

M45.66  
mcssL  
1999  
copy 2

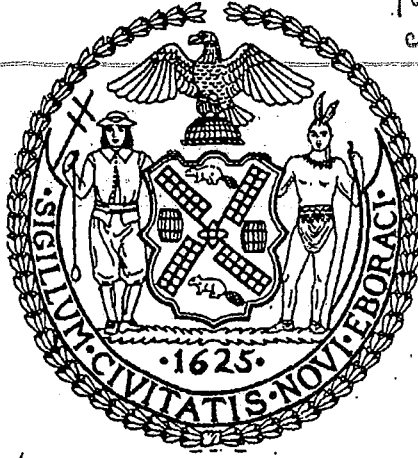
M45.66  
mcssL  
1999  
c.2

~~NEW YORK CITY~~  
~~OFFICE~~

JUN 28 1999

111 CHAMBERS STREET  
NEW YORK CITY

99/2



**REPORT OF THE**

N.Y. City, May 28, 1999  
" " " "

***Quadrennial Advisory Commission  
For the Review of Compensation Levels  
Of Elected Officials***

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

June, 1999

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

I. Executive Summary

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

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

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

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

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

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

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

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

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

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

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

## II. Introduction

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

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

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

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

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

---

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

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

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

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



### III. Origin of the Commission

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

The Administrative Code provides, in part, that:

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

The Administrative Code also provides that:

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

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

Chairman:

Richard L. Gelb  
Chairman Emeritus  
Bristol-Myers Squibb Company

Members:

Stanley Brezenoff  
President  
Maimonides Medical Center

Robert M. Kaufman  
Partner  
Proskauer Rose LLP

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

V. Benchmark Considerations

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

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

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

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

---

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

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

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

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

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

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

\* Salary of the most recent incumbent

V. Compression of Salary Levels

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

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

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

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

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

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

---

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



certain cases, exceeding the salary levels of their supervisors.

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

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

VI. Economic Factors Affecting Salary Levels

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

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

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

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

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

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

---

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

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

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

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

## VII. The Effect of Periodic Salary Increases

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

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

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

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

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

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

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



IX. Recommendations and Conclusions

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

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

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

---

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

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

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

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

## MAJOR US CITIES STATISTICS

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

Sources: US Conference of Mayors, city budgets and telephone survey

## MAJOR US CITIES STATISTICS

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

Sources: US Conference of Mayors, city budgets and telephone survey

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

## COMPENSATION OF ELECTED OFFICIALS

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

SOURCE: Telephone survey

## COMPENSATION OF ELECTED OFFICIALS

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

\* Public Advocate

SOURCE: Telephone survey

## COMPENSATION OF ELECTED OFFICIALS

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

SOURCE: Telephone survey

## COMPENSATION OF ELECTED OFFICIALS

Earnings for District Attorney of Major US Cities			
City	Salary	Revenue (\$Mil)	Population
San Francisco, CA	137,156	3,900	734,676
New York, NY*	136,700	35,604	**
Chicago, IL	135,566	2,293	2,731,743
Dallas, TX	134,460	1,580	1,053,292
Los Angeles, CA	132,734	4,080	3,553,638
Houston, TX	125,760	2,056	1,744,058
Atlanta, GA	123,376	1,500	450,000
Detroit, MI	121,135	2,500	1,000,272
Washington, D.C.	118,400	4,816	567,094
Newark, NJ	115,000	459	275,000
Philadelphia, PA	110,122	2,551	1,524,249
Minneapolis, MN	106,428	842	354,590
New Orleans, LA	104,000	495	484,149
Boston, MA	95,710	1,523	547,725
Cleveland, OH	93,024	408	492,901
St. Louis, MO	86,000	361	368,215
* NYC District Attorney 1995 salary level of \$125,000 was increased on 1/1/99.			
** New York City Population by County			
Kings	-	2,267,942	
Queens	-	1,998,853	
New York	-	1,550,649	
Bronx	-	1,195,599	
<u>Richmond</u>	-	<u>407,123</u>	
Total		7,420,166	
SOURCE: Telephone survey			



## COMPENSATION OF ELECTED OFFICIALS

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

\* FT - Denotes Full time  
 \*\* PT - Denotes Part time

SOURCE: Telephone survey

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

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

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

COMPENSATION SYSTEM

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

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

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

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

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

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

	NYC <u>CPI</u>	Mayor	Public <u>Advocate</u>	<u>Comptroller</u>	Borough <u>President</u>	Council <u>Member</u>	District <u>Attorney</u>
7/1/1991	4.5%	153,000	115,000	122,500	105,000	65,000	115,000
7/1/1992	3.6%	158,508	119,140	126,910	108,780	67,340	119,140
7/1/1993	3.0%	163,263	122,714	130,717	112,043	69,360	122,714
7/1/1994	2.4%	167,182	125,659	133,855	114,732	71,025	125,659
7/1/1995	2.5%	171,361	128,801	137,201	117,601	72,800	128,801
7/1/1995	Actual	165,000	125,000	133,000	114,000	70,500	125,000
7/1/1996	2.9%	176,331	132,536	141,180	121,011	74,912	132,536
7/1/1997	2.3%	180,386	135,584	144,427	123,794	76,635	135,584
7/1/1998	1.6%	183,272	137,754	146,738	125,775	77,861	137,754
7/1/1999	1.6%	186,205	139,958	149,085	127,788	79,107	139,958

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

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

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

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

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

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

<sup>12</sup> Projected

EFFECT OF PERIODIC SALARY INCREASES ON SALARY RECEIVED

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

---

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