



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8a

**ACTION ITEM**

**Date of Meeting** November 16, 2021

**DATE :** November 8, 2021

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

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

**SUBJECT: 2022 Salary and Benefits Program**

**ACTION REQUESTED**

Request adoption of Salary and Benefits Resolution No. 3795: 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 pay and benefits programs that are part of the Port's overall Total Rewards package for non-represented employees. RCW 53.08.170 requires the Port Commission to authorize pay and benefits for non-represented employees by resolution. The adoption of the Salary and Benefits Resolution will establish the pay ranges adjustments for non-represented jobs for 2022 as well as authorize the recommended additions and deletions to the Salary and Benefits Policy Directive that are contained in Resolution No. 3795.

**JUSTIFICATION**

The Salary and Benefits program specifies the pay and benefits programs authorized by the Port Commission, while specifics of these programs are maintained in Port policies and administrative details are found in program guides. The program also includes benefits offered to Port of Seattle retirees and to Port Commissioners, as well as the specifics and administrative details of these benefits. Updates to the program are designed to keep the authorized pay and benefits plans current and 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 goals.

Meeting Date: November 16, 2021

## **DETAILS**

The 2022 Salary and Benefits Resolution includes the following updates to the Salary and Benefits Policy Directive.

### *Definitions*

Section 2, Definitions is updated to add *Pay Rate means an employee's hourly pay rate as specified in the Compensation Rate field contained in HCM, the Port's HRIS system.* This change will facilitate consistent references to 'pay' throughout the Salary and Benefits Policy Directive, HR Policies, and other documents referring to employee pay.

The Definitions Section is also updated with language added to the definition of Probationary Employee. The added language is *If hired into a regular position, temporary employees (Veteran Fellows, Interns, Emergency Hires) are subject to a probationary period starting at the time of hire into the regular position.* This edit will align the definition with current practice.

### *Pay Grade Ranges*

The Port's goal is to have the pay ranges for non-represented jobs reflect the market pay rates for Port jobs administered in these ranges. Annually, Human Resources staff analyzes data from published salary surveys from both public and private employers to determine how well our existing pay ranges align with current market pay rates in the local area. Based on this year's market analysis we are recommending a 3.5% range adjustment to maintain the Port's non-represented pay ranges at a competitive level in 2022. With this recommended adjustment, we estimate that approximately 57 employees will have pay rates that fall below the 2022 range minimum and the estimated annual cost of increasing these employees' pay to the new range minimum will be about \$92,200.

As part of the analysis that leads to the pay range adjustment recommendation, we also consider the City of Seattle minimum wage. In 2022, the City of Seattle minimum wage will be \$17.27/hour for large employers (those with 501 or more employees) and the Port's high school intern rate will be \$17.56/hour. With the recommended 3.5% salary range adjustment for 2022, all non-represented pay ranges will have range minimums above the City of Seattle minimum wage. Section 5.1.C of the Salary and Benefits Policy Directive is updated with the adjusted pay ranges for non-represented employees.

### *Mandated Benefits*

In 2018 Washington State passed a new law mandating long term care insurance for Washington employees. Beginning January 1, 2022, the Port will begin withholding a Long-Term Care insurance premium of .58% on employee earnings for this mandatory statewide long-term care program. Employees may, however, apply to the State for an exemption to the mandatory premiums if they have their own long term care insurance effective before November 1, 2021. If

Meeting Date: November 16, 2021

Port employees provide a copy of their exemption letter from the State of Washington to the Port, premiums will not be withheld for the State program. Section 5.2.B is updated to include Long Term Care Insurance as a mandated benefit.

*Additional Benefits for Employees – Paid Leave*

In 2022 non-represented employees may be eligible for a COVID-19 Vaccination Verification Incentive Day off. To be eligible for this additional day off employees will need to have their fully vaccinated status verified no later than November 1, 2021. This incentive day off is being offered in 2022 only based on action employees take in 2021 to earn the day off. Non-represented employees on an approved leave of absence on November 1 will have two weeks after returning to work to have their vaccinated status verified and be eligible for this incentive day off in 2022. This leave benefit will be added to Section 5.2.C (1) for 2022 and we plan to remove it for 2023.

*Additional Benefits for Employees - Retirement*

We removed “the Port Auditor is authorized to execute any and all documents related to establishing pensions for individuals that are excluded from PERS eligibility under RCW 41.40” from the Salary and Benefits Policy Directive Section 5.2.C (2) as this language is no longer appropriate or needed. In addition, the redundant language in this section is removed.

*Additional Benefits for Employees – Flex Time and Alternative Work Arrangements*

Section 5.2.C (5) is updated to align with the current Port policy name, Flexible Work Arrangements. The definition of this program is updated to include the Teleworking Reimbursement program, and language is updated to align with current terminology.

*Other Changes*

The 2022 Salary and Benefits Resolution also contains a few other minor changes to update language to align with current Port terminology, correct missing or incorrect words, or simplify language.

**FINANCIAL IMPLICATIONS**

There will be a small cost associated with recommended changes to the 2022 Salary and Benefits Resolution. As noted above, the cost to adjust pay rates for 57 non-represented employees to the 2022 minimum of their pay range will be approximately \$92,200. The Long-Term Care insurance is paid entirely by employees so there is no cost to the Port associated with this mandated benefit. The COVID vaccination verification incentive day off will not have a budget impact though it will result in some employees having one more paid leave day which may lead to overtime costs in some areas to ensure minimum staffing levels are maintained. We estimate that approximately 900 - 950 employees will qualify for this 2022 only benefit. Other changes

Meeting Date: November 16, 2021

indicated by the 2022 Salary and Benefits Resolution are administrative only and will not impact payroll or benefits budgets in any way.

**ATTACHMENTS TO THIS REQUEST**

- (1) Resolution No. 3795 and Attachment A
- (2) Exhibit A to original Policy Directive: Schedule of Authorized Non-Represented Jobs
- (3) 2021 (Current) Pay Ranges for Non-Represented Jobs (for information only)

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

November 9, 2021 – The Commission was briefed and Resolution No. 3795, the 2022 Salary and Benefits Resolution was introduced.