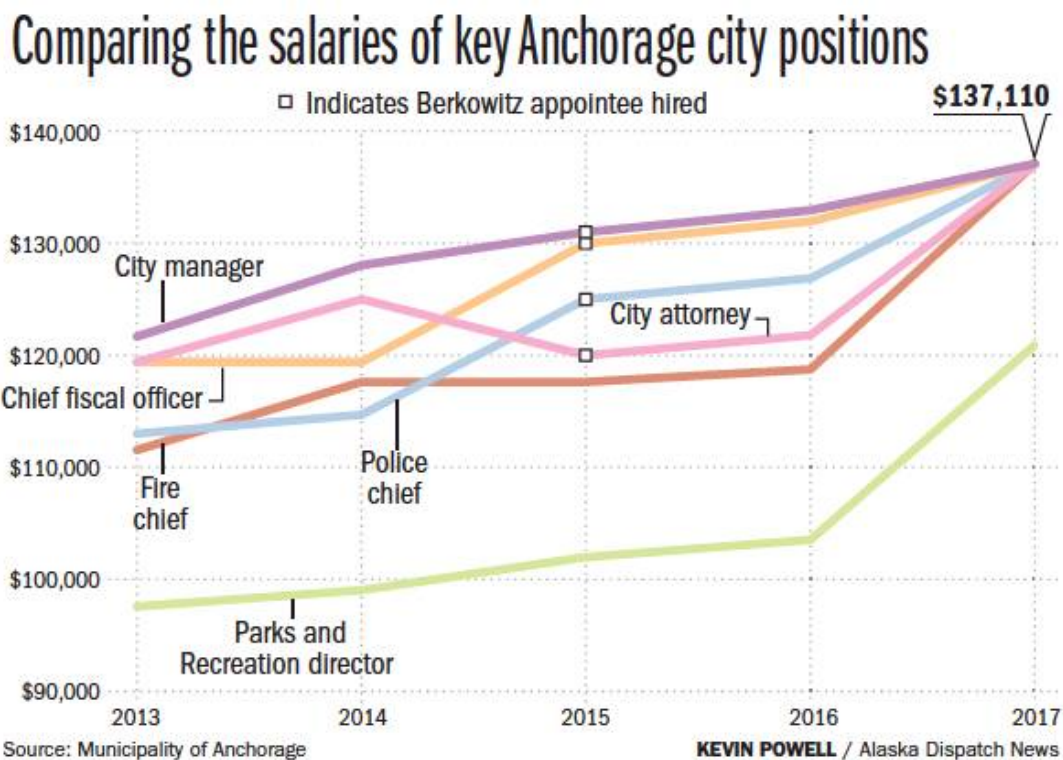


Berkowitz gives big pay raises to dozens of top city executives

It was biggest hike in years for many of them; seven now make more than \$137,000.

DEVIN KELLY ALASKA DISPATCH NEWS



Anchorage Mayor Ethan Berkowitz boosted the salaries of more than 30 city executives this year, in some cases by more than 10 percent, according to data reviewed by Alaska Dispatch News.

Seven top Berkowitz executives now earn more than \$137,000 a year in salary. As of last fall, no executives made more than the mayor, whose salary is fixed by an independent commission at \$132,960.

Across sixteen departments, 36 executives received raises in excess of the city's standard 1.5 percent cost-of-living increase. It was by far the biggest raise in years for many of the executives, records indicate.

Male executives saw a 9 percent bump in salary on average. Female executives received an average 12 percent raise. The annual cost to the city is nearly \$361,000.

Alaska Dispatch News obtained the data about raises and past salaries through public records requests. In an interview, Berkowitz, who is up for re-election next year, characterized the raises — which came even as city was facing a steep budget gap — as a general attempt to correct for key positions whose pay had not been boosted in some time, and where female employees were being underpaid.

“We’re very mindful of the fact we have to do things in a way that’s equitable across everyone who works for the municipality,” Berkowitz said. “But some areas had seen pay decreases, and it was putting our ability to do our work in jeopardy.”

The top-paid executives, records show, are Mike Abbott, the city manager; Justin Doll, the police chief; Denis LeBlanc, the fire chief; Bill Falsey, the city attorney; Robert Harris, the chief fiscal officer; Mark Johnston, general manager of Municipal Light & Power; Brett Jokela, general manager of Alaska Water and Wastewater Utility; and Alden Thern, a deputy chief fiscal officer tasked with finishing a long-overdue upgrade for city business software.

Abbott, Doll, LeBlanc, Falsey, Harris, Johnston, Jokela and Thern are all being paid the exact same salary, at \$137,110. Previously, Abbott was the top-paid executive, followed by Harris.

Group of a few dozen

Anchorage's mayor makes roughly 160 executive appointments and has some discretion to set salaries. Berkowitz unilaterally approved standard 1.5 percent raises for all executive employees in early January 2017, according to Abbott.

In addition, Berkowitz singled out a group of 36 executives for salary boosts in excess of the standard amount. About half of the executives who received the raises predated Berkowitz's tenure as mayor, the data show. The higher raises did not extend to members of the mayor's office.

In the interview, Berkowitz said the salaries of some executives had been "held unnaturally low" over time.

Of the group that got the bigger raises, nearly all are making between \$10,000 and \$30,000 more than they or their predecessors made in 2013, salary data show.

The data reviewed by Alaska Dispatch News has not yet been publicly reported to the Anchorage Assembly. While Berkowitz is required to report compensation data for new executive hires to the Assembly on a quarterly basis, a comprehensive report on executive compensation in 2017 won't be due to the Assembly until next year.

The upper limits of executive salaries are set in city code. Berkowitz didn't exceed them with any of the raises, but he needs Anchorage Assembly approval to go above the limits. In an interview, Abbott, the city manager, said that when Berkowitz first took office, newly hired executives were intentionally paid at the lower end of their salary ranges.

The administration has since systematically identified people who were "underpaid and exceeding expectations," Abbott said.

He said special attention was paid to female executives. Of the group that got raises, about half were women, who make up about a quarter of city executives.

Pay of union staff could exceed supervisors'

Stephanie Mormilo, the city traffic engineer, was earning a salary of \$100,880 in 2016, records show. She's since been boosted to \$119,184, a raise of about 20 percent.

Mormilo, who was hired in 2011, indicated in an interview that she hadn't asked for a raise but appreciated the recognition.

"I didn't take this job because of what I was getting paid," Mormilo said. "I took this job because I cared."

Even so, Mormilo said, she'd had moments of pause when lists of city employee salaries appeared and she could compare her pay with that of people who work for her and are members of city unions.

"It's a bit disheartening when 50 percent of your staff makes more than you do," Mormilo said.

In a trade-off for boosting wages, Abbott said the administration wanted to reduce huge amounts of non-cashable leave, or leave that can't be converted to cash at the end of the year, built up by some individuals. He characterized non-cashable leave as a technique that had been used by the city to boost compensation without increasing salary.

Public works director Alan Czajkowski, for example, had accumulated about eight weeks of non-cashable leave, on top of regular leave, records show. This year, Czajkowski's salary rose by 10 percent, from \$104,686 to \$119,995, but he's now capped at two weeks of non-cash-able leave.

Abbott said the cost of the raises amounted to less than a tenth of a percent of the overall city budget. He said departments incorporated the added costs into their annual budgets without cutting services.

"If we want those organizations to be led productively and efficiently, we have to be willing to compensate as fairly as we can," Abbott said. "And for senior executives like this, these are far less than what comparables would be in other local governments around the West Coast, and even to a certain extent in Alaska."

He later emailed links to where government jobs are posted on the websites of the International City/County Management Association and the Alaska Municipal League to show where the administration obtained the comparisons. Abbott said the pay scales are "radically less" than what similar responsibilities would require in private-sector pay.

Police, fire pay changes

Abbott also emailed a table of salaries that have been used to recruit police chiefs for police departments in five other cities in the Lower 48. In Henderson, Nevada, which is similar to Anchorage in its police budget's number of sworn officers, the salary range is \$125,000 to \$193,000. A smaller city, Gilbert, Arizona, was offering up to \$228,000 to prospective chiefs, according to the data Abbott provided.

Justin Doll, the Anchorage police chief, and Denis LeBlanc, the fire chief, got raises of 8 percent and 15 percent, respectively, at the start of the year. The two officials now both earn \$137,110, along with the other top executives.

Earlier in August, the Assembly extended the upper pay range for police and fire chiefs and deputy chiefs. Berkowitz also said he wanted to correct a situation where a promotion means a pay cut from a lower-ranking job. The pay disparities were causing gaps in leadership, officials said at the time.

Doll is now eligible to earn up to about \$178,000 a year, while LeBlanc is eligible to earn up to about \$172,000. Berkowitz has yet to sign off on any additional pay raises, Abbott said.

Within the group of 36 who received the bigger raises, the only executive position that saw a pay decrease when Berkowitz took office was that of the city attorney, records show. Bill Falsey was hired in 2015 with a salary set about \$6,000 below that of his predecessor, Dennis Wheeler.

After this year's pay raises, Falsey is now making \$137,110, compared to \$119,995 when he started.

A more typical example of changes in pay over time is John Rodda, the longtime director of the city's parks and recreation department. Rodda's salary grew by 1.5 percent annually between 2013 and 2016. He received a 16 percent raise in early 2017, and now makes \$120,931. The raise was based on performance, Abbott said.

Rodda had also accumulated about eight weeks of non-cashable leave. His leave was reduced to two weeks at the same time as his wages grew, records show.

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