

SHORELINE CITY COUNCIL SALARY COMMISSION

Meeting Notes

Thursday, September 1, 2022, 5:00-6:30 pm

Shoreline City Hall Conference Room 440 and Via Microsoft Teams

PRESENT: Commissioner John Hoey, Commissioner Paula Itaoka, and Commissioner Robin McClelland

ABSENT: None

STAFF: John Norris, Assistant City Manager and Melissa Muir, Human Resources Director

GUESTS: None

1. Welcome and Review Agenda

The meeting began at 5:00 pm when the Microsoft Teams meeting recording was started with Commissioner John Hoey presiding and all Salary Commission members present. Commissioner Hoey outlined the agenda and the timing for the agenda items.

2. Review and Approval of August 25, 2022 Commission Meeting Minutes

Commissioner Itaoka made a motion, seconded by Commissioner McClelland, to approve the minutes of August 25, 2022, as amended with the following underlined comments suggested by Commissioner McClelland. The amended minutes were approved unanimously.

Discussion of Council Total Compensation Options and Alternatives

The Commission then had a general discussion of total compensation options and alternatives, including the City Council's compensation structure and amount. The Commission discussed Commissioner McClelland's suggestion that the Council could be offered a menu of options, depending on individual preferences. She suggested that the Council be given the choice of taking the compensation in 1) all salary, 2) all deferred benefits, or 3) a combination of the two. She also reported that due to inflation, compared to a dollar in 2013, the value of today's dollar is \$1.27. The Commission discussed various factors that influence these options, such as market position amongst the City's comparable cities and inflation considerations.

3. Public Comment

Commissioner Hoey then sought public comment but no members of the public were in attendance at the meeting.

4. Continued Discussion and Approval of Council Total Compensation Structure and Amount

The Salary Commission reviewed the approved motion regarding the City Council compensation structure from their August 25th Commission meeting. This motion, which was unanimously approved, eliminated the City Council's benefit package as currently established under City Council Ordinance No. 287, provided compensation to the Mayor, Deputy Mayor and Councilmembers as salary only at a yet to be determined amount, and allowed Councilmembers to choose from 0% to 100% of their compensation to be taken as salary, to be allocated to deferred compensation as a retirement benefit, or to any combination of the two.

Staff stated that they confirmed with City administrative and legal staff that the compensation structural decisions made by the Commission were administratively feasible and that there were no legal or statutory concerns with this structure. Commissioners appreciated that this review occurred and felt comfortable with the compensation structure that they approved at their August 25th meeting.

Staff also stated that they would recommend the phrase "subject to IRS limits" be included in the language regarding electing a portion of a Councilmember's salary to deferred compensation, as it is possible that contributions could exceed IRS limits depending on an individual Councilmember's circumstances and the amount elected to go to deferred compensation. It was acknowledged that this would only likely occur if a Councilmember were to elect to contribute 100% of their salary, or close to that amount, to their deferred compensation plan. The Commission discussed and agreed that the proposed language about IRS limits should be included in the Commission's final report and should read as follows:

Subject to IRS limits, Councilmembers may choose to take from 0% to 100% of their compensation as salary, to be allocated to deferred compensation as a retirement benefit, or to any combination of the two.

The Commissioners also reviewed the staff-proposed procedures for how the implementation of the deferred compensation election amount for Councilmembers could be structured. The Commission appreciated staff thinking about this issue and supported the proposed procedures. Staff stated that Councilmembers would receive an email notification about this deferred compensation benefit opportunity once the Salary Commission's work is complete and a salary schedule has been filed with the City Clerk's Office.

Commissioner Hoey then proposed the Commission move on to the tabled motion from their August 25th meeting, which was tabled until this meeting of September 1, 2022. The tabled motion, which was made by Commissioner Hoey and seconded by Commissioner McClelland, would set Councilmember total compensation at \$2,300 per month, with an extra \$100 per month for Deputy Mayor and an extra \$250 per month for Mayor.

The Commission noted that when compared to the current \$2,154 in monthly total compensation for Shoreline Councilmembers, the proposed salary level reflects a 6.77% increase over the coming four years, compared to a 14.09% increase over the previous nine years when Council salaries were last set at the end of 2013. The Commission also noted that Councilmember total compensation has increased 14.09% since the Council last set their salaries at the end of 2013. Commissioner Hoey stated that he feels good about simplifying the total compensation into one figure for salary, and that Councilmembers still have the ability to choose to contribute to their deferred compensation plans. Commissioner Hoey also stated that his proposed motion would hopefully incentivize and set a competitive salary for Shoreline Councilmembers to attract and reward talented councilmembers who are striving for excellence.

Commissioner Itaoka noted that she could not support a monthly Councilmember salary of \$2,300 as it was too much above the median of Council total compensation compared to the City's comparable jurisdictions. Commissioner Itaoka also stated that she feels it is important that the Council's salary is set using similar methodology for how staff salaries are set.

Commissioner McClelland reiterated her support for a Councilmember monthly compensation amount of \$2,300. She also noted that in other organizations as a trustee, elected officials have a very different role than city employees. They face a level of intrusion beyond what staff usually face and are accountable to Shoreline residents and no one can buffer them from that accountability and responsibility. Commissioner McClelland also noted that while the salary proposal is generous, it is responsive to the public and represents the best interests of Shoreline. Commissioner Itaoka noted that she respects the logic and thinking of her fellow Commissioners, but that she does not believe in an incentive the proposed amount would incentivize for elected officials.

Following this discussion, Commissioner Hoey thanked his fellow Commissioners for the discussion and proposed taking a vote on the motion. Commissioners Hoey and McClelland voted in support of this motion and Commissioner Itaoka voted in opposition. The motion was approved 2-1.

5. Review Council Salary Commission Final Report Outline

The Commission then provided staff feedback on their proposed outline for a final report of the Commission's findings, including a Council salary schedule, that will be submitted to the City Clerk. The Commission stated that they were generally supportive of staff's proposed outline, and that the final report should be factual and reflect the findings and decisions of the Salary Commission. This includes the two formal motions approved by the Commission, one on compensation structure and the other on the compensation amount.

Staff also stated that they will check with the City Attorney's Office to see if staff needs to prepare legislation for the Council to officially rescind the ordinances that set current Council benefits and salary, or if the Salary Commission's final report and salary schedule submitted to

the City Clerk will supersede the prior Council legislation without additional Council action needed.

6. Confirm if Additional Salary Commission Meeting Date is Needed

The Commission then discussed whether there was a need for a final Salary Commission meeting. The Commission stated that they would like an opportunity to provide comment on the draft final report directly to staff via email, but that proactively scheduling another Commission meeting is not needed at this time. Staff stated that this process would work, and that staff will let the Commission know if there is feedback from Commissioners that would need to be reconciled, in which case an additional Commission meeting would be warranted. Staff stated that they would hope to provide the Commission a draft of the final report the week of September 12th, with an opportunity for the Commission to review and provide feedback to staff by September 25th.

Staff also committed to the following next steps regarding the final work of the Council salary setting process:

- Upon approval of the September 1, 2022 Salary Commission meeting minutes, the City Manager will provide the final Councilmember, Deputy Mayor and Mayor salary schedule to the City Council for their information.
- Staff will draft and work with the Commission to finalize the Salary Commission Final Report, which will be filed with the City Clerk before the codified deadline of October 1, 2022.
- Administrative staff in the Human Resources/Payroll team will follow up with emails to Councilmembers to commence the potential election of salary to deferred compensation; the default election will be for Councilmember compensation to be provided 100% in salary, with a 30-day election period to make a deferred compensation decision.
- During the 2023-2024 biennial budget review process, staff will present the findings and decision of the Salary Commission during the City Council Department budget review so that the public can be informed of the results of the Commission's work.

On behalf of the Commission, Commissioner Hoey approved of this approach and thanked staff for their work.

7. Adjourn

The Salary Commission meeting adjourned at 6:40 pm.