

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

**COMMISSION AGENDA**

**Item No.** 6c

**Date of Meeting** November 13, 2012

**DATE:** November 2, 2012

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

**FROM:** Ann McClellan, Compensation Supervisor  
Tammy Woodard, Assistant Director, HRD - Total Rewards

**SUBJECT:** Resolution No. 3671, First Reading, 2013 Salary and Benefits Resolution

**ACTION REQUESTED:**

Request first reading of Resolution No. 3671: 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; 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, 2013, and Repealing all Prior Resolutions Dealing with the Same Subject, Including Resolution No. 3655.

**SYNOPSIS:**

The Salary and Benefits Resolution delegates authority from the Commission to the Chief Executive Officer to direct the administration of compensation and benefits for the Port's non-represented employees. The resolution includes provisions governing pay practices, pay ranges and benefit programs. When reviewing the 2012 Salary and Benefits Resolution and determining what changes should be incorporated into the 2013 resolution, staff reviews what has changed in the past year regarding pay, benefits and other Total Rewards programs.

Recommended changes to the 2013 Salary and Benefits Resolution are minimal and consistent with changes in past years. Recommended changes include a 2% increase to the salary ranges for non-represented jobs, an updated holiday schedule, a reduction of the maximum PTO balance to 600 hours, an updated Exhibit A that lists current non-union job titles and their associated salary ranges, and minor wording changes for consistency and clarification. Costs are limited to those associated with the range adjustment and will be approximately \$5,000.

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### **BACKGROUND:**

The Salary and Benefits Resolution is a delegation of authority from the Commission to the Chief Executive Officer to direct the administration of compensation and benefits for the Port's non-represented employees. Compensation and benefits are major components of the Port's Total Rewards package and are key in retaining, engaging, and attracting skilled employees committed to helping the Port achieve its mission, goals, and business objectives.

The resolution covers approximately 925 employees, or 52% of the Port's workforce, those employees not represented by a labor union. The Port's Total Rewards philosophy is to pay at market and provide a benefits package that is slightly above market. Changes to the resolution vary from year to year and like the 2012 resolution, the 2013 resolution does not contain any substantial changes.

### **PROPOSED CHANGES:**

There are minimal changes from the 2012 resolution. Noteworthy revisions to the resolution include:

#### **I. Definitions**

Emergency Hire Employee: Added information regarding a one-time extension allowed for this type of employee.

#### **III.A. Salary Ranges**

We recommend a 2.0% increase to salary ranges for 2013; the same increase that was recommended and approved in 2012. Each year, the compensation staff reviews and analyzes data from various published salary surveys to determine how the Port's pay ranges compare to average market pay rates. This analysis is the basis for adjustments to the Port's ranges. This is different from the CPI change approach most public employers use. This year, analysis of the labor market indicates the Port's salary ranges are, on average, 1% below market. In addition, pay is expected to increase, on average, 2.9% in 2013. Increasing ranges by 2% is a conservative approach and may result in retention and hiring challenges in the event hiring activities in the local labor market increase substantially before the end of 2013.

Increasing the non-represented range structure will result in approximately 14 employees with pay below the new minimum of their salary range. The estimated cost to adjust pay for these employees to their new range minimum is about \$5,000.

#### **VIII. Administration of Benefits Programs**

Changes in this section include updating the Port holiday schedule for 2013 and reducing the paid time off (PTO) balance limit from 700 hours to 600 hours in accordance with the plan put in place when the PTO program was implemented in 1998. At the beginning of 2014, the balance limit will be reduced one last time to 480 hours and all non-union employees will have the same PTO balance limit.

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### **VIII.C.4.f Dental Insurance**

Added language to be consistent with the dental administration contract and actual practice.

#### **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 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.

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

- Resolution No. 3671, Salary and Benefits Resolution
- Resolution No. 3671, Red-Line Version
- Exhibit A – Schedule of Authorized Non-Represented Position Titles and Salary Ranges  
Effective January 1, 2013
- 2013 Salary and Benefits Resolution PowerPoint Presentation

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

- November 6, 2012 – 2013 Salary and Benefits Resolution Briefing.