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COMMISSION

AGENDA MEMORANDUM Item No. 9a

ACTION ITEM Date of Meeting June 11, 2024

DATE : June 4, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Katie Gerard, Senior Human Resources Director

Kecia Reichstein, Human Resources Director—Total Rewards

Chris Beck, Total Rewards Manager

SUBJECT: 2024 Salary and Benefits Program

ACTION REQUESTED

Request for adoption of the Salary and Benefits Resolution No. 3823, amending the policy directive for salaries and benefits for employees not covered by a collective bargaining agreement established by Resolution No. 3820 and providing an effective date for all amendments as of June 16, 2024.

This resolution establishes pay ranges for non-represented jobs and authorizes benefits that compromise the overall benefits package offered to non-represented Port employees. Since the introduction on May 14, 2024, Exhibit A has been updated to reflect job assessment changes. These changes are based on job description changes and re-assessment requests. They have not impacted the overall financial cost of implementing the new graded Salary Range Structure. The financial cost estimate has been updated to reflect staffing changes and additional employees that will have a salary adjustment to their minimum salary grade.

EXECUTIVE SUMMARY

The Salary and Benefits Resolution is the Port Commission's authorization of 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 nonrepresented employees by resolution. The Executive Director has the authorization to take necessary action to make effective all terms, provisions, and conditions within the Salary and Benefits Policy Directive. The Salary and Benefits Resolution establishes the pay ranges for nonrepresented jobs, authorizes new and updates existing elements of the compensation program and authorizes updates to benefits plans that comprise the overall benefits package offered to non-represented Port employees. This adoption will establish the new Non-Represented Graded Salary Range Structure and the Executive Leadership Graded Salary Range Structure, as well as the other recommended additions, deletions, and changes to the Salary and Benefits Policy

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Directive that are contained in Resolution No. 3823, provided in the package for the 2024 Salary and Benefits Resolution.

JUSTIFICATION

The Salary and Benefits Policy Directive 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 which are authorized by the Executive Director and Senior Human Resource Director. The Policy Directive 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.

This year's recommendations include the new Non-Represented Graded Salary Range Structure and an Executive Leadership Graded Salary Range Structure resulting from the Compensation Project. This project is in the final year and has included contributions from many employees across the Port, together with a consultant, to review and update the non-represented pay program. The objective has been to ensure the Port's pay program is aligned to market and supports both competitive and fair pay.

DETAILS

The 2024 Salary and Benefits Resolution includes the following recommended updates.

Definitions

In Section 2, Definitions, we have recommended adjusting the "At-will" definitions and removing the section 'When a job opening is posted for an at-will position, the at-will designation will be identified in the posted notice. An offer of employment made to a current employee or external candidate for an at-will position will state that the position is at-will and exempt from any progressive discipline policy. Employees hired, or appointed, into at-will jobs prior to January 1, 2014, are allowed to continue under a legacy provision grandfathered as 'for cause' employees. However, any employee hired prior to January 1, 2014, who is transferred or promoted into an atwill position is no longer subject to the termination "for cause" standard and will be exempt from any progressive discipline policy.' This adjustment supports the recommendations from the Compensation Project work, that all executive leadership will be moved to an at-will status, which would make this section no longer valid. We are also recommended adjusting the "Seasonal Employee" definition to indicate this 'hire period last 6 months or less'. This is an administrative recommendation to align better with other supporting policies and Affordable Care Act regulations.

Policy Establishing Jobs, Pay Grades, Graded Pay Range Structure, and Pay Rates

In Section 5.1.C, Graded Salary Range Structure, we recommended adjusting the description of this section to align with changes recommended from the Compensation Project. This

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recommendation is replacing the term 'evaluated' with 'assessed' throughout this section and the phrase 'relative skill requirements, responsibilities' with the phrase 'essential responsibilities, minimum qualifications.' We also recommended a new proposed Non-Represented Employee Graded Salary Range Structure, which will reduce the grades from 36 to 20 and limit the overlapping of pay ranges, in addition to a new proposed Executive Leadership Graded Salary Range Structure.

In Section 5.1.D, Job Evaluation System, we recommended adjusting the language to replace any reference of 'evaluated, evaluation, or evaluation system' to 'assessed, assessment, or assessment process,' which will cascade throughout the entire policy directive. This recommendation aligns with the changes from the Compensation project and how jobs were previously reviewed to determine their value and the recommended new process to determine their value and place them within a pay range moving forward.

In Section 5.1.E (3), Initial Pay Rates, we recommended replacing the description with 'Pay rates for newly hired employee will be within the pay ranges set forth in the above graded Salary Range Structure. A newly hired employee's placement within the pay grade will be based on related experience they bring the Port.' This is to provide more clarity and align with the future changes from the pay equity methodology that will be implemented later in 2024.

In Section 5.1.G(2), We recommended removing and renumbering the section.

Recommendations from the Compensation Project will be moving the Chief of Police, Fire Chief, Deputy Chief of Police, and Assistant Fire Chief positions from the non-assessed job section to be included in the assessed jobs within the Port's Compensation Program.

Policy Regarding Benefit Programs Offered to Employees

In Section 5.2.C(1), Paid Leave, we recommend adjusting the definition of Port Paid Medical Leave and Port Paid Family Leave to align more closely with the State's definition.

SUMMARY

The 2024 Salary and Benefits Resolution includes quite a few significant changes, mainly driven from our Compensation Project recommendations. In addition to the changes noted here we regularly review the language in the Salary and Benefits Policy Directive to identify more succinct ways to describe programs and clearer language to use. This year is no different and in addition to the recommended additions, deletions and updates we have identified several places where we will be suggesting edits to the Salary and Benefits Policy Directive to clarify a point, remove redundancy, or otherwise make the information clearer and easier to read.

FINANCIAL IMPLICATIONS

This year's Salary and Benefits Resolution has quite a few changes and most do not have an impact on the Port's payroll and related costs. With the implementation of this new pay structure there is an estimated cost of \$234,732 which is driven by 51 employees receiving an adjustment due to their base pay being below their new recommended pay range minimum.

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ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3823
- (2) Attachment A_2024 Non-Represented Graded Salary Range Structure
- (3) Attachment B_2024 Executive Graded Salary Range Structure
- (4) Exhibit A_2024 Schedule of Authorized Non-Represented Jobs
- (5) 2023 (Current) Pay Ranges for Non-Represented Jobs (for information only)
- (6) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 28, 2024—Resolution No. 3820, the Salary and Benefits Resolution, was brought forward for adoption, the motion in on the floor, but moved to the June 11, 2024 meeting to clarify some additional questions.

May 14, 2024—The Commission was briefed and Resolution No. 3820, the 2024 Salary and Benefits Resolution, was introduced.

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