

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to the Nexus Study of the Public Works Trust Fund (PWTF) Account No. 4873 and the establishment of PWTF Rules and Guidelines.

Recommendation for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

RESOLVE that employment authority in the Board of Public Works (BPW) for one Senior Management Analyst I (Class Code 9171-1) is APPROVED and CONFIRMED for nine months funding.

Fiscal Impact Statement: The City Administrative Officer (CAO) report that there is no General Fund Impact. Funds available for Council Discretionary use within the PWTF are reduced by \$292,000, from \$341,409 to \$49,409. The Recommendations contained in the June 15, 2018 CAO report comply with the City's Financial Policies as one-time revenues will not support ongoing staff.

Community Impact Statement: None submitted.

Summary:

On June 20, 2018, your Committee considered June 15, 2018 CAO and May 2, 2018 BPW reports relative to the Nexus Study of PWTF Account No. 4873 and the establishment of PWTF Rules and Guidelines. Additionally, the Committee also considered a June 20, 2018 BPW report relative to the authorization of one Resolution Authority for one Senior Management Analyst I (Class Code 9171-1) position to assist in the management of the PWTF. According to the CAO, the PWTF was created by the City of Los Angeles in the early 1940s to hold a variety of fee deposits related to Public Works projects. The PWTF operates similar to a bank or escrow account where funds (receipts, deposits, fees, etc.) are held and disbursed for a specific purpose or refunded. Deposits are received and tracked individually, spent for intended purposes as authorized, transferred to the General Fund and other funds as reimbursement for work performed by the City, and refunded to the original depositors or permittees, when appropriate. The PWTF currently holds deposits from approximately 12,000 depositors spread across 29 various appropriation accounts, totaling \$125 million.

The BPW conducted a Nexus Study on the Special Projects Account of the PWTF. The funds in this restricted account have been collected over decades from developers, contractors, and property owners. Some of the deposits in this account represent monies from defaulted bonds and settlements. As of June 30, 2016 this account was valued at approximately \$12 million, including 360 deposits. Some of these deposits were decades old and detailed information about them was not readily available. As a result, the BPW and the Office of Accounting could not process these deposits any further. The goal of the study was to examine the 360 deposits in this account and to explore options to use these funds. This independent review of the funds would determine the reasonable connection, i.e., Nexus, between the fund's original purpose/location and potential uses of the funds.

Finally, in regard to authorizing Resolution Authority for one position of Senior Management Analyst I, the CAO indicated that it does not recommend this action ni that the 2018-19 Adopted

Budget has already appropriated \$100,000 of the available funds for Contractual Services for the purpose of assisting in the management of the PWTF and that the Mayor and Council did not approve the funding nor staff requested by the Board. A detailed table of appropriations is provided in the June 15, 2018 CAO report. After consideration and having provided an opportunity for public comment, the Committee moved to recommend authorization of one Resolution Authority for the position of Senior Management Analyst I as detailed in the May 2, 2018 BPW report and the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
PRICE:	YES
ENGLANDER:	ABSENT

ARL  
6/20/18

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**