DATE: June 30, 2010

TO: Interested Persons

FROM: Office of the City Clerk

SUBJECT: NOTICE OF EXPIRED FILE STATUS

In 2005, the Council approved a policy wherein all Council files pending before the City Council, which have not been placed on a Council or Committee agenda for consideration for a period of two years or more, are deemed "received and filed." The City Clerk is responsible for the administration of this process.

Quarterly each year, the City Clerk administratively closes all received and filed Council files. This letter provides notice that this Council file, and its subject matter, is no longer active as of June 30, 2010. This Council File is deemed closed.

PLACE IN FILES

JUL 23 2010

DEPUTY EGG

ELIAS MARTINEZ
City Clerk

J. Michael Carey
Executive Officer

When making inquiries relative to this matter refer to File No.

92-2356

CITY OF LOS ANGELES
CALIFORNIA

TOM BRADLEY
MAYOR

Office of
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - 485-5703
General Information - 485-5705

Pat Letcher
Chief Legislative Assistant

January 4, 1993

Mr. Rick Tuttle
City Controller
Room 220, City Hall

Mr. Keith Comrie
City Administrative Officer
Room 300, City Hall East

Greetings:

At the direction of the Office of the Chairperson of the Human Resources and Labor Relations Committee, it is requested that your offices review and report on the attached Motion (Wachs - Ridley-Thomas) requesting a review of the various systems of cost controls which exist in each city department with regard to overtime payments, etc.

Please forward your recommendations on this matter to the City Clerk's Office for consideration by the Committee.

Sincerely,

J C BURMAHLN

John C. Burmahln
Legislative Assistant
HR&LR Committee

Attachment: a/s

cc: Councilmember Joy Picus
Attn: Rita Schneir

M O T I O N

The City Controller has just revealed that more than 6,700 of city's 32,000 employees each received in excess of $5,000 in overtime last year.

As one example, it has been discovered that a high-ranking employee of the Department of General Services improperly authorized about $88,000 in overtime pay, beyond his $86,000 annual salary, for himself during a recent three year period .

This case is being investigated by the Police Department.

Earlier, reliable information from whistle-blowers revealed a disturbing lack of cost controls in the city's Sewer Contruction and Maintenance System, including charges of excessive, and perhaps even illegal, overtime payments.

It appears that the lack of adequate cost controls may be widespread throughout the entire city government.

During a time when we are considering layoffs, reducing services, and raising taxes, we must direct more of our attention to the "third option" -- making better use of the money we have, and eliminating waste and inefficiency.

I THEREFORE MOVE that the City Council immediately investigate the systems of cost controls which exist in each city department with regard to overtime payments.

Presented by: _____
JOEL WACHS
Councilman, 2nd District

Seconded by: RIDLEY-THOMAS

JOINT REFERRAL

HUMAN RES. and LABOR REL.

BUDGET and FINANCE

DEC 08 1992

December 8, 1992

FORM GEN. 160 (Rev. 6-80)

92-2356

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: June 10, 1997

To: Councilmember Jackie Goldberg, Chair Personnel Committee
Attn: Gerald Gubatan

From: Keith Comrie, City Administrative Officer

Subject: **REQUEST FOR OVERTIME STATUS REPORT CF 92-2356**

In correspondence to this Office, your Committee has requested a status report and recommendation regarding a motion (Wachs-Ridley-Thomas) concerning overtime payments to City employees.

This Office responded to your Committee in a report dated March 8, 1994 (attached) regarding overtime for highly paid employees. Following considerable discussion of the overtime issue, this Office was instructed by Council to report to the Executive Employee Relations Committee (EERC) on this matter. As a result of EERC and Council action, bargaining instructions were issued to eliminate overtime for highly paid employees. Negotiations were successfully concluded so that by February, 1996, all civilian employees above Civil Engineer (currently $70,825) had become salaried and were no longer eligible for any overtime.

We have also reviewed the Controller's May 27, 1997 response to your Committee on this issue. We believe that the twice yearly departmental review of overtime payments that exceed $5,000 is an appropriate check on potentially excess payments. A review of departmental responses attached to the Controller's report indicates that general managers take this issue seriously and utilize overtime to meet operating needs.

There have been a number of situations where issues with potential employee relations impact arise in the Personnel Committee and are referred to the EERC or where the Committee and the EERC are looking at an issue simultaneously. Due to the extended nature of the meet and confer process, Personnel Committee files may remain open indefinitely. A policy of closing Council files that have been referred to the EERC would help the Committee to clear it's agenda of seemingly unfinished business.

Recommendation

That the Personnel Committee adopt a policy that the Council files on employee relations issues which are referred to or that are concurrently under consideration by the EERC be noted and filed.

KC:PKC:vrw
Attachment(s)
10vw118.97

REPORT FROM

CITY ADMINISTRATIVE OFFICER

TO	DATE	CAO FILE No.
The Personnel Committee	MAR 8 1994	42-00453
REFERENCE		**COUNCIL FILE No.**
Report requested by former Councilwoman Picus		92-2356
SUBJECT		**COUNCIL DISTRICT**
Overtime -- Higher Paid Employees		

SUMMARY

The incident where a Chief Management Analyst in the General Services Department was paid $95,000 over a three year period for overtime has caused a review of overtime worked by all higher paid City employees. (The subject employee has left City service).

For purposes of this review, "higher paid" employee is defined as being ineligible for time and one-half compensation for overtime worked. The City has five different overtime systems. The basic distinctions are that employees are compensated at the straight time rate for overtime, as follows:

General civilian	- Employees earning over $55,000
Fire	- Fire Battalion Chiefs and above
Police	- Police Captains and above
Attorneys	- all Deputy and Assistant City Attorneys
Water and Power	- Employees earning over $70,000

The 1992 overtime records for all 3,000 higher paid employees were reviewed. Major conclusions are:

- The General Services incident was a blatant aberration.
- Higher paid general civilians, Police and Attorneys record relatively little overtime, and there are no apparent major problems.
- Higher paid Fire and Water and Power employees record large amounts of overtime. In Fire, the large amounts of overtime are part of the constant staffing system. Water and Power appears to have a problem.

(Summary continued)

K. Gmiri

CITY ADMINISTRATIVE OFFICER

Overtime-Average per Employee - 1992

	No. of Employees	Hrs. Recorded	Hrs. Paid	Hrs. Bkd.	Hrs. Taken	Amt. Paid	Balance on Books
General Civilian	2,082	31	22	9	8	$ 745	7
Fire	87	595	553	42	40	$ 16,894	28
Police	86	92	85	7	8	$ 3,782	16
Attorneys	363	84	--	84	67	--	70
DWP	477	161	116	45	40	$ 4,532	458

Of greater concern, however, are recent federal court decisions on the City's exemption of its higher paid employees from the time and one-half overtime compensation requirement of the Fair Labor Standards Act (FLSA). Our higher paid civilians, Fire chief officers, and Water and Power employees have sued the City on the basis that our payroll practices make them "hourly" rather than "salaried" employees. FLSA exemption requires "salaried" status. The federal court decisions in our cases and other cases in the Ninth circuit have been adverse. Barring judicial reversal or legislative relief, it may eventually result that under current practices no City employee (except elected officials and attorneys, who are categorically excluded) is exempt from the FLSA time and one-half overtime compensation requirement.

To retain "salaried" status of our higher paid employees, court decisions have been appealed and mitigation measures taken. However, to meet Ninth District standards, it may be necessary to develop pure salaried conditions, i.e., no requirements for attendance, no counting of hours for compensation purposes, and no compensation for extra time worked.

Recommendations

That the Council:

1. Instruct the City Administrative Officer to develop and present to the Executive Employee Relations Committee a plan that will retain FLSA exempt status for higher paid City employees (except Fire Chief Officers, a separate issue).

2. Instruct the Department of Water and Power to review its overtime practices for higher paid employees and report back to Council with a corrective plan within 90 days.

3. Instruct all departments to review this report and their own overtime practices to see if adjustments should be made (i.e. workload adjustments to reduce overtime by one or a few personnel in a given class).

(Statement of Findings attached)

FINDINGS

1. Basis for Report

James D. Bisetti, Chief Management Analyst, General Services Department, $86,840 per year, was revealed as receiving $95,000 over a three year period for overtime. Disciplinary proceedings were initiated, and Bisetti resigned.

In the aftermath of the Bisetti incident, the Controller issued a report listing the City employees (excluding Water and Power) who received the largest overtime cash payments. A Council motion was passed instructing department heads to report on their overtime controls, and former Councilwoman Picus requested a review of the overtime practices for higher paid City employees.

2. Scope of Review

For purposes of this review, "higher paid" is defined as being ineligible for time and one-half compensation for overtime. The records of all higher paid employees were reviewed to get a more complete picture. For each higher paid employee, the following data was gathered for the 1992 calendar year (1991-92 fiscal year for Attorneys):

- department
- class
- OT hours worked
- OT hours compensated in cash
- OT hours compensated in time off
- compensatory hours taken off
- amount paid for OT
- balance of compensatory time, end of year

Comparisons were made among departments and among the separate overtime systems.

In the midst of this review, the federal court issued its decision in the Fire Chief Officers case, Morsch. This decision may result in a fundamental change in the City's compensation system for higher paid employees. (See Finding 9)

3. Overtime Systems

The City's five different overtime systems are explained in detail in the subsequent Findings.

General managers, including the Fire Chief, Police Chief, General Manager DWP, and Members of the Board of Public Works, are covered by the same Administrative Code provision.

> "It is hereby declared to be the policy of the City Council that general managers shall be on duty during the regular hours when a majority of City employees are working so as to be available to their employees, the Mayor, the City Council and

(Findings continued)

administrative officers of other departments or bureaus, for the conducting of City business and providing direction of operations. Approval shall be secured by a general manager from his or her appointing authority for absences from the City and for extraordinary or repetitive absences from duty during the hours when most of his or her employees are on duty. Accordingly, this article supersedes provisions of any other ordinance and shall control the hours of work and compensation for overtime for all general managers."

"The pay fixed for general manager positions shall be deemed to include compensation for whatever time is required for the administration of the affairs of the departments or bureaus. No compensation for extra hours worked, whether in cash or time off, shall be allowed any general manager."

Assistant general managers **(except Water and Power)**, elected officials, and Mayor and Council employees are not eligible for overtime compensation.

4. General Civilians

a. General Provisions. Civilians paid $55,000 and above are compensated in cash or time off at the straight time rate for overtime worked. It is management's decision whether overtime is compensated in cash or time off. The amount of time off that may be accumulated is established by departmental rule. Compensated time on the books is cashed out when an employee retires or leaves the department.

General managers, assistant general managers, elected officials, and Mayor and Council employees are not eligible for overtime compensation in either cash or time off.

b. Bisetti Incident. In 1992 Bisetti recorded 476 hours of overtime and was paid $19,797. There was no higher paid General Services Department employee remotely close to those figures. One Equipment Repair Supervisor worked 193 hours and was paid $7,921. No other Department employee was paid more than $5,000.

In General Services there are 81 "higher paid" employees. Only one-half (41) recorded any overtime for 1992. The average for the 41 who recorded overtime was 64 hours worked and $1,943 in pay. (All General Services figures have been adjusted to exclude Bisetti.)

As a further check, the records of Bisetti's peers, division heads earning $86,840 ± per year, were reviewed. There are 150 of these positions Citywide. Two-thirds (99) recorded no overtime at all for 1992, although there are many who work extra hours to get the job done. The average for the one-third who recorded overtime was 30 hours worked and $623 paid. Only three division heads were paid more than $5,000: a Principal Sanitary Engineer working on a year long special project - 401 hours, $16,698; the Chief Port Pilot - 228 hours, $9,190; and the Wastewater Treatment Laboratory Manager III - 157 hours, $5,783.

(Findings continued)

c. Overtime Utilization. The following chart shows the overtime for employees paid over $55,000 by department for 1992. Two averages are shown: the first is for all 2,082 employees; the second is just for the 1,107 who recorded overtime.

OVERTIME UTILIZATION
CHART 1

All Employees Over $55,000

Department	Total	OT	No OT	Hrs Wrkd	Hrs Paid	Hrs Bkd	Hrs Taken	Amt Paid	Balance On Bks
Airports	130	69	61	4,437	4,430	7	10	$149,322	--
Aging	7	2	5	30	--	30	22	--	19
Animal Regulation	7	4	3	75	25	50	80	668	70
Building & Safety	123	56	67	975	929	46	57	29,856	27
City Admin. Officer	77	55	22	3,568	349	3,219	2,367	12,598	3,007
City Attorney (non-Atty)	6	5	1	113	--	113	147	--	84
City Clerk	25	8	17	172	172	--	--	5,029	19
City Emp. Ret. System	2	--	2	--	--	--	--	--	--
Comm. Status of Women	1	1	--	20	--	20	8	--	29
Comm. Develop. Dept	52	34	18	1,330	5	1,325	1,354	189	1,264
Controller	36	15	21	546	387	159	133	10,913	66
Cultural Affairs	7	3	4	169	--	169	172	--	147
Employee Relations Bd.	1	1	--	80	--	80	149	--	--
Environmental Affairs	7	6	1	429	123	306	253	4,361	228
Ethics Commission	5	3	2	403	--	403	348	--	130
Fire (Civilian)	23	9	14	507	500	7	7	16,962	1
General Services	81	40	41	2,648	2,246	402	281	79,674	306
Harbor	177	116	61	10,861	8,942	1,919	1,930	314,385	1,261
Housing Pres. & Prod.	47	25	22	1,038	97	941	636	3,268	1,338
Information Services	164	61	103	1,186	1,078	108	86	32,632	53
Library	38	--	38	--	--	--	--	--	--
L.A. Convention Center	11	8	3	514	278	236	210	8,697	133
Pensions	12	6	6	105	47	58	157	1,760	5
Personnel	90	37	53	977	205	772	732	7,317	238
Planning	83	45	38	1,828	687	1,141	943	20,461	712
Police (Civilian)	56	33	23	1,689	869	820	834	28,336	468
Public Works - Board	16	9	7	504	329	175	84	659	155
PW - Accounting	9	8	1	187	30	157	182	865	51
PW - Contract Admin.	39	20	19	696	598	98	203	19,387	104
PW - Engineering	276	107	169	3,871	3,354	517	596	105,505	232
PW - Mgmt. Emp. Serv.	8	2	6	25	--	25	25	--	--
PW - Sanitation	241	205	36	21,110	17,617	3,493	3,911	601,116	2,785
PW - Street Lighting	14	9	5	449	280	169	133	8,663	84
PW - Street Mtce.	40	25	15	1,259	1,236	23	18	37,803	22
Recreation & Parks	55	35	20	1,170	171	999	645	4,819	1,151
Social Services	2	--	2	--	--	--	--	--	--
Telecommunications	9	6	3	711	--	711	190	--	719
Transportation	97	37	60	1,633	1,434	199	357	45,337	240
Treasurer	8	2	6	54	54	--	--	1,507	--
Total	2,082	1,107	975	65,358	46,472	18,897	17,260	$1,552,089	15,148
		Ave. all employees		31	22	9	8	$ 745	7
		Ave. OT workers		59	42	17	16	1,402	14

(Findings continued)

The following chart shows the two averages for departments with more than 25 higher paid employees.

OVERTIME UTILIZATION
CHART 2

Department		Hrs Wrkd	Hrs Paid	Hrs Bkd	Hrs Taken	Amt Paid	Balance On Bks
Airports	All	33	34	--	--	$1,149	--
	OT Wkrs	64	64	--	--	2,164	--
Bldg & Safety	All	8	8	--	--	242	--
	OT Wkrs	17	17	--	--	534	--
CAO	All	46	4	42	31	162	39
	OT Wkrs	65	6	59	43	229	55
City Clerk	All	7	7	--	--	201	--
	OT Wkrs	22	22	--	--	628	--
CDD	All	25	--	25	26	--	24
	OT Wkrs	39	--	39	40	--	37
Controller	All	15	11	4	4	303	2
	OT Wkrs	36	26	10	9	728	4
Gen. Serv.	All	33	28	5	3	984	4
	OT Wkrs	66	56	10	7	1,992	8
Harbor	All	61	50	11	11	1,776	7
	OT Wkrs	93	77	16	17	2,710	11
HPP	ALL	22	22	20	14	70	28
	OT Wkrs	42	4	38	25	131	54
ISD	All	7	7	--	--	199	--
	OT Wkrs	19	17	2	1	535	--
Library	All	--	--	--	--	--	--
	OT Wkrs	--	--	--	--	--	--
Personnel	All	11	2	9	8	81	8
	OT Wkrs	26	6	20	20	198	6
Planning	All	22	8	14	11	247	9
	OT Wkrs	41	15	26	21	455	16
Police (Civ.)	All	30	16	14	15	506	8
	OT Wkrs	51	26	25	25	858	14
PW Con Ad	All	18	15	3	5	497	3
	OT Wkrs	35	30	5	10	969	5
PW Engr	All	14	12	2	2	382	--
	OT Wkrs	36	31	5	6	986	2
PW Sanit	All	87	73	14	16	2,494	11
	OT Wkrs	103	86	17	19	2,932	14
PW St Mtc	All	31	31	--	--	945	--
	OT Wkrs	50	49	1	1	1,512	1
Rec & Parks	All	21	3	18	12	87	21
	OT Wkrs	33	5	28	18	138	33
Trans	All	17	15	2	4	468	2
	OT Wkrs	44	39	5	10	1,225	6

d. Observations and Comments

- Almost one-half of all higher paid general civilians record no overtime worked.
- Many employees at this level work overtime, but do not claim it.
- As expected, departments with continuous operations, e.g. Airports, Harbor, and Sanitation, work more overtime. However, there appears to some sort of

(Findings continued)

corporate culture effect in that administrators and engineers in those departments also record more overtime.

- Departments with dollars to pay for overtime have more overtime recorded.

- With reduced staffing in the General Funded departments and the hiring freeze resulting in more upward delegation, there may have to be more overtime worked by the "higher paid" personnel.

- Compensatory time banks should be monitored more closely. Fifty-eight employees have 80 or more hours of banked time.

- Within the same department there are wide differences in the amounts of overtime worked by persons in the same class. This may be a function of individual assignments, or it may indicate a need to adjust workloads.

e. Law Suits. "Higher paid" civilians represented by the Engineers and Architects Association have sued the City claiming that the employees are "hourly" not "salaried." The case is pending before the same judge who ruled against the City in Morsch.

5. Fire

a. General Provisions. Fire Captains II ($64,122) and lower classes receive time and one-half, almost exclusively in cash, for overtime worked.

Fire Battalion Chiefs ($71,681 to $89,032) and Fire Assistant Chiefs ($84,334 to $104,776) receive straight time, mostly in cash, for overtime.

Fire Deputy Chiefs ($99,246 to $145,095) are not authorized for overtime compensation, but they may be granted time off in unusual cases.

b. Overtime Utilization. Fifty-one Battalion Chiefs and nine Assistant Chiefs work the platoon duty schedule, in which a person is assigned to nine 24 hour shifts in a 27 day period. Under the constant staffing system, when an assigned person is absent, his shift is back filled by an off duty Chief working SOD (scheduled overtime duty). The typical platoon duty Battalion Chief works 30 SOD shifts a year. One SOD shift is worth $681; thirty shifts are worth $20,418. In addition, there is a SOD bonus of $3 per hour for all hours worked in excess of 24 in a calendar month. Twelve Fire Chief Officers were paid more than $25,000 in 1992.

Because of high pension costs, the SOD system for platoon duty constant staffing is more cost effective for the City than hiring additional personnel to fill in for absences. The high dollar and hours worked numbers in the following 1992 data are as a result of the constant staffing system.

	Hrs. Recorded	Hrs. Paid	Hrs. Bkd	Hrs. Taken	Amt. Paid	Balance On Book
Total	51,685	48,148	3,637	3,478	$1,469,786	2,402
Average	595	443	42	40	$16,894	28

c. Law Suits. In Morsch, eighty-five Fire Battalion and Assistant Chiefs sued the City. The federal court has ruled that they are "hourly" and not "salaried" employees and are, therefore, entitled to time and one-half compensation under the provisions of FLSA. The court awarded the Chiefs $3.2 million in back pay. The City and the Fire Chief Officers Association have agreed to make Battalion Chiefs "hourly" and the Assistant Chiefs "salaried". The lawsuit itself is still pending.

6. Police

a. General Provisions. Police Lieutenants II ($72,516) and lower classes receive time and one-half in cash or time off for hours worked in excess of eight in a day.

Police Captains I, II, and III ($71,723 to $94,085) and Police Commanders ($89,053 to $104,818) are eligible for straight time overtime for hours worked in excess of 160 in a 28 day period to be compensated in cash or time off at the discretion of the Chief. The activities eligible for overtime are limited to:

- unusual occurrences
- court appearances
- administrative hearings
- directed activities which deviate form the normal works schedule, or
- voluntary work on a day off in lieu of a holiday

Police Deputy Chiefs I and II ($98,115 to $143,090) are not authorized for overtime compensation, but they may be granted time off in unusual cases.

b. Overtime Utilization. In most years, Police Command Officers record little overtime. The overtime recorded in 1992 is nearly all attributable to the Rodney King situation. The amount paid is a function of federal reimbursement.

	Hrs. Recorded	Hrs. Paid	Hrs. Bkd	Hrs. Taken	Amt. Paid	Balance On Book
Total	7,887	7,327	560	710	$325,228	1,247
Average	92	85	7	8	$3,782	16

c. Unauthorized Overtime System. The overtime system outlined in subsection b is the only authorized system. Until recently, however, there has been an informal, unauthorized

(Findings continued)

overtime system known as "White Time." White Time was extra hours worked and recorded informally within the Police Department. A Police Command Officer could utilize White Time as compensated time off on an hour for hour basis. A Command Officer could save and then utilize up to many weeks of White Time thus extending the effective date of retirement. This latter practice contrasts with the MOU provision: "Whenever an employee retires from the Department, the employee shall be paid in cash for all overtime due according to the records of the City Controller." The MOU limit for the amount of time that may be accumulated at any one time is 96 hours.

The Police Department has assured us that the White Time system was phased out July 1, 1993.

d. Law Suits. Neither the Los Angeles Police Command Officers Association nor any individual member has sued the City in federal court claiming that Police Command Officers are "hourly" employees under FLSA.

7. Attorneys

a. General Provisions. All Attorneys except the City Attorney, are eligible to be compensated, in compensatory time only, for hours worked in excess of 80 in a bi-weekly period. Under no conditions can an Attorney be compensated in cash.

The maximum number of hours that may be accrued in any one fiscal year is 160. Any balance of accrued hours up to 120 hours remaining at the end of a fiscal year is carried over to the next fiscal year. If any of the carried over hours are unused at the end of the second fiscal year, they are deemed waived and lost.

The maximum number of hours that may be taken off in any one fiscal year is 200.

Overtime records for Attorneys are maintained by the City Attorney's Office, not by the Controller.

b. Overtime Utilization. The records for 363 Attorneys for the 1991-92 fiscal year are:

	OT Hrs. Recorded	OT Hrs. Paid	OT Hrs. Bkd.	Hrs. Taken	Amt. Paid	Balance On Books
Total	30,393	--	30,393	24,309	--	25,423
Average	84	--	84	67	--	70

Nearly every Attorney recorded some overtime. Twenty-two recorded 200 hours or more.

c. Law Suits. No Attorney has filed a law suit challenging FLSA regulations that categorically exempt Attorneys.

(Findings continued)

8. Department of Water and Power

a. General Provisions. Employees paid over $70,000 annually are compensated at the straight time rate for overtime. Employees have the option of receiving cash or time off, with the exception of the approximately 45 highest paid employees who are compensated in compensatory time only.

There is no limit to the amount compensatory time that may be accumulated. Employees accumulate time as salary continuation insurance in case of serious illness and for other reasons. Following an irrevocable application to retire, an employee may run his/her accumulated time up to a maximum of 522 hours (3 months). Employees who had more than 522 hours on the books in 1983 can run that time, up to a maximum of 1044 hours (6 months).

In contrast to other departments, assistant general managers ($126,512 to $141,024) are eligible for and receive overtime compensation.

There are exceptions to the $70,000 time and one-half overtime compensation cap. Specified "field employees" and employees performing work during a work stoppage or an emergency designated by the General Manager are compensated at the time and one-half rate even though they make more than $70,000.

b. Overtime Utilization. In 1992, 468 of 477 Water and Power employees paid over $70,000 recorded overtime.

	Hrs. Recorded	Hrs. Paid	Hrs. Bkd.	Hrs. Taken	Amt. Paid	Balance on Books
Total	76,950	55,401	21,549	18,560	$2,161,665	218,407
Ave. for 477	161	116	45	39	4,532	458
Ave. for 468	164	118	46	40	4,609	465

c. Comments and Observations. Overtime utilization in Water and Power if far greater than in other civilian City departments. Precise comparisons cannot be made due to the differences in overtime systems and departmental operations. Nevertheless, the following data, for Water and Power and three departments (Airports, Harbor and Sanitation) that have continuous operations and dollars to pay for overtime, are instructive.

(Findings continued)

	DWP	Airports	Harbor	Sanit.
No. of Employees	11,011	1,570	722	2,836
OT Cap	$70,000	$55,000	$55,000	$55,000
No. over Cap	477	130	177	241
No. w/ OT	468	69	116	205
No. w/o OT	9	61	61	36
No. over 100 hrs.	292	12	38	75
No. over $5,000	179	8	25	42
Ave of those w/OT				
- Hrs. worked	164	64	93	103
- Hrs.paid	118	64	77	86
- Hrs.booked	46	--	16	17
- Hrs.taken	40	--	17	19
- Amt. paid	$4,609	$1,149	$2,710	$2,932
- Balance on books	465	--	11	14
Employees over $99,000				
- No. of employees	48	5	7	6
- No. w/OT	46	--	2	--
- Ave. Hrs. Wkd.	148	--	5	--
- Ave. Balance on Books	2,067	--	4	--

d. Law Suits. "Higher paid" employees represented by the Management Employees Association have sued the city claiming that the employees are "hourly" not "salaried." The case is pending before the same judge who ruled against the City in *Morsch*.

In a separate, non-FLSA related action, a number of retired employees have filed claims against Water and Power for loss of overtime compensation in amounts up to $350,000 each.

e. **General Manager DWP**

Under provisions of the Administrative Code, general managers shall not be allowed any compensation for extra hours worked either in cash or time off (see Finding No. 3). However, a past General Manager was allowed to revert to an unused position of Assistant General Manager II and extend his service by six months through use of overtime credits accumulated prior to his appointment as General Manager. This arrangement resulted in a benefit of $27,000 -- the difference between six months of active pay as an Assistant General Manager II plus the cash out of the additional vacation credit accrued versus six months of retirement pay. Additionally, the arrangement increases the service credit for retirement by six months and the retirement amount is adjusted accordingly. The retirement increase, however, would be more than offset if the six month period included July 1 and the July 1 retirement cost-of-living increase was foregone. The Department of Water and Power should be directed to report on this matter.

(Findings continued)

9. FLSA Court Cases

The original "salaried vs. hourly" court case, *Abshire*, dealt strictly with the issue of employees being subject to docking for absences of less than one day. Department of Labor regulations have resolved this issue.

The Fire Chief Officers case, *Morsch*, however, presents other issues. The court ruled against the City, reasoning that Fire Chief Officers were not salaried because:

- Their hours of work are controlled by the City;
- They may not absent themselves from work without permission;
- Absences are deducted from accumulated leave in six minute increments;
- All time on duty and leaves of absence are recorded on departmental time sheets;
- They are compensated for overtime on an hourly basis;
- They may be suspended from duty as a disciplinary measure.

The discipline issue has been addressed with a Mayor's directive.
The City is actively pursuing legislative relief. The Mayor and President of the Council have appealed to the President and the Secretary of Labor.

Pending judicial or legislative relief the City should carefully consider action to make our higher paid employees purely salaried along the lines of the reasoning in the *Morsch* decision.

John D. Hardy
Chief Administrative Analyst

APPROVED:

Assistant City Administrative Officer

JDH:ss

ERD00479

OFFICE OF
CONTROLLER

RICK TUTTLE
CONTROLLER

220 CITY HALL
LOS ANGELES 90012
(213) 485-5093

May 23, 1997

Honorable Jackie Goldberg
Councilmember, 13th District
Chair, Personnel Committee
Room 240, City Hall

Dear Coucilmember Goldberg:

This is in response to your request for a report on overtime in the City of Los Angeles (Council File CF 92-2356).

Background

In 1992, press reports about overtime payments in the City of Los Angeles resulted in a motion for the City Council to "immediately investigate the systems of cost controls which exist in each city department with regard to overtime payments". This motion was jointly referred to the Budget and Finance Committee and the Human Resources and Labor Relations Committee. On Jan. 4, 1993 the City Administrative Officer and the City Controller were asked to review this matter, and forward any recommendations to the Council.

In February of 1997 the Chair of the Personnel Committee asked for another review of this matter, and a status report and any recommendations to the committee. This report only covers the activities and recommendations by the City Controller. The City Administrative Office recommendations will come under separate cover.

Discussion

The City Controller receives and processes payroll variations received from City Departments, including overtime variations. The Controller also distributes overtime payments, in accordance with established Memorandums of Understanding (MOUs), City,

FILED
CITY CLERK

'97 MAY 27 A9:06

CITY CLERK

BY: _____ DEPUT

State and Federal laws, subject to the availability of funding. The certification of the overtime, and the responsibility for assuring that overtime is in accordance with all applicable laws, rests primarily on the Department heads who have the authority to grant or deny overtime requests.

The City Controller sends, generally twice yearly, a report to each General Manager listing all employees under their Department who have received $5,000 or more in overtime payments in the previous six months. This is admittedly a very high threshold, but it is this office's view that the greatest opportunity for overtime savings comes with those who earn over $5,000 in overtime annually. The number of employees who earn $5,000 or more is approximately 7,600, or 15 % of the city workforce. This accounts for over 80% of the total overtime costs.

To further illustrate the importance of the employees who receive the greatest overtime compensation, we have found that over one-third of the City's overtime payments have been going to just 6% of all employees. This would indicate opportunities for saving overtime costs by filling those positions requiring the most overtime. It also leads to the question of whether overtime opportunities are fairly shared among employees.

While there have been instances of fraud and abuse of overtime compensation claims, the total amount of money involved is relatively small. The solution to these problems is greater attention by management to the overtime reports presented to them by the Controller, and greater attention to the internal controls within departments. The greatest opportunity for savings is in the areas of legally authorized overtime, in accordance with existing rules and procedures. The hiring freezes of the past five years have also created staffing imbalances that have had to be covered by overtime, when filling positions may have been the more cost-effective solution,.

Overtime Trends

The trends in City overtime are difficult to measure given the extraordinary number of official emergencies and disasters in the 1990's, the change in policy on how police overtime was handled, and the increase in salaries over time.

Overtime Compensation in

FY'90 - $ 83,194,913.19
FY'91 - $ 82,911,468.92
FY'92 - $ 84,889,490.37
FY'93 - $114,347,016.91
FY'94 - $130,820,801.41
FY'95 - $136,479,322.15
FY'96 - $127,687,296.87
FY'97 - $102,990,154.64*
*thru April 30, 1997
Est. For FY'97 if prorated at current rate
$123,588,000

The trends within departments are found in the attached document (Attachment 1). Some of the largest variations are found in the Police Department, General Services Department, Department of Transportation, and the Building and Safety Department, while the Bureau of Sanitation has shown a decline in overtime dollars. The Fire Department is the largest user of overtime in each year, where they have received roughly 43% of all overtime dollars in Council controlled Departments over the past five years, while receiving roughly 11% of the Council controlled budget.

Justifications for Overtime

Each time the Controller sends General Managers a report on which employees have received over $5,000 in overtime compensation, we have asked for General Managers to personally satisfy themselves that the overtime was necessary, and notify us of future overtime plans. The justifications this office has received for the current year overtime are attached for your review. You will note a wide range of responses and justifications in the enclosures, and several serious policy recommendations. The Controller's office has not independently verified these Departmental responses. (See enclosures for most recent responses. Attachment 2).

Recommendations for Council Action

Control of overtime costs should remain at the Departmental level, under broad City guidelines, in accordance with City, State and Federal law, and subject to the availability of appropriations. However, simply having available funds does not justify overtime expenditures.

It is generally accepted practice to use overtime for peak workloads, emergencies and in instances where the hiring of permanent replacement employees would be more costly than paying overtime (such as in the hiring of new firefighters). However, the situation in every department differs, and over time requirements change, making it difficult to ascertain if overtime is being properly utilized except on a case by case analysis.

In order to better control overtime costs, and make more efficient use of the existing workforce, it is recommended that the Council direct the City Administrative Office and the Personnel Department to develop guidelines for use by Departments to determine when a new position or hiring unfreeze be approved to reduce overtime costs.

Department General Managers evaluations should include a review of how they have managed overtime costs within their Department, both in terms of total dollars expended and how personnel have been managed.

Finally, a fresh review of the largest overtime costs in the City budget, the overtime costs in the Los Angeles Fire Department would be timely. The LAFD should be benchmarked against other major City Fire Departments to determine if there are any efficiencies that can be found in how the City of Los Angeles handles its overtime costs, perhaps by utilizing a more efficient scheduling system to cut net costs. Any such review needs to take care that public safety is a primary consideration when comparing overtime costs.

If you or the Committee have any questions, please let Shirley Tan of my office know. We look forward to working with you on improving how the City of Los Angeles manages its overtime funds.

Very truly yours,

RICK TUTTLE
CITY CONTROLLER

Attachments

cc: Honorable Richard Riordan, Mayor
Keith Comrie, CAO
Ron Deaton, CLA

ATTACHMENT 1

E CONTROLLER
RTIME BY BUDGET FISCAL YEAR

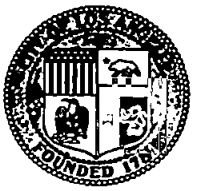
	92	93	94	95	96
5	1,071.20	498.46	4,179.83	1,672.20	3,566.91
8	127,519.23	102,213.87	49,559.31	140,837.22	105,375.79
3	613,801.06	473,910.57	2,666,078.56	3,167,083.76	1,925,911.99
6	47,158.95	46,653.97	48,740.90	58,741.87	27,225.68
7	709.29	805.26	18,113.18	6,564.78	3,223.30
6	88,323.96	325,998.58	92,334.37	340,561.28	147,188.77
	901.09	1,165.87	1,205.65	555.05	1,357.86
8			51.60	76.04	
9	47,524.55	149,262.92	118,787.30	149,382.42	110,391.48
2	75,367.97	77,845.86	68,844.22	142,754.96	113,741.53
4	68.22	9.94	20.62	12.45	125.77
8	14,257.34	12,889.64	11,372.85	13,310.14	6,136.79
1	166,047.30	134,344.76	149,426.00	181,159.25	788,439.45
9	5,334.63	2,111.03	2,905.94	11,470.19	8,709.41
2	45,730,895.00	50,392,859.23	56,256,773.11	58,131,962.84	55,225,868.79
9	3,657,015.52	3,313,253.98	3,670,654.31	4,167,829.86	2,822,613.14
8	28,052.40	68,643.04	347,404.35	563,557.30	419,253.78
4	339,577.41	345,027.04	573,398.75	613,395.46	685,675.67
1	90,833.83	92,714.18	127,182.35	175,533.16	83,233.39
8	109,450.44	80,732.01	107,187.40	124,953.83	129,344.52
6	17,147,394.30	41,943,947.26	48,734,181.42	50,009,693.20	48,920,293.09
8	58,216.62	20,421.81	13,754.58	63,607.30	11,121.17
2	27,802.99	29,145.59	27,060.47	25,354.37	19,160.01
3	596,454.08	456,777.07	843,329.27	1,854,578.47	880,905.25
7	985,418.11	1,027,831.39	1,442,186.04	1,535,885.24	1,163,835.54
		0.78	1.05	108.22	0.82
4	9,739,366.90	10,798,174.12	9,665,058.24	8,204,148.72	7,605,843.33
9	192,076.01	173,936.68	522,777.64	246,301.97	176,592.04
3	1,414,367.43	1,515,433.33	1,291,842.76	2,141,265.38	2,009,191.96
	141.12		136.50		
8	4,988.12	5,508.30	17,672.86	47,617.62	10,400.17
2	3,531,042.02	2,731,733.47	3,940,314.04	4,357,006.47	4,275,264.57
2	48,313.28	23,166.90	8,265.94	2,341.13	7,304.90
2	84,889,490.37	114,347,016.91	130,820,801.41	136,479,322.15	127,687,296.87

ATTACHMENT 2

SET OF RESPONSES FROM DEPARTMENTS

RANDALL C. BACON
GENERAL MANAGER

CITY OF LOS ANGELES
CALIFORNIA



RICHARD J. RIORDAN
MAYOR

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 485-5801
FAX NO. (213) 620-9149

March 31, 1997

RECEIVED
APR 17 1997
CONTROLLER
CITY OF LOS ANGELES

Honorable Rick Tuttle
City Controller
Room 220, City Hall

Attention: Antonio Miera
Chief Deputy Controller

OVERTIME COSTS

I have reviewed your report on employees paid $5,000 or more for overtime in 1996. As you know, we have instituted procedures to maintain tight control over overtime and appreciate the opportunity to periodically audit our practices.

In our response to the previous audit (September 1996), I indicated that we needed to tighten up on overtime in our Security Services and Printing Services divisions. While steps have been taken to lessen the overtime costs in our Printing Services division, we have found that it has been more difficult to cut back in Security Services. We have nearly the same number of vacancies in Security that we had six months ago (14%) vacant) while workload demands have increased. The key to reducing overtime in Security is to fill the vacancies, while we do not anticipate being able to do in the near future.

If you need additional information regarding our review of the overtime audit, please feel free to call me at 485-5801 or Gary Stout, our Personnel Officer, at 485-7922.

RBacon

RANDALL C. BACON
General Manager

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

DATE: APR 2 1997

REF: SSS-142-97

TO: Antonio Miera, Chief Deputy Controller
Office of the Controller

FROM: John D. Hwang, General Manager
Information Technology Agency

SUBJECT: **OVERTIME COSTS**

The Information Technology Agency (ITA) has reviewed the listing, provided in your memorandum of February 18, 1997, of ITA employees who were paid more than $5,000 in overtime during calendar year 1996.

Overtime will always be required by ITA to provide coverage to support a variety of critical public safety support operations on a 24 hour a day 7 day a week basis. It is also needed to perform maintenance and repairs to the City's data network on an off shift basis so as to minimize impact to daytime operations of the City. It cannot be expected that these underlying reasons for much of ITA's overtime will be eliminated.

However, it should be noted that more than 50% of the overtime which was reflected in the report was worked by employees in the classification of Communications Electrician (CE). During this reporting period, about 20% of ITA's CE positions were vacant due to both lack of an eligible list and the hiring freeze. Recently ITA made 9 emergency CE appointments but 15 of the 128 authorized positions remain vacant. Regardless of the number of vacancies, critical work must get done. Use of overtime was one of the few methods available to ITA to accomplish the work program.

A CE eligible list was established last month. ITA is developing a request to exempt the CE series from the hiring freeze. If this request is approved, ITA will be able to fill its vacancies and it is expected that the need for overtime would be reduced. In addition, as a result of a recent ITA reorganization, it is expected that the concentration of overtime usage by only a few employees will also decrease.

ITA is conducting an on-going review of all overtime use in excess of $5,000 to determine if all has complied with ITA's overtime policy of August, 1996.

ITA will continue to closely review the need for all overtime and monitor its use.

For further information please contact Sharon Stenen at 485-4541.

otcont.wpd

FORM GEN. 160 (REV. 6-80)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 12, 1997

To: Antonio Miera, Chief Deputy Controller
Office of the Controller

From: Tim Taylor, General Manager
Department of Building and Safety

Subject: **OVERTIME COSTS**

Post-it™ brand fax transmittal memo 7671	# of pages ▸ 2
To Shirley Tse	From Tom Cubie for
Co.	Co.
Dept.	Phone # 847-7713
Fax # 485-9646	Fax #

The Department has received the Controller's report on certain overtime costs for the 1996 calendar year. Records of employees who have been paid in excess of $5,000 of overtime during this period have been reviewed and the Department has determined that the use of this overtime was necessary. Our review has also revealed that the overtime was authorized and performed in conformance with Department policy.

Generally, the use of overtime was necessary to cover the following department needs:

1. Requested off-hour inspections where the work must be completed during evenings or on weekends. This overtime is requested and paid for by the customer.

2. Overtime work to complete critical Harbor Department projects. This work is conducted pursuant to a Council approved agreement with the Harbor Department, and the Department of Building and Safety is reimbursed by the Harbor Department for the overtime.

3. Systems Development Programs which have designated time lines such as the Plan Check and Inspection System (PCIS).

4. Reporting, record keeping, and inspection requirements related to the Northridge Earthquake.

5. Overtime work associated with nuisance abatement programs funded and reimbursed by Housing and Community Development Block Grant Funds.

6. Overtime to reduce periodic backlogs in regular structural and mechanical plan check work.

7. Overtime required to keep up with the backlog in annual inspection of elevators. This backlog has developed mainly as a result of the inability to fill vacant Elevator Safety Engineer positions. The Department is attempting to address this situation.

I have also directed Bureau Chiefs and subordinate managers to review all overtime usage by staff. The review is to be focused on ensuring the absolute critical need for the overtime, the identifiable work products of the overtime, and conformance with existing Departmental policy. If deficiencies are noted they will be addressed promptly.

With the exception of earthquake work, which has substantially declined, the Department expects to use an appropriate amount of overtime to continue to meet the above noted needs for the remainder of this fiscal year. It is expected that the use of overtime to remain within budget and we will continue to seek reimbursement from special funding sources when warranted.

Please do not hesitate to contact Tom Whelan at 847-7713 or Ann Hall at 485-3777 if any additional information would be of assistance.

tw/a:otuse.wpd

LOS ANGELES POLICE DEPARTMENT

RUSH

ROUGH DRAFT

WILLIAMS
Chief of Police

RECEIVED
MAY 14 1997
CONTROLLER
CITY OF LOS ANGELES

RICHARD J. RIORDAN
Mayor

P.O. Box 30158
Los Angeles, Calif. 90030
Telephone:
(213) 485-4374
Ref #: 10.1

May 13, 1997

Post-it® Fax Note 7671 | Date 5/14 | # of pages ▶ 2
To Shirley Tan | From Wray Holland
Co./Dept. Advanced Copy - FYI | Phone #
Phone # for your reference | Fax #
Fax # 57886

Honorable Rick Tuttle
City Controller
200 N. Spring Street, Room 220
Los Angeles, CA 90012

Attention: Ms. Shirley Tan

Dear Mr. Tuttle:

In response to your memorandum of February 18, 1997, the Police Department has reviewed data on civilian employees earning in excess of $5,000 in overtime in calendar year 1996. While the payments to specific employees may give the appearance of being excessive, analysis of the data by organizational entity revealed expenditure patterns consistent with our experience. All cash overtime for civilians is subject to prior review and approval by Fiscal Operations Division (FOD). However, FOD does not examine who will work overtime, but makes allotments of cash overtime to divisions based on perceived need.

The employees included in your data are generally assigned to support functions (i.e., FOD, Records and Identification Division, Systems Development Task Force, Scientific Investigation Division, and Supply Division). These and other support divisions have been severely taxed by the unprecedented growth of the Department in the areas of technology and personnel. Additional sworn and civilian personnel have taxed the ability of FOD and Supply Divisions to both pay the new employees and provide logistical support. New facilities and technology growth have exacerbated the demand for logistical support. The widespread installation of computers has required a substantial commitment of resources. The workload in Scientific Investigations and Records and Identification Divisions arising from field activities and backlogs remains high.

While the Public Safety Plan as developed by the Police Department and endorsed by the Mayor included commensurate growth for support functions, to date the Department has been unsuccessful in obtaining budgetary recognition of the need for additional civilian positions to support field operations. The Mayor's Proposed Budget for FY 1997/98 does include some

additional civilian positions to mitigate problems in specific areas, and it is anticipated that the Police Department's Proposed Budget for FY 1998/99 will emphasize infrastructure resulting in requests for staffing in support functions.

These circumstances have been recently aggravated by the hiring freeze on civilian employees. Demand for cash overtime is much higher than normal and many support units have been forced to curtail service. For the balance of the fiscal year, cash overtime for civilians will continue to be allocated based on perceived need. However, the commitment of funds for overtime worked by specific employees will continue to be at the discretion of divisional managers.

Questions concerning this matter should be referred to Mr. Wray Hollemon, Chief Management Analyst, FOD at (213) 485-5296.

WILLIAM R. MORAN, Police Administrator
Commanding Officer
Fiscal Support Bureau

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

MAR 0 4 1997

CONTROLLER
CITY OF LOS ANGELES

Date: March 3, 1997

To: Antonio Miera, Chief Deputy
Office of the Controller

From: William T Fujioka, General Manager
Personnel Department

Subject: OVERTIME COSTS

This is in response to your memo dated February 18, 1997, in which you requested our overtime plans for the rest of the fiscal year. The Personnel Department is currently budgeted $121,194 for overtime, of which the expenditure of $95,000 is projected. As of February 15, 1997, $69,883 has been spent, of which $15,453 was used for out of town police officer recruitment trips and $46,330 by the Applicant Services Division. Due to very heavy applicant filings for various entry level examinations, it was necessary to schedule clerical employees during weekends to process the applications.

All overtime is monitored by the Management Services Division, which completes a status report every two weeks for review by Department management. In addition, other than for emergency situations, any division anticipating the need to work overtime must obtain advance approval from an Assistant General Manager, after review and determination from Management Services that sufficient funds are available.

If you have any questions regarding this response or need any additional information, please contact Jim Heyne, Management Services Division at extension 7-9375.

JB/LJH

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 5, 1997

To: Antonio Miera, Office of the Controller

From: Robert R. Yates, General Manager
Department of Transportation

Subject: DOT OVERTIME COSTS--1996

Received
MAR 13 1997
CONTROLLER
CITY OF LOS ANGELES

We received your memo regarding overtime costs in the Department of Transportation. The Department continuously monitors its overtime expenditures throughout the year. The individuals identified in your report for 1996 are all engaged in Department activities which must be performed on overtime.

All traffic control personnel, Traffic Officers and Senior Traffic Officers, must receive paid overtime when assigned to special event traffic control assignments. Staffing of special events is done at the direction of the Mayor and Council. Routinely Department field repair staff must utilize overtime to complete repairs to the City's traffic control systems to preserve public safety. Grant, fee or special funded overtime is authorized pursuant to the provisions of the grant or special fund requirements; the use of overtime is frequently the most cost effective method of completing the project.

Finally, the hiring freeze and delays in filling positions necessitates that overtime be utilized if project deadlines are to be met. We would welcome any suggestions you might have for exempting grant, fee and non-General Funded positions from the hiring freeze.

DOC:vs
Ovtm-cst

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 17, 1997 MAR 2 6 1997

TO: Rick Tuttle, Controller

Attention: Tony Miera, Chief Deputy Controller

FROM: Gregory L. Scott, Director
Bureau of Street Maintenance

SUBJECT: **OVERTIME USAGE**

Thank you for your recent report indicating those employees who were paid in excess of $5,000 during calendar 1996. Our analysis of the report shows that the employees earned the overtime while engaged in the following necessary activities:

- resurfacing work after shift for equipment maintenance, asphalt plant maintenance on weekends to not interfere with plant manufacturing schedules and weekend resurfacing to minimize the effects on traffic, supervision of Alternative Sentencing Program participants performing Bureau work on weekends, implementation of the new scanning technology payroll/cost system and data input, pesticide spraying and telephone surveys.

- emergency maintenance response after regular hours and weekends;

- emergency response to street tree problems created by rain and windstorms.

For the balance of the year, the Bureau will utilize approximately $ 900,000 in overtime funds performing functions as indicated above. (The expenditures for storm response cannot be predicted and therefore an estimate of $300,000 is included in the above to provide for this contingency.)

If there are any questions, please contact Mr. William E. White, Assistant Director at extension 5-5681.

GLS/hfg

HFG97- 3/otanalys

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 19, 1997

TO: Antonio Miera
Chief Deputy Controller

MAR 2 6 1997

FROM: George T. Rakis
Assistant General Manager
Los Angeles Convention Center

SUBJECT: OVERTIME COSTS

We have reviewed the Overtime Cost Report issued by your office that list the employees in our Department who were paid in excess of $5,000 during the 1996 calendar year. The overtime was necessary to meet the staffing requirements and provide services for the events taking place at the Convention Center.

The overtime is anticipated and included in our Department's budget. At the beginning of each fiscal year, overtime and as needed hours are allocated to each operating division based on the requirements to satisfactorily staff the shows. Scheduling of employees and overtime requirements are completed on a weekly basis by each supervisor and submitted to their division manager for authorization and approval. On a weekly basis, division managers are required to submit their personnel projections for the next two-week period to the Assistant General Manager/Operations for final review. Each division's hours are monitored and included in an overtime and part time allocated hours expenditure report (see attached) which is completed after each pay period and distributed to each division supervisor.

In an effort to reduce our costs for the remaining portion of this fiscal year, the LACC will implement "minimum staff days" during the period of April 1 through June 30. This requires only essential employees be scheduled during this time to meet the show requirements. Any other work that may require additional as needed personnel or overtime to complete will be held back until next fiscal year. Minimum staff days have been effectively used in the past when further cost controlling measures are necessary.

If you have any questions regarding our overtime expenditures, please contact me at (213) 741-1151, x5307.

George T. Rakis
Assistant General Manager/Operations

GTR:lb

Attachment

cc: Dick Walsh
Chris Simons
Noel Williams

OVERTIME & PART TIME ALLOCATED HOURS EXPENDETURE REPORT
FY 96/97, WEEK-37 ENDING 3/08/97

RECEIVED
4 1997
Convention Center

SECTION / POSITION	ALLOCATED HOURS	YTD USED HOURS	REMAINING HOURS	WEEK HRS. CASH	WEEK HRS. 5-C
CARPENTER					
SR CARPENTER	50	15.9	34.1	3.7	0
CARPENTER	200	40	160	0	4.3
BLDG. REP.	100	25.5	74.5	0	0
LOCKSMITH	0	0	0	0	0
CLEANING					
CHIEF CUST.	100	71	29	8	0
SR EVENT ATT	200	0	200	0	0
LEO'S	1000	1248.5	-248.5	83.5	0
EVENT ATT I	100	0	100	0	0
M & C's				0	0
PART TIME					
PT M & C'S				86	0
PT EVENT I	5040	5813.6	-773.6	286.8	0
PT EVENT II	8064	6943.9	1120.1	325.4	0
PTEVENT III	1344	1240.2	103.8	87.9	0
COMMUN.					
SR. COMM	350	341	9	28.2	0.3
COMM ELECT	300	242.2	57.8	16.7	0
ACE	100	268.6	-168.6	19.4	0.5
PART TIME					
PT COMM ELEC	3054	2679.6	374.4	364.6	0
PT M & C				0	0
PT CLK TYP				0	0
CONTROL RM					
SR. BOE	100	145.5	-45.5	3	0
BOE'S	400	835	-435	40	1
ELECTRICAL					
SUPV.	300	376.2	-76.2	33	0
SENIOR	1200	1150.2	49.8	56.1	0
ELECT.	7500	4973.8	2526.2	338.7	20.2
E.C.H.	2600	1150.7	1449.3	47	47.3
M&C				0	0
PART TIME					
P.T.- ELECT	20547	7628	12919	51.7	0
P.T.- E.C.H.	3517	513.7	3003.3	12.4	0
R- ELECT	7000	4695.95	2304.05	256.5	0
R- E.C.H.	1400	1059.9	340.1	85	0

OVERTIME & PART TIME ALLOCATED HOURS EXPENDETURE REPORT
FY 96/97, WEEK-37 ENDING 3/08/97

SECTION / POSITION	ALLOCATED HOURS	YTD USED HOURS	REMAINING HOURS	WEEK HRS. CASH	WEEK HRS. 5-C
FACILITIES					
BS I - Bldg. Maint.	50	7.5	42.5	0	0
BS I - Shows	300	310.5	-10.5	28	0
BLDG RPR SUP	150	109.8	40.2	0	0
SECRETARY	20	0	20	0	0
SR CLK	100	0	100	0	0
CLK TYP	50	26.5	23.5	0	0
DRAFT	20	3.6	16.4	0	0
PART TIME				0	
PT CLK TYP				14.5	0
PT M&C				28.7	0
MECH. SHOP					
SR. MECH RPR	100	28.8	71.2	0	0
MECH REPR	150	13	137	0	0
MECH HELPER				0	0
PART TIME					
PT M & C'S				0	0
PAINT SHOP					
SR. PAINTER	100	17.9	82.1	0	0
PAINTER	50	73.2	-23.2	0	0
M & C				0	0
PART TIME					
PT M&C				56	0
PLUMB SHOP					
SR. PLUMBER	300	44	256	0	0
PLUMBER	400	199.6	200.4	2	3
MECH HELPR				0	0
PART TIME					
PT PLUMBER	586	0	586	0	0
R PLUMBER	96	42.2	53.8	0	0
GRP. TOTALS					
M & C	400	151.3	248.7	0	
MECH. HELPER	400	26.5	373.5	0	
PART TIME					
P.T. CLK TYPE	1544	1474	70	14.5	
P.T. M&C	6936	4937.2	1998.8	170.7	

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

RECEIVED

MAY 14 1997

CONTROLLER
CITY OF LOS ANGELES

DATE: May 8, 1997

TO: Shirley Tan
Principal Deputy Controller
Office of the Controller

FROM: Tony Espiritu
Departmental Chief Accountant II
Recreation and Parks

SUBJECT: OVERTIME COSTS

Since I do not have the list attached to your memo, we wrote a program to select those active employees who exceeded $5,000.00 in overtime costs for the calendar year 1996. There is only one person who qualified this parameter; she is Leonore Boulden working in our Golf and Tennis Reservation Office. Her overtime is absolutely necessary in assisting golfers and tennis players in using our golf courses and tennis courts. We also have just completed our automated golf reservation system which I am sure will be more efficient than the old manual reservation system.

In connection with our plans for our overtime this year, our general manager, Jackie Tatum has been instructing and reminding our employees to use overtime only when absolutely necessary for the efficient functioning of the City of Los Angeles or that might affect public safety.

Besides, our overtime budget for this year is only $208,502.00 and we have just expended as of today $158,307.60 including payouts for employees retiring or resigning who have accumulated overtime.

If you have any questions, please call me at (213) 485-4898.

RECEIVED
MAY 14 1997
CONTROLLER
CITY OF LOS ANGELES

DATE May 14, 1997

TO: Shirley Tan, Principal Deputy Controller

FROM: Carmen C. Cobian, Departmental Chief Accountant
Los Angeles Housing Department

SUBJECT: OVERTIME

As instructed by the Controller's Office, this Department has reviewed the overtime needs for the rest of the fiscal year 1996-1997.

We do not anticipate any overtime paid during the remaining 4 accounting periods of this fiscal year. We anticipate some overtime to be worked that will be charged to comp. time. No terminations involving overtime paid are anticipated.

If you have any other questions please call me at 847-7460.

Post-it® Fax Note 7671	Date 5/14/97 # of pages ▶ 1
To SHIRLEY TAN	From CARMEN COBIAN
Co./Dept. CONTROLLER	Co.
Phone #	Phone # 847-7460
Fax # 485-4896	Fax #

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

RECEIVED
MAY 16 1997
CONTROLLER
CITY OF LOS ANGELES

Date: MAY 16 1997

To: Tony Miera, Deputy City Controller
Office of the Controller
ATTN: Shirley Tan

From: Drew Sones, Director
Bureau of Sanitation

OVERTIME COSTS

Your memo of February 18, 1997, provided a listing of Bureau of Sanitation employees who had been paid in excess of $5,000 for overtime worked from January 6 to December 21, 1996. You requested that we review and comment on the overtime usage. Let me reiterate at the outset that the Bureau has a continuing commitment to controlling overtime usage within the Bureau's operational constraints, which we do through several internal review/control procedures. One example is that Supervisors must receive prior approval from the District Superintendents to work non-emergency overtime in our Refuse Collection Division. In addition to prior approval for non-emergency overtime, all of our divisions review overtime on both a biweekly and quarterly basis to ensure that overtime worked was justified.

In direct response to your February 18 memo, I instructed my division managers to review the overtime usage listing you provided, and they all responded that the overtime usage was necessary to meet the Bureau's critical operational needs. Following is an itemization by Division and the justification for the overtime worked.

SOLID RESOURCES - RECYCLING AND COLLECTION

The majority of the employees on your list are assigned to the Refuse Collection Division which collects and transports household refuse for disposal. (Some 283 employees, or 90% of the employees on your list are refuse collectors.) It is essential that each of the assigned collection routes be completed daily since refuse left at curbside poses a potential health hazard to the general public. The Refuse Collection employees on the list work on the collection of refuse, yard trimmings and recyclables. The overtime worked was necessary during this time due largely to the tragic refuse truck/school bus accident that occurred December 1995. The Mayor and City Council required the Department of General Services to perform an immediate and thorough inspection of all refuse trucks before the trucks were released for use by the Bureau of Sanitation. This caused the availability of automated refuse trucks to plummet dramatically for several weeks. The greatest impact was on the East Valley Yard as crews had to work excessive overtime to make up for the lack of trucks.

Also, the Bureau was servicing about 180,000 extra capacity containers which were in addition to the standard allotment of two automated containers (green and black containers) given to each residential customer. This represented an increase of about 13% in the number of containers collected each week. With the City Council's adoption of an extra capacity fee, a significant number of these extra containers have been and are being returned (already in excess of 30,000), which will reduce this workload in the future.

Also during this time period at our Lopez Canyon Landfill Facility:

1) An Equipment Operator was required to act as Supervisor for daily refuse disposal/coverage operations which was conducted on a 10-hour work shift five days a week. Therefore, he was required to work 50 hours a week instead of his normal 40 hours per week. This was necessitated because of the long term illness of the regular Supervisor. With the closure of Disposal Operations at the Landfill since July 1, all work is now done on eight-hour shifts five days a week and overtime usage is minimal.

2) An Equipment Supervisor, who is in charge of the Gas Collection Construction and Maintenance crews, supervised the expansion and construction of the gas collection system and the repair of hot spots where methane gas was escaping from the collection system. Work had to be done on Saturdays to comply with AQMD permit requirements for hot spot repairs. With the ending of refuse disposal activities at the Landfill effective July 1 and recent completion of the expansion of the gas collection system, the number of hot spots has dropped significantly and overtime usage is minimal.

DONALD C. TILLMAN WATER RECLAMATION PLANT

The employee at this location was paid for holidays that occurred on his regular day off and paid for overtime that accumulated prior to 1996. The time is at straight pay but is charged to the overtime fund.

LOS ANGELES - GLENDALE WATER RECLAMATION PLANT

The major portion of the overtime worked by the two employees was accumulated by working legal holidays and working shifts when other employees were unable to do so (employee illness or jury duty). In addition, overtime was worked on some occasions due to special circumstances surrounding in-plant construction projects and special operating procedures (SOPERS) conducted on the off shifts and plant upsets.

TERMINAL ISLAND TREATMENT PLANT

Overtime was worked to make emergency repairs and corrections to treatment processes to avoid violations of regulatory agency permit standards; to correct health and safety problems threatening City employees and the public; to correct or manage situations that could cause substantial monetary loss to the City; to maintain minimum shift coverage and to perform work required to meet short deadlines.

HYPERION TREATMENT PLANT

Four employees in the Operations Section - Energy Recovery Operations (primarily responsible for staffing and controlling operations from a control room) at the Hyperion Treatment Plant worked large amounts of overtime for the following reasons:

1) In general, overtime is rotated through staff, however, when no interest is shown to work overtime, the supervisory staff still has the obligation to insure coverage of the station post. Shortages occur when regular employees are on vacation, emergency leaves, personal business days, holidays and sick time. The rate of compensation for these supervisory employees is high due to their higher pay status.

2) Due to the critical nature of the assignment as start-up Energy Recovery Supervisor for the Cryogenic (Cryo) Facility, a supervisor was required to assist the Contractor and represent the City during startup, problem identification for equipment and warranty purposes, and writing of operating procedures for the aforementioned new processes. Overtime is usually generated when a new facility comes on line, and requires an operations representative to be on hand at all times during startup to ensure that contractual obligations and milestones are met by the Contractor to the City of Los Angeles. Additionally, the Supervisor was required to provide training to other operations personnel in the Cryo Facility which required that he spend time preparing of training materials, as well as time to review and process tests and reports.

One employee in the Liquid Operations Section worked overtime for the following reasons: 1) Holiday coverage necessary because of 24 hour per day operation; 2) Personnel coverage due to vacancies, jury duty, bereavement leave, sick time, vacations and suspensions; 3) Emergencies and construction activities (SOPERS) requiring additional personnel; and, 4) Mandatory training such as confined space entry and lock-out/tag-out. Procedures are now in place that reduce total overtime needed, either by consolidating station post coverage, "working supervisors down", or leaving station posts unstaffed. Some of these procedures were not in place in 1996.

One employee who transferred from the Bureau of Contract Administration accumulated all of his overtime in that Bureau.

WASTEWATER COLLECTIONS DIVISION

Three of the employees identified were assigned to City-wide Night Operations. They supervise night crews who respond to and handle complaints of sewer stoppages, overflows, set up and monitor bypass operations and provide catch basin cleaning for the entire City. These emergencies often require crew members to work past the end of their regular shift. Because of the sensitive nature of complaints, a Supervisor often is assigned to respond to the jobsite and stays until the emergency is mitigated. In addition, one of the Night Supervisors works each holiday to oversee crew activities.

One employee supervises the South District Yard and worked large amounts of overtime due to the following reasons: 1) Overtime required during the February-March 1996 heavy rains; 2) overseeing and responding to Council complaints: 3) conducting a pilot catch basin cleaning program in Council District 9: and, 4) responding to LAPD notifications of activated alarms at the Yard.

One employee transferred from the Department of Airports and accumulated all of the overtime in that Department.

WASTEWATER ENGINEERING SERVICES DIVISION

Two employees in the Financial Management Section were requested to work overtime to reduce the response time of the Sewer Service Charge (SSC) applications and adjustment from 6 months to 2-1/2 months by the Board of Public Works and the City Council. This consisted of reviewing and signing all of the SSC letters; answering questions from Councilmembers and the public regarding Sewer Assessments; and, the processing of vacancy, acreage, residential supplemental and commercial adjustments.

One employee is on loan to the Bureau of Engineering - Collections Systems Engineering Division supporting the high priority Earthquake Sewer Reconstruction Program mandated by the Federal Earthquake management Agency (FEMA) through January 1998. The workload is projected to diminish after July 1997.

INDUSTRIAL WASTE MANAGEMENT DIVISION

The one employee worked overtime on two specific programs/projects during 1996. These programs/projects were the Septage Waste-Hauler Program and the SSC Restructuring/O-Based QSF. This consisted of fees and rate development; Ordinance revisions; setting program/project guidelines and operational mode revisions; public meetings and presentations; special studies and development of major reports; and, mass mailings and notifications. Most of the overtime was caused by Bureau of Sanitation

Management, Board of Public Works and City Council "last-minute" changes to the proposed Program/Project elements.

WASTEWATER MAINTENANCE DIVISION

Five employees worked overtime due to vacancies in the warehouse to reduce the backlog in the following areas: receiving, locating issues, cycle counting, pulling of dormant stock and wall-to-wall inventories at other warehouse locations. Employees volunteered for overtime when others declined.

Two employees performed extensive stand-by pager duty for 1996. Stand-by pager pay is compensated at $15 per day and a minimum of four hours overtime be paid for each "call-out". This work consists of unscheduled after-hours work or work that exceeds the normal work day.

One employee promoted to this division form another division within the Bureau. The employee worked as a Refuse Collection Operator.

PUBLIC AFFAIRS OFFICE

This employee supervises and participates in the LA Resource Program's public education and community outreach activities. These activities involve the participation of the public education staff at the numerous weekend and evening special events and speaking engagements. Several staff members participate in these activities on a rotating basis or on an as-needed basis. In addition, as a Master Composter, this employee participates in a monthly Backyard Composting Workshops which are held throughout the City on weekends. He also promotes TOPGRO, the City's own compost, which accounts for several weekend days of work during the Christmas Tree Recycling Program. This employee participated in nearly forty weekend and evening events during 1996.

I am satisfied that the overtime worked by the individuals appearing on the report your office generated was warranted as explained above. Please note that in some Divisions/Sections only a small percentage of individuals make themselves available for overtime, thereby accounting for such a large amount of overtime worked by those individuals. But, in all cases overtime is offered equitably within the Section.

If you have any further questions on this matter, please contact Jeffrey S. Brill of my Administration Division at (213) 485-1805.

JSB.otcost96.jsb3

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

APR 0 2 1997

Date: March 31, 1997

To: Antonio Miera, Chief Deputy Controller
Office of the City Controller

From: Parker C. Anderson, General Manager
Community Development Department

Subject: **FY 1996-97 OVERTIME COST PROJECTION**

In accordance with your memorandum entitled "Overtime Costs" (dated February 18, 1997), this Department has assessed resource needs for the remainder of the current fiscal year. As of the pay period ending March 15, 1997, this Department had expended $124,587 from a year-to-date appropriation (from original budget and subsequent appropriations) of $185,653.

At this time, this Department does not anticipate significant year-end savings in the overtime account. Some examples of the probable uses of overtime funds in the remainder of the current fiscal year include the following:

- Request for Proposals (RFP) review for projects such as L.A. Bridges, Human Services Delivery System, One-Stop Centers, and School-to-Career
- Contract preparation for above and other items
- Consolidated Plan preparation
- Grantee Performance Report (GPR) preparation
- Single Audit Schedules of Federal Financial Assistance (SFFA) preparation
- HUD Integrated Dispersement & Information System (IDIS) conversion
- Generally Accepted Accounting Procedures (GAAP) report preparation
- Community Development Block Grant (CDBG) close-out
- Summer Youth Employment Program (SYEP) enrollment/processing of 8,000 - 9,000 participants

Please contact Barker Khorasanee, Director Financial Management Division, should you have any questions regarding this matter.

Post-it™ brand fax transmittal memo 7671	# of pages ▸ 2
To Shirley Tan	From John M. Franco
Co. Controller	Co. Engineering
Dept.	Phone # x 78761
Fax # x 59886	Fax # x 78357

Duplicate

7

GELES
RRESPONDENCE

RECEIVED
MAY 07 1997
CONTROLLER
CITY OF LOS ANGELES

Date: March 4, 1997

To: Rick Tuttle
City Controller

Attn: Shirley Tan
Chief Accountant

From: Sam L. Furuta, City Engineer
Bureau of Engineering

By: John M. Franco
Chief Management Analyst

Subject: **OVERTIME COSTS**

All overtime costs included in your recent listing were necessary for the proper functioning of the Bureau of Engineering. This organization has been heavily impacted by the need to meet federal requirements relating to FEMA eligible grants, and comply with Council expectations and directions on expediting various bond fund and seismic rehabilitation programs. The bureau has also suffered extensive position cuts and vacancies in all of its programs and divisions.

The Bureau of Engineering maintains adequate internal controls over its overtime usage. In addition to the regular time sheet control which requires approval of the immediate supervisor, an advance request for overtime use must be submitted by division heads to the Chief Deputy City Engineer prior to such overtime being worked. The Bureau also produces its own overtime report from payroll records quarterly and distributes it to districts and divisions so that they may watch overtime utilization of their staff and take any necessary action if it appears that usage is getting out of line. The Bureau of Engineering utilizes cash overtime almost exclusively since it has no seasonal activities which would allow staff to work for compensated time during a busy season and take time off when work is slow.

Inasmuch as most of the above circumstances are still continuing, we do not foresee any change in the Bureau's need to use overtime for the balance of the 1996-97 fiscal year. Unfortunately, due to shortages in our salary accounts, both salaries general and overtime, the Bureau is running over its budgetary appropriation at the present time. Steps have been taken to manage the accounts by restricting the use of overtime to only the highest priorities, however we do expect to exhaust the account by the end of the fiscal year

Adding positions would probably not be cost effective compared to paying cash overtime. In general, the City uses too little rather than too much overtime. An organ zation that uses too little overtime is probably over staffed toward higner level peak workloads and not for average operations. Unfortunately, at the political levels

overtime is viewed as something bad, very much like travel (a favorite media target), and therefore a thing to be criticized. Private industry has known for years that the utilization of overtime is cost effective up to approximately 21% of an employee's regular work time. Beyond that point inefficiencies of fatigue and other factors begin to come into the picture.

If you have any questions, please call John M. Franco at extension 78761.

SLF/[redacted]bh:otcosts2.doc

cc's: Craig V. Bloomquist
Winifred H. Harano

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

RECEIVED
MAY 12 1997
CITY CONTROLLER
LOS ANGELES

DATE: May 12, 1997

TO: Rick Tuttle, Controller
City of Los Angeles
Attn: Shirley Tan

FROM: Larry A. Keller, Executive Director
Harbor Department

SUBJECT: HARBOR DEPARTMENT OVERTIME COSTS

Thank you for your memorandum of February 18, 1997 concerning overtime usage at the Harbor Department. We apologize for not replying earlier; a draft response had been prepared but was inadvertently not finalized and sent to you.

The Department continues to aggressively review all overtime expenditures with the objective of reducing them wherever possible.

The following summary explanation applies to several of the major users of overtime within the Harbor Department:

1. Approximately 25% of Port Police overtime is reimbursable to the Harbor Department by movie companies and our cruise center operator. In addition, we experienced a considerable amount of labor unrest at our scrap terminal which required the deployment of extra Port Police on an overtime basis. However, we have recently instituted a procedure requiring a higher level supervisory review and authorization for all non reimbursable overtime in advance in order to ensure that it is absolutely necessary to maintain the safety and security of the Port.

2. A significant amount of overtime has been authorized in our Construction & Maintenance Division for certain building trades, including personnel working on container crane maintenance, which are responsible for providing services to our customers. The use of overtime in these instances is partly attributable to the fact that we are carrying a number of vacant positions while we reassess the mission and staffing requirements for the division.

3. The principal use of overtime by our Port Pilots is for call backs when there is an insufficient number of pilots on duty and a pilot must be called from home in order to ensure the timely movement of vessels. We continue to experience several long term employee absences because of medical reasons which has added to the requirement for call backs.

4. We continue to expend a significant amount of overtime among certain of our Construction Management and Engineering employees who are working to complete major construction projects at the Port. We will now begin to see a gradual decline in the expenditure of construction dollars which will result in a reduction of overtime usage by these employees.

The Harbor Department is currently at its lowest level of staffing in the last five years which has also resulted somewhat in the utilization of overtime.

If you have any questions please contact our Director of Port Administration at (310) 732-3700.

51297.idc

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 5, 1997

RECEIVED
MAY 0 9 1997
CONTROLLER
CITY OF LOS ANGELES

TO: Antonio Miera, Chief Deputy Controller
Office of the Controller
Attention: Shirley Tan

FROM: Gerald Capodieci, Assistant Treasurer
City Treasurer's Office

SUBJECT: OVERTIME COSTS

In response to your letter of February 18, 1997, we have approximately $2,130 in our overtime account which we plan to use for end-of-the-year closing and reconciliation.

We have also reviewed past overtime payments and are satisfied that usage was necessary. In accordance with your recommendation, we do review and exercise proper control in approving any requests for overtime.

If you need additional information, please call either Fouad Anis or Eileen Yoshimura at (213) 485-2496.

DATE: May 5, 1997

TO: Shirley Tan
Office of the Controller

FROM: Lorraine M. Osuna
City Employees' Retirement System

SUBJECT: OVERTIME COSTS

In response to your query this department intends to use all of its budgeted overtime. We consider it necessary in order to administer all the new benefits passed by Council this fiscal year.

Post-it™ brand fax transmittal memo 7671	# of pages ▸ 1
To Shirley Tan	From L. OSUNA
Co. City Mgr	Co. CERS
Dept.	Phone # 485-2824
Fax # 485-9886	Fax #

FORM GEN. 160 (Rev: 6-84)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

VIA FACSIMILE

Date: March 31, 1997

Received
MAR 3 1 1997
CONTROLLER
CITY OF LOS ANGELES

To: Antonio Miera, Chief Deputy Controller
Attn: Shirley Tan

From: Kris Morita, Business Manager
Library Department

SUBJECT: OVERTIME COSTS

The bulk of the overtime costs for the Library Department is expended on the provision of Sunday service hours at the Central Library. This program was approved by the City Council's Executive Employment Relations Committee for FY 1996-97. Any other overtime costs would be expended on security for emergency purposes or as it relates to public safety.

In regard to the overtime report in which 10 employees of the Library Department are listed as having earned over $5,000 in overtime: eight of the employees volunteer frequently to work on Sundays in Central Library; the senior delivery driver worked overtime because there were two delivery driver vacancies and the new security officer worked his overtime hours in his previous department, Harbor.

If there are any questions, please call me at 228-7461.

Post-it® Fax Note 7671	Date 3/31/97	# of pages ▶
To Shirley Tan	From Kris Morita	
Co./Dept. Controller's Office	Co. L.A.P.L	
Phone # (213)	Phone # 228-7461	
Fax # 485-9886	Fax # 228-7449	

FORM GET. 160 (REV. 6-80)

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

DATE: MAR 17 1997

TO: Rick Tuttle, City Controller
Controller Office
Room 220, City Hall - Stop 183

MAR 20 1997
CONTROLLER
CITY OF L.A.

FROM: George A. Eslinger, Director
Bureau of Street Lighting

SUBJECT: **OVERTIME COST-BUREAU OF STREET LIGHTING**

In response to your request of February 18, 1997 relative to the above, the Bureau of Street Lighting has reviewed your listing of employees paid is excess of $5,000. We are satisfied that all overtime work was necessary.

We plan to expend all of our overtime funds this fiscal year. Overtime is used for: emergency repairs and to eliminate repair backlogs, to backup data after normal working hours, attending night time community meetings, and work on expedited projects at the request of other departments and agencies(we receive full reimbursement for this activity).

All our overtime requires prior approval by management, and funds are closely monitored by our Administrative Services financial and payroll staff. It should also be noted that overtime funds are allocated to our budget from the Street Lighting Maintenance Assessment Fund and no General Funds are expended.

If you have any questions, please call Sandra Cerulli at 847-6397.

SC:sr (FASDAS1D/0127)
W.A. 9703-052

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

APR 0 2 1997

Date: March 27, 1997

To: Rick Tuttle, Controller
Office of the Controller
Attention: Shirley Tan

From: C. Bernard Gilpin, Director
Bureau of Contract Administration

Subject: OVERTIME COSTS

In response to your letter dated February 18, 1997, we have reviewed the list of overtime payments over $5000 to Bureau employees and are satisfied that the payments were necessary.

The Bureau closely monitors overtime usage on a monthly basis and has clear guidelines as to its use. Overtime may only be used for critical activities and public safety. All overtime usage must be approved by direct supervisors and division heads and is distributed as evenly as possible given specific project requirements. Division heads must also submit written justification for employees who exceed 10 hours of overtime in a pay period.

Most of the Bureau's overtime is used by construction inspectors who must work unusual hours in order to respond to hours worked in the construction industry. Frequently, contractors work extended days and on weekends to maintain progress schedules and meet critical deadlines. In addition, they must work on holidays observed by the City but not the industry: Columbus Day, Martin Luther King's Birthday, Washington's Birthday, and some holidays falling on a Saturday but observed by the City on Friday (e.g. Veteran's Day in 1995).

Inspection overtime usage will continue at the current level for the remainder of this fiscal year due to work on earthquake sewer repairs in the San Fernando Valley. Additionally, new work will be starting at the Ontario International Airport and inspectors will be working overtime in order to take advantage of daylight savings time.

If you have any questions, please contact me at 580-5076.

TS:JH\OVERTIME\OTUSE97.WPD

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: February 24, 1997

FEB 2 7 1997

CONTROLLER
CITY OF LOS ANGELES

To: Antonio Miera, Chief Deputy Controller
Attention: Shirley Tan

From: Gary Mattingly, General Manager
Department of Pensions

Subject: **Overtime Costs**

In response to your letter of February 18, 1997, I have reviewed the overtime records of the three identified employees in this Department who were paid over $5,000 during the 1996 calendar year.

According the our records, the overtime payments listed for one of the employees (Systems Analyst II) did not occur during her employment with the Department of Pensions. Apparently the $7,589 overtime amount was picked up from overtime records of her former department. Therefore I cannot evaluate the appropriateness of that overtime.

The overtime payments to the other two employees were proper and necessary to the efficient functioning of this Department. One of the employees supervises the processing of all pension applications and is required to work overtime in order to meet payroll cut-off deadlines and ensure that new pensioners receive pension checks in a timely manner. During the summer months two of the four staff assigned to the section were on maternity leave which required the supervisor to assume the responsibilities of those employees. If the section can be maintained at full staffing overtime payments will be reduced. Currently senior clerical employees in the section are being cross trained in an effort to minimize the need for as much overtime in the future.

The second employee supervises the section which maintains all active employee pension records, handles tax withholding, health subsidy and direct deposit issues for pensioners and coordinates the Retiree Payroll System (RAP) with the Controller's Office and ITA. Much of the overtime worked by this employee this year was to correct ongoing problems that occurred due to the change in the Source Tax in January 1996 and to deal with incorrect health subsidy payments to pensioners. Due to systems programming errors tax withholding and health subsidy payments had to be corrected for many pensioners during the year. Overtime will continue to be necessary as long as we continue to experience difficulties with the RAP System. Since the Controller's Office has a major role in the maintenance and development of the RAP System, we hope you can assist us in correcting and avoiding such problems. Overtime will also be required during the next several months during the testing of the the new active member information system being developed by an outside contractor.

If you have additional questions, please contact Royce Menkus on extension 5-7271.

Hal, Lois is this true?

Tony

FORM GEN. 160 (REV. 6-80)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 4, 1997

TO: Shirley Tan, Principal Deputy Controller
Office of the Controller

FROM: Craig V. Bloomquist, Director
Bureau of Accounting

RE: **OVERTIME COSTS**

This is in response to your correspondence dated February 18, 1997, on the above subject.

The Bureau of Accounting plans to utilize most of its uncommitted balance of $13,573.91 for necessary overtime work by the end of this fiscal year. As suggested, the Bureau of Accounting does review all requests for overtime to assure they are required for the necessary efficient functioning of the City.

For additional information, if required, please call me on extension 7-6336.

CVB:dm

Attachment

ACTION: R SCREEN: APPR USERID: TEMP 03/04/97 15:04:39

*** APPROPRIATION ACCOUNT INQUIRY ***

KEY IS FISC YEAR, FUND, DEPARTMENT, ACCOUNT NUMBER

FISCAL YEAR: 97 FUND: 100 DEPARTMENT: 72 APPR ACCT NUMBER: 1090

APPR TYPE: 01 APPR END DATE: 06 30 97 STATUS INDICATOR: A MY IND: N

APPR NAME: SALARIES-OVERTIME APPR SHORT NAME: OVT

BUDGET APPR AMT:	24364.00	BEGIN CASH BALANCE:	0.00
INTERIM APPR AMT:	0.00	ORIG EST REC AMT:	0.00
TRANSFER IN AMT:	0.00	CUR EST REC AMT:	0.00
TRANSFER OUT AMT:	0.00	ACTUAL REC AMT:	0.00
FROZEN AMT:	0.00	RECEIPT OPTION:	
TOTAL AVAILABLE:	24364.00	PRE-ENCUMBERED AMT:	0.00
TOTAL ALLOTMENT AMT:	24364.00	ENCUMBERED AMT:	0.00
YTD ALLOTMENT AMT:	18273.00	EXPENDED AMT:	10790.09
TOTAL EXPENSE BDGT:	0.00	TOTAL COMMITTED AMT:	10790.09
YTD UNCOMMITTED BAL:	7482.91	PRIOR YEAR EXP AMT:	0.00
ACCT OBJECT FLAG: N		DEFAULT OBJECT:	109

--- BALANCE OF FUNDS ---

UNCOMMITTED BALANCE:	13573.91	UNEXPENDED BALANCE:	13573.91
PERCENT COMMITTED:	44.28 %	PERCENT EXPENDED:	44.28 %

DATE: April 8, 1997

TO: Antonio Miera, Chief Deputy Controller

FROM: James Hinson, Management Services

SUBJECT: **OVERTIME PAID IN EXCESS OF $5,000**

The attached responses from selected Section/Division Heads addressing overtime paid in excess of $5,000 are being forwarded for your information and appropriate action.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 7, 1997

TO: Jim Hinson, Management Services

FROM: Aida Almanzor, Financial Reporting Division 3/5/97

SUBJECT: **OVERTIME**

The overtime incurred by Financial Reporting Division staff mentioned in your March 4, 1997 memo were all properly authorized and covered by requests approved by the Chief Deputy Controller. Per your requirement and as part of your payroll control procedures, the originals of these requests were forwarded to Management Services. As mentioned in the approved requests, the reasons for the overtime were as follows:

1. Preparation/completion of FY96 CAFR on or before December 31, 1996 for Lyndon Salvador, Sally Rocio, Elficer Garcia and Ben L. Reyes

2. Preparation of the FY96 MICLA financial reports for Noemi Cuevas

3. Assistance to Funds & Appropriation re: FY96 closing of the books also for Lyndon Salvador (spent 44 overtime hours)

AA:BLR:tme

064frg.br

Date: April 7, 1997

To: Jim Hinson, Management Services

From: Greg Vergara, General Accounting

Subject: Noemi Cuevas OT Paid in Excess of $5,000

I have reviewed the overtime rendered by Noemi Cuevas during the calendar year 1996. Her OT were all incurred in connection with the preparation and review of MICLA general ledgers, trial balances, and financial statements including notes thereto.

The overtime was necessary due to the transfer of general ledger, trial balance and financial statement functions from the external auditor to the General Accounting Section, and the increasing MICLA new bond issues. For example, there were 6 new MICLA projects issued during 1996 with about 24 bank accounts. This means that 6 more general ledgers and trial balances have to be prepared and 24 more bank statements need to be reviewed and reconciled on a monthly basis. As of December 31, 1996, there were 23 MICLA projects outstanding with 115 bank accounts.

Please give me a call if you have further questions. Thank you.

c:jimhltr

DATE: March 21, 1997

TO: Jim Hinson, Management Services

FROM: Shirley Tan, Acting Principal Deputy Controller

SUBJECT: **OVERTIME PAID IN EXCESS OF $5000**

Overtime paid in excess of $5000 to two Funds and Appropriations (F&A) supervisors was necessary. F & A is responsible for the year end closing of the City's financial records. The support, supervision and expertise of these supervisors were needed to ensure the proper and timely closing of the year end books.

The staff in F & A work overtime during the months of June and July when the workload due to the closing of the year end books greatly increased. Large volumes of documents from the departments and within the Controller's Office are processed at this time. The difficult task of reconciling financial records as well as coordinating with departments to resolve problems that may arise had to be done around this time also. It is critical that the books be closed within the time frame given in order to have the financial information available in the preparation and submission of the various management and financial reports of the City.

psv:SKT

96OT5000

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

RECEIVED

MAY 0 7 1997

CONTROLLER
CITY OF LOS ANGELES

May 5, 1997

TO: Mrs. Shirley Tan, Principal Deputy Controller
Office of the Controller

FROM: Fire Department

SUBJECT: **OVERTIME COST (1996 CALENDER YEAR)**

We have performed an audit of the use of overtime for the period January 1, 1996 to November 30, 1996. The results of the examination indicated that the overtime was necessary and in compliance with departmental procedures.

As stated previously in the attached correspondence dated December 29, 1992, the use of overtime is the most cost-effective means to maintain sufficient staffing levels to provide emergency services to the public.

The following estimates are the department's overtime requirements for the balance of the fiscal year (pay period 23 - pay period 27):

Overtime, General	Acct No. 1091	$ 60,000.00
Overtime, Firefighter	Acct No. 1092	523,000.00
Constant Staffing, Firefighter	Acct No. 1093	11,300,000.00

WILLIAM R. BAMATTRE
Chief Engineer and General Manager

DENNIS W. KEMPER, Chief Management Analyst
Administrative Services Bureau

DWK:tt:x0035mis

REPORT FROM

CITY ADMINISTRATIVE OFFICER

TO	DATE	CAO FILE No.
The Personnel Committee	MAR 8 1994	42-00453
REFERENCE		**COUNCIL FILE No.**
Report requested by former Councilwoman Picus		92-2356
SUBJECT		**COUNCIL DISTRICT**
Overtime -- Higher Paid Employees		

SUMMARY

The incident where a Chief Management Analyst in the General Services Department was paid $95,000 over a three year period for overtime has caused a review of overtime worked by all higher paid City employees. (The subject employee has left City service).

For purposes of this review, "higher paid" employee is defined as being ineligible for time and one-half compensation for overtime worked. The City has five different overtime systems. The basic distinctions are that employees are compensated at the straight time rate for overtime, as follows:

General civilian	- Employees earning over $55,000
Fire	- Fire Battalion Chiefs and above
Police	- Police Captains and above
Attorneys	- all Deputy and Assistant City Attorneys
Water and Power	- Employees earning over $70,000

The 1992 overtime records for all 3,000 higher paid employees were reviewed. Major conclusions are:

- The General Services incident was a blatant aberration.
- Higher paid general civilians, Police and Attorneys record relatively little overtime, and there are no apparent major problems.
- Higher paid Fire and Water and Power employees record large amounts of overtime. In Fire, the large amounts of overtime are part of the constant staffing system. Water and Power appears to have a problem.

(Summary continued)

K. Connor

CITY ADMINISTRATIVE OFFICER

CAO 649

Overtime-Average per Employee - 1992

	No. of Employees	Hrs. Recorded	Hrs. Paid	Hrs. Bkd.	Hrs. Taken	Amt. Paid	Balance on Books
General Civilian	2,082	31	22	9	8	$ 745	7
Fire	87	595	553	42	40	$ 16,894	28
Police	86	92	85	7	8	$ 3,782	16
Attorneys	363	84	--	84	67	--	70
DWP	477	161	116	45	40	$ 4,532	458

Of greater concern, however, are recent federal court decisions on the City's exemption of its higher paid employees from the time and one-half overtime compensation requirement of the Fair Labor Standards Act (FLSA). Our higher paid civilians, Fire chief officers, and Water and Power employees have sued the City on the basis that our payroll practices make them "hourly" rather than "salaried" employees. FLSA exemption requires "salaried" status. The federal court decisions in our cases and other cases in the Ninth circuit have been adverse. Barring judicial reversal or legislative relief, it may eventually result that under current practices no City employee (except elected officials and attorneys, who are categorically excluded) is exempt from the FLSA time and one-half overtime compensation requirement.

To retain "salaried" status of our higher paid employees, court decisions have been appealed and mitigation measures taken. However, to meet Ninth District standards, it may be necessary to develop pure salaried conditions, i.e., no requirements for attendance, no counting of hours for compensation purposes, and no compensation for extra time worked.

Recommendations

That the Council:

1. Instruct the City Administrative Officer to develop and present to the Executive Employee Relations Committee a plan that will retain FLSA exempt status for higher paid City employees (except Fire Chief Officers, a separate issue).

2. Instruct the Department of Water and Power to review its overtime practices for higher paid employees and report back to Council with a corrective plan within 90 days.

3. Instruct all departments to review this report and their own overtime practices to see if adjustments should be made (i.e. workload adjustments to reduce overtime by one or a few personnel in a given class).

(Statement of Findings attached)

FINDINGS

1. Basis for Report

James D. Bisetti, Chief Management Analyst, General Services Department, $86,840 per year, was revealed as receiving $95,000 over a three year period for overtime. Disciplinary proceedings were initiated, and Bisetti resigned.

In the aftermath of the Bisetti incident, the Controller issued a report listing the City employees (excluding Water and Power) who received the largest overtime cash payments. A Council motion was passed instructing department heads to report on their overtime controls, and former Councilwoman Picus requested a review of the overtime practices for higher paid City employees.

2. Scope of Review

For purposes of this review, "higher paid" is defined as being ineligible for time and one-half compensation for overtime. The records of all higher paid employees were reviewed to get a more complete picture. For each higher paid employee, the following data was gathered for the 1992 calendar year (1991-92 fiscal year for Attorneys):

- department
- class
- OT hours worked
- OT hours compensated in cash
- OT hours compensated in time off
- compensatory hours taken off
- amount paid for OT
- balance of compensatory time, end of year

Comparisons were made among departments and among the separate overtime systems.

In the midst of this review, the federal court issued its decision in the Fire Chief Officers case, Morsch. This decision may result in a fundamental change in the City's compensation system for higher paid employees. (See Finding 9)

3. Overtime Systems

The City's five different overtime systems are explained in detail in the subsequent Findings.

General managers, including the Fire Chief, Police Chief, General Manager DWP, and Members of the Board of Public Works, are covered by the same Administrative Code provision.

> "It is hereby declared to be the policy of the City Council that general managers shall be on duty during the regular hours when a majority of City employees are working so as to be available to their employees, the Mayor, the City Council and

(Findings continued)

administrative officers of other departments or bureaus, for the conducting of City business and providing direction of operations. Approval shall be secured by a general manager from his or her appointing authority for absences from the City and for extraordinary or repetitive absences from duty during the hours when most of his or her employees are on duty. Accordingly, this article supersedes provisions of any other ordinance and shall control the hours of work and compensation for overtime for all general managers."

"The pay fixed for general manager positions shall be deemed to include compensation for whatever time is required for the administration of the affairs of the departments or bureaus. No compensation for extra hours worked, whether in cash or time off, shall be allowed any general manager."

Assistant general managers **(except Water and Power)**, elected officials, and Mayor and Council employees are not eligible for overtime compensation.

4. General Civilians

a. General Provisions. Civilians paid $55,000 and above are compensated in cash or time off at the straight time rate for overtime worked. It is management's decision whether overtime is compensated in cash or time off. The amount of time off that may be accumulated is established by departmental rule. Compensated time on the books is cashed out when an employee retires or leaves the department.

General managers, assistant general managers, elected officials, and Mayor and Council employees are not eligible for overtime compensation in either cash or time off.

b. Bisetti Incident. In 1992 Bisetti recorded 476 hours of overtime and was paid $19,797. There was no higher paid General Services Department employee remotely close to those figures. One Equipment Repair Supervisor worked 193 hours and was paid $7,921. No other Department employee was paid more than $5,000.

In General Services there are 81 "higher paid" employees. Only one-half (41) recorded any overtime for 1992. The average for the 41 who recorded overtime was 64 hours worked and $1,943 in pay. (All General Services figures have been adjusted to exclude Bisetti.)

As a further check, the records of Bisetti's peers, division heads earning $86,840 ± per year, were reviewed. There are 150 of these positions Citywide. Two-thirds (99) recorded no overtime at all for 1992, although there are many who work extra hours to get the job done. The average for the one-third who recorded overtime was 30 hours worked and $623 paid. Only three division heads were paid more than $5,000: a Principal Sanitary Engineer working on a year long special project - 401 hours, $16,698; the Chief Port Pilot - 228 hours, $9,190; and the Wastewater Treatment Laboratory Manager III - 157 hours, $5,783.

(Findings continued)

c. Overtime Utilization. The following chart shows the overtime for employees paid over $55,000 by department for 1992. Two averages are shown: the first is for all 2,082 employees; the second is just for the 1,107 who recorded overtime.

OVERTIME UTILIZATION
CHART 1

All Employees Over $55,000

Department	Total	OT	No OT	Hrs Wrkd	Hrs Paid	Hrs Bkd	Hrs Taken	Amt Paid	Balance On Bks
Airports	130	69	61	4,437	4,430	7	10	$149,322	--
Aging	7	2	5	30	--	30	22	--	19
Animal Regulation	7	4	3	75	25	50	80	668	70
Building & Safety	123	56	67	975	929	46	57	29,856	27
City Admin. Officer	77	55	22	3,568	349	3,219	2,367	12,598	3,007
City Attorney (non-Atty)	6	5	1	113	--	113	147	--	84
City Clerk	25	8	17	172	172	--	--	5,029	19
City Emp. Ret. System	2	--	2	--	--	--	--	--	--
Comm. Status of Women	1	1	--	20	--	20	8	--	29
Comm. Develop. Dept	52	34	18	1,330	5	1,325	1,354	189	1,264
Controller	36	15	21	546	387	159	133	10,913	66
Cultural Affairs	7	3	4	169	--	169	172	--	147
Employee Relations Bd.	1	1	--	80	--	80	149	--	--
Environmental Affairs	7	6	1	429	123	306	253	4,361	228
Ethics Commission	5	3	2	403	--	403	348	--	130
Fire (Civilian)	23	9	14	507	500	7	7	16,962	1
General Services	81	40	41	2,648	2,246	402	281	79,674	306
Harbor	177	116	61	10,861	8,942	1,919	1,930	314,385	1,261
Housing Pres. & Prod.	47	25	22	1,038	97	941	636	3,268	1,338
Information Services	164	61	103	1,186	1,078	108	86	32,632	53
Library	38	--	38	--	--	--	--	--	--
L.A. Convention Center	11	8	3	514	278	236	210	8,697	133
Pensions	12	6	6	105	47	58	157	1,760	5
Personnel	90	37	53	977	205	772	732	7,317	238
Planning	83	45	38	1,828	687	1,141	943	20,461	712
Police (Civilian)	56	33	23	1,689	869	820	834	28,336	468
Public Works - Board	16	9	7	504	329	175	84	659	155
PW - Accounting	9	8	1	187	30	157	182	865	51
PW - Contract Admin.	39	20	19	696	598	98	203	19,387	104
PW - Engineering	276	107	169	3,871	3,354	517	596	105,505	232
PW - Mgmt. Emp. Serv.	8	2	6	25	--	25	25	--	--
PW - Sanitation	241	205	36	21,110	17,617	3,493	3,911	601,116	2,785
PW - Street Lighting	14	9	5	449	280	169	133	8,663	84
PW - Street Mtce.	40	25	15	1,259	1,236	23	18	37,803	22
Recreation & Parks	55	35	20	1,170	171	999	645	4,819	1,151
Social Services	2	--	2	--	--	--	--	--	--
Telecommunications	9	6	3	711	--	711	190	--	719
Transportation	97	37	60	1,633	1,434	199	357	45,337	240
Treasurer	8	2	6	54	54	--	--	1,507	--
Total	2,082	1,107	975	65,358	46,472	18,897	17,260	$1,552,089	15,148
Ave. all employees				31	22	9	8	$ 745	7
Ave. OT workers				59	42	17	16	1,402	14

(Findings continued)

The following chart shows the two averages for departments with more than 25 higher paid employees.

OVERTIME UTILIZATION
CHART 2

Department		Hrs Wrkd	Hrs Paid	Hrs Bkd	Hrs Taken	Amt Paid	Balance On Bks
Airports	**All**	33	34	--	--	$1,149	--
	OT Wkrs	64	64	--	--	2,164	--
Bldg & Safety	**All**	8	8	--	--	242	--
	OT Wkrs	17	17	--	--	534	--
CAO	**All**	46	4	42	31	162	39
	OT Wkrs	65	6	59	43	229	55
City Clerk	**All**	7	7	--	--	201	--
	OT Wkrs	22	22	--	--	628	--
CDD	**All**	25	--	25	26	--	24
	OT Wkrs	39	--	39	40	--	37
Controller	**All**	15	11	4	4	303	2
	OT Wkrs	36	26	10	9	728	4
Gen. Serv.	**All**	33	28	5	3	984	4
	OT Wkrs	66	56	10	7	1,992	8
Harbor	**All**	61	50	11	11	1,776	7
	OT Wkrs	93	77	16	17	2,710	11
HPP	**ALL**	22	22	20	14	70	28
	OT Wkrs	42	4	38	25	131	54
ISD	**All**	7	7	--	--	199	--
	OT Wkrs	19	17	2	1	535	--
Library	**All**	--	--	--	--	--	--
	OT Wkrs	--	--	--	--	--	--
Personnel	**All**	11	2	9	8	81	8
	OT Wkrs	26	6	20	20	198	6
Planning	**All**	22	8	14	11	247	9
	OT Wkrs	41	15	26	21	455	16
Police (Civ.)	**All**	30	16	14	15	506	8
	OT Wkrs	51	26	25	25	858	14
PW Con Ad	**All**	18	15	3	5	497	3
	OT Wkrs	35	30	5	10	969	5
PW Engr	**All**	14	12	2	2	382	--
	OT Wkrs	36	31	5	6	986	2
PW Sanit	**All**	87	73	14	16	2,494	11
	OT Wkrs	103	86	17	19	2,932	14
PW St Mtc	**All**	31	31	--	--	945	--
	OT Wkrs	50	49	1	1	1,512	1
Rec & Parks	**All**	21	3	18	12	87	21
	OT Wkrs	33	5	28	18	138	33
Trans	**All**	17	15	2	4	468	2
	OT Wkrs	44	39	5	10	1,225	6

d. Observations and Comments

- Almost one-half of all higher paid general civilians record no overtime worked.
- Many employees at this level work overtime, but do not claim it.
- As expected, departments with continuous operations, e.g. Airports, Harbor, and Sanitation, work more overtime. However, there appears to some sort of

(Findings continued)

corporate culture effect in that administrators and engineers in those departments also record more overtime.

- Departments with dollars to pay for overtime have more overtime recorded.

- With reduced staffing in the General Funded departments and the hiring freeze resulting in more upward delegation, there may have to be more overtime worked by the "higher paid" personnel.

- Compensatory time banks should be monitored more closely. Fifty-eight employees have 80 or more hours of banked time.

- Within the same department there are wide differences in the amounts of overtime worked by persons in the same class. This may be a function of individual assignments, or it may indicate a need to adjust workloads.

e. Law Suits. "Higher paid" civilians represented by the Engineers and Architects Association have sued the City claiming that the employees are "hourly" not "salaried." The case is pending before the same judge who ruled against the City in Morsch.

5. Fire

a. General Provisions. Fire Captains II ($64,122) and lower classes receive time and one-half, almost exclusively in cash, for overtime worked.

Fire Battalion Chiefs ($71,681 to $89,032) and Fire Assistant Chiefs ($84,334 to $104,776) receive straight time, mostly in cash, for overtime.

Fire Deputy Chiefs ($99,246 to $145,095) are not authorized for overtime compensation, but they may be granted time off in unusual cases.

b. Overtime Utilization. Fifty-one Battalion Chiefs and nine Assistant Chiefs work the platoon duty schedule, in which a person is assigned to nine 24 hour shifts in a 27 day period. Under the constant staffing system, when an assigned person is absent, his shift is back filled by an off duty Chief working SOD (scheduled overtime duty). The typical platoon duty Battalion Chief works 30 SOD shifts a year. One SOD shift is worth $681; thirty shifts are worth $20,418. In addition, there is a SOD bonus of $3 per hour for all hours worked in excess of 24 in a calendar month. Twelve Fire Chief Officers were paid more than $25,000 in 1992.

Because of high pension costs, the SOD system for platoon duty constant staffing is more cost effective for the City than hiring additional personnel to fill in for absences. The high dollar and hours worked numbers in the following 1992 data are as a result of the constant staffing system.

(Findings continued)

	Hrs. Recorded	Hrs. Paid	Hrs. Bkd	Hrs. Taken	Amt. Paid	Balance On Book
Total	51,685	48,148	3,637	3,478	$1,469,786	2,402
Average	595	443	42	40	$16,894	28

c. Law Suits. In Morsch, eighty-five Fire Battalion and Assistant Chiefs sued the City. The federal court has ruled that they are "hourly" and not "salaried" employees and are, therefore, entitled to time and one-half compensation under the provisions of FLSA. The court awarded the Chiefs $3.2 million in back pay. The City and the Fire Chief Officers Association have agreed to make Battalion Chiefs "hourly" and the Assistant Chiefs "salaried". The lawsuit itself is still pending.

6. Police

a. General Provisions. Police Lieutenants II ($72,516) and lower classes receive time and one-half in cash or time off for hours worked in excess of eight in a day.

Police Captains I, II, and III ($71,723 to $94,085) and Police Commanders ($89,053 to $104,818) are eligible for straight time overtime for hours worked in excess of 160 in a 28 day period to be compensated in cash or time off at the discretion of the Chief. The activities eligible for overtime are limited to:

- unusual occurrences
- court appearances
- administrative hearings
- directed activities which deviate form the normal works schedule, or
- voluntary work on a day off in lieu of a holiday

Police Deputy Chiefs I and II ($98,115 to $143,090) are not authorized for overtime compensation, but they may be granted time off in unusual cases.

b. Overtime Utilization. In most years, Police Command Officers record little overtime. The overtime recorded in 1992 is nearly all attributable to the Rodney King situation. The amount paid is a function of federal reimbursement.

	Hrs. Recorded	Hrs. Paid	Hrs. Bkd	Hrs. Taken	Amt. Paid	Balance On Book
Total	7,887	7,327	560	710	$325,228	1,247
Average	92	85	7	8	$3,782	16

c. Unauthorized Overtime System. The overtime system outlined in subsection b is the only authorized system. Until recently, however, there has been an informal, unauthorized

(Findings continued)

overtime system known as "White Time." White Time was extra hours worked and recorded informally within the Police Department. A Police Command Officer could utilize White Time as compensated time off on an hour for hour basis. A Command Officer could save and then utilize up to many weeks of White Time thus extending the effective date of retirement. This latter practice contrasts with the MOU provision: "Whenever an employee retires from the Department, the employee shall be paid in cash for all overtime due according to the records of the City Controller." The MOU limit for the amount of time that may be accumulated at any one time is 96 hours.

The Police Department has assured us that the White Time system was phased out July 1, 1993.

d. Law Suits. Neither the Los Angeles Police Command Officers Association nor any individual member has sued the City in federal court claiming that Police Command Officers are "hourly" employees under FLSA.

7. Attorneys

a. General Provisions. All Attorneys except the City Attorney, are eligible to be compensated, in compensatory time only, for hours worked in excess of 80 in a bi-weekly period. Under no conditions can an Attorney be compensated in cash.

The maximum number of hours that may be accrued in any one fiscal year is 160. Any balance of accrued hours up to 120 hours remaining at the end of a fiscal year is carried over to the next fiscal year. If any of the carried over hours are unused at the end of the second fiscal year, they are deemed waived and lost.

The maximum number of hours that may be taken off in any one fiscal year is 200.

Overtime records for Attorneys are maintained by the City Attorney's Office, not by the Controller.

b. Overtime Utilization. The records for 363 Attorneys for the 1991-92 fiscal year are:

	OT Hrs. Recorded	OT Hrs. Paid	OT Hrs. Bkd.	Hrs. Taken	Amt. Paid	Balance On Books
Total	30,393	--	30,393	24,309	--	25,423
Average	84	--	84	67	--	70

Nearly every Attorney recorded some overtime. Twenty-two recorded 200 hours or more.

c. Law Suits. No Attorney has filed a law suit challenging FLSA regulations that categorically exempt Attorneys.

(Findings continued)

8. Department of Water and Power

a. General Provisions. Employees paid over $70,000 annually are compensated at the straight time rate for overtime. Employees have the option of receiving cash or time off, with the exception of the approximately 45 highest paid employees who are compensated in compensatory time only.

There is no limit to the amount compensatory time that may be accumulated. Employees accumulate time as salary continuation insurance in case of serious illness and for other reasons. Following an irrevocable application to retire, an employee may run his/her accumulated time up to a maximum of 522 hours (3 months). Employees who had more than 522 hours on the books in 1983 can run that time, up to a maximum of 1044 hours (6 months).

In contrast to other departments, assistant general managers ($126,512 to $141,024) are eligible for and receive overtime compensation.

There are exceptions to the $70,000 time and one-half overtime compensation cap. Specified "field employees" and employees performing work during a work stoppage or an emergency designated by the General Manager are compensated at the time and one-half rate even though they make more than $70,000.

b. Overtime Utilization. In 1992, 468 of 477 Water and Power employees paid over $70,000 recorded overtime.

	Hrs. Recorded	Hrs. Paid	Hrs. Bkd.	Hrs. Taken	Amt. Paid	Balance on Books
Total	76,950	55,401	21,549	18,560	$2,161,665	218,407
Ave. for 477	161	116	45	39	4,532	458
Ave. for 468	164	118	46	40	4,609	465

c. Comments and Observations. Overtime utilization in Water and Power if far greater than in other civilian City departments. Precise comparisons cannot be made due to the differences in overtime systems and departmental operations. Nevertheless, the following data, for Water and Power and three departments (Airports, Harbor and Sanitation) that have continuous operations and dollars to pay for overtime, are instructive.

(Findings continued)

	DWP	Airports	Harbor	Sanit.
No. of Employees	11,011	1,570	722	2,836
OT Cap	$70,000	$55,000	$55,000	$55,000
No. over Cap	477	130	177	241
No. w/ OT	468	69	116	205
No. w/o OT	9	61	61	36
No. over 100 hrs.	292	12	38	75
No. over $5,000	179	8	25	42
Ave of those w/OT				
- Hrs. worked	164	64	93	103
- Hrs.paid	118	64	77	86
- Hrs.booked	46	--	16	17
- Hrs.taken	40	--	17	19
- Amt. paid	$4,609	$1,149	$2,710	$2,932
- Balance on books	465	--	11	14
Employees over $99,000				
- No. of employees	48	5	7	6
- No. w/OT	46	--	2	--
- Ave. Hrs. Wkd.	148	--	5	--
- Ave. Balance on Books	2,067	--	4	--

d. Law Suits. "Higher paid" employees represented by the Management Employees Association have sued the city claiming that the employees are "hourly" not "salaried." The case is pending before the same judge who ruled against the City in *Morsch*.

In a separate, non-FLSA related action, a number of retired employees have filed claims against Water and Power for loss of overtime compensation in amounts up to $350,000 each.

e. **General Manager DWP**

Under provisions of the Administrative Code, general managers shall not be allowed any compensation for extra hours worked either in cash or time off (see Finding No. 3). However, a past General Manager was allowed to revert to an unused position of Assistant General Manager II and extend his service by six months through use of overtime credits accumulated prior to his appointment as General Manager. This arrangement resulted in a benefit of $27,000 -- the difference between six months of active pay as an Assistant General Manager II plus the cash out of the additional vacation credit accrued versus six months of retirement pay. Additionally, the arrangement increases the service credit for retirement by six months and the retirement amount is adjusted accordingly. The retirement increase, however, would be more than offset if the six month period included July 1 and the July 1 retirement cost-of-living increase was foregone. The Department of Water and Power should be directed to report on this matter.

(Findings continued)

9. FLSA Court Cases

The original "salaried vs. hourly" court case, *Abshire*, dealt strictly with the issue of employees being subject to docking for absences of less than one day. Department of Labor regulations have resolved this issue.

The Fire Chief Officers case, *Morsch*, however, presents other issues. The court ruled against the City, reasoning that Fire Chief Officers were not salaried because:

- Their hours of work are controlled by the City;
- They may not absent themselves from work without permission;
- Absences are deducted from accumulated leave in six minute increments;
- All time on duty and leaves of absence are recorded on departmental time sheets;
- They are compensated for overtime on an hourly basis;
- They may be suspended from duty as a disciplinary measure.

The discipline issue has been addressed with a Mayor's directive.
The City is actively pursuing legislative relief. The Mayor and President of the Council have appealed to the President and the Secretary of Labor.

Pending judicial or legislative relief the City should carefully consider action to make our higher paid employees purely salaried along the lines of the reasoning in the *Morsch* decision.

John D. Hardy
Chief Administrative Analyst

APPROVED:

Assistant City Administrative Officer

JDH:ss

ERD00479

ELIAS MARTINEZ
City Clerk

J. Michael Carey
Executive Officer

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGELES
CALIFORNIA

RICHARD J. RIORDAN
MAYOR

Office of
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

Pat Healy
Chief Legislative Assistant

CF 92-2356
(File not transmitted)

February 14, 1997

Mr. Keith Comrie
City Administrative Officer
Room 300, City Hall East

Mr. Rick Tuttle
City Controller
Room 220, City Hall

REQUEST FOR REPORT ON MOTION (WACHS - RIDLEY-THOMAS)

At the request of the Chair of the Personnel Committee, I am transmitting a copy of a Motion (Wachs - Ridley-Thomas) that was presented in Council on December 8, 1992. The Motion requested reports from the CAO and the City Controller, which apparently were never completed inasmuch as they do not appear on the Council file.

It is requested that your Offices prepare a status report and recommendation on this matter for consideration by the Committee within 90 days. Please transmit your materials to the Personnel Committee, c/o Cynthia Landis, Legislative Assistant, City Clerk's Office, so that the matter may be scheduled and resolved expeditiously.

Thank you for your cooperation in this matter.

Sincerely,

Cynthia A. Landis

Cynthia Landis
Legislative Assistant
Personnel Committee
213.237.1615

Attachment

cc: Council Member Jackie Goldberg
Attn.: Gerald Gubatan

CoL/wpi
On-file as: PECO72AA.WPD

ELIAS MARTINEZ
City Clerk

J. Michael Carey
Executive Officer

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGELES
CALIFORNIA

TOM BRADLEY
MAYOR

Office of
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - 485-5703
General Information - 485-5705

Pat Letcher
Chief Legislative Assistant

92-2356

January 4, 1993

Mr. Rick Tuttle
City Controller
Room 220, City Hall

Mr. Keith Comrie
City Administrative Officer
Room 300, City Hall East

Greetings:

At the direction of the Office of the Chairperson of the Human Resources and Labor Relations Committee, it is requested that your offices review and report on the attached Motion (Wachs - Ridley-Thomas) requesting a review of the various systems of cost controls which exist in each city department with regard to overtime payments, etc.

Please forward your recommendations on this matter to the City Clerk's Office for consideration by the Committee.

Sincerely,

J C BURMAHLN

John C. Burmahln
Legislative Assistant
HR&LR Committee

Attachment: a/s

cc: Councilmember Joy Picus
Attn: Rita Schneir

AN EQUAL EMPLOYMENT OPPORTUNITY – AFFIRMATIVE ACTION EMPLOYER
Recyclable and made from recycled waste.

ELIAS MARTINEZ
City Clerk

J. Michael Carey
Executive Officer

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGELES
CALIFORNIA

TOM BRADLEY
MAYOR

Office of
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - 485-5703
General Information - 485-5705

Pat Letcher
Chief Legislative Assistant

92-2356

December 18, 1992

HUMAN RESOURCES AND LABOR RELATIONS COMMITTEE
BUDGET AND FINANCE COMMITTEE

At the meeting of the Council held December 8, 1992, the Motion (Wachs - Ridley-Thomas), attached to the file, was referred to the HUMAN RESOURCES & LABOR RELATIONS AND BUDGET & FINANCE COMMITTEES.

Elias Martinez

City Clerk
bem

steno\922356

Recyclable and made from recycled waste.

M O T I O N

The City Controller has just revealed that more than 6,700 of city's 32,000 employees each received in excess of $5,000 in overtime last year.

As one example, it has been discovered that a high-ranking employee of the Department of General Services improperly authorized about $88,000 in overtime pay, beyond his $86,000 annual salary, for himself during a recent three year period .

This case is being investigated by the Police Department.

Earlier, reliable information from whistle-blowers revealed a disturbing lack of cost controls in the city's Sewer Contruction and Maintenance System, including charges of excessive, and perhaps even illegal, overtime payments.

It appears that the lack of adequate cost controls may be widespread throughout the entire city government.

During a time when we are considering layoffs, reducing services, and raising taxes, we must direct more of our attention to the "third option" -- making better use of the money we have, and eliminating waste and inefficiency.

I THEREFORE MOVE that the City Council immediately investigate the systems of cost controls which exist in each city department with regard to overtime payments.

Presented by: Joel Wachs

JOEL WACHS
Councilman, 2nd District

Seconded by: Mark Ridley-Thomas

MB

JOINT REFERRAL

HUMAN RES. and LABOR REL.

BUDGET and FINANCE

DEC 08 1992

December 8, 1992