

RESOLUTION No. 30821

A RESOLUTION requesting that the City Light Department develop proposals for a compensation program that establishes new position classifications and pay zones for a limited number of Managers and Strategic Advisors, and that the Department create an incentive payment plan with associated performance measures to promote accountability among the Department's Executives, Managers, and Strategic Advisors.

Introduced:	NOV 14 2005	By:	<i>Richard J. ...</i> <i>[Signature]</i>
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*Budget*

RESOLUTION 30821

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3 A RESOLUTION requesting that the City Light Department develop proposals for a compensation  
4 program that establishes new position classifications and pay zones for a limited number of  
5 Managers and Strategic Advisors, and that the Department create an incentive payment plan  
6 with associated performance measures to promote accountability among the Department's  
7 Executives, Managers, and Strategic Advisors.

8 WHEREAS, City Light's ratepayers will be affected by the business decisions and operational  
9 practices of the officers and executives of the utility; and

10 WHEREAS, the City Council supports increased accountability and efficiency at City Light in  
11 order to promote stable rates; and

12 WHEREAS, it is in the best interests of the City and City Light to have a salary and compensation  
13 structure that will allow the utility to compete effectively for employees at all levels; and

14 WHEREAS, a study performed for City Light by Mercer and Associates indicates that the current  
15 compensation levels for some specific executive, manager, and strategic advisor positions at  
16 City Light are not competitive in the electric utility market; and

17 WHEREAS, the City Council intends to approve an Electric Utility Executive Compensation  
18 Program for City Light to provide competitive salary offerings for a number of executive  
19 level positions at City Light; and

20 WHEREAS, the City of Seattle currently allows payment of moving expenses in order to help  
21 recruit executives, managers, and strategic advisors, as authorized in S.M.C. 4.14.150A; and

22 WHEREAS, Council is willing to consider implementation of an incentive program that will reward  
23 improved efficiency and high performance among City Light's executives, managers and  
24 strategic advisors but first wants to ensure that the specific measures are in place to evaluate  
25 performance and productivity; and

26 WHEREAS, in 2003 the Council requested that City Light begin reporting quarterly on the utility's  
27 performance leading to the development of some preliminary initial metrics; and

28 WHEREAS, Council, when approving the 2005 budget, requested that City Light, in cooperation  
with Council staff, complete an evaluation of the current metrics and recommend new or  
revised metrics to improve the ability to measure City Light's performance;



1 WHEREAS, the City Council wishes City Light to implement additional performance measures to  
2 ensure that the compensation system will result in benefits to ratepayers; and

3 WHEREAS, C.B. 115444 creating an Electric Utility Executive Compensation Program for City  
4 Light does not address the competitive disadvantage now existing for certain manager and  
5 strategic advisor positions, and does not provide for an incentive based pay system to  
6 promote accountability among City Light's executives, managers, and strategic advisors.

7 NOW, THEREFORE,

8 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THAT:**

9 Section 1. The City Council supports City Light's efforts to recruit, retain, and motivate  
10 effective executives, managers, and strategic advisors. Council recognizes that the ability of City  
11 Light to provide appropriate compensation and incentives will be critical to this effort. To ensure  
12 that City Light can compete effectively, the City Council requests that City Light supplement its  
13 recent request for a new Executive Compensation Program with proposals for the following  
14 additional elements:

15 A. An Electric Utility Strategic Advisor and Electric Utility Manager Compensation  
16 Program.

17 Council requests that City Light work with the City Personnel Department and outside  
18 consultants, as might be necessary, to develop a new Electric Utility Strategic Advisor and  
19 Electric Utility Manager Compensation Program specific to City Light. This program, to be  
20 available for a limited number of positions, should be designed to provide competitive market  
21 level salaries so that City Light can successfully compete for highly qualified talent for certain  
22 managerial and strategic advisor positions. Council anticipates that once this work is complete,  
23 the Executive will submit an ordinance that will define the position classes, the associated pay  
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1 bands, the number of positions eligible for inclusion in the program, the administrative process  
2 for determining eligibility, and the total number of positions eligible for the new program.

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4 B. Short Term Performance Awards for City Light Executives, Managers, and Strategic  
5 Advisors.

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7 Council recognizes that short term performance awards could be an important component of an  
8 overall compensation program for City Light executives, managers, and strategic advisors. Council  
9 anticipates that the City Light Superintendent will propose such a program. Council expects that  
10 any such proposal will, at a minimum, include: (i) a list of eligible participants, (ii) details regarding  
11 the financial rewards available to eligible participants, and (iii) an explanation of the performance  
12 criteria and outcome measures that will be the basis for personnel evaluation and individual  
13 performance awards. Council expects that these criteria will be incorporated into and be consistent  
14 with an overall set of performance measures for City Light.  
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18 Section 2. After completing the development of the specific elements identified in  
19 Section 1, Council requests that City Light review the compensation now provided at the  
20 remaining levels of the utility and that City Light assess whether the existing offerings are  
21 competitive within the markets for appropriately skilled individuals. In the event that analysis  
22 identifies shortcomings in the existing compensation structure, City Light should work with the  
23 City's Personnel Department to develop proposals for the changes needed to recruit skilled  
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1 personnel to the positions where current compensation does not allow the utility to compete  
2 effectively.

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4 Adopted by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2005, and signed by me in  
5 open session in authentication of its adoption this \_\_\_\_ day of \_\_\_\_\_, 2005.

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8 President \_\_\_\_\_ of the City Council

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10 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2005.

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13 City Clerk  
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Res 30821

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
Legislative	Carol Butler 684-3580	

**Legislation Title:** A resolution requesting that the City Light Department develop proposals for a compensation program that establishes new position classifications and pay zones for a limited number of Managers and strategic Advisors, and that the Department create an incentive payment plan with associated performance measures to promote accountability among the Department's Executives, Managers, and Strategic Advisors.

- **Summary of the Legislation:** This resolution requests that City Light work with the City Personnel Department and outside consultants, if necessary, to develop new position classifications and pay scale for a limited number of Managers and Strategic Advisors in order that City Light can compete for qualified employees in markets where the pay scale is not currently competitive. It also requests that City Light develop a proposal for a performance-based incentive pay program that will include performance metrics that are consistent with overall utility performance measures.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

- *Please check one of the following:*

**This legislation does not have any financial implications.** *(Stop here and delete the remainder of this document prior to saving and printing.)* This legislation does not have any direct financial implications. However, if the proposals City Light develops are implemented, they would lead to increased personnel costs for City Light. At this stage it is impossible to quantify such potential impacts.

**This legislation has financial implications.** *(Please complete all relevant sections that follow.)*

