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April 21, 2021

Council File: 21-0600
Honorable Paul Krekorian, Chair
Budget and Finance Committee
c/o Office of the City Clerk, City Hall, Room 395

BOARD OF PUBLIC WORKS COMMENTS - FISCAL YEAR 2021-22 PROPOSED BUDGET

Dear Councilmember Krekorian:

The Board of Public Works (Board) welcomes the opportunity to provide comments on the Mayor's Fiscal Year (FY) 2021-22 Proposed "Justice" Budget. We are excited about all the initiatives and concepts outlined in the Justice Budget relative to equity and justice, restoration of city services, especially infrastructure, cleanliness, and homelessness. Understanding that the COVID-19 pandemic changed our lives and how we do business, the Board is committed to restructuring and adjusting to new realities – and ensuring that the Department of Public Works is an engine of opportunity, equity and sustainability, and a diligent and innovative steward of our City's infrastructure for all Angelenos. The Board would like to acknowledge—and is grateful for—a significant increase of \$13.2 million to restore services for Clean and Green and LA Riverkeepers, provide staff and resources to our nascent Office of Climate Emergency Mobilization, seed support for our Workforce Equity Demonstration Project, expand support for our Office of Forest Management, launch a newly-envisioned CleanLA Program focused on cleanliness and youth job creation, additional Graffiti Strike Teams, Pre-Apprenticeship Job Training program, continued Storekeeper II for our warehouse, and continued services in our Public Works Trust Fund management, Mobile Pit and Showers, and Skid Row Cleaning programs. Other resources included support for our Petroleum and Natural Gas operations, Trees, and cleaning services.

With that, the Board also requests consideration of four additional revisions that would substantially improve operations. Please note that the Board is cognizant of the disinclination to add positions given the one-time nature of much of the budget's funding; however, these positions are either revenue generating, revenue protective, or in direct response to services requested by the City Council and Mayor.

1. Revenue Preservation and Generation Unit – One Management Analyst & Two Accountant Positions (GF Impact: \$216,646)

Request: The Board is requesting 12 months funding and regular authorities for one (1) Management Analyst (Class Code 9184; \$86,133) and two (2) accountants (Class Code 1513; \$130,512) to lead a Revenue Preservation and Generation Unit.



The Board's PWTF has a balance of \$154.4 million as of December 31, 2020 and currently holds deposits from more than 12,000 depositors spread across 39 various revenue deposit accounts. The Analyst will assist in the management and review of all deposits related to the Tree Guarantee Revenue Deposit accounts and Permit deposits, and assist the fund manager to research and analyze B-Permit streamlining, address a backlog of E and U Permits (approximately 7,000 work orders/permits) to generate approximately \$6 million within two to three years in additional revenue. The two (2) Accountant positions will mitigate the impacts of three Separation Incentive Program (SIP)-deleted positions. These positions will ensure that nearly 15,000 billings related to E/U Permits, B-Permit reconciliation (\$8 to \$10 million per year), and collection of Street Damage Restoration Fees continue as timely as possible with a combined value of approximately \$75 million. The estimated return on this investment is nearly 400% and approval will restore services eliminated in the Great Recession (2008) and further reduced by SIP (2020). Absent of these three positions, the City could experience delay in revenue receipts or slowdown in revenue generation. General Fund Impact: \$216,646.

2. Oil and Gas Well and Drill Site Facility Compliance Program – Three Positions to Launch Pilot (GF Impact: \$348,495)

Request: The Board is requesting 12 months funding at \$348,495 and resolution authority for one (1) Senior Environmental Engineer (Class Code 7874, \$135,686); one (1) Environmental Specialist III (Class Code 7310-3, \$112,093); and one (1) Environmental Specialist II (7310-2, \$100,716) to initially roll out an oil well compliance – or inspection – program.

The City needs a centralized oversight department to ensure operator compliance with oil well regulations relative to operations in the City of Los Angeles. This function is currently not being performed, and development of the program stems from direction by the City Council (CF 18-0203). Due to SIP, the only Senior Environmental Engineer conducting compliance review retired. Due to limits in statutory authority or because authority rests with other agencies, the Board has been limited to interim review of drill sites or desktop reviews to ensure well-sites meet various health, safety, and environmental requirements.

Funding three positions to launch a pilot program is merited until such time the City Council adopts a formal Oil and Gas Well and Drill Site Facility Compliance Program. This Program is contingent upon the completion of a fee study to establish potential fees to make this program cost neutral. The Board retained consultant MRS Environmental in November 2019 to design the annual compliance program and the fee study draft results are currently being reviewed (note: final report to be completed in the next couple of months). Ultimately, the establishment will require approval by the Offices of the City Attorney and City Administrative Officer. General Fund Impact: \$348,495.

3. Budget and Systems Director – Senior Management Analyst II Upgrade (GF Impact: \$0)

Request: The Board requests a pay grade increase for one (1) existing regular authority position from Senior Management Analyst I (Class Code 9171-1) to Senior Management Analyst II (Class Code 9171-2) to consolidate and realign four major functions in the spirit of efficiency.

The Board has retired 13 of its employees through SIP. One of the four high level management positions was a Senior Systems Analyst II, which created a major gap in our systems support operations. Unfortunately, the Board did not have an appropriate offset to retain this position in accordance with the Mayor's Budget letter instructions. Therefore, the next best option is to address the anticipated gap in services by leveraging existing resources and expertise with a lower cost option – a proposed pay-grade increase from a Senior Management Analyst (SMA) I

to SMA II (mix funded by General Fund at 61.8% and Sewer and Construction Maintenance Fund at 38.2%). This upgrade will allow the Board to realign four major functions into one division, which are Budget, Procurement, Payroll, and Information Technology (IT) Support. Fundamental to that will be the elevation – and significant expansion in responsibilities – of our SMA I overseeing Budget, Purchasing, IT, and Payroll. An upgrade of that position, at no cost for this coming fiscal year, and negligible annual cost thereafter, will appropriately reflect her future scope of duties. The Board believes this position upgrade (pay grade increase) is appropriate and reasonable, with a small incremental cost far less than requesting one Senior Systems Analyst II position at a cost of approximately \$160,000. No Funding Requested – No General Fund Impact Year One.

4. Grants Unit – One Management Analyst Position (GF Impact: \$86,133)

Request: The Board is requesting 12 months funding at \$86,133 and resolution authority for one (1) Management Analyst (Class Code: 9184) position to support its Grants Unit concept, focused on seeking alternative sources of funds to execute various community beautification and tree planting initiatives. These endeavors will focus on vulnerable, frontline communities, and contribute to the City's recovery efforts.

The Board of Public Works does not have dedicated staff to seek funding opportunities for the Board and the various Bureaus within the Department. Having a grants unit for the entire Department provides proper oversight and transparency. This position would work with Board Commissioners, the Executive Officer, and Bureau Directors to determine a grants optimal return on investment and predict any future implications of the grant awards. More importantly, the Board has launched a grants task force in alignment with the City's grants working group. This position will work closely with the CAO's newly developed grants management unit and seek grants to support public works services and infrastructure, including but not limited to providing community services focused on equity and justice, expanding the City's urban tree canopy, beautifying and cleaning Los Angeles, and making the City the safest, sustainable, and the best livable City in the United States – and in preparation for City infrastructure improvements and the Los Angeles Olympic and Paralympic Games. This person will assist in aligning the City's vision to align policies, procedures and reporting, manage incoming and outgoing grants, and prepare for anticipated funding from both Federal and State grant funds, such as the American Rescue Plan and Infrastructure. General Fund Impact: \$86,133.

Lastly, the Board looks forward to submitting its plan for Community Initiatives related to the Office of Climate Emergency Mobilization (\$500,000 in UB) and to collaborating with Council Districts on best approach to invest in and coordinate tree planting services (\$2 million in UB), including option to request one (1) Senior Management Analyst I (Class Code 9171-1) at a cost of \$126,954 per year from this allocation to support tree planting and policy tree work related to Forest Management.

For questions, please contact me at (213) 978-0251 or Dr. Fernando Campos, Executive Officer, at (213) 978-0250.

Sincerely yours,



GREG GOOD
President, Board of Public Works

Board of Public Works
FY 2021-22 Budget
April 21, 2021

GG/AG/FC: tj/fc

CC: Honorable Budget and Finance Committee Members Barbara Romero, Deputy Mayor
Matt Szabo, Deputy Chief of Staff to the Mayor Jeanne Holm, Deputy Mayor
Richard Llewellyn, City Administrative Officer Sharon Tso, Chief Legislative Analyst
Raoul Mendoza, Director, Budget & Innovation David Hirano, Office of the CAO