

KIRKLAND SALARY COMMISSION MEETING

Minutes

Tuesday, August 24, 2010

1. CALL TO ORDER

On August 24, 2010, the Kirkland Salary Commission held a meeting in the City Council Chamber at Kirkland City Hall, 123 Fifth Avenue. The meeting was called to order at 7:06 p.m. by Bea L. Nahon, Acting Commission Chair.

2. INTRODUCTIONS

Commission Members present were: Tina McDade, Bea L. Nahon; and Anna Rising. Staff members present were: Tracey Dunlap, Director, Finance & Administration; Bill Kenny, Director, Human Resources; and, Robin Jenkinson, City Attorney.

3. PUBLIC COMMENT

Dave Asher spoke and thanked the Salary Commission for its service. Mr. Asher said he wanted to add some things to the Commission's knowledge base with respect to Council workload. He observed that a larger City is a factor, but that he said a key consideration was recent action taken by the Council to no longer hear appeals. Mr. Asher said he thinks this is a material reduction in workload.

He stated that the Council needs to provide leadership. The City's budget will be constrained in many ways. There will be service cuts. The Council has recently passed a number of increases in fees along to the public. While Mr. Asher thinks these increases were needed, government functions are under severe stress and he recommended that the Council Members salary base be decreased by a significant amount. He stated that he thought the differential for the Mayor should be maintained. In response to questions from Commission Members, Mr. Asher did not have any suggestion as to the amount of the recommended decrease.

4. COMMISSION BUSINESS

a. Approval of September 29, 2009, Meeting Minutes

Motion to Approve the September 29, 2009, Meeting Minutes. Moved by Commission Member Nahon, seconded by Commission Member McDade.

Vote to Approve the September 29, 2009, Meeting Minutes. (Approved)

b. Election of Chair

Motion to Elect Commission Member Nahon as Chair of the Commission. Moved by Commission Member Anna Rising, seconded by Commission Member McDade.

Vote to Elect Commission Member Nahon as Chair of Commission. (Approved)

c. Review Mayor and City Council Compensation Information

Commission Chair Nahon suggested that the scope of the meeting could be viewed as opportunity to share some ideas and get some background. The action to set the compensation paid to the Mayor and the City Council could be taken at the next meeting. The other Commission Members agreed. Commission Chair Nahon then asked the Human Resource Director for background information about compensation in the City. She first asked for an explanation as to why the City Council Members receive a stipend that they could apply to medical benefits, rather than the City paying directly for medical insurance for the Council Members.

Human Resources Director Bill Kenny explained that the City participates in the Association of Washington Cities (AWC) Multi-Employer Trust. Under the AWC underwriting rules, in order for the City Council Members to enroll in the medical benefit program, the whole Council had to enroll. Mr. Kenny further explained that the City looked at external and internal equity. The City's survey results indicated that not very many cities paid full medical benefits for council members. Internally, the benefits for part-time City employees are pro-rated. For example, a half-time employee would pay approximately one-half of the medical premium cost. Mr. Kenny said that based upon the information assembled, the decision was made to simply pay the Council Members a stipend. Mr. Kenny further noted that the City is studying self-funding its medical benefits.

Commission Chair Nahon noted that under the Washington statute governing the Salary Commission, if the Salary Commission approves an increase in salary for the Council Members, that increase would take effect immediately. If the Salary Commission approves a decrease, the decrease would not take effect until the next term of office. Commission Chair Nahon gave the example that if the Salary Commission were now to approve a salary decrease, it would not be effective until January 2012 and only for those Council Members elected at that time.

Commissioner Rising asked what was going to happen to the 3.4 percent salary reduction described in the August staff memorandum. Mr. Kenny explained that the decision as to the 3.4 percent reduction for the Council Members resides with the Salary Commission. Commissioner Rising asked about the City's financial situation. Finance & Administration Director Tracey Dunlap explained that the City's financial situation is not better and not worse. As indicated in the March 2010 projections provided to the Commission, the City's budget shortfall is estimated at \$5 million. It is premature to discuss what will happen with the 3.4 percent salary reduction for employees. For represented employees, this would be the subject of collective bargaining.

Commission Chair Nahon asked about the ability of Council Members to waive their salary. She said she was intrigued by a Woodinville Ordinance (included in the appendices to the materials provided the Commission), which provides that a council member could waive any or all of his or her salary. Commission Chair Nahon found in reading the Tax Code that in the absence of a statutory provision permitting waiver, it was considered contrary to public policy for an elected official to waive his or her salary. Further, unless there is a statutory provision allowing waiver, an elected official could ask for the salary back. After discussion, the Salary Commission agreed that it would recommend to the Council that an ordinance allowing the waiver of Council salary was an option for the Council to consider.

Mr. Kenny explained how the salary survey provided to the Commission was conducted. It is based upon the same cities used for comparison with the City's executive group. Mr. Kenny referenced the historical information provided the Commission showing that salary of the Council Members was left mostly unchanged from the 1990's until 2005. He noted that Human Resources staff also found great variations in how the Kirkland City Council functioned in relation to other cities. He said they found the Kirkland City Council spent appreciably more time on their duties, than some other cities.

Chair Nahon said it was curious that none of the surveyed cities had decreased compensation for council members. Mr. Kenny responded that according to AWC data, there were no decreases in the last five-year period. Staff agreed to make further inquiries.

5. FUTURE MEETINGS

Chair Nahon noted that the Commission was next scheduled to meet on September 28 and the meeting was continued until that date.

6. ADJOURNMENT

The August 24, 2010, meeting of the Kirkland Salary Commission adjourned at 7:47 p.m.