

**NOVEMBER 19, 2012 MEETING MINUTES**

**DELAWARE COMPENSATION COMMISSION, 2013**

**1:00 P.M. – 3:00 P.M.**

Commission Members Present:

Jennifer W. Davis  
Donald Puglisi  
Michael Ratchford  
Harold Stafford  
William Willis  
Ann Visalli (Meaghan Brennan) ex-officio

Consultant to the Commission: Michael Nadol

Office of Management & Budget (OMB)/Human Resource Management (HRM) Staff Present:

Linda McCloskey  
Lisa Allison  
Abbey Feierstein

The first meeting of the Delaware Compensation Commission (DCC) began with a welcome from Ann Visalli, Director of the Office of Management and Budget (OMB). Introductions were made. Ann spoke about the role of the Commission.

The first order of business was the selection of a Chair and a Co-Chair. By consensus, Michael Ratchford was chosen as Chair and Jennifer Davis as Co-Chair.

Michael Nadol summarized his background as Managing Director, The PFM Group.

Procedural issues were discussed. It was decided that Linda McCloskey would be the OMB point of contact. The Commission asked about rules concerning communication between DCC members and the public, interested parties, lobbyists, etc. HRM staff will seek a response.

Linda McCloskey spoke about the work of the Commission. Background information provided to the Commission was discussed including 29 Del Code Chapter 33, FOIA requirements, current State salaries, salary increases through time, major re-organizations, budget and FTE trends, general questions about the FY 2005 and FY 2009 Commission reports, and the influence that fiscal and global environments had on the Executive Branch salary tiers. It was discussed that the report is due to the General Assembly on January 8, 2013. Unless the General Assembly rejects the report in its entirety within 30 days following the beginning of its session, it becomes law. The results will be effective on July 1, 2013.

Mike Nadol was asked to identify factors that the Commission should consider when making salary recommendations. His suggestions included salaries in other states, internal equity, an

organization's primary recruitment pool, and state population. He indicated that because of Delaware's small size, regional equivalencies were more important to consider than data from other state governments. Examples of regional comparative data he noted included the greater Philadelphia Standard Metropolitan Statistical Area (SMSA) as defined by the feds, New Castle County government, Baltimore City and County government, and Towson, MD government. He also suggested data from Council of State Governments (CSG), National Association of State Budget Officers (NASBO), City of Wilmington, Levy Courts, and other city councils.

A short discussion followed between DCC members noting how Delaware differs from other states in that services provided by state government in Delaware are provided at the county level in other states and that the Department of Education over Delaware's public schools falls under state jurisdiction. DCC members raised questions/concerns about Executive Branch salary compression issues (HRM will provide data), cost to implement the recommendations of DCC 2005 (\$2.5 million for salary and OECs), funds allocated for the 2013 Commission (OMB will recommend a place holder in January and address full funding in the spring as necessary), the importance of Delaware's Judiciary, differences between existing state pension plan benefits (HRM will provide), legislative supplements and expenses, Section 10 voted salary changes 2004 – 2010 (OMB will provide), 401 (k) type plans as a marginal issue, the cost of a 1% increase in salaries covered by the DCC (OMB will provide), and the latest DEFAC projections (flat).

Linda and Meaghan summarized the items that the Commission requested for the next meeting. The Commission requested that salary survey data be provided by the next meeting. Mike Nadol will provide salary survey data and salary trends.

Mike Ratchford suggested that in addition to all of the above considerations, the DCC recommendations should be supported by data and made by consensus. The Commission agreed.

Due to prior obligations, the DCC Public Hearing and meeting following the hearing that was scheduled for December 11, 2012 was moved to Thursday, December 13, 2012. The hearing is to be held from 3:00 p.m. – 5:00 p.m. followed by a DCC meeting from 5:00 p.m. to 7:00 p.m. Procedural questions were discussed including scheduling those interested in appearing before the Commission within the time allotted and the receipt of written comments from those scheduled to address the Commission prior to their appearance at the hearing.

The next meeting of the Commission is scheduled for Tuesday, November 27, 2012 at the Haslet Building in Dover, from 10:00 am – Noon.