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Manager wrote his own deal

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Council OK'd contract despite former city attorney's advice

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The Desert Sun

How was Jerry Hanson able to get a \$322,809 contract from a city with a median income of \$29,500 that was mired in a \$10.8 million bankruptcy?

The answer: He wrote his own contract, and City Council approved it by a 4-1 vote - against the advice of the city's attorney at the time.

According to information gathered Friday by The Desert Sun from the former city attorney, the current city manager and Gary Bosworth, the only council member who voted against Hanson's initial March 2003 city manager contract, Hanson made revisions to the contract himself.

And a council majority approved it, despite the city's top lawyer saying it should be rejected because it was too lucrative and not a good deal for taxpayers.

It's the latest twist in the story that surfaced in March when city officials confirmed the \$322,809 figure after Hanson's W2 was leaked to reporters.

Since then, some Desert Hot Springs residents have accused council members of not fulfilling their fiduciary responsibility.

Council members have not responded to requests for interviews. They have insisted Hanson - who holds a law degree, an engineering degree and is an architect - was worth every dollar and benefit he received because for 20 months he guided the city through its bankruptcy.

Hanson's last day was July 29. He could not be reached for comment.

'Dangers' in contract

In early 2003, Charles Green, then the city attorney for Desert Hot Springs, wrote a memo to council that advised against approving Hanson's contract, according to Councilman Gary Bosworth. That deal included a severance clause worth at least \$92,000 that pushed his 2004 compensation to \$322,809 - even though he didn't quit and he wasn't fired.

Bosworth said he read the memo, took Green's advice and voted against the contract.

"He then personally advised the City Council about the dangers of such a clause and that to his knowledge, no other local government agency had such a clause," Bosworth said in a Friday interview.

Telephone calls to Green at his Calabasas office were not returned.