

Long Beach

BUSINESS JOURNAL

'\$100,000 Club' Membership Jumps By 56 Percent

FY '07 City Budget: 259 Employee Positions Have Six-Figure Salaries; A Year Ago, It Was 166

ANALYSIS & PERSPECTIVE

■ By **GEORGE ECONOMIDES**
Publisher

Analyzing a city's annual budget is not a simple matter, especially when attempting to compare one year to the next. It becomes even more difficult when city staffers, in an effort to make the budget easier to understand and to provide more information to the public, continually tweak how the budget document – this year in excess of 600 pages – is presented.

What we are able to compare from one year to the next, though, is the membership in the "\$100,000 Club," a term coined by the Business Journal more than a decade ago when this newspaper began comparing the base salaries of city employees. It caused quite a stir back then and this year's list may do the same. (The complete list appears at the end of this article.)

Last year, there were 166 positions budgeted that showed base salaries of \$100,000 or more. From 2003 until last year, when the city was facing tough financial times and was forced to curb spending, club membership didn't move much, adding only seven "members."

What a difference a year makes.

In the Fiscal Year 2007 Proposed Budget, there are 259 positions listed as paying a base salary of \$100,000 or more – a whopping 56 percent increase in one year! Among "Club" members, 37 positions are listed as receiving year-over-year increases of more than 15 percent. One – the executive assistant to the mayor and city council – is nearly 80 percent higher than a year ago, but more on that later.

Additionally, there are at least 320 positions knocking on the door for membership with salaries in the range of \$90,000-\$99,999.

City staffers are quick to point out that not every position listed in the budget is or will be filled. Currently, several hundred positions are unfilled. On top of that, the proposed budget shows an increase of 101 positions over the current year.

Some of the salary increases have already gone into effect, while others will occur during the course of the new budget year – running from October 1, 2006, to September 30, 2007. A member of the financial management staff told the Business Journal, "There have been no across-the-board increases for non-safety management since October 2001, nor were any included in the recently negotiated agreement with the Long Beach Management Association. Any increases for non-safety management are performance-based, promotional, related to the retention of an individual or reflect the hire of a new employee."

Conflicting Data?

While that may be the case, there appears to be data that indicates significant increases in salary and benefits from two years ago.

Comparing each city department's line item referred to as "Salaries, Wages and Benefits" in the Fiscal Year '07 "proposed" budget to the FY '05 "actual" numbers, which are also listed in this year's proposed budget, reveals that 17 of 21 city departments show a jump of 15 percent or more in the average cost of salary/benefits for employees from 2005 to 2007.

For example, for 2005 the city auditor department's salaries and benefits line item shows a total cost of \$1,980,209 for 22 employees. That's an average cost of \$90,010 per employee. In 2007, the salaries and benefits are listed as \$2,299,688 for 18.6 employees, or an average cost of \$123,639. That represents a two-year increase of 37.4 percent. (Auditor's data for both years is from Page 78 of the '07 budget.) Interestingly, the two departments with the lowest increases during the past two years are police (up 8.4 percent) and fire (up 8.1 percent).

Our analysis of the budget data shows that for all city departments combined, there is an average increase in salaries/benefits of 15.5 percent from 2005 to 2007. It appears that there are \$83 million more dollars budgeted in 2007 for salaries and benefits than in 2005.

The math may be a little fuzzy because it is difficult to compare precisely the various categories listed as "adopted," "adjusted," "estimated," and "proposed," and because we don't know which budgeted positions are actually vacant. Additionally, even though a salary is listed as "proposed," in the '07 budget now being reviewed by the city council, it may already be in effect.

Foster Responds To Aide's Salary

One of those higher salaries already in effect is for the executive assistant to the mayor and city council. Under former Mayor Beverly O'Neill, the position paid \$75,070. Under Mayor Bob Foster, the position pays \$135,000 – a 79.8 percent increase.

Asked to explain, Mayor Foster noted that his '07 office budget is less than O'Neill's '06 budget: \$831,000 to \$864,500. And that his chief of staff essentially replaced two O'Neill staffers.

Foster added: "I have an excellent person, a good manager with great experience. I'm not talking about spending money just for the sake of spending money. I'm talking about

spending money for good performers. In any endeavor, whether it's business or government, you've got to pay for performance if you really want highly talented, very capable people. You're going to have to pay beyond mid-level salaries. I'd rather have fewer people, but have them more highly compensated and have them held to higher performance standards they must meet."

Clearing Up The Salary Picture

City Manager Jerry Miller, in discussing salaries with the Business Journal, sort of verifies what we stated in our opening paragraph: "It's probably not that it's more money. It's probably the way that chart has been aggregated. And there are probably charges that are being reflected in that chart that may have appeared in a different way in previous years."

All the Business Journal can do is go by what is in print in the budget document. Maybe the city can clear up the confusion by adding a sentence that states: "Salaries and benefits totaled X dollars last year and will total Y dollars this year, for an increase of Z dollars." We think that the Z is around \$45 million, but it could be as high as \$88 million (see bottom of Page 51 of budget document). We do know, though, that the "\$100,000 Club" list is accurate because we sent it to the city's department of financial management last week for verification. No changes were made.

Do Vacancies Cloud Expense Side

If the city has some 400 or 500 vacant positions in the General Fund, amounting to as much as \$40 million on the books in the current '06 budget year, does that skew the expense side? In other words, is there \$40 million or more available to spend on priorities such as hiring more police officers and fixing pot holes? If the proposed '07 budget carries those vacant positions forward – plus, as mentioned earlier, adds another 101 positions – can that money be shifted to address city needs?

Secondly, since most city fees (everything from plan checks to business licenses to sports activities) cannot, legally, exceed the cost of providing the service, are the costs associated with vacant positions being used to determine fee increases? The proposed '07 budget includes fee increases to businesses and the public amounting to \$5.5 million, of which \$1.4 million is for the General Fund.

Kudos

While we certainly have questions regarding the budget, specifically how salaries and benefits are shown, and we may question why so many city employees are making six-figure salaries, we also have to commend Jerry Miller and his staff for its work in eliminating nearly all of the \$102 million deficit of three years ago, and in changing the way the city does business and how it accounts for the dollars it spends on behalf of taxpayers. We also recognize that many city staffers were doing the work of two people in an effort to keep costs down. Under Miller and the department heads he has brought on board the past few years, taxpayers can be assured that city services are being brought to them in a much more efficient and effective manner. The staff's implementation of a performance-based management system allows it to manage resources much more effectively. As Miller writes in his budget message, "Quite simply, it enables us to answer the question: What is the public getting for its money?"

The "\$100,000 Club" List

Following is a list of 259 positions which are budgeted at a base salary of \$100,000 or more. The information is contained within the Fiscal Year 2007 Proposed Budget. Some of the salaries shown are already in effect; others will go into effect during the coming months.

Where there are multiple positions within a classification, the average salary is estimated by dividing aggregate salaries by the number of positions.

FY '07 budgeted salary levels for police and fire management positions reflect negotiated increases determined by the city council-approved safety labor agreements.

In the few instances where a salary is lower than last year, it usually indicates a new employee has been hired or promoted to the position once occupied by a long-time employee. ■

Position	Department	FY '07	
		Budgeted	Last Year
City Attorney	City Attorney	218,360	208,956
Executive Director	Harbor	216,734	194,257
City Manager	City Manager	210,875	197,000
Chief of Police	Police	199,716	161,565
Assistant City Manager	City Manager	194,771	180,075
General Manager-Water	Water	190,881	180,075

Position	Department	FY '07	
		Budgeted	Last Year
Director-Planning and Building	Planning/Building	182,900	177,574
Director-Community Development	Community Devel.	182,385	177,072
Assistant City Attorney (2 positions)	City Attorney	181,799	164,240
Director of Public Works	Public Works	177,574	160,064
City Prosecutor	City Prosecutor	177,494	169,851
Fire Chief	Fire	175,312	158,064
Director-Long Beach Gas and Oil	Gas & Oil	171,429	168,067
Deputy Executive Director	Harbor	170,000	no position
Director-Parks, Recreation & Marine	Parks/Rec/Marine	165,687	157,796
City Auditor	Auditor	161,500	161,568
Director of Financial Management	Financial Mgt	157,654	132,053
Director-Health & Human Services	Health	155,502	150,973
Principal Deputy City Attorney (4)	City Attorney	155,025	146,723
Deputy Fire Chief (3)	Fire	148,253	128,257
Deputy City Manager (2)	City Manager	145,609	136,882
Manager of Environmental Planning (4)	Harbor	145,590	103,402
Director of Human Resources	Human Resources	145,575	133,555
City Health Officer	Health	144,343	140,138
Deputy General Manager (2)	Water	144,335	120,000
Deputy Chief of Police (3)	Police	143,049	134,999
Occupational Health Services Officer	Health	138,489	134,455
Assistant City Prosecutor (2)	City Prosecutor	136,836	136,836
Assistant Fire Chief (3)	Fire	136,041	117,263
Director-Technology Services	Technology Services	135,256	130,053
Executive Assistant-Mayor/Council	Mayor/City Council	135,000	75,070
Director-Library Services	Library	133,977	126,393
Superintendent-Building and Safety	Planning/Building	133,958	130,055
Executive Director-Civil Service	Civil Service	133,308	133,308
Senior Deputy City Attorney	City Attorney	131,937	no position
Assistant City Auditor	Auditor	130,000	144,851
City Engineer	Public Works	129,834	126,053
Manager-Redevelopment	Community Devel.	125,487	125,487
Manager-Oil Operations	Gas & Oil	125,103	120,292
Manager-Admin & Planning	Public Works	123,651	120,050
Marine Safety Chief	Fire	123,383	105,834
Manager-Airport	Public Works	123,136	119,551
Manager-Economic Development	Community Devel.	122,451	120,000
Police Commander (12)	Police	122,166	112,610
Manager-Engineering & Construction	Gas & Oil	121,950	115,047
Manager-Government-Public Affairs	Water	121,384	117,849
Manager-Electric Generation	Gas & Oil	120,977	114,130
Manager-Engineering (2)	Water	120,480	114,204
Manager-Technology Infrastructure Services	Technology Svcs	120,457	no position
City Controller	Financial Mgt.	120,050	107,000
Manager-Fault Blocks/Upland	Gas & Oil	120,050	116,992
Manager-Project Development	Community Devel.	120,050	120,050
Manager-Traffic & Transportation	Public Works	120,050	113,046
Assistant Chief Harbor Engineer	Harbor	120,000	113,710
Director of Construction	Harbor	120,000	no position
Director of Design	Harbor	120,000	no position
Director of Program Management	Harbor	120,000	no position
Director Planning/Environmental Affairs (2)	Harbor	119,836	108,545
Chief Financial Officer	Harbor	119,750	103,843
Deputy City Attorney (17)	City Attorney	118,431	111,437
Manager-Environmental Services	Public Works	118,406	114,957
Manager-Fleet Services	Public Works	118,049	111,545
Manager-Business Information Services	Technology Svcs	116,949	no position
Project Management Officer	Public Works	116,458	99,879
City Mayor	Mayor/City Council	116,386	111,372
City Clerk	City Clerk	116,384	112,462
Deputy Chief Harbor Engineer I (3.40)	Harbor	116,143	100,575
Manager-Admin & Financial Services	Community Devel.	115,406	103,044
Public Health Physician (5)	Health	115,345	115,345
City Treasurer	Financial Mgt.	114,287	112,000
Manager-Administration	Fire	113,823	109,445
Battalion Chief (12)	Fire	113,420	103,219
Manager-Neighborhood Services	Community Devel.	113,044	113,044
Director of Properties	Harbor	112,969	100,541
Deputy Chief Harbor Engineer II	Harbor	112,967	103,402

Position	Department	FY '07	
		Budgeted	Last Year
Manager of Railroad Facilities	Harbor	112,967	100,575
Director of Administration	Harbor	112,501	102,043
Administration Bureau Chief	Police	112,362	106,001
Manager-Personnel Operations	Human Resources	112,247	95,037
Manager-Commercial Services	Financial Mgt.	111,046	104,761
Division Engineer-Oil Properties (4)	Gas & Oil	110,912	112,022
Deputy Director-Civil Service	Civil Service	110,668	110,668
Manager-Planning Bureau	Planning/Building	110,286	106,043
Manager-Property Services	Community Devel.	109,244	105,043
Manager-Business Relations	Financial Mgt.	109,184	no position
Business Development Officer	Community Devel.	109,179	105,999
Senior Program Manager (4)	Harbor	109,022	100,575
Building Inspection Officer	Planning/Building	108,620	102,471
Deputy City Auditor (4)	Auditor	108,554	110,472
Engineering Plan Check Officer	Planning/Building	108,194	112,046
Petroleum Engineer II (5)	Gas & Oil	108,087	97,932
Senior Petroleum Engineer Associate	Gas & Oil	107,910	96,073
Assistant Director of Security (2)	Harbor	107,523	110,000
Police Lieutenant (34)	Police	107,490	99,428
Employee Assistance Officer	Police	107,423	101,343
Manager-Special Events	Parks/Rec/Marine	106,945	100,892
Geologist I	Gas & Oil	106,856	89,102
Manager-Risk Management	Human Resources	106,135	103,000
Division Engineer (2)	Public Works	106,089	101,533
Director of Maintenance	Harbor	106,045	85,650
Manager-Maintenance Operations	Parks/Rec/Marine	106,014	100,013
Telecommunications Officer	Technology Services	105,985	105,985
Urban Design Officer	Planning/Building	105,542	no position
Manager-Marinas & Beaches	Parks/Rec/Marine	105,502	109,484
Manager-Recreation Services	Parks/Rec/Marine	105,104	102,041
Director of Information Management	Harbor	104,782	95,039
Director Community Relations & Govt Affairs	Harbor	104,542	95,020
Technical Support Officer	Technology Services	104,446	99,472
Transportation Program Officer	Public Works	104,076	88,577
Manager-Customer Service	Technology Services	104,072	101,040
Business Information Technology Officer	Technology Svcs.	103,778	no position
Commercial & Retail Development Officer	Community Devel.	103,176	101,153
Administrative Assistant to City Manager	Human Resources	103,001	no position
Division Engineer (2)	Water	102,924	98,965
Legal Administrator	City Attorney	102,751	88,609
Water Treatment Superintendent	Water	102,631	99,641
Senior Civil Engineer	Gas & Oil	102,045	90,851
Senior Electrical Engineer	Harbor	102,045	no position
Senior Traffic Engineer	Harbor	102,045	86,552
Senior Mechanical Engineer (2)	Gas & Oil	102,045	74,290
Assistant Director of Administration	Harbor	102,000	no position
Senior Structural Engineer (2)	Harbor	101,938	95,263
Manager-Human/Social Services	Health	101,803	96,040
Senior Civil Engineer (3)	Water	101,497	90,851
Senior Civil Engineer (8)	Harbor	101,381	87,477
Manager-Workforce Development	Community Devel.	101,351	101,352
Redevelopment Administrator	Community Devel.	101,153	101,153
Contract Administration Manager (2)	Harbor	101,062	86,360
Treasury Operations Officer (2)	Financial Mgt	100,944	95,020
Manager of Leasing Sales	Harbor	100,763	93,176
Manager of Transportation Planning	Harbor	100,763	95,664
Marine Safety Captain (3)	Fire	100,283	86,502
Geologist II	Gas & Oil	100,061	106,356

Knocking On The Door – \$90,000-\$99,999

Position	Department	FY '07	
		Budgeted	Last Year
Chief Investigator	City Attorney	99,833	93,740
Manager Housing Services	Community Devel.	99,792	95,039
Executive Officer-Bd of Harbor Commissioners	Harbor	99,552	93,039
Manager Business Operations	Parks, Rec & Marine	99,537	96,639
Manager Neighborhood Library Services	Library	99,165	93,553
Chief Surveyor	Harbor	99,090	82,430
Advance Planning Officer	Planning & Building	99,046	93,440

Position	Department	FY '07	
		Budgeted	Last Year
Accounting Officer	Water	98,842	95,039
Manager, Workers' Compensation	City Attorney	98,758	87,013
Manager, Performance Management/Budget	Financial Mgt.	98,445	no position
Director of Communications	Harbor	98,052	95,020
Manager Planning & Development	Parks, Rec & Marine	98,052	92,503
Fire Captain (91)	Fire	97,904	88,863
Business Information Systems Officer	Technology Services	97,904	no position
Superintendent-Street Landscaping/Maint.	Public Works	97,890	95,039
Senior Civil Engineer (3)	Public Works	97,772	85,197
Audit Manager (3)	City Auditor	96,941	88,061
Structural Engineer	Harbor	96,787	86,170
Construction Service Officer	Public Works	96,499	91,037
Special Projects Officer (4)	Public Works	96,472	86,069
Manager Preventative Health	Health	96,438	93,630
Manager Rehabilitation Services	Health	96,376	95,422
Manager Main Library Services	Library	96,344	93,538
Manager Public Health	Health	96,109	93,309
Manager Support Services-Health	Health	95,992	90,559
Manager-Planning	Water	95,848	91,283
Port Risk Manager	Harbor	95,504	86,360
Business Systems Specialist VI (8)	Technology Services	95,504	90,594
Communications Specialist VI	Technology Services	95,504	86,641
Business Systems Specialist VI (2)	Water	95,504	90,671
Director of Trade/Maritime Services	Harbor	95,046	90,600
General Superintendent	Public Works	95,000	95,000
Environmental Remediation Specialist II (2)	Harbor	94,920	90,851
Environmental Specialist II (2)	Harbor	94,920	90,851
Rehabilitation Services Officer	Community Devel.	94,829	94,829
Housing Operations Officer	Community Devel.	94,743	90,231
Technical Systems Officer	Financial Mgt.	94,714	83,597
Petroleum Operations Coordinator I (5)	Gas & Oil	94,700	93,324
Manager Environmental Health	Health	94,160	90,538
Manager Business Operations	Gas & Oil	93,816	93,777
Facilities Management Officer	Public Works	93,649	88,347
Petroleum Engineer Associate II (3)	Gas & Oil	92,394	78,525
City Clerk Bureau Manager (2)	City Clerk	93,331	no position
Chief Construction Inspector	Public Works	93,043	82,380
Chief Building Inspector (2)	Planning & Building	92,966	75,634
Wireless Communications Officer	Technology Services	92,860	91,039
Senior Traffic Engineer (2)	Public Works	92,744	82,570
Zoning Officer	Planning & Building	92,739	90,037
Systems Support Specialist VI (3)	Technology Services	92,613	86,581
Police Sergeant (130)	Police	92,584	87,514
Environmental Remediation Specialist I	Harbor	92,185	82,073
Traffic Engineer (3)	Harbor	92,185	82,073
Traffic Engineer	Public Works	92,185	82,073
Budget Management Officer	Financial Mgt.	92,181	80,031
Superintendent-Traffic Operations	Public Works	91,511	86,330
Chief Construction Inspector	Harbor	91,477	82,447
Civil Engineer	Water	91,442	70,488
Supdt-Contract Mgt/Revenue Dev.	Parks, Rec & Marine	91,289	87,780
Manager-Security/Safety	Water	91,074	86,738
Manager Housing Authority	Community Devel.	91,037	99,483
Public Information Officer	City Manager	90,961	85,813
Administrative Officer Oil Properties	Gas & Oil	90,926	85,779
Redevelopment Project Officer (5)	Community Devel.	90,515	87,636
General Superintendent-Recreation (2)	Parks, Rec & Marine	90,000	no position
Management Information Systems Officer	Water	90,000	92,110
Manager-Administration	Water	90,000	101,652