

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Discussion of Ordinance No. 919 – Amending Title 2 of the Shoreline Municipal Code to Create a New Chapter 2.70, Compensation and Salary Commission, to Establish a Salary Commission for Elected Officials		
<b>DEPARTMENT:</b>	Human Resources		
<b>PRESENTED BY:</b>	Don Moritz, Human Resources Director		
<b>ACTION:</b>	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

**PROBLEM/ISSUE STATEMENT:**

At the 2020 Council Strategic Planning Workshop, staff were directed to amend the Shoreline Municipal Code to establish a process and structure for creating a Salary Commission to set salaries and benefits for members of the Shoreline City Council. The purpose of this Commission would be to review Councilmember compensation utilizing local market comparison data and determine what, if any, changes should be made to the salaries of the Mayor, Deputy Mayor and Councilmembers. In response to this request, staff reviewed other jurisdictions' Salary Commission structures and developed proposed Ordinance No. 919, which is before Council tonight for review and discussion. Proposed Ordinance No. 919 is currently scheduled to be brought back to Council for potential action on February 22, 2021.

**RESOURCES/FINANCIAL IMPACT:**

There are no direct financial costs associated with establishing a Salary Commission. If Council authorizes the creation of a Salary Commission, the City Manager will assign an existing staff member to support the work of the Commission. This assignment would require the reallocation of resources and adjustment to the assigned person(s) regular workload to accommodate the support needs of the Commission.

**RECOMMENDATION**

No action is required tonight; this item is for discussion purposes only. Staff recommends that Council discuss proposed Ordinance No. 919 and provide direction to staff on any potential amendments that Council would like to see regarding the structure of the Salary Commission. Staff further recommends that Council adopt proposed Ordinance No. 919 when it is brought back to Council for potential action on February 22, 2021.

Approved By:            City Manager **DT**    City Attorney **MK**

## **BACKGROUND**

Since incorporation, the City Council has been setting their salaries in the same fashion on an occasional basis. Salaries for Councilmembers are determined by Council action through enactment of an ordinance. Under this system, any salary change enacted by the Council does not take effect until the expiration of the term being served by the incumbent(s) at the time that the ordinance is adopted. This delayed implementation has the effect of Councilmembers being paid different amounts depending upon when their term of office begins and ends.

City Council salaries were originally set in 1995 by Ordinance No. 7, which established Council salaries at \$400 per month, with \$500 per month for the Mayor. In 1997, Ordinance No. 122 was adopted, which changed Councilmembers' salaries to \$700 per month, with \$875 for the Mayor. And in 2001, Ordinance No. 287 was adopted, which provided a health benefit plan for the Council, and provided an option for the Council to receive retirement benefits in lieu of health insurance.

Council salaries were most recently adjusted in October 2013 by adoption of Ordinance No. 673, which set Councilmember salaries at \$1,000 per month, the Deputy Mayor's salary at \$1,100 per month, and the Mayor's salary at \$1,250 per month. The staff report and Ordinance for this Council action can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2013/staffreport102113-7a.pdf>.

### **Council Salary Commission**

In addition to setting Council salaries by ordinance, Washington State law provides for another mechanism to establish or modify elected official compensation. [RCW 35.21.015](#) allows municipalities to establish a Salary Commission, which is an independent decision-making body charged with setting salaries for elected officials. Use of a Salary Commission removes the elected officials from the decision-making process regarding their compensation.

This statute identifies specific provisions that must be adhered to when establishing and using a Salary Commission for the purpose of setting elected officials' salaries. The key required elements are as follows:

- Members to the Commission shall be appointed by the Mayor with approval of the City Council, may not be appointed to more than two terms on the Commission, and may not include any officer, official, or employee of the City or any immediate family member
- Any change in salary as determined by the Commission becomes effective upon filing the change with the City Clerk. Salary increases established by the Commission are effective to all elected officials, regardless of their terms of office. Salary decreases become effective at the commencement of their next subsequent term of office.
- Salary increases and decreases shall be subject to referendum petition by the people of the town or city in the same manner as a city ordinance.

## **DISCUSSION**

At the 2020 Council Strategic Planning Workshop, staff were directed to amend the Shoreline Municipal Code to establish a process and structure for creating a Salary Commission to set salaries and benefits for members of the Shoreline City Council in accordance with state law. In response to this request, staff reviewed other jurisdictions' Salary Commission structures and developed proposed Ordinance No. 919 (Attachment A), which is before Council tonight for review and discussion.

Staff began by reviewing the comparable jurisdictions in the City's labor market for this purpose. Staff found that nine of these 13 cities employ a Salary Commission for determining Councilmember compensation. Given the direction from Council at last year's Strategic Planning Workshop and this subsequent jurisdictional review, staff recommends that Council moves forward with the establishment of a Commission. Commissions also provide for the regular review of Council compensation, which has not happened historically in Shoreline.

### **Salary Commission Options for Consideration**

As authorized by RCW 35.21.015, Council has the authority to determine the structure and process by which a Salary Commission will operate. This authority includes determining the number of members who are appointed to the Commission, the length of their term, the frequency and duration that the Commission will meet, and when the Commission will conduct their initial review. The following section of this report outlines what is proposed by staff in proposed Ordinance No. 919, and potential alternatives for Council to consider.

#### **Salary Commission Size**

Proposed Ordinance No. 919 recommends that the Salary Commission be comprised of three (3) members. In conducting Salary Commission research, staff found that Commission sizes were typically made up of three to seven members. If Council is interested in having a larger Commission, staff would recommend a Commission size of five members. There should be an odd number of Commission members, and if Council is interested in a five-member Commission, staff also recommends that Council add language to proposed Ordinance No. 919 that would require the Commission, once established, to elect a Chair and Vice Chair amongst themselves so that there is a formal governance structure within the Commission.

#### **Frequency of Council Salary Commission Review**

The proposed Ordinance currently has the Salary Commission convening every four years. This provides enough space so that the work of staffing and supporting a Commission is manageable, but enough frequency so that Council salaries are kept in alignment with the market. When reviewing how often other cities' Commissions convene, staff found no consistent timeframe. Some meet annually, others every two years, another every four years, and others as needed. The longest timeframe noted was the City of Kenmore, which convenes their Commission every five years.

*Duration of Salary Commission Work/Term of Commission Members/Commission Meetings*

The proposed Ordinance sets the Commission term at “up to one year”, with the expectation that the work of the Commission could reasonably be completed within a few months. When looking at other cities, several have a 90-day/three-month duration for the Commission to complete its work once they begin.

The proposed Ordinance also states that compensation decisions made by the Commission would be filed with the City Clerk no later than October 1<sup>st</sup> during the year that the Commission is active. This timeline is consistent with other cities that set a submittal date for the finished work of the Commission that coincides with their budget cycle. Other terms noted by staff include a residency requirement for Commission members and a requirement that Commission meetings be open to the public and documented. As is set by statute, Commission members can serve a maximum of two terms.

*Initial Start Year of Salary Commission*

Proposed Ordinance No. 919 would establish the first Salary Commission in 2022. While staff could potentially establish the initial Commission this year, staff recommends that the Commission conduct their work in off City Council election years. Standing up the Commission for the first time in 2022 also allows for the entirety of the year to recruit and appoint Commission members, in addition to having them perform their work and make a decision by October 1<sup>st</sup>. Furthermore, it is preferable that the inaugural Commission be recruited and convened post COVID-19 restrictions, so that the Commission members can benefit from in-person meetings if they so choose.

**RESOURCES/FINANCIAL IMPACT**

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**RECOMMENDATION**

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**ATTACHMENTS**

Attachment A: Proposed Ordinance No. 919

**ORDINANCE NO. 919**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING TITLE 2, ADMINISTRATION, OF THE SHORELINE MUNICIPAL CODE TO CREATE A NEW CHAPTER 2.70 RELATED TO SALARIES AND BENEFITS; ESTABLISHING A SALARY COMMISSION; AND PROVIDING FOR SEVEREABILITY AND AN EFFECTIVE DATE.**

WHEREAS, following its incorporation, the Shoreline City Council adopted Ordinance No. 7 in 1995 that established Council salaries at the level authorized by RCW 35A.13.040, \$400 per month, with \$500 per month paid to the Mayor; and

WHEREAS, Ordinance No. 122, which was adopted in 1997, amended Councilmembers' salaries to \$700 per month, with the Councilmember serving as Mayor paid a salary of \$875 per month, all in accordance with RCW 35A.12.070; and

WHEREAS, Ordinance No. 287, which was adopted in 2001, provided a benefit plan for the Mayor, Deputy Mayor and City Council that provides either health insurance or in lieu retirement benefits in the form of a cash contribution to a 457-retirement account; and

WHEREAS, Ordinance No. 673, which was adopted in 2013, amended Councilmembers' salaries to \$1,000 per month, with Councilmembers serving as the Deputy Mayor and Mayor receiving an additional \$100 and \$250 per month respectively, with said salaries paid twice monthly on regular City paydays, all in accordance with RCW 35A.12.070; and

WHEREAS, as an alternative to a city council adopting its own salary rates from time to time, both Article XXX of the Washington Constitution and RCW 35.21.015 authorize a city council to establish an independent salary commission, by ordinance, which salary commission may be authorized to set the salary, benefits, and the 457 deferred compensation contribution; and

WHEREAS the City Council desires to have a comparative compensation study conducted and recommendations for future adjustments provided by a commission composed of citizens from the community; and

WHEREAS, the City Council desires to amend Shoreline Municipal Code (SMC) to add a new Chapter 2.70 in order to establish an independent salary commission to periodically review and increase or decrease the salary and benefits of the Mayor, Deputy Mayor and members of the City Council;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:**

**Section 1.** A new Chapter 2.70 entitled "Salary Commission" is added to the Shoreline Municipal Code to read as follows:

**CHAPTER 2.70  
COMPENSATION AND SALARY COMMISSION**

**Sections:**

<b>2.70.010</b>	<b>Salary Commission Established</b>
<b>2.70.020</b>	<b>Salary Commission – Qualification and Conditions</b>
<b>2.70.030</b>	<b>Salary Commission – Membership and Term</b>
<b>2.70.040</b>	<b>Salary Commission – Duties</b>
<b>2.70.050</b>	<b>Salary Commission – Meetings</b>
<b>2.70.060</b>	<b>Salary Schedule Effective Date</b>

**2.70.010 Salary Commission Established.**

A. A Salary Commission is hereby established, to review, establish, and adjust the salaries and benefits for the elected and appointed officials of the City (Mayor, Deputy Mayor and City Councilmembers), and exercise powers and perform the duties established by RCW 35.21.015 as it now exists or is hereafter amended. The Salary Commission shall not be a standing commission. Commission members shall be appointed as provided in Section 2.70.030 once every four years commencing in 2022. The Commission may be filled at any time in the interim years as directed by the City Council by resolution.

**2.70.020 Salary Commission - Qualifications and Conditions.**

- A. Members must be a resident of the City and a registered voter of King County.
- B. No officer, official, or employee of the City or any of their immediate family members may serve on the Commission. “Immediate family member” as used in this subsection means the parents, spouse, siblings, children, or dependent relatives of the officer, official or employee, whether or not living in the household of the officer, official or employee.

**2.70.30 Salary Commission – Membership and Term.**

- A. Number of Members. The Commission shall consist of three (3) members.
- B. Appointment. Members shall be appointed by the Mayor subject to confirmation by the City Council, in conformance with RCW 35.21.015 as it now exists or is hereafter amended.
- C. Terms. Members of the Commission shall serve for a term of no more than one year, which shall commence when the last of the three Commission members has been appointed and confirmed and cease when the review of salaries, insurance benefits and compensation in lieu of insurance benefits is complete and a Salary Schedule has been filed with the City Clerk or until any determination is made that no salary or benefit adjustment is appropriate. No member may be appointed to more than two (2) terms on the Commission, whether or not those terms are held consecutively.
- D. Quorum. Three members shall constitute a quorum.

E. Removal. Commission members may only be removed by the Mayor during their term of office for cause of incapacity, incompetence, neglect of duty, or malfeasance in office, or for a disqualifying change of residence, revocation, or other loss of voter registration.

F. Vacancies. Vacancies occurring shall be filled in the same manner as the original appointment, with the replacement serving the remainder of the unexpired term.

#### **2.70.040 Salary Commission – Duties.**

The Commission shall have the following responsibilities:

A. To study the relationship of salaries to the duties of the Mayor, Deputy Mayor and Councilmembers and to study the costs personally incurred by Councilmembers in performing such duties;

B. To study the relationship of Shoreline City Council salaries and insurance benefits and compensation in lieu of insurance benefits of those of Councilmembers in surrounding City jurisdictions and other current market conditions;

C. To establish salaries, insurance benefits and/or compensation in lieu of insurance benefits (Salary Schedule), by either maintaining, increasing, or decreasing each by an affirmative vote of a majority of the members;

D. To review and potentially file a Salary Schedule with the City Clerk no later than by the deadline set out in 2.70.050(C).

#### **2.70.050 Salary Commission - Meetings.**

A. The City Manager will appoint appropriate staff to assist the Salary Commission.

B. The Commission shall keep a written record of its proceedings, which shall be a public record in accordance with State law, and shall actively solicit public comment at all meetings which shall be subject to the Open Public Meetings Act, pursuant to Chapter 42.30 RCW.

C. The Commission shall meet as often as necessary in order to file a Salary Schedule with the City Clerk or to make a determination that no salary adjustment is appropriate, on or before October 1<sup>st</sup> in the year in which the Salary Commission performs their work.

#### **2.70.060 Salary Schedule Effective Date.**

A. The Salary Commission shall file any increase or decrease in the Salary Schedule with the City Clerk, and the same will be incorporated into the City budget without further action of the City Council or the Commission, provided that the increase or decrease shall become effective as further provided in subsections (B) and (C) below.

B. A salary increase established by the Commission shall be effective upon its adoption as to

all incumbent City elected officials, regardless of their terms of office.

C. A salary decrease established by the Commission shall not be effective as to incumbent City elected officials until the commencement of their next terms of office.

D. Any adjustment of salary by the Commission shall supersede any City ordinance related to the budget or fixing of salaries, but only to the extent there is a conflict.

**Section 2. Corrections by City Clerk or Code Reviser.** Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this Ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

**Section 3. Severability.** Should any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance or its application to any person or situation.

**Section 4. Publication and Effective Date.** A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five (5) days after publication.

**PASSED BY THE CITY COUNCIL ON FEBRUARY 22, 2021.**

\_\_\_\_\_  
Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jessica Simulcik Smith  
City Clerk

\_\_\_\_\_  
Julie Ainsworth-Taylor  
Assistant City Attorney on behalf of  
Margaret King, City Attorney

Date of Publication: \_\_\_\_\_, 2021  
Effective Date: \_\_\_\_\_, 2021