

Ordinance No. 124507

Council Bill No. 118115

AN ORDINANCE relating to City employment, to be known as the 2014 Seattle City Light General Manager/Chief Executive Officer Pay Zone Ordinance; adjusting the pay zone structure for the City's SCL GE/CEO Compensation Program for the year 2014.

CF No. _____

Date Introduced: <u>6/2/14</u>	Education and Governance	
Date 1st Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage: <u>6/16/14</u>	Full Council Vote: <u>6-2</u>	
Date Presented to Mayor: <u>6/17/14</u>	Date Approved: <u>6/23/14</u>	
Date Returned to City Clerk: <u>6/24/14</u>	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. _____
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

T. B. King

Councilmember

Committee Action:

PASS ^{TB}₃₆ 3-1-0 ^{MS} 6/4/14
Divided Report

Full Council Action

6/16/14 Passed as Amended 6-2 (excused: Harrell; opposed: Licata, Sawant)

This file is complete and ready for presentation to Full Council. Committee: _____

(initial/date)

Law Dept. Review

OMP Review

City Clerk Review

Electronic Copy Loaded

Indexed

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CITY OF SEATTLE
ORDINANCE 124507
COUNCIL BILL 118115

AN ORDINANCE relating to City employment, to be known as the 2014 Seattle City Light General Manager/Chief Executive Officer Pay Zone Ordinance; adjusting the pay zone structure for the City's SCL GM/CEO Compensation Program for the year 2014.

WHEREAS, the City Light Superintendent General Manager/Chief Executive Officer Program was established by Ordinance 121176, which provides for adjustments to the pay zone at least every two years as recommended by the Personnel Director;

WHEREAS, the City Council requests that the Mayor establish specific goals and expectations that the SCL GM/CEO should meet in his management of SCL and it is the City Council's expectation that the Mayor will find that the SCL GM/CEO is making substantial progress in achieving those goals before authorizing future wage increases for the SCL GM/CEO, and

WHEREAS, the City Council intends to review and consider the SCL GM/CEO's performance in meeting those goals and expectations when his re-confirmation is before the City Council in 2016; and

NOW THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Adjusting the pay zone structure for the Seattle City Light General Manager/Chief Executive Officer for the year 2014. As recommended by the Personnel Director, the pay zone for the City Light General Manager/Chief Executive Officer Compensation Program shall be shown as below effective July 1, 2014.

City Light General Manager and Chief Executive Officer Title

2013 Pay Band Rates

2014 Pay Band Rates



\$75.35 - \$120.57

\$109.09 - \$174.56

1
2 Section 2. This ordinance shall take effect and be in force 30 days after its approval by
3 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
4 shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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6 Passed by the City Council the 16th day of June, 2014, and
7 signed by me in open session in authentication of its passage this
8 16th day of June, 2014.
9

10 DBany
11 _____
12 President _____ of the City Council

13 Approved by me this 23 day of June, 2014.
14

15 Edward B. Murray
16 _____
17 Edward B. Murray, Mayor

18 Filed by me this 24th day of June, 2014.
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20 Monica R. Simmons
21 _____
22 Monica Martinez Simmons, City Clerk

23 (Seal)
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FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Personnel Department	Joan Matheson/386-9081	Forrest Longman/684-0331

Legislation Title:

AN ORDINANCE relating to City employment, to be known as the 2014 Seattle City Light General Manager/Chief Executive Officer Pay Zone Ordinance; adjusting the pay zone structure for the SCL General Manager/Chief Executive Officer Compensation Program for the year 2014.

Summary of the Legislation:

This legislation proposes the 2014 structural adjustment to the Seattle City Light General Manager/Chief Executive Officer Compensation Program.

Background:

The City Light General Manager/Chief Executive Officer Program was established by Ordinance 121176, which provides for adjustments to the pay zone at least every two years as recommended by the Personnel Director. This adjustment does not automatically create additional costs.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

While this legislation provides an adjustment to the pay structure for the City Light General Manager/Chief Executive Officer Compensation Program, it does not provide additional appropriation authority in 2014. Any new costs associated with the pay structure adjustment will be absorbed within the Seattle City Light's 2014 Adopted Budget.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
While this legislation provides an adjustment to the pay structure for the City Light General Manager/Chief Executive Officer Program, it does not provide additional appropriation authority in 2014. This legislation presumes any new costs associated with individual pay structure adjustment will be absorbed with the SCL 2014 Adopted Budget.
- b) **What is the financial cost of not implementing the legislation?**
N/A
- c) **Does this legislation affect any departments besides the originating department?**
This legislation would only affect Seattle City Light as the proposed pay zone adjustment is for the SCL General Manager/Chief Executive Officer Compensation Program.



d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

There are no alternatives available at this time.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Other Issues: None.

List attachments to the fiscal note below: None





City of Seattle
Edward B. Murray
Mayor

May 28, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am pleased to transmit the attached proposed Council Bill that adjusts the pay zone structure for the Seattle City Light General Manager/Chief Executive Officer Compensation Program.

The attached Council Bill does not appropriate funds and does not automatically create additional costs.

Thank you for your consideration of this legislation. Should you have any questions, please contact Joan Matheson at 386-9081.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



Seattle City Council
Divided Report for CB 118115
June 11, 2014

**Divided Report for Council Bill 118115
For Consideration at Full Council on June 16, 2014**

On June 4, 2014 the City Council's Education and Governance Committee (Committee) considered the Mayor's request to increase the pay band for Seattle City Light's General Manager and Chief Executive Officer (SCL GM/CEO). If passed Council Bill (CB) 118115 will change the pay band for the SCL GM/ CEO by increasing, as of January 1, 2014, both the lower and top pay rate by 45% as shown below:

Year	Pay Band Rates	Annualized
2013	\$75.35 - \$120.57	\$157,331 - \$250,750
2014	\$109.09 - \$174.56	\$227,779 - \$364,481

The City Council approves structural adjustments for the City's eleven discretionary pay programs every year based on a labor market or trend analysis conducted by the Personnel/HR Department. The appointing authority, which is the Mayor for all department heads, determines the actual salary the individual will receive within the pay band. In 2013 the SCL GM/CEO salary was \$244,954.

The Committee voted to approve the increase to the SCL GM/CEO pay band rates as requested by the Mayor by a vote to 3 to 1.

Yes 3 (Councilmembers Burgess, Bagshaw, Clark)
No 1 (Councilmember Sawant)

Majority Position (Councilmembers Burgess, Bagshaw, Clark)

Seattle City Light (SCL) has a budget of \$1.2 billion and over 1800 employees. The City needs talented, experienced leadership to lead the utility and deliver services to its ratepayers. In retaining or finding such leadership the City competes with other utilities nationwide. We find the Personnel/HR Department's analysis of comparable pay for similarly sized public utilities to be thorough and consistent with the analysis they perform when considering marketplace adjustments for any city job title. Consideration of salaries nationally was appropriate as Seattle competes nationally for executive talent, particularly in highly specialized areas like the electric utilities. Adjustment of the pay band rates is appropriate to bring the pay band rates up to comparable rates paid to the heads of other similarly sized public utilities and would be required if Seattle needed to recruit a new SCL GM/CEO.

We also found it appropriate to adjust the SCL GM/CEO's pay band rates so they are above the pay band rates of the Electric Utility Officer 3 job title who reports to the SCL GM/CEO.



External market analysis:

In 2013 the Personnel/HR Department conducted a regional and national review of the salaries currently being paid to comparably sized utilities and found the SCL GM/CEO's 2013 salary was below both the national and regional median salary.

Personnel/HR's market analysis considered public power organizations of comparable size and complexity based on the utilities' revenue. 11 public utilities that met the revenue criterion were used in the analysis. The salaries noted below are just base salaries, not bonuses or additional benefits.

2013 National Market Average	\$313,468
2013 National Market Median	\$354,711
2013 Regional Market Average	\$288,257
2013 Regional Market Median	\$295,000

The regional market median is about 17% above the current range maximum for the SCL GM/CEO position.

Data from five regional public power utilities was collected and considered in Personnel/HR's analysis. The five regional utilities were: Chelan County PUD, Grant County PUD, Clark Public Utilities, Tacoma Public Utilities and Snohomish PUD. It was noted that Grant and Chelan County are much smaller utilities.

The 2013 salary of Tacoma Public Utilities was \$309,795 and Snohomish County PUD is \$356,488. The current SCL CEO/GM pay band maximum is \$251,750.

Council Bill 118115 proposes a structural adjustment for the SCL GM/CEO pay band based on the 2013 regional and national market analysis, and the data in this Divided Report reflects the 2013 market analysis. Data was also distributed at Committee that showed a projected 3% salary increase in 2014 for the utility/energy market.

Internal Alignment within SCL

The Mayor is also recommending a change to the SCL GM/CEO pay band rates to create a better alignment within SCL. The maximum of the Electric Utility Officer 3 pay band rate is \$256,323, above the top pay band rate of the SCL GM/CEO which is \$251,750. This change will provide the top Executive in SCL with the highest pay band rate.

Minority Position (Councilmember Sawant)

Opinion on Split Vote on Pay Hike for Highest-Paid City-Employed Executive

On Wednesday, June 4th, the Seattle City Council's Education and Governance Committee voted to grant the highest paid City-employed executive, Jorge Carrasco, additional pay of up to

\$100,000, retroactive to January 1st. Mr. Carrasco is the General Manager and Chief Executive Officer of Seattle City Light, a publicly-owned utility. He is currently paid \$245,000 annually.

It is important to note that the Council Committee passed this raise, which amounts to paying Mr. Carrasco up to \$175/hour, just two days after voting on the historic \$15/hour minimum wage ordinance, and pledging to address income inequality.

The question of a pay hike for Mr. Carrasco came to the Council Committee following approval from the Mayor's office. During the Committee discussion, the Mayor's Personnel Director, Susan Coskey, said that there were "glaring differences" between City-employed executives and those in the private sector. Ms. Coskey also said that Mr. Carrasco is currently "underpaid."

When he came into office, the Mayor of Seattle started paying an average of \$45,000 more than his predecessor to top deputies. Around 800 City workers, meanwhile, are still waiting for the \$15/hour promised to them by the Mayor in his executive order in January.

While Mr. Carrasco's salary is financed by ratepayers, and not from the City's direct funds, the same households that pay the regressive taxes of this city and state are also the ratepayers for the City's utilities. It is not clear how the city government plans to justify such executive pay hikes at a time when electricity and other utility rates are increasing beyond the capacity of households struggling from the brunt of the recession. Such executive pay hikes are also completely inconsistent with efficiency targets included in City Light's Strategic Plan. How can City Light claim to be in cost-saving mode and yet have exorbitant increases in executive pay?

My office has reiterated that the demand for a \$15/hour minimum wage would not even have been on the city government's agenda, let alone passed, had it not been for the grassroots mass movement of low-wage workers, community organizations and labor groups, 15 Now, and Socialist Alternative's insurgent campaign to get a socialist and working class voice to City Hall.

The fact that this business-as-usual approach of increasing the already-inflated salaries of executives occurred only two days after the landmark \$15/hour vote further demonstrates that working people cannot rely on establishment politicians to represent the interests of working people and fight against inequality and executive excess. Social change has and will continue to require mass movements.

The primary argument made by the Mayor's office and by Councilmembers is that executives need to be paid as much as their "peers" in order to attract and retain "talent." Such reasoning is empirically flawed. It is true that reduced turnover among the lowest-paid and poverty-stricken workers has been observed in response to increases in minimum wage. It can also be argued that jobs that come with high levels of responsibility or stress should come with commensurate salaries.



It is extremely tenuous, however, for the City to argue that an executive who is already paid \$245,000 a year is somehow unable to discharge his duties due to hardship and urgently needs a pay increase. Similar arguments for executive salaries have been made for decades by the financial sector, and it was some of the very same outrageously overpaid executives who precipitated the financial collapse of 2008 that has left so many lost jobs and destroyed lives in its wake.

I have personally pledged to take home only \$40,000 from the six-figure salary the City pays me as a Councilmember. I do not think it makes me any less committed to my work.

This year, median CEO pay in the US crossed over \$10 million dollars, while incomes of most of the workers in the 99% have stagnated or fallen. We need elected representatives who will work against rather than pander to Wall Street's culture of extreme wealth consolidation at the top. This issue, like many others, illustrates once again why the working class needs its own candidates for electoral office who will run independent of the corporate agenda of the two parties, while empowering social movements.

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CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL 118115

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City Light General Manager and Chief Executive Officer Title

2013 Pay Band Rates

2014 Pay Band Rates

\$75.35 - \$120.57

\$109.09 - \$174.56

Section 2. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

THIS VERSION IS NOT ADOPTED

1 Passed by the City Council the ____ day of _____, 2014, and
2 signed by me in open session in authentication of its passage this
3 ____ day of _____, 2014.

4
5 _____
6 President _____ of the City Council

7
8 Approved by me this ____ day of _____, 2014.

9
10 _____
11 Edward B. Murray, Mayor

12
13 Filed by me this ____ day of _____, 2014.

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15 _____
16 Monica Martinez Simmons, City Clerk

17 (Seal)

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THIS VERSION IS NOT ADOPTED

STATE OF WASHINGTON -- KING COUNTY

--SS.

313302

No.

CITY OF SEATTLE, CLERKS OFFICE

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.

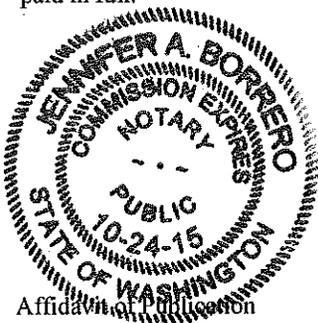
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:124499-124508 TITLE

was published on

07/11/14

The amount of the fee charged for the foregoing publication is the sum of \$179.40 which amount has been paid in full.



[Handwritten Signature]

Subscribed and sworn to before me on
07/11/2014
[Handwritten Signature]

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on June 16, 2014, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>. Contact: Office of the City Clerk at (206) 684-8344.

ORDINANCE NO. 124499

AN ORDINANCE relating to a skybridge over and across Marion Street, east of Minor Avenue; amending Ordinance 121490, as amended by Ordinance 121865; updating the insurance and bond requirements; amending the annual fee and other terms and conditions of the permit; renewing the term of the permit to Swedish Health Services; providing for the acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124500

AN ORDINANCE vacating a portion of Terry Avenue North, on the petition of the Seattle Department of Parks and Recreation (Clerk File 310009); designating the vacated portion of Terry Avenue North and Westlake Avenue North as an addition to Lake Union Park, and placing it under jurisdiction of the Department of Parks and Recreation.

ORDINANCE NO. 124501

AN ORDINANCE relating to historic preservation, imposing controls upon 777 Thomas Street, a landmark designated by the Landmarks Preservation Board under Chapter 25.12 of the Seattle Municipal Code, and adding it to the Table of Historical Landmarks contained in Chapter 25.32 of the Seattle Municipal Code.

ORDINANCE NO. 124502

AN ORDINANCE relating to historic preservation, imposing controls upon the Judge Ronald House, a landmark designated by the Landmarks Preservation Board under Chapter 25.12 of the Seattle Municipal Code, and adding it to the Table of Historical Landmarks contained in Chapter 25.32 of the Seattle Municipal Code.

ORDINANCE NO. 124503

AN ORDINANCE relating to land use and zoning; amending Sections 23.41.012, 23.47A.006, 23.73.002, 23.73.005, 23.73.006, 23.73.008, 23.73.009, 23.73.010, 23.73.012, 23.73.014, 23.73.024, 23.84A.006, 23.86.026 and 23.86.028, and adding a new Section 23.73.015 to the Seattle Municipal Code to strengthen measures for maintaining and enhancing the character of the Pike/Pine neighborhood by addressing the bulk and scale of new development and the use of incentives for retaining character structures, clarifying and strengthening provisions for retaining character structures, removing restrictions on non-residential uses under certain conditions, and making corrections.

ORDINANCE NO. 124504

AN ORDINANCE granting Port of Seattle permission to construct, maintain, and operate a private roadway and electrical utilities; on a portion of South Dakota Street and East Marginal Way South, as part of the Argo Yard Truck Roadway Project; for a ten-year term renewable for two successive ten-year terms; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.

ORDINANCE NO. 124505

AN ORDINANCE relating to a lease agreement for office space; authorizing the Director of Finance and Administrative Services to enter into a lease agreement with 720 3rd Avenue Partners, L.L.C. for office space in the Pacific Building; for use by the Office of Professional Accountability; amending Ordinance 124349 that adopted the 2014 Budget to increase appropriations to provide for necessary costs and expenses related to preparing the leased premises for City use and occupancy; and ratifying and confirming certain prior acts; all by a three-fourths vote of the City Council.

ORDINANCE NO. 124506

AN ORDINANCE granting Puget Sound Bike Share, d.b.a. Pronto! Emerald City Cycle Share, permission to install, maintain, and operate a bike-share program in public places located within: Major Institution Overlay Districts, designated Urban Centers, Urban Villages, and all commercially or industrially-zoned areas in the City of Seattle; for a ten-year term, renewable for two successive ten-year terms; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.

ORDINANCE NO. 124507

AN ORDINANCE relating to City employment, to be known as the 2014 Seattle City Light General Manager/Chief Executive Officer Pay Zone Ordinance; adjusting the pay zone structure for the City's SCL GM/CEO Compensation Program for the year 2014.

ORDINANCE NO. 124508

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Date of publication in the Seattle Daily Journal of Commerce, July 11, 2014.

7/11(318302)