

## **Salary Setting Meeting**

February 3, 2021

9:00 a.m. to 5:00 p.m.

Via Microsoft Teams

### **Call to Order – Gary Ratterree, Vice Chair**

Gary called the meeting to order at 9:07 a.m. AJ Malidore, Chair, was excused due to still being out at sea.

Roll Call of Commissioners – Teri Wright, Executive Director

At the request of Gary, Teri did the roll call of Commissioners.

#### **Commission Members Present:**

Kirsten Barron  
Jon Bridge  
Dr. Diana Gale  
Libby Hart  
Alahna Kirtley  
Sandi LaPalm  
Karen McGaughy  
Greg Millican  
Anastasia Potapova  
Gary Ratterree, Vice Chair  
Wendy Sowers  
Steven Starkovich  
Karen White (1:07p.m.)

#### **Commission Members Excused:**

Tray Cave  
AJ Malidore, Chair  
Gerry Sherman

#### **Staff Present:**

Teri Wright, Executive Director

### **Meeting Opening Statement – Gary**

Gary said that he was pleased to have everyone at today's meeting. He reminded the Commission that they are charged to set salaries of elected officials and read the list of elected officials. He said that this is the final meeting in the series. He asked members of the public who are here to testify to log into [www.salaries.wa.gov](http://www.salaries.wa.gov) and wait to be called upon.

### **Housekeeping – Teri**

Teri reminded the group that they could take breaks as needed and that we would take a couple regular breaks as well as a lunch break. AJ apologized to the group for still being absent due to work.

### **Approval of the January 6, 2021, Meeting Minutes**

Gary called for approval of the minutes. Steve commented on the language used in part of the minutes. Jon and Sandi recommended some additional changes. Gary asked for any other changes and there were none. Teri said that those changes would be made. Gary asked for a

motion. Jon moved to accept as corrected and Sandi seconded the motion. Gary called for a voice vote. The motion was approved by unanimous voice vote.

### **Dr. Steve Lerch, Economic and Revenue Forecast Council**

Gary introduced Dr. Steve Lerch, who shared a PowerPoint presentation. Dr. Lerch said his council provides economic forecasts and revenue forecasts for Washington state and the federal government. This forecast is from November 2020. Covid-19 has had a big impact on the economy, not only for the state and the US, but for the world. 2020 was terrible, but they are seeing a bounce back in 2021. We will continue to see improvement, but we are not back to pre-Covid times. They do see Washington recovering more quickly than previous recessions. The one area that has remained strong during the recession caused by Covid-19 is single family homes. This is the case in Washington and around the country. GDP is expected to be back to pre-pandemic levels by the fourth quarter of 2021. Inflation is expected to stay moderate through 2025. They do see several positive changes over the last forecast.

Jon asked about the March forecast and how the housing market has affected the rental market. Dr. Lerch said that he believes they will continue to see improvement in the forecast, but it's hard to predict because we have never had to forecast during a pandemic. Rental spaces are lowering their rates. Over 50% of people want to continue to work from home, but most people also want to occasionally work in an office. They really don't know what's going to happen with commercial rental spaces.

Steve asked for clarification on some of the data, then Diana asked about the rental moratorium ending. Dr. Lerch said that income streams are interrupted and that affects the forecast. The rental moratorium affects landowner's ability to spend money and affects the state budget more than it affects the forecast.

Steve asked about the forecast and if Dr. Lerch felt more optimistic or pessimistic about the next couple of years. Dr. Lerch replied that we are not back to pre-pandemic employment levels. He believes that even with the vaccines rolling out that we are still at risk of a slowing economy and downside risks.

Jon asked about how population growth impact the forecast. Dr. Lerch replied that Washington is a place people want to live and as a result we are seeing a net increase in population due to inbound migration. This is the primary driver of population growth in the forecast, not birth rate.

Kirsten asked for some data clarification then asked about how the pandemic has disproportionately affected different sectors of our population. Dr. Lerch replied that this pandemic has definitely hit service jobs, especially restaurant and hotel workers, disproportionately compared to those who have jobs that they can work from home.

### **Nona Snell, Assistant Director of Budget, Office of Financial Management**

Gary introduced Nona who showed a PowerPoint presentation. She looks at the state budget as a four-year process. Starting last spring there was large job losses in Washington and the

projections moving forward were bleak. Back in October the projections showed that even using the entire rainy-day fund (budget stabilization account) would have still left the state with a 4-billion-dollar deficit. The 1.8 billion rainy day fund can be used with a simple majority by the Legislature. Hiring freezes, equipment purchases, contract freezes, no wage increases, and furloughs were all directed by the Governor into the next biennium. Additionally, the Governor requested that all agencies submit a budget showing a 15% decrease. Since then, the budget forecast has improved for this biennium and the future biennium which has improved budgets for the next biennium. The state received 2.1 billion in Covid-19 relief funds and other large jurisdictions within the state also received Covid-19 relief funds.

She shared how the state budget is spent and how much goes to employee salaries and benefits. Half a percent of state employees are elected officials and roughly under 2% of general fund dollars are spent on elected officials' salaries.

The financial status of the state budget continues to be in flux, but it has improved more than anyone predicted.

Gary asked about Court employees and whether they are covered in any of the collective bargaining or furloughs? Nona said that she believes that all court employees are not represented, nor are they required to furlough. Legislative employees are similar. Although, there is a bill before the Legislature to require those employees to not be exempt from these cuts.

Jon asked about the unions that have not reached agreements and how many employees they encompass, and will any cost of living increases be given during the next biennium? Additionally, are state employees taking a cut in pay due to furloughs? Nona said she did not know the number of employees, but believes it is not a significant number. There will be no cost of living increases. Furloughs don't decrease base salaries; they do however decrease the amount the employee takes home. This is important because base salaries will remain in place in future biennium.

Steve asked for clarification with use of the rainy-day funds. Nona clarified that the rainy-day fund may not be needed because of other sources of income. We will have to wait and see what passes through the Legislature.

Diana asked if the Legislature may change the 2<sup>nd</sup> year of the budget. Nona said that there are changes made, but not with the Governor's budget. It is only released every other year. The Legislature can make changes and she cannot guess what they will do.

Sandi asked if a cost of living and a general wage increase are the same? Nona said that is correct. Sandi asked if state employees on the step increase plan will still get their step increases? Nona said that employees on a grid system (Step A, B, C) will get those increases. For those not represented, she does not know the answer as it is up to each state agency.

Wendy asked if the furloughs and general wage increases can be revisited by the Legislature. Nona said they can revisit anything that has not already been covered in collective bargaining.

Gary asked what the decrease in salary is for those who must furlough. Nona said that she did not know what that amount is. Teri said that she agreed to the furloughs and it will mean decreasing her take home wages by one full day each month for two years.

## **Public Testimony**

### **Procedure for Public Testimony**

Gary read the procedure in its entirety. Due to Covid-19, the Commission is meeting remotely for this salary setting session.

No members of the public were present.

Lindsay Matthews, Executive Assistant, briefly joined the meeting to meet new members of the Commission.

## **Work Session**

Gary reminded the Commission that there are no straw votes and that the votes that are taken today are final in setting the elected officials' salaries. He further explained that the Commission can decide on a group or an individual position to discuss or vote upon.

Jon confirmed that we did reach out to newly elected officials to seek their input and did not receive a response. Teri stated that she had.

Steve asked Teri about county salaries and how they are tied to the salaries the Commission sets? Teri said that she is not sure to what extent, but she knows that, for example, counties look at the Superior Court and then a position within the county gets a percentage of that salary. It happens both in Cities and Counties.

Diana asked for clarification on voting and how that process works. Gary stated that the Commission can go by each position, each group, or for all elected official positions. It is entirely up to the Commission. This is performed by making a motion then having a roll call vote. Steve added that the Commission can look at the two years individually.

There was a discussion around looking at the two years separately and whether the state economy is improving.

**Jon moved that there be no increase for all the statewide elected officials for the year 2021.  
Kirsten seconded the motion.**

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave				X
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore				X
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova	X			
Gary Ratterree	X			
Gerry Sherman				X
Wendy Sowers	X			
Steve Starkovich	X			
Karen White				X

**The motion PASSED with 12 affirmative votes and 0 negative votes.**

Sandi said that for discussion purposes she would like to discuss an increase of 3% for the second year. Kirsten asked how Sandi came up with the 3%? Sandi stated that a 3% increase is a standard cost of living increase. Additionally, she believes that the positions are still underpaid. There was additional discussion on these subjects.

### **The Commission Recessed for Lunch**

The Commission reconvened at 1:00 p.m. and the discussion around the economy and what the Commission heard from both the State Economist and the State Budget official continued.

**Steve moved that for 2022 all statewide elected officials receive a general wage adjustment of 3%. Anastasia seconded the motion.**

There was additional discussion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron		X		
Jon Bridge		X		
Tray Cave				X
Dr. Diana Gale	X			
Libby Hart		X		
Alahna Kirtley		X		
Sandi LaPalm	X			
AJ Malidore				X
Karen McGaughy		X		
Greg Millican		X		
Anastasia Potapova	X			
Gary Ratterree		X		
Gerry Sherman				X
Wendy Sowers		X		
Steve Starkovich	X			
Karen White		X		

**The motion FAILED with 4 affirmative votes and 9 negative votes**

There was a discussion about what percentage the Commission thought was appropriate for the second year. Several percentages were discussed.

**Jon moved that there be a 1.5% increase for all statewide elected officials in 2022. Karen W. seconded the motion.**

There was additional discussion about state employees and the historical data in Tab 3. Additionally, there was discussion about how the statewide elected officials have continued to go backwards and the Commission not acting will come back at the Commission in the future.

**Steve moved to amend the motion to be 2% and it was seconded by Anastasia. The motion to amend the original motion failed (8 affirmative/5 negative).**

**Alahna moved to amend the motion to a 1.75% increase and it was seconded by Kirsten. This motion to amend passed (9 affirmative/4 negative).**

Two members of the public had joined the meeting and the Commission allowed them to speak. Gary read the procedure in its entirety. Due to Covid-19, the Commission is meeting remotely for this salary setting session.

One person, in brief, stated that part of the Commission's decisions are based on the budget and her understanding is that many state employees are taking a pay cut. This person doesn't understand how elected officials should receive a raise when regular state employees are taking a cut. She added that the past year has been horrible for many people.

Another typed their comments into the chat, in brief, as follows: They are a state employee and found it offensive that the Commission is considering a raise for elected officials when they are taking a cut in pay.

Jon appreciated the comments and clarified that the Commission is freezing salaries for the first year and only considering a nominal increase in the second year.

The motion now reads: **All statewide elected officials shall receive a 1.75% increase in 2022.**

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave				X
Dr. Diana Gale	X			
Libby Hart		X		
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore				X
Karen McGaughy	X			
Greg Millican		X		
Anastasia Potapova	X			
Gary Ratterree		X		
Gerry Sherman				X
Wendy Sowers	X			
Steve Starkovich	X			
Karen White		X		

The motion **PASSED** with 9 affirmative votes and 4 negative votes.

Teri went over the next steps in the salary setting process. Our next meeting is on March 10<sup>th</sup> and is simply to approve the meeting minutes. We do need a quorum for this brief meeting.

We need to have a meeting in June 2022 to elect a new Chair and Vice-Chair because both AJ and Gary's terms end June 30, 2022.

Teri talked about how only meeting remotely has affected our business. She sees it as a very negative affect. While the Commission did its work, even up through this meeting there were questions about the salary setting process and our laws. Meeting in person allows for more questions being asked throughout the process, Commissioners get to know each other, which leads to more questions and conversations. That rarely happened during our meetings this



session. Additionally, we had many technical difficulties as our Commissioners are not issued state computers. Teri told a story about having personal time together to share stories and share our lives. This does not happen being 100% remote. It is Teri's hope that we can use remote meetings as personally needed but avoid it as a standard practice. If we must continue remotely, Teri is committed to finding solutions to these issues and brainstorming with others, including Commissioners, about improving the process and improving face-to-face conversations and questions.

Teri asked for the Commissioners to share with her things that went well and things that did not work well during this salary setting session. Several mentioned that the outlook email is difficult to use and having to check another email is problematic. The Commissioners do need time to get to know each other. Having a hybrid of in person and remote is preferred. Meeting in person is so much better. We need the time and ability to get to know each other. They felt they had all the information they needed, but it lacked a personal touch that is difficult remotely. The meetings were organized and efficient but did lack the personal experience. Some really want the meetings to be on zoom where you can actually see everyone at the same time. Some want to meet in person so that they can personally talk to each other and ask each other questions, face-to-face.

Teri thanked all the Commissioners for their service on the Commission. Commissioners leaving the Commission in June 2022 are as follows: Libby Hart, Sandi LaPalm, AJ Malidore, Karen McGaughy, Anastasia Potapova, Gary Ratterree, and Gerry Sherman. Jon Bridge has agreed to a second term.

### **Adjourn**

Gary asked for a motion to adjourn. Jon made the motion and Diana seconded. The motion was approved by unanimous voice vote.

The meeting was adjourned at 3:10 p.m.

  
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Gary Ratterree, Vice Chair

March 10, 2021  
Date