

## FEDERAL PREVAILING RATE ADVISORY COMMITTEE

605th FPRAC

**SHELDON FRIEDMAN**, Chairperson, Presiding

Thursday, May 21, 2015

Room 7H31  
Office of Personnel Management  
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM  
Christopher Lynch, DoD  
David Pedersen, Navy  
Arleen Romba, VALabor Members:Bill Fenaughty, MTD/NFFE  
Candace Archer, AFGE  
Robert Shore, NAGE (via phone)  
Steve Fisher, ACT**Staff Specialists and Visitors:**Brenda Roberts, Designated Federal Officer, OPM  
Madeline Gonzalez, OPM  
Gary Buck, Army  
Donovan Collins, VA**Recording Secretary:**

Mike Eicher, OPM

[Transcript prepared from digital audio produced by FPRAC.]

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## P R O C E E D I N G

CHAIRMAN FRIEDMAN: Good morning, everyone, and welcome to this, our 605th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee, and as we always do, let's please go around the room and introduce ourselves, starting today with you Mark.

MR. ALLEN: All right. Mark Allen with OPM.

MR. LYNCH: Christopher Lynch, DoD.

MR. PEDERSEN: David Pedersen, Navy.

MS. ROMBA: Arleen Romba, VA.

MR. FISHER: Steve Fisher, ACT.

MR. FENAUGHTY: Bill Fenaughty, MTD and NFFE.

CHAIRMAN FRIEDMAN: Robert, can you introduce yourself for the recorder, please?

MR. SHORE: Yeah. Rob Shore with NAGE.

CHAIRMAN FRIEDMAN: Okay. Now, we may get a couple more people come in, but we have enough to get started. Let's also ask the people around the edge of the room to please introduce themselves.

MS. ROBERTS: Brenda Roberts, OPM, Designated Federal Officer.

MR. BUCK: Gary Buck, Army.

MR. EICHER: Mike Eicher, OPM.

MS. GONZALEZ: Madeline Gonzalez, OPM.

MR. COLLINS: Donovan Collins, VA.

CHAIRMAN FRIEDMAN: Okay. Thank you.

So quick announcements. You have in your packets the final copy of our 2014 annual summary of recommendations and discussions that we approved at our last meeting, and this will be—or maybe it already has been—posted on our website.

MS. GONZALEZ: Not yet. We are working on it.

CHAIRMAN FRIEDMAN: It will be posted soon, okay.

One other thing, the Chair will be on vacation during the July meeting, so I am letting people know now that we won't have a July meeting.

Are there any other announcements that people have?

[No response.]

CHAIRMAN FRIEDMAN: If not, let's review the transcript of our last month's meeting. Are there any corrections or changes that people want to bring to our attention beyond those you have already told us about?

[No response.]

CHAIRMAN FRIEDMAN: If not, is there any objection to adopting the transcript of our last meeting?

MR. ALLEN: No objection.

CHAIRMAN FRIEDMAN: Okay. Hearing no objection, the transcript is adopted.

Thank you.

Well, that brings up Old Business. We understand from Steve Landis that with regard to item (e), the folks at the Joint Base in New Jersey need some more time to get their presentation together, so we're hoping to hear from them next month, no promises, but it won't be today. That doesn't mean we can't talk about the issue today if people want to, but just keep in mind we are expecting that presentation.

MR. FISHER: Mr. Chairman, I spoke with Steve Landis earlier this week, and Mr. Landis indicated that it appears they are going to make the presentation at the June meeting.

CHAIRMAN FRIEDMAN: Okay, very good. Does anybody want to talk about that issue today at all?

MR. ALLEN: Do you know who is coming down?

MR. FISHER: Not sure.

MR. ALLEN: Not yet?

MR. FISHER: I don't know.

MR. ALLEN: Okay.

MR. FISHER: I'm sure Steve will inform the committee.

CHAIRMAN FRIEDMAN: Okay.

MR. FENAUGHTY: I think we've talked about it enough, Sheldon. Let somebody else talk about it.

CHAIRMAN FRIEDMAN: Yes.

[Laughter.]

CHAIRMAN FRIEDMAN: I have to agree with that, Bill. Thank you.

All right. So is there anything on items (a) through (d) under Old Business that you want to talk about today?

MR. FENAUGHTY: I just have a question.

CHAIRMAN FRIEDMAN: Yes.

MR. FENAUGHTY: This Old Business, some of this stuff has been here for years. Do we have any sort of milestone where we'd like to get some of this stuff taken care of?

CHAIRMAN FRIEDMAN: I am happy to deal with it whenever anybody wants

to. As we have discussed before, we either can reach consensus or we can vote on these items. It is at the pleasure of the members of the Committee as to which we do.

MR. ALLEN: Another option would be to table the items or some of the items if they are not going to be voted on or if we don't have consensus on them.

Like the first one, (a), the Management recommendation on that has consistently been that we don't see a reason for redefine Lee County to a different wage area.

CHAIRMAN FRIEDMAN: Right.

MR. ALLEN: So I would have no objection to tabling that one. I do understand there's some interest in the other three items, though.

CHAIRMAN FRIEDMAN: Well, so there's your answer, Bill, as far as Management is concerned.

Anything this morning on any of those? I take there's not, but I don't want to rush things here.

MR. FISHER: Mr. Chairman, when we say "table," does that mean we're just throwing that under the table, or what does that mean, Mark?

MR. ALLEN: Usually, it just means if we don't have consensus on something, it is really just the equivalent of withdrawing a recommendation, and in this case, we had the recommendation to not change anything. So the effect of tabling it is nothing happens.

CHAIRMAN FRIEDMAN: Now, just in terms of Robert's Rules of Order that we, in theory, go by, in order to table, does anybody happen to know what that would take? I think we would need just about as many folks to act on the proposal as to table it. I am not sure that adding tabling to the mix really helps us as a procedural matter.

MR. ALLEN: I am not sure exactly. I think it is two-thirds of the voting members.

CHAIRMAN FRIEDMAN: So there is an even higher threshold to table than to adopt or reject by majority vote.

MR. ALLEN: Yeah. It would be preferable if it was done by consensus.

CHAIRMAN FRIEDMAN: Okay. So if there were consensus to table, for example, as Mark has suggested, we could do that, but I won't ask for that right now.

All right. Well, I take it we don't want to talk about (a) through (d) right now.

That brings up (f), something that we started to discuss at the last meeting.

Anything further on that one today?

We have just been joined by another member of our Committee. Candace, can you introduce yourself for the recorder, please?

MS. ARCHER: I am Candace Archer, AFGE.

CHAIRMAN FRIEDMAN: Thank you.

We just brought up Old Business item (f), the definition of Hancock County, Mississippi, to a nonappropriated fund wage area, 604-MGT-1.

Anybody want to talk about that one this morning?

MR. ALLEN: I'd like to do a brief recap, Mr. Chairman.

I was getting the impression from our last meeting that we didn't quite have consensus on this and may need to have some further discussion on it. Basically, what's happened with this is the Navy has a few new employees in Hancock County who are situated in the Stennis Space Center, and under the analysis of the regulatory criteria for defining nonappropriated fund wage areas, the Management members have recommended that Hancock County be defined as an area of application to the Harrison, Mississippi, NAF wage area, and the reasons for that are in the criteria. The regulatory analysis is listed in Attachment 1, and there's

further information such as maps, which indicate that Hancock County is adjacent to Harrison County, and when we measure distances, it's closer to the Harrison NAF wage area.

The commuting pattern information would also indicate it is more aligned with the Harrison wage area. The only other alternative would be the New Orleans wage area, which is a bit further distancewise, and there is less commuting from Hancock County into the New Orleans wage area.

CHAIRMAN FRIEDMAN: Thank you for the review.

Any discussion?

[No response.]

CHAIRMAN FRIEDMAN: At our last meeting, there was not consensus to adopt this one. Is there any change in that?

[No response.]

MR. FENAUGHTY: I guess not.

CHAIRMAN FRIEDMAN: Okay. We will leave it under Old Business, or if we want to make a decision on it, I need a motion.

MR. FENAUGHTY: So, Mark, let me ask a question about this one because I know we talked about this before. What impact does this have on the wages of these people that are going to move from an appropriated fund survey area to a non-appropriated one?

MR. ALLEN: It's my understanding that there was a requirement to pay the employees somehow, and what happened was that Navy started paying the employees when they were brought on board from the Harrison wage schedule. So that is what they are currently paid from, and I think their reasoning for doing that is pretty sound, given that Hancock County is adjacent to Harrison County and is further removed from New Orleans than it is from Harrison.



So the effect would be, the Management recommendation would be no change.

We would just be documenting in regulation that those employees are paid appropriately.

MR. FENAUGHTY: So their pay doesn't change?

MR. ALLEN: No.

CHAIRMAN FRIEDMAN: Just to clarify, they weren't appropriated fund before.

I think I heard you say—

MR. FENAUGHTY: I'm sorry. They were always nonappropriated.

CHAIRMAN FRIEDMAN: Yes. So I guess they are relatively new employees.

MR. ALLEN: Yes. This happens sometimes when there's a new food court or something that opens, and they have to staff it up. They usually have to staff things up pretty quickly, and when they do that, they can't wait for OPM to issue regulations to define a county. What they do is they take what they think is the most reasonable option.

CHAIRMAN FRIEDMAN: I think it would be useful, Mark, if we also fill people in on the basis for the special rates in this area, because it was interesting to me to learn about that.

MR. ALLEN: Yes. What I remember—and Madeline can help me out with this—there was a boom, probably a decade or so ago, in the entertainment industry in Mississippi where they started opening up floating casinos, and at least one, maybe more casinos opened up in the Biloxi and Gulfport areas, and that caused a recruitment and retention problem for the NAF activities in that area. The Department of Defense requested that OPM establish special rates, and we did that for nonappropriated fund Federal Wage System employees.

I believe all the FWS employees who were paid from nonappropriated funds in the Harrison wage area are paid from a special schedule now.

CHAIRMAN FRIEDMAN: And apparently, that's true in New Orleans as well.

MR. ALLEN: Yeah.

CHAIRMAN FRIEDMAN: Maybe for the same reason or different reasons. I don't know.

MR. ALLEN: Different reasons, I believe. The New Orleans special rates were initiated after Hurricane Katrina.

CHAIRMAN FRIEDMAN: Any more discussion? Are we any closer to reaching agreement on this one?

MR. FISHER: I think we need to take a caucus.

CHAIRMAN FRIEDMAN: Absolutely.

[Labor members go in caucus off the record.]

CHAIRMAN FRIEDMAN: We are back in session. Labor has finished its caucus.

MR. FENAUGHTY: We would really like to try to move this along—

CHAIRMAN FRIEDMAN: Okay.

MR. FENAUGHTY: —because like you guys, we think it's probably a good idea. But is the special rate data contained in that handout, or could you get us the special rate data for these people?

MR. ALLEN: We wouldn't be able to provide the data because of privacy considerations, but the schedule itself that results from that data is included in the package that DoD sent over to us.

CHAIRMAN FRIEDMAN: Are you referring to the survey data when you say it is confidential?

MR. ALLEN: Yes.

MR. FENAUGHTY: But we still have the pay scale.

MS. ARCHER: The pay scale reflects the special rate.

CHAIRMAN FRIEDMAN: If you look at the back of the report, there are two schedules in here for each of the two wage areas. One is the survey schedule, and it is a published schedule, and the other is the special rates.

MR. FENAUGHTY: The special rates?

MS. ARCHER: Yeah.

CHAIRMAN FRIEDMAN: What I noted is the special rates track the unrestricted payline above certain grade. I assume that is more than a coincidence.

MR. ALLEN: Those things are contained in the package that DoD sent over to us, and that is an attachment to the recommendation. But it has things like the payline and the changes in pay that took place after the last wage survey. Then they also included the wage schedules that were derived from that information.

MR. FENAUGHTY: I think that's all that we need. We will probably be ready to vote on this next month.

CHAIRMAN FRIEDMAN: Okay. Fair enough.

MR. ALLEN: Okay.

MR. FENAUGHTY: We just want to take another look at that, at the pay schedules.

CHAIRMAN FRIEDMAN: Fair enough. That would be good.

MR. ALLEN: There is also information in there for the Orleans wage area.

CHAIRMAN FRIEDMAN: Yes. That wage area also has a special rates schedule, so there are four wage schedules in the 604-MGT-1 document.

Well, okay. So we will return to item (f) under Old Business next month.

I am not aware of any New Business items. Is there any new business anyone wants to bring up this morning?

[No response.]

CHAIRMAN FRIEDMAN: If not, it would be in order for us to adjourn. Is there any objection to adjourning?

[No response.]

CHAIRMAN FRIEDMAN: Hearing no objection, we are adjourned, and see you all in June. Have a very nice month between now and then. Thank you.