

ITEM NO: _____ 7a Supp _____

DATE OF MEETING: October 22, 2013



2014 Salary and Benefits Resolution

Commission Briefing
October 22, 2013

Agenda

- Background
- Recommendations for 2014
 - › Considerations
 - › Recommended Updates



Background -

What is the Salary and Benefits Resolution

- A delegation of authority from Commission to CEO
 - › Administration of pay and benefits
 - › Major components of the Port's Total Rewards package
- Covers approximately 950 (54%) Port employees
- Contains provisions similar to collective bargaining agreements



Background - What is Covered

- Authorizes the port to provide medical and dental benefits
- Establishes Pay for Performance (PfP) as the basis for pay increases
 - › Merit-based system
- Contains the salary range structure for non-union jobs



Background - What are Changes Based On

- Changes informed by
 - › New or changing laws
 - › Updates to port policies
 - › Current market pay levels
 - › Anticipated pay increases
 - › The business environment and labor market



Background - Changes in the Past Year

- Total Rewards philosophy implemented
 - › Gap analysis work continues
 - › Long-term Healthcare Strategy developed and communicated



Background - Changes in the Past Year

- Salary ranges
 - › Last year ranges were ~ 1.0% below market
 - › Anticipated 2013 market pay increase was 2.8%
 - › Ranges were increased by 2.0% for 2013
- Benefits
 - › Focus on cost health care containment continues
 - New claims administrator reduced administration costs



2014 Recommendations

- Considerations beyond the resolution
 - › Current economic environment
 - › Increases to employee portion of health care costs
 - Dependent premiums will increase
 - Employee out of pocket costs will increase
 - › Increases to PERS contribution rates for the Port and employees



2014 Recommendations

- **Salary Ranges Considerations**
 - › Jobs market priced to determine how they compare to market
 - › Ranges are currently 0.2% below market
 - › Surveys reporting 2014 anticipated average pay increase of 2.9%



2013 Recommendations

- **Salary Range Considerations – Continued**
 - › Anticipated 2014 pay changes at local public employers also considered

	Low	High
Anticipated COLA	0%	2.6%
Anticipated Total	0%	10.5%



2014 Recommendations

- **Standard changes**
 - › Updated holiday schedule for 2014
 - › Reduction of Paid Time Off (PTO) accumulation limit
 - › Wording changes to increase clarity
- **Benefits Eligibility**
 - › Separating employee and commissioner eligibility into separate sections; no change to actual eligibility
- **Eliminating the Foreign Language Premium**
- **Salary Ranges**
 - › 2% increase to salary range structure

Conclusion

- Recommended changes to the Salary and Benefits Resolution for 2014
 - › Are consistent with past years
 - › Remain conservative



2013 Salary and Benefits Resolution Briefing