

## MEMORANDUM

For: Fritz Schwarz, Jill Bright, Paul Quintero  
Cc: Jeffrey Friedlander  
From: R. Kyle Alagood  
Date: October 8, 2015  
Re: Background Information on the New York City Quadrennial Advisory Commission  
for the Review of Compensation Levels of Elected Officials, Together with Copies of  
All Prior Reports

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### BACKGROUND ON THE QUADRENNIAL ADVISORY COMMISSION

Local Law Number 77, passed by the New York City Council in 1986 and codified at NYC Administrative Code § 3-601, established the Quadrennial Advisory Commission for the Review of Compensation Levels of Elected Officials (the Commission, the Advisory Commission, or QAC). The Commission is a three-person panel of “private citizens generally recognized for their knowledge and experience in management and compensation matters.” Its task is to “study the compensation levels . . . and recommend changes in those compensation levels, if warranted,” for the mayor, public advocate, comptroller, borough presidents, council members, and the city’s five district attorneys.<sup>1</sup>

The New York City Council created the Commission to ensure “elected officials . . . receive salaries sufficient to maintain a standard of living reasonably consistent with the status of the office and the city they represent” and “salary levels of elected officials . . . [would] be high enough to avoid limiting subordinate salaries to levels that prevent the city from attracting and retaining competent dedicated managerial and executive personnel.” The City Council’s goal was to prevent public service from becoming a province of “the wealthy or those with limited personal obligations.”<sup>2</sup>

Section 3-601 mandates the Commission consider at least the following factors: the duties and responsibilities of each position, current salaries, the length of time since the last change, any change in the cost of living, salary compression for other city officers and employees, and trends for similar positions in government and the private sector.

The first Commission convened in 1987. Subsequent Commissions convened every four years (1991, 1995, and 1999), as required by law, until the Michael R. Bloomberg mayoral administration. Bloomberg did not appoint a Commission in 2003, reportedly due to budget woes.<sup>3</sup> The first (and only) Commission during Bloomberg’s three terms as mayor completed its study over the course of six months in 2006.<sup>4</sup> The 2006 Commission recommended, among other

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<sup>1</sup> N.Y.C. ADMIN. CODE § 3-601 (a) – (b).

<sup>2</sup> N.Y.C. ADMIN. CODE. § 3-601 Note.

<sup>3</sup> ADVISORY COMM’N FOR THE REVIEW OF COMPENSATION LEVELS OF ELECTED OFFICIALS, REPORT AND RECOMMENDATIONS 3 (2006) [hereinafter 2006 PAY COMMISSION REPORT].

<sup>4</sup> See Press Release, N.Y.C. Mayor’s Office, Mayor Bloomberg Appoints Members to Advisory Commission for the Review of Compensation Levels of Elected Officials (Apr. 6, 2006), *available at* <http://www1.nyc.gov/office-of-the->

things, another Commission be appointed in 2011 to bring the Commission back into compliance with its every-four-year mandate, which began in 1987.<sup>5</sup> Bloomberg did not appoint another Commission during his final term. Mayor Bill de Blasio did not appoint a Commission until nine months after January 2015, as required by Section 3-601. The current Commission is, therefore, the first study of elected officials' compensation in nine years.

Relevant background documents follow:

- [A] New York City Administrative Code § 3-601 (creating the Advisory Commission)
- [B] Report of the Advisory Commission for the Review of Compensation Levels of Elected Officials (March 1987)
- [C] Report of the Advisory Commission for the Review of Compensation Levels of Elected Officials (September 1991)
- [D] Report of the Quadrennial Advisory Commission for the Review of Compensation Levels of Elected Officials (October 1995)
- [E] Report of the Quadrennial Advisory Commission for the Review of Compensation Levels of Elected Officials (June 1999)
- [F] Report and Recommendations of the Advisory Commission for the Review of Compensation Levels of Elected Officials (October 2006)
- [G] New York City Charter § 26 (providing that the Advisory Commission can analyze whether to place restrictions on City Council outside earned income)

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mayor/news/105-06/mayor-bloomberg-appoints-members-advisory-commission-the-review-compensation-levels-of; 2006 PAY COMMISSION REPORT, *supra* note 3 (releasing final report on Oct. 23, 2006).

<sup>5</sup> 2006 PAY COMMISSION REPORT, *supra* note 3, at 4.

A

## New York City Administrative Code

§ 3-601. Quadrennial advisory commission for the review of compensation levels of elected officials. a. Between the first and fifteenth day of January, nineteen hundred eighty-seven, and during the same period every fourth year thereafter, the mayor shall appoint three persons for the review of compensation levels of elected officials. The members of the commission shall be private citizens generally recognized for their knowledge and experience in management and compensation matters. The mayor shall appoint one of the members to be chairperson of the commission.

b. The commission shall study the compensation levels for the mayor, the public advocate, the comptroller, the borough presidents, the council members and the district attorneys of the five counties within the city and shall recommend changes in those compensation levels, if warranted. In making its recommendations the commission shall take into consideration the duties and responsibilities of each position, the current salary of the position and the length of time since the last change, any change in the cost of living, compression of salary levels for other officers and employees of the city, and salaries and salary trends for positions with analogous duties and responsibilities both within government and in the private sector.

c. The commission shall submit a report to the mayor on or before the March fifteenth following its appointment containing its recommendations for changes in compensation levels for any elected position set forth in subdivision b or its recommendation that no changes are warranted. d. The mayor shall submit the report of the commission along with his or her recommendation for approval, disapproval or modification to the council not later than thirty days after receipt of the report of the commission.

e. The council in its discretion shall consider the recommendations of the commission and of the mayor for changes in the compensation levels of any such elected position, if any, and approve a local law changing the compensation of the mayor, the public advocate, the comptroller, the borough presidents, the council members, and the district attorneys of the five counties within the city.

f. The members of the commission shall serve without compensation except that each member shall be allowed his or her actual and necessary expenses, to be audited in the same manner as other city charges.

g. The commission may hire or contract for necessary staff and technical assistance and may require city agencies to provide such assistance.

h. The commission shall have a budget as provided for by the mayor.

i. The commission may hold public hearings and may consult with compensation experts from the public and private sectors.

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Municipal Reference and  
Research Center  
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N.Y. CITY MAYORS

# REPORT OF THE ADVISORY COMMISSION FOR THE REVIEW OF COMPENSATION LEVELS OF ELECTED OFFICIALS

March, 1987

### Origin of the Commission

The provisions of a law passed by the City Council on December 9, 1986, and approved by the Mayor on December 22, 1986, call for an Advisory Commission to be established every four years, starting in January, 1987, to review the compensation levels of the City's elected officials. These officials are:

- The Mayor
- The President of the City Council
- The Comptroller
- The District Attorneys of the Five Counties
- The Borough Presidents
- The City Council Members

The law provides that the Commission submit a report to the Mayor containing its recommendations and that the Mayor, in turn, submit the Commission's report, along with his own recommendations, to the City Council.

The Commission for 1987 was appointed by Mayor Koch on January 15, 1987. Its members are:

- Richard R. Shinn, Chairman of the Commission
- Executive Vice-Chairman
- New York Stock Exchange

- Donald C. Platten
- Chairman of the Executive Committee
- Chemical Bank

- G. G. Michelson
- Senior Vice-President
- R. H. Macy's

The Commission Staff was headed by I. Gerald Walker, Vice-President, Human Resources, Metropolitan Insurance Companies, and assisted by John M. Reynolds, also of Metropolitan.

### Background and Recommendations

When the salaries of the City's elected officials were last reviewed in 1983, the following key considerations emerged:

- Governing the City of New York is a task of enormous complexity and the salary levels of its elected officials should be maintained at a level commensurate with their responsibilities.
- The salary level set for the Mayor effectively serves as a cap on the rates paid to all employees covered under the City's pay structure.
- The machinery currently in place for setting elected officials' salaries, whereby they are reviewed only periodically, results inevitably in having to play "catch-up" with several years' worth of various economic and market developments.

The Commission finds these conclusions no less valid today.

Local Law No. 77 directs that the Commission shall consider "the duties and responsibilities of each position, the current salary of the position and the length of time since the last change, any change in the cost of living, compression of salary levels for other officers and employees of the city, and salaries and salary trends for positions with analogous duties and responsibilities both within the government and in the private sector." (See copy of Local Law 77 attached.)



Utilizing these directions, the following table has been compiled to show what the salary of each of the elected officials would have to be on July 1, 1987, to have kept pace with a variety of indices since July 1, 1983, when the current salaries became effective.

	(Salaries in thousands)					
	(1)	(2)	(3)	(4)	(5)	(6)
Mayor	\$110.0	128.6	130.6	131.0	127.6	128.7
President of City Council	90.0	105.2	106.8	107.2	104.4	105.3
Comptroller	90.0	105.2	106.8	107.2	104.4	105.3
District Attorneys of the five Counties	82.0	95.9	97.3	97.7	95.1	95.9
Borough Presidents	80.0	93.5	95.0	95.3	92.8	93.6
City Council Members	47.5	55.5	56.4	56.6	55.1	55.6

- (1) Salaries proposed in 1983 study and adopted July 1, 1983, based on data as of that date.
- (2) CPI for New York City has increased 13.8% between 1/1/84 and 12/1/86 but when projected through July 1, 1987, is assumed to be 16.9%.
- (3) Average percentage salary increases in large companies (\$3 billion or over in sales) January 1984 through July 1, 1987, excluding effects of promotion, result in 18.7% increase.
- \* (4) Compounded effect of New York City Union contractual increases from January 1, 1984 through July 1, 1986 for Uniformed Services totals 19.1%.
- \* (5) Effect of New York City Union contractual increases from January 1, 1984 through July 1, 1986 for Civilian employees totals 16.0%.
- \* (6) Effect of New York City Managerial and Executive increases from January 1, 1984 through July 1, 1986 totals 17.0%.

\*Data furnished by Office of the Mayor.

Based on this data and other available survey information, the Commission makes the following recommendations, to be effective July 1, 1987:

	<u>Current Salary</u>	<u>Recommended Increase</u>	<u>Recommended Salary Effective 7-1-87</u>
Mayor	\$110,000	\$20,000	\$130,000
President of City Council	90,000	15,000	105,000
Comptroller	90,000	15,000	105,000
District Attorneys	82,000	15,000	97,000
Borough Presidents	80,000	15,000	95,000
City Council Members	47,500	7,500	55,000

We believe these proposals are fully justified considering the responsibilities of the positions in question. The total annual cost of the proposed changes is \$462,500 (16.7%).

It is in government's own best interest that it pay salaries which will attract and retain high caliber individuals. It is to no one's advantage when the salaries of elected officials remain static out of a reluctance to face this issue. Although the pay rates of government leaders are not expected to be fully competitive with those of executives in private industry, they should remain in some reasonable proportion. The same is true of government leaders' salaries relative to those of other government employees. This parity is difficult to maintain when, as has been the case recently with New York City's elected officials, salaries rise only at irregular intervals.

A particularly unfortunate result is the salary compression which arises from this situation. The salary of the Mayor acts as a lid on the salaries of those immediately below him and this is repeated down through successive layers in the City organization. The result can be the inability to offer competitive salaries for key managerial and technical jobs and, thus, the failure to attract and retain quality employees.

Additionally, it becomes increasingly difficult to reflect legitimate distinctions in levels of responsibility. The current difference in salary between Salary Level 11, that of the First Deputy Mayor, and Salary Level 7, that of certain Agency Heads with distinctly more narrow responsibilities, is only \$14,500.

The Commission notes that while the effects of salary compression, and the resultant problems caused, are common throughout the city organization, they stand out as major difficulties in the offices of the District Attorneys. Attorneys graduate from law school with highly marketable skills, and the salary rates offered by law firms and major corporations are clearly in excess of what the City can pay. In addition, the recommendation on the District Attorneys is designed to bring their salaries more in line with that of the New York City Corporation Counsel (\$94,500) and thus relieve the compression and competitive disadvantage under which the staffs of the District Attorneys now work.

While the Mayor's salary was set at \$110,000 in July 1983 to reflect his accountability as the Chief Executive and Administrative Officer of New York City, it is revealing to compare that rate with the current salaries of some appointed positions in government-related agencies.

<u>Position</u>	<u>Salary</u>
Executive Director Port Authority of N.Y. & N.J.	\$170,000
Chairman Metropolitan Transportation Authority	150,000
President Metropolitan Transportation Authority	140,000
Chancellor Board of Education	125,000
President Health and Hospitals Corporation	105,000

These salaries are set by independent boards or commissions governing these institutions. Without even trying to measure precisely one set of responsibilities against another among these positions, it would seem fair to say that the salary of the Mayor of New York, a job of enormous complexity, appears low relative to these rates.

For the record, the current salaries of the key New York State elected officials are as follows:

Governor	\$130,000
Comptroller	110,000
Attorney General	110,000
Members of Senate and Assembly	43,000

The Commission has pursued its charge of reviewing the appropriateness of New York City's elected officials' salaries by considering a number of changes in various indices over the last four years, such as increases in the CPI, salary modifications, over the same period, in the compensation of various municipal groups, average changes in the pay of corporate executives, and the growing problems arising from salary compression. In the Commission's opinion, each of these

factors clearly supports the salary changes being proposed and any cost to New York City in dollars involved can be justified when balanced against the cost of failing to provide the City with quality leadership in its key positions.

Related Matters

During the course of our deliberations on the adjustment of salaries for elected officials, important related matters concerning the structure of government, ethics and financial disclosure requirements have been raised through written submission and oral testimony to the Commission. Perhaps the most important of these questions dealt with the issue of whether or not membership on the City Council should be determined to be a full-time occupation and compensated accordingly. The related matter of whether or not outside earned income of those on the City Council should be restricted was also submitted for the Commission's consideration.

This Commission's mandate is prescribed by Local Law No. 77 of 1986. While these questions have been raised whenever studies are undertaken with respect to the proper salaries Council members should be paid, they are outside our stated jurisdiction (see Corporation Council letter attached). Whether the responsibilities of a City Council Member warrant the designation of "full-time employee" is a question that goes to the structure of government rather than to the study of salary levels. It's the Commission's view that this is a matter of important public concern and appropriate for review by the Charter Revision Commission. Whether or not outside earned income limitations should be imposed on Council Members can only fairly be answered in the context of whether or not the position is full or part-time.

The Commission has also been urged to require greater financial disclosure by elected officials and to establish an independent Board of Ethics. As a Commission we are both mindful and supportive of the major thrust of many of the recommendations made by the Commission on Integrity in Government, Chaired by Michael I. Sovern, which dealt with tightening financial disclosure requirements and creation of a state-wide Board of Ethics. But, determining these issues for the City is not the prerogative of this Commission, but rather is a matter appropriate for the Council and Mayor to resolve through local legislation.

Background on Recommendations of 1983 Commission

And Actions Taken

In May, 1983, the Commission to Study Salary Levels of New York City Elected Officials was formed to review the compensation levels of its elected officials and to propose changes in those levels, if warranted. The Commission conducted an extensive study and made the following proposals:

First, that the salaries of New York City elected officials be increased as follows:

<u>Position</u>	<u>Current Salary</u>	<u>Increase</u>	<u>Recommended Salary Effective 7-1-83</u>
Mayor	\$80,000	\$30,000	\$110,000
President of the City Council	66,000	24,000	90,000
Comptroller	66,000	24,000	90,000
Borough Presidents	61,000	19,000	80,000
City Council Members	35,000	12,500	47,500

Result: This proposal was adopted

Second, that additional compensation for leadership positions be increased effective July 1, 1983, as shown:

	<u>Current Additive</u>	<u>Recommended Increase</u>	<u>Recommended New Additive</u>
Majority Leader and Vice-Chairman	\$19,500	\$10,500	\$30,000
Minority Leader	13,000	7,000	20,000
Chairman of the Finance Committee	9,000	5,000	14,000
Chairman of General Welfare Committee	7,000	3,500	10,500

Result: This proposal was adopted.

Third, although the compensation of the District Attorneys was not specifically within its 1983 charge, the Commission urged the Mayor to make recommendations to the City Council for increases in District Attorney salaries at an early date.

Result: This proposal was adopted.



Fourth, that a mechanism be established to ensure the consistent and periodic review of elected officials' salaries.

Result: This proposal was adopted with the enactment of Local Law No. 77.

Public Hearing

A public hearing was held on March 9, 1987, in the Board of Estimate Chambers, City Hall. Notice of the hearing was posted in The City Record on Wednesday, March 4, and Thursday, March 5. The three Commission Members were present.

The Commission was addressed by five individuals, two of whom represented public interest groups and three of whom were City Council Members. None of the speakers had any objection to appropriate salary adjustments for the City's elected officials.

The public interest group speakers raised such issues as the need to link any salary increases with the establishment of an Independent City Ethics Commission and legislation increasing financial disclosure laws. Both urged formal consideration of making the City Council Member position a full-time job and the enactment of legislation restricting Council Members' outside earned income.

The Council Members who spoke supported the proposal of salary increases for elected officials.

## ATTACHMENTS

1. Local Law No. 77
2. Corporation Counsel Response to  
Commission Chairman

LOCAL LAWS  
OF  
THE CITY OF NEW YORK  
FOR THE YEAR 1986

No. 77

Introduced by the Vice Chairman (Council Member Vallone), Council Members Katzman and DeMarco; also Council Members Ferrer, Foster, Friedlander, Michels and Williams.

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to establishing an advisory commission for the review of compensation levels of elected officials.

*Be it enacted by the Council as follows:*

Section one. Declaration of legislative findings and intent. The council finds that public service should not be limited to the wealthy or those with limited personal obligations; that elected officials should receive salaries sufficient to maintain a standard of living reasonably consistent with the status of the office and the city they represent; that salary levels of elected officials should be high enough to avoid limiting subordinate salaries to levels that prevent the city from attracting and retaining competent dedicated managerial and executive personnel; that to maintain salary levels consistent with these standards and to avoid the salary compression which precludes reasonable salaries for key subordinates throughout city government, it is necessary and in the public interest to provide for the periodic examination of the salaries of elected officials; that such examination should be conducted by an advisory commission composed of disinterested private citizens chosen for their expertise in these matters and that such commission should be empowered to recommend changes in compensation levels of elected officials where such changes are warranted.

§2. Title three of the administrative code of the city of New York is amended by adding a new chapter six to read as follows:

CHAPTER 6  
ADVISORY COMMISSION FOR THE REVIEW  
OF COMPENSATION LEVELS OF ELECTED OFFICIALS

§3-601. Quadrennial advisory commission for the review of compensation levels of elected officials. a. Between the first and fifteenth day of January, nineteen hundred eighty-seven, and during the same period every fourth year thereafter, the mayor shall appoint three persons for the review of compensation levels of elected officials. The members of the commission shall be private citizens generally recognized for their knowledge and experience in management and compensation matters. The mayor shall appoint one of the members to be chairperson of the commission.

b. The commission shall study the compensation levels for the mayor, the president of the council, the comptroller, the borough presidents, the council members and the district attorneys of the five counties within the city and shall recommend changes in those compensation levels, if warranted. In making its recommendations the commission shall take into consideration the duties and responsibilities of each position, the current salary of the position and the length of time

since the last change, any change in the cost of living, compression of salary levels for other officers and employees of the city, and salaries and salary trends for positions with analogous duties and responsibilities both within government and in the private sector.

c. The commission shall submit a report to the mayor on or before the March fifteenth following its appointment containing its recommendations for changes in compensation levels for any elected position set forth in subdivision b or its recommendation that no changes are warranted.

d. The mayor shall submit the report of the commission along with his other recommendation for approval, disapproval or modification to the council not later than thirty days after receipt of the report of the commission.

e. The council in its discretion shall consider the recommendations of the commission and of the mayor for changes in the compensation levels of any such elected position, if any, and approve a local law changing the compensation of the mayor, the president of the council, the comptroller, the borough presidents, the council members, and the district attorneys of the five counties within the city.

f. The members of the commission shall serve without compensation except that each member shall be allowed his or her actual and necessary expenses, to be audited in the same manner as other city charges.

g. The commission may hire or contract for necessary staff and technical assistance and may require city agencies to provide such assistance.

h. The commission shall have a budget as provided for by the mayor.

i. The commission may hold public hearings and may consult with compensation experts from the public and private sectors.

§3. This local law shall take effect immediately.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on December 9, 1986, and approved by the Mayor on December 22, 1986.

CARLOS CUEVAS, City Clerk, Clerk of Council.

#### CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW § 27

Pursuant to the provisions of Municipal Home Rule Law § 27, I hereby certify that the enclosed local law (Local Law 77 of 1986, Council Int. No. 725) contains the correct text and:

Received the following vote at the meeting of the New York City Council on December 9, 1986: 34 for, 0 against.

Was approved by the Mayor on December 22, 1986.

Was returned to the City Clerk on December 22, 1986.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel.



LAW DEPARTMENT

100 CHURCH STREET  
NEW YORK, N. Y. 10007  
(212) 566-4517

JEFFREY D. FRIEDLANDER  
*Chief Counsel*

March 11, 1987

Mr. Richard R. Shinn  
Chairman  
Commission on Salaries for New York City  
Elected Officials  
City Hall

Dear Mr. Shinn:

The Corporation Counsel has asked me to respond to a letter, dated March 3, 1987, from Mr. I. Gerald Walker in which he asks, on behalf of the Commission on Salaries for New York City Elected Officials (the "Commission"), our reaction and comments concerning a letter to you from Gene Russianoff, Esq., of the New York Public Interest Research Group, Inc. ("NYPIRG"). In his letter, dated February 3, 1987 (copy attached), Mr. Russianoff states that NY IRG recommends that the Commission link any possible salary increase for elected officials to the enactment of legislation regarding the creation of an Ethics Commission and other changes. Mr. Walker noted in his letter that it is the Commission's preliminary view that the issues raised by Mr. Russianoff are not within the responsibilities assigned to the Commission.

Section 3-601, subd. a of the Administrative Code, enacted by Local Law No. 77 of 1986, provides that the Mayor shall, in every fourth year beginning in 1987, appoint a three member commission which shall "review the compensation levels of elected officials". Section 3-601, subd. b provides that the commission "shall study the compensation levels of elected officials, and "recommend changes in those...levels; if warranted". The statute then sets forth factors the Commission is to consider in making its recommendations:

"In making its recommendations the commission shall take into consideration the duties and responsibilities of each position, the current salary of the position and the length of time since the last change, any change in the cost of living, compression of salary levels

for other officers and employees of the city, and salaries and salary trends for positions with analogous duties and responsibilities both within government and in the private sector."

These factors are quite specific and do not include consideration of the issues Mr. Russianoff raises. Those issues involve important questions of policy. However, the Council in providing for the establishment of the Commission to advise on compensation levels did not assign to it the responsibility to consider or make recommendations concerning them.

Sincerely,

  
JEFFREY D. FRIEDLANDER

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**REPORT OF THE ADVISORY COMMISSION  
FOR THE REVIEW OF  
COMPENSATION LEVELS OF  
ELECTED OFFICIALS**

**SEPTEMBER 1991**

## Introduction

Setting salary levels for elected officials is, in the best of times, a sensitive matter. The current dire fiscal situation confronting the City makes matters even more difficult. The Commission has been given the mandate to objectively reexamine the current compensation of New York City's elected officials and make appropriate recommendations.

The Commission has chosen, as its starting point, to use the same methodology as previous Commissions, i.e., determine what appropriate salaries should be in 1991 based on the changes in various key economic and competitive factors since the last Commission review in 1987. These factors clearly support higher salary rates for the City's elected officials. However, in view of the economic and budget troubles currently facing New York City, the Commission recommends deferring any salary increases at this time, except in the case of the District Attorneys for reasons set forth in the body of the report.

The adoption of a new Charter for the City of New York will involve fundamental changes in the structure of city government. In fact, the job descriptions of some of the elected officials will have to be rewritten to reflect the reallocation of certain responsibilities and accountabilities.

It is the Commission's judgment that these roles will be evolving for a period of time, in particular the balance of powers between the Mayor and the City Council whose respective authorities have been redefined along more traditional executive and legislative lines than in the past. The abolition of the Board of Estimate would seem to have diminished the authority of the City Council President and Borough President positions, while the Comptroller and District Attorney positions were relatively unaffected by the Charter changes, even though the Comptroller was a member of the Board of Estimate.

During its deliberations, the Commission met with individuals who were directly involved with the development of the new Charter and knowledgeable about the impact on the elected officials' responsibilities. We benefitted from their counsel on these matters.

#### Origin of the Commission

The provisions of Local Law No. 77, passed in 1986, call for the Mayor to appoint an advisory commission for the review of compensation levels of elected officials every four years. Under the terms of this law, the first such Commission was appointed in 1987. The law states, in part, the following:

"The Commission shall study the compensation levels for the mayor, the president of the council, the comptroller, the borough

presidents, the council members and the district attorneys of the five counties within the city and shall recommend changes in those compensation levels, if warranted. In making the recommendations, the commission shall take into consideration the duties and responsibilities of each position, the current salary of the position and the length of time since the last change, any changes in the cost of living, compression of salary levels for other officers and employees of the city, and salaries and salary trends for positions with analogous duties and responsibilities both within government and in the private sector."

The following Commission members for 1991 were appointed by Mayor Dinkins:

Richard R. Shinn

Retired Chairman and Chief Executive Officer  
Metropolitan Life Insurance Company

G. G. Michelson

Senior Vice-President

R. H. Macy's

Donald C. Platten

Retired Chairman and Chief Executive Officer  
Chemical Bank

It should be noted that Mr. Platten participated in the development of the Commission's report, was in agreement with its content, and reviewed it in its final draft format, but unfortunately passed away prior to its formal submission.

The Commission was ably assisted in its work by a staff consisting of I. Gerald Walker, a Vice-President for Human Resources of MetLife, and John Reynolds, a Compensation expert, also of MetLife.

Effects of the New York City Charter Revision  
on Elected Officials

As a result of the revision of the New York City Charter, sweeping structural changes are being implemented within the municipal government. The major impact of the new New York City Charter on levels of compensation for elected officials arises from the elimination of the former Board of Estimate.

While the elimination of the Board of Estimate has had an impact on all of the City's elected officials, except the district attorneys of the five counties, the most significant impact involves the responsibilities and duties of the President of the City Council and the Borough Presidents.

Although the Commission feels that it is too early to quantify precisely the impact of the changes of the various positions, we do feel that the impact of the elimination of the Board of Estimate on the position of President of the City Council and the five Borough President positions should be recognized at this time. The salary relationships among the elected officials should be revisited and reevaluated at the time of the next Commission study in the light of additional experience.

### Salary Compression

Typically, the periodic review of salaries in an organization results in salary adjustments approximately every 12 - 18 months. When the salary of the individuals at the top of the organization change only once every 48 months, the inevitable result is a compensation compression problem which works havoc on the internal equity which should be a basic principle of any compensation program.

There is a serious compression problem at the higher levels of New York City government. As an example, the Mayor's salary acts as a cap upon all other salaries in the Mayoral Agencies, making it very difficult to maintain equitable salary relationships. Differences in responsibilities and accountabilities should be reflected by clear distinctions in salary levels. However, the Mayor's salary of \$130,000 is only modestly higher than that of the First Deputy Mayor (\$113,500), the Deputy Mayors (\$112,000), and the Commissioners of the largest Mayoral Agencies (\$110,000).

Corresponding compression problems also exist in the offices of the other elected officials and of the Agency Commissioners where the City's ability to attract and retain needed managerial and technical talent is compromised by the inability to offer competitive salary rates.

While there will always be some compression problems in government as there are in the private sector, it is imperative that salary levels established for elected officials maintain an historic competitive relationship with salaries paid to non-elected city employees and in private industry. Additionally, they must be set at a level so as not to act as a barrier to setting effective compensation rates for their subordinates. The most severe compression problems exist in the office of the District Attorneys, where some Assistant District Attorneys are paid the same salary as the District Attorney to whom they report. This is beginning to take its toll in the staffing of the offices, with resignations by some of the most able and successful Assistants to pursue private sector employment. In the view of the Commission, the staffs of the District Attorney Offices are particularly subject to external market factors, as the high starting salaries offered to law school graduates at major law firms are well publicized. This comes at a most inopportune time when the public is demanding better and swifter action in the struggle against crime. In view of this situation, the Commission urges the City to adjust the District Attorney's salary rates immediately with adjustments for the other elected officials to follow at such time as the City's financial situation permits.



Changes in Economic & Competitive Factors

Past Commissions have found it useful to trace the changes in various key economic and competitive factors since the last time elected official salaries were set. The following table shows what the salary of each elected official would have had to be on July 1, 1991, to have kept pace with various indices since July 1, 1987.

(Salaries in Thousands)

	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>
Mayor	130.0	159.9	158.2	152.1	151.4	150.5
President of City						
Council	105.0	129.2	127.7	122.8	122.3	121.5
Comptroller	105.0	129.2	127.7	122.8	122.3	121.5
Dist. Attorneys of						
the five Counties	97.0	119.3	118.0	113.5	113.0	112.3
Borough Presidents	95.0	116.9	115.5	111.1	110.6	110.0
City Council Members	55.0	67.7	66.9	64.3	64.0	63.7

(1) Salaries proposed in 1987 study and adopted July 1, 1987, based on data as of that date.

- (2) CPI for New York City increased 21.7% between July 1, 1987 and April 1, 1991, but when projected to June 1, 1991, is assumed to be 23%.
- \*(3) Average annual base salary increases for New York City private sector executives from January 1988 through May 1991 result in 21.6% increase.
- \*\* (4) Compound effect of New York City contractual increases from January 1, 1988, through July 1, 1990, for Uniformed Services totals 16.99%.
- \*\* (5) Effect of New York City Union contractual increases from January 1, 1987 through July 1, 1990, for Civilian employees totals 16.45%.
- \*\* (6) Effect of New York City Managerial and Executive increases from January 1, 1988, to July 1, 1990, totals 15.76%.

\*Data furnished by Towers Perrin.

\*\*Data furnished by Office of the Mayor.

Using this data and information obtained from various other sources, the Commission proposes the following salary changes:

	<u>Current Salary</u>	<u>Recommended Increase</u>	<u>Recommended Salary</u>
Mayor	\$130,000	\$23,000	\$153,000
Comptroller	105,000	17,500	122,500
Pres. of the City Council	105,000	10,000	115,000
District Attorney	97,000	18,000	115,000
Borough Presidents	95,000	10,000	105,000
City Council Members	55,000	10,000	65,000

The Commission feels these salary increases are fully justified. The inherent flaw in the mechanism currently in place to review elected officials' compensation is that it always involves playing "catch-up", with salaries adjusted in an attempt to keep pace with economic and market changes over the previous four years. What might appear on the surface to be sizable increases are actually reasonable adjustments given the four year hiatus between salary changes.

#### Benchmark Considerations

By almost any measure, the task of governing the City of New York is a daunting one. Its employee population of 243,000 is four times the

employee size of the second and third ranked cities--Chicago and Los Angeles. Its citizen population of 7.3 million is more than twice the population of the second and third ranked cities--again Los Angeles and Chicago. The number and variety of services that New York provides for its citizens are significant, as are the problems inherent in its size such as crime, homelessness, health concerns, etc. New York is a city of such diversity that almost every decision of its chief executive is subject to unending scrutiny and criticism from one camp or another.

While it is true that the city's elected officials hold their offices because they sought them and were aware of the compensation involved, this should not preclude setting salary levels commensurate with their responsibilities and responsive to the salary movements within government and private industry. As has often been pointed out, duties and accountabilities in the private sector comparable to those of the Mayor of New York would command a total compensation package substantially higher than that of the Mayor's \$130,000 salary. If the emphasis in this report is on the Mayor's salary, it is because that salary is key to any movement in the other elected officials' salaries.

A comparison with the salaries paid to the Mayors of some major American cities, as shown on Page 12, supports the conclusion that the salary of New York City's Mayor is low just considering relative size.

The salaries of individuals heading some of the key independent agencies servicing the New York area are set by independent boards or commissions

governing these institutions, but they remain relevant to the Mayor's compensation:

<u>Position</u>	<u>1991 Salary Rate</u>
Chancellor NYC Board of Education	\$195,000
Executive Director, Port Authority of NY & NJ	170,000
Chairman, MTA	150,000
President, MTA	149,500
President, Health & Hospitals Corp.	129,000

The salaries of elected officials in New York State were last changed in 1985. They are:

Governor	\$130,000
Lieutenant Governor	110,000
Comptroller	110,000
Attorney General	110,000
Members of Senate and Assembly	57,500

The following table shows statistics about the total population for some major American cities relative to the salary of its chief official:

<u>City</u>	<u>Population</u>	Chief Official's <u>Salary</u>
New York	7.3 Million	\$130,000
Los Angeles	3.35 Million	152,508 (City Manager) 112,004 (Mayor)
Houston	1.7 Million	130,516
Detroit	1.04 Million	130,000
Dallas	987,000	123,000
San Francisco	732,000	129,000
Atlanta	420,000	100,000

Part-Time - Full TimeOutside Earned Income

The new Charter leaves open to the Commission the option of considering the issue of placing limitations on the outside earned income of City Council Members. The issue arises because the position of City Council Member is not officially designated as "full time", i.e., members can earn income from other occupations, such as that of attorney, as long as no conflict of interest exists between the two occupations. Obviously, there should be no income derived from doing business with the City.

It should be noted here that, in most cases, the Council Member's base salary of \$55,000 is supplemented by annual stipends received for chairing various Council committees or for Council leadership positions. The stipends range from a high of \$35,000 (Speaker of the City Council) to a low of \$2,500, with most of them falling in the \$5,000 - \$15,000 range. The practice of annual stipends for exercising this additional responsibility is consistent with the practice of the New York State Senate and Assembly.

There are currently no restrictions on the amount of outside income which can be earned. Each Council Member is required to make an annual financial disclosure report which places his or her outside income in broad bands, e.g., \$1,000 - \$5,000, \$5,000 - \$25,000, \$25,000 - \$60,000, etc. This income can represent many forms such as realized investment gains, earned income, loans in favor, or gifts and honoraria.

During the course of its deliberations, the Commission received both verbal and written testimony on the pros and cons of limitations on outside income. For many Council Members, the designation of their position as part-time is belied by the extra hours spent during evenings and week-ends attending to community affairs. The question was also raised to what extent will enacting earnings limitations preclude highly qualified candidates from even considering running for a Council post. On the other hand, is part-time status consistent with the expanded responsibilities of the Council under the revised Charter and with the full-time status of all of the other elected officials in the City?

There are significant issues at stake here, and it is our conclusion that they deserve broader review than this Commission is able to provide and involve factors other than compensation considerations. While the full time/part time and outside income questions are relevant to the Commission's charge to determine appropriate compensation levels, they also fall somewhat outside of its direct purview and would be more appropriately and effectively addressed by a specially appointed commission able to provide them a full airing.

#### Public Hearings

A Public Hearing on Elected Officials' salaries was held on May 1, 1991, during which testimony was received from 12 individuals including council members, district attorneys, a community board district manager



and representatives from the New York Public Interest Research Group and Common Cause. In addition, written testimony was submitted by Council Speaker Peter Vallone and Queens Borough President Claire Shulman. Some of those who spoke to the Commission also submitted written testimony.

The five Council Members who spoke voiced their support for higher salaries for City Council Members. They cited the more significant responsibilities they are assuming as a result of the changes in the City Charter. On the question of making the position full time, there was general consensus that the position makes such demands on its members' time and efforts that it is, in effect, full time already. Councilman Michaels and Councilwoman Greitzer, however, did feel that some constraints on outside income were appropriate.

While the Council Members felt strongly that a higher salary was appropriate for their responsibilities, they were unanimous in agreeing that any changes should be deferred until the City's fiscal condition allowed them.

Both Mr. Russianoff of the New York Public Interest Research Group and Mr. Palmer of Common Cause strongly urged full time status for Council Members and restrictions on outside income. Their argument was that, while currently the City Council Member position is the only one of the elected official jobs not officially designated as full time, their significantly increased responsibilities under the new Charter require

their full time attention. As for restrictions on outside income, such restrictions would be consistent with practices presently in place on the national and many local levels and are necessary to avoid any appearance of impropriety.

Louis Watkins, District Manager of Community Board No. 3 in Brooklyn, addressed the Commission concerning how recent city cutbacks have made his position as a city managerial employee more difficult. He also spoke in support of appropriate compensation for City Council Members, citing the considerable time they devote to local community concerns over and above their City Hall responsibilities.

The District Attorneys of New York, Kings, Bronx and Richmond counties spoke before the Commission. It was pointed out that, because they are eligible for salary increases only every four years, they have lost the salary parity they once enjoyed with the position of Deputy Mayor, which is eligible for annual increases. They also indicated that salary compression is a particularly sensitive point in their offices since negative comparisons with salaries paid to attorneys in private practice have been causing excessive turnover at a time when public safety is being heavily emphasized as a major concern of the administration.

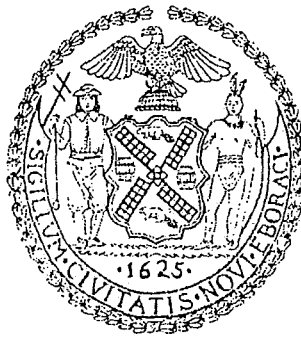
### Conclusion

The charge of the Commission was to review changes in the pertinent economic and competitive data for the City's elected officials since their salaries were last changed in 1987. Although the Commission finds that the 1991 data clearly supports the salary increases it is proposing, it is aware that the current fiscal climate precludes their implementation at this time. However, the Commission does encourage consideration be given to implementation of the proposed increases for the District Attorneys immediately.

It is rarely a popular move to propose raises for elected officials. However, the responsibilities involved in these positions are significant, and this fact should be recognized. It is difficult to maintain a competitive salary posture when salary rates are raised only once over a four year period, and serious compression problems emerge at the top levels of the Mayoral Agencies.

The Commission urges approval and implementation of the proposed salary increases at the appropriate time.

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REPORT OF THE

N.Y. City, M... Quadrennial Advisory Commission  
For The Review Of Compensation Levels  
Of Elected Officials.

COMMISSION MEMBERS:

Richard L. Gelb, Chairman  
Stanley Brezenoff  
Robert M. Kaufman

OCTOBER, 1995

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REPORT OF THE 1995 QUADRENNIAL  
ADVISORY COMMISSION FOR THE REVIEW OF  
COMPENSATION LEVELS OF ELECTED OFFICIALS

I. Introduction

The Administrative Code of the City of New York, Section 3-601, calls for the appointment of an advisory commission once every four years to review compensation levels of elected officials in the City of New York and, if warranted, recommend changes. The Quadrennial Advisory Commission For The Review Of Compensation Levels Of Elected Officials ("Commission") is required to study the compensation levels of the Mayor, Public Advocate, Comptroller, the Borough Presidents, the City Council Members and the District Attorneys of the five counties within the City of New York.

At the conclusion of the study and review, the Commission is required to issue to the Mayor a report containing its recommendations for changes in compensation levels for any and/or all of the elected positions or its recommendation that no changes are warranted. The Mayor then is required to submit the Commission's report with his recommendation to the City Council.

The Commission's mandate is to determine what appropriate salaries should be for elected officials for the period beginning on July 1, 1995 and ending June 30, 1999. To

perform this study and review we have considered the criteria set forth in the Administrative Code, the report of the 1991 Quadrennial Advisory Commission For The Review Of Compensation Levels Of Elected Officials ("1991 Shinn Commission") and reports of prior Commissions, and changes in various key economic and competitive factors since 1987, the last compensation increase for most elected officials.<sup>1</sup> The Commission also considered the impact of compensation adjustments on all other City employees.

In addition to the above factors, we also considered the fiscal condition of the City. We would be remiss not to weigh the budgetary constraints and less than favorable economic forecasts that have plagued the City's fiscal landscape, with limited exceptions, since the fiscal crisis of the 1970s.

The 1991 Shinn Commission was confronted with budgetary constraints and projected budget deficits. That caused it to make specific proposals of where salary levels should be for each position, but not to recommend implementation of those higher salaries for most officials.

This Commission is faced with the fact that salary levels of all elected City officials, except District Attorneys, have not been increased since 1987. Further, the City's

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<sup>1</sup> The compensation level for the elected offices in the City of New York, except the office of the District Attorneys of the five counties, has not been increased since 1987. The 1991 Shinn Commission recommended and the Mayor and City Council approved an eighteen thousand dollar (\$18,000) increase for the office of the District Attorney and that recommendation was implemented.

budgetary constraints and economic realities, while improving, remain severe. However, the balance of factors reviewed by this Commission support our proposal to increase the compensation levels of the elected officials of the City of New York.

In conducting our work, we studied the statistical and operational issues set out as relevant criteria in the law. We also wrote and asked for the views of the Mayor, Public Advocate, Comptroller, Borough Presidents, District Attorneys and the Speaker of the City Council with respect to City Council Members. We received written responses from many of them, setting out their views on compensation issues. We also received a letter from the New York Public Interest Research Group ("NYPIRG"), a non-profit organization. We were available for other public comments at a public hearing on September 19, 1995.

In conducting this study and review we chose not to undertake a detailed study regarding the still evolving effects of the 1990 amendments to the New York City Charter. These changes include the abolition of the Board of Estimate, the creation of the position of Public Advocate<sup>2</sup> and changes in the duties and responsibilities of the Mayor, the City Council and

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<sup>2</sup> For compensation history prior to the creation of the Public Advocate position, the Commission has used the compensation level of the former position of the President of the Council. The Local Laws of the City of New York and the Session Laws of the State of New York confirm that, except with respect to the functions associated with the Board of Estimate, the duties, responsibilities and limitations of the Public Advocate are identical to those of the former President of the Council.



the Borough Presidents. Our study and review does address the results of these changes by adopting the findings of the 1991 Shinn Commission as to changes in the duties of certain offices, and its acknowledgment that, at some point in the future, "job descriptions will have to be rewritten to reflect the reallocation of certain responsibilities and accountabilities." We further concur with the 1991 Shinn Commission that the effects of these amendments should be evaluated further in the future.

We note that the prior Commissions commented on whether Council Members should be full time or part time, and on whether there should be restrictions on their outside income. NYPIRG recommended that we also consider those issues. We have concluded that these are important issues that should be explored, but that they are outside the scope of the responsibility assigned to this Commission by the language of Section 3-601 of the Administrative Code. Thus, we do not believe they are an appropriate area of recommendation by this Commission. We suggest that a separate commission, consisting of representatives or appointees of both the Executive and Legislative branches of City Government, as well as private sector members, would be a more appropriate body to study those questions.

As discussed more fully herein, the Commission recommends that the compensation level of the offices of the various elected officials of the City of New York be increased at

an appropriate rate. Our recommendation accepts and builds upon the evaluations of the 1991 Shinn Commission.

## II. Origin of the Commission

Local Law 77 (Section 3-601 of the Administrative Code) directs the Mayor to appoint, every four years, an advisory commission comprised of private citizens to review the compensation levels of the offices of elected officials. The Administrative Code provides, in part, that:

The commission shall study the compensation levels for the mayor, the public advocate, the comptroller, the borough presidents, the council members and the district attorneys of the five counties within the city and shall recommend changes in those compensation levels, if warranted. In making its recommendations the commission shall take into consideration the duties and responsibilities of each position, the current salary of the position and the length of time since the last change, any change in the cost of living, compression of salary levels for other officers and employees of the city, and salaries and salary trends for positions with analogous duties and responsibilities both within government and in the private sector.

The Administrative Code also provides that:

the members of the commission shall be private citizens generally recognized for their knowledge and experience in management and compensation matters.

The following Commission members were appointed for the 1995 Commission by Mayor Rudolph W. Giuliani:

Chairman:

Richard L. Gelb  
Chairman Emeritus  
Bristol-Myers Squibb Company

Members:

Stanley Brezenoff  
President  
Maimonides Medical Center

Robert M. Kaufman  
Partner  
Proskauer Rose Goetz & Mendelsohn LLP

The Commission staff consisted of Gregg L. Bienstock, Esq., Labor and Employment Group, Proskauer Rose Goetz & Mendelsohn LLP, and Charles G. Tharp, Ph.D., Senior Vice President, Human Resources, Bristol-Myers Squibb Company.

### III. Economic Factors Affecting Salary Levels

The Administrative Code requires the Commission to consider changes in economic factors and the length of time since the last salary increase for elected positions. In this section of our report we set forth a table that illustrates these facts and figures.

The key economic factors considered by the Commission are changes in the cost of living and the effect of these changes on the salaries of elected officials. Because the salaries of most elected officials have not been increased since 1987 it is appropriate to consider cost of living changes since 1987. The following table displays the 1987 salary level, the 1991 Shinn Commission's proposed 1991 salary levels and the effect of changes in the cost of living, relative to the salary level of elected officials, since 1987.

EFFECTS OF CHANGES IN THE COST OF LIVING ON EXISTING SALARIES

<u>Elected Official</u>	<u>1987 Salaries<sup>3</sup></u>	<u>1991 Proposed Salaries<sup>4</sup></u>	<u>1987 Salaries Aged at NYCCPI<sup>5</sup></u>	<u>1987 Salaries Deflated at NYCCPI<sup>6</sup></u>
Mayor	130,000	153,000	183,700	92,000
Public Advocate	105,000	115,000	148,400	74,300
Comptroller	105,000	122,500	148,400	74,300
Borough President	95,000	105,000	134,200	67,200
Council Member	55,000	65,000	77,700	38,900
District Attorneys	97,000	115,000	137,100 <sup>7</sup>	68,600 <sup>7</sup>

<sup>3</sup> Base salaries for elected officials adopted on July 1, 1987 and salaries presently in effect except for the salary of the District Attorneys.

<sup>4</sup> Base salaries proposed, but not adopted, for elected officials in 1991. Pursuant to the 1991 Commission's recommendation, the base salary for the District Attorneys was increased effective January 1, 1992.

<sup>5</sup> 1987 base salaries aged at the annual rate of the New York City Consumer Price Index, i.e., what the salaries would have to be today to have kept pace with changes in the cost of living. See Appendix 1.

<sup>6</sup> 1987 base salaries deflated at the annual rate of the New York City Consumer Price Index. See Appendix 1.

<sup>7</sup> If the 1992 salaries for the District Attorneys were aged and deflated at NYCCPI, the respective numbers would be \$124,000 and \$106,000.

As the chart above establishes, the salaries of elected officials would have to be increased by approximately 40% merely to keep pace with changes in the cost of living since 1987. If such an increase were to be granted, it would be based in great part on the fact that the salaries of elected officials have not been adjusted in eight years.

#### IV. Compression of Salary Levels

The inevitable result of the study, review and possible increase of the salaries of elected officials once every four years, even if fully justified increases are given, is the compression of salaries at all levels of City government. Compression is further exacerbated when increases do not even occur every four years. Compression results not only from the fact that increases are usually given to senior officials at a lesser percentage than those of lower level employees but, in addition, from the timing of such increases. While elected officials receive salary increase at four year intervals, at best, almost all other City employees receive salary increases at twelve to eighteen month intervals. As a result of these factors, the basic principles of compensation structure -- that differences in responsibility and accountabilities be reflected by clear distinctions in compensation -- are upset and salaries at all levels are artificially compressed.

The problem of compression exists at all levels of City Government, and results from the artificially low salary of the Mayor. The Mayor's salary serves as a specific cap on the compensation of the other elected City-wide officials, on the Deputy Mayors, and on the Commissioners of the Mayoral agencies, all of which have not been increased since 1988. This in turn restricts the ability of the City to compensate adequately the

Deputy and Assistant Commissioners and other management level employees.<sup>8</sup>

Corresponding salary compression problems exist in the offices of other elected officials and throughout the ranks of the City workforce. Plainly, differences in responsibilities and accountabilities are not reflected by clear distinctions in salary levels in the City of New York.

The compression issue is further exacerbated by the fact that the majority of employees of the City have received eight wage rate increases totaling 26.5% since July 1, 1987 while elected officials, except District Attorneys, have received none.<sup>9</sup> The result of these collectively bargained increases is that the salary level of employees of the City are approaching

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<sup>8</sup> For example, in the New York Police Department, there are twenty-seven ranking officers who make more than the Commissioner and First Deputy Commissioner; in the Fire Department, there are twenty-four ranking officers who make more than the Commissioner and First Deputy Commissioner.

<sup>9</sup> These collectively bargained increases are applicable to all represented employees and generally are applicable to City employees in the Management Pay Plan. However, the increases have not uniformly been applied to the salary level of titles and/or persons in titles earning more than \$70,000 and/or not represented by a bargaining agent. In 1990, employees in the Management Pay Plan earning more than \$70,000 were required to take a pay cut while employees in the Management Pay Plan with salaries below \$70,000 were subject to a wage freeze. However, in December 1991, salaries that were cut in 1990 were reinstated to their 1989 level. In 1992, employees in the Management Pay Plan with a performance rating of at least "good" received increases equivalent to the collectively bargained increases for 1990 and 1991 (4.5%). Deputy Mayors and Agency Heads did not and have not received these increases resulting in further compression on the Deputy Mayor and Agency Head titles from positions below.



and, in some cases, exceeding the salary level of their supervisors and agency heads. The collectively bargained increases for civilian employees and the application of these increases to the salary levels of elected officials is set forth in Appendix 2.

Another of the effects of salary compression is the impact on the City's ability to attract and retain productive and qualified employees at all levels. As salary levels within the City are compressed, the City is unable to pay salaries that are comparable to other public agencies or the private sector. The result is that, at a time when increased productivity and competence are of vital importance to the City's fiscal recovery, the City's ability to compete in the marketplace for the best and the brightest employees is severely diminished.

The issue of compression was addressed in a limited manner in 1991. To help alleviate the severe salary compression between District Attorneys and their subordinates, and resulting recruitment and retention problems, the 1991 Shinn Commission recommended that the salary level of the District Attorneys be increased while freezing the salary levels of all other elected officials. This recommendation was implemented by the City Council and the Mayor in recognition of the then existing compression and recruitment and retention problem.

This Commission recognizes there will always be some compression in government. However, with salary levels of

subordinates approaching and, in some cases, exceeding managers and the need to reduce recruitment and retention problems at these levels, the time has come to address the compression issue.

## V. Benchmark Considerations

New York City is like no other City in the world and its governance is unlike that of any other City. Indeed, many argue there are no jurisdictions comparable to New York City. In fact, New York City's revenue base is almost eight times that of the second largest city (Los Angeles) and its population base is more than twice that of Los Angeles. See Appendix 3. Additionally, the number and variety of services that New York City provides -- police protection, education, fire, sanitation, and health and welfare services, to name a few -- and the demands for these and other services are greater than in any other City. The enormity of the City's population and the extent of services provided by the City cause every decision of the Mayor and other elected officials to be subject to extensive analysis and criticism.

Despite the enormity of the task associated with governing the largest city, the elected officials of the City of New York are not compensated accordingly. It is true that elected officials chose public service and were aware that their compensation levels would not be comparable to those in the private sector. Nevertheless, this should not preclude officials in America's largest city from being paid salaries commensurate with their level of responsibility. Further, they should be entitled to a rate of growth similar to the salary level movement in government and private industry.

Despite the size and budget of New York City, many of its elected officials rank between fourth and sixth in salary when compared to others of the largest cities in the United States. (See charts in Appendix 4.) New York's Mayor at \$130,000 is paid substantially less than the Mayor of Chicago who receives \$170,000 per year, less than the Mayors of San Francisco (\$138,699) and Houston (\$133,005) and the same amount as the Mayor of Detroit. Similar aberrations exist with respect to other City officials: Comptrollers of San Francisco (\$130,082), Los Angeles (\$107,877) and Atlanta (\$105,941) are paid more than the Comptroller of New York City who receives \$105,000; District Attorneys of Dallas (\$130,450), San Francisco (\$129,508), Houston (\$121,420), Los Angeles (\$121,000) and Washington, D.C. (\$115,700) are paid more than those in New York City who are paid \$115,000.<sup>10</sup>

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<sup>10</sup> Council Members in Los Angeles earn \$98,070; Chicago, \$75,000; Washington, D.C., \$75,885; Philadelphia, \$65,000; Detroit, \$60,000. All are paid more than the \$55,000 salary of those in New York City, but it is not clear whether those positions are in fact or by law full time.

Additionally, the salary levels of the Mayor and other elected officials of the City of New York pale in comparison to the salaries of individuals heading agencies, authorities and labor unions in the region.

<u>Entity</u>	<u>Incumbent</u>	<u>Salary</u>
Port Authority of NY and NJ	George Marlin	\$170,000
New York Power Authority	S. David Freeman	\$197,000
New York City Board of Education	Rudolph F. Crew	\$195,000
NYS Health Dep't.	Barbara DeBuono, MD	\$152,382
District Council 37	Stanley Hill	\$245,000
Clerical Workers' Union	Al Diop	\$167,465
United Federation of Teachers	Sandra Feldman	\$156,963

Moreover, positions in the private sector classified as "executive" and "exempt salaried" -- classifications that certainly encompass the offices of the elected officials in the City of New York -- demand substantially higher salaries and have been subject to annual increases of at least 4% since 1991. According to studies of three compensation experts, salary levels of executives and exempt salaried employees have increased at a steady rate since 1991.

FOUR YEAR ANNUAL SALARY MOVEMENT FOR  
EXECUTIVES AND EXEMPT SALARIED EMPLOYEES<sup>11</sup>

Employee Type	Source	1994	1993	1992	1991
Executive	ACA	4.1%	4.4%	4.8%	5.1%
	Mercer	4.4%	4.8%	5.3%	5.6%
	Towers Perrin	<u>4.1%</u>	<u>4.4%</u>	<u>4.7%</u>	<u>5.2%</u>
	<u>Mean</u>	<u>4.2%</u>	<u>4.5%</u>	<u>4.9%</u>	<u>5.3%</u>
	<u>Compounded 4-Year Increase</u>	<u>20.3%</u>			
Exempt Salaried	ACA	4.0%	4.3%	4.7%	5.0%
	Mercer	4.2%	4.5%	4.9%	5.2%
	Towers Perrin	<u>4.0%</u>	<u>4.4%</u>	<u>4.7%</u>	<u>5.2%</u>
	<u>Mean</u>	<u>4.1%</u>	<u>4.4%</u>	<u>4.8%</u>	<u>5.1%</u>
	<u>Compounded 4-Year Increase</u>	<u>19.7%</u>			

<sup>11</sup> The data contained in the chart is from studies by three separate compensation experts -- American Compensation Association Report on the Salary Budget Survey ("ACA"); The 1994/1995 Compensation Planning Survey, The National Survey Group, William M. Mercer, Inc. ("Mercer"); The Salary Management Newsletter, Towers Perrin.

## VI. City Charter Revisions and The Effect on Elected Officials

As a result of the 1990 amendments to the New York City Charter, several far reaching changes to the structure of City government have been implemented. Those major changes included the elimination of the Board of Estimate and the corresponding changes in the duties and responsibilities of the Mayor, the Public Advocate, the City Council and the Borough Presidents. These changes have brought about increased duties and responsibilities for the City Council Members and a decrease in the statutorily-mandated activities of the five Borough Presidents.<sup>12</sup> The decreased duties and responsibilities of the newly created position of the Public Advocate were also recognized by the 1991 Shinn Commission in evaluating the increase designated for the Public Advocate.<sup>13</sup>

The 1991 Shinn Commission recognized these changes and took them into account in its proposed salary schedule for affected officials. We accept that evaluation and implement it. We also agree with the 1991 Shinn Commission that the salary relationship of the elected officials should be revisited and

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<sup>12</sup> The Commission has not been presented with evidence that would, at this time, cause it to disregard the conclusion of the 1991 Shinn Commission that the amendments to the Charter resulted in a decrease in the statutorily-mandated duties of the Borough Presidents.

<sup>13</sup> The Local Laws of the City of New York and the Session Laws of the State of New York confirm that the duties, responsibilities and limitations of the Public Advocate are substantially identical to those of the former President of the Council, except with respect to the Board of Estimate duties.

reevaluated periodically. We have done so and have concluded that the full impact of these amendments has not yet been seen.



VII. Recommendations Regarding the Compensation Level  
of Elected Officials in the City of New York

Based on our study and review of the facts and our presentation of the same, the Commission recommends that the compensation level of the offices of the various elected officials of the City of New York be increased further from the levels recommended by the 1991 Shinn Commission by an amount equal to two percent for each year beginning on July 1, 1992, 1993, 1994 and 1995. The Commission's recommendation adopts the salary levels proposed by the 1991 Shinn Commission and applies our recommendation to those figures. Additionally, our recommendation is retroactive to July 1, 1995. The following chart sets forth the 1987 base salary, 1991 proposed salary levels, the Commission's recommended increase in dollars and the new salary levels for the offices of the elected officials of the City effective July 1, 1995.

<u>Elected Official</u>	<u>1987 Base</u>	<u>1991 Base</u>	<u>Further Increase</u>	<u>New Salary</u> <sup>14</sup>
Mayor	\$130,000	\$153,000	\$12,000	\$165,000
Public Advocate	\$105,000	\$115,000	\$10,000	\$125,000
Comptroller	\$105,000	\$122,500	\$10,500	\$133,000
Borough President	\$ 95,000	\$105,000	\$ 9,000	\$114,000
Council Member	\$ 55,000	\$ 65,000	\$ 5,500	\$ 70,500
District Attorneys	\$ 97,000	\$115,000	\$10,000	\$125,000

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<sup>14</sup> The recommended salaries for the offices of elected officials have been rounded to the nearest \$500.

The Commission is certainly mindful of the precarious nature of the City's fiscal situation and offers this fiscally responsible recommendation with full appreciation of the economic and budgetary constraints facing the City. Importantly, our recommendation does not make the salary level of elected officials the highest in the nation, it does not equal the change in the New York City Consumer Price Index since 1987 or 1991, nor can it be compared to the wage increases received by City employees in collectively bargained titles because those increases were actually paid out. The Commission's recommendations are meant to bring the compensation level of the elected officials to a level that begins to alleviate compression in salaries, to a level that adequately compensates our elected officials for their responsibilities and accountabilities, and to a level that addresses the reality that salaries have not been increased since 1987.

The Commission recommends that the salary levels of elected officials in the City of New York be increased to the levels set forth above. We have arrived at these salary levels by adopting the 1991 Shinn Commission's proposed salary levels which carefully considered the basic guidelines for the Commission, and by increasing those salary levels by two percent for each year through July 1, 1995. Our recommendation is effective at the beginning of the 1995 fiscal year, July 1, 1995.

#### VIII. Conclusion

The statutory mandate of this Commission was to study the compensation levels of the elected officials of the City of New York and recommend changes in the compensation levels, if warranted. The Commission concludes that, despite the fiscal climate of the City, the facts plainly support the salary increases set forth below:

<u>Elected Official</u>	<u>New Salary</u>
Mayor	\$165,000
Public Advocate	\$125,000
Comptroller	\$133,000
Borough President	\$114,000
Council Member	\$ 70,500
District Attorneys	\$125,000

Although increases in the level of compensation for elected officials are never popular, the magnitude of the duties, responsibilities and accountabilities associated with positions responsible for governing the largest City in the United States must be recognized. We believe that this recommendation is necessary, important and fair and should be approved. If this recommendation is not adopted, salary levels for elected officials would likely remain at the same level until at least 1999 -- a full twelve years since the last increase -- resulting in further salary compression and greater erosion of salaries of

elected officials as a result of subsequent changes in the cost of living.

For the foregoing reasons, the Commission strongly recommends approval and implementation, as of July 1, 1995, of the proposed salary increases set forth herein.

Appendix 1.

Consumer Price Index: 1987-1995

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<u>Year</u>	<u>New York City CPI</u>
1987	5.1%
1988	4.8%
1989	5.6%
1990	6.0%
1991	4.5%
1992	3.6%
1993	3.0%
1994	2.4%
May 1995	2.9%

Total inflation 7/1/87 to 6/1/95 41.5%

ppendix 2.

Increase Elected Official Pay At The Historical Rate of Union Increases: Beginning July 1, 1988

	<u>Union Increase</u>	<u>Mayor</u>	<u>Public Advocate</u>	<u>Comptroller</u>	<u>Boro President</u>	<u>Council Member</u>	<u>District Attorneys</u>
July 1, 1987		\$130,000	\$105,000	\$105,000	\$95,000	\$55,000	\$97,000
July 1, 1988	5.0%	\$136,500	\$110,250	\$110,250	\$99,750	\$57,750	\$101,850
July 1, 1989	5.0%	\$143,325	\$115,762	\$115,762	\$104,737	\$60,637	\$106,942
July 1, 1990	3.5%	\$148,341	\$119,814	\$119,814	\$108,403	\$62,760	\$110,685
July 1, 1991	1.0%	\$149,825	\$121,012	\$121,012	\$109,487	\$63,387	\$111,792
July 1, 1993	2.0%	\$152,821	\$123,433	\$123,433	\$111,677	\$64,655	\$114,028
July 1, 1994	2.0%	\$155,878	\$125,901	\$125,901	\$113,911	\$65,948	\$116,309
December 1, 1994	3.0%	\$160,554	\$129,678	\$129,678	\$117,328	\$67,927	\$119,798
July 1, 1995	0.0%	\$160,554	\$129,678	\$129,678	\$117,328	\$67,927	\$119,798

Appendix 3

Revenue and Population of Major US Cities		
City	Revenue	Population
Chicago, IL	\$3.6 billion	2,700,000
San Francisco, CA	1.4 billion	729,000
Houston, TX	2.4 billion	1,600,000
Detroit, MI	2.2 billion	1,000,000
<b>New York, NY</b>	<b>31.6 billion</b>	<b>7,330,683</b>
Los Angeles, CA	4.0 billion	3,600,000
Newark, NJ	415 million	275,000
Boston, MA	1.4 billion	574,283
Philadelphia, PA	2.6 billion	1,600,000
Atlanta, GA	2.0 billion	394,000
Cleveland, OH	359.9 million	505,616
New Orleans, LA	415.6 million	495,000
Washington, D.C.	3.3 billion	570,000
St. Louis, MO	327.5 million	396,000
Minneapolis, MN	975.2 million	350,000

Appendix 4

COMPENSATION REVIEW OF ELECTED OFFICIALS

Earnings for Mayor of Major US Cities	
City	Salary
Chicago, IL	\$170,000
San Francisco, CA	138,699
Houston, TX	133,005
Detroit, MI	130,000
<b>New York, NY</b>	<b>130,000</b>
Los Angeles, CA	127,491
Newark, NJ	115,000
Boston, MA	110,000
Philadelphia, PA	110,000
Atlanta, GA	100,000
Cleveland, OH	93,600
New Orleans, LA	92,482
Washington, D.C.	90,705
St. Louis, MO	90,246
Minneapolis, MN	71,604
Average	\$112,345
Median	110,000
75th %tile	130,751

NOTE: Summary statistics exclude New York City.



Earnings for City Council President of Major US Cities	
City	Salary
<b>New York, NY</b>	<b>105,000</b>
Los Angeles, CA	98,070
Washington, D.C.	81,855
Philadelphia, PA	80,000
Chicago, IL	75,000
Detroit, MI	63,000
Newark, NJ	55,611
Boston, MA	54,500
Minneapolis, MN	53,170
Cleveland, OH	52,008
St. Louis, MO	50,310
New Orleans, LA	42,484
Atlanta, GA	25,000
San Francisco, CA	
Houston, TX	
Average	\$60,920
Median	55,056
75th %tile	78,750
*Known as the President of the Board of Aldermen	

NOTE: Summary statistics exclude New York City.

# COMPENSATION REVIEW OF ELECTED OFFICIALS

Earnings for Comptroller of Major US Cities	
City	Salary
San Francisco, CA	\$130,082
Los Angeles, CA	107,877
Atlanta, GA**	105,941
<b>New York, NY</b>	<b>105,000</b>
Chicago, IL	102,792
Houston, TX	92,575
Boston, MA	90,580
Washington, D.C.	78,610
Cleveland, OH	72,800
St. Louis, MO	72,514
Newark, NJ	70,236
Philadelphia, PA	70,000
Minneapolis, MN	68,198
New Orleans, LA	40,884
Detroit, MI*	
Average	\$84,853
Median	78,610
75th %tile	104,367
* Finance or Budget Director - salary ranges from \$76,300-\$100,900. 2% increase budgeted for 7/1/95.	
** Salary range = \$69,961 - \$110,355 (was told to back 4% out of the max to get current salary.)	

NOTE: Summary statistics exclude New York City.

# COMPENSATION REVIEW OF ELECTED OFFICIALS

Earnings for District Attorneys of Major US Cities	
City	Salary
Dallas, TX	\$130,450
San Francisco, CA	129,508
Houston, TX	121,420
Los Angeles, CA	121,000
Washington, D.C.*	115,700
<b>New York, NY</b>	<b>115,000</b>
Chicago, IL	112,124
Detroit, MI	101,710
Newark, NJ	100,000
Philadelphia, PA	94,111
Minneapolis, MN	89,154
Cleveland, OH	85,130
New Orleans, LA	84,600
Boston, MA	72,500
St. Louis, MO	69,900
Atlanta, GA	108,594
Average	\$102,393
Median	101,710
75th %tile	121,000
*US Attorney	

NOTE: Summary statistics exclude New York City.

### Earnings for Council Members of Major US Cities

City	Salary
Los Angeles, CA	\$98,070
Chicago, IL	75,000
Washington, D.C.	71,885
Philadelphia, PA	65,000
Detroit, MI	60,000
<b>New York, NY</b>	<b>55,000</b>
Boston, MA	54,500
Minneapolis, MN	53,170
Newark, NJ	50,462
New Orleans, LA	42,484
Cleveland, OH	40,093
Houston, TX	37,030
St. Louis, MO*	26,075
San Francisco, CA	23,928
Atlanta, GA	22,000
Average	\$51,407
Median	51,816
75th %tile	66,714

\* Council Member = Alderman in Charge of District Ward.

NOTE: Summary statistics exclude New York City.

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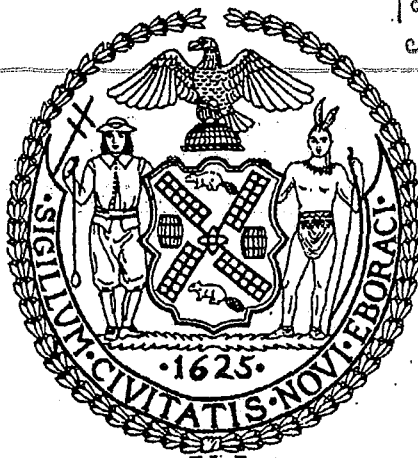
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## REPORT OF THE

N.Y.C. CITY, MAY 28 1999  
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# *Quadrennial Advisory Commission For the Review of Compensation Levels Of Elected Officials*

**COMMISSION MEMBERS:**  
Richard L. Gelb, Chairman  
Stanley Brezenoff  
Robert M. Kaufman

June, 1999

REPORT OF THE 1999 QUADRENNIAL  
ADVISORY COMMISSION FOR THE REVIEW OF  
COMPENSATION LEVELS OF ELECTED OFFICIALS

I. Executive Summary

Based on our study and review of the facts, the Commission recommends that salary levels for the positions of New York City's elected officials be increased, effective July 1, 1999, as shown below:

<u>Position</u>	<u>New Salary</u>
Mayor	\$195,000
Public Advocate	\$150,000
Comptroller	\$160,000
Borough President	\$135,000
Council Member	\$ 90,000
District Attorney	\$150,000

The Commission's recommendation is based on the following analysis:

Although New York City is by far the largest and most complex U.S. city to manage, its elected officials currently are not compensated at a level commensurate with their responsibilities, in comparison with the responsibilities and corresponding pay levels of comparable positions in other cities. Moreover, the salaries of New York City's elected officials are not at an equitable level when

compared with the salaries of several appointed officials within New York State and New York City agencies, authorities and labor unions. It is the Commission's charge to ensure reasonable pay levels for New York City's elected officials in comparison with appropriate benchmark positions. Consistent with this charge, the proposed new salaries reflect a more equitable pay relationship between the elected officials of New York City and elected officials in other major U.S. cities as well as appointed officials within New York's agencies, authorities and labor unions when taking into consideration the depth and breadth of position responsibilities.

Lending further support for the proposed new salary levels is the impact of the Consumer Price Index and the salary increases granted to New York City management and union employees in recent years, and salary increases granted to employees in private industry over the past few years. The economic inflation trends and various salary growth projections shown in this report serve to illustrate the appropriateness of the proposed salary levels for New York City's elected positions. This is particularly true when taking into consideration the additional effect of salary compression within municipal government. The proposed salary levels will help ease salary compression and better enable New York City to attract and retain the



caliber of talent at all levels which is needed to run the largest and most complex municipality in the United States.

It is also important to note that the salary levels of New York City's elected positions will not be reviewed again until 2003. While the proposed salary levels are appropriate by today's standards, the continuing effects of inflation and the trend in salaries among non-elected employees will cause New York City's elected offices to experience substantial salary erosion, in economic terms, over the next four years.

It should be noted that the salaries of New York City's elected offices were not increased in 1991 due to budgetary problems within the City. Although the elected officials' salaries were finally increased in 1995, after eight years, the salary levels still fell short of external benchmarks, inflation and salary growth trends. In 1999, New York City finds itself in much better fiscal condition. Now is the appropriate time to implement salary levels for New York City's elected positions that are fully equitable and reasonable in terms of the standards set forth in Section 3-601 of the Administrative Code.

Finally, the implementation of term limits makes it particularly important that salary levels are set at an appropriate level to attract and retain the most qualified

candidates for elected positions. This will be of particular importance for the City Council because 37 of the 51 members or 73%, will not be able to stand for reelection. However, it also applies to all three citywide officials, and four of the five Borough Presidents.

## II. Introduction

The Administrative Code of the City of New York, Section 3-601, calls for the appointment of an advisory commission once every four years to review compensation levels of elected officials in the City of New York and, if warranted, recommend changes. The Quadrennial Advisory Commission For The Review Of Compensation Levels Of Elected Officials ("Commission") is required to study the compensation levels of the Mayor, Public Advocate, Comptroller, the Borough Presidents, the City Council Members and the District Attorneys of the five counties within the City of New York.

At the conclusion of the study and review, the Commission is required to issue to the Mayor a report containing its recommendations for changes in compensation levels for any and/or all of the elected positions or its recommendation that no changes are warranted. The Mayor then is required to submit the Commission's report with his recommendation to the City Council.

The Commission's mandate is to determine what the appropriate salaries should be for elected officials for the period beginning on July 1, 1999 and ending June 30, 2003. To perform this study and review, we have considered the criteria set forth in the Administrative Code, our previous

report in 1995 ("1995 Gelb Commission") and reports of the 1987 and 1991 Shinn Commissions, pay comparisons with appropriate benchmark positions, changes in various key economic and competitive factors since 1995, the last compensation increase for most elected officials,<sup>1</sup> as well as changes over longer relevant periods. The Commission also considered the impact of compensation adjustments on other City employees. In addition to the above factors, we also considered the fiscal condition of the City, its budgetary constraints and economic forecasts.

The 1995 Gelb Commission recommended, and the City Council approved, salary increases for City officials. With the exception of the District Attorneys, who in 1991 received an increase due to the severe compression problem causing retention issues, the 1995 increases were the first salary increases received by New York elected officials in eight years -- since 1987. That Commission's recommendations made efforts to adjust salaries of the City officials closer to their appropriate levels. However, because salaries had remained frozen for eight years and

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<sup>1</sup> The District Attorneys of the five counties, on January 1, 1999, received an increase in salary of \$11,700 (from \$125,000 to \$136,700) when the State Supreme Court Justices had their salaries raised to \$136,700 per year. The District Attorneys' salaries were increased by operation of New York County Law, Section 928, which requires that the salary of the District Attorneys shall not be less than that of the Supreme Court Justices in the County in which they serve.

because the City's fiscal condition still remained difficult, the 1995 Commission's proposal necessarily fell short of fully adjusting the compensation levels of City officials to their appropriate levels. Therefore, this Commission has considered the reduced compensation levels of the elected officials during the previous four years (1995-1999), when making its recommendations, to ensure that compensation is at an appropriate level on July 1, 1999.

In conducting our work, we studied the statistical and operational issues set out as relevant criteria in the law. We also wrote and asked for the views of the Mayor, Public Advocate, Comptroller, Borough Presidents, District Attorneys and the Speaker of the City Council with respect to City Council Members. We received written responses from many of them, setting out their views on compensation issues. We were also available for other public comments at a public hearing on April 19, 1999.

As discussed more fully herein, the Commission recommends that the compensation levels of the offices of the various elected officials of the City of New York be increased at the appropriate rates set forth in this report.

### III. Origin of the Commission

Local Law 77 (Section 3-601 of the Administrative Code) directs the Mayor to appoint, every four years, an advisory commission comprised of private citizens to review the compensation levels of the offices of elected officials.

The Administrative Code provides, in part, that:

The commission shall study the compensation levels for the mayor, the public advocate, the comptroller, the borough presidents, the council members and the district attorneys of the five counties within the city and shall recommend changes in those compensation levels, if warranted. In making its recommendations the commission shall take into consideration the duties and responsibilities of each position, the current salary of the position and the length of time since the last change, any change in the cost of living, compression of salary levels for other officers and employees of the city, and salaries and salary trends for positions with analogous duties and responsibilities both within government and in the private sector.

The Administrative Code also provides that:

the members of the commission shall be private citizens generally recognized for their knowledge and experience in management and compensation matters.

The following Commission members, all residents of New York City, were appointed as the 1999 Commission by Mayor Rudolph W. Giuliani:

Chairman:

Richard L. Gelb  
Chairman Emeritus  
Bristol-Myers Squibb Company

Members:

Stanley Brezenoff  
President  
Maimonides Medical Center

Robert M. Kaufman  
Partner  
Proskauer Rose LLP

The Commission staff consisted of Reginald D. Odom, Esq., Labor and Employment Group, Proskauer Rose LLP, Charles G. Tharp, Ph.D., Senior Vice President, Human Resources and Richard C. Lodato, Vice President, Global Compensation, Bristol-Myers Squibb Company.

V. Benchmark Considerations

New York City is like no other city in the world and its governance is more complex than that of any other city. Indeed, there are no jurisdictions even comparable to New York City. New York City's population base is almost double that of Los Angeles (the second largest city in population), and its revenue base is over eight times that of Los Angeles and seven times that of the nation's capital, Washington, D.C., (the second highest revenue-producing city) (See Exhibits 1 & 2, pgs. 26 & 27 respectively). Additionally, New York City provides the largest number and variety of services -- police protection, education, fire, sanitation, and health and welfare services, to name a few -- and the demands for these and other services are greater than in any other city. In some cities, for example, education is paid for separately through dedicated taxes and is not under the mayor's jurisdiction. The size of New York City's population and the extent of services provided by the City cause every decision of the Mayor and other elected officials to be subject to extensive analysis and criticism.

Despite the enormous task of governing America's largest and most complex city, elected officials of the City of New York are not compensated accordingly. It is true that elected officials chose public service and were aware



that their compensation levels would not be comparable to those in the private sector. Nevertheless, this should not preclude officials in America's largest city from being paid salaries commensurate with their level of responsibility. And, at the very least, they should be entitled to a rate of compensation growth similar to the salary level movement in government and private industry, so that they will not fall even further behind.

Despite the size and budget of New York City, some of its elected positions still lag behind in salary when compared to others of the largest cities in the United States. (Exhibits 3-7, pgs. 28-32). New York's Mayor at \$165,000 is paid substantially less than the Mayor of Chicago who receives \$192,100 per year.<sup>2</sup> Another example is the position of Comptroller, where the commensurate position in San Francisco, serving a city one-tenth as populated and earning a little more than one-tenth of New York City's revenue, receives a salary (\$143,707) almost \$11,000 more than the Comptroller of New York City (\$133,000). Even with the recent statutory increase received by the District Attorneys in New York, they still earn less than the analogous position in San Francisco. We note particularly

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<sup>2</sup> While the Mayor of Chicago is not provided housing, according to his office staff, his scope of authority over the City of Chicago does not compare with the responsibilities of the Mayor of New York City.

that the part-time Council Members in Washington, D.C., earn \$92,520 and in Chicago \$85,000 compared with \$70,500 in New York City.

While other major cities do not have a position analogous to New York's Borough Presidents for purposes of salary comparisons, the county population figures set out in Exhibit 6, pg. 31 (relating to District Attorney salaries) illustrate that Borough Presidents' duties relate to jurisdictions which are comparable in size to many of the largest cities in the United States.

The salary levels of the Mayor and other elected officials of the City of New York are also low in comparison to the salaries of individuals heading some agencies, authorities and labor unions in New York City and New York State. The following chart shows such salaries as of April 1, 1999:

<u>Entity</u>	<u>Incumbent</u>	<u>Salary</u>
Port Authority of NY and NJ	Robert E. Boyle	\$185,000
New York Power Authority	Clarence Rappleyea	\$185,000
New York City Board of Education	Rudolph F. Crew	\$245,000
New York City Chief Actuary	Robert C. North, Jr.	\$175,000
Metropolitan Transit Authority	Marc V. Shaw	\$175,000

District Council 37	Vacant*	\$242,953
Clerical Workers' Union	Vacant*	\$156,117
United Federation of Teachers	Randi Weingarten	\$165,000

\* Salary of the most recent incumbent

## V. Compression of Salary Levels

The inevitable result of the review and possible increase of salaries of elected officials only once every four years is the compression of salaries at all levels of city government. Compression results not only from the fact that increases are often given to senior officials at a lesser percentage than those of lower level employees but, in addition, from the timing of those increases.

While elected officials receive salary increases at four-year intervals, at best, other City employees generally receive salary increases at twelve to eighteen month intervals. As a result, a compensation structure that does not properly reflect differences in responsibility and accountability by clear distinctions in compensation could occur, forcing salaries at all levels to become unduly compressed.

The increases based on the 1995 Gelb Commission report made significant progress to alleviate compression issues that previously existed throughout all areas and levels of city government. However, in the past four years, when salaries of elected officials remained constant and other employees have received salary increases, compression has arisen again in some areas. For example, in the office of the Comptroller, there are five Deputy Comptrollers earning

a higher salary than the Comptroller, and two other Deputy Comptrollers earning only slightly less. While these individuals have important citywide responsibilities, none has the range of responsibilities that are delineated by the Charter for the New York City Comptroller.

Another area which has traditionally struggled with compression issues is the offices of the District Attorneys. Given the strength of the economy and the compensation of attorneys in the private sector, the District Attorneys' offices often find it difficult to recruit and retain Assistant District Attorneys.

One of the reasons compression issues arise and are further exacerbated is that the majority of employees of the City received wage or salary rate increases totaling 11.13% from 1995 through 1999<sup>3</sup> while elected officials, except District Attorneys, received none. The result of these collectively bargained increases and the necessary managerial level increases that accompanied them is that the salary levels of some city employees are approaching and, in

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<sup>3</sup> The terms of the Municipal Coalition Memorandum of Economic Agreement extend for 60 months and provide for increases of 0.0% for the first 24 months, 3.0% at the start of the 25th month, 3.0% at the start of the 40th month, and 4.75% at the start of the 51st month. The compounded result of those increases is 11.13%. The effective date of the increases varies based on the terms of the individual collective bargaining agreements.

certain cases, exceeding the salary levels of their supervisors.

The collectively bargained increases for civilian employees, including non-bargaining unit uniformed officers, are set forth in Exhibit 8, pg. 33 and applied to the salary levels of elected officials. Similarly, Exhibit 9, pg. 34 reflects the salaries of elected officials adjusted at the rate of increase for employees covered by the citywide management compensation system, which generally follows the collective bargaining pattern.

Salary compression impacts on the City's ability to attract and retain productive and qualified employees at all levels. As salary levels within the City are compressed, the City is unable to pay salaries that are comparable to other public agencies or the private sector. The result is that, at a time when it is of vital importance for the City to continue to enhance its economic growth and maintain its fiscal stability in a rapidly changing business environment, the City's ability to compete in the marketplace for the best and the brightest employees is critically diminished.

## VI. Economic Factors Affecting Salary Levels

The Administrative Code requires the Commission to consider changes in economic factors and the length of time since the last salary increase for elected positions. In this section of our report, we discuss these factors and present tables illustrating the impact on the salaries of elected officials.

As was discussed previously, the primary considerations for the Commission are external and internal equity. Additionally, the Commission considered key economic factors such as changes in the cost of living and the effect of those changes on the salaries of elected officials. Because the salaries of most elected officials have not been increased since 1995, and prior to that increase there had been no increases for most elected officials for eight years, we believe it is appropriate that this Commission consider the cost of living changes dating back further than the previous four years.

Exhibits 10-12, at pgs. 35-37, show the salary levels of the elected officials, each exhibit ageing those salaries at the rate of inflation starts at a different date to demonstrate where salaries would have to be to keep pace with the consumer price index ("CPI") for New York City. Exhibit 10, shows the actual salaries that took effect in

1987. Exhibit 11, displays the salaries of elected officials from 1991, assuming that the salary increases proposed by the 1991 Shinn Commission had been adopted.<sup>4</sup> Finally, Exhibit 12, illustrates the current salary levels of the elected city officials, and the salary necessary to keep these positions on par with the changes in the cost of living since 1995.

As established by the data in Exhibits 10-12, looking solely at the cost of living changes from 1995, the salaries of elected officials would have to increase significantly just to keep pace with the changes in the cost of living. However, considering the effect of the eight-year absence of wage increases for elected officials from 1987 thru 1995,<sup>5</sup> current salaries would have to be increased at an even more significant rate to remain comparable to the changes in the cost of living.

Further, positions in the private sector classified as "executive" and "exempt salaried" -- classifications that certainly apply to the offices of the elected officials in

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<sup>4</sup> The 1991 Shinn Commission proposed salary increases for all elected officials, but due to economic factors, recommended the deferral of salary increases for all elected officials except the District Attorneys.

<sup>5</sup> Except for the District Attorneys who received an increase in 1991 because of severe salary compression problems between them and their subordinates which was causing recruitment and retention problems.



the City of New York -- command substantially higher salaries and have been subject to annual increases of at least 4% since 1995. According to studies of compensation experts, salary levels of executives and exempt salaried employees have increased at a steady rate since 1995. See Exhibit 13, pg. 38.

While we do not suggest that City officials should be paid at the same levels as executives in the private sector, their salary movement should at least be comparable.

## VII. The Effect of Periodic Salary Increases

There is an additional factor which must be considered in comparing the compensation of New York City's elected officials either with city employees in the union or management compensation systems, or with executives and exempt employees in private industry. By virtue of the fact that all such employees usually receive raises annually (and certainly more often than once every four years), their increases result in substantially greater cumulative compensation, as compared to the elected officials, than is apparent from the above discussion. For example, a private sector employee earning \$70,500 (the present salary of a City Council Member) and receiving a 4% increase each year for four years will be earning \$82,475 after four years, as would an elected official receiving a raise at the end of the four year period at the same compounded rate. However, by virtue of having received part of that increase each year, the private sector employee will have been paid \$299,376 for the four year period while the elected official will only have received \$282,000. Similarly, the City union employee increase rate shown on Exhibit 8, pg. 33, would result in the union employee's salary going from \$70,500 to \$78,346, as would that of the elected official, but the

former would have received \$288,408 in total cumulative salary as compared to \$282,000 received by the latter.

By virtue of the four year compensation cycle for elected officials, this pattern will constantly repeat itself. This Commission has considered the impact of the fact that pay increases take place only at four-year intervals in reaching its conclusions. An illustration of the impact of receiving periodic salary increases is shown in Exhibit 14, pg. 39.

### VIII. City Charter Revisions and the Effect on Elected Positions

The 1995 Gelb Commission recognized and adopted the findings of the 1991 Shinn Commission regarding differential compensation adjustments among the elected officials as a result of the amendments to the New York City Charter which restructured the duties and responsibilities of the Mayor, the City Council, and the Borough Presidents, and created the position of Public Advocate. The 1995 report noted that the effects of the Charter amendment should be evaluated further in the future. This Commission concludes that the adjustments previously made to those positions affected by the Charter revisions were appropriate in light of their changed responsibilities. Nevertheless, under the Administrative Code each future Commission has the responsibility to consider the duties and responsibilities of each position in reaching its recommendations.

The implementation of term limits reinforces the importance to this Commission of ensuring that the elected positions are compensated at an appropriate rate so that the City can attract the best and brightest individuals to the elected positions that need to be filled. This is particularly important in light of the large number of elected officials who will not be able to run for election in 2001, including all three citywide officials, four of the

five Borough Presidents, and thirty-seven out of fifty-one  
(73%) members of the City Council.

## IX. Recommendations and Conclusions

The statutory mandate of this Commission was to study the compensation levels of the elected officials of the City of New York and recommend changes in the compensation levels, if warranted. The Commission concludes that, given the fiscal climate of the City, and the level of responsibility these positions entail, the facts plainly support the salary increases set forth below:

<u>Elected Official</u>	<u>Current Base</u>	<u>Proposed Increase</u>	<u>New Salary</u>
Mayor	\$165,000	\$30,000	\$195,000
Public Advocate	125,000	\$25,000	\$150,000
Comptroller	133,000	\$27,000	\$160,000
Borough President	114,000	\$21,000	\$135,000
Council Member	70,500	\$19,500	\$ 90,000
District Attorney	136,700 <sup>6</sup>	\$13,300	\$150,000

Although increases in the level of compensation for elected officials are never popular, the magnitude of the duties, responsibilities and accountability associated with positions responsible for governing the largest city in the United States must be recognized. As previously stated, New York is the most complex U.S. city to manage. It is the

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<sup>6</sup> The salary of this position was increased from \$125,000 to \$136,700, effective 1/1/99, pursuant to County Law. The Commission's 7/1/99 proposed salary level reflects an increase of \$25,000 over the salary level of \$125,000 implemented 7/1/95, pursuant to the 1995 Gelb Commission proposal.

most populated city, producing the highest revenue and providing more services than other cities, yet its elected officials are not compensated at a level that is commensurate with their responsibilities when compared to the compensation paid by other cities, or the compensation paid by some agencies, authorities and labor unions within New York City and New York State.

These increases will effectively ease the salary compression within municipal government, and better allow the City to attract and retain the appropriate level of talent required to run this large and complex city. Further, the increases proposed are appropriate in light of the economic inflation trends and salary growth projections previously described in this report.

We believe that this recommendation is necessary and fair. Therefore, the Commission strongly recommends approval and implementation, as of July 1, 1999, of the proposed salary increases set forth herein.

## MAJOR US CITIES STATISTICS

Revenue and Population of Major US Cities Sorted by Population		
City	Revenue (\$Mil)	Population
New York, NY	35,604	7,420,166
Los Angeles, CA	4,080	3,553,638
Chicago, IL	2,293	2,731,743
Houston, TX	2,056	1,744,058
Philadelphia, PA	2,551	1,524,249
Dallas, TX	1,580	1,053,292
Detroit, MI	2,500	1,000,272
San Francisco, CA	3,900	734,676
Washington, D.C.	4,816	567,094
Boston, MA	1,523	547,725
Cleveland, OH	408	492,901
New Orleans, LA	495	484,149
Atlanta, GA	1,500	450,000
St. Louis, MO	361	368,215
Minneapolis, MN	842	354,590
Newark, NJ	459	275,000
Sources: US Conference of Mayors, city budgets and telephone survey		



## MAJOR US CITIES STATISTICS

Revenue and Population of Major US Cities Sorted by Revenue		
City	Revenue (\$Mil)	Population
New York, NY	35,604 <sup>7</sup>	7,420,166
Washington, D.C.	4,816	567,094
Los Angeles, CA	4,080	3,553,638
San Francisco, CA	3,900	734,676
Philadelphia, PA	2,551	1,524,249
Detroit, MI	2,500	1,000,272
Chicago, IL	2,293	2,731,743
Houston, TX	2,056	1,744,058
Dallas, TX	1,580	1,053,292
Boston, MA	1,523	547,725
Atlanta, GA	1,500	450,000
Minneapolis, MN	842	354,590
New Orleans, LA	495	484,149
Newark, NJ	459	275,000
Cleveland, OH	408	492,901
St. Louis, MO	361	368,215
Sources: US Conference of Mayors, city budgets and telephone survey		

<sup>7</sup> Unlike most other cities, New York City's revenue includes the school system. New York City is also unique in the fact that it, as opposed to the five individual counties that make it up, provides the bulk of services to its massive population.

## COMPENSATION OF ELECTED OFFICIALS

Earnings for Mayor of Major US Cities			
City	Salary	Revenue (\$Mil)	Population
Chicago, IL	192,100	2,293	2,731,743
New York, NY	165,000	35,604	7,420,166
Houston, TX	160,060	2,056	1,744,058
Detroit, MI	157,300	2,500	1,000,272
San Francisco, CA	146,891	3,900	734,676
Los Angeles, CA	143,796	4,080	3,553,638
Washington, D.C.	125,900	4,816	567,094
Boston, MA	125,000	1,523	547,725
Newark, NJ	110,706	459	275,000
Philadelphia, PA	110,000	2,551	1,524,249
New Orleans, LA	102,060	495	484,149
Cleveland, OH	101,286	408	492,901
Atlanta, GA	100,000	1,500	450,000
St. Louis, MO	97,422	361	368,215
Minneapolis, MN	81,775	842	354,590

SOURCE: Telephone survey

## COMPENSATION OF ELECTED OFFICIALS

Earnings for City Council President or Public Advocate of Major US Cities			
City	Salary	Revenue (\$Mil)	Population
New York, NY*	125,000	35,604	7,420,166
Los Angeles, CA	110,612	4,080	3,553,638
Washington, D.C.	102,520	4,816	567,094
Philadelphia, PA	80,000	2,551	1,524,249
Detroit, MI	76,300	2,500	1,000,272
Chicago, IL	75,000	2,293	2,731,743
St. Louis, MO	68,198	361	368,215
Cleveland, OH	63,653	408	492,901
Boston, MA	62,000	1,523	547,725
Minneapolis, MN	61,765	842	354,590
Newark, NJ	55,611	459	275,000
New Orleans, LA	42,500	495	484,149
Atlanta, GA	25,000	1,500	450,000
San Francisco, CA	NA	3,900	734,676
Houston, TX	NA	2,056	1,744,058

\* Public Advocate

SOURCE: Telephone survey

## Exhibit 5

## COMPENSATION OF ELECTED OFFICIALS

Earnings for Comptroller of Major US Cities			
City	Salary	Revenue (\$Mil)	Population
San Francisco, CA	143,707	3,900	734,676
New York, NY	133,000	35,604	7,420,166
Los Angeles, CA	121,673	4,080	3,553,638
Washington, D.C.	118,400	4,816	567,094
Detroit, MI	117,000	2,500	1,000,272
Chicago, IL	114,320	2,293	2,731,743
Atlanta, GA	111,459	1,500	450,000
Minneapolis, MN	107,796	842	354,590
Houston, TX	106,707	2,056	1,744,058
Boston, MA	105,000	1,523	547,725
Newark, NJ	105,000	459	275,000
Philadelphia, PA	85,000	2,551	1,524,249
St. Louis, MO	82,810	361	368,215
Cleveland, OH	64,375	408	492,901
New Orleans, LA	57,900	495	484,149

SOURCE: Telephone survey

## COMPENSATION OF ELECTED OFFICIALS

Earnings for District Attorney of Major US Cities			
City	Salary	Revenue (\$Mil)	Population
San Francisco, CA	137,156	3,900	734,676
New York, NY*	136,700	35,604	**
Chicago, IL	135,566	2,293	2,731,743
Dallas, TX	134,460	1,580	1,053,292
Los Angeles, CA	132,734	4,080	3,553,638
Houston, TX	125,760	2,056	1,744,058
Atlanta, GA	123,376	1,500	450,000
Detroit, MI	121,135	2,500	1,000,272
Washington, D.C.	118,400	4,816	567,094
Newark, NJ	115,000	459	275,000
Philadelphia, PA	110,122	2,551	1,524,249
Minneapolis, MN	106,428	842	354,590
New Orleans, LA	104,000	495	484,149
Boston, MA	95,710	1,523	547,725
Cleveland, OH	93,024	408	492,901
St. Louis, MO	86,000	361	368,215

\* NYC District Attorney 1995 salary level of \$125,000 was increased on 1/1/99.

\*\* New York City Population by County

Kings	-	2,267,942
Queens	-	1,998,853
New York	-	1,550,649
Bronx	-	1,195,599
Richmond	-	407,123
Total		7,420,166

SOURCE: Telephone survey

## COMPENSATION OF ELECTED OFFICIALS

Earnings for Council Members of Major US Cities			
City	Salary	Revenue (\$Mil)	Population
Los Angeles, CA	110,612 FT*	4,080	3,553,638
Washington, D.C.	92,520 PT**	4,816	567,094
Chicago, IL	85,000 PT	2,293	2,731,743
Detroit, MI	72,600 FT	2,500	1,000,272
New York, NY	70,500 PT	35,604	7,420,166
Philadelphia, PA	65,000 FT	2,551	1,524,249
Boston, MA	62,500 FT	1,523	547,725
Minneapolis, MN	61,765 FT	842	354,590
Newark, NJ	50,462 FT	459	275,000
Cleveland, OH	47,751 PT	408	492,901
Houston, TX	42,683 PT	2,056	1,744,058
New Orleans, LA	42,500 FT	495	484,149
San Francisco, CA	37,584 FT	3,900	734,676
St. Louis, MO	27,118 PT	361	368,215
Atlanta, GA	22,000 PT	1,500	450,000

\* FT - Denotes Full time

\*\* PT - Denotes Part time

SOURCE: Telephone survey

SALARIES ADJUSTED AT THE RATE OF INCREASE FOR EMPLOYEES COVERED UNDER THE UNION CONTRACT

	Union		Public		Borough	Council	District
	<u>Increase</u>	<u>Mayor</u>	<u>Advocate</u>	<u>Comptroller</u>	<u>President</u>	<u>Member</u>	<u>Attorney</u>
7/1/1995	--	\$165,000	\$125,000	\$133,000	\$114,000	\$70,500	\$125,000
7/1/1996	--	\$165,000	\$125,000	\$133,000	\$114,000	\$70,500	\$125,000
7/1/1997	3.00%	\$169,950	\$128,750	\$136,990	\$117,420	\$72,615	\$128,750
7/1/1998	3.00%	\$175,049	\$132,613	\$141,100	\$120,943	\$74,793	\$132,613
7/1/1999	4.75%	\$183,363	\$138,912	\$147,802	\$126,687	\$78,346	\$138,912

SALARIES ADJUSTED AT THE RATE OF INCREASE FOR EMPLOYEES COVERED UNDER THE MANAGEMENT

COMPENSATION SYSTEM

	Management		Public		Borough	Council	District
	Increase	Mayor	Advocate	Comptroller	President	Member	Attorney
7/1/1995	5.16%-7.16%	\$165,000	\$125,000	\$133,000	\$114,000	\$70,500	\$125,000
7/1/1996	0%	\$165,000	\$125,000	\$133,000	\$114,000	\$70,500	\$125,000
7/1/1997	3.0%	\$169,950	\$128,750	\$136,990	\$117,420	\$72,615	\$128,750
7/1/1998	3.0%	\$175,049	\$132,613	\$141,100	\$120,943	\$74,793	\$132,613
7/1/1999	NA	\$175,049	\$132,613	\$141,100	\$120,943	\$74,793	\$132,613
7/1/1999 <sup>8</sup>	Hyp. 3.0%	\$180,300	\$136,591	\$145,333	\$124,571 <sup>*</sup>	\$77,037	\$136,591

<sup>8</sup> The 7/1/99 management increase has not yet been determined. On a hypothetical basis, if the increase is the same 3% as was applied in 1997 and 1998, these would be the applicable numbers. We note that this is a conservative number based on the 4.75% increase which will be provided for union employees, as shown in Exhibit 8.



SALARIES AGED AT THE ANNUAL RATE OF THE NEW YORK CITY CONSUMER PRICE INDEX FROM 1987

	NYC		Public		Borough	Council	District
	CPI	Mayor	Advocate	Comptroller	President	Member	Attorney
7/1/1987	5.1%	\$130,000	\$105,000	\$105,000	\$95,000	\$55,000	\$97,000
7/1/1988	4.8%	136,240	110,040	110,040	99,560	57,640	101,656
7/1/1989	5.6%	143,869	116,202	116,202	105,135	60,868	107,349
7/1/1990	6.0%	152,502	123,174	123,174	111,443	64,520	113,790
7/1/1991	4.5%	159,364	128,717	128,717	116,458	67,423	118,910
7/1/1992	3.6%	165,101	133,351	133,351	120,651	69,851	123,191
7/1/1993	3.0%	170,054	137,352	137,352	124,270	71,946	126,887
7/1/1994	2.4%	174,136	140,648	140,648	127,253	73,673	129,932
7/1/1995	2.5%	178,489	144,164	144,164	130,434	75,515	133,180
7/1/1996	2.9%	183,665	148,345	148,345	134,217	77,705	137,042
7/1/1997	2.3%	187,890	151,757	151,757	137,304	79,492	140,194
7/1/1998	1.6%	190,896	154,185	154,185	139,501	80,764	142,438
7/1/1999 <sup>9</sup>	1.6%	193,950	156,652	156,652	141,733	82,056	144,717

<sup>9</sup> Estimated based on 1998 CPI.

SALARIES AGED AT THE ANNUAL RATE OF THE NEW YORK CITY CONSUMER PRICE INDEX FROM 1991

	NYC		Public		Borough	Council	District
	<u>CPI</u>	<u>Mayor</u>	<u>Advocate</u>	<u>Comptroller</u>	<u>President</u>	<u>Member</u>	<u>Attorney</u>
7/1/1991	4.5%	153,000	115,000	122,500	105,000	65,000	115,000
7/1/1992	3.6%	158,508	119,140	126,910	108,780	67,340	119,140
7/1/1993	3.0%	163,263	122,714	130,717	112,043	69,360	122,714
7/1/1994	2.4%	167,182	125,659	133,855	114,732	71,025	125,659
7/1/1995	2.5%	171,361	128,801	137,201	117,601	72,800	128,801

7/1/1995	Actual	165,000	125,000	133,000	114,000	70,500	125,000
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7/1/1996	2.9%	176,331	132,536	141,180	121,011	74,912	132,536
7/1/1997	2.3%	180,386	135,584	144,427	123,794	76,635	135,584
7/1/1998	1.6%	183,272	137,754	146,738	125,775	77,861	137,754
7/1/1999	1.6%	186,205	139,958	149,085	127,788	79,107	139,958

SALARIES AGED AT THE ANNUAL RATE OF THE NEW YORK CITY CONSUMER PRICE INDEX FROM 1995

	NYC CPI	Mayor	Public Advocate	Comptroller	Borough President	Council Member	District Attorney
7/1/1995	2.5%	\$165,000	\$125,000	\$133,000	\$114,000	\$70,500	\$125,000
7/1/1996	2.9%	169,785	128,625	136,857	117,306	72,545	128,625
7/1/1997	2.3%	173,690	131,583	140,005	120,004	74,213	131,583
7/1/1998	1.6%	176,469	133,689	142,245	121,924	75,400	133,689
7/1/1999 <sup>10</sup>	1.6%	179,293	135,828	144,521	123,875	76,607	135,828

<sup>10</sup> Estimated based on 1998 CPI.

FOUR YEAR ANNUAL SALARY MOVEMENT FOR EXECUTIVES  
AND EXEMPT SALARIED EMPLOYEES IN PRIVATE INDUSTRY<sup>11</sup>

<u>Employee Type</u>	<u>Source</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999<sup>12</sup></u>
Executive	ACA	4.1%	4.3%	4.5%	4.6%	4.6%
	Mercer	4.4%	4.2%	4.3%	4.4%	4.3%
	Hewitt	4.1%	4.1%	4.3%	4.4%	4.3%
	Mean	4.2%	4.2%	4.4%	4.5%	4.4%
	Compounded 4-Year Increase (95-98)	18.4%				
Average 4-Year Salary Movement (95-98)		4.3%				
Exempt Salaried	ACA	4.0%	4.1%	4.3%	4.5%	4.4%
	Mercer	4.2%	4.0%	4.2%	4.2%	4.2%
	Hewitt	3.9%	3.9%	4.0%	4.0%	4.1%
	Mean	4.0%	4.0%	4.2%	4.2%	4.2%
	Compounded 4-Year Increase (95-98)	17.5%				
Average 4-Year Salary Movement (95-98)		4.1%				

<sup>11</sup> The data contained in the chart is from studies by three separate compensation experts: American Compensation Association Budget Survey, Hewitt Survey Highlights, and Mercer Compensation Planning Survey.

<sup>12</sup> Projected

EFFECT OF PERIODIC SALARY INCREASES ON SALARY RECEIVED

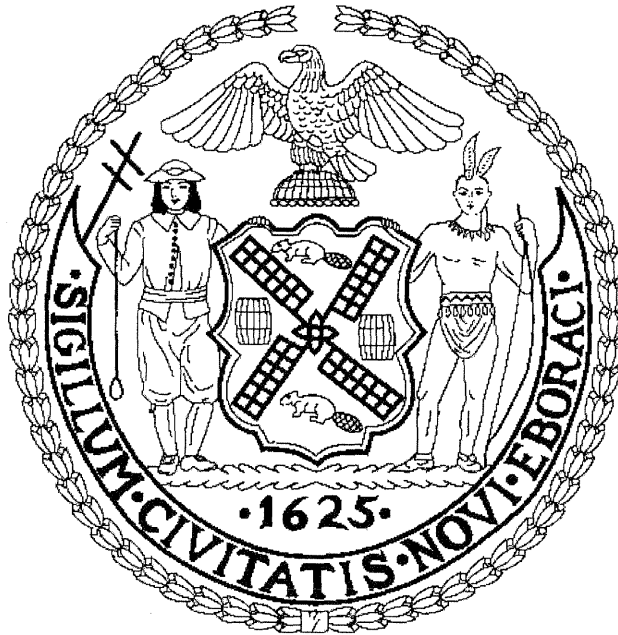
<u>Beginning of Year</u>	<u>4% Annual Increase</u>		<u>Union Rate Increases<sup>13</sup></u>	
	<u>Private Sector</u>	<u>Elected Official</u>	<u>Union Member</u>	<u>Elected Official</u>
1	\$70,500	\$70,500	\$70,500	\$70,500
2	73,320	70,500	70,500	70,500
3	76,253	70,500	72,615	70,500
4	79,303	70,500	74,793	70,500
Beginning of Year 5	82,475	82,475	78,346	78,346
Total Four Year Income	299,376	282,000	288,408	282,000
Avg per Yr	74,844	70,500	72,102	70,500
Additional Income Due to Annual Increase	17,376	N/A	6,408	N/A
or				
Average Additional Income Per Year Due to Annual Increase	4,344	N/A	1,602	N/A
% Value of Annual Increase	5.8% Per Yr	N/A	2.2% Per Yr	N/A

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<sup>13</sup> See union increases listed in Exhibit 8

F

# **The City of New York**



## ***Advisory Commission for the Review of Compensation Levels of Elected Officials***

### ***REPORT AND RECOMMENDATIONS***

**OCTOBER 23, 2006**

**Tom A. Bernstein, Chair  
G.G. Michelson  
Stephanie Palmer**

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## **Introduction**

The Advisory Commission to Review the Compensation Levels of Elected Officials (“Commission”) was created in a manner consistent with Section 3-601 of the Administrative Code of the City of New York, which provides that such a Commission be appointed on a quadrennial basis. The Commission was charged by the Mayor with studying and making recommendations on changes to the compensation levels of City elected officials including the Mayor, Public Advocate, Comptroller, the five Borough Presidents, the fifty-one City Council Members, and the five District Attorneys. The last Quadrennial Commission met and made recommendations to increase salaries in 1999. Those recommendations were enacted into law that year. However, due to a severe budget crisis, Mayor Michael R. Bloomberg deferred the appointment of another Commission at the statutorily prescribed time in 2003 until 2006 when a meaningful review of these salaries could take place because of improved budget conditions. Accordingly, this Commission is the first body appointed in seven years to review the salaries of elected officials.

Because this Commission was appointed off-cycle, it is not a “Quadrennial” Commission within the meaning of the Administrative Code. Nonetheless, the Mayor has appointed this Commission and charged it administratively to exercise the same advisory powers and duties as set forth in the Administrative Code for “Quadrennial” Commissions. After the Mayor receives and reviews this report, which sets forth recommendations to increase the salaries of all City elected offices, he may accept, reject or modify the recommendations, and then forward them for consideration and a vote by the City Council.

The factors and indicators the Commission used in developing its recommendations included, but were not limited to, the Consumer Price Index (“CPI”); City union contracts; City

managerial pay increases; salaries of appointed staff in the offices of elected officials; salaries for heads of governmental and quasi-governmental agencies, as well as executives of nonprofit organizations; and the salaries of elected officials in other jurisdictions. Because the Commission was already reviewing seven years of data, and because it had the rates for City managerial pay increases set through February 2007, the Commission was able to provide recommendations that cover an eight-year period from 1999 to 2007. As a consequence, the Commission believes the requirement for a Quadrennial Commission to be appointed in early 2007 (pursuant to the timetable set forth in the Administrative Code) to perform the same function using the same data, would be unnecessary and wasteful. Accordingly, it is the recommendation of the Commission that the next Commission should be appointed in 2011.

## **Members of the Commission**

The following Commission members, all residents of New York City, were appointed to the 2006 Commission by Mayor Michael R. Bloomberg:

- Tom A. Bernstein (Chair) is President and Co-Founder of Chelsea Piers, L.P., which was formed to develop and operate the Chelsea Piers Sports and Entertainment Complex. From 1983 to 1998, he was one of the two principals of Silver Screen Management, Inc., which served as the financial partner of The Walt Disney Company. Mr. Bernstein is a former member of the ownership group of the Texas Rangers Baseball club. Mr. Bernstein is a member of the Boards of Directors of the Fresh Air Fund, NYC & Company, Human Rights First, WNYC Radio, City Year New York, and the Partnership for Public Service. He is also a member of the Council on Foreign Relations. In 2002, President Bush appointed him to serve as a Council Member of the U.S. Holocaust Memorial Museum in Washington, D.C., where he serves on the Executive Committee and Chair of the Committee on Conscience.
- G.G. Michelson served R.H. Macy & Co. for 50 years, retiring from her position as Senior Vice President for External Affairs in 1992, and served as Senior Advisor and Member of the Board until 1994. Ms. Michelson has also served on a number of corporate boards including the General Electric Company, The Quaker Oats Company, and The Goodyear Tire and Rubber Company. She was President of the Board of Overseers of TIAA-CREF, a Public Governor of the American Stock Exchange, and Deputy Chair of the New York Federal Reserve Bank. Ms. Michelson is also Chair of The Helena Rubinstein Foundation, Chair Emeritus of the Board of Trustees of Columbia University, a member of the Columbia Law School Board of Visitors, and previously served on the Board of Visitors of the Columbia Business School.
- Stephanie Palmer has served as the Executive Director of New York City Mission Society, a human services organization, since 1996. Ms. Palmer has designed, implemented, and administered educational and employment training programs, advocated for legislation supporting the nonprofit sector, and provided management and leadership for several other nonprofit organizations. Ms. Palmer is also President of the Black Agency Executives, a non-profit organization dedicated to the support and professional development of its membership, and serves as a member on numerous other boards including the Human Services Council and the Nonprofit Coordinating Committee of New York.

In addition, consistent with the Administrative Code, the Mayor made City staff available to the Commission to work exclusively under their direction with regard to research and administrative matters.

### **The Commission's Schedule and Summary of Public Comments**

The Commission held one public hearing on June 1, 2006. Notice of the hearing and a request for public comments was published twice in the City Record, posted on publicly accessible bulletin boards and was mailed directly to 300 individuals and organizations, including every elected official whose salary was being reviewed by the Commission, civic groups, the media and others (See Appendix N). A representative of the Staten Island Borough President, the Executive Director of Citizens Union, and the Senior Attorney for the New York Public Interest Group ("NYPIRG") testified at the hearing (See Appendix N). In addition to the public hearing, the Commission met five times to discuss and review the issues.

The Staten Island Borough President, James Molinaro, submitted testimony that was read by his Counsel. The Borough President's testimony advised the Commission to raise the salaries of all Borough Presidents to \$175,000, based on his staff's understanding of how much the CPI has changed since the last Commission convened. Citizens Union supported small increases for most elected officials, with the exception of the District Attorneys who it thinks should receive the largest increases, and Council Members, whose salary increase should be tied to the elimination of the stipends (lulus) that they receive. Citizens Union also recommended that the salaries only take effect in 2007. NYPIRG urged the Commission to focus on the issue of outside income that Council Members are allowed to earn, and to examine the issue of their stipends. NYPIRG also proposed that the raises take effect only for the next term. Copies of this testimony can be found in the Appendix of this report.

Six other elected officials sent letters to the Commission which contained their recommendations (See Appendix N). The Speaker of the City Council, Christine Quinn, wrote to the Commission requesting a raise to \$112,500 for all Council Members. In addition, several

members of the Speaker's staff met with the Commission and further explained the rationale underlying the Speaker's written request. Council Member Tony Avella wrote that the current base salary of Council Members was adequate, and recommended that the stipends be abolished. He also suggested that the Commission consider whether the position of Council Member should be statutorily set as a full-time position. Four District Attorneys, with the exception of Staten Island District Attorney Dan Donovan, sent a joint letter to the Commission advocating for a \$35,000 raise, from \$150,000 to \$185,000, and arguing that their current salary level has severely compressed the salaries of their top staff, making retention very difficult. The District Attorneys also made the case that their large workload, staff, budget, and the salaries of other top City lawyers, should factor into how much of a raise they should receive. The change in the CPI over the years and the high cost of living in New York City were also used as justifications for a raise, similar to the argument that the Staten Island Borough President made in his testimony.

## **Summary of Elected Offices**

The powers and responsibilities of the offices subject to the Commission's review have changed over the years, specifically since the 1989 Charter Revision Commission that abolished the Board of Estimate and, more recently, the 2002 Charter Revision Commission. New elected offices were created, such as the Public Advocate (who then had to adjust to the results of the 2002 Charter Commission), and others, specifically the Borough Presidents and the City Council, have had to adjust to the changing scope of their responsibilities. The offices have been impacted by the rapid improvement of technology (which has altered and potentially diminished the responsibilities of some) and the increase in the size of the City's budget and demand for services during times of historic growth. A summary of the current duties of each office is listed below. It should be noted that with the exception of the District Attorneys, whose offices are established by State law, all City elected officials are subject to serving a limit of two consecutive four year terms in office.

### **Mayor**

*Current Salary: \$195,000*

The Mayor is the City's Chief Executive Officer and possesses vast operational and administrative powers, including the power to appoint and remove the commissioners of more than 40 City agencies, and scores of City boards and commissions. The Mayor is responsible for preparing and administering the City's annual Expense and Capital Budgets and financial plan. The Mayor is responsible for managing the City's relations with federal, state and local governing entities. The Mayor has the power to veto local laws enacted by the City Council, but such a veto may be overridden by a two-thirds vote of the Council. Pursuant to State law, the

Mayor appoints Criminal Court Judges, Family Court Judges, and Interim Civil Court Judges. The Mayor has powers and responsibilities relating to land use and City contracts and collaborates with city, state and federal agencies responsible for the City's economic development and infrastructure. The Mayor sits or makes appointments to the boards of the City's pension systems and sits Ex-Officio on the boards of many of the City's cultural institutions, and maintains a liaison with governmental bodies dealing with public finance, procurement, and franchises and concessions. The Mayor has all residual powers of the City government not otherwise delegated by law to some other public official or body.

**Comptroller:**

*Current Salary: \$160,000*

The Comptroller is an independently elected official, and is the City's Chief Financial Officer. The Comptroller's advises the Mayor, the City Council, and the public of the City's financial condition to ensure its fiscal health. The Comptroller also makes recommendations on City programs and operations, fiscal policies, and financial transactions. In addition, the Comptroller manages approximately \$90 billion in pension fund assets, performs budgetary analysis, audits city agencies, registers proposed contracts, oversees budget authorization, determines credit needs, terms and conditions, prepares warrants for payment, and issues and sells City obligations. The employees of the Office include accountants, attorneys, computer analysts, economists, engineers, budget, financial and investment analysts, claim specialists, and researchers as well as clerical and administrative support staff. The Comptroller is the custodian and delegated investment advisor to all five of the City's pension fund boards, and also manages



the sinking funds and all other City-held trust funds, maintains the City's accounts, and publishes the City's annual financial statement.

### **Public Advocate**

*Current Salary: \$150,000*

The Public Advocate represents the consumers of City services. The Public Advocate reviews and investigates complaints about City services, assesses whether agencies are responsive to the public, and recommends improvements in agency programs and complaint handling procedures. The Public Advocate is responsible for reporting the failure of any City agency or official to comply with the New York City Charter. The office also monitors the effectiveness of the City's public information and education efforts about citywide initiatives. The Public Advocate is a member of all Council committees and has the authority to introduce legislation, but not vote on it. The Public Advocate is a member of the board of trustees of the New York City Employees' Retirement System, sits on the City's Audit Committee, appoints one member to the City Planning Commission and serves on the committee to select the director of the Independent Budget Office.

### **Borough Presidents**

*Current Salary: \$135,000*

The City Charter gives the Borough Presidents the authority to propose borough budget priorities directly to the Council; review and comment on major land use decisions and propose sites for city facilities within their respective boroughs; monitor and modify the delivery of City services within their boroughs; and engage in strategic planning for their boroughs. The

Borough Presidents each chair a Borough Board, appoint members to Community Boards who serve without compensation, and appoint one member to the City Planning Commission as well as the Panel on Educational Policy, and has a role in selecting the director of the Independent Budget Office.

### **District Attorneys**

*Current Salary: \$150,000*

District Attorneys are constitutional officers who have the duty to protect the public by investigating and prosecuting criminal conduct in the counties in which they hold office. These prosecutions include felonies, misdemeanors, violations and traffic infractions. Additionally, District Attorneys are responsible for handling criminal appeals at all levels of state and federal courts. Ancillary responsibilities of District Attorneys include prosecuting forfeiture proceedings, extraditing criminals from outside the state, working with victims of crime to help them secure the fullest measure of redress allowed by law, and advising various law enforcement agencies. Of particular note is the large size of some of the DA's Offices; for example, the Manhattan and Brooklyn District Attorneys' Office have approximately 450 and 400 Assistant District Attorneys respectively.

### **City Council**

*Current Base Salary: \$90,000*

The City Council is the legislative branch of City government. Its 51 members represent districts of approximately 157,000 people. In addition to its legislative role and oversight powers over City agencies, the Council approves the City's budget, has decision-making power over

land use issues, and exercises the power of advice and consent over Mayoral nominees to certain City boards and commissions. The Council nominates and appoints individuals to serve on various public bodies as well. The Council Speaker is a district official elected by fellow Council Members and is primarily responsible for obtaining a consensus on major issues. The City Council is also the only branch of government that has stipends (or lulus) that are given in addition to the base salary for service in leadership positions, including chairing various committees. The position of Council Member is considered part-time and local law permits Council Members to receive outside incomes.

## **Methodology**

As with previous Commissions, this Commission's methodology has been to examine a number of key economic indicators, recognizing that no one indicator provides a sufficient guide and that some are more useful than others. The key indicators include: the CPI, City union contracts; City managerial pay increases; salaries of appointed staff in the offices of elected officials; salaries for heads of governmental and quasi-governmental agencies, as well as executives of nonprofit organizations; and the salaries of elected officials in other jurisdictions.

Also of consideration is the issue of compression. In some elected offices staff members receive higher salaries than the elected official(s) for whom they work. The Commission has aimed to alleviate some of this compression, particularly in the Offices of the District Attorneys where it appears to be most problematic.

The Commission conducted a comparative study of the twenty-five largest cities in the United States to find out the salaries of the Mayor, Council Members and Comptroller of those cities (See Appendix A). The Commission attempted to research the salaries in other jurisdictions for the Public Advocate, District Attorneys or Borough Presidents. However, since many cities either do not have an analogous position (in the case of Public Advocate and Borough Presidents) or the position is part of the county and not the city (District Attorney), the data found was inconclusive. As detailed in Appendix A, Chicago has the highest paid Mayor in the nation with a salary of \$216,210. The Los Angeles Mayor has the third highest salary at \$193,908. Several other cities have significant mayoral salaries, including Detroit, San Francisco, and Boston, which look even larger when comparing the salary to the size of the populations of those cities. It is also important to remember that the degree to which New York City can be compared to other cities is limited. The size of New York City's population, which

is the largest in the nation at 8.1 million, the size of its 300,000 person public workforce and \$53 billion budget, which are larger than most states, is unique amongst all cities in this country. The variety and breadth of services New York City government provides is unmatched by any other municipality. Nevertheless, some of the salaries of New York's elected officials are similar to those of other cities.

The Commission also surveyed the salaries of elected officials in the ten largest states (See Appendix B), none of whom, except for California, have salaries close to matching those of New York and or other cities mentioned above. The highest paid governor in the country will be California's at a rate of \$206,500, effective December 2006, even though Governor Schwarzenegger does not accept any compensation. The Governor of New York has the second highest salary at \$179,000. It should be noted that California has a population of 35,893,799, and New York State's population is 19,227,088.

The Commission also looked at the salaries of several other sectors including the non-profit sector, where the executives of the largest non-profits have salaries that are significantly greater than top officials in the public sector.

The Commission also took into consideration changes in City economic conditions exemplified by general wage increases provided to government employees and the CPI. In doing so, it reviewed the salary increase patterns established in municipal labor agreements (specifically DC37, the City's largest non-pedagogical public employee union, see Appendix J) and as provided to employees covered by the Pay Plan for Management Employees (See Appendix L). The aggregate increase for both these sets of indicators from 1999 to 2007 is 26 percent. It also examined annual average CPI changes (See Appendix K). The aggregate CPI for the same period was a 25 percent increase. The Commission recognizes that while economic

indicators illustrate a general increase in prices for goods and services, the salaries of the City's elected officials has remained flat since 1999.

It should be noted that while the Commission was conducting its review, Mayor Bloomberg authorized two managerial increases that City managers will receive: 2 percent now, and a 4 percent increase in early 2007 (See Appendix L). The Commission factored these increases and projected data into its final set of recommended salaries. Because the Commission's recommendations cover an eight-year period from 1999 to 2007, it believes the requirement for a Quadrennial Commission to be appointed in early 2007, pursuant to the timetable set forth in the Administrative Code, to perform the same function using the same data, would be unnecessary and wasteful.

## **Recommendations**

Below is a grid of the Commission's recommendations for each office, and the basis for its recommendation. (See also Appendix F, Salary Increases Ranked By Dollar Amount).

<b>Elected Official</b>	<b>Current Base Salary</b>	<b>Proposed Increase</b>	<b>New Base Salary</b>
Mayor	\$195,000	\$30,000	\$225,000
Comptroller	\$160,000	\$25,000	\$185,000
Public Advocate	\$150,000	\$15,000	\$165,000
District Attorney	\$150,000	\$40,000	\$190,000
Borough President	\$135,000	\$25,000	\$160,000
City Council	\$90,000	\$22,500	\$112,500

### **Mayor**

Mayor Bloomberg does not take a salary. However, the Commission is considering salary levels for the Office of Mayor, and not the specific individual who occupies it. The Commission's position is that the Office of Mayor should receive a modest salary increase in-line with increases recommended for other citywide offices and that an increase to \$225,000 is reasonable in this context.

### **Comptroller**

The Comptroller's citywide duties are significant and the Office's highly expert staff has grown as the Office has taken on greater roles, especially in the area of pensions which has become more diverse and complex. That fact, combined with the relatively large staff that the Comptroller oversees, justifies an increase to \$185,000.

## **Public Advocate**

The Public Advocate's role has changed since the last compensation commission met. Revisions to the City Charter in 2002 have (1) shortened the period of succession in the event of a mayoral vacancy, thus reducing the amount of time that a Public Advocate would spend as Acting Mayor; and (2) eliminated the Public Advocate's role as the Presiding Officer of the Council, although the current Public Advocate has continued in that role ceremonially by virtue of a delegation from the Council Speaker. Unlike the other two citywide offices, the office of Public Advocate has no direct authority over the City's budget or finances. Although other large cities do not have an elected Public Advocate, the office's salary, \$150,000, is nearly identical to the salary currently paid to New York State's Lieutenant Governor and Attorney General. In light of these considerations, an increase to \$165,000 is reasonable.

## **Borough Presidents**

Although the Office of Borough President lost most of its budgetary powers through the 1989 charter revision, its occupants continue to have staff that performs constituent services and policy work, as well as a significant role in the land use process. The five Borough Presidents also serve as the most visible advocates for their respective boroughs. The Commission's salary recommendation of \$160,000 is a reasonable increase and consistent with increases given to the other elected officials.



## **District Attorney**

As mentioned previously, four of the City's five District Attorneys submitted a letter to the Commission requesting a raise. The Commission has found their concerns – particularly their difficulties with retention – persuasive, as have civic groups. The District Attorneys also noted that there are 350 other public employees who earn higher salaries than they. Salaries for District Attorney cannot be less than those of State Supreme Court Judges, who currently make \$136,000. Indeed, there has been much discussion recently at the State level for a significant increase in the salaries of State Supreme Court Judges. The Commission's position is that given the factors above, and the professional degree requirements of the office, District Attorneys have the greatest need for salary increases. Therefore, the Commission found it reasonable to recommend the largest raise for the District Attorneys, increasing their salaries to \$190,000. Although the District Attorneys made a request of \$185,000, that request did not reflect 2007 data considered by the Commission. This increase for the DAs should significantly ease salary compression and will hopefully strengthen retention and recruitment within these offices, consistent with the efforts of the New York City Law Department which similarly houses a large and capable legal staff of more than 700 attorneys.

## **City Council**

Presently, Council Members represent districts with average populations of about 157,000 residents, similar to the size of the populations of Syracuse, Salt Lake City, Fort Lauderdale and Chattanooga, and have an array of critical responsibilities: serving as a conduit for their constituents' concerns; performing oversight of city agencies; approving the city's budget; and engaging in the legislative process. As indicated in Appendix A, Council members

in several other cities, including Los Angeles (full-time), Chicago (part-time), Philadelphia (considered full-time, but outside income allowed), Seattle (full-time) and Washington, D.C. (part-time), receive higher salaries than the members of the New York City Council. Although the position of Council Member is a part-time position, it is the Commission's understanding that the majority of Council Members serve currently in the position on a full-time basis (See Testimony of Citizens Union, Appendix N). Accordingly, for the purposes of this Report, the Commission assumed that by-and-large Council Members serve full-time, and the recommended salary increase reflects this fact.

In July, Council Speaker Christine Quinn sent a letter to the Commission requesting an increase in the base salary of members to \$112,500. In addition, her staff met with the Commission to discuss the request. In light of the salary scales of other large cities, and the increases recommended by this Commission for the other elected officials, the Commission recommends that the Council receive an increase to a salary of \$112,500. In addition, the Commission believes that the issues of full and part-time vs. full-time status, discussed later in this Report, merit serious review and reform before the next Council takes office.

### **Effective Date**

The Commission believes that these recommended salary increases, if accepted by the Mayor and approved by the City Council, take effect immediately.

## **Executive Summary of Charts of Economic and Compensation Data**

Under the Commission's proposal, the *average annual increase* for elected officials during the period 1999 to 2007 ranges between 1.2 percent for the Public Advocate and 2.9 percent for District Attorneys. During that same period, the average increase in the Consumer Price Index ("CPI") was 3.2 percent, for DC 37 workers it was 2.9 percent, and for the appointed city managers it was 2.9 percent (See Appendix G). Therefore, the Commission is recommending average annual increases for each year in this period that are lower than these three area indicators. In addition, the Commission's proposed average annual increases are significantly lower than those recommended by the 1999 Quadrennial Commission whose average annual increases ranged from 4.3 percent for Mayor and Borough Presidents to 6.3 percent for Council Members (See Appendix G).

The Commission's proposed *overall increases* for the *eight year* period 1999 to 2007 are generally less than the increases given by the previous Commission for the *four year* period 1995 to 1999. This Commission proposes a 15.4 percent increase for the Mayor (versus 18.2 percent in 1999), a 10 percent increase for the Public Advocate (versus 20 percent in 1999), a 25 percent increase for Council Members (versus 27.7 percent in 1999), an 18.5 percent increase for the Borough Presidents (versus 18.4 percent in 1999), and a 26.7 percent increase for District Attorneys (versus 20 percent in 1999) (See Appendix I).

The range of increases that this Commission is proposing for the years *1999 to 2007* are far lower than the range recommended by the 1995 Commission covering *1987 to 1995*, which was also formed after salary increases had not been given for eight years. As mentioned previously, the increases for the current eight-year Commission has a range of 10 percent for the Public Advocate to 26.7 percent for the District Attorney whereas the 1995 Commission's

increases had a range from 19 percent for the Public Advocate to 28.9 percent for District Attorneys (See Appendix H).

## **Policy Issues**

The Commission examined several related issues that were brought to its attention by current and former elected officials, good government groups, and the media. The first relates to the timing of the salary increases for all elected officials. The second is a set of issues dealing with the City Council, specifically the appropriateness of lulus and whether the Council should be a part-time or full-time body.

### ***The Timing of Salary Increases for All Elected Officials***

The Commission looked at the timing of implementing raises for all elected offices. Civic groups and various media have questioned the appropriateness of a legislative body voting itself raises, and the executive signing them into law, during the same term that they are to take effect. Indeed, many governments have outlawed the practice, while others that have recently raised their own salaries have experienced a voter backlash. In Pennsylvania, for instance, the raises the state legislature awarded itself created a degree of citizen dissatisfaction that are attributed to leading to the defeat of several incumbents who held traditionally secure judicial offices. More recently, several Republican leaders in the Pennsylvania legislature were voted out of office during their primary races as part of the continuing anti-incumbent backlash.

The Commission believes that limiting the ability of government officials to raise their own salaries and receive them immediately would improve the integrity of government and public confidence in it. The Commission recommends, however, in the context of this Report, that any change should be considered prospectively for the City's elected officials, particularly since more than seven years have already passed since the last salary increase. Therefore, the Commission recommends that the Council and Mayor, if they choose to increase salaries at this

time for the City's elected officials, should evaluate the best option to pursue this reform for the future.

### ***City Council Issues***

#### ***(a) Lulus***

A number of current and former elected officials, civic leaders, and newspaper editorials have criticized the City Council's practice of distributing "lulus," or stipends, to members for chairing committees or otherwise serving in leadership positions. In recent years, the number of committees and leadership titles, and the level of stipends distributed, has grown significantly. In 1994, 29 Council Members received stipends totaling \$334,000; today, 46 of 51 Council Members receive stipends totaling \$479,500, a 44% increase. As a result, compensation for Council Members now ranges from \$90,000 to \$119,500, with the average salary being approximately \$100,000 (See Appendix M). Council Member is the only elected office that has, in effect, given itself additional raises on top of what past Commissions have recommended. Outside of New York, almost no other city council or state legislature distributes such stipends, nor are they distributed in Congress, where senior members who chair powerful committees receive the same compensation as freshman legislators.

In a letter forwarded to the Commission from the 2005 Charter Revision Commission (See Appendix N), former Council Member Walter McCaffrey argued that over the years the lulu system has been used to "reward allies and enforce discipline," a criticism that is echoed by civic leaders. While the Commission understands the need of the Council Speaker to lead his or her members, legislative leaders in other bodies around the country have been able to do so without resorting to financial rewards.

The Commission believes that this area is ripe for reform. Given that eliminating lulus in the middle of a Council term would be complicated, the Commission recommends that the Council – or a future Charter Revision Commission – consider reforming this practice of lulus effective December 31, 2009, when the vast majority of the City Council will be “termed out” of office. This would allow the current Council to leave a legacy of reform and the next Council to avoid being burdened with the same public criticisms.

***(b) Part-Time vs. Full-Time Status***

The Commission also received comments urging it to examine whether the job of City Council Member should be changed statutorily from part-time to full-time, and if changed, whether there should be a limit or ban on outside income. Currently, the part-time status has meant that Council Members may earn outside income, making them the only elected officials in the City to have this privilege. Most Council Members do not earn outside income, while some earn salaries far in excess of their Council salaries. Some Council Members who do not earn outside income argue that the job of Council Member is really full-time, that the majority of members perform it on a full-time basis, and that should be reflected in the level of compensation that they receive (See Testimony of Citizens Union, Appendix N). Another issue to be considered is whether the position of Council Speaker should be considered a full-time job, as that position has grown in prominence and scope since the 1989 Charter revision. We believe that these issues merit further examination by a future Charter Revision Commission or, should there be support among members, by the Council itself.

## **Conclusion**

There are always many factors to take into consideration when examining the compensation of elected officials. A balance is required between the need to ensure that officials are adequately compensated and the expectations of the public that their elected representatives will not overcompensate themselves. It is inevitable that whenever salaries are increased for elected officials, some may take a skeptical view. It is nevertheless important to ensure that public officials receive compensation appropriate to the services they perform. While their salaries may seem high to some, they are relatively modest when compared to equivalent jobs in other sectors. Furthermore, the compensation elected officials receive should reflect the enormous amount of responsibility and trust placed with them. It is important to note that the increases proposed by this Commission are significantly lower than what past Commissions have recommended. In the past, the lowest percentage increase recommended by Quadrennial Commissions was 18% and the highest was 28%. In this respect, the large increases proposed by previous Commissions have mitigated the need for the present Commission to propose raises at such high levels.

In light of all this, and the other factors examined throughout the report, the Commission recommends implementation of the proposed salary increases for the Mayor, Borough Presidents, City Council, District Attorneys and Public Advocate immediately after passage into law by the City Council. This Commission also recommends that the next Commission be appointed in 2011, on the regular timetable for Quadrennial Commissions as set forth in the Administrative Code. The Commission also recommends that all policy issues discussed in this report be give due attention and action by the affected political branches.



## Appendix A

**Salary Data for Elected Officials of the 25 Largest Cities**

City	Population	Mayor	Comptroller/CFO	City Council
Los Angeles, CA	3,845,541	\$193,908	\$164,076	\$149,160
Chicago, IL	2,862,244	\$216,210	\$148,476	\$98,125
Houston, TX	2,012,626	\$165,816	\$90,965	\$49,794
Philadelphia, PA	1,470,151	\$144,009	\$99,853	\$102,292; Council President- \$128,292
Phoenix, AZ	1,418,041	\$88,000	\$160,243	\$59,000
San Diego, CA	1,263,756	\$100,464	\$183,568	\$75,386
San Antonio, TX	1,236,249	\$2,080		\$20/mtg
Dallas, TX	1,210,393	\$60,000		\$37,500
San Jose, CA	904,522	\$105,019	\$168,542	\$75,048
Detroit, MI	900,198	\$176,176	\$142,800	\$81,312
Indianapolis, IN	784,242	\$95,000	\$91,999	\$11,400-\$13,382
Jacksonville, FL	777,704	\$166,533	\$175,000	\$42,884; President-\$57,179
San Francisco, CA	744,230	\$171,262		\$89,648
Columbus, OH	730,008	\$141,001	\$126,110	\$36,252
Austin, TX	681,804	\$53,000		\$45,000
Memphis, TN	671,929	\$160,000		\$30,600; Chair-\$32,600
Baltimore, MD	636,251	\$125,000	\$80,000	\$48,000; President-\$50,000
Fort Worth, TX	603,337	\$30,000		\$27,000
Charlotte, NC	594,359	\$38,482		\$22,745
El Paso, TX	592,099	\$38,079		\$22,432
Milwaukee, WI	583,624	\$139,549	\$135,346	\$69,352; Council President-\$78,376
Seattle, WA	571,480	\$148,540		\$103,878
Boston, MA	569,165	\$175,000		\$87,500
Denver, CO	556,835	\$136,920	\$118,416	\$73,512; President-\$82,320
Washington, D.C.	553,523	\$145,000		\$92,500

Chicago recently passed a law that annual increases in the aldermanic salary will be determined over the next four years according to the federal CPI.

LA: Elected officials salaries tied to salaries of State Supreme Court judges

Phoenix: City Council salaries are 2/3 of Mayor's. Formula and ratio of salaries approved by voters every 2 yrs.

## **Appendix B**

### **Salary Data of State Elected Officials**

<b>State</b>	<b>Population</b>	<b>Governor</b>	<b>Lt. Gov</b>	<b>Att. Gen</b>	<b>Treasurer</b>	<b>State Legislature</b>
California <sup>1</sup>	35,893,799	\$206,500	\$154,875	\$175,525	\$165,200	\$113,098
Texas	22,490,022	\$115,345	\$7,200	\$92,217		\$7,200
New York	19,227,088	\$179,000	\$151,500	\$151,500	\$151,500	\$79,000
Florida	17,397,161	\$124,575	\$119,390	\$123,331	\$123,331	\$29,916
Illinois	12,713,634	\$154,800	\$118,400	\$136,600	\$118,400	\$57,619
Pennsylvania	12,406,292	\$144,416	\$121,309	\$120,154	\$120,154	\$69,647
Ohio	11,459,011	\$126,435	\$73,715	\$93,494	\$167,504	\$56,260
Michigan	10,112,620	\$177,000	\$123,900	\$124,900	\$124,900	\$79,650
Georgia	8,829,383	\$127,303	\$83,148	\$125,871	\$117,893	\$146,524
New Jersey	8,698,879	\$175,000	-	\$141,000	\$141,000	\$49,000

States ranked according US Census website-estimated populations for 2005

All data except legislature is from 2005 Council on State Governments survey; legislative salary data is taken from Council on State Legislature list from November 2005

<sup>1</sup>Salaries effective December 2006

## Appendix C

### **Metro NY County Elected Official Salaries**

<b>County</b>	<b>Population</b>	<b>Executive</b>	<b>Legislator</b>	<b>District Attorney</b>	<b>Comptroller</b>
Nassau County	1,339,641	\$109,394	\$39,500	\$150,000	\$108,670
Suffolk County	1,475,488	\$169,610	\$80,373	\$154,796	\$154,796
Westchester County	942,444	\$160,760	\$49,200	\$136,700	--

## **Appendix D**

**Comparison of Federal, NYS, and NYC Legislator Salaries**

<b>Legislative Body</b>	<b>Average District Size</b>	<b>Base Salary</b>	<b>Supplemental Salary range</b>	<b>Speaker</b>	<b>Majority Leader</b>
US Congress	House: 646,952	\$162,100	None	\$212,100	\$183,500
	Senate: 306,072				
NY State Legislature	Assembly: 126,510	\$79,000	\$8,000-\$43,000	\$122,000	\$122,000
NYC Council	157,000	\$90,000	\$4,000-\$28,500	\$118,500	\$113,000

## **Appendix E**

### **Salary Information on Leaders of Public Agencies, Corporations, Authorities and Unions**

<b>Official</b>	<b>Salary</b>
DOE Chancellor	\$250,000
HHC President	\$260,454
Criminal Justice Coordinator	\$190,445 <sup>1</sup>
MTA Exec. Dir.	\$235,000
Port Authority Exec. Dir	\$231,764
UFT President	\$241,450
TWU President	\$129,724
Unite Here President	\$339,043
SEIU 1199 President	\$162,826
SEUI 32BJ President	\$204,445
DC 37 Exec. Dir.	\$209,368

<sup>1</sup> As of 2/2007

## **Appendix F**

### **Salary Increases Ranked By Dollar Amount**

<b>Elected Official</b>	<b>Current Base Salary</b>	<b>Proposed Base Salary</b>	<b>Proposed Increase</b>
District Attorney	\$150,000	\$190,000	\$40,000
Mayor	\$195,000	\$225,000	\$30,000
Comptroller	\$160,000	\$185,000	\$25,000
Borough President	\$135,000	\$160,000	\$25,000
City Council	\$90,000	\$112,500	\$22,500
Public Advocate	\$150,000	\$165,000	\$15,000

## **Appendix G**

### **Average Annual Increase Comparison**

Commissions	Period of Time	Mayor	Borough President	Comptroller	Public Advocate	City Council	District Attorney
Commission Proposal	1999-2007	1.8%	2.1%	1.8%	1.2%	2.8%	2.9%
1999 Commission	1995-1999	4.3%	4.3%	4.7%	4.7%	6.3%	4.7%
1995 Commission	1987-1995	2.9%	2.2%	2.9%	2.2%	3.0%	3.1%

CPI Avg	2000-2006	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Average Union	2000-2007	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Avg Managerial	2000-2007	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%

## Appendix H

### Year-by-Year Comparison of Commissions Whose Recommendations Have Spanned 8 Years

	Mayor		Borough President		Comptroller		Public Advocate		City Council Member		District Attorney	
	87-95	99-07	87-95	99-07	87-95	99-07	87-95	99-07	87-95	99-07	87-95	99-07
Base	\$ 130,000	\$ 195,000	\$ 95,000	\$ 135,000	\$ 105,000	\$ 160,000	\$ 105,000	\$ 150,000	\$ 55,000	\$ 90,000	\$ 97,000	\$ 150,000
Four Year Increase	\$ 17,500	\$ 15,000	\$ 9,500	\$ 12,500	\$ 14,000	\$ 12,500	\$ 10,000	\$ 7,500	\$ 7,750	\$ 11,250	\$ 14,000	\$ 20,000
4 Year Total	\$ 147,500	\$ 210,000	\$ 104,500	\$ 147,500	\$ 119,000	\$ 172,500	\$ 115,000	\$ 157,500	\$ 62,750	\$ 101,250	\$ 111,000	\$ 170,000
Four Year Increase	\$ 17,500	\$ 15,000	\$ 9,500	\$ 12,500	\$ 14,000	\$ 12,500	\$ 10,000	\$ 7,500	\$ 7,750	\$ 11,250	\$ 14,000	\$ 20,000
4 Year Total	\$ 165,000	\$ 225,000	\$ 114,000	\$ 160,000	\$ 133,000	\$ 185,000	\$ 125,000	\$ 165,000	\$ 70,500	\$ 112,500	\$ 125,000	\$ 190,000
8 Year Increase	\$ 35,000	\$ 30,000	\$ 19,000	\$ 25,000	\$ 28,000	\$ 25,000	\$ 20,000	\$ 15,000	\$ 15,500	\$ 22,500	\$ 28,000	\$ 40,000
8 Year Total	\$ 165,000	\$ 225,000	\$ 114,000	\$ 160,000	\$ 133,000	\$ 185,000	\$ 125,000	\$ 165,000	\$ 70,500	\$ 112,500	\$ 125,000	\$ 190,000
% Increase	26.9%	15.4%	20.0%	18.5%	26.7%	15.6%	19.0%	10.0%	28.2%	25.0%	28.9%	26.7%
Average Annual \$ Inc	\$ 4,375	\$ 3,750	\$ 2,375	\$ 3,125	\$ 3,500	\$ 3,125	\$ 2,500	\$ 1,875	\$ 1,938	\$ 2,813	\$ 3,500	\$ 5,000
Average Annual % Inc	2.9%	1.8%	2.3%	2.1%	2.9%	1.8%	2.2%	1.2%	3.1%	2.8%	3.1%	2.9%



## Appendix I

### Historical Compensation

REPORT DATE	EFF. DATE	MAYOR	COMPTROLLER	PUBLIC ADVOCATE	CITY COUNCIL	BOROUGH PRESIDENT	DISTRICT ATTORNEY
1987	7/1/87	\$ 130,000	\$ 105,000	\$ 105,000	\$ 55,000	\$ 95,000	\$ 97,000
Sept. 1991 <sup>(1)</sup>		\$ 153,000	\$ 122,500	\$ 115,000	\$ 65,000	\$ 105,000	\$ 115,000
1987-1991		17.7%	16.7%	9.5%	18.2%	10.5%	18.6%
Oct. 1995	7/1/95 <sup>(2)</sup>	\$ 165,000	\$ 133,000	\$ 125,000	\$ 70,500	\$ 114,000	\$ 125,000
1987-1995		26.9%	26.7%	19.0%	28.2%	20.0%	28.9%
1/1/1999 <sup>(3)</sup>							\$ 136,700
June 1999	7/1/99	\$ 195,000	\$ 160,000	\$ 150,000	\$ 90,000	\$ 135,000	\$ 150,000
1995-1999		18.2%	20.3%	20.0%	27.7%	18.4%	20.0%
<b>Current Proposal</b>							
1999-2007		\$ 225,000	\$ 185,000	\$ 165,000	\$ 112,500	\$ 160,000	\$ 190,000
1999-2007		15.4%	15.6%	10.0%	25.0%	18.5%	26.7%

#### Notes:

- (1) With the exception of the DA's, the 1991 recommendations were proposed but not implemented; thus, the 1995 salaries were based effectively on the work of an 8 year commission.
- (2) The Public Advocate did not receive the 1995 increase until 7/1/98.
- (3) The DAs received an increase by operation of State Law which requires them to make at least the same as State Supreme Court judges.

## Appendix J

### Hypothetical Salaries Using Increases Consistent With DC37 Agreements 2000-2008

		Mayor	Borough President	Comptroller	Public Advocate	City Council Member	District Attorney
<b>1999 Salary</b>		<b>\$ 195,000</b>	<b>\$ 135,000</b>	<b>\$ 160,000</b>	<b>\$ 150,000</b>	<b>\$ 90,000</b>	<b>\$ 150,000</b>
Eff. 4/1/00	4.00%	\$ 202,800	\$ 140,400	\$ 166,400	\$ 156,000	\$ 93,600	\$ 156,000
Eff. 4/1/01	4.00%	\$ 210,912	\$ 146,016	\$ 173,056	\$ 162,240	\$ 97,344	\$ 162,240
Eff. 7/1/03	3.00%	\$ 217,239	\$ 150,396	\$ 178,248	\$ 167,107	\$ 100,264	\$ 167,107
Eff. 7/1/04	2.00%	\$ 221,584	\$ 153,404	\$ 181,813	\$ 170,449	\$ 102,270	\$ 170,449
Eff. 7/1/04	1.00%	\$ 223,757	\$ 154,908	\$ 183,595	\$ 172,120	\$ 103,272	\$ 172,120
Eff. 7/1/05	3.15%	\$ 230,805	\$ 159,788	\$ 189,378	\$ 177,542	\$ 106,525	\$ 177,542
Eff. 8/1/06	2.00%	\$ 235,421	\$ 162,984	\$ 193,166	\$ 181,093	\$ 108,656	\$ 181,093
Eff. 2/1/07	4.00%	\$ 244,838	\$ 169,503	\$ 200,893	\$ 188,337	\$ 113,002	\$ 188,337
Average	2.89%						

## Appendix K

### Hypothetical Salaries with Increases Consistent With CPI (NY/NJ/CT)

		Mayor	Borough President	Comptroller	Public Advocate	City Council Member	District Attorney
1999 Salary	CPI %	\$ 195,000	\$ 135,000	\$ 160,000	\$ 150,000	\$ 90,000	\$ 150,000
CY 2000	3.1%	\$ 201,045	\$ 139,185	\$ 164,960	\$ 154,650	\$ 92,790	\$ 154,650
CY 2001	2.5%	\$ 206,071	\$ 142,665	\$ 169,084	\$ 158,516	\$ 95,110	\$ 158,516
CY 2002	2.5%	\$ 211,223	\$ 146,231	\$ 173,311	\$ 162,479	\$ 97,487	\$ 162,479
CY 2003	3.1%	\$ 217,771	\$ 150,764	\$ 178,684	\$ 167,516	\$ 100,510	\$ 167,516
CY 2004	3.5%	\$ 225,393	\$ 156,041	\$ 184,938	\$ 173,379	\$ 104,027	\$ 173,379
CY 2005	3.9%	\$ 234,183	\$ 162,127	\$ 192,150	\$ 180,141	\$ 108,085	\$ 180,141
CY 2006 <sup>1</sup>	3.9%	\$ 243,316	\$ 168,450	\$ 199,644	\$ 187,166	\$ 112,300	\$ 187,166
Average	3.2%						

1. Assumes same as 2005

## Appendix L

### Hypothetical Salaries with Increases As Per Mayor's Personnel Orders 2000-2007

		Mayor	Borough President	Comptroller	Public Advocate	City Council Member	District Attorney
<b>1999 Salary</b>		<b>\$ 195,000</b>	<b>\$ 135,000</b>	<b>\$ 160,000</b>	<b>\$ 150,000</b>	<b>\$ 90,000</b>	<b>\$ 150,000</b>
Eff. 7/1/00	4.00%	\$ 202,800	\$ 140,400	\$ 166,400	\$ 156,000	\$ 93,600	\$ 156,000
Eff. 7/1/01	4.00%	\$ 210,912	\$ 146,016	\$ 173,056	\$ 162,240	\$ 97,344	\$ 162,240
Eff. 7/1/03	3.00%	\$ 217,239	\$ 150,396	\$ 178,248	\$ 167,107	\$ 100,264	\$ 167,107
Eff. 7/1/04	2.00%	\$ 221,584	\$ 153,404	\$ 181,813	\$ 170,449	\$ 102,270	\$ 170,449
Eff. 7/1/04	1.00%	\$ 223,757	\$ 154,908	\$ 183,595	\$ 172,120	\$ 103,272	\$ 172,120
Eff. 7/1/05	3.15%	\$ 230,805	\$ 159,788	\$ 189,378	\$ 177,542	\$ 106,525	\$ 177,542
Eff. 8/1/06	2.00%	\$ 235,421	\$ 162,984	\$ 193,166	\$ 181,093	\$ 108,656	\$ 181,093
Eff. 2/1/07	4.39%	\$ 245,761	\$ 170,142	\$ 201,650	\$ 189,047	\$ 113,428	\$ 189,047
AVERAGE	2.94%						

## Appendix M

### City Council Stipends (Lulus) 2006\*

POSITION	MEMBER	Lulu
Speaker	Christine C. Quinn	\$28,500
Majority Leader/Health	Joel Rivera	\$23,000
Deputy Majority Leader/Consumer Affairs	Leroy G. Comrie, Jr.	\$20,000
Minority Leader	James S. Oddo	\$18,000
Welfare	Bill de Blasio	\$15,000
Assistant Majority Leader/Youth Services	Lewis A. Fidler	\$15,000
Majority Whip/Standards and Ethics	Inez E. Dickens	\$11,000
Minority Whip	Dennis P. Gallagher	\$5,000
<b>Standing Committees</b>		
Finance	David I. Weprin	\$18,000
Land Use	Melinda R. Katz	\$18,000
Housing and Buildings	Erik Martin Dilan	\$10,000
Mental Health, Mental Retardation, Alcoholism, Drug Abuse & Disability Services	G. Oliver Koppell	\$10,000
Women's Issues	Helen Sears	\$10,000
Aging	Arroyo	\$10,000
Civil Rights	Larry B. Seabrook	\$10,000
Civil Service and Labor	Joseph P. Addabbo, Jr.	\$10,000
Contracts	Yvette D. Clarke	\$10,000
Cultural Affairs, Libraries & International Intergroup Relations	Domenic M. Recchia, Jr.	\$10,000
Economic Development	Thomas White, Jr.	\$10,000
Education	Robert Jackson	\$10,000
Environmental Protection	James F. Gennaro	\$10,000
Fire and Criminal Justice Services	Miguel Martinez	\$10,000
Governmental Operations	Simcha Felder	\$10,000
Higher Education	Charles Barron	\$10,000
Immigration	Kendall Stewart	\$10,000
Juvenile Justice	Sara M. Gonzalez	\$10,000
Lower Manhattan Redevelopment	Alan J. Gerson	\$10,000
Oversight and Investigations	Eric N. Gioia	\$10,000
Parks and Recreation	Helen D. Foster	\$10,000
Public Safety	Peter F. Vallone, Jr.	\$10,000
Rules, Privileges and Elections	Diana Reyna	\$10,000
Sanitation and Waste Management	Michael E. McMahon	\$10,000
Small Business	David Yassky	\$10,000
State and Federal Legislation	Maria Baez	\$10,000
Technology in Government	Gale A. Brewer	\$10,000
Transportation	John C. Liu	\$10,000
Veterans	Hiram Monserrate	\$10,000
Waterfronts	Michael C. Nelson	\$10,000
<b>Subcommittees</b>		
Zoning and Franchises (Land Use)	Tony Avella**	\$4,000
Landmarks, Public Siting & Maritime Uses (Land Use)	Jessica S. Lappin	\$4,000
Planning Dispositions and Concessions (Land Use)	Daniel R. Garodnick	\$4,000
Drug Abuse (Mental Health)	Annabel Palma	\$4,000
Public Housing (Housing and Buildings)	Rosie Mendez	\$4,000
Senior Centers (Aging)	James Vacca	\$4,000
<b>Select Committees</b>		
Community Development	Albert Vann	\$4,000
Libraries	Vincent J. Gentile	\$4,000

\* Adopted at the State Meeting of the New York City Council, January 18, 2006

\*\*Declines lulu

## **Appendix N**

### ***Testimonies Submitted to the Commission***

**TESTIMONY of DICK DADEY**  
**Executive Director, Citizens Union of the City of New York**  
**Before the**  
**Advisory Commission for the Review of**  
**Compensation Levels of Elected Officials**  
**June 1, 2006 (amended June 7, 2006)**

Good Afternoon, Chairman Bernstein, Commission Members Michelson and Palmer. My name is Dick Dadey, and I am the executive director of Citizens Union of the City of New York, an independent, non partisan, civic organization of New Yorkers who promote good government and advance political reform in our city and state. For more than a century, Citizens Union has served as a watchdog for the public interest and an advocate for the common good.

I am here today to provide testimony regarding your commission's review of compensation levels for the offices of Mayor, Comptroller, Public Advocate, Borough President, City Council Member, and District Attorney, which have remained unchanged since they last were raised in 1999.

Citizens Union is concerned that no Quadrennial advisory commission for the review of compensation levels of elected officials was appointed in 2003 as required by the New York City Administrative Code under Title 3, Chapter 3, § 3-601. It is understandable why the Mayor chose not to convene such a commission in 2003 as required by law, because it would have been difficult to consider raising elected officials salaries at a time when the city was cutting its budget and raising taxes. Nevertheless, a commission should have been convened as has been the practice since 1987. One could have been formed as was the case in 1991 even though the Commission formally recommended not increasing the salary of current office holders given the city's tight finances, which was accepted by then Mayor Dinkins and Council Speaker Vallone. However, a commission in 2003 still could have made a recommendation not to raise the current salaries because of the city's financial picture at the time and instead proposed a modest increase to take effect at the commencement of the next term in office, which would have been January 1, 2006.

There is not an easy or fair answer to the question put before this Compensation Commission: Whether to raise the salaries of the city's elected offices and their current occupants and if so, by how much?

Had the cycle of reviewing the salaries every four years not been broken, Citizens Union would have ideally preferred that salary increases recommended by Quadrennial Advisory Compensation Commissions - which ultimately are advisory and subject to the approval of both the Mayor and the Council - not go into effect until the commencement of the next term. It makes good sense that the Council and the Mayor not participate in or vote on their current salaries, but rather on those elected for the next term, even if those salary increases are proposed

by a separate body such as the Quadrennial Compensation Commission and the offices are held by the same re-elected officials. But the Administrative Code as presently written empowers these commissions with the authority to make such recommendations applicable to the current office holders, subject to the approval, disapproval or modification of either the Mayor or the Council. However, nothing in the Administrative Code precludes Compensation Commissions from recommending the effective date of the salary increases start upon commencement of the next term of office.

Though Citizens Union is nevertheless troubled that the consideration of such raises comes so soon after the election of those who either were returned to office or came to office knowing full well what their compensation would be, we believe that to be fair the compensation cycle needs to be reset and that the current office holders should not be denied appropriately modest compensation increases because a 2003 Quadrennial Compensation Commission was not convened as scheduled. If this Commission were to recommend that the level of compensation not be increased until the start of the next term, it would then be eleven years before city elected offices would be granted such increases, a not altogether acceptable or practical solution. That eight years have passed already without an increase while other city employees have received salary increases is further reason for the commission to consider increasing the compensation for the elected officials.

It is for this reason that Citizens Union would support a recommendation from this Commission for modest increases in the compensation of the elected officials in the current term, provided that such increases do not take place until a time appropriate during the 2007 fiscal year. We also firmly believe that whatever increases are recommended should not be retroactive or adjusted upward by the Mayor or the Council.

Additionally, the compensation for the county District Attorneys should be increased by a greater amount than for other offices, because the pay too low for those who are members of the legal profession in service to the city, and a number of senior assistant District Attorneys are already making more than their elected bosses.

If I may, I would like to address specifically the issue of compensation for Members of the City Council. Ninety thousand dollars is a large salary for a Member of the City Council, for what is essentially viewed as a part time position, in that it is the only elected office that allows for outside income to be earned in addition to the compensation they receive as a city employee. In Chapter 49, § 1100, the New York City Charter specifically states, "Every head of an administration or department or elected officer except Council Members who receives a salary from the city shall give whole time to the duties of the office and shall not engage in any other occupation, profession or employment." Therefore, the office of Member of the City Council, unlike Mayor, Comptroller, Public Advocate, Borough President and District Attorney, enjoy the privilege and opportunity to earn an income in addition to their public salary.

Council members, who hold either committee chairs or leadership positions, also receive an additional salary in the form of stipends. These amounts range from \$4,000 - \$18,000 for committee chairs, and leadership positions all the way up to \$28,500 for Speaker. Currently, forty-six Council Members receive a stipend on top of their base compensation leaving only five

of the fifty-one Council Members receiving just the base salary of \$90,000. Everyone else earns from \$94,000 to \$118,500. Of the forty-six who earn their base pay and receive a stipend, the average salary is \$100,598. For a complete listing of the stipends Council Members receive, please see Appendix D.

Citizens Union strongly suggests eliminating the awarding of these stipends and instead raising the base pay across the entire membership of the Council, and only provide the Council Speaker, the Majority Leader, and the Minority Leader with a higher salary as is the case in the U.S. Congress. If the stipends were eliminated, the base pay would need to be increased to take into consideration the loss of this income and increased cost of living that has occurred over the past eight years. By eliminating stipends, one would rightly remove from the Speaker's authority the ability to reward or punish his or her colleagues through compensation, and therefore strengthen the independence of individual Council Members.

Should the Commission decide to substantially increase the compensation of Council Members, it must not do so without tying it to the elimination of stipends.

In determining what might be an appropriate level of compensation for Members of the City Council, it might be helpful for the Commission to know that the City of New York currently ranks eighth in the country in Council Member compensation. (For a more in-depth review of the Council compensation and municipal laws governing such compensation, please see the provided appendixes A and B.)

Our research also shows that of the 51 Council Members who served in 2004, 19 of them reported income in addition to their Council salary. For 8 of those, the only income was from non employment based income or investment/interest income. The remaining 11 earned an outside income through employment in 2004, and on average the amount earned was in the range of \$55,000 and \$140,000. Median income was between \$60,000 and \$100,000. In essence, approximately 20% of Council Members held jobs outside of their Council jobs. (Additional details on earnings are available in appendix C).

Citizens Union knows many Council Members work more than full time in service to the city and their constituents. In doing so, they provide extremely capable leadership. Citizens Union believes that Council Members should earn a city salary that would allow them to devote their "whole time" attention to performing their duties without the need to earn an outside income. We are troubled by the several members of the Council who earn other employment-related income, but provide less than whole time attention to fulfilling their responsibilities because of the distraction that results from being allowed to work outside of the Council. However, we do not yet support a ban on earning outside income for what is still legally a "part time" job. The notion that the Council should be redefined as a full time job with compensation equal to that expectation - along with a ban on earning outside income - is an idea worth considering, though probably not at this time and not by this Commission.

In conclusion, let me summarize what is the current position of Citizens Union regarding compensation of elected officials:



1. The compensation for all elected city officials should be modestly increased, especially because no increase has been provided since 1999. Our elected officials should also not be unfairly penalized because no Compensation Commission was appointed in 2003 as was required by law.
2. District Attorneys should receive a more substantial increase because they work in the legal profession and several senior assistant district attorneys are receiving more than their elected bosses.
3. The Commission should require the elimination of any stipends but for the top leadership positions as part of any recommendation to substantially increase the compensation of Council Members.
4. The Mayor should convene a legally required Compensation Commission in 2007 to not only restore the quadrennial cycle of elected official compensation review, but also address whether the office of Council Member should no longer be defined as a "part time position," and if so, what restrictions, if any, should be placed on the earning of outside income. We would also ask that the 2007 commission review whether compensation increases taking place in the future should occur only at the start of the next term in office.

Thank you Mr. Chairman for the opportunity to present the testimony of the Citizens Union of the City of New York.

# New York Public Interest Research Group, Inc.

9 Murray Street\*New York, New York 10007\*(212) 349-6460

May 31, 2006

Tom Bernstein  
Chair  
Quadrennial Commission on Salaries for Elected Officials  
City Hall  
New York, New York 10007

Dear Mr. Bernstein:

I have testified on behalf of NYPIRG before every Quadrennial Commission since their start in the early 1980's. Unfortunately, it has usually not been productive. Past Commissions took a very crabbed view of their role, limiting its work to simply crunching numbers. I hope this Commission is more policy oriented than that.

I urge you to consider three issues.

**The first is the one of part-time vs. full-time service for Council Members.**

The vast majority of the Council serve full time, devoting all their time and attention to their Council work. Why not follow the pattern in other legislatures of limiting the amount of outside income that can be earned? That would allow Council Members to have some additional employment experience, but insure largely full-time service. The Commission is clearly empowered by section (26) (c) to study the issue.

**The second is one of timing.** The cycles of your Commission insure that salary decisions for elected officials will be made early in the terms of these officials, long before the public has an electoral say. Why not follow the pattern in other legislatures of making raises prospective, for the next round of officials? This

makes more sense under term limits, allowing Members to know while they are running the salary they can expect.

**Third are "so-called" Council stipends.** Committee chairs, sub-committee chairs, and Council leaders all have their salaries increased by these stipends, in exchange for their "extra" committee work. Why not have any salary increases be tied to the elimination of stipends, which as used to punish or reward membes and tug at their independence?

Thank you for your consideration. I would be happy to meet or discuss these issues with you.

Sincerely,

Gene Russianoff  
Senior Attorney



CITY OF NEW YORK  
PRESIDENT  
OF THE  
BOROUGH OF STATEN ISLAND

EVANS P. MOLINARO  
PRESIDENT

BOROUGH HALL, STATEN ISLAND, N.Y. 10301

May 31, 2006

Honorable Tom A. Bernstein  
Chair, Advisory Commission to  
Review the Compensation Levels  
of Elected Officials

By Telephone Facsimile  
1.212.788.9869

Re: Public Hearing scheduled for  
June 1, 2006

Dear Chairman Bernstein and Members of the Commission:

Please accept this letter as my written comments and proposal to be presented at the public hearing scheduled for June 1, 2006. A representative from my office will be attending, but I wished to emphasize the importance and the need for an upward adjustment of compensation for New York City's Elected Officials.

After the terrorist attacks of September 11, 2001, it was well understood that a review of compensation for New York City's Elected Officials was untimely and ultimately unimportant in light of the tragic events and the dire plight of the City's finances. Now years later, with the City again on strong financial footing it is time to review and address the long stagnant salaries of elected officials.

As the elected official representing all of the People of Staten Island, as the other Borough Presidents represent all of the People of their respective Boroughs, it is utterly ridiculous that I and my fellow Borough Presidents are relegated to salaries much, much lower than the salaries made by many of the people working on the Mayor's staff.

The Borough Presidents serve a vital role for the people of their Boroughs. They are the direct representative of the people of the entire Borough and act as the first line for citizen's problems, requests, and assistance. It is imperative to the continued health and vitality of the City that the Office of Borough President attract the best qualified people to represent the people of this City.

As public servants we all understand that it is an honor and privilege to serve the people of the City of New York; and in my case the people of Staten Island. We accept

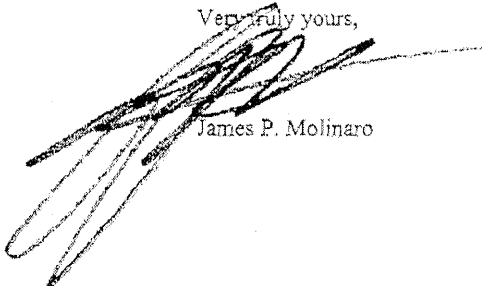
that the job involves the sacrifice of personal and family lives. In running to be an elected official of the City of New York, we all acknowledge that the salaries do not compensate for the time and effort and energy needed to serve. The salaries must not then act as a deterrent to qualified people seeking public office.

The current salaries of the Borough Presidents, as well as other elected officials will never match the responsibilities of their offices or the caliber of the people who serve. While we all make sacrifices to serve the public, the elected officials of the greatest city in the world should not be expected continue without just compensation and without a raise in seven years.

In 1997, the last year in which the Advisory Commission reviewed the salary of elected officials, the Consumer Price Index for the New York area was at 170.2, (using 1982-84 as the base year of 100). As of April 2006, the same Consumer Price Index stands at 220.2. That is an increase in the cost of living in New York City of approximately 30%. For a Borough President's salary to have the same buying power that it did in 1997, the current 2006 salary would have to be \$174,660.00.

I urge this Commission to carefully review the salaries of the elected officials of New York City and recommend an increase to reflect the responsibilities, the status, and the services of the office. I also urge that the Commission consider the increase in the cost of living since the last time salaries were reviewed. In the case of Borough Presidents, I urge the Commission to recommend a reasonable salary of \$175,000.00

Very truly yours,



James P. Molinaro

HPM:ams

## *Letters Submitted to the Commission*



CHRISTINE C. QUINN  
SPEAKER

THE COUNCIL  
OF  
THE CITY OF NEW YORK  
CITY HALL  
NEW YORK, NY 10007

TELEPHONE  
212-788-7210

July 24, 2006

Tom A. Bernstein, Chair  
Quadrennial Advisory Commission for the Review of  
Compensation Levels for Elected Officials  
City Hall  
New York, NY 10007

Dear Chairman Bernstein:

As the Speaker of the City Council, I am writing to advocate an increase in compensation provided to Members of the City Council. I understand that the Quadrennial Advisory Commission for the Review of Compensation Levels for Elected Officials ("the Commission") has completed public hearings, conducted extensive research, and is now preparing to issue a report to Mayor Michael Bloomberg. I hope that, as you deliberate, you will recognize that the compensation levels for Members of the City Council should be increased to reflect the important role and duties of Council Members, increases in the cost of living in the City, and the compensation afforded Members of the City Council relative to others in similar jobs in the public and private sectors in New York City and across the country.

Mayor Bloomberg appointed the Commission in May 2006. The Commission's responsibilities are set forth in the City's Administrative Code section 3-601, as amended in 1986. They are: "[to] study the compensation levels for the mayor, the public advocate, the comptroller, the borough presidents, the council members and the district attorneys of the five counties within the city, and [] recommend changes in those compensation levels if warranted." The Commission is directed to consider the following factors:

- (1) The duties and responsibilities of each position;
- (2) The current salary of the position and the length of time since the last change;
- (3) Any change in the cost of living;
- (4) Compression of salary levels for other officers and employees of the city; and
- (5) Salaries and salary trends for positions with analogous duties and responsibilities both within government and in the private sector.

I have reviewed each of these factors below, and I believe that this analysis shows that Council Members are due for an increase in their base compensation of at least 25 percent, from \$90,000 to \$112,500.

**1. City Council Members' Responsibilities Are Significant and Have Increased in Recent Years**

The role of the City Council is set in the New York City Charter. The City Council is vested under the Charter, as amended in 1989, with the authority to adopt local laws it deems appropriate, to conduct oversight and investigation, to determine the efficacy of city procurement policies, to provide advice and consent on Mayoral appointments to numerous boards and commissions, to adopt and modify the City's expense and capital budgets, and to approve, disapprove, or modify the decisions of the City Planning Commission.

The authority extended to the Council in the City's 1989 Charter requires each Council Member to satisfy multiple responsibilities.

First, Council Members serve the needs of their constituents and attend to issues in their districts. Each City Council Member represents approximately 150,000 New Yorkers. Council Members spend a great deal of time providing constituent services to individuals, representing their communities in different forums, meeting with community groups, and ensuring that the City and the Council address district concerns and needs. While some of the work in a Council Member's district takes place during the day, Council Members also spend many evening and weekend hours on work in and for the communities they serve.

Second, Council Members handle extensive city-wide responsibilities at the Council. The city-wide workload for Council Members has actually increased in recent years. The average Member sits on six committees now, as compared with four committees in 1999. This is an increase of 50 percent, and with each committee required to meet at least once a month, it means many more committee meetings.

The New York City Council works closely with the Mayor and ultimately adopts a comprehensive annual budget for the City. New York City has the largest budget of any city in the nation, and its budget is in fact larger than all state budgets excluding New York and California. The budget process is involved and time-intensive. This process begins at the start of the new fiscal year, and becomes particularly intensified in the months leading up to the end of the fiscal year. At the height of this past budget season, Members met for over 40 hours in Budget Negotiating Team meetings, and sometimes daily in Borough Delegation meetings, Finance Committee Hearings, and Democratic Caucus meetings. Additionally, the Council considers modifications to the City's budget at various times throughout the year.

The Council also has extensive involvement in reviewing major development and infrastructure projects in the City. In the past several months alone, the Council has held

extensive hearings and negotiations on the new Yankee Stadium, the new Mets Stadium, the Solid Waste Management Plan, and other major development and infrastructure projects in the City. Council Members have studied, reviewed, and voted on these matters based on the interests of the City as a whole in mind, and not on how a particular project would impact their own Council district.

Third, unlike many state and local legislative bodies, the Council meets throughout the year. The full Council meets in July and August each summer, and the Finance and Land Use Committees, on which a majority of the Council's 51 members serve, meet 12 months of the year.

The press, outside interest groups, and past advisory commissions have sometimes focused on the fact that the Council Member job is technically part time – and that, for this reason, the compensation, which is less than that for other elected officials, is justified. However, while a small number of Members of the current Council have outside work, the Commission should know that many Council Members, including those with outside paid activities, often work more than 60 hours a week. Additionally, the work that Council Members can do is limited by the City's Conflict of Interest laws and rules. The ability to seek and maintain outside employment is essential, however. The Council Members who do outside work have experience that is valuable to their work as Council Members

## **2. Council Member Salaries Have Not Been Increased in Seven Years**

In 1999, the last Quadrennial Advisory Commission for the Review of Compensation Levels recommended, and the Council set, salaries for Council Members at \$90,000. The Council Member salaries have remained at \$90,000 for the past seven years. The salaries for Council Members had been set at \$55,000 in 1987, raised to \$70,500 in 1995, and increased to the current level in 1999.

Although the law requires the salaries of elected officials be reviewed every four years, the Mayor did not empanel an Advisory Commission in 2003 due to the severe fiscal crisis that the City was facing. In the past four years, the City has emerged from a fiscal crisis and ended the last fiscal year with the largest surplus in the City's history.

In addition to their salaries, most Council Members do receive an additional stipend for serving in a leadership position or as a committee chair. These stipends must be viewed in the context of the job of Council Member. The average stipend, for those Council Members who receive a stipend, is approximately \$10,000 a year. The average stipend, for those who receive a stipend, has actually decreased by \$3,500 since 1998. Previous advisory commissions have recognized that these stipends exist and that they are specifically authorized by the Charter as allowances for committee chairpersons and Members in leadership positions.

Moreover, the Council has taken steps to create uniform stipends for committee chairs. Whereas in the past, the stipends varied committee to committee, now all



committee chairs receive a uniform stipend, with a moderate increase for the Finance and Land Use chairs, and for those who hold leadership positions in the Council, and slightly lesser amounts for subcommittee chairs.

It is appropriate to compensate Council Members for the extensive time involved in serving as a chair of a committee or in a leadership position. The Chair of the Council's Finance Committee conducted 23 days of budget hearings this past budget cycle in addition to regular Finance Committee hearings. In addition, the chair met with over 100 groups seeking to provide input on the Fiscal 2007 budget, and attended many other budget briefings and negotiating sessions in his capacity as chair. Similarly, the Chair of the Council's Land Use Committee meets with virtually all applicants for land use actions who come before the Committee. This involves over 100 meetings each year, in addition to Committee hearings, meetings and negotiation sessions. Other committee chairs have also devoted extensive time to committee work. For example, the General Welfare and the Education Committees, have typically held at least two hearings a month for the past four years, as well as community meetings.

### **3. Cost of Living in New York City Has Increased 25 Percent Since the Last Pay Increase in July 1999**

According to the Consumer Price Index for All Urban Consumers (CPI-U) from the United States Bureau of Labor Statistics, the cost of living in the New York metropolitan area increased by 25 percent between July 1999 and May 1, 2006. Therefore, compensation levels for elected officials in New York City should be increased by 25 percent simply to keep up with increases in the cost of living.

### **4. There is No Compression of Salary Levels for other Officers and Employees of the City**

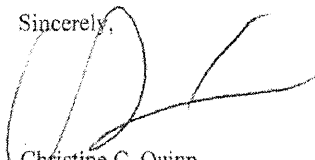
There is no compression of employee salary levels in the Council. To the contrary, to attract quality staff, many senior employees are compensated at higher levels than the elected officials whom they serve. This, however, is a reason to increase Council Member salaries, and is not a reasonable basis upon which to deny Council Members fair and appropriate compensation.

### **5. Salaries and Salary Trends for Similar Positions Suggest Need for an Increase for City Council Members**

Salaries of City Council Members in other large U.S. cities vary widely. Notably, Council Members in New York City are paid less than those in all but one of the five largest cities in the United States, and that city is Houston, where the cost of living is substantially less than New York. In Los Angeles, Council Members are paid over \$149,000 annually. In Philadelphia, the second largest city in the Northeast, Council Members earn over \$102,000 annually, and in Chicago, a large and diverse City with a much lower cost of living, Aldermen earn annual salaries of over \$98,000.

In conclusion, I believe that paying Council Members adequate salaries is a matter of good public policy, and, based on the criteria that the Commission is required to consider in making a determination about compensation, that an increase in the salaries of Council Members is in order. I know that my colleagues work extremely hard on behalf of their districts and on behalf of the City. I believe that the quality of service the Council provides to the City is extremely high. I urge you to increase compensation because it is fair, and, most importantly, so that the City can continue to attract highly qualified candidates to serve in the Council for the betterment of New York.

Sincerely,

A handwritten signature in black ink, appearing to be 'C. Quinn', written over a circular stamp or seal.

Christine C. Quinn  
Speaker

cc. G.G. Michelson  
Stephanie Palmer

Attachments

Robert T. Johnson  
DISTRICT ATTORNEY OF BRONX COUNTY

Charles J. Hynes  
DISTRICT ATTORNEY OF KINGS COUNTY



Robert M. Morgenthau  
DISTRICT ATTORNEY OF NEW YORK COUNTY

Richard A. Brown  
DISTRICT ATTORNEY OF QUEENS COUNTY

May 31, 2006

Tom A. Bernstein  
Chairman, Quadrennial Advisory Commission  
for the Review of Compensation Levels for  
Elected Officials  
345 Park Avenue, Suite 3-1  
New York, NY 10154

Dear Chairman Bernstein:

Thank you for requesting our views regarding the compensation level of the District Attorneys in New York City. As you know, the Administrative Code requires the Quadrennial Advisory Commission to review salaries for elected officials, including the District Attorneys, to ensure that their compensation reflects the important work that they perform. Factors to be considered include salary trends for positions with analogous duties, the length of time since the last change, changes in the cost of living, and the compression of salary levels for others in the elected official's office. In light of these guidelines, we believe the annual salary of the District Attorneys should be raised to \$185,000.

We bear the primary responsibility for prosecuting crimes, including the most serious murders and the most sophisticated white-collar crimes. The public relies on the District Attorneys to see that justice is done in all cases, including those involving official misconduct and corruption. Recently we have been dealing with an upsurge in homicides, which jumped nearly 11 percent citywide thus far this year, as well as increasing identity theft crimes, child abuse reports and gun investigations. We also oversee quality of life crimes, so important to our communities, and a wide variety of school programs, drug treatment programs and other initiatives aimed at preventing crime. We supervise hundreds of lawyers and hundreds of support staff, and have budgets in the tens of millions. Our offices are among the largest law firms in the City.

Because the commission convened two years later than mandated by law, the salary of the District Attorneys has remained at \$150,000 for the past six years. During this time, the baseline Consumer Price Index (CPI), one of the standard measures of the real cost of living in a region, has increased by 23 percent in New

York for the 1999-2006 period.<sup>1</sup> If the salary of the District Attorneys had kept pace with the cost of living, it would now be approximately \$185,000 a year. Significantly, the CPI continues to rise at a significant pace, with the Bureau of Labor Statistics May 2006 report detailing a 0.9 percent monthly increase in the CPI for the New York Area, the biggest single-month jump in almost a year.<sup>2</sup> In light of the two-year delay in forming the Commission, we ask that the salary adjustment be retroactive to 2004. Furthermore, we hope that the Commission will consider tying the new salaries to a cost of living increase, similar to that granted to Federal judges.<sup>3</sup>

Public sector employees in New York City with similar duties are paid at levels higher than the District Attorneys. Deputy Mayors are paid \$184,612; the First Deputy Mayor is paid \$213,391. The New York City Corporation Counsel, the New York City Criminal Justice Coordinator and senior commissioners are paid \$178,156. The Executive Director of the MTA is paid \$235,000, and the Chancellor of the Department of Education is paid \$250,000. The Director of the Port Authority earns \$251,764 and his deputy earns \$206,752. Recently, the Mayor appointed a new commissioner of the Community Assistance Unit. This young appointee, who oversees a staff of only 25, will be compensated \$166,884 annually. There are over 350 New York City employees who earn more than the District Attorneys.

Also relevant are the salaries paid to District Attorneys around the country. For example, the District Attorneys in California earn \$229,095 in Santa Clara; \$220,445 in Los Angeles; and \$218,858 in Alameda. In Chicago, the District Attorney is paid \$173,887. If these salaries were adjusted to New York City cost of living standards, their salaries would be even higher.<sup>4</sup>

The inadequacy of the District Attorney's earnings is brought into higher relief when compared to legal salaries in the private sector. Approximately twenty New York City law firms pay their first year associates \$145,000 and a bonus, bringing their annual earnings above those of the elected District Attorneys. Senior partners in these same firms, who have far more analogous responsibilities to the District Attorneys, are paid millions.<sup>5</sup>

<sup>1</sup> Source: Bureau of Labor Statistics

<sup>2</sup> Source: amNewYork, "Jump in NYC Housing, Living Costs," May 18, 2006.

<sup>3</sup> Federal judges are eligible to receive a salary adjustment whenever a cost-of-living adjustment (COLA) is conferred on Federal workers paid according to the General Schedule. Pursuant to Section 140, no COLA for federal judges can take effect without being specifically authorized by Congress. Source: American Bar Association.

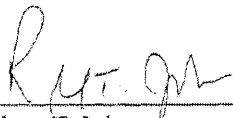
<sup>4</sup> Using a salary calculator, one can convert these salaries into their New York City equivalent, taking into account the higher cost of living here. The California salaries would then be \$281,207 in Santa Clara; \$302,310 in Los Angeles-Long Beach; and \$259,822 in Alameda. The Chicago District Attorney's salary would increase to \$283,746. Source: American Chamber of Commerce Researchers Association

<sup>5</sup> Source: Crain's New York Business, "Prosecutors Going Private for White-Collar Dollars," July, 18, 2005.

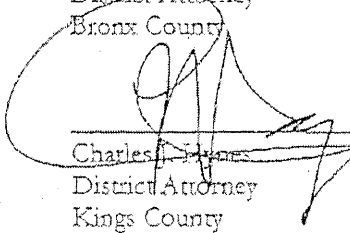
The salary of the District Attorneys has severely compressed the compensation of our top staff members and has negatively affected earnings at all levels in our offices. This has had a harmful effect on employee retention. Although there is stiff competition for entry-level positions, many leave the public sector for more lucrative jobs after they have received invaluable training and experience as prosecutors. Our best prosecutors, who have handled the most complex cases, involving both violent crime and white collar crime, are most in demand. Some firms, and even regulatory and other public agencies, are offering these prosecutors tens of thousands of dollars more in pay. Our ability to fight crime will be gravely affected if we cannot adequately compensate our best and brightest.

Thank you for your attention to our views on this important matter.

Sincerely,



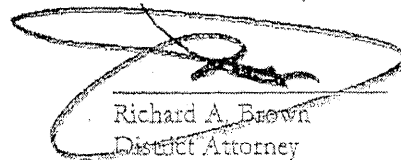
Robert T. Johnson  
District Attorney  
Bronx County



Charles J. Hynes  
District Attorney  
Kings County



Robert M. Morgenthau  
District Attorney  
New York County



Richard A. Brown  
District Attorney  
Queens County

**TONY AVELLA**  
COUNCIL MEMBER, 19<sup>TH</sup> DISTRICT  
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May 20, 2006

Mr. Tom A. Bernstein  
Chair  
Advisory Commission For The Review  
Of Compensation Levels of Elected Officials

*VIA FAX & EMAIL*

c/o [advorking@cityhall.nyc.gov](mailto:advorking@cityhall.nyc.gov)

Dear Mr. Bernstein:

Thank you for the recent notice indicating that you are soliciting comments for your salary review of elected officials. My comments will be limited to the salaries of Council Members.

While, I believe the present \$90,000 Council Member salary is more than adequate, I will leave that decision to the Commission.

However, if the Commission does recommend a salary increase for Council Members, since the Council will vote on your recommendations, I believe any such increase should apply to the next class of Council Members. As elected officials, we should set an example and therefore, we should not be voting to increase our own salary, even if recommended by an independent commission.

In addition, if an increase is proposed, it should come with the proviso that if enacted:

- The City Council must eliminate the stipends (lulus) Council Members can receive for extra duties; and
- The position of Council Member should be designated as "Full Time."

I hope that you will give my suggestions serious consideration.

Sincerely,

Tony Avella  
Council Member  
District 19 - Northeast Queens  
TA:kam

**Walter L. McCaffrey**

April 22, 2005

2 Lafayette Street  
14<sup>th</sup> Floor  
New York, NY 10007

Dear Chairwoman Fuchs:

As the Charter Revision Commission examines ways in which the integrity and performance of City government may be improved, I would like to call your attention to an abuse of the principles of democratic governance – and of taxpayer funds – that should be explicitly prohibited by the City Charter: the distribution of bonuses, or “lulus,” to members of the City Council.

Although the Charter does not contemplate the distribution of lulus, it has become standard practice. Over the years, it has grown from a way to compensate one or two leaders for their additional duties, to providing substantial salary increases to 90 percent of the City’s legislators. The salary for Council member is set in the City Charter at \$90,000, but each year, lulus totaling more than \$500,000 are distributed to all members who serve as committee chairs and in leadership positions, with each receiving \$4,000 to \$29,500.

From 1986 to 2001, I had the honor of representing Western Queens in the City Council, where I served with one of your fellow Commissioners, Stephen Fiala. During my years in the Council, the number of committees and subcommittees numbered around 30. Today, the number is more than 40, and a record 45 of the Council’s 51 members receive a lulu, although I understand two (Eva Moskowitz and Tony Avella) decline to accept it. The distribution of lulus is bi-partisan: the Minority Leader receives an \$18,000 lulu, while the Minority Whip receives \$5,000, presumably to round up the third Republican vote. During my time in the Council, I received lulus ranging from \$3,000 to \$12,000.

The purpose of lulus is undeniable; they are used by the leader of a legislative body to reward allies and enforce discipline. When I served in the Council, the Chair of the Contracts Committee, Ronnie Eldridge, was stripped of her position and its accompanying lulu after she refused to vote with the Speaker. Two months ago, the redistribution of lulus following the election of a member to the State Senate raised eyebrows, as it appeared to be an attempt to reward allies. (The lulu for one committee was increased, while for another committee it was reduced.) And just this week, in

Albany, three members of the Assembly were stripped of more than \$30,000 in lulus by the minority leader after suspicions of disloyalty. The incident became the subject of an April 20<sup>th</sup> *Daily News* column by Bill Hammond, who noted that the "framers of the State Constitution tried to shield legislators from coercion. It says the pay of legislators may not be 'increased or diminished' during their term of office."

It is my understanding that the vast majority of the nation's city councils and state legislatures do not distribute lulus. Nor does the United States Congress, where freshman members of the House of Representatives earn the same salary as the chairs of the House Ways and Means Committee and the Senate Finance Committee. There is a reason for this: lulus debase the integrity of the legislative process.

The Charter Revision Commission now has an opportunity to end an abuse that has grown worse over the years, while also officially recognizing that the position of Council Speaker has evolved into one of the City's most important elected offices. Serving in that position is a demanding, full-time job, though it remains – according to the Charter – a part-time position. The Charter Commission can correct this by specifying that the position of Speaker is a full-time job, and, accordingly, that its salary be set in the Charter, as it is for Mayor, Public Advocate, Comptroller, and Borough President, at a level commensurate with its duties and responsibilities. Both of the Council's Speakers have ably treated the position as full time roles. The Charter Commission may also consider establishing higher salaries for the majority and minority leaders. At the same time, and most importantly, the Charter should expressly prohibit lulus.

I want to stress that I propose a prohibition on lulus not because I believe that Council members are paid too much; on the contrary, I believe the position should pay more. Council members in Chicago, Philadelphia, Washington, D.C., and Los Angeles – none of whom receive lulus – have higher salaries than Council members in New York, the nation's largest city. Once lulus are factored in, however, New York pays more than all cities but Los Angeles. Appropriate salaries should be set in law – as they are in these other cities – and not collected through a back door that members may find closed to them if they step out of line.

Despite fools and cheap shot artists who belittle the work of Council Members, these public officials are dedicated women and men who give tirelessly of their energy and judgment. They deserve salaries equal to the tremendous responsibilities they confront.

News reports suggest that in the coming months the Mayor will be appointing a Quadrennial Commission for the Review of Compensation Levels for Elected Officials, the mechanism that initiates proposed salary changes for all elected officials. Fixing the Council's broken salary structure will allow the Commission to recommend appropriate salaries without fearing that the Council will tack on an additional \$500,000.



The Charter's salary stipulations should not be rendered meaningless, nor should committee chairs be forced to weigh their own financial interests when considering how to vote — and yet these are exactly the effects of lusus. Elimination of lusus will actually benefit the Council institutionally by an enhancement of the public's respect for the legislative process. Now, the Charter Commission has an opportunity to ban them. I hope that you will give it full consideration.

Sincerely,

Walter L. McCaffrey

cc: Members of the Charter Revision Commission

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# NEW YORK CITY CHARTER

As Amended Through  
December 18, 2009



City of New York

Printed with Permission of the State of New York  
Legislative Bill Drafting Commission

Published February 2010

§ 26. Salaries and allowances. a. The salary of the public advocate shall be one hundred sixty-five thousand dollars a year.

b. The salary of each council member shall be one hundred twelve thousand five hundred dollars a year. In addition any council member, while serving as a committee chairperson or other officer of the council, may also be paid, in addition to such salary, an allowance fixed by resolution, after a hearing, for the particular and additional services pertaining to the additional duties of such position.

c. If prior to the enactment of a local law increasing the compensation of council members, the council establishes a commission to study and make recommendations for changes in the compensation levels of council members, or if it otherwise causes an analysis of such compensation levels to be made to assist it in its consideration of a local law, such study or analysis may include an analysis of the benefits, detriments, costs and impacts of placing restrictions on earned income derived by council members from sources other than their council salary.