

# CITY OF LOS ANGELES

CALIFORNIA



**ERIC GARCETTI**  
MAYOR

April 21, 2016

## BOARD OF PUBLIC WORKS MEMBERS

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## OFFICE OF THE BOARD OF PUBLIC WORKS

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**FERNANDO CAMPOS**  
EXECUTIVE OFFICER

<http://www.bpw.lacity.org>

Honorable Councilmember Paul Krekorian, Chair  
Budget and Finance Committee  
c/o Richard Williams, Office of the City Clerk  
200 N. Spring Street, Room 395  
Los Angeles, CA 90012

### **RE: BOARD OF PUBLIC WORKS - MAYOR'S PROPOSED BUDGET FY 2016/2017**

Dear Councilmember Krekorian:

The Board of Public Works (BPW) welcomes the opportunity to provide comments on the Mayor's Proposed Budget for Fiscal Year 2016/2017. The proposed budget continues to support the important work of the BPW, including Departmental governance, accounting and financial services, financial systems, community beautification, and historic preservation. These services align with the Mayor's priority areas by creating a more livable and sustainable city, partnering with residents and civic groups to build a great city, and making Los Angeles the best run big city in America. The BPW appreciates the Mayor's proposed funding additions, including the: (1) restoration of \$2.62 million for Graffiti Abatement, Clean and Green, and LA River Corps; (2) authority for one Project Coordinator to provide administrative and film project support to the Board President; (3) transfer of the FilmLA City-wide Coordinator; (4) funding for the Sidewalk Repair Program and Petroleum & Natural Gas Administration functions; and (5) support to conduct a Public Works Trust Fund Nexus Study.

As part of the City's efforts to reduce the structural deficit, the proposed Mayor's Budget makes many difficult decisions to fund critical quality of life and public safety service needs for Angelenos. In our effort to share part of the sacrifice, we are pleased to join the Mayor and are supportive of the proposed budget. There are some areas of funding reduction that will have an impact to BPW. Therefore, we respectfully request that the Budget and Finance Committee consider the following items:

1. **Decrease One-time Salary Account Reduction from \$403,935 to \$200,000:** The proposed budget reduces the Board's salary funding by \$444,935 (or \$403,935 in one-time funds + \$41,000 from an increase of the salary savings rate from 1% to 2%). This equates to not filling approximately 13% (or 6 to 8) of all General Funded positions. The majority of these positions support graffiti abatement and accounting/financial services, such as contractor payments, revenue generation, Sidewalk Repair, and

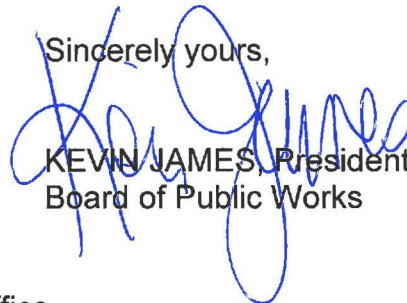


reconciling the Public Works Trust Fund (PWTF), etc. A greater reduction would hinder operational improvements made, such as increasing timely payments made to contractors within 30 days, eliminating a six-year reconciliation backlog of our PWTF, and transferring B-Permit revenue at approx. \$10.9 million with an additional pending amount of \$1.5 million by fiscal-year end. The proposed reduction will result in operational setbacks, increase untimely vendor payments, decrease revenue generation support, and inability to absorb or pay anticipated excess sick and retirement payouts.

- 2. Increase Nexus Study One-Time Contractual Services from \$50,000 to \$150,000:**  
We are very pleased that an initial amount of \$50,000 is included in the Mayor's proposed budget. This amount will help launch this project. Yet, our Office is concerned that based on our initial market research of consultant rates and anticipated scope of work and deliverables, the initial amount of \$50,000 would not be sufficient to conduct the Nexus Study as needed. We anticipate that this study would help develop a "Reasonable Funding Relationship Policy" to advance our focus of project delivery/financing and distribution of public works funding to Council Offices pursuant to the results of the study.

Thank you for your consideration of our comments. For further information, please contact me at (213) 978-0251 or our Budget Coordinator, Teri Schmidt, at (213) 978-0256.

Sincerely yours,



KEVIN JAMES, President  
Board of Public Works

Cc: Matt Szabo, Deputy Mayor, Mayor's Office  
Barbara Romero, Deputy Mayor, Mayor's Office  
Greg Good, Director, Mayor's Office  
Miguel Santana, City Administrative Officer, CAO  
David Hirano, CAO's Office  
Raoul Mendoza, CAO's Office