

*Joel Engardio & Heather Knight Don't Know  
What They're Talking About*

**Mayor's Five-and-a-Half Year Hiring Binge**

by Patrick Monette-Shaw

On August 27, 2016, *San Francisco Chronicle* columnist Heather Knight published an article — "[Billions of Dollars Flow to SF's Army of City Workers](#)" — that was laced with factual errors.

Perhaps it wasn't Knight's fault, and perhaps copyeditors and proofreaders, and other editors up the food chain helped mislead readers. Or, perhaps it *was* her own fault for not researching the actual underlying data behind the story.

For whatever reason, she utterly failed her duty as a member of the Fourth Estate to research and report *factual* information.

She may have been aided by incorrect assumptions put forth by perennial wanna-be District 7 Supervisor, Joel Engardio, who's running again, mistakenly believing residents will now elect him, after they rejected him at the ballot box in 2012 for the office when he came in fourth place with just 13.29% of the vote.

**Joel Engardio's Mistake:**

Knight quoted District 7 Supervisorial candidate Joel Engardio, who noted West Side residents don't know where their annual property taxes go. "People are feeling like they are being used as an ATM at City Hall," Engardio said, apparently referring to approximately 30,000 City employees.

As of June 30, 2016, the City does not have "nearly" 30,000 employees. In response to a response to a public records request, on August 5, 2016 the City Controller provided the city payroll database for the Fiscal Year ending June 30, 2016 (FY 2015–2016) showing that the City has fully 40,397 full- and part-time employees on the payroll, not "nearly 30,000."

What Engardio may have wrongly been referring to is City Hall's favorite way of hiding the true number of employees on the payroll, by rolling up multiple part-time employees into so-called "Full-Time Equivalents" (FTE's).

On August 29, the City Controller also provided historical data in response to another records request showing the number of FTE's added in various fiscal year City budgets:

**Table 1: FTE Counts Across Fiscal Years**

| Mayor          | FY        | FTE Count<br>①      | FTE<br>Increase<br>From Prior<br>Fiscal Year | Full- and<br>Part-Time<br>Headcount<br>② | Full- and<br>Part-Time<br>Increase<br>From Prior<br>Fiscal Year |
|----------------|-----------|---------------------|--|--|---|
| Willie L. Bown | 1995-1996 | 23,428              |  |  |   |
| Gavin Newsom   | 2003-2004 | 27,375              | 3,947  |  |   |
| Ed Lee         | 2010-2011 | 26,108              | (1,267)                                      | 33,983                                   | (1,133)   |
| 1 Ed Lee       | 2011-2012 | 26,182              | 74   | 34,882                                   | 899   |
| 2 Ed Lee       | 2012-2013 | 26,901              | 719  | 37,277                                   | 2,395   |
| 3 Ed Lee       | 2013-2014 | 27,669              | 768  | 37,997                                   | 720   |
| 4 Ed Lee       | 2014-2015 | 28,435              | 766  | 39,122                                   | 1,125   |
| 5 Ed Lee       | 2015-2016 | 29,553              | 1,118  | 40,397                                   | 1,275   |
| 6 Ed Lee       | 2016-2017 | 30,626              | 1,073  |  |   |
| 7 Ed Lee       | 2017-2018 | 30,902              | 276  |  |   |
|                |           | <b>Net Increase</b> | <b>4,794</b>                                 |  | <b>6,414</b>  |
|                |           | <b>% Increase</b>   | <b>18.4%</b>                                 |  | <b>18.9%</b>  |

① Source: Response from City Controller to public records request, 8/29/2016.

② Source: City Controller Microsoft Access Payroll Database for each of the six Fiscal years.

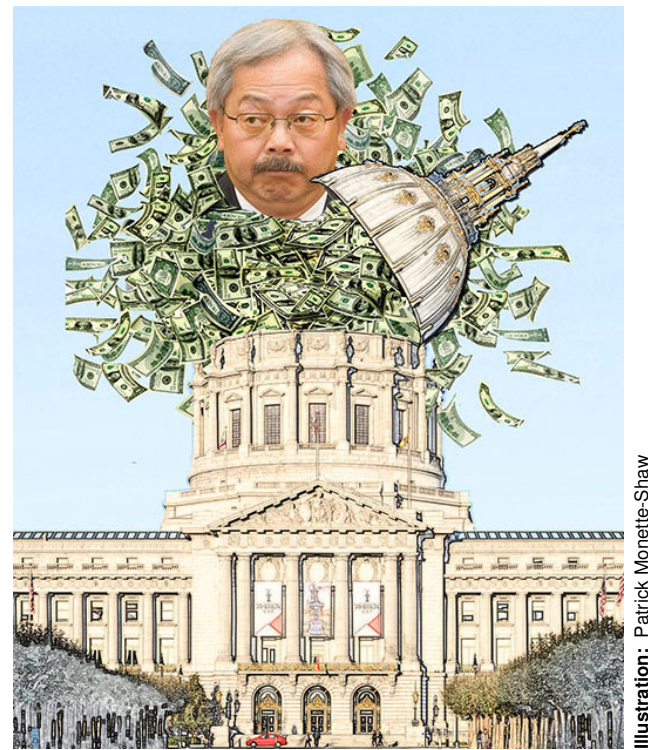


Illustration: Patrick Monette-Shaw

**Hiring Frenzy:** Mayor Lee has added 6,414 full- and part-time employees to the City's payroll at an increased cost of \$665.7 million.

**Engardio may have wrongly been referring to is City Hall's favorite way of hiding the true number of employees on the payroll, by rolling up multiple part-time employees into so-called 'Full-Time Equivalents' (FTE's). The City has fully 40,397 full- and part-time employees on the payroll, not 'nearly 30,000' FTE's?"**

Table 1 shows there were less than 30,000 FTE's at the end of FY 2015–2016, but we're now into the two-year budget cycle, and the FTE count through FY 2017–2018 is already projected to be nearly **31,000** FTE's, and will likely go

even higher when the “final” second-year budget for FY 2017–2018 is proposed by the Mayor and approved by the Board of Supervisors in June 2017. Clearly, Engardio was referencing already out-of-date budget information.

As far as that goes, Engardio didn’t mention that in the seven budget cycles Mayor Lee has been responsible for starting in FY 2011–2012 after inheriting the final budget Gavin Newsom had adopted for FY 2010–2011 when Lee assumed office in January 2011 half-way through that fiscal year, Mayor Lee has single-handedly increased the FTE count by almost 4,800 FTE’s, a 18.4% increase during his tenure. (By contrast, Mayor Willie Brown only added 3,947 FTE’s across his eight-year tenure, compared to Lee’s 4,800 FTE’s added in just seven years of budgets he developed, and he still has two fiscal years to go following FY 2017–2018.)

But the 4,800 FTE’s Lee has added translates into fully 6,414 new warm employee bodies between full- and part-time employees on the City payroll during the same period, which will likely grow to even more full- and part-time employees. Take for instance, that the 719 new FTE positions in FY 2012–2013 had translated into 2,395 new full- and part-time employees, and the 766 new FTE positions in FY 2014–2015 had translated into an additional 1,125 new full- and part-time employees. And we won’t learn how many of the additional 1,073 FTE positions in the current fiscal year budget (FY 2016–2017) will translate into actual full- and part-time new employees until approximately August 2017. And more than likely the 276 FTE’s Lee is planning to add in FY 2017–2018 will probably grow by the time that budget is actually adopted in June of 2017.

It’s also clear is that Mayor Lee has been on a patronage hiring binge since his first independently-submitted budget in 2011–2012 following inheriting his predecessor’s budget when he was sworn in mid-way through FY 2010–2011. What’s clearer is Engardio cited “almost 30,000” employees (referring to the 29,553 FTE’s in FY 2015–2016) when there were, in fact, 40,397 full- and part-time employees on the City’s payroll, *clearly off by over 10,000 employees*. And it’s clear Lee’s hiring binge is nowhere near over.

### Heather Knight’s Many Mistakes:

- **Knight claimed there are “30,626 city employees.”**

While Knight is correct that the budget for FY 2016–2017 that started on July 1, 2016 has a budgeted FTE count of 30,626, she should have known that the actual full- and part-time count of actual employees stood at 40,397 for the previous fiscal year period that ended on June 30, 2016, shown in Table 1 above.

We won’t learn how the additional 1,073 FTE’s in the FY 2016–2017 budget will translate into actual full- and part-time employees until the City Controller publishes the FY 16–17 city payroll database in August 2017, but chances are it will *surge well past* 41,470 employees (adding the new 1,073 FTEs to the previous count of 40,397 full- and part-time employees from the prior fiscal year).

- **Knight claimed that the “Average San Francisco worker makes \$108,774 in salary.”**

Knight’s claim San Francisco City employees earn \$108,774 in average salaries is pure poppycock!

It’s not clear whether Knight made the error herself of referring to “San Francisco workers,” when she more likely meant “San Francisco City employees,” or whether a lazy editor introduced the error. Perhaps “tech workers” who are not in San Francisco city employment average \$108,774 in salary, but City employees do not “average” that high of salaries.

It appears Knight got lazy and calculated the “average” City employee salary for the current fiscal year (FY 2016–2017) by dividing the planned salary budget for the entire City *by the number of FTE’s*. As an example, for the year ending

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**“ Engardio didn’t mention that Mayor Lee has single-handedly increased the FTE count by almost 4,800 FTE’s, a 18.4% increase during his tenure. Those 4,800 FTE’s translate into fully 6,414 new warm bodies between full- and part-time employees on the City payroll. ”**

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**“ Knight’s claim San Francisco City employees earn \$108,774 in average salaries is pure poppycock. Average salaries are actually \$78,401, not \$108,774 wrongly calculated by using FTE’s rather than actual employees. And ‘median salary’ is just \$75,000. ”**

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**“ While Knight is correct that the budget for FY 2016–2017 has a budgeted FTE count of 30,626, she should have known that the actual full- and part-time count of actual employees stood at 40,397 for the previous fiscal year period that ended on June 30, 2016. ”**

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June 2016 (FY 2015–2016) dividing the \$3.167 *billion* in total salaries actually awarded (not just budgeted) by the then 29,553 FTE’s shown in Table 1 above, yields an “average” salary of \$107,069 per City employee.

But if you calculate the “average” by dividing the total salary budget by the number of actual full- and part-time employees (the actual number of “bodies”), yields a different —*accurate*— “average” salary. Dividing the \$3.167 *billion* in total salaries in FY 2015–2016 by the 40,397 *actual* full- and part-time employees, the average salary drops to \$78,401, not \$108,774 wrongly calculated by using FTE’s rather than actual employees.

As a point of reference, since Mayor Lee took office in the middle of FY 2010–2011, the “average” salaries have gone up a mere \$4,792.

As Table 2 shows, Mayor Lee has added 6,414 full- and part-time employees since taking office, an 18.9% change, and average salaries for all 40,397 City employees are now \$78,401.

**Table 2: Change in “Average” Salaries Since Mayor Lee Took Office**

| Salary Ranges         | FY 2010 – 2011 |                |                              | FY 2015 – 2016 |                |                              | Net Change     |                         |
|-----------------------|----------------|----------------|------------------------------|----------------|----------------|------------------------------|----------------|-------------------------|
|                       | # of Employees | % of Employees | Average Salaries (Total Pay) | # of Employees | % of Employees | Average Salaries (Total Pay) | # of Employees | Average Salary Increase |
| Average Annual Salary | 33,983         |                | \$73,609                     | 40,397         |                | \$78,401                     | 6,414          | \$4,792                 |

**Source:** City Controller Microsoft Excel Payroll Databases for FY 2010–2011 vs. FY 2015–2016.

But the \$78,401 “average” is based on “Total Pay,” which includes Base Pay + Other Pay + Overtime Pay. If you calculate the average just on “Base Pay,” the \$2.8 billion in total base pay in FY 2015–2016 drops the average base salary to just \$69,311, not \$108,774.

Knight used “averages” (the “mean”), rather than the median salary. Of the 40,397 full- and part-time employees in FY 2015–2016 the “median” salary is for the employee sitting on slot number 20,197 in an ascending sort of Total Pay (the “middle” employee), one Ms. Amy Kwan, a Medical Social Worker in the Department of Public Health, whose “Total Pay” was just \$75,000, a little shy of the \$78,401 “average” salary.

**“There’s a huge disparity in ‘average’ salaries, based on salary ranges. The 68.9% of City employees (27,841) who earn less than \$100,000 in Total Pay average just \$49,532 annually, while the 31.1% of City employees (12,556) who earn more than \$100,000 in Total Pay average a whopping \$142,414.”**

Finally, there’s a huge disparity in “average” salaries, based on salary ranges. See the section “**More on the ‘Average’ Salaries Malarky**” at the end of this report. For instance, the 68.9% of City employees (27,841) who earn less than \$100,000 in Total Pay average just **\$49,532** annually, while the 31.1% of City employees (12,556) who earn more than \$100,000 in Total Pay average a whopping **\$142,414** annually. And the 30.4% of City employees (12,296) who earn less than \$50,000 in Total Pay average a scant **\$17,771**.

- **“An income of \$108,774 is just over 150 percent of the median salary in San Francisco.”**

This, too, is ludicrous. According to the Mayor’s Office of Housing and Community Development, which publishes a chart annually showing “Area Median Income” (AMI) in San Francisco, the actual **\$78,401 “average salary”** is 110% of AMI for a one-person household, approximately 95% of AMI for a two-person household, approximately 85% of AMI for a three-person household, and approximately 77% of AMI for a four-person household — *none* are 150%.

Why Knight waded into comparing average salaries to AMI without considering household size isn’t known, and there’s little likelihood that City payroll data could even be correlated to the household sizes of all 40,397 City employees.

- **Knight claimed that “a decade ago” the City had 27,162 employees.**

Knight is again confusing the number of FTE’s with the number of “employees” possibly under then Mayor Gavin Newsom in FY 2005–2006, and she failed to tell her readers that she was citing FTE counts, not actual employees. Data collected by this author doesn’t go back to 2005, and Knight didn’t bother wading into translating the 27,162 FTE’s into the number of actual full- and part-time actual employees.

FTE’s and actual full- and part-time employees are obviously not the same thing. Just ask any of the 9,354 employees who worked less than 1,040 hours (half time) in FY 2015–2016 — fully 23.4% of the City’s 40,397 employees.

- **Knight claimed that in his 5-½ years in office, Mayor Lee has “gradually added 4,500 employees,”** and next year’s budget [presumably the current fiscal year budget for FY 2016-2017] is projected to “add another 300 workers.”

While it’s true that Mayor Lee has only been in office for 5-½ years after being named “interim” mayor in January 2011 in the middle of Fiscal Year 2010–2011, it is also true that since taking office he has proposed seven City budgets of his own making after inheriting former Mayor Gavin Newsom’s final budget for FY 2010–2011.

Knight is again incorrect, and that’s because Lee has added not 4,500 *employees*, he’s added nearly 4,800 *FTE’s*, and actually added **6,414 additional full- and part-time employees** to the City payroll. This isn’t “factual” journalism, Ms. Knight. It’s called being a shill for City Hall.

- **Knight claimed that since taking office, Mayor Lee added “more than 300 people to the Police Department, 1,000 people to MUNI, and 1,100 people to the Department of Public Health,”** and had added a “few dozen apiece to the libraries and parks, and 13 to his own staff.

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**“ Knight claimed Mayor Lee has ‘gradually added 4,500 employees.’ Lee has actually added not 4,500 *employees*, he’s added nearly 4,800 *FTE’s*, and actually added 6,414 additional full- and part-time employees to the City payroll. ”**

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As Table 3 shows below, Knight was whistling in the wind.

**Table 3: Number of Full- and Part-Time Employees by City Department — FY 2010–2011 to FY 2015–2016**

|                 |  | # of Employees ① |               | Raw #        | % Change            |
|-----------------|--|------------------|---------------|--------------|---------------------|
| DEPARTMENT CODE | DEPARTMENT NAME  | FY 10-11         | FY 15-16      | Change       | Increase (Decrease) |
| SCI             | Academy Of Sciences  | 12               | 13            | 1            | 8.33%               |
| ADM             | Administrative Services  | 863              | 1,015         | 152          | 17.61%              |
| ADP             | Adult Probation  | 125              | 164           | 39           | 31.20%              |
| AIR             | Airport Commission   | 1,611            | 1,879         | 268          | 16.64%              |
| ART             | Arts Commission  | 38               | 41            | 3            | 7.89%               |
| AAM             | Asian Art Museum   | 72               | 84            | 12           | 16.67%              |
| ASR             | Assessor/Recorder  | 158              | 181           | 23           | 14.56%              |
| PAB             | Board of Appeals   | 10               | 11            | 1            | 10.00%              |
| BOS             | Board Of Supervisors   | 103              | 117           | 14           | 13.59%              |
| CSS             | Child Support Services   | 112              | 87            | (25)         | -22.32%             |
| CFC             | Children & Families Commission   | 18               | 15            | (3)          | -16.67%             |
| CHF             | Children Youth & Families  | 56               | 62            | 6            | 10.71%              |
| CAT             | City Attorney  | 308              | 327           | 19           | 6.17%               |
| CON             | City Controller  | 218              | 284           | 66           | 30.28%              |
| CPC             | City Planning Department   | 159              | 284           | 125          | 78.62%              |
| CSC             | Civil Service Commission   | 11               | 10            | (1)          | -9.09%              |
| CWP             | Clean Water  | 532              | 558           | 26           | 4.89%               |
| DBI             | Department of Building Inspection  | 223              | 303           | 80           | 35.87%              |
| REG             | Department of Elections/Registrar  | 231              | 318           | 87           | 37.66%              |
| ECD             | Department of Emergency Management / Emergency Communications Dept (9-1-1) | 271              | 278           | 7            | 2.58%               |
| ENV             | Department of Environment  | 133              | 124           | (9)          | -6.77%              |
| HRD             | Department of Human Resources  | 218              | 265           | 47           | 21.56%              |
| DPH             | Department of Public Health  | 7,038            | 9,022         | 1,984        | 28.19%              |
| DPW             | Department of Public Works   | 1,247            | 1,511         | 264          | 21.17%              |
| TIS             | Department of Technology   | 262              | 294           | 32           | 12.21%              |
| WOM             | Department on the Status of Women  | 12               | 14            | 2            | 16.67%              |
| DAT             | District Attorney  | 268              | 305           | 37           | 13.81%              |
| ETH             | Ethics Commission  | 17               | 18            | 1            | 5.88%               |
| FAM             | Fine Arts Museum   | 297              | 227           | (70)         | -23.57%             |
| FIR             | Fire Department  | 1,539            | 1,785         | 246          | 15.98%              |
| HSS             | Health Service System  | 42               | 61            | 19           | 45.24%              |
| HHP             | Hetch Hetchy   | 362              | 385           | 23           | 6.35%               |
| HRC             | Human Rights Commission  | 54               | 19            | (35)         | -64.81%             |
| DSS             | Human Services Agency  | 2,502            | 3,314         | 812          | 32.45%              |
| JUV             | Juvenile Court   | 362              | 309           | (53)         | -14.64%             |
| LLB             | Law Library  | 2                | 2             | 0            | 0.00%               |
| MYR             | Mayor  | 100              | 132           | 32           | 32.00%              |
| ECN             | Mayor's Office of Economic Workforce Development (MOEWD)                   | 75               | 117           | 42           | 56.00%              |
| MTA             | Municipal Transportation Agency  | 5,160            | 6,322         | 1,162        | 22.52%              |
| POL             | Police   | 2,798            | 3,205         | 407          | 14.55%              |
| PDR             | Public Defender  | 182              | 185           | 3            | 1.65%               |
| LIB             | Public Library   | 907              | 935           | 28           | 3.09%               |
| PUC             | Public Utilities Commission  | 840              | 807           | (33)         | -3.93%              |
| REC             | Recreation And Park Commission   | 1,848            | 2,420         | 572          | 30.95%              |
| RNT             | Rent Arbitration Board   | 39               | 45            | 6            | 15.38%              |
| RET             | Retirement Services  | 96               | 103           | 7            | 7.29%               |
| PRT             | San Francisco Port Authority   | 260              | 285           | 25           | 9.62%               |
| SHF             | Sheriff  | 1,089            | 1,064         | (25)         | -2.30%              |
| TTX             | Treasurer/Tax Collector  | 219              | 225           | 6            | 2.74%               |
| WAR             | War Memorial   | 95               | 91            | (4)          | -4.21%              |
| WTR             | Water Department   | 789              | 775           | (14)         | -1.77%              |
| <b>Total</b>    |  | <b>33,983</b>    | <b>40,397</b> | <b>6,414</b> |                     |

① Data is full- and part-time actual employees, not FTE.  
 Source: City Controller Microsoft Excel Payroll Database for each Fiscal Year.



In fact, since taking office Mayor Lee has added 407 people to the Police Department, (not 300), added 1,162 people to MUNI (not 1,000), and added 1,984 people to the Department of Public Health (not 1,100). As well, Lee added 28 to the Public Libraries (not a “few dozen”), added a “572 employees to the Recreation and Parks Department (also not a “few dozen”), and added 74 people to his own staff (not 13) — including 32 new employees in the Mayor’s Office itself and an additional 42 employees to the Economic and Workforce Development unit, which is a sub-department reporting to the Mayor, as in the Mayor’s Office of Economic and Workforce Development (MOEWD). Why did San Franciscans need 42 additional employees at MOEWD, or for that matter 32 more staff in the Mayor’s Office?

**“ Mayor Lee has added 74 people to his own staff (not the 13 Knight reported) — including 32 new employees in the Mayor’s Office and an additional 42 employees to the Economic and Workforce Development unit, a Mayoral sub-department. ”**

Knight reported that Mayor Lee hired 30 more people to clean the streets “in this year’s budget,” but in fact, the Department of Public Works does not have a job classification code for street sweepers, and in fact in the one-year period between FY 2014–2015 and FY 2015–2016 Mayor Lee actually added 70 new full- and part-time employees to DPW.

- **Knight reported that Supervisor Scott Wiener “said he wouldn’t defend every single hire made in the last five years and that he knows 30,626 workers sounds like an awful lot.”**

This claim is completely comical. Supervisor Scott Wiener was sworn in to office on January 8, 2011, three days before Mayor Lee was sworn in on January 11, 2011. Wiener should know that during Mayor Lee’s tenure, he has added 4,794 additional FTE’s that translate into an additional 6,414 full- and part-time employees (shown in Table 1), and the City now has at least 40,397 employees, not 30,626 “workers.” Wiener is also referring to the FTE counts, not the actual number of City full- and part-time employees.

**“ Supervisor Scott Wiener should be able to defend every single hire and every single combined ‘full-time equivalents’ that were added, since he voted to approve each of those seven budgets. ”**

What’s even more comical, is that for each and every one of the seven City budgets Mayor Lee has developed and submitted to the Board of Supervisors (following the budget Lee had inherited from his predecessor), Supervisor Wiener has voted to adopt every single one of those seven Fiscal Year budgets. A reasonable person would expect Mr. Wiener to be able to defend every single hire and every single combined “full-time equivalents” that were added, since he had to have known how many new hires he was approving when he voted to approve each of those seven budgets.

**More on the “Average” Salaries Malarky:**

As Table 4 shows, there’s significant disparity and income inequality for those earning less than \$100,000 annually vs. those earning over \$100,000 annually. Although the row shaded in green shows a citywide “average” of \$78,401 for all 40,397 employees, the rows shaded in yellow show that the 24,605 employees who earn less than \$100,000 — well over two-thirds of all City employees — averaged just \$49,532 in annually salaries, while the 9,378 employees (just under one-third at 31.1%) averaged whopping \$142,414 average annual salaries.

**Table 4: Expanded Information on Change in “Average” Salaries Since Mayor Lee Took Office**

| Salary Ranges                      | FY 2010 – 2011 |                |                            | FY 2015 – 2016 |                |                            | Net Change     |                |                      |                       |
|------------------------------------|----------------|----------------|----------------------------|----------------|----------------|----------------------------|----------------|----------------|----------------------|-----------------------|
|                                    | # of Employees | % of Employees | Total Salaries (Total Pay) | # of Employees | % of Employees | Total Salaries (Total Pay) | # of Employees | % of New Hires | Total City Payroll   | % of Payroll Increase |
| Average Annual Salary              | 33,983         |                | \$73,609                   | 40,397         |                | \$78,401                   | 6,414          |                | \$4,792              |                       |
| Combined Total Salaries < \$100,00 | 24,605         | 72.4%          | \$1,239,502,873            | 27,841         | 68.9%          | \$1,379,025,064            | 3,236          | 50.5%          | \$139,522,191        | 21.0%                 |
| Combined Total Salaries > \$100,00 | 9,378          | 27.6%          | \$1,261,948,801            | 12,556         | 31.1%          | \$1,788,153,838            | 3,178          | 49.5%          | \$526,205,037        | 79.0%                 |
| <b>Subtotal</b>                    | <b>33,983</b>  | <b>100.0%</b>  | <b>\$2,501,451,674</b>     | <b>40,397</b>  | <b>100.0%</b>  | <b>\$3,167,178,902</b>     | <b>6,414</b>   |                | <b>\$665,727,228</b> |                       |
| Average Annual Salary < \$100,000  | 24,605         | 72.4%          | \$50,376                   | 27,841         | 68.9%          | \$49,532                   | 3,236          |                | (\$844)              |                       |
| Average Annual Salary > \$100,000  | 9,378          | 27.6%          | \$134,565                  | 12,556         | 31.1%          | \$142,414                  | 3,178          |                | \$7,849              |                       |
| Combined Total Salaries < \$50,000 | 10,352         |                | \$204,560,020              | 12,296         |                | \$218,514,779              | 1,944          |                | \$13,954,759         |                       |
| Average Annual Salary < \$50,000   | 10,352         | 30.5%          | \$19,760                   | 12,296         | 30.4%          | \$17,771                   | 1,944          |                | (\$1,989)            |                       |

Source: City Controller Microsoft Excel Payroll Database for each Fiscal Year.

Looking more closely at Table 4, between the time Mayor Lee took office and the close of FY 2015–2016 on June 30, 2016, the average annual salary for City employees earning less than \$100,000 actually dropped by \$844 annually to the \$49,532 new average, while the average annual salary for City employees earning *more* than \$100,000 increased by \$7,849 to the new \$142,414 average salary. And for those earning less than \$50,000 annually, although there are now 1,944 additional such employees, they are now taking home \$1,989 *less* in average salaries!

“Average” salaries get uglier on closer examination. Table 5 illustrates more clearly the significant disparity and income inequality based on the salary ranges of City employees. For instance, fully 30.4% of City employees (10,352 ) earn less than \$50,000 annually and their average annual salaries are a paltry \$17,771.

**“Average” salaries get uglier on closer examination. Clearly, there’s significant disparity and income inequality based on the salary ranges of City employees. For instance, fully 30.4% of City employees earn less than \$50,000 annually, who average a paltry \$17,771 annual salary.”**

**Table 5: “Average” Salaries by Salary Ranges**

| Salary Ranges   | FY 2010 – 2011 |                |                            |                         | FY 2015 – 2016 |                |                            |                         | Net Change     |                      | Percent Change |                    |
|---|----------------|----------------|----------------------------|-------------------------|----------------|----------------|----------------------------|-------------------------|----------------|----------------------|----------------|--------------------|
|   | # of Employees | % of Employees | Total Salaries (Total Pay) | Avg. Salary (Total Pay) | # of Employees | % of Employees | Total Salaries (Total Pay) | Avg. Salary (Total Pay) | # of Employees | Total City Payroll   | # of Employees | Total City Payroll |
| < \$29,999  | 7,257          | 21.35%         | \$73,833,845               | \$10,174                | 9,363          | 23.18%         | \$99,346,691               | \$10,611                | 2,106          | \$25,512,847         | 29.0%          | 34.6%              |
| \$30,000 – \$49,999   | 3,095          | 9.11%          | \$130,726,175              | \$42,238                | 2,933          | 7.26%          | \$119,168,088              | \$40,630                | (162)          | (\$11,558,087)       | -5.2%          | -8.8%              |
| \$50,000 – \$69,999   | 6,697          | 19.71%         | \$401,811,055              | \$59,999                | 6,337          | 15.69%         | \$385,526,295              | \$60,837                | (360)          | (\$16,284,760)       | -5.4%          | -4.1%              |
| \$70,000 – \$99,999   | 7,556          | 22.23%         | \$633,131,798              | \$83,792                | 9,208          | 22.79%         | \$774,983,990              | \$84,164                | 1,652          | \$141,852,192        | 21.9%          | 22.4%              |
| \$100,000 – \$199,999   | 9,111          | 26.81%         | \$1,201,606,778            | \$131,885               | 11,634         | 28.80%         | \$1,580,048,769            | \$135,813               | 2,523          | \$378,441,991        | 27.7%          | 31.5%              |
| \$200,000 – \$299,999   | 262            | 0.77%          | \$58,791,496               | \$224,395               | 899            | 2.23%          | \$200,322,145              | \$222,828               | 637            | \$141,530,649        | 243.1%         | 240.7%             |
| > \$300,000   | 5              | 0.01%          | \$1,550,528                | \$310,106               | 23             | 0.06%          | \$7,782,925                | \$338,388               | 18             | \$6,232,397          | 360.0%         | 402.0%             |
| <b>Subtotal</b>   | <b>33,983</b>  | <b>100%</b>    | <b>2,501,451,674</b>       |                         | <b>40,397</b>  | <b>100%</b>    | <b>3,167,178,902</b>       |                         | <b>6,414</b>   | <b>\$665,727,228</b> | <b>18.9%</b>   | <b>26.6%</b>       |
| < \$50,000  | 10,352         | 30.46%         | \$204,560,020              | \$19,760                | 12,296         | 30.44%         | \$218,514,779              | \$17,771                | 1,944          | \$13,954,759         | 18.8%          | 6.8%               |
| > \$200,000   | 267            | 0.79%          | \$60,342,024               | \$226,000               | 922            | 2.28%          | \$208,105,069              | \$225,710               | 655            | \$147,763,046        | 245.3%         | 244.9%             |
| <b>Employees Earning Less than \$75,000 "Median" Salary in FY 2015–2016</b> |                |                |                            |                         |                |                |                            |                         |                |                      |                |                    |
| < \$75,000  | 19,454         | 57.25%         | \$715,764,329              | \$38,567                | 20,197         | 50.00%         | \$717,461,387              | \$35,523                | 743            | \$1,697,058          | 3.8%           | 0.2%               |

Source: City Controller Microsoft Excel Payroll Database for each Fiscal Year.

Table 5 illustrates that “average” salaries vary wildly across salary ranges. For those employees earning less than \$30,000 annually in FY 2015–2016, they earn a paltry \$10,174 in average annual salaries. For those earning between \$30,000 and \$49,999 annually, their average salaries shrank in FY 2015–2016 to just \$40,630.

And most notably, for the 20,197 — half of all 40,397 City employees — who earn less than the \$75,000 “median” salary threshold (highlighted in yellow), their average salaries in FY 2015–2016 were just \$35,523. The most obscene increases occurred in those earning over \$200,000 a year, with a 243% change and a 360% percent change in the number of employees earning between \$200,000 and \$299,999, and over \$300,000, respectively.

Under Mayor Lee’s tenure, can Heather Knight, Joel Engardio, or perhaps Supervisor Wiener explain why San Franciscan’s needed an additional 655 City employees earning over \$200,000 annually (at an increased cost of \$147.8 million more annually), or for that matter, why San Franciscans needed a staggering 2,523 more City employees earning between \$100,000 and \$199,999 annually?

**“For the 20,197 — half of all of the 40,397 City employees — who earn less than the \$75,000 ‘median’ salary threshold, their average salaries in FY 2015–2016 were just \$35,523.”**

Clearly, Ms. Knight failed to provide any insight into the nuances of “average” City salaries, let alone the increase of 3,178 employees earning more than \$100,000 annually during Mayor Lee’s tenure increasing the City payroll budget by a cool \$526.5 million annually — fully 79% of the total \$665.7 million increase in payroll since Lee became mayor as shown in Table 4. That’s right: Almost half of Mayor Lee’s 6,414 new hires (those earning over \$100K) sucked up nearly 80% of the salary budget increase. Can anyone say “income disparity”?

## Other Issues With Mayor Lee’s Hiring Binge

There’s more to the “bloat” in Mayor Lee’s hiring binge.

**Table 6: Changes in FTE Status Under Mayor Ed Lee’s Tenure**

| Fiscal Year:                    | Annual Salaries Less Than \$100,000 |               |                   |               |                                 | Annual Salaries Greater Than \$100,000 |               |                   |               |                                 |
|---------------------------------|-------------------------------------|---------------|-------------------|---------------|---------------------------------|--|---------------|-------------------|---------------|---------------------------------|
|                                 | 2010–2011                           |               | 2015–2016         |               | Net Change<br># of<br>Employees | 2010–2011                              |               | 2015–2016         |               | Net Change<br># of<br>Employees |
|                                 | # of<br>Employees                   | % Mix         | # of<br>Employees | % Mix         |                                 | # of<br>Employees                      | % Mix         | # of<br>Employees | % Mix         |                                 |
| Not listed                      |                                     |               | 429               | 1.5%          | 429                             |  |               | 3                 | 0.0%          | 3                               |
| Less Than Half-Time             | 7,501                               | 30.5%         | 9,926             | 35.7%         | 2,425                           | 5                                      | 0.1%          | 39                | 0.3%          | 34                              |
| Between Half-Time and Full Time | 10,442                              | 42.4%         | 15,806            | 56.8%         | 5,364                           | 5,493                                  | 58.6%         | 3,396             | 27.0%         | (2,097)                         |
| Full-Time or Greater            | 6,662                               | 27.1%         | 1,680             | 6.0%          | (4,982)                         | 3,880                                  | 41.4%         | 9,118             | 72.6%         | 5,238                           |
| <b>Total</b>                    | <b>24,605</b>                       | <b>100.0%</b> | <b>27,841</b>     | <b>100.0%</b> | <b>3,236</b>                    | <b>9,378</b>                           | <b>100.0%</b> | <b>12,556</b>     | <b>100.0%</b> | <b>3,178</b>                    |

As Table 6 illustrates, Mayor Lee has essentially waged war against City employees who earn less than \$100,000 annually since having taken office.

For example, between FY 2010–2011 (when he inherited his predecessor’s final budget) and FY 2015–2016, employees earning less than \$100,000 annually have seen nearly 5,000 of their jobs eliminated from full-time FTE status, and instead, there’s been a massive increase in the number of employees who work less than half-time, and another massive increase in the number of employees earning less than \$100,000 who work somewhere between half-time and full-time.

By contrast, those earning over \$100,000 have seen a massive *increase* in the number of employees working full-time, a massive *decrease* in the number of employees who work between half-time and full-time, and between FY 2010–2011 and FY 2015–2016 the number of employees who earn more than \$100,000 who work less than half-time has consistently remained below a fraction of even one-percent of employees.

**“ Mayor Lee has essentially waged war against City employees who earn less than \$100,000 annually. Nearly 5,000 of their jobs were eliminated from full-time FTE status, and there’s been a massive increase in the number of employees who work less than half-time, and another massive increase in the number who work somewhere between half-time and full-time. Clearly, this wasn’t an accident. ”**

Clearly, this was no accident, and was likely intentional on Mayor Lee’s part. How else do you get “loyalty” out of patronage hiring?

And Knight mentions not one word about why during Mayor Lee’s tenure there has been a massive spike in “managers” employed across the City.

**Table 7: Bloat in Citywide Senior Managers Earning Over \$90,000 in Total Pay: FY 10-11 to FY 15-16**

| Job Class # | Job Classification Title | FY 2010 – 2011 |                                   | FY 2015 – 2016 |                                   | Net Change     |                                   |
|-------------|--------------------------|----------------|-----------------------------------|----------------|-----------------------------------|----------------|-----------------------------------|
|             |                          | # of Employees | Total Salaries (Base Pay > \$90k) | # of Employees | Total Salaries (Base Pay > \$90k) | # of Employees | Total Salaries (Base Pay > \$90k) |
| 1 0922      | Manager I                | 100            | \$10,714,114                      | 117            | \$13,737,941                      | 17             | \$3,023,826                       |
| 2 0923      | Manager II               | 93             | \$10,691,252                      | 145            | \$18,437,663                      | 52             | \$7,746,411                       |
| 3 0931      | Manager III              | 126            | \$15,533,242                      | 135            | \$18,618,225                      | 9              | \$3,084,982                       |
| 4 0932      | Manager IV               | 93             | \$12,442,850                      | 101            | \$15,120,036                      | 8              | \$2,677,186                       |
| 5 0933      | Manager V                | 63             | \$9,263,508                       | 82             | \$13,477,059                      | 19             | \$4,213,552                       |
| 6 0941      | Manager VI               | 61             | \$9,519,912                       | 66             | \$11,307,526                      | 5              | \$1,787,614                       |
| 7 0942      | Manager VII              | 24             | \$3,981,615                       | 23             | \$4,359,910                       | (1)            | \$378,295                         |
| 8 0943      | Manager VIII             | 17             | \$3,220,065                       | 22             | \$4,889,619                       | 5              | \$1,669,554                       |
| 9 0951      | Deputy Director I        | 4              | \$434,396                         | 5              | \$650,119                         | 1              | \$215,724                         |
| 10 0952     | Deputy Director II       | 20             | \$2,538,643                       | 23             | \$3,269,759                       | 3              | \$731,116                         |
| 11 0953     | Deputy Director III      | 24             | \$3,800,620                       | 46             | \$7,906,583                       | 22             | \$4,105,963                       |
| 12 0954     | Deputy Director IV       | 19             | \$3,394,373                       | 25             | \$5,023,823                       | 6              | \$1,629,450                       |
| 13 0955     | Deputy Director V        | 14             | \$2,685,347                       | 15             | \$3,412,692                       | 1              | \$727,345                         |
| 14 0961     | Department Head I        | 11             | \$1,496,898                       | 10             | \$1,556,992                       | (1)            | \$60,094                          |
| 15 0962     | Department Head II       | 7              | \$1,127,790                       | 7              | \$1,307,415                       | 0              | \$179,625                         |
| 16 0963     | Department Head III      | 8              | \$1,480,644                       | 8              | \$1,544,698                       | 0              | \$64,054                          |
| 17 0964     | Department Head IV       | 5              | \$1,041,745                       | 6              | \$1,413,854                       | 1              | \$372,109                         |
| 18 0965     | Department Head V        | 7              | \$1,670,892                       | 6              | \$1,823,898                       | (1)            | \$153,006                         |
|             |                          | <b>696</b>     | <b>\$ 95,037,904</b>              | <b>842</b>     | <b>\$ 127,857,811</b>             | <b>146</b>     | <b>\$32,819,907</b>               |

**Table 8: Bloat in Muni Senior Managers Earning Over \$90,000 in Total Pay: FY 10-11 to FY 15-16**

| Job Class # | Job Classification Title | FY 2010 – 2011 |                                   | FY 2014 – 2015 |                                   | Net Change     |                                   |
|-------------|--------------------------|----------------|-----------------------------------|----------------|-----------------------------------|----------------|-----------------------------------|
|             |                          | # of Employees | Total Salaries (Base Pay > \$90k) | # of Employees | Total Salaries (Base Pay > \$90k) | # of Employees | Total Salaries (Base Pay > \$90k) |
| 1 9139      | Transit Supervisor       | 22             | \$3,031,885                       | 94             | \$12,239,278                      | 72             | \$9,207,393                       |
| 2 9140      | Transit Manager I        | 8              | \$864,551                         | 2              | \$220,911                         | (6)            | (\$643,640)                       |
| 3 9141      | Transit Manager II       | 13             | \$1,555,123                       | 5              | \$604,088                         | (8)            | (\$951,035)                       |
| 5 9172      | Manager II, MTA          | 8              | \$906,638                         | 23             | \$2,626,856                       | 15             | \$1,720,218                       |
| 6 9174      | Manager IV, MTA          | 18             | \$2,199,562                       | 27             | \$3,675,392                       | 9              | \$1,475,830                       |
| 7 9175      | Manager I, MTA           | 4              | \$404,268                         |                |                                   | (4)            | (\$404,268)                       |
| 8 9177      | Manager III, MTA         | 9              | \$1,003,939                       | 9              | \$1,120,983                       | 0              | \$117,043                         |
| 9 9179      | Manager V, MTA           | 13             | \$1,774,040                       | 17             | \$2,431,502                       | 4              | \$657,462                         |
| 10 9180     | Manager VI, MTA          | 11             | \$1,599,462                       | 17             | \$2,623,278                       | 6              | \$1,023,816                       |
| 11 9181     | Manager VII, MTA         | 5              | \$811,646                         | 6              | \$1,054,507                       | 1              | \$242,861                         |
| 12 9182     | Manager VIII, MTA        | 8              | \$1,324,032                       | 15             | \$2,691,091                       | 7              | \$1,367,059                       |
| 13 9183     | Deputy Director I        | 5              | \$896,615                         | 5              | \$968,249                         | 0              | \$71,634                          |
| 14 9186     | General Manager          | 1              | \$310,026                         | 1              | \$309,634                         | 0              | (\$392)                           |
|             |                          | <b>125</b>     | <b>\$16,681,787</b>               | <b>221</b>     | <b>\$30,565,769</b>               | <b>96</b>      | <b>\$13,883,981</b>               |

Between the additional 146 senior managers citywide shown in Table 7 and the 96 additional senior managers at Muni shown in Table 8, can anybody explain why we needed an additional 242 senior managers at an increased cost of \$46.7 million? How have these additional 242 “senior managers” improved operations of City departments?

And between Table 7 and Table 8, why does San Francisco now need a total of 1,063 of these senior managers (combining citywide and Muni-specific senior managers) at a combined increased cost of \$158.4 million annually?

**Figure 1: The Growth in the “Over-\$100K Club” Keeps Soaring — FY 2010–2011 to FY 2015–2016**

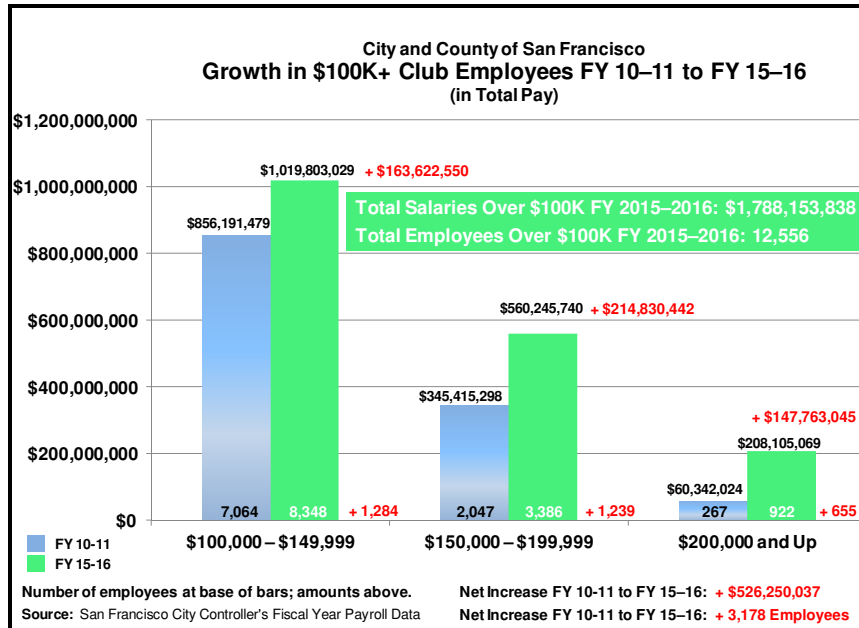


Figure 1 visually illustrates data in Table 4 on page 5, showing that there’s been a massive increase of over a half-billion dollars for the now 12,556 City employees earning over \$100,000 annually. They represent just 31.1% of the City’s employees, but now consume \$1.79 billion — fully 56.5% — of the City’s total \$3.2 billion total payroll.

Can anyone explain why San Francisco needs 922 more employees earning over \$200,000 annually? Do they make the City run any better or more efficiently? Or is this just part of the “sharing economy” Mayor Lee is so well known for?

Sadly, Ms. Knight mentions not one word about any of this.

Perhaps Joel Engardio or Supervisor Wiener knows whether City operations have improved given this increased bloat, but nobody else does. Apparently, Engardio doesn’t get it that the person pulling City Hall’s ATM patronage job levers is our Mayor.

**“The now 12,556 City employees earning over \$100,000 annually represent just 31.1% of the City’s employees, but consume \$1.79 billion — fully 56.5% — of the City’s total \$3.2 billion total payroll. And why does the City need 922 employees earning over \$200,000 annually?”**



## San Francisco's Highest-Paid Employee

It came as quite a shock to learn on August 5 when I received the City Controller's payroll database for FY 2015–2016 ending June 30, 2016, that the highest-paid employee is William "Bill" Coaker, Jr., Chief Investment Officer (CIO) at the San Francisco Employee's Retirement System (SFERS).

In the one-year period between FY 2014–2015 and FY 2015–2016, Coaker received a staggering \$205,810 base pay raise and now earns \$512,485 annually. He'll become a new millionaire from the City's payroll every other year, news Engardio and Ms. Knight — and Matier and Ross — apparently missed.

Importantly, beneficiaries of the Retirement Fund — all active and retired City employees — are likely unaware of Coaker's current salary and exorbitant raise.

It's not known what sort of goals or accomplishments Coaker reached in that one-year period to have earned such a fat pay raise, and it is thought SFERS' board of directors did not have to approve the raise and may not have been aware of it, but Mayor Lee and the City's director of Human Resources were probably required to sign off on Coaker's raise.

Returns on investment of the Retirement Fund have done very poorly over the last two years during Coaker's tenure as CIO since he was re-hired at SFERS in 2014. For the three years starting on April 1, 2013 and ending March 31, 2016 (slightly before Coaker's re-hire), the Retirement Fund earned 7.41% per year.

But now under Coaker's "leadership," for the 12-month period ending March 31, 2016 the Retirement Fund earned just 1.08%, so it's a mystery how the Fund's dismal performance somehow qualified Coaker for such a fat \$205,810 raise. What did he do to earn such a performance reward?

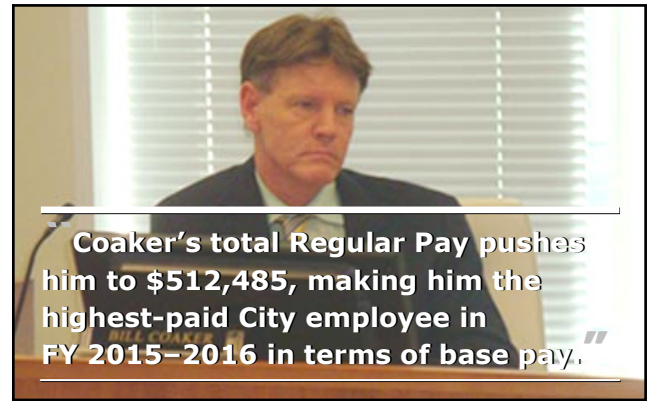
Coaker's predecessor, Bob Shaw, was a job classification code 1117, Deputy Director for Investments, in FY 2012–2013 and was paid \$294,342, which was just 57.4% of Coaker's bloated salary. Another way of looking at it is that Coaker's salary represents a 74.1% change increase over Shaw's pay as Director of Investments.

Coincidentally, as I was finishing this article today, the *San Francisco Chronicle's* Matier and Ross also [published](#) their column today on September 5 mentioning Coaker is now the highest-paid City employee, but Matier and Ross didn't bother wading into Coaker's \$205,810 single-year pay raise, nor did they wade into discussing whether Coaker's performance justified such largesse.

And while Matier and Ross noted that 23 employees "made it over the \$300,000 mark this past fiscal year," the pair neglected to mention that last fiscal year there were only five such employees. The other 18 piled on during FY 2015–2016.

San Franciscans deserve a top-to-bottom audit of the 6,414 additional full- and part-time employees Mayor Lee has added to the payroll since taking office, and his hiring spree.

*Monette-Shaw is a columnist for San Francisco's Westside Observer newspaper. He received a James Madison Freedom of Information Award from the Society of Professional Journalists–Northern California Chapter in 2012. He can be contacted at [monette-shaw@westsideobserver](mailto:monette-shaw@westsideobserver).*



William Coaker, Jr., SFERS' Chief Investment Officer, is apparently worth his weight in gold — at taxpayer expense!

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**“ In the one-year period between FY 2014–2015 and FY 2015–2016, Coaker received a staggering \$205,810 base pay raise and now earns \$512,485 annually. He'll become a new millionaire from the City's payroll every other year. ”**

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**“ It's not known what sort of goals or accomplishments Coaker reached in that one-year period to have earned such a fat pay raise. ”**

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**“ San Franciscans deserve a top-to-bottom audit of the 6,414 additional full- and part-time employees Mayor Lee has added to the payroll. ”**

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