

## ADDITIONAL CALPERS INQUIRIES

4. **I do not see Bruce Malkenhorst Sr. on any of the payroll registers for the 5/04-5 pay period. Can you provide the payroll register that includes him in this pay period?**

The City's copy of the relevant payroll register is incomplete. The page documenting Bruce Malkenhorst Sr.'s pay rate for the 5/04-5 period is missing. However, the City has located the MainFrame Payroll Check Proof List for the 5/04-5 pay period. This document contains the information that would have been reported in the payroll register. A copy of this document is attached.

EX. 80

the Finance Director. The explanation and documentation previously provided is all that is available.

6. You have identified the following current and former employees as holding multiple positions concurrently at the City of Vernon. Please provide the approved salary schedules for each of the positions occupied, whether compensated or not, and identify what percentage of time the employee spent providing services in each position. (a) Riordan Burnett; (b) Kristen Enomoto; (c) Eric Fresch; (d) Jeffrey Harrison; (e) Joaquin Leon; (f) Bruce Malkenhorst Sr.; (g) Bruce Malkenhorst Jr.; (h) Daniel O'Callaghan; (i) Robert Toering; (j) Martha Valenzuela; (k) Mark Whitworth; (l) Willard Yamaguchi.

The City of Vernon has compiled charts indicating what percentage of time current employees spent performing duties in each of their positions. These charts also indicate whether their positions are compensated or uncompensated. The City of Vernon is unable to determine what percentage of time former employees spent in each of their

EX. 80 - 2

positions. These former employees include: Jeffrey Harrison; Bruce Malkenhorst, Sr.; Bruce Malkenhorst, Jr; Daniel O'Callaghan; and Robert Toering. However, the City of Vernon can state that, while employed by the City, Daniel O'Callaghan's full time position was Director of Light & Power and Robert Toering's full time position was Assistant Director of Industrial Development. All other positions occupied by these two individuals were overtime positions. Lastly, the recent salary schedules applicable to some of these positions can be located at Resolution Nos. 9639, 9342, 9089, 2010-33 and their subsequent amendments.

_____	Deputy City Treasurer
Name	Title

CONFIDENTIAL

Hi Joaquin,

You have identified the following current and former employees as holding multiple positions concurrently at the City of Vernon. Please provide the approved salary schedules for each of the positions occupied, whether compensated or not, and identify what percentage of time the employee spent providing services in each position.

Roidan Burnett  
Kristen Enomoto  
Eric Fresch  
Jeffrey Harrison  
Joaquin Leon  
Bruce Malkenhorst Sr.  
Bruce Malkenhorst Jr.  
Daniel O'Callaghan  
Robert Toering  
Martha Valenzuela  
Mark Whitworth  
Willard Yamaguchi

If any of the above-requested documents do not exist or you are unable to provide them, please identify the document and the reason it can not be provided. Please respond to this follow-up request by close of business Thursday, March 3, 2011.

Thank you,

Chris Wall  
Associate Program Evaluator  
CalPERS, Office of Audit Services  
(916) 795-2364  
[Chris\\_wall@CalPERS.ca.gov](mailto:Chris_wall@CalPERS.ca.gov)

---

**From:** REDACTED  
**Sent:** Thursday, February 17, 2011 2:33 PM  
**To:** REDACTED  
**Cc:** REDACTED  
**Subject:** REDACTED

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

FYI

Sincerely,

---

**From:** Wall, Chris [mailto:Chris\_Wall@CalPERS.ca.gov]  
**Sent:** Thursday, February 17, 2011 1:26 PM  
**To:** Leon, Joaquin  
**Subject:** Questions pertaining to Leonis Malburg & Bruce Malkenhorst

Hi Joaquin,

Can you provide me with an explanation as to how the compensation that was reported to CalPERS for Leonis Malburg in the 3/06-4 pay period? Please indicate which payroll registers are included in the 3/06-4 pay period, and identify the regular earnings as well as the dollar amount for each paycode which was used to calculate the monthly pay rate of \$4,700.62.

In addition, I do not see Bruce Malkenhorst Sr. on any of the payroll registers for the 5/04-5 pay period. Can you provide the payroll register that includes him in this pay period?

Thank you,

Chris Wall

Associate Program Evaluator

CalPERS, Office of Audit Services

(916) 795-2364

[Chris\\_wall@CalPERS.ca.gov](mailto:Chris_wall@CalPERS.ca.gov)

CONFIDENTIAL

I am having trouble determining, for example on the attached invoice, how you distinguished between the compensation paid to Eric Fresch and the Law Offices of Eric Fresch. In addition, I noticed the City was billed for 31 consecutive days of the month including a holiday. Can you provide me with documentation as to which duties were provided by Eric Fresch or the law firm and explain why the service were billed for every day for the month?

I will need contracts for the following projects: City Attorney's Office, Wind Project, Coldwater II, General Fund Energy Project, Natural Gas System Project, Repowering Station A, Renewable Energy Portfolio Standard, Gas Bonds 2009 Series, and Capitalized Hours (Light and Power)

- Can you provide me with additional background and documentation as to why the City began paying employees through both payroll and 1099's? Do you have resolutions or any other documentation to help clarify the issue?
- Can you provide a list of all current City employees working in multiple positions and identify all of the positions they occupied at one time. Please include the 19 employees, including those no longer working for the City, which were selected in the sample I provided at the entrance conference. I have attached an additional copy of the list I provided at the entrance conference. In addition, please identify all of the positions occupied by the following retired employees. Dan Downing, Nellie Stoykovich, and Fernando Weathers.
- The personnel files for Eduardo Olivo, Bruce Malkenhorst Jr., and Bruce Malkenhorst Sr. I know the District attorney has the files for both Bruce Malkenhorst Jr., and Bruce Malkenhorst Sr. I wanted to make sure you have requested a copy and find out when we should be able to expect them.

[Joaquin Leon] I forward your question to Martha Valenzuela to address.

- The additional information to substantiate the arrears service credit for Eduardo Olivo and Eric Fresch. Where you able to obtain any additional compensation documentation for Eric Fresch prior to 1993 and for Eduardo Olivo prior to 1999.

[Joaquin Leon] Consultant/Employment contracts have been provided. As for the invoices, I need more time to pull this information from storage. I will have available whatever information I can find when you return in January.

- Job descriptions and contracts for the City Attorney positions. I know you provided me with the Job description for Willard Yamaguchi as risk manager; however, I wanted to make sure there is no additional information I can provide to CalPERS to help determine if this position should be classified as safety.

- Including the job description or duty statement for the position of special council

[Joaquin Leon] I forward your question to Martha Valenzuela to address.

- Resolution that shows 25% longevity pay was included in regular earnings for all managerial employees.
- I have an additional question about the prior contract for Rory Burnett. His original contract is for \$28,333.00 for 120 hours per month. That equates to an hourly payrate of \$236.11. The contract

stated that additional hours were paid at \$375.00 per hour. Can you please explain the difference between the two hourly payrates?

- I noticed that Bruce Malkenhorst Sr. received 25% longevity pay after 25 years and all other department heads received 25% at 30 years. Can you identify any other City employees that received 25% longevity after 25 years? If no other employees received this compensation after 25 years it makes a group or class of one and the employee would only be entitled to special compensation that is being received by the next closest group or class which is the department heads. You can have a group or class based on hire date but that can not be a group or class of one either. If any other City employees have received 25% longevity can you please provide documentation to support this?
- I will need the PERS AESD-59 forms that show council members elected to enroll in optional CalPERS membership?
- I have not found the position of Special Assistant to the City Attorney on any additional salary schedules. Can you provide me the names of who held this position before and after Bruce Malkenhorst Jr? Can you provide me with a job description or duty statement for the position of Special Assistant to the City Attorney?

Thanks again for your continued cooperation and I look forward to hearing from you tomorrow.

Chris Wall

Associate Program Evaluator

CalPERS, Office of Audit Services

(916) 795-2364

[Chris\\_wall@CalPERS.ca.gov](mailto:Chris_wall@CalPERS.ca.gov)

**CONFIDENTIALITY NOTICE:** This e-mail transmission, and any documents, files or previous e-mail messages attached to it may contain confidential information that is legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender. Please destroy the original transmission and its attachments without reading or saving in any manner.

---

**From:** REDACTED  
**Sent:** Wednesday, January 26, 2011 10:51 AM  
**To:** REDACTED  
**Subject:** REDACTED

-----Original Message-----

REDACTED

**Sent:** Wednesday, January 26, 2011 10:48 AM Pacific Standard Time

REDACTED

REDACTED

REDACTED

---

REDACTED  
**Sent:** Wednesday, January 26, 2011 10:42 AM  
REDACTED

REDACTED

FYI

Sincerely,

CONFIDENTIAL

**From:** Wall, Chris [<mailto:Chris.Wall@CalPERS.ca.gov>]  
**Sent:** Wednesday, January 26, 2011 10:35 AM  
**To:** Leon, Joaquin  
**Subject:** Longevity pay & optional membership AESD-59

H Joaquin,

I noticed that Bruce Malkenhorst Sr. received 25% longevity pay after 25 years and all other department heads received 25% at 30 years. Can you identify any other City employees that received 25% longevity after 25 years? If no other employees received this compensation after 25 years it makes a group or class of one and the employee would only be entitled to special compensation. EX. 80 - 8



being received by the next closest group or class which is the department heads. You can have a group or class based on hire date but that can not be a group or class of one either. If any other City employees have received 25% longevity can you please provide documentation to support this?

In addition, I wanted to request in writing that I will need the PERS AESD-59 forms that show council members elected to enroll in optional CalPERS membership, and any documentation you might have that shows longevity pay was rolled into base pay for all department heads?

If you are unable to provide any of the above mentioned information please indicate which items you are unable to provide as well as the reason the City will not be able to provide this information.

Thank you,

Chris Wall

CONFIDENTIALITY NOTICE: This e-mail transmission, and any documents, files or previous e-mail messages attached to it may contain confidential information that is legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender. Please destroy the original transmission and its attachments without reading or saving in any manner.

CONFIDENTIAL