

KIRKLAND SALARY COMMISSION MEETING

Minutes

Tuesday, January 24, 2006

1. CALL TO ORDER

On January 24, 2006, the Kirkland Salary Commission held a meeting in the City Council Chambers at the Kirkland City Hall, 123 Fifth Avenue. The meeting was called to order at 7:01 p.m. Dave Russell agreed to chair the meeting.

Members present were: Doreen Marchione; Bea L. Nahon; and Dave Russell. Staff members present were: Marilynne Beard, Director, Finance & Administration; Robin Jenkinson, City Attorney; and Bill Kenny, Director, Human Resources.

Dave Russell opened the meeting by reviewing the background concerning the establishment of the Commission and its activities to date. He noted that the City Council has not received an adjustment in its compensation in nine years. Mr. Russell explained that the minutes and all of the materials from the Commission's December 8, 2005, meeting were published on the City's website under "Kirkland Salary Commission." Mr. Russell further explained that notice of this meeting was provided through the King County Journal and given by Bea Nahon at the City Council meeting of January 17, 2006.

2. APPROVAL OF MINUTES

Doreen Marchione moved approval of the December 8, 2005, minutes. Ms. Nahon seconded the motion and the minutes were approved as presented.

3. COMMENTS FROM THE AUDIENCE

Mr. Russell noted that the Commission had not received any written comments and that no emails were received. No one wished to offer comments.

4. UNFINISHED BUSINESS

Mr. Russell addressed some questions to staff, specifically, relating to retirement benefits and medical benefits. The City Council can participate in either the Municipal Employees Benefit Trust II, with no City contribution, or in the Public Employment Retirement System (PERS). There is also an optional International City/County Management Association retirement plan available to the City Council, but there is no City contribution. There is the opportunity for the City Council to participate in PERS, where there would be a City contribution, but because the level of the Council compensation has historically been low, the percentage of contribution is not very significant. In order to receive PERS retirement benefits, one

must have a certain number of service credits and it is based upon your salary, so unless a person has previously been in PERS, or otherwise accrued service credits, the benefit would be limited.

Mr. Russell asked whether the approximately \$350.00 that Kirkland pays for medical benefits under the Association of Washington Cities plan for Management and Confidential employees covered the entire family or just the employee. Staff responded that the \$350.00 monthly figure covered just the employee and that it is significantly more to cover the whole family.

Ms. Marchione noted that 50% of the City Council would have to sign-up in order to offer the benefit and that Council Members could see the benefit come and go, which would not be fair.

5. NEW BUSINESS

Ms. Marchione moved Resolution No. 06-001 with the blanks completed as follows: Council Members would receive a \$250 increase in monthly compensation to \$900 a month; the Mayor would receive a \$250 increase in monthly compensation to \$1,200 a month; and a \$250 monthly allowance, in lieu of benefits, paid for the Council Members and Mayor. Ms. Nahon seconded the motion. The Resolution passed unanimously. Mr. Russell observed that the business of the Commission was completed for the year.

Ms. Nahon pointed out that the ordinance which established the Commission provided that the Commission would meet, after the initial year, once per year in August or September. The Ordinance also provided for staggered terms. She noted there had been some discussion by City Council Members about whether to continue the Salary Commission, which she acknowledged was within the purview of the City Council. However, she thought the Commission might be asked for its thoughts on the continuation or cessation of the Salary Commission.

Mr. Russell recognized that the City Council could decide to its own salary again, but noted that it had been nine years since the last adjustment. He expressed the view that it was not a lot of work for the Commission, but noted that there was a staffing consequence. He indicated he would be happy to continue on the Commission.

Ms. Marchione observed that as the Commission had just taken action it would not be necessary to meet again this year. The Council could leave the Commission together or appoint a new Commission the next time the Council thought the salaries needed to be reviewed.

Ms. Nahon said that it appeared it is awkward for the Council to review its own compensation and that there may be some value even if the Commission were to meet on an annual basis and decide to leave the compensation alone. She noted

there is some hesitancy to adjust compensation when there are other budgetary issues and that it may be in the City's best interest to have an independent group that says to leave the compensation alone.

Ms. Marchione agreed and said she thought it had been unfair through the years when the Council set its own compensation and half the Council had to wait two years to receive an increase in compensation. She said she thought the Salary Commission was a much fairer way.

Staff offered that providing support to Salary Commission was not viewed as burdensome and that the City's philosophy is to regularly evaluate and study compensation for all employees in the market place. It was observed that staff regularly looks at the same cities included in the salary and benefit survey information provided to the Salary Commission.

Mr. Russell summarized the Commission's position as being quite willing to continue to fulfill its role; recognizing it is the Council's decision.

6. ADJOURNMENT

The January 24, 2006, meeting of the Kirkland Salary Commission adjourned at 7:17 p.m.



Dave Russell, Chair