

# Palm Springs area city manager pay down, still high

## Uncertain economic climate, scandals prompt cities to re-examine compensation

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### What city managers make

City manager salaries are determined by their contracts.

By comparison, President Obama earns \$400,000 a year and House Speaker John Boehner makes \$223,500. California Gov. Jerry Brown doesn't accept a salary, but Lt. Gov. Gavin Newsom makes \$130,490.

Every valley city manager makes more than the 50 U.S. governor's base salaries. According to the Council of State Governments, governors were paid an average of \$130,595 in 2010, with the highest paycheck going to the New York governor at \$179,000.

Here's the base salary for valley city managers:

**Cathedral City:** Don Bradley makes \$182,700

**Coachella:** David Garcia makes \$220,000

**Desert Hot Springs:** Rick Daniels makes \$217,000

**Indian Wells:** Roderick Wood makes \$180,000 (interim)

**Indio:** Dan Martinez makes \$218,000

**La Quinta:** Mark Weiss makes \$105 an hour, which would equate to \$218,400 if full time (interim)

**Palm Desert:** John Wohlmuth makes \$221,000

**Palm Springs:** David Ready makes \$250,000

**Rancho Mirage:** Randy Bynder makes \$190,000

**Source:** City manager contracts

## **What does a city manager do?**

In most California cities, city managers are hired by their city councils to serve as the CEOs of the municipality.

They are ultimately in charge of all operations, from making sure the trash is picked up to overseeing road paving and major capital improvements.

They make the majority of staffing decisions, often including high-profile positions such as the police chief. They hire and fire department heads and help negotiate union contracts.

City managers are also charged with balancing the budgets and — until the state ended them — they ran the redevelopment agencies. They typically have authority to approve lower-amount contracts without checking with the council.

While voters elect council members to direct city policies, it's not uncommon for assertive city managers to suggest policy directives to their five-member councils. Managers are on call 24/7 and attend many night and weekend meetings and events.

When Indio hired Glenn Southard as its city manager in 2005, his \$240,000 base salary prompted an arms race among cities across California that were determined not to fall behind.

Palm Desert and Indian Wells immediately approved significant pay hikes so their own managers were paid \$200,000. And, in the subsequent years, cities such as Desert Hot Springs hired new managers with similar paychecks and perks.

At the time he was hired, Southard was the second-highest paid city manager in California.

But now, after the recession, the scandal in the city of Bell, municipal layoffs and growing resentment by taxpayers, Coachella Valley city councils are setting a lower salary benchmark for managers.

Since August 2010, the average local city manager salary has dropped more than 7 percent — from more than \$227,00 to less than \$211,000 — according to a Desert Sun analysis of city contracts.

Their paychecks are still significantly higher than the national average for cities with similar populations.

They make more than the governors of all 50 states.

Their pay is also higher than \$144,806, which is the average base salary for city managers in California and other Pacific Coast states.

But the new trend of scaling back does provide an indication of the type of pay that La Quinta and Indian Wells are likely to follow as they embark on their respective city manager searches.

Both cities have already hired interim leaders who are paid less than their successors were.

“The trend is not the way it was in the Glenn Southard era. All cities are taking a firmer look,” La Quinta Councilwoman Linda Evans said.

“We also don't feel like anyone coming in new should be at that compensation level.”

City managers across California have always commanded higher salaries than their counterparts nationwide, according to the International City/County Management Association.

That's partly because of the small pool of candidates qualified to run California's 482 cities.

Because of California's complicated environmental and financial regulations, many cities want to hire someone with in-state experience, said Bobbi Peckham, a partner with Peckham and McKenney.

La Quinta recently hired the Sacramento-based search firm to find a successor to longtime City Manager Tom Genovese, who died in December after collapsing on a hike, as well as a replacement for the retiring finance director.

La Quinta is prepared to spend up to \$53,000 on the search, according to a council memo.

Peckham and McKenney is also in charge of finding a new leader for the city of Bell, whose former city manager resigned in 2010 after the Los Angeles Times discovered he was paying himself \$787,000 to run the small, working-class community whose city hall he had transformed into a corrupt fiefdom.

“Every client, every city council I work with is concerned about the compensation,” said Peckham, who has been a municipal headhunter for more than two decades.

“City councils need to take into consideration the current economy as well as answering to the residents of their community. To continue to pay increasingly high salaries is an issue for local governments.”

## **Downward trend**

It's certainly been an issue raised in cities that have tapped new leadership.

When Indio replaced Southard in July 2010, the council offered Dan Martinez a three-year contract that gives him an annual salary of \$218,000.

That's almost \$100,000 less than what Southard was making by the time he left.

Earlier this month, Rancho Mirage council promoted Randy Bynder to be city manager.

The city hall veteran earns \$190,000 a year, compared to the \$242,778 they were paying Patrick Pratt.

In Indian Wells, the early efforts to replace Greg Johnson are already sparking a heated battle over the pay for their next leader.

Johnson, 50, was the highest-paid city manager in the Coachella Valley when he resigned in October. Johnson made \$262,000 annually to run the desert's smallest city.

The council hired retired manager Roderick Wood as the interim leader on a \$15,000-per-month contract, which would equate to \$180,000 for a year.

The city this summer will start searching for a permanent leader to oversee 28 employees and an annual operating budget of about \$12 million.

Mayor Doug Hanson said residents are already urging the council to hire someone in the \$150,000 to \$200,000 range.

“I don't know if we can get a manager that's going to satisfy the entire council for that kind of money,” Hanson told The Desert Sun.

“But we certainly can't afford to give a new city manager the kind of salary Greg Johnson was getting.”

## **Times have changed**

Indian Wells was among the cities that reevaluated its pay scales in 2005, when Southard's hiring ushered in a new standard for the desert.

At the time, the Coachella Valley was growing by an estimated 53 people a day. New houses and shopping centers sprung up in every city. City treasuries kept growing as new businesses expanded the local tax base.

In addition to a six-figure base salary, cities rewarded their leaders with generous pensions, comprehensive health and life insurance, car and phone allowances and other perks.

Today, Cathedral City's Don Bradley is the only permanent city manager who hasn't cracked the \$200,000 benchmark.

Bradley, who spent 23 years running the Bay Area town of Pinole, was offered \$99,000 a year when he was hired here in October 1999.

Now the valley's longest-serving manager, Bradley makes \$182,700 but said he's never asked the city council to review the contract. In fact, city officials say he's now taking a 7 percent self-imposed pay cut.

“We've asked city employees to make various cutbacks. I certainly wanted myself to be a leader and set an example,” Bradley said.

“Each city has had its own economic background to work from and has made decisions based on that. Cathedral City has always been a community that's been challenged from one thing or another. I knew that coming here and considered it part of the territory.”

### **'A demanding job'**

Between the Bell scandal and growing complaints about income inequality, public employees' paychecks are under greater scrutiny than ever been before.

A 2011 compensation survey by the International City/County Management Association found that salaries and benefits of city and county managers have actually remained “relatively stable” over the past decade.

On average, a community with a population between 25,000 and 49,999 residents pays its leader a base salary of \$140,687.

For communities between 50,000 and 100,000 residents, the average is \$150,522.

Communities in the survey's Pacific Coast region — encompassing California, Washington, Oregon, Alaska and Hawaii — pay an average of \$144,806.

ICMA spokesman Michele Frisby said the agency hasn't seen a national trend of reductions in manager salaries.

But the agency has seen many managers refuse salary increases in this economic downturn, and a few communities have even left the top spot unfilled.

The number of city manager openings has been on the rise in recent years, as many leaders are baby boomers who can retire early.

“There are a lot of city manager opportunities out there, but there's a limited candidate pool,” headhunter Peckham said.

While communities previously hiked salaries and pensions in an attempt to keep up with the Joneses, both Hanson and Evans thought their cities wouldn't have to offer big paychecks to attract solid candidates in Indian Wells and La Quinta.

Still, those who track public salaries say that new hires will want a paycheck that's comparable to their colleagues in other communities and in the private sector.

“It's a very demanding job, as a city manager,” said Clay Curtin, a Manhattan Beach management analyst who is president of the Municipal Management Association of Southern California.

“I think that there will always be candidates willing to fill that job. But it will be tougher for cities to fill positions as this compensation is reduced.”

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Is this the same as a Mayor? Why the big bucks to do this type of job? I don't understand.