

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 6c
Date of Meeting November 11, 2014

DATE: October 24, 2014
TO: Ted Fick, Chief Executive Officer
FROM: Ann McClellan, Compensation Manager, HRD
SUBJECT: Resolution No. 3699, First Reading, 2015 Salary and Benefits Resolution

ACTION REQUESTED

Request first reading of Resolution No. 3699: A resolution of the 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; Faith and Conscience Days; 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, 2015, and repealing all prior resolutions dealing with the same subject, including Resolution No. 3686.

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 2014 Salary and Benefits Resolution and determining what changes should be incorporated into the 2015 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 2015 Salary and Benefits Resolution are similar to changes in past years. Recommended changes include a 2% increase to the salary ranges for non-represented jobs, an updated holiday schedule, an updated Exhibit A that lists current non-union job titles and their associated salary ranges, updated definitions, 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.

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

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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 960 employees, or about 53% 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. There will be no major recommended changes to the Salary and Benefits Resolution for 2015 and changes will be consistent with changes in past years.

RECOMMENDED CHANGES

The changes from the 2014 resolution are designed to improve clarity and remove outdated language. Noteworthy revisions to the resolution include:

Section I. Definitions

A definition for the "at-will" designation has been added to this section to explain how this term applies to jobs or positions at the Port. Jobs with this designation will be noted in Exhibit A of the Salary and Benefits Resolution. Conversely, a definition for the "for-cause" designation is also added to this section. This designation applies to most Port jobs. The definition of the Commission Chief of Staff is deleted from this section.

Section III.C – Salary Rates, Ranges and Allowances for Non-evaluated Jobs

The Chief Executive Officer job has been added to this section as a non-evaluated job. This job was removed from the list of jobs that are assigned the grades in the Salary Ranges for Non-represented Jobs, which is consistent with other non-evaluated jobs.

Section VI.B. – Pay and Benefits for the Chief Executive Officer

The definition of benefits for the CEO has been added to this section. The language is intended to provide the Commission flexibility when establishing a benefits package for the CEO.

Section VII.C. – Other Compensation Considerations

Daylight Savings Time – a statement has been added to explain how to account for the hour lost or gained by non-exempt (overtime eligible) employees due to the Spring and Fall daylight savings time changes.

Section VII.B. – Basic Benefits Provided for Non-represented Employees

To comply with a new state law that became effective in mid-2014 the Port provides up to two unpaid Faith or Conscience Days to employees for reasons consistent with the state law. For 2015 we will be adding reference to these days to the Salary and Benefits Resolution.

Exhibit A

Exhibit A is attached to the Salary and Benefits Resolution and is a schedule of authorized non-represented job titles and associated salary ranges. Though salary ranges require the approval of

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the Commission, amendments to Exhibit A do not require this level of approval. Exhibit A is amended and 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. 3699 – 2015 Salary and Benefits Resolution
- Resolution No. 3699 – Red-Line Version
- Exhibit A, Schedule of Authorized Non-Represented Position Titles and Salary Ranges effective January 1, 2015
- 2015 Salary and Benefits Resolution PowerPoint Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- November 4, 2014 – 2015 Salary and Benefits Resolution Briefing