



City of Bothell™

Bothell City Hall, 18415 101st Ave. NE, Bothell, WA

City Council Salary Commission Agenda Special Meeting

Monday, April 29
6:00 p.m.

Members of the City Council Salary Commission: Benjamin Mahnkey, Chair; Tara Adams; Rosemary Sutton

Members of the Staff: Mathew Pruitt, Human Resources Director; Stephanie English, HR Generalist

- A. Call to Order
- B. Roll Call
- C. Staff Presentation
- D. Commission Business

- 1. Public Hearing to Consider Staff Recommendations Re: City Council Compensation
- 2. Deliberation on Recommended Actions:
 - Adoption of Resolution Establishing a City Council Salary Schedule
 - Make recommendation that the City Council amend Chapter 2.92

- E. Adjournment

SPECIAL ACCOMMODATIONS: The City of Bothell strives to provide accessible meetings for people with disabilities. If special accommodations are required, please contact the ADA Coordinator at (425) 486-3256 at least three days prior to the meeting.



Date: April 23, 2019

To: Salary Commission

From: Mathew Pruitt, HR Director

RE: 2019 Council Compensation Review/Decision

Background

Chapter 2.92 of the Bothell Municipal Code (BMC) allows for the creation of a Salary Commission to determine compensation levels of the Bothell City Council. The Salary Commission is made up of three community members who serve five year terms and are appointed by the Mayor with City Council approval. The Salary Commission has 90 days from their appointment to review compensation levels of City Councilmembers and make recommendations to increase or decrease salaries. The Salary Commission also has the purview to add/change benefit options for the City Council. Any changes made by the Salary Commission are filed with the City Clerk's office and absorbed in the City's budget per Washington State RCW 35.21.015. Decisions made by the Salary Commission can only be changed through voter referendum.

The last Salary Commission met in 2014 and determined the following:

- Effective January 1, 2015 the salary for councilmembers was to be:
 - \$1,000 per month for Councilmembers
 - \$1,050 per month for the Deputy Mayor
 - \$1,200 per month for the Mayor
- An annual cost-of-living adjustment (COLA) was to be applied to council salaries on January 1 of every year after using 100% of the Consumer Price Index-W for Seattle, Tacoma, and Bremerton from the months of June to June.
- City Councilmembers were to be eligible to participate and contribute to a 457 deferred compensation plan at no cost to the City.

COLA for City Councilmembers has been as follows since the decision made by the 2014 Salary Commission:

- 1.1% in 2016
- 2.0% in 2017
- 3.0% in 2018
- 3.6% in 2019

The average COLA over a four year period has been 2.43%.

The current salary of City Councilmembers with COLA adjustments is as follows:

- \$1,099 per month for Councilmembers
- \$1,155 per month for the Deputy Mayor
- \$1,320 per month for the Mayor



The 2019 Salary Commission held its first meeting on April 4, 2019. The commission reviewed a staff presentation, discussed market data for city councilmembers at comparable organizations, discussed options, provided staff with a list of questions, and directed staff to schedule a public hearing on Monday, April 29 at 6 PM in Council Chambers at City Hall. At the public hearing, the commission will review a staff presentation with new information, gather feedback from members of the public or the City Council who wish to provide it, deliberate, and potentially make a final decision.

Discussion

In order to provide data for the purpose of reviewing salaries for City Councilmembers staff used information provided from the cities of Burien, Shoreline, Issaquah, Auburn, Edmonds, Sea Tac, Lakewood, and Marysville. All eight cities meet the standards of the Washington State Public Employee Relations Commission for determining market comparable organizations which includes factors such as geography, property taxes, valuation, and population. Staff later removed the cities of Shoreline, Edmonds, and SeaTac from the list of comparable organizations because they are outliers in regards to how their respective city councils are compensated.

The table below shows the total monthly compensation (salary plus benefits) data provided by the five remaining market comparable organizations.

City	Councilmember	Deputy Mayor	Mayor or Council President
Burien	\$1,250		\$1,350
Issaquah	\$1,270	\$1,370	\$1,470
Auburn	\$1,286		\$1,716
Lakewood	\$1,200	\$1,300	\$1,400
Marysville	\$1,234		\$1,386
Market Avg.	\$1,248	\$1,335	\$1,464

When compared to the total compensation market average, City of Bothell Councilmember salaries are as follows:

- Councilmembers are 11.94% BELOW the market average.
- The Deputy Mayor is 14.98% BELOW the market average.
- The Mayor is 9.84% BELOW the market average.

The following represents answers to questions asked by the Salary Commission at the April 4 meeting.

1. Do others cities increase council salaries through an annual COLA?

The cities of Auburn, Marysville, and Bothell increase council salaries through an annual COLA. The cities of Burien, Issaquah, Lakewood, Shoreline, Edmonds, and Sea-Tac do not.



2. Do other cities provide benefits to their city councilmembers?

The cities of Burien, Shoreline, Edmonds, and Sea-Tac provide benefits to their city councilmembers. The cities of Issaquah, Auburn, Lakewood, Marysville, and Bothell do not.

Note: Not all market comparable organizations responded to the following questions.

3. When did the salary commissions of market comparable organizations last meet?

- 2014: Bothell and Shoreline
- 2015: Issaquah and Lakewood
- 2017: Edmonds
- 2018: Marysville and Auburn

4. How often do the salary commissions of market comparable organizations meet?

- Every 5 years: Issaquah and Bothell
- Annually: Auburn and Marysville
- Every 2 years: Edmonds

5. What is the length of salary commission terms for market comparable organizations?

- 5 years: Issaquah and Bothell
- 4 years: Auburn and Lakewood
- 3 years: Marysville

Based upon information provided by market comparable organizations, staff is making four recommendations to the 2019 Salary Commission:

1. Increase Councilmember salaries to total compensation market average.

- Councilmembers: \$1,250 per month
- Deputy Mayor: \$1,350 per month
- Mayor: \$1,450 per month

2. Eliminate automatic annual COLA for Councilmembers.

3. Recommend the City Council to amend Chapter 2.92 of the BMC as follows:

- A. Require the Salary Commission to meet every even year.
- B. Salary Commissioners are eligible to serve two staggered, 4-year terms.

4. Continue to allow Councilmembers to contribute to a 457 deferred compensation plan.

If the Salary Commission approved staff's recommendations the cost increase to the City would be approximately \$8,640 in 2019 which would be absorbed by the City budget in accordance with RCW 35.21.015. The total annual cost increase would be \$12,960 or 13.55% which equates to an annual salary raise of 5.81% for City Councilmembers over the past four years.



Staff Recommendations for 2019 City Council Salary Commission

Recommendation #1

Increase Councilmember salaries to total compensation market average.

- Councilmembers: \$1,250 per month
- Deputy Mayor: \$1,350 per month
- Mayor: \$1,450 per month

OPTIONS:

1. Implement recommendation.
2. Increase compensation less than what is recommended.
3. Decrease compensation.
4. Keep compensation the same.
5. Consider benefit options.

Recommendation #2

Eliminate automatic annual COLA for Councilmembers

OPTIONS:

1. Implement recommendation.
2. Keep automatic COLA.
3. Increase council salaries annually using a different mechanism than COLA (i.e. flat rates, etc.).

Recommendation #3

Recommend the City Council that Chapter 2.92 be amended as follows:

- A. Require the Salary Commission to meet every even year.
- B. Salary Commissioners are eligible to serve two staggered, 4-year terms.

OPTIONS:

1. Make recommendation as proposed by staff.
2. Do nothing.
3. Recommend part A or B but not both.
4. Consider other options for how often the salary commission meets.
5. Consider other term limit options.

Recommendation #4

Continue to allow Councilmembers to contribute to a 457 deferred compensation plan.

OPTIONS:

1. Implement recommendation.
2. Don't allow council to continue contributions to a 457 deferred compensation plan.
3. Consider other benefit options.

Salary Commission Public Hearing

Mathew Pruitt, HR Director
April 29, 2019
City Council Chambers

Agenda

- Staff Presentation
- Public Hearing
 - Testimony limited to three minutes
- Deliberation and Potential Decision



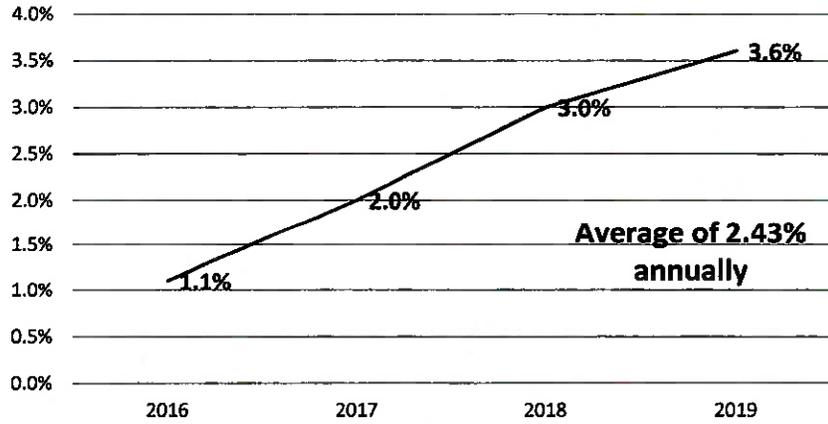
Total Compensation (Monthly)



2014 Decision

- May 29, 2014
- Effective January 1, 2015
 - Councilmember: \$1,000/month
 - Deputy Mayor: \$1,050/month
 - Mayor: \$1,200/month
- Annual Cost-of-Living Adjustments (COLA): 100% of CPI-W for Seattle, Tacoma, ~~Bremerton~~ Bellevue from June to June
- Eligible to sign up and contribute to ICMA 457 deferred compensation plan

COLA Increases



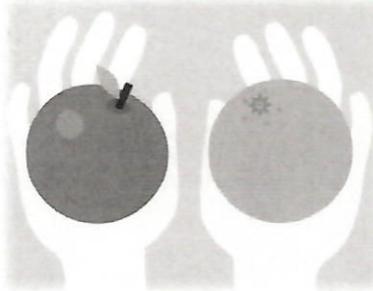
Current Monthly Compensation



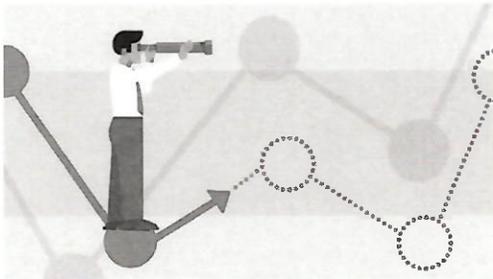
- Councilmember: \$1,099 per month
- Deputy Mayor, \$1,155 per month
- Mayor: \$1,320 per monthly

Market Comparable Cities

- Burién
- ~~Shoreline~~
- Issaquah
- Auburn
- ~~Edmonds~~
- ~~Sea-Tac~~
- Lakewood
- Marysville



Other Considerations



- The budget
- The economy
- Expectations of the community
- Interested/active council?
- Diversity of income on council

Total Compensation (Monthly)

City	Councilmember	Deputy Mayor	Mayor or Council President
Burien	\$1,250		\$1,350
Issaquah	\$1,270	\$1,370	\$1,470
Auburn	\$1,286		\$1,716
Lakewood	\$1,200	\$1,300	\$1,400
Marysville	\$1,234		\$1,386
Market Avg.	\$1,248	\$1,335	\$1,464
Bothell	\$1,099	1,155	\$1,320
Difference	11.94%	14.98%	9.84%

Commission Questions

City	COLA	Benefits	Last Salary Compensation	How often do they meet?	Term length (years)
Burien	No	Yes	NR	NR	NR
Issaquah	No	No	2015	5 years	5
Auburn	Yes	No	2018	Annually on April 30	4
Lakewood	No	No	2015	No requirement	4
Marysville	Yes	No	2018	Annually	3
Shoreline	No	Yes	2014	Varies	NR
Edmonds	No	Yes	2017	2 years – every odd year	NR
Sea-Tac	No	Yes	NR	NR	NR
Bothell	Yes	No	2014	5 Years	5

Data Driven Recommendations

1. Increase council salaries to total compensation market average.
2. Eliminate automatic annual cost of living adjustment (COLA) for councilmembers.
3. Recommend to the City Council to amend Chapter 2.92:
 - A. Require Salary Commission to meet every even year.
 - B. Salary Commissioners be eligible to serve two staggered, 4-year terms.
4. Continue to allow councilmembers to contribute to a 457 deferred compensation plan.

Recommendation #1

- Increase salaries to total compensation market average
 - Councilmember: \$1,250
 - Deputy Mayor: \$1,350
 - Mayor: \$1,450

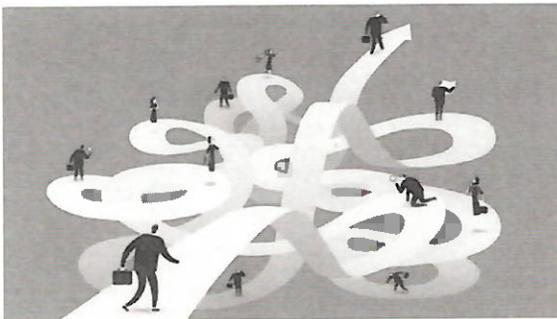


Market Adjusted Option (Monthly)

City	Councilmember	Deputy Mayor	Mayor or Council President
Burien	\$1,250		\$1,350
Issaquah	\$1,270	\$1,370	\$1,470
Auburn	\$1,286		\$1,716
Lakewood	\$1,200	\$1,300	\$1,400
Marysville	\$1,234		\$1,386
<i>Market Avg.</i>	<i>\$1,248</i>	<i>\$1,335</i>	<i>\$1,464</i>
<i>Bothell</i>	<i>\$1,250</i>	<i>\$1,350</i>	<i>\$1,450</i>
<i>Difference</i>	<i>.16%</i>	<i>1.12%</i>	<i>.96%</i>

- Salary cost increase of \$8,640 in 2019
- Annual salary cost increase of \$12,960 or 13.55%
- Amounts to an average increase of 5.81% annually over the past four years (including COLA)

Recommendation #1 Options



1. Implement recommendation
2. Increase compensation less than what is recommended
3. Decrease compensation
4. Keep compensation the same
5. Consider benefit options

Benefit Options

1. Cover all or a portion of the cost of medical premiums
 - A. **\$743.23** monthly per individual or a total of **\$62,431** annually for all councilmembers
 - B. **\$2024.74** monthly per family or a total of **\$170,078** annually for all councilmembers
2. Contribute a dollar amount to an HSA for opting out of healthcare OR not:
 - A. **\$110** monthly per individual or a total of **\$9,240** annually for all councilmembers
 - B. **\$220** monthly per individual or a total of **\$18,480** annually for all councilmembers
 - C. **\$330** monthly per family or a total of **\$27,720** annually for all councilmembers
3. **\$50,000 Life Insurance Policy**
 - **\$24** monthly per individual or a total of **\$2,016** for all councilmembers
4. Contribute to 457 deferred compensation
 - Cost is up to the commission
 - Cannot exceed **\$19,000*** per individual annually or **\$133,000** annually

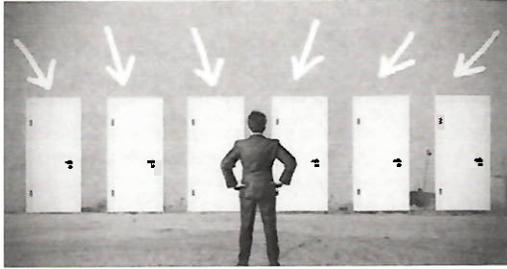
**Deferred compensation limits are governed by the IRS and increases approximately \$500 annually.*

Recommendation #2

Do not provide councilmembers an automatic cost of living adjustment (COLA) equal to the consumer price index on January 1.



Recommendation #2 Options



1. Implement Recommendation.
2. Keep automatic COLA.
3. Increase council salaries annually in a different manner than COLA.

Recommendation #3

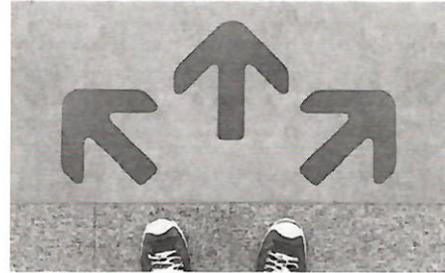
Recommend to the City Council that Chapter 2.92 be amended as follows:

- A. The Salary Commission be required to meet during even years.
- B. Salary Commissioners, beginning with the current commission, be eligible to serve two staggered, 4-year terms.

Note: Salary Commission recommendation would need Council approval.

Recommendation #3 Options

1. Make recommendation as proposed.
2. Do nothing.
3. Recommend part A or B but not both.
4. Consider other options for how often the salary commission meets.
5. Consider other term limit options.



Recommendation #4



Continue to allow Councilmembers to contribute to a deferred compensation 457 plan.

Recommendation #4 Options

1. Implement recommendation.
2. Don't allow council to continue to contribute to a 457 deferred compensation plan.
3. Consider other benefit options.



Thank You!

- What's next?
 - Public Hearing
 - Deliberation
 - Potential Decision
 - More information?



City of Bothell

RESOLUTION OF THE CITY OF BOTHELL SALARY COMMISSION CONCERNING CITY OF BOTHELL COUNCILMEMBER COMPENSATION AND ESTABLISHING A CITY COUNCIL SALARY SCHEDULE PURSUANT TO WASHINGTON STATE LAW AND CITY OF BOTHELL ORDINANCE

WHEREAS, RCW 35.21.015 and Bothell Municipal Code Chapter 2.92 authorizes the Salary Commission to increase, decrease, or maintain City Councilmember compensation levels within 90 days of appointment; and

WHEREAS, establishing compensation for the legislative body that is fair and accountable to the cities is a key consideration; and

WHEREAS, comparison was made to eight other cities that are market comparable organizations in accordance with the standards of the Washington State Public Employee Relations Commission; and

WHEREAS, equity of total compensation (salary plus benefits) among Councilmembers is a primary consideration; and

WHEREAS, data showed that that the position of City Councilmember is on average 12.07% below the total compensation market average;

WHEREAS, other factors were considered including the current financial condition of the City, the economy, expectations of the community, a desire to keep an interested and active city council, and a desire to have a diversity of income levels within the community that are able to run for city council;

WHEREAS, the Salary Commission acknowledges that the City cannot pay the Council what they are worth and that Councilmembers make an enormous contribution to the community that is impossible to fully quantify;

WHEREAS, the process of setting a salary schedule for Councilmembers was greatly aided by thoughtful input and discussion;

NOW THEREFORE BE IT RESOLVED THAT pursuant to RCW 35.21.015 and Bothell Municipal Code Chapter 2.92, the City Council Salary Commission hereby establishes and submits for filing with the Bothell City Clerk the attached salary schedule effective _____, for the City of Bothell Mayor, Deputy Mayor, and City Councilmembers.

Approved this _____ day of _____, 2019.

Benjamin Mahnkey, Chair

Tara Adams, Member

Rosemarie Sutton, Member



City of Bothell

City Council Salary Schedule Effective _____

Compensation:

Members of the City Council shall receive for compensation \$1,250/month if they are a Councilmember, \$1,350 per month if they are appointed Deputy Mayor, and \$1,450 per month if they are appointed Mayor.

Deferred Compensation:

Members of the City Council shall be eligible to sign up for and contribute to the City's deferred compensation (457) plan.