

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 3, 2017

CAO File No. 0220-04851-0015
Council District: All
Council File No. 13-0046

To: The Mayor
The Council

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

Reference: Council File No. 13-0046

Subject: **DEVELOPMENT SERVICES REFORM INITIATIVE – FIRE SYSTEMS
DEVELOPMENT TRUST FUND**

RECOMMENDATIONS

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

1. Request the Office of the City Attorney (City Attorney), with the assistance of the Office of the City Administrative Officer (CAO) and the Fire Department (LAFD), to prepare and present an ordinance to establish a \$54 Fire Systems Development and Maintenance Fee that shall be added to all existing Fire Prevention Bureau (FPB) fees to defray a portion of the systems development and technology costs associated with purchasing, implementing, and maintaining systems that support FPB activities within the City; and,
2. Request the City Attorney, with the assistance of the CAO, to prepare and present an ordinance establishing the Fire Systems Development and Maintenance Special Revenue Fund for the receipt, retention, and disbursement of LAFD systems development fees.

SUMMARY

On January 28, 2014, the Matrix Consulting Group (Consultant) delivered their analysis of the City's opportunities to improve development services functions. The Consultant's report included 329 separate recommendations including the establishment of a Fire Systems Development and Maintenance Fee (Systems Fee). On November 17, 2015, the Mayor and Council adopted a Planning and Land Use Management (PLUM) Committee Report (C.F. 13-0046) which requested the City Attorney to prepare and present an ordinance to increase all Fire Prevention Bureau (FPB) fees to full-cost recovery and establish a Systems Fee. Over the past two years, FPB fees have been adjusted to full-cost recovery, but the Systems Fee has not been established. Therefore, our Office recommends requesting the City Attorney to prepare and present an ordinance to establish a \$54 Systems Fee that shall be applied to all FPB fees to defray the systems development and technology costs associated with purchasing, implementing, and maintaining systems that support FPB activities within the City.

The Fiscal Year 2016-17 Year-End Financial Status Report (C.F. 16-0600-S178) provided the Fire Department (LAFD) a \$3 million appropriation from the Development Services Trust Fund (Fund No. 58V) to expand the Fire Inspection Management System (FIMS) to integrate with the BuildLA portal and other development services systems. Our Office, with the assistance of the LAFD, developed the \$54 fee based on the cost to acquire, maintain, and support an expanded Fire Inspection Management System (FIMS) for all FPB activities. Currently, the existing FIMS does not support non-development services functions, such as brush clearance or the Certified Unified Program Agency (CUPA). The new fee will cover one-time system acquisition and development costs, as well as on-going costs such as, employee salaries to support and maintain the expanded system, hosting, training, hardware, and supporting services.

The Systems Fee will be utilized to improve efficiency, transparency, and predictability of the FPB's application, review, and inspection processes by expanding the existing FIMS and implementing non-development services modules that are not part of the BuildLA System. The expanded FIMS will deliver functionality that current operations do not provide and is urgently needed for improved customer service and to realize calculated savings and benefits for the City in areas such as the elimination of obsolete legacy systems, waste reduction, and realization of productivity gains. Additionally, the system will streamline FPB processes and facilitate the implementation of the development review process using leading-edge technology while yielding the following benefits:

- (1) Improve customer service by providing web-based services that allows online access to project status and timelines while making services more accessible;
- (2) Improve operational efficiency by streamlining and automating department processes by eliminating redundancies and providing performance measurement capabilities for proactive management of FPB functions;
- (3) Increase transparency by providing real-time information to customers and stakeholders about the status of service requests and when the project is expected to be completed; and,
- (4) Reduce cost of operation by consolidating hardware costs, software license fees, application development, and maintenance costs across FPB functions.

FISCAL IMPACT STATEMENT

There is no anticipated General Fund impact. Adoption of the \$54 Fire Systems Development and Maintenance Fee included in this report will defray a portion of the systems development and technology costs associated with purchasing, implementing, and maintaining modern information technology systems that support FPB activities within the City. Based on current activity levels, the fee will generate \$2.5 million annually. The recommendations included in this report are consistent with the City's Financial Policies as on-going expenditures will be fully supported by on-going revenues.