

Cities cutting from bottom while adding 6-figure salaries at the top

By Phillip Reese and Loretta Kalb, Sacramento Bee

Several local cities sliced their payrolls through layoffs last year by cutting those who made the least. And they ended up paying more employees six-figure salaries.

The 3,800 employees who earned at least \$100,000 annually last year made up 10 percent of the region's city and county workers, but ate 25 percent of payroll. Their ranks increased by about 80, while the number of city and county workers earning less than \$100,000 fell by almost 3,000, according to a Bee review of new data from the state controller's office.

The trend was not universal. Cities such as Davis, Rancho Cordova and Elk Grove reduced the number of their workers earning six figures.

But the city and county of Sacramento collectively increased the total amount paid to six-figure employees by \$23 million, or 9 percent, while cutting 1,800 workers from their payrolls.

"Somehow that doesn't surprise me," said Tana Taylor, who was laid off from her job as an office assistant in Sacramento County's Department of Health and Human Services last year. "Higher-end people – they seem to be hanging in there."

Several city and county leaders said the trend was largely unavoidable due to labor contracts and minimum staffing requirements. Many had to lay off employees based on tenure – and give the remaining employees raises due to their contracts.

For example, the number of county of Sacramento employees

under 30 – most of them low earners – fell by 50 percent, to 900, from 2007 to 2010, according to actuarial documents from the county retirement system. During the same period, the number of workers over 30 declined by just 4 percent.

“Workers that were able to stay had higher seniority and are at the higher wage scale,” said Chris Andis, a spokeswoman for the county of Sacramento.

The trend also reflects politics and priorities. About 45 percent of the region’s municipal six-figure earners are cops and firefighters, and several cities chose to limit public safety cuts in favor of reducing staff in parks, health care and social services, where fewer highly paid employees work.

“Instead of monitoring labor costs, pay rates, and pension costs in response to the recession, they’re instead laying off the junior workers in the city who are often the most productive,” said Craig Powell, president of Eye on Sacramento, a local civic watchdog organization.

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