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KR-ACC-NO: LD-CITY-BGT-20050202**LENGTH:** 868 words**HEADLINE:** **Costly salary hikes hamper** efforts to increase police force**BYLINE:** By James Nash**BODY:**

Despite their commitment to lock away the savings to hire more cops, Los Angeles city officials have passed up clear chances to cut costs while approving salary hikes that have driven up payroll costs faster than revenue increases.

And experts inside and outside City Hall say that in their quest to pour money into a trust fund for police, city leaders have overlooked significant but politically sensitive measures that could yield millions of dollars for new police officers.

The city could hire hundreds of officers without raising taxes or fees by forcing employees to forgo raises or by consolidating some of the city's 39 general-fund departments, experts and city officials said.

"In any municipal government, personnel is the No. 1 cost so you have to look at how lavishly people are compensated and what their benefits are in order to trim costs," said Steven Frates, a respected researcher who has studied L.A. city government.

"You're not going to find, in an egregious sense, any major waste or fraud in the budget. The real question is the allocation of resources as far as efficiency."

Frates, who conducted a 2002 study for the Rose Institute of State and Local Government at Claremont McKenna College that found Los Angeles fares poorly in receiving state and federal funds, believes trimming salaries and benefits for the city's 37,000 employees could yield significant savings.

Julie Butcher, head of the city's major blue-collar union, said city workers are taking the lead in suggesting cost savings and agreed to a zero percent increase in their salaries this year. The three-year pact between the city and Butcher's union, Service Employees International Union, Local 347, included job protection and raises totaling 6.25 percent in the second and third years.

"I think city workers in L.A. are getting a fair wage and solid but not extravagant benefits," Butcher said. "Unfortunately, this kind of points to how underpaid people are in the private sector."

Last year, the City Council backed away from a proposal to save \$ 1.4 million to \$ 3.6 million by consolidating several human services departments after complaints from some residents.

In 2003, despite warnings of a dire budget, the council gave police officers 9 percent raises over three years. The council supported the same deal for firefighters last year.

As a consequence, the city's payroll costs continue to eclipse the growth in revenue, leading some critics to question whether the city's commitment to efficiency extends beyond piecemeal efforts such as consolidating toll-free telephone numbers.

That measure saved about \$ 500,000, which is the only money deposited into a new trust fund designed to enlarge the 9,100-officer Los Angeles Police Department. The savings would bring about five new officers.

Instead of making cuts, most City Council members support a half-percent increase in the city sales tax that would generate about \$ 200 million a year, enough to hire more than 1,200 police officers. The measure could appear on the May 17 mayoral runoff ballot.

"We can't go to the public and say we spent \$ 80 million for (police) raises when we could have purchased 800 officers and chose not to," said Councilman Bernard Parks, the budget committee chairman and a candidate for mayor.

Councilwoman Cindy Miscikowski, who supports the tax measure, said city leaders can't hire hundreds of police officers simply by tightening the budget. She noted that the council rejected Mayor James Hahn's proposal last year to merge five human services departments into one.

"Economy might get us \$ 1 million. We've got to provide new revenue."

Despite a job freeze, City Hall has made hundreds of exceptions and currently has dozens of job openings posted, including an emergency preparedness coordinator with a salary as high as \$ 105,214 and a power shovel operator with a salary as high as \$ 76,086.

Salaries and benefits account for about 60 percent of the city's \$ 5.4 billion in annual expenditures, according to the City Administrative Office.

Parks said the raises hit the city twice: First in payroll, and next in pensions that are tied to salary. The city is spending \$ 28.5 million of general fund money on pensions this year, down from \$ 125.6 million in 2003-04 but up from prior years when the pension systems were self-supporting.

Part of the city's pension costs go toward a program in which officers are allowed to collect pensions while they continue working -- a program officials say is cheaper than hiring new officers.

Howard Jarvis Taxpayers Association President Jon Coupal said officers in deferred-retirement programs are paid as much as \$ 250,000 a year in pensions plus regular pay. The programs are yet another example of city officials capitulating to unions, Coupal said.

"The spending lobby is incredible, especially the unions, which are very powerful. Ordinary taxpaying citizens aren't going to take the day off work to go down to City Hall to protest overspending."

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