

OFFICE OF THE CITY TREASURER

Treasurer Report

November 10, 2020

Wanda M. Brown, BS, MBA, PhD, PhD - City Treasurer
Council Meetings - October 13, 20, 27, November 10

SUBJECTS: (1) City Attorney Office Legal Consultant Fees
(2) Public Works Consultants
(3) SEIU 721 Negotiation
(4) Executives Performing Bonuses

DISCUSSION: City Attorney's Office - Legal Consultants

The City Attorney's office employs at least 9 attorneys, yet in fiscal year 2019/2020 \$2,444,955 in legal fees were paid to outside legal firms, and in fiscal year 2018/2019 expended \$1,424,066 have been paid to outside legal firms.

The firm Kane, Ballmer, Beckman who employs ROYCE JONES, the City's retained legal consultant for former RDA (Redevelopment Agency) now SA (Successor Agency) issues was paid \$1,728,589 in consulting fees for fiscal year 2019/2020. As a matter of fact, Royce Jones made partner with the firm, Kane, Ballmer, Beckman with the train load of consulting fees he singularly deposits to his firms coffers with the approval of the mayor and council.

Royce Jones is definitely a favorite of Mayor James Butts.

He has a rent-free office at City Hall, attends most all City functions, is regularly seen strolling the halls of City Hall just like any other City employee! Kane, Ballmer, Beckman received a \$35,000 fee for Royce Jones attending 2019 bond issuance meetings, which is double dipping.

Royce Jones's consultant, firm, was paid \$2,444,955 in legal consulting fees in fiscal year 2019/2020. Royce Jones is almost like a City employee, with the exception of the humongous legal fees he hauls in for his employer.

It's a family affair in Inglewood. Royce Jones sister, Sheila Jones, is employed with the ITC department as its manager whose annual salary and benefits exceeds \$190,000. Sheila Jones daughter, another one of the mayor's godchildren works for the City on occasion.

Under the administration of former mayor Roosevelt Dorn, a more diversified use of law firms were utilized. Kane, Ballmer, Beckman received less than \$250,000 in legal fees under

former Mayor Dorn's entire 10-year tenure as mayor of Inglewood! Under the entire 10-year tenure of former Mayor Dorn's administration, not a single individual was hired to work for the City! His assistant was an existing City employee.

Mayor Butts has authorized the hiring of numerous individuals identified in previous Treasurer Reports without the standard interview to determine qualifications, suitability, and testing if required for the position applied for. None of the mayor's folks applied!

PUBLIC WORKS CONSULTANTS:

Consulting fees are through the roof for public works under the mis-management of Asst. City Mgr. Louis Atwell. Consulting fees of \$3,745,679 were paid to Pacifica Services for Fiscal year 2018/2019 and \$1,858,071 for fiscal year 2019/2020. For fiscal year 2018/19 \$8,608,862 were paid to 13 consultants utilized by Louis Atwell to help him manage the work of the public works. He made a **(\$2,09,372.84)** gross misallocation error.

LACMTA (L.A. County Metro Transit Authority) rejected cost reimbursement for Call for Project funding due to this gross error. LACMTA instructions and rate of reimbursement rate were explicit in their contract.

They were simply ignored by the public works department whose budget exceeds \$7,000,000, a large professional staff, and 13 consultants to assist with the management of the projects Louis Atwell, in my opinion, was not qualified to managed the Century Blvd, Senior Center, and an array of other projects the mayor and council put under his management.

Louis Atwell experience is that of a Water Utility Manager from the City of Downy. He lacks broad public works experience and has been substantially treading water, depending on consultants and his professional since hired by the mayor and council. But, I got to give it to Louis Atwell, he definitely has played the mayor like a ukulele! However, Royce Jones has played the mayor BEST!

Some of my friends at the City has reported to me that Louis Atwell appears to be rather nervous and has been very busy making adjustments to contracts and staff reports, from the City's web site.

SEIU 721 NEGOTIATIONS:

According to SEIU the "City is crying poverty at the bargaining table but painting a much rosy picture with the public. The City rejected all but a couple of minor proposals made." The City now admits the true financial health of the City is what the City Treasurer has been reporting deteriorating finances for the City months.

The City admits to a **\$15,000,000 deficit this fiscal year, a \$12,000,000 deficit in the upcoming budget, and a five-year deficit for the next five years.**

This Treasurer predicts larger deficits and a longer period of deficits than the five-year prediction by the City due to continued over spending, and fiscal mismanagement under this mayor.

EXECUTIVE STAFF BONUSES

Betty Yee, State Controller revealed in her Internal Control Evaluation of Inglewood May 2020 eight serious City deficiencies: bonuses paid to the executive staff [were] unjustified!

There was a special Payroll Run on 10/12/2020 that totaled \$309,467.45. Instead of listing each executive as in the past, disbursement by department was listed. Is this the upcoming bonuses that is usually disbursed just in time for Christmas shopping [that] the mayor is trying to disguise, while "crying poverty" to SEIU 721 denying their requests for their union members who deserve the benefits requested by their President **and union Chief Negotiator, Steve Koffroth?**

Bonuses coming in spite of City's \$15,000,000 deficit this fiscal year and \$12,000,000 deficit in the upcoming budget!

Again, I want to thank my friends at the City for their continued support.

Wanda M. Brown, Inglewood City Treasurer