



Human Resources
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Fort Collins, CO 80522
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AGENDA

Compensation Policy Committee
October 16, 2023, 3:30 p.m. MDT

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Committee Members:

Councilmember Susan Gutowsky, District 1
Councilmember Julie Pignataro, District 2, Chair
Councilmember Shirley Peel, District 4

City Staff Members:

Teresa Roche, Human Resources Executive
Carrie Daggett, City Attorney
Kelley Vodden, Director, Compensation, Benefits and Wellbeing
Gretchen Schiager, Executive Administrative Assistant

- **Call Meeting to Order**
- **Approve Minutes from August 21, 2023**
- **Discussion Items:**
 - **Hourly Leave Benefits**
- **Close out 2023**
- **Adjournment**

Zoom Meeting

+1 720 928 9299 Call In

Meeting ID: 924 6972 2781

<https://fcgov.zoom.us/j/92469722781>

Past Meeting Topics

- **December 2021:** Committee Identifies 2022 Schedule of Topics and Meeting Cadence
- **January 2022:** Highlights from Child Care Benefits Exploration Study
- **February 2022:** Discuss updated analysis on Council Pay and Benefits
- **March 2022:** Review of the performance management process for Council appointed employees
- **April 2022:** Review updated Council pay and benefits analysis
- **May 2022:** Cost of Living Analysis
- **July 2022:** Performance Management Process
- **August 2022:** Performance Management Process Continued
- **October 2022:** Final Plan for Annual Evaluation and Market Analysis
- **December 2022:** Debrief Annual Evaluation Process, Plan for 2023
- **June 2023:** Innovest Retirement Market Analysis for Council Appointed Employee Retirement
- **August 2023:** Review New Format for Retirement Information and Annual Performance Evaluation Process and Timeline

2023 Meeting Topics

- Equitable compensation practices
- Hourly employee leave benefits
- Impact of Council pay increase on interested candidates

Bike Rack Issues

- Council onboarding 2023
- High-performing cities selection process

Next Scheduled Meeting: TBD for 2024

There are three or more members of the City Council that will likely attend this meeting. Formal action may be taken by the Committee at this meeting, and the discussion of public business will occur. Therefore, the meeting is open to the public.

Compensation Policy Committee
August 21, 2023, 3:30 – 4:30 p.m.
Meeting Minutes

Members in attendance: Councilmember Susan Gutowsky; Councilmember Julie Pignataro

Absent: Councilmember Shirley Peel

Staff in attendance: Kelly DiMartino, City Manager; Teresa Roche, Human Resources Executive; Jenny Lopez-Filkins, Senior Assistant City Attorney; Rupa Venkatesh, Assistant City Manager; Kelley Vodden, Director of Compensation, Benefits and Wellbeing; Rachel Barrett, Senior Analyst, Compensation; Gretchen Schiager, Executive Administrative Assistant

The Compensation Policy Committee meeting was held on August 21, virtually through a Zoom webinar.

Agenda

- **Call Meeting to Order**
- **Approve Minutes from June 20, 2023**
- **Discussion Items:**
 - **Review New Format for Retirement Information**
 - **Review Annual Performance Evaluation Process and Timeline**
- **Adjournment**

Next Scheduled Meeting: October 16 Hourly Employee Leave Benefits

Councilmember Pignataro called the meeting to order at 3:41 p.m.

Councilmember Gutowsky motioned to approve the August 21 minutes. Teresa Roche seconded the motion. The minutes were approved unanimously.

Ms. Roche introduced Rachel Barrett.

Review New Format for Retirement Information

Ms. Roche reviewed the updated format for the retirement market data. She asked whether having a column for total contributions meets the Council's needs. Councilmembers Gutowsky and Pignataro said it did. Councilmember Pignataro will ask the other Councilmembers at tomorrow's meeting if this information is sufficient.

Ms. Roche noted that having this information is helpful for Colorado Cities, but because cities outside Colorado typically have a defined benefit focus, there will not be a possibility of a total inputs column for those markets.

Councilmember Gutowsky said it was a beautiful spreadsheet that allows employees and Council to easily get all the information they need.

Review Annual Performance Evaluation Process and Timeline

Ms. Roche reviewed the timeline. She noted that the employees have been informed that their results summary is due to Council on October 1. The employees will meet virtually with the consultants during the week of November 13 to debrief the evaluation summaries prior to Council receiving the final report the week of November 17.

Ms. Roche reminded the Councilmembers that last fall there was some discussion about inviting external people to fill out the survey. Jill has external people who participated in the survey. Are there external partners who should be included for Kelly in a fourth category, such as the PSD Superintendent or President of CSU? Ms. Pignataro said she was content with continuing another year with the current format, adding that perhaps the next Council will feel strongly about it. Ms. Gutowsky agreed.

Ms. Roche said she would send a memo to remind the Council about the timeline, noting that the Committee's recommendation was to keep the survey components the same for another year to solidify the process.

Other Business

Ms. Pignataro asked about the agenda for the next meeting. Ms. Roche said she will bring forward a discussion about hourly employee benefits in October. She stated that because of the Colorado Family Program, Kelly Vodden, and Amber Fluke (Benefits Manager) have worked toward enhancements to the City's hourly employee benefits and will provide a preview.

Ms. Gutowsky asked about other new laws and how the City compares to others. Ms. Lopez-Filkins said we are on-par with other municipalities. Ms. Roche added that we had already worked to expand our policy on harassment to do more than just meet the legal definition, but there is still more to do.

The meeting was adjourned at 4:01 p.m.



FAMLI & Non-Benefit Eligible Employees

Proposed Changes for Hourly Leaves

Here is what we would like to accomplish today:

- Share our proposed recommendation for closing the gap with FAMLI for our hourly employees.
- Respond to any questions or comments from the committee.
- Preview next steps.

What is Family and Medical Leave Insurance (FAMLI)?

In general, Colorado State's FAMLI insurance benefits provide eligible employees with the right to take a maximum of twelve weeks of paid family and medical leave, except four additional weeks are available for a serious health condition related to pregnancy or childbirth.

The leave may be used for the following purposes:

1. To care for own serious medical condition;
2. To care for a family member with a serious medical condition;
3. To care for a new child during the first year;
4. When an employee or their family member needs to take safe leave because they are a victim of domestic violence, stalking, or sexual assault or abuse; and
5. When an employee needs to take qualifying exigency leave because an employee's family member is on or being called to active-duty military service.



COLORADO
Family and Medical Leave
Insurance Program (FAMLI)
Department of Labor and Employment

The City Opted Out of FAMLI



Participants in the FAMLI program must begin withholding and remitting employer and employee premiums to the FAMLI Division beginning in January 2023. Initial premiums have been set at 0.9% of wages per employee, with 0.45% paid by the employer and 0.45% paid by the employee. Beginning January 1, 2024, the FAMLI Division may increase the premiums paid by employers and employees to a maximum of 1.2% of wages per employee.

The City declined participation in the FAMLI program. The FAMLI program projected cost for the City portion of the premium were estimated to be \$735,000 in 2023 and \$774,000 in 2024, in addition to administrative costs of complying with FAMLI.

Most local government employers opted out of FAMLI. There is no requirement to meet, exceed, or provide an alternative to FAMLI as an 'opted out' local government.

The City could elect to participate in the program at a future date. FAMLI requires local governments to renew its decision to decline participation at least every eight years.

FAMLI is still available to Employees



Although the City opted out of participating at the Employer level, Employees can still choose to opt-in directly with the State.

- To participate, employees can voluntarily opt-in by following the requirements of Section 8-13.3-514 of the Colorado Revised Statutes and FAMLI regulations, including filing a notice of election with the FAMLI Division. An employee that chooses to participate must do so for a minimum of three years.
- An 'Opted Out' Employer can choose to contribute the Employee's share on their behalf without having to contribute the Employer's share.

Employees become eligible to take paid leave after they have earned at least \$2,500 in wages within the State, over a period of a year.

- The paid leave benefit is calculated based on the individual employee's income ranging from 37% to 90% of normal weekly wages, with a cap of \$1,100 per week.

Qualifying employees are entitled to job protection during FAMLI leave, which ensures that upon return from leave, employees are entitled to the same position or an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. During such leave, employers are required to maintain the employee's health benefits, but the employee must continue to pay the employee's portion of the health premiums.

Impacted population:

660 out of 826 hourly employees would have qualified for FAMLI based on trailing 12-month data

Options to Consider:

1. No Action – There is no requirement to meet, exceed, or provide an alternative to FAMLI as an ‘opted out’ local government.
2. Non-Benefit Eligible Employees: Benefits Team would educate and support an Employee enrolling in the State-sponsored FAMLI program at no cost to the employee.
 - 0.45% cost will be funded by the Benefits fund for EEs who voluntarily enroll in FAMLI via State of CO.
 - Benefits Team receives notification from State of EE participation.
 - Benefits Team files quarterly hourly reports and funding to State and pays EE portion on their behalf out of the Benefits Fund. This is only on behalf of voluntarily enrolled non-benefit-eligible EEs.
 - Strategic Talent Planning
 - Competitive advantage - all private sector businesses are required to opt-in or provide an alternative private plan.
 - No cost to the department when an employee is out on leave, provides flexibility to backfill if needed.

Recommendation to support our non-benefit eligible Employees

While these employees would need to individually opt-in to the State's FAMLI program; the City will cover the contribution costs for employees who voluntarily elect to opt-in to the State program and will allow non-benefit eligible employees the benefit of FAMLI at no cost to the Employee.

The state FAMLI program contribution costs for the City's **non-benefit-eligible** population comes to an estimated annual total of **\$43,637.02** for employees projected to earn over \$2,500¹ over a 12-month period.

Population	Non-Benefit Eligible Employee Count	Annualized Earnings	Contribution Rate	Total Contributions (100% enroll)	Total Contributions (75% enroll)	Total Contributions (50% enroll)	Total Contributions (25% enroll)
Non-benefit eligible: Projected 12-month earnings over \$2,500	660	\$9,697,115.25	0.45%	\$43,637.02	\$32,727.76	\$21,818.51	\$10,909.25
Non-benefit eligible: All non-benefit eligible on census	826	\$9,895,642.72	0.45%	\$44,530.39	\$33,397.79	\$22,265.20	\$11,132.60

¹Projected annual earnings were estimated by extending each hourly employee's average hours and earnings per pay period over a 12-month period based on June 2023 hourly/temp census file. Average weekly hours for the non-benefit eligible population came to an estimated 12.53 hours at a pay rate of \$18.38 per hour. Average weekly hours for non-benefit eligible population that is projected to earn enough income to become eligible under FAMLI (\$2,500) is 15.36 at a pay rate of \$18.39 per hour.



Questions?