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City of Bell Scandal Revisited

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Baby Bells

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BABY BELLS

Sforza

So the very year that rapacious Robert Rizzo extracted \$1.25 million in total compensation from the struggling city of Bell, the beloved police chief of nearby Downey - a city famed as the hometown of Karen and Richard Carpenter, the birthplace of the Apollo space program, and the site of the oldest surviving McDonald's restaurant - retired at age 52, after three decades on the thin blue line.

Roy Campos was apparently an effective chief who inspired loyalty in his troops - his door was always open, he liked to say - but Campos apparently had tremendous trouble tearing himself away from his desk. Over those 30 years of service, he racked up thousands hours of unused vacation, sick and personal leave time, which were cashed out at his chief-level salary when he retired. His total compensation that year: \$623,664, including leave worth \$401,194.

That made him the *second*-most-well-compensated city worker in the entire state of California in 2009, right behind Rizzo, and right in front of Bell's Angela Spaccia, whose total comp as assistant city manager was \$592,141.

When the Bell scandal broke, many official-types asserted that these sorts of startling public payouts were tremendous aberrations. But it turns out that they're not so rare. Not at all.

That year, San Francisco's deputy police chief pocketed \$530,542. Moreno Valley's city manager clocked in at \$499,937.

And these are just the top-earners for *cities* we're talking about here. There are entirely separate data sets for *state government* workers. And for *county government* workers. And for special district, school district and university system workers. Some reveal public paychecks that well exceed \$2 million a year - some well-justified, perhaps, and some not.

But before we debate the appropriateness of all that, let's figure out how we got here. It wasn't easy.

B.B.

(BEFORE BELL, OR, YANKING ON THE VEIL)

Just a few years ago, public pay data was maddeningly difficult to assemble, and - perhaps purposefully? - often woefully incomplete. Apples-to-apples comparisons, we were told again and again, were extremely difficult to do.

Despite that, we at The Orange County Register made it a point to delve into city manager, school superintendent and other executive pay at regular intervals anyway - and it was much like going to war. It involved an army of reporters literally, dozens of them - requesting employment contracts from cities and school districts, and another level of reporting and editing brass to collate all the information and make sense of it. Agencies screamed and yelled about what should and should not be counted as compensation; Agency X would whisper that Agencies Y and Z weren't telling us the whole truth; and we would proceed as best we could to construct a likeness of reality.

In 2005, our Register survey found that city managers in Orange County made an average base salary of \$161,358, with average benefits of \$44,000. *Base salary* is the number agencies liked to use, and one, we'd come to learn, which often bears little if any resemblance to the truth.

And into this somewhat surreal landscape waltzed a woman we've come to call Barbara "Stir-the-Pot" Kogerman. Kogerman

lived in the little town of Laguna Hills, and she wasn't exactly pleased with how things were proceeding at City Hall. In 2010, she noted that the entire city council had essentially been sitting in the same chairs on the same dais since Laguna Hills incorporated in 1991; and sitting with them was the same city manager it had on Day One. Despite Laguna Hills' small size, Bruce Channing emerged as the best-paid city manager in our Register survey, with base pay and benefits worth some \$225,000 a year.

Kogerman was eyeing a run for City Council, and she wanted to know precisely how much the city manager was really, truly making, and how that compared to other 33 city managers in Orange County.

In addition to the standard salary, benefits, deferred compensation and pension contributions that folks usually count, Kogerman wanted to know how much was spent on the city manager's vehicle purchase/payments, car insurance, car repair, car maintenance, gasoline, cell phone equipment and usage, toll road fees, in-home computer/office equipment, dues and subscriptions, travel and meetings, payouts for unused vacation and sick leave ... the list went on and on.

Welcome to hell.

She quickly came to learn what armies of reporters already knew: She'd soon want to yank every strand of hair out of her head, one painful strand at a time.

It took Laguna Hills more than 100 hours of staff time to pull the information together, with an estimated value of \$5,000, officials told her.

Kogerman quickly ascertained that this endeavor required more work than a single person - or two or three - could handle. So she enlisted help from graduate students at Brandman University, assigned to the effort as interns by Fred Smoller, then director of the graduate program in public administration (and the man behind this probe of the Bell scandal).

It was more than any of them bargained for.

MONTHS OF TOIL

"We worked on this project beginning February 2nd sending out public records requests to all 34 cities," intern Janice Voshall said. "The cities, themselves, provided all of the information, which was then complied into a comparison report. This was a very long and drawn out process because most city staff, including the city managers, are not aware of the total amount of money going into varying benefits."

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So! said fellow intern Cindy Smith on phone call after phone call that spring. The city manager gets health insurance. What does that cost? Does he/she have a spouse? Children? Are they covered, too? What does that cost? Pension payments? Does the city pay the worker's portion of the pension payments as well as the *employer's* portion? How much is that? Is there also a 401K? Life insurance premiums? And on and on.

"It didn't seem they knew where to go for the information," said intern Amy Wilson, then an MBA student at Pepperdine who built charts for the report. "The fact that there was no consistency in the information, and how much time it took to gather, that's where the biggest concerns were. If there is no standard for quantifying the benefits being paid, it proves to be poor accounting practices. That should be readily available information. You should know where the dollars are going. This is taxpayer money."

There's something unsavory about a process that requires innumerable e-mails and phone calls to city clerks, human relations specialists, finance managers, city attorneys, city managers, "and assistants to all the above," in order to obtain public information, the report said.

Some cities took more than three months to pull together data that should have been easily accessible to anyone who inquires.

"Someone, somewhere, needs to come up with a transparency standard for reporting salary and benefits so any citizen can go online and see what they are, rather than being bounced around to human resources, the city attorney, the city manager, the city manager's assistant, the accounting department," the Kogerman report said. "Do the city council members know what they're doing? There's a lot of stuff under the radar that needs to be addressed on a policy level."

FURY AND THE KOGERMAN COUNT

Stir-the-Pot Kogerman finally published her hard-fought findings online in May of 2010 - months after starting, and just weeks before the Los Angeles Times published the first of its Bell reports. One might call it prescient.

According to the Kogerman Count, the best-compensated city manager in all of Orange County was, indeed, little Laguna Hills' Bruce Channing. She calculated his total comp to be \$460,809 a year, with the O.C. average at \$280,000 a year - and the phrase "baby Bell" was soon born.

Kogerman's report was met with raw, volcanic rage. City officials attacked it as "distorted," "unfair," "grossly inaccurate and clearly misleading," and tried to dismiss it as a small-time, small-town electioneering stunt. "The only numbers that appear to be reliable for reporting purposes are the ones listed in the Salary column and city population column," Laguna Hills' Bruce Channing told us by e-mail at the time. "All the others are either factually incorrect or of no true comparability."

Some likened official reactions to a police officer at a crime scene, chanting "Nothing to see here, folks, keep moving," even as bodies piled up. The level of vitriol suggested that Kogerman had hit a deep and painful nerve.

Yes, Kogerman's numbers included those extras we told you about - what the city spent for the city manager's vehicle purchase or car payments, as well car insurance, car repair, car maintenance, gasoline, cell phone equipment and usage, toll road fees, in-home computer/office equipment, dues and subscriptions, travel and meetings, payouts for unused vacation and sick leave, stuff that's usually left out.

A few level-headed city official-types admitted that some of that was legitimate to include in the calculation, but that much was not. Travel and subscriptions, for example, are not part of a city manager's compensation, but part of the city's cost of doing business, they argued. And in Channing's case in particular, the cost of his city-purchased car was included in the tally in one lump - nearly \$60,000 right there.

Should the car's cost have been averaged out over the years Channing would be using the vehicle? Perhaps. There are a thousand ways to skin a cat, and to count city manager compensation. But even if the car cost was *completely* eliminated, Channing would *still* have been the most wellcompensated city manager in O.C., at about \$400,000 in the Kogerman Count. (When the League of California Cities followed up with its *own* survey on city manager compensation, Channing was the tenth highest-compensated city manager in the entire state of California, which happens to include some very large cities. The League survey pegged Channing's total comp at \$321,550.)

STEALTH COMPENSATION?

A stunning discovery from Kogerman's inquiry: Officials could get benefits worth almost as much as their salaries.

While big-city managers averaged \$292,561 in total comp, their benefits comprised \$64,592 of that.

Mid-sized-city City Managers averaged \$272,573 in total comp, with benefits comprising \$60,228 of that.

And small-city managers averaged \$262,196 in total comp, with benefits comprising \$74,752 of that.

Arriving at those numbers was no small feat. While basic salary information is readily available and transparent, benefits packages "are often difficult to ferret out, are obscure to the public, and offer a more stealthy way to overlycompensate a City Manager without raising public alarm," Kogerman concluded.

"These added compensation benefits may and often do include such items as management incentives, deferred compensation, contributions to private retirement programs, insurance premiums, paying the 'employees' portion' of payments, physical examinations, home offices, cell phones and computer equipment, autos, auto expenses, moving expenses, payouts for unused sick or vacation leave, greater-than-average vacation leave days, and the like. Many of these benefits will be taken into account when the employee retires, thereby increasing their final compensation as a basis for their retirement pay."

The fact that it took some cities more than three full months to comply with Kogerman's original request for information illustrated one disconcerting fact: "The cost of benefits provided to top-level municipal management can be unclear even to the entities providing them," wrote grad student Voshall, who worked on the Kogerman report.

"The idea of putting more and more compensation into benefits, instead of base salary, obscures and impedes on the public's idea of what these base salaries really represent. The public has a right to know what the total compensation of their city's top administrator amounts to, and this information should be easily accessible."

When officials charged that Kogerman's data was factually inaccurate and incomparable, "it only highlights the level of obscurity surrounding the information," graduate student Wilson added. "At the end of the day, the study turned out to be an exercise in measuring city accountability and transparency as much as city manager compensation."

And, in short, there wasn't much.

TATTLE TALES

Our phones started jingling incessantly at the OC Register after we started writing about the Kogerman Count.

What do you know? The city administrator of Huntington Beach was receiving \$28,500 per year as part of a \$200,000 "forgivable" loan - an incentive for him to live in the seaside city he manages.

That's not unusual, especially for executives who move from areas with lower costs of living, a city spokeswoman told us noting that Wilson came to Huntington Beach from San Bernardino. The omission from Huntington Beach's reply to Kogerman's information request? While Kogerman did, indeed, ask for all pay and benefits, the loan was not included on the city's tally of same, despite appearing in Wilson's contract under "OTHER BENEFITS." The city did, however, provide Kogerman a copy of the contract.

It also turned out that Orange County's most pricey metropolis - Newport Beach - offered "equity-sharing housing assistance" to its city manager, who was required to live in town. In 2009, Newport approved a payment of \$471,250 toward the new city manager's home, which translates to a 50.4 percent interest in the property.

Another surprise: While San Juan Capistrano's city manager, Joe Tait, appeared to have a very modest pay package in Kogerman's survey (base salary of \$191,000 as city manager, with benefits of \$13,300), there was just one little detail missing: Tait wasn't just San Juan's city manager. He was also its utilities director. And when you add in the pay he received for that position, his compensation rose a rather significant 63 percent - to \$324,000.

We'll note here that San Juan has a population of 37,000 one of Orange County's smallest cities, on par with Laguna Hills.

The omission? To be fair, Kogerman and Co. asked for total city manager compensation, not total paid to city managers who might simultaneously hold other jobs with the city. And the city did forward Tait's contract, which laid things out. But the Kogerman camp relied on the figures provided by the city itself, not the contract details, thinking the latter were inclusive of all.

Tait defended his compensation in an e-chat with us. "I save the residents of San Juan Capistrano greater than \$160,000/year by combining two public-sector positions into one contract-based, annual amount," Tait told us.

After considerable controversy, the city decided not to renew his contract a year later.

Granted, leading a city is no small headache. We were taken with this bit of impassioned prose from a veteran of the trench wars, explaining things from his side of the dais:

"I'm a retired City Manager with 33 years in the barrel in one position or another. Over the years, I told many people that my contract was public record and they were welcome to a copy at 10 cents a page. As for those who think they can do this job in their sleep, give it your best shot. YOU tell every council man that no, you won't make an exception to the building code for his friend; you

won't hire his brother-in-law; you won't contribute to his campaign or anyone else's. You tell the mayor that his wonderful proposal is against state law. You negotiate with the police and fire unions and face their family and snotnosed kids when they can't get a fat contract. You explain to the Little League why the city can't spend another \$10 million for a new baseball complex; and on and on and on. If you can do the job for half price without sinking the city financially or shooting yourself or the city council politically, have at it! I only have 18 years of schooling and a lot of post grad work. Probably you're twice as good with half the background and experience and hey ... that's what you get for half the money.

"If you had told me 10 years ago that city managers would be making \$250,000, I would have laughed at you. I'm actually surprised that the study has evoked all this moaning and groaning. All these issues are public record. We're in the public business. These are our customers. I once had a guy mad as hell at me, threatening to sue me, who got a copy of my contract. When he saw that the city was obligated to defend me in a lawsuit, he went away mumbling, 'Son of a bitch is smart, too.' I got used to having my salary published on the front page of the newspaper. All this stuff is public." The art of the job, this crusty veteran said, is to realize that your own vision doesn't count, and that your job is to bring the city council's vision to fruition. If you can leave the city with a reserve fund, in a little better shape than you found it, it's a job well-done.

``City managers are very well paid, because it's a huge job,'' said Raphael Sonenshein, a political science professor at Cal State Fullerton and longtime student of local government. ``They have to maintain the integrity of the administration of the city while being sensitive to the elected officials who run the city. They have to protect the daily employees from political interference while making sure that the city government is responsive to the public. That's a tall order.''

But people's patience was wearing thin. "I have defended CM's in the past," one reader wrote to us. "It IS a very difficult job, but (some of) these salaries are beginning to creep to the fully undefendable range. To argue you are doing two jobs is just silly, (they) merely have two assignments, not 'working' two jobs. I assure you there is a very hard-working asst utilities manager doing most of that work assignment."

VERNON

All told, one might argue that holding only two jobs at once is child's play.

Former Vernon city manager Bruce Malkenhorst Sr. held a half-dozen or so positions at pretty much the same time, collecting some \$600,000 a year for his troubles. Malkenhorst was the peculiar burg's city manager, clerk, treasurer, finance director, redevelopment director and utilities director, prompting some to wonder how the man found time to sleep.

When Malkenhorst retired in 2003, he became the most handsomely-compensated retiree in the giant California Public Employees Retirement System, hitting a high of more than \$551,000 a year even as he became the target of several official probes into his conduct.

A secret report compiled by Vernon's then-city attorney concluded that Malkenhorst stealthily and systematically bled hundreds of thousands of dollars from the peculiar city's coffers. He spent the money on groceries (top sirloin steak and fudge cake), golf, country club memberships, Christmas gifts for his family, homeowners association dues, massages, haircuts, property taxes and a multitude of other personal expenses, according to the 2004 probe.

There was \$10,000 to Woodbury University, where he and his daughter apparently went to school; another \$8,454 for "Los

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Angeles Dodgers;" \$4,000 for the "Bob Hope (Golf) Classic;" and thousands more for travel and meals, including a \$1,200 dinner at Spago in Beverly Hills.

"He justified this expense as 'Administration,'" the probe said of the meal. "Although this was a very expensive dinner, he could not identify the names of the people he needed to eat with on a Saturday night in Beverly Hills in order to perform his duties."

"Ludicrous" and "improper," Eduardo Olivo, Vernon's thenlegal counsel and report author, wrote of Malkenhorst's behavior.

"In just one year, the City Administrator caused the City to pay at least \$91,000 for his credit card charges," the probe said. "Such charges included expensive meals, golf-related fees and travel and dining expenses for his family. The City apparently never received or maintained the detailed credit card statements; they were not able to provide them to me when requested. Thus, nobody but the City Administrator reviewed the charges in order to analyze the propriety of his expenses. He was reimbursed for several hundred thousand dollars of expenses without providing support or detail."

How could it happen? Holding multiple jobs at once leads to a fox-guarding-the-henhouse sort of situation. "The manner in which the City Administrator utilized the petty cash fund and

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the credit card prevented true analysis of his purported expenditures and allowed him, as the city clerk, city treasurer and finance director, to completely control the process and hide his activities," said the probe.

The D.A. eventually indicted Malkenhorst and fellow Vernon officials on corruption charges. Malkenhorst pleaded guilty to misappropriating \$60,000 in public funds, and in exchange for this plea, a second felony misappropriation charge was dropped. He avoided jail, got three years of formal probation, was ordered to repay \$60,000 to the city, and fined \$10,000.

We have tried to reach Malkenhorst, and his current attorney, and two of his former attorneys, but no one was eager to comment. Back at the time, however, one of Malkenhorst's lawyers said there was no deception involved: Vernon officials knew all about Malkenhorst's handsome compensation and generous perks. "The people who are running the city say, 'We like Bruce Malkenhorst. We want him to be able to get around in a limousine. We want him to use it for personal or business uses. We want to pay him a lot of money,'" attorney Bart H. Williams told the Los Angeles Times.

We'll note here that Malkenhorst lives in Huntington Beach, just as Robert Rizzo did. One can imagine the two yucking it up at some Main Street watering hole, laughing at the citizens of their respective cities.

ALL ABOARD

THE TRANSPARENCY BANDWAGON

Every crisis presents an opportunity, and there was so much outrage over Bell that officials were stumbling all over one another with proposals to bring accountability and transparency to local government.

Then-Gov. Arnold Schwarzenegger called for the posting of employee salaries statewide. Then-Assemblyman Chris Norby proposed a central repository for the information. Then-Sen. Lou Correa offered a "Taxpayer Right to Know Act," with "additional disclosures at all levels of government from special districts on up, for all elected, appointed and management individuals, on a publicly accessible database, for all the public to access," said a letter from Correa to Smoller, the editor of this book. "I consider your work, as inspired by Barbara Kogerman, the first step towards a working relationship that will benefit California's taxpayers," Correa wrote.

But one might argue that the coup de grace came via an order from State Controller John Chiang, who simply announced new reporting requirements for all California cities, counties and special districts, "directing them to clearly identify elected officials and public employees' compensation." The information would be posted on the state controller's website starting in the fall of 2010.

AGENCIES BATTLE:

W-2 FORM'S TOTAL WAGES ARE

PRIVILEGED TAX INFORMATION, AND CANNNOT BE DISCLOSED

There was grumbling, but hundreds of agencies pulled the data together as instructed. After all, it has been quite firmly established that public employee pay data is public information, because public dollars pay for it. Still, a few agencies fought Chiang's order tooth and nail nonetheless.

One of them was a special district called the Transportation Corridor Agencies, which runs O.C.'s toll roads. Despite a budget of some \$350 million, the TCA maintained that it was "not obligated to file this compensation report and respectfully decline to do so," it said in a missive to the state controller.

Why? TCA is a "joint powers authority," it argued - a sort of amalgam of public agencies - and this somehow enabled it to opt out of the mandated public reporting. Of course, hundreds of other JPAs - the Orange County Fire Authority and the South Orange County Wastewater Authority among them - had reported to the state controller from the get-go, with few questions asked. After the Voice of OC made an issue of this, TCA said uncle and began filing.

Also fighting was the city of Orange. It took a different tack, and gets points for originality:

One of the key bits of information that the state controller asks for is "total wages" - *the number on Box 5 of every employees' W-2 form*. No go, said Orange: That information is not public.

"In performing our due diligence on the request, City Attorney, David DeBerry, has conducted research and, upon cases he has reviewed, found that information off employees W-2 forms is privileged tax information, and cannot be disclosed," Orange city spokesman Paul Sitkoff told us. DeBerry alerted the state's lawyers "and requested authority from State Controller showing that W-2 forms can be released," Sitkoff said.

The city's finance department was pulling together data to show total compensation *without* using information from W-2 forms, Sitkoff said.

Does an individual's financial privacy allow public employees to keep their salary information secret? The Court of Appeal addressed an argument similar to Orange's in 2005 from the city of Oakland.

"Nothing in these statutes purports to shield public employee salaries from disclosure," the court said. "Those

salaries are not merely personal finances; they are public expenditures.... [N]either Congress, the California Legislature, nor the Oakland City Council has recognized any social norm making public employee salary data a private matter."

In an earlier case, the Court of Appeal said that "It is difficult to imagine a more critical time for public scrutiny of its governmental decision-making process than when the latter is determining how it shall spend public funds.... including the establishment of salaries."

Eventually, Orange, the TCA and the overwhelming majority of fellow scofflaw/hold-outs came around and supplied the data to the state controller.

The site, called **publicpay.ca.gov**, was unveiled in the fall of 2010.

"This website will help taxpayers scrutinize local government compensation and force public officials to account for how they spend public resources," Chiang said in a prepared statement.

BRAVE NEW WORLD

It was a bombshell. A revelation. The start of one of the most massive transparency pushes in the nation.

Where once getting a single agency's pay data was an exercise in colossal frustration, we suddenly had one-stop shopping allowing data dissection not just of one city, or of one department in one city, but we were suddenly able to break that information out and compare it for agencies in the farthest corners of the vast state of California. Data for hundreds of thousands of public positions was soon available at the push of a button. There was truly an element of giddiness about it for those who had fought ad nauseam with public officials about what counts as public compensation.

"The absence of transparency and accountability invites corruption, self-dealing, and the abuse of public funds," said Chiang.

It wasn't perfect, especially at first. Compensation was, and still is, listed by *position*, not by *name* (it would take too long to scrub the data for the names of undercover types, the controller's office told us). It called out how much agencies paid to pick up the *employee's* portion of pension contributions, but not what agencies paid as the *employer's* portion of pension contributions (an enormous omission, especially for public safety types, which has since been rectified). Columns weren't *totaled*, but they were *there*, and it was easy enough to tally them oneself, even though it oft resulted in officials crying that things were double-counted and/or the numbers were wrong.

Still. It was more information in one spot than we had ever had before. It had minimum and maximum salary ranges. Actual wages paid. Retirement formulas. How much the agency paid into the worker's deferred compensation plan. The costs for each worker's health, vision and dental benefits. And it had a Malkenhorst-detector, if you will, calling out workers who held multiple positions within one agency.

This treasure trove of data would be posted for California's state government, her 478 cities, her 4,800 special districts, and eventually for the University of California, California State University, community college and K-12 school systems as well (though some still expressed outrage: "I don't see anything to gain by people knowing if a teacher is on the top of the salary scale or a beginning teacher. If that person is a good teacher, what difference does it make? We don't go to the dentist and say, 'Can I see how much you make? Can I see your W2 before you open your mouth?' It's insulting because it's about the job we do, not about what we are being paid," Susan Mercer, president of Santa Ana Unified's teachers union, told the Register after Chiang formally requested the school data).

And a twist on the data has come from a conservativeleaning group called the California Policy Center, which runs

TransparentCalifornia.com. This group has blanketed the state with public records requests asking for the same data they gave to the controller for **publicpay.ca.gov** – but with the workers' names intact. Most agencies have been complying, though some refuse to respond.

We find the two databases are quite useful side-by-side, and are using numbers from both of them in this chapter. Overall, their numbers differ slightly (while the controller lists total wages that appear in Box 5 of the W-2 form - i.e., wages subject to Medicare taxes - Transparent California lists total wages, period), but together, they prove powerful.

SO WHO MAKES WHAT?

The databases have illuminated many things, and one is this: While Bell may have been extreme in the lying and obfuscation attendant to its exorbitant salaries, the Baby Bells are disturbingly plentiful.

A surprising number of public employees earned in excess of \$1 million in 2013 - 32, according to TransparentCalifornia's data. Of those 32, six made more than \$2 million.

> • The highest-earning public employee in California in 2013 was not the governor or attorney general or even one of its highly-paid contract physicians or

psychiatrists: It was Stephen Todd Alford, coach of UCLA's basketball team. Alford had wages of \$2.64 million in 2013, not counting the cost of benefits (\$35,762).

- No. 2 was Jeff Tedford, head coach of the California Golden Bears football team at UC Berkeley. Total pay: \$2.44 million, no benefits.
- Next up was Jim L. Mora, head football coach at UCLA. Total pay: \$2.41 million, plus benefits (\$41,899).
- No. 4 was Daniel Dykes, football coach at UC Berkeley. Total pay: \$2.37 million, plus benefits (\$43,585).
- Benjamin Clark Howland, basketball coach at UCLA, was next. Total pay: \$2.32 million, plus benefits (\$15,746).
- No. 8 was Michael J. Montgomery, basketball coach at UC Berkeley. Total pay: \$1.74 million, plus benefits (\$27,083).

One could argue that this sort of compensation is justified for reputation- and money-making endeavors such as highperforming university sports teams; and one could argue that such compensation has no place on the public payroll at all. The Sacramento Bee pointedly noted that these coaches earned twice as much as the most celebrated brain surgeons at UC San Francisco.

Which brings us to the next tier of highly paid public workers: medical doctors, which may be a bit harder to argue with.

- Clocking in at No. 6 statewide was Ronald W. Busuttil, distinguished professor and executive chairman of the UCLA Department of Surgery (pay, \$2.23 million; benefits, \$50,812);
- No. 7 was Gordon A. Cohen, chief of the pediatric cardiothoracic surgery at UCSF (pay, \$1.75 million; benefits, \$31,851);
- No. 9 was Timothy H. McCalmont, professor of pathology and dermatology and co-director of UCSF's dermatopathology service (pay, \$1.72 million; benefits, \$26,599).
- And No. 10 was Dan Guerrero, director of intercollegiate athletics at UCLA (pay, \$1.6 million; benefits \$63,015).

UC is a world-class research university, so while the sums may seem stunning, one can argue that this is simply the price of doing business.

It's when one dips down the list a bit that things get a bit odder.

Thomas Wander, CEO of the Beta Healthcare Group Risk Management Authority, had total compensation of \$1.2 million.

The Beta what, you may ask?

Beta is a special district. A special district is a narrowly-focused and often invisible government agency formed to do a specific job (think water, fire suppression, transportation, vector control). Historically, they arose because there was no city or county government around to get the job done, and despite the urbanization and incorporation of much of California, about 4,700 of them still blanket the state in a crazy patchwork quilt that has largely defied consolidation efforts for more than half-a-century.

BETA has ranked at or near the top of special district pay lists for years. As special districts go, it may be extra special: "In the 1970s, a medical malpractice crisis emerged when commercial insurers in California either abandoned the professional liability market or increased rates so dramatically that healthcare providers could no longer afford coverage," according to the district's official history. "Hospital executives searched for alternatives, seeking to control and stabilize the cost of professional liability insurance and avoid the rate swings that had typified the commercial insurance market."

So 17 public hospital districts banded together, forming "a hospital-controlled risk-sharing pool," structured as a California joint powers authority. BETA now serves more than 100 city, county, district and nonprofit hospitals. Unlike commercial insurers, if BETA collects more than it needs to pay claims and fund operations, it "returns monies over time in an equitable manner," CEO Tom Wander has said. The agency has offices in Alamo, Glendale and San Diego.

Who knew?

One says that often when trolling through special districts data. There are 68 transit districts in California, according to the controller's office. There are 78 hospital and health care districts. And 251 cemetery districts. And 361 fire protection districts. And 885 water-related districts and... well, you get the point. Each has executives with six-figure salaries and boards of directors that collect meeting pay and, by and large, are loathe to consolidate, no matter how much sense that might make.

Some also sit on huge wads of cash, as they collect property taxes in addition to what they can charge for their products and services. The Santa Clarita Valley Transportation Authority, for instance, had cash and investments of \$1.48 billion in 2013. The Metropolitan Water District of Southern California had cash and investments of \$685.7 million. The Orange County Sanitation District, \$600.5 million. And the list goes on.

When the Orange County bankruptcy thrust some of these meaty special district cash-and-investment totals into the light of day, there was shock and awe. "Government metastasizing," said the businessmen who volunteered to help right the listing ship of state. If they're able to accumulate that much cash, they may be charging their customers too much money, critics carped.

One could make an argument for California's hundreds of city governments and more than 1,000 school districts based on notions such as identity and civic pride and local control. But, seriously? California needs nearly 900 distinct water districts to get the job done?

Consider these other notable packages in 2012 and 2013, drawn from the special district and other obscure-government data sets:

- Paul Jablonski, CEO of the San Diego Metropolitan Transit System, racked up total comp of \$500,330.
- Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, had total compensation of \$486,411.

- The chancellor of the San Mateo County Community College district had total comp of \$419,491 (wages of \$373,248 and benefits of \$46,243).
- The superintendent/president of the Santa Monica Community College District had total comp of \$411,783 (wages of \$337,000 and benefits of \$74,783).
- Paul Jones, general manager of the Eastern Municipal Water District, had total comp of \$371,736.
- The head of the Los Angeles County First 5 program which spends about \$200 million a year from tobacco taxes on early childhood programs – had total comp of \$304,128 (wages of \$300,272, and benefits of \$3,856).

Turns out that Gov. Jerry Brown's executive secretary, Nancy McFadden, made more than he did, with total comp of \$214,046 (to the governor's \$176,142).

Chris Murphy, director of the California Office of Traffic Safety and the Governor's Highway Safety Representative, also eclipsed Brown, with total comp of 193,059.

And, well, even staffers at county fair offices can make more than the governor of the state of California. A deputy secretary manager at the San Diego County fair had total comp of \$198,491 (wages of \$158,430 and benefits of \$40,061).

TIRELESS SERVICE

(OR, YEARS WITHOUT A VACATION DAY)

So the data has indeed illuminated the oft-generous pay extended to public sector executives at organizations some didn't even know existed, but it has also allowed us to see how some workers have been able to work the system to their advantage, in perfectly legal ways, unlike those bumblers at Bell.

One method: Don't take vacation or sick time, bank years and years of leave over the course of your career, then cash it out at the very end at your highest pay rate.

For many workers, for many decades, there was no cap on how much leave they were allowed to accumulate. Imagine a police officer banking hours from his first years on the force, who is eventually promoted to chief. When he retires, all his banked hours are paid out at the chief's rate, rather than at the rookie rate he made when he earned those hours.

For many, this has been a terrific windfall.

 We remind you again of Roy Campos, the police chief of Downey who you met on the first page of this chapter. His total compensation was \$623,664 in his last year of service, including leave time worth \$401,194.

- Monterey Park Police Chief Jones Moy had total compensation of \$531,107 the year he retired - including \$372,559 in unused vacation, sick and holiday pay.
- Central Contra Costa Sanitary District general manager had total comp of \$524,724, including a \$356,221, lump sum payment.
- Buena Park city manager Rick Warsinski had total comp of \$587,221 when he retired in 2012, including \$293,050 for unused leave.
- Santa Ana's former city attorney Joseph Fletcher retired at the end of 2010 with total comp of nearly \$600,000, including a city-paid severance of \$142,080 and \$191,699 worth of unused leave.

The Los Angeles Times examined the records of some 14,000 full-time state employees who took a lump-sum payout for unused time when they left jobs in 2010, and found that 29 percent got checks for more than 80 days' pay. That's *four months*. Nearly 400 got checks equaling or exceeding their previous year's salary, the Times found. That included prison doctor Fong Lai, who got \$594,976 when he retired; Jay Wickizer, an administrator for the Department of Forestry and Fire Protection, who got \$294,440; and former parole agent Thomas Berns, who got a \$268,990 cash-out.

Sforza -Baby Bells

It wasn't the first time. Monterey Park, it turns out, had paid a princely \$484,000 for unused leave to former City Manager Chris Jeffers when he resigned in 2007, the Pasadena Star-News reported. Though apparently well-known to those on the inside, many on the outside were shocked. "Something has to be done," Monterey Park Councilman Frank Venti told the Star-News. "We have to get a better handle on how to pay out taxpayer money."

True, the gross dollar amount that each public agency owes workers for unused leave is called out in annual audits, but until the public pay databases went live, the sometimes-shocking details had largely escaped notice. In the wake of these revelations, many agencies have moved to cap the amount of leave time workers can bank going forward, but agencies can't take away what people have earned in the past. Which means the big payouts on retirement day will continue for many, many years.

We wonder, though, how it can be that this practice has been known to HR directors and managers for decades, and no one thought to do anything about it.

SURE, I'LL WORK

THAT EXTRA SHIFT

Another method that can swell paychecks and is prone to abuse: Overtime. Lots and lots and lots of overtime.

Turns out there were 6,010 city workers who earned more in overtime *alone* than the average per capita income in California (\$44,980) in 2013, according to the U.S. Dept. of Commerce and the controller's figures.

The overwhelming majority of these tireless workers were firefighters and police officers. In fact, several California firefighters managed to *triple* their regular salaries by working gobs of overtime in 2013:

- Angel Bobo, a fire captain in Richmond, had regular pay of \$113,892, and overtime of \$279,105. His total compensation, including the value of health and pension benefits: \$508,893, according to Transparent California's numbers.
- Donn Thompson, City of Los Angeles firefighter III, had regular pay of \$109,266, and overtime pay of \$242,033. His total comp was \$368,805.
- Richmond fire captain Marc Palechek had regular pay of \$103,160 and overtime pay of \$241,578. His total comp was \$450,942.
- Los Angeles Fire Captain I Charles Ferrari had regular pay of \$125,174 and overtime of \$240,229. His total comp was \$381,877.

 Orange County Fire Authority senior communications supervisor David Paschke had regular pay of \$76,807 and overtime pay of \$141,929. His total comp was \$273,195.

Among counties, 3,663 workers earned more in overtime alone than the average California resident made all year; among state government workers, there were another 2,956; and among special district workers, another 1,106. Again, the vast majority of them were public safety workers.

Why so much overtime? Why not just hire more people to do the jobs that need doing? The rationale has long been that, since the cost of public safety pensions are so expensive, it's cheaper to fill shifts with existing workers than by hiring new ones. But this has become a matter of some debate, as new hires get more circumspect benefits and the "minimum staffing" requirements that dictate much of the overtime are attacked as "maximum staffing" schemes. In many places, "minimum staffing" is under intense review.

Turns out that the gallant firefighter rushing into a blazing building to rescue terrified occupants is an endearing vision, but one based more on lore than on current workloads, said the Orange County grand jury in a recent report. Less than 2 percent of the Orange County Fire Authority's calls were to fire emergencies; instead, the vast majority of calls - at least 70 percent - were for medical emergencies. In other fire departments, medical calls comprised 80 percent of the total.

"This transition from fire emergencies to medical emergencies has not generated major changes in the operation model for responding to these emergencies," the grand jury wrote. "Each emergency call generally results in both fire trucks and ambulances being dispatched to the site of the emergency regardless of the type of emergency. The emergency response communities have discussed developing new models, but little change has been accomplished."

Our more jaundiced newsroom colleagues have wondered aloud if fire engines respond to medical calls because sick people might spontaneously combust.

Beyond all this, one must wonder: What emotional and physical toll does working hundreds of hours of overtime take on a public safety worker? How safe are the police and firefighters themselves, as well as the people they're sworn to protect?

O.T. TRICKS:

'MANIPULATING THE SYSTEM'

Sometimes, it turns out, workers aren't actually *working* overtime when they're *paid* for overtime.

Many public safety workers in California boost overtime pay because they count vacation hours as time worked - a lucrative perk that costs taxpayers millions.

"An accounting gimmick used to generate significant overtime costs," La Palma Councilman and OC Fire Authority representative Gerard Goedhart called it.

Officers with the California Highway Patrol and the California Department of Forestry and Fire enjoyed it; as have police officers and firefighters in the cities of Riverside and Long Beach; and police officers in Anaheim, Santa Ana, Huntington Beach, Irvine, Placentia, Laguna Beach and, well, lots of other places in the Golden State.

You will not find it amongst Orange County Sheriff's Department deputies, who police a great swath of the O.C. They gave up the perk after an overtime audit in 2008 laid bare how some manipulated the system.

One trick: "Frequently Taking Single Days off during each Pay Period," the audit said. "In this practice, an employee working large amounts of overtime consistently takes a day off per pay period. This practice allows the employee to receive paid time off ... and then work more days of overtime at other points during the week, still earning more than he/she would if he/she had just worked a straight schedule."

Disconcerting, the audit called it.

Sforza -Baby Bells

"In some instances, an employee came to work for a certain period (let's say 4 hours of straight time), took paid leave, and then returned later that day to work overtime," it said. "This practice is troubling not only in its appearance of manipulating the system, but also because it is antithetical to the concept of working a full day or on a day off before overtime is received. While there may be rare instances where this would be a needed solution to a difficult staff coverage scenario, it should be avoided whenever possible."

The year that audit was done - 2008 - the Sheriff's Department's overtime bill was \$47.5 million. In 2010 - after the department cracked down on OT, and deputies agreed to stop counting vacation hours as time worked - its overtime bill plunged to \$21.6 million.

The new attention afforded the issue obviously helped, as did the deputies' willingness to give up the perk. And they lived to tell about it.

Others are reforming as well. In Long Beach, the 3,600 members of the International Association of Machinists agreed to stop counting vacation time as time worked when calculating overtime - but sick time still counts, officials said.

In Santa Ana, sick time and "personal necessity" time have been removed from the overtime calculations, but vacation time still counts.

In October, it was deleted from the OC Fire Authority's new contract with firefighters, and is expected to save about \$1.7 million a year.

There are lots of other ways to game the system. The LA Times chronicled apparent outrages in the city's injury-leave program for public safety workers: Fire Capt. Daniel Costa hurt his knee on the racquetball court and was out on injury leave for a year. A couple of years earlier, he took a nearly yearlong leave after a run-in at the fire station with subordinates he described as "bullies." Police Department clerk Demeturius Matthews took a year off after she banged her elbow into a metal filing cabinet. She took a second year off after smacking her knee into her desk. And a third yearlong leave after she felt pain between her shoulder blades while reaching for her phone, the Times found.

Injury pay is exempt from federal and state income taxes, so injured workers can take home significantly more money when they're not working than when they are working, the Times found. The leave program cost Los Angeles taxpayers \$328 million over five years; one of five police and firefighters took at least one injury leave over the last year; and total salaries paid to public safety employees on leave increased more than 30 percent from 2009 to 2013, the Times found. The increased frequency and cost of injury leaves forced the fire department to spend millions in overtime, and reduced the number of police officers on the street, the Times found.

PROCEED WITH CAUTION

Trying to put the brakes on public safety costs can be perilous. A disturbing glimpse into how things really work behind the scenes comes out of Costa Mesa.

A few years ago, the city was in deep turmoil after a fiscally-conservative council majority took control and proposed outsourcing nearly half of the city's operations. Councilmembers Steve Mensinger and Jim Righeimer also sought to rein in pay raises and dial back pension benefits for the police department, approving a budget that reduced the number of sworn officers.

Enter a pit bull law firm comprised of former police officers, which represented more than 120 police unions at bargaining tables throughout California. Lackie, Dammeier & McGill offered unions an online playbook for how to play hardball that was part swagger, part braggadocio and all insult, our colleague Tony Saavedra wrote.

The playbook went like this:

"The association should be like a quiet giant in the position of 'do as I ask and don't (expletive) me off. The

public could care less about your pay, medical coverage and pension plan, all they want to know is, 'what's in it for them?'" The answer: "You do not want wage increases for yourselves, but simply to attract better qualified individuals and to keep more experienced officers from leaving."

The playbook outlined strategies for forcing officials and an unwitting public to fall into line: Union leaders should cozy up to decision-makers long before negotiations begin; once impasse is reached, union leaders should storm the city council, chastise officials for their lack of concern for public safety, picket at public functions, and, if crime is up, use that statistic to send the message that the city council could care less about public safety.

Union leaders should also instill panic at city hall by sending its officers to job fairs to apply for positions at other agencies; stage work slowdowns; make sure the public knows of "blunders" and wasteful spending by city officials; focus on one public official at a time and "keep the pressure up until that person assures you his loyalty and then move on to the next victim;" and hold press conferences blaming high-profile crimes on city officials for not having enough officers on the street.

The primer closed on a menacing note, Saavedra wrote: "The idea is to show the decision-makers that the public favors

public safety ... and almost equally as important, to let them know that next time, they should agree with you much sooner."

Mensinger and Righeimer were soon to find out precisely how that playbook translated into action.

WAY OVER THE LINE'

After a Wednesday afternoon meeting with police and residents in August 2012, Righeimer and Mensinger went to Skosh Monahan's, an Irish pub owned by fellow Councilman Gary Monahan. They drank two Diet Cokes, and kept the receipt.

Righeimer left around 6 p.m. Police soon got a 911 call from a man who said he was "following a possibly intoxicated driver." The caller said he saw a man stumble from the bar and posited that he might be disabled. "He's just swerving all over the road. ... I don't know what's wrong with him," the caller said, according to the city's 911 tapes.

The caller followed Righeimer home. He pointed out Righeimer's house to an arriving officer. The officer gave Righeimer a sobriety test, asking the councilman to follow a pen with his eyes, "and determined that Mr. Righeimer had not been drinking and was not under the influence," according to a police statement. As all this was happening, Righeimer's wife spied the car of the man who called 911. It was a white Kia with a Riverside Auto license plate frame, but no license plates. She went to the car and asked the driver for his name, but he drove away without answering.

Righeimer was sure he knew what had happened. "I have no doubt in my mind the labor unions fighting in this city are behind this," he said at the time. "This is not just a false reporting issue. This is a much bigger issue. This has gone way over the line."

That man in the white car was private investigator Chris Lanzillo, who worked for the pit bull law firm Lackie, Dammeier & McGill, which worked for the Costa Mesa Police Association well, at least until a few minutes before Righeimer made his public accusations. The Association fired the law firm and distanced itself from its tactics.

But the proverbial cat was out of the bag. Officials from several Southern California cities came forward to say that they, too, had been targeted by "thug-like behavior" during police contract negotiations.

Fred Smith, a Buena Park councilman, said he was tailed by a police officer after leaving a party in December 2010. Smith was pulled over, told that he smelled of alcohol, and asked to take a field breath test. Smith blew "all zeros" but was ticketed for straddling a lane, he said. "I was told I should never disrespect officers," Smith said.

He also received text messages threatening a "GJI" - grand jury investigation.

Buena Park Mayor Jim Dow said he, too, had gotten word that the union was gunning for him. After reading a suggestion online that police unions should target the children of city officials, he moved his daughters to Idaho. "I couldn't take that chance with my kids," Dow said.

A city official in El Monte said he had been followed for days by a white car matching the description of the one that tailed Righeimer, and officials in Irvine and Fullerton also suspected they had been targeted as well.

Attorney Dieter Dammeier denied his firm had done anything illegal. "When our clients are treated unfairly or unlawfully, yes, we are aggressive, within the limits of the law, to vindicate our client's position," Dammeier wrote in an email to Saavedra. "We will not apologize for 'aggressively' protecting those that put their lives on the line every day protecting all of us. We will continue to fight for our clients using every available legal tool at our disposal....When officials take actions that our clients feel deprioritize public safety, we will respond, in many cases publically, calling out the politicians on their actions."

'SERIOUS ACTS OF MISCONDUCT'

The bluster only lasted so long. In September 2013, a death blow was delivered to Lackie Dammeier by the Peace Officers Research Association of California. The Association announced it would no longer send police defense fund cases to Lackie Dammeier after a forensic audit uncovered triple-billing, bogus travel expenses and "serious acts of misconduct," the Association charged.

Lackie Dammeier dissolved, but that's not the end of this story. Mensinger and Righeimer filed suit against the defunct firm, as well as the Costa Mesa Police Association and private investigator Chris Lanzillo.

Lanzillo told the Register that when he made the DUI call on Righeimer, he was actually trying to sting Costa Mesa Councilman Monahan, the pub owner. Lanzillo said he sent a pretty woman into the pub on August 22 to flirt, in the hopes of catching Monahan in a compromising position.

Official probes of this bizarre conflict were launched as well. The Orange County District Attorney's Office and the FBI discovered that a GPS device was placed on an SUV driven by Mensinger for more than a month while he sought re-election in 2012, according to an amended lawsuit in the case. The tracking device was installed on the undercarriage of Mensinger's vehicle while it was parked in his Costa Mesa driveway, then removed and re-installed repeatedly to recharge it and download data, according to the lawsuit.

"I'm in shock," Mensinger told Saavedra. "This is like a (John) Grisham novel."

In December, Lanzillo and another private investigator who worked for Lackie Dammeier were arrested on suspicion of using a GPS tracking device to tail one councilman, and phoning in a false DUI report on another, in an attempt to sully the politicians before the November 2012 election, according to the DA's office.

Prosecutors charged Lanzillo and Impola each with felony counts of conspiracy to commit a crime through the unlawful use of an electronic tracking device, false imprisonment by deceit, and conspiracy to commit a crime by falsely reporting a crime. They face up to four years and four months in jail, and the loss of their private investigator licenses.

"I'm hopeful this is the beginning of the end of the extortion of elected officials by police unions throughout California," Mensinger told the Voice of OC.

PUBLIC SAFETY'S

BIG BITE

Say what you will about the politics of Mensinger and Righeimer. The fact is, public safety costs are skyrocketing in California even as crime hits historic lows. Something is clearly out-of-whack.

And we can keep a closer eye on all this thanks to another invaluable part of the post-Bell transparency push: bythenumbers.sco.ca.gov, which launched in September as Chiang's swan song before leaving the controller's post to become California's treasurer. This open data portal includes more than 60 million fields of financial information from counties, cities and special districts over the 12 years. It details revenues, expenditures, liabilities, assets, and fund balances, so we can see where our money is coming from and where it's going more easily than ever before. It also has the skinny on California's 130 state and local government pension plans, from assets and liabilities to employer/employee contribution rates, investment income and retiree payments.

We have only just begun exploring this data, but delved immediately into public safety spending. We found that the cost of keeping Newport Beach safe was up 101 percent over the course of a decade. In Laguna Woods, it leapt 81 percent. In Mission Viejo, it was up 76 percent; in Laguna Beach, 71 percent; and in Surf City, it was up 87 percent.

These cities far exceed the average growth in public safety spending among all California cities between 2003 and 2013 (about 43 percent), and also outpaced the growth of all city spending (including community development, culture and leisure, general government, etc., up about 44 percent).

And all this surpassed the growth of inflation, which was up 27 percent over the same time period.

Several cities said some of the growth in public safety spending was spurred by capital improvement projects, and some was spurred by the growth of the cities themselves. But it was not caused by vast growth of the force.

"As we look at this today, we see a PD of similar size as we had in 2003," Huntington Beach City Manager Fred Wilson told us by email. "Everything has increased - costs, salaries, pension costs, patrol cars, technology, safety equipment etc. ...

"(D)uring the recession, the focus on maintaining as much of public safety as possible was a priority. As a percentage of the overall budget, we grew about 1 percent per year. In a post 9/11 environment, I think that is reasonable."

Yes, public safety has long been the raison d'etre of local government. But the rising costs of police, fire and other emergency services are exerting enormous pressures on city budgets. Ballooning bills for public safety pay and pensions helped drive Vallejo, San Bernardino and Stockton into bankruptcy, and have left many other cities from San Jose to Placentia in fragile financial shape.

"We know these costs are going to increase substantially over the next five to 10 years," said Michael Coleman, an analyst of California local government finances, told us. "CalPERS (the gigantic state retirement system) has already approved increases in the employer-paid pension rates to make sure the retirement system is adequately funded. Those increases are in excess of what most cities can expect to see in terms of revenue growth...."

"(W)e may see more and more cities get into situations where they're cutting so much that they're providing a horrible level of service," he said. "We call that `service-level insolvency.' You may still be operating, but you're not providing the level of service people expect."

DISINFECTANT

It might be aggressive understatement to note that the conversation surrounding all this has grown shrill. In reporting on these things, we have been personally denounced as government-hating "freaks" eager to destroy the safety and

security of the Common Man. Pointing out that some firefighters tripled their pay with overtime was somehow disloyal. Blaspheme.

"Does it really matter how much overtime these people work," a firefighter wrote to us just last week. "These people work many extra hours at their assignments, spending a lot of time away from family and friends. This often includes missing birthdays, holidays, anniversaries etc trying to make a little extra money to better their life....

"Have you ever heard the old saying 'an honest days pay for an honest days work' ?? These people have done nothing wrong. So instead of vilifying them you should salute them for stepping up do the plate and keeping you and your family safe and secure....

"In reality it appears to me that you are a tad jealous and enjoy portraying us as bad people for busting our ass and trying make a better life for ourselves and families. Could all this be a result of you having a lousy job with inadequate pay/benefits? When in reality you really wanted to be one of us but couldn't quite hang?? Just putting it out there...."

This sort of reaction to any whiff of criticism is disturbing on many levels, especially in light of the Costa Mesa incident.

First is a knee-jerk assumption that if one dares to question the wisdom of public safety spending in particular, one

must be a mouth-breathing, knuckle-dragging member of the Tea Party. Why is it assumed that only political conservatives want taxpayers' money to be spent wisely? This galls us. Progressives can be, and perhaps should be, as outraged over how much public treasure is spent on executive perks and public safety during a period of decreasing crime as conservatives are outraged over the social safety net and what it costs to provide services to non-citizens.

The firefighter's note is also disturbing in its demand that public safety workers be regaled as heroes. We should be thanking them, not questioning them. To do so is blasphemy.

We do, indeed, salute public safety workers for doing jobs that are far more dangerous than we'd ever care to do. We do mourn when one is injured in the line of duty. But each and every public safety worker has chosen this line of work knowing full well the inherent risks and demands. They are compensated with with pay, perks and esteem that reflects those risks.

Mindless deference, however, is not a demand anyone should make on those paying the bills.

In the end, is what We the People are. The bosses. And we need to have an informed conversation about where we're spending our money and what precisely we're buying. Are our spending priorities in the proper order? Or do we want to change things?

A public school in a poor neighborhood with an 8-to-1 kidto-teacher ratio might do much more to reduce crime - and improve lives - than our most lavish public safety spending.