

2019 Salary and Benefits

Introduction
November 13, 2018

Topics to Cover

- Background of the Salary and Benefits Resolution
- Recommended Updates and changes
 - Pay Range Adjustment
 - Changes and Clarifications
 - Retiree Medical Plans
 - Paid Leave Plans

Background

- RCW 53.08.170 authorizes Commission to establish salaries and benefits via resolution
- The Salary and Benefits Resolution covers non-represented employees
- The Resolution includes delegation of authority not included elsewhere
- The 2019 Salary and Benefits Resolution 3752 will incorporate changes to the Salary and Benefits Policy Directive

Recommended Updates

Pay Range Adjustment

- The recommended pay range adjustment is 3.5% to maintain market competitive pay ranges
- Costs associated with the range adjustment are minimal
 - Less than 40 employees affected
 - Cost is approximately \$42,000
- 2019 Seattle Minimum Wage will be \$16/hour
 - Grade 7 range minimum will be slightly less than \$16/hour
 - HR staff will review in 2019
 - No employees will be paid less than the City of Seattle minimum wage
 - High School intern rate will be \$16.81/hour

Changes and Clarifications

- The Internal Audit Director reporting relationship will be clarified
- A slight change to the definition of the probationary period that it is an extension of the hiring process
- **NEW:** Outside counsel recommended updating the definition of at-will jobs. The footnote reference to at-will jobs will be also removed from Exhibit A

Healthcare Plan Changes

- **Eliminating Retiree Medical Plans**
 - Following years of declining enrollment and increasing premiums we will discontinue the retiree medical plans after the end of 2018
 - As a result, in Section 5.3, subsections (B) and (C) related to medical benefits for retirees and their dependents are repealed
 - Section 5.4(B)(1), delete existing paragraph (b) relating to medical benefits for commissioners eligible for retiree medical

Paid Leave Plans

- Prompted by feedback from the 2016 Employee Benefits Survey and 2017 focus groups
- Researched local public employers and general industry market data and found we lagged the market average in this area
- Recommended Addition:
 - One (1) **Personal Day** per year
 - Administered similar to a holiday with no liability accruing to the Port, no accrual or carry forward of the day to the following year
 - Taken as a full day off, cannot be split up and taken as multiple partial days off

Washington State Paid Family & Medical Leave

- Mandated by state – benefits available **1/1/2020**
 - Provides partial pay (max \$1,000/week) benefits for up to 12 weeks of medical (18 weeks in some pregnancy situations)
 - Funded by **employee and employer premiums** beginning **1/1/2019**
 - State rulemaking will not be completed until approximately 3Q 2019
- The Port has applied to opt-out of the State plan with a **voluntary plan** offering benefits that are at least as good as the State plan
 - The State must approve employers' applications to opt out
 - We anticipate that our plan will be approved this year and become effective in 2020
- Details on participation in either the State program or the Port's plan will be discussed during next year's process.

Questions?