

ITEM NO: 7a Supp

DATE OF MEETING: November 4, 2014



2015 Salary and Benefits Resolution

Commission Briefing
November 4, 2014

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 960 (53%) Port employees
- Contains provisions similar to collective bargaining agreements



Background - What is Covered

- Authorizes the Port to provide a benefits package that includes healthcare benefits and paid time off 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 by other local public agencies
 - › The business environment and labor market



Background - Changes in the Past Year

- Changes to health care plans
 - › High Deductible Health Plan added with a connected health savings account (HSA)
 - › Copay plan eliminated
 - › Nominal dental coverage premium share
- Continued focus on cost containment and alignment with the Healthcare Strategy
- ACA regulations continue to evolve



Background - Changes in the Past Year

- Salary ranges
 - › Last year ranges were ~ 0.2% below market
 - › Anticipated 2014 market pay increase was 2.9%
 - › Actual increases were very slightly less at 2.8%
 - › Ranges were increased by 2.0% for 2014



2015 Recommendations

- Considerations beyond the resolution
 - › Increases to employee portion of health care costs
 - Increase to dependent and dental coverage premiums
 - Employee out of pocket maximums increasing for Cigna medical plans
 - ACA requirements becoming clearer
 - › Increases to both Employer and Employee PERS rates are expected



2015 Recommendations

- **Salary Ranges Considerations**
 - › Port job pay rates are compared to market pay rates
 - › Port ranges are currently 0.9% below market
 - › Surveys report anticipated 2.9% average pay increase
 - › Anticipated 2015 pay changes at local public employers

	Low	High
Anticipated COLA	0%	3.0%
Anticipated Total*	0%	10.88%

*Total includes COLA, step, and merit increases. High denotes the max. possible total increase.



2015 Recommendations

- **Standard changes**
 - › Updated holiday schedule for 2015
 - › Updated Graded Salary Range Structure
 - › Wording changes to increase clarity
- **Other changes**
 - › Updated definitions
 - › Daylight Savings Time addressed
 - › Faith or Conscience Days



Conclusion

- Recommended changes to the Salary and Benefits Resolution for 2015
 - › Are consistent with past years
 - › Remain conservative and aligned with market changes



DRAFT
**2014 Salary and
Benefits Resolution
Briefing**