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Chair

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Commissioner

**PAUL QUINTERO**  
Commissioner

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**JEFFREY D. FRIEDLANDER**  
General Counsel

**R. KYLE ALAGOOD**  
Director of Research

**LAURA KOZIEN**  
Communications Manager

**NYC**® **Quadrennial Advisory  
Commission**

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# FINAL REPORT

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What is not sufficiently known is that District Attorneys in New York City are far more than case processors. They possess broad discretion that not only matters at the level of individual cases but also affects the broader criminal justice system, its outcomes, fairness, and downstream costs.

District attorneys decide which cases to accept or dismiss; they are influential on whether to detain someone pretrial or release them to the community; they are influential in recommending the sentence to be imposed and they possess great control over plea bargaining. Institutionally, they also shape the system by choosing to work with community courts, to create diversion programs or other measures to advance alternative strategies for keeping communities safe. As such, the decisions made by a district attorney's office—whether at the institutional level or in the aggregate of cases—has a great impact on the quality of justice meted out and the overall cost and footprint of the system. And, in addition to the impact of all these individual acts, district attorneys are also important voices on broad issues of safety and justice.

## **PART D** **DATA AND ANALYSIS**

### **1. THE ANALYTICAL PROCESS**

New York City Administrative Code § 3-601, which establishes the Quadrennial Advisory Commission, provides a basic analytical framework centered on five general considerations: (1) the duties and responsibilities of each position, (2) current salaries and the length of time since the most recent changes, (3) cost of living changes, (4) salary compression in city government, and (5) salaries and salary trends in government and the private sector. Our comparisons were framed by the statutory requirements, but we took a broad approach to our analysis. As have prior Commissions, we extrapolated from those five statutory provisions a variety of relevant comparisons. For example, we looked at the salaries of heads of public authorities, labor unions, and City departments; but we went further than any prior commission to gather relevant data and consider their contextual relationships with compensation of City officials. Among our considerations were geographic differences in cost of living, salary differentials among populous cities, New York City housing costs, income distribution, salary ratios, fringe benefit rates for New York City elected officials, pension plans, and pension differentials.

In this section, we present some of the data we gathered. Much more is posted on our website. The charts and tables throughout the appendix, which are reproduced from the original research we posted online throughout our review process, provide insight into the multi-faceted data analysis we undertook as part of our study. The following discussion highlights some key takeaways and important considerations that aided the Commission’s review and recommendations. The data sometimes cut in different directions, as we indicate in Part F.

Guided by the statutorily required factors, the Commission adopted a data-driven, comparative method to contribute to the recommendations that are in the public interest and commensurate with the duties and responsibilities for each elected office. We did not evaluate individual office-holders; to do so is not part of our job. Our research design and analysis does not purport to prove or disprove any particular relationship among variables, but it attempts to draw attention to specific factors we believe qualitatively affect the compensation levels of elected officials.

The Commission generally approached our analysis by collectively considering the data we gathered. Section 3-601 requires Quadrennial Commissions to look at changes in cost of living. Rather than look narrowly at the Consumer Price Index, which measures inflation over time, we considered the CPI along with other cost-of-living factors that relate to affordability of living and economic conditions in New York City, such as median household income and housing costs.

As have past Commissions, we examined compensation of elected officials in large (by population) cities in the United States. Unlike prior Commissions, we took into account structural differences that may affect how and why elected officials are compensated differently in other cities: each city’s form of government, benefits and burdens of commuters and tourists, and differences in actual salaries and cost of living among cities, for example.

In Part C, we discussed the evolving roles and breadth of responsibilities of each elected office. In this section, we compare and contrast New York City elected officials’ compensation with internal and external benchmarks.

## 2. STRUCTURAL DIFFERENCES AMONG MAJOR U.S. CITY GOVERNMENTS

The Quadrennial Advisory Commission looked beyond New York City to understand how other populous cities compensate their elected officials. Unlike past Commissions, however, we examined not only salaries in those cities but also structural differences that may affect municipal officials' compensation levels.

### a. Form of Government

City governments are not all alike. There are five general forms of municipal government in the United States, each of which has different structural characteristics.<sup>76</sup> Of the five forms of government—mayor-council, council-manager, commission, town meeting, and representative town meeting—the two most common forms among major cities are mayor-council and council-manager. Among the twenty-five largest U.S. cities by population, these two are the only forms of government.<sup>77</sup>

In a mayor-council form of government, the mayor is a citywide elected executive official who serves as the head of city government. Generally, mayors in mayor-council cities have veto power over city council laws, hire and fire heads of agencies, and prepare and administer the city budget.<sup>78</sup> New York City has a mayor-council form of government. Due to breadth of responsibilities, New York City's mayor is perhaps the most powerful in the country and certainly presides over the largest budget and greatest number of employees.<sup>79</sup> Of the twenty-five largest U.S. cities by population, sixteen others have a mayor-council form of government, with mayoral salaries ranging from \$100,464 (San Diego) to \$281,537 (San Francisco).<sup>80</sup>

Eight of the twenty-five largest cities, on the other hand, are council-manager cities. A council-manager city is one in which a council-appointed city manager is responsible for the city's day-to-day administrative operations. The mayor is the ceremonial head of government but often is a member of city council with no veto or city-wide administrative power,<sup>81</sup> which may explain why some major council-manager cities' mayors are paid less than \$30,000 per year (Fort Worth

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76 Victor S. DeSantis & Tari Renner, *City Government Structures: An Attempt at Clarification*, 34 STATE & LOCAL GOV'T REV. 95, 95 (2002).

77 Appendix N, Twenty-Five Largest U.S. Cities by Population: Forms of Government.

78 International City/County Management Association, *Forms of Local Government Structure*, [http://icma.org/en/icma/knowledge\\_network/documents/kn/Document/9135/Forms\\_of\\_Local\\_Government\\_Structure](http://icma.org/en/icma/knowledge_network/documents/kn/Document/9135/Forms_of_Local_Government_Structure) (last visited Nov. 30, 2015).

79 See pp. 7, 14 above.

80 Appendix O-1, Twenty-Five Largest U.S. Cities by Population: Executive Salary.

81 International City/County Management Association, *Forms of Local Government Structure*, *supra* note 78.

and Charlotte). The council appoints the city manager as an expert administrator who directs day-to-day operations as recommended by the city council, at whose pleasure the manager serves.

City managers have fewer responsibilities but generally are paid more than mayors in mayor-council cities. Managers' salaries in the largest U.S. cities fall between \$245,000 (Charlotte) and \$400,000 (Dallas and San Antonio).<sup>82</sup>

While they compared New York City elected officials' compensation with counterparts in other large U.S. cities, prior Commissions apparently did not consider the varied structures of municipal governments. In doing so, their analyses left out an important element that helps explain anomalous mayoral salaries in large cities such as San Antonio and Dallas, where mayors are paid very little (but city managers are paid much more).

Although city managers are not perfectly comparable with mayors, when comparing and contrasting mayoral salaries elsewhere with the New York City mayor's salary, we looked at council-manager cities' manager salaries along with those of mayors in every city, without regard to form of government.

## **b. Population**

Only ten cities in the United States are home to at least a million people. New York City is by far the largest city in the country. The U.S. Census Bureau's American Community Survey estimates New York City's resident population was 8,491,079 in 2014, which is greater than the next two largest cities—Los Angeles and Chicago—combined. Additionally, New York City is, by a factor of 33 to 1, the largest city in the State of New York (Buffalo is New York's second largest city, with 258,703 residents).<sup>83</sup>

New York City's population is an outlier compared with the other cities comprising the twenty-five-largest by population.<sup>84</sup> Despite its far larger population, most New York City elected officials are paid less than their counterparts in many other cities.<sup>85</sup> When the cost of living in New York City is factored into compensation, New York City's elected officials are paid far less, relatively speaking, than many of their major-city counterparts.<sup>86</sup>

82 Appendix O-1, Twenty-Five Largest U.S. Cities by Population: Executive Salary.

83 Appendix L, Twenty-Five Largest U.S. Cities by Population: General and Economic Information.

84 Appendix O-4, Mayoral Salaries and Population in Mayor-Council Cities.

85 Appendix O-1, Twenty-Five Largest U.S. Cities by Population: Executive Salary.

86 Appendix O-2, Mayoral Salaries in Mayor-Council Cities: Adjusted to Cost of Living in NYC; Appendix O-9, Legislative Base Salaries in the Twenty-Five Largest U.S. Cities by Population: Adjusted to the Cost of Living in NYC; Appendix O-16, Prosecutor Salaries in the Twenty-Five Largest U.S. Cities by Population: Adjusted to the Cost of Living in NYC.

### c. Political Subdivisions: Counties and Boroughs

Related to population but more particularly to geography is the manner in which state, counties, and cities are subdivided for purposes of government administration. Generally speaking, cities are subdivisions of counties, and counties are subdivisions of states.

Most major U.S. cities are geographically distinct from and smaller in area than the county or counties in which they are located. The City of Los Angeles, for example, is one of eighty-eight incorporated cities in Los Angeles County.<sup>87</sup> A few major cities are consolidated or coterminous with the county in which they are located (e.g., San Francisco and San Francisco County, Denver and Denver County, Philadelphia and Philadelphia County, Boston and Suffolk County, Nashville and Davidson County).<sup>88</sup> County officials, such as district attorneys, thus usually serve an entire city or multiple county subdivisions in much of the country. City officials, however, generally serve only a city or portion thereof. However, New York City is different from other jurisdictions.

New York spans the entirety of five separate counties (Bronx, Kings [Brooklyn], New York [Manhattan], Queens, Richmond [Staten Island]), meaning its countywide elected officials — district attorneys and borough presidents — serve only part of the larger city. Citywide elected officials, which are mayor, comptroller, and public advocate, represent all of New York City’s nearly 8.5 million residents.

The unique division of New York City into boroughs, with each borough corresponding to a different state subdivision (county), is relevant when comparing elected officials here with those in other major cities. New York City’s mayor, for example, is the head of an executive branch that encompasses five counties, whereas the mayor of Los Angeles is one of many mayors in Los Angeles County, which has its own Chief Executive Officer.

New York City’s District Attorneys, on the other hand, are the chief elected prosecutors for their respective counties within the larger City, whereas the chief elected prosecutor for Los Angeles is the Los Angeles County District Attorney, whose jurisdiction encompasses the City of Los Angeles’s 3.9 million people plus more than 6 million other county residents.<sup>89</sup> These sorts of structural differences surely affect the complexity of serving in elected office.

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87 COUNTY OF LOS ANGELES, CITIES WITHIN THE COUNTY OF LOS ANGELES (2012), available at <http://ceo.lacounty.gov/forms/09-10%20cities%20alpha.pdf>.

88 National League of Cities, *List of Consolidated City-County Governments*, <http://www.nlc.org/build-skills-and-networks/resources/cities-101/city-structures/list-of-consolidated-city-county-governments> (last visited Nov. 30, 2015).

89 Appendix O-14.1, Prosecutor Salaries in Twenty-Five Largest U.S. Cities by Population.

### 3. COMPLEXITY

New York City’s budget is by far the largest municipal budget in the nation—some \$78.3 billion versus Los Angeles’s \$8.2 billion, Chicago’s \$10.1 billion, Houston’s \$5.1 billion, and Philadelphia’s \$8.2 billion. New York City employs well over 300,000 people, which further adds to and reflects the managerial complexity of elected office here when compared with other populous U.S. cities.<sup>90</sup>

Adding to the unique complexity of governing New York City and its boroughs is the massive influx of workers and tourists who impact the City’s economy and burden its infrastructure. Among the twenty-five most populous U.S. cities, New York City unsurprisingly has the greatest number of net daily commuters into the city for work—some 608,654 people. Commuters alone boost New York City’s daily population by 7.5 percent.<sup>91</sup> In 2014, New York City also welcomed 56.5 million visitors.<sup>92</sup> Commuters and visitors use New York City infrastructure, rely on the City’s public safety services, and contribute to the City economy.

Elected officials must administer and oversee the programs and services necessary to sustain New York City’s economy and tourism. Elected officials represent those who elect them but serve the needs of hundreds of thousands more people who visit the City each day.<sup>93</sup>

Gauging managerial complexity of individual New York City elected offices is fraught with difficulty, as many factors suggesting increased complexity are inextricably linked with other factors, such as the City’s budget process and allocation of resources to each office. Two indicators of managerial complexity, for example, are the budget an office manages and number of people it employs. But the City’s budget, proposed by the Mayor and passed by City Council, dictates each elected office’s budget (and thus number of employees).

Budget and headcount are not the only measures of an office’s importance within City government. Other considerations include statutory duties and responsibilities, or hard work despite limited resources.<sup>94</sup> The Comptroller and Public Advocate, for example, both are citywide offices with

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90 See Part C

91 Appendix L, Twenty-Five Largest U.S. Cities by Population: General and Economic Information.

92 N.Y.C. Go, *NYC Statistics*, <http://www.nycgo.com/articles/nyc-statistics-page> (last visited Nov. 30, 2012).

93 See, e.g., MITCHELL L. MOSS & CARSON QING, *THE DYNAMIC POPULATION OF MANHATTAN* (2012) (discussing daily fluctuations in the population of Manhattan), available at [https://wagner.nyu.edu/files/rudincenter/dynamic\\_pop\\_manhattan.pdf](https://wagner.nyu.edu/files/rudincenter/dynamic_pop_manhattan.pdf).

94 See Part C (discussing powers and responsibilities of elected offices).

oversight and investigatory duties. The Comptroller oversees some 725 full-time or full-time-equivalent employees, with a total budget of nearly \$94 million. This reflects the Comptroller’s statutory duties, discussed in Part C. The Public Advocate, on the other hand, has a budget of only \$3.3 million and oversees just 46 full-time or full-time-equivalent employees, even though the office has important citywide duties and responsibilities, such as those discussed in Part C. Purely economic indicators of managerial complexity, while relevant to our analysis, do not necessarily capture the overall complexity or value of an elected official’s office.

#### **4. COMPENSATION BENCHMARKS**

Benchmarking is a core practice among human resources professionals. By establishing the market rate for a given position, an organization can make compensation decisions that attract and retain top talent. City government is no different.

The Quadrennial Commission compared and contrasted New York City elected officials’ compensation with internal and external benchmarks ranging from starting salaries of New York City line civil servants, police officers, firefighters, and teachers, to annual salaries of elected officials in other U.S. cities, along with many other comparisons. Although no single benchmark for comparison was determinative, benchmarking proved a useful tool for thinking about the appropriate range within which to recommend New York City officials be compensated. Like other comparisons, benchmarking cut in more than one direction, which we discuss and develop in Part F.

##### **a. Elected Officials in Twenty-Five Most Populous U.S. Cities**

New York City’s elected officials’ salaries are comparatively lower than salaries of their counterparts, if any,<sup>95</sup> in many of the twenty-five most populous U.S. cities. In addition to our broad consideration of factors specific to New York City (e.g., affordability, economic well-being, and managerial complexity), we looked comparatively at other large cities’ mayoral and legislative salaries, and average number of people represented.

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95 New York City is unique in that it has an elected ombudsman (the Public Advocate). The closest analogous elected official to Borough President is probably County Executive, but the latter has service-delivery responsibilities, which the former does not.



New York City’s mayoral salary falls in the same range—between \$200,000 and \$250,000—as the next four most populous cities with a mayor-council form of government.<sup>96</sup> However, when mayoral salaries in mayor-council cities are adjusted for the cost of living in Brooklyn or Manhattan,<sup>97</sup> New York City’s mayoral salary falls below every city with more than a million residents, except San Diego.<sup>98</sup> Even among the other large cities in New York State, New York City’s mayoral salary falls behind when adjusted for relative costs of living.<sup>99</sup>

Members of the New York City Council represent, on average, 166,492 people, which is a greater number than their counterparts in the twenty-five largest U.S. cities, with the exceptions of Phoenix and Los Angeles, whose council members represent 192,132 and 261,924 people respectively.<sup>100</sup> Although the New York City Council is one of only seven major city legislatures with a base legislative salary of more than \$100,000, base salaries here, without regard to allowances, fall below cities such as Washington, Philadelphia, Seattle, and Chicago, whose city legislators represent far fewer people.

When salaries are adjusted to reflect differences in cost of living among the major U.S. cities, New York City Council’s base salary falls behind even Denver, which has a far smaller budget and whose legislators represent only 51,066 people.<sup>101</sup>

Given that New York City’s District Attorneys serve individual counties/boroughs within the city, comparisons with elected prosecutors in other major cities proved difficult. Many District Attorneys cover jurisdictions that exceed the population and geographic size of an individual city, as we discussed in our earlier section on political subdivisions and the eighty-eight cities located in Los Angeles County. The District Attorney who serves Dallas, for example, is responsible for

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96 Appendix O-4, Population and Mayoral Salaries in Mayor-Council Cities.

97 Our analysis bases adjustments to annual salaries on index numbers in [Cost of Living Index: Comparative Data for 265 Urban Areas](#) for the third quarter of 2015, published by the Council for Community and Economic Research (C2ER). The *Cost of Living Index* measures relative price levels for consumer goods and services, weighted to reflect costs for professional and executive households in the top income quartile. The “adjusted” salary values are the base salaries elected officials would need to make in Manhattan and Brooklyn in order to maintain the same lifestyle as enjoyed in their cities. C2ER does not collect data for Bronx, Queens, or Staten Island.

98 Appendix O-5, Population and Mayoral Salaries in Mayor-Council Cities (Adjusted to Cost of Living in Brooklyn); Appendix O-6, Population and Mayoral Salaries in Mayor-Council Cities (Adjusted to Cost of Living in Manhattan).

99 Appendix P-1, Five Next Largest Cities in the State of New York: Mayoral Salaries.

100 Appendix O-8, Twenty-Five Largest U.S. Cities by Population: Legislative Salaries.

101 Appendix O-2, Legislative Base Salaries in the Twenty-Five Largest U.S. Cities by Population: Adjusted to the Cost of Living in New York City.

prosecuting crimes throughout Dallas County, the population of which is nearly double that of the city with which it shares a name. Similarly, the King County Prosecuting Attorney in the State of Washington has jurisdiction over Seattle’s 668,342 residents plus an additional 1,411,625 county residents. In New York City, however, there are five district attorneys, whose jurisdictions range from Kings County’s 2,621,793 residents to Richmond County’s 473,279.<sup>102</sup> A strict comparative analysis of elected prosecutor to elected prosecutor would lead to vastly different conclusions depending on, for example, whether other cities’ elected prosecutors’ jurisdictions and salaries were compared to the District Attorney for Richmond County or Kings County.

## **b. Other Government Officials and Government-Funded Organizations**

New York City’s elected officials generally make less than their counterparts in federal government.<sup>103</sup> The President of the United States is the highest paid federal elected official, with an annual base salary of \$400,000. The Speaker of the House of Representatives receives \$223,500. Majority and minority leaders of both houses make \$193,400. All other Senators’ and Representatives’ salaries, including those of committee chairs and ranking members, are \$174,000. The annual pay for the Attorney General of the United States and other Cabinet members (which are appointed by the President, subject to confirmation by the Senate) is \$203,700.<sup>104</sup> U.S. Attorneys, who prosecute federal crimes in federal judicial districts (including the Southern and Eastern Districts of New York), are capped at \$158,700 basic pay per year.<sup>105</sup>

The Commission gathered data on compensation of New York City mayoral appointees and heads of public authorities in New York. Some New York City Commissioners and the Corporation Counsel (Law Department), who head citywide agencies, were paid \$214,413 in 2015, which is just under 5 percent less than the Mayor’s salary.<sup>106</sup> On the other hand, the First Deputy Mayor, Chief

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102 Appendix O-14.1, Prosecutor Salaries in Twenty-Five Largest U.S. Cities by Population.

103 District Attorneys are usually elected, whereas the U.S. Attorney General and U.S. Attorneys are appointed.

104 Appendix Q-5, Select Officials in Federal Government.

105 Under 28 U.S.C. § 548, the U.S. Attorney General “shall fix the annual salaries of the United States attorneys . . . at rates of compensation not in excess of basic compensation provided for Executive Level IV of the Executive Schedule.” The basic compensation for Executive Level IV, effective January 1, 2015, is \$158,700. U.S. Office of Personnel Management, Salary Table No. 2015-EX, available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/EX.pdf>.

106 Appendix Q-1, Select New York City Mayoral Appointees.

Assistant District Attorneys in every borough except Brooklyn, First Deputy Comptroller, and some City Council staff leaders make more than their elected-official bosses.<sup>107</sup> When we compared elected officials' salaries with pay for heads of local and state public authorities operating in or near New York City, we learned mayors makes less than the President of the New York City Health and Hospitals Corporation (\$394,896), the CEO at the Metropolitan Transportation Authority (\$325,000), and the Executive Director of the Port Authority (\$289,667).<sup>108</sup> We also learned the President of the Brooklyn Bridge Park Corporation's \$190,550 salary is greater than the annual pay for any City elected official other than the Mayor and District Attorneys; and the Governor's Island Corporation President makes \$175,000, which is more than the Public Advocate, Borough Presidents, and City Council members.

Within City government, both civilian and managerial employees have had pay increases. Under collective bargaining agreements, the cumulative salary increase for DC-37 employees from August 1, 2006 through the present is 24.52 percent. For managers, it is 23.45 percent. At many City-owned cultural institutions, for which the City pays energy, and some operating and capital costs, leaders are paid much more than any New York City elected official. The President of Lincoln Center for the Performing Arts was paid \$1.8 million in 2014, and the Director and Chief Executive Officer of the Metropolitan Museum of Art was paid \$950,762 that year.

### **c. Private Sector Positions**

Section 3-601 also requires the Quadrennial Commission to consider salaries and salary trends for positions with analogous duties and responsibilities in the private sector when studying the level of compensation appropriate for New York City's elected officials. We looked at non-profit organizations, union leaders, and for-profit executives as comparisons.

We referred to the Professionals for NonProfits *2014-2015 Nonprofit Salary & Staffing Report* for data on compensation of New York City non-profit senior management.<sup>109</sup> The New York City Mayor's current salary (\$225,000 per year) is within the salary range for a CEO/President of a \$10.1 to \$20

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107 Appendix G, NYC Elected Official Agencies: Headcounts, Budgets, and Salaries.

108 Appendix Q-4, Heads of Select Public Authorities in New York State.

109 Professionals for NonProfits, 2014-15 NONPROFIT SALARY & STAFFING REPORT: NEW YORK CITY AREA (2015).

million non-profit organization. New York City’s Mayor, however, executes a budget in the high tens of billions of dollars, not the low millions. Similarly, the Office of Comptroller is a \$74 million organization, but the Comptroller’s current salary (\$185,000) is within the range of a CEO/President at a \$5.1 to \$10 million non-profit. Similarly, based on budget alone, four of five District Attorneys’ annual pay (\$190,000) lags behind the CEO/President pay at a non-profit with a similar budget. (Staten Island’s District Attorney, while paid the same as other New York City District Attorneys, manages a \$9.6 million budget, whereas the other District Attorneys’ budgets exceed \$50 million.)

Union leaders in some of the best known City-employee unions similarly make more than elected officials. At DC-37, which represents the greatest number of City employees, the Executive Director’s salary is more than \$318,000. The heads of Service Employees Local Union 1199 and United Federation of Teachers make just over \$215,000 and \$256,000, respectively.<sup>110</sup>

In addition, we looked at publicly traded companies headquartered in or near New York City with revenues in a range similar to the New York City expense budget. While identifying an “analogous” officer in the private sector for most elected officials is difficult, the mayor does serve in a capacity similar to a chief executive officer. New York City’s mayor, however, is the executive ultimately in charge of more than 300,000 employees—a greater number of people than employed by all but one (IBM) of the comparable private companies in the City. Among those private companies, CEO salaries were in the millions of dollars.<sup>111</sup>

## 5. Affordability and New Yorkers’ Well-Being

Cost of living, a statutorily required factor for Quadrennial Commissions to consider, essentially is a measure of affordability. Past Commissions have used the Consumer Price Index as a proxy for cost of living in New York City, but the CPI measures only inflation over time. As the Bureau of Labor Statistics, which publishes the CPI, puts it, “The CPI is frequently called a cost-of-living index, but it differs in important ways from a complete cost-of-living measure . . . A cost-of-living index is a conceptual measurement goal, however, and not a straightforward alternative to the CPI.”<sup>112</sup>

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110 Appendix Q-2, Heads of Select New York City Municipal Unions.

111 Appendix Q-3, Heads of Select Publicly Traded Companies in the New York City Area.

112 U.S. Bureau of Labor Statistics, *Consumer Price Index: Frequently Asked Questions* (last modified July 24, 2015), <http://www.bls.gov/cpi/cpifaq.htm>.

The CPI measures goods and services purchased for consumption: food and beverages, apparel, transportation, medical care, recreation, education and communication, and other goods and services. It does not, however, take into account other governmental or environmental factors affecting consumers' well-being.<sup>113</sup> While relevant to understanding how much more expensive New York City has become since the last time elected officials received a compensation adjustment, CPI alone does not adequately capture how well the average New Yorker has fared over the same time period.

### **a. Income**

To pursue our goal of making recommendations in the public interest, we analyzed the CPI along with a variety of other discrete affordability measures, including median household income and various measures of housing costs in New York City. After all, elected officials may have little influence over the rate of inflation in New York City, but they have many tools—housing policies, education access and effectiveness, wage laws, public safety, environmental regulations, and health care, for example—which they can use to affect affordability and economic well-being in both the near-term and long-term.

Had we followed our predecessors' lead and not looked past the CPI for the New York City area, the Commission would have learned only that New York City became 17.91 percent more expensive between 2006 and 2014. But our deeper analysis uncovered that New Yorkers' median household income in the same time period rose only 14.02 percent.<sup>114</sup> In other words, inflation is growing faster than income; average New Yorkers are falling behind.

Since the most recent Quadrennial Commission released its final report in 2006, New York City has suffered through the Great Recession and begun to recover from it. Many New Yorkers lost their jobs. New York City's seasonally adjusted unemployment rate in November 2006 was 4.6 percent. In December 2008 it grew to more than 7 percent, ultimately rising to 10 percent in August 2009 and remaining in double digits through February 2010. Jobs recovery in the City was slow. Unemployment in New York City did not drop below 9 percent until October 2012. It reached

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113 *Id.*

114 Appendix C, Changes Over Time in NYC Median Household Income and the Consumer Price Index.

5.2 percent in September 2015.<sup>115</sup> Unemployment, mass layoffs, and New York City’s economic condition during the Great Recession added context to our analysis of affordability and economic well-being in New York City during the nine years since elected officials last had a compensation adjustment.

## **b. Housing**

A third of New York City renters now pay more than half their household income in gross rent.<sup>116</sup> According to the U.S. Department of Housing and Urban Development, housing is affordable when it costs no more than 30 percent of household income. Among rent stabilized tenants, the median household pays 36.4 percent of its income in rent, meaning a majority of them are unable to afford their apartments.<sup>117</sup> From 2000 to 2012, New York City’s median apartment rent rose by 75 percent, even though the median real income (meaning income adjusted for inflation) of New York City households declined by 4.8 percent.<sup>118</sup> And the number of people in New York City’s homeless shelters has grown—topping 65,000 people in December 2014—by nearly 20 percent since the City’s rental subsidy program ended in 2011.<sup>119</sup>

## **c. Geographic Differences in Cost of Living**

When considering how New York City elected officials’ salaries measure against their counterparts’ pay in other major cities, the Commission adjusted salaries to reflect the cost of living in New York City. For each comparison, we used the Council for Community and Economic Research’s *Cost of Living Index: Comparative Data for 265 Urban Areas* to calculate how much other cities’ elected officials would have to be paid in New York City if they wanted to move here and maintain the lifestyle they enjoy on their salaries in their own cities.

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115 U.S. Bureau of Labor Statistics: New York-New Jersey Information Office, Local Area Unemployment Statistics – New York City, <http://www.bls.gov/regions/new-york-new-jersey/data/xg-tables/ro2xglausnyc.htm> (last visited Dec. 2, 2015).

116 N.Y.C. RENT GUIDELINES BOARD, 2015 INCOME AND AFFORDABILITY STUDY 9 (2015), available at [http://www.nycrgb.org/downloads/research/pdf\\_reports/ia15.pdf](http://www.nycrgb.org/downloads/research/pdf_reports/ia15.pdf).

117 *Id.*

118 N.Y.C. COMPTROLLER BUREAU OF FISCAL & BUDGET STUDIES, THE GROWING GAP: NEW YORK CITY’S HOUSING AFFORDABILITY CHANGE 1, 9 (2014), available at [http://comptroller.nyc.gov/wp-content/uploads/documents/Growing\\_Gap.pdf](http://comptroller.nyc.gov/wp-content/uploads/documents/Growing_Gap.pdf).

119 N.Y.C. Dep’t of Homeless Services Data Dashboard, Fiscal Year to Date 2015, [http://www.nyc.gov/html/dhs/downloads/pdf/dashboard/tables/populat-Tbls\\_Dbd-04132015.pdf](http://www.nyc.gov/html/dhs/downloads/pdf/dashboard/tables/populat-Tbls_Dbd-04132015.pdf); Ford Fessenden, *Are There More Homeless People on the Streets of New York?*, N.Y. TIMES (Oct. 26, 2015), <http://www.nytimes.com/interactive/2015/10/21/nyregion/new-york-homeless-people.html>.

Adjusting salaries to reflect geographic cost of living changes added context to our analysis. We learned, beyond the anecdotal, how much more expensive New York City is compared with other major cities. We also learned that, comparatively, current salaries in New York City do not provide our elected officials with the same lifestyle their counterparts in many other major cities enjoy.<sup>120</sup>

However, our review did not end there. Upon further analysis, we discovered that considering the difference in cost of living, while important, does not reflect actual geographic salary differentials seen in the marketplace.

In addition to geographic cost-of-living measures, we gathered data on salary differentials among the twenty-five most populous cities. Our analysis uncovered no evidence of a dollar-for-dollar increase in salaries actually paid in the marketplace when compared with cost of living differences. We used Salary.com’s Cost-of-Living Wizard to further examine cost of living and salary differentials among the major U.S. cities in our review. We learned that Manhattan is, on average, 70.8 percent more expensive and Queens 53.5 percent more than other major cities. The salary bump an average worker could expect if she or he moved to either borough from another major city, however, is only 16.6 percent on average.<sup>121</sup> By refining our comparisons among the twenty-five most populous U.S. cities to reflect cost of living and salary differentials, we were able to better understand the relationships among elected officials’ salaries nationwide and average salary differentials across major cities.

## 6. Other Considerations

The Quadrennial Commission’s mandate is to “study the compensation levels” for New York City’s elected officials.<sup>122</sup> Whereas past Commissions have narrowly equated compensation with salary, we have studied both direct and indirect compensation of elected officials. City Council allowances (commonly referred to as “lulus”), elected officials’ pension plan and other fringes, car service for some elected officials, and the mayoral residence (Gracie Mansion) are among the data we considered in our review of compensation.

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120 Appendix O-2, Mayoral Salaries in Mayor-Council Cities: Adjusted to Cost of Living in New York City; Appendix O-9, Legislative Base Salaries in the Twenty-Five Largest U.S. Cities by Population: Adjusted to the Cost of Living in New York City; Appendix O-16, Prosecutor Salaries in the Twenty-Five Largest U.S. Cities Adjusted to the Cost of Living in New York City.

121 Appendix M, Salary Differentials Between New York City and Other Twenty-Five Largest U.S. Cities by Population.

122 N.Y.C. ADMIN. CODE § 3-601.

## a. Fringes, Including Pensions/Retirement

Fringes, including pension benefits, are important comparisons we considered as part of our compensation study. No other Quadrennial Commission has examined fringe costs or New York City elected officials' pensions as part of their review. Fringes are part of the broader compensation afforded to New York City elected officials, and our review of fringe costs and pensions provided context for understanding how compensation of New York City elected officials stacks up with private sector employees and state/municipal employees in other jurisdictions.

New York City elected officials are eligible to participate in the New York City Employee Retirement System, which is the same pension plan afforded to city employees from the lowest to the highest levels.<sup>123</sup> It takes five years to vest under Tier 4, which covers employees who joined NYCERS between July 27, 1976, and March 31, 2012. The civilian fringe benefit rate for New York City employees is 48.1 percent of salary, 18.23 percent of which is pension/retirement. More than 15 percent of the civilian fringe benefit rate is health insurance. These are important considerations when comparing elected officials' compensation with those in the private sector and government jobs elsewhere. The private industry fringe benefit rate for the northeast region of the United States is only 28.1 percent, with only 4.3 percent of that being pension/retirement and 8.3 percent being health insurance. Nationally, the fringe benefit rate for state and local government employees is only 31.9 percent, with 10.2 percent being pensions/retirement and 11.9 percent being health insurance.<sup>124</sup>

By analyzing fringe benefit rates and pensions/retirement available to New York City elected officials, we learned that City officials and employees enjoy a 16 to 20 percent premium in benefits over other state/local employees and private sector employees, respectively.<sup>125</sup> As the Commission considered differences in the cost of living in New York City versus other major cities, the richer benefits package enjoyed by New York City elected officials and employees was a countervailing consideration.

## b. Car Service

Car service was another issue raised in testimony at one of our public hearings.<sup>126</sup> The Commission considered whether car service—provided to the Mayor, Comptroller, Public Advocate, Borough

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<sup>123</sup> Appendix J, NYC Elected Officials' Pension Benefits.

<sup>124</sup> Appendix K, NYC Fringe Benefits Compared to Private Industry and Other Governments.

<sup>125</sup> *Id.*

<sup>126</sup> Transcript of Public Hearing of the N.Y.C. Quadrennial Advisory Comm'n 48, 62 (Nov. 23, 2015) (testimony of Roxanne Delgado).



Presidents, District Attorneys, and Speaker—is appropriately considered a benefit for our review. After all, car service costs the City and is a luxury many in our city do not enjoy, but there are deeper considerations. While car service may be thought of as a “perk” of holding public office, it may well be a necessary security function to ensure the personal safety of elected officials. The two conceptions of car service—as a luxury or as a security need—each have merit, making any valuation of car service as compensation a political proposition beyond the purview of our independent assessment.

### **c. Mayoral Residence**

Unlike perhaps any other mayor in the country, New York City’s mayor often serves as a ceremonial head of state. New York City is a worldwide economic center. It is home to communities from virtually every country in the world, and it hosts the United Nations. Therefore, New York City’s mayor is expected to host business leaders from around the world, dignitaries who visit or pass through the City, and foreign diplomats and heads of state.

Since 1942, the City has provided mayors with an official residence—Gracie Mansion—for this purpose.<sup>127</sup> Gracie Mansion serves as more than simply a residence for mayors: It is a venue for hosting official state events and welcoming dignitaries to the City. It is publicly accessible, with hundreds of tours conducted each year.<sup>128</sup> In addition, mayors have regularly used Gracie Mansion to host informal events and small group dinners to discuss important policy issues.<sup>129</sup>

Nevertheless, Gracie Mansion is a benefit of office. Its value is difficult to quantify because Gracie Mansion serves an important role for the City at large and may well cost the city less than providing both security needed for private mayoral residences and the cost for renting space for events. Without necessarily assigning a pecuniary value to the official residence, we considered Gracie Mansion generally as part of mayoral benefits and as part of the City’s necessary security costs for protecting mayors.

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127 *How Gracie Mansion Became New York’s ‘Little White House’*, CURBED (Jan. 3, 2014), [http://ny.curbed.com/archives/2014/01/03/how\\_gracie\\_mansion\\_became\\_new\\_yorks\\_little\\_white\\_house.php](http://ny.curbed.com/archives/2014/01/03/how_gracie_mansion_became_new_yorks_little_white_house.php).

128 Gracie Mansion: The People’s House, *Visit*, <http://www1.nyc.gov/site/gracie/visit/visit.page> (last visited Dec. 2, 2015).

129 Kate Taylor, blog, *A Mayor Who Never Slept Here (Gracie Mansion) Says No Successor Should*, N.Y. TIMES CITY ROOM (March 27, 2012), [http://cityroom.blogs.nytimes.com/2012/03/27/mayors-shouldnt-live-in-gracie-mansion-bloomberg-says/?\\_r=1](http://cityroom.blogs.nytimes.com/2012/03/27/mayors-shouldnt-live-in-gracie-mansion-bloomberg-says/?_r=1). Despite its title, this article provides a good overview and analysis of Gracie Mansion’s many uses that benefit the City.

## 7. HISTORY OF CHANGES TO NYC ELECTED OFFICIALS' COMPENSATION

New York City elected officials' salaries have not changed since 2006, the last time a mayor appointed a Quadrennial Commission. In the nine years since the most recent salary adjustment, many things have changed in New York City. Population has increased; the purchasing power of a dollar has decreased; the City has suffered through and rebounded from the Great Recession; housing has become unaffordable for many; and economic recovery has disproportionately benefited higher-income New Yorkers.

Over the past three decades, New York City elected officials have gotten incremental but irregular base salary increases. For all elected offices except City Council and District Attorneys, compensation has decreased in real dollars (adjusted for inflation) since 1983.

After adoption of the 1989 Charter Revision Commission's recommendations, the duties and responsibilities of many elected officials changed dramatically. The Board of Estimate was abolished, which changed the role of Borough Presidents. The Mayor was strengthened, as was City Council. Prior Quadrennial Commissions mentioned changes in official duties and responsibilities, but they do not seem to have accounted for those changes in their recommendations, except for a relatively higher City Council pay raise. Past Commissions also may have accounted for changes to the Public Advocate's role.

The mayoral salary has grown 104.55 percent, in nominal dollars, since 1983; and the borough president salary has grown exactly 100 percent in the same time period. These relatively equal increases are notable, given the substantial increase in mayoral powers, duties, and responsibilities, as well as differences in the role of borough presidents after the 1989 Charter Revision. The Public Advocate is the only elected office with less than a 100 percent salary increase since 1983. District Attorneys have seen their salaries increase 131.7 percent; and City Council members' base salaries have grown by 136.84 percent over the past three decades, during which Council responsibilities have significantly expanded.<sup>130</sup>

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<sup>130</sup> Appendix D, Changes Over Time in NYC Elected Officials' Salaries and the Consumer Price Index; Appendix E, NYC Elected Official Salaries Adjusted to 2015 Real Dollars.

## 8. SALARY RATIOS

Income inequality has been growing throughout the United States for many years, with income increasing disproportionately among the wealthiest 1 percent.<sup>131</sup> In the private sector, salary ratios between chief executive officers to average employees have risen dramatically. In 1980, the national CEO-to-nonsupervisory worker pay ratio was 42 to 1. In 2014, the ratio was 373 to 1.<sup>132</sup> Within New York City government, the mayor-to-worker ratio is much lower. The mayoral salary currently is 8.7 times as large as the lowest paid full-time DC-37 employee, 5.3 times the salary of a starting New York City firefighter, 4.5 times the salary of a new public school teacher. It is 4.25 times the median household income for New York City.<sup>133</sup> Nonetheless, many New Yorkers are hurting and feeling the effects of economic hardship.

Income distribution in New York City generally follows that of the country at large, but the City has a greater proportion of very poor and very wealthy residents. Nationally 4.6 percent of the population's income is \$200,000 or more, and 7.2 percent have incomes under \$10,000. In New York City, 6.9 percent of the population have \$200,000-plus incomes, and 10.5 percent of people have incomes under \$10,000. In effect, the very wealthy and very poor in New York City are larger in proportion and thus more visible than in the country as a whole.<sup>134</sup> Finally, 45.1 percent of New York City residents in 2013 were at or near the New York City Center for Economic Opportunity's poverty line.<sup>135</sup>

No single factor is determinative, but we considered these and many other factors to help make recommendations that are commensurate with the responsibilities elected officials have for New York City's well-being.

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131 AFL-CIO, *Executive Paywatch: High-Paid CEOs and the Low-Wage Economy*, <http://www.aflcio.org/Corporate-Watch/Pay-watch-2015> (last visited Dec. 1, 2015).

132 *Id.*

133 Appendix O-2, Select New York City Employees' Starting Salaries.

134 See Sam Roberts, *Gap Between Manhattan's Rich and Poor is Greatest in U.S., Census Finds*, N.Y. TIMES (Sept. 17, 2014), [http://www.nytimes.com/2014/09/18/nyregion/gap-between-manhattans-rich-and-poor-is-greatest-in-us-census-finds.html?\\_r=0](http://www.nytimes.com/2014/09/18/nyregion/gap-between-manhattans-rich-and-poor-is-greatest-in-us-census-finds.html?_r=0); Jordan Weissman, *So You're Rich for an American. Does That Make You Rich for New York?*, SLATE (Aug. 29, 2014, 5:11 p.m.), [http://www.slate.com/blogs/moneybox/2014/08/29/income\\_distribution\\_of\\_new\\_york\\_city\\_what\\_does\\_it\\_take\\_to\\_be\\_rich.html](http://www.slate.com/blogs/moneybox/2014/08/29/income_distribution_of_new_york_city_what_does_it_take_to_be_rich.html).

135 N.Y.C. OFFICE OF THE MAYOR, THE CEO POVERTY MEASURE, 2005-2013: AN ANNUAL REPORT FROM THE OFFICE OF THE MAYOR iii (2015), [http://www.nyc.gov/html/ceo/downloads/pdf/ceo\\_poverty\\_measure\\_2005\\_2013.pdf](http://www.nyc.gov/html/ceo/downloads/pdf/ceo_poverty_measure_2005_2013.pdf).