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MIGUEL SANGALANG  
EXECUTIVE DIRECTOR

1149 S. BROADWAY, SUITE 200  
LOS ANGELES, CA 90015-2213

<http://bsl.lacity.org>

E-mail: [bsl.streetlighting@lacity.org](mailto:bsl.streetlighting@lacity.org)

April 23, 2024

The Honorable Members of the Budget and Finance Committee  
c/o Office of the City Clerk  
City Hall, Room 395

**CONSIDERATIONS FOR THE MAYOR'S FISCAL YEAR 24/25 PROPOSED BUDGET**

Dear Honorable Members:

Thank you for the opportunity to share the impacts and opportunities presented through the Mayor's Proposed Budget. And I also thank the Mayor and her team for working collaboratively with us as the decisions made to reach this point are certainly heavy and many. With the resources that were given during fiscal year 2023/2024, we have been able to achieve much. From repairing more incidents of theft and vandalism than ever before, to implementing innovative solutions such as solar-powered, battery-enabled streetlights, the Bureau has explored every option to provide its core service.

Given the state of our streetlights and the City's economic realities, however, next fiscal year I expect **lighting outages to rapidly increase** throughout the City with the resources proposed in the budget. The reasons for this are twofold – theft & time.

In less than a decade, theft of copper wire and power has risen nearly eightfold, a new normal of all-time highs. And while the Bureau has built a program over the past two years that now matches the number of theft issues coming in, reductions in overtime, hiring hall, and key positions will immediately degrade our response. Overtime alone contributed to the closure of nearly 14% of theft and vandalism related issues but will be cut in half. Regarding positions, particularly unfortunate are the loss of the electricians (our crew leads for which we have been waiting for an exam for two years) and the loss of cement finishers and welders that have been recently vacated but are necessary to fortifying and restoring our lights.

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Concurrently, the cumulative effect of time and deferred maintenance will be more visible: one in four LED fixtures (60,000 of 220,000) are at end of life and at risk of failure; over 11,000 poles are over the age of 75 and must be replaced. On top of this regular maintenance, parts of our infrastructure have deteriorated more quickly than anticipated, with our most glaring example the need to replace over 300 poles at risk of falling along the iconic Wilshire Blvd.

To be clear, the Bureau will still be able to achieve certain tasks and the proposed budget will:

**Address approximately 5,000 incidents of theft and vandalism**

By the end of FY23/24, we anticipate closing around 6,200 theft and vandalism incidents with our resources. Overtime funding contributed to nearly 1,100 theft and vandalism incidents closures, approximately 14% of total CWPT incidents closed. With the reduction of Overtime for FY24/25, we expect to close approximately 5,000 incidents of theft and vandalism.

**Replace approximately 3,750 end-of-life LED fixtures**

End-of-life LED replacements are the single most important and cost effective way to ensure lights stay on. Economies of scale give proactive replacement a cost of \$250-\$300 per fixture, whereas unscheduled replacements cost of \$400-\$600 per fixture. The Bureau assesses a total need of \$10M to replace 40,000 fixtures to catch up and remain on a 10 year cycle.

**Install 150 EV chargers, bringing our total to over 1,000 Right-of-way charging stations**

Without the need to break concrete, our public EV charger program remains a national model to efficiently and effectively deploy EV charging stations throughout the City and can give access to charging infrastructure to underserved areas that would otherwise have difficulty charging. To complete the Bureau will need an additional engineering position for plans.

**Lay an additional 5 miles of conduit and fiber to protect streetlights, deploy Smart City Services, and bridge the digital divide**

The Bureau most recently completed 1.4 Miles of conduit at Destination Crenshaw and has now begun construction of conduit at Canoga Park with an expected total completed of 2.2 Miles by the end of the fiscal year.

**Assist in the on time completion of Metro**

With the addition of the two positions, the Bureau will be able to deliver projects within the 20 business days limitations as agreed in the Master Cooperative Agreement. It should be noted that all 28 projects are fast tracked for completion prior to the LA 2028 Games. The Bureau will be challenged to meet the fast tracked deadlines without additional resources.

**ADDITIONAL NEEDS**

I believe that there are a few position eliminations with the unintended consequence of layoffs as proposed. The elimination of 3 Cement Finisher Worker positions will result in 2 layoffs and we are seeking the Council, CLA, and CAO's help in preventing those layoffs. Separately, the reduction of our hiring hall account will essentially result in the termination of 8 hiring hall

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positions which include 3 Street Lighting Electricians, 3 Electrical Craft Helpers, 2 Cement Finishers. We would hope to save these necessary and versatile positions.

Additionally, the Proposed Budget indicates that the Bureau will need to adhere to a 5.6% salary savings rate, despite eliminating all of its vacant positions. This means the Bureau must shrink by an additional 20 positions, either through attrition or transfers, in order to meet the salary savings rate or we would not have the funds to make payroll. In other words, an additional cut.

I understand the challenging fiscal situation the City finds itself in and the need to find offsets where possible. Unfortunately, the primary funding source for operations and maintenance for the Bureau is the Assessment, 90% of which has been locked at 1996 levels. We are unable to sustain operations without help, of which, according to the CAO, we will receive \$17M in General Fund subsidies for this coming year.

Furthermore, the Assessment requires the Bureau to provide the benefit of streetlighting equally amongst assessed properties regardless of cost. Based on that requirement, we estimate that *the current Assessment generates only enough revenue to fund an LED replacement program and restore service to a vandalized streetlight once every 10 years or fortify a vandalized streetlight once every 34 years.*

For your comparison and consideration, please find below in **ATTACHMENT A** three budget scenarios with expected service levels. The scenarios are in descending size of request, with descending service levels. In all scenarios, we would also ask that either our salary savings rate be reduced, or positions be added to counterbalance. Without new – and flexible – resources, the Bureau will continue to lose its lights to theft & time.

Thank you,

A handwritten signature in black ink, reading "Miguel Sangalang" followed by a stylized monogram or initials.

Miguel Sangalang

Director, Bureau of Street Lighting

cc: Randall Winston, Office of the Mayor  
Matt Hale, Office of the Mayor  
Sharon Tso, Chief Legislative Analyst  
Matt Szabo, City Administrative Office

Attachments

**ATTACHMENT A****SCENARIO 1 - Gradual lighting restoration****Workforce restoration**

Restore 70 positions	\$6,659,274
Restore CWPT Resto OT + \$300K	\$1,500,000
Restore Hiring Hall & Equipment	\$1,388,141

**LED Replacement Program**

Salaries & Equipment	\$966,778
CTIEP Materials	\$9,000,000

**Pole Replacement Program**

Salaries & Equipment	\$2,694,430
CTIEP Materials	\$7,423,000

<b>EV Charging Engineering</b>	<b>\$110,358</b>
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<b>TOTAL</b>	<b>\$29,741,981</b>
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**SCENARIO 2 - Gradual increase in lighting outages****Minimal Workforce Restoration**

Restore CWPT Resto OT + \$300K	\$1,500,000
Restore Hiring Hall & Equipment	\$1,388,141

**LED Replacement Program**

Salaries & Equipment	\$966,778
CTIEP Materials	\$9,000,000

**Pole Replacement Program**

Salaries & Equipment	\$2,694,430
CTIEP Materials	\$7,423,000

<b>EV Charging Engineering</b>	<b>\$110,358</b>
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<b>TOTAL</b>	<b>\$23,082,707</b>
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**SCENARIO 3 - Rapid increase in outages due to theft****Move the following CTIEP to LED Replacement**

Architectural Lighting Maintenance	\$100,000
Bikeway Gen Ben Maintenance	\$150,000
Bikeway General Maintenance	\$150,000
Bridge and Tunnel Lighting Maint.	\$100,000
Solar Lighting	\$1,600,000
Vision Zero	\$700,000

**Move Fortification Funds to LED Replacement**

Overtime	\$1,200,000
Materials	\$2,000,000

<b>EV Charging Engineering</b>	<b>\$110,358</b>
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<b>TOTAL</b>	<b>\$6,110,358</b>
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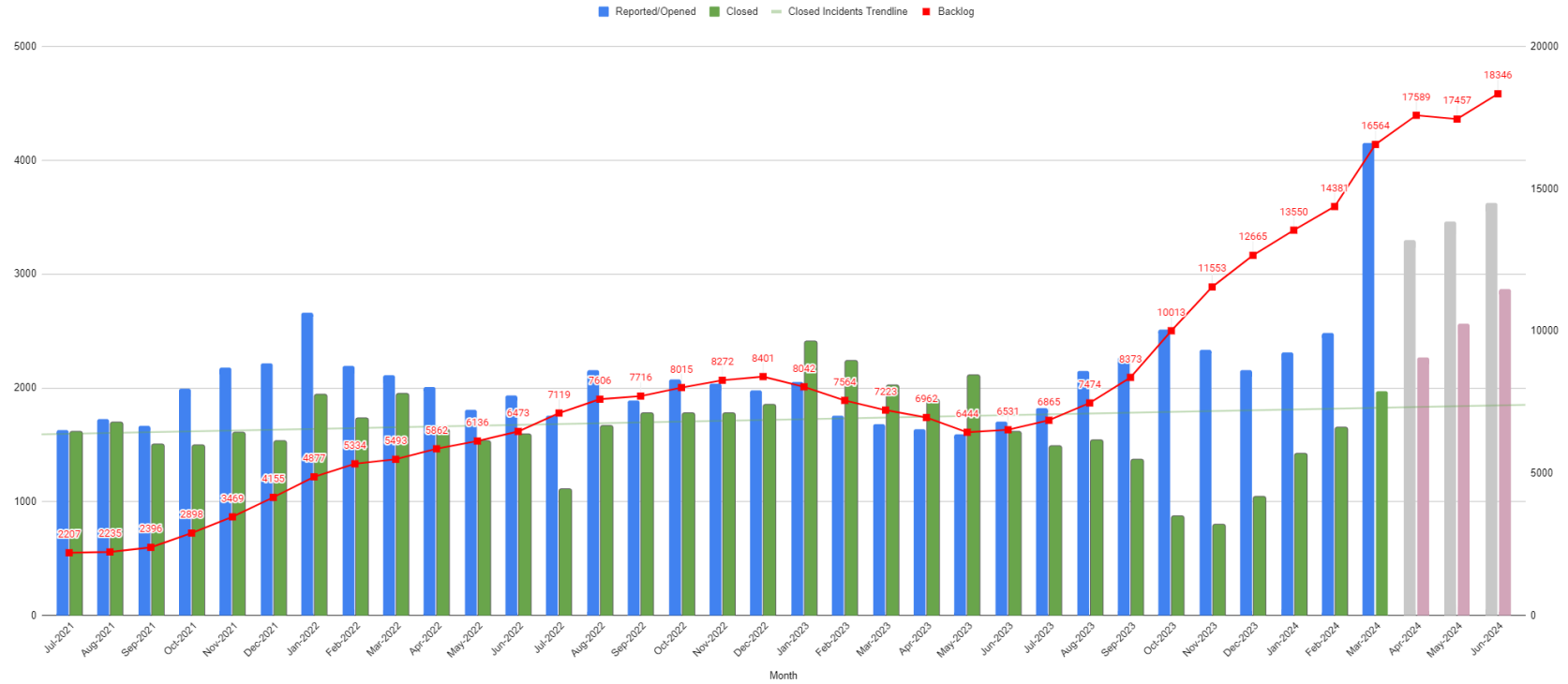
Scenario 1 requests the most subsidy, seeks to restore BSL to FY23/24 levels, and is the only scenario where lights will be restored faster than they go out because: 1) the rate of theft and vandalism is met with fortification and restoration response; and, 2) deferred maintenance is addressed. Note that the Bureau response times will not drastically improve and would require even more resources, as noted in 22-0600-S56 "Report on Lighting Outages and Long Term Plan".

Scenario 2 requests subsidies for deferred maintenance and minimal workforce restoration. The Bureau would be unable to meet any changes to its operating environment (e.g.: if theft goes up) and would be hard pressed to eliminate its backlog.

Scenario 3 works within the proposed budget and requests no subsidies. Given the need to replace nearly a quarter of the lights at risk of burning out, all resources are redirected to LED replacement. This ends the following work: fortification; the solar lighting program; Vision Zero support; and high voltage conversion. This also reduces the restoration program. Expected repairs for outages due to theft and vandalism will likely rise to a year or more.

**ATTACHMENT B**

All Street Lighting Incidents by Month with Cumulative Backlog



**ATTACHMENT C**

Maintenance work has remained relatively steady while theft and vandalism incidents have grown in share and cost

