

Item No. 6d supp

Date of

Meeting November 9, 2010



# First Reading – 2011 Salary and Benefit Resolution

## Salary and Benefit Resolution – What is it?

- Delegates authority from the Commission to the CEO to direct administration of pay and benefits for non-represented employees
- Covers approximately 830 (55%) Port employees
- Contains provisions similar to collective bargaining agreements
  - Holidays, Time off benefits, insurance benefits, basis for pay increases
- Does not set actual salaries for non-represented employees

## Salary and Benefit Resolution – What is it?

- Authorizes the Port to provide medical and dental insurance benefits
  - Permits sharing premium costs with employees
- Establishes Pay for Performance (PfP) as the manner for granting pay increases
  - Merit-based increases tied to employees' performance plans and appraisals
  - Stipulates that PfP will be administered under the Salary Administration Policy
  - Funding for PfP established by the Port budget



## Salary and Benefit Resolution – What is it?

- Reviewed annually, updated as necessary
- Changes informed by
  - New or changing laws governing pay or benefits
  - Updates to Port pay or benefit policies
  - Market pay levels
  - Known or estimated pay increases for the coming year
    - Local public employers
    - Private sector employers
    - The Port's collective bargaining agreements

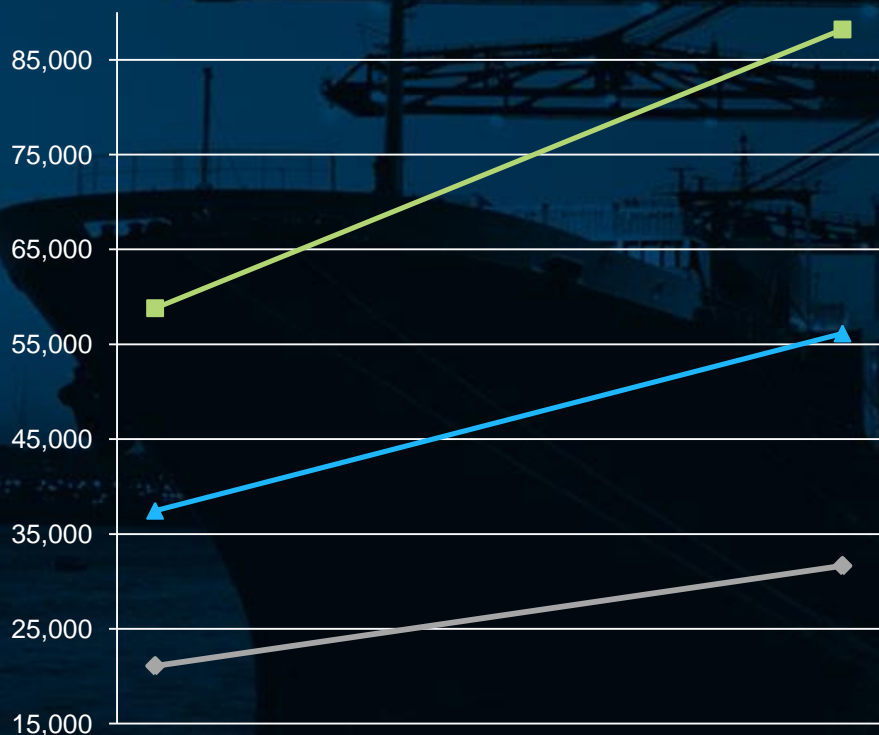
## Port vs. Public Employer Pay

- The Port's pay program is different from typical public employer programs

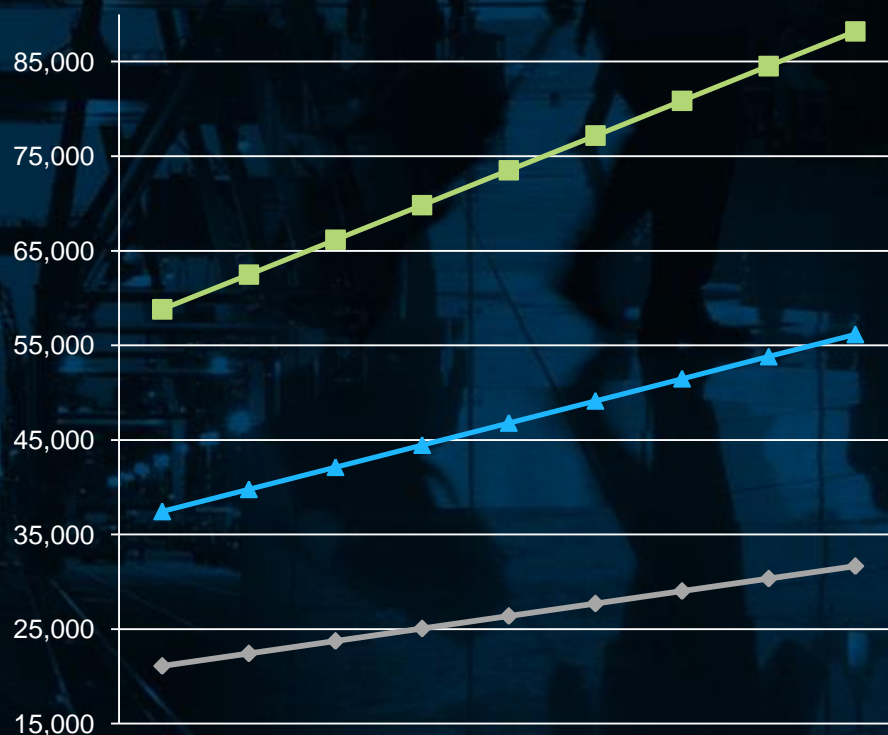
	Port of Seattle	Typical Public Employer
Pay for Performance	YES	NO
Cost of Living Adjustments (COLAs)	NO	YES
Step Increases	NO	YES

# Port Salary Ranges vs. Typical Public Employer Ranges

## Ranges without Steps



## Ranges with Steps



# Port vs. Public Employer Pay

## Comparison of 2010 Pay Increases

Port of Seattle	King County	City of Seattle
YTD PfP = 3.8% average	2.0% COLA	2.0% COLA
	2.4 to 7.2% step increase	4.0% step increase
	4.4 – 9.2% total Increase	6.0% total increase



## Other Considerations for 2011

Benefit plan changes will be implemented for the third consecutive year

- 10% co-insurance added in 2009
- Medical insurance premium sharing implemented in 2010
  - Employees currently paying approximately 5% of the total premium
- Employee medical premiums increasing by more than 80% in 2011
- Medical premium sharing by employees have kept the Port's cost at 2009 levels



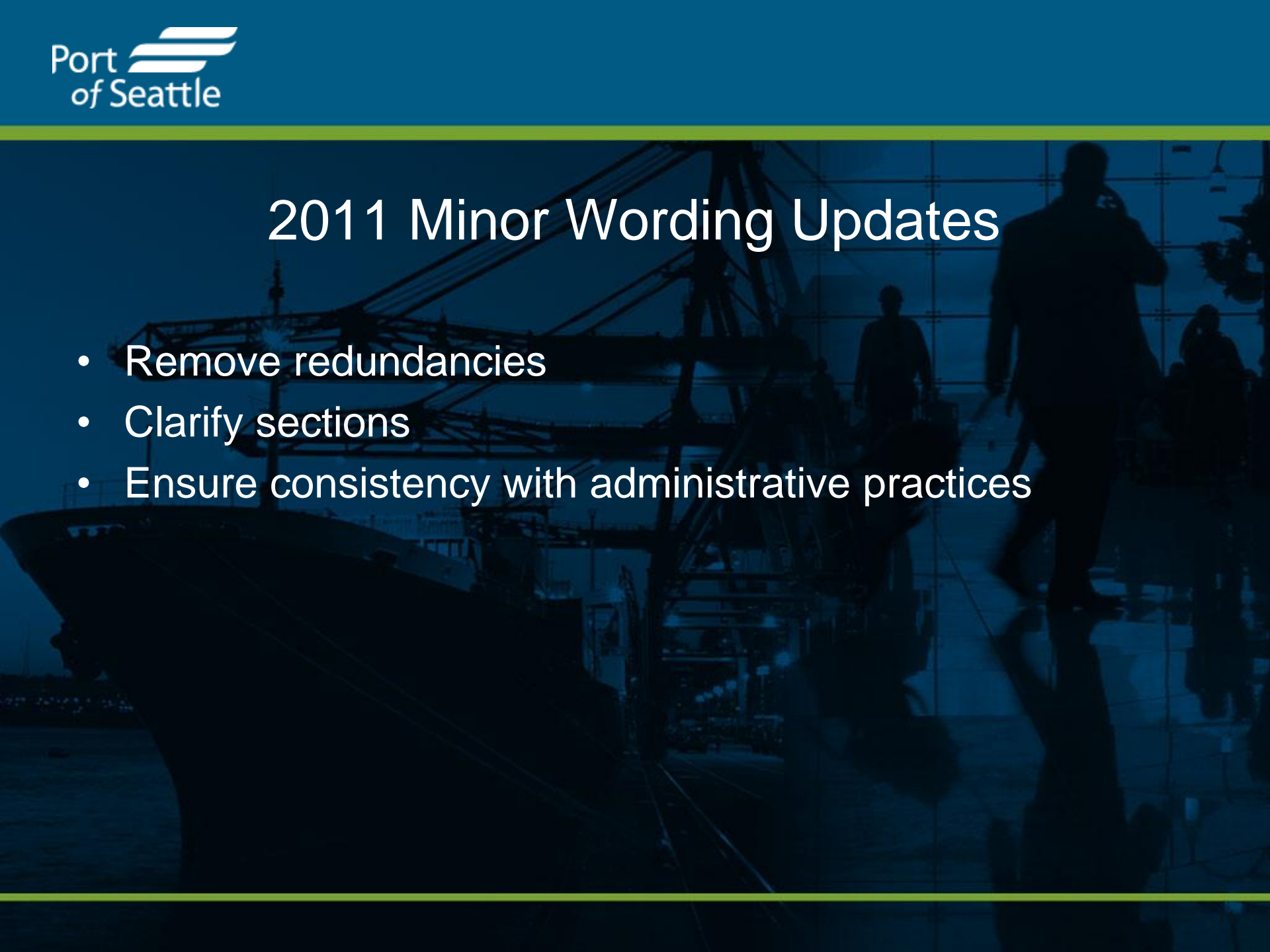
## 2010 vs. 2011 Employee Premiums

Benefit Plan*	2010 Premium Paid	2011 Premium Paid
Premera Heritage Employee Only	\$13.83	\$25.90
Premera Heritage Employee + Family	\$92.15	\$171.56
Premera Foundation Employee Only	\$12.57	\$23.54
Premera Foundation Employee + Family	\$83.72	\$155.86
Group Health Employee Only	\$8.26	\$16.22
Group Health Employee + Family	\$59.16	\$115.52
*rates with Wellness Rewards targets achieved		
*selected plan options, employee + spouse and employee + children also available		

## Proposed Changes for 2011

- A few wording updates
- An updated holiday schedule for 2011
- A reduction to Paid Time Off (PTO) accumulation limits
- 2% adjustment to salary ranges

## 2011 Minor Wording Updates

- Remove redundancies
  - Clarify sections
  - Ensure consistency with administrative practices
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- The background of the slide is a dark blue image showing a port terminal. In the foreground, there are silhouettes of people walking, including one person on the right who appears to be talking on a mobile phone. In the background, there are large industrial structures, possibly cranes or loading equipment, and a large ship docked at a pier.

## Holidays and PTO

- 2011 Port holidays specified
- Reduced PTO accumulation limits
  - Reduction is consistent with the 1999 PTO program implementation plan
  - Reduction from 900 hours to 800 hours



## Non-Represented Ranges

- 2% increase recommended for non-represented salary ranges
  - 272 jobs, or 49%, are market priced
  - 20 published salary surveys utilized
  - Middle point of Port salary ranges compared to market average actual pay
  - Market analysis indicates ranges are currently 1% below market
  - Estimate 8 employees will require adjustments to the new minimum of their pay range.
  - Estimated cost is \$9,950

## Non-Represented Ranges

- 2011 market projected pay increases
  - 4 salary planning surveys referenced
  - Data from local public employers analyzed
  - Port collective bargaining agreements reviewed
- Current projected public sector total pay increases range from zero to 9.5%
- General industry, private and public employers, anticipate an average 2.9% pay increase
- Port union employees' pay expected to increase 2% to 6% based on current labor agreements

# Non-represented Ranges

- Planned and estimated pay changes at other public employers as of 10/22/2010\*
- Range increases result in equivalent increases to employee pay
- Step increases result in increases to employee pay, up to range maximum

*\*increases may not be final until later this year when approved by each organization's governing body*

	Range/ COLA increase	Step Increase	Total Increase
Bellevue	0%	5%	5%
Everett	0%	3-9%	3-9%
Federal Way	0%	4.5 – 6.2%	4.5 – 6.2%
Kent	0%	5%	5%
Redmond	1%	0 - 5%	1 - 6%
Pierce County	2.5%	Varies	2.5% +
Renton	1%	5%	6%
Seattle	0 – 0.6%	4%	4 – 4.06%
Tacoma	0%	0%	0%
King County Port of Tacoma	n/a	n/a	n/a



## Non-Represented Ranges

- Data on projected pay changes also informs the average Pay for Performance (PfP) increase
- 2.5% average PfP increase included in 2011 budget
  - Estimated cost is \$1.9 million
  - 2.5% average is
    - Less than projected total increases at most public employers
    - Less than projected general industry merit increases
    - Reflects a conservative approach to pay for non-union employees



## Conclusion

- Salary and Benefit Resolution changes will be minimal
- Related programmatic changes will have much greater impact on employees and retirees
- All changes reflect a conservative approach to pay and benefits for non-represented employees in 2011