

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

615th FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, August 18, 2016

Room 5526
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Christopher Lynch, DoD
Gary Buck, Army
Carmen Montgomery, VALabor Members:Randy Erwin, MTD
Candace Archer, AFGE
Robert Shore, NAGE
Steven Landis, ACT**Staff Specialists and Visitors:**Jeanne Jacobson, Designated Federal Officer, OPM
Madeline Gonzalez, OPM
Jim Brady, DoD
Jeff Beltran (ACT)**Recording Secretaries:**Mike Eicher, OPM
Ana Paunoiu, OPM

[Transcript prepared from digital audio produced by FPRAC.]

C O N T E N T S

	<u>Page</u>
I. <u>Opening/Announcements</u>	
• Introductions.....	3
• Announcements.....	4
II. Review of the Minutes of the 614th Meeting.....	4
III. Old Business.....	4
a. Letter from the National Association of Government Employees, Dated March 9, 2016, Requesting FPRAC Reexamine the Placement of Wage Grade Employees Working in Shawnee County, KS, 611-NAGE-1	
– Review of Shawnee County, Kansas, 612-MGT-1	
– Additional Information on Shawnee County, Kansas, 614-OPM-1	
– HVAC Coverage in Kansas City Wage Area by Topeka WG Employees, 614-NAGE-1	
– Log Trips from Topeka to Community Based Outpatient Clinics in Kansas City Wage Area, 614-NAGE-2	
– Email Stating Topeka Staff Provides Shuttles to Kansas City Wage Area, 614-NAGE-3	
– Email Regarding Topeka WG Grounds Staff Vehicle Assistance, 614-NAGE-4	
– Email Regarding Topeka WG Maintenance Employees Performing Work at Community Based Outpatient Clinics East of Shawnee County, 614-NAGE-5	
– Work Orders for Topeka WG Employees to Perform Work at Community Based Outpatient Clinics in Kansas City Wage Area, 614-NAGE-6	
b. Definition of Lane County, Oregon, to a Nonappropriated Fund Federal Wage System Wage Area, 613-MGT-2	
– Additional information on Lane County, Oregon, 614-OPM-2	
IV. New Business.....	8
a. Additional information on Topeka, Kansas, Wage Area, 615-OPM-1	
b. Definition of Forsyth and Mecklenburg Counties, North Carolina, to a Nonappropriated Fund Federal Wage System Wage Area, 614-MGT-1	
c. Definition of Pitt County, North Carolina, to a Nonappropriated Fund Federal Wage System Wage Area, 614-MGT-2	
d. Definition of Fulton County, Georgia, to a Nonappropriated Fund Federal Wage System Wage Area, 614-MGT-3	
e. Definition of Lee County, Florida, to a Nonappropriated Fund Federal Wage System Wage Area, 615-MGT-1	

P R O C E E D I N G

CHAIRMAN FRIEDMAN: Good morning, everybody, and welcome to this, our 615th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee. And, as usual, I'd appreciate it if we could go around the room and introduce ourselves. Candace, let's start with you today.

MS. ARCHER: Candace Archer, AFGE.

MR. SHORE: Rob Shore, NAGE.

MR. LANDIS: Steve Landis, ACT.

CHAIRMAN FRIEDMAN: Jacque, are you on the phone?

[No audible response.]

CHAIRMAN FRIEDMAN: Good timing, Randy. Can you introduce yourself for the recorder?

MR. ERWIN: Hi. Randy Erwin with NFFE and representing Metal Trades Department.

MR. ALLEN: Mark Allen with OPM.

MR. LYNCH: Christopher Lynch, DoD.

MR. BUCK: Gary Buck, Army.

MS. MONTGOMERY: Carmen Montgomery, Veterans Administration.

CHAIRMAN FRIEDMAN: And I'd appreciate it if the other folks in the room would introduce themselves. Jeanne?

MS. JACOBSON: Jeanne Jacobson, OPM, Designated Federal Officer.

MR. BRADY: Jim Brady, DoD.

MR. EICHER: Mike Eicher, OPM.

MS. GONZALEZ: Madeline Gonzalez, OPM.

MR. BELTRAN: Jeff Beltran, ACT.

CHAIRMAN FRIEDMAN: Good to meet you, Jeffrey.

Okay. The only announcement I have is that our work group meeting has been postponed till next month. I hope this doesn't cause undue heartburn to anybody. Any other announcements?

[No audible response.]

CHAIRMAN FRIEDMAN: If there are no other announcements, that brings up review of the minutes of our last meeting. Does anybody have additional corrections beyond those we have heard about from you?

[No audible response.]

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

MR. SHORE: No objection.

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

Thank you.

So that brings up Old Business. We have the issue of Shawnee County, Kansas, and the Topeka wage area as our first item. There are lots of different exhibits related to that, including a new one, 615-OPM-1, which was prepared in response to some questions that were raised at our last meeting.

Rob, do you want to kick off the discussion, or I could ask Mark to summarize 615-OPM-1?

MR. SHORE: I'll just give a quick update. At the last meeting, there were a

couple of questions that I was asked to look into, which I have started, but I don't have the additional information yet. I know we had talked about getting some more documents. So I'm hopeful that before next meeting, I can have everything and submit it to Madeline to have it ready, but that's the update I have right now.

CHAIRMAN FRIEDMAN: Then can we go ahead and get a summary of 615-OPM-1 from Mark?

MR. ALLEN: Sure. Under 615-OPM-1, we are asked to provide some additional information on the historical background for Shawnee County and I guess, in connection with this, also the Topeka wage area.

So what we have provided here is a list of the counties that were initially in the Topeka wage area back in 1972 when the Federal Wage System was established, and you will see on there that Shawnee County was the only survey county. There were a number of counties, three counties to be exact, that were added around later, one in around 1975 and two around 1983 to the survey area. The two added around 1983 were added in reaction to a GAO audit or review of how the Federal Wage System was operating, and that was also following a—it would have been the 1980 Census, I believe, which was also looked into and the impact it had on metropolitan area definitions. So that's really all that document is.

MR. SHORE: The red are the ones that were added after the original establishment. Is that it?

MR. ALLEN: Yeah, that's right.

I don't believe there have been any changes in the area of application since the wage area was first established, other than removing three counties for putting in the survey area.

CHAIRMAN FRIEDMAN: Any other questions on this new document or on this

issue?

[No audible response.]

CHAIRMAN FRIEDMAN: So I guess we'll defer further discussion till next month.

I have a few questions about this interesting background information, but I won't take time in here on them.

All right. That brings up item (b) under Old Business, the definition of Lane County, Oregon, to a nonappropriated fund Federal Wage System wage area, 613-MGT-2, and the additional information which was prepared on that, 614-OPM-2, where Sacramento was thrown into the mix as a comparison to the Pierce NAF wage area. Are we ready to make a decision on this one? Any discussion of it?

MR. ALLEN: Mr. Chairman, I can just give a brief recap on this—

CHAIRMAN FRIEDMAN: Sure.

MR. ALLEN: —to say how we arrived and where we're at now.

Under the nonappropriated fund system, we define counties where Federal Wage System employees work primarily based on the distance to the nearest host installation.

So, VA informed us that there were now two employees working for the VA Canteen Service in Lane County, Oregon, and that requires defining Lane County to a nonappropriated fund wage area.

In 613-MGT-2, our analysis did not address the Sacramento wage area, which is to the south of Lane, and in 614-OPM-2, at the request of the Labor members, we did that analysis and found that it's around 239 miles to Joint Base Lewis-McCord, which is in the Pierce, Washington, survey area. The Sacramento survey area is around 477 miles away. So, on that

basis, the original recommendation from the Management members stands that Lane County should be added to the Pierce, Washington, nonappropriated fund wage area as an area of application.

CHAIRMAN FRIEDMAN: Any questions or discussion about this one?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, is there a consensus to adopt the recommendation to add Lane County, Oregon, to the Pierce, Washington, NAF wage area? Is there a consensus on that?

MS. ARCHER: My big concern about this is that the person who raised this issue is not present or on the phone. So I'm a little concerned about moving forward until we see if there's been—if she has more questions. So I think that I'd like to table this until the next meeting, if that's possible.

CHAIRMAN FRIEDMAN: Any objection to doing that?

MR. SHORE: Okay.

MR. ALLEN: No objection.

In this case, the employees, they are already being paid from the Pierce, Washington, wage schedule.

MS. ARCHER: So it wouldn't change anything. Right. I just know that we asked specifically for the distance, and considering Jacque isn't here to ask any questions she may have about that, I think that we just need to table that until the next time.

CHAIRMAN FRIEDMAN: I would appreciate it if you could get her to focus on this one.

MS. ARCHER: I will.

CHAIRMAN FRIEDMAN: Thank you.

All right. Well, that brings up several New Business items, (b) through (e), all of which relate to defining counties to nonappropriated fund wage areas. So I guess we'll just go in the order in which we have them in the agenda starting with 614-MGT-1, Definition of Forsyth and Mecklenburg Counties, North Carolina, to a nonappropriated fund Federal Wage System wage area.

Mark, would you like to summarize that one for us, please?

MR. ALLEN: We've got four wage area redefinition proposals here that are very similar in nature. They're all caused by VA Canteen Service having employees now that they did not have in the past in new locations. I imagine they're probably with snack bars or coffee bars in VA Medical Centers or outpatient clinic. Is that correct?

MS. MONTGOMERY: I am going to have to ask.

MR. ALLEN: Okay. So Forsyth and Mecklenburg Counties in North Carolina, seven employees in Forsyth County, seven employees in Mecklenburg County.

We took a look at distance, which would be in—we also have the usual maps that fit the geographic perspective on these. When we took a look at the distance criteria, we found that the closest county—the closest survey county for both Forsyth and Mecklenburg is Cumberland County, and when looking on the map, Mecklenburg is just south, a little bit southwest of Rowan County, and Forsyth is two counties north of Rowan County.

CHAIRMAN FRIEDMAN: Any questions?

MR. SHORE: Yeah. Is that the only wage area that was looked into? Is there nothing else nearby? I only see Cumberland.

MR. ALLEN: In this package, we don't have an analysis of distance to other wage

areas. There are other wage areas, nonappropriated fund wage areas in North Carolina, but they would be further away distance-wise than Cumberland.

CHAIRMAN FRIEDMAN: What about to the west, west of that?

MR. ALLEN: I don't have that information in front of me.

CHAIRMAN FRIEDMAN: Are you saying you'd like to see some comparison to other—

MS. ARCHER: Yeah. I think that it would be helpful to see what the other areas were. Let me just also ask a question. Are these folks already on the Cumberland?

MR. ALLEN: Yes.

MS. ARCHER: So this is just making it formal?

MR. ALLEN: Yes.

CHAIRMAN FRIEDMAN: Is that something we can—

MR. ALLEN: yes. We can look into—

MR. ARCHER: The map is not large enough to sort of get a sense of what else might be out there.

MR. SHORE: Do you know if they've actually—in looking at the beginning, it says, "We'll soon have seven employees." Have they actually been hired yet and are under Cumberland, or is this something that is going to happen? I know this was from a month ago.

MR. ALLEN: Madeline, do you remember? Will they be hired soon?

MS. GONZALEZ: I think it is October.

MR. ALLEN: October. Okay.

MS. ARCHER: So, at the moment, they are not covered under any area.

MR. ALLEN: Yes. I think in this case, there currently are no employees there, but

I am not certain about that.

MS. ARCHER: So, yeah, I think it would just be helpful to have another map determining where the next wage area would be.

CHAIRMAN FRIEDMAN: So why don't we just save that for subsequent analysis and have that comparison prepared for the Committee.

MR. ALLEN: Looking at the package for Pitt County, the other wage areas in North Carolina are actually to the east of Cumberland. So I'm guessing that we'd be looking at wage areas either in South Carolina or maybe even as far as Georgia.

CHAIRMAN FRIEDMAN: There is nothing to the west in North Carolina?

MR. ALLEN: We will take a look at it and see what the next nearest wage area is.

CHAIRMAN FRIEDMAN: That brings up 614-MGT-2, the definition of Pitt County, North Carolina, to a NAF wage area. Would you summarize that one, Mark, please?

MR. ALLEN: This one is a little bit different. There are currently three VA employees in Pitt County, and we understand from VA that there was a decision made locally to pay the employees from the Cumberland wage schedule. What the Management proposal here does, again, based on distance to the nearest host installation, we believe that it would be appropriate to define Pitt County to the Wayne, North Carolina, wage area. The reason for that is that Cumberland County is much further away than Wayne County. Somebody would most likely have to drive through Wayne County to get to Cumberland County.

MS. ARCHER: Is there a reason why the VA installation chose the Cumberland wage area instead of the Wayne wage area, the rationale behind it?

MR. ALLEN: This is an outpatient clinic to a VA Medical Center. It's in Cumberland County.

CHAIRMAN FRIEDMAN: It is a satellite of Durham, the document says.

MR. ALLEN: Oh, Durham?

CHAIRMAN FRIEDMAN: Yeah. So they are paying people based on Durham, which is Cumberland.

MR. ALLEN: Okay. So the two choices here were either Wayne or Craven, and Wayne County is a little bit closer, about 20 miles closer than Craven County is to Pitt County. Cumberland County would be considerably further away.

MS. ARCHER: In terms of the satellite office, it's attached to Durham, isn't it?

CHAIRMAN FRIEDMAN: That's what it says, yeah. That may be why the decision was made initially to pay them from Cumberland.

MS. ARCHER: There is also nothing in here that I can see, although maybe I missed it, that gives us more information about the Durham area in terms of when we're not—there's commuting patterns. I guess I'm concerned about the fact that the satellite office, there might be some movement of workers back to that Durham area or some sort of personnel interchange.

MR. ALLEN: It looks like, based on the map scale, it would be around 120 miles to Durham from Pitt County, which is about three times the distance to Wayne. These positions are food service worker positions. So chances of somebody being attracted to work, it's more likely to be very local rather than to a labor market that's that far away.

But apart from that, the nonappropriated fund wage area is under OPM's regulatory criteria to be defined based on distance to the nearest host installation or nearest federal activity. In this case, that's Wayne County.

CHAIRMAN FRIEDMAN: Do you want more time on this one?

MS. ARCHER: I do need more time on this one, just noting that this would be—these people are already employed there. This would be a decline in their wages if they're moving from the Cumberland—where they're already defined—into Wayne.

MR. ALLEN: Unless they are temporary employees, it would be covered by pay retention.

MS. ARCHER: Just for a portion of the time, like 2 years or something.

MR. ALLEN: Pay retention is indefinite. Grade retention would be for 2 years.

MS. ARCHER: Do we know if these are temporary employees?

MR. ALLEN: I don't know the answer. Do you know the answer to that one?

MS. GONZALEZ: I do not.

MS. ARCHER: That would be helpful.

CHAIRMAN FRIEDMAN: If there's other information that you need, please send us your specific questions.

MS. ARCHER: Yeah.

CHAIRMAN FRIEDMAN: All right. Why don't we defer this one as well. Let's move on to 614-MGT-3. This will be a charm.

MR. ALLEN: This one will be easy.

CHAIRMAN FRIEDMAN: Fulton County, Georgia, nonappropriated fund wage area. Mark, please summarize.

MR. ALLEN: Okay. I believe Fulton County, Georgia, was at one time defined to the Cobb nonappropriated fund wage area. It's part of Atlanta. So, at one time, it was defined. Fulton County is adjacent to Cobb County, and based on the distance criterion, we're recommending that it be added back to a nonappropriated fund wage area based on employment

of one employee now.

CHAIRMAN FRIEDMAN: Any questions on this one? Can we adopt this recommendation? Steve.

MR. LANDIS: Just a quick clarification. So Fulton used to be Cobb. Whatever was there closed, and so they just let it fall off, and now we need to put it back in.

MR. ALLEN: Yes.

CHAIRMAN FRIEDMAN: Right. That's what I understand.

MR. ALLEN: We did that a few years ago through a process. We were updating the regulation, and we were asked to delete a few counties from wage areas because there was no DoD employment there.

The pattern with these, what's really going on is the VA has established more outpatient clinics, more community-based hospital activities.

MS. MONTGOMERY: Yes.

MR. ALLEN: So that's why they're more food facilities, small-scale food facilities popping up in different parts of the country.

MS. MONTGOMERY: I imagine that's associated with the Secretary's MyVA initiatives where they are making a lot of the small facilities more user-friendly and having a lot of resources that bigger already facilities have.

MR. ALLEN: Okay.

CHAIRMAN FRIEDMAN: So any further questions or discussion on this one?

[No audible response.]

CHAIRMAN FRIEDMAN: So let me ask again: Is there a consensus to adopt this proposal?

ATTENDEE: Yes.

CHAIRMAN FRIEDMAN: Yes. Okay. So we have adopted 614-MGT-3. Thank you.

And that brings up the last New Business item, 615-MGT-1, definition of Lee County, Florida, to a nonappropriated fund wage area, and, Mark, would you please summarize that for us.

MR. ALLEN: In 615-MGT-1, for Lee County, Florida, sort of in layman's terms here, our choices were to either define it to the Miami, Florida, area or the Tampa, Florida, area. There are two employees currently in Cape Coral, Florida, which his in Lee County, and when we took a look at the regulatory criteria, we have the proximity favoring the Hillsborough wage area, which is part of the Tampa area.

And you see on the map—this is the map, Attachment 1—it gives the appearance that Lee County is—it looks like it's halfway between the Hillsborough survey area and the Miami-Dade survey area—well, actually, no. I think we looked at Monroe, the Monroe survey area for this one.

I am wrong. We looked at all three of them.

For Lee County, it's 127 miles to MacDill Air Force Base; 173 miles to Homestead Air Reserve Base in the Miami-Dade, Florida, survey area,; and the host installation for Monroe, Florida, is actually all the way down in Key West, which is 313 miles. So the closest host installation turned out to be in the Hillsborough, Florida, nonappropriated fund wage area, and based on that, the Management recommendation is to define Lee County to the Hillsborough area of application.

CHAIRMAN FRIEDMAN: Is there any discussion?

MR. SHORE: I guess I understand that the regulatory criteria call for it to be defined to the largest host installation. The distance, right? But it looks to me on the map that Lee County is actually closer to the Miami-Dade wage area than it is—and maybe it's just the visual for me, but it looks to me like it's closer to that wage area than it is to the Hillsborough.

MR. ALLEN: I suspect that it's got something to do with the road network in that part of Florida where there is a big lake, Lake Okeechobee.

MR. SHORE: Well, I think it's because it's going to Homestead Air Force Base, which is on the far edge, all the way in, but if you actually went to the edge of the wage area itself, the Miami-Dade wage area, it may not give you the same answer.

MR. ALLEN: The regulatory criterion in the case of the nonappropriated fund areas call for measuring distances from nonappropriated fund employment location to another employment location rather than to a boundary of the county.

CHAIRMAN FRIEDMAN: Any other questions or discussion on this one?

[No audible response.]

CHAIRMAN FRIEDMAN: Is there a consensus to adopt the Management recommendation?

MR. LANDIS: Can we discuss it for another 2 minutes?

CHAIRMAN FRIEDMAN: Certainly. Do you need a caucus?

MR. LANDIS: Mark, I'm just looking at the pay charts. It generally seems that Hillsborough is higher than the other two, anyway; is that correct?

MR. ALLEN: I haven't looked at the pay tables myself.

MR. LANDIS: I mean, we've run into this before where some are higher, and it's convoluted sometimes, but in general, it looks like the Hillsborough—

MR. ALLEN: Lines cross, yes.

MR. LANDIS: —is generally

MR. ALLEN: We looked at Grade 2. It's got a 5-cent-per-hour difference between Miami and Hillsborough.

MR. LANDIS: And what's the number of people we have here, and do we know what grades they are or anything like that?

MR. ALLEN: Two, two employees.

MR. LANDIS: And does it say what grade they are?

MR. ALLEN: I'm not sure if we have those in here.

MR. LANDIS: And where are they being paid from right now?

MR. SHORE: Hillsborough.

MR. LANDIS: So they are being paid from Hillsborough now.

MS. ARCHER: And they are existing employees.

MR. LANDIS: Yeah. I'd like to know what their current pay grade is.

MR. ALLEN: We'll get that for next time.

MR. SHORE: Or the job. I don't see that.

MR. ALLEN: Yeah, we can get the grade levels and series.

CHAIRMAN FRIEDMAN: Well, then I guess we should defer this one as well. Is that correct?

[No audible response.]

CHAIRMAN FRIEDMAN: Well, all right. I don't have any other New Business. Does anyone else have any other New Business?

[No audible response.]

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

MR. ERWIN: Motion to adjourn.

CHAIRMAN FRIEDMAN: Oh, all right. Is there a second?

ATTENDEE: Second.

CHAIRMAN FRIEDMAN: Any objection?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing none, we are adjourned. Have a good month, everyone. See you in September.