



BETTY T. YEE
California State Controller

RECEIVED
December 22, 2017
**Commission on
State Mandates**

December 22, 2017

Heather Halsey
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

**SUBJECT: Incorrect Reduction Claim (IRC)
Local Government Employee Relations, 17-0130-I-01
Government Code Section 3502.5(b) and 3508.5(c):
Statutes 2000, Chapter 901 (SB 739);
California Code of Regulations, Title 8, Sections 32132, 32135, 32140, 32149,
32150, 32160, 32168, 32170, 32175, 32176, 32180, 32190, 32205, 32206,
32207, 32209, 32210, 32212, 32310, 32315, 32375, 32455, 32620, 32644,
32649, 32680, 32980, 60010, 60030, 60050, 60070;
Register 2001, Number 49.
Fiscal Year 2010-2011
City of Monrovia, Claimant**

Dear Ms. Halsey:

The State Controller's Office is transmitting our response to the above-named IRC.

If you have any questions, please contact me by telephone at (916) 324-5919.

Sincerely,

A handwritten signature in blue ink, appearing to read "Evelyn Calderon-Yee", with a long horizontal line extending to the right.

Evelyn Calderon-Yee
Chief, Bureau of Payments

Enclosures

cc: Shawn Silva, Senior Staff Counsel, State Controller's Office
Jim Spano, Assistant Chief, Division of Audits, State Controller's Office

Local Government Programs and Services Division
MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250
3301 C Street, Suite 700, Sacramento, CA 95816

**RESPONSE BY THE STATE CONTROLLER'S OFFICE TO THE
INCORRECT REDUCTION CLAIM BY
CITY OF MONROVIA**

Local Government Employee Relations

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Tab 1

1 **OFFICE OF THE STATE CONTROLLER**
Local Government Programs and Services Division
2 3301 C Street, Suite 740
Sacramento, CA 95816
3 Telephone No.: (916) 324-5919
4

5 BEFORE THE
6 COMMISSION ON STATE MANDATES
7 STATE OF CALIFORNIA

8 INCORRECT REDUCTION CLAIM (IRC)
9 ON:

10 *Local Government Employee Relations*

11 Government Code Sections 3502.5(b) and
12 3508.5(c); Statutes 2000, Chapter 901 (SB739);
California Code of Regulations, Title 8,
13 Sections 32132, 32135, 32140, 32149, 32150,
32160, 32168, 32170, 32175, 32176, 32180,
14 32190, 32205, 32206, 32207, 32209, 32210,
32212, 32310, 32315, 32375, 32455, 32620,
15 32644, 32649, 32680, 32980, 60010, 60030,
60050, 60070; Register 2001, Number 49

16 CITY OF MONROVIA, Claimant

No.: IRC 17-0130-I-01

AFFIDAVIT OF BUREAU CHIEF

17
18 I, Evelyn Calderon-Yee, make the following declarations:

- 19 1) I am an employee of the State Controller's Office (SCO) and am over the age of
20 18 years.
21 2) I am currently employed as a bureau chief.
22 3) I am a California Certified Public Accountant.
23 4) I am a Certified Internal Auditor.
24 5) I reviewed the work performed by the SCO analyst.
25

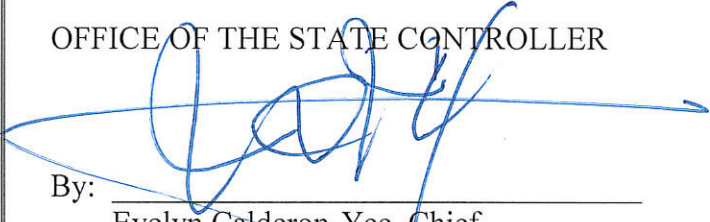
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- 6) Any attached copies of records are true copies of records, as provided by the City of Monrovia or retained at our place of business.
- 7) The records include claims for reimbursement, along with any attached supporting documentation, emails, or other documents relating to the above-entitled IRC.
- 8) A review of the claims for fiscal year 2010-11 commenced in September 2014 and was completed on October 31, 2014 (issuance of adjustment letter).

I do declare that the above declarations are made under penalty of perjury and are true and correct to the best of my knowledge, and that such knowledge is based on personal observation, information, or belief.

Date: December 22, 2017

OFFICE OF THE STATE CONTROLLER



By: _____
Evelyn Calderon-Yee, Chief
Bureau of Payments
Local Government Programs and Services Division
State Controller's Office

Tab 2

**STATE CONTROLLER'S OFFICE ANALYSIS AND RESPONSE
TO THE INCORRECT REDUCTION CLAIM BY THE
CITY OF MONROVIA**

For Fiscal Year 2010-11

Local Government Employee Relations

**Government Code Sections 3502.5(b) and 3508.5(c); Statutes 2000, Chapter 901 (SB 739);
California Code of Regulations, Title 8, Sections 32132, 32135, 32140, 32149, 32150, 32160,
32168, 32170, 32175, 32176, 32180, 32190, 32205, 32206, 32207, 32209, 32210, 32212, 32310,
32315, 32375, 32455, 32620, 32644, 32649, 32680, 32980, 60010, 60030, 60050, 60070;
Register 2001, Number 49**

Summary

The City of Monrovia (City) submitted a reimbursement claim for the Local Government Employee Relations program for the 2010-11 fiscal year (FY) totaling \$229,627 (Tab 3). The claim was filed by a consultant, Cost Recovery Systems, Inc. (CRS), on behalf of the City with the State Controller's Office (SCO) on January 27, 2012 (Tab 4). In September 2014, SCO initiated its desk review on the claim for the period of July 1, 2010 through June 30, 2011. SCO determined that \$147,355 was allowable and \$82,272 was unallowable, which is illustrated in Table 1. On September 29, 2014, SCO notified the City by email and on October 31, 2014 by adjustment notification letter that the total costs of \$82,272 were unallowable for FY 2009-10 and FY 2011-12 because the costs were outside of the 2010-11 reimbursable fiscal year (Tab 7). Then, on August 10, 2017, the City submitted an Incorrect Reduction Claim (IRC) to the Commission on State Mandates (Commission). The City claimed that SCO did not review the claim and notify them timely in order for them to correct and amend their claim within the deadline to file; therefore, the unallowable costs of \$50,489 for FY 2009-10 should be allowed (Tab 8). SCO disagrees with the City. The claim was reviewed timely and was correctly reduced by the total unallowable amount of \$82,272.

Table 1: Allowable versus unallowable costs for the FY 2010-11 claim

Costs Incurred in FY	Costs Claimed in FY 2010-11	Allowable Amount	Unallowable Amount*
2009-10	\$ 50,489	-	\$ 50,489
2010-11	\$ 147,355	\$ 147,355	-
2011-12	\$ 31,813	-	\$ 31,813
Total	\$ 229,627	\$ 147,355	\$ 82,272

*SCO determined costs outside the reimbursable fiscal year of 2010-11 to be unallowable.

SCO Analysis

- The City stated that SCO did not review the claim and notify them timely to allow for the submission of a FY 2010-11 amended claim and a new claim for FY 2009-10 for \$50,489 within the filing deadline. The City filed the FY 2010-11 claim on January 27, 2012. In order to file a late claim for FY 2009-10 to include the \$50,489, the late claim was due by February 15, 2012. During the claim submission period each February, SCO is limited to receipting, managing, and logging several thousand claims into the local reimbursement system to produce a mandatory report for the Legislature by April 30th. Comprehensive desk reviews begin after April 30th each year. Even if SCO reviewed the claim immediately in May 2012, the City would not have been able to make the FY 2009-10 late claim deadline since it was already after February 15, 2012. Additionally, SCO has two years to complete the review. The City never filed a FY 2009-10 claim. Table 2 illustrates that SCO reviewed the claim within a reasonable time and within the allowed timeframe.

Table 2: Claims received timeline

Claim Year	Claim Submission Deadline	Late Claim Submission Deadline	Date Claim Received	Deadline Date to Start Audit	Allowable Audit Period	Desk Review Notification Date	Actual Allowed Review Period*
2009-10	2-15-11	2-15-12	No Claim Filed				
2010-11	2-15-12	2-15-13	1-27-12	Three years from date of the receipt of the claim. However, if no appropriation or payment has been made, the start date to initiate the audit begins from the date of the initial payment.	1-27-12 to current	9-29-14	September 2014 to August 2016

* According to GC 17558.5(a), an audit shall be completed no later than two years after the date the audit began.

- Government Code section 17558.5 provides that audit of claims must be initiated within three years after the claim is filed or last amended. However, if no funds are appropriated or no payment is made, the start date to initiate an audit does not begin until a payment is made. To date, no appropriation or payment has been made for the FY 2010-11 claim. Furthermore, SCO must complete the audit no later than two years from the audit start date. Since our desk review was initiated in September 2014, we had until August 2016 to complete the review. SCO was within its statutory authority to initiate a desk review in September 2014.
- The City filed a timely FY 2010-11 claim on January 27, 2012 (Tab 4), but included multiple fiscal years of service contract costs in its FY 2010-11 claim, which included incurred costs of \$50,489 for FY 2009-10 and \$31,813 for FY 2011-12 as reflected in Table 1 (Tab 5). By including multiple years, the City is not in compliance with the Commission's Parameters and

Guidelines (Ps and Gs), which require one fiscal year per claim (Tab 6). Therefore, the City's claim for FY 2010-11 should be limited to their actual FY 2010-11 costs of \$147,355.

Additionally, our comprehensive desk review found that the City claimed some costs twice. Some contract costs were incurred in FY 2011-12; however, the City claimed these costs, totaling \$22,829, in both the FY 2010-11 claim and FY 2011-12 claim (Tab 5).

4. The City cited a Draft Proposed Decision regarding the City of Los Angeles' IRC for the Firefighters Cancer Presumption Claim (09-4081-I-01). The Commission found that SCO should have allowed for the correction of a "mere arithmetic error." That argument is irrelevant in this case because the inclusion of multiple fiscal years in a single claim is not a "mere arithmetic error"; it is instead a matter of non-compliance with the Ps and Gs as specified in Section III, Period of Reimbursement, which states in part that, "actual costs for one fiscal year shall be included in each claim" (Tab 6).

Conclusion

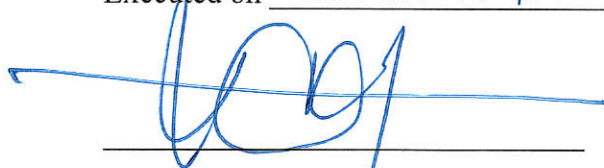
The City claimed that SCO did not review the claim and notify them timely in order for them to correct and amend their claim within the deadline to file; therefore, the unallowable costs of \$50,489 for FY 2009-10 should be allowed. SCO disagrees with the City. The claim was reviewed timely and was correctly reduced. Based on the filing date of the City's FY 2010-11 claim and the SCO's claim submission process, the City would not have been able to meet the February 15, 2012 late claim deadline to file a FY 2009-10 claim for \$50,489.

SCO respectfully requests that the Commission finds that (1) SCO timely reviewed and correctly denied the City of Monrovia's costs for FY 2009-10 in the amount of \$50,489; and (2) SCO correctly reduced the City of Monrovia's FY 2010-11 claim from \$229,627 to \$147,355 due to noncompliance with Section III, Period of Reimbursement, of the Commission's Ps and Gs.

Certification

I hereby certify by my signature below that the statements made in this document are true and correct of my own knowledge, or, as to all other matter, I believe them to be true and correct based upon information and belief.

Executed on December 22, 2017, at Sacramento, California, by:



Evelyn Calderon-Yee, Chief
Bureau of Payments
Local Government Programs and Services Division
State Controller's Office

Tab 3

Fiscal Year 2010-11 Claim

Claim for Payment
Pursuant to Government Code Section 17561
LOCAL GOVERNMENT EMPLOYEE RELATIONS

For State Controller Use Only

(19) Program Number: 00298	Program
(20) Date Filed <u>1/30/12</u>	298
(21) LRS Input <u>1/30/12</u>	

(1) Claimant Identification Number 9819542 ✓
 (02) Claimant Name City of Monrovia ✓
 Mailing Address 415 S. Ivy Avenue
 Street Address or P.O. Box
 City Monrovia
 State CA Zip Code 91016

(22) FORM-1, (04)(A)(1)(g)
 (23) FORM-1, (04)(A)(2)(g)
 (24) FORM-1, (04)(A)(3)(g)

Type of Claim	Estimated Claim	Reimbursement Claim
(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	

(25) FORM-1, (04)(B)(1)(g)
 (26) FORM-1, (04)(B)(2)(g)
 (27) FORM-1, (04)(B)(3)(g)
 (28) FORM-1, (06)

Fiscal Year of Cost (06) (12) 2010-11 ✓

(29) FORM-1, (07)

Total Claimed (07) (13) \$229,627 ✓

(30) FORM-1, (09)

Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable) (14)

(31) FORM-1, (10)

Less: Estimated Claim Payment Received (15)

(32)

Net Claimed Amount (16) \$229,627

(32)

Due from State (08) (17) \$229,627

(33)

Due to State (09) (18) mm

(34)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date

[Signature]

Date Signed 1/19/12

Buffy Bullis

Telephone Number (626) 932-5513

Finance Division Manager

Email Address BBullis@ci.monrovia.ca.us

Name of Contact Person for Claim Telephone Number E-Mail Address

Annette S. Chinn (CRS) (916) 939-7901 AChinnCRS@aol.com

**MANDATED COSTS
LOCAL GOVERNMENT EMPLOYEE RELATIONS
CLAIM SUMMARY**

**FORM
1**

Claimant City of Monrovia	(02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2010-11 <small>(see FAM-27 for estimate)</small>
------------------------------	--	--

Claim Statistics

(03) Leave Blank

Direct Costs	Object Accounts						
(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
A. ONE-TIME ACTIVITIES							
1. Establish Procedures & Documentation							
2. Training for Employees							
3. Establish Procedures and Systems							
B. ONGOING ACTIVITIES							
1. Deduction from Employee Wages							
2. Receipt of Proof in Lieu Payments							
3. Reimbursable Activities for PERB Matters				\$229,627			\$229,627
(05) Total Direct Costs				\$229,627			\$229,627

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	<small>(from ICRP) (Applied to Salaries) (Applied to Salaries)</small>	10.0%
(07) Total Indirect Costs	<small>Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]</small>	
(08) Total Direct and Indirect Costs	<small>Line (05)(d) + line (07) (05)(d) + line (07)</small>	\$229,627

Cost Reductions

(09) Less: Offsetting Savings, if applicable	
(10) Less: Other Reimbursements, if applicable	
(11) Total Claimed Amount	<small>Line (08) - (line(09) + Line(10)) (line(09) + Line(10))</small> \$229,627

**MANDATED COSTS
LOCAL GOVERNMENT EMPLOYEE RELATIONS
CLAIM SUMMARY**

FORM

2

(01) Claimant: **City of Monrovia** (02) Fiscal Year Costs Were Incurred: **2010-11**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

ONE-TIME ACTIVITIES

ON-GOING ACTIVITIES

- | | |
|---|--|
| <input type="checkbox"/> Establish Procedures & Document. | <input type="checkbox"/> Deductions from Employees' Wages |
| <input type="checkbox"/> Training for Employees | <input type="checkbox"/> Receipt of Proof in Lieu Payments |
| <input type="checkbox"/> Establish Procedures & Systems | <input checked="" type="checkbox"/> Reimbursable Activities for PERB Matters |

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	Total Salaries & Benefits
<u>Liebert Cassidy Whitmore (Contract Attorney)</u> Responded to several PERB matters.							\$229,627			
(05) Total							\$229,627			

Fiscal Year 2011-12 Claim

**Claim for Payment
Pursuant to Government Code Section 17561
LOCAL GOVERNMENT EMPLOYEE RELATIONS**

For State Controller Use Only

(19) Program Number: 00298

(20) Date Filed **JAN 30 2013**

(21) LRS Input ___/___/___

Program

298

(1) Claimant Identification Number		9819542		(22) FORM-1, (04)(A)(1)(g)	
(2) Claimant Name		City of Monrovia		(23) FORM-1, (04)(A)(2)(g)	
Mailing Address		415 S. Ivy Avenue		(24) FORM-1, (04)(A)(3)(g)	
Street Address or P.O. Box					
City		Monrovia			
State CA		Zip Code 91016			
Type of Claim	Estimated Claim	Reimbursement Claim			
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>		(25) FORM-1, (04)(B)(1)(g)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>		(26) FORM-1, (04)(B)(2)(g)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>		(27) FORM-1, (04)(B)(3)(g)	
				(28) FORM-1, (06)	42,727
Fiscal Year of Cost	(06)	(12)	2011-12	(29) FORM-1, (07)	88
Total Claimed	(07)	(13)	\$43,908	(30) FORM-1, (09)	1,181
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)		(14)		(31) FORM-1, (10)	
Less: Estimated Claim Payment Received		(15)		(32)	
Net Claimed Amount		(16)	\$43,908	(32)	
Due from State	(08)	(17)	\$43,908	(33)	
Due to State	(09)	(18)		(34)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date

Buffy Bullis
Finance Division Manager

Date Signed

Telephone Number (353) 932-5506

Email Address BBullis@ci.monrovia.ca.us

Name of Contact Person for Claim Telephone Number E-Mail Address

Annette S. Chinn (CRS) (916) 939-7901 AChinnCRS@aol.com

**MANDATED COSTS
LOCAL GOVERNMENT EMPLOYEE RELATIONS
CLAIM SUMMARY**

**FORM
1**

(01) Claimant City of Monrovia	(02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2011-12 (see FAM-27 for estimate)
--	---	--

Claim Statistics

(03) Leave Blank

Direct Costs	Object Accounts						
(04) Reimbursable Components	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total
A. ONE-TIME ACTIVITIES							
1. Establish Procedures & Documentation							
2. Training for Employees							
3. Establish Procedures and Systems							
B. ONGOING ACTIVITIES							
1. Deduction from Employee Wages							
Receipt of Proof in Lieu Payments							
3. Reimbursable Activities for PERB Matters	\$1,339	\$477		\$40,911			\$42,727
(05) Total Direct Costs	\$1,339	\$477		\$40,911			\$42,727

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries) (plied to Salaries)	88.2%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)] ÷ [(a) + line(05)(b)]	\$1,181
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07) (05)(d) + line (07)	\$43,908

Cost Reductions

(09) Less: Offsetting Savings, if applicable	
(10) Less: Other Reimbursements, if applicable	
(11) Total Claimed Amount	\$43,908

**MANDATED COSTS
LOCAL GOVERNMENT EMPLOYEE RELATIONS
CLAIM SUMMARY**

**FORM
2**

(01) Claimant: City of Monrovia

(02) Fiscal Year Costs Were Incurred:

2011-12

Reimbursable Components: Check only one box per form to identify the component being claimed

ONE-TIME ACTIVITIES

ON-GOING ACTIVITIES

Establish Procedures & Document.

Deductions from Employees' Wages

Training for Employees

Receipt of Proof in Lieu Payments

Establish Procedures & Systems

Reimbursable Activities for PERB Matters

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	Total Salaries & Benefits
Theresa St. Peter, HR Director	\$116.72	35.6%	1.00	\$117	\$42					\$158
Danielle Tellez, HR and Risk Management Manager	\$57.11	35.6%	21.40	\$1,222	\$435					\$1,657
Time and costs associated with PERB matter.										
Liebert, Cassidy Whitmore (contract attorney)										
- PERB case # 536							\$19,748			
- PERB case # 610							\$19,589			
- PERB case # 655							\$1,574			
(05) Total			22.40	\$1,339	\$477		\$40,911			\$1,815

Tab 4

State Mandate Reimbursement Claims Receipt

City of Monrovia

January 30, 2012

<u>Mandate/Program</u>	<u>Amount Claimed</u>
Mandate Reimbursement, Prog. 041 Actual 2010-11	\$ 3,142
Absentee Ballots, Prog 002 Actual 2010-11	\$ 20,199
Peace Officer Bill of Rights, Ch. Prog. 187 Actual 2010-11	\$ 2,249
Domestic Viol. Arrest Policy, Prog. 167 Actual 2010-11	\$ 13,376
Administrative License Suspension, Prog. 246 Actual 2010-11	\$ 6,327
Crime Statistics Reporting, Prog. 310 Actual 2010-11	\$ 29,487
Domestic Violence Victim Assistance, Prog. 274 Actual 2010-11	\$ 4,612
Local Recreation Background Screening, Prog. 285 Actual 2010-11	\$ 1,271
Local Government Employee Relations, Prog. 298 Actual 2010-11	\$ 229,627
Identity Theft, Prog. 321	
Actual 2002-03	\$ 4,920
Actual 2003-04	\$ 5,833
Actual 2004-05	\$ 8,556
Actual 2005-06	\$ 8,826
Actual 2006-07	\$ 11,180
Actual 2007-08	\$ 15,818
Actual 2008-09	\$ 24,572
Actual 2009-10	\$ 18,647
Actual 2010-11	\$ 23,486
Open Meetings Act, Prog. 219 Actual 2010-11	\$ 32,966
<hr/>	
Total Claimed	\$ 465,094

The following claims were submitted to and received by the State Controller's Office
by Cost Recovery Systems on behalf of the City of Monrovia

Signed by:

Linnsey Bailey

JAN 27 2012

Date:

Tab 5

City of Monrovia
Summary of Invoices Included in FY 2010-11 Claim

Invoice Number	Invoice Date	Amount	Grand Total
104477	5/31/2009	519.00	
105627	6/30/2009	9,296.90	
106608	7/31/2009	127.20	
107340	8/31/2009	4,308.95	
108785	9/30/2009	72.00	
110362	10/31/2009	438.00	
111332	11/30/2009	12,824.00	
112387	12/31/2009	848.10	
113431	1/31/2010	2,016.00	
114428	2/28/2010	2,568.00	
114429	2/28/2010	4,574.75	
114430	2/28/2010	1,311.00	
115383	3/31/2010	1,159.70	
115384	3/31/2010	833.90	
115385	3/31/2010	3,770.60	
117960	5/31/2010	1,500.00	
119273	6/30/2010	2,055.90	
119279	6/30/2010	2,235.00	
Subtotal			\$50,459.00
120287	7/31/2010	7,413.00	
120291	7/31/2010	2,063.10	
122650	9/30/2010	339.00	
123768	10/31/2010	4,751.14	
123772	10/31/2010	771.00	
123773	10/31/2010	315.00	
125055	11/30/2010	4,303.00	
125059	11/30/2010	580.45	
125060	11/30/2010	54.00	
126117	12/31/2010	8,590.00	
126120	12/31/2010	3,006.85	
126121	12/31/2010	3,695.00	
126122	12/31/2010	280.00	
127262	1/31/2011	13,421.00	
127265	1/31/2011	480.00	
127266	1/31/2011	491.00	
128620	2/28/2011	603.00	
129779	3/31/2011	6,072.00	
129782	3/31/2011	480.00	

City of Monrovia
Summary of Invoices Included in FY 2010-11 Claim

Invoice Number	Invoice Date	Amount	Grand Total
129783	3/31/2011	720.00	
129788	3/31/2011	4,964.60	
131201	4/30/2011	12,569.95	
131204	4/30/2011	2,733.35	
131205	4/30/2011	1,878.00	
131206	4/30/2011	110.00	
131211	4/30/2011	168.00	
133790	5/31/2011	38,472.80	
133792	5/31/2011	5,025.90	
133793	5/31/2011	1,728.00	
133794	5/31/2011	288.00	
136308	6/30/2011	19,041.15	
136312	6/30/2011	408.00	
136313	6/30/2011	1,200.00	
136317	6/30/2011	339.00	
Subtotal			\$147,355.29
138098	7/31/2011	9,169.40 ¹	
138100	7/31/2011	3,710.00	
138101	7/31/2011	3,259.50	
138105	7/31/2011	1,279.35 ¹	
138981	8/31/2011	10,519.00 ¹	
138984	8/31/2011	556.50	
138985	8/31/2011	1,139.50	
138989	8/31/2011	26.50 ¹	
140549	9/30/2011	317.90	
143852	11/30/2011	1,805.00 ¹	
143856	11/30/2011	30.00 ¹	
Subtotal			\$31,812.65
Total Fiscal Year 2010-11 Claim			\$229,626.94

Notations:

¹ Total of \$22,829.25 FY 2011-12 invoices included in both the FY 2010-11 and FY 2011-12 claims

City of Monrovia
Summary of Invoices Included in FY 2011-12 Claim

Invoice Number	Invoice date	Amount
138098	7/31/2011	9,169.40 ¹
138105	7/31/2011	1,279.35 ¹
138981	8/31/2011	10,519.00 ¹
138989	8/31/2011	26.50 ¹
143852	11/30/2011	1,805.00 ¹
143856	11/30/2011	30.00 ¹
145173	12/31/2011	371.00
146342	1/31/2012	60.00
146343	1/31/2012	2,737.00
147477	2/29/2012	12.00
148326	3/31/2012	3,232.65
149932	4/30/2012	3,762.00
42901	5/15/2012	390.20
152236	5/31/2012	198.00
153434	6/30/2012	7,093.30
153438	6/30/2012	226.00
		\$40,911.40

Notation:

¹ Total of \$22,829.25 FY 2011-12 invoices included in both the FY 2010-11 and FY 2011-12 claims

Tab 6

Corrected: June 16, 2009
Adopted: May 29, 2009

PARAMETERS AND GUIDELINES

Government Code Sections 3502.5 and 3508.5

Statutes 2000, Chapter 901 (SB 739)

California Code of Regulations, Title 8, Sections 32132, 32135, 32140, 32149, 32150, 32160, 32168, 32170, 32175, 32176, 32180, 32190, 32205, 32206, 32207, 32209, 32210, 32212, 32310, 32315, 32375, 32455, 32620, 32644, 32649, 32680, 32980, 60010, 60030, 60050, 60070

Register 2001, Number 49

Local Government Employee Relations
01-TC-30

I. SUMMARY OF THE MANDATE

The test claim statute amended the Meyers-Miliias-Brown Act (hereinafter the "MMBA") regarding employer-employee relations between local public agencies and their employees. The test claim statute and its attendant regulations created an additional method for creating an agency shop arrangement, and expanded the jurisdiction of the Public Employment Relations Board (hereinafter "PERB") to include resolving disputes and enforcing the statutory duties and rights of those public employers and employees subject to the MMBA.

On December 4, 2006, the Commission on State Mandates found that the test claim statute and regulations impose a partially reimbursable state-mandated program on local agencies for the following activities:

1. Deduct from an employees' wages the payment of dues or service fees required pursuant to an agency shop arrangement that was established under subdivision (b) of Government Code section 3502.5, and transmit such fees to the employee organization. (Gov. Code § 3508.5, subd. (b)).
2. Receive from the employee any proof of in lieu fee payments made to charitable organizations required pursuant to an agency shop arrangement that was established under subdivision (b) of Government Code section 3502.5. (Gov. Code, § 3502.5, subd. (c)).
3. Follow PERB procedures in responding to charges and appeals filed with PERB, by an entity other than the local public agency employer, concerning an unfair labor practice, a unit determination, representation by an employee organization, recognition of an employee organization, or election. Mandated activities are:
 - a. procedures for filing documents or extensions for filing documents with PERB (Cal.Code Reg., tit. 8, §§ 32132, 32135 (Register 2001, No. 49));
 - b. proof of service (Cal. Code Regs., tit. 8, § 32140 (Register 2001, No. 49));

- c. responding to subpoenas and investigative subpoenas (Cal. Code Regs., tit. 8, §§ 32149, 32150 (Register 2001, No. 49));
- d. conducting depositions (Cal. Code Regs., tit. 8, § 32160 (Register 2001, No. 49));
- e. participate in hearings and responding as required by PERB agent, PERB Administrative Law Judge, or the five-member PERB (Cal. Code Regs., tit. 8, §§ 32168, 32170, 32175, 32176, 32180, 32205, 32206, 32207, 32209, 32210, 32212, 32310, 32315, 32375, 32455, 32620, 32644, 32649, 32680, 32980, 60010, 60030, 60050 and 60070 (Register 2001, No. 49)); and
- f. filing and responding to written motions in the course of the hearing. (Cal. Code Regs. tit. 8, § 32190. (Register 2001, No. 49.))

II. ELIGIBLE CLAIMANTS

Any county, city, or city and county, special district or other local agency subject to the jurisdiction of PERB that incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement of those costs. However, the City of Los Angeles and the County of Los Angeles are not eligible claimants because they are specifically excluded from PERB jurisdiction pursuant to Government Code section 3507.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that fiscal year. The test claim for this mandate was filed by the test claimants, the County of Sacramento and the City of Sacramento, on August 1, 2002. Therefore, the period of reimbursement begins on July 1, 2001.

Actual costs for one fiscal year shall be included in each claim. Pursuant to Government Code section 17561, subdivision (d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.

If the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any given fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices and receipts.

Evidence corroborating the source documents may include, but is not limited to, time sheets, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, calendars, and declarations. Declarations must include a certification or declaration stating, "I

Tab 7

Emails

Saida, Afsana A.

From: Saida, Afsana A.
Sent: Monday, September 29, 2014 1:22 PM
To: 'bbullis@ci.monrovia.ca.us'
Cc: 'AChinnCRS@aol.com' (AChinnCRS@aol.com); Carlos, Gwendolyn; Lal, Jay
Subject: State Mandated Cost Program-Non Reimbursable Costs

Re: Local Government Employee Relations, Program No. 298, Fiscal Year 2010-11 Claim

Dear Ms. Bullis,

Please be informed that the City of Monrovia submitted a claim for fiscal year 2010-11 for the Local Government Employee Relations program. The city claimed \$229,627 for contract services. During our desk review it was discovered that the city included \$82,272 of contract costs from fiscal years 2009-10 and 2011-12 with the claim. The city can only claim for costs incurred during 2010-11. The table below lists the costs claimed by fiscal year:

Fiscal Year	Cost Incurred	Note
2009-10	\$50,459	Non- Reimbursable
2010-11	\$147,355.29	
2011-12	\$31,812.65	Non-Reimbursable

The claim will be adjusted to exclude the non-reimbursable contract costs. Please let me know if you have any questions.

Thank you,
Afsana A. Saida
Local Reimbursements Section
Division of Accounting and Reporting
State Controller's Office
Direct: (916) 324-7870
Fax: (916) 323-6527
State Mandated Programs

Saida, Afsana A.

From: Buffy Bullis [mailto:bbullis@ci.monrovia.ca.us]

Sent: Monday, September 29, 2014 5:09 PM

To: Saida, Afsana A. <ASaida@sco.ca.gov>

Cc: AChinnCRS@aol.com; Carlos, Gwendolyn <GCarlos@sco.ca.gov>; Lal, Jay <jlal@sco.ca.gov>

Subject: RE: State Mandated Cost Program-Non Reimbursable Costs

Hi Afsana,

Thank you for your email. In reviewing the documentation submitted, I believe that the costs claimed are reimbursable under the parameters of the mandate and were submitted on time; however, I see that some costs were not filed on the correct paperwork. We respectfully request that you do not disallow our eligible FY 09-10 costs of \$50,459, but pay them from the correct fiscal year. It was a simple accounting/clerical error on the City's part. I understand that late claim penalties would apply to some of the FY 09-10 costs included in the wrong fiscal year claim.

Please accept my apologies for the inconvenience and I thank you for your assistance. Please feel free to contact me if you have any questions or if you need additional information.

Buffy J. Bullis

Finance Division Manager

City of Monrovia

Phone: (626) 932-5513; Fax: (626) 932-5567; Email: bbullis@ci.monrovia.ca.us

Saida, Afsana A.

From: Saida, Afsana A.

Sent: Tuesday, September 30, 2014 11:46 AM

To: 'Buffy Bullis' <bbullis@ci.monrovia.ca.us>

Cc: AChinnCRS@aol.com; Carlos, Gwendolyn <GCarlos@sco.ca.gov>; Lal, Jay <jlal@sco.ca.gov>

Subject: RE: State Mandated Cost Program-Non Reimbursable Costs

Hi Buffy,

We are bound by the legal authority of the parameters and guidelines and cannot accept costs that are outside of reimbursable fiscal years. As per the P's and G's, "Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities."

The city did not file a claim for fiscal year 2009-10 and the deadline to file a late claim for 2009-10 or 2011-12 has already passed. I reviewed the 2011-12 claim filed by the city and discovered that some of the costs incurred during 2011-12 have been correctly included with the 2011-12 claim but were also claimed in 2010-11. Please note, the actual costs incurred during fiscal year 2010-11 will be allowed and processed for payment upon availability of appropriation.

Thank you for your understanding.

Afsana A. Saida

Local Reimbursements Section

Division of Accounting and Reporting

State Controller's Office

Direct: (916) 324-7870

Fax: (916) 323-6527

State Mandated Programs

Saida, Afsana A.

To: Lal, Jay
CC: Speciale, Dennis; Delfin, Marieta E.; Carlos, Gwendolyn
Subject: RE: State Mandated Cost Program-Non Reimbursable Costs

From: Lal, Jay
Sent: Thursday, October 2, 2014 9:05 AM
To: Saida, Afsana A. <ASaida@sco.ca.gov>
CC: Speciale, Dennis <DSpeciale@sco.ca.gov>; Delfin, Marieta E. <MDelfin@sco.ca.gov>; Carlos, Gwendolyn <GCarlos@sco.ca.gov>
Subject: FW: State Mandated Cost Program-Non Reimbursable Costs

FYI

From: Lal, Jay
Sent: Wednesday, October 01, 2014 2:18 PM
To: 'AChinnCRS@aol.com'
Subject: RE: State Mandated Cost Program-Non Reimbursable Costs

Good Afternoon Annette,

I am sympathetic to the issue at hand, but by law I cannot apply costs to a prior year claim that was not submitted. Also, the deadline has passed for submission. Sorry.

From: AChinnCRS@aol.com [<mailto:AChinnCRS@aol.com>]
Sent: Wednesday, October 01, 2014 12:14 PM
To: Lal, Jay
Subject: Re: State Mandated Cost Program-Non Reimbursable Costs

Hi Jay,

I would imagine as Reimbursements Division Manager, you would have the authority to allow a simply clerical error to be corrected without having to bother the Commission on State Mandates with an Incorrect Reduction Claim of this nature. If simple errors such as this will have to be appealed, we'll soon clogged up their calendar with many frivolous complaints.

The costs were eligible and timely submitted - I just mistakenly didn't separate the two fiscal years in question for 09-10 and 10-11 into two forms.

I have always been very professional and responsive to your staff's requests and would really appreciate a little leeway on this.

Thank you,

Annette S. Chinn
Cost Recovery Systems, Inc.
705-2 E. Bidwell Street #294
Folsom, CA 95630

phone (916) 939-7901
:(916) 939-7801

Saida, Afsana A.

From: Saida, Afsana A.

Sent: Tuesday, October 7, 2014 10:49 AM

To: 'Buffy Bullis' <bbullis@ci.monrovia.ca.us>

Subject: RE: State Mandated Cost Program-Non Reimbursable Costs

Hi Buffy,

I am sorry to let you know that we cannot accept the invoices from prior fiscal years.

Thank you,

Afsana A. Saida

Local Reimbursements Section

Division of Accounting and Reporting

State Controller's Office

Direct: (916) 324-7870

Fax: (916) 323-6527

[State Mandated Programs](#)

From: Buffy Bullis [<mailto:bbullis@ci.monrovia.ca.us>]

Sent: Thursday, October 02, 2014 5:50 PM

To: Saida, Afsana A.

Cc: ACHinnCRS@aol.com

Subject: RE: State Mandated Cost Program-Non Reimbursable Costs

Hi Afsana,

It was nice speaking with you today. Attached are the invoices I had mentioned during our phone conversation. If possible, since these invoices were paid during the 2010-2011 fiscal year, would you please ask your supervisor to consider allowing these to be added to our existing claim? The three additional bills are as follows:

\$1,500, Invoice #117960 - pay date July 16, 2010

\$2,235, Invoice #119279 - pay date Aug 12, 2010

\$2,055.90 Invoice # 119273 0 pay date Aug 12, 2010

Thank you for your consideration.

Buffy J. Bullis

Finance Division Manager

City of Monrovia

Phone: (626) 932-5513; Fax: (626) 932-5567; Email: bbullis@ci.monrovia.ca.us

Saida, Afsana A.

From: Lal, Jay
Sent: Thursday, September 22, 2016 2:32 PM
To: Carlos, Gwendolyn; Saida, Afsana A.
Subject: FW: City of Monrovia - Local Government Employee Relations claim for fiscal year 2010-11

FYI

From: Lal, Jay
Sent: Thursday, September 22, 2016 2:30 PM
To: 'bbullis@ci.monrovia.ca.us'
Cc: Kato, Anne
Subject: City of Monrovia - Local Government Employee Relations claim for fiscal year 2010-11

Good Afternoon Ms. Bullis,

I just received your letter dated September 8, 2016, regarding your fiscal year 2010-11 Local Government Employee Relations program claim. As discussed in September and October of 2014, I am sympathetic to the issue, but by law, I cannot apply costs to a prior year claim that was not submitted. If you have any questions, please call me at (916) 324-0256. Thank you.

Adjustment Letter



JOHN CHIANG
California State Controller
Division of Accounting and Reporting
OCTOBER 31, 2014

9819542
00298
2014/10/31

CITY FINANCE OFFICER
CITY OF MONROVIA
415 SO IVY AVENUE
MONROVIA CA 91016

DEAR CLAIMANT:

RE: LOC GOVT EMPL RELATE: 901/00-L

WE HAVE REVIEWED YOUR 2010/2011 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 229,627.00

ADJUSTMENT TO CLAIM:

OUTSIDE OF REIMBURSABLE F.Y. - 82,272.00

TOTAL ADJUSTMENTS - 82,272.00

AMOUNT DUE CLAIMANT \$ 147,355.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT AFSANA SAIDA AT (916) 324-7870 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
P.O. BOX 942850 SACRAMENTO, CA 94250-5875

Tab 8



August 10, 2017

Ms. Heather Halsey
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: Incorrect Reduction Claim for Local Government Employee Relations Program,
City of Monrovia

Dear Ms. Halsey,

The City of Monrovia is requesting to appeal the decision of the State Controller's Office (SCO) to deny reimbursement of \$50,459 in state mandated costs for FY 2009-10 for the Local Government Employee Relations Program No. 298. The City requests that the Commission on State Mandates review and consider this Incorrect Reduction Claim (IRC) to reverse the reduction made to the City's claim.

The City believes that the SCO's decision to reduce the claim is not justified and is unfair because the SCO's accounting division waited almost three years to audit the City's claim to determine that the claim would be reduced by \$50,459 due to clerical errors (described further in this letter). Because the SCO waited almost three years to audit the claim and notify the City of the error, the City was unable to correct the claim as the filing period had passed. After multiple requests to the SCO, the City was denied an opportunity to revise/amend the claim. It is important to note that, had the City known of the clerical error sooner (not three years later), the City would have immediately corrected and resubmitted the claim within the filing period. Furthermore, the City believes that state mandated costs should not be denied on the basis of a clerical error and that the City should be given an opportunity to amend a claim that contains actual, eligible, state mandated costs.

This IRC letter provides a summary of the claim, a chronology of events, a relevant case study, and an overview of the City's compliance with the state mandate guidelines.

The following documents are attached to assist with your review:

1. Original Claim for the Local Government Employee Relations (Dated 1/30/2012)
2. Backup Documentation of Invoices (Submitted with Original Claim on 1/30/2012)
3. Email Notification from SCO Regarding Claim Reduction and Email Correspondences (Dated 9/29/2014 - 9/30/2014)
4. Final Written Appeal Letter to the State Controller's Office (dated 9/8/2016)
5. State Controller's Office Denial Letter (dated 10/20/2016)

**Summary of SB90 Claim - Local Government Employee Relations Program No. 298
Original Claim Submitted on 1/19/2012**

Fiscal Year	Cost Incurred	Notes
2009-10	\$50,459	The FY 2009-10 claim was denied because it was mistakenly recorded in FY 2010-11 instead of FY 2009-10 and the filing period for FY 2009-10 had passed by the time the City was notified of the reduction on 9/29/2014.
2010-11	\$147,355	The FY 2010-11 claim was approved as part of the original claim because it was recorded in the correct fiscal year 2010-11
2011-12	\$31,813	The FY 2011-12 claim was denied because it was mistakenly recorded in FY 2010-11 instead of FY 2011-12; however, the City was able to resubmit the claim separately in the subsequent year.
Total Claim	\$229,627	Total amount submitted.
2009-10 Reduction	\$50,459	Total amount denied.
Total Amount Recovered	\$179,168	Total amount approved. This includes the FY 2010-11 claim that was originally approved and the FY 2011-12 claim that was revised and resubmitted.

As indicated in the summary above, the FY 2009-10 cost was the only portion of the claim that was not resolved or recovered due to the State Controller's Office (SCO) denial of the claim. The City of Monrovia is filing the Incorrect Reduction Claim (IRC) to reverse the FY 2009-10 \$50,459 reduction made to the City's claim.

Chronology:

- **January 30, 2012** - City timely submitted the FY 2010-11 claims for State Reimbursement.

The City submitted an SB 90 Claim for the Local Government Employee Relations Program No. 298 for three fiscal years (FY 2009-10, FY 2010-11, and FY 2011-12) under one submittal (FY 2010-11 FAM-27.) At the time, the City had inadvertently filed the multi-year claim and did not realize it would cause the claim to be ineligible.

- **September 29, 2014** - State Controller's Office auditor notified the City of the claim reduction.

The State Controller's Office waited almost three years to audit the City's claim. On September 29, 2014, Ms. Afsana Saida, SCO Auditor, notified the City of Monrovia that the FY 2010-11 Local Government Employee Relations claim would be reduced by \$50,459, due to errors in filing the claim for FY 2009-10, FY 2010-11, and FY 2011-12 in one submission (under the FY 2010-11 period), rather than filing separate claims for each fiscal year. It is important to note that, had the City known of the clerical error sooner, the City would have corrected and resubmitted the claim for FY 2009-10.

- **September 29, 2014** - City Finance Director, Ms. Buffy Bullis, responds to the SCO.

Ms. Bullis emailed the SCO a message requesting correction of the clerical error and restoration of the \$50,459 reduction (less applicable late penalties) for the FY 2009-10 costs that were submitted.

- **September 30, 2014** - State Controller's Offices' desk auditor denies the City's request.

Ms. Afsana Saida emailed the City a response denying the City's request to correct the clerical error and restore the eligible FY 2009-10 costs of \$50,459. Ms. Afsana Saida indicated that the reduction would not be restored because all "Actual costs must be traceable and be supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities," as noted in the attached email correspondence. However, the City believes that these requirements were, in fact, satisfied and that the City filed the claim in good faith. The claim included *valid and traceable* costs through proper documentation of actual and eligible invoices.

Ms. Bullis followed up with a phone call to Mr. Jay Lal, SCO Accounting Division Manager; however, the request to correct the clerical error was denied. The City was informed that the cut would not be restored because the deadline to file the FY 2009-10 claims had passed. However, had the City known of or been notified of the clerical error sooner (not almost three years after the original claim submittal), the City would have corrected the paperwork within the allowable timeframe by submitting a separate late claim for FY 2009-10.

- **September 8, 2016** - City Finance Director, Ms. Buffy Bullis, makes a final written appeal to SCO.

Ms. Bullis mailed Mr. Jay Lal, SCO Accounting Division Manager, a final written appeal to request reconsideration of the denial and allow the City to correct the FY 2009-10 claim and recover the state mandated costs for that period.

- **October 20, 2016** - State Controller's Office again denies request for reconsideration.

Mr. Jay Lal, SCO Accounting Division Manager, mails a written letter denying the City's request for reconsideration of the denied FY 2009-10 costs.

- **August 10, 2017** - City Files an Incorrect Reduction Claim

This Incorrect Reduction Claim is filed on time as local agencies (the City) can submit the IRC to the Commission on State Mandates within three years from the date of the State Controller's notice. The original notice submitted by the State Controller's Office was submitted to the City on September 29, 2014, as noted above, and sets the IRC deadline to September 29, 2017.

Relevant Case Study:

On March 18, 2016, the Commission on State Mandates issued a Draft Proposed Decision regarding the City of Los Angeles Incorrect Reduction Claim for Firefighter Cancer Presumption Claim (09-4081-I-01). The City of Monrovia has observed similarities between this IRC case and the one detailed above. In the City of Los Angeles case, they had also attached documented costs to their claims; however, had made a clerical error in transferring those cost to their FAM-27 coversheet. The Commission found that the State Controller's Office should have allowed for the correction of a "mere arithmetic error". This case is similar in that the costs were all eligible, properly documented at the time of filing and the error was due to a simple clerical error. Had the SCO's office notified the City of Los Angeles immediately, the City could have still had time to provide separate coversheets and submit the corrected paperwork. Reference: <https://www.csm.ca.gov/matters/09-4081-I-01/doc7.pdf>

Compliance with State Mandate Requirements:

The City believes the FY 2009-10 expenses in the amount of \$50,459 are legitimate, valid, and reimbursable based on the following state mandate requirements:

- "Government Code (GC) sections 17500 through 17617 provide for the reimbursement of costs incurred by local agencies for costs mandated by the State. These are costs that local agencies are required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program." (The City's costs claimed were eligible, documented, and incurred to comply with a State Mandated Program.)
- "Reimbursement claims are defined as any claim filed with the State Controller's Office (SCO) for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. All claims received by the SCO will be reviewed to verify all actual costs claimed. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable." (The City's costs were not found to be excessive, improper, or unreasonable. The FY 2010-11 and FY 2001-12 costs were not questioned.)
- "Each local agency, to which the mandate is applicable, shall submit claims for the costs of the initial fiscal years to the SCO within 120 days of the issuance date for the claiming instructions, pursuant to GC section 17561(d)(1)(A)." (The City's costs were submitted to the State by the deadline.)
- "In order for the SCO to authorize the payment of a claim, the Certification of Claim, Form FAM-27, must be properly filled out, signed in blue ink, and dated by the agency's authorized officer." (The City believes the wording here is important. It does not say "in order for the State to APPROVE COSTS"; instead it states "Authorize Payment". Granted – the Form FAM-27 was not filled in properly; however – if a claimant had, for example, filed the FAM-27 in black ink instead of blue ink, should that preclude them from obtaining reimbursement for properly documented and timely submitted eligible costs? The City believes that the actual submission and its attached support is the claim – and not just the properly completed coversheet. Clerical errors should not be grounds for denial of constitutionally guaranteed, mandated costs reimbursements.)

At this time, the City of Monrovia kindly requests that your Commission consider this Incorrect Reduction Claim and overturn the State Controller's Office decision to deny the claim and allow the City to correct a simple clerical error. The City is willing to provide amended paperwork to correct the error. Please note that all costs submitted were prepared in accordance with the claiming instructions, Statement of Decision, and the Parameters and Guidelines adopted by the Commission.

Attached are City correspondences with the State and claim documentation, which we feel explains the circumstances of this case. Should you have any questions, please contact me at (626) 932-5513 or our consultant, Annette Chinn, at (916) 939-7901.

Sincerely,



Buffy Bullis

Administrative Service Director/Finance Director

City of Monrovia

Phone: (626) 932-5513 | Fax (626) 932-5567 | Email: bbullis@ci.monrovia.ca.us

c: Anne Kato, Chief Bureau of Payments
Annette Chinn, Cost Recovery Systems, Inc.

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On December 27, 2017, I served the:

- **State Controller's Office (Controller's) Comments on the Incorrect Reduction Claim filed December 22, 2017**

Local Government Employee Relations, 17-0130-I-01

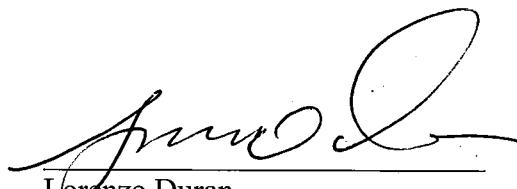
Government Code Sections 3502.5(b) and 3508.5(c); Statutes 2000, Chapter 901 (SB 739); California Code of Regulations, Title 8, Sections 32132, 32135, 32140, 32149, 32150, 32160, 32168, 32170, 32175, 32176, 32180, 32190, 32205, 32206, 32207, 32209, 32210, 32212, 32310, 32315, 32375, 32455, 32620, 32644, 32649, 32680, 32980, 60010, 60030, 60050, 60070; Register 2001, Number 49.

Fiscal Year: 2010-2011

City of Monrovia, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on December 27, 2017 at Sacramento, California.



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COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 12/21/17

Claim Number: 17-0130-I-01

Matter: Local Government Employee Relations

Claimant: City of Monrovia

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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