

EDMONDS CITY COUNCIL APPROVED MINUTES

July 24, 2012

The Edmonds City Council meeting was called to order at 7:00 p.m. by Mayor Earling in the Council Chambers, 250 5th Avenue North, Edmonds. The meeting was opened with the flag salute.

ELECTED OFFICIALS PRESENT

Dave Earling, Mayor
Strom Peterson, Council President
Frank Yamamoto, Councilmember
Joan Bloom, Councilmember
Kristiana Johnson, Councilmember
Lora Petso, Councilmember
Adrienne Fraley-Monillas, Councilmember
Diane Buckshnis, Councilmember

STAFF PRESENT

Al Compaan, Police Chief
Stephen Clifton, Community Services/Economic
Development Director
Phil Williams, Public Works Director
Carrie Hite, Parks & Recreation/Interim
Human Resources Director
Carl Nelson, CIO
MaryAnn Hardie, Human Resources Manager
Jeff Taraday, City Attorney
Sandy Chase, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. APPROVAL OF AGENDA

Mayor Earling stated Agenda Item 5, Discussion Regarding Taking Minutes/Notes During Executive Session, will be rescheduled on a future meeting agenda.

COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCIL PRESIDENT PETERSON, TO APPROVE THE AGENDA IN CONTENT AND ORDER AS AMENDED. MOTION CARRIED UNANIMOUSLY.

2. APPROVAL OF CONSENT AGENDA ITEMS

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:

- A. ROLL CALL**
- B. APPROVAL OF CITY COUNCIL MEETING MINUTES OF JUNE 26, 2012**
- C. APPROVAL OF CITY COUNCIL MEETING MINUTES OF JULY 17, 2012**
- D. APPROVAL OF PAYROLL DIRECT DEPOSIT & CHECKS #51499 THROUGH #51530 FOR \$475,138.99 AND BENEFIT CHECKS #51531 THROUGH #51539 & WIRE PAYMENTS FOR \$201,262.04 FOR THE PERIOD JULY 1, 2012 THROUGH JULY 15, 2012**
- E. ACKNOWLEDGE RECEIPT OF CLAIMS FOR DAMAGES FROM BRITTA HOLMBERG (\$2,486.94), AND MARY JANE KIELMAN (AMOUNT UNDETERMINED)**

3. AUDIENCE COMMENTS

Jack Bevan, Edmonds, commented Councilmembers are the stockholders of the greatest corporation he had ever seen; Councilmembers are the Board of Directors and the Mayor is the CEO. As an example, the City asked the public to adopt hanging baskets and they responded, adopting 100% of the baskets, raising \$13,300, 33% of the total original flower basket budget. He recognized Renee McRae for organizing the flower basket adoption program. He recommended someone outside the government be the COO of the City and address issues such as asking Starbucks to sponsor flower basket poles or coal trains traveling through Edmonds. He explained the original idea with regard to adopting flower baskets was for the merchants to sponsor the baskets and the public would patronize the merchants, generating sales tax for the City. The public responded before the merchants; changes will be made to the program next year. He envisioned expanding the program to include the corner gardens. He recommended saving some of the funds generated to expand the program to other areas of the City. He also recommended the City hire UW Urban Horticulture students in the summer.

Alvin Rutledge, Edmonds, recalled when the City made plans to discontinue the flower program, volunteers began planting the baskets and gardens. He provided a history of Mary Van Meter, a longtime volunteer, who passed away recently. Ms. Van Meter was on the Save the Log Cabin Committee that raised \$103,000 to restore the cabin. She also chaired the Saturday Market Committee. A memorial service will be held at 1:00 p.m. on Saturday, July 28 at Edmonds United Methodist Church.

Roger Hertrich, Edmonds, reported the July 25 Planning Board meeting will include an introduction of the Port's request to have the Harbor Square Master Plan incorporated into the City's Comprehensive Plan. The Harbor Square Plan contains language on the types of uses, building heights and it is not a request for a rezone. He asserted that incorporating the Harbor Square Master Plan would also incorporate the proposed building heights. He questioned how the Port's request could be introduced to the Planning Board before the City Council had an opportunity to discuss the proposed building heights. He summarized the Harbor Square Master Plan did not fit the City's Comprehensive Plan because many of the proposals in the Master Plan did not match the City's regulations, specifically building heights. The Master Plan proposes 5-6 story buildings. He inquired about the process to confirm the Mayor's appointment of Richard Utt to the Architectural Design Board.

4. NONREPRESENTED EMPLOYEE COMPENSATION STUDY AND POLICY REPORT

Parks & Recreation/Interim Human Resources Director Carrie Hite explained it was hoped that Council will provide some direction tonight so that the draft policy can be revised and returned to the Council for approval in the future. She reintroduced **Matt Weatherly, President, Public Sector Personnel Consultants**.

Mr. Weatherly presented the results of the Nonrepresented Compensation Study and proposed FY 2012 Nonrepresented Compensation Plan. He reviewed the project scope and deliverables:

- Nonrepresented Compensation Survey comparing City's total compensation plans by benchmark job as well as benefits offerings and salary policies, to the appropriate marketplace(s).
- Updating of compensation policies for nonrepresented job titles and development of updated pay structure to ensure a fair, appropriate and competitive pay system

Mr. Weatherly identified the approved comparators that the City's nonrepresented classifications were compared to: Bothell, Bremerton, Burien, Des Moines, Issaquah, Kirkland, Lacey, Lynnwood, Olympia, Puyallup, Sammamish, and University Place. Private sector data from published surveys for many occupations such as finance, IT, engineering, etc. was also included.

Mr. Weatherly reviewed survey findings:

- The City's current base pay bands are much wider than market average, making it appear that the City's entry rates are lower than market and top-out rates are higher than market. This can be addressed by raising minimums to ensure the City is competitive when recruiting and lowering maximums to ensure a long tenured employee is paid comparable to the top that is found in the marketplace.
- Using a calculated midpoint halfway between current minimum and maximum, 72% of the titles surveyed are currently within 10% of market median. The majority of Edmonds actual salaries are much nearer to calculated midpoint than to pay band maximum.
- The City is offering a competitive number, type and level of nonrepresented employee benefits.
- The City is slightly behind average for medical insurance premium allowances and management/admin leave.
- A few other cities offer an employer-funded deferred compensation plan and/or administrative/management leave; Edmonds currently does not.
- The City's pension contributions, paid time off and other benefits are comparable to those found in the survey cities.

Mr. Weatherly provided charts comparing monthly medical benefits amount and percentage for a single employee and for employee and family as compared to comparator cities and represented Edmonds Police. Edmonds is the only city that does a 90/10 split for employee; every other comparator city paid 100% of employee medical premiums. The 90/10 split is more common for employee plus family.

Mr. Weatherly reviewed additional findings:

- The City does not currently provide consistent salary administration for nonrepresented positions.
- There seems to be little internal equity* between represented and nonrepresented groups, leading to compression** issues.
- Current comparables with the Police Department and nonrepresented positions are less than the average.

* internal equity reflects a comparison of positions in the organization that are similar in the difficulty of skill, effort, responsibility level and working conditions in order to ensure they are paid appropriately and fairly.

** compression is when the salary difference between senior and junior level staff (such as between supervisor and subordinate) is smaller than it should be.

Mr. Weatherly displayed a chart comparing represented and nonrepresented salary growth over the past six years. Cost of living adjustments (COLA) for represented employees over the past six years have averaged 5-7%; COLA for nonrepresented have averaged 2% or less. That pattern also occurs externally; several employers have allocated 1½ - 3% COLA for nonrepresented employees in 2012.

Mr. Weatherly pointed out as base pay ranges increase for union positions, eventually there is no incentive for a union employee to move into a management position. The proposed pay ranges are sensitive to compression issues that exist between union and non-union positions to ensure there is incentive for a union person to move into a management position.

Mr. Weatherly reviewed components of the recommended Compensation Plan:

- A new salary range structure has been proposed that places all nonrepresented positions on a pay range in alignment with market values.
- The proposed structure is narrower than the current pay bands and allows for merit-based step increases.

- The nonrepresented structure and nonrepresented salaries should be afforded the same annual salary adjustment budget as is approved for union COLAs and negotiated increases to avoid compression.
- The new salary range assignments for each job contain lower, more attainable top-out values than the current pay band structure while remaining market-competitive at entry and top-out.
- The City's total spending for salaries and related benefits will be lower in the long term than had employees been able to achieve the current pay band maximum pay values. Potential total salary liability savings estimate of \$250,000.

Mr. Weatherly displayed and reviewed a chart of proposed salary ranges compared to current salaries and current ranges for all nonrepresented positions. He explained there are nonrepresented employees that are close to midpoint, some that are below the proposed midpoint, and some that are at the top of their proposed maximum.

Mr. Weatherly provided the following recommendations:

- Adopt proposed Salary Range Table.
- Adopt a new Compensation Policy, included in packet:
 1. Survey comparators – model for now and future updates.
 2. Application of market data – pay structure comparisons and desired competitiveness level.
 3. Objective and sustainable in-range pay adjustments to assure retention and alleviate compression. Approximately 35% salary range bands with steps built in.
 4. Hiring, placement, supervisor/subordinate and merit/market guidelines have been proposed.
 5. Consider employment contracts for directors.
- To avoid further compression between nonrepresented and represented positions, provide COLA, step increases and longevity pay adjustments equitably and consistently
- Consider adding deferred compensation or other non-monetary benefit to remain competitive.
- Consider education incentive for Police nonrepresented positions.
- Freeze the salaries of those employees who are topped out, until adjustments are made.

Mr. Weatherly summarized:

- The initial cost to implement the plan is driven by employee salaries falling in between one of the steps within the pay range proposed for their job class.
- 25 nonrepresented employees' salaries fall between Step 1 and 7 within their job's pay range; a total base pay amount of \$60,476 is needed to place each employee on a step.
- The initial step placement does not replace a budgeted COLA.
- The 1.5% COLA, consistent with SEIU, Teamsters, and Law Support, would cost \$52,506 and is currently in the 2012 budget.
- Longevity, consistent with represented employees benefit would cost \$29,849.
- Deferred Compensation would cost \$35,004 for each 1%.
- Educational incentive (4%) for Police Chief and Assistant Police Chief would cost \$11,002.

Mr. Weatherly explained the study was done basically in a vacuum to ensure objectivity. The data represents as accurate as possible snapshot in time; the data provided are 2012 adjusted figures and some salary growth can be expected.

Councilmember Yamamoto pointed out Edmonds has a couple directors who have additional duties; the comparable in another city will not have the same job description and the pay likely will be skewed somewhat. Mr. Weatherly agreed there was no such thing as a perfect match; there are positions in Edmonds who "wear multiple hats."

Councilmember Buckshnis thanked Mr. Weatherly for the comprehensive packet. She also recognized Ms. Hite and Human Resources Manager MaryAnn Hardie for their professionalism. Councilmember Buckshnis referred to data that indicates there are six positions that exceed the maximum; she found nine. Mr. Weatherly agreed nine were either at or slightly above the maximum. Councilmember Buckshnis asked whether overtime and benefits were included in the chart. Mr. Weatherly answered overtime was not because the majority of nonrepresented employees were not eligible for overtime.

Councilmember Buckshnis asked whether represented employees earned more than nonrepresented due to overtime, for example in the Police Department. Mr. Weatherly answered his goal was to ensure the base pay for the supervisor was above the base pay of his/her highest pay subordinate. With overtime, the subordinate's take home pay may be greater. Deferred compensation or admin leave would offset the difference. Few management positions work only 40 hours/week. Since those positions are not overtime eligible, deferred compensation or admin leave is a method of recognizing that extra effort.

Councilmember Buckshnis referred to the comparison between represented and nonrepresented employee COLAs and observed the Council could not talk about unions or contracts because contract negotiations are underway. City Attorney Jeff Taraday answered it is not a problem to discuss in public current union pay compared to nonrepresented pay. Facts regarding existing union contracts can be discussed in public. Councilmember Buckshnis commented she would not talk about it to be safe.

Councilmember Fraley-Monillas asked how many staff had been lost due to salary over the last few years. She was aware that several had retired. Ms. Hite answered that information has not been captured in exit interviews. Councilmember Fraley-Monillas was aware of only one employee who left for a private sector, better paying job, the others retired. Ms. Hite offered to provide that information. Councilmember Fraley-Monillas said she wanted that information because the presentation indicated employees leave for other jobs. Ms. Hite answered that was always a risk. Councilmember Fraley-Monillas requested staff investigate what the risk has been over the past few years for this level an employee.

Councilmember Fraley-Monillas asked whether a mayor could still hire someone above the average salary, above band, or was Council approval required. Mr. Taraday answered theoretically the Council should be able to set salary ranges and all employees should be paid within those ranges. The City Council has the power, if they chose to exercise it, to establish ranges and ensure all employees are paid within the ranges. He was uncertain whether the City's code was worded that way and whether the budget was adopted that way. Mr. Weatherly suggested the compensation policy could include that language.

Councilmember Petso asked the amount budgeted for the 2012 COLAs. Mr. Weatherly answered it was approximately \$50,000. Councilmember Petso asked the cost to implement placing nonrepresented employees on a step. Mr. Weatherly answered it was approximately \$60,000. He explained the cost could vary depending on how the 1.5% COLAs and moving employees to a pay range step were sequenced.

Councilmember Petso asked whether it would be rational to not provide COLAs and apply the \$50,000 budgeted for COLAs toward the cost of moving employees to a pay range step. Mr. Weatherly agreed those amount could be used to move employees to a pay range step. Councilmember Petso observed it would move up employees at the bottom of the scale but have the effect of not providing an increase to employees at or above the top. Mr. Weatherly agreed, noting the employees at the top would receive an increase with a COLA.

Councilmember Petso asked the preferred method for Councilmembers to provide feedback. Ms. Hite suggested a broad brush tonight; if it gets too tedious, they will take emails, compile the information, prepare an executive summary and incorporate suggestions in the policy. She encouraged the Council to provide feedback tonight.

Councilmember Buckshnis asked Mr. Weatherly to explain #8 in the Summary of Recommendations Review the FLSA status and possible union eligibility of the Executive Assistant to the Mayor, Executive Assistant-Confidential, Associate Planner, Planner and Recycling Coordinator. Mr. Weatherly explained in the City's current policy, any nonrepresented employee is FLSA exempt, not overtime eligible. The positions cited may not meet the FLSA exemption and be overtime eligible. FLSA is the Fair Labor Standards Act which establishes whether a position has decision-making capability or is supervisory and should not be overtime eligible and be treated as an exempt, professional position and positions that are overtime eligible based on job duties. He explained this determination is very position specific; two individuals in the same job title, one may be exempt and the other non-exempt. He flagged this as an item for discussion at either the staff level or legal review.

For Councilmember Buckshnis, Ms. Hite answered there is an Executive Assistant-Confidential for the Police Chief and an Executive Assistant-Mayor. Councilmember Buckshnis relayed her understanding that those positions would then become part of a union if they were determined to be non-exempt. Mr. Weatherly answered there was nothing preventing the nonrepresented employees from forming a union, with the exception of a few positions.

Councilmember Buckshnis referred to the proposed Salary Ranges Compared to Existing Salaries and Ranges chart, observing all employees were within the proposed range other than the Executive Assistant – Confidential. If the 1.5% COLA were added, all positions would fall within the range. Mr. Weatherly agreed.

Councilmember Buckshnis asked whether the employees at the top of the range would receive the COLA. Mr. Weatherly answered how employees at or above the top of the salary range are treated is a policy discussion. In some instances, the COLA is provided via a lump sum to employees at the top and not added to the base salary.

Councilmember Bloom asked Mr. Weatherly to explain compression in layman's terms. Mr. Weatherly explained compression is when a subordinate makes a salary equal to or greater than the person to whom they report; a supervisor or manager earning less than his/her employees. Salaries for union positions have grown at an average of 6-8%; annually but only 2-3% for nonrepresented employees. If union salaries continue to increase and nonrepresented positions do not increase at the same rate, there is disincentive for employees to move to a nonrepresented position and take on management responsibilities. For example, if he had an opportunity to study union salaries, he would want to ensure that pay ranges for police officers were not too close to the person they report to so that there is career ladder opportunity to higher ranks. Ideally between ranks there would be at least 10% pay range growth opportunity; from a non-management to management, a 15% difference or more would be appropriate.

Councilmember Fraley-Monillas asked how staff working overtime, holidays and weekends affected compression. Mr. Weatherly answered the opportunity to be paid an incentive, differential, stipend is not available to nonrepresented positions. Some of those positions work 50-60 hours/week without overtime. The goal of the policy is to avoid on paper a subordinate's base pay exceeding their supervisor's base pay. The salary ranges are based on base pay.

Councilmember Bloom relayed her understanding of Mr. Weatherly's explanation is that compression is different in nonrepresented employees than represented employees. Mr. Weatherly answered he was referring to the compression between those groups. For example if union positions are provided increases and their pay ranges continue to grow, eventually the top end of the union pay values exceed the bottom value of the nonrepresented people who supervise them.

Councilmember Bloom asked the total cost of the recommendations. Mr. Weatherly answered depending on the sequencing; the cost to bring employees to a step could be less. He estimated the total cost of the recommendations at approximately \$160,000.

Councilmember Bloom referred to the statement that the potential total salary liability would be decreased over time by \$250,000. She asked over what period of time that would occur. Mr. Weatherly answered if everyone were afforded a step increase each year, it would take 5-7 years before everyone reached the top. The current situation did not occur in one year; it may not be correctable in one year. He recommended addressing it within two years because the value of the pay ranges is a moving target and they will increase even conservatively 1½ - 2 %. Adopting the pay ranges, moving nonrepresented employees to a step and budgeting a COLA would be significant progress.

Councilmember Bloom inquired about the previous compensation policy, how the City reached the situation where there are nine nonrepresented employees above the proposed pay range and how the ranges got so flawed. Ms. Hite answered her understanding was in the previous compensation policy, the L-5 compensation policy, a salary survey was done for the highest paid and the lowest paid nonrepresented employee with five cities below Edmonds' population and five cities above Edmonds' population, and based on the result of those two positions, all nonrepresented employees were placed in bands between those two positions. The policy was very subjective and did not make a lot of sense. The nonrepresented compensation policy never included consideration of consistency with how the represented employees were compensated.

Ms. Hite referred to the History of COLA and Merit Increases for Nonrepresented Employees and Represented Employees, pointing out in addition to COLAs, there were step increases for represented employees through 2012. A comparison of total increase for nonrepresented employees and represented employees illustrates how compression and inequity in pay has happened. Councilmember Bloom relayed her understanding that this situation occurred over a long period of time. She asked when the last compensation study had been done. Ms. Hite was not certain. Councilmember Petso did not recall a salary study of this type having been conducted in the last 10 years. She recalled there were compression issues a decade ago and it appears those issues are worsening.

Councilmember Bloom relayed her understanding was the Council was being charged with correcting a long history of inequity between employees. That was a serious concern to her. Mr. Weatherly explained the intent of the survey was to be externally competitive and consistent with other comparator cities and internally consistent with union employees.

Councilmember Bloom asked how the comparable cities were selected. First, Ms. Hite referred to Councilmember Bloom's statement that nine nonrepresented employees were above the proposed pay range, and clarified there are four above the proposed pay range and five at the top. The compactor cities were adopted by the Council on December 20, 2011 following discussion at meetings in October and December. The method used was cities with 10,000 more and less population in Snohomish, King, Pierce Thurston and Kitsap counties. Councilmember Bloom relayed her understanding that the comparable cities were based on population size and did not take into account tax revenue, etc. Ms. Hite agreed; the only criteria were population and geography.

Councilmember Buckshnis asked whether the approximately \$60,000 to bring nonrepresented employees to a step included the COLA. Mr. Weatherly answered it does not include the COLA. Councilmember Buckshnis asked whether the 1.5% COLA could be done this year and moving employees to a step budgeted for next year. Ms. Hite answered the 1.5% COLA for all nonrepresented employees, \$52,000, was included in the 2012 budget. Bringing each employee to the next step would cost \$64,000. Providing the COLA first may reduce the amount necessary to bring employees to a pay range step. She offered to calculate that amount.

Councilmember Yamamoto referred to #7 in the Summary of Recommendations, Freeze the salaries of 6 employees whose current salary exceeds the maximum of the salary range recommended for their position, and asked how incentives could be provided to those employees. Mr. Weatherly agreed that merits some discussion. Salaries could be frozen until the market increases the range for that position or a COLA could be provided as a lump sum so the base does not increase. Some comparator cities provide for up to a 5% merit above top step but it is often not added to the base. He recommended the Council consider the message they want to send with the compensation policy particularly for employees with a great deal of experience.

Mayor Earling asked next steps staff was seeking. Ms. Hite answered they would like to be able to return within the next month with a recommendation for the Council to vote on and approve. She encouraged the Council to provide direction, for example some Councilmembers have asked about the cost of sequencing. One option would be to move everyone to a step, a minimum of 1.5% and maximum of possibly 3%. She asked for direction regarding the Police education incentive, management leave, deferred compensation, etc.

Councilmember Johnson asked about expansion issues, the opposite of compression, noting in some cases there is quite a disparity between the director level and profession level. For example, the planner mid-range level is salary range step 5, with a salary of \$57,000, and the director level is at salary range 20, which has double the salary. Mr. Weatherly referred to page 11, Proposed Salary Ranges Per Job Class, pointing out there is an approximately 15% differential between a planner, associate planner and senior planner. Ideally there would be 25% between the director and the highest paid subordinate. The difference in pay reflects additional experience, work complexity, delegated responsibilities, work autonomy, etc. A planner may be fresh out of school; as they progress, there is a progression in experience.

Councilmember Johnson requested job descriptions for nonrepresented employees. She understood the current management practice is to move away from hierarchical military style organization where there are many steps and to differentiate between the entry level, associate level and management level, a more collegiate style. Mr. Weatherly agreed that was gaining some traction; the danger is overly wide bands.

Councilmember Johnson pointed out some managers manage people and some manage programs; she asked how are those differentiated. Mr. Weatherly commented some managers/directors may not have a great deal of staff but are the face to the community such as economic development. He acknowledged the scope of a manager may differ.

Councilmember Johnson asked about management leave, commenting that may be a good alternative given the City's limited resources and at a certain level time is as valuable as money. She also suggested some consideration be given to management leave for nonrepresented employees who attend evening meetings. Ms. Hite answered if that was agreeable to all Councilmembers, staff could develop a proposal. She noted some nonrepresented employees accrue comp time. Councilmember Johnson asked for further information regarding the City's comp plan policy.

Councilmember Johnson asked for an explanation of longevity pay. Mr. Weatherly answered it is a recognition of long-standing service; typically administered 1-2 times a year, paid in a lump sum. Popular amounts are \$4 for every month of service.

Councilmember Bloom referred to the disparity between the planner level and the director level. She was concerned a 1.5% COLA provides \$1650 to the director level and only \$825 to the planner level; everyone has the same cost of living increases. She asked if there were other ways of calculating a COLA such as a flat rate rather than a percentage to make it fairer to those who earn less. Mr. Weatherly

answered the Council could do whatever it wanted including a flat rate. He recommended not adding a flat increase to the base salary.

Councilmember Fraley-Monillas asked why the 4% education incentive for the Police Chief and Assistant Police Chief was included in the recommendations. Mr. Weatherly answered an education incentive was the most consistent incentive in the market for those positions and would align the City with market practices. It is in addition to the proposed pay ranges. He noted there is a similar education incentive in the police union.

Councilmember Fraley-Monillas asked whether there were union employees that were within 15-20% of the Police Chief or Assistant Police Chief's salary. Mr. Weatherly answered the top of the Sergeant pay range is close to the bottom of the Assistant Police Chief's range.

Councilmember Fraley-Monillas asked for information regarding recruitment and retention of nonrepresented employees.

Council President Peterson identified his top priorities:

- Consider management leave
- Approve a 1.5% COLA for nonrepresented employees and provide it in a lump sum to the 9 who are at or above the proposed pay range
- Consider implementing step increases in the near future, possibly the 2013 budget
- Ask staff to calculate the cost of longevity pay

Councilmember Buckshnis provided the following direction:

- With regard to internal/external equity, strike 2% deferred compensation and provide nonrepresented employees with 20 hours of administrative leave
- Strike the paragraphs regarding education incentive for Police and the paragraph regarding longevity
- Implement the COLA first and then consider the step increases

Councilmember Buckshnis explained her rationale for eliminating deferred compensation, education incentive and longevity pay was they were great ideas but they were not in the budget.

Councilmember Fraley-Monillas expressed support for:

- Step increases
- Employment contracts
- Management/admin leave

Councilmember Petso provided the following direction:

- Whatever the Council adopts, it should be consistent with the code, personnel manual and budgeting practices
- Spend the limited COLA amount to implement the pay ranges rather than a COLA
- Freeze the employees who are at the top or over their pay range
- Likes the comparators
- Review the market every 3 years
- Concern with automatic escalators to solve compression issues
- 20 hours of management leave
- Draft language regarding a one-time bonus when circumstances permit

Councilmember Petso commented no matter what the Council does, it will be an improvement.

Councilmember Johnson suggested the following:

- Rather than a COLA, provide a one-time bonus as a thank you to nonrepresented employees who took furlough days

Councilmember Bloom expressed support for the following:

- Spend COLA dollars to implement pay ranges
- Spend COLA dollars for a one-time bonus

Councilmember Yamamoto suggested the following:

- Spend COLA dollars to implement pay ranges
- Spend COLA dollars for a one-time bonus
- Expressed concern with freezing salaries of employees at the top or above salary range

With the agreement of Ms. Hite, Council President Peterson advised the Compensation Study and Policy will be returned to the Council at the September 4 meeting.

5. DISCUSSION REGARDING TAKING MINUTES/NOTES DURING EXECUTIVE SESSIONS

This item will be rescheduled on a future agenda.

6. REPORT ON OUTSIDE COMMITTEE/BOARD MEETINGS

Reports were provided as part of Council comments.

7. MAYOR'S COMMENTS

Mayor Earling reported confirmation of the Mayor's appointment to the Architectural Design Board will be scheduled on the next Council meeting agenda.

Mayor Earling complimented those working the Business Improvement District (BID) for assembling the amount of square footage necessary to proceed. He explained a BID is a self-imposed tax by those in the district to make improvements in the downtown area.

8. COUNCIL COMMENTS

Councilmember Petso reported the Public Facilities District/Edmonds Center for the Arts' new season brochure is now available; tickets are selling fast. The PFD will provide a report to the Council in September or October.

Councilmember Fraley-Monillas reported the Parking Committee discussed alternatives to address a lack of parking in the train station area. She reported the Snohomish Health Board is discussing fluoride in the water and has determined fluoride in the water is appropriate. A subcommittee will continue to discuss fluoride in the water. The Disability Board discussed the cost of long term care for retirees who care is paid for by the City.

Councilmember Johnson acknowledged the passing of J. P. Patches on Sunday, July 22. An Edmonds citizen, also known as Chris Wedes, was on television from 1958 – 1981. As an official Patches Pal, she was saddened by his passing.

Council President Peterson encouraged the public to vote in the primary election.

Councilmember Buckshnis reported WRIA 8 reviewed \$745,000 in grants for the 2012 Salmon Recovery Funding Board and the Puget Sound Partnership grants. The grants are awarded in King County, primarily for the Cedar River and Issaquah Creek. She was hopeful some Edmonds projects could be funded next year. WRIA 8 also approved \$1.2 million for the 2012 Cooperative Watershed Management grants; the majority of the funds will be used to purchase 18 acres along the Cedar River. She reported a count of the salmon entering the Ballard locks indicated their numbers are increasing. Another of WRIA 8's initiatives is educating property owners on shorelines regarding green practices.

Councilmember Yamamoto reported SNOCOM anticipates savings to municipalities due to operational efficiencies. The New World system which will improve communications for police and fire has been delayed.

Councilmember Yamamoto reported the Communication Technology Advisory Committee (CTAC) is considering new fiber optic accounts.

Councilmember Yamamoto reported the Port will make a presentation to the Planning Board tomorrow regarding the Harbor Square Master Plan.

Councilmember Yamamoto congratulated City Clerk Sandy Chase and her husband Chris who celebrate 40 years of marriage this week.

Councilmember Bloom reported the Economic Development Commission meeting consisted primarily of introductions of new members and discussing the committee's goals. She looked forward to working with the highly qualified individuals on the committee.

9. ADJOURN

With no further business, the Council meeting was adjourned at 9:20 p.m.