

City of McKeesport

City Controller,
Raymond M. Malinchak, PE
Cell Phone: [REDACTED]

500 FIFTH AVENUE
McKEESPORT PA 15132

April 4, 2011



Honorable Council President M. Cherepko
City of McKeesport
500 Fifth Avenue
McKeesport, PA 15132

Re: Mayor's \$60,000 per Year Salary Confirmation

The Honorable McKeesport Council President Michael Cherepko:

Background

Over the past weeks there has been considerable discussion with respect to the Mayor's salary determinations for years 2004 through 2010. This volatile topic roused the Controller to examination of the sources and evolution of the Mayor's salary since the inception of the Home Rule Charter (HRC).

The Home Rule Charter, **Section 703 (Mayor) Salary**, has been revised three times in conjunction with other elected official salary increases since its adoption. Specifically, Mayors' salary increases were "ordained" by Ordinance 86-23 enacted 09.03.86, Ordinance 90-28 enacted 12.05.9, and Ordinance 96-10 enacted 07.03.96.

The latter ordinance is most germane to the subject item; therefore, it is attached for your convenience.

Discussion

An excerpt from the attached Ordinance 96-10 states the following:

" hereby increase the salary of the position of the mayor of McKeesport from \$40,000 per annual compensation based on the Budgeted annual compensation of the City Administrator/Finance Director plus 5% and shall be established as the permanent Mayor's compensation."

I have consulted with City Administer Dennis Pittman and others, and no one can identify or recall a budget line item identified as "Financial Director" after 2003. Therefore, in compliance with Ordinance 96-10 the basis for the Mayor's compensation defaults to the City Administrator's compensation only since there is no Financial Director compensation recorded. The City Administrator's compensation for the period 2004 through 2010 was (essentially) \$57,143. In the

past city administration and the Mayor have been incorrectly utilizing line item 01495 41137 (\$10,000), ADMIN ASSISTANT (CD) to compute the Mayor's salary in lieu of the non-existent Financial Director's compensation.

Consequently, the authorized and computed Mayor's compensation per Ordinance 96-10 is 1.05 times \$57,143 which equals \$60,000. That is precisely what was budgeted and adopted for years 2004 through 2010. No other ordinance was found to authorize compensation of more than \$60,000 or to substitute ADMIN ASSISTANT'S compensation for the Financial Director's compensation. The former Mayor and Council majority opined to designate this unauthorized additional compensation as "deferred compensation."

Furthermore, if any of this unauthorized \$10,000 "deferred compensation" was included in 2010 line item 1401-41101 Mayor Salary and inadvertently disbursed, it should be reimbursed to the City immediately. The correct amount for the Mayor's 2010 annual salary is \$60,000 per Ordinance 96-10. The actual disbursement for this line item was reported as \$73,111.09 for end of year 2010. It is recognized that the former Mayor left office in mid-November 2010. Thus, his salary, vacation, and medical leave should be prorated accordingly and some of this \$73,111.09 may be the present Mayor's compensation.

Conclusion

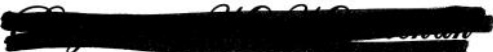
The authorized annual compensation per Ordinance 96-10 for the Mayor for years 2004 through 2010 is \$60,000, which was correctly included in the adopted budgets for each of these years.

In the opinion of the Controller the former Mayor was never entitled to more than \$60,000 per year. The grants to City chartable entities are being disbursed because of the benevolent spirit of the Citizens of McKeesport and not from the former Mayor's unauthorized and self-prescribed "deferred compensation."

In addition, the adjustment of elected officials' compensations by ordinance versus and a public referendum, and the effective date of Ordinance 96-10 salary increases during the term of a Mayor are in sharp conflict with other sections of the Home Rule Charter in the opinion of the Controller. At this time, these two issues are outside the scope and purpose of this correspondence and will be addressed later.

Thank you for taking the time to read this letter.

Regards,



Raymond M. Malinchak, PE

City of McKeesport Controller

Cc: Mayor R. McLaughlin, Mayor City of McKeesport
City Administrator, Dennis Pittman
All Members of Council
Jonathan Barnes, Freelance Reporter, Pittsburgh Post-Gazette
Patrick Cloonan, Daily News
Jason Togyer, Tube City Almanac

Attachment: Ordinance 96-10

An Ordinance of the
City of McKeesport



SERIES 1996

ORDINANCE NO.96-10

Presented by: James S. Honick
Introduced by: Laura Worthey Jenkins
Public Notice:

Bill No.: 72
Date: 7/3/96
Public Hearing:

AN ORDINANCE

OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, INCREASING THE SALARY OF THE POSITION OF MAYOR AND CONTROLLER OF THE CITY OF McKEESPORT PURSUANT TO SECTIONS 703, 306 AND 1304 OF THE HOME RULE CHARTER OF THE CITY OF McKEESPORT, AS AMENDED.

WHEREAS, the salary of the position of Mayor is presently at the rate of FORTY THOUSAND (\$40,000.00) DOLLARS per annum by the adoption of Ordinance #90-28 in accordance with the Home Rule Charter of the City of McKeesport; and

WHEREAS, the salary of the position of City Councilmember is presently at the rate of TWO THOUSAND FIVE HUNDRED (\$2,500.00) DOLLARS per annum by the adoption of Ordinance #86-23 in accordance with the Home Rule Charter of the City of McKeesport; and

WHEREAS, the salary of the position of City Controller is presently at the rate of FOUR THOUSAND THREE HUNDRED (\$4,300.00) DOLLARS per annum by the adoption of Ordinance #86-23 in accordance with the Home Rule Charter of the City of McKeesport; and

WHEREAS, Sections 703, 306 and 1304 of the Home Rule Charter of the City of McKeesport authorize the Council of the City of McKeesport to increase the annual salary of the Mayor, City Councilmember and City Controller of the City of McKeesport at least six (6) months prior to the commencement of the term of the Mayor elected at the regular election which will occur in November of 1999 and Councilmen & City Controller elected at the next regular election which will occur in November of 1997.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City of McKeesport, in Council assembled and it is hereby ordained and enacted by the authority of the same as follows:

SECTION 1. Pursuant to Section 703 of the Home Rule Charter of the City of McKeesport, as amended, adopted on November 6, 1973, the Council of the City of McKeesport hereby increases the salary of the position of Mayor of McKeesport from FORTY THOUSAND (\$40,000.00) DOLLARS per annum to an annual compensation based on the budgeted annual compensation of the City Administrator/Finance Director plus 5%. Each subsequent year thereafter the Mayor's compensation shall be adjusted based on the budgeted compensation of the Administrator/Finance Director plus 5% and shall be established as the permanent Mayor's compensation. In no case shall the Mayor's compensation be less than FORTY THOUSAND (\$40,000.00) DOLLARS per annum. Said increase shall be effective January 1, 2000.

SECTION 2. Pursuant to Section 306 of the Home Rule Charter of the City of McKeesport, as amended, adopted on November 6, 1973, the Council of the City of McKeesport hereby maintains the salary of the position of City Councilmember of McKeesport at TWO THOUSAND FIVE HUNDRED (\$2,500.00) DOLLARS per annum.

SECTION 3. Pursuant to Section 1304 of the Home Rule Charter of the City of McKeesport, as amended, adopted on November 6, 1973, the Council of the City of

McKeesport hereby increases the salary of the position of City Controller of McKeesport from FOUR THOUSAND THREE HUNDRED (\$4,300.00) DOLLARS per annum to SIX THOUSAND TWENTY (\$6,020.00) DOLLARS per annum. Said increase shall be effective January 1, 1998.

SECTION 4. Any ordinance, or part thereof, that may conflict herewith, or be repealed hereby, be and the same is hereby repealed.

ENACTED this 3rd day of July, 1996

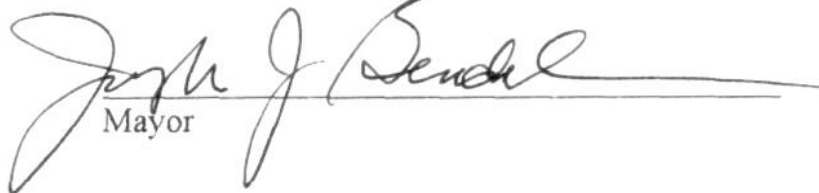
ATTEST:



City Clerk and Clerk of Council

President of Council

EXAMINED AND
APPROVED by me this 5th day
July, 1996



Mayor

EFFECTIVE DATE: July 6, 1996