

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No. 7c
Date of Meeting April 12, 2016

DATE: April 8, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Paula Edelstein, Senior Director, Human Resources
SUBJECT: Incentive Pay Plan Briefing

SYNOPSIS

The purpose of this briefing is to present the proposed incentive pay plan prior to a request for the Port Commission to approve an amendment to the 2016 Salary and Benefits Resolution authorizing the plan.

BACKGROUND

Port staff is proposing an incentive pay plan for non-represented employees. This plan will be in addition to the existing Pay for Performance plan that rewards employees based on their performance review ratings with base pay increases. This is a results oriented, self-funding, values driven and Century Agenda focused plan. The proposal includes a June 1, 2016 effective date.

The proposed plan is a results oriented plan that only pays out when financial performance exceeds budget. The plan will include a balanced approach by including values driven non-financial goals in addition to the self-finding financial goal. The self-funding aspect of the plan will not add to fixed payroll costs. In addition, at least half the financial performance that exceeds budget will be retained by the Port. A required portion of the amount retained by the Port will be returned to the airport and a portion will go to the tax levy fund to offset the need for future levy increases.

The plan is also values driven and socially responsible. The proposed incentive pay plan focuses on the triple bottom line and it awards payouts to employees first and then to executive leaders. The proposed plan will support Port employees working together as One Port for the benefit of the region and bring focus to the Port's Century Agenda goals.

The proposed incentive pay plan will support the Port's attraction and retention efforts by adding a component to the Port's pay program that is very common in private industry. In 2015, 75% of the Port's new hires came from private industry. This plan will also create a competitive advantage for the Port among public sector employers and will particularly distinguish the Port among local public employers where these types of plans are uncommon.

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Ted Fick, Chief Executive Officer

April 8, 2016

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ATTACHMENTS TO THIS BRIEFING

- Computer slide presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None.