



October 9 & 10, 2018, Meeting Minutes  
Hotel RL, 2300 Evergreen Park Drive SW, Olympia

October 9, 2018

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was brought to order by Chair, Melissa O'Neill Albert, at 9:03 a.m.

**Commission Members Present:**

Melissa O'Neill Albert, Chair  
Jon Bridge – Phoned in at 9:04 a.m.  
Greg Dallaire, Vice Chair  
Libby Hart  
Sandi LaPalm  
Andrew Malidore  
Linda Peterson  
Anastasia Potapova  
Gary Ratterree

Don Robinson  
Kozen Sampson  
LeAnna Chauvin  
Gerry Sherman  
Steven Starkovich  
Larry Turner  
Karen White

**Staff Present:**

Teri Wright, Executive Director  
Lindsay Matthews, Executive Assistant

Lindsay went over housekeeping items and the meeting folder contents.

Melissa read the meeting opening statement.

Teri explained the difference between cost of living adjustments (COLA) and general wage adjustments (GWA). COLA's are based on the rate of inflation and GWA's are an adjustment in salary not related to COLA's. She misspoke at the September meeting and wanted to make sure the Commissioners had the correct information. Discussion ensued.

Jon wanted to let the Commissioners know that he is friends with several of the elected officials. He wants to make it very clear that his personal relationships will not affect the decisions he makes about the salaries. He knows the salaries are set for the positions, and not for the people holding the positions.

Melissa spoke about the Willis Study done in 2004 in reference to the Judicial Branch; the report said, "A reasonable course of action is to move toward a degree of parity with the federal bench

over time.” Discussion ensued. Commissioners discussed the Willis Study. It was noted that other various data points are also used for comparisons.

Melissa asked everyone to take a few minutes to read the meeting minutes from September 12, 2018. Teri reminded the Commissioners that these were the same minutes that were earlier mailed out to the Commissioners. Kozen moved to approve the minutes, seconded by Don. The motion was approved by a unanimous voice vote.

### **Mike Kreidler, Insurance Commissioner**

Mr. Kreidler began with an overview of what the Insurance Commissioner in Washington State does. Key changes have been made to the position. There are only 11 elected Insurance Commissioners in the country. Mr. Kreidler pointed out that in the states where the Insurance Commissioner is elected, you see much stronger consumer protection advocacy roles. He then read the mission statement of the Office of the Insurance Commission (OIC). He said national health care reform has added to the responsibilities of the office.

The OIC is the 8<sup>th</sup> largest industry or group in the State of Washington and generates about 41 billion dollars annually. About 55,000 people are involved in the insurance industry in the State of Washington. The OIC regulates 2,400 companies that do business in the state. The 45 companies that are domiciled here require extra care and attention. When warranted, the OIC can take action against an insurance company or take it over and run the insurance company to protect the integrity of the company for its policyholders. The National Association of Insurance Commissioners conducts reviews and gives a certificate of accreditation if successfully reviewed. OIC has its approval.

In Washington State, the OIC also investigates consumer complaints and fraud. Since Mr. Kreidler took office in 2001, the OIC has been able to save consumers over \$330 million dollars in premiums that would have been paid to insurance companies. In 2017, approximately 18 million dollars were recovered from insurance companies for consumers. The OIC has helped some 170,000 Washingtonians on various issues and topics, and counselled some 200,000 people annually for health insurance through its consumer advocates and through the State Health Insurance Benefit Advisors program. In 2006, an investigative unit with law enforcement officers was initiated. Last year a record 102 cases were filed and 1/3 of those resulted in criminal prosecution. The OIC also reviews rates and contracts that will be marketed by the insurance companies to make sure they are reasonable to the consumer. The Insurance Commissioner has also taken on a new responsibility of independent review organizations (IRO’s); these are medical claims that have been rejected to be paid by insurance companies.

There are 243 employees in the OIC, and it operates on a biennial budget of \$65 million dollars. These monies do not come from the state general fund. They are regulatory assessments against the industry that goes towards the cost for the OIC budget. They also collect about 1.2 billion

dollars per biennium of revenue for the state general fund by virtue of the insurance premium tax on insurance policies sold in the State. In the last two years, the Insurance Commission turned over something like 4 million dollars in fines from enforcement actions to the state general fund.

Health care reform has been a challenge and it has escalated in the last two years since the passage of the Affordable Care Act (ACA). Some 900,000 people now have insurance they didn't before the ACA. In closing Mr. Kreidler reminded the Commission that it is important to attract and retain the best and the brightest into public service and compensate them accordingly.

Steve asked: How is your scope of work comparable to the other 49 Insurance Commissioners in other states? Mr. Kreidler replied they are very comparable, with a few exceptions.

Greg asked: Of the 246 employees, eight employees are compensated higher than himself, are they on the state employee salary schedule? Mr. Kreidler replied they are, he believes they are actuaries.

Kozen asked: Is the Chief Deputy Commissioner an actuary? Mr. Kreidler replied the Chief Deputy is not an actuary, but is an attorney. Kozen asked why then does the Chief Deputy Commissioner make more than himself? Mr. Kreidler replied that he would like to keep the positions in line but sometimes he doesn't have a choice and needs to pay more.

Jon asked: What marks the difference between if the Insurance Commissioner handles a consumer complaint verses the Attorney General? Mr. Kreidler replied the assigned counsel is there, and sometimes they work together, it depends on the nature of the complaint.

### **Chris Reykdal, Superintendent of Public Instruction (SPI)**

The SPI is the only elected official who runs as a non-partisan. The budget that flows through the SPI's office is more than all matters of State Government combined out of the general fund; about 13.5 billion dollars annually. There are about 400 employees at OSPI (Office of the Superintendent of Public Instruction); there are 295 school districts; 1.1 million students; and 120,000 employees in the system who are classified certificate instructors. The McCleary decision has added responsibilities to the position. About 2/3 of the local school district school superintendents have higher salaries than the SPI position, and soon even some teachers will make as much as the SPI. He would like the Commission to also consider keeping up with inflation.

Jon asked: What kind of regulatory authority does the SPI have in the individual school districts and the educational service districts? Mr. Reykdal replied that is one of the biggest roles they have; it's not determining how each local dollar is spent, but making sure they all understand the parameters of the money. Jon asked for clarification of what the Educational Service District

superintendent's (ESD's) job responsibilities are. Mr. Reykdal replied these are local superintendents who work for a five-member board (except Seattle, which has a seven-member board). There are 1,477 school board members overseeing the 295 districts. ESD's are like sub-agents of OSPI. They provide regional training in many cases. They are the backbone of business for small remote districts. They also help deliver the program of professional development to the educators.

Jon asked: Who appoints the ESD superintendents? Mr. Reykdal replied they are appointed by ESD boards. Jon asked if Mr. Reykdal could speak to the changes made due to the McCleary decision that specifically affect the SPI responsibilities. Mr. Reykdal replied there is more fiscal compliance on the state money, reviewing each districts local levy plans before it goes to the voters, there is a new four year budget requirement of school districts. There is also a growing expectation that OSPI has a plan for leading everyone through the tumultuous nature of change. When the Federal Government changed from the "no child left behind" to the "every child succeeds act" they put all the authority from the federal level to the state agencies. OSPI is the central hub for accountability throughout the state, so his office has had to re-draft the accountability plan and expectations of districts.

Kozen asked if Mr. Reykdal believes his position is well funded enough to hire an experienced, qualified, person or does he see his position being funded at the lower end of the overall salary range for his position. Mr. Reykdal replied that while he is very proud of his team, over 17% of his organization turned over in the first year, and another 12% this year. Relative to school districts OSPI pay is low. It is hard to fill some positions due to the salaries.

### **Kim Wyman, Secretary of State**

The Secretary of State's Office (SOS) has about 300 full time employees in 27 locations across the State. Ms. Wyman described several of her responsibilities including, overseeing the State elections, overseeing archives and records, state library, the corporations and charities division, and a number of small programs as well as being the keeper of the state seal. Most of the duties of the office of Secretary of State (SOS) are ministerial or administrative in nature. The SOS is also the Chief Elections Officer. As such, she oversees voter registration rolls of about 4.3 million registered voters. She is making sure the 39 county auditor and election offices act the same, that they are all applying the state and federal laws and all other requirements in the same manner.

Rulemaking is another large part of the position along with voter information and outreach. Cyber security related to elections is a real game changer and there has been a real shift in the organization. SOS now has two positions that provide support to all the 39 counties. Ms. Wyman noted that election administration is about instilling public confidence in our election system; that it was secure, that it was accessible, that their activities were transparent, and that the voters

believe the results that the election officials produce are the way the voters cast their ballots. When looking to fill the position of Secretary of State some of the most qualified people (County Auditors from large counties like King, Pierce, or Snohomish) would have to take a significant pay cut. Ms. Wyman closed by saying that, on the surface, the position looks like a very administrative job and that it may not be difficult, but she said SOS handles a lot of important parts of State Government that are very technical and very critical to the operations in Washington State, including the integrity of our election process.

Steve asked: Would it help if your position was non-partisan? In addition, a second question, how do you respond and check if someone claims problems with an election? Ms. Wyman replied yes, it should be non-partisan, but it would be difficult to make it non-partisan. In reply to the second question Ms. Wyman said that there are pre and post testing and random post-election audits, as well as recounting paper ballots if need be.

Gary asked if cyber security was an added responsibility due to the added people to fill the new positions. Ms. Wyman replied cyber security has been on the radar since they started putting election results on the Internet, but has become more prominent since 2016. Congress allocated about 8 million dollars to Washington State with a 5% match that was requested back in January, and that money is allowing SOS to create the cyber team (this was a one-time allocation). They have also been working on vote.wa for about four years as well.

Kozen asked how Ms. Wyman views attempting to attract qualified people to serve in her position if her Assistant Secretary of State makes \$20,000 more than the elected Secretary of State position? Ms. Wyman replied the most qualified people in the state to succeed her would be county election officials, King County is one of the largest and the salary is close to \$180,000 per year and she oversees them. She said it would be a significant pay cut to run for the position for most qualified candidates.

Greg asked if there are new assignments from the Legislature. Ms. Wyman replied that there are five major reform bills, and any one of them is huge on its own. The biggest one is same day registration, where you can walk in, register and vote in the same day. This allows great access but has a lot of back end work, like making sure people only vote once and lots of other things.

### **11:30 a.m.-1:00 p.m. Lunch**

#### **Cyrus Habib, Lieutenant Governor**

Lieutenant Governor Habib said he wears three main hats: the first is serving as the President of the State Senate; the second is being acting Governor whenever necessary; and the third is running the agency. The National Lieutenant Governors Association (NLGA) ranked Washington State's Lieutenant Governor, along with Texas and Alabama, in the top three in

terms of having the most statutory responsibilities. (Out of the 47 states that have Lieutenant Governors.) Mr. Habib presides over the Senate while in session and casts tie-breaking votes as well as resolving administrative issues that arise during the deliberations. He also is the Chair of the Senate Rules Committee through which all Senate Bills must pass. This requires him to stay on top of the bills that are coming through especially when casting a tie-breaking vote. By statute, he makes appointments to about 70 state boards and commissions. Another hat is serving as acting Governor while the Governor is out of state. This has changed significantly since Lieutenant Governor Habib has been in office due to partnering with the Governor's Office to attend more events both in state and out-of-state. The third hat is running the agency of the Lieutenant Governor. One focus point, and a passion of Lieutenant Governor Habib's, is higher education. Last session he worked to get 15,000 students on free or reduced lunches subsidies that allowed them to take an AP test that they wouldn't have otherwise been able to afford. This was funded and created by the Lieutenant Governor's office. Also created were the Washington World Fellowship Program, and Complete Washington, an apprenticeship program that helps working adults earn a college degree.

Kozen asked: Has legislation added more responsibilities? Lieutenant Governor Habib replied yes, last session the Legislature enacted the Complete Washington Program. The Director of the program is in the Lieutenant Governor's Office. Many new appointments are required by the Legislature and the World Fellows program.

Melissa asked about the size of the Lieutenant Governor's staff. Lieutenant Governor Habib replied there are seven staff members in addition to himself and one full time intern. He added that during session he has Senate staff that works on the Senate floor as well.

Steve inquired if Lieutenant Governor Habib had any thoughts on the salary setting process. He replied that getting into public service is not for the money, but if the salary doesn't keep up with inflation then a pay cut has been given.

Greg asked if Lieutenant Governor Habib had any other relevant information or comparison data besides the NLGA ranking that may be helpful to the Commissioners. Lieutenant Governor Habib referred back to the three hats he wears. First, he would look at states where the Lieutenant Governor presides over the Senate, since many states elect a President of the Senate. Second, consider the statutory requirements like the NLGA ranking, and lastly, look at states where the Lieutenant Governor is the acting Governor when the Governor is away. Tying together all the aspects of the position, Lieutenant Governor Habib's opinion is that his office is the most highly tasked Lieutenant Governor position in the nation. Also, News Max rated the position number four in the country.

**Megan Duffy, Department Supervisor for the Department of Natural Resources, for Commissioner of Public Lands Hilary Franz**

Ms. Duffy distributed a hand out of her presentation for the Commissioners. She covered the scope of responsibilities, as well as the statutory changes, and the national comparisons. Ms. Duffy said the Commissioner's job has become increasingly complex when considering things like population growth and the pressures that puts on our public lands. Forest and aquatic lands both are under the jurisdiction of the Department. Ms. Duffy said the changing climate has significant implications particularly in the forested environment, which the Department manages. This is about 3 million acres of uplands and about 2.6 million acres of aquatic lands. The Department generates about 170 million dollars per year for public school construction, state universities, and other county services. The Department is also responsible for about 19% of Washington's timber harvest. That equates to just over 20,000 jobs associated with the timber harvest, along with about \$996 million dollars in annual wages. All of the land under the Commissioner's jurisdiction are sustainably managed. They have a plan called, "four plus one (4+1)" that has been established by the Department. The four basic foundational goals are to encourage direct public use and access, to foster water dependent uses, ensure environmental protection, and utilize renewable resources in a positive way. If all those things can be done, the plus one is to generate income. Other programs that the Public Lands Commissioner oversee is the derelict vessel removal program and the creosote removal program. Conservation lands including natural area preserves, natural resources conservation areas, community forests, and development rights lands, also aquatic reserves totaling just over 90,000 acres are all under the Commissioner of Public Lands jurisdiction. Another aspect of the Commissioner of Public Lands job is regulation, the largest of which is regulating forestry on state and private lands, which comprise about 12 million acres. The Commissioner of Public Lands also oversees the family forest fish passage program. Another large aspect is public safety, and a principal among that is wild land firefighting, and geology. Ms. Duffy then spoke about fighting wildland fires throughout the State, the Department of Natural Resources (DNR) protects 13 million acres of private and state forestland from wildfire. Forest health plays a large role in wildfires. Recent changes since 2017 include; wild fires continue to grow and get more intense along with the wildland firefighting, forest health, geologic hazards, community forests, and aquatic reserves. Lastly all these things are on a backdrop of an ever changing natural world, the environment is changing, the climate is changing, and the population is growing.

Ms. Duffy then proceeded to discuss salary comparisons. She compared Washington's salaries with comparable positions. Reviewing Oregon's salaries, she noted that two people do what only one does in Washington and California's has two positions for their equivalent to our Commissioner of Public Lands. In closing, Ms. Duffy reminded the Commission that the Commissioner of Public Lands has broad leadership responsibilities that are important to the safety, economic well-being, and quality of life of Washington citizens.

Kozen asked if the office has had to hire more employees to deal with the issues that come along with climate change like fires in the last two years. Ms. Duffy replied no. Kozen asked if there are people in the department that make more than the Commissioner of Public Lands. Ms. Duffy replied not as a base salary.

Greg asked: Has there been any increased responsibility due to firefighting or marine issues due to climate change that have added responsibility? Also, has Legislature made changes since last session that may have added more responsibilities or added more to the scope of work? Ms. Duffy replied to the first question that both are big are continually growing issues, the department is planning to ask Legislature for more at the next session including more employees and equipment. As far as an added scope from the Legislature since last session, not at the top of mind, but things like the asset evaluation required does require additional work from the department.

Melissa mentioned that the Commissioner of Public Lands position is the only one that is elected verses appointed when compared nationally.

Kozen mentioned that the Federal Forest Service has cut back on their resources and dramatically downsized its resources, and those forests interact directly with our State forests. Is there a plan in place to deal with that and is that additional work for the department? Ms. Duffy replied yes, the Commissioner of Public Lands just signed the good neighbor agreement with the U.S. Forest Service last year. That allows the DNR to engage in management activities on U.S. forest lands in concert with the U.S. Forest Service.

### **Public Testimony**

No members of the public were present to provide public testimony.

Commissioners moved into a work session. Melissa asked how, after hearing the updated Economic and Revenue Forecast presentation, the Commissioners felt about a process of considering adjustments related to inflation across the board, and then separately considering expanded scope of work for the positions that may have changed since the last salary setting process. Commissioners voiced agreement to separate the two. Melissa then asked the Commissioners to move forward to discuss any expanded scope of work for each position.

Commissioners looked at the Insurance Commissioner position for an expanded scope of work. After they looked into 2018-19 Salary Setting Binders for comparable information and expanded scope of work. Discussion ensued.

**Larry moved that the Insurance Commissioner receive a base salary increase of 2.5% on July 1, 2019, then another 2.5% July 1, 2020. Karen seconded it.**



**Note:** After discussion, the motion was tabled with 11 affirmative votes.

Melissa then suggested that before voting further, the Commissioners discuss the expanded scope of work for all those who presented as well as the Legislature since they do not plan to present any new information. Discussion ensued about the expanded scope of work for the Superintendent of Public Instruction due to the McCleary decision, and how the changes are permanent and substantial. They also spoke about the Insurance Commissioners expanded scope of work.

Teri called the Commissioners' attention to the evaluation points from the Willis Study completed in 2013 titled State Officials Position Evaluations, as another reference point included in their salary binders.

The Commissioners generally agreed that the scope of work for the Secretary of State has not increased drastically, but the position may be in need of a small increase along with a COLA. They then spoke about the Lieutenant Governor's position and the work of the office expanded by statute. The Commissioners then discussed the Commissioner of Public Lands position and the expanded scope of work due to climate change and population change.

**Steve moved to un-table the previous motion. Kozen seconded it.**

Note: The motion was un-tabled unanimously. The previous motion is on the table.

**Larry moved that the Insurance Commissioner receive a base salary increase of 2.5% on July 1, 2019, then another 2.5% July 1, 2020. Karen seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O'Neill Albert		X	
Jon Bridge		X	
Greg Dallaire		X	
Libby Hart		X	
Sandi LaPalm		X	
Andrew Malidore		X	
Linda Peterson		X	
Anastasia Potapova		X	
Gary Ratterree		X	
Don Robinson		X	
Kozen Sampson		X	
LeAnna Shauvin		X	
Gerry Sherman		X	
Steven Starkovich		X	
Larry Turner	X		
Karen White		X	

**The motion Failed with 1 affirmative votes, and 15 negative votes.**

Commissioners discussed making base salary increases in dollars (as opposed to percentages) and then, after hearing from the Economic Revenue Forecast Council, looking at a COLA in percentage. Commissioners voiced agreement.

**Anastasia moved that the Insurance Commissioner’s base salary increased to \$150,000 on July 1, 2019. Melissa seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge		X	
Greg Dallaire		X	
Libby Hart		X	
Sandi LaPalm		X	
Andrew Malidore		X	
Linda Peterson		X	
Anastasia Potapova	X		
Gary Ratterree		X	
Don Robinson		X	
Kozen Sampson		X	
LeAnna Chauvin		X	
Gerry Sherman		X	
Steven Starkovich		X	
Larry Turner		X	
Karen White		X	

**The motion Failed with 2 affirmative votes, and 14 negative votes.**

**Greg moved that the Insurance Commissioner’s base salary be increased to \$130,000 on July 1, 2019, and to \$135,000 on July 1, 2020. Kozen seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore	X		
Linda Peterson	X		
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner	X		
Karen White	X		

**The motion Passed with 16 affirmative votes, and 0 negative votes.**

**LeAnna moved that the Superintendent of Public Instruction’s base salary be increased to \$140,000 on July 1, 2019, and a base salary increase to \$145,000 on July 1, 2020. Jon seconded it.**

**With Jon’s approval, LeAnna amended her original motion to be that the Superintendent of Public Instruction’s base salary be increased to \$143,000 on July 1, 2019, and to \$150,000 on July 1, 2020. Jon seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert		X	
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart		X	
Sandi LaPalm		X	
Andrew Malidore		X	
Linda Peterson	X		
Anastasia Potapova		X	
Gary Ratterree		X	
Don Robinson		X	
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner	X		
Karen White	X		

**The motion Passed with 9 affirmative votes, and 7 negative votes.**

**Greg moved that the Secretary of State’s base salary be increased to \$128,000 on July 1, 2019, and to \$132,000 on July 1, 2020. Jon seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore	X		
Linda Peterson	X		
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner	X		
Karen White	X		

**The motion Passed with 16 affirmative votes, and 0 negative votes.**

**Don moved that the Lieutenant Governor’s base salary be increased to \$109,000 on July 1, 2019, and to \$115,000 on July 1, 2020. Andrew seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore	X		
Linda Peterson	X		
Anastasia Potapova		X	
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner	X		
Karen White	X		

**The motion Passed with 15 affirmative votes, and 1 negative votes.**

**Jon moved that the Commissioner of Public Land’s base salary be increased to \$143,000 on July 1, 2019, and to \$150,000 on July 1, 2020. LeAnna seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore	X		
Linda Peterson	X		
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner		X	
Karen White	X		

**The motion Passed with 15 affirmative votes, and 1 negative votes.**

**Jon moved that the Governor’s base salary not be increased on July 1, 2019, and July 1, 2020. Greg seconded it.**

Discussion ensued.

**Note:** The motion was withdrawn.

**Andrew moved to adjourn at 5:20 p.m., Greg seconded.**

After a unanimous vote, the meeting was adjourned at 5:20 p.m.





October 9 & 10, 2018, Meeting Minutes  
Hotel RL, 2300 Evergreen Park Drive SW, Olympia

October 10, 2018

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was brought to order by Chair, Melissa O'Neill Albert, at 9:00 a.m.

**Commission Members Present:**

Melissa O'Neill Albert, Chair  
Jon Bridge  
Greg Dallaire, Vice Chair  
Libby Hart  
Sandi LaPalm  
Andrew Malidore  
Linda Peterson  
Anastasia Potapova  
Gary Ratterree

Don Robinson  
Kozen Sampson  
LeAnna Chauvin  
Gerry Sherman  
Steven Starkovich – Phoned in at 12:58 p.m.  
Larry Turner  
Karen White

**Staff Present:**

Teri Wright, Executive Director  
Lindsay Matthews, Executive Assistant

Teri took roll call and noted that Steven asked to be excused from a portion of the meeting and he will call as soon as he is available.

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

Dr. Lerch showed a PowerPoint presentation. He gave a summary of the newest forecast versus the June forecast, they are very similar. He then spoke about forecast risks; upsides and downsides. Dr. Lerch showed many graphs and spoke about things looking positive overall currently. Strong markets and optimism among small businesses. Dr. Lerch talked about the national hourly wage growth remaining weak when adjusted for inflation despite the positive and strong markets. He did make mention that Washington numbers are a little bit stronger than national numbers. Dr. Lerch spoke about international trade. Major exporting are up so far overall, but are down with China. The tariffs being in effect are not showing on the graph yet, except cherries. Tariffs will have an effect on Washington exports. He showed a slide and talked about how interest rates are expected to rise gradually over the forecast period. Dr. Lerch usually prepares three forecasts: a base line, a pessimistic, and an optimistic. Dr. Lerch talked about a recent survey, where most economists have been leaning more toward the baseline projection.

Washington employment growth continues to grow faster than it does nationally. Several slides were presented that featured graphs of forecasts of oil prices, personal income growth, and housing permits. Revenue Act collections growth has been strong. Dr. Lerch talked about how cannabis revenue has changed since it has been made legal. He showed the general fund changes forecast 2017-19 and 2019-21. He also showed the cannabis excise tax and license fee estimates. In conclusion Washington personal income and employment are higher than in June. As has been the case for some time, Washington's economy is continuing to outperform the nation. General Fund-State revenues are expected to grow 16.9% between the 2015-17 and 2017-19 biennia and 9.1% between the 2017-19 and 2019-21 biennia. The level of uncertainty in the baseline remains elevated, with downside risks outweighing upside risks. Dr. Lerch shared the inflation information data from the US bureau of labor statistics, but the only information for Washington is the Seattle metro area, which is higher than the US market rate. There is no Washington State cost performance indicator number, so there is no state measure. The Seattle inflation percentage is about one point above the US national figure. The national forecast shows 2% in 2019, 2% in 2020 and 1.9% in 2021 nationally. Inflation is not the level of prices it's the change in the level in prices.

#### **Duane Davidson, State Treasurer**

Mr. Davidson spoke about the updated position description that was sent in to the Commission this year, now that he has held the office of the State Treasurer for about two years. Mr. Davidson spoke briefly about his work history in the State Auditors office. After serving on all the boards and commissions for one year, he has been able to delegate some of that work to members of his office. He has been trying to focus on keeping state debt low, and increasing the budget stabilization fund or "rainy day fund," his ideal number would be about 10%-15% of the general fund. His forecast is that the rainy day fund will be there by the end of 2020.

Mr. Davidson said he took a pay cut to move from his local government position in the Tri-Cities. He expressed concern about the low salary for the position in being able to attract capable people in the future.

Melissa asked: Is the rainy day fund for natural disasters? Mr. Davidson replied yes, it is. He said we are in an earthquake deficit in Washington State. Melissa asked if the debt that the State carries is at a fixed rate or if it changes with the market. Mr. Davidson replied the current debt stays at the rate it was borrowed at but new borrowing is at new rates.

#### **Dick Walter, former Commissioner and Chair**

Mr. Walter gave a hand out to the Commissioners. He spoke briefly about his background, and talked about the information given to the Commissioners like the Willis Study, the other state elected officials' positions, and pay and the comparable states. Mr. Walter believes that if the Legislature reorganized an agency where the Commission sets a salary for the elected official in

charge of that agency and took away some responsibilities of the position, the Salary Commission should have a procedure to reduce the elected official's pay. Referring to the data in his handout, Mr. Walter expressed the opinion that the Governor and Attorney General are currently overpaid. The key increases over the last 20 years have been the Governor, the Attorney General, and the Judiciary. Mr. Walter talked about how the Willis Study scores for the elected official's positions compare. He also compared Washington State elected officials salaries nationally. He then spoke about the unintended consequence of too high a salary with normal increases and showed what could happen to the salaries of the Governor and Attorney General in the next three to ten years with regular increases with a compounding effect. Mr. Walter feels that he should have looked at this data while he was on the Commission and so felt the current Commission would benefit from his presentation. Another major point in Mr. Walter's presentation is that there should be a process in place besides freezing salaries; for example if something were to happen like re-organization of an agency that the Commission sets salaries for and some portion of the work were moved elsewhere would a salary freeze be enough. Melissa thanked Mr. Walter for his perspective.

Teri pointed out that the Commissioners have many different data points. She wanted to make sure that everyone remembers no one thing can stand on its own and considering all data points is critical to the process of salary setting.

### **Public Testimony**

No other members of the public were present to provide public testimony.

The Commissioners moved into a work session. Gary made a point that freezing a salary is lowering a salary due to inflation. Discussion ensued. Commissioners discussed the Treasurer's scope of work.

**Don moved that the Treasurer’s base salary stay at \$144,679. Larry seconded it.**  
Discussion ensued.

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert		X	
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart		X	
Sandi LaPalm		X	
Andrew Malidore		X	
Linda Peterson		X	
Anastasia Potapova		X	
Gary Ratterree		X	
Don Robinson	X		
Kozen Sampson		X	
LeAnna Chauvin		X	
Gerry Sherman		X	
Steven Starkovich			X
Larry Turner	X		
Karen White		X	

**The motion Failed with 4 affirmative votes, and 11 negative votes.**

**11:30 a.m.-1:00 p.m. Lunch**

**Shane Esquibel, Chief Deputy for Attorney General Bob Ferguson**

Chief Deputy Shane Esquibel began by saying the Attorney General (AG) is not requesting a salary increase. Mr. Esquibel presented a PowerPoint presentation to the Commissioners. The AG is the legal advisor of the state officers and is responsible for defending all state laws that are passed by Legislature and laws passed by the people by initiative. The AG’s office

advises and represents over 230 agencies, boards, and commissions and also represents state entities in legal proceedings. The office enforces the state consumer protection act and antitrust laws. They have an annual budget of \$179 million, and have 1,422 employees. The AG's office has a case load of 25,000-30,000 active cases. They have 13 offices around the state and 28 legal divisions. Mr. Esquibel spoke briefly about a few areas of practice: child protective services, environmental protections, utility ratepayers, anti-trust, tort lawsuits, bankruptcy, collections, and appellate work.

Jon asked: How large is the Attorney General's Office. Mr. Esquibel replied it is the largest law firm in the state and one of the largest in the country.

Anastasia asked about the high rate of turnover for employees. Mr. Esquibel replied that it is hard to compete with what cities and counties pay. The salaries in the offices of City Attorneys, County Prosecutors and the private law firm market present challenges to salary equity.

Melissa asked if there is any expanded scope of work besides the Marijuana work. Mr. Esquibel replied that he cannot specifically identify one, but when you consider child dependency cases and population growth the workload of the office is growing. The Attorney General's office is asking the Legislature to appropriate 100 new positions to work on child dependency work. At the AG's office, in the child dependency area, the cases to attorney ratio is about 80 cases per attorney. The American Bar Association recommends about 50 cases per attorney. That is just one example; the attorneys are overworked.

Kozen asked if the Attorney General's Office has been impacted by the Immigration and Customs Enforcement. Mr. Esquibel replied yes, in several ways. The Governor issued an executive order to state agencies on how they should interact with federal immigration officials and so the AG's office has done a lot of work with state agencies to make sure they comply with the executive order. They are also working several federal litigation cases involving federal immigration authorities.

Jon asked if there are additional responsibilities around the re-organization of agencies. Mr. Esquibel replied yes, anytime the Legislature pulls apart or puts together agencies there is a lot of work that has to be done, including statutory changes and how the new agency will operate. He cited the example of the administration of children's programs. A lot of confidential information is retained. Who is able to have access to this information from the old agency and who at the new agency will have access is just one of the many things that the AG's office handles.

**Greg moved that the Treasurer’s base salary be increased by \$1,500 on July 1, 2019, and by \$1,500 on July 1, 2020. Jon seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore	X		
Linda Peterson	X		
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner		X	
Karen White		X	

**The motion Passed with 14 affirmative votes, and 2 negative votes.**

Discussion ensued around the Governor’s position.

**Greg moved that the Governor’s base salary not be increased on July 1, 2019, and July 1, 2020. Larry seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert		X	
Jon Bridge		X	
Greg Dallaire	X		
Libby Hart		X	
Sandi LaPalm		X	
Andrew Malidore	X		
Linda Peterson	X		
Anastasia Potapova		X	
Gary Ratterree		X	
Don Robinson	X		
Kozen Sampson		X	
LeAnna Shauvin		X	
Gerry Sherman	X		
Steven Starkovich		X	
Larry Turner	X		
Karen White		X	

**The motion Failed with 6 affirmative votes, and 10 negative votes.**

**Melissa moved that the Governor’s base salary be increased by \$1,500 on July 1, 2019, and a base salary increase of \$1,500 July 1, 2020. Kozen seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore		X	
Linda Peterson		X	
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner		X	
Karen White	X		

**The motion Passed with 13 affirmative votes, and 3 negative votes.**

Discussion ensued around the Attorney General’s position.



**Kozen moved that the Attorney General’s base salary be increased by \$1,500 on July 1, 2019, and a base salary increase of \$1,500 July 1, 2020. Gary seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore	X		
Linda Peterson		X	
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman		X	
Steven Starkovich	X		
Larry Turner		X	
Karen White	X		

**The motion Passed with 13 affirmative votes, and 3 negative votes.**

Discussion ensued around the Auditor’s position.

**LeAnna moved that the Auditor’s base salary be increased by \$1,500 on July 1, 2019, and a base salary increase of \$1,500 July 1, 2020. Greg seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert		X	
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore	X		
Linda Peterson		X	
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner		X	
Karen White	X		

**The motion Passed with 14 affirmative votes, and 2 negative votes.**

Discussion ensued around the Legislative Branch. Commissioners looked at the Exempt Management Service salary structure (EMS) and made note that Legislators work 74% of a full time job (which is up 4% from last session) and they are most similar to band two positions. Therefore, they are leaning toward an increase due to expanded scope of work and to more closely align with the EMS salary structure.

**Greg moved that the Legislature’s base salary be increased by \$3,000 on July 1, 2019, and a base salary increase of \$3,000 July 1, 2020. Anastasia seconded it.**

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore	X		
Linda Peterson		X	
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner	X		
Karen White	X		

**The motion Passed with 15 affirmative votes, and 1 negative vote.**

Discussion ensued around a COLA adjustment for all Branches in addition to base salary increases. Commissioners talked about the Economic Revenue and Forecast Counsel’s presentation regarding the national COLA percentage and the Seattle metro area’s COLA percentage.

**Jon moved that a cost of living adjustment (COLA) of 2.5% be applied to the Executive, Judicial and Legislative Branches on July 1, 2019, and another 2.5% COLA on July 1, 2020. Andrew seconded it.**

Discussion ensued.

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O’Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore	X		
Linda Peterson	X		
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Chauvin	X		
Gerry Sherman	X		
Steven Starkovich	X		
Larry Turner	X		
Karen White	X		

**The motion Passed with 16 affirmative votes, and 0 negative votes.**

Melissa welcomed our next speakers from the Judiciary.

### **Testimony by the Judiciary**

#### **Chief Justice Mary Fairhurst, Washington State Supreme Court**

Chief Justice Fairhurst introduced herself and mentioned she is joined by judges from all levels of court to speak to the Commission, and said each judge will present on their level of court. Washington has four levels of courts. In Washington we are not a unified court system, but the different levels of courts come together at the Board for Judicial Administration to work on policy and speak with a unified voice about issues that affect the court. Chief Justice Fairhurst brought to attention the State of the Judiciary report that was given to the Commissioners, and spoke briefly about the report.

#### **Judge Rebecca Robertson, Municipal Court**

Judge Robertson is the President of the District and Municipal Court Judges Association and from the Federal Way Municipal Court. She mentioned the courts of limited jurisdiction have 206 judges throughout the State and they handle about 80% of cases throughout the State. Most of their time in the District and Municipal Court is actually taken up with the criminal cases, while the infractions and the parking tickets are mostly handled by the Court's staff. The kind of cases that they would handle in the Municipal and District Courts are some civil cases, small claims and lawsuits under \$100,000, petitions for protection and anti-harassment, and of course search warrants at all hours of the day or night as well as committee work and much more. Usually four and a half out of five days will be spent on criminal cases. The Judges are attempting to change the model from simply putting someone in jail to trying a more therapeutic approach by addressing the root cause, like homelessness, mental illness, or addiction. A typical day in Court for Judge Robertson would be 50-100 people or cases per day. She spoke about the requirements and cost to become a Judge for the State. Judge Robertson spoke about how important it is to be able to attract the best and the brightest Judges to serve.

#### **Judge Blaine Gibson, Superior Court**

Judge Gibson mentioned he is the president of the Superior Court Judges Association. Superior Courts are courts of general jurisdiction. He went over the types of cases they see in Superior court. Judge Gibson made reference to the complexity of the cases and number of the cases they see. He also spoke briefly about the therapeutic courts.

#### **Judge Laurel Siddoway, Court of Appeals**

Judge Siddoway started by thanking the Commissioners for their work. There are 22 Judges in the Court of Appeals, and three divisions around the state roughly divided by population. Judge Siddoway went through some of the types of cases they see. She also mentioned they do a lot of research at their level. The Court of Appeals gets between 3,400-3,600 new cases a year. The difference between the Court of Appeals and the other courts is that if they publish a decision it

becomes law and is precedent for future cases. The decision can be turned over by the Superior Court and the Legislature can reverse the law if they don't like the way it was interpreted. They do publish a lot of precedential decisions each year. She spoke about the typical day as an appellate judge. Each Judge typically writes about 70 opinions per year and sits on another 140 appeals. She also wanted to echo the other Judges that presented that they need to be able to attract the best, most experienced, widely ranging candidates to the judicial positions.

### **Chief Justice Mary Fairhurst, Washington State Supreme Court**

Chief Justice Mary Fairhurst talked about the Supreme Court being the highest court in the State and has nine Justices. The Supreme Court is a discretionary court. She went over the types of cases they see, and how they do their work for the Supreme Court, as well as how they are involved in helping the community with innovative programs. Chief Justice Fairhurst added that the decisions made are precedential and affect every person in the State of Washington. 1,000's of cases want to be heard but only about 100-110 are heard per year, and that is due to the time and energy put into each case, and although they are not hearing all the cases each case is reviewed. The Supreme Court is very involved with Commissions and efforts to improve the administration of justice. A Supreme Court Justice serves a six-year term and a trial court judge serves a four-year term after election. Chief Justice Fairhurst invited Judge Blaine Gibson to give a presentation to the Commissioners.

### **Judge Blaine Gibson, Superior Court**

Judge Gibson showed charts that were also handed out to Commissioners outlining the Federal District Court salary versus Superior Court Salary (Net of Public Employees Retirement Services or PERS) and Superior Court: Gross salary versus salary net of PERS and adjusted for inflation. He spoke about how salaries of the Federal Branch are the most realistic standard to use to establish Washington State Judges salaries because the duties are directly comparable. Judge Gibson quoted the Willis Study in reference to the Judiciary that says, "A reasonable course of action for the Commission to follow is to move *toward* a degree of parity with the federal bench over time." He showed on the graph that in 2002 the difference of Federal District court salary and Superior court salary after PERS deductions, it was a 25.67% difference, when compared to 2018 the difference is 45.30%. He spoke to how this graphs shows that the salaries are not moving toward parity, but away from it. The second chart shows the real buying power of the Superior Court gross salary and the salary net of PERS and with inflation adjusted, that graph showed that the real buying power is less than in 2002. When factoring in the contributions that the State Judges make and the Federal Judges are not required to make, in 2018, there is a 45% disparity, and it will continue to grow. Judge Gibson is asking the Commissioners to move toward and maintain parity with the Federal Bench. He made suggestions to the Commissioners on many ways to move toward parity. Judge Gibson thanked the Commission.

Steven asked: Where on the much larger scope or scale of law professions do the State Judicial salary rank? Chief Justice Fairhurst replied that it depends on what area of practice you look at. A law clerk with only one year of experience after law school was just hired as an entry level attorney making \$110,000 per year. Within four to five years if they go to a law firm in a metro area they will be making more than the State Supreme Court Chief Justice after 35 years as an attorney.

Karen asked if the Judicial Branch is the only group of elected officials that pays into their pension and if so why? Chief Justice Fairhurst replied, others pay but less than what the Judicial Branch pays. Judge Gibson added that most public employees are using the same pension plan that covers the judges, however the judges have a higher pay out rate depending on the years of service. Because most time being a judge is a second or third career. But they pay more per percentage point of the multiplier than anyone else does.

Libby asked if the Judges are immediately vested and if they leave are they able to roll over the pension? Judge Gibson replied they must work for five years to be vested. She asked if they left before the five years would they get the portion that they invested back? Judge Gibson replied having not left himself he can only speak to what he has heard, but he knows people who have left and they have been cashed out, he's not clear what exactly that entails.

Andrew mentioned that the Willis Study said "move toward a degree of parity," he asked what degree of parity is acceptable. Judge Gibson replied it would depend on who you talk to, some Judges feel they should be paid equally. He also said he's not sure what the study means when it says "a degree of parity" because if they didn't mean equality then what did they mean? Judge Gibson said they are asking to be made equal to the Federal bench. Chief Justice Fairhurst added that mainly they want to show that the Commission is not moving toward parity, but away from it and that they would like to see the Commission support the salary increase to move closer to parity.

Linda asked if new judges are hired for the new courts that were mentioned during the presentations or if those are added to the case load of the current judges? Judge Gibson replied those are added to the case load.

Melissa thanked the Judges for their time and presentations.

Sandi clarified for the Commissioners what happens to a state employee's pension when they quit. They can leave their money to withdraw at retirement age, they can withdraw their contributions or roll over their money into an eligible retirement plan or IRA. The plan the employee was enrolled in would determine if they forfeit the employer contributions.

Commissioners discussed the data they look to for comparisons for setting salaries. The Commission doesn't take any one piece of information to determine salary increases, it looks at many different factors.

**Kozen moved that the Judicial Branch's base salary be increased by 10% on July 1, 2019, and a base salary increase 2.5% July 1, 2020. Anastasia seconded it.**

Discussion ensued.

A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>
Melissa O'Neill Albert	X		
Jon Bridge	X		
Greg Dallaire	X		
Libby Hart	X		
Sandi LaPalm	X		
Andrew Malidore		X	
Linda Peterson	X		
Anastasia Potapova	X		
Gary Ratterree	X		
Don Robinson	X		
Kozen Sampson	X		
LeAnna Shauvin		X	
Gerry Sherman		X	
Steven Starkovich	X		
Larry Turner		X	
Karen White		X	

**The motion Passed with 11 affirmative votes, and 5 negative votes.**



**Larry moved to adjourn at 4:37 p.m., Libby seconded.**

The vote was unanimous and the meeting adjourned at 4:37 p.m.



\_\_\_\_\_  
Melissa O'Neill Albert, Chair

\_\_\_\_\_  
11/14/18

Date