

# City of Newton Blue Ribbon Commission On the

Compensation of Elected Officials

Report of the Commission

## **Table of Contents**

Executive summary	2
Background	3
Compensation - Current State	5
Commission Methodology	7
Subcommittee Reports	7
Core Values	7
Outreach	9
Peer Group	11
Data Analysis	14
Options Considered & Observations	17
Voting, Preliminary & Final Recommendations	20
APPENDICES	25
Appendix A - Commission Members	26
Appendix B - Meeting Dates	27
Appendix C-1 Comments from Elected Officials - Councilor Cote	28
Appendix C-2 Comments from Elected Officials - Councilor Markiewicz	33
Appendix C-3 Comments from Elected Officials - Councilor Noel	34
Appendix C-4 Comments from Elected Officials (Former) - Marcia Johnson	36
Appendix C-5 Comments from Elected Officials - Councilor Kalis	39
Appendix C-6 - Survey Results from Elected Officials - Outreach Subcommittee	41
Appendix D - Online Survey Results - Outreach Subcommittee	48
Appendix E - Summary of City Counselor and School Committee Compensation	76
Appendix F - City Council Pay Comparison	91
Appendix G - Newton Health and Dental Plan Options	92
Appendix H - In-Person Comment Contributors	96
Appendix I - Final Vote and Dissents	97

# **Executive summary**

The Blue Ribbon Commission was appointed in January 2019 to review the total compensation of elected city officials. The 13-member Commission held 11 meetings and provided extensive opportunities for public comments. Sub-committees evaluated other communities to use as benchmarks and researched the compensation paid to elected officials in several other communities in Eastern Massachusetts

The Commission's recommendation after reviewing all of these inputs is that the Mayor receive an increase in pay to \$140,000 and continue to be eligible for all current benefits.

The Commission also recommends that the City Council receive an increase in their stipend to \$14,000, continued health benefits and, for those who do not participate in the city's health plan, a \$5,000 increment to salary (referred to as the "equity payment" in Chart 5, herein). The \$5,000 so-called equity pay would be provided to those Councilors who either discontinue electing health benefits for a plan year, as well as those Councilors who have not elected health benefits without regard to whether they previously elected health benefits.

The Commission also recommends that the School Committee receive an increase in stipend to \$7,500, continued benefits eligibility with a \$2,500 increment to salary for those Committee members who either discontinue electing health benefits for a plan year, as well as those Committee members who have not elected health benefits without regard to whether they previously elected health benefits.

Details of the analysis are described herein.

## Introduction

On October 1, 2018, the Newton City Council passed Resolution 388-18 authorizing the President of the City Council to appoint a Blue Ribbon Commission "to review elected officials' salaries and recommend a cycle for review of those salaries."

Council President, Marc Laredo appointed Claudia Dumond-Henderson and James Simons Co-Chairs of the Blue Ribbon Commission. In addition, Councilor Laredo appointed 11 other members to the Blue Ribbon Commission. The full list of members is in **Appendix A**.

The Commission agreed that its scope was limited to total compensation, inclusive of both cash compensation and the benefits paid for by the city on behalf of those elected officials who elect them. While there has been much public debate about, and consideration given to, the size and scope of the City Council, the Commission felt that any discussion about the size of the City Council would be beyond the scope of the City Council Resolution.

The Commission held 11 meetings from January through June of 2019. The Commission decided to provide explicit opportunities for the public to provide input. This included online surveys and an opportunity for public comment at the beginning of Commission meetings. Time was reserved on the agenda for public comment at eight of the Commission's meetings.

# **Background**

The total compensation for elected officials under review by the Commission includes cash stipend, perquisites that the City pays for or on behalf of the officials, and health benefits.

The Commission considered the fact that the City's total compensation arrangements include potential eligibility for pension benefits (including health benefits) after 10 years of service in municipal, state or federal position. However, pension benefits eligibility is governed by state law and Newton's municipal officials are unable to change that state law. Thus, the Commission decided that consideration of the City's elected officials' potential eligibility for pension-related

benefits, and the extent thereof, under the state's pension law was outside its scope. Accordingly, the Commission makes no recommendations about retirement benefits.

Under Section 3-1 of the City of Newton Charter, the Mayor "shall receive for his services such salary as the City Council shall by ordinance from time to time determine but no change in such salary shall take effect during the current term of the mayor in office at the time of the adoption of the ordinance making such change." Thus, any change in the Mayor's salary based on the Commission's recommendations and current adoption by the City Council and Mayor, would be effective as of January 1, 2022. The Mayor's salary is established by Section 2-1 of the City Ordinances.

The salary/stipend for members of the City Council is established by Section 4-2 of the City Ordinances, and the salary/stipend for School Committee members is established by Section 2-9 of the City Ordinances. As with the Mayor's salary, any change in the salary/stipend of the City Council or School Committee members, based upon recommended of the Commission and current adoption by the City Council and Mayor, would be effective as of January 1, 2020.

Any increase in the salary/stipend for the Mayor must be approved by a vote of two-thirds of the 24 City Councilors between January and election day in a municipal election year. Any increase in the salary/stipend for the City Council must be approved by a vote of two-thirds of the 24 City Councilors between January and September 30. Any increase in the salary/stipend for the School Committee members requires the vote of only a majority of the members of the City Council.

Section 2-9 of the City Ordinances explicitly states that School Committee members are eligible for the group insurance program available to other City officials and employees. Section 4-2 of the City Ordinances is silent on whether the same is true for City Councilors. Under Mass. General Laws Ch. 32B, Sec. 2, all elected officials are considered "eligible" employees under the statute if (a) they work more than 20 hours a week, or (b) they are considered "eligible" by revocable election made by the Mayor. Once they qualify as "employees", they must be offered the same benefits as all other employees. (Under Mass. General Laws Ch. 32B, Sec. 7A provided, in pertinent part: "no governmental unit shall provide different subsidiary or

additional rates to any group or class".) The Commission was informed by the City Solicitor's Office that at some point in the past, a prior Newton Mayor deemed City Councilors "eligible" for the City's group insurance plans. The Commission has further confirmed with the City Solicitor that, even without the eligibility election that was made by a prior by the Mayor, City Councilors would still be eligible if they work 20 or more hours per week.

The City does not have a process in place to review of the compensation for the City's elected officials at specific intervals.

The last review of compensation for elected officials was in 2005. Prior to that review, the salary for the Mayor was \$97,500, for Aldermen the salary was \$9,750 and for School Committee members the salary was \$4,875. Those salaries levels were effective as of January 1, 1998, and were established at 10% and 5%, respectively, of the Mayor's salary in accordance with a 1987 recommendation that took effect in 1990.

The 2005 Commission recommended that the Mayor's salary be increased to \$125,000. The recommendation at that time was to maintain the Alderman salary at the ratio of 10% level of the Mayor's salary, resulting in a recommended increase to \$12,500. Similarly, the 2005 Commission's recommendation was to maintain the School Committee members' salary at the ratio of 5% of the Mayor's salary, resulting in a recommended increase to \$6,250.

# **Compensation - Current State**

Although the 2005 Commission recommended increases in the stipends for all three positions, those recommendations were not all accepted.

In 2005, the Board of Alderman voted to adopt the recommendation and increase the Mayor's salary to \$125,000. However, the sitting Mayor did not accept the increase. A subsequent Mayor did, however, accept the increase. Accordingly, the Mayor's salary currently is \$125,000. The Mayor is also eligible to enroll in the City's employee benefits plans, which includes subsidized medical, vision and dental insurance. The Mayor also has access to a City-provided vehicle. As

noted, under state law, after 10 years of service in a combination of municipal, state and/or federal positions, the Mayor would be eligible for a pension.

In 2005 the Board of Alderman did not accept the recommendation to increase their salary. The salary for City Councilors has remained unchanged since 1998 and is \$9,750. As noted above, based on action by a Mayor a number of years ago, City Councilors are categorically eligible to enroll in the City's employee benefits plans which includes subsidized medical, dental and vision insurance. Again, under state law, after 10 years of service in a combination of municipal, state and/or federal positions, a City Councilor would be eligible for pension benefits. According to a report from the City's Human Resources Department, a little less than half of the City Councilors currently elect the health insurance benefit, which is in line with historic average election rates by City Councilors. The cost incurred by the City on behalf of a City Councilor who takes health insurance varies depending on the plan¹ selected by the Councilor, ranging from \$7,318.56 to \$20,089.20 per year. Dental insurance benefits range from \$225.12 to \$449.55 per year.

In 2005 the Board of Alderman did not accept the recommendation to increase the pay of School Committee members. The salary for School Committee members has remained unchanged since 1998 and is \$4,875. Pursuant to Section 2.9 of Newton's Ordinances, School Committee members are eligible to enroll in the City's employee benefits plans. Half of them currently elect the health insurance benefits. Again, under state law, after 10 years of service in a combination of municipal, state and/or federal positions, a School Committee member would be eligible for pension benefits. However, School Committee members are subject to term limit which only allow serving for eight years consecutively. The Commission thought it would be unlikely that a School Committee member would achieve eligibility for pension benefit solely through service on the School Committee and, instead, would generally also need to serve an additional two years in a state or federal position or in a municipal position in addition to School Committee to achieve eligibility for pension benefits.

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<sup>&</sup>lt;sup>1</sup> Plan designs include Employee, Employee +1 and Employee + Family and are attached as an **Appendix G.** 

# **Commission Methodology**

The Commission established several subcommittees to engage in information and data gathering to inform our work. There were several key inputs that the Commission sought to obtain, including information on the current state of total compensation for the City of Newton's elected officials, data on what peer cities and towns provide as compensation for their comparable elected officials, and perspectives from both the affected elected officials and the community at large. In addition, the Commission discussed the threshold question of whether the roles and duties of elected official merited any type of compensation, appreciating that clarity about the "Why" of this question would help frame the thinking about the issue more broadly and would help clarify the core values behind the Commission's recommendations.

In addition to the subcommittee analyses, the Commission sought legal advice from the City Solicitor's Office to understand the implications and feasibility of certain potential recommendations for changes in total compensation.

Once all data were collected, the Commission created a stepwise process by which to assess potential recommendations, separating out each elected role (i.e., Mayor, Council and School Committee), and evaluated the compensation for each.

# **Subcommittee Reports**

#### **Core Values**

Subcommittee Members: Tim Moran, Don Siegel, John Stewart

The Commission first considered whether the City should provide Council and School Committee members any compensation. (As discussed below, the Mayor is differently situated, although the same considerations apply). There is a long tradition in Newton of volunteer, unpaid community service. Many members of the public provide uncompensated, often vital services to the City. Newton residents also provide countless volunteer hours to civic, athletic,

religious and other community groups that greatly enhance Newton and the lives of its residents. Thus, the Commission considered the question of why the City should treat elected positions any differently and whether the Commission believed that the Mayor and City Council and School Committee members should be compensated.

The Commission concluded that, despite the fact that both Council and School Committee roles are part time and outside employment is permitted, the City Council and School Committee perform necessary functions which only they may perform by charter. The Commission concluded that it is in the interest of every citizen that those duties be performed at the highest possible level by the most qualified representatives chosen from a diverse pool of candidates.

With that understanding in mind, the Commission concluded that compensation is required to encourage delivery of this type of public service regardless of an individual's economic status. In fact, the current levels of compensation are relatively modest and may currently operate as a *de facto* disqualification for economically challenged citizens to serve. It was the Commission's thought that higher compensation might serve the community by tending to increase the economic diversity of the candidate pool, or at the very least minimizing barriers to economic diversity, resulting in more contested elections and a more representative group of elected officials. The Commission concluded that the electorate gains when an increased range of talent, perspectives and views is contributed to the governing process and that higher compensation might facilitate that objective.

The position of Mayor differs from that of the City Councilors and School Committee members with regard to the need for compensation because it is a full-time role. The City Charter requires the Mayor to forego outside earned income during his/her term in office. Without any compensation from the City, the pool of candidates for Mayor would be greatly limited by economic realities. The Commission viewed such a situation as being detrimental to local government and democracy. In addition, a lack of compensation, including salary and benefits, for a full-time, challenging position was viewed as being inconsistent with notions of reasonable fairness

As the Commission found, the part-time positions of Councilor and School Committee member require a substantial time commitment, most of which takes place in the evening. While these officials are not required to relinquish outside employment, they do incur costs in meeting the time commitments of these positions, both in terms of time rendered unavailable for other engagements and for out-of-pocket expenses<sup>2</sup>. While not legally prohibited, as a practical matter, City Councilors and School Committee members would be challenged to work a second job or take extra hours at their primary employment given the hours required by their elected capacities. The Commission concluded that modest compensation helps offset these costs. Furthermore, the prospect of modest compensation might attract candidates for office who would decline to run and serve without compensation.

The Commission adopted as one objective of its compensation recommendations helping to enhance the size and diversity of the pool of candidates for office regardless of economic status for the sake of the electorate.

#### Outreach

Subcommittee Members: Doug Cornelius, Claudia Dumond-Henderson, Greg Reibman

The Outreach Subcommittee explored different mechanisms for soliciting the perspectives of the community and affected elected officials on the appropriate compensation for elected officials. The goals for this process were to ensure full transparency of the Commission's process, engage the public in discussion of the topic, and obtain insights directly from elected officials on their work, the time spent in the role and perceptions about which components of their compensation were most meaningful.

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<sup>&</sup>lt;sup>2</sup> At the May 15, 2019 meeting, Councilors Baker, Cote and Krintzman shared some insight on newly proposed changes to the City Charter that would permit, if adopted by the Mayor, officials in these roles to be reimbursed for job-related, non-campaign associated, out-of-pocket expenses. This information resulted in a significant amount of discussion by the Commission given the perceived connection of expenses to compensation. This pending change was viewed as muddying waters and raised questions as to why it would be contemplated by the City Council at the same time the Blue Ribbon Commission was formulating its recommendations. As of May 17, 2019, the Mayor stated she was not going to move forward with this charter changes as currently written.

The Outreach Subcommittee recommended (1) creating an online survey targeting the general public to be advertised using several communication mechanisms, including email and various social channels/platforms, (2) sending a survey directly to the City's elected officials to solicit insight on their roles, and (3) creating an scheduled opportunity at every Commission meeting to allow for open comments from the community staring with Commission meetings beginning in April.

The Commission designed and published a community survey<sup>3</sup> that was open from March 10, 2019 through April 14, 2019 for public responses. While the participation in the in-person comment opportunities was not high, the survey for the general public garnered 305 responses.

The Commission wanted feedback from the elected officials. Twelve of 24 City Councilors and 2 of 8 School Committee members participated in the online surveys that were directed at them which provided an anonymous method to comment.

More than half of the elected officials who responded to the survey stated that they have served for 4 or more years, with roughly 70% suggesting that, aside from the summer months of July and August, they spend between 12-30 hours a week doing work, either in scheduled or unscheduled meetings, in their elected capacity. Eleven of those responding suggested that receiving health benefits was an essential part of their compensation, and 79% of these respondents did not believe compensation should be differentiated by At-Large versus Ward representation status.

The Commission received written comments from Councilors Jim Cote, Brenda Noel and former Alderman Marcia Johnson. (See Appendices C-1, C-3 and C-4). The Commission also received a response from Councilor Chris Markiewicz in his response to the general public survey discussed below. His comments are reported in **Appendix C-2**.

10

<sup>&</sup>lt;sup>3</sup> The Outreach Subcommittee used a Survey Monkey tool, designed to allow one survey submission per distinct email address. While we knew the results would not yield scientific results of statistical significance, the hope was to elicit general feedback and allow for engagement. The Commission was gratified that there were just over 300 responses submitted. Results are attached in **Appendices C & D**.

The members of the general public who responded to the survey provided rich commentary with 85% believing that the City Council and School Committee officials should be compensated and 62% of these respondents commenting that the compensation should be adjusted each term to reflect changes in the cost of living. The response was a slightly higher (i.e., 70%) when the same question was asked about adjusting the Mayor's salary.

One of the data points the Outreach Subcommittee sought in this process was whether compensation would affect potential candidates' decision about whether to run for one of these offices. Thirty-five percent of the respondents indicated that they have considered running for one of these elected positions. Only 28% considered the compensation to be a factor in their willingness or ability to run.

### **Peer Group**

Subcommittee Members: Sharon Chan, Doug Cornelius, Sue Flicop, and Kathy Sun

The Peer Group Subcommittee was charged with identifying Newton's closest peer communities. Not surprisingly, finding comparison communities for Newton is not easy. The subcommittee, with approval from the commission, chose to limit its review to cities in Eastern Massachusetts.

This subcommittee found that in terms of budget, Newton's peer group contains other large cities in eastern Massachusetts. However, in terms of cost of living (as measured by indicators such as median house price and median household income), Newton's peer group is mostly made of towns. The roles and duties of elected officials in cities tend to be different from those of comparable elected officials in towns.

The subcommittee gathered data on the categories listed on **Chart 1** below and evaluated different subsets to arrive at the suggested peer groups for use by the Commission in its deliberations.

#### CHART 1

Type of government (City or Town)	Municipal Budget (2017)
Population (2009-2013)	Municipal Budget Per Capita
Median Housing Price (2017)	School Budget (Total Expenditures, 2017)
Median Household Income (2009-2013)	Per Pupil Expenditure (2017)
% of Commercial Tax/Total Tax (2018)	School Enrollment (Average Pupil Membership, 2017)
Moody's Bond Rating	

The Commission felt strongly that only cities be used to benchmark both the Mayor and City Council, given the structure of government, type of elections, and the responsibilities of elected officials. Using only the cities about which data was gathered, the Peer Group Subcommittee sorted the communities in each category listed on Chart 1 and highlighted the 15 cities with values above and below Newton in each category, so that up to 30 communities were considered as potentially "peers" similar to Newton. In some cases, Newton was at the top of the range with only a few communities higher, so the highlighted group contained fewer than 30 communities in that particular category. The subcommittee then highlighted those communities that were comparable to Newton in at least 3 of the categories.

While the City of Boston was included in some of the data sets, it was ultimately removed because it is so much larger than Newton. The subcommittee felt that in terms of the responsibilities of our elected officials, Boston was in a different category altogether and, thus, not comparable.

**Chart 2** lists the final city peer group that the Commission selected for use for comparison with the city council.

#### CHART 2

Brockton	Haverhill	Malden	Waltham
Cambridge	Lawrence	Quincy	
Everett	Lowell	Somerville	
Framingham	Lynn	Taunton	

While the role of City Council varies widely between cities in the Commonwealth, the role of the School Committee members is very similar across all communities in Massachusetts based on State Law

To determine the appropriate peer group for the School Committee, using the full data set described above, the Peer Group Subcommittee first removed all communities with fewer than 10,000 residents. This was done to enhance comparability since, while some very small communities were similar to Newton in certain relevant categories, the size of their school systems was extremely different. As a result of employing that cut-off value neighboring communities remained in the data set. The subcommittee then re-calculated the ±15 group of potential peer communities using this new subset, sorted on the basis of per pupil expenditures and median housing prices. The subcommittee reasoned that per pupil expenditures would be a good sign of overall city/town investment in education. The subcommittee also reasoned that median housing price would be a reasonable proxy for how good a community's schools as reflected in how much people will spend to live in a community with excellent public schools. Additionally, because taxes are based on real estate values, the subcommittee felt this was an appropriate variable to use. Median household income was a third factor that was considered.

The subcommittee did not include variables for communities' percent of commercial real estate in the real estate tax base, bond rating, municipal budget, or municipal budget per capita, because these were thought not to be under the direct purview of the School Committee.

**Chart 3** displays the resulting peer group of towns that were similar to Newton on at least two of the variables (with a particular emphasis on per pupil expenditures and median housing price) for comparison with the school committee.

#### **CHART 3**

Bedford	Lexington	Wellesley
Brookline	Needham	Weston
Cambridge (City)	Somerville (City)	Westwood
Concord	Wayland	

## **Data Analysis**

Subcommittee Members: Karen Carroll Bennett, Jim Simons, and Andrea Steenstrup

Following agreement by the Commission on the core metrics (i.e., including budget, population, public school enrollment, form of governing, and overall job function of elected officials) that should be used based for selection of the peer communities, the Data Analysis Subcommittee was charged with collection on the selected peer communities.

The Data Analysis Subcommittee sent an online survey<sup>4</sup> solicitation to the Human Resource or other representatives of the cities and towns that were selected as the peer communities.

**Appendix E** reports the questions asked of these communities. The primary questions revolved around gathering data on total compensation provided and the process, if any, used to review compensation for elected officials on a periodic basis. The subcommittee first called and then

14

<sup>&</sup>lt;sup>4</sup> The Data Analysis subcommittee also utilized Survey Monkey tool for its data gathering.

then emailed the surveys to the communities and gave a 2-week timeframe for responses. Following that due date, missing data was either obtained by telephone call or researched from publicly available data sources. While these data helped compare peer communities' compensation structure against Newton's and was valuable during the Commission's deliberation, they were not the sole decision criteria used to make recommendations.

Survey responses were low and, therefore, needed to be followed up with telephone interviews to elicit information from communities that missed the response due date. In certain instances, it was evident that respondents were confused by the intended meaning of the question concerning whether health benefits were "subsidized". In an effort to achieve better data integrity, it was ultimately decided to disregard the answers to that question due to the apparent confusion.

The primary findings from this data gathering effort resulted in the following observations:

- More than half of communities reporting stated that compensation reviews are unscheduled.
- Methods to adjust compensation were not well reported, although two communities reported applying an inflation factor.
- Access to group health plan benefits was common for communities reporting.
- The salary of the Lowell Mayor was a data outlier since the role in Lowell is considered ceremonial, as Lowell also has a City Manager. As a result, it was deemed not to be comparable to the Newton Mayor by consensus of the Committee at large.
- City Councilor salaries were higher in some of the cities that were analyzed compared to Newton, but these cities also all had significantly fewer council members.<sup>5</sup>
- Only one of 11 peer communities (the City of Cambridge) reported a stipend or benefits to School Committee members. Cambridge was a significant outlier, paying its School

<sup>5</sup> The subject of the number of Newton City Councilors was a source of significant discussion since the question of how much a city can reasonably afford to pay its elected officials is directly related to the number of people requiring payment. While the Commission was acutely aware that the size and scope of the City Council was outside of its remit, the ultimate recommendations of the Commission were shaped, in some ways, by the sheer number of Newton City Councilor positions. The Commission did look at the average expenditure on salaries by

population as a way to help frame our recommendations, and those data points are reported Appendix F.

Committee members an average of \$38,000/year, with no benefit eligibility reported. Therefore, it was excluded from further consideration. However, the Commission found other communities (outside of the final peer community selection list) do pay their school committee members a salary/stipend, some greater than the current level in Newton.

• See **Appendix E** for summary of City Council and School Committee compensation from peer communities in the full Peer Group Compensation Study Report.

While the data from "peers" provided useful information, the Commission also decided to do an internal study. There are so many factors to consider when comparing cities and towns makes it difficult to identify true peers, especially when taking into account the size of the Newton City Council. These differences are further illustrated by the fact that almost all the school communities selected as peers do not compensate their school committee, while Newton has traditionally followed compensating its School Committee. The Data Analysis Subcommittee analyzed Newton's health benefits and learned the cost to the City for medical and dental coverage at the highest level for family plan coverage that can be elected by City Councilors is \$20,648. When adding the cost of health benefits to a Councilor's salary of \$9,750/year, total compensation for a City Councilor can be as high as \$30,398. At this level of benefits, the total compensation paid to a City Councilor who elected health benefits is three times the total compensation that is paid to a City Councilor who obtains his/her health benefits elsewhere and only receives the cash salary.

For School Committee members the disparity is even more pronounced. A School Committee member who elects the City's health plan receives nearly 5 times the total compensation of a School Committee member who only receives the cash salary of \$4,875. Health benefits for School Committee members (whose health benefits are tied to the benefits available to teacher under their collective bargaining agreement) cost the City and compensate a School Committee member upwards of \$23,702 for the health benefits election. Approximately half of the School Committee members elect benefits.

This disparity in total compensation was a source of significant discussion at the Commission. While it is recognized that this dynamic also plays out in the private sector because the cash salary is relatively low in relation to the much higher cost/value of health benefits, this disparity created considerable concern. The Commission investigated ways to ameliorate this disparity and achieve greater parity in the total compensation paid to all members of the City Council and the School Committee.

With respect to the cash compensation currently paid to Newton's Mayor and to City Councilors, those amounts are 89% and 50%, respectively, of the average reported for the peer communities. Data for the School Committee was insufficient to make such a comparison. (Refer to Pages 8 and 9 of **Appendix E** of this report for additional detail.)

# **Options Considered & Observations**

The Commission used a decision matrix for each elected role to structure its deliberations on final recommendations. Beginning with the Mayor, and following same process for each of the City Council and the School Committee, the Commission conducted straw votes on the questions listed on **Chart 4.** 

#### **CHART 4**

#### Should the mayor receive compensation?

- · Comments from commission members
- · Vote Yes or No

#### Should the mayor be eligible for employee benefits?

- · Comments from commission members
- · Vote Yes or No

#### Should the mayors' cash pay be adjusted?

- · Comments from commission members
- · Vote Yes or No

#### Should cash pay be decreased?

- · Comments from commission members
- · Vote Yes or No

#### Should cash pay be increased?

- · Comments from commission members
- · Vote Yes or No

#### What amount should the commission recommend as the new cash payment?

- · Comments from commission members with a recommended amount
- · Straw poll on various levels of compensation selected by chair from comments
- . If chair determines there is a consensus on an amount, Vote Yes or No on that amount

There was unanimous agreement that, considering (1) the average salaries of the comparable city chief executives in the peer communities, (2) the fact that Newton's Mayor is required to reside in Newton and, therefore, is subject to the Newton's substantial median home prices, (3) is precluded from securing any additional outside employment and (4) is expected to be available outside of normal business hours, a salary adjustment is warranted. The Commission concluded that a recommendation to adjust the Mayor's salary is supported by the data of the peer group survey results. In addition, the Commission concluded that the Mayor's salary needs to be one that could reasonably be considered by someone who is either leaving a high-paying job and/or needs to maintain a household on the total compensation provided. The average mayor's salary among the peer group is \$140,367. Adjusting Newton's current \$125,000 salary based on changes to the CPIU-U<sup>6</sup> since the last increase would render a figure of \$162,472.

18

<sup>&</sup>lt;sup>6</sup> CPI-U refers to the Consumer Price Index for All Urban Consumers

When discussing the other elected positions, the Commission considered myriad options to address the core values and guiding principles it determined should be applied, namely: (1) creating greater equity in total compensation, (2) providing a way to ensure that total compensation does not become a barrier to increased participation from diverse socioeconomic backgrounds, and (3) generating total compensation scenarios that are fiscally responsible for the City. The Commission had considerable discussion about whether to adopt an approach that would be similar to that of prior Commissions and simply apply a factor based on a percentage of the Mayor's salary factor to arrive at a cash compensation figure for the City Council and School Committee. There were also lengthy discussions on the option of creating complete parity by providing total compensation only in cash and eliminating eligibility for health insurance benefits. While the Commission was in agreement that as a full-time employee the Mayor should be eligible for employee benefits, the same was not true for the City Council or the School Committee.

One concern raised was whether the availability of health insurance would attract more people to run for the elected positions. There was also a concern that incumbent elected officials may continue to run for office mainly to keep health benefits. A number of Commission members noted that they were unaware that Councilors and School Committee members are eligible for City-provided health benefits, and they expressed concern about the cost of providing those health benefits. Those sentiments were also expressed in a number of the comments that citizens made in their survey responses.

Initially, the Commission voted to recommend removing eligibility for employee benefits from the City Council and increasing the salary to a figure that would be closer to the average of other communities. The Commission performed further due diligence about this proposal with the City Solicitor's Office and was advised that (1) because Mass. General Laws Ch. 32B, Sec. 2 defines benefits standards for all employees, (2) because elected officials were deemed to be eligible for benefits by the election made by a prior Mayor, and (3) even if the Mayor revoked that election,

an elected official who works at least 20 hours a week would be classified under state law as an employee who would still remain eligible for benefits.

The Commission received a number of comments from members of the community about the variability of different City Councilors' performance. Comments were also made about possibly unnecessary burdens imposed on the City's professional staff by the 24 members of the City Council. The Commission agrees that many of our Councilors devote a great deal of time to the position and for some, it seemed to be a full-time job with part-time pay. Some Commission members wondered if the City Council workload could be managed through greater operational efficiencies and streamlined committee structure. Streamlining a Councilor's role and reducing the time commitment might minimize barriers to entry and encourage more people to run.

The Commission was surprised to learn that its peer group communities did not pay their School Committee members. The Commission noted that this peer group of communities was selected based on the perceived quality of their school systems. The 2005 Commission review used the same set of communities for School Committee, City Council and Mayor.

The Commission discussed the effect of recommending raises for the Mayor and City Council, but none to the School Committee, based on the market research. However, the Commission determined that for a community that prides itself on excellence in education, failing to recommend an increase would send an unintended negative signal.

The absence of compensation for School Committees in the peer group left the Commission without a community average against which to measure a potential increase. Based a CPI-U adjustment, the 1998 salary would be increase to \$7,477. Applying a CPI-U adjustment from 2005 would result in an increase to \$6,336.

# Voting, Preliminary & Final Recommendations<sup>7</sup>

The Commission took straw votes on recommendations at its April 30, 2019 and May 14, 2019 meeting.

The Commission voted 8-2 to increase the Mayor's salary. Four dollar amounts were discussed. First, the figure of \$135,000 was proposed as an adjustment that would be less than the peer group average for mayoral salaries. By a vote of 10-1 the Commission voted to increase the Mayor's salary to at least \$135,000. Next, the figure of \$140,000 (i.e., the approximate average compensation in the peer group) was voted upon. Adjusting to at least that amount passed 10-1. Last, the figure of \$150,000 was proposed as a "split" between the \$140,000 peer group average and the \$160,000 figure resulting from a CPI-U adjustment to the salary. An increase to that level failed to pass with a 5-6 vote. Since an increase to \$160,000 did not have the support to pass, the final recommendation was to increase the Mayor's salary to \$140,000 with no change to benefits.

The Commission next considered its recommendation for the City Council. **Chart 5** summarizes the alternatives that were considered.

#### **CHART 5**

OPTION #	Total	<u>Salary</u>	Equity Payment	Budget Impact
	<b>Compensation</b>			

21

<sup>&</sup>lt;sup>7</sup> Final voting along with dissents can be found in Appendix I.

1. No Change – Maintain Current Stipend And Continue Offer Of Health Benefits	\$9,750  PLUS  Cost/value of insurance benefits if elected	\$9,750 (No change)	N/A	Unchanged salary model.  Expense to the City varies to the extent there is a change (up or down) in the number of Councilors electing coverages year over year
2. Base salary, benefits OR equity pay when insurance not elected	\$9,750  PLUS  (1)  Cost/value  of  insurance  benefits  elected  OR  (2) Equity  payment  for those  who do not  elect health  insurance	\$9,750 (No change)	Payment in an amount TBD paid to those Councilors who elect no insurance coverage (Opt-out)	Unchanged base salary model.  Expense to the City varies based on:  (1) The number and amount of equity payments made, and  (2) The cost of insurance coverages elected by Councilors, which will vary to the extent there is a change (up or down) in the number of Councilors electing coverages year over year
3. Increase to base salary for all and continued health benefits option – no equity payment	Increase above \$9,750 with amount TBD  PLUS  Cost/value of insurance benefits if elected	Increase above \$9,750, with amount TBD	N/A	Expense to the City varies based on:  (1) The increased salary amount for each councilor  (2) The cost of insurance coverages elected by Councilors, which will vary to the extent there is a change (up or down) in the number of Councilors electing coverages year over year

4. Increase to base salary for all and continued benefits option OR equity pay	Increase above \$9,750 with amount TBD	Increase above \$9,750, with amount TBD	Equity payment in an amount TBD paid to those Councilors who elect no insurance coverage (irrespective of her/his prior year's coverage status).	Expense to the City varies based on:  (1) The increased salary amount for each councilor
	Cost/value of insurance benefits elected  OR  (1) Equity payment		The equity amount may be:  (1) a set amount, or (2) a percentage of the savings attributable to the saved cost of the "no coverage" election.	(2) The cost of insurance coverages elected by Councilors, which will vary to the extent there is a change (up or down) in the number of Councilors electing coverages year over year PLUS the amount and number of equity payments made

While there was significant debate about adopting the total compensation approach (i..e, Option #2), the final vote supported Option #4 which would provide all Councilors with an increase in stipend to \$14,000, continued health benefits and, for those who do not participate in the city's health plan, a \$5,000 increment to salary (referred to as the "equity payment" in Chart 5). The \$5,000 so-called equity pay would be provided to those Councilors who either discontinue electing health benefits for a plan year, as well as those Councilors who have not elected health benefits without regard to whether they previously elected health benefits. This approach aims to create greater parity in compensation while recognizing the significant amount of time that has passed since the last compensation increase. <sup>8</sup>

<sup>&</sup>lt;sup>8</sup> One Councilor's survey response indicated that he/she decided each year on whether to elect health benefits depending upon whether it was economically better for him/her to elect the City's benefits or those offered by his/her private employer. With City's cost for the health benefits approximating \$20,000 for each Councilor and School Committee member who elects Newton's benefits, the Commission's recommendation of providing an incremental salary amount for those who do not elect to use City health benefits is intended to provide a positive incentive to tip the scales in that choice in favor of individuals electing to take the health insurance benefits that are available to them from a source other than the City.

The Commission chose to utilize the same compensation model for the School Committee, although in their case the stipend would increase to \$7,500 and the recommended amount of the incremental salary for the School Committee members who do not elect health benefits would be \$2,500.

#### **Recommendations - Summary Chart**

	Salary	Benefits	Supplemental
Mayor	\$140,000	Yes	Use of car
City Council	\$14,000	Yes	Incremental pay of \$5,000 for those who are not on any of the city's health plans
School Committee	\$7,500	Yes	Incremental pay of \$2,500 for those who are not on any of the city's health plans

The Commission was also asked to make recommendations about future adjustments to elected officials' compensation. Rather than making a recommendation on a formulaic approach to future adjustments to elected officials' compensation, the Commission recommends that the City Council vote to convene a Blue Ribbon Commission in five years (i.e., in 2024) and every four years thereafter to ensure a regular review of total compensation to avoid the review occurring during an election year. This recommendation is not intended to suggest that adjustments to compensation should or should not be made at those intervals but rather to establish a system by which compensation will be evaluated at regular intervals. It will be up to future Blue Ribbon Commissions to determine whether any adjustment to the compensation of some or all officials is then warranted ad the amount thereof.

Respectfully Submitted,

Blue Ribbon Commission

# **APPENDICES**

## **Appendix A - Commission Members**

- Claudia Dumond-Henderson, Co-Chair, the Chief Human Resources officer for Boston Globe Media Partners who formerly served as Senior Vice President, Head of Human Resources at Steward Healthcare;
- **James Simons**, Co-Chair, a compensation specialist who currently works as an independent consultant and previously was the Director of compensation for ModusLink Global Solutions, a multinational e-commerce company;
- Karen Carroll Bennett, the Senior Director of the Teaching and Learning Center at Harvard's Kennedy School of Government and a member of the Day Middle School Council
- **Sharon Chan**, a Senior HR Business Partner at Avid Technology and the Co-President of the Newton Cantonese School;
- **Doug Cornelius**, the Chief Compliance Officer of a financial services firm and a member of the Newton Historical Commission;
- **Sue Flicop**, who works at Boston College TIMSS & PIRLS International Study Center and is the President of the League of Women Voters of Newton;
- Carolyn Gabbay, the Vice President of Legal Affairs and General Counsel at Mount Auburn Cambridge Independent Practice Association, Inc. who for many years was a partner at the law firm of Nixon Peabody, LLP where she practiced health care law;
- **Timothy Moran**, an Assistant United States Attorney in the United States Attorney's Office in Massachusetts where he is the Deputy Chief of the Organized Crime and Gang Unit and Director of the Civil Rights Enforcement Team;
- **Greg Reibman**, the President of the Newton-Needham Regional Chamber who previously was the Editor-in-Chief and Publisher of the Newton Tab and 13 other weekly newspapers;
- **Donald Siegel**, a partner with the law firm of Segal Roitman, LLP where he represents unions and workers;
- **Andrea Steenstrup**, a Controller for a number of local life science start-up companies who has been active in the Newton public schools;
- **John Stewart**, a former Alderman at-Large from Ward 4 who served on the Board of Aldermen for ten years and was the Director of Education at the Kennedy Library and Museum; and
- Kathy Sun, a Strategy and Operations Business Analyst at Deloitte Consulting

# Appendix B - Meeting Dates

- 1. January 3
- 2. January 16
- 3. January 31
- 4. February 12 Cancelled
- 5. March 5
- 6. March 27
- 7. April 9
- 8. April 24
- 9. April 30
- 10. May 6
- 11. May 14
- 12. May 22

The agenda and reports from each meeting are available on the City of newton website: <a href="http://www.newtonma.gov/gov/aldermen/special/blue\_ribbon/blue\_ribbon\_commission\_for\_salaries\_2019.asp">http://www.newtonma.gov/gov/aldermen/special/blue\_ribbon/blue\_ribbon\_commission\_for\_salaries\_2019.asp</a>

# **Appendix C-1 Comments from Elected Officials - Councilor Cote**

April 27, 2019

From: James Cote, City Councilor at Large, Ward 3 (West Newton)

To: Chair, and Members of the Blue-Ribbon Commission, City of Newton

Re: History and Comments on the Docket Item 388-18

Att: (1) City of Newton, Finance Committee of the City Council Report of Docket Item 388-18

Dear Chair, and Distinguished Members,

The purpose of the letter is to add the historical information relating to the formation of City Council Dockett #388-18, and my comments on Compensation. First my apologies for missing the open meeting on the subject as my committee and constituent meetings conflicted with the Commissions' meeting schedule. I can make myself available for future meetings should you ask me to attend.

My service on the City Council began on January 1, 2014 at the commencement of my first term in office. That time of year also coincides with the City Budget being developed, presented, and reviewed/voted on by the City Council.

During the budget deliberations for the Fiscal Year 2015/2016, I became aware of a serious financial oversight in City Government in discovering the city's poor management practice as it related to Elected Official Compensation, and other non-union Executives within the government. The City did, and does not, have a process in place to review compensation on an "automatic" basis. Hence, any talk of compensation for City Elected Officials becomes political

and subject to the whims of the sitting Council. To put this in perspective one cannot imagine holding job/position in any entity that offers a compensation increase every 20 years of so.

As you have done, I started doing my homework on the subject with the valuable assistance of David Olson, the City Clerk. This discovery Jed me to having conversations with my colleagues to gain their perspective on compensation, and financial management practices. It seems that the process, as it presently stands, was rigged by long past Aldermen. In order to effect a raise, the Council must establish a Blue-Ribbon Commission (with no defined date, or period of time to do so), report out prior to that year's municipal election, and be voted prior to the November City Elections, and then can only take effect starting the next Calendar Year.

My conversations starting in 2016 with many of my colleagues to include those on the Docket Item, and then City Councilor Ruthanne Fuller. All but one, and possibly 2 of the Councilors at that time were in favor of the item. Councilor Fuller and I decided to table the idea in order to provide the City's electorate the ability to vote on establishing the Charter Commission, and then a year later to vote on the Charter Commission's recommendations.

One of the recommendations of the Charger Commission was to reduce the size of the City Council, an item that played a prominent role in the voters' rejection of the Charter. Voters went to the polls to preserve their representation and for at least this time being are happy with the Council's size.

As I sat for my 3rd, 2-year term, on January 1, 2018, one of my goals was to establish the Blue Ribbon Commission with the end goal of reviewing compensation, and even more importantly establishing an exact process for reviewing the compensation of Elected Officials going forward. This would then take the politics out of the process, ensuring a fair way of management oversight. In the summer of 2018, Councilors Leary, Norton, Brousal-Glaser, Kalis, and myself Docketed Item 388-18 putting the process in place to establish the Blue-Ribbon Commission. Within the City Council, the next step was to review the Item in the Finance Committee as the item pertained to Compensation.

The Finance Committee has 8 Council members, with one being from each of the 8 Wards in the City. Attached please find the report from the Finance Committee debate and vote on Item 388-18. The Finance Committee voted 7-0 in favor of moving the item forward to the full Council where it was then approved. The Finance Committee members voting in favor were: Ciccone, Norton, Cote, Gentile, Noel, Grossman, and Lappin. (Rice was not present for the vote).

Compensation Fairness: The Commission has seen the timeline on the City Council/School Committee compensation and common management practices would have to assume that times have changed and if \$9,750 was considered adequate compensation in 1997, then how could it still be adequate in 2019?

One correction to your PowerPoint presentation is that the salary of the Council was traditionally 10% of the Mayor's compensation, and the presentation shows the current 8% as a norm. This tradition went out of sync when an earlier Mayor didn't accept what was recommended, and then a later increase didn't include the City Council. So the 8% is by accident not legislative action.

#### Some of my points:

- 1. City Council Comp Levels: At a minimum in 1997 an inflation escalator should have been added, and that method would reflect the current Compensation should be in the \$19,000 range. A range coincidently cited in your presentation of "peer" communities.
- 2. Size of Council: The voters rejected the Charter Commission recommendations of decreasing the size of the Council making this a non-issue. Newton has a large area mass, over 90,000 residents, multiple villages, and wide-ranging income levels. Councilors are kept very busy addressing all of these concerns. Traditional cities across the state have one "Center" and housing hubs around the center.
- 3. Compensation Based Upon the Number of Councilors: The City does not base compensation for the unions in the City based upon the number of employees within the schools, fire, police,

public works, etc. The Compensation is based upon what is fair for the work we are asking people to perform.

- 4. Council Duties: The year 2019 is not 1997, and the City is busier than ever. The Council makes up a significant number of the City Officials engaged in Development, Zoning, Employment, and Operations. City Councilors today can be called at any time of the day or night as personal communication devices make us all visible. It's not uncommon for a City Councilor to be called to "pop-up" neighborhood meeting on less than a day's notice, and you cannot miss these. Emails alone can take up to 2 hours of your time on a daily basis, and lacking staff we must answer them all.
- 5. Candidates: Joining the Council is community service, but its an odd community service in that it costs you time from your job and money to run and hold the office. In an election year, it has twice been my experience to have to hold down my fulltime job, run for re-election, and also perform Council duties. Lacking adequate compensation, the City cannot attract a diverse pool of candidates from people who cannot afford time out of work. We end up with retirees, and wealthy people running and holding office. This is not representative of the population in all of the City Wards
- 6. Benefits: Health and Pension benefits are afforded to employees of the city and should be made available to City Councilors. Hopefully, you have been provided with real numbers on how many Council pensions are being paid currently, and how many retirees receive some form of Medical Coverage. Given that everyone goes on Medicare at age 65, this cannot be a large amount from the budget.
- 7. An important workplace dynamic is in play today regarding the make-up of the City Council. In the 1990's although women had been serving on the Council (then Aldermen) for some time, there were few women serving with school aged, and younger children (no one I asked could recall such a situation). These Councilors face an additional burden of child sitter costs, and added things such as Uber rides to school events that were not necessary 20 years ago. On the current Council there is a single mother with school aged children, and 3 other women

Councilors also with school aged children. All families serving a community commitment have a sacrifice to make on family life, but this I find unique and an actual additional cost to the Councilor.

Please feel free to contact me directly with any and all questions you may have on the docket item process and my points to consider.

My thanks to all of you for sacrificing your time to sit on this important commission, which upon completion will define how the City operates and attracts talent for years to come.

Best regards.

## **Appendix C-2 Comments from Elected Officials - Councilor Markiewicz**

#### Chris Markiewicz

As a Councilor and knowing at least partially the motivation of many colleagues, I think the reason we serve is to serve. This is probably the tradition in a way in Newton. That is not to say that this will always be the case, meaning, compensation may be more important in attracting candidates in the future, but that may also depend on the size and amount of time required. I think the compensation is appreciated and some of it winds up getting contributed back to the various Newton charitable organizations - I am more motivated in that direction because I have these funds available.

I spent around 1000 hours in my first year and I attended to city activities in one form or another most days, including weekends. But that is how I work; my professional career was management consulting in a Tier 1 firm and you are always "kind of on ".

Council work is a 7x24 job in some ways with lots of gaps. But you are always cognizant of your role and responsibility. You take calls and emails (I think most of us do) at any time. This makes it tough to really value the job, which is why I think of compensation in this case as an honorarium.

I think given where we are, the history etc. it would be challenging to make any significant adjustment, and I think many of us (councilors) probably don't think it's worth it, all factors considered. The Mayor is different, that is a full time professional executive and the Mayor needs to be compensated as such and the salary needs to keep up with inflation and trends in that type of compensation.

One thing I didn't mention, as up to now I haven't used the benefits, but these are fairly generous and for some a significant offset to a small salary. I think the health care benefit may be very attractive and be more important than salary as a motivator for some to run.

## **Appendix C-3 Comments from Elected Officials - Councilor Noel**

May 12, 2019

Newton Blue Ribbon Commission

Ms. Claudia Dumond-Henderson, (Chair)

Mr. James Simons (Chair)

Newton City Hall

1000 Commonwealth Ave.

Newton Centre, MA 02459

Dear Blue Ribbon Commission Members,

Thank you in advance for contributing your time and expertise to advise on the complex issue of elected members of our City's compensation package. I have been reading your notes and it appears you have a keen understanding of the complexity of what you are being asked to advise on. I have been hesitant to publicly weigh in. If I am being 100% honest it is because I am embarrassed. Embarrassed to reveal my dependency on being compensated for my work as a City Councilor to make ends meet.

I reviewed the minutes of your last meeting, and when I read that former Alderman Brooke Lipsitt stated that people serve on the Council as a "hobby, and enjoy doing so," I felt compelled to weigh in. To continue with her comment- I agree, no one becomes a City Councilor to become rich, but there is middle ground between becoming rich, and not needing to be compensated. A large swath of our population falls into that middle ground.

On Saturday I called Councilor Brousal-Glaser after hearing she would not seek re-election. I was disappointed to be losing her as a colleague. Councilor Brousal-Glaser is a working mother, a wife, an artist/musician and has lived an interesting and multi-faceted life. She provides important representation for our city. I asked her if she was leaving because of the hours away from her family and the limited salary. She shared with me that although that wasn't the whole story, that definitely played a part in it. She, like I, very much need our City Councilor salary to

support our families. She, like I, struggle with the nights and weekends away from our teenage

children and partners.

Every candidate goes into City Council with eyes wide open, we are aware of the salary and we

understand intellectually there are many night meetings and time away from family. We are

honored to be elected and represent our constituents. In practice, it's challenging, especially

with children at home and a full-time day job.

I am not comfortable with my city government being run by a group of well-meaning volunteers.

I want representation that illustrates a range of different life experiences, understands the value

of a dollar, and in some cases, not necessarily all, can only engage in work that is paid as a

matter of financial survival. Their finances do not allow for 10-20 hours a week of volunteer

work. They, like many Americans need healthcare, and may be one uninsured illness away from

financial ruin. That voice on the council is necessary to represent a faction of our city. I would

include myself in that faction.

As you consider the structure and salary of our elected officials going forward, I urge you to be

mindful of unintended consequences. Please advocate for a structure and compensation package

that doesn't rely on economic privilege to serve. I want our Council to represent every facet of

our city, our future city and the city of our past.

Thank you in advance for allowing me this opportunity to share my perspective.

Best,

Brenda Noel

Ward 6 City Councilor

1025 Walnut Street

35

#### **Appendix C-4 Comments from Elected Officials (Former) - Marcia Johnson**

Ms. Claudia Dumond-Henderson, Co-Chair

Mr. James Simons, Co-Chair

Blue Ribbon Commission

Newton City Hall

1000 Commonwealth Avenue

Newton, Massachusetts 02459

Dear Ms. Dumond-Henderson & Mr. Simons,

#### Background

- 1. I am Marcia Johnson, a former alderman [2000-2015]. Chair of Programs & Services, 2002-2009 and Zoning & Planning 2010 2015. In my professional life, I am a Senior Global Human Resources Business Partner at a global contract research organization. So my approach to remuneration for the council is that of a human resources professional and former elected official
- 2. Newton's City Council is the largest council in the state of Massachusetts . There have been twelve votes in the Council [Board of Alderman] to reduce its size, without success. There have been two city votes, asking, not mandating, the Board of Alderman to reduce its' size, to no success
- 3. Two-years ago the city went through the process to revise its Charter that failed, mostly due to the fact there was a belief that ward representation was being eliminated.

I firmly believe that Newton's citizens would like a smaller council. In the past two years, the city council has missed its greatest opportunity to respond to citizens' requests by taking time to examine what they do, how they do it and recommending an appropriate size and composition based the city's vision, organization, work, the tools and technology available to them and the best interests of the citizens.. They have not taken advantage of this time. Yet, they are now asking for this honorable commission to "examine the compensation that Newton's elected

officials (the Mayor and members of the City Council and the School Committee) receive for their service and to make recommendations for possible future changes to their salaries and benefits

I will assume from your professional backgrounds that you can agree that remuneration is generally adjusted based on accomplishments, adding value to the institution, and being increasingly more effective and much more. It is not simply a numbers game based on external benchmarking etc. In light of what I have put forward, I would like to highlight three current examples for your when making your decision about remuneration of the city council along with the clear expression of voters' desire:

- In approximately 2006 former Alderman Ken Parker and I took steps, through a survey, to ask the Board to identify areas where it could be more effective. We had identified a number of areas to be considered for implementation. The only change made was elimination of two standing committees. All other ideas were not ever considered.
- Zoning is one of the most important responsibilities the Council has. The last major re-organization of our zoning code took place in 1987. In 2010, a number of aldermen put forward an item to reform our zoning ordinances. That was nine years ago. So here we are in 2019, 39 years since we last completed a review of zoning, and 9 years from when the most recent item was begun. Yet the job is not complete.
- The Planning Department is recommending, through zoning redesign, that the council look at a more effective special permit granting process that would take the smaller projects and give them to the Planning Board or ZBA. Yet already councilors are saying no to having that responsibility shared and what could ultimately reduce the time that councilors spend on city work!

To be clear, I am not against remunerating Newton's city councilors. As an alderman, I accepted the remuneration that was given to me. My concern is not the amount of money that they receive, it is the process of determining the right amount and the timing of this decision. I am not saying that they do not work hard or have the city's best interest in their hearts and minds

guiding what they do every day. As individuals and a body they are wonderful people. What I

am saying is that the council as a body has some work to do to improve what and how they meet

the needs of our community.

In very simple terms the Council over the past 20+ years has done little to re-invent itself despite

changes in technology, city strategies/plans, e.g. the Comprehensive Plan, Housing,

Transportation and Economic Development strategies and members of the Council.

There are some who say that by increasing the remuneration we will encourage more candidates

to run for office. As a resident, candidate and former councilor, I know of no one who runs or

does not run due to the amount of the remuneration. Some like myself are surprised that they are

remunerated at all. People run because of wanting to do excellent work for the city.

In closing, we have many ongoing contract negotiations, most notably our teachers. Education is

one of our core services for our residents and is a foundation of democracy. Given budget

constraints, where is it best to spend our money? I believe that our teachers, along with all city

workers come first and legislators come second.

So let's spend our money where it is really needed and ask the Council to take a comprehensive

look at themselves to see how they can be more effective. After having completed a study a

decision can be made as to the best way to remunerate our councilors for the important work that

they do...

Sincerely,

Marcia Johnson

39 Bemis Street

Newton, MA

38

#### **Appendix C-5 Comments from Elected Officials - Councilor Kalis**

Dear Blue Ribbon Commissioners:

Thank you for your hard work, your analysis, and your willingness to take input. While I have not been able to attend meetings, I have followed your reports, and have a few comments to offer:

- 1. I was a co-docketer of this item primarily to ask the commission to review the Mayor's salary. I'm glad you are taking the time to do so, but I'm concerned with what seems to be where the commission is landing. From what I observe, from a timing perspective, the job is a 7 days a week position that is relentless in what it asks of a person. In terms of skills, it requires exceptional interpersonal, leadership, strategic, organizational, and executional prowess. Given these requirements, the current \$125K is quite low, and where the commission seems to be landing, at around \$140K, continues to be low. While I respect the comparisons to other communities and what they offer, I'm not sure there was ample thought about what it takes to live comfortably in Newton vs. comparative cities. I would argue that the cost of living is higher, which would drive a higher salary for the Mayor. Given I have not done the analysis you have, for a person to walk away from a corporate job and to be living in Newton, I would think the Mayor's salary needs to start at \$160K.
- 2. Regarding the elimination of health benefits for City Councilors, I am concerned that doing this will eliminate the candidacies of those who have part time jobs, are self- employed, or don't receive health care coverage at work. Note some of our most productive Councilors fall into these categories. It will markedly reduce the pool to those who have full time jobs. I want to urge you to reconsider this approach. What I appreciate the most is the diversity of thought we get on our Council. Yes, the diversity could be even greater, but to have folks who work professionally full time, are self-employed in areas of business with direct relation to Council work, and to those who are retired but wanting to do Council work, each of these segments is highly valued. I urge you to maintain the health care benefit.

3. Regarding any change and the concept of grandfathering, I also urge you to have a full discussion on this. I haven't been present but from the report, it seems this was an afterthought. As with the change in healthcare contributions for Councilors and City personnel (I believe this was done in 2013) when we decided that the employee healthcare contribution would move from 20% to 30% (I think, or its 25%), those who were on the Council pre 2013, were grandfathered at 20%. This precedent is important as it maintains the idea that when you begin work at a certain grade, benefits remained as quoted when you started work. Those who were joining the Council and the City workforce post the change were subject to a different set of hiring criteria.

Thank you again for your consideration.

David Kalis

66 Andrew St

617-504-3301

# Appendix C-6 - Survey Results from Elected Officials - Outreach Subcommittee

Are you on the school committee or city council?	How many years have you served as an alderman/city council or school committee member?		What do you think the appropriate total compensation should be for city councilors relative to the commitment?	What do you think the appropriate total compensation should be for school committee members relative to the commitment?
City Council	8 or more years	Not all councilors have access to health care outside of their City Council work.	At an avg of 25 hrs/wk at \$15/hr (suggested minimum wage), and 40 wks/yr of heavy work, a salary of \$15K would result.	The same dollar amount per hour. \$15 minimum
City Council	8 or more years	Health benefits were the only way I could rationalize spending over 20 hours a week not making my hourly rate as a consultant.	I don't know	I don't know

City Council	1-3 years	Without health benefits, the current compensation would be nearly untenable. Because I save about \$500/year on insurance (and it's better than on the private, individual market), I can justify the low salary—som ewhat	Higher, but I couldn't say by how much. We are lucky to be able to afford me the time to not make the money. Not everyone who might consider the position is in such circumstances. I also think that with 24 councilors, raising the compensation is very expensive. I think that should be addressed.	I am not conversant with the amount of time school committee members spend on the job.
City Council	8 or more years	elected officials should not be treated differently from other city employees	at least 12,500, which is ten per cent of the Mayor's salary, and probably higher as the Mayor's salary is overdue for an increase	

City Council	8 or more years	I served for 9 years not using this benefit, but now my husband is retired, and I have a small soleeractitio ner architectural practice. My practice has allowed me the flexibility to engage deeply in public service, but this has come with a cost. i have curtailed my practice in order to do so, and having to buy private health insurance, would knock e out of this game.	Thing is, folks put in enormously different amounts of time, so there's going to be no justice to offering a salary. I would keep it well below what someone would need to contribute meaningfully to a household income - but have it so that it covers the cost of the effort plus a little. I spend 25-30 hours/ week during most of the year, except July and August. I understand most folks cannot do this - and it is not requiredbut if you want to get something accomplished - and do to well, it takes a lot of time. So maybe \$20K?? There's too many of us to offer more.	About half of what Council gets.
City Council	8 or more years			

City Council	1-3 years	for many electeds, the desire to do community service through being an elected official means that we give up full time jobs while maintaining part time employment, that does not provide health care benefits so it's a tradeoff: do service, or do full time work. If we can do both while receiving needed health insurance, its a win win	I don't have a figure in mind but something more commensurate with the work involved. If not adequate, it precludes residents at lower income levels to participate, and makes our representation not reflective of out community. As an example, I have a cousin who is a Cambridge City Councilor, doing the same work, same amount of time investment, but who receives approx. \$87,000/yr., has a full time adminstrative assistant with a salary around \$55,000, and receives a travel stipend of about \$5-7K? in order to keep up with national trends and knowledge. He does the same amount of work that we do.	Not clear about how much time this job takes, assuming the focus and time is less than City Councilors and Mayor
City Council	1-3 years	As a responsible employer, the city should offer health	\$35,000 - \$50,000 (Around 1/3 - 1/2 of the Mayor's salary)	1/3 - 1/2 of the city council \$15,000 - \$25,000

		insurance to ALL individuals who work for, or serve the city.		
City Council	1-3 years	I think of the salary as an honorarium. Given where it is today, it would be difficult to ever make it compensatio n commensura te with work. However, for some folks, the benefits may help attract candidates. So, to the extent that compensation is any kind of motivation, or at least not a "de-motivat or" the benefits may help, specifically health care.	I am satisfied with the compensation. I only answered "NO" so I could comment. I don't think we could raise the compensation (politically and otherwise) to match the hours spent (in my case 800 - 1000 hours last year). This is also the kind of role where you are always on and can be engaged. That is, conversations with people you run into on the street, the market, schools, etc. When people know you are a councilor you get a lot of informational questions in addition to their opinions/comments, so you are always "on". This is part of the job and you know it when you sign on, but it would be hard to imagine a commensurate salary that could be accommodated that would have some relation to the market. Personally, as I wrote, I am fine with the compensation/honorariu m. I don't expect my salary to match the hours	As I wrote, to me these are honorariums. So, something similar to what we do today, maybe in line pro-rata with the Mayor's salary (5%)

		The pension isn't meaningful given the base for accumulatio n.	worked or qualifications.	
School Committee	4-7 years	I think there should be a stipend and health benefits or some kind of remuneratio n. Those of us who are self-employ ed and devote signifiatnt time have to take it out of the business.		
City Council	4-7 years	I have options at work, so I take whatever one is best that given year	Just an example, but if we adjust for the inflation rate on what was thought a good salary in 1997 (last increase) then we would be around \$16,000. Today, though, times have changed and due to social media and cell phones we are called upon 24/7 and attend many many community meetings. The city has a lot going on and attending meetings that may have developed on no notice, costs time at	I would base there comp on an inflation adjusted rate from 1997. The SC job is completely different from the CC, and they are not at all involved in the amount of outside activities and meetings as the CC does. The SC role is more of a Board of DIrectors role and they do little beyond that duty.

			my day job. Additionally, we don't have staff so we must do our own research on everything we do. Actual belief is that an At Large Councilor should be at \$22K, and a Ward Councilor at \$15K.	
School Committee	1-3 years	I rely on health benefits from my employer		
City Council	8 or more years			

### Appendix D - Online Survey Results9 - Outreach Subcommittee

The online survey was made available to the public through a web link that was publicized to/through:

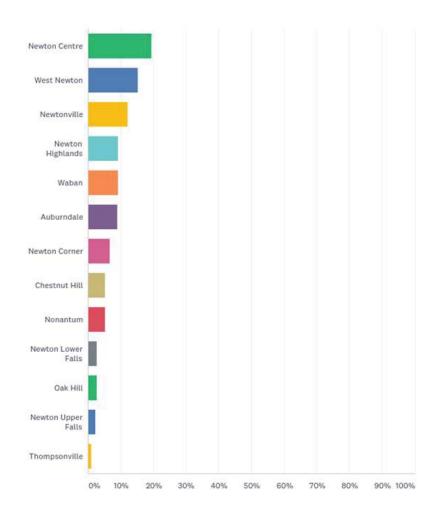
- 1. City Council friday email distribution: 3/22, 3/29, 4/5
- 2. Village 14: 3/18, 3/27
- 3. West Newton Community listsery: 3/26
- 4. Newton Highlands listserv
- 5. Amy Sangiolo Newsletter: 3/18, 3/25
- 6. Newton Patch March 29:

  <a href="https://patch.com/massachusetts/newton/newton-commission-asks-if-city-councilors-should-be-paid-more">https://patch.com/massachusetts/newton/newton-commission-asks-if-city-councilors-should-be-paid-more</a>
- 7. Newton Tab: March 25 Notes around town
- 8. NextDoor Newton <a href="https://nextdoor.com/news-feed/?post=106575210">https://nextdoor.com/news-feed/?post=106575210</a>
- 9. Facebook Newton Parents group: https://www.facebook.com/groups/NewtonMAParents/permalink/2102805679840340/
- 10. NewtonMA.gov

<sup>&</sup>lt;sup>9</sup> No changes have been made to comments by the Commission (except to remove names of comment submitters), so typos and spelling are directly from comment submissions

### Q1: In which village do you reside?

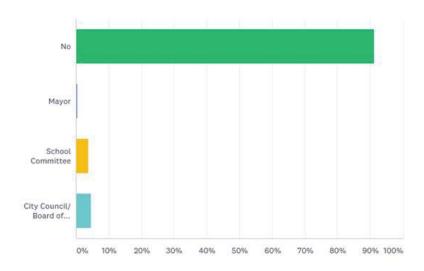
Answered: 303 Skipped: 2



Question allowed respondents to provide their name. 214 did so. See the responses in question 14.

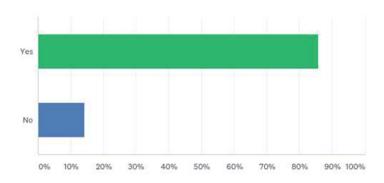
### Q3: Have you ever served in an elected role in the city of Newton?

Answered: 299 Skipped: 6



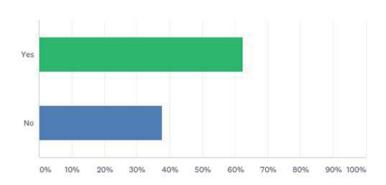
## Q4: Do you believe council and school committee members should receive a salary?

Answered: 303 Skipped: 2



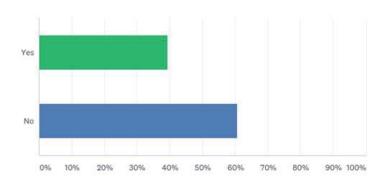
## Q5: Do you believe the salary should be adjusted at the start of a term to reflect changes to cost of living?

Answered: 298 Skipped: 7



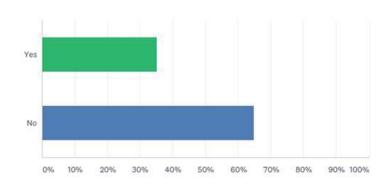
### Q6: Should minimum wage be a factor when considering salaries for these roles?

Answered: 298 Skipped: 7



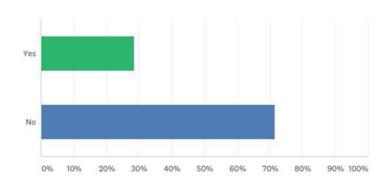
### Q7: Would you or have you ever considered running for one of these elected positions?

Answered: 302 Skipped: 3



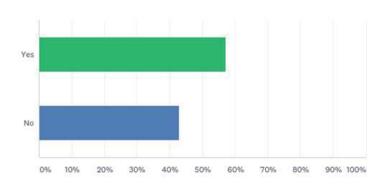
## Q8: Would the compensation provided be a factor in your willingness or ability to run for one of these offices?

Answered: 302 Skipped: 3



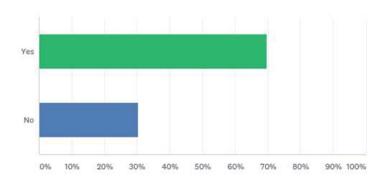
### Q9: Do you believe the compensation has an impact on Newton's ability to attract a socio-economically diverse pool of candidates?

Answered: 299 Skipped: 6



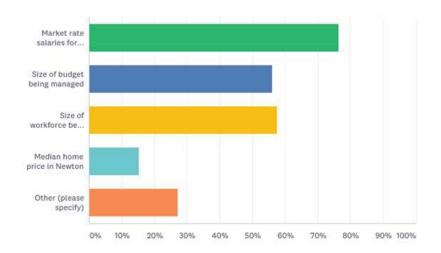
# Q10: Do you believe the mayor's compensation should be adjusted at the start of a term to reflect changes in the cost of living?

Answered: 300 Skipped: 5



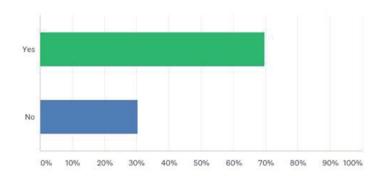
Q11: What criteria should be used to determine an appropriate total compensation for the mayor - please select all that you believe should apply from the following:

Answered: 301 Skipped: 4



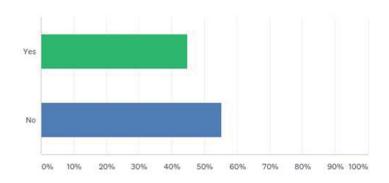
Q12: In order to attract top talent, historically some city employees have earned more than the mayor. Do you believe this is an acceptable practice?

Answered: 303 Skipped: 2



# Q13: Do you believe the mayor's compensation has an impact on our ability to attract a socio-economically diverse pool of candidates?

Answered: 302 Skipped: 3



Question 14: General Comments about the elected officials' compensation.

#### Open-Ended Response

I have served on both the School Committee and the City Council and compensation has not been a factor in my desire to serve the community. I view these jobs as a privilege and feel very fortunate to have been given these opportunities. With that said, I think that all three roles should be compensated and that the current rates of compensation are probably too low given the work involved and the length of time since compensation has been increased.

Thanks for soliciting citizen input on this important issue. My comments are: 1. The cost/value of pension and health benefits was not quantified but with a modest stipend (not really a salary) the pension benefit should not me that costly. The health benefit clearly is very valuable/costly — as much or more than the stipend. The CC and SC members are NOT employees. They are elected representatives and should not be classified as employees to access these benefits. People do not receive pensions from real employers (401K at best) and there is no reason for elected CC and SC members to be eligible for pensions regardless of the hours they put in. Likewise the health insurance benefit is out of line. Citizens do not get this benefit and a select group of elected representatives should not be raised to an elite by getting health benefits to are worth more than the stipend Moreover that there are lifetime health benefits is particularly offensive—and an exorbitant expense for the City to give a select group of elected officials a lifetime "annuity" like that Health benefits for SC is particularly out of place as their service is even more part time than the work of CC members. But in both cases health benefits are out of place 2 Compensation for the SC and CC should at token rates. A stipend to offset out of pocket expenses It is an honor to serve and to have power. These are not employment situations. 3. The Mayor is a full job so benefits are more reasonable in the case of that office. 4. There are few comparable for Newton around the state so benchmarking against other communities will be of little value.

5. I suspect that a number of SC and CC members get health insurance through their real jobs. If only some SC and CC members take the health benefit in addition to the stipend everybody gets they are collecting double (or more than double) compared to their peers. That inequality is not tied to value or performance or even level of engagement. Discontinue the health benefit — level the playing field to the citizenry that doesn't have this perk — and increase the stipend commensurately with the dollars saved on a budget neutral basis. That will make compensation fairer — and equal—across the board, not distorted by whether a SC or CC member opts for health insurance. And be budget neutral about this compensation restructuring. People are pressed to pay their real estate taxes, especially now that for so many of us they are no longer deductible under the new tax laws. 6. The Mayor's office does not need a big salary increase. People do not seek the job for the money Removing the pension and health benefit may encourage more much needed turnover on the (too) large and dysfunctional CC. Benefits should not be an incentive to hang onto office and the prospect of valuable lifetime health benefits after 10 years of service must certainly cause some incumbents to hang onto office waiting to vest rather than graciously making way for new blood to join City government Thanks for soliciting input

I vote for downsize the number of councilors and view total package of compensation for all elected officials as a positive for the city. The lack of pay for elected severely narrows the base who might consider running.

While no one believes anyone takes these roles to get rich, the remuneration should reflect the commitment and the commitment (for mayor and council) is significant. They are essentially the executive leadership of a large, highly complex organization. I don't have as much of an appreciation for the role of the school committee as their work seems to be essentially dictated to them by the superintendent, so I don't feel as strongly about their pay being adjusted at the start of a term.

With fewer councilors, the City can compensate each better.

We ask our Councilors to become experts in many areas. They must read and process numerous documents, get assistance when needed and use good judgement which takes time to formulate. Many committee meetings are required of them during the week. I fully support increase in salaries.

The work of this commission is long overdue. However, a robust and honest evaluation of compensation for City Councilors can't take place until you grapple with the fact that the complexity, duties and time commitment of the job is proscribed by the fact that there are 24 Councilors. A rigorous job analysis would reveal that the job could and should be done by less than half that number and that those jobs should be full-time, and paid accordingly. I understand why you couldn't wait until the Council downsizes in order to do this work--because at this rate it may never downsize--but from a Human Resources and efficiency perspective, the Council needs to be reengineered in order to a) attract high caliber candidates and b) attract a diverse talent pool.

As a Councilor and knowing at least partially the motivation of many colleagues, I think the reason we serve is to serve. This is probably the tradition in a way in Newton. That is not to say that this will always be the case, meaning, compensation may be more important in attracting candidates in the future, but that may also depend on the size and amount of time required. I think the compensation is appreciated and some of it winds up getting contributed back to the various Newton charitable organizations - I am more motivated in that direction because I have these funds available. I spent around 1000 hours in my first year and I attended to city activities in one form or another most days, including weekends. But that is how I work; my professional career was management consulting in a Tier 1 firm and you are always "kind of on". Council work is a 7x24 job in some ways with lots of gaps. But you are always cognizant of your role and responsibility. You take calls and emails ( I think most of us do ) at any time. This makes it tough to really value the job, which is why I think of compensation in this case as an honorarium. I think given where we are, the history etc. it would be challenging to make any significant adjustment, and I think many of us ( councilors ) probably don't think it's worth it, all factors considered. The Mayor is different, that is a full time professional executive and the Mayor needs to be compensated as such and the salary needs to keep up with inflation and trends in that type of compensation. One thing I didn't mention, as up to now I haven't used the benefits, but these are fairly generous and for some a significant offset to a small salary. I think the health care benefit may be very attractive and be more important than salary as a motivator for some to run.

Thanks for your efforts on this survey.

The Mayor's salary has been depressed since Mayor Cohen made the mistake of turning down pay raises; it should rise to the market comparable level. As for School Committee and City Council, I don't know what those officials are actually paid in relation to the base salary, but I do know they put in a lot of time doing committee work; perhaps they are underpaid as well.

I think the information about school committee members being able to vest after 10 years is not accurate. State law requires a stipend of at least \$5000 to be eligible to vest.

None of the questions above asked about benefits, which was a serious omission. I would have stated that the city council and school positions absolutely should not receive benefits. Benefits should be only available as they are at most reasonable institutions, which is for people who spend at least half or 3/4 of their professional work week hours engaged in such positions. Or, alternatively, offer the benefits but make the employee's contribution (vs the employer's contribution) much higher, reflecting that they do not work even close to full time for the city. Also, the reason I am voting against cost-of-living increases is that I do not trust the political process to keep the increases reasonable. If you pegged the cost-of-living increases to the CPI, that would be acceptable.

I don't feel qualified to answer many of these questions. I suggest investigating methods to respect the available time of school-committee members.

We need to ensure that we attract excellent leaders and enable more socioeconimcally diverse and experienced candidates to run.

Everyone in public positions need to be paid fairly.

I would like to know what the job descriptions are for city councilor and how this role relates to paid city employees' roles, is it supervisory, does it develop policy? What are the designated subcommittees of the council? Does this assignment increase the number of hours worked for a councilor? Should salary be adjusted accordingly? Who appoints a councilor to a committee or do they choose voluntarily? Is there a stated limit to "overtime"?

I'm of the mind that, apart from the mayor which is a full time job, that council members are volunteers who have a public service commitment. Some compensation is appropriate but this was not intended to be a paid job in the city. Given the #'s of people who seem to run in local elections, it also doesn't appear that there is a shortage of interested citizens willing to make the commitment. Public service requires significant time and energy; it always has and it always will. The increasing tax rates for residents, though not seriously impacted by increased compensation, is a small factor. It's time to shrink the City Council. If the City took that action first and then re-surveyed residents re: compensation for service, you might see some different answers. Thanks for the opportunity to offer input.

Mayor's salary should be significantly more.

Officials who do the best job for the citizens spend a considerable amount of time in preparation, meetings, and outreach. That should be compensated so that the pool of potential candidates is large enough to attract the best individuals.

City counselor job should be a volunteer job, in order to suffice public service requirements.

I know city councilors go to many meetings. Depended on what kind of outside jobs they have, I think they may need the money and possibly the benefits to make it worth their time to take on the role.

Eliminate Pension. Use 401k or similar retirement plans.

They are overpaid, waste taxpayers money, work is not justified for the money they make and perks they get! Stop burdening the taxpayers!!

It should not be the reason to serve but also not discourage service for those otherwise qualified by interest, experience, and desire to serve those they represent.

Pl. first reduce the size of City Council, before increasing the salaries.

If elected officials are serving the city as a part of their retirement activity, perhaps they may not require any salary. A small honorarium to appreciate their service and commitment to the community should be sufficient. Evidence shows that such activities are enormously beneficial to people in their retirement years—reduces social isolation and other benefits. But, if these are jobs that are held by young people in their preretirement years and are devoting full time, then they should be fully compensated with market based salaries and benefits.

I'm on the Newton Highlands Neighborhood Area Council. While I don't think we should receive financial compensation, I think it should be noted that we are elected officials, elected by the registered voters in our "service area", i.e. extended villagae.

Newton residents have reason to be grateful for the handful of city councilors we presently have who--following the example of past Newton councilors, school committee members, and mayors--understand public service and bring sound judgment to their tasks, as they strive to maintain Newton as a city that people of a broad array of backgrounds and economic levels can call home. We cannot adequately compensate those honorable officials. But elected offices are and ought to be voluntary positions, the rewards for which, besides the satisfaction of performing public service, are experience that may be useful in the officials' professional lives and the respect of their community. The financial rewards for all of the elected positions should be minimal, with only the mayor receiving a modest wage and benefits. That health benefits and quickly-vested pensions, massively expensive to taxpayers, are offered to city council and school committee members is unconscionable. These are matters between those officials and their actual employers. Newton's pension and health care expenses are already severely underfunded, with officials of successive administrations passing on debt as they move to greener pastures, while opening the city to the most pernicious of tax-promising Personal financial security should not be the goal of office seekers. People of interests all backgrounds and incomes, and with great responsibilities at home, can and do volunteer and contribute resources to benefit others in the community: in the schools and religious institutions, in civic and charitable groups, for medical advancements, for the preservation of natural spaces. The purported goal of broadening participation in elected office by raising financial rewards is a cynical cover for the further corruption of Newton's civic life. Rewarding a mayor according to the size and scope of that official's responsibilities only encourages the already evident expansion of the reach of that office, too often for frivolous and damaging purposes, serving mainly the end of personal ambition, selling our city to the highest, most destructive bidders, then justifying still more feel-good programs and subsidies, a truly vicious cycle. The need to bring this city under control has never been greater, and that effort has to start somewhere. The compensation committee could do a great service by holding the line.

There should be performance benchmarks tied to salary increases, so that an elected officials' pay does not automatically increase without meeting a minimum performance standard. I think the number of hours and days that one puts into the work week for these jobs should be a factor. How often does school committee and city council meet. Is the Mayor's job 24/7? If so, 125K is a pitiful salary.

It's hard to know if the salaries are high or low without knowing details about medical and pension benefits. Salaries described above are probably on the low side and should be adjusted very modestly for inflation. However, they aren't really too low of the medical and pension benefits are generous.

City employees get a lot of benefits that private companies no longer offer. This is a left over from when public service needed to attract talent and compete with private companies salaries and pensions. This is no longer the case. City employees are guaranteed raises, have good healthcare, pensions--all kinds of benefits that workers today are no longer afforded. Anyone working at city hall now and our city councilors are doing better than many others in the private sector. This must all be considered when looking at compensation.

City employees are overpaid in general. The pension and overtime benefits are amazing. The elected officials should be looking to decreases salaries, not increase them.

1) Over time there has been too little turnover on the City Council, and sometimes it has appeared that Councilors (and in earlier years, "aldermen") can be reluctant to give up the medical and other benefits. The large size of the elected boards, especially the City Council, makes it possible to "phone it in," i.e. serve in a listless manner, continuing to attend some meetings but making too few contributions, all the while motivated by the benefits. Removing the benefits would create a more engaged Council, with more opportunity for new councilors to be elected. 2) While it may seem that having a salary for elected boards would attract candidates who are not wealthy, the greater factor in my eyes is to get some of the incumbents to step down. 3) I favor a salary for the mayor that reflects his/her role as chief executive of a large organization, coupled with ZERO salary for the School Committee and City Council.

Most workers receive reviews and pay raises each year. I think city leaders should be treated the same. They're executives with responsibilities for tens of millions of dollars and should be compensated as such.

what does "vesting" mean? I think the provision (as I understand it) that people who have served in elected positions for over 10 years will receive TOTAL health benefits upon retiring is really excessive. 50% would be fairer to the taxpayers

Elective position should not be seen as a pathway to wealth or power or as a stepping stone to higher office--in Newton or anywhere else. At one time, it was commonly accepted that public office might require sacrifice, but many of our best public officials were willing to pay that price.

We are never going to get a socio-economically diverse pool of candidates unless there is decent compensation meeting their needs. I don't know if there is any way to pay the elected officials based on their needs with a base minimum.

I believe that this survey is skewed to justify increases that are fiscally irresponsible and not related to what jobs Newton officials should be doing

Councilors and school committee members should not be vested and receive benefits.

If it is a full time job then compensation should be appropriate to the job. Less than full time should be a volunteer

I find this survey to be designed to be a distraction from the real issue: the City Council's lack of compensation. The mayor does not need a raise. She is of the 1% and should by standards of social decency... serve for free. She is doing a fine job, but frankly, she doesn't need the money. Donate it to charity or leave it in the treasury. City Councillors ultimately set the city budget and hence the overall policy for the city. The Councillors should be paid commensurately with their impact. Somewhere in excess of \$85,000.00 (Or higher?). Their current pay prevents attracting reasonably competent people for these positions. Hence the current composition of the council, where the only Councillors worthy of being called "public servants" have either an extreme commitment to their fellow citizens (at a financial detriment to themselves) or, are self-employed or, of substantial wealth, and thus can afford to spend their time on civic affairs. The rest of the council are either using their position as an avenue for a state pension or simply have too much time on their hands and are a liability to the body politic by taking up a seat. We should radically revisit this structure, rebuild it as a council of eight ward elected Councillors who are paid the same amount as the Mayor. Quite frankly, many of us are getting tired of the absurdity of at-large so called "representation." Really, quite a political and social embarrassment.

I think the salary is not enough and as such you tend to have candidates like mayor Fuller who are extremely wealthy — family money or fe previous jobs — as it is the money to run for elected office is outrageous! — also she downsized her house — going from a ma soo. To a more modest yet still \$2'or \$3 million home so to appear more in line with rest of newton!! That being said, the salary shouldn't be why you apply for the job — thus prior public service experience and especially volunteer experience in Newton is absolutely critical.

I would rather we had a smaller city council that was better paid.

Pensions are unmanageable long-term. Let's go the way of private industry and provide a 401k-equivalent.

Compensation is not rocket science. Identify the most useful and effective measures and apply them to different positions in Newton city. Also, yes/no is not an appropriate way to address many issues (above). Failure to allow respondents to report "Not sure/Don't know" forced too many responses into invalid categories ("Yes/No"). Invalid statistics don't give people confidence in this effort. Next time try asking more experienced folks to review your questions. Good luck!

Running an effect government requires people with focus and commitment; failing to pay them enough to NOT have major other obligations in order to maintain a living results in the massively incompetent, small minded and distracted people we currently have running the city (outside of the Mayor). If you pay on scale with a dog walker (less than \$100 a week), then you get the intellectual equivalent of a moderately motivated middle schooler.

paying a pittance for elected official reduces the ability of people who do not have means to support themselves otherwise. Thus we skew towards the rich/wealthy in terms of those elected. Also, in this age of global warming it is ridiculous the mayor gets use of car from the city. We should eliminate this benefit and encourage our mayor to bicycle/carpool/walk/use public transportation to conduct official business.

I firmly believe that we get what we pay for. If we want "good" government, we must pay a competitive wage to attract and keep good candidates. All of these elected positions require very significant time commitments from the holders of these positions. We should compensate them for their time away from their families and their businesses or jobs. So much of our lives depend on continued good schools, efficient and fair government and a well run city. We need to invest in the people holding these offices. We get repaid not only by quality of life benefits but also by increases in home and property values. If we don't pay now, we'll pay later...

#### I think that whensomeoneruns for office

City councilors should get \$20,000 per year, but only if they change the charter: 1. to make every seat unique and individually contestable - ie, At-Large A and At-Large B from each ward, so someone can run against the one person they want to oppose, not two incumbents at once, Or go to the 8 + 8 model; 2. abolish the anti-democratic, oppressive and regressive Planning Dept; and 3. give the City Council its own Law Dept. Time for tyrants Albright, Crossley and Lipsett to retire... Mayor and administration have far too much power. Stop Korffification. End the developer-driven corruption. School Committee needs no raise. They need to end the groupthink and become completely transparent. Fire the superintendent, and get one at a lower salary who doesn't plagiarize.

It has been far too long since it has been updated. as a result, there is now little socio-economic, ethnic or racial diversity on the City Council.

Public Service is a factor absent in most employment and represents a substantial (untaxed) benefit. Accordingly while being fairly compensated is important it should not overwhelm the traditional motive of "giving back".

The compensation appears to be in line with the amount of work performed

These are responsible positions whose base salaries seem generally low when compared to private sector occupations with similar levels of responsibility and time commitment, which may affect the supply of qualified candidates. Since low salaries in top government positions often affects the salary structure for other city employees, the recruitment and retention of other key city employees may be adversely affected.

The Mayor's salary is too low for the demands and responsibilities of the position. I don't think the elected officials need a raise. They get amazing health benefits and pension that extend well past the time of their service. Who among us gets to keep those benefits if we leave our day job? Also, the Mayor is full time and that's her/his only job. Most of the Councilors have day jobs that provide other compensation and benefits to them.

The candidates know the compensation prior to running. It is disingenuous to be in office for a year an half and vote yourself a raise.

I oppose the idea of a full-time city council.

I believe the Voting Poll Workers should make minimal wage at least.

Everyone but the Mayor is NOT a full time job. This is a service to your city/community that they chose. They should not be getting benefits, pensions of any sort. A stipend is understandable but benefits and pension for life? Unsustainable!!

While minimum wage and COLA should absolutely be considered for city employees, elected officials serving on the City Council or the School Committee agree to run for the office knowing the salary & benefits for the positions. If elected, they are free to vote for and increases (or in the case of school committee request an increase) during their term of public service if they feel it is warranted.

our councilors are wonderful! Every time I came to a hearing I went home feeling good about our city government.

In the beginning of the USA, people served without compensation and out of duty. Government service has become more of a business rather than a public service or obligation as citizen.

They are elected officials. For the most part they all have full time jobs and are not in it for the money . With that said it is a huge time commitment. Offering them health and dental and life insurance is a benefit .. those that waive that and get benefits from their real day job should get some sort of benefit. I am not sure the money being paid now can even be considered as "salary" Perhaps a study needs to look hard at the time they work for the city in meetings and on boards. If you look at it as an hourly think I bet the city is getting a great deal. I bet they all work many more hours a week / month than. Many think Rather than increasing salary perhaps it you should explore a matching system of sorts to help them set aside more money for retirement in lieu of a salary now.

The fact that they get benefits such as pensions, health care as well as all those company cars we have to pay for means that they should be earning less salary than similar positions in other organizations.

I don't believe the City Council or School Committee members should receive the benefits package: Health, Dental, Vision, or Pension. This is an expense to the City of Newton. Most of these people have other full time positions.

#### \$125K is rather meager.

I'm all for improving the pay of public servants. However, I would not support improved pay or benefits for elected officials until the size of the city council is reduced.

If, on the other hand, the goal is to obliterate what diversity exists in Newton now, by all means, increase the salaries of civil servants: people who should not be entering public service with an eye to improving their financial situation - ESPECIALLY when their status is already extremely wealthy. It just looks rapacious, misses the supposed point of public service, and guarantees an even greater and speedier separation in the income inequality problem.

You have not factored in the value of the health benefits when asking about elected officials' compensation, which, in my opinion is worth much more than the salaries of the council and school committee members. Most part-time jobs don't come with such comprehensive (and valuable) benefits, so to talk about "salaries" for these positions isn't really what the discussion entails. Also, we should determine the size of the council before discussing compensation.

I think the salaries have to be adjusted from time to time, but I don't think the salary should be the incentive to run for office. In theory, those serving the city have had and may still have jobs that also come with salaries, and the benefits are worth quite a bit as well.

City Councilors and School Committee members should receive a stipend to cover out of pocket costs. The Mayor needs a salary that is within competitive ranges, allows one to live in the community and relates to performance.

If a position requires a full time commitment between constituent services, public meetings, and other duties it should be compensated such that it can be the office holder's full time job. Otherwise we risk an applicant pool that is biased towards the needs of their day-jobs (paticularrly legal and real estate).

I would like to see all city officials compensated for the amount of time required to perform these jobs well. Otherwise the jobs will not attract candidates who represent the majority of residents: those who need a reasonable income to support living in Newton. Instead the jobs would likely attract interest only from those with another source of income - either a full-time job (and therefore limited time for their city role) or private wealth (which would likely affect their perspective on issues of concern to many residents).

In general, I would argue for a professional executive level salary for a job like mayor. You want it to be a factor when attracting top talent to run for the job. Elected board compensation is different. I would describe it as a stipend earned for public service. Once that stipend has been set, it is only right for it to vary with inflation. If there is a consensus that city councilor is a full-time job then I would revisit the idea of a bigger salary. I am not aware that it's a full-time job in Newton.

Councilors do an enormous amount of work. They should be compensated for that. Perhaps committee chairs should be compensated extra...

Our elected officials chose to run for the positions they hold knowing what the compensation will be. In the past, Alderman received no compensation. The fact that they receive health benefits while being allowed to hold jobs (Councilors), is quite a plus considering the cost of Health Insurance premiums.

it would be good to know who is making more money than the mayor per annum; what about salaries for police, firemen/firewomen, and other public employees?

Did I read that city council members receive healthcare for life? That seems crazy. If true, I strongly feel that practice should end. It is an unreasonable burden on taxpayers.

I think the School Committee members salary should be increased.

I think anyone earning a 6-figure salary who is an elected official meant to serve the community should willingly take a pay-cut. If you are a public servant, a 6-figure salary is outrageous, especially given that it's becoming nearly impossible for anyone from the lower to middle class to afford to live in Newton anymore (I certainly wouldn't be able to live here if my parents hadn't purchased the home I live in in 1963). And I have a PhD! That's just wrong.

Mayor. 250000 Council. 25000 School. 20000

Civic duty, particularly part-time positions like council and schoolboard, is a labor of love. Anyone who does it for the money already is automatically conflicted.

Without knowing what the city pays for benefits and what benefits are available to retirees it is impossible to judge. We have a \$1.3B liability for unfunded obligations already.

City council/school committee absolutely should not receive health/dental/vision benefits. Figure out how to reclassify council members to non-employees; pension eligibility is ridiculous.

1.) Please check out this interesting Oct 2018 article about Mayoral salaries. https://www.bizjournals.com/bizjournals/news/2018/10/05/public-paychecks-what-does-a-cit y-mayor-earn-heres.html 2) I am unable to answer Question 3 since I serve in an elected position in the City of Newton that is not listed in the choices. I have been an elected Waban Area Councilor for 4 years!

Like the mayor, I believe high level officials, superintendent, chief of police, fire, staff, CFO, etc, should also be required to be residents.

While I support increasing the salary of city councilors, I do not believe they should receive health benefits unless their official number of hours per week is in keeping with the standard used for other city employees (20 hrs/week). If the city council is downsized, then I think the compensation issue should be revisited.

The City Council position and duties has changed radically in the past 20 years since the last City Council pay raise. Just on the face of it, if the current comp was fair in 1997, then it cannot possibly be today? The Councilor trying to work a fulltime job is addressing calls/emails/and drop-in residents all day, and usually 7 days a week. In this age of social media we are on call 24/7 and impromptu meetings can occur in a neighborhood in 2 days requiring our attendance. Also, not all Councilors use the medical/dental and if they don't participate they are not receiving an offsetting amount; and additionally, once an employee hits 65 they go on Medicare and are no longer costing the city. This makes medical and dental a semi-non issue in the discussion. Many elected officials serve only a few terms and would not receive a pension so that should also not be a consideration. I believe that the current system works for those that do not need to work (at many ages), retirees, and the very wealthy. Each time I run we have to evaluate the realities of lost work time, so I imagine with cost of about \$10K to win a seat, that many with tight incomes and rigid work schedules cannot consider running for office. Very frankly on School Committee comp, and with their role as more of a Board of Directors, and not addressing resident concerns and attend meetings like a City Councilor makes their role completely different. Having the SC comp at 50% of the City Council seems more than fair. I will submit a more detailed letter to the Comp Committee. Thank you.

If you want to increase the elected officials compensation, you must reduce the number of elected officials, to many at present!

We are in a deficit with the pension for the city. With taxes going up every. I can't afford to live here. We are going to build a new senior center. A park over the mass pike. New everything from Newton conner to West Newton square. I don't know who is going to pay for this. If my taxes go up any more, I have to move. I live on Social Security.

Every one of the City Councilors is motivated by public service, not monetary compensation. I do not support any increase. The size of the Council should be addressed before compensation changes are even considered.

I think that as a rule the compensation offered for the position of mayor is not a major factor to the people running for that position.

Compensation is important, but ii is not the reason that people seek elected office.

I think the mayor's salary and the base stipends for city council are too low. I don't know what is involved in being on the school committee so while the stipend there seems low, I can't comment on whether it really is. Superintendent David Fleishman's salary is too high, there is no need to pay folks > \$200K to get them to take that job.

Do think Mayor's salary is low compared to job responsibilities/amount of time dedicated to residents & public events. Some hard-working employee do not seem to be receiving pay commensurate with their work load & performance. In my opinion, there are employees both over AND under paid

The amount of compensation, in part, depends on whether the officials have outside employment

A market analysis should be done looking at comparable cities. Market rates for school superintendents may often exceed rates for mayors. Again, look at market data and see if that is true for cities that have a comparable high school ranking.

I think that alderman and school committee members should NOT receive health insurance benefits or pensions. I believe that they should have other employment outside of these positions. These are part time positions. I am good with a 403B and an employer contribution but NOT a pension. AND NOT health insurance.

The reason I'm supportive of more pay is my sense that the city council comprises too many people who make a living serving real estate development interests in Newton (e.g. architects and lawyers) who have other incentives to run for city council.

Questions 5 and 6 assume that salaries for these roles are the sole salaries for the individuals serving. To what extent is this the case? For example, if an individual has another FT role, wouldn't that role consider factors such as housing increase and minimum wage? Are the majority of committee members serving in a PT capacity? Is committee involvement a secondary role for them? I need more information and data to fairly and adequately respond to these specific questions as currently posed.

Newton elected officials shouldn't be trying to manipulate the public into giving them lavish pay raises when they and their predecessors are collectively responsible for saddling Newton taxpayers with \$1.35 billion in debt and retirement benefit liabilities.

I believe it is low. I'm also not clear why City Council gets paid twice school committee. Do they really commit twice as much time to the job? That is not what I have witnessed.

While I don't think councilor or school committee salaries should be tied to the minimum wage, it's striking to me that the councilor's weekly salary is \$187.50 -- assuming a councilor works 15 hours per week, that's \$12.50/hour -- less than a teenage babysitter makes.

There are so many critical issues to be managed and regulated in a town of any size, let alone ours, much time, study and commitment is required- if the job is done well. Don't know how councilors with other major occupations manage it if they perform well.

There are too many city council members

people run for office in order to move to higher elected positions (congress, senate,etc) not for the salary as mayor, councilman etc.

It seems to me that Newton is well governed.

Have always believed that 'elected' officials should not be compensated like 'non-elected' jobs. One should not run for elected office solely for the salary. They should not be life-time positions either. I hope the commission remembers that when trying to determine a fair salary for the office of Mayor of Newton

It is important that other benefits, especially health insurance, be offered to all elected officials as they are to other employees. Elected officials are willing to serve at below-market salaries but should not be penalized by also withholding other benefits.

I don't think City Council members or School Committee members should receive health benefits, dental benefits or vision benefits. Nor do I think they should receive a pension.

Paid elected officials should be required to devote full time to the position to which they have been elected.

Want people dedicated enough to make financial sacrifices not those looking for a job

The benefits of Health, Dental and vision for our city councilors, school committee and Mayor should weigh in heavily as part of their compensation.

Newton is a BILLION \$ in debt to appease the union-friendly candidates !!! Stop taxing everyone and spending to appease the unions!

this survey is flawed because of lack of information on the dollar value of benefits. It is benefits, not the salary that probably encourages people to run for reelection!

I think market information should be reviewed for the council and school committee positions as well. I'm interested in understanding whether it is required by Massachusetts law/federal law that council and school committee members be employees. Particularly given what I understand to be the issues related to pension liabilities. Can these positions be made non pension eligible - they are not full time roles.

Mayor should be the only one who receives compensation

I am a member of Newton Citizens Commission on Energy. We collect no compensation and have no budget even for the most basic support. And yet, we work very hard on behalf of the City. I view the role of City Council the same way. They receive dental, health, etc insurance a symbolic compensation, and retirement benefits. That is MORE than enough. As to the mayor and top executives: I do not believe that increasing these salary will attract more talent that we already have (which is superior). And that includes socioeconomically diverse candidates for these positions.

Elected officials are hard working-dedicated group of citizens and should be compensated for their long hours in chamber and their contribution to make Newton a better place for it's residents-

Overtime manipulation by police and fire to increase salaries should be reduced. The mayor should be higher

I believe our officials should be fairly compensated to ensure that government service is an attractive line of work for worthy and determined candidates — not a hobby for the richest

In addition to serving as an elected official I must work an additional full time job to support myself/family. I recognize that I was aware of the circumstances of city council compensation before I ran for public office, but am struck by how difficult it has been to maintain the two roles in practice. I often think how much more effective I could be as a city councilor if I only had one job. I think my voice on the council is important, as a working mother, but can completely understand why more working mothers are not able to do this role because the balance is too challenging. An increase in compensation would take pressure off of my full-time day job, (maybe I would only need to work part-time) and help pay for childcare expenses put in place because I am out of the home so many nights. I don't take the city offered insurance package, that is not a carrot for me, nor am I interested in the pension plan, as I think pension plans are challenging for the long-term health of the city and not a big enough benefit to CC for the amount of fiscal pressure it puts on the city. Thank you for considering this important issue.

I wouldn't change compensation every year for Councilors and SC, but I would increase SC compensation. This took an enormous amount of time and resources. Compensation could be revisited every 4 years or so, whatever's best with the functioning of the city's overall budget and plans, not necessarily every year. Good luck.

I don't think the Mayor's salary will can ever be "competitive" with the private sector or even some Town Managers but it does need to reflect how hard the role is and be attractive to someone who may need to leave a job that supports a family in Newton.

These salaries should enable people to give up their time to act as public servants, they shouldn't be the reason people give up their time act as public servants.

More governmental work should be handed over to professionals. The City Council and School Committee should not be full time jobs, just oversight committees.

#### Fewer council people

Because of Newton's demographics, I believe that people would run for the vision they have of the City and the things that are important way to effectuate their vision. The Mayor's salary, as it may be adjusted for COLA, is plenty adequate. If someone wants to make a lot of money, they shouldn't run for mayor. The job is about leadership and direction, not financial gain....I'd like to be asked about the NPS Superintendent's salary sometime...

I think that review and adjustments, from time to time, should be done in Newton. We were not asked about City Council and School Committee, but both of these amounts seemed low to me, especially for the City Council, which seems to require many hours of work.

our elected officials compensation ought to be somewhat comparable to those of other communities with comparable job responsibilities

I don't think salaries should be a main consideration for people when considering running for an elected position.

It seems that outside of the mayor only those who have significant additional outside income can serve on the city council or school committee. These roles are vitally important for our city and while it's great that people basically volunteer for the positions, I think it would be good to at least consider what the minimum wage would provide.

Thank you to all the elected officials who work so hard for our city!

For the responsibility, time commitment, and stress involved in a City Councilor's job, the current salary is ridiculously low. I would favor a significantly higher compensation (perhaps 1/2 to 3/4ths of the Mayor's salary, depending on the size of the Council), but with no pension. Most Councilors have other means of support or can use their post-office reputation to support themselves.

Benefits package sufficient to offset lower salary for councils and committees where workload is shared. Mayor's salary has already attracted a very good mayor at the current level. No evidence that compensation level is commensurate to performance that I am aware of. In fact, highly paid urban mayors seem statistically just as prone to good/poor performance as lower paid mayors.

Having no adjustments for so many years is poor fiscal management regardless of budget pressures. Candidates have, in fact, "lost relative value". A performance and inflation based review / compensation process seems more realistic.

Elected officials need to be able to afford to live in Newton. Without adequate compensation, the field will be narrowed to only the wealthiest candidates. Our elected officials are dedicated to quality of life in Newton and surrounds, work diligently and thoughtfully and respectfully. They should be well compensated.

Although I do not believe in regular "cost of living" adjustments, I do believe in regular review and re-setting of appropriate levels of compensation. These decisions should reside with the elected officials and the accountability for those decisions comes during municipal elections.

I think the mayor's compensation is about right. The council and school committee's seems a bit low.

Question 4 did not allow differentiation between councillors and school committee members; I support councillors being paid a stipend, but not school committee members. It seems other committees have similarly time-consuming responsibilities that are not recompensed. In addition, if there is any upward movement in councillor salaries, I'd like to see more accountability to residents through regular communication from them as individuals. Thank you for the opportunity to comment.

While I appreciate that the position should not irrevocably harm one's life style, neither should one's lifestyle unduly benefit from it. This is public service and one ought not to be doing it for personal gain.

Medium-size hospital and college presidents would be a reasonable comparable

Given the rate, pace and strategic importance of the decision making demands on our elected officials, it is ludicrous to expect that they can do this while working full time because the current compensation structure is far below the Federal poverty level.

In assessing the value of a compensation package, the pension should probably be more than a footnote - it is a significant part of most public employee compensation and has a net present value - and is a benefit not part of most private sector jobs. Additionally, pension obligations are a significantly overlooked liability for many municipalities.

Consider eliminating the insurance and pension components for city councilors and school committee members. The salary is a stipend for their service, but their primary workplace should provide these other benefits vs. driving up costs for city residents.

I am actually surprised by the low compensation for Councilors. What is the average number of hours spent by Councilors in metings and preparation?

I think after 200 or so years the white male has had his turn. Dont you. Give a minority a chance. Raise all boats.

Give them a bit more if they get more fiscally conservative and slow raising taxes and fees on everything.

city council should establish the salary scale, to be effective only at the beginning of the next term, and not effective currently. The scale should not be automatically adjusted--that is a cop out.

Served as elected member through area council. City Council members should not need medical benefits since Mass already required insurance through their full time jobs. Seems to be an outdated practice

Newton can and should pay elected officials competitive salaries. What the city needs to reign in are unsustainable retirement packages.

I think the amount it costs to campaign and run is more prohibitive to a socio-economically diverse pool of candidates than compensation.

City council and school committee members should receive pre rated benefits and higher compensation.

I don't believe the top level people at City Hall make enough money. I have no personal interest in any of this. I just think they are woefully underpaid. On the other hand, I think the fire and police chiefs make way too much. That is why I responded no to question 12.

Compensated just fine at the moment.

seems that we have very qualified and capable candidates at the current salary level

I would be more supportive of salaries for our councilors if there were fewer councilors who would be doing the job "full time"

I think school and council positions should be volunteer positions, and I find it hard to believe that this city does not have enough good people who would not do it as part of their civic responsibility.

I believe the Mayor of a city the size of Newton should be earning at least \$200,000 in base salary.

Generally I think salaries should be higher but pensions have got to go. Or they should be explicitly imputes into the salary. The pension is probably going to cost us more than the salary. It is not a fringe benefit. Subject to that, city councilors and the school committee members are woefully underpaid.

For the hours council and school committee spend, their salary should be adjusted

Newton does not need a paid professional perpetual self-serving political class. Members of the community should serve for short periods of time. A stipend is appropriate to cover expenses incurred while serving, such as transportation, supplies, etc.

City Counselors should get a raise. It appears they put in a huge amount of work and have a large responsibility to shape the city for years to come. Grossly underpaid

I believe elected officials should receive reasonable compensation. For the mayor, compensation should be commensurate with the position. For school committee and city council, compensation should recognize the cost to those who serve but should not encourage members to turn these positions into "full time" jobs.

# Appendix E - Summary of City Counselor and School Committee Compensation

# City of Newton Blue Ribbon Commission on Elected Officials Compensation

A Report to the Commission 5/6/19 Update



Blue Ribbon Commission comp survey 5-6-19

## **Survey Summary**

At the request of the Newton City Council, a Blue Ribbon Commission has convened to make recommendations regarding compensation of its elected officials: Mayor, City Councilors and School Committee members. The Commission has collected input from various sources including a survey of peer communities, the basis for this summary, supplemented by publically available data.

Initial Survey/Data Findings

Mayor and City Council (13 communities reviewed and summarized)

- Newton's Mayor salary and City Council member stipends are 89% and 50% respectively of peer community averages
- More than half of communities reporting state that compensation reviews are unscheduled
- · Methods to adjust compensation were not well reported although two communities apply an inflation factor
- · Access to group health plan benefits, subsidized or not, is common for communities reporting

School Committee (11 communities reviewed and 10 summarized)

 Only one of 10 peer communities report a stipend or benefits to members. The city of Cambridge was a significant outlier paying committee members an average of \$38,000/yr. No benefit eligibility reported.

# Survey Summary cont'd

he difference in peer communities selected for the 2019 and 2005 studies does not allow a fair comparison over time. Still, the atio of Mayor's salary to peers average salary is fairly consistent for the two periods as shown below.

	Avg. Salary Mayor		Average Stiper	d City Council	School Committee	
	2019	2005	2019	2005	2019	2005
Newton	\$125,000	\$97,500	\$9,750	\$9,750	\$4,875	\$4,875
Peer Communities – all	140,367 <sup>1</sup>	105,958	19,399 <sup>2</sup>	9,046³	Insuff. data	3,311
Newton Pct. of peers	89% <sup>1</sup>	92% <sup>2</sup>	50%	108%		147%
Communities summarized – all	13	15	13		10	
Same communities summarized 2005 and 2019	61	,4	72	,3	5	
Same communities 2005 and 2019 avg.	\$155,5291,4	\$111,695	\$20,025 <sup>2,3</sup>	\$12,045		
Newton Pct. of same communities avg. 2005 and 2019	85%	87%	49%	81%		

or officials other than Mayor, the 2005 Commission used the approach to set City Council and School Committee member stipends as a percentage of the Mayor's salary, 10% and 5% respectively. The more recent average percentages for Newton and peer communities are as follows<sup>5</sup>:

2019	Avg. City Council Stipend: Mayor's Salary
Newton	8%
Peer Communities	14%1,2

<sup>1</sup> Excludes outlier City of Lowell
2 Excludes outlier City of Cambridge
3 Includes communities not paying any stipend
4 Same communities with job title of Mayor or City Council 2005 and 2019: Brockton, Framingham, Haverhill, Lynn, Quincy, Somerville:
5 (excluding school committee due to insufficient date)

## Survey Summary cont'd

- Mayor's salary is peer-competitive (89%) and if no peer based change is recommended for this position, the Commission could
  decide to resume the practice of setting City Council and School Committee as a percent of Mayor's salary, or move to set
  stipends at levels consistent with survey averages. In sum, City Council stipends could:
  - Remain as is, set to 8% ratio to mayor's salary, or
  - Revert to the historical 10% ratio, or
  - \* Adopt an external survey approach and raise stipends to the peer community average of 14%
- School Committee stipends, could continue at 50% of the City Council stipend decision. An increase to School Committee stipend over \$5,000/yr. will trigger voluntary eligibility for the Commonwealth pension plan.

#### City Council (24)

	Annual Stipend p	er Councilor	Gross Annual Stipend Expense			
Current stipend ratio to Mayor's salary	8% of Mayor's salary (current practice)	10% of Mayor's salary (prior practice)	14% (match Peer avg.)	8%	10%	14%
8%	\$9,750	\$12,500	\$17,500	\$234,000	\$300,000	\$420,000
Pct of Peer avg. ☐	50%	64%	100%	net cost over current	\$66,000	\$186,000

#### School Committee (8)

Annua	Stipend per Memb	er (50% of City Coun	cil)	Gross Annu	al Stipend Expe	nse
Current ratio to Mayor's salary	4%	5%	7%	4%	5%	7%
4%	\$4,875	\$6,250	\$8,750	\$39,000 net cost over current	\$50,000 \$11,000	\$70,000 \$31,000

# Requests to Complete a Survey

Request (✓) to participate in an online survey was issued April 1, 2019 to the following peer communities.

Community	Mayor	City Council	School Committee
Bedford			/
Brockton	1	/	
Brookline			/
Cambridge	/	/	/
Concord			✓
Everett	/	/	
Framingham	1	1	
Haverhill	/	/	
Lawrence	/	/	
Lexington			✓
Lowell	/	/	
Lynn	/	1	·····
Malden	1	1	
Needham			/
Quincy	1	1	
Somerville	/	/	/
Taunton	/	/	
Waltham	1	/	
Wayland			/
Wellesley			/
Weston			/
Westwood			/
Surveys issued	13	13	11
Survey results reported	5	5	0
Reported from other sources*	8	8	10

<sup>\*</sup> Phone conversations with community HR representatives or news outlets

# Survey Questions – Mayor / City Council / School Committee

Category	Question	Response options
Compensation	1. Annualized salary or stipend	Fill in amount
	2. What year did the last pay increase occur?	Fill in year
	3. What was the method used to arrive at the last increase?	Cost of living adjustment since prior review     Calculated competitive salary to peer communities
	4. What was the reason for the last increase?	<ul> <li>Periodic update for:</li> <li>Inflation</li> <li>Remain comparable to other communities</li> <li>Alignment with city employees</li> <li>Ability to field candidates</li> </ul>
	5. Are pay increases scheduled?	Yes - annually Yes - other than annual Unscheduled
	6. Who approved the last increase?	Mayor     City Council     Referendum
	7. What are other forms of compensation (indirect) provided?	Use of car Reimbursement for elective conferences Committee Chair or other ongoing leadership role
Benefits	8. Does your community offer medical insurance to these positions?	Yes, unsubsidized Yes, subsidized Not offered
	If "yes" to above, can these positions continue community sponsored medical insurance (following) COBRA as a retiree?	Indefinitely, following minimum years of service     Yes, for a stated period of time     No coverage extended following COBRA period
Profile	10. Provide job descriptions	Provide text description
	11. Which governing profile best describes your community? *	'Strong' or 'weak' (see appendix)

<sup>\*</sup> Question omitted from school committee survey

# Peer Community Mayors - Survey Responses/Public Data

Community	Gov't Profile	Mayor's salary	Year of last pay increase?	Method to arrive at last increase?	Are pay increases scheduled?	Reason for the last increase?	Other compensation (indirect)	Medical insurance offered?	If "yes" to subsidized, continue insurance as a retiree?
Brockton	Strong mayor	\$151,402	2018	Cost of living	Yes – annually	Periodic update for inflation		Yes, Unsubsidized	9
Cambridge	Weak mayor	\$119,024							
Everett		\$160,000*							
Framingham	Strong mayor	\$187,630	2018	Compared to Town Manager's compensation	Unscheduled		Use of car; Reimburse elective conferences	Subsidized	Indefinitely, following minimum years of service
Haverhill	Strong mayor	\$110,000	2017	Competitive salary comparison	Yes – annually	inflation; stay competitive; align with city employees; field candidates		Subsidized	Indefinitely, following minimum 10 years of service
Lawrence	Strong mayor	\$100,385	2008	Competitive salary comparison	Unscheduled		Use of car	Yes, Unsubsidized	Yes, for a stated period of time
Lowell**	Weak	\$30,000							
Lynn	Strong mayor	\$145,000	2018	Competitive salary comparison	Unscheduled			Yes, Unsubsidized	No coverage following COBRA election period
Malden		\$105,000							
Quincy		\$159,142							
Somerville		\$180,000							
Taunton	Weak mayor	\$125,500	2018	Competitive salary comparison	Unscheduled		Use of car; Reimbursement for elective conferences	Yes, Subsidized	Yes, indefinitely, following minimum years of service (described in "Other")
Waltham		\$141,320							
Average all		\$131,877							
Avg. excluding	Lowell	\$140,367							
Average 'stron	g' profile	\$138,883							
Average 'weal	d' profile	\$91,508							
Newton		\$125,000							
Newton ratio	to 'all'	95%							
Newton ratio	excl. Lowel	l 89%							

<sup>\*</sup> Scheduled to increase to \$185,000, January 2020
\*\* Lowell is included in the table but considered a data outlier for salary and given there is a of Town Manager, the Mayor is not considered comparable for this study's purpose

# Peer Community City Councils – Survey Responses/Public Data

Community	Councilors average salary	Councilor Chair or President (additional)	Year of last pay increase?	Method to arrive at last increase?	Are pay increases scheduled?	Reason for the last increase?	Other compensation (indirect	Medical insurance t)offered?	If "yes" to subsidized, continue insurance as a retiree?
Brockton	\$15,473		2019	Cost of living	Unscheduled	Periodic update for inflation		Yes, Unsubsidized	
Cambridge	\$78,768								
Everett	\$28,608	\$37,190*							
Framingham	\$5,000	\$8,000	2018	Compared to Town Manager's compensation	Unscheduled		elective conferences reimbursement; \$3,000 committee chairmanship	Subsidized	Indefinitely, following minimum years of service
Haverhill	\$15,000	\$18,000	2017	Competitive salary comparison	Annually	inflation; stay competitive; align with city employees; field candidates		Subsidized	Indefinitely, following minimum 10 years of service
Lawrence	\$15,000		2008	Competitive salary comparison	Unscheduled			Yes, Unsubsidized	Yes, for a stated period of time
Lowell	\$25,000								
Lynn	\$25,000	\$27,000	2013	Competitive salary comparison	Unscheduled			Yes, Unsubsidized	No coverage following COBRA election period
Malden	\$17,500								
Quincy	\$27,000								
Somerville	\$25,000								
Taunton	\$10,000			Competitive salary comparison	Unscheduled			Yes, Subsidized	Yes, indefinitely, following minimum years of service
Waltham	\$21,502	\$22,302			Unscheduled				
Average all Excl. Cambridge Newton Newton ratio: • to all • Excl. Cambridge	\$23,758 \$19,399 \$9,750 41% 50%								

<sup>\*</sup> The City Council President of the City of Everett receives a 30% premium for additional duties

## Peer Community School Committee -Survey Responses/Public Data

Community	School Comm. Avg. salary	Year of last pay increase?	Medical insurance offered?	
Bedford	\$0		No	
Brookline	\$0		No	
Cambridge	\$38,000*		No	
Concord	\$0		No	
Lexington	\$0	No		
Needham	\$0		No	
Somerville	\$0		No	
Wayland	\$0	No		
Wellesley	\$0		No	
Weston	\$0	No		
Westwood	\$0		No	

Newton \$4,875

\* Source: Cambridgeday, 10/6/17, https://www.cambridgeday.com/2017/10/06/including-meetings-canceled-til-nov-21-school-committee-is-best-paid-less-busy/

#### Benefits - Retiree Health

Newton elected officials or unelected employees are eligible for retirement health benefits if pension vesting requirement is met per City Counsel. Response to questions summarized below.

Q: May health benefits to elected officials continue following service and without age limit after a certain period of time?

A: Per the Newton City Solicitor, "Rights of the Mayor, Board of Alderman and School Committee members to health and retirement benefits is governed by state law. Massachusetts General Laws Chapter 32B provides that government employees (including elected officials) are eligible for group insurance benefits if 1) they work more than 20 hours per week or 2) the Mayor determines that said officials are eligible for such insurance. A Mayor of the City has at some point determined these officials to be eligible for benefits regardless of the number of hours worked. The Mayor, City Councilors and School Committee members are officials elected by popular vote so, assuming they file a timely written application, they are all entitled to membership in the Newton Retirement system.

Q: What is the Newton Retirement System and what is the connection to retiree health eligibility?

A: The Newton Retirement System is one of 104 contributory retirement systems for public employees bound under Chapter 32 of the Massachusetts General Laws. If any elected official is a member of the retirement system, vests in the retirement system and ultimately retires from Newton, that person is entitled to health insurance benefits for life as a Newton retiree just like any other vested and retired Newton employee. All elected officials are credited 100% full time equivalence for service credit.

Q: When do retiree health benefits commence?

A: Retiree health commences upon taking a retiree pension. The elected official or other city employee who qualified for a pension and has a break in service prior to commencing his or her pension may (re)commence health benefits, medical or dental, when the pension begins.

Source: City Solicitor

### Benefits - Retirement

Newton vesting and pension formula aligns to Commonwealth of MA pension rules

Visitian	Very second state and the second second 2 2012 and the law 20 conserved fields
Vesting	<ul> <li>You entered state service prior to April 2, 2012 and you have 20 years of full-time creditable service at any age, or</li> </ul>
	<ul> <li>You entered state service prior to April 2, 2012 and you attain the age of 55 with ten years of full-time creditable service, or</li> </ul>
	<ul> <li>You entered state service on or after April 2, 2012 and you attain the age of 60 if retiring from Group 1 (officials and general employees), with ten years of full-time creditable service.</li> </ul>
Design and Benefit	Enrollment is optional
	<ul> <li>Upon enrollment the plan requires pre-tax contribution of 5-9% based on service date (above)</li> <li>Benefit based on formula:</li> </ul>
	• Age
	<ul> <li>Length of credible service</li> <li>Highest 5 years of pay (entering Apr 2012 or later)</li> </ul>
Other	<ul> <li>If you leave state service after you are vested, you may leave your retirement contributions in the system and receive a state pension once you meet the minimum age requirement.</li> </ul>
	Can request distribution if termination prior to vesting; 3% interest accrued

Sources: Source: MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM GUIDERETIREMENT SYSTEM; MSERS Retirement Benefit Guide Feb.2018.pdf; https://www.mass.gov/files/documents/2018/05/30/MSERS%20Retirement%20Benefit%20Guide%20Feb.2018.pdf? ga=2.238315593.854907249.1555528155-63 4149091.1555261642

# Appendix

## Peer Communities at a Glance

Community	Type	City Budget* (\$M)	# City Councilors	# School Committee members
Bedford	Town	\$96	5	4
Brockton	City	\$387	11	8
Brookline	Town	\$318	5	9
Cambridge	City	\$636	9	7
Concord	Town	\$107	5	5
Everett	City	\$177	11	9
Framingham	City	\$288	11	10
Haverhill	City	\$194	9	7
Lawrence	City	\$301	9	7
Lexington	Town	\$221	5	5
Lowell	City	\$332	9	7
Lynn	City	\$320	11	5
Malden	City	\$178	11	9
Needham	Town	\$208	5	7
Quincy	City	\$311	9	8
Somerville	City	\$242	11	7
Taunton	City	\$157	9	10
Waltham	City	\$269	13	8
Wayland	Town	NR	5	5
Wellesley	Town	NR	5	5
Weston	Town	\$77	3	5
Westwood	Town	\$99	3	5
Newton	City	\$413	24	8

<sup>\*</sup> Most recently approved or proposed

# Survey Responses – Process to Collect Data Summary

Responses input online by community representatives or collected by the BRC subcommittee from other sources

Community	Data Resource
Bedford	Survey Monkey
Brockton	Survey Monkey
Brookline	Patch.com, 3/29/19
Cambridge	FY19 City of Cambridge Budget; FY19 School Committee Budget; Cambridgeday.com, 10/6/17
Concord	Phone
Everett	Everettindependent.com, 6/17/17; Myeverettnews.com, 11/22/17
Framingham	Survey Monkey
Haverhill	Survey Monkey
Lawrence	Survey Monkey; FY19 City of Lawrence Budget
Lexington	Phone
Lowell	Lowellsun.com, 9/28/16; FY19 City of Lowell Proposed Budget
Lynn	Survey Monkey
Malden	FY18 City of Malden Adopted Budget
Needham	Phone
Quincy	Patriot Ledger, 3/9/18
Somerville	FY19 City of Somerville Budget; Bostonglobe.com, 1/19/13
Taunton	Survey Monkey
Waltham	Patch.com, 1/9/19
Wayland	No response
Wellesley	Phone
Weston	Phone
Westwood	Phone

## Survey Questions – Governing Profile\*

#### Strong Mayor Profile

- · The mayor is elected by citizens to that office.
- · The mayor is the chief executive officer, centralizing executive power.
- The mayor directs the administrative structure, appointing and removing of department heads.
- While the council has legislative power, the mayor has veto power.
- The council does not oversee daily operations.

#### Weak Mayor Profile

- Mayor serves a council-manager form, and are elected from within the city council.
- · The council is powerful, with both legislative and executive authority.
- · The mayor is not truly the chief executive, with limited power or no veto power.
- The council can prevent the mayor from effectively supervising city administration.
- · There may be many administrative boards and commissions that operate independently from the city government.

\*Source: National League of Cities, www.nlc.org/mayoral-powers

**Appendix F - City Council Pay Comparison** 

						Salary Ratio Costs	
Community	Population (2015)*	Budget (FY19)*	# CC	Salary Each CC	Sum Salaries	Avg. Cost Per Resident	Cost Pct of FY19 Budget
Brockton	95,314	\$437,174,409	11	\$15,473	\$170,203	\$1.79	0.04%
Everett	46,050	\$269,666,713	11	\$28,608	\$314,688	\$6.83	0.12%
Framingham	71,209	\$345,824,378	11	\$5,000	\$55,000	\$0.77	0.02%
Haverhill	62,765	\$215,186,646	9	\$15,000	\$135,000	\$2.15	0.06%
Lawrence	80,231	\$337,653,391	9	\$15,000	\$135,000	\$1.68	0.04%
Lowell	110,699	\$391,858,652	9	\$25,000	\$225,000	\$2.03	0.06%
Lynn	92,457	\$350,925,283	11	\$25,000	\$275,000	\$2.97	0.08%
Malden	61,068	\$205,368,179	11	\$17,500	\$192,500	\$3.15	0.09%
Quincy	93,618	\$375,673,704	9	\$29,700	\$267,300	\$2.86	0.07%
Somerville	80,318	\$296,682,035	11	\$25,000	\$275,000	\$3.42	0.09%
Taunton	56,789	\$255,924,113	9	\$10,000	\$90,000	\$1.58	0.04%
Waltham	63,378	\$286,505,858	13	\$21,502	\$279,526	\$4.41	0.10%
Average	76,158	\$314,036,947	10.3	\$19,399	\$201,185	\$2.64	0.06%
Newton Current	88,817	\$498,860,178	24	\$9,750	\$234,000	\$2.63	0.05%
Newton Model	88,817	\$498,860,178	24	\$19,000	\$456,000	\$5.13	0.09%

<sup>\*</sup> source: MA Dept of Revenue, Municipal Databank

**Appendix G - Newton Health and Dental Plan Options** 

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

Health Insurance	Monthly Premium	Annual Premium	#Electing	Total .	Annual
Tufts EPO Ind 80/20	\$609.88	\$7,318.56	1	\$7,318	3.56
Tufts EPO Fam 80/20	\$1,674.10	\$20,089.20	4	\$80,35	56.80
Tufts EPO Fam 70/30	\$1,464.84	\$17,578.08	2	\$35,13	56.16
Harvard Fam 70/30	\$1,375.77	\$16,509.24	5	\$82,54	16.20
Total Health Insurance Costs  Dental	1		12	\$205,3	377.72
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					\$210,638.88
Average annual cost per Councilor Electing Coverage \$17,553.24					\$17,553.24
Health and Dental cost averaged across entire Council \$8,776.62					\$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.				
Remuneration for Councilor	\$ 9,750.00			
Remuneration for 4 Councilors with highest benefit level				\$ 30,398.76
Average remuneration for Councilors with benefits \$ 27,3				

<sup>\*</sup>only Councilors currently in plan are eligible

Remuneration if distribute benefits cost to entire council

\$ 18,526.62

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

				Total Annual	
	Monthly Premium	Annual Premium	#Elect	Cost	
<b>Health Insurance</b>					
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					
Average annual cost for entire	\$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
Remuneration for School Committee Member without Health Insurance	\$4,875.00
Average remuneration for School Committee Members with benefits	\$23,702.01
Remuneration if distribute benefits cost across entire School Committee	\$14,288.51

## **Appendix H - In-Person Comment Contributors**

March 27 - Councilor Baker

**April 9 - Marcia Johnson, Jane Franz and Peter Harrington** 

**May 6 - Brooke Lipsitt** 

May 14 - Councilors Cote, Krintzman and Baker

**Appendix I - Final Vote and Dissents** 

In Favor of Report Adoption	Opposed to Report Adoption
<ol> <li>Karen Carroll Bennett</li> <li>Sharon Chan</li> <li>Doug Cornelius</li> <li>Claudia Dumond-Henderson</li> <li>Timothy Moran</li> <li>Donald Siegel</li> <li>James Simons</li> <li>Andrea Steenstrup</li> <li>John Stewart</li> </ol>	<ol> <li>Sue Flicop</li> <li>Carolyn Gabbay</li> <li>Greg Reibman</li> </ol>

Kathy Sun, absent

The Commission agreed to allow each member who was Opposed to Report Adoption to submit a written dissent to be attached to the report.

The following dissent is solely the opinion of the writer and has not been reviewed, agreed to or approved by the Commission.

#### **Dissent of Sue Flicop**

I have no objections to the increase in salary for the Mayor or to the schedule for salary review. My dissent is based on three concerns I have about increasing salaries for the City Council and School Committee. The first applies to both the City Council and School Committee and the last two are specifically about the City Council.

- 1. I strongly believe that the BRC should have widely shared and solicited feedback on its final recommendations. Our discussions regarding the City Council and School Committee shifted substantially from week to week as we got answers to our questions, and so even those reading the notes were not up-to-date. Because we are not giving an opportunity for public feedback on our recommendations, I believe there could be unintended consequences that would result from implementing them, consequences which public scrutiny might surface. In addition, not providing the public with a chance to comment on our recommendations before they are submitted means we are not hearing from everyone who will be affected, including Newton taxpayers. NOTE: Our discussions for changes to the Mayor's salary happened early in our deliberations and were not changed in the final few weeks.
- 2. With the limitations on adjusting health and pension benefits, our options were extremely limited. At the same time, we found that the City Council had voted to codify in the city charter that their expenses would be paid, with the specifics to be written in an ordinance. Without the benefit of seeing that ordinance, we have no idea if or how this might affect compensation of our City Council. I did not feel able to make a fully informed decision because of this uncertainty. This issue has not been laid to rest by the Mayor's refusal to the sign the home rule petition specifying these changes, since it could be revised and resubmitted.
- 3. I believe that the time spent by City Councilors on the job is a real barrier to those who are interested in public service, perhaps an even higher barrier than compensation. The City Council can take steps that could not only reduce their current time commitment to a reasonable level, but could also make it feasible for a more diverse group of people to run for office and serve on the City Council. To date, they have not made major changes in this direction. While I agree that City Councilors put in a great deal of time on the job, I'm not convinced that it is necessary for them to do so. While this is not an ideal way to express these thoughts, I would prefer to see some changes in this direction before voting to increase City Council salaries.

The following dissent is solely the opinion of the writer and has not been reviewed, agreed to or approved by the Commission.

#### **Dissent of Greg Reibman**

To: Claudia Henderson and Jim Simons, co-chairs, Blue Ribbon Commission

From: Greg Reibman, commission member

Date: May 24, 2019

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#### Dear Claudia and Jim:

Thank you for your leadership of the 2019 Blue Ribbon Commission. I'm grateful for the methodical way our meetings were organized and impressed with the thoughtfulness of our conversations and deliberations. I'm also appreciative of the opportunity to include this note in our report's appendix, explaining my decision to vote no on the final report.

As you know, I am generally supportive of our commission's core recommendations: I support the recommended pay increases for the mayor, the council and school committee.

I also believe the idea of an equity payment is a terrific concept. But I am uncomfortable supporting this provision's inclusion because it was not clear how the city can legally offer a payment for not participating in the city's health plan to two groups of employees (councilors and school committee members) without also offering the same option to all city employees. Financially, I feared we were opening a Pandora's box.

Finally, I strongly disagreed with the decision at our April 24, 2019 meeting when the commission voted not to release a draft of our final report to the public for input prior to our final vote. This decision to not be as transparent and open to feedback as possible troubled me. I argued then, and believe still, the commission was turning its back on an opportunity that could have helped us make the most informed decisions; potentially expose flaws in our fact finding or interpretations (including, it turns out, the equity payment); or even reinforce our decisions.

The following dissent is solely the opinion of the writer and has not been reviewed, agreed to or approved by the Commission.

#### **Dissent of Carolyn Gabbay**

With all due respect to my Commission colleagues and to those who serve in elected office, I dissent in part, and concur in part, with the report and recommendations of the Blue Ribbon Commission, as set forth below.

# With regard to the Commission's recommendations concerning the <u>School</u> Committee:

- 1. None of the peer communities that were carefully selected by the Commission compensate their school committees.
- 2. By paying School Committee members cash compensation that exceeds \$5,000 for the first time, the City will trigger their eligibility for pension benefits, including the life-time subsidized health benefits that by law are coupled with pension benefits eligibility, for those members of the School Committee who achieve 10 years of public service through any combination of municipal, state and federal service.
- 3. The Commission makes a leap of faith in assuming that Newton's current 2-term (i.e., 8 consecutive years) limit that applies to School Committee members obviates the likelihood that individuals will accumulate the 10-year vesting milestone given that other forms of municipal, state and federal service are all credited in computing vesting. (More than one City Councilor told the Commission that they had accumulated a number of years of service in state and federal posts during their professional lives that would make them eligible for pension and lifetime health benefits.)
- 4. While the School Committee's functions are extremely important to the City, and service on the School Committee clearly entails considerable responsibilities (including governance oversight responsibility not only for the education of the City's youth, but also for as much as ½ of the City's annual budget), the Commission was not presented with any information suggesting that there has been difficult identifying individuals to serve on the School Committee on account of the amount of the cash stipend that is currently paid. Nor were comments received from members of the School Committee that they felt that their current compensation was insufficient to allow them to serve. Indeed, a number of survey comments from members of the community expressed surprise and an adverse reaction upon learning from the survey that School Committee members are eligible for City-subsidized current health benefits and the possibility of vesting for pension/associated health benefits.

- 5. The Commission assembled no evidence that increasing the current cash stipend to School Committee members by the relatively modest amount that has been recommended will be sufficient to increase the ability of the City to attract more socioeconomically diverse candidates for positions on the School Committee.
- 6. Further, while a number of School Committee members (and City Councilors) do currently take advantage of City-subsidized health benefits (dat ~\$20,000/year), comments indicated that while incumbents come to understand that health benefits are available to them in connection with their service, candidates and potential candidates for both the School Committee and City Council did not appear to be motivated to run or even to be aware of the availability of current health benefits or potential future pension/health benefits. However, anecdotal information was presented to the Commission by more than one commenter that these health benefits have had a tendency to encourage incumbents to seek to remain in office.
- 7. The City currently faces a ~\$1Billion unfunded pension/health benefits liability. Unfunded liabilities of this type have severely stressed, and even bankrupted, companies and communities. While the Mayor's current budget ~ \$½ Billion budget proposal maps a plan to address and defuse this highly problematic "budget bomb," the time horizon for that proposed solution stretches out to the year 2031, or a dozen years into the future. Any such long-term plan is necessarily dependent upon projections and assumptions, including projections and assumptions about the overall economic health of the City's real estate values, tax base and expenses, including the stability or rate of growth of the size and compensation of the class of individuals eligible for retiree pension and associated health benefits. It does not make fiscal sense to add to the potential pool of beneficiaries of pension and subsidized lifetime health benefits while trying to solve this problem, especially over a modest increase to current cash compensation in an amount that is unlikely to positively impact the ability to retain and attract individuals to serve on the School Committee.
- 8. Accordingly, I would either make no increase to the cash compensation awarded to School Committee members or would hold the increase in cash compensation to just under the pension-triggering threshold of \$5,000.
- 9. I concur with the recommendation to award additional cash compensation to School Committee members who do not elect current health benefits. As in the private sector, if such a mechanism is adopted it could be a "win/win" for both the City's budget and for promoting somewhat greater equity in the total compensation received by School Committee members who serve shoulder-to-shoulder, but for whom their economic recompense differs so dramatically as the result of the much greater (i.e., ~\$20,000) value of health benefits versus cash salary compensation alone. That said, if providing an additional salary payment would bring more individuals above the threshold for

potential vesting in pension and associated lifetime health benefits, consideration should be given to reducing the base cash salary by a commensurate amount. That would have the side-benefit of achieving somewhat greater equity in total compensation, while also promoting election way from taking City-subsidized health benefits, especially in an era when the Connector now provides broad alternate access to health benefits.

- 10. In making these comments, I intend no disrespect to fellow citizens who devote substantial time, and shoulder substantial responsibilities, serving the City and its residents through their service on the School Committee. My motivation is fiscal responsibility, especially in light of the fact that:
  - a. Last year's changes to the federal tax code implementing the new \$10,000 cap on deducting state and local tax (the so-called "SALT cap") has effectively obliterated the traditional ability of Newton residents to deduct their real estate taxes and has thereby increased the economic cost of Newton real estate taxes borne by most residents by between 15-37%, depending upon their federal income tax bracket; and
  - b. The increased economic burden of Newton real estate tax payments comes at the same time as the City Council recently approved new real estate tax rates which, while nominally lower per thousand dollars of valuation, was projected to increase the average homeowner's tax bill by an additional \$562.

# With regard to the Commission's recommendations concerning the <u>City</u> Council:

- 1. By tradition, the ratio of cash compensation for City Councilors to the salary of the Mayor has been set at 10% and 5% for the School Committee. No sound logic for these ratios was provided. And, by action of the City Council itself and intervening events (i.e., the acceptance of a prior Mayor of a salary increase voted by the City Council at a time when it declined to increase its own cash compensation), that ratio relationship was abandoned some years ago. While it may have been an interesting historic data point, I do not see a persuasive rationale for reinstating that ratio or even using that ratio as an analytic touchpoint.
- 2. While the number of Councilors on the Newton City Council is beyond the remit of the Commission, it was noteworthy that peer communities have governing legislative bodies that are ½ the size of Newton's. I am not persuaded by any data available to the Commission that Newton is either inherently more difficult to govern, nor in practice materially better governed, than the peer communities.
- 3. Using the peer communities as a data touchpoint is a reasoned and appropriate benchmarking approach. However, as the Commission was a

- whole noted, there is no "true market" for elected office. Individuals must reside in the communities in which they provide elected service and, therefore, unlike a real job market in which people are free to make lateral professional moves based on compensation competition, this consideration does not apply to elected officials or the benchmarking exercise.
- 4. There are many ways of looking at peer benchmarks of compensation, such as the average compensation per peer position holder. Another way to look at that same data is to consider the total salary pool made available to comparable office holders. With twice the number of office holders in Newton, and taking the budget considerations of a community into account, it may be more appropriate to consider the total compensation pool of peers and distribute that figure among peer officeholders.
- 5. I am not persuaded that the recommended increase in compensation will make any material difference in either the willingness of new individuals or more diverse individuals to run for office or whether incumbents run for re-election to the office they currently hold.
  - a. As to the former, as the Commission noted in its report, the time commitment involved in the role of City Councilor under the current workflows and structural organization of committees and meeting is deterrent if not the prime deterrent to the willingness to run. Thus, I am not persuaded that the dollar amount of the recommended increase to the cash stipend, even though approaching a 40% increase in pure mathematical percentage terms, will help attract more, or more socioeconomically diverse, candidates for office.
  - b. As to the latter, almost all of the incumbents have already "pulled papers" at the City Clerk's office indicating their intention to run for re-election without any assurance that the Commission would recommend an increase in cash compensation. On the contrary, the public record minutes of various meetings of the Commission indicated that the Commission's deliberations included consideration of the possibility of making recommendations that would alter compensation in ways that some Councilors who reviewed those minutes felt would be adverse to the interest of their colleague or themselves and prompted them to make comments urging against recommending those changes. Despite this, almost all incumbents have "pulled papers" and signaled their intention to run for another term in office.
  - c. At root, the desire to service in elected office must come from a service ethos. The City will never be in a position to compensate individuals with sophisticated capabilities the true worth of the time they take away from other professional/business pursuits and families to devote to holding public office.

6. I concur with the recommendation to offer an incentive "equity payment" to Councilors who do not elect City-subsidized health benefits. As noted above, this mechanism can be a "win/win" in terms of the City budget and in an attempt to reduce the stark disparity in the value of total compensation received by City Councilors. Indeed, until advised by the Office of the City Solicitor that such an approach would not be permissible, the Commission was actively deliberating about the possibility of recommending a total compensation system in which all Councilors would be compensated equally and, at their option, receive their total compensation all in cash or in a mixture of cash and health benefits. The equity payment recommendation merits serious consideration, and will require careful consideration of the possible broader economic ramifications of such an approach. But, as in private industry, it is well worth taking up.

#### In closing:

- Notwithstanding my decisions to dissent from some of the Commission's
  recommendation, I do believe the Commission engaged in a scrupulously fair
  process that was not only respectful of differing opinion, but was consistently
  demonstrated open-mindedness and sincerity in the endeavor to gather
  appropriate information and ideas, and to arrive at the best possible
  recommendations to put forward in the final report.
- 2. The support so ably (and affably) provided by the representative of the City Clerk's office who staffed the Commission, devoted many hours attending the Commission's after-hours meeting (often running until 9:00 or 10:00 PM), and prepared the meeting minutes, was stellar.
- 3. It has been a personal privilege to serve on this Blue Ribbon Commission.

Respectfully submitted,
Carolyn Jacoby Gabbay