

Personnel Rule 3.2 - Accountability Pay for Executives (APEX) Pay Program

3.2.0 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

3.2.1 Definitions

- A. "Accountability Pay for Executives (APEX) Pay Program" shall mean the pay delivery system for individuals in positions assigned to Executive 1, Executive 2, Executive 3 and Executive 4.
- 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. 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. "Executive" shall mean the title of a position assigned to the Accountability Pay for Executives (APEX) Program.
- 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. "Market adjustment" shall mean an adjustment to an employee's pay rate that the appointing authority may approve in response to a structure adjustment.
- G. "Pay program" shall mean a grouping of job titles that are compensated using the same pay structure and placement and progression rules.
- H. "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 Executive 1, 2, 3 and 4.
- I. "Seattle Human Resources Director" shall mean the director of the Seattle Department of Human Resources or his or her designated management representative.
- J. "Regularly appointed employee" shall mean an individual with an exempt, probationary or regular appointment to a position of City employment.
- K. "Structure adjustment" shall mean an adjustment to the salary structure based on a labor market analysis of selected benchmark titles in the APEX Pay Program.
- L. "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.

3.2.2 Application of this Rule

- A. This Rule applies to regularly appointed exempt employees in titles assigned to the Accountability Pay for Executives (APEX) 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.

3.2.3 Assignment of Pay Zone

- A. The Seattle Human Resources Director shall determine the proper pay zones for all new positions assigned to the Accountability Pay for Executives (APEX) 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 the position's hierarchical orientation, strategic significance and scope and impact.
- B. The Seattle Human Resources Director may conduct a compensation review for an Accountability Pay for Executives (APEX) 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 any change to the existing Accountability Pay for Executives salary structure.
- C. The pay zone set by the Seattle Human Resources Director may not be appealed.

3.2.4 Assignment to Pay Zone

The Seattle Human Resources Director shall determine the pay zone assignment for all Accountability Pay for Executives positions. The appointing authority may request that the pay zone assignment of specific positions be reviewed by the Mayor or by persons designated by the Mayor for that purpose. There shall be no further review or appeal of pay zone assignment.

3.2.5 Base Salary Determinations

- A. The appointing authority shall decide each position incumbent's base salary within the pay zone to which the position is assigned. The base salary decision shall be based on the consistent application of criteria that address, as appropriate, the relative size of the job, the financial impact and the sensitivity of the position, recruiting and retention difficulties, the scope and range of subordinate

operations, and the technical expertise required to perform the job. Only the relevant criteria need be considered for each position. The appointing authority may evaluate at any time any Accountability Pay for Executives position within his or her employing unit for current or prospective base salary adjustments based on any or all of these criteria.

- B. All salary placement decisions shall be documented and the documentation 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.

3.2.6 Structure Adjustment

The Seattle Human Resources Director may recommend to City Council for approval a structure adjustment to the Accountability Pay for Executives 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 reflect any or all of the approved structure adjustment. No Executive 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.

3.2.7 Variable Performance Pay

- A. Employees in Accountability Pay for Executives positions 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 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 Executives 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.