

# Bell Syndrome

**M**ost everyone is familiar with the events that have occurred in Bell City.

At the 8/10/10 United Board Meeting I commented that our budget process **DOES NOT** prevent the salaries of our PCM staff from being prone to excesses as those of the Bell City officials and council members except on a lesser scale. Unknown to the people of Bell City, who were represented by their elected officials (In LWV terms, board members and managing agent), the City Manager was the highest paid government employee in the United States with a base annual salary of \$787,637. When you add the benefits it came to an annual compensation of \$1.5 million a year. This also included 28 weeks of sick leave and vacation. Consider too that Bell City per capita annual income is \$24,800 and the city came in **UNDER BUDGET**. Of course they also had the highest taxes in the state.

Does that sound familiar; high assessments, unknown salaries, under budget?

My comment was made to suggest that the United Board take steps to prevent a similar lack of oversight on the part of our boards. An essential part of the Bell City problem resulted from the electorate not being aware of the council salaries. Once made aware of those salaries, the hue and cry that resulted became a national scandal, and most of us felt the residents of Bell City were being "robbed."

I do not want to imply that the PCM staff is receiving 700% higher salaries than is justified, as the Bell City Council did. That would be obvious to the current board members, however, a salary range that is 20-50% higher than justified would very likely not be noticed.

A Directors response to me was, and I paraphrase, "... the United board takes sufficient action at the

detailed level that such a problem could not exist in LWV." I suggest that he review the tape of his response to verify my accuracy in paraphrasing his answer. **The Boards do NOT do a detailed line entry analysis of staff salaries and you would not find a similar problem if it existed in LWV.**

I would also suggest that when he reviewed his response he should listen to the comments of his President and also Director Beldner so that we all get in sync. **He is apparently** unaware of what PCM can do without his, or the residents, knowledge. His President rightly stated that the salaries are done at the top level and we have no idea on the detail. Director Beldner rightly stated that, "since PCM salaries are confidential they are not obligated to provide the detail to **YOU** on the board.

For his edification, here are two ways to do a comprehensive salary analysis in a budget for LWV.

## **A bottom up detailed procedure (not likely to get PCM support):**

Determine the job titles.

Define a job description for each job title.

Establish a salary range for each job description.

Establish the time for each job description task.

Establish a salary for each individual based on the tasks.

Establish the cost of the salary benefits.

Establish the overhead for each job title.

Use all of this information to do a comprehensive bottom up salary budget analysis, or,

## **Have someone else do the analysis for us:**

By putting a process out for 3<sup>rd</sup> party bids, you can use the knowledge of another company to establish a "bid/budget."

This doesn't guarantee the best results, but, if the 3<sup>rd</sup> party wants the job, they will provide the oversight on the costs and you will have a measure against PCM.