

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 6b
Date of Meeting November 19, 2013

DATE: November 6, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: Tammy Woodard, Assistant Director, HRD-Total Rewards
SUBJECT: Second Reading and Final Passage of Resolution No. 3686, 2014 Salaries and Benefits

ACTION REQUESTED

Request second reading and final passage of Resolution No. 3686: A resolution of the Port Commission of the Port of Seattle establishing jobs, pay grades, salaries, allowances and adjustments for Port employees not represented by a labor union; authorizing and establishing conditions in connection with the following benefits: Social Security, industrial insurance, Unemployment Compensation, military leave; retirement; compensated leave, including civic duty, bereavement leave, holidays, paid time off/extended illness leave, shared leave, and awarded time; insurance benefits, including medical, dental, life and long-term disability; and authorizing this resolution to be effective on January 1, 2014, and repealing all prior resolutions dealing with the same subject, including Resolution No. 3671.

SYNOPSIS

The Salary and Benefits Resolution delegates authority from the Commission to the Chief Executive Officer to oversee administration of pay and benefits for the Port's non-represented employees. The resolution includes provisions governing pay practices, pay ranges and benefit programs. When reviewing the 2013 Salary and Benefits Resolution and determining what changes should be incorporated into the 2014 resolution, staff reviews what has changed in the past year regarding pay, benefits and other Total Rewards programs as well as areas of the current resolution that could be clarified.

Recommended changes to the 2014 Salary and Benefits Resolution are minimal and similar to changes in past years. Recommended changes include a 2% increase to the salary ranges for non-represented jobs, an updated holiday schedule, a reduction of the maximum PTO balance to 480 hours, an updated Exhibit A that lists current non-union job titles and their associated salary ranges, elimination of the foreign language pay premium, and some wording changes to increase clarity and consistency. Cost associated with these changes are limited to those associated with the range adjustment and will be approximately \$5,000.

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BACKGROUND

The Salary and Benefits Resolution is a delegation of authority from the Commission to the Chief Executive Officer to direct the administration of pay and benefits for the Port's non-represented employees. Pay and benefits are major components of the Port's Total Rewards package and are important to retaining, engaging and attracting skilled employees committed to helping the Port achieve its mission, goals, and business objectives.

The resolution covers approximately 950 employees, or about 54% of the Port's workforce, those employees not represented by a labor union. One of the core pay principles of the Port's Total Rewards philosophy is to pay at market and a core benefits principle is to provide a benefits package that is slightly above market. Changes to the resolution vary from year to year and are consistent with the Total Rewards Philosophy. Proposed changes for the 2014 resolution are similar to changes for 2013, the recommended 2014 resolution does not contain any substantial changes.

PROPOSED CHANGES

There are some minimal changes from the 2013 resolution designed to improve clarity and remove outdated language. Noteworthy revisions to the resolution include:

VI.I. Foreign Language Premium

The current Foreign Language Premium was identified through the Total Rewards Philosophy gap analysis as an aspect of the Port's non-represented pay program that is not aligned with the Total Rewards Philosophy. The philosophy is to pay at market and research by Port staff identified this premium as unique in the local area. We contacted other employers and did not find any other employers who have a similar premium. Analysis of the premium also showed that the \$20/hour premium added to employee's pay rates when they provided translation services to the Port results in widely varying pay rates to the employees who provided this service. We also identified this as a rarely used component of the non-represented pay program.

VIII.C.2d.(2) Limits on Accumulating PTO

The 2014 Resolution will include the final reduction to the maximum PTO balance for employees hired before 12/20/98. The current PTO program was implemented on December 20, 1998 and employees hired on or after this date have had a maximum PTO balance of 480 hours. Employees hired before the implementation of the PTO program had their maximum balances reduced by 100 hours per year until January of 2014 when the maximum balance will reduce from 600 to 480 hours.

VIII.C.4 – Insurance Benefits for Employees and

VIII.C.5 – Insurance Benefits for Commissioners

The 2013 and earlier Salary and Benefits Resolutions had one section that identified the insurance benefits that both employees and Commissioners received. This format made it difficult to identify how benefits eligibility differed for which benefits. There was also some confusing redundancy in a couple of the Commissioner eligibility sections. The 2014 Resolution

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creates separate sections for employees and Commissioners so readers can go directly to the section they are looking for and read about all insurance benefits for the group in one place without having to sort through employee vs. Commissioner eligibility. This revision does not change any provisions of these sections.

Exhibit A

Exhibit A is attached to the Salary and Benefits Resolution and is a schedule of non-represented job titles and associated salary ranges. Though salary ranges require the approval of the Commission, amendments to Exhibit A do not require this level of approval. Exhibit A is amended and re-published periodically throughout the year by Human Resources and Development to reflect the outcomes of on-going job evaluation work.

ATTACHMENTS TO THIS REQUEST

- Resolution No. 3686 – 2014 Salary and Benefits Resolution
- Resolution No. 3686 – Red-Line Version
- Exhibit A, Schedule of Authorized Non-Represented Position Titles and Salary Ranges effective January 1, 2014

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- October 22, 2013 – 2014 Salary and Benefits Resolution Briefing
- November 5, 2013 – 2014 Salary and Benefits Resolution First Reading