

TO: Little Hoover Commission
FROM: Allison Miller, Rocklin, CA
SUBJECT: Forthcoming hearing & recommendation to assess the pension spiking in Rocklin, CA

Dear Sir/Madam: The following is copy/pasted from the 4/7 copy of the Placer Herald, in Rocklin, CA. Please use it in the forthcoming hearing.

Thank you,
Allison Miller

Our View: Rein in city manager pay

Our View

During these tough economic times, government boards — including city councils, the board of supervisors, boards of education, and more — need to scrutinize manager pay and put an end to top-executive salary raises at a time when employees are taking furlough days and receiving pink slips.

Recently the Rocklin City Council agreed with its manager Carlos Urrutia that the city would save money by paying him a \$137,000 yearly salary as a retiree working part-time. In addition to that he'll collect his pension payments bringing his combined income to \$307,000 a year.

Last week a government watchdog group criticized the manager and city for "pension spiking."

Rocklin city administrators confirmed that Urrutia's car and cell phone allowances were included as part of his salary and the manager struck a deal to retire early in exchange for two additional years of service credits through the state retirement system. All of which ups his total yearly income and ultimately, his pension payments. Most California pension plans are based on the highest annual salary, according to Marcia Fritz, president of the California Foundation for Fiscal Responsibility.

Providing high-level city and government managers a cushy retirement is strangling our economy.

It must be stopped.

What's even more disconcerting is Urrutia received a series of 10 pay raises beginning in 2004 and lasting until his December 2009 retirement.

The decision to award the raises alone is out of touch with the economy and the taxpayers.

We need management officials who are willing to lead by example.

Auburn City Manager Bob Richardson is a good leader for other managers to follow.

Richardson, who made \$138,278 annually as of last year, took a 10 percent cut in pay and benefits in 2009 along with Auburn's elected officials and other management staff.

Rocklin City Council members have defended Urrutia's compensation by praising his hard work and talent.

When Richardson's contract was up for renewal in February, the Auburn City Council indicated that he had "met or exceeded the council's expectations for his performance,"

according to a memo signed by City Attorney Michael Colantuono.

But Richardson's revised contract included a clause stating the city manager would not receive a salary increase after his 2010 evaluation based on the city's current difficult financial situation.

What the Auburn council was rightfully saying was that although Richardson is doing a great job, the city budget cannot afford a raise right now. In addition, giving top execs a raise sends the wrong message to those who are suffering in this economic recession.

Rocklin's city council has a new task in front of it to hire a new city manager.

Councilmembers have indicated they are looking at possibly paying the new hire a starting yearly salary of about \$200,000.

The Rocklin council should think long and hard before offering such high pay — a salary that even Urrutia, who had a 25-year history with the city, didn't start making until his final few years.

The Rocklin council also said it plans to hire a consultant to help with the hiring process. The council should set the salary keeping in mind the city's current and future economic conditions.

Additionally, citizens should demand that council members open up salary discussions to the public and council members should in turn solicit taxpayer input.

City managers such as Richardson prove that a great job can be done at a lower cost.

Elected government leaders need to take a stand and set the pay level at a reasonable rate and not let their executive managers have control of lining their own pocketbooks.