



Click here to return to article | Return to Desert Cities Coverage

Top city official defends salary

Report: Desert Hot Springs manager reported earnings of \$322,809; base salary is \$132,000

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Desert Hot Springs City Manager Jerry Hanson is defending his \$322,000 city earnings in 2004.

The earnings, reported on a W2 form that was allegedly leaked from City Hall, include \$106,000 in severance pay, even though Hanson has just signed a new contract. They also include about 700 hours of accumulated vacation/sick/leave time that he cashed in.

Hanson - who, in addition to being the city manager is also the director of redevelopment and the city engineer - earns a base salary of approximately \$132,000.

The Desert Sun does not have a copy of the W2 form but spoke with Hanson about his earnings level. He later issued a press release.

Hanson, who as city manager is in effect the CEO of the city, defends the amount, saying he cashed in about 700 hours of accumulated vacation time and also received half of a \$220,000 severance package that was part of his just-expired contract. The package would be due upon his leaving - whether he's terminated or leaves himself, he said. The City Council agreed to pay out the severance package to get it off his contract, Hanson and city officials said.

"I have so many jobs to take care of," Hanson said. "A normal city would have three or four people doing what I do. I felt like saying 'I'm worth every damn penny.'"

Hanson said he works about 60 or 70 hours a week.

"I work so many hours that it's used to offset my time," he said of his vacation/sick/annual leave time.

Hanson said he believes the leak came from "misplaced and uninformed, blind loyalty," involving "personnel changes over the last week."

Last week, Hanson fired Police Chief Roy Hill, much to the disappointment of the police department.

HANSON'S 2004 COMPENSATION

SALARY: \$132,000

SEVERANCE: \$106,000 of \$220,000 he'll receive.

VACATION/SICK/ANNUAL LEAVE: 700 hours

TOTAL: \$322,809

PUBLIC SALARIES

The highest paid city manager in California works in Palmdale and makes \$252,525 a year.

Incoming Indio City Manager
Glenn Southard \$240,000

Governor Arnold Schwarzenegger, if he took his annual salary, would make about \$175,000 a year.

The President of the United States makes a salary of \$400,000 a year.

Hill had received a 100 percent vote of confidence from his officers, and the Police Officers Association issued a statement denouncing his termination and requesting the City Council reinstate him.

Sgt. Eddie Cole, president of the Police Officers Association, declined to comment.

Councilman Hank Hohenstein said Hanson would receive the severance money whether he was fired or left the city on his own.

The contract containing the severance concluded before the end of 2004.

The city manager's new contract, dated Feb. 12, Hanson confirmed, is one that moves him toward retirement. It includes an approximately \$40,000 "Golden Handshake" to his retirement account to allow him to enter the retirement system two years early and has him going to a 20-hour-per-week schedule in May.

In the new contract, he gets 400 hours - 10 weeks - of vacation/sick/annual leave. In addition, he gets 100 gallons a month gasoline allowance and a \$500 monthly expense account.

The city manager's contract is a public document. The W2 forms are part of a personnel file.

All city officials who could be reached for comment Wednesday said they are appalled that private documents would be taken from City Hall.

Councilman Gary Bosworth said whoever took the document committed a federal offense.

Though Bosworth would not directly respond to questions of Hanson's contract or severance package, he said he was "appalled" that someone would leak a private document.

"Such identity theft puts the city at great financial liability and it is my hope the city manager uses all available resources, including, if necessary, outside agencies to find any and all persons responsible for such theft," Bosworth said. "After all, the W2 has a Social Security number and that's breaking federal law (by releasing it)."

Hanson's reported earnings exceed the reported annual salaries of all other Coachella Valley city managers. While Indio has just hired Claremont City Manager Glenn Southard at a salary of \$240,000 a year, Hanson's W2 tops that. Southard is the second-highest-paid city manager in California.

Some say Hanson's worth it. Desert Hot Springs has emerged from Chapter 9 status, having issued \$12.785 million in 40-year bonds in October to pay off its \$10.85 million debt incurred through a failed legal battle with a developer over a housing project in the city.

Hanson is largely credited by the council with pulling the city out of a lengthy bankruptcy and jump-starting development, searching for funds to repair roads and sewers, landing less-costly legal representation and filling positions.

"We had a whole series of city managers prior to Jerry," Hohenstein said in Hanson's defense. "They had the same opportunities to make adjustments and they all failed to do it."
