

KIRKLAND SALARY COMMISSION MEETING
Minutes
Tuesday, September 11, 2007

1. CALL TO ORDER

On September 11, 2007, 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 6:06 p.m.

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

2. APPROVAL OF MINUTES

Ms. Marchione moved approval of the January 24, 2006, minutes. Ms. Nahon seconded the motion and the minutes were approved as presented.

3. COMMENTS FROM THE AUDIENCE

4. UNFINISHED BUSINESS

Mr. Russell opened by announcing the agenda. He began discussion by reviewing the Council Member Compensation Comparison and Council Member Benefits Survey tables that were included in the packet. He noted that the information provided by staff was similar to the information prepared in 2005 for the Salary Commission's meeting last year. He also noted that the last year's compensation change for the Council Members was a significant increase due to the fact that the City Council had not taken action regarding salaries or benefits for the preceding nine years. He observed that this was part of the reason for the establishment of the Salary Commission. Mr. Russell then discussed retirement benefits and medical benefits. He referred to the Council Member Benefits Survey table and pointed out the differences in medical benefits among the various cities and asked the Commission to consider how they might proceed. He then referred to the memorandum prepared by Bill Kenny that suggested several options for the Commission to consider in determining compensation and benefits. Mr. Kenny responded to Commission questions regarding the 2006 and 2007 standard Consumer Price Index. The Commission clarified that its last pay action was effective Feb 1, 2006, and that any action taken at this meeting would be effective in early 2008, thus following the typical timing of every other year for Council Member compensation review. Mr. Kenny then responded to questions regarding the City's compensation practices for all City employees. Mr. Kenny stated that the City strives to pay at the midpoint and has used the same list of cities, as provided to the Commission, when comparing compensation for most employee groups at Kirkland.

He then responded to questions regarding the possibility of offering the Council Members a Flexible Spending Account (FSA) stipend in lieu of benefits. Mr. Kenny explained that one disadvantage of the FSA is that if dollars in the account are not used, they are lost. He further explained that there may be a question of equity or fairness as to those members who may not be able to fully utilize the accounts under Internal Revenue Service regulations. He offered a suggestion to continue to give the stipend in lieu of medical benefits, but offer voluntary participation for the FSA for those members who would be able to use it to their advantage. Robin Jenkinson added that in order for benefits to be paid to the Council Members, the Council would need at least fifty percent participation for medical and one hundred percent participation for vision and dental.

Ms. Jenkinson pointed out that while the meeting was extensively advertised through neighborhood groups, mailing lists, the Seattle Times newspaper and the Public Broadcast channel; the City Attorney's Office has received no written public comments.

Mr. Russell asked for Salary Commission discussion. Following a brief discussion on the four options for compensation and benefits, the Commission agreed on the option to pay at the midpoint, with a stipend in lieu of benefits. The Commission further agreed to include the option to allow voluntary participation in a FSA. The Commission also requested that the figures be rounded to an even number.

Ms. Nahon moved Resolution No. 07-001 with the blanks completed as follows: Council Members would receive a \$200 increase in monthly compensation to \$1,100 a month; the Mayor would also receive a \$200 increase in monthly compensation to \$1,400 a month; and, the Mayor and Council Members would receive a \$50 increase in the monthly allowance in lieu of benefits to \$300 a month, with an option of voluntary participation in the City of Kirkland's FSA/125 plan. Ms. Marchione seconded the motion. The resolution passed unanimously.

The meeting recessed at 6:31 p.m. in order for Ms. Jenkinson to prepare the resolution for signing. The meeting resumed at 6:38 p.m., and the resolution was signed by all Salary Commission Members.

5. NEW BUSINESS

6. ADJOURNMENT

The September 11, 2007, meeting of the Kirkland Salary Commission adjourned at 6:40 p.m.