

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8i

ACTION ITEM

Date of Meeting

November 18, 2025

DATE : October 31, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Katie Gerard, Senior Human Resources Director
Kecia Reichstein, Human Resources Director—Total Rewards

SUBJECT: Salary and Benefit Policy Directive Amendment for 2026

ACTION REQUESTED

Request adoption of the Salary and Benefits Resolution No. 3841, amending the policy directive for salaries and benefits for employees not covered by a collective bargaining agreement established by Resolution No. 3831 and providing an effective date for all amendments as of January 1, 2026.

This resolution establishes pay ranges for non-represented jobs and authorizes benefits that comprise the overall benefits package offer to non-represented Port employees.

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 non-represented 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 non-represented 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 includes the recommended Non-Represented Graded Salary Range Structure and the Executive Leadership Graded Salary Range Structure, as well as recommended additions, deletions, and changes to the Salary and Benefits Policy Directive that are contained in Resolution No. 3841, provided in the package for the 2026 Salary and Benefits Resolution.

JUSTIFICATION

The Salary and Benefits Policy Directive specifies the pay and benefits programs authorized by the Port Commission, while the specifics of these programs are authorized by the Executive Director and Senior Human Resource Director, and the administrative details are maintained in

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Port policies and program guides. 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 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 an adjustment to the Non-Represented Graded Salary Range Structure and Executive Leadership Graded Salary Range Structure, in addition to some other suggested recommendations.

DETAILS

The 2026 Salary and Benefits Resolution includes the following recommended updates.

Definitions

In Section 2, Definitions, Adjust the definition "Temporary assignment." The "Temporary assignment" definition will be modified to remove the time maximum extension limit of six (6) additional months.

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

In Section 5.1.C, Non-represented and Executive Graded Salary Range Structures will be updated. The Port's goal is to have pay ranges for non-represented jobs reflect as closely as possible the market pay rates for the Port's non-represented jobs. This year our assessment indicates that a 3.48% increase to the range structures will be necessary to maintain market competitive pay ranges in 2026.

It is important to note that when the Port adjusts pay ranges, employees do not receive corresponding increases to their pay rates. This is different from how many public employers administer pay for their non-represented employees. Only employees whose pay is below the new minimum of the pay range for their job will receive an automatic pay increase, and the amount of increase will be just the amount necessary to bring employees' pay to the minimum of the range. With our recommended 3.48% increase to the range structures, we estimate that 15 employees will require an adjustment to bring them to the range minimum, with a cost of \$32,911.43.

Policy Establishing Pay Rates and Pay Ranges for Non-Assessed Jobs

In Section 5.1.G.(3) we will introduce two new, separate pay grades for the Public Safety management roles: Chief of Police, Fire Chief, Assistant Fire Chief, and Deputy Chief of Police. In addition to removing these roles from the non-represented pay structure we are creating a new HR Policy to determine pay for incumbents (at the time of implementation, hire or promotion).

- Assistant Fire Chief base rate: Shall be 110% of the average base pay rate of Fire Marshall, Training Chiefs and Fire Battalion Chiefs.

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- Fire Chief base rate: Shall be 110% of the average base pay rate of Assistant Fire Chiefs.
- Deputy Chief of Police base rate: Shall be 110% of the average base pay rate for Police Commanders.
- Chief of Police base rate: Shall be 110% of the average base pay rate for Deputy Police Chiefs.

Pay compression between non-represented management and their represented direct reports has contributed to recruitment challenges and dissatisfaction among Police and Fire management employees. This change will support the creation of competitive salary ranges that help eliminate pay compression with represented leadership positions within the Police and Fire departments. Currently, there are 3 Deputy Chiefs of Police and 2 Assistant Fire Chiefs, and each will receive a pay adjustment when the new policy is effective January 1. We anticipate this change will cost \$127,111 for implementation in 2026. Incumbents will receive a pay adjustment if their current base pay is below the base rate after applying the formula above. No incumbents pay will be decreased. All incumbents will continue to be eligible for Cost of Living and Pay for Performance annual pay increases.

Policy Regarding Benefit Programs Offered to Employees

In Section 5.2.C(4), Benefit Savings Account. This plan is offered to employees currently but it is proposed to be included in the Salary and Benefits Resolution to enhance transparency around the benefit saving account offerings, including the Healthcare and Dependent Care Flexible Spending Accounts, Health Savings Accounts, and Lifestyle Spending Accounts.

Policy Regarding Benefit Programs Offered to Retirees

Section 5.3.G Voluntary Employee Beneficiary Association (VEBA) Trust. This section has been added to enable the establishment of a VEBA (Voluntary Employees' Beneficiary Association) trust. This change would allow the Port to explore a VEBA trust benefits for non-represented employees. A VEBA is a type of health reimbursement arrangement that allows participating retirees to use funds tax-free for qualified medical expenses, including insurance premiums, copays, and other out-of-pocket healthcare costs. The trust is funded by Employees contributing their unused, accrued sick leave upon retirement.

SUMMARY

The 2026 Salary and Benefits Resolution includes a few changes. 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.

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FINANCIAL IMPLICATIONS

This year's Salary and Benefits Resolution changes do have an impact on the Port's payroll and related costs. By adjusting the Non-Represented and Executive Graded Salary Structure, we estimate 15 employees will need an adjustment to bring their base pay to the new recommended pay range minimum at an estimated cost of \$32,911.43. To change the pay for the 3 Deputy Chiefs of Police and 2 Assistant Fire Chiefs the estimated cost is \$127,111.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3841
- (2) Attachment A_2026 Non-Represented Graded Salary Range Structure
- (3) Attachment B_2026 Executive Graded Salary Range Structure
- (4) Exhibit A_2026 Schedule of Authorized Non-Represented Jobs
- (5) 2025 Pay Ranges for Non-Represented and Executive Jobs (for information only)
- (6) Redline of Policy Directive
- (7) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 11, 2025 – The Commission was briefed and Resolution no. 3841, the 2026 Salary and Benefits Resolution, was introduced.