

Status of City Auditor Recommendations With Funding Impact 2009-2010 Adopted Budget

Department	Item	Status	Remarks
Fire	Overtime Expenditures – Implement a proactive sick leave reduction program with potential reduction in City costs (01-02, #8)	Partly Implemented	In order to address concerns that there may be individual abuse of sick leave, the San José Fire Department (SJFD) is developing a new sick leave review process, to allow line managers (Battalion Chiefs) to periodically review individual sick leave usage and then work with the line supervisors (Captains) to follow-up on any usage anomalies by specific employees. The SJFD has also undertaken a review of routine operational procedures to ensure that the policies and procedures reflect the latest contract language between the City and the Local 230 firefighters as it relates to sick leave. An initial data report, originally intended to cover July-December 2008, was not distributed. Logistical constraints have delayed the new quarterly report process until October 2009. Additionally, the Department is creating a standardized sick leave usage report that will be electronically distributed to line supervisors on a regular schedule. One-time funding of \$25,000 is included in the 2009-2010 Adopted Operating Budget to upgrade the Fire Department's Telestaff System in order to provide for more efficient data exchange between Telestaff and FMS. (Telestaff is a staffing program that the Fire Department utilizes for daily staffing and payroll.) The Department anticipates that this proactive approach will encourage its line personnel to ensure that sick leave is appropriately utilized.

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Department	Item	Status	Remarks
Fire	Overtime Expenditures – Implement a comprehensive Wellness-Fitness Initiative Program (01-02, #9)	Partly Implemented	The San José Fire Department (SJFD) is in the process of determining its next steps to enhance the Department's Wellness Program. Currently, the Fire Department's Wellness Program includes funding for consulting services to conduct preventive maintenance and repair of exercise equipment at fire stations and also to perform wellness assessments and prepare reports on the results. The Wellness Program has been successful in providing personnel with opportunities to develop and improve upon lifestyles and physical fitness. The annual health risk assessments provide participants with additional information on which to base health-related decisions, such as diet. The maintenance of exercise equipment at fire stations gives personnel the opportunity to maintain and build-upon their levels of physical fitness. Additional funding could improve oversight, follow-up and program expertise. However, no additional resources in the Fire Department were included in the 2009-2010 Adopted Budget in light of the City's financial situation. The 2009-2010 Adopted Operating Budget did include funding to support the City-Wide Wellness Program, funded by contributions from the City's health insurance providers. The goals of the Wellness Program are to reduce health risks and optimize health and productivity while lowering total health-related costs.

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Fire	Strategic Plan – Develop plans for expanding use of the Omega priority response level (01-05, #3)	Not Included	Under the Priority Dispatch Omega protocol, the 9-1-1 call receives an alternate response, such as medical advice over the phone from a nurse. The San José Fire Department (SJFD) has completed some of the steps necessary to implement the Priority Dispatch Omega protocol. Specifically, it renewed its accreditation as an Accredited Center of Excellence in April 2008; it implemented the new CAD system necessary to integrate ProQA software necessary for the Priority Dispatch Omega protocol; and it has begun using the ProQA software. However, the current Emergency Medical Services (EMS) Agreement with the County requires that the SJFD respond on all 9-1-1 calls received. The SJFD is in the process of completing the implementation of its new RMS and has been collecting patient care data since March 2009. Furthermore, SJFD is actively participating as a stakeholder in the redesign of the current EMS system, which includes the expanded use of the Omega protocol. The current County EMS contract is set to expire June 30, 2011. The SJFD intends to continue collecting data in support of its efforts to identify Omega responses, which based on preliminary EMS design attributes, will receive an alternate response. The SJFD will continue its efforts to influence the redesign of the EMS system to reduce unnecessary responses and improve the quality of patient care.

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Fire	Strategic Plan – Implement a pilot project to evaluate the use of SUVs or Light Units to respond to lower priority emergency medical calls (01-05, #5)	Partly Implemented	The San José Fire Department (SJFD) has implemented an alternate service delivery model that will be used for approximately 12 to 14 months during Station 2's reconstruction, which began in March of 2009. During this period, the SJFD will collect patient care and unit availability data regarding this alternative service delivery model, using the incident-reporting module of its Records Management System to assess the effectiveness and safety of this model.
Transportation/ Finance	Prepare and submit an indirect cost rate proposal to CALTRANS for approval (07-04, #2)	Partly Implemented	An indirect cost rate proposal developed by the Finance Department was submitted to CALTRANS for approval in September 2008. CALTRANS did not accept this proposal. Transportation Department staff is working with the Finance Department to address the issues raised by CALTRANS, and the plan will be resubmitted to CALTRANS in December 2009 for final approval.

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Finance	Improve controls over the administration of the tax-exempt bond program and processes to mitigate negative cash balances in the City's Cash Pool caused by bond programs and adequately address other negative balances (07-06, #1)	Partly Implemented	Debt Management staff developed a summary report of negative cash balances which is reviewed monthly and provided to the various construction project managers. The average negative cash balance of \$40 million per month in City bond fund accounts during 2005-06 and 2006-07 has been reduced to \$19.5 million at the end of June 2009. The Finance Department has implemented policies and procedures addressing timeframes for submitting reimbursements which should reduce negative balances, and has drafted procedures which, when implemented, should ensure proper allocation of interest.
Finance	Work with the City Attorney's Office to evaluate what, if any, foregone interest to restricted funds may need to be repaid (07-06, #2)	Closed	The City Attorney's Office has stated that each participating fund was allocated interest, that legal authorities over special revenue funds do not require that a particular interest rate be earned, that no principal was lost, and that each participating fund within the pool remains whole, consistent with the legal authorities cited by the Auditor's Office.

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City Manager's Office	Work with the City Attorney's Office to evaluate and report on methods to remedy any potential past compliance issues associated with loans from restricted funds	Implemented	The Audit identified a past compliance issue with the payment of interest associated with a short-term loan for the Old City Hall Renovation project. To address this issue, the Administration brought forward the \$65,000 interest payment as part of the 2006-2007 Annual Report. For the remaining outstanding loans, the 2008-2009 Adopted Operating and Capital Budgets included loan repayments for portions of all outstanding loans. A new Summary of Interfund Loans in Capital and Operating Funds was also developed that provided a description of each interfund loan, loan terms, the amount outstanding, and the 2008-2009 budgeted payments. The 2009-2010 Adopted Capital and Operating Budgets also included the budgeted loan repayments and the loan documentation. The loan repayments will be made with the necessary interest component and consistent with the need for funds to be available for sewer capital projects. The Administration has worked with the Attorney's Office to determine that appropriate funding sources have and will continue to be used to repay the Coyote Valley Water interfund loan.