

REPORT AND RECOMMENDATIONS

2004 CITY OF MERCER ISLAND SALARY COMMISSION

Summary of Recommendations

An increase from \$100 to \$200 per month for Council Members and an increase from \$200 to \$400 per month for the position of Mayor was approved by a 4 -1 vote at the September 16, 2004 meeting.

Composition of the Salary Commission

The Salary Commission is established by ordinance as an independent decision-making body charged with setting salaries for City of Mercer Island elected officials. The Commission is made up of five members. Commission members serve a one-year term and hold at least one meeting annually.

The 2004 Salary Commission is composed of the following members:

	<u>Appointed</u>	<u>End of Term</u>
Ken Glass	August 2, 2004	August 1, 2005
Cynthia Howe	August 2, 2004	August 1, 2005
Jane Meyer	August 2, 2004	August 1, 2005
Peter Orser	August 2, 2004	August 1, 2005
Hal Quinn	August 2, 2004	August 1, 2005

The Salary Commission must meet at least once during the year, and may meet any number of times necessary to establish salaries for the Mayor and Council.

Any new salary schedule must be filed with the City Clerk no later than October 1st. Once a schedule has been filed, the Commission will not meet until the City Council reconvenes a new Salary Commission for purposes of further studying City Council compensation.

Information Considered by the Commission

To arrive at a decision, the Salary Commission received the following information:

- Data from surrounding cities, including population, meeting frequency, typical length of meetings, monthly compensation for council members and mayors, other benefits provided, and annual city council budgets.
- A copy of Ordinance #98C-01, which officially adopted the Council's current salary, established on December 14, 1981.
- Expenses incurred by Council Members but not reimbursed.
- Number of hours spent (on a monthly basis) by Council Members conducting Council business, not including Council meeting times.
- The current budget narrative for Mercer Island's City Council.
- The Association of Washington Cities data for council members and mayors.

Proceedings and Discussions

September 16, 2004 – Initial Meeting and Final Vote

The Commission spent considerable time reviewing the data provided by staff, including data provided by neighboring cities, expenses incurred by Council Members but not reimbursed, hours spent by Council Members conducting Council business and the Association of Washington Cities data for council members and mayors. Members acknowledged that the Council's compensation was well below most council compensation of surrounding cities and determined that this alone, should not be the basis of an increase to compensation.

The consensus of the Commission was to acknowledge the dedication and hard work of Mercer Island City Council Members by establishing an increase to current compensation that takes into consideration the length of time since the last compensation adjustment, City budget constraints, public perception, and the ability to attract viable, qualified candidates for open Council positions. The Commission agreed that they would not support adding benefits as part of Council's compensation.

A discussion ensued around the fact that historically, there have been few uncontested Council vacancies, therefore supporting a conclusion that the level of compensation for Mercer Island Council Members is not a deterrent in attracting Council candidates. The consensus of the Commission was that being a council member should be about serving a civic duty and not about receiving compensation and benefits. It was also discussed that past Councils have deliberately chosen to keep the compensation at the level established in 1981. Considering this, the Commission determined that a substantial increase of the current amount was simply not warranted or defensible.

The Commission discussed applying an average cost of living adjustment of three percent each year, beginning in 1982 and ending in 2004. This increases the Council's compensation from \$100 per month to \$197 per month and the Mayor's compensation from \$200 per month to \$395 per month by the year 2004. The consensus of the Commission was that a more appropriate word relating to Council pay is "stipend" instead of "compensation".

MOTION: Moved by Quinn and seconded by Meyer to submit a salary schedule to the City Clerk on or before October 1, 2004, increasing the Council's stipend from \$100 per month to \$200 per month and the Mayor's stipend from \$200 per month to \$400 per month to be effective January 1, 2005. Motion carried 4 – 1.

The Commission also believed that a press release announcing the change to Council pay, including the points of consideration, would be appropriate. The consensus of the group was to name Peter Orser as the spokesperson for the Independent Salary Commission. Mr. Orser accepted.

Minority Report

The Commission agreed that it was important to note the reasons behind the 4 – 1 vote. One Commission Member remained unconvinced that an increase to Council pay was warranted at this time solely based on the fact that attracting qualified candidates to run for Council has not

been an issue. This Commission Member recognizes and appreciates the commitment and dedication required by those serving out Council terms, however believes that the service should be based on fulfilling a civic duty and not based on receiving compensation and benefits.

Respectfully Submitted:

Ken Glass

Date

Cynthia Howe

Date

Jane Meyer

Date

Peter Orser

Date

Hal Quinn

Date