

MINUTES
Personnel Committee
Colorado Springs Utilities Board
September 16, 2022

Committee present via Microsoft Teams or Rosemont Conference Room: Committee Chair Yolanda Avila, Tom Strand, Randy Helms and Wayne Williams

Board members present via Microsoft Teams or Rosemont Conference Room: Bill Murray

Staff members present via Microsoft Teams or Rosemont Conference Room: Aram Benyamin, Renee Adams, Natalie Watts, Al Wells, Andie Buhl, Tara Russell, Monica Indrebo, Eric Isaacson, Pattie Bengler, and Bethany Schoemer

Citizens present: Mary Shinn

1. Call to Order and Welcome

Committee Chair Yolanda Avila called the meeting to order at 10:00 a.m. Ms. Renee Adams, Chief Human Resources Officer, read a statement regarding the Colorado Open Meetings Law and City Charter and stated that public comment would not be a part of the meeting.

2. Review of Minutes

The August 12, 2022 Personnel Committee minutes were approved for posting.

3. ER: 1-3 Board Expected Results Scorecard (Semi-Annual): Mid-Year CEO Performance Discussion

Ms. Natalie Watts, Strategic Planning and Governance Manager, reviewed results of the Mid-Year CEO Performance. She said the Utilities Board monitors achievement of organizational results through Utilities Board Expected Results and measures and targets are approved in December for the following year. Ms. Watts and Ms. Adams explained the Board Expected Results elements and how they are allocated:

- 40% toward measures of the organization's performance in achieving enterprise strategic objectives.
- The performance measures result is 3.27 on a scale of 1 to 5.
- 10% based on the Utilities Board assessment of Strategic Initiatives. The Initiatives evaluation result is 4.13 on a scale of 1 to 5.
- 50% based on the Utilities Board assessment of CEO leadership competencies.
- The CEO leadership competencies result is 4.36 on a scale of 1 to 5.
- The overall Board Expected Results score is 3.90 on a scale of 1 to 5.

Mr. Al Wells, Senior Analyst, explained where the survey results come from, and outlined the components and percentages of each performance. Ms. Watts and Ms. Adams explained how the mid-year financial results average from January to April, and that these measures are due to the February 2021 winter storm but expect the ratings to go up since the organization has recovered from this event.

Ms. Watts said the organization has improved in 15 out of 26 categories since the first quarter, and Ms. Adams reviewed the average scores for the strategic initiatives assessment, which make up 10% of the balanced scorecard:

- Technology modernization – 4.33
- Infrastructure replacement – 4.22
- Process improvement – 4.11
- Workforce development – 3.89
- Financial accountability – 4.11
- Initiative assessment total: 4.13

Ms. Adams reviewed the average scores for the CEO leadership competencies scores, which makes up 50% of the balanced scorecard:

- Board interaction – 4.44
- Safety – 4.33
- Leadership – 4.22
- Balanced internal/external stakeholders – 4.22
- Cultivates innovation and strategic mindset – 4.56
- Competencies total – 4.36

Ms. Adams said Board Expected Results score is 3.90 on a scale of 1 to 5.

4. 2023 Labor and Benefits Presentation

Ms. Tara Russell, Human Resources Supervisor, explained how the workforce is the foundation of the organization's success.

Labor

Ms. Russell said the organization's commitment is to be market competitive, enabling staff to attract and retain a competent, engaged, and high performing workforce to effectively and efficiently support the needs of the community. She reviewed compensation strategies which are to:

- Attract and retain an engaged and customer-focused workforce
- Address market competitiveness in an increasingly competitive labor market
- Implement programs that address the needs of the organization
- Adhere to enterprise budgets
- Monitor the impact of legislative changes

Ms. Russell reviewed 2023 Compensation Planning and explained that wages continue to rise in a tight labor market, despite recessionary concerns. She said the

organization is adjusting salary structures/ranges to keep pace with market and maintain market competitiveness.

Ms. Adams explained the 2023 Labor Budget Focuses, which are:

- Structure adjustments
- Apprentice step increases
- New positions
- Market alignment
- Probationary increases

Benefits

Ms. Russell said the organization's commitment is to offer market competitive benefits to attract and retain a high performing workforce, with a continued focus on cost management strategies as we manage our self-insured medical and dental plans and follow a consumer-directed health strategy.

Ms. Russell reviewed 2023 Benefits Strategies:

- Provide market competitive benefits
- Drive healthcare consumerism (i.e. how Springs Utilities communicate with employees inside and outside of work)
- Create a culture of health and wellbeing
- Maximize plan offerings to supplement increased demand for mental and emotional health and wellbeing support services
- Evaluate health fund levels, plan designs, cost sharing and premium structures
- Track healthcare legislation impacts

Ms. Russell concluded with an outline for 2023 Benefits Planning:

- Healthcare claims cost trend is projected to increase by 6%-9%, meaning it will cost more to treat patients in the coming year
- Health fund reserves have a surplus due to lower utilization during the pandemic
 - Exploring options to spend down reserves
- Maintain current premium cost sharing between employer and employee
- Premiums restructured based on "value" on plans
- Adjust deductible levels to create greater distinction between the three medical plan offerings
- Encourage and promote convenient telehealth options, replacing costly in-person visits
- Monitor increasing specialty drug pricing

5. Plan Future Agenda

Ms. Adams reviewed discussion topics for next month's Personnel Committee meeting.

6. Adjournment

The meeting adjourned at 11:05 a.m.

Next Meeting: Friday, October 14, 2022