



BLUE RIBBON COMMISSION

Report

Tuesday, April 30, 2019

Present: Co-Chair Claudia Dumond-Henderson, Co-Chair James Simons, Karen Carroll Bennett, Carolyn Gabbay, Doug Cornelius, Sue Flicop, Greg Reibman, Timothy Moran, Donald Siegel, Sharon Chan, John Stewart, Andrea Steenstrup and Committee Clerk, Danielle Delaney

Absent: Kathy Sun

Co-Chair Simons stated that the Chairs were informed today, that it is necessary to provide to the City Clerk on/before Monday, May 27 the final report and recommendations in order for the item to be docketed prior to the Programs & Services Committee of the City Council discussion on June 5.

Co-Chair Jim Simons explained to the four sub-committees (Outreach, Peer Group Selection, Data Availability and Metrics) that the final report shall include, an introduction, background, current state, commission process, input to commission, discussion, vote, recommendation and appendices. He suggested to the sub-committees to provide their draft report by May 8 to Co-Chair Dumond-Henderson, Doug Cornelius and Carolyn Gabbay who will be working on writing the draft report. He suggested providing the draft report to the Commission on May 14 for consideration and a final report on May 22 for a final vote in order for the final report to be submitted to the City Clerk on/before May 27 as requested.

Doug Cornelius provided Commission members explaining in detail the peer group salary averages with ratios and a list of salaries with the CPI adjustments for Newton elected officials. Both are attached to this report. The peer group for Mayor includes a list of 13 municipalities, omitting Lowell. Showing that the average Mayor salary is \$140,128.00. The peer group for City Councilor includes a list of 13 municipalities, omitting Cambridge. Showing that the average Councilor salary is \$19,257.00. He stated that the CPI-U factors in the recession. The chart follows:

	CPI-U	Mayor	City Council	School Committee
1998	161.6		\$9,750	\$4,875
2005	190.7	\$125,000	\$9,750	\$4,875
2018	247.867	\$162,472	\$14,955	\$7,477

Andrea Steenstrup provided Commission members explaining in detail the health cost analysis. In an email received May 1, Ms. Steenstrup informed Commission members that she has corrected the school committee analysis. "It turns out the information I was given by the city was "per period" and the School Committee is on a twice monthly cycle and the City Council, once monthly. The School Committee analysis has changed significantly". A revised copy is attached to this report.

The Commission discussed, deliberated in length and voted on the following recommendations:

Mayor

Should the mayor receive compensation? Yes, 12-0.

Should the mayor be eligible for employee benefits? Yes, 12-0, including vehicle.

Should the mayor cash be adjusted? Yes, 10 in favor, 2 abstentions (Simons and Gabbay).

Should cash be decreased? N/A.

Should cash pay be increased? Yes.

What amount should the Commission recommend as the new cash payment? Commission members began discussion with a salary of *at least* \$135,000.00 per year. The vote was Yes, 11 in favor, 1 abstention (Gabbay). Members then discussed a salary of *at least* \$140,000.00 per year. The vote was Yes, 11 in favor, 1 abstention (Gabbay). Members then discussed a salary of at least \$150,000.00. per year. The vote was No, 5 in favor, 7 opposed (Simons, Chan, Moran, Gabbay, Reibman, Flicop and Carroll Bennett).

The final recommendation is to increase the mayor's salary to *at least* \$140,000.00 per year. The vote was 11 in favor, 1 abstention (Gabbay). The rationale is that this is the average of the other twelve communities, excluding Lowell.

City Council

Should city councilors receive compensation? Yes, 12-0.

Should city councilors be eligible for employee benefits? No, 4 in favor, 7 opposed, 1 abstention (Simons, Dumond-Henderson, Siegel and Reibman in favor; Cornelius, Flicop, Stewart, Gabbay, Moran, Steenstrup and Carroll Bennett opposed; Chan abstaining).

Should city councilors cash pay be adjusted? Yes, 12-0, assuming they no longer receive benefits.

Should cash be decreased? N/A.

Should cash pay be increased? Yes.

What amount should the Commission recommend as the new cash payment? Commission members began discussion with a salary of *at least* 12,600.00 per year. The vote was Yes, 12-0, Members then discussed a salary of *at least* \$14,000.00 per year. The vote was Yes, 12-0. Members then discussed a salary of at least \$19,000.00. per year. The vote was Yes, 6 in favor, 4

opposed and 2 abstentions (Simons, Steenstrup, Siegel, Reibman, Flicop and Cornelius in favor; Chan, Carroll Bennett, Dumond-Henderson and Moran opposed; Stewart and Gabbay abstaining).

The final recommendation is to increase the city councilor's salary to *at least* \$19,000.00 per year. The vote was 6 in favor, 4 opposed and 2 abstentions (Simons, Steenstrup, Siegel, Reibman, Flicop and Cornelius in favor; Chan, Carroll Bennett, Dumond-Henderson and Moran opposed; Stewart and Gabbay abstaining).

School Committee

Should school committee members receive compensation? Yes, 10-2 (Moran and Gabbay opposed).

Should school committee members be eligible for employee benefits? No, 2 in favor, 9 opposed and 1 abstention (Simons and Siegel in favor; Carroll Bennett, Steenstrup, Chan, Moran, Gabbay, Stewart, Flicop, Doug and Dumond-Henderson opposed and Reibman abstaining).

Should school committee members cash pay be adjusted? Yes, 8 in favor, 2 opposed, 2 abstentions (Carroll Bennett, Dumond-Henderson, Siegel, Chan, Gabbay, Reibman, Stewart and Steenstrup in favor; Cornelius and Moran opposed; Simons and Flicop abstaining).

Should cash pay be decreased? No, 2 in favor, 9 opposed and 1 abstention (Dumond-Henderson and Gabbay in favor; Steenstrup, Chan, Moran, Carroll Bennett, Reibman, Stewart, Flicop, Cornelius and Siegel opposed; Simons abstaining).

Should cash pay be increased? Yes, 8 in favor, 3 opposed and 1 abstention (Cornelius, Steenstrup, Carroll Bennett, Siegel, Chan, Reibman, Flicop and Stewart in favor; Moran, Gabbay and Dumond-Henderson opposed; Simons abstaining).

What amount should the commission recommend as the new cash payment? Commission members began discussion with a salary of *at least* \$6,500.00 per year. The vote was Yes, 11 in favor, 1 abstaining (Simons). Members then discussed a salary of *at least* \$7,500.00 per year. The vote was Yes, 7 in favor, 2 opposed, 3 abstentions (Carroll Bennett, Steenstrup, Siegel, Chan, Moran, Stewart and Flicop in favor; Cornelius and Dumond-Henderson opposed; Reibman, Stewart and Gabbay abstaining). Members then discussed a salary of *at least* \$8,000.00 per year. The vote was No, 5 in favor, 6 opposed and 1 abstention (Carroll Bennett, Steenstrup, Siegel, Flicop and Stewart in favor; Moran, Dumond-Henderson, Reibman, Gabbay, Cornelius and Chan opposed; Simons abstaining).

The final recommendation is to increase the school committee members to *at least* \$7,500.00 per year. The vote was Yes, 7 in favor, 2 opposed, 3 abstentions (Carroll Bennett, Steenstrup, Siegel, Chan, Moran, Stewart and Flicop in favor; Cornelius and Dumond-Henderson opposed; Reibman, Stewart and Gabbay abstaining).

Commission members questions, concerns and suggestions:

Questions:

- What can be done to encourage, not discourage other residents to run for office?
- Do City benefits encourage residents to run for office?
- Are other alternatives available to encourage residents to run for office?
- Does the City provide cash stipends to their employees who do not take health benefits?
- Part-time school employees working under 20 hours per week are not entitled to health benefits, why should City Councilors receive this benefit?

Concerns:

- A few members expressed concern and stated that they are opposed to the City Council and School Committee receiving health, dental and vision benefits. A member answered that the Mayor may revoke health benefits if she chooses and this Commission does not have to make this recommendation.
- It is concerning that City Council members with benefits make a total salary of \$30,398.76 including their \$9,750.00 salary. City Councilors who choose not to take health benefits have a \$9,750.00 salary.
- A member stated that the law is clear, the Mayor has the right to revoke health benefits if she chooses.
- The cost of health benefits provided to City Councilors is disturbing, let us hear from the taxpayers of the City.
- A diverse pool of candidates is necessary.
- It was stated that surrounding municipalities do not pay or provide health benefits to their School Committee members.
- It is necessary to review City Councilors and School Committee members as a whole. Some members are more involved than others. School Committee members work is not as transparent as City Councilors.
- It is necessary to provide a raise to the Mayor, City Councilors and School Committee members as it is deserved for their hard work.

Suggestions:

- Create a new salary base for City Councilors without health benefits included.
- A member recommended a regular pay review for the Mayor, City Council and School Committee; others opposed.
- Implement a 10% merit raise for City Councilors when the Mayor receives a raise.
- Perhaps impose term limits for City Councilors.
- Request the Law Department or other knowledgeable city source to review the final report before the Commission issues the final report to the City Council.
- Some City Councilors rely on the City benefits, perhaps grandfather the present City Councilors allowing health insurance and moving forward on the next election do not offer health benefits to new City Councilors. Regardless, City Councilors should be made aware prior to taking out nomination papers.
- Please inquire with the Law Department regarding the city offering benefits to elected

officials, what can be done to change the determination and is it lawful to remove their health benefits.

It was stated that some City Councilors have health options available through their employer; others do not. Single parents may need the City health benefit. Perhaps some City Councilors remain on the Council to receive the provided health benefits.

The next meeting of the Commission is scheduled for May 6, 2019 in City Hall.

The Commission adjourned at 10:30 p.m.

Respectfully submitted,

Claudia Dumond-Henderson, Co-Chair

James Simons, Co-Chair

Peer Group for City Council and Mayor Research						
City	Population (2009-2013)	Median Housing Price (2017)	Median Household Income (2009-2013)	Mayor Salary	Ratio of Salary to Housing	Ratio of Salary to income
Cambridge	105,737	\$1,455,000	\$72,529	\$119,024	8.18%	164.11%
Brockton	93,911	\$271,000	\$49,025	\$151,402	55.87%	308.83%
Quincy	92,595	\$450,000	\$61,328	\$159,142	35.36%	259.49%
Lynn	90,788	\$329,900	\$44,849	\$145,000	43.95%	323.31%
Framingham	69,288	\$425,000	\$67,915	\$187,630	44.15%	276.27%
Lawrence	76,820	\$255,450	\$32,851	\$100,385	39.30%	305.58%
Waltham	61,321	\$582,000	\$74,198	\$138,450	23.79%	186.60%
Somerville	76,945	\$733,750	\$67,118	\$180,000	24.53%	268.18%
Taunton	55,953	\$285,000	\$51,637	\$125,500	44.04%	243.04%
Everett	42,092	\$409,950	\$49,368	\$160,000	39.03%	324.10%
Malden	59,803	\$455,000	\$53,798	\$105,000	23.08%	195.17%
Haverhill	61,335	\$320,000	\$60,429	\$110,000	34.38%	182.03%
<i>Omitting Lowell</i>						
			Average	\$140,128	34.64%	253.06%
Newton	86,241	\$1,200,000	\$119,148	\$125,000	10.42%	104.91%
				Using average of peers:	\$415,648	\$301,515
				Council	Ratio of Salary to Housing	Ratio of Salary to income
Brockton	93,911	\$271,000	\$49,025	\$15,473	5.71%	31.56%
Quincy	92,595	\$450,000	\$61,328	\$27,000	6.00%	44.03%
Lynn	90,788	\$329,900	\$44,849	\$25,000	7.58%	55.74%
Lowell	107,466	\$288,000	\$49,452	\$25,000	8.68%	50.55%
Framingham	69,288	\$425,000	\$67,915	\$5,000	1.18%	7.36%
Lawrence	76,820	\$255,450	\$32,851	\$15,000	5.87%	45.66%
Waltham	61,321	\$582,000	\$74,198	\$21,502	3.69%	28.98%
Somerville	76,945	\$733,750	\$67,118	\$25,000	3.41%	37.25%
Taunton	55,953	\$285,000	\$51,637	\$10,000	3.51%	19.37%
Everett	42,092	\$409,950	\$49,368	\$29,608	7.22%	59.97%
Malden	59,803	\$455,000	\$53,798	\$17,500	3.85%	32.53%
Haverhill	61,335	\$320,000	\$60,429	\$15,000	4.69%	24.82%
<i>Omitting Cambridge</i>						
			Average	\$19,257	5.12%	36.49%
Newton	86,241	\$1,200,000	\$119,148	\$9,750	0.81%	8.18%
				Using average of peers:	\$61,383	\$43,472

CPI Adjusted Salaries for Newton Elected Officials							
	CPI-U	Mayor	City Council		School Committee		
1998	161.6		\$9,750		\$4,875		
2005	190.7	\$125,000	\$9,750		\$4,875		
2018	247.867	\$162,472	\$14,955	\$12,673	\$7,477	\$6,336	
Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items, by month,							
[1982-84=100, unless otherwise noted]							
January data used for each year							

Benefits Cost Analysis based on Actual Premiums Paid for City Council for FY 2019

	Monthly Premium	Annual Premium	# of Councillors Electing	Total Annual Cost
Health Insurance				
Tufts EPO Ind 80/20	\$609.88	\$7,318.56	1	\$7,318.56
Tufts EPO Fam 80/20	\$1,674.10	\$20,089.20	4	\$80,356.80
Tufts EPO Fam 70/30	\$1,464.84	\$17,578.08	2	\$35,156.16
Harvard Fam 70/30	\$1,375.77	\$16,509.24	5	\$82,546.20
Total Health Insurance Costs			12	\$205,377.72
Dental				
Family	\$46.63	\$559.56	9	\$5,036.04
Individual	\$18.76	\$225.12	1	\$225.12
Total benefits cost for FY 2019 based on current benefit elections and costs				\$210,638.88
Average annual cost per Councilor Electing Coverage				\$17,553.24
Health and Dental cost averaged across entire Council				\$8,776.62
Potential annual cost				
Tufts EPO Fam 80/20*	\$1,674.10	\$20,089.20	4	\$80,356.80
Tufts EPO Fam 70/30	\$1,464.84	\$17,578.08	20	\$351,561.60
Dental	\$46.63	\$559.56	24	\$13,429.44
Total potential costs if all Councillors elect coverage				\$445,347.84
Renumeration for Councilor without Health Insurance				\$9,750.00
Renumeration for 4 Councilors with highest benefit level				\$30,398.76
Average renumeration for Councilors with benefits				\$27,303.24
Renumeration if distribute benefits cost to entire council				\$18,526.62

*only Councilors currently in plan are eligible

**Benefits Cost Analysis based on Actual Premiums Paid for School Committee for FY 2019
REVISED**

	Monthly Premium	Annual Premium	# of Members Electing	
Health Insurance				
Tufts EPO	\$1,569.46	\$18,833.52	3	\$56,500.56
Harvard Fam	\$1,474.03	\$17,688.36	1	\$17,688.36
Total Health Costs			4	\$74,188.92
Dental	\$46.63	\$559.56	2	\$1,119.12
Total Benefit Costs				\$75,308.04
Average annual cost per School Committee Member Electing Coverage				\$18,827.01
Average annual cost for entire School Committee				\$9,413.51
Potential annual cost - if all school committee members elect highest cost plan				
Tufts PPO	\$2,034.96	\$24,419.52	8	\$195,356.16
Dental	\$46.63	\$559.56	8	\$4,476.48
Total potential costs if all members elect coverage				\$199,832.64
Renumeration for School Committee Member without Health Insurance				\$4,875.00
Average renumeration for School Committee Members with benefits				\$23,702.01
Renumeration if distribute benefits cost across entire School Committee				\$14,288.51