COUNTY OF LOS ANGELES

Department of
Agricultural Commissioner/
Weights and Measures

12300 Lower Azusa Road
Arcadia, California 91006-5872
http://acwm.co.la.ca.us

Kurt E. Floren
Agricultural Commissioner/
Director of Weights and Measures

Robert G. Atkins
Chief Deputy

March 21, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL OF APPROPRIATION ADJUSTMENT
(ALL DISTRICTS - 4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1 Approve the attached appropriation adjustment in the amount of $1,900,000 to appropriate $1,400,000 in increased revenues from revised device registration fees resulting from Assembly Bill (AB) 889 and transfer one-time Salaries and Employee Benefits savings of $500,000 to Service and Supplies and Fixed Assets to fund one-time purchases of vehicles and laboratory equipment.

2 Approve interim ordinance authority for 21 positions, as shown below, pursuant to County Code Section 6.06.020 to provide for increased inspection of weighing and measuring devices and to support the main administrative functions as a result of increased workloads, pending allocation by the Department of Human Resources.

PURPOSE/JUSTIFICATION OF RECOMMENDATION

California Business and Professions (B&P) Code §12240 authorizes county boards of supervisors to charge registration fees to operators of commercial weighing and measuring devices in order to recover the costs associated with inspecting and testing these devices. AB 889 (Ruskin) was signed into law by the Governor on October 5, 2005. The Legislature recognized that device registration fees had not been adjusted since 1994, and only partially covered counties' costs. The bill amended B&P §12240 by increasing the maximum fee amounts that counties may charge. The authorized fee

increases are to be implemented in phases over three years, beginning in 2006. Increasing the fees to the maximum levels allowed by law will enable the Agricultural Commissioner/ Weights and Measures Department (ACWM) to staff the program appropriately and increase device inspection frequency.

AB 889 also added subsection 13350(e) to the B&P Code. Counties with established automated point-of-sale (scanner) inspection and registration programs are hereby authorized to charge reinspection fees. These fees are intended to cover the costs of reinspecting stores where inspectors have found overcharges. The provisions of AB 889 became effective on January 1, 2006.

On November 29, 2005, your Board enacted ordinance 2005-3023, amending and conforming County Code §2.40 et seq. and §2.41 et seq. device registration fees at the maximum allowable by State law. Anticipated revenue from the increase in fees, based upon the current commercial device population, is expected to exceed $1,400,000 in fiscal year 2005-06. The ordinance also authorized the ACWM to charge reinspection fees set by the Auditor-Controller. Revenue from these reinspection fees is anticipated to be $12,000 per year.

Approval of this action will allow the ACWM to purchase vehicles, laboratory equipment, and testing equipment, necessary to support the additional inspection staff. Scales are tested with certified weights and meters are tested with special calibrated vessels. These are carried and mounted on specially modified vehicles. Facilities will be modified to accommodate the additional inspectors and support staff. We intend to find additional office and parking space in the northern San Fernando Valley to expand our enforcement into this area of rapid commercial and residential growth. This will also increase productivity by reducing travel time to inspection locations.

The ACWM has sufficient salary savings to fund the following 21 ordinance positions without additional appropriation in the 2005-06 fiscal year: 12.0 Agricultural/Weights and Measures Inspector II positions; 2.0 Agricultural/Weights and Measures Inspector III positions; 1.0 Deputy Agricultural Commissioner/Sealer position; 1.0 Senior Information Systems Support Analyst position; 1.0 ACWM Personnel Technician position; 1.0 Accountant III position; 1.0 Public Information Officer I (PIO) position and 2.0 Intermediate Typist Clerk positions. The ACWM has sufficient salary savings associated with attrition, hiring delays, and entry level placement, to fund the positions for the balance of the current fiscal year. Despite ongoing efforts to hire the new employees and the late approval of the legislation AB 889, the majority of the new positions are not expected to be filled until April 2006.

The 15 additional inspector positions will supplement current Weights and Measures staff, and provide additional enforcement of California weights and measures laws and regulations. The additional inspectors will increase the frequency at which staff are currently inspecting commercial weighing and measuring devices, thus, moving the ACWM closer toward compliance with State law and regulations. When the funding and staffing are increased to the fullness provided by AB 889, the ACWM is able to inspect 100% of all scales and meters annually as prescribed by regulation while improving the inspection of packaged products for accurate weight and volume statements.

The remaining six administrative positions are requested to support the main functions of the ACWM in Information Technology (IT), Human Resources (HR) and Budget and Fiscal Services (BFS). The ACWM has not requested positions in the area of IT or HR since fiscal year 1999-2000. At that time the ACWM had 308 budgeted positions. The 2006-2007 budget request reflects 383 budgeted positions which includes the 21 positions.

The requested position in IT will strengthen the ACWM's computer and data security as well as developing and implementing the ACWM's Business Continuity Plan and Disaster Recovery Plan. This position will also enhance the progress we are making in field data collection as the basis for improved management information and performance measurement.

The position in HR is critical to the ACWM's compliance with State and Federal regulations regarding Federal Medical Leave Act (FMLA), Workers' Compensation, California Family Rights Act as well as assisting the ACWM with classification studies and the County's Return to Work Program. The addition of the requested position improves the ratio of HR staff to total positions from 1:102 to 1:96.

The current lack of high level HR technical staff has contributed to delays in Affirmative Action Compliance investigations, suspension and termination level disciplinary actions, classification justifications and revisions. The AB 889 expansion of the W&M program, the use of seasonal workers in our fruit fly detection, Glassy-winged Sharpshooter and Red Imported Fire Ant programs all creates significant recruitment, examination, in-take and benefits administration workloads.

The position in BFS, in addition to providing the necessary budgeting and cost accounting support to the ACWM, will provide compliance with Internal Controls for e-CAPS.

The requested PIO position will provide outreach to the public and industry for the Weights and Measures Bureau, specifically the device and scanner programs. Also, this position will update ACWM's webpages, improving content and timeliness. He or she will enhance ACWM's brochures, press releases, newsletters, other formal and published documents.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Implementation of the recommended appropriation adjustment is consistent with the County Strategic Plan goals of Service Excellence (Goal 1) and Fiscal Responsibility (Goal 4). County residents and competing businesses, alike, benefit when commercial weighing and measuring devices, such as gasoline pumps and market scales, are inspected more frequently, identifying incorrect devices and requiring repair before further use. ACWM's fiscal soundness has improved as annual revenues increase to meet the staffing costs relative to actual workloads. Revenues are anticipated to increase from the current level of $1.5 million, to more than $2.9 million in 2006.

FISCAL IMPACT/FINANCING

There is no impact on net County cost. All additional costs will be funded by revenue generated from increased device registration fees and the savings in salaries and employee benefits generated by vacancies and hiring delays.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Los Angeles County Agricultural Commissioner/Director of Weights and Measures is charged with inspecting each commercial weighing and measuring device within his jurisdiction. State regulation generally requires that these devices be tested annually with the only exception regarding utility submeters (natural gas, water, and electric meters used to bill tenants for utilities), tested at ten-year intervals. Ten percent of such submeters are tested each year to maintain this inspection frequency.

Currently, ACWM is staffed to annually test only 60% of the commercial device population, at current funding levels. Most weighing and measuring devices are inspected at an average frequency of approximately 20 months rather than the mandated 12 months. Increased revenues and staffing will enable ACWM to meet its legal obligation to conduct annual inspections.

Business and Professions (B&P) Code §12240 continues to authorize counties to fund inspections of packaged commodities from revenues derived through device registration fees. Consumers increasingly purchase commodities in premeasured or preweighed containers. Underfilling, failing to deduct tare (package material) weight, and improper labeling are common problems found among packaged commodities.

Currently, costs of reinspecting stores that have overcharged staff during prior inspections have been borne by the program. B&P §13350(e), which became effective January 1, 2006, transfers the responsibility for these reinspection costs to that store responsible for the overcharge. These reinspection costs will provide additional incentive for stores to ensure price accuracy.

IMPACT ON CURRENT SERVICES (OR PRODUCTS)

The recommended action will significantly improve County services. The requested appropriation will allow for the hiring of additional weighing and measuring device field inspectors to a level sufficient to conduct annual inspections for the first time in more than three decades. The increased inspection and testing frequency will improve the overall accuracy of commercial scales and meters. The appropriation will secure ACWM's ability to monitor packaging practices of manufacturers selling products in the County.

Reinspection fees applicable to retail businesses that have failed a standard, routine price verification inspection will motivate these stores to improve the accuracy of their prices. These reinspection fees will also recover the costs incurred by ACWM for the additional enforcement work required.

CONCLUSION

Please instruct the Executive Officer-Clerk of the Board to forward one conformed copy of the letter and appropriation adjustment to the Auditor-Controller and Chief Administrative Office and forward three conformed copies of this letter and the attachments to the ACWM for distribution.

Respectfully submitted,

for

Kurt E. Floren
Agricultural Commissioner/
Director of Weights and Measures

KEF:RGA:SAB:awp

Attachment

c: Janssen, Chief Administrative Officer
Fortner, County Counsel
McCauley, Auditor-Controller
Henry, Department of Human Resources

BOARD OF SUPERVISORS OFFICIAL COPY

76R 352M 11/83

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. 010-02

DEPARTMENT OF Agricultural Comm/Wts. & Meas. 03/07 2006

AUDITOR-CONTROLLER.
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

4 - VOTE

Sources:
Salaries & Employee Benefits
A01 - AW - 18730 - 1000
$500,000

Unanticipated Revenue
A01 - AW - ~~18780~~ 18730 - 8121
$1,400,000

Uses:
Service & Supplies
A01 - AW - 18730 - 2000
$400,000

Fixed Assets - EQUIPMENT
A01 - AW - 18730 - 6030
$1,500,000

Adjustment required to purchase vehicles, lab equipment, and testing equipment financed by salary savings and additional revenue generated by revised Device Registration Fees (AB889).

Robert G. Atkins, Chief Deputy

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR— ACTION ✓ RECOMMENDATION

AUDITOR-CONTROLLER BY Barbara Harstad MARCH 7 2006

No. 284

APPROVED AS REQUESTED ✓ AS REVISED

March 7 2006 CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED): BOARD OF SUPERVISORS 19

BY DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER