

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: February 11, 2019

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Council File No. 18-0600-S160  
Council District: Citywide

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Department of Building and Safety letter to the Budget and Finance Committee dated November 15, 2018; Received by the City Administrative Officer November 20, 2018.

Subject: **BUILDING AND SAFETY 2018-19 INTERIM BUDGET REQUEST**

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**RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Receives and files the request from the Department of Building and Safety (DBS) for interim position authorities to address ongoing workload and support for various inspection, engineering and technology divisions;
2. Direct this Office to address the DBS funding reimbursements from the Department of City Planning needed to support for the Monitoring, Verification and Inspection Program (MVIP) for 2018-19 in a future Financial Status Report;
3. Direct the DBS with the assistance of this Office to evaluate the utilization of 120-day authorities and other administrative remedies, including substitute authorities, to address operational needs in the current fiscal year; and,
4. Consider the DBS requests relative to additional staffing for electrical inspection, fire sprinkler inspection, structural plan check, internal auditing, and graphics design as part of the 2019-20 budget development process.

**SUMMARY**

On November 15, 2018, the Department of Building and Safety (DBS) submitted an Interim Budget Request (Interim Request) to the Budget and Finance Committee for 17 positions to address ongoing workload for various inspector and engineer classifications, enhance internal fiscal controls and support the continued development of technology as part of the City's ongoing Development Services Reform Initiative. The overall DBS 2018-19 Interim Request is comprised of eight smaller requests including: 1) three positions for electrical supervision and inspection; 2)

two positions for elevator inspection; 3) two positions for fire sprinkler inspection; 4) six positions for structural plan check; 5) funding to support the Monitoring, Verification and Inspection Program (MVIP); 6) one internal auditor position; 7) one graphics designer position; and, 8) two positions for specialized programming support.

### Interim Budget Request

Interim requests for additional positions must be based on a demonstrable need to meet the long term personnel requirements of a new program added during the current year or to meet urgent operating requirements. The items comprising the Interim Request were evaluated based on this criteria, which was used to determine whether these items should be recommended for approval on an interim basis or considered as part of the 2019-20 budget development process. Based on this criteria this Office recommends that all items included in the Interim Request be considered as part of the 2019-20 budget development process with the exception of funding request for the MVIP and the request for two Programmer Analyst position authorities that can be addressed using substitute authorities.

The other requests do not sufficiently demonstrate an urgent need during 2018-19 that must be addressed outside of the budget process. It should be noted that the use of other interim options such as 120-day authorities or additional overtime funding could be utilized to assist the Department with workload needs pending the consideration of additional long term resources as part of the 2019-20 budget development process. This Office recommends that the request from the Department be received and filed as the current year workload and support issues can be addressed through alternative measures. Additional details on the analysis for each request is included in the Findings section of this report.

### **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. The recommendations of this report comply with City Financial Policies in that the recommended actions are fully supported by special funds and existing budgetary appropriations.

*RHL:NSC:02190074C*

## **FINDINGS**

### **1. Basis for Report**

This Office was directed to provide an analysis of the items included in the DBS 2018-19 Interim Budget Request (Interim Request) and make recommendations as to whether the items in the Interim Request should be evaluated for potential approval during 2018-19 or as part of the 2019-20 budget development process.

### **2. Electrical Supervision and Inspection (Three Positions)**

The Department requests funding and resolution authority for three positions consisting of one Principal Inspector, one Senior Electrical Inspector and one Electrical Inspector to address increased actual and projected workload, and to address supervisory span of control issues. Subsequent to the submission of the Interim Request, the Department requested that the request for the Principal Inspector be removed from consideration.

The Senior Electrical Inspector and the Electrical Inspector positions are requested to address increased actual and projected commercial electrical inspection workload. The Department projects additional increases in commercial electrical inspection workload due to the Commercial Lighting Incentive Program and other projects underway at LAX. Information received from the department shows a consistent and ongoing increase in electrical inspection workload since 2015-16. The issues highlighted by the Department in this request are of an ongoing and long term nature, and are not related to any new program or urgent change in operational need. This Office recommends that these positions be considered as part of the 2019-20 budget development process.

### **3. Elevator Inspection (Two Positions)**

The Department requests funding and resolution authority for two Safety Engineer Elevators (SEE) positions to address a backlog of elevator re-inspections and to address a projected increase in elevator inspection workload from newly permitted elevators. Subsequent to the submission of the Interim Request, the Department requested that this item be removed from consideration.

### **4. Fire Sprinkler Inspection (Two Positions)**

The Department requests funding and resolution authority for two positions consisting of one Fire Sprinkler Inspector (FSI) and one Senior FSI to address increased workload and reduce the need to reschedule fire sprinkler inspections.

Performance metrics submitted by the Department indicate that the actual number of fire sprinkler inspections increased 30.2 percent from 2014-15 through 2017-18, and the Department additional increases in inspections in 2018-19 (11.5 percent). The Department projects that new projects underway at Los Angeles World Airports (LAWA) will require approximately 5,000 additional fire sprinkler inspections annually and approximately 4,700 inspections related to LAWA projects are estimated for the current fiscal year. The Department additionally states that it has had to

reschedule 4,800 (13 percent) fire sprinkler inspections in 2017-18. The issues highlighted by the Department in this request are of an ongoing and long term nature, and are not related to any new program or urgent change in operational need. This Office recommends that these positions be considered as part of the 2019-20 budget development process.

## **5. Structural Plan Check (Six Positions)**

The Department requests funding and resolution authority for six positions consisting of four Structural Engineering Associate (SEA) IIs, one SEA III, and one SEA IV to support Structural Plan Check. The Department states that these positions are needed to address an increased plan check workload and the related issue of attrition due to mandated overtime that has been utilized to address the workload increase with existing staff resources. The Department states that the increased plan check workload is related to the Affordable Housing Linkage Fee, additional volume of homeless shelters and low-income housing, and State regulatory changes related to accessory dwelling units passed in October 2017 (SB229 and AB 494).

Information provided by the Department indicates that the actual number of building plan check jobs filed increased from 2014-15 to 2017-18 and during this same period the Department has increased the percentage of plan check jobs completed in 15 days from 72 percent in 2014-15 to 76 percent in 2017-18. During the 2018-19 budget process, the Department projected the number of plan check jobs filed for 2017-18 at 49,000 and a slight decrease in 2018-19 to 48,000 based on economic trends that were projecting a slowdown in the building cycle. However, the actual number of building plan check jobs filed in 2017-18 was higher than projected at 54,861. The number of building plan check jobs is projected to decrease in 2018-19 to 52,000 and it is unclear when the projected slowdown in the building cycle and additional decreases in plan check jobs filed will occur.

The Department also states that its current training process is not able to prepare new hires quickly enough to address the observed increase in plan check workload and keep up with the rate of attrition (23 percent of SEAs between January 2016 through June 2018). Additionally, DBS states that the use of mandated overtime (last conducted in August 2018) is not sustainable and will likely increase the rate of attrition. The Department has streamlined its training process for engineers to reduce the amount of time required to train new employees and anticipates implementing this new training curriculum in March 2019.

As of February 5, 2019, the Department has two SEA II and two SEA III vacancies in Structural Plan Check. The Department has stated it is working to fill SEA vacancies, including recruiting candidates from university campus events. The issues highlighted by the Department in this request are of an ongoing and long term nature, and are not related to any new program or urgent change in operational need. Additionally, it is not clear how the new streamlined training process will affect the potential staffing needs of the Department. This Office recommends that these positions be considered as part of the 2019-20 budget development process.

## **6. Monitoring, Verification, and Inspection Program (MVIP) - (Funding Request)**

The Department requests funding for one Building Mechanical Inspector (BMI) and one Senior BMI to support the MVIP. The MVIP is a Department of City Planning (DCP) and DBS joint program to ensure compliance with the conditions placed on approved entitlements to preserve and safeguard the quality of life in the City. These positions have been included in the budget without funding since 2015-16 with funding intended to be approved once the MVIP program produced sufficient workload for DBS.

The Department states that funding for these positions is needed to address the workload resulting from the 300 MVIP cases that the DCP has referred to the Department and an additional 1,000 cases that the Department states are anticipated to be referred by DCP by the end of 2018-19. In 2017-18, there were only 20 MVIP cases referred to the Department which were addressed with an existing appropriation for overtime funding.

The Department additionally requested an appropriation of \$746,000 from the Planning and Case Processing Fund which the Department states reflects the inspection fees anticipated to be collected by DCP in 2018-19. DBS states that this funding could be utilized to fund additional overtime or fund additional positions to respond to MVIP case workload. This Office is coordinating with DBS and DCP to determine funding availability to support DBS positions and the specific appropriations required to support the positions authorities needed to address current year workload. Funding for this positions will be addressed in a future Financial Status Report once the amounts and appropriation accounts are determined.

## **7. Graphics Designer (One Position)**

The Department requests funding and resolution authority for one Graphics Designer II position to assist in the programming, development and launch stages of the BuildLA website. The BuildLA website will serve as an online portal to connect online development services in a single platform for use by customers for these services. This position would be focused on designing an intuitive and aesthetic user interface to ensure a positive user experience. Additionally, the Department states that the requested position would be utilized to create and distribute online and printed advertisements to publicize the launch of the BuildLA website. It is not certain what the long term workload for this position would be following the launch of the BuildLA website and the continued need for a position authority to address this work. This Office recommends that this position be considered as part of the 2019-20 budget development process.

## **8. Specialized Programming Support (Two Positions)**

The Department requests to add two Programmer Analyst III authorities to replace two current Systems Analyst authorities to expand the Department's applications programming capacity and conduct more applications development work with DBS staff rather than contractors. The Department states this request is needed to expand the ability of Department to support the management and development of complex systems in support of development reform initiatives such as ePlan and the Universal Cashiering System. Additionally, the Department has indicated



that these resources are needed to resolve issues with the Department's systems when major systems issues arise. This Office recommends that this request be addressed administratively through the utilization of substitute authorities during the current fiscal year and that the long term evaluation of these positions be addressed through the 2019-20 budget process.

#### **9. Internal Auditor Support (One Position)**

The Department requests funding and resolution authority for one Internal Auditor IV to enhance the Department's internal controls and oversight. The Department states that this position would establish and manage an Internal Audit Section within DBS with a focus on providing enhanced oversight of the Department's Information Technology (IT) projects and procurement processes. This type of auditing function is generally placed in the Office of the Controller. Consideration of this request must address how this position could fit into the organizational structure of the Department or whether it is more appropriate to place this authority in the Controller. This Office recommends that this position be considered as part of the 2019-20 budget development process to allow full consideration of the long term implications of adding an auditing function within the Department.

#### **10. Request Review**

This Office reviewed the items comprising the Department's Interim Request to determine whether they met the criteria for the interim resource authority and if there were other measures that could be utilized as alternatives to adding additional staff at this time. Based on this review this Office recommends addressing the funding request for MVIP in a future Financial Status Report and the request for specialized programming support through the use of substitute authorities. As the remainder of the requests is based on the need to address ongoing workload and operational issues, this Office recommends that the majority of these positions be considered as part of the 2019-20 budget process.

To enhance the Department's ability to meet current workload needs, this Office recommends the use of 120-day position authorities, additional overtime and potentially substitute authorities in advance of a more comprehensive evaluation of all the Department's staffing needs for the next fiscal year. These interim measures would allow the Department to better address work backlogs and operational needs in the current fiscal year.