

MINUTES OF THE COUNCIL INTERNAL AFFAIRS COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

April 21, 1988

Committee Members Present: Councilors Mike Ragsdale (Chair), Tanya Collier, Larry Cooper, Sharron Kelley and Richard Waker

Committee Members Absent: Councilors Gary Hansen (V. Chair) and David Knowles

Chair Ragsdale called the meeting to order at 4:10 p.m.

1. Consideration of Resolution No. 88-894, for the Purpose of Amending Classification and Pay Plans for the Metropolitan Service District

The Chair explained that Ray Phelps, Director of Finance and Administration, would provide a summary of meetings, discussions and actions regarding the pay and classification study after which he would respond to questions from the committee. Mr. Phelps reviewed the purpose of the study, the selection process used to retain the consultant selected (Kenny Consulting Group) the products of the study and the Executive Officer's proposed implementation plan, all of which were detailed in the staff report Mr. Phelps had prepared to accompany Resolution No. 88-894.

Councilor Collier asked Mr. Phelps to review the monetary impact of implementing the proposed pay plan. Mr. Phelps responded that if the proposed plan were adopted and became effective on July 1, 1988, there would be approximately 25 to 30 current employees whose salary would be below the recommended entry level in the new plan. The cost of adjusting those salaries represented a net increase in Metro personnel salaries of \$67,000.

Council Administrator Don Carlson asked if salary adjustments for other employees had been budgeted in the proposed 1988-89 budget. Mr. Phelps replied that a 7 percent salary increase had been budgeted within each line item adjacent to each classification. Councilor Collier asked if the 7 percent figure was comprised of a merit pool and a cost of living adjustment (COLA). Mr. Phelps stated the consultants had recommended and the Executive Officer supported elimination of a designated COLA. Therefore, the entire 7 percent increase budgeted was in a merit pool only. Councilor Collier pointed out that this represented a change in previous Metro policy.

Joan Saroka, representing the Metro Employees' Association, said at a recent meeting, the Association voted to recommend to the Committee that cost of living adjustments be retained separate from the merit plan as it has historically been. She further stated that in order to facilitate the implementation of the Pay and Class Study, the Employees' Association, if necessary, would be willing to accept a COLA of zero for fiscal year 1988-89 with the assurance the COLA would be considered in fiscal year 1989-90.

Councilor Collier stated she favored a merit and COLA pool. Councilor Waker said he was opposed to COLAs and that his preference was a pure merit system. Councilor Cooper said he felt automatic salary increases were not productive. He was in favor of adjusting salaries for those who were below the proposed minimum entry level, however, he felt subsequent increases should be based on merit only. James Giesecking, a member of the Employees' Association, said he disagreed that employees were less productive because of automatic salary increases. He further stated that he felt there were inherent dangers in a totally merit-based system. Additionally, he felt the implementation plan suggested by the consultant did not reflect the actual remuneration for the service the employee performed.

Councilor Collier asked if the COLA was tied to a performance evaluation system. Randy Boose, Personnel Officer, replied that the COLA was not a part of the performance evaluation system. Councilor Collier stated she felt COLAs should be tied to a satisfactory performance evaluation.

Mr. Phelps then responded to questions outlined in an April 21, 1988 memo to the Internal Affairs Committee from Council Administrator Carlson. He explained that pursuant to Sections 2.02.120 and 2.02.130 of the Metro Code, the Council was being asked to amend its classification plan, and pursuant to Sections 2.02.245 and 2.02.160 of the Metro Code, amend its pay plan.

The Committee then considered Resolution No. 88-894, for the Purpose of Amending Classification and Pay Plans for the Metropolitan Service District. Chair Ragsdale pointed out that the resolution referenced an "Exhibit A," and the Committee did not have the exhibit before it. Mr. Phelps said that "Exhibit A" would be added to the resolution and consist of tables and reports reproduced from the consultant's final report. Mr. Carlson asked if the Council were being asked to adopt individual class specifications. Mr. Phelps replied affirmatively, adding that the class descriptions result in a particular range placement and subsequent pay scale.

Councilor Waker asked if one of the consultant's work products--the Kenny Factor Point System--was available in-house or if the consultant would be needed to classify new positions. Mr. Phelps said that Mr. Boose had been trained by Mr. Kenny and could apply the system to new classifications. He also noted that when the Kenny evaluation system was applied to recently-provided positions at Metro, the proposed salary arrived at, based on the evaluation, was in line with comparable positions in other companies. Councilor Cooper said he would like to see a broader comparison of private industry pay scales versus government and government-driven organizations.

Chair Ragsdale requested a copy of the existing Pay Plan, Metro Code Sections cited in the resolution, and that reference to Kenny Consulting Group recommendations in Section 2 of Resolution No. 88-894 be referenced as an exhibit to the resolution. He directed staff to ascertain whether it was necessary to reference the current classification plan in the resolution and requested a copy of the Executive Officer's proposed implementation plan. He suggested that the narrative portion of the implementation plan describe the Kenny Point-Factor Evaluation System as the methodology to be used. In this way, the Council would not be required to review and adopt the methodology each time a position was created or reclassified.

MOTION: Councilor Collier moved that the Committee conceptually approve the classification plan, position descriptions, pay plan and the appropriate accompanying exhibits.

VOTE: Councilors Kelley, Cooper, Collier and Ragsdale voted aye. Councilor Waker voted nay.

MOTION: Councilor Collier moved that Resolution No. 88-894 include language indicating that the salary administration policy of the Council is to include both merit and cost of living adjustments based on satisfactory performance evaluations.

Questions were raised as to whether approval of the motion would be in fact creating a labor agreement by code. Councilor Kelley expressed concern that the COLA amount was not stated in the motion and asked whether the COLA historically had been tied to the Consumer Price Index. Chair Ragsdale stated that historically, cost of living adjustments for non-union employees had been comparable to the adjustments negotiated by union employees.

VOTE: After discussion, Councilor Collier withdrew her motion.

There was no further business, and the meeting was adjourned at 5:40 p.m.

Respectfully submitted,



Gwen Ware-Barrett
Council Committee Clerk