

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

604th FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, April 16, 2015

Room 7H31
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Jim Davey, DoD
David Pedersen, Navy
Arleen Romba, VALabor Members:Bill Fenaughty, MTD/NFFE
Jacque Simon, AFGE (via phone)
Candace Archer, AFGE
Robert Shore, NAGE
Steven Landis, ACT**Staff Specialists and Visitors:**Jeanne Jacobson, Designated Federal Officer, OPM
Madeline Gonzalez, OPM
Karl Fendt, DoD
Chris Lynch, DoD
Gary Buck, Army
Emell Monlyn, NAGE
Donovan Collins, VA**Recording Secretaries:**Terri Wallace, OPM
Mike Eicher, 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
– OPM Approval of Special Rates for Appropriated Fund Federal Wage System Skilled Trade Positions in the Bakken Region, 604-OPM-1	
II. Review of the Minutes of the 603rd Meeting.....	4
III. Old Business.....	5
a. Review of Lee County, Virginia, 557-MGT-2	
– 2013 Update to Review of Lee County, Virginia, 562-MGT-2	
b. Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area, 562-MGT-2	
– 2013 Update to Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area, 586-MGT-2	
c. Letter from the American Federation of Government Employees, Dated June 6, 2011, Requesting FPRAC Review a Proposal to Redefine Monroe County, PA, from the Scranton-Wilkes-Barre, PA, Wage Area to the New York, NY, Wage Area, 564-AFGE-1	
d. Definition of Hickory-Lenoir-Morganton, NC Metropolitan Statistical Area, 575-MGT-1	
– 2013 Update to Definition of Hickory-Lenoir-Morganton, NC Metropolitan Statistical Area, 588-MGT-1	
e. Letter from the American Federation of Government Employees, Dated November 3, 2014, Requesting FPRAC Review Recent Wage Data Collected in the North Dakota Survey Area, 599-AFGE-1	
f. Proposal to Move a Portion of Joint Base McGuire-Dix-Lakehurst from the Philadelphia, PA, Wage Area to the New York, NY, Wage Area, 599-ACT-1	
– Review of Burlington and Ocean Counties, New Jersey, 602-OPM-1	
– Joint Base McGuire-Dix-Lakehurst GS and FWS Employment as of October 2014, 603-OC-2	
IV. New Business.....	6
a. Draft, Federal Prevailing Rate Advisory Committee Annual Summary, 2014, 604-OC-1	
b. Definition of Hancock County, Mississippi, to a Nonappropriated Fund Federal Wage System Wage Area, 604-MGT-1	

P R O C E E D I N G

CHAIRMAN FRIEDMAN: Good morning everyone, and welcome to this, our 604th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee. As usual, why don't we go around the room and introduce ourselves. Let's start with you today, Bill.

MR. FENAUGHTY: Bill Fenaughty with MTD and NFFE.

MR. SHORE: Rob Shore with NAGE.

MR. LANDIS: Steve Landis with ACT.

CHAIRMAN FRIEDMAN: Jacque, you're on the phone, I believe. Can you hear me?

MS. SIMON: Yes. Jacque Simon, AFGE. Is Candace not there yet?

CHAIRMAN FRIEDMAN: No.

MS. SIMON: Oh. She's on her way.

CHAIRMAN FRIEDMAN: Okay. Well, we are eager for her arrival.

Mark.

MR. ALLEN: Mark Allen with OPM.

MR. DAVEY: Jim Davey with DoD.

MR. PEDERSEN: David Pedersen with Navy.

MS. ROMBA: Arleen Romba, VA.

CHAIRMAN FRIEDMAN: Thank you, everyone, and if folks sitting around the edge of the room could also introduce themselves for the recorder.

MR. LYNCH: Christopher Lynch, DoD.

MR. FENDT: Karl Fendt, DoD.

MS. JACOBSON: Jeanne Jacobson, Designated Federal Officer.

MR. BUCK: Gary Buck, Department of the Army.

MR. EICHER: Mike Eicher, OPM.

MS. GONZALEZ: Madeline Gonzalez with OPM.

MS. WALLACE: Terri Wallace, OPM.

MR. MONLYN: Emell Monlyn, National Guard Bureau, NAGE.

MR. COLLINS: Donovan Collins, VA.

CHAIRMAN FRIEDMAN: And welcome back, Terri.

MS. WALLACE: Thank you.

CHAIRMAN FRIEDMAN: Glad to see you back.

So I have a couple of announcements—actually one—the letter regarding OPM approval of special rates for appropriated fund FWS skilled trade positions in the Bakken region in North Dakota, 604-OPM-1. This was announced by Mark at the last meeting, but we didn't have the text of the letter yet. But now you've got it. Any questions or discussion about that?

MS. SIMON: This is Jacque. What are you discussing?

CHAIRMAN FRIEDMAN: 604-OPM-1, the announcement. Do you have it? It's regarding the special rates for some of the folks in North Dakota.

MS. SIMON: Oh, oh, oh. Okay. Sorry. I thought we were already on Mississippi, and I was like, "Wait a second." Okay.

CHAIRMAN FRIEDMAN: Nope.

Do you have any question about that one?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, it brings up review of the minutes of our last

month's meeting. Does anyone have any corrections or changes to the transcript of that meeting, other than those we have already heard from you about?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing no changes, is there any objection to adopting the transcript of our last meeting?

[No audible response.]

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

Thank you.

That brings up Old Business. We do have a number of Old Business items. Skip down to (f). If I could ask Steve, last month you mentioned you wanted to bring local Management representatives from the Joint Base to discuss the situation there. Is there any update on that?

MR. LANDIS: Yeah. A lot of the people that we're talking about have a lot of responsibilities. It's kind of hard for them to clear a schedule out with less than a few weeks' notice. I've met or spoken with just about everybody I'd like to bring down, and they're all aboard. We're supposed to actually meet as a group next week, and hopefully, I will let Madeline know for sure to get it on the agenda for the May meeting.

CHAIRMAN FRIEDMAN: Okay. Item (e), which is the letter from AFGE regarding the North Dakota situation, Jacque, does the letter that was distributed under the Announcements as well as the previous letter regarding the special rates for some of the NAF folks, does that cover this issue, or is the North Dakota issue still on the agenda as far as AFGE is concerned?

MS. SIMON: Well, I know that the NAF folks got their raise. Have appropriated

fund blue collar employees gotten theirs?

MR. ALLEN: Yes. That's gone through.

MS. SIMON: Okay. So I guess for FPRAC, yes, we're done. Obviously, we're not done with GS, but that's not FPRAC, so yeah.

CHAIRMAN FRIEDMAN: So then we can take (e) off the agenda next time, I think. Okay.

Is there any other old business item that people want to talk about this morning?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, we can move on to New Business. The first item under New Business is the draft of our annual summary. Once this Committee approves it, we will post it on the OPM website. I assume and hope people have had a chance to look it over. Any comments, questions, discussions about the draft of our annual summary for 2014?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, is there a consensus to adopt it? Is there any objection to adopting it?

MS. SIMON: No objection here.

CHAIRMAN FRIEDMAN: And the Management side?

MR. ALLEN: No objections.

CHAIRMAN FRIEDMAN: All right. So we have adopted our annual summary. Thank you. That is 604-OC-1.

That brings up item (b) under New Business, definition of Hancock County, Mississippi, to a nonappropriated fund Federal Wage System wage area, 604-MGT-1.

Mark, would you please summarize that one for us.

MR. ALLEN: Yes, Mr. Chairman.

Good morning, Candace.

CHAIRMAN FRIEDMAN: Good morning.

MS. ARCHER: My apologies. There's a parade on Constitution.

CHAIRMAN FRIEDMAN: Would you just introduce yourself?

MS. ARCHER: Candace Archer, American Federation of Government Employees.

CHAIRMAN FRIEDMAN: Thank you.

We're up to item (b) under New Business on the agenda.

MR. ALLEN: Okay. This is the proposed definition of Hancock County, Mississippi, to a nonappropriated fund wage area. It turns out that the Department of the Navy NAF activities at the Stennis Space Center now employ four nonappropriated fund Federal Wage System employees, and that requires OPM to define Hancock County to a nonappropriated fund wage area.

We took a look at the neighboring wage areas in this case in order to find out which is the best fit for Hancock County. When we're dealing with NAF wage areas, the names that we are dealing with are county names, so I'm not really all that familiar with the counties in most parts of the country, but the cities that we're dealing with are basically—it's a choice between New Orleans or Gulfport and Biloxi in Mississippi.

And we took a look at the standard regulatory criteria for defining Hancock County. The Stennis Space Center is the point of measurement that we used because that's the duty location for the employees. If we look at the regulatory criteria, we would find that the proximity would favor moving the county—or defining the country—we're not moving the

county. We're simply defining it for the first time to the Harrison, Mississippi, wage area.

MS. SIMON: Mark, this is Jacque. I am sorry to interrupt you, but that's really my one big question. What's the difference in proximity between the two wage areas?

MR. ALLEN: Let's see. I will look back through the attachments. It's 52 miles to Keesler Air Force Base, which is in the Harrison area—or 70 miles to the Naval Air Station, Joint Reserve Baser in New Orleans, so a difference of around 18 miles.

CHAIRMAN FRIEDMAN: I do have a question. I actually e-mailed Madeline about this. I just want to make sure there's not a typo somewhere because in Jim's letter, there are different distance numbers than in our OPM document. I understand DOD and OPM use different methods to measure distance, but I'm wondering why those numbers are as different as they are.

In Jim's table, it's on page 2-3 after his letter, versus the distance in the OPM table on page 1. It does still point to the Harrison wage area as being somewhat closer, but is not as big a difference.

MR. ALLEN: It is a difference in the points of measurement also.

When OPM does these analyses, we use Google Maps for looking at different routes that somebody could conceivably take. I believe the DoD—it says it in the analysis that DoD conducted. They use an official table of distances, which back when I worked with DoD, it was an old book. I don't know if you are still using the—it's a book?

MR. DAVEY: I don't know what they use.

MR. ALLEN: I don't know if it's something online or if it's a book.

MR. FENDT: It is online, but it's the same principle.

MR. ALLEN: Okay.

And the points of measurement are different really. For New Orleans, the OPM analysis would use—I believe it's the host installation, the official host installation, and the DoD analysis used the VA outpatient clinic in New Orleans rather than the host installation.

But if we're just looking at Keesler Air Force Base, the distance from the official table, the distances that the DoD staff had been using is 46.5 miles versus 52 miles from an analysis based on Google Map data. Both will be using row distances, but I can't vouch for the official table of distances or how old it might be. But the reason we use Google Maps is because anybody can check that out for themselves and see the distance measurements or see different routes that somebody could conceivably take to get from one point to another.

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

MS. SIMON: Well, this is Jacque. I think that, if I understand Mark correctly, it is not quite as clear-cut as might be suggested by the Management report that the distance actually favors Harrison as opposed to New Orleans. Is that correct? It is pretty ambiguous.

MR. ALLEN: I would say if somebody just looks at the map, they would see that Hancock County is right smack in between New Orleans and Gulfport. It's a little bit closer to Gulfport than it is to New Orleans, and there's also a long—it is not really a causeway. It's a very long bridge that connects Mississippi with New Orleans.

But when we also look at commuting patterns, we would see that the commuting patterns would strongly favor moving the—or defining the county to the Harrison wage area. So it's not really just based on distance.

I would say if we were looking at distance to the cities, just the cities, then it's pretty much even, but when we do comparisons based on the NAF criteria, we're looking at distances between Federal activities. That's what's characterized in the Management report that

OPM developed.

CHAIRMAN FRIEDMAN: Any other—oh, you hadn't actually quite finished your presentation, or had you, on this? Did you get through it?

MR. ALLEN: I think we basically covered everything that I would go into.

CHAIRMAN FRIEDMAN: One thing I noted from Jim Brady's cover letter was that the NAF folks in Hancock County already are being paid from the wage schedule for the Harrison, Mississippi, wage area, and further, that these are special rates. It's my understanding that the Management proposal would continue these special rates for Hancock County NAF employees. Is that right?

MR. ALLEN: Yes, that's correct.

CHAIRMAN FRIEDMAN: Any further questions or discussion?

MR. DAVEY: The one thing I'd point out is that between Hancock and New Orleans, there's an additional county that you'd have to—it looks like another county, you'd have to hop over to get to the Orleans survey area. So Hancock County is adjacent to and abuts Harrison County but does not do so on the other side of New Orleans.

CHAIRMAN FRIEDMAN: I see where you are looking at the maps towards the middle.

Okay. Any other questions or discussion on this one?

[No audible response.]

CHAIRMAN FRIEDMAN: Is there a consensus to adopt this one or not? This is 604-MGT-1, proposal to define Hancock County, Mississippi, as an area of application of the Harrison, Mississippi, NAF wage area. Is there a consensus on the Labor side, or not, to adopt this Management proposal?

[No audible response.]

CHAIRMAN FRIEDMAN: Don't all speak at once, guys.

[Laughter.]

MS. ARCHER: Jacque, do you have anything to add?

MS. SIMON: What I have to add is that I think you've got just as strong an argument for New Orleans as you do for Harrison, only the wages are a few cents more in New Orleans than they are in Harrison. So it seems like the lower wage scale was selected when the two were basically equally compelling arguments.

Obviously, if I were making the decision, I would make it for New Orleans, and it's very, very small differences in wages, but these are already very low wages.

CHAIRMAN FRIEDMAN: So it sounds like there is no consensus.

MS. SIMON: My inclination would be to recommend New Orleans.

MR. SHORE: Jacque, this is Rob. Looking at the map, when you said that Hancock was next door to—you know, Harrison and not Orleans, are you talking about that little sliver? There is essentially a small—

MR. DAVEY: Well, the whole left side of Hancock, whatever distance that is in yellow—

MR. SHORE: Okay.

MR. DAVEY: —goes from the sliver you're talking about all the way up.

MR. SHORE: Yeah.

MR. DAVEY: And I would propose that it was the criteria that led the proposal to be for Harrison County, not anything to do with the wage rates being lower.

MR. PEDERSEN: It looks to me like the distance supports the assignment of that

county, and the commuting pattern strongly supports the assignment of that county, so it's business-based, data-supported—

MR. ALLEN: Yes. It would be a mischaracterization to say that the Management recommendation is based on wage levels because that's not what we look at with these analyses. It is based on distance as the first criterion that we would look at and then also based on the commuting patterns, which would show only 3 percent of the resident workforce for Hancock County commuting to work in the Orleans, Louisiana, survey area, whereas 24 percent of the Hancock County resident workforce commuting to work in the Harrison, Mississippi, survey area—which makes sense because it's an adjacent county to Hancock County.

MR. DAVEY: Without a causeway probably as well.

CHAIRMAN FRIEDMAN: All right. Well, we don't have to resolve this one today. We can just add it to our list of Old Business next time, unless we want to vote on it this morning. What's your pleasure?

I am asking the Labor side. There appears to be no consensus to adopt the Management proposal. Shall we just move it to Old Business, continue to ponder it, or should we vote on it?

MR. FENAUGHTY: I would suggest we just wait on that for modeling.

CHAIRMAN FRIEDMAN: Okay. That is fine. All right.

MR. FENAUGHTY: Are you guys okay with that?

MS. ARCHER: Yeah.

CHAIRMAN FRIEDMAN: All right. So we are done for today with Old Business and with New Business. Is there any other New Business item people want to bring up?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, we have a working group meeting in a little while after this meeting, and I hope people stick around for that.

It would be in order for us to adjourn. Any objection to that?

MR. DAVEY: I second that.

CHAIRMAN FRIEDMAN: Okay. I don't hear any objections.

Thank you. See everybody hopefully in a few minutes at the working group and then again next month for the FPRAC meeting. Thank you.