

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.	<u>6j</u>
Date of Meeting	<u>August 24, 2010</u>

DATE: August 19, 2010

TO: Port of Seattle Commissioners

FROM: Commissioner Tom Albro

SUBJECT: Application of Port's Performance Review, Evaluation and Planning (PREP) Policy to the Chief Executive Officer

ACTION REQUESTED:

Approval of: 1) the application of the Port of Seattle's Performance Review, Evaluation and Planning (PREP) Policy and the Pay for Performance compensation guidelines to the Chief Executive Officer (CEO) as is the case with all other non-represented employees.

2) Consequently, and subject to the Commission's rating of the CEO's 2009 performance as "Outstanding," approval of an adjustment in the salary for CEO Tay Yoshitani is to be allocated as follows: 4 percent (2 percent allocated to his base salary and 2 percent as a lump sum payment in accordance with the 2010 Pay for Performance matrix) based on his Calendar Year 2009 performance and effective on January 1, 2010.

BACKGROUND:

According to the Commission's Bylaws and the 2009 Salary and Benefits Resolution (Resolution No. 3609), the Commission must review the performance evaluation and the performance pay of the CEO in public session.

CEO Tay Yoshitani is an at will employee of the Port of Seattle Commission and serves without a contract. The CEO has not received any adjustment to his salary since March 1, 2008, when the Commission evaluated his performance as "Outstanding" and voted in public session on May 13, 2008, to adjust his salary upwards by five percent for the period March 1, 2007, through February 28, 2008. The Commission also determined at that time to evaluate his performance annually on a calendar year basis to coincide with the Port's budget process.

The Commission and CEO agreed that it would not be appropriate for him to receive a salary adjustment in 2009, covering his performance in 2008, because of internal belt-tightening and the consequences of the economic downturn on the Port's lines of business. However, eligible

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salaried Port employees received Pay for Performance adjustments in both 2008 and 2009, despite the recession.

The Commission plans to evaluate the CEO's performance as "Outstanding" for Calendar Year 2009. His achievements are laid out in a separate Commission memorandum. The Commission proposes that the CEO should receive a salary adjustment of 4 percent (2 percent to his base salary and 2 percent as a lump sum payment) in 2010, based on his performance in 2009. An increase of four percent is the minimum increase for an "Outstanding" performance under the Port's 2010 Pay for Performance guidelines.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

2010 Pay for Performance Matrix.