



Boston Municipal Research Bureau

SPECIAL REPORT

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BOSTON SALARY STRUCTURE NEEDS PERIODIC REVIEW

The salary structure for City of Boston public officials, elected and appointed, should be examined on a more routine basis. Recent salary increases for the Mayor and City Councillors, the first in six years, and the push by the School Committee to be compensated for the first time, have raised questions about how elected officials should be compensated, how large a salary should they receive and what process should be established to review and adjust the compensation paid. The same issues should be raised regarding department head and senior management positions. The City must have qualified and experienced senior managers to provide the improved services demanded by the public. To be competitive in attracting and retaining good management personnel, salaries of the City's key managerial positions should be regularly reviewed through a professional job evaluation process. The current position and salary plan for senior managers has not been reassessed as a whole since 1975. Consequently, salaries for many positions are not commensurate with job responsibilities or competitive with similar jobs in other cities or the State. A Boston Compensation Advisory Board should be established to review the compensation of elected and senior appointed officials and to issue a report of its findings every two years. A comprehensive reassessment of the City's 1975 job classification and compensation plan for senior management officials should be completed this fall and thereafter revised every two years. The School Committee should be given sole responsibility for setting the salary of the Superintendent.

The Boston School Committee and Superintendent

Boston School Committee members are presently unpaid. Legislation passed in 1982 authorized Massachusetts school committee members to be compensated if approved by a majority of their legislative body. Since Boston's Charter does not allow compensation, paying a stipend or salary to the School Committee members would require City Council approval and a home rule amendment deleting the Charter's restriction. On March 13, 1984, the School Committee unanimously endorsed a proposal to be compensated and suggested a figure of \$15,000. No final action was taken at that time and the School Committee raised the salary issue again in 1986. On February 26, 1986, the City Council President submitted to the Council a home rule petition authorizing compensation to be paid and an ordinance setting the salary of School Committee members at \$7,500, effective July 1, 1986. The Council's Special Committee On School Matters held a hearing on the matter on March 20, 1986, and on March 26, 1986, the Council approved both the ordinance and home rule petition and sent them to the Mayor.

In 1984 and again this year the Research Bureau recommended that School Committee compensation and staff allocation be linked together. While the School Committee presently does not receive compensation, each member receives a personal staff allocation of \$43,000, one of the highest such allocations in the country. For the 1986-87 school year the budget for the Boston School Committee is \$887,257. Of that amount \$136,309 supports five positions in the School Committee Secretary's Office, \$559,000 funds the personal staff positions of the thirteen members and \$94,448 is allocated for supplies and equipment. An additional \$97,500 is included in the budget this year to provide a salary of \$7,500 for each member.

Mayor Flynn, on April 11, 1986, approved the home rule petition authorizing compensation to be paid and forwarded it to the Legislature for enactment. That bill (H5723) is expected to receive final approval shortly. The Mayor returned, to the City Council, without approval, the ordinance setting the salary at \$7,500 explaining that such an ordinance would not be

legal until the home rule petition is first enacted. The Mayor stated that upon enactment he would entertain another salary ordinance from the Council. In a letter to the President of the School Committee, Mayor Flynn acknowledged the concerns raised about the level of the Committee's own budget if the stipend were approved and suggested that the School Committee "seriously review the amount of support given to its own operations in an attempt to reduce the outlay of funds for these purposes".

The School Committee has recently begun to address the issue of the Superintendent's compensation. The Superintendent's salary under existing legislation (Chapter 333 of the Acts of 1978) can be set by the School Committee at an amount not to exceed \$50,000. Any amount beyond that must be approved by the Mayor and City Council. The Superintendent's current salary of \$70,000 was approved by the City Council on March 28, 1984, and by the Mayor on April 6, 1984. The School Committee, on June 25, 1986, voted a salary of \$95,000 for the Superintendent and has requested the Mayor and City Council to approve the increase.

City Council

The salary of the members of the Boston City Council is set by ordinance and was increased in May, 1986 from \$32,500 to \$45,000 effective January 1, 1987. That represents an increase of \$12,500 or 38%. The ordinance was approved by the City Council on May 7, 1986, and signed by the Mayor on May 23, 1986. The salary was last changed as of January 1, 1981, when it was tied to one-half of the Mayor's \$65,000 salary or \$32,500. Prior to that the salary was set five years earlier at a dollar figure of \$20,000 as of January 1, 1976. City Council salary changes generally increase by 50% or more every five to seven years. This fact is shown in the table below. Since 1981 the salary of each Councillor has been set at the same amount, but prior to 1981 the President received a slightly larger salary.

HISTORY OF CITY COUNCIL SALARY CHANGES+

Date	Salary	Increase	%	Years Since Last Change
January 1, 1952	\$5,000	-	-	-
January 4, 1965	7,500	\$2,500	50.0%	13
January 1, 1969	12,500	5,000	66.7%	4
January 1, 1976	20,000	7,500	60.0%	7
January 1, 1981	32,500	12,500	62.5%	5
January 1, 1987	45,000	12,500	38.5%	6

+ Shows changes of Councillors salary only, not President.

Mayor

The salary of the Mayor of Boston has changed even less frequently than the City Councillors' salary. The salary, set by ordinance, increased in May, 1986 from \$65,000 to \$100,000 effective January 1, 1987. This represents an increase of \$35,000 or 54%. The ordinance was approved by the City Council on May 7, 1986. The Mayor did not act on the ordinance and sixteen days after it was presented to him the ordinance went into force. The salary was last changed as of January 1, 1981, when it was increased to \$65,000 from \$40,000, the figure set on January 1, 1968, thirteen years earlier. The lack of periodic review of elected officials salaries is clearly demonstrated in the table below which shows that the Mayor's salary has increased only four times since 1920.

HISTORY OF MAYOR SALARY CHANGES

Date	Salary	Increase	%	Years Since Last Change
January 1, 1920	\$10,000	-	-	-
January 1, 1949	20,000	\$10,000	100.0%	29
January 1, 1968	40,000	20,000	100.0%	19
January 1, 1981	65,000	25,000	62.5%	13
January 1, 1987	\$100,000	\$35,000	53.8%	6

Salaries Of Senior Officials

Senior managers whose salaries are set by ordinance do not necessarily receive a more systematic and periodic review of compensation than elected officials. A job classification and salary plan for these positions was established in 1975 but has not been reassessed as a

whole for the past eleven years. Instead, the City has implemented various salary maneuvers to pay the person and not the position which has created inequities and caused a weakening of the classification and compensation system.

In 1975, department head and other management positions whose salaries are set by ordinance were classified into five categories based on job responsibility. A salary range was established for each category. All positions in the same category were considered of like responsibility and eligible for the same salary range. For example, in 1975 the only position in Category I with its salary range of \$30-40,000 was the Director of the Administrative Services Department, considered the most important administrative job in the City. Placed in Category II and assigned a salary range of \$25-35,000 were positions such as Fire and Police Commissioners, Commissioner of Public Works and Corporation Counsel. The salary ranges for each category set in 1975 did not increase as a whole until 1980. Since then, there have been no comprehensive job evaluations or overall change in the salary ranges. Salary increases that have occurred since 1980 have been on an individual basis.

Over the last decade the job classification system has been weakened as individuals have held positions assigned a job category that have been upgraded to a higher salaried job category without a job evaluation or increase in responsibilities. The salary increase may occur due to action by the Mayor or a department head's individual petition to the City Council. Seven positions have been upgraded to Category I from lower categories between 1980 and 1984. The responsibilities have not been changed but the salaries have increased higher than the salary ranges allowed in the original job category. For example, the Fire and Police Commissioners and Corporation Counsel were moved from Category II to Category I in 1980, the Commissioner of Public Works was moved from Category II to Category I in 1982 and the Auditor and Treasurer were moved from Category III to Category I in 1984. Other salary maneuvers include changing the title of the department head to a non-ordinance covered position in order to allow a higher salary to be paid. The positions of Executive Director of Elderly Affairs and Director of Personnel Management have been created to allow higher salaries to be paid than the existing ordinance permits the positions of Commissioner of Elderly Affairs and Supervisor of Personnel to receive. For years, the Supervisor of Budgets has actually been appointed as Executive Secretary of the Administrative Services Board in order to receive a salary in excess of the Category III salary limit.

Senior managers whose salaries are not set by ordinance also have not received regular salary reviews. From January, 1975 to September, 1985, the City's middle managers received five salary adjustments. Irregular salary increases and a perception of a lack of responsiveness from top administrative officials have prompted a majority of the approximately 560 middle managers to petition to form a union and be represented by the Salaried Employees of North America (SENA), a branch of the United Steelworkers of America. About 410 senior managers will be members of this union. The remaining 150 senior managers are exempt and now are not subject to any formal classification and compensation review process.

Recommendations

The salaries of elected officials and the job classification and compensation plan of senior appointed officials should be reviewed on a routine basis. To address these issues the Bureau makes the following recommendations:

1. The City should establish a Boston Compensation Advisory Board to review the compensation paid Boston's elected and appointed officials whose salaries are set by ordinance. The Board should also review the compensation of those approximately 150 senior managers who are not included in the new middle managers union. The Board should release a report of its findings and recommendations to the Mayor and City Council by filing it with the City Clerk on or before the second Wednesday in March in each even numbered year. The recommendations would be advisory only and the Mayor and City Council would still be responsible for deciding how much the increase should be and when it should be awarded. The Board should consist of five members appointed by the Mayor to five year staggered terms. Two members of the Board should have experience in setting compensation policy. The Supervisor of Personnel should be an ex officio, nonvoting member. The Board members should serve without compensation but be reimbursed for their expenses. Establishing a Compensation Advisory Board and requiring it to issue a report every two years will insure a more periodic review of salaries and help to

depoliticize the process. The Bureau first made this recommendation on May 5, 1986, when testifying before the City Council's Committee on Rules and Administration on the salary increases for Mayor and City Councillors.

On May 13, 1986, the Mayor presented to the City Council an ordinance establishing an Advisory Board on Compensation. That same day Council President Bolling submitted an ordinance creating a Municipal Salary Advisory Board. The two proposals are now before the Council's Government Operations Committee awaiting a public hearing. The Mayor requested that the Compensation Advisory Board, when established, review and comment on his \$100,000 salary before it becomes effective January 1, 1987. The Board should issue its report on the Mayor's salary on or before the second Wednesday in November.

2. The Mayor, through the Supervisor of Personnel, should initiate a comprehensive reassessment of the City's job classification and compensation plan for the approximately 200 senior officials whose salaries are set by ordinance and who will not be represented by SENA. The current plan was developed in 1975 and has not been revised as a whole since then. The changes of departmental responsibilities and structure during the past eleven years necessitates the complete evaluation of all senior management positions. The revised plan should be made a top priority for the Flynn Administration and adequate funds should be provided to insure its completion. The Personnel Division should contract with a recognized firm in the field of job evaluation to assist in this project. This year the Mayor should submit the revised classification and compensation plan to the Boston Compensation Advisory Board not later than the third Wednesday in October. The Board, in turn, should present its findings and recommendations on the compensation of senior managers to the Mayor and City Council on or before the third Wednesday in December. The Mayor should submit his recommendations to the City Council on or before the first Wednesday in January to be effective January 1, 1987. Thereafter, the Mayor should submit an updated classification and compensation plan to the Compensation Advisory Board on or before the second Wednesday of January of every even numbered year.

3. The Boston School Committee should be given sole responsibility for setting the salary of the Superintendent based on recommendations made by the Boston Compensation Advisory Board. Existing legislation (Chapter 333 of the Acts of 1978) should be amended to allow the School Committee to set the salary with no dollar restrictions. From 1906 to 1978, the School Committee was authorized to fix the Superintendent's compensation with no dollar limit or further approval required. According to the Massachusetts Association of School Committees, Boston is the only municipality in the Commonwealth that requires local legislative and executive approval of a superintendent's salary after it is fixed by the elected school committee. The Boards of Trustees of the Health and Hospitals Department and the Boston Public Library, both appointed by the Mayor, set the salary of their chief executive officer without dollar limit or City Council approval.

4. The School Committee's staff allocation should be reduced from \$43,000 to \$25,000 per member. The Bureau does not believe a large staff allocation is appropriate. The School Committee is a policy setting body and as such should hold the Superintendent accountable for the implementation of its policy initiatives. Large personal staff allocations only encourage the Committee to become involved in day to day operations. According to a 1983 National School Board Association (NSBA) study of 46 large urban school systems, the latest such study available, the school committees of most of these systems utilize small centralized clerical staffs and have no personal staff allocations. The Mayor and the City Council should not approve an ordinance establishing a salary for the members of the School Committee until the Committee formally approves a reduction in their staff allocation. Approval of a salary without a reduction in staff allocation would make the Boston School Committee one of the most expensive in the country.

5. The Boston School Committee should be paid a stipend of \$400 a month or \$4,800 a year for expenses. This is a reasonable figure for a policy setting body. According to the NSBA study of 46 large urban school systems, only six systems paid a stipend in excess of \$5,000.