

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

<b>Item No.</b>	6d
<b>Date of Meeting</b>	November 9, 2010

**DATE:** October 22, 2010

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Tammy Woodard, Sr. Manager, Total Compensation

**SUBJECT:** Resolution No. 3647, First Reading. 2011 Salary and Benefit Resolution

**ACTION REQUESTED:** Approval of Resolution No. 3647, First Reading, 2011 Salary and Benefit Resolution

**BACKGROUND:**

The Salary and Benefit Resolution delegates authority from the Commission to the Chief Executive Officer to direct the administration of compensation and benefits for non-represented employees. The purpose of these programs is to ensure that the Port's pay and benefit programs are competitive with the labor market and support retention and attraction of capable staff committed to achieving the Port's mission.

**PROPOSED CHANGES:**

There are very few substantive changes from the 2010 resolution. Most changes are made to clarify sections of the resolution that have generated questions throughout the year or that must be updated to reflect updated practices. Noteworthy revisions to the resolution include:

**III.A. Salary Ranges**

We recommend a 2.0% increase to salary ranges for 2011. Each year, the compensation staff reviews and analyzes data from various published salary surveys to determine how our pay ranges compare to average market pay rates. This analysis is the basis for adjustments to the Port's ranges. This is different than the CPI change approach most public employers use. This year, our analysis of the labor market indicates the Port's salary ranges are an average of 1% below market. In addition, pay is expected to increase nearly 3% in 2011. Increasing ranges by 2% will keep ranges close to market and support retention of high performing staff and recruiting of top candidates for open positions in 2011. Maintaining the current range structure through 2011 could hinder retention and hiring, particularly if hiring activities in the local labor market increase substantially before the end of 2011 as increases in hiring activities are often accompanied by an upward pressure on actual pay levels.

Salaries of the Port's non-represented employees fall within a graded salary range structure. These ranges do not tie an employee's pay to a specific step or rate as many other public employers' structures and some of the Port's represented structures do. Rather, the ranges

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provide the framework for non-represented employees' salaries. Most public employers increase salary ranges based on changes in the Consumer Price Index (CPI) and their employees receive a Cost of Living (COLA) pay increase equal to the range increase. In addition to the COLA increase some public employers also provide automatic annual step increases. Non-represented employees at the Port earn performance-based pay increases and rarely receive automatic increases.

Increasing the non-represented range structure will result in approximately 8 employees whose pay is less than the minimum of their salary range. The cost to increase pay for these employees to the new minimum of the range is approximately \$9,950.

### **VIII. Administration of Benefit Programs**

Changes in this section include updating the Port holidays for 2011 and reducing the Paid Time Off (PTO) balance limit to 800 hours in accordance with the plan put in place when the PTO program was implemented. Updates have also been made to the *Medical Insurance for Employees and Commissioners* and *Medical Insurance for Dependents of Employees and Commissioners* sections. These updates remove redundancies and align these sections with current administrative practices. Updates in this section also include adjustments to more completely align other benefit sections with eligibility guidelines.

### **Exhibit A**

Exhibit A is attached to the Salary and Benefit Resolution and is a schedule of authorized non-represented job titles. Though Salary Ranges require the approval of Commission or the Chief Executive Officer; 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.

### **PREVIOUS COMMISSION ACTIONS OR BRIEFING:**

- November 2, 2010 – 2011 Salary and Benefit Resolution Briefing.

### **OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

- Resolution No. 3647, Salary and Benefit Resolution
- Resolution No. 3647, Red-Line Version
- Exhibit A – Schedule of Authorized Non-Represented Position Titles and Salary Ranges Effective January 1, 2011
- 2011 Salary and Benefit PowerPoint Presentation