

Resolution 2017-02-PT



A RESOLUTION of the Port of Tacoma Commission amending and superseding Resolution 2016-01-PT and all prior Master Benefit and Salary Resolutions.

WHEREAS, it is the policy of the Commission to pay Port of Tacoma (“Port”) employees on the basis of prevailing salary rates within the general recruitment area, to establish a system of position classification and grading, to follow principles of total compensation which consider the value of cash compensation and non-cash benefits in the setting of salary grades and ranges; and

WHEREAS, The Port of Tacoma’s salary and benefit programs compensate employees in ways that recognize quality performance, and encourage personal and professional growth and development; and

WHEREAS, Internal equity and market competition factors are recognized and considered in pay decision-making; and

WHEREAS, The Port’s pay philosophy will be consistently applied to all staff, and comply with laws against discrimination in employment as the Port does not tolerate or practice unlawful discrimination in pay or benefits; and

WHEREAS, the Port of Tacoma (“Port”) has authority pursuant to RCW 53.08.170 and RCW 53.57.030 to create and fill positions, establish wages and salaries and establish other benefits of employment including retirement, insurance and similar benefits; and

WHEREAS, this Resolution applies generally to all non-represented employees as defined in Section I; and

WHEREAS, to the extent that the language in any current collective bargaining agreement reflects different terms and conditions, those differences are subject to approval by the Commission under a separate authorization,

NOW, THEREFORE, BE IT RESOLVED by the Port Commission (“Commission”), as follows:

- I. **DEFINITIONS:** Except as otherwise provided, the following definitions apply to this resolution:
 - A. **At-will:** A designation given to non-represented jobs or positions at the Port where the employment relationship may be terminated by the Port or employee at any time and for any or no reason. Employees hired as at-will are not subject to the Port’s progressive discipline process. Jobs designated as at-will will be identified as at-will when a job opening for an at-will position is posted and/or before an offer of employment is made.
 - B. **Employee Status:** An employee is anyone who performs personal services for the Port and receives a paycheck from the Port payroll system

with employment taxes withheld. The following categories of employees are used for purposes of compensation and benefits:

1. **Regular Full Time:** A person who is actively employed by the Port and is regularly scheduled to work at least 40 hours per week and excludes limited duration, short term, on-call, relief and terminal security positions.
 - a. **Non-represented:** A person in an exempt or nonexempt position not represented by a collective bargaining unit.
 - b. **Represented:** A person in a nonexempt position represented by a collective bargaining agreement. This definition includes flexible security positions.
2. **Regular Part Time:** A person who is actively employed by the Port and is regularly scheduled to work less than 40 hours per week in a position represented by a collective bargaining unit or employed at-will.
3. **On-Call Employee:** A person who is employed by the Port on an on-call status.
4. **Relief Security Officer:** A person who is actively employed by the Port under the International Longshore and Warehouse Union (ILWU) 28 Collective Bargaining Agreement with no guarantee of work hours.
5. **Terminal Security Officers:** A person who is actively employed by the Port under the Terminal Security Officers' Collective Bargaining Agreement either as a regular, flex or relief employee.
6. **Full Time Limited Duration Employee:** A person who is actively employed by the Port in a full time position expected to last at least one year. A limited duration employee may either be represented by a collective bargaining unit or employed at-will.
7. **Part Time Limited Duration Employee:** A person who is employed by the Port and is regularly scheduled to work less than 40 hours per week in a position that is expected to last at least one year. A limited duration employee may either be represented by a collective bargaining unit or employed at-will.
8. **Short Term Employee:** A person who is actively employed by the Port in a position that is expected to last less than six months.
9. **Chief Executive Officer ("CEO"):** The CEO is appointed by the Commission. The terms and conditions of the Master Benefits and Salary Resolution apply to the salary and benefits of the CEO to the extent determined by agreement of a majority of the Commission, unless otherwise stated in the Employment Contract ("Contract") between the CEO and the Commission. A performance review for the CEO shall occur on an annual basis as near as possible to the CEO's hiring date anniversary, with the expectation that any resulting salary adjustments will be calculated from the effective date of this resolution, but is deferred until the Commission's completion of the annual review

and resulting action by the Commission taken by vote at a public meeting. In the event a new CEO is hired after the adoption of this resolution, the terms and conditions of this resolution shall remain unchanged and in full force and effect, and shall apply to the new CEO. However, the terms and conditions of any Contract negotiated between the Commission and the CEO shall control over any conflicting or inconsistent terms and conditions in this resolution and shall become effective without an amendment to this resolution. Such agreement must be adopted by the Commission by vote in a public session.

10. **Commissioner:** A person who is elected to a 4-year term by Pierce County Citizens (and may be re-elected for a subsequent 4-year term) and is eligible for benefits as provided in the relevant sections of this resolution. This definition includes a Commissioner who may be appointed mid-term due to an unanticipated vacancy on the Commission board.

C. **Dependent Status:** The requirements for dependent eligibility are included in the Summary Plan Descriptions for each benefit plan.

D. **Immediate Family:** Immediate family includes:

1. Spouse or state registered domestic partner; and
2. The parent, foster parent, sibling, child, foster child, grandparent, and grandchild of the employee or the employee's spouse or state registered domestic partner.

II. ADMINISTRATION OF BENEFIT PROGRAM.

A. **Authorization to Adjust Benefits Plan Components:** The CEO is authorized to amend benefits as necessary to comply with any changes in statutory requirements with prior notification to the Commission.

B. **Health Care Benefits:** The following health benefits are provided to eligible Port employees:

1. Health Benefits.

a. **Benefits:** The Port provides the following health care coverage to eligible employees: medical, prescription, dental, vision, and employee assistance program. Plan participants must elect medical to be eligible for dental and/or vision coverage.

b. **Eligibility:** The following categories of employees, and their eligible dependents, are eligible for the Port's health benefit plans:

- i. Regular Full Time Employees
- ii. Regular Part Time Employees regularly scheduled 30 or more hours a week
- iii. Full Time Limited Duration Employees
- iv. Part Time Limited Duration Employees regularly scheduled 30 or more hours a week
- v. CEO
- vi. Commissioners

- c. **Effective Date:** The effective date for health benefits is the first of the month coinciding with or next following an employee's date of hire.
- d. **Termination Date:** The termination date for health benefits is the earliest of the following occurrences:
 - i. The date the Port terminates the plan and offers no other group health plan.
 - ii. The last day of the month in which the employee ceases to meet the eligibility requirements for the plan. If the employee has worked 80 or more hours during the final month of employment, the benefits will continue through the end of the following month.
 - iii. The last day of the month in which employee fails to return to work following an approved Leave of Absence.

2. **Post-Employment Defined Benefit Plan.**

- a. **Benefit:** The post-employment medical benefits will be provided to eligible retiree and spouse or state registered domestic partner of record for the life of the retiree as follows:
 - i. Regular Retirees may receive Port-paid medical coverage from the first day after eligible retiree loses benefits as an active employee up to the last day in the month in which the retiree turns 70. Retiree may not elect coverage at a later date. During this period of coverage, Regular Retirees may elect to self-pay for dental and prescription coverage.
 - ii. Early Retirees may receive Port-paid medical coverage for up to 10 years from the first day after eligible retiree loses benefits as an active employee. Retiree may not elect to commence coverage at a later date. During this period of coverage, Early Retirees may elect to self-pay for dental and prescription coverage.
 - iii. For retirees under age 65 and spouse or state registered domestic partner of record, the level of medical benefit provided will be comparable to that provided to active employees and will change when active employee benefits change.
 - iv. For retiree from age 65 up to age 70 and spouse or state registered domestic partner of record, the medical benefit provided will be comparable to that provided to active employees, however enrollment in Medicare Part A and Part B is required. Medicare will be primary to the post-employment medical benefits.
- b. **Eligibility:** Eligible employees for the purpose of this benefit are:
 - i. Regular Full Time employees and CEOs hired before March 15, 2007 who elected not to make a one-time irrevocable decision to

move to the Post-Employment VEBA 5 (See VEBA, Section II (C)(1)b); and

- ii. Are eligible to retire under the Washington State Public Employees' Retirement System; and who meet the following requirements:
 - (a) Regular Retiree - Must have completed 15 years of Port service if retiree is age 60 or older at the time of retirement; or
 - (b) Early Retiree - Must have completed 20 years of Port service if retiree is under age 60 at the time of retirement.
- c. **Creation of a Trust:** The Port has established a trust sufficient to fund the Post-employment Defined Benefit Plan. The Port Treasurer shall fund the trust from the Port's General Fund.

C. Investment Programs.

- 1. **Voluntary Employees' Beneficiary Association (VEBA):** The VEBA is a tax-free health reimbursement arrangement. The plan reimburses out-of-pocket health care costs incurred by eligible participants. This program is separate from the Port's medical program. Non-represented employees may be eligible for the VEBA programs as described below:

a. Monthly VEBA.

- i. **Benefit:** The monthly VEBA contribution will be \$75 a month. Any adjustments to the Monthly VEBA will be at the discretion of the CEO subject to Commission approval.
- ii. **Eligibility:** The following categories of Non-represented employees are eligible for the monthly VEBA contribution:
 - (a) Regular Full Time employees
 - (b) Regular Part Time employees regularly scheduled 30 or more hours a week
 - (c) Full Time Limited Duration Employees
 - (d) Part Time Limited Duration Employees regularly scheduled 30 or more hours a week
 - (e) CEO
 - (f) Commissioners
- iii. **Effective Date:** The first contribution will be in the first month the eligible employee is covered by the Port's benefit plan.
- iv. **Termination Date:** The last contribution will be in the last month the eligible employee is covered by the Port's benefit plan.

b. Post-Employment VEBA 5.

i. Benefit:

- (a) The Post-Employment VEBA 5 shall provide eligible employees a monthly contribution to a health reimbursement account.
- (b) The contribution will be increased each year based on inflation. The source of the inflation indices is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index ("CPI"), All Items, Seattle-Tacoma-Bremerton average. The annual adjustment is determined by calculating the difference between the annual CPI for the most recent 12 months ending in December and the annual CPI for the preceding 12 month period ending in December.
- (c) Eligible employees hired after May 1, 2007 are subject to a five year vesting period.
- (d) Participants in the Post-Employment VEBA 5, who have completed 20 or more years of Port service, may elect to purchase retiree medical, prescription, and dental coverage for themselves and their spouse or state registered domestic partner of record under the Port's benefit programs from the first day after eligible retiree loses benefits as an active employee to the last day in the month in which eligible retiree turns 65. Retiree may not elect to commence coverage at a later date. Plan participants must elect medical to be eligible for prescription and/or dental coverage. The health benefits provided will be comparable to that provided to active employees and will change when active employee benefits change.

ii. Eligibility:

- (a) Unless otherwise stated in a Collective Bargaining Agreement, eligible employees, for the purposes of this plan, are further defined as active employees covered under the Port's current group health care plan who:
 - 1. Were hired prior to March 15, 2007 and who made a one-time irrevocable decision to move to this Post-employment Defined Contribution Plan; or
 - 2. Were hired after May 1, 2007;
 - 3. Fall into the following categories:
 - a. Regular Full Time employees
 - b. Regular Part Time employees regularly scheduled 30 or more hours a week
 - c. Full Time Limited Duration Employees

- d. Part Time Limited Duration Employees regularly scheduled 30 or more hour a week
- e. CEO
- f. Commissioners

4. Were hired or elected into a non-represented position, prior to April 1, 2013, in one of the aforementioned categories (Section II (C) 1 (b) ii (a) 3).

iii. **Effective Date:** As defined for the Voluntary Employee Beneficiary Association Section of this resolution (Section II (C) 1(a) iii).

iv. **Termination Date:** As defined for the Voluntary Employee Beneficiary Association Section of this resolution (Section II (C) 1(a) iv).

2. **Deferred Compensation (457).**

- a. **Benefit:** The 457 is a plan that allows eligible employees to arrange an authorized portion of salary to be withheld and invested for payment at a later date. Employees may elect pre-tax and/or post-tax deferrals. Annual maximum contributions to this plan are established by the Internal Revenue Service.
- b. **Eligibility:** The following categories of employees are eligible for the 457 plan:
 - i. Regular Full Time Employees
 - ii. Regular Part Time Employees regularly scheduled 30 or more hours a week
 - iii. Relief Security Officers (may elect a percentage contribution)
 - iv. Full Time Limited Duration Employees
 - v. Part time Limited Duration Employees regularly scheduled 30 or more hours a week
 - vi. CEO
 - vii. Commissioners
- c. **Effective Date:** Eligible employees may participate in the 457 plan in the month following the eligible employee's election to participate. Eligible employees who enroll prior to the first day of employment may participate in the first calendar month of employment.
- d. The CEO or Chief Human Resources Officer is authorized to act on the Commission's behalf in respect to the amendment of the plan to bring the plan into conformance with Internal Revenue Code Section 457 and to formulate rules and procedures consistent with the provisions of the plan.

3. **401a Retirement Savings Plan.**

- a. **Mandatory Participation Contribution:** Eligible employees shall be given the opportunity to irrevocably elect to participate in the Mandatory Participant Contribution portion of the plan by electing to

contribute 3%, 5%, 10%, or 20% of the employee's earnings to the plan. A participant shall not have the right to discontinue or vary the rate of such contributions after becoming a plan participant.

- b. **General Eligibility:** Non-represented employees in the following categories are eligible for the Employee Mandatory Contributions:
 - i. Regular Full Time Employees
 - ii. Regular Part Time Employees regularly scheduled 30 or more hours per week
 - iii. Full Time Limited Duration Employees
 - iv. Part Time Limited Duration employees regularly scheduled 30 or more hours per week
 - v. CEO
- c. **Effective Dates:** This plan was closed to new participants effective November 2015.
- d. The CEO or Chief Human Resources Officer is authorized to act on the Commission's behalf in respect to the amendment of the plan to bring the plan into conformance with Internal Revenue Code Section 401 and to formulate rules and procedures consistent with the provisions of the plan.

D. Leave Time.

1. Vacation.

- a. **Eligibility:** The following categories of non-represented positions will be eligible for vacation accruals based on the table below:
 - i. Regular Full Time employees
 - ii. Regular Part Time employees, regularly scheduled 30 or more hours a week, will accrue pro-rated vacation hours based on the employee's regular schedule
 - iii. Full Time Limited Duration employees
 - iv. Part Time Limited Duration employees, regularly scheduled 30 or more hours a week, will accrue pro-rated vacation hours based on the employee's regular schedule
 - v. CEO
- b. **Benefit:** Vacation for eligible non-represented employees will accrue as follows:

Service Year	Grade C40-C42	Grade C43-C45	Grade D61-E91
1	10	12	15
2	12	12	15
3	12	15	15
4	12	15	15
5 through 9	15	15	15
10 through 14	18	18	18
15 through 17	20	20	20

18 through 19	22	22	22
20+	25	25	25

- c. **Monthly Accrual:** Eligible employees accrue vacation on a monthly basis at one-twelfth of the annual accrual rate.
 - d. **Waiting Period:** Eligible employees may use vacation as it is accrued after the completion of three months of employment.
 - e. **Maximum Accrual:** Maximum vacation hours available for use will be two years' accrued time as of the eligible employee's anniversary date.
 - f. **Vacation Cash Out:** Upon termination of employment, eligible employees will receive payment for all unused vacation accrued, not to exceed two years' accrued vacation, provided the employee has completed three months of continuous eligible Port employment.
 - g. **Fifth Week of Vacation:** On the twentieth and subsequent anniversary dates, eligible employee may elect to receive five days' pay in lieu of five vacation days, at the employee's prevailing straight time rate of pay, provided the Finance Department is notified of such election prior to the end of the pay period which includes the anniversary date. Alternatively, the eligible employee may elect to defer the five days' pay to the 457 plan provided the deferral is elected prior to the availability of the cash out amount.
 - h. **Death of Employee:** Accrued vacation of an employee who dies shall be paid in accordance with current Washington State Law.
2. **Sick Leave.**
- a. **Benefit:** Each eligible employee shall earn sick leave at the rate of one working day for each full month of service.
 - b. **Eligibility:** The following categories of non-represented positions will be eligible for sick leave accruals:
 - i. Regular Full Time employees
 - ii. Regular Part Time employees regularly scheduled 30 or more hours a week will accrue pro-rated sick leave hours based on the employee's regular schedule
 - iii. Full Time Limited Duration employees
 - iv. Part Time Limited Duration employees regularly scheduled 30 or more hours a week will accrue pro-rated sick leave hours based on the employee's regular schedule
 - v. CEO
 - c. **Usage:** Except in situations where an injury or illness is intentionally self-imposed, employees may use sick leave with pay for absences necessitated by:
 - i. Injury or illness of themselves;

- ii. Serious injury or illness to a member of their immediate family;
 - iii. Forced quarantine in accordance with health regulations;
 - iv. Death in their immediate family (up to four days);
 - v. Family and Medical Leave Act (“FMLA”) qualifying period following the placement of a son or daughter with the employee for adoption or foster care; and
 - vi. Required dental care or medical outpatient care; provided, employee provides proof of an appointment for such dental or medical outpatient care to the department head if requested.
- d. **Waiting Periods:** Eligible non-represented employees may use sick leave as it accrues.
- e. **Sick Leave Cash Out.**
- i. **Eligibility:** Eligible employees on the payroll as of June 11, 1987 have the option of cashing out all accrued sick leave in excess of 240 hours on an annual basis as of December 31 of each year, at the current rate of pay.
 - (a) The initial payout may be paid from one to five equal annual payments.
 - (b) Once the employee has selected the cash out option, employee cannot revert back to unlimited accumulation beyond 240 hours.
 - (c) Cash out will be paid on February 7 of the year following the employee’s election to cash out.
 - ii. Eligible employees meeting the following criteria will have sick leave accruals above 240 hours automatically cashed out on an annual basis according to the table set out below:
 - (a) The cash out percentage for eligible non-represented employees hired after June 11, 1987, but before September 1, 2003, is based on the employee’s years of service as of September 1, 2003.

Years of Service	Cash Out Percentage
1 but less than 5 full years:	25% of current wage
5 but less than 10 full years:	50% of current wage
10 but less than 15 full years:	75% of current wage
15 or more full years:	100% of current wage
 - (b) Eligible non-represented employees hired after September 1, 2003 will have accrued sick leave above 240 hours automatically cashed out on an annual basis at 25 percent of the eligible employee’s current rate of pay.
 - iii. Accrued sick leave shall be paid to any eligible employee separated from the Port due to termination, resignation or retirement. The cash out percentage will be determined by the guidelines set out above.

- iv. Accrued sick leave of eligible employees who die shall be paid, at the percentage set out above, in accordance with current Washington State Law.

3. **Holidays.**

a. **Benefit:**

- i. These twelve holidays shall be observed according to the conditions outlined herein.

Holidays	
New Year's Day	Veterans Day
Martin Luther King, Jr.'s Birthday	Thanksgiving Day
Presidents' Day	Day after Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	Personal Holiday

ii. **Personal Holiday.**

- (a) The Personal Holiday will be awarded on the first working day of each calendar year.
- (b) The Personal Holiday must be used during the calendar year in which it is awarded, or it is forfeited.
- (c) Personal Holidays are not cashed out at termination.
- (d) New hires, on their date of hire, are awarded one personal holiday to be used during the calendar year.

b. **Eligibility:** Employees in the following categories are eligible for paid holidays:

- i. Regular Full Time employees
- ii. Regular Part Time employees regularly scheduled 30 or more hours a week are eligible for pro-rated holiday hours based on the employee's regular schedule
- iii. Full Time Limited Duration Employees
- iv. Part Time Limited Duration employees regularly scheduled 30 or more hours a week are eligible for pro-rated holiday hours based on the employee's regular schedule
- v. CEO

c. **Scheduling of Holiday:** When Holidays fall on scheduled days off, they will be recognized as follows:

- i. Employees on a Monday through Friday Work Schedule: When a holiday falls on a Sunday, the following Monday will be considered the holiday. When a holiday falls on a Saturday, the preceding Friday will be considered the holiday.

- ii. Employees working in a Seven Day Operation: When an actual holiday falls on a Saturday or Sunday, the actual holiday will be considered the “official holiday” for those employees scheduled to work that day, not the designated holiday date on the preceding Friday or following Monday.

4. Leaves of Absence for Occupational Injuries or Diseases.

- a. Employees who are unable to work due to an occupational injury or disease covered by industrial insurance shall be granted a Leave of Absence without pay for six months, not to exceed the end date of the employee’s limited duration position, where the employee provides medical documentation within twelve weeks from the first day of leave that he or she is more likely than not expected to return to work on a full or light duty basis within the six month time frame. The Port reserves the right to obtain a second medical opinion as to the employee’s ability to return to the position he or she held prior to the Leave of Absence.
- b. The Port may, at any time in its discretion, temporarily backfill the vacancy created by an employee on Leave of Absence. The Port may also hire a regular replacement for the vacancy created by an employee on Leave of Absence for an occupational injury or disease when the employee either fails to provide documentation supporting the need for leave within twelve weeks from the first day of leave, or at least two licensed health care providers agree that the employee is not likely to return to work on a full or light duty basis within the six month period.
- c. The employee’s Leave of Absence shall run concurrently with benefits mandated by federal and state law, if applicable, and may not be stacked with other Leave of Absence benefits.
- d. **Health Benefits:** For eligible employees on an approved Leave of Absence for an occupational injury or disease, the Port shall pay health and welfare premiums including medical, dental, vision, prescription, long-term disability and life insurance as applicable for up to six months.
- e. **Holidays, Sick Leave and Vacation:** Holidays, sick leave and vacation will accrue for a period of up to thirty days after the employee’s entry into an approved Leave of Absence.

5. Leaves of Absence without Pay.

- a. The Port may grant a Leave of Absence without pay for qualifying reasons to include non-occupational injury and disease and to reduce personal hardship. Such leave will only be granted where federal law is inapplicable.
- b. Unless otherwise allowed under state or federal law, an employee must have exhausted all of his or her available paid leave (such as vacation, sick leave and bereavement leave) and Family and

Medical Leave (FMLA) if applicable, before qualifying for a Leave of Absence without pay.

- c. Leave of Absences without pay shall be for a maximum of 60 calendar days, but may not exceed the end date of the employee's limited duration position. When Leave of Absence without Pay is used intermittently, 60 calendar days are counted from the first day of the Leave of Absence without Pay and converted to hours to track leave usage.
 - d. Approval of leaves shall be within the discretion of the Department Head, in consultation with Human Resources, and shall balance the employee's request with the operational needs of the department. The Port reserves the right to temporarily backfill the position of the person who is on leave.
 - e. The employee will submit a written request with appropriate documentation at least fourteen work days prior to the date of leave, unless precluded by an emergency situation.
 - f. **Health Benefits:** For eligible employees on an approved Leave of Absence without pay, the Port shall pay health and welfare premiums including medical, dental, vision, prescription, long-term disability, and life insurance as applicable for 60 days after entry into the approved Leave of Absence without pay.
 - g. **Holidays, sick leave and vacation:** Holidays, sick leave and vacation will accrue for a period of up to thirty days after entry into an approved Leave of Absence without pay.
6. **Unauthorized Absences:** Any absence from work station or property, not authorized by the Port, will be considered an unauthorized absence. The employee taking an unauthorized absence may be subject to disciplinary action.
 7. **Shared Leave:** On a voluntary basis and in accordance with the Interlocal Agreement Between the Northwest Seaport Alliance and the Port of Tacoma Regarding Shared Leave Participation, employees may donate accrued leave to benefit Northwest Seaport Alliance or Port of Tacoma employees who have not exhausted their long term disability elimination period and who are suffering from a serious health condition which will cause the employee to take leave without pay or terminate his or her employment. The maximum number of shared leave hours an eligible employee may receive is 480 hours in any twelve month period.
 8. **Bereavement Leave:** At the discretion of management and under the supervision of Human Resources, employees may receive up to three working days of leave after the death of an immediate family member as defined in Section (I)(D). Such leave shall not result in compensation for more than the number of hours in any normal workweek.

9. **Military Leave:** Any employee who is a member of the Washington National Guard or of the Army, Navy, Air Force, Coast Guard, or Marine Corps Reserve of the United States, or of any organized reserve or armed forces of the United States shall be entitled to and shall be granted a paid military leave of absence from Port employment for a period not to exceed twenty-one working days during each year beginning October 1st and ending the following September 30th as provided in and limited by RCW 38.40.060.

Such military leave of absence shall be in addition to any paid leave to which the officer or employee might otherwise be entitled, and shall not involve any loss of efficiency rating, privileges, or pay. During the paid period of qualifying military leave, the employee shall receive his or her normal pay.

10. **Jury Duty Leave.**

- a. Jury Duty: Regular full time employees who serve on jury duty shall receive full regular compensation.
- b. Subpoenaed Witness Leave: When a regular full time employee is subpoenaed as a witness under circumstances which are determined by Human Resources to be related to and involve the Port, the same pay conditions listed for jury duty shall apply.

11. **Parental Leave.**

- a. **Benefit:** Eligible employees may take up to four weeks of paid parental leave for the birth, adoption or foster placement of a child.
- b. **Eligibility:**
 - i. Regular Full Time Employees
 - ii. Regular Part Time Employees regularly scheduled 30 or more hours a week are eligible for pro-rated parental leave based on the employee's regular schedule
 - iii. Full Time Limited Duration Employees
 - iv. Part Time Limited Duration Employees regularly scheduled 30 or more hours a week are eligible for pro-rated parental leave based on the employee's regular schedule
 - v. CEO
- c. **Usage:**
 - i. Paid Parental Leave provides up to four weeks of paid time off to be taken in one consecutive block of time following a qualifying event (birth, adoption or foster placement of a child).
 - ii. The four weeks of Paid Parental leave must be completed by the end of the 12th calendar month following the birth or placement.
 - iii. Paid Parental Leave is limited to one 4 week period every 12 calendar months beginning with the qualifying event.

- iv. Paid Parental Leave can only be used once the child has been placed in the home and may not be used for the preparation stages of adoption or foster placement.
- d. **Waiting Period:** Employees must successfully complete their Probationary Period with the Port and have a qualifying event on or after April 1, 2017.
- e. **Guidelines:**
 - i. If a single qualifying event applies to two eligible Port employees, both employees are eligible for Paid Parental Leave.
 - ii. The Port reserves the right to recover the value of the Paid Parental Leave from the employee if the employee fails to return to work or voluntarily leaves the employment of the Port within three months of returning to work.

E. Salary Protection.

1. Life and Accidental Death and Dismemberment Insurance.

- a. **Benefit:**
 - i. Eligible Non-Represented Employees: One times Basic Annual Earnings; minimum of \$50,000 and a maximum of \$100,000.
 - ii. Eligible Represented Employees: \$50,000.
- b. **Eligibility:** The following categories of employees are eligible for the Port's life and accidental death and dismemberment insurance coverage:
 - i. Regular Full Time Employees
 - ii. Part Time employees regularly scheduled 30 or more hours a week
 - iii. Full Time Limited Duration Employees
 - iv. Part Time Limited Duration employees regularly scheduled 30 or more hours a week
 - v. CEO
 - vi. Commissioners
- c. **Effective Date:** The first day of the month coinciding with or next following the employee's hire date.
- d. **Termination Date:** Benefits shall terminate on:
 - i. The date the policy terminates;
 - ii. The date employee is no longer in a class eligible for coverage, or the policy no longer insures the employee's class;
 - iii. The date the premium is due, but not paid by the Port;
 - iv. The date the employee terminates employment; or
 - v. The date the employee is no longer actively at work; unless continued in accordance with the plan's continuation provisions.

2. Long Term Disability Insurance.

- a. **Benefit:** Port paid long term disability insurance with a 90 day elimination period.
- b. **Eligibility:**
 - i. Regular Full Time Employees
 - ii. Part Time employees regularly scheduled 30 or more hours a week
 - iii. Full Time Limited Duration Employees
 - iv. Regular Part Time Limited Duration employees regularly scheduled 30 or more hours a week
 - v. CEO
- c. **Effective Date:** First day of the month coinciding with or next following the employee's hire date.
- d. **Termination Date:** Employee shall cease to be covered on the earliest of occur of the following dates:
 - i. The date the Group Insurance Policy terminates;
 - ii. The date the Group Insurance Policy no longer insures the employee's class;
 - iii. The date premium payment is due, but not paid by the Port;
 - iv. The last day of the period for which any required premium contribution has been made; if any further required contribution is not paid;
 - v. The date employee ceases to be in an eligible class, including:
 - (a) Temporary layoff;
 - (b) Leave of Absence, including but not limited to leave for military service; or
 - (c) A general work stoppage (including a strike or lockout); or
 - vi. The date the Port ceases to be a participant employer, if applicable.

F. Employee Participation Fund.

An employee participation fund is established to promote employee engagement activities, influence employee satisfaction, and/or to facilitate Port-wide communications. The Chief Human Resources Officer may authorize the use of this fund for up to four Port-wide employee events that promote employee participation, productivity, satisfaction, and/or facilitate employee communications.

The fund may also be used to support other employee participation events, subject to the program criteria defined in the Employee Participation Fund Application.

III. ADMINISTRATION OF SALARY PROGRAM.

- A. **Establishment of Fair Labor Standards Act (FLSA) classifications, salary grades and ranges:** There is hereby established a classification schedule and graded salary ranges for non-represented positions of the Port, which shall include all positions not covered by signed labor agreements:
1. **FLSA Classification:** All non-represented positions of the Port are classified according to criteria of the Federal Fair Labor Standards Act (FLSA) as either exempt or nonexempt from overtime. The CEO, in consultation with staff, shall periodically evaluate the work of non-represented employees to ensure proper classification and compliance with the FLSA.
- B. **Graded Salary Ranges:** All non-represented positions, except non-graded positions, will be assigned an alpha numeric grade utilizing the Decision Band Method. Furthermore, the CEO is authorized to conduct salary surveys to ensure that the Port's salary ranges remain competitive within the general recruitment area and may also recommend an adjustment to salary ranges based on Cost of Labor. When resulting market or Cost of Labor utilizing the Employment Cost Index adjustments are necessary for the salary ranges, the new structure will be submitted by the CEO for approval by the Commission.
1. **Marketing Positions - Special Allowances/ Geographic Differentials:** Salary ranges for marketing positions outside of Tacoma Pierce County shall be determined by economic data, market value and internal equity. A geographic differential based on cost of living in the general area to which marketing representatives are assigned may be applied to the range indicated by analysis of the local Tacoma Pierce County labor market. The CEO, after consultation with staff, is authorized to approve geographic differentials on a case-by-case basis.
 2. **Student Interns or Foreign Trainee Positions:** Salary rates and employment conditions for students or foreign trainees employed under special internships or foreign exchange programs are determined by the CEO in consultation with staff, and will be based in part upon the prevailing rates of pay and other conditions established by the program's sponsors.
 3. **Discretionary Performance Payout:** The CEO may recommend a discretionary performance payout in the form of a one-time lump sum. The Port's performance against its performance goals will be the basis for any recommendation, which is at the sole discretion of the CEO. The performance measures and goals will be established and evaluated as a joint effort between the Commission and the CEO. Recommendations for a performance payout will be in the form of a one-time lump sum. The amount of this reward and its effective date is

determined by the Commission based upon the recommendation of the CEO.

a. **Eligibility:** The following categories of employees are eligible for the discretionary performance payout:

- i. Regular Full Time Employees
- ii. Part Time employees regularly scheduled 30 or more hours a week
- iii. Terminal Security Officers
- iv. Full Time Limited Duration Employees
- v. Regular Part Time Limited Duration employees regularly scheduled 30 or more hours a week.
- vi. Relief Security Officers (percent based on hours worked)

Furthermore, employees participating in the one-time lump sum payout must:

- i. Be on the payroll prior to the end of the calendar year preceding the payout; and
- ii. Be employed in an eligible position at the Port as of the effective date of the payout; and
- iii. Have successfully completed their probationary period; and
- iv. Must also be performing satisfactorily during the 12 months preceding the effective date of the payout. Satisfactory performance means that the employee has received no disciplinary action. Disciplinary action includes, but is not limited to, written counseling of any kind, written warnings, suspensions, or other forms of discipline.

4. **Salary Adjustments:** Individual salaries and grade levels may be adjusted by the CEO based on internal equity, market equity, reorganization, reclassification, job duty changes, performance or promotions. These adjustments will be made in accordance with the guidelines and parameters as set forth in the Port's Total Compensation and Internal Staffing Policies.

C. Authorization of a Cost of Labor Adjustment to Salary Ranges:

Based on the annual Employment Cost Index, the CEO is hereby recommending that the Commission authorize a Cost of Labor Adjustment of 2.8 percent to the salary structure for non-represented employees effective April 1, 2017. Salary adjustments for represented employees are governed by the terms and conditions of applicable collective bargaining agreements.

IV. EFFECTIVE DATE.

A. This resolution remains valid and in effect from its adoption unless and until such time as the Commission adopts by vote at an open public meeting any subsequent Master Benefit and Salary Resolution. The CEO is authorized to

take any necessary action to continue to keep effective all terms, provisions and conditions contained herein.

Subject to Commission approval, the Port reserves the right to amend or terminate any employee welfare plan and/or salary practice.

The intent of this resolution is to administer pay and benefits in accordance with State and Federal law. Should any part of this resolution require a change to pay or benefit administration practices by reason of any existing or subsequently enacted legislation, such change(s) will be incorporated without the need to amend this resolution.

B. REPEALED AND SUPERCEDED.

Any language of any prior resolutions dealing with these subject matters, including, but not limited to Section IV of Resolution 2016-01, is hereby repealed and superseded by the provisions herein.

ADOPTED by a majority of the members of the Port of Tacoma Commission at a special meeting held on the **16th day of March, 2017**, a majority of the members being present and voting on this resolution and signed by its President and attested by its Secretary under the official seal of said Commission in authentication of its passage this 16th day of March, 2017.

Richard P. Marzano, President
Port of Tacoma Commission

Donald C. Johnson, First assistant secretary
Port of Tacoma Commission