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April 20, 2018

OFFICE OF THE  
BOARD OF PUBLIC WORKS

DR. FERNANDO CAMPOS  
EXECUTIVE OFFICER

200 NORTH SPRING STREET  
ROOM 361, CITY HALL  
LOS ANGELES, CA 90012

TEL: (213) 978-0261  
TDD: (213) 978-2310  
FAX: (213) 978-0278

<http://bpw.lacity.org>

Council File: 18-0600

Honorable Paul Krekorian, Chair  
Budget and Finance Committee  
c/o Office of the City Clerk, City Hall, Room 395

**BOARD OF PUBLIC WORKS COMMENTS - MAYOR'S 2018-19 PROPOSED BUDGET**

Dear Councilmember Krekorian:

The Board of Public Works (BPW) welcomes the opportunity to provide comments on the Mayor's 2018-19 Proposed Budget. We are pleased with the resources provided to continue existing services with regards to Clean Streets LA, Sidewalk Repair, Film, Petroleum Administration, and support for Commissioners. Understanding the City's current fiscal situation and challenge to fund critical quality of life and public safety needs, the BPW will attempt to absorb the cost for two unfunded filled positions and a salary reduction totaling \$282,244, or six percent.

The BPW would like to request consideration of three revisions, which would help improve our effectiveness and if adopted have zero to minimal impact on the General Fund (GF).

**1. Public Works Trust Fund (PWTF) Administration (GF Impact: \$0)**

**Request:** Add nine months funding of \$75,000 and regular authority for one Senior Management Analyst I and restore Contractual Services funding of \$25,000, which would be offset (swapped) by deleting \$100,000 in Contractual Services allotted for PWTF administration.

A Senior Management Analyst I would better address the long term, non-temporary need to examine various PWTF deposits. The 2017-18 Adopted Budget funded the PWTF Nexus Study, which resulted in identifying nearly \$6 million that can be used within certain parameters, subject to Policy adoption by the BPW, Mayor, and Council. A portion of these funds are contributing to current public works projects in this budget. More important, the proposed position would more feasibly administer and analyze an additional \$32 million in deposits that may result in an estimated \$8 million in funding within the next few years. The proposed dedicated position will provide long term benefits, such as increased responsiveness, transparency, and accountability.

The BPW also received a continued reduction of \$25,000 to its Contractual Services account, which has limited security services and hindered employee safety. The Board Offices is open to the public with no public counter barrier, and recently, there has been an increase in visitors harassing staff and Commissioners. The lack of security creates higher risk and safety concerns.

**2. New Accounting Services (GF Impact: \$24,360)**

**Request:** Add nine months funding (\$48,720) and regular authority for one Accountant position to support Proposition HHH (GF portion \$24,360) and SB1 (\$24,360). Also, add nine months



funding (\$48,720) and regular authority for one Accountant position for Sewer Construction and Maintenance (SCM) Fixed Assets. Full funding provided by SCM.

One Accountant position is proposed to provide accounting and financial support services for both HHH and SB1. However, the magnitude of the \$1.2 billion HHH program for development of permanent supportive housing, affordable housing, and facilities, as well as the \$60 million SB1 program will be challenging. The Bureau of Engineering is performing project management services while the Office of Accounting is responsible for establishment of appropriation accounts, payments, expense reconciliation, and other financial support services. HHH currently has four projects, but the Office of the City Administrative Officer has indicated that work will ramp up in 2018-19. Launching these programs with the proper accounting resources is critical.

In addition, the City has one of the world's largest wastewater collection and treatment systems and uses a Fixed Asset System (FAS) to record information about the cost of capital assets and calculate depreciation. This requires information developed from comprehensive analysis and accurate generation of schedules and reports of all capital expenditures, in accordance to accounting principles and guidelines. The total capital assets of the Wastewater Program has increased in recent years to over \$7 billion. Therefore, a full-time dedicated Accountant is needed to handle this complex task.

### **3. Technology – Systems Hardware and Software (GF Impact: \$64,732)**

**Request:** Add one-time funding \$104,700 in the Office and Administration Account for technology improvement and computer replacement (75 PCs, 27 licenses, and 6 ipads).

More than 60 percent of BPW personal computer (PC) inventory is four years or older. The Information Technology Policy Committee guidelines specify a 4-year replacement cycle. Absent of replacement, it exposes the City to increased service IT outages and security vulnerabilities due to unsupported hardware. Moreover, as evidenced by several cases in recent years, violation of End User License Agreements can result in significant liability to government agencies. The BPW would like to address potential application use without proper licensing. In addition to equipment replacement and licensing needs, the BPW request to complete implementation of the NovusAgenda online automation project. Therefore, six iPad Pro tablets would serve as portable interfaces, enabling Board members and executive staff to dynamically interact with an electronic agenda, as well as utilize features such as electronic voting, electronic voting tabulation, and electronic distribution during the meetings. Infrastructure has already been built out.

Lastly, the Proposed Budget has one unfunded Street Tree Superintendent I. Full or partial funding would bolster the City's effort to improve comprehensive City-wide tree planting strategies. Paygrade should be as determined by the Employee Relations Division.

Thank you in advance for your consideration. We look forward to implementing the 2018-19 Proposed Budget and delivering of public services to all Angelenos. If you have any questions, please contact me at (213) 978-0251 or Fernando Campos, Executive Officer, (213) 978-0250.

Sincerely yours,

  
KEVIN JAMES  
President, Board of Public Works

KJ/FC:rm

CC: Honorable Budget and Finance Committee Members

Matt Szabo, Deputy Chief of Staff to the Mayor

Miguel Sangalang, Deputy Mayor

Richard Llewellyn, City Administrative Officer

Barbara Romero, Deputy Mayor

Sharon Tso, Chief Legislative Analyst (CLA)

David Hirano, Office of the CAO