

Date: December 12, 2016
To: Mayor Stokes and City Council Members
Kyle Stannert, Bellevue City Clerk
From: Bellevue Independent Salary Commission
Subject: Salary Commission Decision

On behalf of the 2016 Bellevue Independent Salary Commission, thank you for this opportunity to serve the residents of Bellevue.

The Independent Salary Commission was created by Ordinance 6306, for the purpose of reviewing and establishing the salaries of the Bellevue City Council Members. We performed these duties as established by RCW 35.21.015. The scope of our roles and responsibilities were captured in the Bellevue City Code, Chapter 3.60. The Commission was made of up five members:

- Ronald Higgs, Chair
- Jerry Kroon, Vice-Chair
- Sue Baugh
- Gerald Hughes
- Benjamin Piper

The Independent Salary Commission met during November and December of 2016 and reviewed the following

1. current compensation schedule
2. compensation and practices of different local jurisdictions
3. historical growth of comparable cities and council salaries
4. commitments of part-time versus a full-time council
5. number of residents in Bellevue versus number of people who work in the city
6. services provided by the municipality versus other cities
7. the City budget and CIP Budget
8. the number of full time equivalent employees

The Commission was provided support from Ms. Shannon Drohman, a principal with Compensation Connections, LLC. Compensation Connections, LLC is a Seattle based consulting firm retained by the City of Bellevue to provide data and analysis to our Commission on compensation related matters.

A thorough review and discussion was held with regard to other municipalities, our growth, the changing dynamic of City Councils, and a broad range of other factors that might relate to compensation. Ms. Drohman presented the Commission with numerous scenarios and methodologies to accomplish our mission. In addition, individual Commission members presented a wide range of ideas to be considered during our deliberations.

Two key factors played a role in our discussion and final decision:

1. The last time salaries were adjusted for Council Members was in 2000. It is the sense of the Commission that salaries should be adjusted every two to four years. By leaving them stagnant for 16 years we have lost the opportunity for an ongoing discussion regarding the Council's evolving job description, proper compensation, and other factors that may affect compensation. Any adjustment made after an elapsed time of 16 years will look on first review as disproportionately magnified.
2. The second factor, was a matter of fairness. The Commission recognized its unique position in reporting directly to the residents of Bellevue. It is those residents, along with the employees of the City that we kept in mind when arriving at our decision. Since 2000 the employees of the City have received cost of living adjustments (COLAs) to their salaries which in total amount to a 45% increase from 2000 to 2016. This averages out to be an increase of 2.64% per annum.

As discussed above, there were numerous methodologies that could have been employed. Many of these were multi-varied and complex in method, reasoning and explanation. In the end, the Commission wished to present to the residents of Bellevue a clear decision, based on reasoning that is easily definable and justifiable.

At the end of our discussions at our December 8 meeting, and after reviewing all the material presented, the commission believed that the model used for the City's employees presented the clearest and we believed fairest choice available to us. Aggregating the COLA for the ensuing years since the last salary adjustment was difficult on its face, but in reality was fair and simply raised the salaries to a point where the purchasing power of the 2000 dollars is now replicated in the 2016 salary.

Therefore the Commission approved an increase to salaries as follows:

1. City Council Members from \$1,650 to \$2,394
2. Deputy Mayor from \$1,750 to \$2,539
3. Mayor from \$1,950 to \$2,829

These increases represent a 2.64% per annum increase for each position, since the last increase in 2000. The residents of Bellevue, to whom we directly report, now have 30 days to review this and if 50% of the number of residents who voted in the last general election believe we did not perform our duties as they wish, then they may, by referendum challenge our outcome.

Once again, we appreciate this opportunity to serve the residents of Bellevue.