

Personnel Rule 3.3 - Manager and Strategic Advisor Pay Program

3.3.0 Authority

SMC 4.04.040 and subsequent revisions thereto, Administration

SMC 4.04.050 and subsequent revisions thereto, Rule-Making Authority

SMC 4.20 and subsequent revisions thereto, Compensation and Working Conditions Generally

3.3.1 Definitions

- A. "Allocation" shall mean the placement of a position in the appropriate classification within the classified service.
- B. "Appointing authority" shall mean the head of an employing unit authorized by ordinance or City Charter to employ others on behalf of the City, or a designated management representative. The term includes and can be used interchangeably with department head, department director, superintendent or chief.
- C. "Compensation review" shall mean an evaluation of the pay zone assigned to a title.
- D. "Demotion" shall mean the movement of an employee from his or her current classification to a classification with a lower maximum salary rate, for cause.
- E. "Exempt employee" shall mean an at will employee who serves at the discretion of the appointing authority in a position that is exempted by State law, the City Charter or SMC 4.13 from compliance with the provisions of the Personnel Rules or SMC Title 4 related to selection, discipline, termination or appeals of personnel actions to the Civil Service Commission.
- F. "FLSA" shall mean the Fair Labor Standards Act, which regulates minimum wage and overtime compensation requirements.
- G. "Incumbency rate of pay" shall mean the rate of pay an employee receives when his or her position has been the subject of a classification or compensation action that resulted in assignment to a pay zone with a maximum rate of pay that is lower than the rate of pay the employee received prior to the action. The incumbency rate of pay is the same as the pay rate the employee received immediately before the current classification or compensation action became effective.
- H. "Lateral movement" shall mean the movement of an employee from one position to another position in the same classification or with the same pay zone.
- I. "Manager" shall mean 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.
- J. "Manager and Strategic Advisor Pay Program" shall mean the pay delivery system for individuals in positions allocated to or designated as Manager 1, 2, 3 and Strategic Advisor 1, 2, 3 and Manager 1 Exempt, Manager 2 Exempt,

- Manager 3 Exempt, and Strategic Advisor 1 Exempt, Strategic Advisor 2 Exempt, Strategic Advisor 3 Exempt, respectively.
- K. "Market adjustment" shall mean an adjustment to the employee's pay rate that the appointing authority may approve in response to a structure adjustment.
 - L. "Pay program" shall mean a grouping of job titles that are compensated using the same pay structure and placement and progression rules.
 - M. "Pay zone" shall mean the span of possible pay rates defined by the minimum rate of pay and the maximum rate of pay established for each Manager or Strategic Advisor classification or title.
 - N. "Seattle Human Resources Director" shall mean the director of the Seattle Department of Human Resources or his or her designated management representative.
 - O. "Promotion" shall mean an appointment to a classification or position with a higher maximum pay rate than the classification from which the employee is appointed, that occurs subsequent to an employee's initial appointment.
 - P. "Reduction" shall mean the non-disciplinary movement of an employee from a higher-paid classification to a lower-paid classification at the request of the employee to be reduced, or by the appointing authority of his or her designated representative, for reasons of organizational change, reduction in force, poor job match or to accommodate an injured or disabled worker.
 - Q. "Regularly appointed employee" shall mean an individual who has a probationary, regular or exempt appointment to a position of City employment.
 - R. "Salaried employee" shall mean an employee who is not covered by the FLSA who regularly receives each pay period a predetermined amount constituting all or part of compensation. This base salary cannot be reduced because of variations in the quality or quantity of work performed.
 - S. "Strategic advisor" shall mean 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.
 - T. "Structure adjustment" shall mean an adjustment to the salary structure based on a labor market analysis of selected benchmark titles in the Manager and Strategic Advisor Pay Program.
 - U. "Variable performance pay" shall mean a lump sum payment in addition to base salary for recognition of the accomplishment of goals and work outcomes at the completion of an annual evaluation period.

3.3.2 Application of this Rule

- A. This Rule applies to regularly appointed employees in positions that are compensated under the Manager and Strategic Advisor Pay Program.
- B. This Rule does not apply to employees who are represented under the terms of a collective bargaining agreement.
- C. This Rule does not apply to individuals who are employed under the terms of a grant that includes compensation provisions that conflict with this Rule.

- D. This Rule does not apply to individuals hired by the City on a temporary, intermittent or seasonal basis, or for a work schedule of fewer than 20 hours per week, nor does it apply to individuals hired under contract to the City.
- E. Appointing authorities may establish written policies and procedures for the implementation and administration of this Rule to facilitate the management of the personnel system within their employing units, provided that such procedures do not conflict with the provisions of this Rule.

3.3.3 Assignment of Pay Zone

- A. The Seattle Human Resources Director shall determine the number and structure of pay zones for the Manager and Strategic Advisor Pay Program. This determination will be based on criteria established by the Seattle Human Resources Director, which may include but need not be limited to recruiting and retention problems, relevant labor markets, internal comparisons, and scope and complexity of assigned work. The City Council must legislate and the Seattle Human Resources Director shall publish all new titles and compensation rates.
- B. The Seattle Human Resources Director may conduct a compensation review for a Manager or Strategic Advisor pay zone when the appointing authority or the position incumbent(s) in the pay zone provides evidence of need, or when otherwise deemed necessary by the Seattle Human Resources Director. The City Council must legislate a change to existing pay zone parameters.
- C. The pay zone set by the Seattle Human Resources Director may not be appealed.

3.3.4 Assignment to Pay Zone

The Seattle Human Resources Director shall determine the pay zone assignment for all Manager and Strategic Advisor positions.

3.3.5 Base Salary Determinations

- A. The appointing authority shall decide each position incumbent's base salary within the pay zone to which the position is allocated. The salary placement decision shall be based on the consistent application of criteria that address, as appropriate, the growth or reduction of position responsibilities, recruiting or retention issues, market parity, internal alignment, and individual learning curve. Only the relevant criteria need be considered for each position. The appointing authority may evaluate at any time any Manager or Strategic Advisor position within his or her employing unit for current or prospective base salary adjustments based on any or all of these criteria.
 - 1. All salary placement decisions shall be documented, and such documentation must be furnished annually to the Seattle Human Resources Director, the City Finance Director, and the City Auditor, for purposes of evaluating base salary distribution and calculating annual spending limits.

2. The appointing authority shall provide, upon request of the affected employee, an opportunity for such employee to provide in writing additional information that he or she believes may affect his or her salary placement.
 3. In the event that the nature, scope and complexity of duties and responsibilities assigned to a position change sufficiently that the position can no longer be compensated within the allocated pay zone, the appointing authority shall request a formal classification review of the position.
- B. An employee whose current rate of pay, upon first appointment or allocation to a Manager or Strategic Advisor position, exceeds the maximum rate of pay established for the pay zone shall receive the incumbency rate of pay, with no increases or adjustments thereto, until the maximum rate of the lower pay zone is equal to or exceeds the incumbency rate of pay or until the employee leaves the classification, whichever is earlier. The incumbency rate should not be maintained if a subsequent change to the nature, scope or complexity of the assigned duties and responsibilities warrants a corresponding salary adjustment. There is no other entitlement to incumbency-rating within the Manager and Strategic Advisor Pay Program

3.3.6 Effect of Classification or Compensation Change

- A. The appointing authority has the discretion to set base pay within the new pay zone for a Manager or Strategic Advisor who promotes, reduces, accepts a lateral movement, or is demoted to a position in a different Manager or Strategic Advisor Pay Zone.
- B. A Manager or Strategic Advisor who promotes, reduces, accepts a lateral movement or is demoted to a position outside the Manager and Strategic Advisor Pay Program, or whose position is reclassified, reallocated or designated to a classification or title outside the Manager and Strategic Advisor Pay Program shall have his or her salary placement and wage progression governed by the rules adopted for the relevant program.
- C. There is no retroactivity associated with an employee's change in FLSA status from hourly to salaried as a result of a classification or compensation change. No salary adjustment is owed the employee on any overtime compensation he or she was paid during the period of retroactivity. However, if an employee's FLSA status changes from salaried to hourly as a result of a classification or compensation change, payment is owed for any overtime worked but not compensated during the period of retroactivity.
- D. The Seattle Human Resources Director may recommend to City Council for approval a structure adjustment to the Manager and Strategic Advisor pay zones based on a labor market analysis of selected benchmark positions. The appointing authority shall determine whether position incumbents receive a market adjustment to base salary to reflect any or all of the approved structure adjustment. No Manager or Strategic Advisor may receive a base salary increase

as a result of this adjustment unless his or her performance in the most recent evaluation cycle is "satisfactory" or better.

3.3.7 Variable Performance Pay

- A. Employees in positions allocated to Manager or Strategic Advisor are eligible for up to 8% of base salary annually as variable performance pay, subject to funding and spending limits. Variable performance pay shall be awarded annually by the appointing authority as a lump sum payment, for exceeding targeted performance objectives. Base salary shall consist of the employee's regular rate of pay multiplied by the number of hours worked in an eligible position during the evaluation period. Any such lump sum awarded shall be considered a part of regular compensation, prorated annually, for purposes of withholding retirement contributions and calculating retirement benefits for Strategic Advisors and Managers who are members of the City Employees Retirement System.
- B. The appointing authority or a designated management representative will identify and communicate to the affected employee the targeted performance objectives and the individual competencies which comprise the basis for his or her appraisal and performance payment. Should either the objectives or competencies change during the course of the evaluation period, the employee shall be notified of the change and provided an opportunity to discuss with the appointing authority the change and the employee's ability to exceed the new targeted objectives given any time or resource constraints or other perceived obstacles.
- C. The appointing authority or a designated management representative may use any standard evaluation methodology or combination thereof, including peer reviews, 360-degree reviews, customer or client input, and/or his or her own observations of the employee's work in the appraisal thereof, and shall explain to the employee the basis for his or her appraisal in advance of the evaluation period.