



January 20 & 21, 2015, Meeting Minutes  
Doubletree by Hilton Olympia, 415 Capitol Way North, Olympia

January 20, 2015

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was brought to order by Dick Walter at 9:00 a.m. Roll Call of Commissioners by Teri Wright.

***Commissioners Present:***

- Melissa Albert
- Greg Dallaire
- Michael Donabedian
- Dorothy Gerard
- Elizabeth Heath, Vice-Chair
- Lynda Henderson
- Steve Isaac
- Wayne Jiang
- Erin John
- Ned Lange
- Sarah Mahoskey
- Flasha Merris
- Patrick Pavey
- Dick Walter, Chair
- Justine Winnie

***Commissioners Excused:***

- Chuck Marlow
- Raymond Miller

***Staff Present***

- Teri Wright
- Pam Morris

**Meeting Opening Statement and Approval of the November 19, 2014 Minutes**

Dick Walter, read the meeting opening statement and asked if everyone had reviewed their copy of the minutes from November 19, 2014. There was a motion made by Patrick Pavey to approve the minutes with one correction on page two, fourth paragraph Health to Heath. The motion was seconded by Liz Heath and carried by a unanimous voice vote.

**Review Meeting Folder Items**

Teri Wright went over the meeting folder contents, including travel reimbursement, Commissioner Contact List, salary setting binder updates and the meeting agenda. She informed Commissioners that Governor Jay Inslee and Lieutenant Governor Brad Owen declined to come to the meeting. She also reminded Commissions of how the salary setting process works. Teri stated the State law directs us to attract citizens of the highest quality to public service by: Establishing proper salaries for the elected officials; basing those salaries on realistic standards; and paying them according to the duties of their office. And that their responsibility is to

evaluate the position and set a salary that is commensurate with the duties. We are directed to study the relationship of salaries to duties and to set an appropriate salary for each position. *It is the voters' responsibility to evaluate the performance of the person doing the job.*

**Randy Dorn, Superintendent of Public Instruction (OSPI)**

State Superintendent Randy Dorn spoke about the role and responsibilities as Superintendent of Public Instruction. As head of the state educational agency and Chief Executive Officer of the State Board of Education, the Superintendent is responsible for the administration of the total state kindergarten through twelfth grade education program.

The Superintendent administers the basic education program for more than 956,572 Washington public school students and over 747,009 students attending approved private schools.

He stated that the top paid teachers' salaries are around \$65,000 and he has appointed a School District Superintendent that their starting salary was \$108,000. He commented that he has slipped from 120<sup>th</sup> best paid Superintendent in the state to 128<sup>th</sup> out of 295. He also made a comparison between his salary and Dr. Bette Hyde Director of the Department of Early Learning (her salary is \$147,800).

He stated that he feels that his salary should be in line with the Justices due to the complexities of his job. Superintendent Dorn also shared that because he is an elected official that there are many streams of revenue that are no longer an option for him, such as public speaking fees. There are four people in his office that make a higher salary than his.

**Recent changes:** Superintendent Dorn shared that some of the changes over the past two years, were the need to rethink what and how to capture data and to make it user friendly, useful, and accessible to the public.

Gaining a new set of skills and knowledge needed to know what information to collect in order to capture an accurate snap shot of student learning. Additionally he interacts with the media, who then educate the public, about the implications of the McCleary case.

**Dave Horn, Chief Deputy, Attorney General's Office (AG's)**

Dave Horn stated that the Attorney General is not requesting an increase in salary, he went on to share that the AG's salary has been the same since 2008.

Next Mr. Horn shared that the Attorney General Office is the largest law firm in the state of Washington. The office is headed by the Attorney General, the state's chief legal officer.

The Attorney General has a broad array of responsibilities unique and necessary to the operations of state government. These responsibilities include: serving as legal counsel to the Governor,

members of the Legislature, state officials, and the more than 230 state agencies, boards and commissions; defending the state officials and employees for actions performed in their official capacities; advising and representing the state agencies so they can fulfill their official duties; and issuing legal opinions. The Attorney General also enforces the Consumer Protection Act and advises and assists local prosecuting attorneys when requested.

**Recent changes**, like many other elected officials due to budget restraints the AG's Office is unable to fill vacant management positions. The AG's office continues to experience a significant turnover in attorney ranks due to salary issues. In addition, legislatively created programs, such as Medicaid Fraud Control Unit civil enforcement, the passage of recreational marijuana licensing program, and increase in caseloads, such as DSHS dependency and termination cases have increased the scope and responsibility of the office.

**Lenny Young Department of Natural Resources (DNR) Department Supervisor** (*for the Commissioner of Public Lands*)

Mr. Young shared the role and responsibilities of the Commissioner of Public Lands. He stated that this position leads the Washington State Department of Natural Resources, one of the largest state natural resource agencies in the United States. Overseeing millions of acres of forests, tidelands, and ranges in every corner of the state, the Commissioner must generate revenue for school and communities, keep people safe, protect natural resources, and guide the state's forestry.

**Recent changes** in this position has been the overall worsening health of eastern Washington's forest due to infestations of destructive insects, related to past management practices, persistent drought, and climate change. The Commissioner for the first time has exercised the authority created by the legislature to draw attention to deteriorating conditions and encourage landowners to take voluntary actions. Also, he has actively pursued federal and state funding to thin overstocked forest stands susceptible to insects, tree diseases, and wildfire. Over \$11 million has been acquired and implemented during the past two years.

The Oso landslide killed 43 people and highlighted the need for the Commissioner to expand and deepen Washington's understanding of geologic hazards. The Commissioner is requesting new funds from the legislature to increase DNR mapping and analysis and provide planners, developers, and citizens' better access to geologic data on landslides, earthquakes, and volcanoes.

The 2014 wildfire season was extraordinarily severe. The Commissioner led efforts to suppress many large fires, including the 250,000-acre Carlton Complex, the largest wildfire in state history. A trend toward larger and more wildfires means DNR firefighters are now even more essential to preserving life, property, and habitat.

In 2013, the legislature appropriated \$100 million to acquire 50,000 acres of private forest land to create the Teanaway Community Forest. This is the state's largest conservation land acquisition in 45 years. It inaugurates the new Community Forest Trust program, and gives the Commissioner a new role in working with communities, timber companies, environmental groups, and those who love outdoor recreation to protect working forest lands at risk of conversion.

From December 2013 through May 2014, China banned the import of certain shellfish from Pacific Northwest marine waters due to lead sampling. The Commissioner became an international trade negotiator, working with the Governor, Congress, and the U.S. Department of State to remove the ban and reopen the Chinese market to Washington's shellfish industry. The Asian market share for Washington shellfish continues to grow, and the Commissioner's role as advocate will continue.

In July 2014, the Commissioner signed the largest aquatic conservation easement in state history with the U.S. Navy to conserve and protect more than 4800 acres of aquatic lands in Hood Canal. In effect, this agreement halts new commercial or industrial construction, which helps the Navy develop improved submarine capability and adds a national security dimension to the Commissioner's job portfolio.

#### **12:00 – 1:30 Lunch**

The Commission broke for lunch at noon and was reconvened at 1:30 p.m.

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

Secretary Wyman spoke about the role and responsibilities of Secretary of State. The primary responsible is to maintain the record of official acts of the legislature and the executive branches and is the official “keeper of the Seal of the State of Washington.”

The Secretary is also responsible for maintaining a register of the official acts of the governor and affixing the state seal where appropriate.

As the Secretary of State she follows the Lt. Governor in the line of succession to the Office of the Governor.

The Secretary of State is the state’s chief elections officer, and as such, is responsible for supervising all state and local elections. The Elections Division produces and distributes the state’s voters’ pamphlet, verifies petition signatures on initiatives and referendums, accepts declarations of candidacy for federal and state offices, administers voter registration programs, canvasses state election returns, and tests and certifies electronic voting equipment.

This position supervises the state's archives and library and several smaller programs such as the combined fund drive, address confidentiality program, and Legacy Washington.

All corporations doing business in Washington must register with the Secretary of State through the agency's Corporations Division. These registrations provide information about a corporation's officers, and other related data for use by financial and legal services, law enforcement agencies, the IRS, and the general public.

**Recent changes:** the states tabulation systems in all 39 counties are very old and need upgrading. She is also working to find solutions for the state library and space large enough to house official records. The public expects a modernization of their government functions and the availability of information they need to access in an electronic format. In order to meet those expectations funding must be found to implement those electronic solutions.

Mellissa Albert asked, "Do you feel that the compensation for the position of Secretary of State is just?" Secretary Wyman replied that she feels that it is a good salary and that she was aware of the salary when she decided to run for the office and that she ran for other reasons. She is concerned that will the salary will not attract citizens of the highest quality to service in the Secretary of State's office.

### **Senator Sharon Nelson, Washington State Senate**

Senator Nelson spoke about the role and responsibilities of the States Legislator which is to develop policy for the state of Washington, to meet the immediate and long-range needs of the state's citizens; establishes budgets of revenues and expenditures for all state agencies; and acts as ombudsman to resolve the problems of district constituents with state government.

A significant amount of a legislator's time is spent in resolving constituents' problems with government agencies by intervening on their behalf. Although most of the complaints center on state services, many legislators get involved with constituent problems at the Federal and local government levels as well.

**Recent changes** are that issues have become increasingly complex, with increased emphasis on the need for long-range planning. These factors have resulted in a significant increase in the demands on a legislator's time on a year-round basis.

A legislator's time falls in to two categories; time in session and interim time. The length of legislative sessions varies over the course of the biennium. The long session (105 days) falls in years ending in odd numbers. A short session (60 days) is held in alternate years. Special sessions may be called if legislative work is not completed during the regular session. The last increase in salary was in 2007.

### **Doug Cochran, Chief of Staff, State Auditor's Office (SAO)**

Mr. Cochran spoke about the role and responsibilities of the State Auditor which is accountable for public funds. Every public dollar spent by state agencies and local governments comes under the Auditor's purview. The state's founders created the Office as a check and balance of government operations.

The office's primary service is to audit all state agencies and local governments for financial and legal compliance and to complete performance audits of selected programs. There are more than 2,400 local governments in Washington including all cities, counties, schools, ports, and special purpose districts. The office also audits all state agencies, boards, commissions, public colleges, and universities, and performs fraud and other special audits. In addition, the Auditor administers the Whistleblower Act for state employees and investigates citizen reports of government impropriety.

Under citizen approved Initiative 900, the Office is entrusted to ensure governments use public resources effectively and efficiently. This has significantly increased the responsibilities of the Auditor beyond the past role of auditing to ensure that public monies are spent and reported according to laws and accounting principles.

Other responsibilities of SAO include prescribing local governments' uniform budgeting, accounting, and reporting systems; training and technical assistance; prescribing the accounting manual for public school districts jointly with the Superintendent of Public Instruction; annually publishing local government comparative statistics; administering the audit efficiency and quality assurance program; and operating the Local Government Performance Center, which recently won an Excellence in Accountability Award from the National State Auditors Association.

**Recent changes** include an increase in the number of potential frauds reported. Also, more inappropriate use of dedicated revenues for general operations and the depletion of fund reserves, which leads to unstable financial conditions. It is critical that the State Auditor recognize these issues in conducting audits, so that the policy makers, grantor agencies, bond rating agencies, investors, and citizens understand the implications of diminished staffing.

In response to the increase risk demonstrated at the state level, the State Auditor has restructured its Statewide Technology Audit Team and data security audit function. The restructuring was done in order to respond to emerging information and technology security issues, as SAO takes a more proactive role in helping to secure public systems and information.

Greg Dallaire motioned that the **State Legislature** receive an increase of 3% General Wage Adjustment (GWA) in 2015 and 1% in 2016, and to come closer to get to the Willis Study bench mark of the of \$52K per year, an 8.5% increase in 2015 and 8.5% in 2016. The motion was second by Steve Isaac.

A friendly amendment was made by Ned Lange that the **State Legislature** receive an increase of 3% General Wage Adjustment (GWA) in 2015 and 1% in 2016, and additional “catch up” of 5% in 2015 and 2% in 2016. The motion was second by Lynda Henderson. A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard		X		
Liz Heath				X
Lynda Henderson	X			
Steve Isaac	X			
Wayne Jiang	X			
Erin John	X			
Ned Lange	X			
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris		X		
Raymond Miller				X
Patrick Pavey		X		
Dick Walter		X		
Justine Winnie		X		

**The motion passed with 9 affirmative votes, and 5 negative votes.**

**Public Testimony**

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

**Adjourn**

Dick called the meeting into recess at 5:00 p.m., until Wednesday, January 21<sup>st</sup> at 8:30 a.m.



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Dick Walter, Chair

February 25, 2015

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Date



January 20 & 21, 2015, Meeting Minutes  
Doubletree by Hilton Olympia, 415 Capitol Way North, Olympia

January 21, 2015

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was brought to order by Dick Walter at 8:30 a.m. Roll Call of Commissioners by Teri Wright.

***Commissioners Present:***

- Melissa Albert
- Greg Dallaire
- Michael Donabedian
- Dorothy Gerard
- Elizabeth Heath, Vice-Chair
- Lynda Henderson
- Steve Isaac
- Wayne Jiang
- Erin John
- Ned Lange
- Sarah Mahoskey
- Flasha Merris
- Raymond Miller
- Patrick Pavey
- Dick Walter, Chair

***Commissioners Excused:***

- Chuck Marlow
- Justine Winnie

***Staff Present***

- Teri Wright
- Pam Morris

**Meeting Opening Statement**

Dick Walter, read the meeting opening statement.

**Testimony by the Judiciary:**

**Chief Justice Barbara Madsen, Supreme Court**

Chief Justice Madsen spoke about the roles and responsibilities as Chief Justice of Supreme Court. She is Co-Chair of the Board for Judicial Administration. Supreme Court cases include cases of state wide significance. 135-145 cases a year are shared between 9 Supreme Court Judges. Supreme Court is responsible for disciplining the bar. Judges from all levels of court participate on committees and commissions, as well as, volunteer their time. She also commented that judges were leaving to go to private judging and the federal bench for an increase in salary.

To attract high quality judicial candidates to the bench and to retain these individuals, establishing and maintaining an adequate salary is essential. Having salaries that are sufficient to attract talented people is a common problem throughout government; however, it is especially difficult for the Judiciary.

When experienced lawyers consider trading private practice for public service on the bench they know that they will be prohibited from practicing law and must forego all outside business and professional interests as a condition of holding office. Unlike other public servants, judges must curb most other financial endeavors in order to preserve their impartiality. At the same time, they know that the potential monetary benefits of private practice usually exceed that of public service in the Judiciary. Therefore, adequate salaries, which do not erode with inflation, become crucial for attracting and retaining high quality candidates. The State is losing a lot of judges to other systems because of the salary. The percentage of judges age 65 or older as of December 31, 2014 is 22.2%.

#### **Judge Kevin M. Korsmo, Presiding Chief Judge, Court of Appeals**

Judge Korsmo spoke about the roles and responsibilities as a Court of Appeals Judge. He thanked the Commission for the last increase. He also commented that incremental increases are important so their salary doesn't get so far behind that they can't draw good people. Washington State pays one half of the salaries and all the benefits and the county pays one half of the salary.

#### **Judge Richard McDermott, King County Superior Court**

Judge McDermott spoke about the roles and responsibilities as a Superior Court. He thanked the Commission for the last increase. He stated that he loves his job and is sad is that they have to retire at 75, but he plans to stay as long as his health permits. He shared that in Superior Court he doesn't have clerks, he uses interns and they get school credit. He thinks he works 60 -70 hours a week judges are always on call and he takes work home weekdays and weekend. He also talked about the security issues that judges have to deal with.

He shared that he tried to recruit lawyers for three years to become judges, and he was only able to recruit one person in that time. To be a judge you have had to be a lawyer for at least five years. He asked what kind of people you want sitting on your case. Do you want someone who knows how to deal with people and knows the law? Salaries of judges should not be compared to state workers they should be compared to lawyers because that is what they are.

#### **Judge Veronica Alicea-Galvan, Des Moines Municipal Court President, District Court Judges' Association**

Judge Alicea-Galvan spoke about the roles and responsibilities of District Court Judges. She stated that the district is the court of 1<sup>st</sup> impressions; it is a trial court that has limited jurisdiction. She feels that they're the workhorse of the courts system. She said it is not uncommon for her to see 100 to 180 people a day.

She asked that when you think about salaries, think about whom do you want in these positions and whom do you want to be the face of justice, and what it's worth. She shared that judges understand and accept what we they're getting into. She also stated that you can't do this job and not have some vicarious trauma. The robe conveys authority but at the end of the day the robe is a mantel of service.

**David Schumacher, Director of the Office of Financial Management**

Mr. Schumacher stated that the economy is growing, but no we're not back to where we were before the great recession. He stated that it may take as long as six years for the budget to get back to where it was. The economy and revenues for the state are growing at a steady, but slow pace. The McCleary case (requiring that the state fund basic education) will affect the overall state budget.

**Mike Kriedler, Insurance Commissioner (OIC)**

Commissioner Kriedler stated that Washington State has the 38th largest insurance market in the world and the 17th largest among the United States. This complex and increasingly diverse insurance industry is critical to Washington's economy and to the well-being of our state's residents.

He spoke about the roles and responsibilities of the Insurance Commissioner that ranges from direct one-on-one consumer advocacy to monitoring the financial solvency of multi-billion dollar companies. Preventing the financial failure of insurers is essential to the OIC's consumer protection mission. A financially insolvent company is unable to honor its contracts with policyholders.

**Recent changes** include the implementation of Health Care Reform in Washington State. The federal Affordable Care Act (ACA) changes regulation of health Insurance and brings enormous change to the health care system now and through the foreseeable future which, in turn, directly impacts the Commissioner's responsibilities. For the last four years and for the next several years, implementation of the ACA has and will dominate the OIC's work.

In 2012, passage of E2SHB 2319 -Affordable Care Act Implementation - confirmed the Commissioner's regulatory authority over forms, rates, and provider network adequacy for health insurance sold within the Exchange. The 2012 law gave the Commissioner additional responsibilities for designing and implementing our state's risk adjustment and reinsurance program, to achieve the following goals:

- Level the playing field across the individual health insurance market;
- Moderate premium changes related to the implementation of insurance reforms;
- Spread financial risk more evenly to help stabilize premiums;
- Give health insurers the ability to offer a variety of plans; and
- Reduce or eliminate premium differences between plans based solely on expectations of enrollee health status.

The OIC responds to consumer complaints related to health care plans sold through the Exchange and cooperates with the Exchange in responding to complaints received by the OIC relating to Exchange processes.

**Criminal Prosecution of Insurance Producers and Others:** One recent success includes the charging of an insurance adjuster and arrest and prosecution of an attorney who conspired to defraud a woman of \$330,000. This situation has generated significant news interest. The woman was seriously injured in a collision and received a policy limit settlement. The attorney pled guilty to five felonies and was sentenced to 24 months in prison, as well as being ordered to make restitution. The case remains open as theft, conspiracy, money laundering, and other criminal charges are pending against the insurance adjuster.

The Commissioner is pursuing additional improvements within the office by seeking accreditation of the Special Investigations Unit (SIU). Ensuring that the unit meets and exceeds more than 130 standards designated as best law enforcement practices bringing increased professionalism. Accreditation will increase public confidence in the office and improve agency morale and pride as well as intensify administrative and operational effectiveness.

The office remains committed to pursuing the criminal prosecution of individuals, who commit fraud against consumers or violate criminal laws in the context of insurance transactions.

**Public Testimony**

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

**Commission Work Session**

Teri reminded Commissioners of the protocol when interacting with the media.

Greg Dallaire motioned that the **Executive Branch** and the **Judicial Branch** receive an increase of 3% General Wage Adjustment (GWA) in 2015 and 1% in 2016. The motion was second by Dorothy Gerard. A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard	X			
Liz Heath	X			
Lynda Henderson	X			
Steve Isaac	X			

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Wayne Jiang	X			
Erin John	X			
Ned Lange	X			
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris	X			
Raymond Miller	X			
Patrick Pavey	X			
Dick Walter	X			
Justine Winnie				X

The motion passed with 15 affirmative votes, and 0 negative votes.

Ned Lange motioned that the **Commissioner of Public Lands** position receive a 2% increase in 2015 and 1% in 2016, based on an increased responsibility level. The motion was second by Patrick Pavey. A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard	X			
Liz Heath	X			
Lynda Henderson	X			
Steve Isaac	X			
Wayne Jiang	X			
Erin John	X			
Ned Lange	X			

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris	X			
Raymond Miller			X	
Patrick Pavey	X			
Dick Walter	X			
Justine Winnie				X

The motion **passed** with 14 affirmative votes, 0 negative votes, and 1 abstained vote.

Ned Lange motioned that the **Superintendent of Public Instruction** position receive a 2% increase in 2015 and 1% increase 2016 based on an increased responsibility level. The motion was second by Sarah Mahoskey. A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian		X		
Dorothy Gerard	X			
Liz Heath		X		
Lynda Henderson	X			
Steve Isaac		X		
Wayne Jiang		X		
Erin John	X			
Ned Lange	X			
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris	X			
Raymond Miller			X	

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Patrick Pavey		X		
Dick Walter		X		
Justine Winnie				X

**The motion failed with 8 affirmative votes, 6 negative votes, and 1 abstained**

Ned Lange motioned that the **Superintendent of Public Instruction** position receive 1% increase in 2015 based on an increased responsibility level. The motion was second by Greg Dallaire. A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard	X			
Liz Heath		X		
Lynda Henderson	X			
Steve Isaac		X		
Wayne Jiang		X		
Erin John	X			
Ned Lange	X			
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris	X			
Raymond Miller			X	
Patrick Pavey	X			
Dick Walter		X		
Justine Winnie				X

**The motion passed with 10 affirmative votes, 4 negative votes, and 1 abstained.**

**12:00 – 1:30 Lunch**

The Commission broke for lunch at noon and was reconvened at 1:30 p.m.

**James McIntire, State Treasurer**

Treasurer McIntire thanked the Commission for his last salary increase. He spoke about the roles and responsibilities of the Treasurer the state's Chief Financial Officer, the Treasurer deals with a wide variety of financial, banking, investment and legal/policy issues that require thorough preparation, planning, and effective engagement. This is especially true as new financial regulations, challenging bond markets, reduced investment earnings, and lower state revenues combine to put historically large pressure on state and local governments.

He stated that effective and timely action is needed to get the best possible results for tax payers in these challenging times. In view of these difficult conditions, the Treasurer's Office reconfigured its debt management program, completely re-engineered statutes and operations that protect public deposits, won support from the Legislature to modernize the state's cash management practices, and to expand the local government investment opportunities.

He reported that these prompt actions helped stabilize the state's community banks, eliminated the risk of loss for public depositors, saved over \$2.1 billion in borrowing costs for taxpayers (to date), increased cash liquidity for the state, and will provide local governments with a higher return option for their investments at a critical time.

He also shared that with scale, scope, and duties similar to state treasurers in Tennessee (\$182,000 annual salary), Michigan (\$174,000 annual salary), and Virginia (\$157,000 annual salary), the Washington State Treasurer safely and securely manages public funds for the state and many of its local governments. This requires maximizing returns through careful investments, managing state debt to obtain the lowest possible borrowing costs, paying state employees and vendors, and balancing the state's books every day.

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

Dr. Lerch shared that the economic forecast news continues to suggest risks to forecast. The upside: declining initial unemployment claims, net monthly employment gains average almost 250,000 in 2014 with lower gasoline prices, and mortgage rates.

The factors affecting the slow recovery rates are due to slow Chinese, Japanese, and European economies and the U.S. is having lackluster housing activity. Additionally, there is instability in the Middle East, Ukraine/Russia with the exception of lower oil prices. It is expected that the moderate pace of the economic recovery will continue in both the U.S. and Washington economies.

Washington's economy will continue to be slightly stronger than the nation as a whole. The level of uncertainty in the baseline remains high, with greater risks on the downside than on the upside.

**Public Testimony**

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

**Commission Work Session**

Melissa Albert motioned that the **Treasurer** position receive an increase of \$10K in 2015 and \$10K in 2016, based on an increased in responsibility level. The motion was second by Liz Heath.

A friendly amendment was made by Greg Dallaire to increase the salary by 4% in 2015 and 4% in 2016, based on an increased responsibility level. The motion was second by Flasha Merris. A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard	X			
Liz Heath	X			
Lynda Henderson	X			
Steve Isaac	X			
Wayne Jiang	X			
Erin John	X			
Ned Lange	X			
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris	X			
Raymond Miller		X		
Patrick Pavey	X			
Dick Walter	X			
Justine Winnie				X

The motion passed with 14 affirmative votes and 1 negative vote.

Greg Dallaire motioned that the **Governor, Secretary of State, Auditor, and the Attorney General** receive no additional increases beyond the General Wage Adjustment (GWA). The motion was second by Michael Donabedian. A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard	X			
Liz Heath	X			
Lynda Henderson	X			
Steve Isaac		X		
Wayne Jiang	X			
Erin John	X			
Ned Lange	X			
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris	X			
Raymond Miller		X		
Patrick Pavey		X		
Dick Walter	X			
Justine Winnie				X

**The motion passed with 12 affirmative votes, and 3 negative votes.**

Michael Donabedian motioned that the **Lieutenant Governor** position receive 4% in 2015 and 4% in 2016, based on an increased responsibility level. The motion was second by Raymond Miller.

A friendly amendment was made by Greg Dallaire to increase 2% in 2015 and 2% in 2016, based on an increased responsibility level. The motion was second by Raymond Miller. A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard		X		
Liz Heath		X		
Lynda Henderson	X			
Steve Isaac		X		
Wayne Jiang		X		
Erin John	X			
Ned Lange		X		
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris				X
Raymond Miller	X			
Patrick Pavey	X			
Dick Walter			X	
Justine Winnie				X

The motion **failed** with 8 affirmative votes, and 5 negative votes.

Ned Lange motioned that the **Lieutenant Governor** position receive 1% in 2015 based on an increased responsibility level. The motion was second by Melissa Albert.

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard		X		
Liz Heath		X		

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Lynda Henderson	X			
Steve Isaac		X		
Wayne Jiang	X			
Erin John	X			
Ned Lange	X			
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris				X
Raymond Miller	X			
Patrick Pavey	X			
Dick Walter	X			
Justine Winnie				X

**The motion passed with 11 affirmative votes, and 3 negative votes.**

Raymond Miller motioned that the **Insurance Commissioner** position receive 2% in 2015 for the Insurance Commissioner and 2% in 2016, based on an increased responsibility level. The motion was second by Greg Dallaire.

Michael Donabedian made a motion to amend that the **Insurance Commissioner** position receives 1% in 2015 and 1% in 2016, based on an increased responsibility level. The motion was second by Lynda Henderson. (There was a vote to adopt the amendment. It was passed with a 9 affirmative and 5 negative votes.) A roll call vote was taken on the amendment as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard	X			
Liz Heath	X			

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Lynda Henderson	X			
Steve Isaac	X			
Wayne Jiang	X			
Erin John	X			
Ned Lange		X		
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris				X
Raymond Miller	X			
Patrick Pavey	X			
Dick Walter	X			
Justine Winnie				X

**The motion passed with 13 affirmative votes, and 1 negative vote.**

Greg Dallaire motioned that the **Supreme Court Chief Justice** position receive a stipend of \$2500 per year to recognize additional responsibilities of that position. The motion was second by Patrick Pavey.

A friendly amendment was made by Ned Lange to increase by **Supreme Court Chief Justice** by 1.5% to recognize additional responsibilities of that position. The motion was second by Wayne Jiang. A roll call vote was taken as follows

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard	X			
Liz Heath	X			
Lynda Henderson	X			
Steve Isaac	X			

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Wayne Jiang	X			
Erin John	X			
Ned Lange	X			
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris				X
Raymond Miller	X			
Patrick Pavey	X			
Dick Walter	X			
Justine Winnie				X

**The motion passed with 14 affirmative votes, and 0 negative votes.**

Ned Lange motioned that the **Judicial Branch** receive a 0% in 2015 and 1% in 2016, to maintain working toward the benchmark of Federal Court Judges. The motion was second by Dorothy Gerard.

A friendly amendment was made by Erin John motioned that the **Judicial Branch** receive a 1% in 2015 and 1% in 2016, to maintain working toward the benchmark of Federal Court Judges. The motion was second by Liz Heath. A roll call vote was taken as follows:

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Melissa Albert	X			
Greg Dallaire	X			
Michael Donabedian	X			
Dorothy Gerard	X			
Liz Heath	X			
Lynda Henderson	X			
Steve Isaac	X			
Wayne Jiang	X			

Commissioner	Yes	No	Abstain	Absent
Erin John	X			
Ned Lange	X			
Sarah Mahoskey	X			
Chuck Marlow				X
Flasha Merris				X
Raymond Miller	X			
Patrick Pavey	X			
Dick Walter	X			
Justine Winnie				X

The motion passed with 14 affirmative votes, and 0 negative votes.

Teri reminded Commissioners of the upcoming February 25<sup>th</sup> in Kelso, WA, beginning at 6:00 p.m.

**Adjourn**

The meeting was adjourned at 4:45 p.m., with a motion by Erin John, second by Melissa Albert and carried with unanimous voice vote.



\_\_\_\_\_  
Dick Walter, Chair

February 25, 2015

\_\_\_\_\_  
Date