

METROPOLITAN CIVIL SERVICE COMMISSION

SPECIAL CALLED MEETING MINUTES

MAY 6, 2013

The Metropolitan Civil Service Commission met for a Special Called Meeting on May 6, 2013 in the Civil Service Conference Room, Suite 163, 222 Building, Third Avenue North, Nashville, Tennessee, at approximately 8:00 a.m.

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

Other Members present: Ms. Rita Roberts-Turner, Director of Human Resources –Secretary to the Commission and Ms. Nicki Eke, Metro Legal Department – Attorney to the Commission

HUMAN RESOURCES

(1: Consideration of Proposed FY 2014 Pay Plan presented by the Finance Department.

Director Rich Riebeling said that last week the budget was presented to the Council. The proposed budget for employees in FY14 is a 1.5% across-the-board increase for part- and full-time employees with an effective date of January 1, 2014. As part of this proposal, increments would not be funded for FY14. Director Reibeling explained that Metro has good benefits for its employees and pensioners. Over the last past five years, benefit costs have increased by 45 million dollars. It is very difficult to fund employees at levels they would like to see when Metro faces those benefit cost increases.

The cost for funding the 1.5% pay raise starting in January is about \$3.5 million dollars. This raise affects almost all employees, where increments would benefit approximately half of them at a cost of approximately \$6.6 million. Last year Metro was able to provide a 4% pay raise that cost \$15 million. The issues with this year's budget were principally debt service related. In 2010, some debt was restructured in order to get through a slow economy without raising taxes on the citizens. This year, more than \$50 million is allocated to debt service on our bonds. Fiscal obligations make the best option this across-the-board raise of 1.5 percent rate for all employees effective January 1, 2014.

Commissioner Allen asked how many years has Metro not funded increments. Director Reibeling said this would be the fifth year. Chairman Farmer said occasionally there is a salary study done to compare salaries with other cities of similar size. Director Riebeling said as a part of this year's budget, funds are available to conduct an overall pay plan study. Chairman Farmer asked if there was a time table to begin the study. HR Director Rita Roberts-Turner stated that a new bid will have to be initiated to choose a company to conduct the study. Once there is a consultant and a schedule is in place, Director Roberts-Turner said she could bring the information back to the Commission. Commissioner Allen asked for a projection time. Director Riebeling said he hoped it would be done prior to next budget year but will not know until the company has been chosen and a time line is given to complete the work. Commissioner Allen then asked what would happen if the proposed pay plan was not approved by the Commission. He also asked if the Commission would be able to amend the requested Pay Plan as presented. Chairman Farmer explained if the Commission amends the proposed pay plan, and council approves it, that becomes a new pay plan. Director Riebeling said if they approved it, they would have to find the money by taking it from another line item. He said that If Council doesn't approve what the Commission approves, then there wont be a pay plan. So if the Commission does nothing, increments go back into effect July 1, 2013. This would not provide an across-the-board raise and would cost an additional \$3.2 million. Commissioner Allen then asked if it is possible that we won't have increments in the future. Chairman Farmer stated he believes we will see the concept of incremental raises disappearing in public service across the country. Director Reibeling said that's a fair statement. He also said you can't obligate the government to money they may or may not have.

Vice-Chairman Corbitt said the pay study we are waiting for is to give the Commission a comparative analysis of all the cities the size of Nashville and how they've restructured with what the current policies are and once we get that conclusion or summary then we have enough information to speak to potential changes. Commissioner Sanders inquired about applying the \$3.4 million only to increments. Director Reibeling said he didn't think Metro can do that. He said the increment cost is 6.6 million dollars so the \$3.4 million would be insufficient. This prompted considerable discussion about the possibility for providing reduced increments. Commissioner Sanders said she was trying to find a solution that could help those who would be entitled to an increment over those who are at the top of the pay scale.

Chairman Farmer asked if the unions had feedback on the proposed pay plan. Robert Weaver spoke on behalf of the FOP. He expressed concern that increments were being suspended for a fifth year. He contends that increments save Metro salary dollars as officers start below the market rate and eventually achieve market rate through increment raises. He argued employees expect increment raises, and a salary study conducted by the FOP shows officers falling behind the market rate because they are not receiving increments. He said his membership would prefer increments over an across-the-board raise. The FOP's position is that the Commission should hold Metro to the promise made last year of increments returning on July 1, 2013. Mark Young, representing IAFF 140, concurred.

Commissioner Sanders said what she was trying to construct is a way to give a raise to just the people who would have been entitled to an increment. Director Roberts-Turner said you can't do that under the increment system. Chairman Farmer said the logistics of that being too difficult given the timing on all of this. He believes the Commission's choices are to accept it or reject it. If the Commission accepts the proposal there are no increments and a 1.5% across-the-board raise starting January 1, 2014. If the Commission rejects it, the old plan takes effect unless the Council comes up with something and it comes back to the Commission. The plan approved last year means increments promised to be funded this year would go into effect. Director Reibeling said Council has to take that cost and figure out where to find the money.

Chairman Farmer took a moment to address Mr. Weaver's comments and concerns about the promises that were made. He acknowledged the fiscal difficulty Metro faces and appreciates the efforts the administration has made to provide a fair pay plan. Obviously we would prefer to be in a fiscal position to fund the increment plan. In consideration of the 9,000 employees, doing an adjustment across-the-board seems fair. However, last year the Commission adopted a pay plan that did include increments in FY14. It was passed by Council. Director Reibeling said everything we do is subject to annual appropriations. Chairman Farmer said he understood, but as recent as last year we committed to having the increments back and we haven't met the goal. Mr. Weaver's point is very strong. Director Reibeling said it is late in coming but he feels it's time to do the pay study. Chairman Farmer said we are duty bound to do our best for all the employees, particularly the young employees.

Commissioner North likened it to a contract. When you hire someone, you expect that person to do what you've hired them to do and they expect to be compensated as promised. Many employees over the last five years have been hired into Metro and maybe those contracts are not being honored. Director Reibeling said he understood her point but noted that we were not under any contractual obligation to do a cost of living increase and that we have taken the position consistently in difficult times that we want to see all employees receive some financial improvement. Commissioner Sanders said she was still concerned about the younger employees and was concerned that the financial focus should be there. Commissioner Sanders said she was still trying to figure out a compromise with \$3.4 million.

Chairman Farmer asked the Union Representatives about whether their membership would prefer increments as opposed to any raise. Union reps Robert Weaver – FOP and Mark Young – SEIU, were of the opinion their membership would prefer to see increments return, even those members who are topped out and would personally benefit from an across-the-board raises. Doug Collier – SEIU asked to defer comments until the next meeting. Chairman Farmer said that was fine but the Commission was not going to pick a line item when addressing this matter.

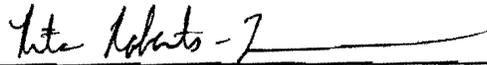
He thanked everyone for their comments.

ACTION: This matter will be brought back for a vote on May 20, 2013 at 8:30 a.m.

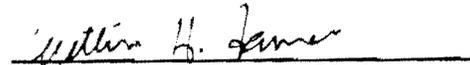
With nothing further, the meeting adjourned at 9:27 a.m.

ATTEST:

APPROVED:



**Ms. Rita Roberts-Turner,
Secretary to the Civil Service Commission**



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