

# 2013 Salary and Benefits Resolution Briefing



# Agenda

- Background
- Recommendations for 2013
  - Considerations
  - Changes

# Background -

## What is the Salary and Benefits Resolution

- A delegation of authority from Commission to CEO
  - Administration of pay and benefits
  - Major Total Rewards package components
- Covers approximately 925 (52%) Port employees
- Contains provisions similar to collective bargaining agreements

# Background - What is Covered

- Authorizes the port to provide medical and dental benefits
- Establishes Pay for Performance (PfP) as the basis for pay increases
  - Merit-based system
- Contains the salary range structure for non-union jobs

# Background - What are Changes Based On

- Changes informed by
  - New or changing laws
  - Updates to port policies
  - Current market pay levels
  - Anticipated pay increases
  - The business environment and labor market

# Background - Changes in the Past Year

- Total Rewards philosophy introduced
  - Plans addressed in the Salary and Benefits Resolution align quite well with the philosophy
  - Work will continue in 2013 and beyond to align health care, and other plans, with the Total Rewards philosophy

# Background - Changes in the Past Year

- Salary ranges

- Last year ranges were ~ 0.3% below market
- Anticipated 2012 market pay increase was 3.1%
- Ranges were increased by 2.0% for 2012

- Benefits

- Focus on cost health care containment continues
  - Port costs increased less than health care inflation

# 2013 Recommendations

- Considerations beyond the resolution
  - Current economic environment
  - Slight increases to employee medical premiums for next year
  - Increases to 2013 PERS rates for the port and employees



# 2013 Recommendations

- Salary Ranges Considerations
  - Jobs market priced to determine how they compare to market
  - Ranges are currently 1.0% below market
  - Surveys reporting 2013 anticipated average pay increase of 2.9%

# 2013 Recommendations

- Salary Range Considerations – Continued
  - Anticipated 2013 pay changes at local public employers also considered

|                   | Low | High  |
|-------------------|-----|-------|
| Anticipated COLA  | 0%  | 3.3%  |
| Anticipated Total | 0%  | 11.4% |

# 2013 Recommendations

- Salary Range Considerations – Continued
  - Anticipated pay increases for port union employees also considered
    - Estimated to be at around 2.7%

# 2013 Recommendations

- Standard changes
  - Updated holiday schedule for 2013
  - Reduction of Paid Time Off (PTO) accumulation limit
  - Minor wording change
- Benefits change
  - Aligning dental benefits eligibility with medical eligibility, and with practice
- Salary Ranges
  - 2% increase to salary range structure

# Conclusion

- Recommended changes to the Salary and Benefits Resolution for 2013
  - Are minimal
  - Are consistent with past years
  - Remain conservative

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