



# Quincy Salary Evaluation Report

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## **Executive Summary**

Under contract with the City of Quincy, Massachusetts (the City), Dorminson Consulting, LLC (Dorminson) has evaluated the general level of compensation for public officials. Objective measures of compensation levels relative to job performance are not easily obtainable in the public sector. Often job performance is a driver in election outcomes, but straightforward links between performance and compensation are elusive.

Dorminson recommends an adjustment to the mayoral compensation levels based on our analysis of national Chief Administrative Officer (CAO) compensation data. We also recommend that, moving forward, the City of Quincy adopt an indexing approach in setting and adjusting mayoral compensation. The indexing of compensation to the economic conditions of the locality will establish an objective determination of compensation, provide transparency to the constituency, align public official compensation to the economic well-being of the local constituency, and engender a sense of economic fairness in public official compensation. Three indexing approaches are presented.

### **Challenges in Determining Public Sector Compensation**

Measuring worker productivity within the public sector encompasses a set of complexities and nuances, setting it markedly apart from the more straightforward metrics applied in the private sector. In private businesses, productivity often correlates directly with quantifiable outcomes such as revenue generation, profit margins, and market share growth, enabling a relatively clear-cut assessment of individual and collective performance. Conversely, the public sector operates within a framework where success is less tangibly measured, focusing instead on the delivery of services that aim to enhance social welfare, public safety, and community well-being.

The inherent nature of public services, which span a broad spectrum from education, healthcare, governance and social services to infrastructure maintenance, law enforcement, and environmental protection, complicates the task of defining and measuring productivity. These services are designed not with profit in mind, but with the intent to fulfill societal needs and ensure equitable access to essential resources and opportunities for all citizens. Moreover, citizens in each municipality may weigh or value each of the above differently, adding to the difficulty in setting fair salaries. This emphasis on non-financial outcomes means that productivity in the public sector is often evaluated based on the quality, accessibility, and impact of the services provided, metrics that are inherently more subjective and challenging to quantify.

The objectives of public sector organizations are frequently broad, encompassing, and multi-dimensional; reflecting the complex and interrelated needs of the communities they serve. Such diversity in goals and responsibilities often defies the application of a private sector productivity measure and necessitates a more nuanced approach to evaluation. For instance, how does one compare the productivity of a teacher shaping the minds of future generations to that of a firefighter ensuring public safety or a city planner designing sustainable urban environments?

These priorities require that productivity assessments not only consider the efficiency and effectiveness of service delivery but also the extent to which these services are accessible to all

segments of the population, including the most vulnerable. This multifaceted approach to productivity evaluation must balance quantitative metrics with qualitative assessments of service impact, societal benefit, and community satisfaction.

The development of meaningful productivity measures in the public sector, therefore, demands innovative methodologies that can accommodate the sector's unique characteristics and values. It requires a shift away from narrowly defined neoclassical measures of the marginal productivity of labor towards more holistic evaluation frameworks that consider a wider array of outcomes, including societal impact, employee engagement, service quality, and public trust. Such frameworks must be flexible enough to adapt to the varying objectives of different public organizations while still providing a coherent basis for assessing performance and guiding improvements.

## **Theory and Relevant Research**

### **Economic Theories of Wages**

The dynamics of wage determination are crucial for grasping how labor markets function. Various theories have been proposed to explain the mechanisms that govern wage levels, each providing unique insights into the factors influencing wages.

*Marginal Productivity Theory:* The Marginal Productivity Theory asserts that wages are determined by the marginal productivity of labor. This theory posits that an employee is paid a wage equivalent to the value of the additional output produced by the last unit of labor employed. The fundamental premise is that in a competitive labor market, employers will hire additional workers up to the point where the cost of hiring an extra worker equals the revenue generated by that worker. This theory emphasizes the role of supply and demand in setting wages, assuming labor markets are perfectly competitive, and workers are fully mobile.

*Efficiency Wage Theory:* The Efficiency Wage Theory introduces a rationale for why employers might opt to pay wages above the market-clearing level. This theory suggests that higher wages can lead to greater productivity by enhancing worker morale, reducing turnover, and attracting more skilled applicants. The implication is that paying higher wages is a strategic decision by employers to invest in their workforce, with the expectation of improving overall efficiency and productivity. This challenges the classical view that wages are always driven down to equilibrium levels by market forces, suggesting instead that higher wages can be beneficial for both employers and employees.

*Bargaining Theory:* The Bargaining Theory centers on the negotiation process between employers and workers (or their unions) in determining wages. Unlike models that rely solely on impersonal market forces, this theory acknowledges the importance of power dynamics and negotiation in wage determination. Factors such as the strength and presence of labor unions, the level of unemployment, and the institutional and legal framework within which bargaining occurs significantly influence the outcomes. Wages, from this perspective, are a product of the relative bargaining power of the parties involved, and not just the result of market equilibrium.

*Human Capital Theory:* Human Capital Theory views wages as a return on the investment made in education, training, and experience. It argues that individuals invest in their own human capital to increase their productivity and, as a result, their potential earnings. According to this theory, wage differentials across individuals and occupations reflect differences in levels of human capital and the economic value of skills and knowledge. This perspective underscores the role of personal initiative and investment in education and training as key determinants of wage levels.

*Institutional Theory:* The Institutional Theory emphasizes the significant impact of various institutions on wage determination. According to this theory, wages are not determined solely by economic factors but are also shaped by institutional arrangements, including government policies, labor unions, and prevailing social norms. Institutions such as minimum wage laws, collective bargaining agreements, and anti-discrimination laws play a crucial role in influencing wage structures, highlighting the importance of legal and social contexts in wage determination.

*Segmented Labor Market Theory:* Also known as the Dual Labor Market Theory, this approach suggests that the labor market is divided into distinct segments, each with its own wage determination dynamics. The primary segment is characterized by stable, well-compensated jobs with good working conditions, while the secondary segment comprises low-wage, high-turnover jobs with poor working conditions. This theory highlights structural factors that create and maintain these market segments, suggesting that wage disparities and employment conditions are influenced more by market segmentation than by individual productivity or bargaining power alone.

Each of these theories provides valuable insights into the complex dynamics of wage determination. The Marginal Productivity Theory and Human Capital Theory emphasize the role of individual productivity and investment in education and training as key determinants of wages. In contrast, the Bargaining Theory and Efficiency Wage Theory highlight the importance of strategic decisions by employers and the negotiation process between workers and employers. The Institutional Theory and Segmented Labor Market Theory, meanwhile, focus on the structural and institutional factors that influence wage levels and employment conditions. In practice, wage determination is influenced by a combination of these factors, reflecting the multifaceted nature of labor markets. The interaction between individual productivity, market forces, institutional frameworks, and bargaining processes determines wage levels and structures. Understanding these various theories helps to illuminate the complex interplay of factors that govern wages, providing a comprehensive framework for analyzing labor market dynamics.

### **Business Research Regarding Executive Compensation**

Research in the corporate compensation literature has demonstrated the effectiveness of providing executives with incentive pay that corresponds to corporate economic value and shareholder returns/wealth. The focus of much of this research addresses compensation as a tool for aligning the incentives of the agent (corporate executive) with that of the principals (shareholders). When the agent's compensation is dependent on the principals' economic outcomes, the compensation regime acts as a mechanism that ensures the agent acts in the

interest of the principals as he maximizes his own wealth. That is, the objectives are aligned. Such alignment mitigates the inherent agency problem.<sup>1</sup>

One common incentive/pay system is to tie executive compensation to share performance. In many cases, this is accomplished with stock and/or stock options as a portion of executive compensation. Clearly, this specific implementation is not available in the public sector. However, with carefully designed compensation indexing, the same agent-principal alignment can be achieved in the public sector. These methods offer a transparent approach to benchmarking the level of compensation and establishing regimes for adjustments to the compensation level.

## **Constraints and Considerations**

Setting fair salaries for government workers, particularly for high-visibility roles such as mayors and city councilors, presents a complex array of challenges. These challenges stem from the multifaceted nature of public service roles, the expectations of the electorate, budgetary constraints, and the need to balance competitiveness with public perception.

One of the foremost challenges in setting salaries for mayors and city councilors is the need to balance public expectations with fiscal responsibility. Taxpayers demand accountability and efficiency in the use of public funds, often scrutinizing the salaries of elected officials. High salaries can be perceived as a misuse of public resources, especially in times of budget shortfalls or when cuts to public services are being made. Conversely, offering competitive salaries is essential to attract and retain talented individuals who can effectively manage municipal affairs in the interest of the community.

Determining what constitutes a fair salary for mayors and city councilors is further complicated by the issue of benchmarking. Unlike private sector roles, where compensation can be directly tied to market demand and revenue generation, public sector salaries must consider a broader set of benchmarks. These may include comparisons with similar positions in other cities or regions, adjusted for cost-of-living and size of the population served. However, such comparisons are fraught with difficulties, as the responsibilities and challenges faced by officials can vary significantly from one jurisdiction to another, making direct comparisons challenging.

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<sup>1</sup> This body of literature is represented throughout the economics and business literature. Some examples of the relevant literature include:

- Fama, E.F. (1980), “Agency problems and the theory of the firm”, *Journal of Political Economy*, Vol. 88 No. 2, pp. 288-307.
- Garen, J.E. (1994), “Executive compensation and principal-agent theory”, *Journal of Political Economy*, Vol. 102 No. 6, pp. 1175-1199.
- Nguyen, B.D. and Nielsen, K.M. (2014), “What death can tell: are executives paid for their contributions to firm value?”, *Management Science*, Vol. 60 No. 12, pp. 2994-3010.

Public perception plays a critical role in setting salaries for public officials. Salaries that are perceived as excessively high can erode public trust and damage the reputation of the officials, affecting their ability to govern effectively. This concern over public perception can lead to salaries being set at levels that may not fully compensate for the demands and responsibilities of the role, potentially deterring qualified candidates from seeking office. Balancing the need to provide fair compensation with the imperative to maintain public trust and confidence is a delicate task.

Political considerations often influence the process of setting salaries for mayors and city councilors. Salary decisions can become entangled in political debates, with opposition groups using salary adjustments as fodder for criticism. The process can become politicized, with decisions being influenced more by political maneuvering than by an objective assessment of the demands of the role and the need to attract qualified candidates. Legal and institutional frameworks can also present challenges in setting fair salaries for public officials. In many jurisdictions, laws or regulations set limits on salary adjustments for public officials, or require specific processes to be followed, such as approval by voters or independent commissions. These constraints can make it difficult to respond to changing economic conditions or to adjust salaries in a timely manner to reflect the increasing complexity of managing city affairs.

Unlike private sector roles where performance can often be measured in terms of profit generation or achievement of specific targets, measuring the performance of mayors and city councilors is more subjective. Their contributions to the community involve a wide range of activities, from policy development and implementation to constituent service and crisis management. Developing objective criteria for performance that can be tied to compensation is a significant challenge, making it difficult to link salary adjustments to performance outcomes in a transparent and accountable way. Finally, ensuring equity and fairness in the salaries of mayors and city councilors is a complex issue. These roles do not operate in isolation but within a broader employment ecosystem; public and private. Salary decisions must consider internal equity with other public sector roles, as well as equity in terms of the gender, racial, and socioeconomic diversity of those who hold public office. Ensuring that salaries do not inadvertently perpetuate disparities or discourage diversity among elected officials requires careful consideration and thoughtful policy development.

## **Data Analysis**

### **Trends in Wage & Salary Spending**

In Figure 1, we present the per capita spending on wages and salaries for the City of Quincy. The solid black line shows the historic (actual) per capita compensation. In addition, the graphic includes three pairs of lines (grey, blue, green) of CPI-adjusted per capita compensation figures computed from the historic data (black line). For each pair, the solid line shows the historic data adjusted for the national CPI (NCPI), and the dashed line shows the historic data adjusted for the Boston-MSA CPI (BCPI). The grey, blue, and green lines represent the CPI adjusted data where 2012, 2017, and 2020 are the base years, respectively.

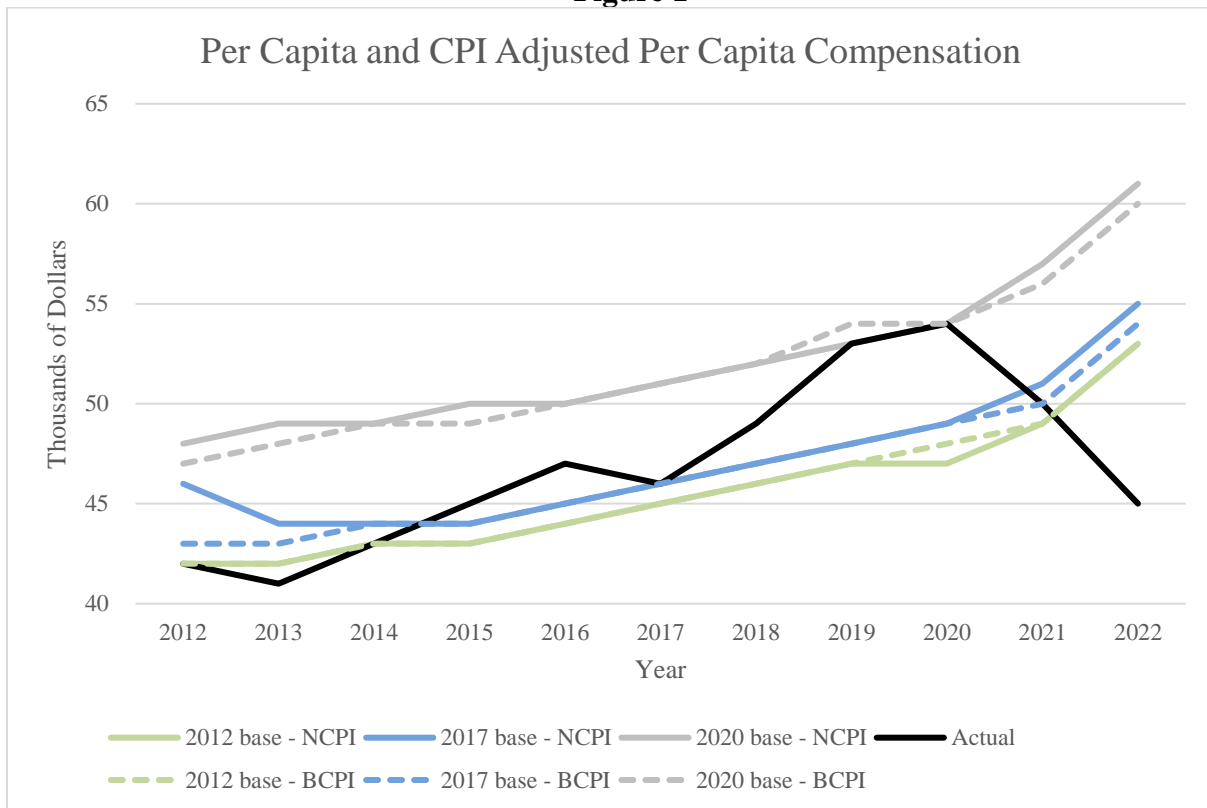
These three years are used to identify a relevant range because the per capita compensation was lowest in 2012, highest in 2022, and the median level is in 2017. Adjusting for the CPI using

these three years produces a range of values for consideration when determining the level of per capita nominal compensation at which purchasing power is maintained. The result is an upper and lower bound that may be considered as substantially maintaining purchasing power though time.

In the case where 2012 is used as the base year for CPI adjustments, the 2022 compensation should have been approximately \$53,000. Where 2017 is the base, the 2022 compensation should have been approximately \$55,000, and where 2020 is used as the base, the compensation should have been approximately \$61,000. Taking these results together, the 2022 per capita compensation.

Therefore, it appears that the current per capita compensation for Quincy is not only lower in nominal terms, but has substantially lagged the cost-living, particularly in the last few years. Based on the data presented here, constant purchasing power would be maintained if the per capita compensation in 2022 was between \$53,000 and \$61,000.

**Figure 1**



**Executive and Branch Analysis**

In the recent assessment of municipal executive compensation, the City of Quincy's CEO<sup>2</sup> salary has been evaluated within the broader context of regional compensation scales. This analysis is crucial for maintaining transparency and fairness in public sector remuneration, ensuring that

<sup>2</sup> The term 'CEO' is used to refer to the mayor level executive within the municipality, which is also referred to as a Chief Administrative Officer (CAO). For this discussion, 'CEO' does not imply a private sector executive.

executive compensation aligns with both the responsibilities of the role and the economic landscape of the area. One major challenge in assessing the appropriate salary for a mayor are the different types of city governments in which they serve and the variability in mayoral responsibilities across municipalities. The *strong mayor* and *council-manager* are two common forms of municipal administration in the United States. While both aim to provide effective governance, they differ in their distribution of power, responsibilities, and accountability.

In the strong mayor system, the mayor is directly elected by the people and serves as the city's chief executive officer. The mayor has significant administrative and budgetary authority, including the power to appoint and remove department heads, prepare the city budget, and veto legislation passed by the city council. This centralization of power allows for quick decision-making and clear accountability, as the mayor is responsible for the city's overall performance and direction. The mayor also plays a key role in setting the policy agenda and proposing initiatives to address the community's needs.

In contrast, the council-manager system distributes power more evenly between the elected city council and a professional city manager appointed by the council. The city council serves as the body, responsible for setting policies and making major decisions. The council appoints a city manager who serves as the chief executive officer and is responsible for the day-to-day administration of the city. The city manager is accountable to the council and can be removed by them if necessary. This system emphasizes professionalism and expertise in city management, as the city manager is typically a trained administrator with experience in municipal governance.

One advantage of the strong mayor system is that it provides strong leadership and a clear vision for the city. The mayor, as the directly elected chief executive, has a mandate from the people and can drive change and innovation. This system also allows for quicker decision-making, as the mayor has the authority to act without the need for constant council approval. However, critics argue that the concentration of power in a single individual can lead to abuse of authority or a lack of checks and balances. The council-manager system, on the other hand, promotes a more collaborative and professional approach to city governance. The council, as a group of elected representatives, brings diverse perspectives and interests to the decision-making process. The city manager, as a trained professional, brings expertise and best practices to city administration. This system can lead to more stable and consistent governance, as the city manager is not subject to the political pressures faced by elected officials. However, some argue that the council-manager system can result in a lack of strong leadership and vision, as the city manager is not directly accountable to the people.

The City of Quincy, Massachusetts, has a strong mayor form of government. As such, the mayor is directly elected by the people and serves as the chief executive officer of the city. The mayor has the power to appoint and remove department heads, prepare the city budget, and veto ordinances passed by the city council. The Quincy City Council consists of nine members, including three at-large councilors and six ward councilors. The council serves as the legislative body of the city, responsible for passing ordinances, approving budgets, and providing oversight of the mayor and city departments. This form of government has been in place in Quincy since 1888, when the city charter was adopted.



## Benchmark for Compensation

Ideally, one would like to have a nation-wide survey regarding the salaries of a “strong form Mayor” adjusted for cost-of-living, population size, and performance. That survey does not exist and would likely cost the city millions of dollars to conduct. However, we were able to obtain a survey that we believe provides the necessary information to develop a fair pay range.

The International City/County Management Association (ICMA) is a professional organization for city and county managers, as well as other local government administrators, founded in 1914. With a global network of nearly 10,000 members, the ICMA aims to advance professional local government management worldwide through leadership, management, innovation, and ethics. The organization provides a wide range of services to its members, including professional development, research, publications, and data collection. The ICMA is known for its commitment to promoting excellence in local governance and fostering the exchange of best practices among municipal leaders.

The ICMA conducts a survey periodically to gather information on the compensation packages of chief administrative officers (CAO) in local governments across the United States. The survey collects comprehensive data on the salaries, benefits, and employment contract structures of city, town, and county managers and administrators. This valuable resource provides insights into the current state of compensation practices for top-level local government executives, allowing for comparisons and benchmarking across various municipalities and regions. The survey results provide critical information for local governments in attracting, retaining, and compensating skilled professionals in these crucial leadership roles. The survey was last conducted in 2019.<sup>3</sup>

The 2019 survey was conducted in January 2019 and was distributed to 2,994 ICMA members. A total of 1,279 completed surveys were returned (42.7% response rate) and included responses from municipalities, counties, and regional agencies/councils.<sup>4</sup> The survey response profile is presented in Table 1.

Table 1  
ICMA 2018 Survey Response <sup>a</sup>

Entity Type		Geographic Region	
Municipality	1,120	Northeast	166
County	145	Midwest	411
Other	14	South	405
		West	297
Total responses	1,279	Total responses	1,279

<sup>a</sup> The information in this table is taken from the ICMA’s 2018 CAO Salary and Compensation Survey

The survey includes base compensation information for CAO’s at the end of 2018 categorized by constituency population. This information is shown in the first two columns of Table 2. Also

<sup>3</sup> International City/County Management Association. 2018 CAO Salary and Compensation Survey – Summary of Survey Results. Washington, DC: ICMA, 2019. <http://icma.org>.

<sup>4</sup> All U.S. states are represented in the survey except Hawaii and Mississippi.

included in the table is the Consumer Price Index (CPI) adjusted salary to reflect the national and regional CPI adjustments to bring the survey data current for 2024.

Table 2  
Annual Base Salary of Chief Administrative Officers (CAO) <sup>a</sup>

Population <sup>b</sup>	Median 2018 Base Pay Salary <sup>b</sup>	Median Salary Adjusted for CPI <sup>c</sup>	
		National CPI	Boston- Cambridge- Newton CPI
250,000 and up	\$315,000	\$394,375	\$406,350
100,000 - 249,999	\$231,750	\$290,148	\$298,957
50,000 - 99,999	\$200,000	\$250,397	\$258,000
25,000 - 49,999	\$164,750	\$206,265	\$212,527
10,000 - 24,999	\$142,167	\$177,991	\$183,395
5,000 - 9,999	\$115,310	\$177,991	\$148,749
2,500 - 4,999	\$98,500	\$123,321	\$127,065
Under 2,500	\$81,000	\$101,411	\$104,490

<sup>a</sup> Total survey response = 1,279.

<sup>b</sup> The two most left columns are taken directly from the ICMA’s 2018 CAO Salary and Compensation Survey.

<sup>c</sup> The two most right columns show the Consumer Price Index(CPI)-adjusted median base pay brought forward to 2024.

*CAO/Mayoral Compensation at Quincy:* In considering the City of Quincy, the responsibilities of the Mayor seem to be best described as an example of a strong mayoral form of government. Further, regional comparisons with population sizes comparable to Quincy suggest that the above estimates are reasonable. For example, Cambridge and Lowell, with populations of 118,000 and 113,000, provide CAO compensation of \$330,000 and \$235,000, respectively.

The CEO salary within the City of Quincy, when assessed against the backdrop of the compiled ICMA and current inflation trend appears substantially lower than warranted. As such, given Mayor Koch’s 16 years in office, considering and assuming a 1.5% longevity increase that is common for many other Mayors in nation, we would recommend a salary range of \$298,957 to \$370,000.

## Recommendations

Indexing salaries to economic factors specific to the locality is a pragmatic strategy to address several challenges inherent in public sector compensation. Such an approach provides a systematic and transparent mechanism for salary adjustments, which can help depoliticize the issue of public official compensation. By tying salary increases to an objective economic indicator, the process becomes less susceptible to political manipulation and public controversy. Indexing public official compensation to the local economic conditions directly aligns public official incentives and compensation levels with the well-being of the constituency. Such compensation regimes can be expected to garner a sense of economic fairness in the mind of the public.

### Index Public Official Compensation to Local Inflation

In the context of setting fair salaries for government workers, particularly mayors and city councilors, there's a compelling argument for indexing these salaries to a local measure of inflation. Such an approach ensures that the compensation for these roles keeps pace with the cost-of-living, thereby maintaining the real value of their earnings over time. This proposal not only addresses economic fairness but also supports the broader objective of attracting and retaining competent individuals in public service roles.

Moreover, local inflation measures are more reflective of the actual cost pressures faced by individuals in a specific area, as opposed to national inflation rates. This is particularly relevant for city officials who reside in the jurisdictions they serve. The cost-of-living can vary significantly from one city to another, influenced by factors such as housing costs, transportation, and local taxes. Indexing salaries to local inflation ensures that compensation adjustments are grounded in the economic realities of the community, promoting fairness and equity.

A significant challenge in public administration is attracting and retaining talented professionals who are capable of effectively managing complex city operations and addressing the needs of the community. Competitive compensation is a crucial factor in this equation. When salaries fail to keep pace with inflation, the real income of public officials declines, potentially making public service roles less attractive compared to opportunities in the private sector or in other regions with better compensation practices. Indexing salaries to local inflation helps ensure that public service remains a viable and attractive career path for skilled individuals. Public trust is a cornerstone of effective governance. The perception that public officials are being compensated fairly and in line with economic conditions is vital to maintaining this trust. Indexing salaries to inflation demonstrates a commitment to transparency and fairness, showing the public that salary adjustments are based on objective criteria rather than arbitrary decisions. This can enhance public confidence in government institutions and the individuals who serve within them.

Implementing an indexation policy requires careful consideration of the specific inflation measure to be used, the frequency of adjustments, and the mechanisms for implementing changes. Local inflation indices, which reflect the cost-of-living changes in the specific area, would be the most appropriate measure. Adjustments could be made annually to ensure that salaries remain in step with economic conditions, with a cap on the maximum increase to address concerns about fiscal responsibility and budgetary constraints. Indexing the salaries of mayors and city councilors to a local measure of inflation presents a balanced approach to managing public sector compensation. It offers a means to ensure fairness, attract and retain talent, and maintain public trust, all while providing a transparent and systematic mechanism for salary adjustments. As cities continue to evolve and face new challenges, adopting policies that support effective and equitable governance is more important than ever. Indexing salaries to local inflation is a step in the right direction, providing a foundation for sustainable public service that meets the needs of the community and the individuals who dedicate themselves to serving it.



### Index Public Official Compensation to Local Private Corporate Compensation

An additional (or alternative) approach is to index public employee compensation to corresponding compensation in the private (e.g., local corporate) sector. Such an approach affords two significant benefits not directly provided by the other indexing alternatives. First, the base for the index is a free market determined rate for executive level compensation. The local corporate ecosystem is forced to establish executive level compensation in a competitive environment. Use of the local corporate compensation as a baseline would facilitate setting an appropriate and competitive public sector compensation for the executive-level skills necessary in the role. Second, as private sector compensation shifts in response to evolving economic realities, the benchmark automatically impounds those market-based adjustments. The municipality no longer needs to track and estimate the economic climate, the corporate benchmark already reflects those realities.

Implementation of this approach requires identification of an equivalent measure between the corporate and public settings. A public measure should be used as a proxy for a corresponding private sector (i.e., corporate) measure when establishing equivalency in setting a benchmark. For example, total tax revenue for the municipality may be viewed as a proxy for corporate revenue, discretionary and capital budgets at the municipal level may be a proxy for capital budget in the private sector. Whatever the proxy measure and benchmark considered, careful a priori analysis and modeling is necessary to avoid unintended outcomes.

### Benefits of Indexing Public Official Compensation

Cities face varying economic conditions, with financial outcomes fluctuating due to factors such as economic cycles, population changes, and external economic shocks. Indexing salaries to local economic measures allows for a dynamic adjustment mechanism that responds to these fluctuations. In times of economic prosperity, when economic prosperity increases, salaries can adjust upwards, reflecting the city's improved fiscal capacity. Conversely, during economic downturns, salaries would adjust downwards, demonstrating a shared responsibility between public officials and the community in facing fiscal challenges. A system that indexes salaries to local economic activity also provides a fair and equitable mechanism for determining public sector compensation. It ensures that the proportion of the city's budget allocated to salaries remains constant, preventing disproportionate growth in public sector wages relative to other budgetary priorities. This approach maintains a balanced allocation of resources, ensuring that investment in public services, infrastructure, and other community needs continues unabated, even as salaries are adjusted to reflect the city's fiscal health. Implementing a salary indexation model requires careful consideration of the specific parameters, including the determination of the appropriate association between economic measures and allocated to salaries, mechanisms for adjusting for extraordinary revenue or expenditure events, and safeguards to ensure that essential services are maintained. It would also necessitate a transparent and robust financial reporting system, allowing for regular monitoring and adjustment of the salary pool in line with fiscal performance. Indexing the general salary pool to the local economic prosperity presents a forward-thinking approach to public sector compensation. It promotes fiscal responsibility, transparency, and accountability, aligning the interests of public officials with the economic health of the city. This model encourages prudent governance, adapts dynamically to economic conditions, and ensures a fair and equitable distribution of public resources, thereby fostering a

governance framework that is sustainable, transparent, and responsive to the needs of the community.

## **Conclusion**

Dorminson recommends a re-leveling of compensation for the Mayor based on a national CAO compensation data. Moving forward, the City of Quincy should adopt an indexing approach in setting and adjusting Mayoral compensation. Three indexing methods have been identified in this report. The approaches are not mutually exclusive, and, in fact, should be implemented in unison. Further, the new compensation regime should be transparently exposed to public comment before implementation. Careful attention to which economic measures and how they are computed is of paramount importance. Selection of a measure, only to change it later, will degrade public confidence in the intent of the new compensation regime. A properly implemented and disclosed compensation regime will establish an objective determination of compensation, provide transparency to the constituency, align public official compensation to the economic well-being of the local constituency, and engender a sense of economic fairness in public official compensation.