

# City of Toledo

## Salary Review and Recommendation Commission

### Report to Council

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April 1, 2021

#### Background

Charge to Commission: The Salary Review and Recommendation Commission was established by the Toledo City Charter Sections 31 and 67 to review the salaries of Toledo City Council members and the Toledo Mayor every four years and make recommendations to Council on appropriate amounts for these positions. The members of the 2021 commission were selected to represent various organizations, including the two major political parties, and included two at-large members. The commission is a voluntary appointment, with its report is to be submitted to City Council by April 1, 2021.

The Commission was comprised of the following Toledo residents representing various organizations and residents at large:

Organization	Designated Resident
NAACP	Pastor W.L. Perryman, Jr. (Commission Chair)
At-Large Resident	Barbara L. Floyd
At-Large Resident	Donnetta Carter
Greater Northwest Ohio AFL-CIO	Randy Desposito
Lucas County Democratic Party	Michael K. Hart
Lucas County Republican Party	Mike Bell
Toledo Chamber of Commerce	No Appointment Made

Past Commission Recommendations: This is the sixth time that a Salary Review and Recommendation Commission has been convened. Previous reports were issued 2001, 2005, 2009, 2013, and 2017. In 2001, by a 12-0 vote of Council, the Mayor's salary was increased to \$136,000 and City Council members' salaries were increased to \$27,500. In 2009, due to city budgetary constraints, Council voted 12-0 to reduce the Mayor's salary by 10 percent to \$122,400, while Council members' salaries remained at \$27,500.

In 2013, City Council took no action on the recommendations of the Salary Review and Recommendation Commission report that the Mayor's salary be returned to \$136,000 and Council salaries be raised to \$32,500. In 2017, ordinances were presented, as an outcome of the Salary Review and Recommendation Commission report of that year, to raise the Mayor's salary back to \$136,000, defeated by a 2-10 vote and 2 separate ordinances to raise the Council's salaries to \$31,500, or \$39,500, but these were defeated by a 5-7 vote of Council.

It is the hope of this year's Commission that its work will be not only be considered seriously by Council but that it will also serve as the basis for Council action to raise salaries, particularly regarding the salary of Council members. The Commission's justifications for recommending increases, and well as the actual dollar amounts we recommend, follow.

## **Justifications for Increasing the Salary of the Mayor**

Many of the arguments for raising the salary of the Mayor of Toledo are similar to those arguments for raising City Council member salaries. But unlike City Council, the salary of the Mayor is not as much out of line with other cities and other executive positions in government and non-profit organizations in northwest Ohio. However, it is worth noting that the salary of the Mayor, like City Council, has not been increased in 20 years. In fact, the Mayor's salary was **decreased** in 2009 by \$13,600 due to budgetary constraints. Justifications for increasing the salary of the Mayor are as follows:

1. While the salary of the Mayor was decreased in 2009, the job responsibilities have not decreased, and in fact have only increased due to issues such as economic recessions, deferred maintenance of city infrastructure, and even virus pandemics. As with City Council salaries, the salary of the Mayor should reflect the expertise, time, and effectiveness expected.
2. Toledo's Mayor is compensated on average less than other strong mayors of other Ohio cities. The average salary for mayor of three other Ohio cities (Columbus, Cleveland, and Akron) with strong-mayor forms of government is \$175,875.
3. A market analysis of the Mayor's salary conducted in 2017 by the past Salary Review and Recommendation Commission showed that while in the competitive range, that competitiveness has clearly slipped in the past four years based on the averages of other Ohio strong-mayor cities.
4. As with City Council members, increasing the salary of the Mayor will likely lead to a more diversified candidate pool that is more reflective of the city—including possible candidates from the private sector—and make the position more attractive.

## **Recommendation for Mayor**

It is by a unanimous vote of the Commission that the salary of the Mayor be restored to the 2009 salary of \$136,000. Unlike our recommendation for the salaries of City Council, we are further recommending that this increase be made in one fiscal year, not in steps.

## **Justifications for Increasing Salaries of City Council Members**

The Commission members recognize that decisions on the allocation of scarce city resources must not be made lightly and that Council has a responsibility to the people of the city to be prudent when considering such matters. The Commission is clearly stating its justifications for our recommendations so that the public can have a better understanding of our view of the issues. The justifications noted below were unanimously endorsed by the Salary Review and Recommendation Commission.

1. City Council salaries have not been increased in 20 years (current salary levels were set in 2001.) Toledo City Council members are currently the lowest paid of any of the six major Ohio cities (Columbus, Cleveland, Cincinnati, Akron, Dayton, and Toledo). Five out of six of these cities classify Council positions as part-time, including Toledo. The average salary of Council members in the other cities where they are part-time is \$50,458, with the highest being \$60,645 (Cincinnati), and the lowest being \$39,353 (Akron).
2. Toledo City Council failed to act or voted against past recommendations of Salary Review and Recommendation Commissions and have neglected reasonable salary increases. The gap between current salaries and salary levels as compared to other Ohio cities makes it difficult to adjust all at once. If Council is not proactive in supporting reasonable salary increases for

Council members, this issue will only continue to fester and become harder and more expensive to address.

3. Other city government employees regularly negotiate pay raises which reflect the cost of living. Between the time of the last Salary Review and Recommendation Report and 2021, most unionized city employees received pay increases of 1 to 3 percent each year. Furthermore, the vast majority of County and State-level elected officials receive a 1.75% cost-of-living adjustment annually, as provided by Ohio statute. Toledo Mayor and City Council salaries are not provided a cost-of-living adjustment, which leaves responsible salary adjustments to the will of Council.
4. Increasing Council salaries will allow for more equitable representation for all Toledo residents. City Council positions must pay enough that they are open and attractive to all and not just those who are independently wealthy, retired, or employed in salaried positions that provide great flexibility to set hours. The current pay structure presents barriers to individuals who might want to run for Council, especially low- to moderate-income residents. The voters of Toledo should be the arbiters of who can be elected to Council, and not have this decided by who can afford to be elected because of their current position in life.
5. Increasing salaries would lead to a diversification of values and talents on Council, which would benefit all residents of Toledo.
6. While Toledo City Council positions are defined as part-time, most members of the current Council do not see them as such. If voters desire Council members who are well versed on the issues of city governance, prepared to legislate to address residents' concerns, meet with their constituents, attend Council meetings, attend Council committee meetings, and appear at public events, the voters need to recognize that all of this is more than a part-time job. The positions also require significant time away from family responsibilities as much of the work occurs in the evenings or on weekends.
7. The increase in work for Council members reflects the change in Toledo city government to a strong-mayor form. Not only has the work of the Mayor increased, so has that of Council.
8. While not all Council members commit the same amount of time and energy to their positions, it is ultimately up to the voters to decide if a Council member is performing their duties adequately. If salaries are increased, and voters do not believe the work of a particular Council member is commensurate with their pay, they can vote them out of office.
9. Increasing the salary of Council members will attract high quality candidates and encourage increased engagement of the electorate in voting for these positions. It is a basic tenet of human resources management that the quality of work is often a reflection of what is expected versus what is rewarded. When individuals are paid salaries not in keeping with the expectations of the position, it can lead to poor morale, poor performance, a lack of commitment to the position, and lapses in ethics.
10. The salaries of Toledo City Council members should reflect those of a forward-thinking city, one that recognizes the work of Council members and pays them according to market value. The market analysis done by the 2017 Salary Review and Recommendation Committee showed that Council salaries are well below the competitive range of other cities. The situation has not improved over the past four years.

### **Recommendation for City Council Members**

It is by a unanimous vote of the Commission that the salary of the City Council members be raised to an amount to no less than \$45,000 and up to a \$50,000 recommended level. The \$4,500 premium for the President of Council shall remain the same. Members of this Commission believe the increase is

necessary to attract and retain qualified individuals to City Council and provide fair, competitive, and equitable compensation for the time commitment required in the role of a Council Member.

As past commission reports have demonstrated, the Council salary of \$27,500 is well below a competitive range. The Commission chose to focus primarily on the five largest cities in Ohio for comparison, including Columbus, Cleveland, Cincinnati, Dayton, and Akron. There are no two municipalities on this list that are apples to apples. Each municipality has unique strengths and challenges that their elected officials must be prepared to manage.

The average of the council salaries for Ohio's six largest cities is \$52,679 with Toledo and \$57,715.00 without Toledo. In 2017, the Commission looked at eight peer cities throughout the Midwest and the competitive market analysis produced showed a median salary of \$57,338.00.

Of course, the five Ohio cities that this Commission chose to review are not all comparable in size, budget, or even structure. The Commission chose to review the average council salary per capita as a more equitable analysis. The average salary per capita for Ohio's six largest cities is \$50,205.00 with Toledo and \$54,741.91 without Toledo.

The Commission was evenly split initially in discussions of appropriate salary recommendations. Half of the Commission members agreed that an appropriate salary fall within the \$50,000-\$60,000 range. Much of the analysis produced for this report and the 2017 Commission report supports a salary increase to fit within this range. That said, half of the Commission members felt strongly that the \$40,000-\$50,000 range was most appropriate. There is a great concern that if the Commission were to recommend a higher salary figure or salary range that Council would fail to seriously consider the recommendation and that it might not be palatable for residents. The Commission discussed that holding a salary increase vote in a municipal election year disincentivizes Councilmembers to vote for an increase, due to fear of political consequences. The Commission came to a consensus decision, ratified by a unanimous vote, around the recommended range of \$45,000-\$50,000.

### **Additional Recommendations of the Commission**

The Commission also discussed further recommendations:

- i. Any salary increases must be implemented in a fiscally responsible manner. Given that these recommendations amount to significant increases in city dollars at a time of economic difficulty and uncertainty resulting from the pandemic, the Commission is suggesting that all increases for City Council members be phased in over a four-year period. District Council elections will take place next in 2023. District Council members elected shall start at the same salary as At-Large Council Members at that point. So, based on the phased approach outlined above, all Councilmembers would start on the third step of the phased approach in 2024.
- ii. The Commission recommends that the funds for these increases come from the city's General Fund, and not from either the Capital Improvements Budget or the Rainy Day Account.

### **Further Considerations**

The Commission also discussed further recommendations that are outside the scope of the Salary Review and Recommendation Commission.

- i. The Commission also recommends that the salary review and recommendation process be moved to a non-municipal election year.

- ii. The Commission recommends that the Charter be amended to include cost-of-living adjustments for the Mayor and Council to avoid another 20-year gap in salary adjustments. Such a change would mean that the Salary Review and Recommendation Committee would no longer be necessary and could be abolished.
- iii. The Commission suggests that other amendments to the Charter related tangentially to salary issues be considered, such as the size of Council and whether or not the positions should be considered full or part time.