

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

OFFICE OF THE
CITY CLERK
ROOM 360, CITY HALL
LOS ANGELES, CA 90012
(213) 978-1020
FAX (213) 978-1027

JUNE LAGMAY
CITY CLERK
—
KAREN E. KALFAYAN
EXECUTIVE OFFICER
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HOLLY L. WOLCOTT
EXECUTIVE OFFICER

September 11, 2009

The Honorable Antonio R. Villaraigosa, Mayor
City Hall, Room 300
Los Angeles, CA 90012

The Honorable Eric Garcetti, Council President
c/o City Clerk, Room 395
Los Angeles, CA 90012

The Honorable Bernard C. Parks, Chair, Budget and Finance Committee
c/o City Clerk, Room 395
Los Angeles, CA 90023

Re: Response to the September 11, 2009 CAO/CLA report, "2009-10 Budget Balancing
Operation Plan"

Honorable Mayor and Members of the City Council:

As you know, the City Clerk sustained an operational 19% budget reduction for Fiscal Year 2009-10. In addition to identified staff reductions and funding, the City Clerk's office sustained a \$320,000 unspecified funding cut in the proposed budget as well as receiving only \$164,000 of the \$500,000 that was initially approved to restore Council support positions. (Note: Furloughs add a 10% reduction in service/productivity as well.)

We are painfully aware of the worsening financial condition of the City. However, we are deeply concerned that the "surplus amount of \$671,968" attributed to the City Clerk's Budget on Attachment 2 of the CAO/CLA report incorrectly overstates the amount of funding available and thus does not provide an accurate status of the City Clerk's Budget.

The "surplus amount of \$671,968" does not take into account our Office's obligation to pay required sick payouts, COLA payouts, and retirement payouts. These are real liabilities which must be paid out.

If this so-called "\$671,968 projected surplus" is transferred out of the City Clerk's budget, the City Clerk will be left with a substantial deficit and layoffs will be necessary. In order to achieve this surplus – which we do not have and will not have - it is estimated that **at least 10 existing employees would need to be laid off** (assuming the layoffs were to occur beginning January 1, 2010). This would require the elimination of entire functions, not merely the reduction of services, and this is not reflected in the CAO/CLA report.

We believe the most prudent analysis of the City Clerk's current financial condition utilizes the CAO's Salary Projection Workbook, as this analysis captures current data and appropriately projects it to the

end of the year. Attached is our salary projection workbook for Fiscal Year 2009-10 for your review. Included in the salary projection workbook is:

- A 10% reduction in salaries for all employees (assuming the ERIP is not approved) for the furlough program;
- The attrition of a Chief Management Analyst and a Senior Clerk Typist;
- The separation of 2 System Analyst II's;
- The deletion of a Chief of Creative Services, Senior Title Examiner, Senior Project Assistant, and System Analyst; and
- Maintaining 9 current vacancies with no anticipated hire dates.

This analysis projects that the City Clerk will have 133 employees including resolution authorities, the aforementioned estimated retirement payouts, accumulated sick leave payouts, COLA reimbursements for all Coalition of Union members retroactive to July 1st, the CAO's targeted reduction of \$671,968, and a transfer in of \$400,000 from the BID Trust Fund.

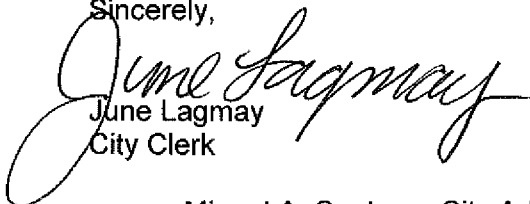
Projecting the math to its conclusion, **the resulting deficit is \$324,391**. In reality terms, at an average annual salary of \$77,962 per employee, this is equivalent to laying off 5 employees for an entire year, but, since any layoffs would not likely occur until January, projected layoffs for our Department would be 10 full-time employees. Inasmuch as most of the City Clerk functions are either Charter mandated or provide support to the Council and Mayor, direction is needed as to what services the City Clerk will no longer provide for lack of these employees.

One possible solution would be to add a line item to Attachment 2 of the CAO/CLA report under "37A" that reflects the City Clerk's additional projected deficit of (\$324,391). The end result would be a more accurate surplus of \$347,577 that can still be transferred to the Reserve Fund as opposed to the \$671,968 surplus indicated in the CAO/CLA Report.

Alternatively, if the amount of \$400,000 remains in the BID Trust Fund to offset Fiscal Year 2010-11 City Business Improvement District Assessments, which may reach \$1,000,000, and the \$671,968 surplus is removed from the Salary Projection Worksheet, the City Clerk would then have an estimated \$53,000 deficit for Fiscal Year 2009-10 which we would likely be able to absorb through attrition.

Thank you for the opportunity to present our view of the facts of this situation.

Sincerely,



June Lagmay
City Clerk

cc: Miguel A. Santana, City Administrative Officer
Gerry F. Miller, Chief Legislative Analyst

Attachment

JL:gp
EXE-047-09

**FY 2008-09
SALARY PROJECTION SUMMARY**

Department

OFFICE OF THE CITY CLERK

Description	Data
Date	08/31/08
Salary Account	1010
Unpaid Workdays Remaining	227
Total Available (APPR Table as of Date Shown)	\$ 9,387,844
Unrecorded Transfers within the Department between Fund 100 Accounts	\$ -
Unrecorded Transfers between Departments and Funds	\$ 400,000
Unrecorded Fund Appropriations	\$ -
Estimated Available Balance	\$ 9,787,844
Total Committed Amt (APPR Table as of Date Shown)	\$ 1,286,051
Current Employment Projected Remaining Expenditure	\$ 8,076,371
Estimated Pay-outs from Salaries Account	\$ 894,986
Projected Expenditure of Potential Hires	\$ (145,174)
Projected Savings from Potential Attrition	\$ -
Projected Expenditure of Potential Promotions	\$ -
Projected Expenditures	\$ 10,112,235
Projected Surplus/(Deficit)	\$ (324,391)

FMIS_APPR

Department OFFICE OF THE CITY CLERK

APPR TABLE DATA

Description	Data
Date	08/31/08
Salary Account	1010
Total Available (as of Date Shown)	\$ 9,387,844
Total Committed Amt (as of Date Shown)	\$ 1,286,051
Uncommitted Balance	\$ 8,101,793

ACTIVE_EMP

	A	B	C	D	E	F	G	H	I	J
1	Department					OFFICE OF THE CITY CLERK				
2										
3	Unpaid Workdays Left in Fiscal Year					227				
4										
5	Total Active Employee Count					135.00				
6										
7	Current Employment Projected Remaining Expenditure					\$ 8,076,371				
8										
9	Note	Full or Half Time	Code	PG	Classification Title	Active Employee Count	Average Hourly Rate	MOU	Total Hourly Rate	Projected Daily Expenditure
10		FT	1116	0	SECRETARY	2	25.50	3.00	50.99	408
11		FT	1117	2	EXEC SECRETARY II	1	30.69	37.00	30.69	246
12		FT	1117	3	EXEC SECRETARY III	1	32.90	37.00	32.90	263
13		FT	1119	1	ACCOUNTING REC SUPVR I	1	25.55	20.00	25.55	204
14		FT	1119	2	ACCOUNTING REC SUPVR II	1	33.54	20.00	33.54	268
15		FT	1170	1	PAYROLL SUPERVISOR I	1	32.72	20.00	32.72	262
16		FT	1182	1	LEGISLATIVE ASST I	6	42.63	1.00	255.80	2,046
17		FT	1182	2	LEGISLATIVE ASST II	7	47.13	1.00	329.94	2,640
18		FT	1201	0	PR CLERK	3	28.52	20.00	85.57	685
19		FT	1223	2	ACCOUNTING CLERK II	9	23.94	3.00	215.47	1,724
20		FT	1253	0	CHIEF CLERK	1	34.01	20.00	34.01	272
21		FT	1282	0	RECORDS MGMT OFFICER	1	51.79	36.00	51.79	414
22		FT	1358	0	CLERK TYPIST	4	19.27	3.00	77.09	617
23		FT	1368	0	SR CLERK TYPIST	30	23.38	3.00	701.32	5,611
24		FT	1409	1	INFORMATION SYS MGR I	1	52.46	8.00	52.46	420
25		FT	1431	3	PROGRAMMER/ANALYST III	1	37.86	8.00	37.86	303
26		FT	1431	5	PROGRAMMER/ANALYST V	1	46.63	8.00	46.63	373
27		FT	1455	1	SYSTEMS PROGRAMMER I	1	44.81	21.00	44.81	358
28		FT	1508	0	MANAGEMENT AIDE	1	25.66	1.00	25.66	205
29		FT	1513	2	ACCOUNTANT II	1	28.32	1.00	28.32	227
30		FT	1537	0	PROJECT COORDINATOR	6	31.73	1.00	190.37	1,523
31		FT	1538	0	SR PROJECT COORDINATOR	2	41.26	20.00	82.52	660
32		FT	1539	0	MANAGEMENT ASSISTANT	1	25.66	1.00	25.66	205
33		FT	1550	0	PROGRAM AIDE	2	19.59	1.00	39.19	313
34		FT	1596	2	SYSTEMS ANALYST II	1	32.38	1.00	32.38	259
35		FT	1597	1	SR SYSTEMS ANALYST I	1	42.68	20.00	42.68	341
36		FT	1597	2	SR SYSTEMS ANALYST II	2	52.82	20.00	105.64	845
37		FT	1714	1	PERSONNEL DIR I	1	51.80	-	51.80	414
38		FT	1832	2	WAREHOUSE & T/R WKR II	2	21.00	14.00	41.99	336
39		FT	1835	2	STOREKEEPER II	1	23.46	14.00	23.46	188
40		FT	1943	0	TITLE EXAMINER	2	29.07	21.00	58.14	465
41		FT	7204	0	CARTOGRAPHER	1	26.69	21.00	26.69	214
42		FT	7205	0	SR CARTOGRAPHER	1	29.75	21.00	29.75	238
43		FT	7212	2	OFFICE ENGRG TECH II	6	25.84	21.00	155.06	1,240
44		FT	7212	3	OFFICE ENGRG TECH III	1	29.07	21.00	29.07	233
45		FT	7224	0	CALLIGRAPHER	3	28.24	21.00	84.73	678
46		FT	7228	0	FIELD ENGINEER AIDE	1	32.08	21.00	32.08	257
47		FT	9171	1	SR MGMT ANALYST I	1	42.63	20.00	42.63	341
48		FT	9171	2	SR MGMT ANALYST II	5	52.81	20.00	264.06	2,112
49		FT	9182	0	CH MANAGEMENT ANALYST	2	60.60	36.00	121.20	970
50		HT	9184	1	MANAGEMENT ANALYST I	1	30.60	1.00	30.60	122

ACTIVE_EMP

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1	Department					OFFICE OF THE CITY CLERK				
2										
3	Unpaid Workdays Left in Fiscal Year					227				
4										
5	Total Active Employee Count					135.00				
6										
7	Current Employment Projected Remaining Expenditure					\$ 8,076,371				
8										
9	Note	Full or Half Time	Code	PG	Classification Title	Active Employee Count	Average Hourly Rate	MOU	Total Hourly Rate	Projected Daily Expenditure
51		FT	9184	1	MANAGEMENT ANALYST I	1	30.60	1.00	30.60	245
52		FT	9184	2	MANAGEMENT ANALYST II	13	34.70	1.00	451.12	3,609
53		FT	9252	0	EXEC OFFICE CLERK	2	71.29	36.00	142.58	1,141
54		FT	9255	0	CITY CLERK	1	73.28	-	73.28	586
55		FT	9375	0	DIR OF SYSTEMS -SYS	1	62.24	36.00	62.24	498
56									-	-
57									-	-
58									-	-
59									-	-
60									-	-
61									-	-
62									-	-
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85									-	-
86									-	-
87									-	-
88									-	-
89									-	-
90									-	-
91									-	-

WORKDAYS

Department

OFFICE OF THE CITY CLERK

FMIS APPR Date

08/31/08

Pay Period	Pay Period End Date	Workdays Within Pay Period	Date Pay Period Recorded in FMIS Ledger	Date Pay Period Reflected in FMIS APPR	Unpaid Workdays Left in Fiscal Year
1	07/05/08	4	07/14/08	07/15/08	0
2	07/19/08	10	07/28/08	07/29/08	0
3	08/02/08	10	08/11/08	08/12/08	0
4	08/16/08	10	08/25/08	08/26/08	0
5	08/30/08	10	09/08/08	09/09/08	10
6	09/13/08	10	09/22/08	09/23/08	10
7	09/27/08	10	10/06/08	10/07/08	10
8	10/11/08	10	10/20/08	10/21/08	10
9	10/25/08	10	11/03/08	11/04/08	10
10	11/08/08	10	11/17/08	11/18/08	10
11	11/22/08	10	12/01/08	12/02/08	10
12	12/06/08	10	12/15/08	12/16/08	10
13	12/20/08	10	12/29/08	12/30/08	10
14	01/03/09	10	01/12/09	01/13/09	10
15	01/17/09	10	01/26/09	01/27/09	10
16	01/31/09	10	02/09/09	02/10/09	10
17	02/14/09	10	02/23/09	02/24/09	10
18	02/28/09	10	03/09/09	03/10/09	10
19	03/14/09	10	03/23/09	03/24/09	10
20	03/28/09	10	04/06/09	04/07/09	10
21	04/11/09	10	04/20/09	04/21/09	10
22	04/25/09	10	05/04/09	05/05/09	10
23	05/09/09	10	05/18/09	05/19/09	10
24	05/23/09	10	06/01/09	06/02/09	10
25	06/06/09	10	06/15/09	06/16/09	10
26	06/20/09	10	06/29/09	06/30/09	10
	06/30/09	7	07/13/09	07/14/09	7
Totals		261			227