

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

616th FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, September 15, 2016

Room 5526
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Jim Davey, DoD
Jason Munro, Air Force
Gary Buck, Army
Carmen Montgomery, VALabor Members:Dennis Phelps, MTD
Jacque Simon, AFGE (via phone)
Candace Archer, AFGE
Jeff Beltran, ACT**Staff Specialists and Visitors:**Brenda Roberts, Designated Federal Officer, OPM
Madeline Gonzalez, OPM
Jim Brady, DoD
Karl Fendt, DoD
David Pedersen, Navy
Rosemary Meriwether, Navy**Recording Secretaries:**Mike Eicher, OPM
Ana Paunoiu, OPM

[Transcript prepared from digital audio produced by FPRAC.]

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P R O C E E D I N G

CHAIRMAN FRIEDMAN: Good morning, everyone, and welcome to this, our 616th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee, and as always, let's go around the table and introduce ourselves. Let's start with you today, Mark, please.

MR. ALLEN: Mark Allen with OPM.

MR. DAVEY: Jim Davey with DoD.

MR. MUNRO: Jason Munro with Air Force.

MR. BUCK: Gary Buck, Army.

MS. MONTGOMERY: Carmen Montgomery, VA.

CHAIRMAN FRIEDMAN: And, Dennis?

MR. PHELPS: Dennis Phelps with International Brotherhood of Electrical Workers, representing the Metal Trades Department, AFL-CIO.

MS. ARCHER: Candace Archer, AFGE.

MR. BELTRAN: Jeff Beltran, ACT.

CHAIRMAN FRIEDMAN: And, Jacque, I think you're out there on the phone?

MS. SIMON: [via phone] Yes. Jacque Simon, AFGE.

CHAIRMAN FRIEDMAN: And anybody else on the phone?

[No audible response.]

CHAIRMAN FRIEDMAN: I don't think so. All right.

And if the other folks in the room would also please introduce themselves, Brenda, starting with you. Thank you.

MS. ROBERTS: Brenda Roberts, OPM, Designated Federal Officer.

MS. MERIWETHER: Rosemary Meriwether, Navy.

MR. PEDERSEN: David Pedersen, Navy.

MR. BRADY: Jim Brady, DoD.

MR. FENDT: Karl Fendt, DoD.

MR. EICHER: Mike Eicher, OPM.

MS. GONZALEZ: Madeline Gonzalez, OPM.

MS. PAUNOIU: Ana Paunoiu, OPM.

CHAIRMAN FRIEDMAN: Thank you.

Well, just a quick couple of announcements. We have a new URL for FPRAC, which you have in your agenda there, much shorter than the old one.

Also, a sampling of the public comments that were received in response to the proposed rule to redefine the Joint Base in New Jersey has been circulated. There were quite a few comments received. I don't know if there's any update on the status of the final rule that we can share with people this morning.

MR. ALLEN: No, Mr. Chairman. It's still under review.

CHAIRMAN FRIEDMAN: Okay. So, with that, unless there are some questions about the comments received—

MR. PHELPS: Where is the review being—where in OPM is the review? Is it your office, Director's office?

MR. ALLEN: It's in our internal clearance process within OPM before it gets to the Director for her decision.

CHAIRMAN FRIEDMAN: Anything else on that?

MS. ARCHER: I just want to point out for the record that there are a lot of

comments bringing up the Tobyhanna issue and its similarities to the McGuire-Fort Dix-Lakehurst issue. This is clearly something that has lingered for a long time, and I think it's just appropriate to mention that the public comments certainly reflect the concerns there.

CHAIRMAN FRIEDMAN: Thank you for bringing that up.

MS. SIMON: [via phone] Yeah. I'd like to add to that. I think that DoD's comments that the rectification of the inequity at McGuire-Fort Dix-Lakehurst should never be repeated, and that this is an exception, and that they can certainly reject any effort to address inequities elsewhere in the system is not helpful.

I think that there were several—Mr. Glass [ph] in particular—several big comments that described a really horrible situation at Tobyhanna, that this inequity is not something that just doesn't add up on paper, but that causes serious discord and has productivity impacts at the depot. It's caused a lot of conflict, and it's just unjustifiable in so many ways, given the extraordinary work performed by the hourly workers at Tobyhanna. That DoD opposes even considering addressing the inequity at Tobyhanna was really insulting to the workforce. It's just an attitude that we really wish could be reexamined and revisited because we all want the same thing. We want the people at Tobyhanna to be able to carry out their mission in the most effective and efficient way possible, and this denigration of the concept of equity between the hourly and salaried workforce has worked against that, and it was really, really unnecessary and unhelpful. And I just want the record to show that DoD needs to rethink some of its rhetoric and its attitude for addressing the needs of its hourly workforce.

CHAIRMAN FRIEDMAN: Anything else on this? Jim, do you want to respond?

[No audible response.]

CHAIRMAN FRIEDMAN: Sorry. I didn't mean to put you on the spot.

Is there any update, Mark or Brenda, on the FPRAC recommendation about Tobyhanna?

MR. ALLEN: No. That is still under consideration.

CHAIRMAN FRIEDMAN: Okay. All right. That brings up the review of the transcript of our last month's meeting. Are there any corrections that people want to bring to our attention beyond those about which we have already heard from you?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, is there any objection to adopting the transcript of last month's meeting?

MR. ALLEN: No objection.

MR. PHELPS: No.

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

That brings up Old Business. We were asked by NAGE, who could not be here today—Rob couldn't make it, and none of his colleagues could make it. We were asked to defer item (a), which is the Shawnee County, Kansas, issue. So, unless there is some objection here this morning, we will simply defer that until next month.

That brings up item (b) under Old Business, Definition of Lane County, Oregon, to a nonappropriated fund Federal Wage System wage area, 613-MGT-2. When that one was introduced, Jacque, I believe it was you who asked that the comparison also be extended to include the Sacramento wage area, which was then done in 614-OPM-2, so we have those two documents and the recommendation of Management regarding the definition of Lane County, Oregon, to a nonappropriated fund Federal Wage System wage area. Does anybody need any

update or review on that one?

[No audible response.]

CHAIRMAN FRIEDMAN: Any discussion of it?

MR. ALLEN: I can just cover the high points, Mr. Chairman.

CHAIRMAN FRIEDMAN: Okay.

MR. ALLEN: The Management proposal in 613-MGT-2 recommended that Lane County, Oregon, be defined as an area of application to the Pierce, Washington, nonappropriated fund wage area. That recommendation was based on the regulatory criteria, which for a nonappropriated fund area is driven by distance, primarily, or proximity.

Under 614-OPM-2, we've provided some additional information on the distance difference between the Pierce, Washington, area and the Sacramento area, and it's 239 miles to Joint Base Lewis-McCord in the Pierce, Washington, area, and 477 miles to the Sacramento area. So that was what was driving the initial Management recommendation for defining Lane County to Peirce.

CHAIRMAN FRIEDMAN: Thank you, Mark.

Any questions or discussion?

[No audible response.]

CHAIRMAN FRIEDMAN: Is there a consensus to adopt 613-MGT-2? Is that a "yes"? I see yeses. Okay. All right. So we have adopted 613-MGT-2. Thank you.

MR. ALLEN: For this one, the employees—there are two employees currently employed—they're already paid from the Pierce, Washington, schedule, so this will just be documenting in the regulations that the county is defined to the appropriate wage area, so no impact on pay for those employees.

CHAIRMAN FRIEDMAN: I am thinking that the next two items might require a bit of discussion, so I'm wondering if we can go down to (e), and we'll come back to (c) and (d). So (e) is Definition of Lee County, Florida, to a nonappropriated fund Federal Wage System wage area, 615-MGT-1, which affects two NAF employees.

Mark, would you review that one for us, please?

MR. ALLEN: Yes, Mr. Chairman. I think the only point of information that the Committee had asked for on this one was the number of employees and what grade levels they were at, and in this case, it's food service workers, two employees at Grade 2.

CHAIRMAN FRIEDMAN: And this Management proposal to add Lee County to the Hillsborough NAF wage area, Hillsborough does seem to be the closest by a 46-mile margin, 127 miles versus 173, according to the documents we were given, closer than any of the other NAF wage areas. So any discussion of this one, item (e) under Old Business, Definition of Lee County, Florida?

[No audible response.]

CHAIRMAN FRIEDMAN: Is there consensus to adopt item (e), 615-MGT-1?

[No audible response.]

CHAIRMAN FRIEDMAN: Are we ready to make a decision on that one?

MS. ARCHER: I think supplying the wage—I mean, I think that we need to defer it for a moment. I want to look at a few more things before we come to a consensus on it.

CHAIRMAN FRIEDMAN: Do you need a caucus?

MS. ARCHER: No. I'm just trying to put all the pieces together.

MR. ALLEN: Yeah. These do get rather confusing because, at least in my mind, they're covering similar issues, but we're covering much different parts of the country.

MS. ARCHER: Well, the issue that I think is confusing is the distance. We had discussed that the distance was because the way the roads run, not necessarily—I mean, because we would look at—yeah, because as you look at the map, it just looks far closer to the Monroe area. So I think that we had talked about it having something to do with the way that the roads are structured, that the difference is that it is closer to Hillsborough.

MR. ALLEN: The thing with Monroe County is it actually covers the Florida Keys as well, and when we measure distances for nonappropriated fund areas, we're measuring from—

MS. ARCHER: From the base.

MR. ALLEN: To the host installation. And for the Monroe wage area, the host installation is all the way out at Key West. So it's not actually on the mainland portion of Monroe County.

MS. ARCHER: And my other question on this was this is again a situation where the county hadn't been defined, but these people are already being paid in this current wage area.

MR. ALLEN: That's correct.

MS. ARCHER: I think I don't—I'm okay consenting to this, but I don't—

CHAIRMAN FRIEDMAN: So there's consensus, then, to adopt this one, it seems; is that correct?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. Thank you. So we have adopted item (e) under Old Business, Definition of Lee County, Florida, 615-MGT-1.

And with your continued indulgence, I wonder if we could skip to a couple of New Business items. I think a couple of these will be easy. Item (e) under New Business,

Redefinition of Shelby County, Tennessee, a case where there is no longer any NAF employment, and the proposal is simply to remove that county from the wage area. Is that it, Mark?

MR. ALLEN: That's pretty much it. In this case, it's as a result of the closure of Eaker Air Force Base in 1992, so it's taken us a while to get to this one. It's in a part of Arkansas where it's unlikely, I think, for there to be future nonappropriated fund employment. It's Mississippi County, in the northeastern corner of Arkansas.

MS. ARCHER: And we're dealing with a lot of issues now of VA having a few workers in a county.

MR. ALLEN: Right.

MS. ARCHER: We have to add these counties back and determine where they fall. We don't have a situation where there's going to be—as I understand it, it was because of some of the expansion of certain VA facilities. Before we remove a county, I just—is there any plans of VA expansion there, so we're not dealing with this in another year or two?

MR. ALLEN: No.

MS. ARCHER: Okay.

CHAIRMAN FRIEDMAN: Or any other agency.

MS. ARCHER: Or any other agency, right.

MS. MONTGOMERY: I don't have any additional information.

MS. ARCHER: Okay.

MR. ALLEN: Yeah. I forget the exact name of the main city there, but actually, it's right across the river from Memphis, and it seems to be a fairly rural area in the West Bank of the Mississippi, so I doubt there would be a need for VA or DoD to establish a nonappropriated

fund activity in that county again.

MS. ARCHER: We're not going to let you have it, if it has to come back. No, I'm just kidding. I'm kidding.

[Laughter.]

CHAIRMAN FRIEDMAN: So then is there a consensus to adopt 616-MGT-2 regarding Shelby County—Shelby County, Arkansas or Tennessee? Which is it?

MS. ARCHER: It says Tennessee.

MR. ALLEN: Mississippi County, Arkansas.

CHAIRMAN FRIEDMAN: Mississippi. Why does it say Shelby—

MR. ALLEN: We are redefining the Shelby, Tennessee, NAF wage area.

CHAIRMAN FRIEDMAN: Oh, I'm sorry. I should read my own paperwork here. Okay.

Anyway, is there a consensus to adopt?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. I see we have consensus. So we have adopted 616-MGT-2.

MR. ALLEN: It's somewhat confusing for—I think the layperson, they look at these things—because we define the NAF wage area by county name rather than by city name, so that's the convention we've had for a long, long time. Basically, it's removing a rural county from what would be the Memphis, Tennessee, wage area.

CHAIRMAN FRIEDMAN: And can I suggest we take a look at item (f), that last New Business item on the agenda, Definition of Leon County, Florida, to a nonappropriated fund Federal Wage System wage area, 616-MGT-3. Please summarize that one for us, Mark.

MR. ALLEN: I guess, Mr. Chairman, we have—now there's one employee employed by the VA Canteen Service in Leon County, Florida, which is—that's where Tallahassee, Florida, is, and we are recommending that Leon County be defined to the Lowndes, Georgia, nonappropriated fund wage area. So, basically, what we're recommending is we're linking up Tallahassee with Valdosta, Georgia. Again, it's based on proximity.

And, again, with the nonappropriated fund wage area definitions, there's a sizeable distance, but it is 89 miles to the Marine Corps Logistics Base in Albany, and it is 84 miles to Moody Air Force Base in Lowndes, Georgia, so slightly closer to the Lowndes, Georgia, wage area by a few miles.

The other regulatory criteria wouldn't really point to anything definitive supporting either of those areas.

CHAIRMAN FRIEDMAN: Any questions or discussion on this one?

[No audible response.]

MR. ALLEN: Madeline, is the one employee currently paid from the Lowndes schedule?

MS. GONZALEZ: No. The employee is not on VA's payroll yet.

MR. ALLEN: Okay.

MR. BUCK: He's a new hire?

MS. GONZALEZ: Yes.

MR. ALLEN: Okay.

CHAIRMAN FRIEDMAN: So is there consensus to adopt this one? Do we need time to think about it?

MS. SIMON: [via phone] Is this 616-MGT-1 we're talking about right now?

CHAIRMAN FRIEDMAN: 616-MGT-3.

MS. SIMON: [via phone] Three.

CHAIRMAN FRIEDMAN: Yeah. I went out of order—

MS. SIMON: [via phone] Oh, okay. All right.

CHAIRMAN FRIEDMAN: —just to see if we could get some of what I guessed might be easy done.

MS. SIMON: [via phone] Are we still talking about Lee County, Florida?

CHAIRMAN FRIEDMAN: Leon. We dealt with Lee County, and now we're doing Leon County.

MS. SIMON: [via phone] All right. I think my paperwork is mislabeled.

CHAIRMAN FRIEDMAN: This is 616-MGT-3.

MS. SIMON: [via phone] Oh, oh, oh. My problem is—

CHAIRMAN FRIEDMAN: You got it?

MS. SIMON: [via phone] 616-OPM-3. Okay.

CHAIRMAN FRIEDMAN: Pardon?

MS. SIMON: [via phone] I was looking at 616-OPM—okay. What grade is this worker?

CHAIRMAN FRIEDMAN: Does anybody know the answer to Jacque's question?

MR. ALLEN: We don't have that information in the package, but I would—I think I would be safe in making the assumption again that it's a nonappropriated fund Grade 2 employee, a food service worker at most likely a snack bar or a coffee bar.

CHAIRMAN FRIEDMAN: Any discussion on this one?

MS. SIMON: [via phone] I'm okay with this one.

CHAIRMAN FRIEDMAN: All right. So is there a consensus?

[No audible response.]

CHAIRMAN FRIEDMAN: It seems that there is. Okay. Thank you. Very good.

So we have adopted 616-MGT-3 by consensus. Thank you.

So now let's circle back to items (c) and (d)—I guess we'll do them in order—under Old Business. (c) is Definition of Forsyth and Mecklenburg Counties, North Carolina, 614-MGT-1, supplemented by 616-OPM-1, which addresses some of the questions that were asked at a previous meeting.

MS. SIMON: [via phone] This is 615-OPM-1?

CHAIRMAN FRIEDMAN: This is—okay. We're talking about 614-MGT-1—

MS. SIMON: [via phone] Oh. All right.

CHAIRMAN FRIEDMAN: —which is supplemented by 616-OPM-1, so those two pieces together.

MS. SIMON: [via phone] All right. Now I got my answer to this because I don't have 616—

CHAIRMAN FRIEDMAN: You got it?

MS. SIMON: [via phone] I only have 616-OPM-1. All right. Okay. I understand what you're doing.

CHAIRMAN FRIEDMAN: So what was done here—maybe, Mark, I should ask you to summarize, but basically, a question was asked at the last meeting about why some other nearby wage areas weren't also considered. I think 616-OPM-1 added that, and also, questions were asked about pay grade of the workers affected and so forth. Do you want to summarize?

MR. ALLEN: We did find out one thing that was a little unexpected with the

further analysis that we did with 616-OPM-1. When we looked at the distances, we found that Forsyth County—and we provided a map with a wider view in 616-OPM-1. We're measuring distances from Forsyth and Mecklenburg Counties to other wage areas that are in proximity to those two counties.

Forsyth County is just to the north of Rowan County, which is already an area of application county to the Cumberland wage area. What we found for Forsyth County is that it's 103 miles to Fort Bragg in Cumberland County. The next closest federal installation is Seymour Air Force Base in Wayne County, which is 154 miles, and it's to the east of Cumberland County. So for Forsyth County, I think it's a pretty clear case that the distance would determine that it should be defined to the Cumberland wage area.

The next one, Mecklenburg County, is actually closer to Fort Jackson, which is in the Richland, South Carolina, wage area. The reason that the Management proposal continues to recommend that Mecklenburg be defined to the Cumberland area is because of the organizational relationship between Forsyth and Mecklenburg Counties and their linkage with Rowan County, which is right in between those two counties. They're basically outpatient clinics associated with Rowan County, and although Mecklenburg is not adjacent to Rowan County, it's very close to it.

CHAIRMAN FRIEDMAN: Any questions or discussion?

MR. ALLEN: One other thing I wanted to point out—

CHAIRMAN FRIEDMAN: Oh, I'm sorry. I didn't mean to cut you off.

MR. ALLEN: —this came up at the last meeting, which was that the two counties are not currently staffed with nonappropriated fund employees, but there is a projection that there would be seven employees in each county. In October 2016, the Charlotte Health Care Center in Mecklenburg County would be staffed up, so next month.

CHAIRMAN FRIEDMAN: Any questions or discussion on this one?

MS. ARCHER: I'm not certain why you're not recommending that Mecklenburg be put in with the Richland area if the criteria seem to match in terms of distance.

MR. ALLEN: In the past, it's been a practice for the Committee to make recommendations for nonappropriated fund areas by taking into consideration the organizational relationships between activities that employ nonappropriated fund employees. So we did that. It might have been in Indiana where we might have done something similar to this. That's what the Management proposal is based on, and it follows prior precedent that's been set for this type of situation, where a county is a considerable distance away from any survey areas, but there's kind of an operational desirability to have the employees who are directed by a parent medical center. Based on precedent, these employees should be paid from the same schedule if there's not a great deal of distance difference between the two choices.

MS. ARCHER: So, in this situation, it looks like it's a 40-mile difference. So that would not be a great deal. I mean, that seems like that would change commuting patterns and other things.

MR. ALLEN: The commuting patterns could be measured from the counties to the survey area, so there really wouldn't be any commuting at that much of a distance for what we're talking about.

CHAIRMAN FRIEDMAN: I don't mean to delay anything on this, but I wonder, given that we have a long awaited working group meeting where we will be talking about the larger issue of closely located, closely related federal activities, whether this is something that we might want to kick around in the working group? Unless people are ready to make a decision on it. I don't want to sidetrack that, if you are ready, but this one might be something that we should

fold into the working group conversation. What do people think?

MR. ALLEN: There's a time pressure on this one because there will have to be a decision made by VA about what wage schedule to apply to the employees when they're brought on board next month in Mecklenburg County.

MS. ARCHER: I thought you said that was 2017.

MR. ALLEN: 2016.

MS. ARCHER: '16.

MR. ALLEN: I believe that's still the case, but the plan is to bring them on next month.

MS. MONTGOMERY: Yes.

CHAIRMAN FRIEDMAN: Well, I think Management would like us to decide this today, if possible.

MR. ALLEN: It would be helpful. Otherwise, the VA is going to have to make a decision themselves about how to pay the employees.

CHAIRMAN FRIEDMAN: Is there or is there not consensus to adopt this proposal?

MS. ARCHER: I feel like this might be something worth talking about in the working group.

CHAIRMAN FRIEDMAN: Okay. Unless you want to vote on it, we'll have to defer it.

MR. ALLEN: No, I think this is one where we can discuss it some more.

CHAIRMAN FRIEDMAN: Okay. Which then brings up item (d) under Old Business, which is possibly another one that falls in the same category, but we'll see. We have

some supplementary information on that one. We're talking about 614-MGT-2, as supplemented by 616-OPM-2.

MR. ALLEN: This is for Pitt County?

CHAIRMAN FRIEDMAN: Yes.

MR. ALLEN: Okay. We had some information to share on this one about the employees. There's a question about whether they were temporary or permanent because that impacts whether they would be entitled to pay retention or not.

Previously, we had indicated there were three positions, and we found out that there are now two positions. One position is permanent, and one is temporary. The third position is now vacant, and there are no plans to fill that vacant position. Both the current employees are food service workers at Grade 2.

I guess the only other thing to say on that is that that additional information has no impact on the Management recommendation to move Pitt County into the Wayne wage area.

MR. PHELPS: How long have the temporary workers been there?

MR. ALLEN: I have no idea about that.

MR. PHELPS: I'm just wondering why we have a permanent worker and a temporary worker at the same grade working at the same place, and we're talking about adjusting pay possibly for them. Why the regulations—if they've been there and if it's been a temporary worker for a certain amount of time, they should have been made permanent.

MS. MONTGOMERY: Well, I had the staff find out who those employees were, but they didn't dig that deep into, you know, the appointments and why they were appointed that way. But we could certainly look into it. I have no—

CHAIRMAN FRIEDMAN: Is it a new facility? Am I wrong about that?

MS. MONTGOMERY: I'm not sure if it's a new facility or not, but I can have them look into that as well. We will look that up.

CHAIRMAN FRIEDMAN: All right. I guess we'll seek more information.

MS. MONTGOMERY: Yep.

CHAIRMAN FRIEDMAN: This is another one where there is an issue with its relationship. It's a satellite—

MS. ARCHER: Right.

CHAIRMAN FRIEDMAN: —of a larger facility. The large facility is in a different wage area, so, again, this is somewhat analogous to the previous issue, it seems to me.

MR. ALLEN: Mm-hmm. Regarding Dennis' question about the temporary employee, and there's one temporary employee and one permanent employee, - I think what you're asking, Dennis, is whether it's possible maybe to make the temporary employee a permanent one if the other person working—

MR. PHELPS: Well, according to OPM regulations, if you have a temporary employee or a temporary position for such a period of time, you know, then it's supposed to be made permanent. You know, you're not supposed to indefinitely keep temporary positions, even if it changes the employee themselves. If you have a position that's there for a certain period of time, it needs to be filled by a permanent employee rather than a temporary employee.

CHAIRMAN FRIEDMAN: At any rate, we're going to defer this one, it sounds like?

MR. PHELPS: Yeah.

MS. ARCHER: Yeah.

CHAIRMAN FRIEDMAN: Okay. I think we have one other item under New

Business, which is item (d), Definition of Brown County, Wisconsin, to a nonappropriated fund Federal Wage System wage area, 616-MGT-1.

MR. ALLEN: Okay. This one is similar to the other cases we've dealt with but a little bit different, as all of them are from each other. Brown County, Wisconsin, that's actually Green Bay, Wisconsin, and what we are recommending in the Management proposal is that the county be defined to the Lake, Illinois, nonappropriated fund area, and when we took a look at this distance driving the recommendation, there are four nonappropriated fund employees of the VA Canteen Service. The closest NAF installation is about 170 miles away from Brown County, but that is the closest. It's the Naval Station Great Lakes.

The sticky issue with this one is that there have been employees at the VA facility in Brown County for a while, and the employees have been paid from the wage schedule that is not the correct one. The correct one that would apply to that county would be the Lake, Illinois, Rest of U.S.-equivalent schedule because the floor increase provision each year going back to 2004 requires that Federal Wage System employees receive the same GS adjustment as the employees where they work. So the employees have been paid from the Lake (Milwaukee) schedule because Lake County coincides with Milwaukee GS locality pay area, but this locality pay area does not include Brown County. Brown County is not part of the Milwaukee locality pay area for General Schedule employees. Brown County is in the Rest of U.S. locality pay area.

CHAIRMAN FRIEDMAN: Did it also have something to do with the fact that that Green Bay facility is a satellite of the larger Milwaukee Hospital?

MR. ALLEN: That's probably what the payroll folks made that decision on, but it's not the correct wage schedule to use.

MS. ARCHER: So what would that do to these people's wages? You only

included the one—

MR. ALLEN: It would be slightly lower.

MS. ARCHER: —wage schedule?

MR. ALLEN: Yeah, it would be slightly lower.

CHAIRMAN FRIEDMAN: Any questions or discussion on this one?

MS. ARCHER: I think I'd actually like to see the wage schedule for what they're being paid on right now.

MR. ALLEN: See the difference?

MS. ARCHER: Yes. And also, I guess I'm confused about why it being a satellite of the Milwaukee institution, this situation, they're not just paid with the Milwaukee area when the reasoning for the Mecklenburg one seemed to be that they were—you know, the organizational activity put those folks in a different wage area.

MR. ALLEN: What we're recommending is that the Brown County be defined to the appropriate wage area, and then after that—it's a different situation than the situation in North Carolina in that there are two wage schedules that apply—maybe three wage schedules that apply for the Lake, Illinois, wage area. Because of the way that the floor increase provision in appropriations has worked since 2004, most wage areas have more than one wage schedule that applies, so that the Federal Wage System employees receive the same percentage annual adjustment as the General Schedule employees, where they work, but it's based on official duty station rather than based on proximity to a parent organization or installation.

MR. PHELPS: Okay. That seems to fly in the face of the argument you were making for Mecklenburg, though. If this is a duty station that they're at and it's closer to the South Carolina wage area there for Mecklenburg County, but you're saying that because of

they're administrative tied together, why wouldn't that be the case in Wisconsin?

MR. ALLEN: Yeah. Well, we're actually doing the same thing and recommending that the Brown County be defined to the wage area, the parent installation it's already in, but it's a function of another provision of law that requires the annual adjustments to be the same as what GS employees receive. And that's not what's going on in North Carolina with Mecklenburg County.

MR. DAVEY: I think the difference here is the wage area is going to be the same as where they are now. They are going to be in Lake. They're already in Lake. Is that correct?

MS. ARCHER: No.

The way I understood, they are being paid out of Milwaukee.

MR. DAVEY: No. They're being paid out of the Lake survey area, Lake schedule, but there's three choices. There's three different schedules, and the schedule that is being proposed is a different one of those three schedules to the Lake area, so it's not the same as the North Carolina scenario.

MR. PHELPS: I thought what Mark said earlier, they were being paid out of the Milwaukee schedule now.

MR. ALLEN: They're being paid out of the Lake, Illinois, wage area, but there is more than one wage schedule that applies within that wage area because of the floor increase provision, and the county that Milwaukee is in is Milwaukee County. I thought it might have a different name, but it's Milwaukee County, which is two counties north of Lake County, and there's a separate GS locality pay area for Milwaukee from Chicago, and then Chicago and there's Milwaukee, but Brown County is in the Rest of U.S. locality pay area.

CHAIRMAN FRIEDMAN: Anything else?

MR. DAVEY: I think in North Carolina, if there were two different schedules, then we'd be having a similar conversation: Which one of the two are you going to be put on?

MR. ALLEN: Yeah. Actually, it's not discretionary because of the floor increase provision and the rule that an employee must be paid from the location where his official duty station is. It's a function of the appropriations law.

CHAIRMAN FRIEDMAN: I hear what you're saying, Mark. I understand the law and regulations in that regard. I'm just curious about one thing, which is about the GS employees in Green Bay at this satellite facility. I'm assuming their locality pay is Rest of U.S., but if that's not the case, I'd like to know that. In other words, are they possibly—because their facility is a satellite of the larger hospital Milwaukee, are those GS employees possibly getting Milwaukee locality pay?

MR. PHELPS: Well, if you're looking—

CHAIRMAN FRIEDMAN: I doubt that they are, but this is a piece of information that I personally would like to know.

MR. ALLEN: I would hope that they're not because, if they were, they'd be owing the government—

CHAIRMAN FRIEDMAN: Okay. I think that would be useful if we just clarify that. I may be the only one who is interested in that question, but I am interested in it.

MR. PHELPS: Why are they Rest of U.S. and you want to put them in with the Lake County when they're actually even physically close to Milwaukee County?

MR. ALLEN: Milwaukee County is part of the Lake wage area.

MR. PHELPS: Right.

MR. ALLEN: That's where the parent installation is for Brown County, and

Brown County is geographically closer to the Lake survey area than any other survey area.

MR. PHELPS: But Milwaukee is part of the Lake survey area, correct?

MR. ALLEN: Yeah.

MR. PHELPS: Okay. And, the arguments—or the case that Management continues to make on almost every change that they want is that it's physically closer to this area than to that area is why we want to change it, yet in this instance, Brown County is physically closer to the Milwaukee area than it is to Lake County.

MR. DAVEY: But Milwaukee is not an area, per se. It's the Lake wage area, which is the area.

MR. PHELPS: It's kind of confusing to me where we want to use mileage for 90 percent of the things, but then when there's one, even though it's in the same survey area or same area, but you have three different schedules there, why you wouldn't go with the closest physical schedule by mileage than to some other schedule

MR. DAVEY: Well, I don't think that's what we're allowed to do.

MR. PHELPS: Well, that's why I'm asking.

MR. DAVEY: We're required to follow RUS. If it's in RUS, then you use RUS, is the increase you follow. If you're in Milwaukee, you use Milwaukee—

MR. PHELPS: Well, how does it get qualified as RUS versus in the Milwaukee?
That's—

MR. DAVEY: Where it's physically located.

CHAIRMAN FRIEDMAN: That's based on the geographic definition of the GS locality pay area.

MR. ALLEN: We have no statutory authority to apply the—

MR. PHELPS: Okay. I'm just asking. I was confused about that.

MR. ALLEN: I understand your confusion. I've been confused myself about the floor increase provision.

MR. PHELPS: Right.

MR. ALLEN: And apparently, people in Green Bay, Wisconsin, were confused about it too.

CHAIRMAN FRIEDMAN: Okay. Anything else on this now?

MS. ARCHER: So I think it's helpful to see the other Lake area schedules, so we can—

CHAIRMAN FRIEDMAN: Okay.

MS. ARCHER: And I am also interested in the point that Sheldon raised about the GS—what might be going on with GS workers.

MR. ALLEN: Would we be able to get that information, Carmen?

MS. MONTGOMERY: Yes. I will have the staff research that information as well.

MR. ALLEN: Okay.

MS. MONTGOMERY: I have a note for the GS—

CHAIRMAN FRIEDMAN: Thank you. That would be very helpful.

Well, is there any other New Business beyond what we have listed on the agenda?

[No audible response.]

CHAIRMAN FRIEDMAN: In that case—and we do have a working group meeting scheduled for about 10 minutes after the end of this meeting, in the Small Pendleton Room. We've got that room, don't we, Madeline?

MS. GONZALEZ: We should.

MR. ALLEN: We might have to muscle in there.

CHAIRMAN FRIEDMAN: Yeah.

So, unless there's some other New Business item, it would certainly be in order for us to adjourn. Is there any other New Business item?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay

Is there any objection to adjourning?

MR. PHELPS: Move to adjourn.

MR. ALLEN: Second.

CHAIRMAN FRIEDMAN: Is there any objection to adjourning?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing no objection, we are adjourned. Thank you.

See you all in a few minutes.