



City Council Compensation Study Preliminary Data

Salary Commission Meeting
December 8, 2016



Shannon Drohman, Principal

City of Bellevue - City Council Executive Summary

The City of Bellevue Council's compensation was last reviewed and adjusted in 2000. The Salary Commission is tasked with determining whether the Council's compensation should be adjusted, and if so, to what amount. The Salary Commission's decision must be filed with the City Clerk's Office by December 31, 2016.

The Salary Commission is reviewing historical information about the City of Bellevue and Council Member pay. It is also considering total compensation including the value of benefits, for additional context.

City of Bellevue Percent Growth (2000-Today)

Population	24%
Daytime Population	28%
# of FTEs	13%
Total Budget	129%

Council Member Salary History:

Today	\$1,650
2000	\$1,650
% Growth	0%

2016 Council Monthly Total Compensation:

Role	Mayor	Deputy Mayor	Council Member
Salary	\$1,950	\$1,750	\$1,650
Benefits/Perks	\$1,502	\$1,502	\$1,502
Total	\$3,452	\$3,252	\$3,152

The Salary Commission is considering three approaches when reviewing the Council's compensation: (1) Comparing to other comparable cities in Washington. (2) Comparing to calculated salaries using the same COLA increases that City of Bellevue employees received since 2000. (3) Comparing to growth in City Manager pay since 2000.

(1) Council Salary vs. Comparable Cities:

Role	City of Bellevue	Target Average	Difference (Avg)	Target Median	Difference (Mdn)
Council Mayor/Chair	\$1,950	\$1,749	11%	\$1,454	34%
Deputy Mayor	\$1,750	\$1,480	18%	\$1,185	48%
Council Member	\$1,650	\$1,455	13%	\$1,204	37%

(2) Council Salary vs. Projection with COLA:

Role	Actual Salary	Salary w/ COLA	Difference
Mayor	\$1,950	\$2,829	45%
Deputy Mayor	\$1,750	\$2,539	45%
Council Member	\$1,650	\$2,394	45%

(3) Bellevue City Manager Salary:

Today	\$20,276
2000	\$9,688
% Growth	109%

(3) City Manager Salary Compared to Council Member Salary:

Today	1128%
2000	487%

When thinking about the Council's compensation, the Salary Commission may consider other factors:

- (1) The **growth of the City of Bellevue** since 2000, which has been substantial in both budget and population.
- (2) Any **changes in the role of the Council**. The Council attends the same number of official meetings today as it did in 2000; however the overall time commitment may have grown due to attendance at community events, etc. In addition, because of the budget growth/sophistication, more financial or business acumen may be required today than in 2000.
- (3) The **value of benefits and perquisites** received by the Council. The Council receives \$1,502 per month (on average) in benefits and perks. Other Councils receive an estimated \$891 in benefits and perks, although this does not include retirement contributions.

Possible Options

Based on the information gathered, the Consultant has identified four options for the Salary Commission to consider when evaluating a possible pay change for the Council. We suggest starting with Council Member compensation, which is used in the illustrations below, and eventually moving to pay for the Deputy Mayor and Mayor.

Option 1: Comparable City pay data.

- The average Comparable City salary is \$1,455. Adding the estimated value of benefits, \$891.50, brings the total to \$2,346.50.
- City of Bellevue salary is \$1,650. Adding the estimated value of benefits, \$1,502, brings the total to \$3,152.

This data indicates that a salary increase is not warranted at this time.

Option 2: Cost of Living Adjustment (COLA) data.

- Start with the COLA projected salary \$2,394, which captures the growth/change in the City.
- Discount for the benefits/perks that Council Members receive, 10% (\$239.40).
- Discount for the volunteer nature of the role, 15% (\$359.10).

Potential salary: \$1,795, which is an increase of 8.8% (\$146).

Option 3: Blend Comparable City pay data and the projected COLA data; simple average.

- Average the Comparable City average salary (\$1,455) and the projected COLA (\$2,394).

Potential salary: \$1,924, which is an increase of 16.6% (\$274).

Option 4: Blend Comparable City pay data and the projected COLA data; weighted average.

- Use a weighted average, with the Comparable City average salary weighted at 70% (\$1,018.50) and COLA at 30% (\$718.17).

Potential salary: \$1,736.67, which is an increase of 5.3% (\$86.67).

If the Salary Commission determines a new salary for the Council Member role, the Commission may want to consider setting Deputy Mayor and Mayor pay as a percent of Council Member. Comparable City data indicates a differential of:

Average Pay Differential Compared to Council Member:

Role	With Zeros	W/O Zeros
Mayor/Chair	17%	21%
Deputy Mayor	7%	9%

**City of Bellevue - City Council
Historical Comparisons**

BELLEVUE	TYPE OF GOVT	PT/FT COUNCIL	SERVICES	POPULATION	DAYTIME POPULATION	DAYTIME VARIANCE	INDUSTRY	# OF FTES	TOTAL BUDGET
Today	Council - Manager	Part-Time	Fire, Police, Probation, Utilities, Parks & Rec, Human Services	139,400	196,439	141%	Technology, Retail	1,306	\$1.5 billion *
Year 2000	Council - Manager	Part-Time	Fire, Police, Probation, Utilities, Parks & Rec, Human Services	112,480	153,419	136%	Technology, Retail	1,155	\$654 million *
Percent Growth				24%	28%	3%		13%	129%

Bellevue City Manager Salary:

Today	\$20,276
2000	\$9,688
% Growth	109%

City Manager Salary Compared to Council Member Salary:

Today	1128%	(Council Member salary is \$1,650)
2000	487%	(Council Member salary was \$1,650)

Council Member Salary History:

Today	\$1,650
2000	\$1,650
% Growth	0%

Notes:

Population data from WA State Office of Financial Management.

Today's Daytime Population is an estimate based on data from the US Census, 2010; adjusted to account for change in resident population.

Total Budget includes operating budget, capital improvements and utilities. Figures with * indicates biennial budget.

FTE is the number of full-time equivalent employees, which is a combination of full-time and part-time employees.

**City of Bellevue - City Council
2016 Council Total Compensation**

Council Member Total Compensation

Monthly Salary \$1,650.00

Benefits & Perks

Health \$834.83
MEBT \$112.53
PERS \$126.58
EAP \$0.92
Life and AD&D \$1.70
Car Allowance \$250.22
Phone \$65.00
Meals \$110.38

Sub-Total \$1,502.16

Total Compensation \$3,152.16

Deputy Mayor Total Compensation

Monthly Salary \$1,750.00

Benefits & Perks \$1,502.16

Total Compensation \$3,252.16

Mayor Total Compensation

Monthly Salary \$1,950.00

Benefits & Perks \$1,502.16

Total Compensation \$3,452.16

Note:

Employer contributions for health and retirement (MEBT, PERS) are an average.

Meals amount only for meals prior to/at Council Meetings.

**City of Bellevue - City Council
Potential Target Organizations**

CITY	TYPE OF GOVT	PT/FT COUNCIL	SERVICES	POPULATION	POPULATION GROWTH	DAYTIME POPULATION	DAYTIME VARIANCE	INDUSTRY	# OF FTES	TOTAL BUDGET
Spokane	Mayor - Council	Full-Time (with support staff)	Police, Fire, Court, Probation, Library, Parks & Rec, Community Housing & Human Services, Utilities	214,500	3%	245,874	115%	Technology, Healthcare, Natural Resources	2,006	\$806 million
Tacoma	Council - Manager	Full-Time (with support staff)	Police, Fire, Court, Library, Power, Rail, Utilities	206,100	4%	232,760	113%	Technology, Military, Refinery, Port	3,500	\$3.1 billion *
Vancouver	Council - Manager	Part-Time	Police, Fire, Utilities, Airport	173,500	7%	188,595	109%	Healthcare, Retail, Education	960	\$465 million
Bellevue	Council - Manager	Part-Time	Fire, Police, Probation, Utilities, Parks & Rec, Human Services	139,400	14%	196,439	141%	Technology, Retail	1,306	\$1.5 billion *
Kent	Mayor - Council	Part-Time	Police, Court, Pump Stations, Utilities	124,500	35%	144,747	116%	Manufacturing, Warehouse/Distribution	651	\$270 million
Everett	Mayor - Council	Part-Time	Fire, Police, Library, Court, Animal Shelter, Utilities	108,300	5%	157,768	146%	Manufacturing, Military	1,183	\$499 million
Renton	Mayor - Council	Part-Time	Police, Court, Airport, Utilities	101,300	11%	109,571	108%	Manufacturing, Retail, Technology	665	\$242 million
Federal Way	Mayor - Council	Part-Time	Police, Court, Utilities	93,670	5%	80,406	86%	Retail, Professional Services	322	\$106 million
Yakima	Council - Manager	Part-Time	Fire, Police, Utilities, Housing, Parks & Rec, Airport, TV	93,410	2%	102,112	109%	Agriculture, Manufacturing	700	\$253 million
Bellingham	Mayor - Council	Part-Time	Police, Fire, Utilities, Museum, Library	84,850	5%	99,493	117%	Education, Refinery, Healthcare, Tribal	799	\$1.5 billion *
Kirkland	Council - Manager	Part-Time	Police, Fire, Court, Utilities	84,680	74%	94,193	111%	Technology, Manufacturing, Retail	583	\$694 million *
Redmond	Mayor - Council	Part-Time	Police, Fire, Pump Stations, Utilities	60,560	12%	128,029	211%	Technology, Retail	654	\$410 million

Priorities:

- Type of government and part-time or full-time council
- Population
- Budget

Notes:

Population data from WA State Office of Financial Management. Population Growth is 2010 to 2016; Kirkland and Kent annexed unincorporated areas.
 Daytime Population is an estimate based on data from the US Census, 2010; adjusted to account for change in resident population.
 Total Budget includes operating budget, capital improvements and utilities, if applicable. Figures with * indicates biennial budget.
 FTE is the number of full-time equivalent employees, which is a combination of full-time and part-time employees.

City of Bellevue - City Council

Base Pay

CITY	TYPE OF GOVT	PT/FT COUNCIL	COUNCIL MAYOR/CHAIR	DEPUTY MAYOR	COUNCIL MEMBER	LAST INCREASE	INC FREQUENCY	COLA ELIGIBLE	MO TIME COMMITMENT
Spokane	Mayor - Council	Full-Time	\$4,886	N/A	\$2,600	2015	Not Defined	No	4-5 Meetings + Committees
Tacoma	Council - Manager	Full-Time	\$8,230	\$4,117	\$3,732	2016	Not Defined	Not Defined	4-5 Meetings + Committees
Vancouver	Council - Manager	Part-Time	\$2,392	\$2,080	\$1,872	2017	Reviewed Every 2 Years	No	4 Meetings + Committees
Bellevue	Council - Manager	Part-Time	\$1,950	\$1,750	\$1,650	2000	Not Defined	No	4 Meetings + Committees
Kent	Mayor - Council	Part-Time	\$1,269	N/A	\$1,204	2015	2.5% per Year by Ordinance (since 2015)	Yes	2 Meetings + Committees
Everett	Mayor - Council	Part-Time	\$2,980	N/A	\$2,292	2016	Reviewed Every 2 Years	No	4 Meetings + Committees
Renton	Mayor - Council	Part-Time	\$1,450	N/A	\$1,250	2016	Every 5 Years	No	3 Meetings + Committees
Federal Way	Mayor - Council	Part-Time	-	\$1,185	\$1,185	2016	Not Defined	No	2 Meetings + Committees
Yakima	Council - Manager	Part-Time	\$1,375	\$1,175	\$1,075	2008	Not Defined	No	4 Meetings + Committees
Bellingham	Mayor - Council	Part-Time	\$2,069	N/A	\$2,069	2016	3% per Year by City Charter (at least 10 yrs)	Yes	2 Meetings + Committees
Kirkland	Council - Manager	Part-Time	\$1,457	N/A	\$1,144	2015	Not Defined	No	2 Meetings + Committees
Redmond	Mayor - Council	Part-Time	\$1,000	N/A	\$1,000	2012	Not Defined	No	4-5 Meetings + Committees

Average **\$1,749** **\$1,480** **\$1,455**

Median **\$1,454** **\$1,185** **\$1,204**

Average Pay Differential Compared to Council Member:

	With \$0 Difference	Without \$0 Diff
Mayor/Chair	17%	21%
Deputy Mayor	7%	9%

Notes:

Base pay amounts are monthly.

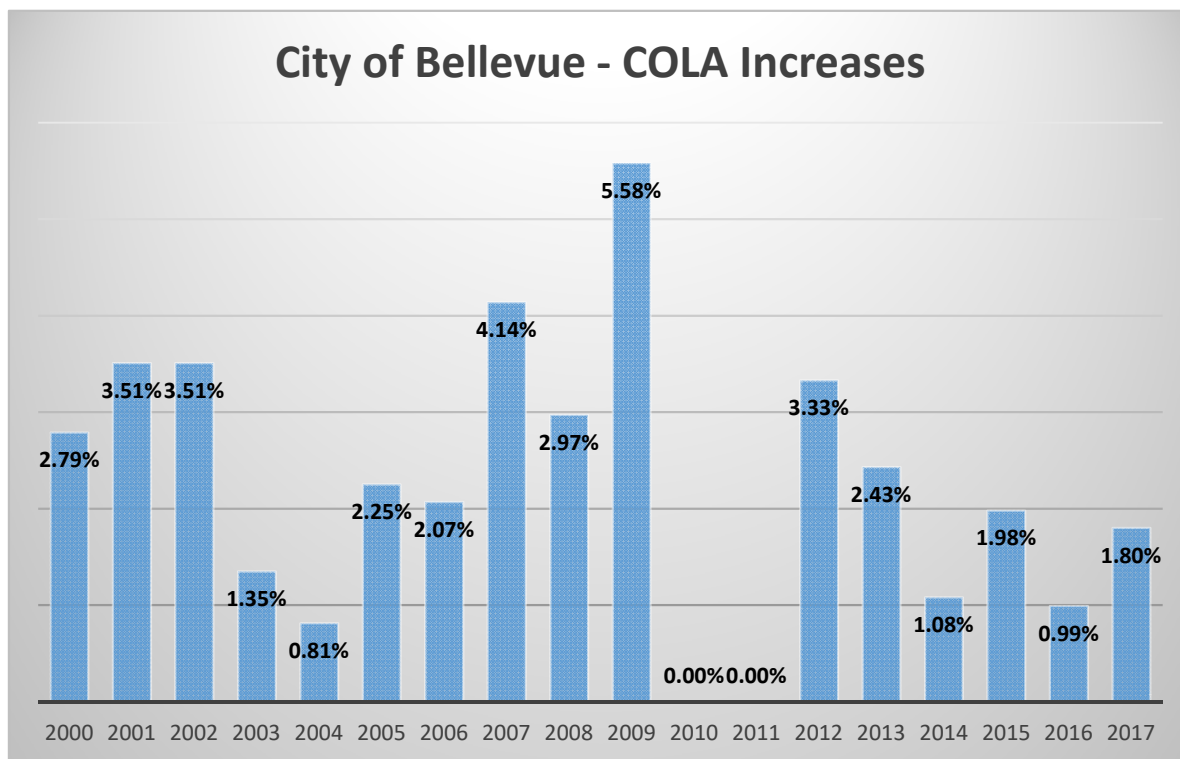
Council Mayor/Chair is a designate of the Council.

Gray shading indicates data that may not be utilized as part of this project due to full-time status.

Increase frequency or COLA eligibility may not be defined by ordinance or charter.

Average and Median excludes Spokane, Tacoma and Bellevue.

City of Bellevue - COLA Increases



Cost of living is 90% of CPI-W (urban wage earners).

If Council positions received cost of living adjustments, pay today would be:

Mayor	\$2,829	}	Current salary is 69% of projected with COLA.
Deputy Mayor	\$2,539		
Council Member	\$2,394		

Bellevue City Manager is eligible for COLA increases. However, there isn't a salary trend line for this position because starting pay for City Manager is negotiated with the Council and influenced by a competitive recruitment process.

**City of Bellevue - City Council
Benefits & Perquisites**

CITY	TYPE OF GOVT	PT/FT COUNCIL	BENEFITS ELIGIBLE	MEDICAL CONTRIB	DENTAL CONTRIB	VISION CONTRIB	RETIREMENT ELIGIBLE	OTHER BENEFITS	CAR ALLOWANCE	MILEAGE REIMB	PHONE STIPEND	MISC COMP/OTHER
Spokane	Mayor - Council	Full-Time	Yes	\$1,316	\$98	Included in medical	Yes	Employee and dependent life; EAP	\$150	No	\$45	-
Tacoma	Council - Manager	Full-Time	Yes	\$1,353	\$125	\$12	No	No	No	Yes	No	Meals at study sessions
Vancouver	Council - Manager	Part-Time	Yes	\$1,485	\$167	Included in medical	Yes	Life	No	Yes	Up to \$45	-
Bellevue	Council - Manager	Part-Time	Yes	\$1,770	\$138	\$2	Yes, with match	MEBT; 457 plan without match; FSA; EAP; life, AD&D, LTD	\$273	No	Up to \$97.50	Meals at weekly meetings, approximate value of \$110
Kent	Mayor - Council	Part-Time	Yes, employee only	\$551	Included in medical	Included in medical	Yes	Deferred Comp, FSA, EAP	No	Mileage to attend conferences	No	Mayor receives management benefits valued at \$2,187
Everett	Mayor - Council	Part-Time	Yes	\$1,529	\$149	\$18	Yes	Life, AD&D, LTD	Yes (Mayor)	Yes	Cell phone provided	-
Renton	Mayor - Council	Part-Time	Yes, employee only	\$565	\$69	\$11	Yes	457 plan with 4% contribution	No	No	No	-
Federal Way	Mayor - Council	Part-Time	No	-	-	-	Yes, with match	\$475 to VEBA	No	Yes	No phone; iPad	Meals at special meetings
Yakima	Council - Manager	Part-Time	Yes	\$0	\$0	\$0	No	Life	No	Yes	No	Council eligible to participate in benefits; must pay 100% of premium
Bellingham	Mayor - Council	Part-Time	Yes	\$594	\$59	\$5	Yes	457 plan without match	No	No	No	-
Kirkland	Council - Manager	Part-Time	Yes, employee only	\$436	\$56	\$13	Yes, MEBT	FSA; life	\$225	No	No	May waive health benefits and receive \$300
Redmond	Mayor - Council	Part-Time	Yes	\$959	\$0	\$0	Yes, with match	457 plan without match; life, AD&D, LTD; EAP	No	Mileage/meals for conferences; mileage if greater than to Seattle	\$50	Council eligible for dental and vision; must pay 100% of premium
Average			Yes	\$765	\$71	\$8	Yes	Yes			\$47.50	Total -- \$891.50
Median			Yes	\$580	\$59	\$8	Yes	Yes			\$47.50	Total -- \$694.50

Notes:
 Amounts monthly unless otherwise noted.
 Health benefit contribution amount is paid by employer and reflects family coverage for full-time employee, unless otherwise noted.
 If Retirement is 'yes' without additional comment, then eligible for the WA State Department of Retirement Systems (DRS)/Public Employees' Retirement System (PERS).
 Average and Median excludes Spokane, Tacoma and Bellevue.
 Total does not include any retirement contributions.

Definitions:
 VEBA: voluntary employee beneficiary association trust; tax-free health reimbursement account for use after retirement; balance accumulates
 FSA: flexible spending account; tax-free health or dependent reimbursement account; use-it-or-lose-it
 EAP: employee assistance program for mental and emotional well-being
 AD&D: accidental death and dismemberment insurance
 LTD: long-term disability insurance
 MEBT: municipal employees' benefit trust; retirement plan in lieu of social security; pre- or post-tax contributions; mutual fund investments
 457 Plan: voluntary retirement plan; pre-tax contributions; mutual fund investments

Compensation Connections

Compensation Connections LLC is a Seattle-area consulting firm advising organizations in compensation related matters. We understand that compensation is integral to an organization's ability to recruit and retain top talent. In today's competitive environment, it can be difficult to design and maintain a fair and equitable compensation program that yields the desired organizational and employee performance.

With more than 30 years of combined experience in HR and compensation, the Principals of Compensation Connections have assisted hundreds of organizations with the design or revision of their compensation programs. We conduct benchmarking studies to ensure that employers have the information needed to make pay decisions. We offer custom surveys to dig into the heart of the matter. We demonstrate the benefit of linking operating strategy and organizational culture with compensation strategy. We provide on-going support and service. Bottom line, we offer solutions that combine compensation best practice with innovative thinking to find the right fit for our clients.

Shannon Drohman

Shannon Drohman is a Principal of Compensation Connections and has worked in human resources for over twenty years. With an emphasis on total rewards, she has developed compensation strategies and designed comprehensive total reward programs as an internal partner and external consultant. Her clients have ranged in size from small start-ups to over 10,000 employees, in a variety of sectors including financial services, manufacturing, technology, health care, forest products, biomedical research, professional services, education, media, nonprofit and government.

Shannon is an instructor for the University of Washington's Human Resources Certificate program, teaching compensation principles to HR professionals. She is active with the Lake Washington Human Resource Association and is its 2017 President. Shannon's credentials include an MS/HR, SPHR and SHRM-SCP certifications, and a Certified Compensation Professional designation.

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