

METROPOLITAN CIVIL SERVICE COMMISSION

SPECIAL CALLED MEETING MINUTES

MAY 19, 2015

The Metropolitan Civil Service Commission met for a Special Called Meeting on May 19, 2015 in the Parks Board Room, 511 Oman Street, Nashville, Tennessee, at approximately 8:30 a.m.

Commission Members present: Chairman William H. Farmer, Vice-Chairman R. Steve Corbitt, C. Michael Allen, D. Billy Sanders, and Jo Ann North

Other Members present: Ms. Veronica T. Frazier, Director of Human Resources –Secretary to the Commission and Mr. Michael Safley, Assistant Director of Metro Legal Department

HUMAN RESOURCES

Chairman Farmer opened discussion up by saying that the information before them was previously submitted on May 5, 2015 to initially provide a pay plan that would allow Metro Employees to receive a two and one half (2.5%) percent across the board increase beginning July 1, 2015. Further information was provided as follows:

(1: Discussion of Across the Board

John Kennedy was present before the Civil Service Commission to provide an outline of the initial presentation from the Special Called meeting of May 5, 2015. He explained that a two and one half (2.5%) percent across-the-board increase would be for all Metro Employees for FY 2016 and would take effective on July 1, 2015. He also noted that it was discussed with public input at the regular Civil Service Commission meeting of May 12, 2015.

During this discussion, Commissioner Sanders and Chairman Farmer discussed an across the board increase and how it would affect Metro employees if a higher paid employee would receive more in dollars than a lower paid employee. Chairman Farmer asked the Human Resources Department to review what the effects would be if a cap were to occur for higher paid employees at one and one half (1.5%) percent. The purpose of that cap would be to have additional funds available to lower paid employees.

Human Resources studied the effects and consequences of capping the increase for employees making greater than \$100,000.00 (This cap was the one used in FY 2011 and FY 2012 when lump sum payments were approved in lieu of raises). For this review, Metro employees who made \$100,000.00 or more were isolated. A calculation done at an increase of two and one half (2.5%) percent (as it is proposed at this time). The increase was recalculated at one and one half (1.5%) percent with calculated difference in cost. This particular cap, if implemented, would reduce the cost of the across the board increases by \$188,000.00. This could be redistributed by the Commission if they so choose.

Chairman Farmer asked if we looked at other alternatives with differential increase. Mr. Kennedy said we but did not model multiple scenarios.

Commissioner Sanders asked if the two and one half (2.5%) percent rate, is that an on-going or a bonus. Mr. Kennedy said that is an actual pay raise. She then asked if there would be any employee that would not get the two and one half(2.5%) percent. There would be some that are funded by Federal Grants so that money would not be set aside to raise those salaries. It doesn't mean they would not get an increase but only that it would not be funded by Metro. There may be some part-time employees that have a set rate for the year. Also those elected officials who were voted into office who have their salaries set by State law or Metro law.

Commissioner Allen asked about the two and one half (2.5%) percent across the board and the two (2%) percent Open Range funding. If the two (2%) percent Open Range funding was cut back to one and one half (1.5%) percent, they could use that two (2%) percent to make up the other one (1%) percent. Mr. Kennedy said the two (2%) is in lieu of increments. The employees in the open range don't receive increments. So the two (2%) percent is in lieu of increments to give them an increase each year. Commissioner Allen asked if increments were annual. Mr. Kennedy reviewed the way steps progressed through the different step systems.

Commissioner Sanders asked how long the pay plan is to be in effect and if it is for this year would the Commission have to pass a new one. Mr. Kennedy said in other times when inflation was higher the pay plan was an annual event. During the recent years when economics was difficult it has not been annual. Chairman Farmer asked if the Commission has the power to begin the process of the pay plan when it chooses to. Legal Assistant Director Michael Safley said yes. He said the pay plan the Commission pass and that is ultimately include and approved by Council, will be in effect at such time until a new pay plan is sent through. Chairman Farmer said what he hopes the Commission will do is simply direct the department to produce another pay plan as soon as they can with the new administration. Commissioner Allen asked what the lowest salary is for Open Range employee. Mr. Kennedy said it is approximately \$35,000. Commissioner Allen also asked what the lowest pay was in the regular pay plan. It is approximately \$23,000 for entry level trades position, eighth grade education basically. Commissioner North asked if the employee receiving \$23,000.00 will receive two and one half (2.5%) percent annual increment. Mr. Kennedy said correct. He went on further to say if the employee was new to Metro Government, you would receive an increment in six (6) months, and that increase would be around four (4%) percent. Commissioner Allen said the increment percentage that was quoted a few weeks back (3%) was an average. Mr. Kennedy said yes. It tends to more at the bottom and a little less the further up you go in the range.

Chairman Farmer said it seems like pay plan structure gives bigger raises to the lower paid employees. In keeping that philosophy, as the percentage drops as they work longer the gap doesn't get as wide as it would with across the board percentage. After more discussion the dollar differential achieved by an across the board increase, Chairman Farmer said the fairest, simplest thing is to take the total amount of money and divide it by employees and give everyone the same flat amount. Mr. Kennedy said that would be difficult to do because most of your pay plans have steps. This led to extended discussion about potentially doing a flat, same dollar for everyone one-time bonus.

The commission then discussed alternatives for continued study of the pay plan. After that discussion, Chairman Farmer requested that further discussion on this issue be placed on the agenda for the next Commission meeting.

Commissioner Sanders said she was concerned about the compression issues in all of the departments but noted how difficult it is to do. She said when the Commission talked this last time it was noted we could fix it at the first step but then create compression at the second step. Then you would have people making more than their supervisor which would be a morale issue. She said the Commission needs to look at all of those issues.

Chairman Farmer thanked Mr. Kennedy for his time and asked if there was anyone that would like to be heard on the Across the Board matter. The following came before the Commission to speak:

- Danny Hale, President of the Fraternal Order of Police (FOP)

Chairman Farmer asked his opinion on the two and one half (2.5%) percent across the board. Mr. Hale said it would affect a lot of people but it would be better than nothing at all. Chairman Farmer asked if was better than putting it in a pot and redistributing it. Mr. Hale said if you can find a good fit for that then give it a shot. He said he was at a loss for what should be done.

- Mark Young – Rep for Fire Fighters, he recommend to go with the two and one half (2.5%) percent. If you don't, it will kill morale. The recommendation is bigger than we have seen in years. He said keep the pay study going to address with the new administration.
- Mark Naccarato, SEIU – Local 205 said he appreciated the work done on the pay study and pay plan but said they were grateful for the two and one half (2.5%) percent and maintaining the steps. It would be bad to see the steps frozen again. Also to see continued work on implementing many of the recommendations from the consultants in the pay study and look at the compression issues.

HR Director Veronica Frazier said Mr. Young made the point that when the Mayor and the Finance Director were considering the budget, employees across the board did without for a number of years and the two and one half (2.5%) percent was clearly put in place so that there would be something for everybody. We have received positive comments from employees who are excited the two and one half (2.5%) percent is being put into place. For the employees in Open Range, last year was the first time they had received an increase since 2007. That affected employees at a broad range of pay levels. She agreed that further work should be done on-going with the pay plan, and pointed out that we do have a study in place that the consultants brought to HR. That data can be reviewed and there is still talk about elevating the SR levels that were below market. She said we are set at the gate to go with the study and thanked the Commission for bringing that up.

Commissioner North asked if it was this Commission's responsibility to see that is done. Chairman Farmer said he believed it was the Commission's responsibility under the Charter to focus on pay plans when we can. He said we don't have any power to enact them but we can continue to propose pay plans and see what happens.

Commissioner Allen asked what the two and one half (2.5%) percent come to in dollars. Mr. Kennedy said he wasn't sure but the overall value of the pay plan was around twenty (20,000,000) million dollars. He said that included the funding of the full year raises in January, the across the board increase, the increments.

Michael Taylor from Public Works came forward and said on the two and one half (2.5%) percent, one of the things that may have been missed was that it was going to raise the whole range of the job categories. He said it wasn't perfect but it helps. If the ranges go up two and one half (2.5%) percent that does help on some of the market issues. It doesn't fix everything but it's a step in the right direction.

ACTION: For report only.

(2: **General Pay Plan Approval**

Mr. Kennedy recommended the General Pay Plan and provided the following features

- A two and one half (2.5%) ATB, two (2%) percent open range funding (with limits of 0-4% on individual raises) both effective July 1, 2015 and increments as scheduled.
- Compression Proposal
- Park Police (approved by CSC December 11, 2012)
 - Park Police 1 SR 08
 - Park Police 2 SR 09
 - Park Police Sgt. SR 11
 - Park Police Lt. SR 12

- Mayor
 - Rate for Mayor is adjusted to \$180,000 the rate approved by the Civil Service Commission for this position on September 9, 2014.
- Obsolete Titles to be Deleted
- School Crossing Guard Rate Chart
 - Proposed pay chart for School Crossing Guards would be adjusted to match the pay range covering other part time workers in the pay plan.

Mr. Kennedy explained each of the bulleted items.

MOTION: After some discussion, Commissioner Allen moved to accept the pay plan as submitted. Seconded by Commissioner North and the Commission approved without objection.

(3: Police and Fire Pay Plan Approval

Mr. Kennedy said the following information was discussed and public input was considered at the regular Civil Service Commission meeting on May 12, 2015. The pay plan was recommended with the following descriptions:

- 2.5% ATB, 2% open range funding (with limits of 0-4% on individual raises) both effective July 1, 2015 and increments as scheduled.
- Retitle from “Public Safety Pay Plan” to “Police and Fire Pay Plan” to be consistent with the Metro Charter and minimize confusion.
- Adopt the Compression Proposal

MOTION: After some discussion, Commissioner North moved to approve the change from “Public Safety Pay Plan” to say “Police and Fire Pay Plan”. Seconded by Commissioner Sanders and the Commission approved without objection.

With nothing further, the meeting adjourned at 9:26 a.m.

ATTEST:

APPROVED:

***Ms. Veronica T. Frazier
Secretary to the Civil Service Commission***

***Mr. William H. Farmer, Chairman
Civil Service Commission***