



**COMMISSION  
AGENDA MEMORANDUM**

Item No. 8h

**ACTION ITEM**

Date of Meeting November 17, 2020

**DATE:** November 10, 2020

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Tammy Woodard, Director Human Resources – Total Rewards  
Ann McClellan, Total Rewards Manager  
Sandra Spellmeyer, Total Rewards Manager

**SUBJECT: 2021 Salary and Benefits Program**

**ACTION REQUESTED**

Request adoption of Resolution 3781: A resolution of the Port of Seattle Commission establishing pay ranges for non-represented jobs and authorizing benefits that comprise the overall benefits package offered to non-represented Port employees and amending the Salary and Benefits Policy Directive established by Resolution No. 3739.

**EXECUTIVE SUMMARY**

The Salary and Benefits Resolution is the Port Commission’s authorization to revise the program that provides pay and benefits to the Port’s non-represented employees. The Resolution establishes the pay ranges for non-represented jobs and authorizes updates to benefit plans that comprise the overall benefit package offered to non-represented Port employees.

**JUSTIFICATION**

The Salary and Benefits program specifies the pay and benefit programs authorized by the Port Commission, while administrative details of these programs are maintained in Port policies. The program also includes benefits offered to Port of Seattle retirees and to Port Commissioners, as well as the administrative details of these benefits. Updates to the program are designed to keep the authorized pay and benefit plans current and to ensure the Total Rewards package they are part of continues to support the attraction and retention of employees with the talents and abilities necessary for the Port to achieve its mission, vision, and objectives.

**DETAILS**

**Recommended changes to the Salary and Benefits Resolution**

*Adjustments to Pay Grades and Ranges for 2021*

Meeting Date: November 17, 2020

The Port's goal is to have the pay ranges for non-represented jobs reflect the market pay rates for Port jobs in these ranges. Annually, Human Resources staff analyze data from published salary surveys for both public sector and private industry employers to determine how well our existing pay ranges align with current market pay rates. The annual analysis also includes analyzing data from salary planning surveys to determine what pay increases local employers are anticipating for the coming year. Combining the data on how current ranges compare to market with data on anticipated pay increases provides the basis for determining any recommended range adjustment for the coming year.

This year, our analysis indicates that the Port's current pay ranges for non-represented employees are 1% above market. Additionally, Puget Sound area employers are reporting an expected 2021 overall average pay increase of about 2.8%. Based on this analysis, we are recommending a 2.0% pay range adjustment to ensure that we maintain the Port's non-represented pay ranges at market competitive levels through 2021.

While not directly relevant to our pay range analysis, we also surveyed public employers in the Puget Sound area to determine what they are projecting for their range adjustments. The pay programs at most local public employers are based on changes to the Consumer Price Index and include cost-of-living increases for employees equal to their range adjustments. The cost-of-living adjustments are in addition to possible step and/or merit increases. At the time of our survey this year only five of the 14 employers we surveyed were able to provide a projected range adjustment amount. The available projected 2021 range adjustments range from 0% to 3.0% and average at 1.4%.

With the recommended 2021 pay range adjustment, we estimate that approximately 11 employees will have pay rates that fall below the 2021 range minimum and the estimated annual cost of increasing these employees' pay to the new range minimum will be about \$13,000.

As part of the analysis that leads to the pay range adjustment recommendation, we also consider the City of Seattle minimum wage. In 2021, the City of Seattle minimum wage will be \$16.69/hour for large employers (with 501 or more employees) and the Port's high school intern rate will be \$17.56/hour. With the recommended 2.0% salary range adjustment for 2021, all non-represented pay ranges will have range minimums above the City of Seattle minimum wage.

### *Holidays*

We recommend adding June 19<sup>th</sup> as an additional Port-paid holiday in observance of Juneteenth. Juneteenth, otherwise known as Black Independence Day, commemorates the day in 1865 when enslaved people in Galveston, Texas heard the news of their freedom, two years after President

Meeting Date: November 17, 2020

Lincoln issued the Emancipation Proclamation. It is currently observed in all but three states in the U.S.

*Definitions*

We recommend adding a new definition for “Project-related Temporary Assignment” to address utilization of these types of temporary assignments. A Project-related Temporary Assignment is an assignment for a full-time or part-time employee that is generally expected to last no longer than four years. Extensions to these types of assignments are only allowed in special circumstances with approval from Human Resources management.

*Policy Establishing Jobs, Pay Grades, Pay Ranges, and Pay Rates*

In follow-up to the recent Commission-directed change to the description of Internal Audit Director contained in the salaries and benefits policy directive, based on previous action taken at the October 27, 2020, meeting to amend the Commission’s Bylaws and Rules of Procedure to reflect dual reporting of the position functionally to the Commission, delegated to the Audit Committee, and administratively to the Executive Director -- Section 5.1(A)(3) Internal Audit Director is amended.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

No alternatives were considered; the process necessary to update the Salary and Benefits Resolution is governed by Port Commission processes and RCW 53.08.170.

**ATTACHMENTS TO THIS REQUEST**

- (1) Draft Resolution No. 3781 and Attachment A
- (2) Exhibit A to original Policy Directive: Schedule of Authorized Non-Represented Jobs
- (3) 2020 Pay Ranges for Non-Represented Jobs (for information only)
- (4) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- Briefing and Introduction on November 10, 2020