

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 96-45

Approving a COLA for FY 96-97; one time lump sum merit awards in FY 95-96 and a pay system review in FY 96-97 for MERC non-represented employees.

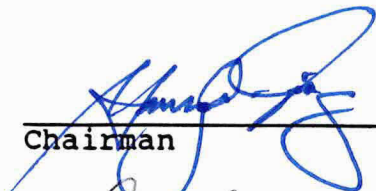
The Metropolitan Exposition-Recreation Commission finds:

1. That the final determination regarding the future structure of MERC has yet to be made; and
2. That MERC is again facing certain financial constraints during fiscal year 1996-97; and
3. That the Commission continues to support the review, analysis and proposal of a revised non-represented pay system; and
4. That adequate funds exist in the fiscal year 1996-97 budget to cover a COLA of 2.8% for non-represented employees; and
5. That there is sufficient appropriation remaining in the fiscal year 1995-96 budget to support an additional expenditure of personal services monies; and
6. That the Commission has the obligation to remain within the 3% overall increase directive for fiscal year 1995-96 given by the Metro Council; and
7. That the Commission wishes to recognize the efforts of the non-represented staff in implementing the strategies and achieving the goals of the Business Plan during fiscal year 1995-96 by awarding a one-time-only lump sum Merit Award to eligible full time and part time employees.

**BE IT THEREFORE RESOLVED:**

That the Metropolitan Exposition-Recreation Commission approves a 2.8% COLA increase to the salaries and wages of all Metropolitan Exposition-Recreation Commission non-represented employees for fiscal year 1996-97, continues to suspend Merit Pay and automatic step increases for non-represented staff for fiscal year 1996-97 and awards a one time only lump sum Merit Award to all eligible full time and part time non-represented staff in the amount of \$1000 for eligible full time and \$500 for eligible part time staff, to be paid from the fiscal year 1995-96 budget. Eligibility is determined as detailed in the accompanying staff report. Further the Commission directs management to review the non-represented pay system early during fiscal year 1996-97.

Passed by the Commission on June 21, 1996.

  
Chairman

  
Secretary-Treasurer

Approved as to Form:  
Daniel B. Cooper, General Counsel

By:   
Mark B. Williams  
Senior Assistant Counsel

## **STAFF REPORT**

Agenda/Item Issue: Approval of COLA increases for FY 96-97 for non-represented employees; one time merit awards for eligible non-represented employees; and initiation of a non-represented pay system review in FY 96-97.

Resolution No. 96-45

Date: June 21, 1996

Presented by: Pat LaCrosse  
Heather Teed

### **BACKGROUND AND ANALYSIS:**

Consistent with the Business Plan goal of decreasing overall expenditures, merit pay and automatic step increases for non-represented employees have been suspended by the Commission for two years (FY 94-95 and FY 95-96). During that time period, the Commission has granted only a Cost of Living Adjustment (COLA) of 3.6% for each of these years. Additionally, the Commission directed staff to analyze the non-represented pay system once the impact of the changes, if any, to the MERC organization are determined as a result of Consolidation Phase II.

During FY 95-96, a Consolidation Committee was formed to review and make recommendations to Metro and the city of Portland regarding the future structure of MERC. Although the Committee has completed its work and the recommendations have been accepted by both the governing bodies, the final determination and details of the structure have yet to be developed. As a result, the MERC staff has been unable to assess the impact of the changes and analyze the non-represented pay system.

Because of the uncertainties remaining of the future structure of MERC and due to budgetary constraints, management proposes that merit pay and automatic step increases remain suspended and a COLA of 2.8% be awarded for FY 96-97. This COLA percentage is based on a current CPI index and is consistent with two MERC union agreements which were negotiated in this year for FY 96-97.

Given the fact that merit pay and automatic step increases will have been suspended for three (3) years, management understands the critical need to review the non-represented pay system during FY 96-97, regardless of whether final decisions have been made on the future structure of MERC. Management should be directed to undertake such a study early during FY 96-97 for implementation in the FY 97-98 budgets.

Furthermore, in recognition of the merit in achieving the goals established by the MERC Business Plan, management proposes that a Merit Award of \$1000 be awarded to eligible full time non-

represented staff and \$500, or half the full time amount, be awarded to eligible part time non-represented staff. Such Merit Award amounts are to be provided to eligible non-represented employees without regard to current individual pay ranges or steps within those ranges.

It is proposed that this Merit Award be paid from the current year budgets (FY 95-96). This payment is possible due to savings achieved in the personal services appropriations as a result of position vacancies. Furthermore, payment of these Merit Awards will still maintain our overall personal services increases for FY 95-96 within the 3% increase level directive given by Metro Council during its approval process of the FY 1995-96 budget.

To be eligible for this Merit Award, non-represented employees must meet all of the following criteria:

- The employee has been a MERC non-represented employee for the full fiscal year of 1995-96 (July 1, 1995 through June 30, 1996); and
- The employee is still employed by MERC as of the issuance date of the Merit Award check (July 10, 1996); and
- The part-time employee has worked for MERC at least 50% of the total full time equivalent hours during fiscal year 1995-96 (i.e. 1,044 hours).

Based on these criteria, there are 76 full time and 20 part time eligible employees, for a total of 96.

While this Merit Award does not accrue to an employee's salary and thereby does not impact the FY 96-97 budget, it is intended as recognition for employees' diligent efforts during FY 1995-96 to implement the many strategies and achieve the goals of the Business Plan, maintain quality facilities and consistently perform at the high level required of a streamlined organization, especially during this transition period for MERC.

Our represented employees are all covered by collective bargaining agreements of varying terms and are not, therefore, included in this award. Nonetheless, we want to acknowledge their exceptional effort in support of the facilities and the Business Plan.

#### **FISCAL IMPACT:**

There are sufficient funds budgeted in FY 1996-97 to cover a COLA increase of 2.8% for non-represented staff.

There remains sufficient FY 1995-96 budget appropriation in each of the facility funds to cover the Merit Award payments. The total expenditure, MERC-wide, of this Merit Award is approximately \$101,500, which includes employer paid taxes/benefits at a rate of 18%.

Even with the impact of this Merit Award, staff projects an overall under-expenditure of personal services appropriation for the current fiscal year; and the actual expenditures will remain within the 3% overall increase directive from the Metro Council.

**RECOMMENDATION:**

Management recommends a 2.8% COLA increase for all non-represented staff for FY 1996-97, continued suspension of merit pay and automatic step increases for non-represented staff for FY 1996-97, the completion of a non-represented pay system review early in FY 1996-97 and a one time lump-sum Merit Award of \$1000 for eligible full time non-represented staff and \$500 for eligible part time non-represented staff to be paid from the FY 1995-96 budget.