

Ordinance No. 118776

Council Bill No. 111943

AN ORDINANCE amending Seattle Municipal Code Sections 4.20.030, 4.20.040, and 4.20.320 to reflect the adoption of the new Accountability Pay for Executives and the Manager and Strategic Advisor Compensation Programs; and retitling and amending Section 4.20.080 to make provision for changes in the incumbent status of such employees.

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Law Department The City of Seattle - Legislative

Council Bill/Ordinance sponsor

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This file is complete and ready for presentation

Technology & Labor Policy Committee

5 1997

T.O. FT.

Law Dept. Review

OMP Review

ORDINANCE 118776

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4 AN ORDINANCE amending Seattle Municipal Code Sections 4.20.030,
5 4.20.040, and 4.20.320 to reflect the adoption of the new Accountability Pay for
6 Executives and the Manager and Strategic Advisor Compensation Programs;
7 and retitling and amending Section 4.20.080 to make provision for changes in
8 the incumbent status of such employees.

9
10 **WHEREAS** the appointing authority's discretion to make salary placement
11 decisions and award performance recognition pay is a cornerstone of the
12 Accountability Pay for Executives Program, the Manager Compensation
13 Program, and the Strategic Advisor Compensation Program; Now
14 Therefore:

15 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

16
17
18 **Section 1. Section 4.20.030 Salary upon appointment of Seattle Municipal**

19
20 Code (Ordinance 97330 as amended) is further amended as follows:

21 **A.** Every employee, upon initial appointment to any position in the
22 classified service that is not assigned to the Manager or Strategic Advisor
23 Compensation Program, shall receive the minimum rate of the salary range fixed
24 for the position, except as provided herein. When the application of this section
25 results in inadequate recognition of a job candidate's qualifications, or when
26 competitive recruiting so requires, payment at other than the prescribed step
27 may be authorized by the appointing authority, in accordance with rules
28 promulgated by the Personnel Director.

29 **B.** Any position that is exempt from the classified service; or is
30 included within the Manager Compensation Program, codified at Seattle
31 Municipal Code Section 4.20.400; or the Strategic Advisor Compensation

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1 Program, codified at Seattle Municipal Code Section 4.20.420. ((The appointing
2 authority may approve,)) may be compensated without further review;

3 1. ((payment)) at other than the minimum ((step)) rate of the
4 appropriate salary range, market group, or pay zone, on initial appointment to
5 the City; ((or)) and

6 2. ((payment)) at a step or rate other than that prescribed by
7 promotion rules, for subsequent appointments between such positions. ((to
8 positions that are exempt from the classified service, as designated in SMC
9 Chapter 4.13.))

10 C. The Personnel Director shall provide a summary report to the City
11 Council annually demonstrating how department authorization for salary step
12 exceptions met the administrative guidelines.

13 Section 2. Subsection A of Section 4.20.040, Time periods for automatic
14 salary increases, Seattle Municipal Code (Ordinance 97330 as
15 amended) is further amended as follows:

16 A. An employee shall be granted the first automatic step
17 increase in salary rate upon completion of six (6) months of service when hired
18 at the first step of the salary range, and succeeding automatic step increases
19 shall be granted after twelve (12) months of "actual service" from the date of
20 eligibility for the last step increase to the maximum of the range; provided, that
21 officers and employees in the following position classes shall be paid on the

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1 basis of the applicable criteria designated for each class, position, or program
2 title:
3 Accountability Pay for Executives Program. The Personnel
4 Director shall recommend to the City Council the assignment of included
5 positions to and within one (1) of four (1) market groups. The appointing
6 authority shall have the discretion to pay individual employees a salary within the
7 recommended market group. The appointing authority may petition the Mayor
8 for discretion to place individual employees in a market group other than the
9 recommended placement, and the Mayor is authorized to approve, deny or
10 modify such petitions, within the parameters of the Accountability Pay for
11 Executives Program, codified at Section 4.20.380 S.M.C. Subsequent increases
12 of modifications to the individual's base salary shall be in accordance with the
13 Program.
14 Manager Compensation Program. The Personnel Director shall
15 recommend to the City Council the allocation of included positions to one (1) of
16 three (3) pay zones. The appointing authority shall have discretion to pay a
17 Manager a salary within the appropriate zone. Subsequent increases or
18 modifications to an individual's base salary shall be in accordance with the
19 Program, codified at Section 4.20.400 S.M.C.
20 Strategic Advisor Compensation Program. The Personnel Director
21 shall recommend to the City Council the allocation of included positions to one
22 (1) of three (3) pay zones. The appointing authority shall have discretion to pay

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1 a Strategic Advisor a salary within the appropriate zone. Subsequent increases
2 of modifications to an individual's base salary shall be in accordance with the
3 Program, codified at Section 4.20.420 S.M.C.

4 Student Accountant and Planning Intern. The first step of the respective
5 salary range shall be paid to third-year college or university students and the
6 second step shall be paid to those who have completed their third year of such
7 academic training.

8 Student Engineer. The first step of the salary range shall be paid to
9 students who have actually commenced a course of studies leading to an
10 engineering degree, the second step to students who have completed their first
11 year of such studies, the third step to students who completed their second year,
12 and the fourth step to students who have completed the third year of such
13 academic training.

14 Auto Machinist Apprentice, Electrician Constructor Apprentice, Lineman
15 Apprentice. Beginning apprentices shall receive the first step of the salary range
16 assigned to the class to which appointed and shall receive a salary step increase
17 each six (6) months unless otherwise recommended in writing by the Joint
18 Advisory Apprenticeship Committee and the Personnel Director and approved by
19 the City Council.

20 Assistant Corporate Counsel. Assistants Corporation Counsel shall be
21 paid such step in the salary range assigned to the position as may be
22 determined by the Corporation Counsel.

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1 Job Trainee Program. Beginning trainees shall receive the first step of the
2 salary range assigned to the job class to which appointed and shall receive a
3 salary step increase each six (6) months unless otherwise recommended by the
4 Personnel Director.

5 Recreation Personnel. Employees in temporary or intermittent positions
6 titled:

- 7 Recreation Leader
- 8 Recreation Attendant
- 9 Life Guard, Beach and Pool
- 10 Manager, Beach and Pool
- 11 Pianist

12 shall receive the salary step in the range assigned to the class in which
13 employed as determined by the Superintendent of Parks and Recreation, subject
14 to approval by the Budget Director.

15 Seasonal Tour Guides and Forest Guards. Employees filling seasonal
16 positions of Tour Guide or Forest Guard shall receive the first step of the salary
17 range assigned to the class for the first period of employment and shall receive a
18 step increase each additional season employed in such capacity until the
19 maximum salary step is reached.

20 **Section 3.** Section 4.20.080 of Seattle Municipal Code (Ordinance 97330 as
21 amended) is hereby retitled and further amended to include a new
22 subsection and amend Subsection A as follows:

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1 **4.20.080 Changes in incumbent status ((transfers)).**

2 Salary step placement for employees affected by an employment
3 action, classification action, or compensation action shall be calculated as
4 provided below, except that incumbents in positions assigned to the
5 Accountability Pay for Executives Program, the Manager Compensation
6 Program, and the Strategic Advisor Compensation Program, shall be excluded
7 from the provisions of this Section for purposes of movement between positions
8 within the same program or among the remaining two (2) programs.

9 A. Transfers. An employee transferred to another position in
10 the same class or having an identical salary range shall continue to be
11 compensated at the same rate of pay until the combined service requirement is
12 fulfilled for a step increase, and shall thereafter receive step increases as
13 provided in Section 4.20.040 until the maximum step is reached.

14 **Section 4.** Subsection A1 of Section 4.20.320, **Executive Leave for Eligible**
15 **Employees, of Seattle Municipal Code (Ordinance 116643 as amended)**
16 defining "Eligible Employee", is further amended as follows:

17 A. Definitions

18 1. "Eligible employee" is any regular, salaried, professional,
19 administrative, or executive employee who is exempt from the Fair Labor
20 Standards Act, and not otherwise excluded by this section. Eligible employees
21 are those assigned to a classification or position which receives a top salary step
22 equal to or greater than the top salary step of pay range 36.5, and those

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assigned to the Accountability Pay for Executives Program, Manager
Compensation Program, or Strategic Advisor Program, regardless of pay group
or zone, and are not entitled to receive overtime compensation or compensatory
time for hours worked in excess of forty (40) in one (1) workweek.

Section 5. This ordinance shall take effect and be in force thirty (30) days from
and after its approval by the Mayor, but if not approved and returned by the
Mayor within ten (10) days after presentation, it shall take effect as provided by
Municipal Code Section 1.04.020.

PASSED by the City Council of the City of Seattle this 3rd day
of November, 1997, and signed by me in open session in
authentication of its passage this 3rd day of
November, 1997.

Jane Dreyer

President _____ of the City Council

Approved by me this 5th day of November, 1997.
William B. Rice

Mayor

Filed by me this 5 day of November, 1997.
Judith E. Pappas

City Clerk

(Seal)

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City of Seattle

Norman B. Rice, Mayor
Executive Services Department
Dwight D. Dively, Director

September 29, 1997

TO: The Honorable Jan Drago, President
Seattle City Council

Via: Norm B. Rice, Mayor
Attn.: Judy Bunnell, Acting OMP Director

FROM:


Dwight Dively, Director
Executive Services Department


Sarah Welch,
Personnel Director

SUBJECT: Proposed Legislation To Adopt an Accountability Pay for Executives (APEX) Program

The attached council bill proposes an amendment to Seattle Municipal Code Chapter 4.20, adopting a new compensation program for executive employees. The council bill provides for the establishment of an Accountability Pay for Executives Program at SMC 4.20.380, with a base salary structure consisting of one band with four market-based sub-bands; and an annual performance recognition lump sum payment of up to 10% of base pay.

Attached to this proposed legislation is a design proposal which outlines the program in detail. Your favorable consideration of this council bill will be appreciated. Please direct any questions to Lidia Santiesteban, Classification and Compensation Director, 6-9081.

SW/ks
Attachments

cc: Tina Podlodowski, Chair
Technology and Labor Policy Committee
Personnel Division Administrators
Civil Service Commissioners
Mary Denzel, Legislative Central Staff

Personnel Division, Dexter Horton Building, 710 Second Avenue, 12th Floor, Seattle, WA 98104-1793
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Why did we start these projects?

Background

The City of Seattle is committed to the design and delivery of high quality public services to its citizens. Achieving this objective depends upon the experience, knowledge, hard work, abilities, performance, and dedication of its employees. To that end, the City needs to recruit and retain individuals with the solid skills, technical expertise, creativity, positive work habits, and experience which continue to add value to its workforce.

The City needs to develop classification and compensation systems that provide the authority, responsibility and accountability for employees to successfully meet customer needs, as well as systems that encourage productive behaviors and adapt easily to changing technologies and other external forces.

It is the objective of the City's classification and compensation systems to provide leaders with the flexibility to design and assign work, and appropriately compensate employees for their efforts in helping achieve the City's business objectives. Through a competitive and comprehensive compensation program that includes wages, health care benefits, paid leave, career mobility, and performance incentives, the City can affirm the value of its employees and reward their contributions to the City's success.

Therefore, for executive and other non-represented management employees, it is the City's intent that, as the City's economic condition permits, the value of our total compensation package will be no less than the average value of the market, comprised of those public and private employers with whom we compete for qualified employees. We will continue to value internal equity but recognize that market-driven changes may alter the historical relationships between jobs. When appropriate we will implement reward programs that are independent of base pay, replacing the concept of pay progression as an automatic entitlement with the understanding that variable pay is an incentive and compensation for a job well done.

The City's current classification and compensation programs do not support these goals. The lack of a deliberate link between the external marketplace and the City's salary structure means that the City may pay one type of position too little to be truly competitive for fully qualified candidates, and may pay another type of position much more than is needed to recruit and retain qualified individuals. Our seniority-based wage progression plan doesn't communicate the value of superior performance. Our narrow salary bands limit the appointing authority's flexibility to recognize the qualifications of a "superstar" job candidate with a commensurate pay offer, and mean that most employees have topped out their earnings potential in about the same length of time that the average

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employee has mastered the "learning curve"--just over three years. We measure the value of our high level management positions by the size of the budget managed and the size and compensation level of their subordinate structures--a practice that has resulted in the development of unnecessary management layers and an internal alignment of positions based on their hierarchical level, rather than by virtue of scope of impact and strategic significance. Although the City's current "civil service" -type classification and compensation systems negatively impact management flexibility and employee performance throughout all layers of the organization, it appears that two areas in particular are ripe for change: the process for compensating City executives, and the classification/compensation process for City managers.

How did we get here?

Steps Taken To Get To The Plan Designs

The executive and manager projects were begun simultaneously, employing a single steering committee, a project management team made up of three different employees (a team leader and two individual analysts, each assigned to a unique project but working cooperatively), and two different consulting organizations.

1. The very first task undertaken involved joint interviews, with a representative from each consultant organization and a project staff member meeting with every City department head individually. The purpose of these interviews was to gather information which would help us define our concepts of executive and manager, the market from which the City recruits and to which it loses employees at these levels, and performance linkage possibilities.
2. Revised executive job summary questionnaires (JSQs) and manager position description questionnaires (MPDQs) were distributed to potential participants in order to gather current relevant information about individual positions.
3. Focus groups consisting of projected executive and manager program participants were convened. The executive focus groups were intended to ascertain employees' opinions and perceptions about their current compensation program and identify potential performance measures for a proposed performance and reward program. The manager focus groups also sought to gather information clarifying distinct occupational groups represented in the City's management work force.
4. Market compensation data was gathered for both programs. The executive project's consultants initially drew their benchmark data from their large library of published survey information. These data were augmented with a customized survey that sought specific information regarding several key

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positions from regional government agencies. The manager project's consultants gathered all of their survey results from a regional survey customized specifically for this project.

5. Design work was initiated. Draft proposals were critically considered and the pros and cons of each were vigorously discussed, clarified and addressed in subsequent drafts. Comments and direction were solicited from Councilmembers, the Mayor's Management Work Group, and the Mayor's cabinet. Proposed program details were published and distributed to participants.
6. In response to this feedback, adjustments were made to the proposed programs, including the evolution of a nonmanagerial "strategic advisor" concept.

The three proposed programs that resulted from this work are:

- **The Accountability Pay for Executives (APEX) Program,**
- **The Managers Program, and**
- **The Strategic Advisors Program.**

Which positions in the City fit these three programs?

CATEGORY DEFINITIONS

Executive

The executive level of City government (APEX) is comprised of the people who are responsible for managing the relationships between the City and its social, economic, and political environment, and for setting the tone and maintaining control of internal operations. A City executive must anticipate problems stemming from rapid change and take advantage of new opportunities, allocate resources, make strategic decisions, evaluate performance, and articulate plans and policies for the most significant activities of the City.

Positions in the City of Seattle designated within the APEX program clearly meet some or all of the following criteria: hierarchical orientation that carries broad corporate responsibilities and is oriented toward management of the 'whole'; strategic significance that imparts a definitive long term impact on the way the City conducts business; and scope and impacts that affect the delivery of critical services and quality of life for many people, entail the management of large sums of money, and or involve control of extensive non-financial resources.

While the description of APEX positions was general enough to cover a wide range of executive roles, we found that our initial description for manager seemed to exclude a number of valued positions that played clearly significant roles in the City. Thus, an alternate definition was developed to describe positions of a level similar to manager, but that did not directly manage significant human or other resources. This new category is called strategic advisor.

Manager

A manager for the City of Seattle is an employee who is identifiably accountable for translating City and departmental objectives into specific outcomes in the areas of policy, programs, and service delivery, through effective utilization of the City's human, financial, and other resources.

Strategic Advisor

A strategic advisor of the City of Seattle is an employee who serves as a key advisor to senior officials, or who makes recommendations which help shape significant City policies or programs, or who represents the City in strategic arenas, without having full accountability for managing resources to achieve specific outcomes.

Which positions will be allocated to the APEX Program?

Department heads and division directors will automatically become part of APEX and other positions will be evaluated for eligibility based on their hierarchical orientation, strategic significance, and scope and impact.

APEX PROGRAM CRITERIA

Hierarchical orientation--Position carries broad corporate responsibilities and is oriented toward management of the "whole." Accountability extends across the organization or beyond. This position typically reports to an elected official, department head, or the board or commission heading a principal office or department, and is responsible for translating their high level vision into broad organizational policy and direction.

Corporation = City-wide: The position's responsibility and opportunity to effect positive change extends to, impacts, and addresses most, if not all subsidiary organizations (other departments).

Corporation = Sub-Division of the City: This level is mid-way between City-wide and department-wide and should address positions with opportunity to effect positive change to specific aspects of organizations across the City, or to a defined sub-group of City departments.

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Corporation = Department-wide: The position's responsibility and opportunity to effect positive change extends to, impacts, and addresses most, if not all subsidiary organizations (other divisions).

Strategic significance—Position is responsible for making significant policy recommendations to elected officials, and for formulating and implementing resulting long-range City goals and objectives. This position establishes program and policy direction that has considerable long-term impact on resource allocation and the City's provision of services. Such positions define the organization's objectives, determine appropriate resource allocations, and direct the efforts of organizational components to accomplish the City's mission. Position is responsible for all program outcomes.

Strategic significance is likely to change over the years in response to changing political agendas, economic, environmental and social conditions.

For example,

1. health care reform was of great importance to the City to address in 1992;
2. the welfare to work initiative has a new level of urgency in response to reduced federal support for welfare programs; and,
3. if juvenile crime is ever diminished to an acceptable level (somewhere near 0), addressing the problem will correspondingly diminish in mayor and council priorities.

Strategic significance is a factor appropriate to be decided at the highest levels of the executive management team. Thus, an Executive Compensation Review Committee, designated by the Mayor, will have direct involvement in the APEX allocation process.

Strategic Significance—High: The incumbent is in the position of effecting significant positive results in the areas defined by the Mayor and the Council as City priorities such as enhancing community, social equity, environmental stewardship, economic opportunity, and security.

Strategic Significance—Moderate: There is the opportunity, albeit a more limited opportunity, to effect positive results in these same areas. The significance may be diminished simply because the position's responsibility has changed to entail the maintenance of successful innovations that were begun earlier, or because the City is not in any position of affecting change in this arena. For example, the position of Director of the Office for Education is limited in strategic effectiveness, because although it has some influence with control of certain funds distribution, it has no direct authority over Seattle School District policy or programmatic activities.

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Strategic Significance—Low: The position is in a supporting role in effecting positive results in the strategic areas listed above. For example, The Finance and Administration Director for a department assists in achieving the wider strategic goals of the organization by ensuring the financial health of the organization and continued, reliable service delivery. The Human Resources Director for a very large department would provide similar strategic support for an organization on an executive level.

Scope and impact—Position's discretionary authority has significant impact over a large arena. The range of authority may be Citywide, regional, or larger, and includes programs that affect the delivery of critical services, quality of life for citizens, management and effective allocation of large sums of money, and/or control of extensive non-financial resources.

Scope and Impact—Large: The incumbent is directly responsible for the dispersal or control of at least 10 million dollars, a customer base of 500,000 or more, workforce of 1,000 or more, or regional services covering, at minimum, the entire City.

Scope and Impact—Medium: The incumbent is directly responsible for the dispersal or control of at least 5 million dollars, a customer base of 250,000 or more, workforce of 500 or more, or regional services covering, at minimum, half the City.

Scope and Impact—Small: The incumbent is directly responsible for the dispersal or control of at least 2.5 million dollars, a customer base of 100,000 or more, workforce of 250 or more, or regional services covering, at minimum, a quarter of the City.

How will the City decide who is in APEX?

Initial allocations to APEX will be recommended by the Personnel Director based on input from department heads and evaluation of employee-completed job summary questionnaires. Since the APEX program covers positions for whom the personal qualities of the incumbent will affect the nature of the work performed, allocation to and within the APEX program is made on a generalized whole job evaluation and ranking approach.

The Personnel Director will evaluate Job Summary Questionnaires (JSQs) utilizing these criteria and determine whether a new position should be allocated to APEX. At the request of a department head, the Personnel Director will evaluate non-APEX positions to determine whether they have undergone sufficient change to meet the necessary criteria for inclusion, or will evaluate

APEX positions to determine whether they should be excluded because of duties changes. Otherwise, the appointing authority will have significant discretion to determine, by work allocation, who is included and who is not.

Upon implementation, appointing authorities will be provided the opportunity to have APEX placement of specific positions independently reviewed by a committee designated by the Mayor as the Executive Compensation Review Committee (ECRC). However, we anticipate limited need for review, given the appointing authority's broad discretion for position allocation and placement.

As a final step, the allocation of all APEX positions will be confirmed by the City Council through legislation.

Methodology and use of the APEX Criteria

The essential base pay structure of APEX will consist of a broad pay band (137% wide) anchored by four market group sub-bands. (See the APEX Base Pay Structure section of this proposal for more detail.) Applying market data and the three criteria, the Personnel Director will recommend which of four established market groups best fits each position.

Internal benchmark positions will provide easily recognizable and identifiable standards for market group comparisons for all other positions allocated to the APEX program. These comparative analyses will be supplemented with an application of the three APEX criteria, hierarchical orientation, strategic significance and scope and impact.

Examples of Market Group Four Executives

City Light Superintendent, Seattle Center Director, Police Chief, and Deputy Mayor.

All of these positions easily manifest all of the executive criteria. Hierarchical orientation is always "corporate" (City-wide) in nature. Decisions involve the development of broad organizational policy or direction, and positions are accountable for major program outcomes. Direction is given across functions or organizations, with responsibility for overall objectives, staffing, and resource allocation. Unique market issues also contribute to placement at this market group level, which was specifically created to address exceptional market conditions.

Examples of Market Group Three Executives

Parks and Recreation Superintendent, Housing and Human Services Director, Deputy City Light Superintendents, and Intergovernmental Relations Director.

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All of these positions also manifest all of the executive criteria. Hierarchical orientation is always "corporate" in nature. Decisions involve the development of broad organizational policy or direction, and positions are accountable for program outcomes. Direction is given across functions or organizations, with responsibility for overall objectives, staffing, and resource allocation. These positions, while closely related to Market Group Four executives, do not require the same level of compensation to address compelling market demands.

Examples of Market Group Two Executives

Electric Services Directors, Municipal Court Administrator, Land Use Director, and Energy Planning and Forecasting Director.

At this level, at least two of the executive criteria would be met. Some decisions might involve broad organizational policies or direction, but most decisions are likely to concern the development of long range plans, goals and objectives for specific elemental functions of the City, such as court functions, regional electrical services, or land use issues. These positions are likely to evince a diminished City-wide corporate hierarchical orientation.

Examples of Market Group One Executives

Civil Rights Director, City Light's Civil Engineering Director, and the (City-wide) Building Operations Director.

Positions at this level might have notable (City-wide) hierarchical orientation, strategic significance, or scope and impact; but usually meet only one such criterion. They tend to have greater responsibility for program outcomes than for policy design and direction. Positions at these levels are closely related to the highest level positions in the manager or strategic advisor group and may be evaluated utilizing the manager or strategic advisor group criteria for confirmation and reliability.

The APEX Allocation Process Differs from the Manager and Strategic Advisor Process. Why?

Whole job ranking is the most common method used in measuring executive level jobs because it is relatively simple, flexible and responsive to changing management needs. The whole job ranking method works well for positions where incumbents have great latitude to define their jobs, and is particularly suitable for compensation system designs which are intended to provide maximum flexibility for recruiting and work load management. Because it doesn't provide "hard" criteria for justification of results, it is less effective as a job measurement tool for classified service positions. We find that the Manager and Strategic Advisor programs are better served with more detailed and quantifiable point factor job measurement systems.

How Are Manager And Strategic Advisor Program Allocations Determined?

The Personnel Director will evaluate Manager Position Description Questionnaires (MPDQs) utilizing the Manager and Strategic Advisor Program point factors criteria and determine whether a new position should be allocated to these programs. At the request of a department head, the Personnel Director will evaluate other positions to determine whether they have undergone sufficient change to meet the necessary criteria for inclusion, or will evaluate Manager and Strategic Advisor positions to determine whether they should be excluded because of duties changes.

Upon implementation, affected employees and department heads will be provided the opportunity to have Manager and/or Strategic Advisor placement of specific positions independently reviewed by the Reconsideration Committee made up of ESD Classification staff, departmental human resources staff, and program Consultants. In addition, all classified service employees can appeal the application of the classification process for their position.

Finally, the allocation of all Manager and Strategic Advisor positions will be confirmed by the City Council through legislation.

Manager and Strategic Advisor Point Factor Methodology

Addressing positions largely represented by the classified service, the Manager and Strategic Advisor Programs benefit from the kind of quantifiable job measurement approach represented by a point factor system. In a point factor system, relevant factors are defined and weighted. Each job is compared to descriptions of the various levels within each factor. When the appropriate degree is selected for each factor, the assigned points are combined to produce a total score for each job. The clarity of this system and the relative ease in justifying results is offset by its inflexible nature. Therefore, rather than allowing the point factor system to force undue limitations on appointing authorities, the point factor scoring system is limited to simply placing positions within pay zones (35% wide) within which department heads have discretion for exact placement. Salary Placement Guidelines (described later) will assist department heads in making individual salary placement within pay zones.

Manager and Strategic Advisor base pay structures consist of single broad pay bands (84% wide) with three sub-bands, or pay zones (35% wide). Department head discretion for managers and strategic advisors is limited to placement within the three sub-bands, or pay zones. (See the Manager and Strategic Advisor Base Pay Structure section of this proposal for greater detail.)

One set of point factors was identified and defined for the Manager Program and another for the Strategic Advisor Program. (Specific Manager and Strategic Advisor point factor matrix data is attached.)

MANAGER PROGRAM POINT FACTORS:

• Human Resources Management	13%
• Budget Fiscal Management	14%
• Program Management	18%
• Communications Management	13%
• Matrix Management	12%
• Policy Management	16%
• Technical Management	14%

STRATEGIC ADVISOR PROGRAM FACTORS:

• Policy Contribution And Impact	35%
• Program Contribution And Impact	15%
• Budget Contribution And Impact	15%
• Communications Contribution And Impact	10%
• Matrix Contribution And Impact	10%
• Technical Expertise Contribution and Impact	10%
• Human Resources Contribution and Impact	5%

What Are The Job Classification Issues Involved?

Positions in the APEX study are exempt from the classified service and therefore, not classified. However, most manager and strategic advisor positions are part of the City's Classified Service system and therefore require classification. Orders of lay-off and other classified service rights need criteria for definition. Therefore, as a means of classifying these positions, managers and strategic advisors are assigned to one of eleven broad occupational groups, that serve as manager and strategic advisor program class series. The positions are then allocated to one of three pay zones that serve as indicators for the three levels of broad classes allocated to the established pay zones attending each of these series.

When considering orders of lay-off, the committee charged with this responsibility, will consider service credit connected to the title in use at program implementation, to be accrued to the new programs' allocations.

MANAGER AND STRATEGIC ADVISOR

OCCUPATIONAL GROUPS (Class Series)

(More detailed definitions are attached.)

1. Customer Service, Public Information and Promotion

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2. Human Services
3. General Government
4. Courts, Legal and Public Safety
5. Finance, Budget, and Accounting
6. Engineering and Plans Review
7. Utilities
8. Purchasing, Contracting, and Risk Management
9. Property and Facility Management
10. Parks and Recreation
11. Information Technology

What Will Be The BASE PAY Structure?

The base pay structure for all three programs consist of single broad pay bands divided by sub bands.

APEX Base Pay Structure

The base pay structure for APEX consists of one "Executive Pay Band", which is anchored by four market groupings. The same decision process for inclusion in APEX will determine, to which market grouping each executive position belongs.

1998 APEX Pay Band Proposal¹

Market Group	Bottom	Middle	Top
1	\$56,872	\$66,872	\$76,778
2	\$64,646	\$75,980	\$87,273
3	\$79,451	\$93,354	\$107,267
4	\$99,974	\$117,472	\$134,970

APEX Salary Setting Discretionary Range

The APEX program allows the appointing authority broad discretion to increase and/or decrease executive base salaries at any time within the recommended market group in response to business needs, reorganization, job content changes, strategic priority shifts, and unique market indications. Changes in compensation outside the recommended market group will require the approval of the Mayor, or the compensation review committee designated by the Mayor.

Manager and Strategic Advisor Pay Structures

The Manager and Strategic Advisor class series are served by a single broadband with three Pay Zones. The appointing authority's discretion for setting and changing base pay for subordinate managers and strategic advisors is

¹ Please note that Market Group One was adjusted in response to the transfer of specific benchmark positions from APEX to Manager and/or Strategic Advisor Programs. Transfer of these positions out of the APEX Program altered (increased) the resulting market average of the benchmarks defining this Market Group.

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confined to the allocated Pay Zone. Should there be disagreement with the Personnel Director's initial allocation, appointing authorities and incumbents are provided with the opportunity to request an administrative review or reconsideration of the allocation. In addition, classified service employees may appeal the process utilized to allocate their position to the Civil Service Commission.

1998 Manager and Strategic Advisor Pay Band

	Minimum	Mid-point	Maximum
Zone 1	\$44,531	\$52,324	\$60,117
Zone 2	\$52,624	\$61,833	\$71,043
Zone 3	\$60,717	\$71,342	\$81,967

The overlap between the APEX pay band and the Manager and Strategic Advisor pay band can be attributed to the fact that a Manager may have responsibility for a function or program that is far broader, more complex, or more strategically significant than an Executive who is automatically allocated to APEX because of his or her hierarchical placement.

How will individual pay rates be set?

APEX Salary Setting Process

The APEX program allows the appointing authority broad discretion to increase and/or decrease executive base salaries at any time, within the recommended market group in response to business needs, reorganization, job content changes, strategic priority shifts, and unique market indications. Given this far reaching discretion, the appointing authority can be held fully accountable for his/her staffing decisions. Setting compensation outside the recommended market group will require the approval of the Mayor or the compensation review committee designated by the Mayor.

When making his/her APEX salary placement decisions, the appointing authority would be asked to address and personally certify that he/she took into account the following:

- Relative size of job,
- Financial impact of position,
- Market difficulties,
- Sensitivity of position,
- Scope and range of subordinate operations, and
- Technical complexity.

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MANAGER AND STRATEGIC ADVISOR SALARY PLACEMENT GUIDELINES

Department Heads have the discretion to set manager and strategic advisor salaries anywhere within allocated pay zones. Manager and strategic advisor salary adjustments within the pay zones can be made at any time that the department head can support that a change is warranted. Department heads must use consistent criteria for placement of managers and strategic advisors within the allocated pay zones. The Personnel Director will provide appointing authorities with a salary placement workbook that, in addition to describing a simplified transitional approach, recommends a detailed process addressing the following sets of considerations:

- Job Size (two recommended methods)
 1. Job Ranking
 2. Point Factor Score Modified by Market
- Recruiting and Retention
- Market Equity
- Internal Alignment

Does subordinate salary dictate a manager's base pay?

Breaking from long held tradition, it should be noted, that the number or compensation level of subordinate employees is not a relevant consideration for salary placement. In fact, there is no rule, guideline or policy for any of the three programs that is intended to suggest that supervisors must make more than their subordinates.

What is The Market From Which We Compete For Employees To Fill Our Executive, Manager, And Strategic Advisor Positions?

The market for the majority of the City's executive, manager and strategic advisor positions is defined as regional public sector employers with similar scope and diversity of functions and services. The market for department heads has been expanded to include national public or private sector employers of similar size and scope, and the market for certain utility-specific executive positions may also include nongovernment utilities.

How will the program keep current with market changes?

The initial data collected for all three programs, APEX, Managers, and Strategic Advisors, was current as of January 1, 1997. The delay in implementation has been accommodated by "aging" the market data by one year at 3.6%, a rate consistent with changes to government sector salaries nationwide.

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To maintain the current market connection of these compensation programs, the City will survey the market at least once every two years, and adjust the market groupings and/or pay zones accordingly. These biennial adjustments will replace the cost of living adjustment (COLA), which had become the predictable annual salary increase expectation for most City employees. This biennial data will be used to adjust budgets and the parameters of APEX Market Groupings and Manager and Strategic Advisor Pay Zones. However, while the appointing authority will continue with the discretionary authority granted by these programs, it should be understood that no automatic changes to incumbent salaries will be implemented in response to this data.

There is no intention of permanently using the same market data sources listed in Attachment 1. Market data collection will be regularly modified and improved. The impact, if any, of variance in results should only help to better situate the City in terms of its market relationship.

What Does Variable Performance Pay Mean?

All three programs, APEX, Managers, and Strategic Advisors, contain a variable compensation component, where a portion of the employees' potential gross pay is dependent upon the achievement of targeted and assessable operational results with respect to specific City values, described by 7 competencies.

Given the "at risk" nature of the variable pay component of these programs, it should be clearly understood that while high performers will now have the opportunity to increase their wages, executives, managers, and strategic advisors who fail to achieve their objectives are quite likely to earn less than they could expect under the current compensation program.

APEX Variable Performance Pay

Due to their exempt employment status and a projected potential for greater risk taking and reward possibilities, each executive is given the opportunity to earn an additional 10% of base pay.

Manager and Strategic Advisor Variable Performance Pay

Each manager and strategic advisor has the opportunity to earn an additional 8% of base pay.

For all three programs, the incentive would be assessed and paid upon completion of a review period, as a lump sum retroactive pay adjustment. This

assessment (evaluation) will be performed late in the calendar year in order to allow payment within the current (relevant) tax year.

Performance measures-Two Parts

All three programs feature a combination of assessable operational results and performance measures for behavioral competencies, in order to ensure that both receive due attention.

Performance Measures, Part One: Goals & Outcomes

The appointing authority is charged with naming up to 5 clearly defined strategic objectives (assessable operational results), identifying the relative weight (importance) of each. Most often, department goals will be reiterated in the strategic objectives set for a department's chief executive, and reflected in objectives set for lower level executives, managers and strategic advisors.

Performance Measures, Part Two: Competencies

At the same time as objectives are set, the appointing authority is asked to identify competency standards with which to measure the behavior of the subject employee. As guidelines, the program defines seven areas of targeted competencies: customer service; diversity; achievement/performance orientation; organizational orientation and impact; judgment, analysis, and directives; leadership and teamwork; and technical expertise. Not every defined competency need be applied to every position or objective. Rating sources, with a potential for a 360° review process, will also be identified at this time.

Team Versus Individual Performance Measures

Recognizing that many executives, managers and strategic advisors may achieve their greatest accomplishments as part of a team while others work effectively with more independence, the identification of team oriented strategic objectives (assessable operational results) will be recommended but not required. In addition, successful team orientation will be reinforced with use of the proposed 360° review process for competencies.

Variable Performance Pay Communication Responsibilities

Although the appointing authority may change selected objectives or their relative weighting, if priorities, organizational structure, or other variables change significantly during the review period, strategic objectives and expected competencies should be fully discussed/negotiated with the subject employee at the onset of the performance review period. Any subsequent changes should be immediately communicated to the subject employee.

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Managers and Strategic Advisors

Calculating Variable Performance Pay Results

Following the end of the evaluation period, the appointing authority (or designee) assesses the subject executive's strategic objective achievement and collects evaluative data from peers, subordinates, or customers regarding competencies.

Should the employee's performance meet or exceed targeted expectations, he or she could be awarded up to the maximum available (0% to 10% of base pay for APEX executives, or 0% to 8% for managers and strategic advisors) as a lump sum performance award. The actual award amount, up to the maximum, will be determined by the appointing authority.

Effect of Variable Performance Pay on Retirement Program Participants

Retirement contributions will be assessed against the lump sum retroactive pay adjustments. These variable pay adjustments will be included as part of the participating employee's base pay for retirement calculation purposes.

What will be the Process for Implementing These Programs?

Implementing Base Pay for APEX

Upon implementation of the three programs, the employee's compensation level may be brought up or down to within the appropriate level of the pay band. If the recommended level is lower than the employee's salary rate at the time of transition, the appointing authority has the discretion to "freeze" the employee's salary at its current rate until the band level catches up, or to set it at a lower level. If the bottom of the recommended range of discretion² is higher than the employee's salary rate at the time of transition, the appointing authority will be expected to bring the employee's salary up at least to the minimum of their discretionary range.

Implementing Base Pay for Managers and Strategic Advisors

If the recommended level is lower than the employee's salary rate at the time of transition, the department head will "freeze" the employee's salary at its current rate until the band level catches up. If the bottom of the recommended range of discretion³ is higher than the employee's salary rate at the time of transition, the

² The range of discretion available to the appointing authority will differ based on the program in question. See section "How Will Individual Pay Rates Be Set?"

³ The range of discretion available to the appointing authority will differ based on the program in question. See section "How Will Individual Pay Rates Be Set?"

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effect of allocation will be to bring the employee's salary up at least to the minimum of the range.

Changing Base Pay

In response to changing business needs, appointing authorities may change the compensation of subordinate executives at any time for any amount within their range of discretion. Department heads may change the compensation of managers and strategic advisors based on the salary placement guidelines listed above, at any time following program implementation. As civil service employees, most managers and strategic advisors have "incumbency rating" rights per SMC 4.20.080. Therefore, department heads may only increase or "freeze" a manager's or strategic advisor's at any time following program implementation.

How will the Programs be Monitored?

The Executive Services Department, Personnel Division's Classification and Compensation Unit will run payroll utilization reports at least twice a year to ensure that the programs continue to serve the City as originally intended.

Base pay for each program position will be published in the City's Budget Book annually and reports will be generated annually regarding the disbursement of performance funds.

PROGRAM ACCOUNTABILITY

All three of these new programs will require a significant amount of ongoing communication on the part of all affected parties to be successful. The following accountability statements are not necessarily all-inclusive, and are only intended to provide clear direction about the minimum responsibility required of each participant if the programs are to be effective.

Mayor's Accountability

The Mayor is accountable for establishing clear and meaningful objectives for each department and department head under his or her authority, and for communicating those objectives, and any subsequent changes thereto, early and frequently.

The Mayor shall establish accountability contracts with all of the department heads under his or her authority, outlining his or her expectations for achievement of the objectives he or she has set. On no less than an annual basis, the Mayor shall evaluate each department head's progress toward achievement of those objectives, and may or may not award a lump sum performance recognition payment based thereon.

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The Mayor is responsible for reviewing any and all data related to the implementation and administration of these programs as it is provided to him or her by the Personnel Director, and for taking action when such data indicates that a department head has failed to properly exercise his or her discretionary responsibilities under the Accountability Pay for Executives Program (APEX), or the Manager and Strategic Advisor Classification and Compensation Programs, imposing restrictions as appropriate.

City Council's Accountability

The City Council will review, modify as desired, and adopt the City's compensation policies and programs by legislative action, evaluate all funding requests made by department heads in their budgets for compensation, and take action as required to modify the budgeting strategy or strategies approved for the program.

Personnel Director's Accountability

The Personnel Director will train, advise, and consult with appointing authorities to ensure that they have the information and direction they require to implement and administer the APEX, Manager, and Strategic Advisor programs in a manner consistent with the programs' goals and principles.

At least once every two years, the Personnel Director will conduct an analysis of the appropriate labor markets in order to adjust the salary bands established for these programs.

The Personnel Director will provide reports to the Mayor and the City Council on a quarterly basis, for the first year of program implementation, to monitor the establishment of base salaries and the distribution of performance pay in each department.

Department Head Accountability

The department head will set base salaries for program participants under his or her supervision in accordance with the program design and guidelines issued by the Personnel Director. The department head will use fair and consistent criteria for the establishment of base salaries, will document his or her salary decisions, and will be prepared to explain the rationale behind their decisions when necessary.

The department head will set performance objectives for all program participants who report directly to him or her, and will oversee and approve the establishment of performance objectives for all program participants who report to his or her direct subordinates. The department head will ensure that performance objectives are communicated to and discussed with the individual who will be

evaluated based on his or her achievement of same, and that the individual is kept apprised throughout the course of the evaluation period on his or her progress toward accomplishment of designated performance objectives. The department head will mandate the formal evaluation and award of performance pay for all program participants in his or her department, and shall withhold performance pay from his or her direct reports until they have completed evaluations and awarded performance recognition incentives to their subordinates as appropriate.

Employee Accountability

Those employees who are assigned to APEX, or to the Manager or Strategic Advisor compensation program, shall be accountable for understanding the performance objectives and competencies that have been established for them, and for immediately communicating to their supervisors any obstacles to their accomplishment.

How Will Participants Know What is Expected and How to Do It?

One on one support will be provided for appointing authorities, management, affected employees, and department human services staff as requested. This will include, but not be limited to:

1. Distribution of sample performance programs and guidelines;
2. Informal in-house training, as well as referrals to specialized management training consultants;
3. Customized market data research;
4. Analysis and recommendations regarding individual salary placement effects; and,
5. Program management guidance.

Questions That Might Be Asked By Program Participants

Could I lose potential income under this program?

Yes, you could. As stated earlier "Given the "at risk" nature of the variable pay component of these programs, it should be clearly understood that while high performers will now have the opportunity to increase their wages, executives, managers, and strategic advisors who fail to achieve their objectives are quite likely to earn less than they could expect under the current compensation program."

For example, we've described the earnings of four fictional City executives for 6 years in the recent past (1/1/91 through 12/31/96). All four begin with the base compensation of top step for Director III. There have been no changes to

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anyone's responsibilities during this time. (See attached spreadsheet showing relevant calculations.)

The first executive lived under the current program and received same colas enjoyed by the bulk of City employees. Her gross earnings were \$356,982.

The other executives lived in an parallel world where the new program had been implemented January 1, 1991 and the cost of living adjustments had been diverted into the variable performance pay program. The pay of these executives was adjusted every other year to account for market changes.

One of these "other executives" has only able to meet normal expectations for the entire decade. His gross earnings were \$354,818. His earnings were less than the cola'd executive's by .578% .

The second of the "other executives" did a good job consistently exceeding expectations without variation. His gross earnings were \$372,663. His earnings exceeded the cola'd executive's by 4.393%.

The last of the "other executives" was an extraordinary superstar employee, who always greatly exceeded expectations and was very nice doing it. Her gross earnings were \$390,409. Her earnings exceeded the cola'd executives by 9.364%.

With so much independent discretion being proposed, how will the City ensure fairness and equity?

Although plans are underway to officially monitor these programs, to reveal trends and subtle adverse impacts, these programs will not be implemented in secret. This is "up-front government" in a way unknown until now. The person given the responsibility for making hiring and compensation decisions will be held accountable for decisions made. Many people, including employees, customers, unions, and peers, will be watching how individual appointing authorities use the discretion they are being granted. Behavior will be noted and abuses/successes can be addressed by the Mayor as needed.

How do you address concerns about our current system that is "mysterious and perceived to be subjective and inconsistent," with APEX, a system that applies to the highest level, nonclassified personnel?

Whole job ranking is recognized as the most common method in use for measuring executive level jobs in both the private and public sectors. This is because, unlike lower level positions, executive positions are viewed as those

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most likely to be significantly altered by the style, skills and abilities of their incumbents. The flexibility of APEX capitalizes on this fact.

Other than recommending placement of positions into broad bands, compensation decisions will no longer involve Personnel Analysts, making narrowly calibrated recommendations based on such abstractions as organizational charts and span of control theories. Individual salary placement decisions will be the responsibility of the appointing authority.

Two essential hallmarks of the APEX Program are accountability and management flexibility, each balancing the other. Decentralizing compensation decisions supports the point-of-management accountability required for greater workload management flexibility, the development of innovative ways of doing business and accomplishing objectives, and the effective communication of the City's values and goals.

Will performance awards be granted to employees who merely meet expectations?

There is no intention of suggesting that performance awards should be given to employees who merely meet expectations. These are "incentive" programs. Performance targets are intended to be set over and above ordinary job expectations.

How will these programs reduce management layering?

We have found that our current systems have inadvertently encouraged management layering in the City. Thus, both APEX and the Manager/Strategic Advisor Plans were developed with an intent of recognizing high levels of contribution outside the articulation of subordinate organizations.

We found that application of the Strategic Advisor matrix more appropriately addresses approximately forty positions uncomfortably holding manager titles. Although we cannot precisely forecast cultural change, we believe that by not encouraging layering, that the long term effects of these plans may be quite significant.

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Attachment #1- APEX, Managers and Strategic Advisors Market Study

APEX Market Study

A combination of published market data and regional custom survey data was utilized to create the market groupings for the APEX Program. The following is a list of the source data employed for this purpose:

- APPA Survey of Management for organizations with revenues of at least \$100 million.
- APPA Survey on Management for organizations with a customer base of at least 100,000.
- Charlotte NC Survey of cities with populations greater than 175,000 or less than a million.
- City of Bellevue's national survey.
- City of Phoenix's national survey.
- Colorado Muni League's survey of positions in cities with populations greater than 15,000.
- Cook County Salary & Fringe Benefit market survey of municipalities within the Chicago metropolitan area.
- Dietrich Executive Engineering Occupation Market Survey for private and public sector employers with over 1,000 employees.
- ECS Middle Management Survey for All Industries
- ECS Top Management Survey for Government Jobs
- ECS Top Management Survey for Gas/Electric/Water Organizations
- ECS Top Management for Non Profit Organizations
- EEI Management and Administration Compensation Survey for Organizations with revenues from \$600 million to one billion.
- EEI Management and Administration Compensation Survey for Organizations with revenues from \$300 million to \$600 million
- Custom Survey-Tacoma
- Custom Survey-State of Washington
- Custom Survey-Snohomish County
- Custom Survey-Portland, OR
- Custom Survey-Port of Tacoma
- Custom Survey-Port of Seattle
- Custom Survey-Pierce County
- Custom Survey-Kitsap County
- Custom Survey-King County
- Custom Survey-City of Everett
- Custom Survey-City of Bellevue
- ICMA Compensation Survey for cities with populations of 500,000 to 1 million
- ICMA Compensation Survey for cities with populations of 250,000 to

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- ICMA Compensation Survey for cities with populations over one million
- M&R Northwest Management & Professional Compensation Survey
- Mercer Finance and Accounting Occupations National Survey
- Mercer Finance and Accounting-National Survey limited to government organizations.
- Metro/King County National Compensation Survey
- Metro/King County National Compensation Survey, Pacific Northwest Sort
- Municipal Yearbook data for cities with populations of 500,000 to one million
- TPF&C Survey of Not for Profit Organizations
- Washington City & County Database Information for Bellevue, King County, Pierce County, Tacoma and Spokane

Manager and Strategic Advisor Market Study

A custom survey was prepared and conducted seeking comparable salary information for 38 benchmark positions from the following sources:

- City of Bellevue
- City of Bellingham
- City of Everett
- City of Federal Way
- City of Portland (OR)
- City of Renton
- City of Tacoma
- City of Yakima
- King County
- Kitsap County
- City and County of Denver (CO)
- Pierce County
- Snohomish County
- Puget Sound Regional Council
- Seattle School District
- State of Washington
- Port of Tacoma
- East Bay Municipal Utility District (CA)
- Washington Natural Gas
- Bonneville Power (OR)
- Snohomish County P.U.D.
- Dallas Zoo (TX)
- Phoenix Zoo (AZ)
- Portland Metropolitan Zoo (OR)

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Attachment #2- Manager and Strategic Advisor Program Occupational Group Definitions

1. Customer Service, Public Information and Promotion

Positions in this occupational group manage customer service, public information and promotional programs. The range of major functions includes management of customer complaint resolution, events booking at major facilities, contract negotiation and administration, customer relations and education program development and implementation, media relations and advertising campaigns, development and production of special programs and events, and community and governmental relations.

2. Human Services

Positions in this occupational group manage the provision of direct and contracted human services. The range of major functions includes management of programs dealing with aging, children, youth, families, diversity, prohibited discrimination, low-income assistance, domestic violence, housing, nutritional assistance, persons with disabilities, the homeless, and other areas of human service needs. Functions also include policy and program development, and the monitoring of performance and compliance by grantee community agencies.

3. General Government

Positions in this occupational group manage diverse functions of an administrative nature that broadly facilitate and support general governmental services and operations. The range of major functions includes administration, human resources, records, field operations, fleets, warehousing, strategic planning, policy, printing, and animal control.

4. Courts, Legal and Public Safety

Positions in this occupational group manage court services, legal services, or public safety services. The range of major functions includes management of court services, such as case preparation and juror control, courtroom operations, courtroom security and inmate transportation, crime prevention programs, community policing, police identification and photo laboratory, emergency preparedness program, hazardous material code compliance, and security and public safety for a City department.

5. Finance, Budget, and Accounting

Positions in this occupational group manage finance, budget and/or accounting functions. The range of major functions includes managing credit, collection and customer account billing, managing and performing expenditure tracking, accounting, cash and investment management, developing

expenditure policies, managing and performing policy analysis, cost/benefit analysis and financial forecasting, evaluating programs, serving as legislative liaison, coordinating and reviewing utility rate design, cost allocation, fees and changes, negotiating provisions of special contracts, managing capital finance and consultant contracting.

6. Engineering and Plans Review

Positions in this occupational group manage professional engineering and/or functions related to inspection and plan review for a department. The range of major functions includes management of civil, electrical, or mechanical engineering, transportation engineering, street rights of way services traffic operations, capital improvement construction projects, and a specialized area of construction and land use such as permitting, plans review or land use review.

7. Utilities

Positions in this occupational group manage utility-specific fields. The range of major functions includes management of utility operations, utility resources, utility contracts, and utility metering services.

8. Purchasing, Contracting, and Risk Management

Positions in this occupational group manage processes designed to safeguard the City and maximize the value of its financial resources. The range of major functions includes purchasing/procurement, contract administration, risk management and claims management.

9. Property and Facility Management

Positions in this occupational group manage facilities and property. The range of major functions includes facilities and property management, maintenance, property inventories and transfers, development and rehabilitation, and energy conservation.

10. Parks and Recreation

Positions in this occupational group manage parks, recreation programs, and zoo operations. The range of major functions includes managing recreation programs, golf courses, zoo exhibits, zoo operations and visitor services, zoo animal management, and veterinarian services for zoo and aquarium animals.

11. Information Technology

Positions in this occupational group manage information technology, including systems, computer operations, and data communications. The range of major functions includes technology planning and implementation, evaluation of technology and user needs, hardware and software acquisition, and management of related staff and functions.

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**Attachment #3 Executive Earnings with Cola Compared to APEX
Executives With No COLA but Market Adjustments & Incentive Pay
Opportunity**

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Attachment #

COLA Compared to No COLA With Market Adjustments And Incentive Pay Opportunity

Director III													
	\$54,308	\$ -	\$54,308	\$57,023	\$ -	\$57,023	\$ -	\$58,839	\$ -	\$58,839	\$60,259	\$ -	\$60,259
	\$54,308	\$ -	\$54,308	\$54,308	\$ -	\$54,308	\$ 5,214	\$59,522	\$ -	\$59,522	\$59,522	\$ -	\$59,522
	\$54,308	\$ 2,715	\$57,023	\$54,308	\$ 2,715	\$57,023	\$ 5,214	\$59,522	\$ 2,976	\$62,498	\$59,522	\$ 2,976	\$62,498
	\$54,308	\$ 5,431	\$59,739	\$54,308	\$ 5,431	\$59,739	\$ 5,214	\$59,522	\$ 5,952	\$65,474	\$59,522	\$ 5,952	\$65,474

1) This "what-if" scenario was arbitrarily placed effective as of January 1, 1991 because of the difficulty faced projecting future COLAs.

2) Since the APEX, Manager and Strategic Advisor Programs are slated to actually begin January of 1998, the second year of a biennial budget, market adjustments will be introduced for 1999.

3) It is unlikely that any program participant will stay at exactly the same level of achievement for 6 years in a row. This just simplified the picture.

4) (*) This is not to imply that market adjustments will be automatic.

This is simply a speculative, fictional scenario.
Laurie Depew, 684-7911

Attachment #

COLA Compared to No COLA With Market Adjustments And Incentive Pay Opportunity

Director III

\$ -	\$62,368	\$ -	\$62,368	\$ 64,185	\$ -	\$64,185	\$356,982	\$ -	0%
\$ 4,107	\$63,629	\$ -	\$63,629	\$ 63,629	\$ -	\$63,629	\$354,918	\$ (2,064)	-0.578%
\$ 4,107	\$63,629	\$ 3,181	\$66,810	\$ 63,629	\$ 3,181	\$66,810	\$372,663	\$ 15,681	4.393%
\$ 4,107	\$63,629	\$ 6,363	\$69,992	\$ 63,629	\$ 6,363	\$69,992	\$390,409	\$ 33,427	9.364%

This is simply a speculative, fictional scenario.
Laurie Depew, 684-7911

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Attachment #4 Manager and Strategic Advisor Point Factor Matrices

Manager Matrix

1. Human Resources Management - Refers to managing, monitoring and administering human resources, including direct and indirect supervision.

Not applicable	Is not a full supervisor of City employees; may manage the work product of consultants or contractors.	0
Low	Has first-line supervisory responsibility for a small staff (6 or fewer FTE).	43
Medium	Manages and supervises subordinate supervisors, or supervises a large staff (at least 7 FTE).	87
High	Manages and supervises subordinate supervisors, with total direct and indirect supervision of 20 or more FTE.	130

2. Budget / Fiscal Management - Refers to managing, monitoring and administering financial resources.

Not applicable	Provides input to budget development; may administer or monitor budget(s).	0
Low	Manages budget(s) with relatively limited impact to City, typically up to several million dollars; has limited Managerial discretion in allocating financial resources; deals with a limited number of funding sources and has minimal specialized funding source requirements.	47
Medium	Manages budget(s) of some consequence to the City, typically as high as twenty million dollars; has delegated authority to exercise discretion in allocating financial resources, including budget adjustments; fiscal management responsibilities may include contract management, dealing with multiple funding sources and complying with numerous specialized funding source requirements; implements fiscal management strategies to maximize resource utilization.	93
High	Manages budget(s) of substantial consequence to the City, typically approaching 1% or more of the City's overall budget; has delegated authority to exercise substantial discretion in allocating financial resources, including budget adjustments; fiscal management typically includes diverse responsibilities for contract management, dealing with multiple funding sources and complying with numerous specialized funding source requirements; develops and implements fiscal management strategies to maximize resource utilization and achieve efficiencies.	140

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3. Program Management - Refers to responsibility for developing, implementing, advocating, administering and evaluating identifiable program(s). A program has an identified set of policies, procedures, budget, identified and measurable outcomes associated with it, and has clear boundaries in relation to other programs and activities.

Not applicable	Has no defined responsibility for program management and administration.	0
Low	Manages programs of limited impact to City or external constituents; provides input on program implementation for more significant programs; administers procedures and processes to achieve specific objectives; provides customer service interface.	60
Medium	Provides recommendations for development of significant programs; implements programs by developing procedures and processes, and by managing resources to achieve program objectives targeted by senior decision-makers.	120
High	Plans, develops, creates, implements and evaluates significant programs to achieve broad objectives; defines measurements and is accountable for accomplishments; is vested with substantial delegated discretionary authority to develop and execute program policy and to allocate program resources.	180

4. Policy Management - Refers to responsibility for developing, implementing and advising decision-makers on policy.

Not applicable	Provides analyses on policy issues, and provides input on policy options; provides input on issues relating to operating processes and procedures.	0
Low	Provides input on and implements policies related to operations or services with limited direct public impact; provides recommendations on policy options affecting matters of limited scope and of short-term impact, typically of an operational nature.	53
Medium	Develops, recommends and implements policies of a programmatic or operational nature which have a direct impact on programs or services affecting the public; develops, presents and defends policy recommendations made to elected officials or executive decision-makers, typically involving short- to mid-term impact and consideration of impact on external parties.	107
High	Develops policy options and recommendations on highly visible or sensitive issues integral to the City's priority	160

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APEX Managers and Strategic Advisors Proposal, Page 34

	programs; develops recommended solutions to significant policy issues; develops implementation plans; provides authoritative recommendations of long-term impact to elected officials and executive decision-makers.	
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5. Technical Management - Refers to responsibility for technical expertise, typically in a technological or scientific discipline, including such elements as managing expert staff, serving as a key contributor or expert, and having technical competencies spanning various disciplines.

Not applicable	Has no defined responsibility for managing or possessing technical expertise; may require specialized professional knowledge.	0
Low	Supervises some technically-oriented staff and is required to deal regularly with technically-related issues, including legal or highly analytical issues; required to possess and apply technical expertise.	47
Medium	Has technical expertise in a specific field, typically evidenced by a required degree or license; supervises or provides authoritative advice to technically-oriented staff; required to possess some technical competencies outside of field of primary expertise.	93
High	Serves as a technical expert or key contributor, involving independent technical decision-making, typically evidenced by a required advanced degree and/or license; supervises technical staff providing highly visible or high-impact service to the City and its customers; required to possess additional technical competencies in order to effectively manage and integrate services.	140

6. Communications Management - Refers to effective representation of the City or City interests before external constituencies or as part of group processes.

Not applicable	Participates in and supports group decision-making processes.	0
Low	Represents functional area by communicating program or operating policies and procedures, or resolving significant customer service issues.	43
Medium	Represents department or functional area on a variety of issues before external constituencies; defuses potentially troublesome issues related to department policies and procedures; manages relationships with significant external constituencies; resolves significant problems and gathers	87

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APEX, Managers and Strategic Advisors Proposal, Page 35

	external feedback through facilitating group processes.	
High	Represents the City on highly visible, sensitive and controversial issues before external constituencies; defuses troublesome issues related to City policies and procedures; manages and promotes relationships with significant external constituencies; regularly facilitates public involvement processes for policy input, to resolve significant issues, and to achieve important City objectives.	130

7. Matrix Management - Refers to coordinating and/or integrating functions, systems, or programs, and managing and/or facilitating the work of individuals, groups or teams across functional, departmental and/or jurisdictional lines without full Managerial/supervisory control, including administrative Managers across functional lines, and including the management of non-employees such as contractors and volunteers.

Not applicable	Participates as a member of and may assist with facilitating cross-functional, -departmental, or -jurisdictional teams.	0
Low	Periodically coordinates, integrates, and provides leadership for initiatives which involve cross-functional, -departmental, or -jurisdictional <i>ad hoc</i> teams.	40
Medium	Regularly coordinates, integrates, and provides leadership for both standing and <i>ad hoc</i> teams engaged in organized problem-solving, policy development, or service delivery across functional, departmental and/or jurisdictional lines.	80
High	On an on-going and consistently substantial basis, coordinates, integrates, and provides leadership for teams and other organized work groups with diverse representation across functional, departmental and/or jurisdictional lines, to achieve important outcomes requiring coordination and integration of diverse perspectives, skill sets, competencies and resources.	120

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Strategic Advisor Matrix

Level of: POLICY CONTRIBUTION AND IMPACT		
Level	Score	Description
Limited	0	Provides input on policies related to operations or services; provides recommendations on policy options of an operational or short-term nature.
Medium	175	Develops and defends policies affecting the City's ability to fund and deliver programs and services; advises elected official(s) and/or department head(s) of major City department(s) on policies which may involve long-term impacts to the City, City services, City partners, or the public.
High	350	Shapes policy by making highly authoritative policy recommendations to elected officials and department heads; develops and defends policies with significant long-term impacts on the City's priority programs; strongly influence policies having significant and long-term resource implications; strongly influence policies which impact the conduct of business by multiple City organizational units.

Level of: PROGRAM CONTRIBUTION AND IMPACT		
Level	Score	Description
Limited	0	Makes program recommendations, may administer some phases of program(s).
Medium	75	Provides recommendations for development of significant programs to elected official(s) and/or department head(s) of major City department(s).
High	150	Strongly influence nature and scope of program direction for significant programs by acting as a key advisor to elected official(s) and/or department head(s) of major City department(s).

Level of: BUDGET CONTRIBUTION AND IMPACT		
Level	Score	Description
Limited	0	Makes budget recommendations, may administer some phases of budget(s).
Medium	75	Provides recommendations for development of significant departmental, program or business unit budget(s) to elected official(s) and/or department head(s) of major City department(s).
High	150	Strongly influence decisions by elected official(s) and/or department head(s) of major City department(s) on appropriate levels, sources and allocation of resources for major City services, programs or other activities, with significant long-term

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APEX, Managers and Strategic Advisors Proposal, Page 37

	implications which impact the conduct of business by multiple City organizational units.
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Level of: COMMUNICATIONS CONTRIBUTION AND IMPACT		
Level	Score	Description
Limited	0	Communicates program and procedural information, and policies of an operational nature, to internal and external audiences.
Medium	50	Communicates to internal and external audiences on behalf of elected official(s) and/or department head(s) of major City department(s) on a variety of significant issues.
High	100	Communicates to internal and external audiences as an authoritative representative of elected official(s) and/or department head(s) of major City department(s) on a variety of significant issues related to the City's priority programs and services, for the purpose of garnering support, shaping opinions, advocating controversial positions, and achieving important City objectives.

Level of: MATRIX CONTRIBUTION AND IMPACT		
Level	Score	Description
Limited	0	Participates in and may assist with coordinating or facilitating cross-functional, departmental or jurisdictional teams.
Medium	50	Acts on behalf of and represents priorities and interests of elected official(s) and/or department head(s) of major City department(s) on a variety of cross-functional, departmental or jurisdictional teams.
High	100	Actively provides leadership, focus and direction to cross-functional, departmental or jurisdictional teams as an authoritative representative of elected official(s) and/or department head(s) of major City department(s) to achieve important City objectives related to the City's priority programs and services.

Level of: TECHNICAL EXPERTISE CONTRIBUTION AND IMPACT		
Level	Score	Description
Limited	0	Deals regularly with technically-related matters, and applies specialized knowledge in analyzing a variety of issues.
Medium	50	Has technical expertise in a specific field, typically evidenced by a required degree or license, and provides authoritative advice on technical matters to elected official(s) and/or department head(s) of major City department(s).
High	100	Acts as a technical expert in a specific field, involving independent technical decision-making, typically evidenced by a

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APEX Managers and Strategic Advisors Proposal, Page 38

		required degree or license, who serves as a Strategic Advisor of advice on technical matters which is relied upon by elected official(s) and/or department head(s) of major City department(s) to make decisions affecting the City's highly-visible or high-impact services.
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Level of: HUMAN RESOURCES CONTRIBUTION AND IMPACT		
Level	Score	Description
Limited	0	May provide lead direction to other staff.
Medium	25	Full supervisor of one or two staff.
High	50	Full supervisor of three or more staff.

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**EVALUATION TOOL—
APEX, MANAGER, & STRATEGIC ADVISOR PROGRAMS**

The reports described below do not currently exist. However, most of the data are or will be available through HRIS; HRIS management has provided assurance that the reports can be prepared on relatively short notice once the criteria are adopted.

1. REPORTS

Baseline pre-implementation (#2 below)
Baseline upon implementation (#3 below)

Quarterly:

Base Salary Analysis (#4 below)
Recruitment, Exit and Turnover Statistics (#5 below)

Annual:

Performance Award Analysis (#6 below)
Decision Documentation Audit (#7 below)

2. Baseline pre-implementation

Reason for report: Implementation of the Programs will result in substantial realignment of pay for participants in the Programs. Data are not available for Managers and Strategic Advisors by EEO category under the existing classification / compensation systems. Pre-implementation baseline data will allow Council to evaluate the Programs *vis-à-vis* the alternative status of employees had the Programs not been implemented.

Report content: This report can be generated upon adoption of legislation implementing the Programs. APEX, Manager and Strategic Advisor positions included in the legislation will be identified as such either by position number or the addition of an alphanumeric identifier to the HRIS. Once the positions included in each of the Programs are identified, the report will be produced to include: [Position Number] [Program] [Name] [Title] [Department] [Pay Grade] [Step in Grade] [Current Salary] [EEO Category].

Implications of report: Council can utilize this report, correlated with other reports as necessary, to evaluate whether the overall impact of the Programs proves to be adverse to protected classes over time, to evaluate the degree by which base salary costs vary between the existing classification / compensation systems (projected forward) and the Programs, and to determine the remedial action, if any, required to be taken.

3. Baseline upon implementation

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Reason for report: Future evaluation of the Programs will require baseline data. Flaws in design or implementation of the Programs, in terms of adverse impact on protected classes and unanticipated salary cost or budget impacts, can only be detected through such data.

Report content: This report can be generated upon adoption of legislation implementing the Programs. Once the positions included in each of the Programs are identified, the report will be produced to include: [Position Number] [Program] [Name] [Department] [Occupational Group] [Pay Zone] [Current Salary] [EEO Category].

Implications of report: Council can utilize this report, correlated with pre-implementation baseline data, to evaluate whether the Programs as designed or implemented result in an immediate adverse impact to protected classes. This report will also provide initial data related to inter-departmental and intra-departmental pay equity (discussed in #4 below), compensation and classification by EEO category, and salary costs by various categories.

4. Base Salary Analysis

Reason for report: This quarterly report will track the actual operation of the Programs. It will report changes from baseline in: (1) inter-departmental and intra-departmental pay equity; (2) compensation and classification by EEO category; and, (3) salary costs by various categories.

Report content: This report will provide summary data on base salary, and allow for additional detail reports as needed to conduct further analysis as required, with the following fields: [Position Number] [Program] [EEO Category] [Department] [Occupational Group] [Pay Zone] [Current Salary]. The following operations are recommended:

Operation							LOOK-UP
KEY	SORT	SORT	SORT	SORT	SORT		
Position #	Program	EEO category	Department	Occupational Group	Pay Zone	Salary	Pay Zone Penetration

REPORT SUMMARY - EEO					
Program (sort)	EEO category (sort)	AVERAGE Pay Zone Penetration	Historical - Last Quarter	Historical - 1 Year	Historical - Baseline

REPORT SUMMARY - BASE PAY COSTS					
Program (sort)	TOTAL Salary	AVERAGE Salary	Historical - Last Quarter (Total and Average)	Historical - 1 Year (Total and Average)	Historical - Baseline (Total and Average)

REPORT SUMMARY - DEPARTMENTAL EQUITY					
Program (sort)	Department (sort)	AVERAGE Pay Zone Penetration	Historical - Last Quarter	Historical - 1 Year	Historical - Baseline

ANCILLARY REPORTS: In the event that the summary reports indicate unfavorable trends, or in the conduct of audits of the Programs, additional *ad hoc* reports can be prepared at the necessary level of detail. Reports can be run by individual position if needed, to answer such questions as:

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- Are members of various protected classes underrepresented in certain departments or occupational groups
- Are members of various protected classes underrepresented in certain pay zones within occupational groups
- How does pay zone penetration vary by EEO category, occupational group and department
- Is there a symmetrical distribution of pay zones across departments
- Is average salary increasing more rapidly in some departments than in others

PAY ZONE PENETRATION refers to the "compa-ratio" of a position; in other words, what percentage of midpoint is base pay. For example, if midpoint is \$85,000 and pay is \$79,000 then the penetration level is 92.9%; if pay is \$92,000 then the penetration level is 108.2%. Use of this measure standardizes comparisons which involve three Programs and multiple pay zones.

Implications of report: This report will allow Council, on a quarterly basis, to identify trends in base salary costs, adverse impacts, and disparity among departments. Ancillary reports can be produced as needed, to identify the sources of such trends. Personnel Division specialists, City Auditors, or others as designated can then investigate the issues, on a position-by-position, departmental, occupational group, and/or EEO category basis and develop necessary corrective strategies.

Council may wish to adopt heuristics that would trigger further review, such as the "80% rule" for assessing adverse impact.

1. Recruitment, Exit and Turnover Statistics

Reason for report: The Programs have been designed to enable the City to achieve the basic goals of attracting, retaining and motivating executive and managerial talent. This quarterly report will enable Council to evaluate how well the Programs meet these objectives.

Report content: This report will track (1) the number of applications for vacant positions covered by the Programs, (2) the reasons why hired applicants chose the City, (3) the reasons why position holders left the City, and (4) the overall rate of turnover within the Programs.

Part (1) will be generated from applicant flow data, sorted by EEO category, currently submitted to the Personnel Division by all departments.

Part (2) requires the development of a post-hire survey which would rank the importance of salary as a factor in the new position-holder's decision to apply for and accept the position.

Part (3) requires the formalization of the exit interview process to determine the extent to which salary was involved in the exit decision, and whether the department made use of a counter-offer as allowed under the Programs.

Part (4) tracks quarterly and historical data for overall turnover within the Programs.

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Parts 1 and 4 are strictly numerical; parts 2 and 3 are more interpretive, but provide the most valuable information.

By way of reference, only 9 Managers have left the City voluntarily (other than early separation) since January 1, 1995. Of approximately 250 positions over 32 months, this works out to a turnover ratio of 1.35%, which is quite low. Further, of these 9 only 3 specifically indicated salary as a primary issue, although it may have been a factor for several others. In any event, salary-related turnover even under the current classification and compensation system is probably less than 1% per year among managers.

Implications of report: This report will allow Council, on a quarterly basis, to identify trends in recruitment, retention and turnover for positions covered by the Programs. Post-hire and exit data will clarify the value of the Programs in enhancing the City's ability to compete with other employers for executive and managerial talent.

2. Performance Award Analysis

Reason for report: This annual report will parallel the Base Salary Analysis report (#4 above) to track the variable pay element of the Programs. However, this report will not contain pre-implementation baseline data. It will provide data on performance award distribution and trends, for inter- and intra-departmental comparison, and by EEO category.

Report content: This report will provide summary data on performance awards, and allow for additional detail reports as needed to conduct further analysis as required, with the following fields: [Position Number] [Program] [EEO Category] [Department] [Occupational Group] [Performance Award] [Current Salary]. The following operations are recommended:

Operation						
KEY	SORT	SORT	SORT	SORT		
Position #	Program	EEO category	Department	Occupational Group	Performance Award	Salary

REPORT SUMMARY - EEO					
Program (sort)	EEO category (sort)	AVERAGE Award as % of Salary	Historical - Last Year	Historical - Last 3 Years - moving average	Historical - First Year

REPORT SUMMARY - PERFORMANCE AWARD COSTS					
Program (sort)	TOTAL Performance Award	AVERAGE Performance Award	Historical - Last Year (Total and Average)	Historical - Last 3 Years - moving average (Total and Average)	Historical - First Year (Total and Average)

REPORT SUMMARY - DEPARTMENTAL EQUITY					
Program (sort)	Department (sort)	AVERAGE Award as % of Salary	Historical - Last Year	Historical - Last 3 Years - moving average	Historical - First Year

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ANCILLARY REPORTS: As with the Base Salary Analysis report, in the event that the summary reports indicate unfavorable trends, or in the conduct of audits of the Programs, additional *ad hoc* reports can be prepared at the necessary level of detail. Reports can be run by individual position, to answer such questions as:

- How do performance awards vary by EEO category, occupational group and department
- Is there a symmetrical distribution of performance awards across departments
- What is the range of performance awards granted by each department
- How many participants in the Programs receive no award
- Are performance awards increasing more rapidly in some departments than in others
- Is there a correlation between department performance (as measured by department performance criteria) and level of performance awards

Since the use of monetary performance awards is new for the City, Council may wish to define one or more detailed standard reports in advance. One such report might include the following elements:

Program: APEX (etc.)						
DEPARTMENT: X						
Distribution:	0	>0,<2.5%	>=2.5%,<5%	>=5%,<7.5%	>=7.5%,<10%	>=10%
COUNT						
PERCENT						
+/- City Average % Distribution EEO Analysis:	Average Base For Category	Average Performance Award (PA)	Average PA as % of Average Base	+/- overall Department Average %	Average % Citywide for EEO category	+/- Citywide Average %
EEO category #1 (etc.)						

Implications of report: This report will allow Council, on an annual basis, to identify trends in performance award costs, adverse impacts, and disparity among departments. As with the Base Salary Analysis report, ancillary reports can be produced as needed, to identify the sources of such trends. Personnel Division specialists, City Auditors, or others as designated can then investigate the issues, on a position-by-position, departmental, occupational group, and/or EEO category basis and develop necessary corrective strategies.

1. Decision Documentation Audit

Consisting of an audit report, the Decision Documentation Audit can be conducted by Personnel Division specialists, City Auditors, or external auditors, as required. The purpose of the audit will be to ensure that the basis for classification, base pay and performance award decisions has been documented in each department. The report will enable Council to ensure that both legal and policy requirements and objectives are being met in implementation of the Programs.

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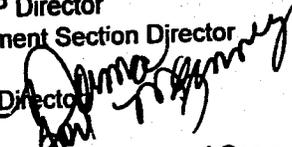


City of Seattle

Norman B. Rice, Mayor
Executive Services Department
Dwight D. Dively, Director

October 1, 1997

TO: Dwight Dively, Executive Services Director
Judy Bunnell, Acting OMP Director
Marilyn Sherron, Employment Section Director

FROM: Sarah Welch, Personnel Director 

SUBJECT: Legislation To Adopt New Classification and Compensation Programs

Attached for your review are seven council bills related to the proposed APEX, Manager and Strategic Advisor Programs. They are:

- A council bill adding a new SMC Section 4.20.380, adopting the Accountability Pay for Executives (APEX) Program;
- A council bill allocating positions to the APEX Program effective January 1, 1998;
- A council bill adding a new SMC Section 4.20.400, adopting the Manager Compensation Program;
- A council bill allocating positions to the Manager Classification System effective January 1, 1998;
- A council bill adding a new SMC Section 4.20.420, adopting the Strategic Advisor Compensation Program;
- A council bill allocating positions to the Strategic Advisor Classification System effective January 1, 1998
- A council bill amending certain sections of SMC Chapter 4.20 to provide for step placement and step progression rules for participants in the APEX, Manager, and Strategic Advisor Compensation Programs, and expanding the definition of "eligible employee" at section 4.20.320 to include participants in these programs.

We hope that this legislation will be voted on at the October 28 meeting of the Tech and Labor Policy Committee. I am well aware that you and/or your staff have reviewed and commented on earlier versions of most of these council bills, and that

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Dwight Dively, ESD Director
Judy Bunnell, Acting OMP Director
Marilyn Sherron, Employment Section Director
October 1, 1997
Legislation to Adopt New Programs
Page Two

you have done so efficiently and quickly to meet deadlines that ended up being extended, and extended again! I very much appreciate that you continue to be willing to provide that kind of customer service, and I sincerely believe that the current deadline for this legislation is the last one we will have to meet! Please call Kathy Steinmeyer at 4-7921 if you have any questions.

SW/kss
Attachments

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City of Seattle

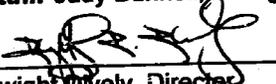
Norman B. Rice, Mayor
Executive Services Department
Dwight D. Dively, Director

September 30, 1997

TO: The Honorable Jan Drago, President
Seattle City Council

Via: The Honorable Norm B. Rice, Mayor
Attn.: Judy Bunnell, Acting OMP Director

FROM:


Dwight Dively, Director
Executive Services Department


Sarah Welch,
Personnel Director

SUBJECT: Proposed Legislation To Amend the Seattle Municipal Code

The attached council bill proposes amendments to selected provisions of the Seattle Municipal Code, Title 4, Chapter 4.20, to reflect the adoption of a new compensation program for the City's executives, managers and strategic advisors.

Specifically, this council bill amends SMC 4.20.030, *Salary upon appointment*; SMC 4.20.040, *Time periods for automatic increases*; SMC 4.20.080, *Changes in incumbent status transfers*; SMC 4.20.320, *Executive leave for eligible employees*. The proposed legislation suspends salary step placement, and step increment rules for employees in positions assigned to one of the new compensation programs, giving the appointing authorities broader discretion for setting and changing pay. In addition, the legislation defines employees in positions assigned to one of the new compensation programs as salaried, regardless of pay zone or market group.

Your favorable consideration of this legislation will be appreciated. Please direct any questions to Kathy Steinmeyer, Policy Development Unit, at 4-7921.

SW/ks
Attachments

C: The Honorable Tina Podlodowski, Chair
Technology and Labor Policy Committee
Mary Denzel, Legislative Central Staff
Civil Service Commission

Personnel Division, Dexter Horton Building, 710 Second Avenue, 12th Floor, Seattle, WA 98104-1793
Tel. (206) 684-7664, TDD: (206) 684-7888, FAX: (206) 684-4157, <http://www.ci.seattle.wa.us>

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City of Seattle

Norman B. Rice, Mayor
Executive Services Department
Dwight D. Dively, Director

October 1, 1997

TO: Dwight Dively, Executive Services Director
Judy Bunnell, Acting OMP Director
Marilyn Sherron, Employment Section Director

FROM: Sarah Welch, Personnel Director *[Signature]*

SUBJECT: Legislation To Adopt New Classification and Compensation Programs

Attached for your review are seven council bills related to the proposed APEX, Manager and Strategic Advisor Programs. They are:

- A council bill adding a new SMC Section 4.20.380, adopting the Accountability Pay for Executives (APEX) Program;
- A council bill allocating positions to the APEX Program effective January 1, 1998;
- A council bill adding a new SMC Section 4.20.400, adopting the Manager Compensation Program;
- A council bill allocating positions to the Manager Classification System effective January 1, 1998;
- A council bill adding a new SMC Section 4.20.420, adopting the Strategic Advisor Compensation Program;
- A council bill allocating positions to the Strategic Advisor Classification System effective January 1, 1998
- A council bill amending certain sections of SMC Chapter 4.20 to provide for step placement and step progression rules for participants in the APEX, Manager, and Strategic Advisor Compensation Programs, and expanding the definition of "eligible employee" at section 4.20.320 to include participants in these programs.

We hope that this legislation will be voted on at the October 28 meeting of the Tech and Labor Policy Committee. I am well aware that you and/or your staff have reviewed and commented on earlier versions of most of these council bills, and that

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Dwight Dively, ESD Director
Judy Bunnell, Acting OMP Director
Marilyn Sherron, Employment Section Director
October 1, 1997
Legislation To Adopt New Programs
Page Two

you have done so efficiently and quickly to meet deadlines that ended up being extended, and extended again! I very much appreciate that you continue to be willing to provide that kind of customer service, and I sincerely believe that the current deadline for this legislation is the last one we will have to meet! Please call Kathy Steinmeyer at 4-7921 if you have any questions.

SW/kss
Attachments

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City of Seattle

*Approved by
Norman Rice
10/20/97*

Norman B. Rice, Mayor
Executive Department - Office of Management and Planning
Judy Bunnell, Director

97-282

October 17, 1997

The Honorable Mark Sidran
City Attorney
City of Seattle

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING DEPARTMENT: Executive Services Department

SUBJECT: AN ORDINANCE amending Seattle Municipal Code Sections 4.20.030, 4.20.040, and 4.20.320 to reflect the adoption of the new Accountability Pay for Executives and the Manager and Strategic Advisor Compensation Programs; and retitling and amending Section 4.20.080 to make provision for changes in the incumbent status of such employees.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMP. Any specific questions regarding the legislation can be directed to Glenn Whitham at 684-8036.

Sincerely,

Norman B. Rice
Mayor

by

JUDY BUNNELL
Director

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Enclosure

Seattle Municipal Building, 600 Fourth Avenue, Seattle, WA 98104-1826
Tel: (206) 684-8080, TDD (206) 684-8118, FAX: (206) 233-0085

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STATE OF WASHINGTON - KING COUNTY

86921
City of Seattle, City Clerk

—ss.

No. ORDINANCE IN

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:ORD 118776

was published on

11/19/97

The amount of the fee charged for the foregoing publication is the sum of \$ _____, which amount has been paid in full

R. Patterson

Subscribed and sworn to before me on
11/19/97 *[Signature]*

Notary Public for the State of Washington,
residing in Seattle

Affidavit of Publication

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