

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 97-45

Approving and authorizing implementation of the Compensation Study Report and Recommendations.

The Commission finds that:

1. A freeze on annual merit pay increases for non-represented MERC staff has been in place for three years. The Commission pledged to staff last year that a compensation study would be undertaken to compare MERC salaries with the market and that salary adjustments would be made upon completion of the study;
2. The Commission has conducted a thorough review and discussion of the compensation study report, recommendations and process, and has provided input into the process;
3. All MERC staff in studied positions have had the opportunity to comment on the report's recommendations and appeal the recommendations made for their position. Changes made on the basis of these comments and appeals are reflected in the final report; and
4. The results of the final report and recommendations, after changes made in response to employee comments and appeals, are fair, equitable and reflect MERC's compensation philosophy to neither lead nor lag the market.


BE IT THEREFORE RESOLVED AS FOLLOWS:

1. The Metropolitan Exposition-Recreation Commission hereby approves and authorizes implementation of the final report and recommendations of the Compensation Study, as set out in the attached Exhibit A.
2. The Metropolitan Exposition-Recreation Commission hereby authorizes implementation of management's corresponding recommendations for pay increases for full time, non-represented staff members and part-time studied positions, as follows:
 - i. a 2.7 percent cost of living adjustment (COLA).
 - ii. a 2.5 percent 'equity adjustment' (to help offset the three-year freeze on merit increases).
 - iii. a 'market adjustment' to bring the salaries of those employees whose current pay falls below the minimum point of their recommended range up to that point in the new range.

3. With respect to part-time, non-represented staff members whose positions were not part of the compensation study, the Commission authorizes a 2.7 percent COLA.
4. The Metropolitan Exposition-Recreation Commission hereby directs that all pay increases authorized by this resolution be retroactive to July 1, 1997.

Passed by the Commission on August 13, 1997


Chair


Secretary/Treasurer

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

By: 
Kathleen Pool
Senior Assistant Counsel

MERC Staff Report

Agenda Item/Issue: Approving and authorizing implementation of the Compensation Study Report and Recommendations.

Resolution No.: 97-45

Date: August 13, 1997

Presented by: Pamela Creevey
Michael Morrissey (PC Northwest)

Background Analysis: During fiscal year 1993/94, the Commission made the decision to freeze annual merit pay increases for non-represented MERC staff. The merit pay freeze was one of the emergency measures adopted to reduce expenditures under the 1994 business plans. Reductions in staff were also made at PCPA and Stadium under the 1994 plan. As a result, many remaining staff members took on added responsibilities and worked longer hours.

Annual merit pay increases for non-represented staff have remained frozen since then. Annual cost of living adjustments have, however, continued. A one-time merit bonus was provided in June 1996 using funds remaining from vacant positions.

The Commission pledged to staff last year that a compensation study would be undertaken to compare MERC salaries with the market and that salary adjustments would be made upon completion of the study.

MERC determined to undertake a two-phase study. The objective of the first phase was to produce recommendations for adjustment of MERC salaries and benefits to ensure that: 1) MERC salaries and benefits are competitive with comparable positions in the public and private sectors; 2) Actual job duties and responsibilities correspond to formal classification/job descriptions; and 3) Equity and fairness exists among positions throughout MERC. This included making recommendations for appropriate titles and modifications to the classification system. MERC contracted with PC Northwest, Inc. to conduct this first phase.

The second phase will be to design a new performance-based compensation system, with a target implementation date of July 1998.

The first phase has been completed. The results and recommendations are contained in the final report on the study attached in Annex 1 to Resolution 97-45. The introduction to the report outlines the methodology utilized in conducting the study.

Commission review and staff comment/appeals process:

An introduction and report on the compensation study, including its methodology and process, was made to the commission by management and the PC Northwest Inc. consultants at the January 1996 Commission meeting. Regular progress reports were submitted to the commission by the General Manager throughout the course of the study. The initial draft of the compensation study report was presented to the Commission at its meeting on May 14, 1997. Following this presentation, a series of meetings with staff were held to present and explain the report and receive feedback. A staff comment period ensued during which more than 30 (thirty) employees submitted written comments concerning their positions. The compensation study consultant reviewed the comments and responded in writing to each employee. Five of the consultant's initial recommendations were changed due to the information received from the employees. Those changes are highlighted in the final report in bold and noted with a double star (**).

The Commission conducted an in-depth review and discussion of the amended report, the staff comments, and the consultant's responses to those comments, and management's implementation recommendations at its June 28 work session. The Commission at that time approved management's recommendations for implementation of the study, which were presented as follows:

- a 2.7 percent COLA for all full time, non-represented employees and part time studied positions
- a 2.5 percent 'equity adjustment' for all full time, non-represented employees and part time studied positions (to help offset the three-year freeze on merit increases)
- a 'market adjustment' to bring the salaries of those employees whose current pay falls below the minimum point of their recommended range up to that point in the new range
- the formation of an appeals committee to review all staff requests for changes in their range assignments.

The commission postponed final implementation of the study pending completion of the staff appeals process. The Commission agreed at that time that all pay increases would be retroactive to July 1, 1997.

An appeals committee was established. It was determined that the decisions of the appeals committee would be final and binding, and would not be subject to management review. The members of the appeals committee were: Craig Cowan, Labor Relations Manager, Department of Administrative Services, Human Resources Services Division, State of Oregon; Lynda Lewis, Human Resource Development Manager, Metro; and Norm Kraft, Fiscal Operations Analyst, MERC. Michael Morrissey, Senior Consultant, PC Northwest, Inc. served as advisor and staff to the committee.

Six staff members submitted written appeals, and five of those requested interviews. The appeals committee held interviews and analyzed each appeal on Wednesday, July 30. The appeals committee responded to each staff member who appealed in writing. Two out of the six appeals were accepted, and the study recommendations were changed accordingly. These changes are highlighted in the final report in bold and noted with a triple star (***) . One appeal was found to be beyond the scope of the study and therefore the appeals committee's authority. The appeals committee found that the remaining three appeals lacked sufficiently compelling evidence to warrant a change in the study's recommendations.

Fiscal Impact: The net MERC-wide fiscal impact of implementing the compensation study recommendations is \$285,225. Of that amount, all but \$7,331, which represents the amount resulting from the appeals process, was adopted by the Metro Council as part of the FY 1997/98 budget for MERC. The details and breakdown by facility are attached in Exhibit A. The fiscal impact of the 2.7% COLA for non-represented part-time employees (point 3. of resolution No. 97-45) is within the amount budgeted for these positions.

Recommendation: Staff recommends approval of Resolution No. 97-45, approving implementation of the compensation study recommendations for all full time, non-represented staff members.

FY 97-98 COMPENSATION STUDY FISCAL IMPACT

<u>DIVISION</u>	<u>Market Trend</u>	<u>Rec. #2 & #3 Market Trend</u>	<u>Rec. #2 & #3 Others</u>	<u>Fringe Increase</u>	<u>Review Adjustment</u>	<u>Appeal Hearings</u>	<u>TOTAL</u>	<u>Less Original 3%</u>	<u>BUDGET INCREASE</u>
CONVENTION CENTER	\$27,727	\$ 41,771	\$ 131,253	\$26,331	\$ (13,228)	\$ 7,331 *	\$ 221,185	\$ (99,456)	\$ 121,729
EXPO CENTER	\$ 2,052	\$ 2,784	\$ 18,884	\$ 2,405	\$ (8)	\$ -	\$ 26,117	\$ (16,670)	\$ 9,447
CIVIC STADIUM	\$ 9,647	\$ 12,600	\$ 18,438	\$11,966	\$ (4,124)	\$ -	\$ 48,527	\$ (21,599)	\$ 26,928
PERFORMING ARTS CENTER	\$39,728	\$ 30,312	\$ 93,331	\$39,935	\$ (10,721)	\$ -	\$ 192,585	\$ (78,688)	\$ 113,897
MERC ADMINISTRATION	\$ -	\$ -	\$ 20,846	\$ 3,734	\$ -	\$ -	\$ 24,580	\$ (11,356)	\$ 13,224
	<u>\$79,154</u>	<u>\$ 87,467</u>	<u>\$ 282,752</u>	<u>\$84,371</u>	<u>\$ (28,081)</u>	<u>\$ 7,331</u>	<u>\$ 512,994</u>	<u>\$(227,769)</u>	<u>\$ 285,225</u>

**includes fringes AMOUNT NOT BUDGETED \$ 7,331