



### **Should Council and the Executive Get Retroactive and Automatic Pay Increases?**

**Summary:** Allegheny County Council has introduced legislation to boost their compensation and that of the County Executive, and to make provisions for automatic increases in the future.

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In 1998, when the Allegheny County Home Rule Charter was approved, the compensation for the Chief Executive and the members of County Council were spelled out in the Charter under Section 7 “Compensation, Staff, and Expenses”. The Executive would receive a salary of \$90,000 and Council would receive per-meeting stipends that could not exceed \$9,000 per member per year. Elected officers could be reimbursed “...for actual and necessary expenses incurred in the performance of their official duties...” with Council members given the limit of \$3,000 per member per year.

The Executive’s salary could be adjusted annually by procedures that would be laid out in the then-unwritten Administrative Code (the current language states “...by ordinance adopted by County Council”) and the per-meeting stipend and expense limit could be increased by a maximum five percent every five years by ordinance.

Compensation has not changed for either the Council members or the Executive since the home rule government went into effect in 2000. So when the Charter-mandated Government Reform Commission convened in 2015 and issued its final report in March of this year, it addressed this issue and offered a variety of options for how to increase compensation from the unchanged 2000 amounts. Some options would require amending the Charter, or changing the Administrative Code, and some would require neither. The Commission recommended ending the per-meeting stipend language and the separate reimbursement and terming it a salary similar to that of municipal legislative members and setting it at 10 percent of the Executive’s salary. The Executive’s salary could be set at a percentage of the Governor’s or the Allegheny County District Attorney, or be based on inflation.

Council has taken up the issue of compensation in three separate ordinances, one for the Council meeting stipend, one for the Council expense limit, and one for the Executive’s

salary. All three would amend language in the Administrative Code (none require a Charter amendment):

**Council Compensation**—Noting that the pay for Council is “...lagging behind inflation and will render the office of Member of Council less and less desirable as time passes...” the ordinances on the stipend and expenses would raise the amounts by a cumulative 20 percent (as if the Council had enacted 5 percent increases each five year period as outlined by the Charter) to \$10,939 for the stipend and \$3,646 for the expense limit. This would take effect in 2020 so as to comply with language in the state Constitution prohibiting legislators from increasing their pay during the current session. However, by 2020, the entire 15 member Council would have stood for election (in 2017 and 2019) thereby making the pay hike conform to Constitutional requirements. The ordinances also recommend automatic increases of 5 percent every five years.

**Executive Compensation**—The ordinance notes that the Commission found that the Executive’s salary was 68 percent of the Governor’s in 2000 but is 47 percent now and, that if the same ratio was maintained, the salary for the Chief Executive would be \$129,760 (an increase of about 3% per year on average). The ordinance recommends setting the Executive’s salary to 68 percent of the Governor’s salary in 2020. The Executive’s salary would then increase by the Pittsburgh area Consumer Price Index annually but could not exceed the aggregate increase in salary of all County workers under a collective bargaining agreement.

Are there any negative aspects to the proposals or recommendation as to how the raises should be accomplished? One obvious problem is the plan to get the foregone increase in the Council stipend and expense as a cumulative one time boost in pay. If the framers of the Charter intended the five percent boost once every five years for the stipend and the expense limit to be a “take it or lose it” proposition, then increases not taken in 2005, 2010, and 2015 should not be figured into the calculations. This amounts to retroactive pay hikes that ought not to be allowed since Council chose not to avail themselves of pay increases earlier. After all, pay was not frozen by law or unavoidable circumstances. Increases could have been taken but were not.

If Council wishes to take foregone increases they should be required to propose a referendum amending the Charter language governing pay raises and put it to the voters of Allegheny County. They could ask for the full amount they want and let the voters decide if they should get it. Then too, there should be no institution of automatic raises. They are entitled to five percent every five years but they have to muster the courage to vote for it and not receive it automatically.

As for Executive pay, measuring the salary by taking it as a percentage of the Governor’s salary in 2000 and boosting it in one jump in 2020 and then holding at that ratio each year going forward is a big leap. Why is the 2000 ratio being used? Why not 50 percent or 55 percent?

An easy solution would be to make the Executive's salary the initial \$90,000 and then build on top of that the cumulative increases in collective bargaining unit pay since 2000 as per the current Administrative Code language and as permitted by the Charter. Then after 2020 the Council could consider the Executive's pay each year. The Charter language on increasing the Executive's pay is not as strict as that of the Council's and the Council has had the ability each year since 2000 to increase the Executive's pay but chose not to.

Bottom line: there should be no automatic increases for the Executive or the Council in future years along the lines of the state's automatic pay increases. In short, future Councils should be required to take affirmative votes on raising compensation for itself and the Executive. When the Charter said increase "by ordinance" did it mean one ordinance that spells out subsequent automatic increases? Not likely.

Instead, it would be perfectly acceptable for Council to propose and vote on five percent increases in the stipend and the expense amount to take effect in 2020 and have a stipend of \$9,450 and expense limit of \$3,150. They could then do the same in the following five year period.

Even though the Charter permits the County's elected officials to be compensated and provides procedures for increasing pay, it is never an easy task to increase pay when it falls on an elected body to vote for pay hikes for themselves. But, be that as it may, retroactive increases and automatic raises in the future are not appropriate.

If automatic raises are desired by Council then ask the voters to approve a referendum to that effect.

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