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Salary Scandal Results in New Reporting Requirements for Local Governments

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Forget about being president. If you really want to aim high, look for a charter city. *The Los Angeles Times* recently reported that city officials in Bell, Calif., were among the highest paid in the nation. The city manager, for example, received nearly \$800,000 to run a city that covers about 2.5 square miles and has about 38,000 residents. That salary is almost twice as much as President Obama earns.

Other impressive annual salaries include the director of administrative services at \$422,707; the director of general services at \$421,402; and the assistant city manager at more than \$376,288.

Generally, state law sets limits on how much city officials can be paid. So how did these obscene salaries come about in a city where the average worker makes about \$30,000 per year? They were voted in, that's how.

In the city of Bell, a ballot measure that designated the city as a "charter city" was approved during a special election that drew less than 400 voters. As a charter city, the city council was exempt from state salary limits and, operating under its own charter, simply voted to give themselves raises.

In response to the Bell salary scandal, California State Controller John Chiang announced that he will now require cities and counties to report the salaries of elected officials and public employees to him for publication on the state controller website.

Normally, cities and counties are required to provide the state controller with a summary of financial information each year by mid-October. This report includes program payroll totals rather than individual salary designations. However, starting this year, cities and counties will have to provide salaries for each classification of elected official and public employee for each program category.

Other disclosure obligations are likely to be enacted. Governor Schwarzenegger recently called for all local governments to post salaries of top officials. While this request was informal, new legislation is being drafted that could mandate such disclosure. Other legislation aims to amend the Brown Act to prohibit the approval of employment contracts in closed sessions.