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**CARMEN A. TRUTANICH**  
City Attorney

June 14, 2010

Honorable Bernard C. Parks  
Councilman, Eighth District  
Chair, Budget and Finance Committee  
Los Angeles City Council  
City Hall, Suite 460  
200 North Spring Street  
Los Angeles, California 90012

Date: June 14, 2010  
Submitted in B+F Committee  
Council File No: 09-0600-S211  
Item No.: 1  
Deputy: E. Pulst

Re: Year-End FSR for FY 2009/10

Dear Honorable Chairman Parks:

In anticipation of the hearing scheduled this afternoon on the Year-End FSR, this Office has a number of comments and proposed revisions.

In regard to the FSR's recommended transaction involving the \$2.4 million in consumer protection penalties collected by this Office (page 15), we respectfully request that the FSR be revised to read in substance: "Authorize the Controller to transfer \$2.4 million from Fund 550 Consumer Protection Trust Fund, Department 12, Account A-304 Consumer Protection Penalty to Fund 100, Department 12, Account 1010 - Salaries General." Such language was proposed and recommended to the CAO in Recommendation 2 of this Office's Year-End Monthly Financial Analysis Report (dated 5/7/10). Such language is not only consistent with the legal requirements imposed under California Business and Professions Code Section 17206(c), but also factually accurate. It should also be noted that our recommended language was previously approved by the Council in July 2009 in similarly transferring consumer protection penalties to our salaries account. (See Attachment 1). It is my understanding that both the CAO and CLA will also be requesting such a revision to the FSR.

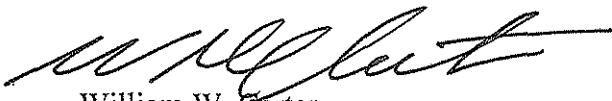
In regard to the purported year-end deficit, we appreciate the FSR's recognition that we successfully reduced the \$18.1 million budget shortfall facing this Office at the start of FY 2009/10. However, contrary to the FSR, this Office believes that we currently have a projected

Honorable Bernard C. Parks  
June 14, 2010  
Page 2

deficit of approximately \$200,000, and could actually eliminate any deficit given anticipated additional revenues before 6/30. We therefore appreciate the opportunity to further discuss and provide additional information and materials to this Committee, the CLA and the CAO on these figures.

Thank you for your consideration of these comments and requests.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. W. Carter', written in a cursive style.

William W. Carter  
Chief Deputy

WWC:grg  
Attachment

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2009 JUL -8 PM 4:29  
CITY OF LOS ANGELES

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CITY CLERK'S OFFICE  
2009 JUL -8 PM 4:26  
CITY CLERK  
BY \_\_\_\_\_ DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 09-1453

COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE JULY 7, 2009

RE: TRANSITION PLAN FOR THE CITY-ATTORNEY ELECT

**JUL 20 2009**

LAST DAY FOR MAYOR TO ACT \_\_\_\_\_  
(10 Day Charter requirement as per Charter Section 341)

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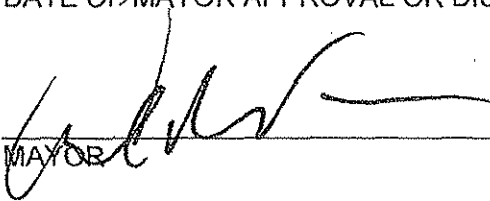
APPROVED

\_\_\_\_\_

\*DISAPPROVED

\_\_\_\_\_  
\*Transmit objections in writing  
pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL JUL 20 2009

  
\_\_\_\_\_  
MAYOR

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CITY OF LOS ANGELES  
CALIFORNIA

JUNE LAGMAY  
City Clerk

KAREN E. KALFAYAN  
Executive Officer



ANTONIO R. VILLARAIGOSA  
MAYOR

Office of the  
CITY CLERK

Council and Public Services  
Room 395, City Hall  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
Fax: (213) 978-1040

KONRAD CARTER  
Acting Chief, Council and Public Services  
Division

[www.cityclerk.lacity.org](http://www.cityclerk.lacity.org)

July 21, 2009

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council file  
No. 09-1453 its meeting held July 7, 2009.

A handwritten signature in cursive script, appearing to read 'June Lagmay', is written in black ink.

City Clerk  
me

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APPROVED

\_\_\_\_\_ ✓

\*DISAPPROVED

\_\_\_\_\_  
\*Transmit objections in writing pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL JUL 20 2009

\_\_\_\_\_  
MAYOR

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BY \_\_\_\_\_ DEPUTY

**VERBAL MOTION**

I HEREBY MOVE that Council APPROVE the following recommendation  
(Item #22, Council file 09-1453) relative to the transition plan for the City Attorney-Elect,  
SUBJECT TO THE APPROVAL OF THE MAYOR:

AUTHORIZE the Controller to TRANSFER \$881,574 from Fund No. 550/12, Consumer  
Protection Trust Fund, Account No. A304, Consumer Protection Penalty to Fund 100/12, City  
Attorney 1010 Salaries-General for eligible salary expenses.

PRESENTED BY \_\_\_\_\_  
BERNARD C. PARKS  
Councilmember, 8<sup>th</sup> District

PRESENTED BY \_\_\_\_\_  
TOM LABONGE  
Councilmember, 4<sup>th</sup> District

July 7, 2009

CF 09-1453

**ADOPTED**

JUL 07 2009

LOS ANGELES CITY COUNCIL

**MAYOR WITH FILE**

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: June 19, 2009

CAO File No. 0220-04514-0000

Council File No. 09-1453

Council District: --

To: The Mayor  
The Council

From: Raymond P. Ciranna, Interim City Administrative Officer *RPC*

Gerry F. Miller, Chief Legislative Analyst *G. Miller for*

Subject: **TRANSITION PLAN FOR THE CITY ATTORNEY-ELECT PER CHARTER SECTION 1050**

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### SUMMARY

This report has been prepared by the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA) in response to a Motion (Zine-Garcetti-Hahn) to report back with recommendations on staffing resources needed to assist the City Attorney-elect, Carmen Trutanich in fulfilling the staffing needs of the Office of the City Attorney, effective July 1, 2009.

### BACKGROUND

Pursuant to Charter Section 1050(d) "the City Attorney may appoint to serve at the pleasure of the City Attorney from among persons not then employed in the Office of the City Attorney no more than four assistants who meet the qualifications for those positions, and no more than four other persons. The appointment of all persons serving at the pleasure of the City Attorney terminate when the succeeding City Attorney is sworn in, unless reappointed by the succeeding City Attorney." As such, it has been reported that the current City Attorney has no such "tenure-exempt" appointments that would terminate upon the end of his term. Rather, the current City Attorney employees are in "tenured" eligible positions pursuant to Charter Section 1050(a).

To assist the new City Attorney-elect with his transition into Office, it is the desire of Council to provide the necessary resources to enable him to perform the duties of the office. It is therefore requested that the eight City Attorney positions identified below be exempted from the City hiring freeze to enable the appropriate transition by the City Attorney-elect. The positions are:

<u>No.</u>	<u>Class Code</u>	<u>Class Title</u>
1	0556	Executive Assistant City Attorney
1	0554	Senior Assistant City Attorney
1	0553	Assistant City Attorney
1	0552	Deputy City Attorney III
1	0566	Chief Administrative Assistant
3	0569	City Attorney Administrative Coordinator III

The tenured status of the current City Attorney employees and limited vacancies within the Office of the City Attorney has reduced the flexibility of the City Attorney-elect to bring his management and administrative team on board. Therefore, eight substitute position authorities are recommended for a period of three months from July 1, 2009 through September 30, 2009, subject to extension by the CAO as necessary, so that as current employees retire or otherwise transition out, the substitute authorities will terminate, accordingly.

The City Attorney's Office has identified eligible staff costs currently funded by the General Fund which can be charged to the City Attorney's Consumer Protection Prosecution Trust Fund 550. The monies contained in this Fund have accumulated during the administration of the current City Attorney, and under his discretion has authorized its expenditure for this purpose. The Criminal and Special Litigation Branch within the City Attorney's Office prosecutes consumer protection cases and upon favorable verdict receives civil penalties from Health and Safety and Business and Professions Code Violations 17200. These funds will offset the salary expense which would have been charged to the General Fund for these activities. This will then free up General Fund monies to fund the cost for the new substitute authorities. The total annual cost for these eight new positions is \$1,386,135 (\$1,086,532 for salaries and \$299,603 for indirect costs), excluding other office expenses associated with new hires. The funding available will be for direct salaries only, leaving the indirect costs as a General Fund obligation.

The Office of City Attorney is currently working on its Department Operational Plans for Fiscal Year 2009-10 as requested by the Mayor's Office. These plans will address salary funding gaps and service impacts as a result of the furlough program and proposed layoffs. It should be noted that the Office of the City Attorney's 2009-10 budget has been reduced by approximately \$18 million as a result of the Shared Responsibility and Sacrifice (SRS) and a one-time budget reduction. However, the Department is working to develop plans to bridge the gap as necessary, and will work with the CAO and CLA to address any budget shortfalls.

## RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Exempt from the hiring freeze and instruct the City Administrative Officer to authorize the following eight substitute authorities for the period of July 1, 2009 through September 30, 2009, subject to extension by the City Administrative Officer in three month increments:

<u>No.</u>	<u>Class Code</u>	<u>Class Title</u>
1	0556	Executive Assistant City Attorney
1	0554	Senior Assistant City Attorney
1	0553	Assistant City Attorney
1	0552	Deputy City Attorney III
1	0566	Chief Administrative Assistant
3	0569	City Attorney Administrative Coordinator III



2. At the time of the appointments, instruct the City Attorney to file with the City Clerk, a statement identifying the persons appointed, pursuant to Charter Section 1050(d).
3. Authorize the Controller to:
  - a. Instruct the City Clerk to place on the Council agenda on or immediately after July 1, 2009:
    - 1) "That the City Council subject to the approval of the Mayor, authorize the Controller to transfer \$881,574 from the Fund 550/12, Consumer Protection Trust Fund, Account A304, Consumer Protection Penalty to Fund 100/12, City Attorney 1010 Salaries General for eligible salary expenses."
4. Authorize the Office of the City Attorney to prepare Controller instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer (CAO).

#### FISCAL IMPACT STATEMENT

The Office of the City Attorney has identified eligible costs of existing staff currently funded by the General Fund which can be charged to the City Attorney's Consumer Protection Prosecution Trust Fund 550. This will free up General Fund monies for the transition team which would have otherwise been used for existing staff. The total annual cost for these eight new positions is \$1,386,135 (\$1,086,532 for salaries and \$299,603 for indirect costs), excluding other office expenses associated with new hires. As such, the indirect costs will be a General Fund obligation.

RPC:IR:04090225c