

# **Office of Audit Services**



# **CalPERS**

## **Public Agency Review**

### **City of Whittier**

**CalPERS ID: 5028070334**  
**Job Number: P14-075**

**August 2016**



California Public Employees' Retirement System  
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August 31, 2016

CalPERS ID: 5028070334  
Job Number: P14-075

Rod Hill, City Controller  
City of Whittier  
13230 Penn Street  
Whittier, CA 90602

Dear Mr. Hill:

Enclosed is our final report on the results of the public agency review completed for the City of Whittier (Agency). Your written response is included as an appendix to the report. We appreciate the additional information that you provided in your response. After consideration of this information, we have revised Finding 1G and removed Finding 6 from the report. Additionally, we have added clarifying language to Findings 1 and 4.

In accordance with our resolution policy, we have referred the issues identified in the report to the appropriate divisions at CalPERS. Please work with these divisions to address the recommendations specified in our report. It was our pleasure to work with your Agency. We appreciate the time and assistance of you and your staff during this review.

Sincerely,

Original signed by Beliz Chappuie

BELIZ CHAPPUIE, Chief  
Office of Audit Services

Enclosure

cc: City Council Members, City of Whittier  
Monica Lo, Assistant City Controller, City of Whittier  
Risk and Audit Committee Members, CalPERS  
Matthew G. Jacobs, General Counsel, CalPERS  
Anthony Suine, Chief, BNSD, CalPERS  
Renee Ostrander, Chief, EAMD, CalPERS  
Carene Carolan, Chief, MAMD, CalPERS

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# CITY OF WHITTIER

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## RESULTS IN BRIEF

The objective of our review was to determine whether the City of Whittier (Agency) complied with applicable sections of the California Government Code (Government Code), California Public Employees' Pension Reform Act of 2013 (PEPRA), California Code of Regulations (CCR), and its contract with the California Public Employees' Retirement System (CalPERS).

The Office of Audit Services (OAS) noted the following findings during the review. Details are noted in the Results section beginning on page two of this report.

- Special compensation was not reported in accordance with the Government Code and the CCR.
- Payroll information was not reported correctly.
- Retroactive salary adjustment was incorrectly reported.
- Contributions were incorrectly paid and reported.
- Part-time employees were not properly enrolled.
- Observation 1: Contract Exclusions
- Observation 2: Pay Schedule

OAS recommends the Agency comply with applicable sections of the Government Code, PEPRA, CCR and its contract with CalPERS. We also recommend the Agency work with the appropriate CalPERS divisions to resolve issues identified in this report.

## SCOPE

The Agency contracted with CalPERS effective July 1, 1945 to provide retirement benefits for local miscellaneous and safety (police and fire) employees. By way of the Agency's contract with CalPERS, the Agency agreed to be bound by the terms of the contract and the Public Employees' Retirement Law (PERL). The Agency also agreed to make its employees members of CalPERS subject to all provisions of the PERL.

As part of the CalPERS Board of Administration (Board) approved plan, OAS reviewed the Agency's payroll reporting and member enrollment processes related to the Agency's retirement contract with CalPERS. The review was limited to the examination of sampled employees, records, and pay periods from July 1, 2011 through June 30, 2014. The review objectives and methodology are listed in Appendix A.

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## OFFICE OF AUDIT SERVICES REVIEW RESULTS

**1:** The Agency did not report special compensation in accordance with the Government Code and the CCR.

***Condition:***

- A. The Agency reported Sewer Maintenance Premium, a reportable item of special compensation, in base payrate and regular earnings for a Sewer Equipment Operator in the pay period ended June 7, 2014. Sewer Maintenance Premium is defined in the Agency's written labor policy and meets the definition of special compensation in CCR Section 571. Therefore, Sewer Maintenance Premium should be reported as special compensation separately from payrate and regular earnings.
- B. The Agency reported Police Officer Standard Training (POST) Certificate Pay, a reportable item of special compensation, in base payrate and regular earnings for safety police employees in the pay period ended June 7, 2014. POST Certificate Pay is defined in the Agency's written labor policy and meets the definition of special compensation in CCR Section 571. Therefore, POST Certificate Pay should be reported as special compensation separately from payrate and regular earnings.
- C. The Agency reported Bilingual Pay, a reportable item of special compensation, in base payrate and regular earnings for safety police employees in the pay period ended June 7, 2014. Bilingual Pay is defined in the Agency's written labor policy and meets the definition of special compensation in CCR Section 571. Therefore, Bilingual Pay should be reported as special compensation separately from payrate and regular earnings.
- D. The Agency reported Education Incentive Pay, a reportable item of special compensation, in base payrate and regular earnings for safety police employees in the pay period ended June 7, 2014. Education Incentive Pay is defined in the Agency's written labor policy and meets the definition of special compensation in CCR Section 571. Therefore, Education Incentive Pay should be reported as special compensation separately from payrate and regular earnings.
- E. The Agency incorrectly reported a Special Assignment Pay, entitled Traffic Investigator Pay, with payrate and earnings for a Police Officer in the pay period ended June 7, 2014. Although it appears that Traffic Investigator Pay meets one of the definitions of special compensation listed in CCR Section 571(a), OAS was unable to verify the reportability of the pay because the

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condition for payment was not described or defined in the Police Officers' Memorandum of Understanding (MOU) as required by the Government Code Section 20636 and CCR Section 571(b). In addition, the MOU listed several other items of Special Assignment Pay that were not defined or described.

- F. The Agency incorrectly reported Motor Officer and Canine Pay, non-reportable items, with payrate and earnings for safety police employees in the pay period ended June 7, 2014. The Police Officer MOU defined Motor Officer Pay as additional compensation for the time worked during non-regularly scheduled work hours to perform duties such as cleaning and maintaining an Agency-owned motorcycle. Additionally, the MOU defined Canine Pay as compensated work up to 25 hours per month during non-regularly scheduled work hours to perform associated duties such as feeding, caring, and training an Agency-provided canine for law enforcement work. CCR Section 571(b) states that all items of special compensation listed in subsection (a) must be part of normally required duties and performed during normal hours of employment. Although both Motor Officer and Canine Pay are listed and defined in CCR Section 571(a), the pay was not reportable as regular earnings or special compensation because the payment was for time worked outside of the normal hours of employment.
- G. The Agency incorrectly reported Corporal Pay with payrate and earnings for a Police Officer in the pay period ended June 7, 2014. Corporal Pay as defined by the Police Officer MOU met the definition of Lead Worker/Supervisor Premium Pay under special compensation in CCR Section 571(a)(4). Therefore, Corporal Pay should be reported as special compensation separately from payrate and regular earnings.
- H. The Agency did not report uniforms in accordance with the Government Code and CCR requirements. Specifically, compensation for the purchase of uniforms for employees in the Whittier City Employees' Association (WCEA) and Whittier Police Officers' Association (WPOA). Specifically, the written labor agreements allow compensation for an initial uniform purchase: WCEA employees may receive up to \$400.00 and sworn WPOA employees may receive up to \$1,200.00. In addition, WCEA employees may receive up to \$200.00 annually for any uniform replacement. Although three employees received compensation for the purchase and replacement of uniforms in Fiscal Years 2011-12 and 2013-14, the Agency did not report the compensation paid to the employees for the purchase of the required clothing as special compensation.
- I. The Agency incorrectly reported uniforms in accordance with the Government Code and CCR requirements. Specifically, Uniform Allowance as a lump sum amount instead of when earned. Specifically, the Agency reported Uniform

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Allowance as a lump sum amount for classic employees covered by the WPOA labor agreement. Government Code Section 20636 requires the Agency to identify the pay period(s) in which special compensation was earned.

- J. The Agency's written labor policy for Field Service employees did not include the provision of maintenance for uniforms. CCR Section 571(b) requires the written labor policy or agreement contain the provisions of maintenance, including, but not limited to, cost or amount of providing and maintaining uniforms.

Reportable special compensation is defined in CCR Section 571(a) and must be reported if it conforms with all of the requirements listed in CCR Section 571(b). Specifically, special compensation is required to be contained in a written labor policy or agreement indicating the eligibility and amount of special compensation. Also, special compensation must be available to all members in the group or class, part of normally required duties, performed during normal hours of employment, paid periodically as earned, and historically consistent with prior payments for the job classification.

***Recommendation:***

The Agency should report special compensation separately from base payrate and regular earnings.

The Agency should only report items that qualify as special compensation as stated in the Government Code and CCR.

The Agency should report Uniform Allowance as special compensation and as earned.

The Agency should ensure that the conditions for payment of special compensation items are contained in a written labor agreement or policy.

The Agency should work with CalPERS Employer Account Management Division (EAMD) to identify and make adjustments, if necessary, to any impacted active and retired member accounts pursuant to Government Code Section 20160.

***Criteria:***

Government Codes: § 20160, § 20630, § 20636  
CCR: § 571

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**2:** The Agency incorrectly reported payroll information for a Council Member.

***Condition:***

The Agency incorrectly reported a Council Member's monthly pay of \$393.30 as an hourly payrate. Payrate is an important factor in computing a member's retirement allowance.

***Recommendation:***

The Agency should ensure that the proper payrate type is reported to CalPERS.

The Agency should work with EAMD to identify and make adjustments, if necessary, to any impacted active and retired member accounts pursuant to Government Code Section 20160.

***Criteria:***

Government Codes: § 20120, § 20121, § 20160, § 20630, § 20636



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**3:** The Agency incorrectly reported a retroactive salary adjustment.

***Condition:***

The Agency incorrectly reported a retroactive salary adjustment for the Police Chief. Specifically, the Agency reported the retroactive salary adjustment using a monthly payrate of \$16,454.27 for the period July 1, 2012 through June 30, 2013. However, the Agency's records show the Police Chief's monthly payrate for this period was \$15,652.00.

It is noted that the Police Chief's monthly payrate includes Educational Pay which is an item of special compensation. This issue was previously discussed in Finding 1D.

***Recommendation:***

The Agency should report retroactive salary adjustments with the correct payrates.

The Agency should work with EAMD to identify and make adjustments, if necessary, to any impacted active and retired member accounts pursuant to Government Code Section 20160.

***Criteria:***

Government Codes: § 20120, § 20121, § 20160, § 20636

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<b>4: The Agency incorrectly paid and reported contributions to CalPERS.</b>
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***Condition:***

- A. The Agency incorrectly paid and reported contributions for the miscellaneous Executive Management group of employees in the pay period ended June 7, 2014. The Executive Management's written labor policy stipulated that the Agency would pay eight percent normal member contributions for miscellaneous management employees, and the Agency's contract with CalPERS stipulated that the miscellaneous management employees would pay one percent of the cost of employer contributions in accordance with Government Code Section 20516. However, the Agency's records indicated the one percent contributions were not paid by the employees, and instead were paid by the Agency. In addition, when reporting the one percent contributions to CalPERS, the Agency identified the contributions as member paid, although the contributions were paid by the Agency.
- B. The Agency also incorrectly reported the value of EPMC as special compensation as noted in 4A. Specifically, the Agency should have reported the value of EPMC at eight percent. However, the Agency incorrectly reported special compensation for the value of EPMC at nine percent that was inclusive of the one percent cost share for employer contributions.
- C. The Agency incorrectly paid contributions for the Chief of Police. The Executive Management's written labor policy stated the Agency would pay the full nine percent normal member contributions for the Police Chief, and report the value of the member contributions as special compensation. Instead, the Agency paid six percent of the member contributions on regular earnings, but reported the value of nine percent contributions as special compensation.

***Recommendation:***

The Agency should ensure it correctly pays and reports the member contributions and the value of EPMC to CalPERS.

The Agency should work with EAMD to assess the impact of this incorrect reporting and make any adjustments, if necessary, to any impacted retired member accounts pursuant to Government Code Section 20160.

***Criteria:***

Government Codes: § 20160, § 20691  
CCR: § 569

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5: Part-time employees were not properly enrolled.

***Condition:***

- A. The Agency did not enroll an Interpretive Programs Coordinator into membership when eligibility requirements were met. Specifically, the Agency hired the employee on August 4, 2008 to work an average of 20 hours per week. The Agency considered the position to be part of the contract exclusion, and therefore did not enroll the employee. However, the contract exclusion did not apply to this position. Government Code Section 20305 requires employees who work at least an average of 20 hours per week for one year or more should be enrolled into CalPERS membership upon hire.
  
- B. The Agency did not enroll a Community Services Officer who met the 1,000 hour membership requirement in the pay period ended February 16, 2013. The Agency incorrectly considered the position to be part of the contract exclusion; however, the contract exclusion did not apply to the position of Community Services Officer. Although the Agency changed the official working title from Community Services Officer to Staff Assistant I effective September 24, 2013, the employee worked more than 1,000 hours prior to the title change. Government Code Section 20305 requires employees who complete 1,000 hours worked within a fiscal year to be enrolled into membership effective no later than the first day of the first pay period of the month following the month in which 1,000 hours of service were completed.

***Recommendation:***

The Agency should ensure part-time employees that meet membership eligibility requirements are enrolled timely.

The Agency should work with EAMD to assess the impact of this incorrect reporting and make any adjustments, if necessary, to any impacted retired member accounts pursuant to Government Code Section 20160.

***Criteria:***

Government Codes: § 20125, § 20160, § 20305

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**Observation 1:** The Agency may not have excluded employees in accordance with Government Code Section 20502.

As identified in Finding 5, the Agency incorrectly excluded part-time employees from membership although their positions were not excluded. On September 24, 2013, the Agency's City Council approved Resolution 8585 to rename certain positions in an effort to exclude all seasonal, temporary, and part-time employees from membership. The Agency reclassified the Community Services Officer, Planning Technician, and Public Safety Assistant I/II to Staff Assistant I, an excluded position by contract. The Agency was unable to support that the positions were reclassified as specified under Government Code Section 20502. As a result, OAS was unable to conclude whether the Agency had properly excluded the employees from CalPERS membership.

OAS recommends the Agency work with EAMD to clearly define the Agency's application of the contract exclusion for hourly compensated employees and to ensure the application is in accordance with Government Code Section 20502.

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**Observation 2:** The Agency's pay schedule was not clear or transparent.

The Agency provided a pay schedule that was not clear or transparent. Specifically, the Agency provided a salary resolution for Fiscal Year 2013-14 that contained multiple pay ranges for different groups of employees. The pay schedule for the classified employees identified position titles on the table and an index that referred to grid numbers on the salary schedule. However, there are multiple salary schedules based on date of hire that contain the same grid number differentiated with an (a) or (b). It requires another document to determine what salary schedule is relevant. Additionally, the pay schedule refers to a one percent cost offset that will coincide with the employee paying an additional one percent towards employer or CalPERS. However, it is not clearly documented that the one percent increase is reflected on the pay schedule. OAS recommends the Agency work with EAMD to increase the clarity and transparency of its pay schedule.

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## CONCLUSION

OAS limited this review to the areas specified in the scope section of this report and in the objectives outlined in Appendix A. The procedures performed provide reasonable, but not absolute, assurance that the Agency complied with the specific provisions of the PERL and CalPERS contract except as noted.

The findings and conclusions outlined in this report are based on information made available or otherwise obtained at the time this report was prepared. This report does not constitute a final determination in regard to the findings noted within the report. The appropriate CalPERS divisions will notify the Agency of the final determinations on the report findings and provide appeal rights, if applicable, at that time. All appeals must be made to the appropriate CalPERS division by filing a written appeal with CalPERS, in Sacramento, within 30 days of the date of the mailing of the determination letter, in accordance with Government Code Section 20134 and Sections 555-555.4, Title 2, of California Code of Regulations.

Respectfully submitted,

Original signed by Beliz Chappuie

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BELIZ CHAPPUIE, CPA, MBA  
Chief, Office of Audit Services

Staff: Cheryl Dietz, CPA, Assistant Division Chief  
Alan Feblowitz, CFE, Senior Manager  
Chris Wall, Senior Manager  
Antonio Madrigal, Lead Auditor  
Vincent Antolini, Auditor

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# **APPENDIX A**

## **OBJECTIVES**

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## OBJECTIVES

The objectives of this review were to determine whether the Agency complied with:

- Applicable sections of the Government Code (Sections 20000 et seq.), PEPRA, and Title 2 of the CCR.
- Reporting and enrollment procedures prescribed in the Agency's retirement contract with CalPERS.

## METHODOLOGY

To accomplish the review objectives, OAS interviewed key staff members to obtain an understanding of the Agency's personnel and payroll procedures, reviewed documents, and performed the following procedures.

- ✓ Reviewed:
  - Provisions of the contract and contract amendments between the Agency and CalPERS
  - Correspondence files maintained at CalPERS
  - Agency Board minutes and Agency Board resolutions
  - Agency written labor policies and agreements
  - Agency salary, wage, and benefit agreements including applicable resolutions
  - Agency personnel records and employee time records
  - Agency payroll information including Contribution Detail Transaction History reports
  - Documents related to employee payrate, special compensation, and benefits
  - Various other relevant documents
- ✓ Reviewed Agency payroll records and compared the records to data reported to CalPERS to determine whether the Agency correctly reported compensation.
- ✓ Reviewed payrates reported to CalPERS and reconciled the payrates to Agency public salary records to determine whether base payrates reported were accurate, pursuant to publicly available pay schedules that identify the position title, payrate and time base for each position, and duly approved by the Agency's governing body in accordance with requirements of applicable public meetings laws.
- ✓ Reviewed CalPERS reports to determine whether the payroll reporting elements were reported correctly.



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- ✓ Reviewed the Agency's enrollment practices for temporary and part-time employees to determine whether individuals met CalPERS membership requirements.
- ✓ Reviewed the Agency's employment practices for retired annuitants to determine if retirees were lawfully employed and reinstated when unlawful employment occurs.
- ✓ Reviewed the Agency's independent contractors to determine whether the individuals were either eligible or correctly excluded from CalPERS membership.
- ✓ Reviewed the Agency's affiliated entity organizational structure to determine whether employees of the affiliated entity qualified for CalPERS membership and were enrolled as required.
- ✓ Reviewed the Agency's calculation and reporting of unused sick leave balances, if contracted to provide additional service credits for unused sick leave.

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# **APPENDIX B**

**AGENCY'S WRITTEN RESPONSE**



# City of Whittier

Controller's Office  
13230 Penn Street, Whittier, California 90602-1772  
(562) 567-9820

June 8, 2016

CalPERS  
400 Q Street  
Sacramento, CA 95811  
Attn: Office of Audit Services

**Subject: City of Whittier-Public Agency Review (CID# 5028070334/Job#P14-075)**

This letter is intended to provide the City of Whittier's initial responses to CalPERS' recent review of the City's reporting practices for the time period in question. The following responses will correlate with the initial Review Results and Observations provided in CalPERS' draft Public Agency Review Report. The City appreciates CalPERS' time and attention to the City's responses before finalizing the Report.

Response to Audit Review Findings:

1. The Agency did not report special compensation in accordance with the Government Code and the CCR.
  - a. Sewer Maintenance - The City believes that the correct reportable compensation amount was reported to CalPERS related to this item, but agrees that the special compensation amount noted in this finding should be reported separately from the pay rate. The City will work with the CalPERS' Employer Account Management Division to address this finding.
  - b. POST Certificate - The City believes that the correct reportable compensation amount was reported to CalPERS related to this item, but agrees that the special compensation amount noted in this finding should be reported

separately from the pay rate. The City will work with the CalPERS' Employer Account Management Division to address this finding.

- c. Bilingual - The City believes that the correct reportable compensation amount was reported to CalPERS related to this item, but agrees that the special compensation amount noted in this finding should be reported separately from the pay rate. The City will work with the CalPERS' Employer Account Management Division to address this finding.
- d. Education Incentive - The City believes that the correct reportable compensation amount was reported to CalPERS related to this item, but agrees that the special compensation amount noted in this finding should be reported separately from the pay rate. The City will work with the CalPERS' Employer Account Management Division to address this finding.
- e. Traffic Investigator - The City believes that the correct reportable compensation amount was reported to CalPERS related to this item. However, the City disagrees that the Traffic Investigator pay is not an item of special compensation. The Traffic Investigation pay meets all conditions for an item of special compensation. Specifically, under 2 C.C.R. 571(a), an accepted item of special compensation includes:

Police Investigator Premium - Compensation to rank and file local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to analyze crimes or ***investigate accidents***.

The Traffic Investigator premium is paid to the City's police officers who are routinely and consistently assigned to investigate major vehicle accidents. The premium also satisfies all conditions under 2 C.C.R. 571(b). The City will work with the Whittier Police Officers Association ("WPOA") to enter into a written agreement which will apply retroactively to July 1, 2010 and specifically define the conditions for which the Traffic Investigation premium is paid. The City will work with the CalPERS' Employer Account Management Division to address this finding and include additional language in labor agreements to address concerns.

- f. Motor Officer / Canine Pay - The City agrees the special compensation amount noted in this finding was non-reportable. The City will work with the CalPERS' Employer Account Management Division to address this finding.
- g. Corporal - The City believes that the correct compensation amount was reported to CalPERS related to this item, and agrees that the special compensation amount noted in this finding should be reported separately from the rate of pay. However, the City disagrees with the finding that the corporal pay was not a reportable item of special compensation. The corporal pay meets all of the requirements for a reportable item of special compensation. Specifically, under 2 C.C.R. 571(a), an approved item of special compensation includes:

Lead Worker/Supervisor Premium - Compensation to employees who are routinely and consistently assigned to a lead or supervisory position over other employees, subordinate classifications, or agency-sponsored program participants.

- As clearly and comprehensively set forth in the memorandum of understanding ("MOU") with the WPOA, "corporal" is not a classification or position, but an assignment for police officers. The corporal pay is paid to those police officers who are routinely and consistently assigned as a "first line supervisor in the absence of a Sergeant" and "lead supervisor." The corporal pay also meets all of the conditions set forth in 2 C.C.R. 571(b). The City will work with the CalPERS' Employer Account Management Division to ensure that corporal pay will continue to be a reportable item of special compensation reported separately from the pay rate.
- h. Uniform Purchase - The City agrees that pay provided to employees for the purchase of a uniform is a reportable item of special compensation for classic members of CalPERS. The City will work with the CalPERS' Employer Account Management Division to address this finding.
  - i. Uniform Allowance - The City believes that the correct compensation amount was reported to CalPERS related to this item, and agrees that the compensation amount noted in this finding should be reported separately from

the pay rate. The City will agree to report the uniform pay by equal fractions of the total lump sum each pay period to CalPERS. The City will work with the CalPERS' Employer Account Management Division to further discuss this finding and address as appropriate.

- j. Field Service Uniform - The City disagrees that the MOU with the Whittier City Employees Association ("WCEA") did not "include the conditions for payment of uniform." The City does not pay employees for the purchase of their uniform. Rather, the City physically provides the uniforms to the employee. If the City would like for the value of the uniform to be expressly stated in the MOU, the City will work with the WCEA to enter into an agreement to this effect applied retroactively to July 1, 2011. CalPERS also asserts that the MOU did not identify "eligibility for" the provision of a uniform; the City disagrees. The eligibility for a uniform is the very fact that the employee is in the position of a Field Service employee, as the MOU indicates. There are no other requirements. The City will work with the CalPERS' Employer Account Management Division to further discuss this finding and address as appropriate.

- 2. The Agency incorrectly reported a Council Member's monthly pay as an hourly payrate.

The City of Whittier agrees that the Council Member's pay should be reported as a monthly payrate, but it should be noted that CalPERS Employer Services Division previously and directly assisted in the set-up of this reporting and directed the City to report it as an hourly payrate. Nonetheless, the City will work with the CalPERS' Employer Account Management Division to address this finding.

- 3. The Agency incorrectly reported retroactive salary adjustment.

The City of Whittier disagrees that the Police Chief's retroactive salary adjustment was calculated incorrectly. However, the City incorrectly reported as pay rate the included items of special compensation which resulted in the

appearance of an irregularity. The City should have reported the special compensation separately from the pay rate. Separating the reportable special compensation from the reportable pay rate will ultimately reflect that the City, in total, reported the correct amount of compensation earnable. The City will work with the CalPERS' Employer Account Management Division to address this finding.

4. The Agency incorrectly paid and reported EPMC.

The City of Whittier agrees that it should have reported as special compensation the value of EPMC for Miscellaneous Executive Managers at 8%. The City disagrees that the value of EPMC reported for the Police Chief should also be at 8%. The intent of the Salary Resolution for Executive Managers is that the City would pay the full amount of the Executive Managers' member contributions to CalPERS. Because the Police Chief is a safety member, the full amount of his member contribution equaled 9%. As all members of the group received the same benefit (City payment of the full amount of their member contributions), the amount paid was consistent, met the conditions under 2 C.C.R. 571(a) and (b), and was therefore correct. The City will work with the CalPERS' Employer Account Management Division to address this finding.

5. Part-time employees were not properly enrolled.

- a. Interpretive Programs Coordinator - The City of Whittier agrees that part-time employees in the position of Interpretive Program Coordinator should be enrolled in CalPERS under the conditions set forth in Government Code section 20305. The City will work with the CalPERS' Employer Account Management Division to address this finding.
- b. Community Services Officer - The City of Whittier agrees that part-time employees in the position of Community Services Officer should be enrolled in CalPERS under the conditions set forth in Government Code section 20305.

The City will work with the CalPERS' Employer Account Management Division to address this finding.

6. Reported incorrect sick leave balance.

The City of Whittier agrees that unused sick leave is only reportable for a separated employee if they retire with CalPERS within a 120 days following separation from employment. It is not, and has never been, a reporting practice of the City to report sick leave to CalPERS if the member did not retire within 120 days of separation from employment. In this particular situation, it was *CalPERS* that contacted the City and directed the City to report the member's unused sick leave hours in My|CalPERS, despite the City disagreeing that the sick leave was reportable. The City will work with the CalPERS' Employer Account Management Division to address this finding.

Response to Audit Review Observations:

Observation 1. The City agrees to work with Employer Account Management Division to clearly define the City's application of the contract exclusion for delineated classifications and ensure this application is in accordance with Government Code section 20502.

Observation 2. The City believes the salary schedules are clear and transparent. If the Employer Account Management Division has difficulty reading the schedules, the City will work with the Division to explain the salary schedules and discuss any modifications that may make the schedules easier to understand.

Conclusion

Thank you for the opportunity to respond to CalPERS' initial review findings and observations. If you have any questions, please do not hesitate to contact Monica Lo, Assistant City Controller, or myself at (562) 567-9810 or [mlo@cityofwhittier.org](mailto:mlo@cityofwhittier.org).



Sincerely,

(No signature)

Rod C. Hill

City Controller & Director

of Human Resources

*City of Whittier*

[rhill@cityofwhittier.org](mailto:rhill@cityofwhittier.org)