



CITY OF BOSTON
COMPENSATION ADVISORY BOARD
One City Hall Square, Boston, Massachusetts 02201
John Tobin, Chair

March 7, 2018

Dear Mayor Walsh and Members of the Boston City Council:

I am writing to report the findings of the Compensation Advisory Board's review of the salaries of elected officials, department heads and senior leadership positions. The Compensation Advisory Board is required to issue recommendations on a bi-annually basis during even numbered years as outlined in the Boston Code of Ordinances (Chapter 5.10A). As part of these duties, the Board issued an RFP in March 2017 to hire a vendor to review job descriptions and salary ranges for senior level management positions in the City of Boston. The Board selected Segal Waters Consulting to conduct the review which began in July 2017 and concluded in January 2018. Segal Waters Consulting conducted an independent assessment of compensation for 21 positions covered by Boston's Code of Ordinances (Chapter 5.10A). The study also reviewed the salaries of non-ordinance positions. Segal Waters compared Boston's current pay ranges and actual base salaries to the FY18 pay ranges and actual salaries of comparable positions among public sector and private sector employers. The comparators included similarly-sized municipalities throughout country, local area governmental entities, and private sector organizations both non-profit and for-profit.

Benchmark Cities

Segal Waters Consulting identified 18 peer organizations to serve as benchmark cities. Criteria used to select the nationwide market peers included resident population and form of government. Peers from Massachusetts were also selected to reflect the local competitive market as well. Segal Waters also looked to determine if the market peers have a residency requirement for its municipal employees.

Analysis

The analysis done by Segal Waters Consulting shows the City's salary ranges are lower compared to the public sector market. Overall, the study found that the City's current salary range midpoints lag the public sector market by 15%. Of the 21 ordinance positions included in the study, 18 have a salary range below the public sector average, ranging from 7% to 38% below at the range midpoint.

The findings for current actual base salaries were similar to the salary range findings. Compared with the public sector average, current actual salaries are below the government average for 17 of the positions, ranging from 12% to 59% below. Segal Waters also found similar results regarding current salaries for senior management positions not covered by the salary Ordinance. Overall, the salaries for those positions were found to be 15% and 72% below the public sector and private sector average, respectively.

Both the Compensation Advisory Board and Segal Waters Consulting acknowledged during the process that Boston's high cost of living and residency requirement makes it challenging to attract and retain talent.

Based on the study findings, Segal Water Consulting recommended salary range adjustments for selected Ordinance titles. In addition, the consultant recommended reclassifying one position to a higher pay category based on both market competitiveness and internal equity considerations. If these proposed changes are adopted, the salary range midpoints for Ordinance positions would be equal to the public sector average.

Recommendations

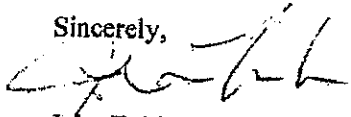
The Compensation Advisory Board recommends the following changes to the salary ordinance:

- Increase the salary range in Category IB to align those ranges more closely with the public sector average.
- Move the Chief Information Officer from Salary Category II to Category IB, so that it is consistent with the Chief Financial Officer & Collector-Treasurer and the Corporation Counsel positions.
- Increase the salary ranges for the remaining pay categories.
- Since a comprehensive study was conducted in the last 2 years, the Compensation Advisory Board recommends increasing the Mayor's Salary and the City Councilors' salaries by 4.2%, which is based on the change in cost of living from 2015 to 2017.

Category	Current	Recommended
Category IA <ul style="list-style-type: none"> • Police Commissioner • Fire Commissioner 	\$200,000 - \$250,000	\$200,000 - \$250,000
Category IB <ul style="list-style-type: none"> • Collector-Treasurer/Chief Financial Officer • Corporation Counsel • Chief Information Officer 	\$115,000 - \$165,000	\$149,500 - \$214,500
Category II <ul style="list-style-type: none"> • Commissioner –Assessing • Commissioner –Transportation • City Auditor • Commissioner – Property Management • Commissioner – Inspectional Services • Commissioner – Public Works • Commissioner – Parks & Recreation 	\$110,000 - \$155,000	\$126,500 - \$178,250
Category III <ul style="list-style-type: none"> • Supervisor of Budgets • Supervisor of Personnel • Supervisor of Labor Relations • Purchasing Agent • City Clerk 	\$95,000 - \$135,000	\$109,250 - \$156,250
Category IV <ul style="list-style-type: none"> • Commissioner – Elections • Commissioner – Elderly Affairs • Commissioner – Veterans Services • Chairman – Licensing Board 	\$85,000 - \$110,000	\$97,750 - \$126,500

The proposal set forth is meant to provide guidance and input from the Compensation Advisory Board for the Mayor's consideration when determining and setting compensation for ordinance positions. The Mayor has the discretion to make changes to the salary ranges and to set the individual salaries within those ranges.

Sincerely,

A handwritten signature in black ink, appearing to read "John Tobin". The signature is written in a cursive style with a prominent initial "J" and a long horizontal stroke at the end.

John Tobin, Chair
Compensation Advisory Board