

**EMPLOYEE ADVISORY COUNCIL MEETING
SUMMARY**

Thursday, January 16, 2014, 10:00 a.m. to 12:00 noon
Njord Conference Room, Rampton Complex

PRESENT: Carlos Braceras, Executive Director
Shane Marshall, Deputy Director
Boyd Humphreys, Region Three
Carlos Rodriguez, HR Manager
Cherissa Wood, Operations
Cindy Manchego, Administration
Denece Sheppick, Region Two
Donna Beagley, Region Four
Ivan Hartle, Project Development
Jake Brown, Region Two
Jessica Rice, Project Development
Keith Oman, Region One
Kristi Urry, Program Development
Lis Olschewski, Administration
Mike Cole, Region Three
Nick Kenczka, Program Development
Ree Schena, Region Four
Ryan Halverson, Region One
Tawnya Lang, Operations
Diane Josie, Executive Assistant

The meeting began at 10:00 a.m.

1. GENERAL DISCUSSION REGARDING COUNCIL AND PROCESS

Carlos reviewed the agenda and wanted the Employee Advisory Council (EAC) members to know the meeting is informal, and he would like input from them.

2. FOLLOW UP ITEMS

- **Funding Process Explanation**

Carlos mentioned he would discuss this topic using the information provided by Becky Bradshaw.

He began by discussing the different sources of funding. One source is the federal gas tax. He said approximately \$60 to \$70 million goes to projects and the Metropolitan Planning Organizations (MPO). A formula is used based on the number of people, miles, etc. Another

source is the state gas tax, which is 24.5 cents per gallon.

Carlos explained the Transportation Fund and Transportation Investment Fund (TIF). The money in the Transportation Fund is used for salaries, equipment, and overhead expenses, such as lighting for the buildings. In 2013, there was \$446 million in the Transportation Fund. Thirty percent of that went to the local governments, and 70 percent went to UDOT. Carlos then outlined how TIF funds were allocated. The TIF fund goes to capacity projects. He explained that mineral lease money is a “pass through” account. UDOT does not get any of that money.

Carlos said the Legislature, Governor’s Office, and Treasurer’s Office prepare a consensus revenue projection. This means they basically agree on the growth or negative growth for the State of Utah four times each year. UDOT makes adjustments all year long to stay within the funds budgeted for the Department. He said revenues have been flat since 2009.

He explained how the money was distributed by line item. If we want to build more roads or give increases, the money comes from a line item. There is no general fund money to use for this. He said the UDOT leaders review every full time employee (FTE) in the line item, along with all anticipated expenses, before they negotiate with the Legislature. The money left over goes into construction management. This is the money the Transportation Commission uses to program roads. This year there was \$13 million.

Carlos said the first thing done with the money in the construction line item is match the federal program or we can’t spend any of the federal money.

He explained beginning in July 2013, new employees are under a new retirement system. He said because of this, Utah has better credit ratings. He said the Legislature didn’t want to make that change, but they didn’t want the state to go bankrupt either. Last year the cost of health insurance increased seven percent. It costs approximately \$30 million to give all state employees a one percent increase. Increases can’t be funded with one-time money.

One EAC member asked about Administrative Salary Increases (ASI) that are allotted to the Regions. Carlos said the money is coming out of the line items for the Region or Group. The leaders have to have a way to fund the ASIs in the future. A Council member said he thought it was good for employees to see their write ups for the ASIs.

Carlos said there is a lot of bonding. Money to pay the bonds comes out of the TIF. The money goes to the highest need. He said roads built with TIF funds can be operated and maintained with TIF funds. For example, winter operations for I-15 CORE are paid for from the TIF.

Carlos said state agencies work throughout the year with a liaison from the Governor’s Office of Management and Budget (GOMB) to address employee salaries and benefit needs. He said the Department of Human Resource Management (DHRM) takes the lead on these issues. GOMB tries to get as much money as possible to fund the basic functions.

An EAC member asked if there is a time when cuts to budgets or FTEs are necessary. Carlos said UDOT is different from other state agencies. He explained that in the early 1990s, the

Legislature said they thought UDOT was overstaffed. UDOT reorganized and consolidated Region Four. In 2003, the chairman of the Executive Appropriations Committee asked what the maintenance employees did during a very dry winter. UDOT was told to become more efficient. The PEQIT was created. One hundred positions were lost through attrition.

He said during the 2009 General Legislative Session, revenues had dropped and state agency budgets were being cut left and right. During the last part of that Session, legislators said UDOT needed to make cuts. The Department leaders chose to take \$3 million out of Equipment Management and put it into Construction Management. During that same time period there were five percent vacancies in Maintenance. That was done so the Department didn't have to cut FTEs.

Carlos said in August of this year, we expect the Federal Highway Trust Fund to be bankrupt. UDOT leaders are watching this very closely because it will impact UDOT and local governments.

One Council member asked if the growth of public transit and fuel savings hurts the Department in the long run. Carlos said it does. It impacts the gas tax revenue.

The discussion turned to the equipment that is used for plowing. One EAC member asked if the \$3 million that was moved out of Equipment Management could be moved back. Carlos said the Department would have to justify making that change.

Carlos said he believes the Department does a great job managing their money and resources.

- **Employee Recognition Program**

Shane said he would like to address this item. He said he explained the employee recognition program during his presentation at the UDOT Annual Conference.

The first item he discussed was the Silver Barrel Award. It is an award given to an employee who has gone above and beyond. Carlos presents the award and recognizes the employees amongst their peers. The award includes a certificate, pin, and sticker. One Council member asked if there was a special form to use to nominate an employee for this award. There is no form, just write up the nomination and submit it to your Region or Group leader.

Carlos asked the EAC what they thought about inviting their significant others to attend the presentation of the Silver Barrel Awards. One EAC member suggested leaving it to the employee receiving the award to determine whether to invite a significant other. Another Council member mentioned that his employees were very proud to receive this award. He thought the recognition was done very well and it is good to recognize employees in front of their coworkers.

Shane discussed ASIs and Performance Awards. He said each Group or Region gets the opportunity to give these to six percent of their employees per year. ASIs are limited to 2.5 percent. The money for these two programs comes out of the Region or Group budgets.

Carlos said the Department is trying to do something for the employees while still being conservative. He said the Legislature looks at the ASIs and Performance Awards given every year. We don't want to be the agency that gives out the most.

The next item Shane discussed was an Employee Appreciation Award in the form of UDOT t-shirts. Each Group or Region leader has the ability to give out a gift certificate for a UDOT t-shirt to 20 percent of the employees in the respective Group or Region. The certificates have been handed out to the leaders. Shane said he has not seen anyone wearing a UDOT t-shirt.

A lot of the EAC members have not heard about the t-shirt program. One of the Council members said he received a certificate for a UDOT t-shirt. Carlos gave each of the members of the Council a certificate for a t-shirt.

Shane said part of the employee recognition program includes the Employee Advisory Council. The EAC was created to allow two-way communication.

New Employee Orientations (NEO) are another part of the program. Shane said two NEO sessions have been conducted to-date. The sessions have been changed and are evolving. Upcoming NEO sessions will include an hour prior to the session for employees to ask questions from Human Resources. The meetings will be held quarterly. Shane explained the format of the NEO sessions. The group agreed these are a good thing for new employees.

The final part of the recognition program that Shane discussed was supervisor training. The training includes education on how to recognize employees. Some supervisors don't know how to recognize employees and say "thank you" for their work.

Shane asked the Council members to take this information back to the employees in their Groups and Regions.

Shane asked if there any thoughts on how to get the knowledge of these programs to the employees. One EAC member said it is important for employees to know they've been nominated for ASIs even if they are not granted. It would be nice for the employee to get a copy of the nomination form. The group agreed the names of the employees who receive ASIs should be kept confidential.

One Council member asked about the Employee of the Year (EOY), and Leader of the Year (LOY). Shane said the EOY, LOY, and Career Service Achievement winners will be announced at the UDOT Annual Conference. One of the Region Four Council members mentioned that finalists for these awards from the Region were recognized by a write up and sign in their office.

ACTION ITEM: Carlos would like to share this idea as a best practice for the upcoming year.

An EAC member suggested an Employee of the Month Program. Shane said if something like this was done, it needs to be done consistently throughout the Department.

ACTION ITEM: Carlos said he will check into the idea of an Employee of the Month Program.

An EAC member said sometimes there needs to be different awards for different groups of people. He mentioned a Clean Team Award. Another member believes if the program is handled at the Region level, it may fade away. An EAC member mentioned the TOC had an Employee of the Month Program where employees participated in a pot luck lunch. Another member mentioned that some of the employees on the Mountain View Corridor project pitched in their own money to have a Tech of the Month Program.

A Council member asked about the Safety Award Program. She said the employees in her Region would like to see that Program reinstated. Shane said the leaders are in the process of evaluating the Safety Program. Part of the evaluation will include looking at an award system. A presentation about the Safety Program will be made to the Transportation Commission.

- **Market Comparability Adjustments**

Carlos Rodriguez explained Market Comparability Adjustments (MCA). He said the Legislators meet every year to consider Cost of Living Adjustments (COLAs) which is an increase for all employees, Merit Increases, and MCAs. Last year's one percent increase was a General Increase given to all employees. It was an increase in salary without any movement in the salary range. It's almost the same as a COLA.

Carlos said Utah statute obligates DHRM to look at what the market is paying for jobs that are comparable to jobs within the state or across various states, depending on the job. DHRM provides benchmarks for each position. The benchmark is based on the midpoint of the salary range. If the survey shows the ranges are lower, they submit the information for approval.

An increase in the range doesn't guarantee an employee will get any money. The only employees who would get money would be those that would be below their range. Carlos said if an employee is below the benchmark range, that issue should be addressed. If they are outside of the top of the range, they are in Longevity.

There are benchmarks that are as much as 40 percent below the market. Engineers have been 10 to 20 percent below the market. Even though they are below the market, nothing happens if the Legislature doesn't address it.

Carlos said HR can get a complaint about an inequity issue, but there is no obligation to give equity adjustments, because Utah statutes only require that an employee's wage is within the range for which the position is classified.

An EAC member asked how it is determined which category a position falls in. He said employees say they are not really being compared to the actual positions in the market. He said it is a morale issue because employees feel they are not being benchmarked to the actual tasks they perform.

Carlos said there are 87 benchmarks. A Council member asked if changes are ever made to benchmarks. Carlos said DHRM has been working with the field offices to make sure the benchmarks are correct.

Carlos said companies that have been surveyed don't care about ranges. The average wage is 14.9 percent below market. DHRM will start looking at wages rather than salary range. There are a high percent of State employees who are at their first quartile. He said Maintenance employees are benchmarked to an Engineer Tech III. State agencies can't do anything about changing the benchmark ranges, other than working with DHRM to provide its recommendations. It's up to DHRM to make the changes.

Carlos explained Classification is different from Compensation. Salary ranges can't be used to determine where you should be in your Classification.

An EAC member asked what program local governments use. Carlos said they do salary surveys, but they survey different companies.

Carlos Braceras said the State wants to find out if there are certain job types with high turnover. Carlos Rodriguez said discretionary money can be used to address high turnover.

A member of the group asked if there is a way for employees to bring any compensation issues to the attention of HR. Carlos said the employee should talk to the HR field office. They will bring the issue to the HR compensation director.

One EAC member said she thinks it would be good to explain these issues to employees. Carlos agreed.

Another EAC member said an employee in her group wants to know if years of experience are ever going to count. In the past, there was a merit system where an employee could move up. Carlos said there are so many things that happen that employee-to-employee equity never happens. Two people starting at the same rate will rarely end at the same rate.

Carlos said he would be happy to talk with anyone who has questions about these issues. He would be happy to explain it to employees. The members of the group can direct any of the employees in their group to Carlos or HR in general, to answer questions.

He said it's important to let employees know they are valued. The Department's hands are tied as far as wages.

3. HR SERVICE AWARD SYSTEM

Carlos Rodriguez said a list of employees with service award dates are provided to the Service Award Coordinators in the Groups and Regions. There may have been some problems recently because HR has been switching some of their systems. He mentioned only benefitted years are counted for the service awards. An EAC member from Region Two said there were 12 employees that were not on the list last year. She provided the list to Carlos.

4. EMPLOYEE COMMUNICATION – APPROACHING LEADERSHIP

One Council member said employees think things are being hidden from them. The information needs to get to the crews quicker than it currently does. Members of the group agreed the reasons why decisions are made need to be communicated to employees.

One member of the group said the managers need to take the information to the employees. Another member said it is good to be as clear as possible with employees. He mentioned the overtime issue needed to be explained better. Policies and procedures need to be explained. Some of the group feels information is not being communicated from the senior leaders to the managers and supervisors. There is a disconnect from the top to the lower levels. An example was when FTEs were taken from their stations and nothing was said to them before it was done. The director in one of the Regions couldn't answer any questions about the position move or classification. Carlos Bracerias asked the group how it would be best to communicate. A couple of employees agreed a telephone call would work. The group agreed the information needs to trickle down to the employees.

ACTION ITEM: An EAC member suggested the budget office come up with an FTE form to use to track changes made to FTEs. The form would need to be signed by the supervisors involved in the changes. This documentation would be available for future reference.

Shane asked how to get the word out to employees. One EAC member said if it's by e-mail, the message can't change. Another member suggested policy changes should be communicated in person so questions can be answered and a copy of the written policy can be given to the employees.

Carlos asked the group if the blog is a useful tool. Some of the group said employees do not know about it, and some employees do not have computers to look at it. A lot of the group agreed that employees do not have time to look at the blog or Twitter, and do not know how to use the programs.

One Council member said she thinks the leaders are communicating to the managers. The managers do not communicate to the staff. She mentioned that Carlos and Shane need to direct leadership to distribute the information all through the Groups and Regions.

Another Council member said there are so many newsletters. He asked how to create a newsletter that has enough information to be useful, but not inundate employees.

FOLLOW UP ITEM: Carlos asked about continuing this discussion at the next meeting. How would the group like to receive information? What would be the best way to make it useful for employees?

Carlos said his goal is to have an organization that anyone at any level can ask a question and get an answer.

5. COMPENSATION

- **Pay for Years of Service and Education**

This item was covered in the discussion regarding Market Comparability Adjustments.

- **Equality Across Regions**

This item was covered in the discussion regarding Market Comparability Adjustments.

- **Cost of Living Increases**

This item was covered in the discussion regarding Market Comparability Adjustments.

- **Losing FTES - Doing More with Less**

Due to time constraints, this item postponed to next meeting.

- **System Similar to TransTech Program Department-wide**

Due to time constraints, this item postponed to next meeting.

6. TUITION REIMBURSEMENT AMOUNT

Due to time constraints, this item postponed to next meeting.

7. FUTURE DISCUSSION ITEMS

- Career Mobility
- Employee Discipline Process
- Off-Site Year End Parties/Team Building Activities
- Flexible Schedules
- Building Issues/Working Conditions
One Council member brought up building issues. Liz asked anyone with issues pertaining to the Rampton Complex to forward them to her. She will address them.
- Construction/Maintenance – Trans Techs
 - Maintenance Activities Falling Behind
 - Overtime for Construction Jobs
 - Maintenance vs. Construction
 - Contractors Working 24-Hour Days

Carlos asked for the top two or three things from each person to address at the next meeting.

NEXT MEETING ITEM: One EAC member would like to hear about Carlos' and Shane's leadership approach and their plan for the Department. She said training people to communicate is important.

NEXT MEETING: Another EAC member would like to discuss career mobility.

The meeting adjourned at 12:30 p.m.