

MEMORANDUM

June 8, 2018

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Victor Makras
Hon. Doreen Woo Ho

FROM: Diane Oshima
Deputy Director, Planning and Environment

SUBJECT: Discussion and Possible Action on Port Executive Director Salary
Pursuant to Charter Section B3.581(h)

STAFF'S RECOMMENDATION: Policy decision for Commission

Background

Charter Section B3.581(h) grants the Port Commission the exclusive authority to set the salary of the Port Executive Director. The Charter provides that the Executive Director's salary shall not exceed the "prevailing salaries paid those holding similar positions in comparable maritime employment." In setting the Port Executive Director's salary, historically the Commission has relied in part on a salary survey conducted by Port staff. For this report, Port staff surveyed the salaries for directors at comparable ports, as well as the salaries of directors of other enterprise and similar departments within the City and County of San Francisco (City).

Salary Survey

Staff surveyed the salaries of port directors in eight major west coast ports. Of the eight ports surveyed, three have authority over both a seaport and an airport. The remaining five ports have jurisdiction over a seaport only. Port staff determined these five with only a seaport involve "comparable maritime employment" as required by the Charter. For the five seaports, the average annual director salary is \$321,547 as of May 1, 2018 (date of survey). The salaries range from a low of \$260,000 in Stockton, California to a high of \$365,791 in Oakland, California, as shown in the attachment.

Staff also surveyed the salaries of the directors of other City enterprise departments and similar departments, including the San Francisco Airport, San Francisco Public Utilities

Commission (PUC), San Francisco Public Works, Public Health Department, and the Municipal Transportation Agency. The average salary for the directors at these City agencies is \$318,156, with a range of \$250,548 at San Francisco Public Works to \$343,732 at the PUC, as shown in the attachment.

Port Executive Director Salary Discussion and Options

Currently, the Executive Director is not represented by any union. In contrast, nearly all other City department heads are represented by the Municipal Executives Association (MEA), with salaries and other terms and conditions of employment for those employees established through the collective bargaining process.

While the Port Executive Director is not represented by MEA, historically the Port Commission has considered the known base wage adjustments in the MEA Memorandum of Understanding (MOU) in determining what base wage adjustment or salary increase to provide the Director. In early 2017, the City and MEA extended the existing MOU by two years, to June 30, 2019. That extended MOU provides for the following wage increases: a 3% base wage increase on July 1, 2017; and a 3% base wage increase on July 1, 2018.

Applying the MEA MOU base wage adjustments to the Port Executive Director's salary would result in the following salary adjustments:

Current Salary	\$292,396 (As of 9/18/17)
3% increase effective 07/01/18	\$299,182 (Increase of \$6,786)

The Port Executive Director's current salary is \$29,151 lower than the average salary of other seaport directors surveyed, and \$25,760 lower than the average salary of surveyed City department heads. Accordingly, the Port Commission could consider a salary increase based on the survey results, rather than or in addition to the MEA MOU base wage adjustment of \$6,786.

Port Executive Director Benefits

The Port Executive Director position (job code 9399) is covered under the City's unrepresented employee ordinance (currently, Ordinance No. 67-17) with respect to the benefits, terms, and conditions of employment (other than salary) described in the ordinance. For unrepresented management employees such as the Port Executive Director, the benefits, terms, and conditions of employment are substantially similar to those under the MEA MOU, and include health benefits; life insurance; a reimbursement program for tuition and training costs, as well as for equipment used in conducting City business; reimbursement for costs for certifications, licenses, and registrations; executive leave; and severance pay. A copy of the current ordinance covering unrepresented employees is attached. The City adopts a new ordinance annually, and adjusts terms as necessary to maintain general parity with MEA for unrepresented management employees. The ordinance (File #180507) for the new fiscal year is currently pending committee action at the Board of Supervisors. It includes specific language acknowledging that the Port Commission sets the Port Executive Director's

salary: "The Port Commission shall determine the salary for the 9399 Port Director Classification, pursuant to Charter Appendix B3.581(h)." (File #18057, Section 2(D)).

Recommendation

What action to take, if any, on the Port Executive Director's salary is a policy decision for the Port Commission. Port staff will implement the Port Commission's decision on the Executive Director's salary.

Prepared by: Lavena Holmes
Human Resources Manager

For: Katharine Petrucione, Deputy Director
Finance and Administration

Attachments:
West Coast Port Directors/City Department Heads Salary Survey
Ordinance No. 67-17 (unrepresented employees)

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 18-38

WHEREAS, Section B3.581(h) of the Charter grants the Port Commission the exclusive authority to set the salary of the Port Executive Director; and

WHEREAS, Section B3.581(h) of the Charter provides that the compensation of the Port Executive Director shall not exceed prevailing salaries paid to those holding similar positions in comparable maritime employment; and

WHEREAS, a May 2018 survey of salaries paid to Port Directors in the major west coast seaports shows that the current average compensation is \$321,547; and

WHEREAS, a survey of City department heads in similar enterprise departments shows that the average salary as of May 2018 is \$318,156; and

WHEREAS, the Port Executive Director's current salary is \$29,151 lower than the average salary of other seaport directors surveyed, and \$25,760 lower than the average salary of surveyed City department heads; and

WHEREAS, historically the Port Commission has considered the known base wage adjustments in the Memorandum of Understanding between the City and the Municipal Executives Association (MEA MOU) in determining what base wage adjustment or salary increase to provide the Director;

WHEREAS, under the MEA MOU, effective as of July 1, 2018, base wages will increase by 3%; now, therefore, be it

RESOLVED, that the salary of the Port Executive Director will be \$ _____ per year as of July 1, 2018, representing an increase of ____%.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 12, 2018.

Secretary