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Council takes heat for manager's contract

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More questions raised on charges of conflict of interest in land deal

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The Desert Sun

At its first meeting after the retirement of its controversial city manager, the Desert Hot Springs City Council Tuesday night took some public heat for his hefty compensation deal.

And a councilman whose land holdings were referred to a grand jury announced that he did have a conflict of interest when he voted to approve the StoneRidge development project, but he said didn't know it - because of a "typo."

During the public comment section of the meeting, some of the 60 residents attending addressed the revelation that City Manager Jerry Hanson, who retired on Monday, was paid more than \$322,000 in 2004, has received 1,700 hours of vacation and sick time in the past 20 months and got such perks as a 200-gallon monthly premium gas allowance, plus a \$600 car allowance.

"How did Jerry Hanson become a rich man behind closed doors? This is America! The citizens of Desert Hot Springs have a right to know how our money is being spent. Let's stop blaming The Desert Sun for telling this story. It's all true. I object to Mr. Hanson being praised for the job he was very, very, very, handsomely rewarded for," said resident Dean Gray.

Council members listened to the public comments on Hanson's deal but did not react. A majority of the members have defended his compensation and his performance, saying he was crucial in helping the city settle its three-year municipal bankruptcy.

The Desert Sun has reported on Hanson's compensation and vacation time since mid-March, using public records obtained through the California open records law.

While Hanson's compensation remains a topic of public discussion, the correction of a "scrivener's error" on the agenda marked the next move in the conflict-of-interest queries surrounding Councilman Hank Hohenstein's land holdings near the 2,000-home upscale StoneRidge development he voted to approve in February.

Hohenstein, announced at the Tuesday night meeting that he did indeed have a conflict of interest when the vote was taken Feb. 1 - he just didn't know it.

And, he said after the meeting, developers' attorneys and city manager Hanson advised him to remain silent about the conflict after he learned of it.

Apparently, as the land that makes up StoneRidge passed from developer to developer over the years, one APN number, or "parcel number," was left off the documentation. That parcel, now resurveyed and noted on the development maps, is within 500 feet of Hohenstein's property.

It was previously thought that Hohenstein's holdings - two parcels west of Worsley Road - were 528 feet from StoneRidge, which would have put it just outside the 500-foot range that would constitute a conflict of interest.