

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: April 21, 2016

TO: Honorable Paul Krekorian, Chair
Honorable Mitchell Englander, Vice Chair
Honorable Paul Koretz, Member
Honorable Bob Blumenfield, Member
Honorable Mike Bonin, Member
Budget and Finance Committee

FROM: Enrique C. Zaldivar, Director
Bureau of Sanitation



SUBJECT: **LA SANITATION – MAYOR’S PROPOSED BUDGET FOR FISCAL
YEAR 2016-17**

In concert with the Mayor's efforts to establish long-term fiscal sustainability for the City, LA Sanitation (LASAN) and its nearly 3,000 employees recognize and are proud to be part of the City family's collective participation in developing a livable and sustainable City while delivering back-to-basics services. Mayor Garcetti's proposed budget addresses LASAN's budget priorities, with the following minor comments:

1. Environmental Quality Program

a. Clean Streets LA (CSLA)

LASAN is pleased with the new positions allocated for the CSLA program, which will allow the program to be staffed in a sustainable manner, rather than using staff borrowed from other programs and part-time exempt employees. The additions listed below will help ensure that CSLA provides the level of service that is expected:

i. While the operations-level staff will allow the creation of a 4th Clean Streets Crew to expand operations, the program does require additional supervisory support. The supervisory ratios found in the Solid Resources Program, with its curbside collection program that doesn't vary much on a daily basis, are not applicable to the CSLA Program. The CSLA crews are working in different parts of the City every day, not following pre-defined routes. The CSLA crews work extensively with homeless encampments, which have rapidly evolving requirements. The CSLA Program also requires frequent interaction with elected officials and community groups. Currently, much of this burden is rising to the higher level positions of Solid Resources Manager I and Assistant Director of Sanitation when it could be performed more efficiently by a Solid Resources Superintendent. LASAN requests the addition of one Solid Resources Superintendent, which will provide one for every two crews. The two Superintendents will be the lead community liaisons and the coordinators with the Los Angeles Homeless Services Authority.

Recommendation: Add nine-months funding and regular authority for one Solid Resources Superintendent (4102). Funding in the amount of \$85,638 is provided by the General Fund (Salaries-General).

ii. LASAN will be installing cameras to help curb illegal dumping activities. Two Environmental Compliance Inspectors (ECIs) are required for the new Enforcement Case Preparation Unit to review footage and help prepare cases for prosecution by the City Attorney's Office.

Recommendation: Add nine-months funding and resolution authority for two Environmental Compliance Inspectors (4292). Funding in the amount of \$152,148 is provided by the General Fund (Salaries-General).

iii. The proposed budget does not include some of the expense funding that LASAN requested, including funding for the collection and proper disposal of hazardous materials, training for staff who interact with the homeless population, and uniforms and safety supplies. The requested funding is \$1,705,811, from the General Fund.

Recommendation: Approve and increase the General Fund Appropriation in the amount of \$1,705,811 in Contractual Services Account for hazardous waste and disposal services and Operating Supplies Account for training, uniforms, and safety supplies.

iv. Currently the Solids Resources vehicles utilized in CSLA and OHS are purchased with Solid Waste Resources Revenue Fund (SWRRF) bond funds and maintained with SWRRF funds. The incremental vehicle expenses associated with vehicle usage in the CSLA and OHS programs include petroleum (fuel and oil), vehicle depreciation, parts, and repair and maintenance, which were proposed to be budgeted as a credit to SWRRF's Schedule 2. The \$4,030,000 vehicle-related expenditures front-funded by SWRRF were not included in the Blue Book. Due to restrictions set by Proposition 218, these vehicle costs of \$3,860,000 for CSLA and \$170,000 for OHS need to be reimbursed to SWRRF from the General Fund

Recommendation: Approve and increase the General Fund Appropriation in the amount of \$4,030,000 in the General City Purposes budget.

v. LASAN is in agreement with the funding realignment plan of reassigning 15 positions in the Solid Resources Program to the General-Funded CSLA Program (Blue Book Volume II, page 578, Item 44). In order to absorb this loss of positions, LASAN requests to reduce the salary savings rate from three to zero percent within the Solid Resources Program SWRRF and Multi-Family Bulky Item Fund (MFBI) to meet operational needs. On October 30, 2015, the City Council approved reducing the LASAN salary savings rate from 5.6 to zero percent in FY 2015-16 within these two Solid Resources special funds (CF 14-1499-S2). This reduction will allow LASAN to maximize hiring and fill all authorities within the Solid Resources Program.

Recommendation: Approve and reduce the salary savings rate from 3% to 0% within the Solid Waste Resources Revenue Fund and Multi-Family Bulky Item Fund.

vi. LASAN is pleased to see the expansion of the Curbside Receptacle Program included in the Blue Book Volume II, page 582, Item 51. However, this would only provide one additional Refuse Collection Truck Operator (RCTO), for a total of six. Six RCTOs would only be able to service 3,170 receptacles. In order to service all 3,700 receptacles, one additional RCTO is required. In addition, due to the expansion of this program, a dedicated supervisory position is required. Collection routes will have to be shifted daily, based on feedback from level-sensing containers, LASAN observation, and constituent requests.

Recommendation: Add nine-months funding and regular authority for one Solid Resources Superintendent (4102) and one Refuse Collection Truck Operator (3580-2). Funding in the amount of \$140,050 is provided by the General Fund (Salaries-General).

vii. LASAN received only six-months salary funding of \$391,544 for the 4th Clean Streets Crew in the CSLA Program (Blue Book Volume II, page 582, Item 52). However, since LASAN can utilize existing positions to temporarily fill in the gap until the new positions are filled, LASAN plans to deploy the fourth Clean Streets Crew in early FY 2016-17. All expenditures incurred by existing positions will be charged against the General Fund appropriation. Therefore, it is strongly recommended that a full 12 months of funding (\$783,088) be provided for the 4th crew to minimize any cleanup service delays to the most needed areas of the City.

Recommendation: Add an additional six-months of salaries for the 4th Clean Streets Crew. Funding in the amount of \$391,544 is provided by the General Fund (Salaries-General).

b. Operation Healthy Streets (OHS)

LASAN understands that all departments were required to have a 10% reduction in General Fund appropriations; however, due to the still-developing nature of the scope of our services being provided to the homeless population, we do not believe this reduction should apply to services being provided to the homeless population for the protection of public health. Item 53 on page 582 of the Blue Book, Volume II, shows a \$467,000 reduction to LASAN's OHS funding. The OHS funding is used to provide clean-up services in Skid Row and Venice Boardwalk. While LASAN did achieve savings in its Operating Supplies Account in FY 2015-16, it is not expected that this level of savings will be achieved in FY 2016-17. LASAN has been requested to increase its service level with LAPD on Skid Row from 5 days to 7 days a week. LASAN is also assuming some duties in Skid Row that were previously provided by the Bureau of Street Services. LASAN requests that this funding be restored so we can provide the level of service that has been requested.

Recommendation: Restore the \$467,000 funding for General Fund appropriations in the Operating Supplies Account.

2. Clean Water Program

a. Hyperion Water Reclamation Plant (HWRP) painters

The painting program at the HWRP is intended to provide a critical function of preserving the facility's equipment and infrastructure through the use of various high performance coatings and other applications to protect components constructed of materials such as steel, fiberglass, and concrete from rusting, corroding, and deteriorating from the damaging elements. LASAN requested one Senior Painter and three painter positions to perform continuous painting on the 20,000 assets at HWRP, which include over 7,000 valves and miles of associated piping systems and over 1,000 pumps and associated drive motors. The estimated time required for optimal maintenance painting at the HWRP facility is over 50,000 personnel hours annually. This would require 29 full-time employees but currently there are only eight painter positions at HWRP.

The marine air environment at HWRP is very corrosive to our facilities. These damaging elements include salt air/fog from the close proximity to the ocean, ultraviolet rays from the constant exposure to the sun, freezing/thawing conditions in the Cryogenic Facility, and chemical exposures from the process resulting in reduced service lives. Funding the four painter positions will significantly reduce costs by decreasing the frequency of replacement projects.

Recommendation: Add nine-months funding and regular authority for one Senior Painter (3424) and three Painters (3423). Funding in the amount of \$247,722 is provided by the Sewer Operations and Maintenance Fund (Salaries-General).

3. Watershed Protection Program

a. Coordinated Integrated Monitoring Program (CIMP) Contract Funding

LASAN often coordinates regional solutions with partner agencies for stormwater issues in the City's four watersheds. Implementation of the CIMPs is mandated to meet the water quality monitoring and reporting requirements of the Municipal Separate Storm Sewer System (MS4) Permit. The CIMPs are regional, watershed-wide water quality monitoring programs to be implemented by LASAN on behalf of the City as the largest agency and on behalf of the partner agencies in the City's watersheds. Regional water quality monitoring is more efficient and provides cost savings for individual agencies including the City. Partner cities and agencies will fully reimburse LASAN for the costs expended on their behalf.

Schedule 7, which is the consolidated budget for the City's Watershed Protection Program, shows this revenue from our partners. It does not include a corresponding appropriation for the contractual work that LASAN needs to perform in order to receive this reimbursement.

Recommendation: Approve and increase the Stormwater Pollution Abatement Fund appropriation in the amount of \$1.5 million for "Sanitation Contracts" on Schedule 7.

b. Total Maximum Daily Loads (TMDL) Compliance Positions

The City's MS4 permit requires the development of Enhanced Watershed Management Programs (EWMPs) for each of the five watersheds. The EWMPs were approved by the

Regional Water Quality Control Board in April 2016, requiring the City to begin implementation and report annually on the progress being made. The City is currently working with the County of Los Angeles to develop a regional source of funding (the Drought Resilience Work Plan) for implementation of the EWMPs and, in particular, the billions of dollars (~\$7.3B) required for capital funding of water quality improvement projects across the City and the watersheds. While the funding mechanism for the construction of projects is being resolved, LASAN requires two engineering positions to ensure that the City at a minimum will maintain compliance with the administrative requirements of the MS4 Permit, which includes annual MS4 Permit annual reporting, development of the Reports of Waste Discharge Requirements, and adaptive management requirements for the EWMPs. In addition, the requested staff will work on our current transition of EWMP plan development to plan implementation, including the identification and prioritization of specific water quality improvement projects (high priority locations) in the City, development of project concept reports, coordination with stakeholders, communication of the projects with the Water Board as means of fulfillment of the City's compliance obligations, and initiation of the CEQA processes for the projects. This work will put the City in a better position in the negotiations for regional EWMP funding measures with the County of Los Angeles and other co-permittees.

Recommendation: Add nine-months funding and regular authority for one Environmental Engineering Associate II (7871-2) and one Environmental Engineering Associate III (7871-3). Funding in the amount of \$137,412 is provided by the Stormwater Pollution Abatement Fund (Salaries-General).

c. Maintenance of Proposition O and Stormwater Facilities

Proposition O has been a very successful program that has constructed a variety of water quality improvement projects, many with innovative natural plant-based treatment systems. LASAN has been maintaining these facilities using part-time maintenance laborers. It has become apparent that LASAN needs to use employees with more specialized experience in maintaining the vegetation that is a featured element as we move from gray to green solutions. LASAN requests a Senior Gardener and two Gardener Caretakers to assist in maintaining these facilities. LASAN will continue to pursue Proposition O optimization funding for the portion of this work that is eligible for those funds.

Recommendation: Add nine-months funding and regular authority for one Senior Gardener (3143) and two Gardener Caretakers (3141). Funding in the amount of \$117,282 is provided by the Stormwater Pollution Abatement Fund (Salaries-General).

4. General Administration and Support Program

a. Grant Section Technical Support

The Blue Book Volume II, Page 586 – Item 62 recommends the deletion of one Management Analyst II for the addition of one Environmental Specialist to provide technical support for LASAN's Grant Section. While the Grants Section does require additional technical assistance to be more competitive in applying for grants, it cannot absorb the deletion of a Management Analyst position. In addition to the existing full-time staff, 3 part-time exempt employees have also been working on grants, equivalent to an additional 1.39 full-time employees. Since this

demonstrates the need to increase staffing, LASAN requests that the Management Analyst position not be deleted.

Recommendation: Remove the recommendation to delete the regular authority for one Management Analyst II (9184-2) and add nine-months funding for the Environmental Specialist III. Funding in the amount of \$79,466 will be 48 percent funded by the Sewer and Construction and Maintenance Fund, 47 percent funded by the Solid Waste Resources Revenue Fund, and five percent funded by the Stormwater Pollution Abatement Fund (Salaries-General).

5. Technology Support

a. Geographic Information System (GIS) Support

As the use of GIS by LASAN has increased, the need for more GIS support has also increased. There are currently more than 100 employees throughout LASAN that use GIS data to complete a wide range of tasks. There are increased requests for LASAN to present information in a GIS format, rather than tables. In order to ensure that LASAN is able to provide GIS data in a timely manner, a Systems Analyst II position is requested. Currently, there is only one systems employee supporting all of LASAN's GIS uses.

Recommendation: Add nine-months funding and regular authority for one Systems Analyst II (1596-2). Funding in the amount of \$68,867 will be 48 percent funded by the Sewer and Construction and Maintenance Fund, 47 percent funded by the Solid Waste Resources Revenue Fund, and five percent funded by the Stormwater Pollution Abatement Fund (Salaries-General).

Thank you in advance for your continued support of LA Sanitation. If you have any questions or would like to discuss any of these items further, please feel free to contact myself or Lisa B. Mowery, LA Sanitation's Chief Financial Officer at (213) 485-2210.

ECZ/LBM:cp

c:	Members of the City Council	Sharon Tso, CLA
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