

Independent Salary Commission
Meeting Minutes
August 14, 2024

PRESENT: Chair Lori McRea Keller, Vice Chair Kan Liang, Byron Rodriguez¹,
Mona Shen, Claire Sumadiwirya

ABSENT: None.

1. Call to Order

The meeting was called to order at 5:37 p.m., with Chair Keller presiding.

2. Roll Call

City Clerk Charmaine Arredondo called the roll and all commissioners were present.

3. Approval of Agenda

Commissioner Sumadiwirya moved to approve the agenda. The motion was seconded by Vice Chair Liang and carried by a vote of 5-0.

4. Oral Communications: None.

5. Staff and Consultant Reports: None.

6. Other Business

- (a) Orientation of Compensation Concepts and Current Councilmember Salary and Benefit Schedule

Joy St. Germain, Director, Human Resources Department, recalled that during the first meeting, the commissioners requested background information regarding compensation practices and an overview of how the commission will work with Gallagher Consulting to complete its review and develop a decision.

Matt Smith, Assistant Director, Human Resources Department, said the consultant would attend the next meeting on August 28.

Mr. Smith highlighted the responsibilities of the commission to: 1) study the relationship of salaries to the duties of mayor, deputy mayor and councilmember and to study the costs personally incurred in performing those duties, 2) study the relationship of city council salaries

¹ Commissioner Rodriguez participated remotely.

and benefits to those in surrounding city jurisdictions and other market conditions, 3) establish salary and benefits by either increasing or decreasing the existing salary and benefits by an affirmative vote of not less than three members, and 4) review and file a salary and compensation schedule with the city clerk no later than December 1, 2024.

The consultants and Human Resources staff will assist the commission in its review by collecting, organizing and analyzing data on behalf of the commission. The consultants will provide up to three recommendations on how to adjust the salary and benefits of councilmembers based on market data and the commission's input.

Mr. Smith said the Council salaries have not been adjusted since 2017. The Councilmember salary is \$28,728 annually or \$2,394 monthly. The Deputy Mayor salary is \$30,468 annually or \$2,539 monthly, and the Mayor salary is \$33,948 annually or \$2,829 monthly. They are offered medical, dental and vision insurance coverage and have the option to participate in the State's Public Employees Retirement Services (PERS) plan and the City's 401K (Municipal Employees Benefit Trust) plan. They receive a car allowance of \$352.12 per month and are eligible to receive \$65 per month as a phone and data stipend. The car allowance increases by 100 percent of the CPI-W every year. Members of the Council do not accrue vacation or sick leave and individual salaries are not adjusted for absences or scheduled recesses.

Responding to Commissioner Shen, Mr. Smith said the PERS 2 plan has a five-year vesting period and the PERS 3 plan has a 10-year vesting period. For the PERS 3 plan, the vesting period is five years if 12 months of those years occur over age 45. There is a three-year vesting period for the MEBT plan.

Responding to Vice Chair Liang, Mr. Smith said the positions are considered part time.

Responding to Commissioner Shen, Mr. Smith said CPI-W refers to the Consumer Price Index for professional staff that measures changes in consumer pricing.

Mr. Smith described the duties of the Mayor, Deputy Mayor and Councilmembers. The City of Bellevue is a Council-Manager form of government with seven elected Councilmembers that serve four-year terms. The Council is the policy and law-making body to establish policies and priorities, enact local laws, appoint and supervise the City Manager, cultivate and maintain relationships within the community and provide public leadership. In addition to those responsibilities, the Deputy Mayor is expected to perform the duties and responsibilities of the Mayor in his or her absence and is elected with the Mayor by fellow Councilmembers every two years. The Mayor serves as the presiding officer and chairs City Council meetings, represents the Council as a whole, initiates and executes proclamations, and functions as the City's ceremonial representative at public events and as a point of contact for the community.

Chair Keller asked what happens if a member of the public contacts the Mayor or a Councilmember regarding a problem or issue. Ms. St. Germain said that, depending on the request, the Mayor will often contact the City Manager, who will communicate with the appropriate staff regarding the issue, complaint or concern and follow up with the Council and requester.

Responding to Commissioner Shen, Mr. Smith confirmed that members of the Council are appointed to represent Bellevue on numerous boards, commissions and regional entities. He noted the lists of specific duties and assignments for each member on the following two pages of the presentation.

Responding to Commissioner Rodriguez, City Clerk Arredondo said there is no limitation on the number of assignments for the Mayor, Deputy Mayor or a Councilmember. Ms. Arredondo said the workload and meeting frequency of each body or forum varies.

Responding to Chair Keller, Ms. St. Germain said there is no limitation in terms of Councilmembers engaging in other employment.

Moving on, Mr. Smith said compensation refers to the total of all rewards provided to individuals in return for their services. He defined a number of compensation terms including base salary, bonus, benefits and incentives. The City does not provide bonuses or incentives. Mr. Smith said the value of a compensation system in the public sector is to attract and retain talent, enhance employee performance motivation, promote equity and transparency, and support the budget process and financial planning. Issues affecting compensation include budget constraints, political and public scrutiny, and balancing equity and performance.

The goals of a compensation schedule are to align with the organization's objectives, ensure competitiveness in the labor market, and maintain fairness for all employees. The steps for developing a compensation schedule are to assess market rates, define the pay structure, and evaluate the individual jobs. To study councilmember compensation, the consultant and staff must identify relevant comparator jurisdictions and key factors influencing compensation including job duties, personal expenses incurred and market conditions. Other factors that may help determine relevance include the type of government, budget, scope of services offered by jurisdiction, staff size and economic activity within the community.

Mr. Smith noted appendices to the presentation providing information regarding: 1) inflation, population, sales tax and assessed valuation trends since 2018, 2) medical, dental and vision insurance premium rates for employees/councilmembers, and 3) a table comparing Bellevue to other cities in terms of form of government, population, sales tax revenue and other factors.

Chair Keller expressed an interest in other cities' salary schedules and inflation adjustments that have been studied by the consultants.

Commissioner Shen expressed an interest in information regarding the change in area median income (AMI) and rental rates over the past eight years.

Commissioner Rodriguez expressed an interest in information comparing the workload of full-time and part-time Mayors and Councilmembers.

Commissioner Shen said it would be helpful to understand the time commitment of Councilmembers and the estimated number of hours required to perform their duties.

Responding to Vice Chair Liang, Mr. Smith said the Council takes a summer recess for most of August and a holiday break in December.

Commissioner Shen and Commissioner Sumadiwiryra expressed an interest in the incomes and total assets of Councilmembers from their election filings.

Chair Keller commented that such information would help indicate whether a person needs a specific income level to be able to afford to serve on the Council or whether it is possible to serve while still being able to support themselves.

Ms. Keller said she recently completed the Bellevue Essentials program and was impressed by the enormous scope of services and programs operated by the City. Ms. Shen said it would be helpful to have information regarding the services provided by comparator cities.

Responding to Ms. Keller, Ms. St. Germain said that while Bellevue's Council salaries have not been reviewed since 2016, the best practice is to review compensation every 2-4 years.

In further response to Chair Keller, Mr. Smith said all Councilmembers receive the same salary regardless of how many years they have served.

Responding to Commissioner Rodriguez, Mr. Smith said it is uncommon in government to have bonuses or an incentive structure. Mr. Rodriguez said it would be helpful to hear information from the consultants regarding their experience reviewing bonus and incentive systems.

Chair Keller thanked staff for the presentation.

7. Approval of Minutes: None.

8. Adjournment

At 6:40 p.m., Chair Keller declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk