$18,263	\$2,210,830	\$2,247,566
Internal	\$179	\$55,368	\$55,547
Special Revenue	\$232,486	\$1,733,305	\$1,965,791
TOTAL	\$1,112,014	\$6,582,883	\$7,694,897
	Effective July 1, 2017	Effective January 1, 2018	



Communications Plan, Approval Process, and Next Steps

Internal Reviews (March 2017)

Career Service Board (April 2017) City Council & Mayor (May 2017)

Post Approval Communications (June & July 2017)

- Recommendation to be shared and reviewed by stakeholders between March 20th and April 6th:
 - ©City Budget Director
 - Appointing Authorities
 - Mayor's Office
 - ©City Council Finance& GovernanceCommittee members

- Posting for Public Hearing April 7th
- Recommendations to be shared citywide in Employee Bulletin in advance of Public Hearing April 11th
- Reviewed and approved at Career Service Board Public Hearing April 20th

- ©City Council Finance & Governance Committee, May 2nd
- Mayor-Council Meeting, May 9th
- ©City Council 1st
 Reading, May 15th
- ©City Council 2nd
 Reading, May 22nd
- Ordinance to be approved by May 26th

- Multiple employee and appointing authority communications:
 - Outpon final approval
 - Prior to July 1st implementation
 - Prior to January 1st implementation



References

- 1. 2017 MSEC HR Metrics Survey
- 2. 2016 CCD Employee Exit Survey
- 3. DOL BLS data reported April 2017
- 4. MSEC Planning Packet 2016
- 5. Denver 2017 Budget Book

