



CITY OF SAN JOSÉ, CALIFORNIA

800 N. First Street • San Jose, California 95112 • Tel: (408) 277-4601

September 19, 2002

Honorable Mayor and Members
of the City Council
801 North First Street, Room 600
San Jose, CA 95110

Transmitted herewith is the *Semi-Annual Follow-Up Report On All Outstanding Audit Recommendations For The Six Months Ended June 30, 2002.*

An Executive Summary is presented on the blue pages in the front of this report. In accordance with Finance and Infrastructure Committee procedures, the City Auditor gave the City Manager's Office a preview copy of this report for review and comment.

The format of the Semi-Annual Follow-Up Report is intended to highlight recommendations requiring Finance and Infrastructure Committee attention and report on the status of all open recommendations.

I will present this report to the Finance and Infrastructure Committee at its October 9, 2002 meeting. Should you have any questions or need additional information in the interim, please let me know.

Respectfully submitted,

Gerald A. Silva
City Auditor

GS:bh
June02

cc: City Manager's Office
and affected departments

EXECUTIVE SUMMARY

In accordance with the City Auditor's approved 2002-03 Workplan, we have prepared a report of the status of open recommendations for the first six months of 2002 ending June 30, 2002. To prepare this report, we met with department staff, reviewed department assessments of audit status, and reviewed documentation provided by departments.

IMPLEMENTATION STATUS OF OPEN RECOMMENDATIONS

During the semi-annual period covering January 1 through June 30, 2002, there were one hundred seventeen (117) outstanding recommendations of which:

- 37 recommendations were implemented;
- 55 recommendations were partly implemented;
- 22 recommendations were not implemented;
- 2 recommendation were dropped; and
- 1 recommendation was deferred.

Table I summarizes these recommendations by audit report in chronological order.

**TABLE I
STATUS OF OPEN RECOMMENDATIONS BY AUDIT REPORT ENDING JUNE 30, 2002**

Report #	Audit Report	Implemented	Partly Implemented	Not Implemented	Deferred	Dropped
88-03	An Audit Of The Police Department Overtime Controls		1			
93-04	An Audit Of The Fire Department--Hazardous Materials Storage Permit Fees			1		
93-05	An Audit Of The Department Of General Services/Vehicle Maintenance Division--Police Vehicles		1			
95-06	An Audit Of the San Jose Arena Management Agreement	1	1		1	
96-06	An Audit Of The City Of San Jose's Business Tax Collection Process			1		
96-07	An Audit Of The City Of San Jose's Open Purchase Order Process		1	1		
97-01	An Audit of the City of San Jose's Utility Billing System		3			
97-05	An Audit of the Department of Public Works Engineering & Inspection Costs		1			
98-04	An Audit of the Multiple Housing Roster Maintained by the Code Enforcement Division of the Department of Planning, Building and Code Enforcement	1				
98-05	An Audit of the City of San Jose's Sewer Billing Services		1			
99-04	An Audit of the Sewer Fund Expenditures	2	1			
00-01	An Audit Of The Police Department -Bureau of Field Operations Patrol Division's Staffing and Deployment		2	1		
00-02	An Audit of the City of San Jose's Master Vendor File			1		
00-04	An Audit of the City of San Jose Building Division's Building Permit Fee Process		4			
00-05	An Audit of the San Jose-Santa Clara Water Pollution Control Plant's Progress Toward Meeting Effluent Limitations		1			
00-07	An Audit of the Watershed Protection Division's Industrial and Commercial Inspection Program	3	6			
00-08	An Audit of the City of San Jose's Building-Related Fees and Taxes	1	2			
00-09	A Review of the Recommended Contractors for the Recycle Plus 2002 Program	5				
01-01	An Audit of the Property Appraisal Process of the Department of Public Works—Real Estate Division	5	3	2		
01-02	An Audit of the City Of San Jose Fire Department's Overtime Expenditures	2	4	1		
01-03	An Audit of the Pretreatment Source Control Program	8	6	1		
01-05	An Audit of the City of San Jose Fire Department's Strategic Plan Regarding Proposed Fire Stations		1	1		2
02-01	An Audit Of The City Of San José's Rental Dispute Program	8	3	1		
02-02	An Audit Of The San José Arena Management Corporation's Compliance With The San José Arena Management Agreement	1		7		
02-03	An Audit Of The Property Management Operations Of The City Of San José's Department Of Public Works – Real Estate Division		10	2		
02-04	An Audit Of The San José Police Department's Method Of Projecting Sworn Officer Retirements And Other Separations		1	2		
02-05	An Audit Of The City Of San José's Customer Service Call Center		2			
	Totals	37	55	22	1	2

EXECUTIVE SUMMARY - continued

As of June 30, 2002, the distribution of the seventy eight (78) recommendations which remain are as follows:

- | | |
|--------------------------------------|--|
| 11 City Administration | 6 Planning, Building, and Code Enforcement |
| 1 Employee Relations | 6 Police Department |
| 17 Environmental Services Department | 4 Parks, Recreation, and Neighborhood Services |
| 3 Finance Department | 14 Public Works Department |
| 8 Fire Department | 1 Redevelopment Agency |
| 1 General Services | 5 San Jose Arena Management |
| 1 Information Technology | |

Of the seventy eight (78) recommendations which remain open:

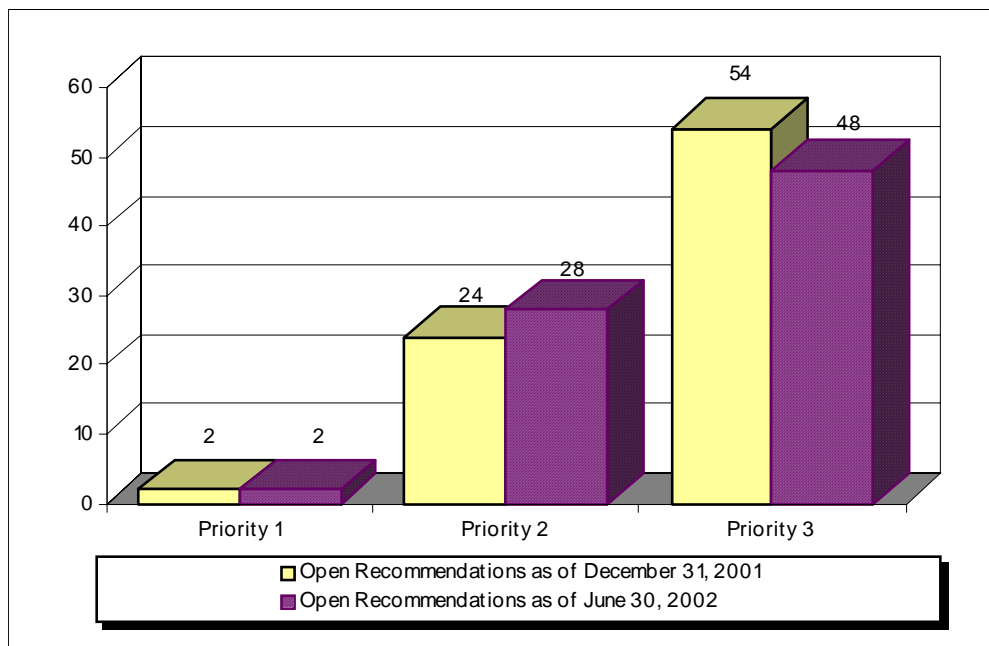
- 2 recommendations are Priority 1;
- 28 recommendations are Priority 2; and
- 48 recommendations are Priority 3.

Of the twenty-two (22) recommendations which are not implemented:

- 1 recommendation is Priority 1;
- 7 recommendations are Priority 2; and
- 14 recommendations are Priority 3.

Graph 1 shows the priority status of recommendations that remained open during the first half of the year.

GRAPH 1
PRIORITY STATUS OF REMAINING OPEN AUDIT RECOMMENDATIONS



EXECUTIVE SUMMARY – continued

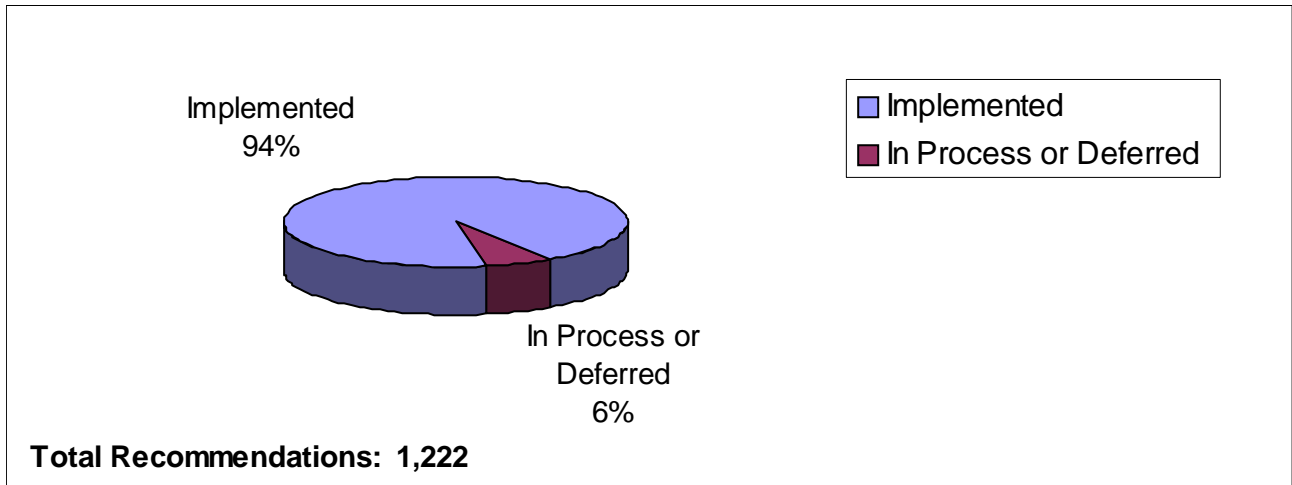
During this semi-annual period the City Council approved 37 new recommendations and the Administration implemented 37 recommendations. We thank the departments for their efforts in implementing these recommendations and toward implementing those 78 recommendations still outstanding.

The Housing Department did an exemplary job in implementing recommendations associated with the Rental Dispute Program. We made 12 recommendations, of which, eight recommendations were implemented, and three recommendations were partly implemented. The Housing Department did an excellent job in implementing, tracking, and reporting the status of these recommendations. The Housing Department’s effort in implementing the Rental Dispute Program recommendations should serve as model for all other City Departments in implementing all outstanding recommendations.

Graph II shows the number of City Auditor recommendations made and implemented from May 1985 through June 30, 2002.

GRAPH II

**RECOMMENDATIONS IMPLEMENTED
May 1985 through June 2002**



EXECUTIVE SUMMARY - continued

RECOMMENDATIONS REQUIRING FINANCE AND INFRASTRUCTURE COMMITTEE ATTENTION

Recommendations requiring Finance and Infrastructure Committee attention are those recommendations for which either 1) the City Auditor and the Administration disagree on the recommendation's implementation status, 2) the Administration has not informed the City Auditor as to the status of the recommendation's implementation, 3) the Administration has indicated it cannot or will not implement the recommendation, 4) the recommendation will require additional funding in order to be implemented, or 5) implementation would generate additional revenues or cost savings.

93-04: AN AUDIT OF THE FIRE DEPARTMENT--HAZARDOUS MATERIALS STORAGE PERMIT FEES

#1 (Fire/NB) - Include in the cost recovery system for the Hazardous Materials Program the costs of the Hazardous Incident Team activities that relate to the City's Hazardous Materials Program. (Priority 1)

Not implemented. In April 2002, the Fire Department submitted a proposal to the City Manager's Office for recovery cost of the Hazardous Incident Team (HIT). These fees were not adopted in the 2002-03 fee schedule. Target date: None.

INCREASES REVENUE: \$1,170,000.

95-06: AN AUDIT OF THE SAN JOSÉ ARENA MANAGEMENT AGREEMENT

#4 (City & SJ Arena Management Corporation/ME) - Agree on a definition of what the program operating budget in section 9.02 of the Management Agreement should include in order to facilitate the San Jose Arena Management Corporation preparing the budget and submitting it to the City for review and approval in accordance with the terms of the Management Agreement. (Priority 2)

Deferred. For the fiscal year 2002-03, the City and the Arena Authority (AA) will not be requesting from San Jose Arena Management (SJAM) a submittal of the program operating budget. The information that is contained in the program operating budget is not required at this time for any immediate purpose by the City, the AA, or SJAM. The City and the AA reserve the right for future considerations for the submittal of the program operating budget. Target date: 12-02.

96-06: AN AUDIT OF THE CITY OF SAN JOSÉ'S BUSINESS TAX COLLECTION PROCESS

#4 (Finance /Treasury Division/NB) - Upon approval of Recommendations #1, #2 and #3, request funding for any associated costs for necessary new staff and additional operating expenses. (Priority 3)

Not implemented. According to the Finance Department, staff has completed three pilot programs in the implementation of this recommendation. According to the staff, all three pilot programs resulted in a revenue-neutral impact. While the recommendation does help taxpayers recognize if they are underpaying their business tax obligation, it also helps them to find out if they are overpaying the business tax. The main benefit of implementing this recommendation would be the increased accuracy of the data the taxpayer submitted. However, the department stated that this recommendation would also require additional staff to be able to process the increased workload resulting from cross-checking and analyzing business tax renewals. The department requested funding for this audit recommendation during the 2001-02 budget process as part of the ITPB e-Gov funds. Funding was not provided at that time. Because of a lack of funding source to implement this recommendation, the department is recommending that this recommendation be dropped. We recommend that this recommendation continue to be carried through the next budget cycle. Target date: None.

REQUIRES FUNDING: Funding was requested as part of the ITPB e-Gov funds.

97-01: AN AUDIT OF THE CITY OF SAN JOSÉ'S UTILITY BILLING SYSTEM

#4 (Finance/ESD/SE) - The City Council consider combining sewer and storm drain fees with Recycle Plus billings. (Priority 2)

Partly implemented. The Finance Department processes annual sewer and storm drain assessments, and forwards these assessments to the County for inclusion on property tax bills. The County charges the City more than \$700,000 per year to collect sewer and storm drain assessments and remit them to the City. Our audit found that if the City billed these assessments bi-monthly through the UBS system, we could save more than \$700,000 in County collection fees and earn an additional \$870,000 in interest, in return for a small increase in bill-printing fees. Subsequently, the Administration issued an RFP for a new utility billing system. However, there were delays in implementing the new billing system software and the system implementation effort was cancelled. The Finance Department is currently working with ESD and IT to issue a new RFP. ESD has modified the cost savings projections to \$350,000 due to a change in the agreement between the City and County. The projected additional interest earned has been modified as well, to \$350,000, due to the decrease in overall market interest rates. We will re-examine these calculations when the system comes on-line. Target date: 9-03.

INCREASES REVENUE: \$870,000. REDUCES COST: \$700,000.

#19 (Finance/ESD/SE) - Request that the City Council authorize a database administrator position at the UBS. (Priority 3)

Partly implemented. ESD hired a Project Manager to lead the development and implementation of a billing, customer service, and contract management system. ESD has also requested a database administrator position. ESD anticipates that the new billing system will be up and running by September 2003. Target date: 9-03.

REQUIRES FUNDING: TBD.

00-02: AN AUDIT OF THE CITY OF SAN JOSÉ'S MASTER VENDOR FILE

#3 (Finance Department/IT Department/BH) - Prepare a proposal and budget requirements to allow for 1) identifying, researching, and purging inactive vendor numbers; "R" vendor numbers; deceased, retired, and former employee numbers; and erroneously assigned vendor numbers from the Master Vendor File and the corresponding records in other modules; 2) Archiving the records taken off the Master Vendor File and the corresponding records; and 3) Using a vendor numbering system for one-time payment of authorized purchases and automatic purging of such vendor numbers. (Priority 3)

Not implemented. During the previous budget process, a budget proposal was submitted to address specific vendor file issues and other financial issues. System enhancements related to FMS were included in this proposal. However, the proposal was not funded. Target date: None.

REQUIRES FUNDING: TBD.

01-01 AN AUDIT OF THE PROPERTY APPRAISAL PROCESS OF THE DEPARTMENT OF PUBLIC WORKS—REAL ESTATE DIVISION

#9 (Public Works Real Estate/RK) - (a) Establish performance criteria and qualifications for staff assigned to perform title services; (b) write the title services procedures the Real Estate Division provides; and (c) assign and train backup staff to perform title services. (Priority 3)

Partly implemented. According to Department Administration, complete implementation of this recommendation is contingent upon the Real Estate Division securing a full time Analyst II position. The Division's 2002-2003 operating budget proposal to fund this position was denied. Target date: 12-02.

REQUIRES FUNDING: \$70,000.

#13 (Public Works Real Estate/GE) - Write current and complete Real Estate Division policies and procedures in the prescribed Department of Public Works format. (Priority 3)

Not implemented. Public Works - Real Estate Division included within its operating budget proposal for FY 2001-02 an on-going capital-funded full time Analyst II position. However, the budget proposal was denied. This proposal stated that a staff analyst or equivalent position will allow the Division to maintain existing service levels and implement a variety of process improvements in maximizing resource utilization and productivity. According to the Division, without the addition of the requested resource, development and maintenance of written procedures to ensure consistent delivery of Real Estate services will remain unanalyzed and unwritten. Target date: 6-03.

REQUIRES FUNDING: \$70,000.

01-02 AN AUDIT OF THE CITY OF SAN JOSÉ FIRE DEPARTMENT'S OVERTIME EXPENDITURES

#9 (Fire/EL) - Evaluate the feasibility of implementing a comprehensive Wellness-Fitness Initiative Program for the SJFD and prepare a budget proposal should the initiative appear cost beneficial. (Priority 3)

Partly implemented. The SJFD has contracted with Club One to provide a full-time Wellness Program Coordinator. Club One is supposed to maintain equipment as needed; visit stations for special subjects; conduct two special subject Department wide programs; track data and trends; report cost savings; administer and deliver reports on physical assessments to individuals; complete a Health Risk Appraisal Program screening assessment; and administer a Continuing Education program for ACE certification. The SJFD also reported that it installed exercise equipment in all fire stations; provides staff with an individual fitness evaluation and nutritional plan; requires annual fire fighter physicals; and is working on medical standards for new hires. The SJFD reported that it supports a full comprehensive Wellness-Fitness Initiative Program. The SJFD recognizes that components needed for full implementation include cancer screening, behavioral health, rehabilitation, and injury prevention. The SJFD has not prepared a budget proposal due to current budget constraints. Target date: 6-03.

REQUIRES FUNDING: TBD.

02-01 AN AUDIT OF THE CITY OF SAN JOSÉ'S RENTAL DISPUTE PROGRAM

#9 (Advisory Commission on Rents/JL) - Increase meeting frequencies from bi-monthly to monthly. (Priority 3)

Not implemented. The Advisory Commission on Rents and Mobilehome Advisory Commission discussed increasing meeting frequencies. The consensus of both Commissions is to continue meeting bi-monthly and call special meetings in the event the need arises. We recommend that this recommendation be dropped.

REQUIRES FINANCE AND INFRASTRUCTURE COMMITTEE ACTION.

**COMPLETE LISTING OF THE STATUS
OF OPEN AUDIT RECOMMENDATIONS
AS OF JUNE 30, 2002**

88-03: AN AUDIT OF THE POLICE DEPARTMENT OVERTIME CONTROLS

#14 (Police/ME) - Develop and implement forms for documenting the justification and authorization of all overtime occurrences. (Priority 3)

Partly implemented. The Police Department has been unable to implement an exception-based payroll system that would have assisted it in implementing this recommendation. During the next six months, the City Auditor's Office will assess whether the other controls the Police Department has implemented since the 1988 audit are sufficient to allow this recommendation to be dropped. Target date: 12-02.

93-04: AN AUDIT OF THE FIRE DEPARTMENT--HAZARDOUS MATERIALS STORAGE PERMIT FEES

#1 (Fire/NB) - Include in the cost recovery system for the Hazardous Materials Program the costs of the Hazardous Incident Team activities that relate to the City's Hazardous Materials Program. (Priority 1)

Not implemented. In April 2002, the Fire Department submitted a proposal to the City Manager's Office for recovery cost of the Hazardous Incident Team (HIT). These fees were not adopted in the 2002-03 fee schedule. Target date: None.

INCREASES REVENUE: \$1,170,000.

93-05: AN AUDIT OF THE DEPARTMENT OF GENERAL SERVICES/VEHICLE MAINTENANCE DIVISION--POLICE VEHICLES

#5 (City Council & City Administration(Employee Relations)/NB) - Update the current section of the City Administrative Manual on employee transportation to include language defining a City-wide sphere of influence and stipulating how employees will compensate the City for taking a City vehicle beyond the City's sphere of influence. (Priority 2)

Partly implemented. The SJPD MOA includes a provision for forming a Labor Management Committee. According to the Police Department, this Committee is the body that needs to address the Vehicle Take-Home Policy. The SJPD MOA covering the period July 1, 2000 to June 30, 2003 shows this topic among the issues that the Labor Management Committee will address. Target date: 6-03.

95-06: AN AUDIT OF THE SAN JOSÉ ARENA MANAGEMENT AGREEMENT

#4 (City & SJ Arena Management Corporation/ME) - Agree on a definition of what the program operating budget in section 9.02 of the Management Agreement should include in order to facilitate the San Jose Arena Management Corporation preparing the budget and submitting it to the City for review and approval in accordance with the terms of the Management Agreement. (Priority 2)

Deferred. For the fiscal year 2002-03, the City and the Arena Authority (AA) will not be requesting from San Jose Arena Management (SJAM) a submittal of the program operating budget. The information that is contained in the program operating budget is not required at this time for any immediate purpose by the City, the AA, or SJAM. The City and the AA reserve the right for future considerations for the submittal of the program operating budget. Target date: 12-02.

#6 (SJ Arena Management Corporation/ME) - Immediately prepare a detailed programmatic maintenance budget for 1995-96 and submit it to the City in accordance with the Management Agreement. Thereafter, the San José Arena Management Corporation should submit to the City a detailed programmatic maintenance budget by March 1 for the following fiscal year and a detailed maintenance performance audit by March 1 for those items in the previous fiscal years' maintenance budget. (Priority 2)

Partly implemented. SJAM has provided the AA with the 1995-96 detailed programmatic maintenance budget and has prepared a detailed maintenance performance audit on the previous fiscal years' maintenance budget, as stated in section 4.08 of the Management Agreement. However, SJAM needs to provide the AA with explanations of the major differences between budget and actual for the programmatic maintenance budget. Target date: 12-02.

#11 (SJ Arena Management Corporation/ME) - Adequately document its system of internal controls and procedures that impact the City-related accounts in order to facilitate the City's right to have access to, review, and verify the financial information that supports the City-related accounts. (Priority 2)

Implemented. In March 2002, the City Auditor's Office completed an audit of the San Jose Arena Management. This audit addressed the intent of this audit recommendation.

96-06: AN AUDIT OF THE CITY OF SAN JOSÉ'S BUSINESS TAX COLLECTION PROCESS

#4 (Finance /Treasury Division/NB) - Upon approval of Recommendations #1, #2 and #3, request funding for any associated costs for necessary new staff and additional operating expenses. (Priority 3)

Not implemented. According to the Finance Department, staff has completed three pilot programs in the implementation of this recommendation. According to the staff, all three pilot programs resulted in a revenue-neutral impact. While the recommendation does help taxpayers recognize if they are underpaying their business tax obligation, it also helps them to find out if they are overpaying the business tax. The main benefit of implementing this recommendation would be the increased accuracy of the data the taxpayer submitted. However, the department stated that this recommendation would also require additional staff to be able to process the increased workload resulting from cross-checking and analyzing business tax renewals. The department requested funding for this audit recommendation during the 2001-02 budget process as part of the ITPB e-Gov funds. Funding was not provided at that time. Because of a lack of funding source to implement this recommendation, the department is recommending that this recommendation be dropped. We recommend that this recommendation continue to be carried through the next budget cycle. Target date: None.

REQUIRES FUNDING: Funding was requested as part of the ITPB e-Gov funds.

96-07: AN AUDIT OF THE CITY OF SAN JOSÉ'S OPEN PURCHASE ORDER PROCESS

#19 (General Services Purchasing Division/Finance Department/RM) - Develop and implement invoice review and approval procedures to be included in the City Administrative Manual. The procedures should provide assurance that:

- *goods or services were authorized under the open purchase order;*
- *goods or services were received;*
- *on open purchase orders over \$5,000, invoiced quantities, prices/rates and terms are in accordance with the terms of the open purchase order;*
- *invoices are mathematically correct;*
- *departments receive the pricing and rate documentation necessary to properly review invoices; and*
- *receiving documents are forwarded to accounting units to match to the invoices.*

(Priority 2)

Not implemented. The Finance Department is in the process of developing procedures to be included in the City Administrative Manual. Due to workloads and priorities, implementation of these procedures has not been completed.

Target date: 6-03.

#21 (Finance/RM) - Finalize revisions to the Finance Administrative Manual Accounts Payable Section. (Priority 3)

Partly implemented. The Finance Department is in the process of updating the Accounts Payable Section of the Finance Administrative Manual. Continued vacancies in this section have prevented completion. Target date: 6-03.

97-01: AN AUDIT OF THE CITY OF SAN JOSÉ'S UTILITY BILLING SYSTEM

#4 (Finance/ESD/SE) - The City Council consider combining sewer and storm drain fees with Recycle Plus billings. (Priority 2)

Partly implemented. The Finance Department processes annual sewer and storm drain assessments, and forwards these assessments to the County for inclusion on property tax bills. The County charges the City more than \$700,000 per year to collect sewer and storm drain assessments and remit them to the City. Our audit found that if the City billed these assessments bi-monthly through the UBS system, we could save more than \$700,000 in County collection fees and earn an additional \$870,000 in interest, in return for a small increase in bill-printing fees. Subsequently, the Administration issued an RFP for a new utility billing system. However, there were delays in implementing the new billing system software and the system implementation effort was cancelled. The Finance Department is currently working with ESD and IT to issue a new RFP. ESD has modified the cost savings projections to \$350,000 due to a change in the agreement between the City and County. The projected additional interest earned has been modified as well, to \$350,000, due to the decrease in overall market interest rates. We will re-examine these calculations when the system comes on-line. Target date: 9-03.

INCREASES REVENUE: \$870,000. REDUCES COST: \$700,000.

#19 (Finance/ESD/SE) - Request that the City Council authorize a database administrator position at the UBS. (Priority 3)

Partly implemented. ESD hired a Project Manager to lead the development and implementation of a billing, customer service, and contract management system. ESD has also requested a database administrator position. ESD anticipates that the new billing system will be up and running by September 2003. Target date: 9-03.

REQUIRES FUNDING: TBD.

#20 (Finance/ESD/SE) - Establish on-going procedures for (1) scanning for errors and correcting customer data in the database, (2) purging unnecessary data, (3) authorizing changes in account status from active to inactive, and (4) routinely reviewing monthly reports for rate code exceptions. (Priority 3)

Partly implemented. Procedures for scanning for errors and correcting customer data in the database have been incorporated within the procedures developed to identify write-offs. Procedures for routinely reviewing monthly reports for rate code exceptions have been included in revenue recording procedures. UBS has drafted procedures to authorize changes in account status from active to inactive and will be developing procedures for purging unnecessary data once the new billing system is installed. Due to difficulties implementing the new billing system software, the new target date for purging unnecessary data is September 2003. Target date: 9-03.

97-05: AN AUDIT OF THE DEPARTMENT OF PUBLIC WORKS ENGINEERING AND INSPECTION COSTS

#2 (Public Works/RK) - In conjunction with the Budget Office, develop and propose to the City Council an alternate method, such as the “budget-off-the-top” approach, to budget and account for DPW costs charged to capital projects. (Priority 3)

Partly implemented. According to Department Administration, previous efforts to implement a version of the recommended Budget Off the Top (BOTT) method were made through a pilot program in the Storm Drain and Sanitary Sewer Capital funds. The pilot ended in June 2000, its effort proving to be unworkable on a City-wide basis due to the need to perform significant computer system reprogramming. However, efforts have begun to define Engineering & Inspection costs by phase of work, and this effort includes a “phase zero” to capture overhead costs. In cooperation with the City Manager’s CIP Action Team, the Department intends to explore alternative methods to achieve the objective of the 1997 audit, developing an approach that more easily reconciles budget and actual costs. Target date: TBD.

98-04: AN AUDIT OF THE MULTIPLE HOUSING ROSTER MAINTAINED BY THE CODE ENFORCEMENT DIVISION OF THE DEPARTMENT OF PLANNING, BUILDING, AND CODE ENFORCEMENT

#6 (City Council/EL) - Consider modifying the Multiple Housing Program to include other types of rental properties. (Priority 2)

Implemented. Code Enforcement staff have completed a re-evaluation of potential options for modifying the Multiple Housing Program to include other types of rental properties, such as duplexes. After consulting with the City Manager's Office, Code Enforcement determined that it would be infeasible to include other types of rental properties in the Multiple Housing Program at this time.

98-05: AN AUDIT OF THE CITY OF SAN JOSÉ'S SEWER BILLING SERVICES

#2 (ESD/SE) - Document its methodology for estimating sewer flow and its criteria for granting water loss adjustments. In addition, the ESD should annually review existing water loss adjustment factors for both monitored industries and unmonitored companies and require supervisory review and approval of all changes to those factors. (Priority 2)

Partly implemented. ESD has adopted a policy requiring installation of flow meters at major industrial locations, where feasible, as part of the permit renewal cycle. Those major industrial locations without flow meters are required to submit engineering reports that ESD will review. ESD procedures also require that industrial customers submit an engineering report to substantiate disputed water loss adjustments. ESD staff agreed that the Department would include a review of the water loss factors for all other industries in the analysis of the sewer rate structure that is planned in the next two to three years. Target date: 9-03.

99-04: AN AUDIT OF SEWER FUND EXPENDITURES

#2 (Administration/ESD/SE) - Retain funds in excess of adopted fund reserve guidelines in the wastewater fund that initially received the revenue. (Priority 3)

Implemented. The Environmental Services Department has drawn down balances and is matching fund transfers to proposed expenditures in all wastewater expenditure funds in its control. Public Works has also drawn down balances and is matching fund transfers to proposed expenditures for Fund 545.

#3 (Administration/ESD/SE) - Implement a policy to draw down excess undesignated fund balances and verify that transferred amounts are directly related to proposed expenditures less excess undesignated fund balances. (Priority 3)

Implemented. The Environmental Services Department has drawn down balances and is matching fund transfers to proposed expenditures in all wastewater expenditure funds in its control. Public Works has also drawn down balances and is matching fund transfers to proposed expenditures for Fund 545.

#11 (Administration/ESD/SE) - Develop approved charts of account and their uses that program managers can use for charging various expenses to the twelve wastewater funds. (Priority 3)

Partly implemented. The Management Wastewater Core Service Chart of Accounts is nearly complete. The Environmental Services Department is developing this guide for program managers that explains the purpose of the three primary wastewater funds and what types of charges are appropriate in each fund. Transactions in the other nine wastewater funds are controlled primarily by ESD's Finance and Accounting personnel and do not apply to regular management activities. This guide is targeted for completion in October 2002. Target date: 10-02.

00-01: AN AUDIT OF THE POLICE DEPARTMENT – BUREAU OF FIELD OPERATIONS PATROL DIVISION'S STAFFING AND DEPLOYMENT

#1 (SJPD/City Administration/RM) - Negotiate with the San Jose Police Officers' Association to modify shift-starting times to provide sufficient flexibility to deploy officers in the most efficient and effective manner. (Priority 2)

Not implemented. Shift-staffing times will be reviewed when Recommendation #3 is implemented and new staffing software is online. Target date: 7-03.

#2 (SJPD/City Administration/RM) - Use the information in this report to develop, and forward to the City Council for concurrence, a strategic, multi-year, community policing-based plan and a staffing proposal for the SJPD Bureau of Field Operations patrol division that is responsive to both officer and public safety needs and calls for service demand. The report should include the advantages, disadvantages, and cost implications of the following policy decisions:

- ***A full 4th watch, and***
- ***An appropriate basis for calculating free patrol time. (Priority 2)***

Partly implemented. The Police Department has received input from the community and has held a series of meetings. The Department has completed the final draft of its strategic five-year plan entitled, "Neighborhood Policing Operations Plan." The plan is currently in the process of being printed for approval. A limited number of copies have been distributed to the City Manager's Office for review. It will then be presented to the City Council for review. Target date: 9-02.

#3 (SJPD/RM) – Investigate the feasibility of using federal or state grant funds to procure police staffing and deployment software. If federal or state grant funds are not available, we recommend that the SJPD, through the annual budget process, develop a budget proposal to purchase the software. (Priority 2)

Partly implemented. The Police Department selected the Computer Aided Dispatch (CAD) system consultant for the new CAD system in December 2000, with an approximate CAD start date of 10/02. The evaluation of staffing/deployment software has been completed. The Department has selected the vendor and is finalizing with the City Attorney. The City Council appropriated \$45,000 in April 2001 for a mapping/deployment software program, and these funds have been carried over. An additional \$25,000 was approved by City Council in April 2002 as part of a California Law Enforcement Equipment Services grant, and together with the previously appropriated \$45,000, will cover the total cost of the software.
Target date: 7-03.

00-02: AN AUDIT OF THE CITY OF SAN JOSÉ’S MASTER VENDOR FILE

#3 (Finance Department/IT Department/BH) - Prepare a proposal and budget requirements to allow for 1) identifying, researching, and purging inactive vendor numbers; “R” vendor numbers; deceased, retired, and former employee numbers; and erroneously assigned vendor numbers from the Master Vendor File and the corresponding records in other modules; 2) Archiving the records taken off the Master Vendor File and the corresponding records; and 3) Using a vendor numbering system for one-time payment of authorized purchases and automatic purging of such vendor numbers. (Priority 3)

Not implemented. During the previous budget process, a budget proposal was submitted to address specific vendor file issues and other financial issues. System enhancements related to FMS were included in this proposal. However, the proposal was not funded. Target date: None.

REQUIRES FUNDING: TBD.

00-04: AN AUDIT OF THE CITY OF SAN JOSÉ BUILDING DIVISION'S BUILDING PERMIT FEE PROCESS

#1 (Building Division/EL) - Regularly conduct or cause to be conducted a comprehensive cost of service study that

- *Calculates the full cost (both direct and indirect) of providing building-related services by project type;*
- *Compares the identified program costs with building fee revenues currently received for those services; and*
- *Identifies achievable building fee recovery levels based on the cost of those services. (Priority 3)*

Partly implemented. The Building Division needs to establish a written policy to document their plan to conduct cost of service studies every three years. Currently, the Division is assessing data generated by its AMANDA system (operational since July 2001) to determine if the proposed fee model could generate sufficient revenue to ensure cost recovery. Target date: 6-02.

#2 (Building Division/EL) - Implement a fee schedule that results in the assessment of fees that are commensurate with the cost of providing service. (Priority 3)

Partly implemented. In the 2002-03 budget process, the Department recommended a revision of the current fee schedule. The Department used a consultant's model for cost recovery comparison to identify cost-recovery gaps. A two-year phase-in plan for fee increases was proposed. The City Council approved the fee increase plan, which should get the Building Division to full-recovery level in 2003-04. The Division needs to implement a fee schedule based on project type and square footage, as recommended by the Consultant and outlined in the Auditor's report. Target date: 7-03.

#3 (Building Division/EL) - Develop a process for accounting for works-in-progress to ensure a proper matching of Building Program revenues and costs. (Priority 3)

Partly implemented. The Building Division received a final report from the Financial Consulting Group on the process to account for works-in-progress. The Building Division staff were trained on how to update statistics and apply the process. In the 2002-03 budget process, the City Council approved a two-year phase-in of building fee increases. The Department will implement the works-in-progress accounting process when full-cost-recovery level is achieved. Target date: 7-03.

#4 (Building Division/EL) - Establish a policy and process to pay for long-term capital or asset acquisitions. (Priority 3)

Partly implemented. The Building Division received a final report from the Financial Consulting Group that also recommended establishing a sinking fund to pay for long-term capital asset acquisitions. The Division is awaiting the completion of the Zucker study, which is supposed to recommend a specific process to pay for long-term asset acquisitions. Target date: 7-03.

00-05: AN AUDIT OF THE SAN JOSÉ'S-SANTA CLARA WATER POLLUTION CONTROL PLANT'S PROGRESS TOWARD MEETING EFFLUENT LIMITATIONS

#5 (ESD/SE) - Track and accumulate operating budget costs for all flow-reduction programs in the South Bay Action Plan. (Priority 3)

Partly implemented. The Environmental Services Department has identified all applicable projects and areas that are included in the South Bay Action Plan and those key areas that require additional tracking. ESD is working to develop new responsibility center numbers to track all associated costs of the Plan. Target date: 12-02.

00-07: AN AUDIT OF THE WATERSHED PROTECTION DIVISION'S INDUSTRIAL AND COMMERCIAL INSPECTION PROGRAM

#1 (ESD/LB) -Establish specific data management procedures to ensure that the Industrial Facilities Database:

- *Is routinely updated, utilizing the business license number as a primary identifier,*
- *Contains all appropriate facilities located in the City of San Jose,*
- *Includes facilities that have filed an NOI with the State Board, and*
- *Contains all Pretreatment and Zero-Discharge facilities. (Priority 3)*

Implemented. ESD developed and approved procedure #2335 entitled, "Facility Inspection Database Company Data Update and Maintenance," to ensure the Industrial Facilities Database is updated quarterly with business license information and the State Water Resources Control Board's listing of NOIs. According to the Senior Sanitary Engineer, the current database contains all pretreatment and zero-discharge facilities because it uses the same SIC codes and source of business license information as the pretreatment program. According to the Senior Sanitary Engineer, the new system will also accept data from the business license database and the NOI list, and importing this data will be performed quarterly.

#2 (ESD/LB) - Acquire a data system that more adequately meets Program needs. (Priority 3)

Partly implemented. ESD issued RFP #02-03-03 for the new data system on July 31, 2002 and anticipates it will recommend a final contractor to the City Council in December 2002. We will revisit this recommendation during the next follow-up. Target date: 12-03.

#3 (ESD/LB) - Schedule inspections to balance the workload throughout the year and develop periodic reports allowing managers and supervisors to assess progress in meeting inspection goals. (Priority 3)

Implemented. According to the Senior Sanitary Engineer, ESD eliminated the three-month lag for commencing inspections and has balanced the workload. In 2001-02 and 2002-03, the program began inspections within the first week of the new fiscal year. The current database has a report function to the program manager to see how many inspections were completed in total and by each inspector to ensure the workload is balanced.

#5 (ESD/LB) - Assign inspectors to ensure that required inspection frequencies are met. (Priority 2)

Partly implemented. The current database generates next inspection dates as a method to ensure required inspection frequencies are met. However, this function was present at the time of the audit and therefore did not appear to be a sufficient control. According to the Senior Sanitary Engineer, the new database will be able to completely implement this recommendation. We will revisit this recommendation once ESD has acquired the new database. Target date: 12-03.

#6 (ESD/LB) - Develop written procedures that provide inspectors with specific guidance on how to report desk reviews and identify facilities listed more than once in the database. (Priority 3)

Partly implemented. ESD developed procedures for desk reviews, however, these procedures have remained in draft form and have not been finalized. Although ESD developed a program to eliminate duplicate facilities from the current database, an earlier audit follow-up found a duplicate facility still in the database. We will review this recommendation once ESD has acquired the new database to ensure duplicate facilities are not transferred to the new database. Target date: 12-03.

#7 (ESD/LB) - Develop written criteria for determining compliance dates and provide facilities with clearly defined compliance dates for correcting violations. (Priority 3)

Partly implemented. ESD drafted an Enforcement Response Plan (ERP) and the Auditor's Office has provided feedback to ensure the finalized version addresses the recommendation. We will review this recommendation after the ERP is finalized. Target date: 12-02.

#8 (ESD/LB) - Develop written procedures to ensure that Program inspectors follow-up on identified violations and when necessary use available enforcement actions. (Priority 3)

Partly implemented. ESD drafted an Enforcement Response Plan (ERP) and draft procedures. The Auditor's Office has provided feedback to ensure the finalized versions address the recommendation. We will review this recommendation after the ERP and procedures are finalized.

Target date: 12-02.

#9 (ESD/LB) - Develop written procedures that ensure adequate management review and oversight of the inspectors' activities and reports to improve Program efficiency and effectiveness and ensure inspector compliance with Program procedures. (Priority 3)

Implemented. ESD developed and approved procedure #5540 entitled, "Supervisory Review of Inspection Records" to ensure management oversight and that inspectors have complied with program procedures.

#10 (ESD/LB) - Not seek an increase in Storm Sewer Fees for the Program until it has revamped the Program and significantly improved its effectiveness and efficiency. (Priority 3)

Partly implemented. The Auditor's Office is waiting for ESD to provide information and confirm that the recent increase in storm drain sewer fees did not increase the Program's funding. During the next follow-up, we will review the 2002-03 budget information ESD will provide. Target date: 12-02.

00-08: AN AUDIT OF THE CITY OF SAN JOSÉ'S BUILDING-RELATED FEES AND TAXES

#6 (Building Division/GM) - Develop a formal quality assurance process for the assessment and collection of all building-related permit fees (Priority 2)

Implemented. The Building Division hired a Permit Specialist in August 2001 to focus entirely on quality control. The Permit Specialist provides weekly reports to all concerned on the number of errors. Permit staff are provided training on the errors. The latest statistics showed an improvement in the ratio of errors per permit processed. In addition, the Division has also cross-trained staff to do the quality control process when the quality control Permit Specialist is away.

#12 (Building Division/GM) - Work with the City Attorney's Office and Administration to develop guidelines for what constitutes research and development and classifying multiple use structures. (Priority 2)

Partly implemented. According to Division Officials, the Division is in the process of working with the City Attorney's Office and the Office of Economic Development (OED) to draft an ordinance to clarify the issues. This recommendation will be fully implemented once the City Council approves the ordinance. Target date: 12-02.

#13 (Building Division/GM) - Designate an authoritative organization or person to render industrial versus commercial structure designation decisions where the structure use is unclear or complex. (Priority 2)

Partly implemented. The Building Division is in active discussion with the Office of Economic Development (OED) and the Division's Attorney about the issue of final authority. In addition, the Division is in the process of drafting an ordinance to clarify the issue. According to Division Officials, they currently rely on the OED for designation of structures for industrial/commercial use, but the issue will be resolved when the City Council approves the ordinance. Target date: 12-02.

00-09: A REVIEW OF THE RECOMMENDED CONTRACTORS FOR THE RECYCLE PLUS 2002 PROGRAM

#1 (ESD/SE) - Submit to the City Council a revised cost and revenue estimate for Recycle Plus 2002 together with a Source and Use of Funds statement for the IWM Fund through the year 2006-07. (Priority 3)

Implemented. ESD presented to the Council a 5-year rate strategy with the proposed FY 2002-2003 budget. The Council accepted the report.

#2 (ESD/SE) - Analyze and report to the City Council on the revenue, cost, and programmatic implications of potential City Council pricing decisions regarding Multi-Family Dwelling rates, Yard Trimmings cart subscription fees, and 20-gallon garbage container rates. (Priority 3)

Implemented. The Council adopted Resolution # 71079 which set the rates for the MFD program, yard trimmings subscription carts, and 20-gallon garbage carts to be effective July 1, 2002.

#3 (City Council/SE) - Wait until the ESD reports on its revenue and cost analyses on any City Council pricing decisions before adding services or revising rates for Recycle Plus 2002. (Priority 3)

Implemented. ESD presented to the Council a 5-year rate strategy with the proposed FY 2002-2003 budget. The Council accepted the report.

#4 (ESD/SE) - Develop a contingency plan to mitigate the consequences of Norcal not succeeding in its attempt to acquire a suitable property and required permits for its Headquarters by July 1, 2001. (Priority 3)

Implemented. Norcal's headquarters is operational as of July 1, 2002 and services under the 2002 Recycle Plus contracts have begun.

#5 (ESD/SE) - Monitor Norcal's progress toward meeting its MRF timeline as proposed in its response to the Recycle Plus 2002 RFP, and develop a contingency plan to mitigate the consequences of Norcal not being able to meet its MRF timeline. (Priority 3)

Implemented. Norcal began providing services under the 2002 Recycle Plus Program on July 1, 2002. Until the California Waste Solutions MRF is complete around the middle of August 2002, recyclables will and are being transferred from the BFI recycling facility at the Newby Island Landfill to a California Waste Solutions facility in Oakland for processing.

01-01 AN AUDIT OF THE PROPERTY APPRAISAL PROCESS OF THE DEPARTMENT OF PUBLIC WORKS—REAL ESTATE DIVISION

#2 (Public Works Real Estate/RK) - Specify the expected completion date for the entire appraisal review and approval process in the Work Request form. (Priority 3)

Implemented. The requirement to specify the expected completion date for the entire appraisal review and approval process is now included on the Work Request form. In addition, the Appraisal-Valuation Project Status Report the division developed in January 2002 refers to the completion date requirement. Finally, the Appraisal Process, Procedures, and Forms document, revised in February 2002, refers to the completion date requirement.

#4 (Public Works Real Estate/RK) - Establish procedures that require staff to (a) take at least two quotes when letting out an appraisal project to an independent appraiser; (b) document individual quotes for appraisal projects; and (c) justify in writing the selection of an independent appraiser other than the low bidder. (Priority 3)

Implemented. The Real Estate Division has created the Appraisal-Valuation Project Status Report. The report form requires information on the appraisers' names, bids, and other relevant information needed for each project. Revised procedures now (1) refer to the Appraisal-Valuation Project Status Report and explain its use to document individual quotes for appraisal projects and (2) require Real Property Agents to justify in writing the selection of an independent appraiser other than the low bidder.

#6 (Public Works Real Estate/RK) - Require the appraisal staff to keep a Parcel Diary for each appraisal and to file it with the appraisal report and appraisal review. (Priority 3)

Implemented. The Real Estate Division has developed the Appraisal-Valuation Project Status Report. A section of the report serves as a Parcel Diary for the appraisal portion of the project. The Appraisal-Valuation Project Status Report is filed with the appraisal report and appraisal review. Real Estate Division procedures have been revised to include the Appraisal-Valuation Project Status Report and explain its use.

#7 (Public Works Real Estate/RK) - Require the staff to document in the appraisal files how the staff resolves the appraisal reviewer's findings. (Priority 3)

Implemented. The requirement that staff document the resolution of the appraisal reviewer's findings has been included in the Division's Appraisal Process procedures. The Appraisal-Valuation Project Status Report the Real Estate Division developed contains a section for comments and notes for this purpose. Real Estate Division procedures have been revised to refer to the Appraisal-Valuation Project Status Report and explain its use.

#8 (Public Works Real Estate/RK) - Complete the missing or incomplete entries in the Appraisal Inventory spreadsheet. (Priority 3)

Implemented. The Real Estate Division has developed the Appraisal Inventory spreadsheet. Spreadsheet cells with missing or incomplete entries are to be color-coded according to a legend – yellow when information/data is unavailable and blue if the project is active and waiting for data. The spreadsheet is periodically checked to ensure that data in all cells is included and complete or that cells with missing or incomplete entries are color-coded pursuant to the spreadsheet's legend.

#9 (Public Works Real Estate/RK) - (a) Establish performance criteria and qualifications for staff assigned to perform title services; (b) write the title services procedures the Real Estate Division provides; and (c) assign and train backup staff to perform title services. (Priority 3)

Partly implemented. According to Department Administration, complete implementation of this recommendation is contingent upon the Real Estate Division securing a full time Analyst II position. The Division's 2002-2003 operating budget proposal to fund this position was denied. Target date: 12-02.

REQUIRES FUNDING: \$70,000.

#11 (Public Works Real Estate/GE) - Augment its requested consultant services to include an assessment of whether the File Locator Database Program is compatible with the City's overall records management strategy and other City systems and can be upgraded to provide the ability to identify specific documents for purging and the statistical functions needed to support productivity tracking and management reports. (Priority 2)

Partly implemented. The Department of Public Works – Real Estate Division included within its operating budget proposal for FY 2001-02 a one-time General Fund request for contractual services for a consultant's evaluation of the current File Locator Database Program or make recommendations for an improved system. However, the budget proposal was denied. As of July 1, 2002, the Asset Management division of General Services will manage all Property Management-City as Tenant; Property Management-City as Landlord (excepting Telecommunication contracts); and Property Maintenance-Deed and Title files. General Services is now working on how best to implement the recommendation. Successful implementation of a reliable and efficient records retention and retrieval system will expedite searches for documents, prevent loss of historical records, and enable staff to provide a higher quality level of service to the Division's customers. Target date: 6-03.

#12 (Public Works Real Estate/GE) - Write a user manual and conduct staff training on the use and maintenance of the File Locator Database Program if it decides to enhance and implement the Database. (Priority 3)

Not implemented. Implementation of this recommendation depends on the implementation of Recommendation #11. Target date: 6-03.

#13 (Public Works Real Estate/GE) - Write current and complete Real Estate Division policies and procedures in the prescribed Department of Public Works format. (Priority 3)

Not implemented. Public Works - Real Estate Division included within its operating budget proposal for FY 2001-02 an on-going capital-funded full time Analyst II position. However, the budget proposal was denied. This proposal stated that a staff analyst or equivalent position will allow the Division to maintain existing service levels and implement a variety of process improvements in maximizing resource utilization and productivity. According to the Division, without the addition of the requested resource, development and maintenance of written procedures to ensure consistent delivery of Real Estate services will remain unanalyzed and unwritten. Target date: 6-03.

REQUIRES FUNDING: \$70,000.

#14 (Public Works Real Estate/GE) - Develop a project tracking system that will track targeted and actual dates on a project by project basis. (Priority 3)

Partly implemented. The Real Estate Division on November 21, 2001 retained GLW Consulting (computer programming services) which, in concert with Division staff, prepared an Access 2000 Real Estate Tracking System (RETS) for all Acquisition, Appraisal, Deed, Relocation (business and residential) and Title assignments. Data is now being entered into the system. Data for all existing current projects is to be entered prior to the end of the calendar year. Target date: 12-02.

01-02 AN AUDIT OF THE CITY OF SAN JOSÉ FIRE DEPARTMENT'S OVERTIME EXPENDITURES

#1 (Fire/EL) - Ensure that fire personnel that are held over properly document the absence they are covering. (Priority 3)

Implemented. The SJFD is using the Telestaffing program to record daily staffing. The SJFD uses the Telestaffing program to record the fire personnel that are held over and the absences being covered.

#4 (Fire/EL) - Develop procedures to ensure that the correct data and proper adjustments are entered into the PeopleSoft and SEARS systems and designate a staff person to monitor and evaluate the PeopleSoft and SEARS data on a regular basis. (Priority 3)

Implemented. The SJFD is using the Telestaffing program to record daily staffing and to ensure that correct data adjustments are submitted to Payroll. The SJFD has designated a staff person to monitor and evaluate the Telestaffing data on a regular basis. The SJFD has developed procedures for line staff to follow when using the Telestaffing program.

#5 (Fire/EL) - Report to the City Council updated staffing information by December of each year including staffing levels and vacancies by rank, the number of personnel on disability and modified duty, and projected short-term and long-term vacancies. (Priority 3)

Partly implemented. The SJFD has completed a draft of its staffing report. The report is scheduled to go to the City Council upon finalization. Target date: 12-02.

#6 (Fire/EL) - Update its 1992 study regarding the use of relief staff and overtime to meet minimum staffing requirements and annually determine the most efficient and cost effective mix of relief staff and overtime to meet minimum staffing needs. (Priority 3)

Partly implemented. The SJFD completed the final phase of its staffing report, which is under review. The SJFD indicated that this report is an integral component of updating the 1992 study regarding the use of relief staff and overtime to meet minimum staffing requirements. The SJFD will update the 1992 study in conjunction with the finalized staffing report going to the City Council. Target date: 12-02.

#7 (Fire/EL) - Review sick leave data to establish benchmarks for sick leave use and identify possible patterns of abuse and take appropriate follow-up actions. (Priority 3)

Partly implemented. The SJFD reported that it continues to analyze sick leave usage for trends and possible patterns of abuse. The SJFD plans to establish a sick leave benchmark. Target date: 10-02.

#8 (Fire/EL) - Implement a proactive sick leave reduction program to inform line personnel of the benefits of conserving sick leave and rewarding personnel with perfect attendance. (Priority 3)

Not implemented. The SJFD indicated that on occasion they recognize employees with minimal sick leave use. The SJFD began a preliminary review of employee sick leave usage with the intent of recognizing those who have used no or minimal sick time off. The SJFD needs to continue on working on implementing a proactive sick leave reduction program targeted at line personnel to inform them of the benefits of conserving sick leave and rewarding personnel with perfect attendance. Target date: 12-02.

#9 (Fire/EL) - Evaluate the feasibility of implementing a comprehensive Wellness-Fitness Initiative Program for the SJFD and prepare a budget proposal should the initiative appear cost beneficial. (Priority 3)

Partly implemented. The SJFD has contracted with Club One to provide a full-time Wellness Program Coordinator. Club One is supposed to maintain equipment as needed; visit stations for special subjects; conduct two special subject Department wide programs; track data and trends; report cost savings; administer and deliver reports on physical assessments to individuals; complete a Health Risk Appraisal Program screening assessment; and administer a Continuing Education program for ACE certification. The SJFD also reported that it installed exercise equipment in all fire stations; provides staff with an individual fitness evaluation and nutritional plan; requires annual fire fighter physicals; and is working on medical standards for new hires. The SJFD reported that it supports a full comprehensive Wellness-Fitness Initiative Program. The SJFD recognizes that components needed for full implementation include cancer screening, behavioral health, rehabilitation, and injury prevention. The SJFD has not prepared a budget proposal due to current budget constraints. Target date: 6-03.

REQUIRES FUNDING: TBD.

01-03 AN AUDIT OF THE PRETREATMENT SOURCE CONTROL PROGRAM

#1 (ESD/LB) - Establish appropriate minimum inspection and sampling frequencies for significant and non-significant industrial users that are consistent with program requirements and

Update SC Program procedures to reflect appropriate inspection and sampling frequencies and ensure SC Program staff compliance with these procedures. (Priority 2)

Implemented. The ESD finalized procedures #3610 for inspection frequencies, along with procedures #3710 and #3850 for sampling frequencies, to ensure that the inspection and sampling frequencies are consistent with program requirements.

#2 (ESD/LB) - Identify a consistent and justifiable level of effort necessary to fulfill all federal requirements for surveillance sampling and for trunkline sampling;

Develop procedures to ensure the SC Program staff adhere to established surveillance and trunkline sampling frequencies; and

Develop a system to routinely and objectively identify appropriate facilities subject to surveillance activities. (Priority 2)

Implemented. ESD reported on the trunkline program in its July 2002 Clean Bay Strategy Report stating, "For the most part, however, the Trunkline program played only a small part in identifying non-compliant dischargers... Based on the program findings and the completion of the program goals, the Trunkline program has been concluded." ESD also developed and approved procedure #3430 to identify facilities subject to surveillance activities and establish the frequency of surveillance activities.

#3 (ESD/LB) - Schedule SC Program inspection and sampling events to optimize the use of SC Program staff time and resources. (Priority 2)

Partly implemented. The SC Program's current database does not have the capacity to schedule inspection and sampling events. ESD released the RFP for a new database in July 2002. The new database will assist in the tracking of SC Program inspections and sampling workload. We will review the recommendation after ESD acquires a new data system. Target date: 6-03.

#4 (ESD/LB) - Develop written procedures and management reports to allow for adequate supervisory review and oversight of SC Program activities and ensure adherence with SC Program inspection goals, procedures, and frequencies. (Priority 3)

Implemented. ESD developed and approved procedure #1700 requiring supervisory review and oversight of SC Program activities and reports.

#5 (ESD/LB) - Evaluate options to eliminate or reduce the need for customers to visit the WPCP for plan check services related to grease traps and grease trap interceptors; Require SC Program supervisors to answer phone inquiries; and Reassign the three SC Inspectors working on the SC Program tracking database to inspector activities. (Priority 2)

Partly implemented. According to ESD, SC Inspectors are no longer assigned to maintain the database and clerical staff have been trained to answer most phone inquiries. According to ESD, a joint meeting between ESD and Building is scheduled for 8/22/02 to discuss plan check services related to grease traps. Target date: 12-02.

#6 (ESD/LB) - Define the SC Program's mission, goals, objectives, and work activities. (Priority 2)

Partly implemented. ESD mapped its objectives and work activities to complete the RFP for the new database. ESD is in the process of defining the SC Program's mission and goals. Target date: 12-02.

#9 (ESD/LB) - Make appropriate changes in the SC Program's vehicle inventory to reflect the SC Program's required staffing level. (Priority 2)

Implemented. ESD eliminated 12 vehicles from its fleet.

#11 (ESD/LB) - Make appropriate changes in SC Program support services, such as Laboratory services, to reflect the SC Program's revised workload. (Priority 2)

Implemented. ESD completed a consultant study of the Laboratory and in March 2002 developed a Laboratory Implementation Plan. The Auditor's Office will be auditing the Laboratory as part of our 2002-03 Audit Workplan and will review the analysis at that time.

REDUCES COST: Up to \$925,000.

#12 (ESD/LB) - Ensure that SC Inspectors enforce violations consistently and in accordance with SC Program procedures. (Priority 3)

Implemented. ESD submitted the Source Control Enforcement Response Plan to the Regional Board in its 2002 First Semiannual Pretreatment Report. The SC Program also finalized procedures #2100, 2110, 2210, 2240, 2250, and 2260.

#13 (ESD/LB) - Develop and implement procedures to ensure all identified violations are consistently enforced according to SC Program procedures. (Priority 3)

Partly implemented. The SC Program developed procedures and an Enforcement Response Plan to consistently identify violations. ESD also issued an RFP for a new database with a requirement that the database will flag all violations. We will review this recommendation after the new database system is implemented. Target date: 6-03.

#14 (ESD/LB) - Develop written procedures and management reports that ensure adequate management review and oversight of inspectors' activities including inspection reports and enforcement activities. (Priority 3)

Partly implemented. The SC Program developed procedure #1700 to provide supervisory oversight for the SC Program. ESD also issued an RFP for a new database system that will assist in the tracking of the SC Program inspections and management reports. We will review this recommendation after the new database system is implemented. Target date: 6-03.

#15 (ESD/LB) - Work with the City Attorney's Office to develop and implement written procedures to ensure compliance with the City Council-approved Administrative Citation schedule. (Priority 3)

Implemented. ESD submitted the Source Control Enforcement Response Plan (ERP) to the Regional Board in its 2002 First Semiannual Pretreatment Report. The SC Program incorporated procedures for Administrative Citations in the ERP. The SC Program also included a requirement in the RFP for the new database to flag all violations.

#16 (ESD/LB) - Develop and implement procedures to ensure the City of Santa Clara is correctly and promptly notified of 1) facilities subject to the surcharge program and 2) facilities that should be removed from the surcharge program. (Priority 3)

Implemented. ESD submitted the Source Control Enforcement Response Plan (ERP) to the Regional Board in its 2002 First Semiannual Pretreatment Report. The SC Program incorporated procedures for surcharges in the ERP. The SC Program also finalized procedure #2260 to notify the City of Santa Clara of facilities subject to the surcharge program and those that should be removed.

#17 (ESD/LB) - Report to the City Council Finance and Infrastructure Committee on the feasibility of implementing a Surcharge for Violations of Industrial Waste Regulations Program in San Jose. (Priority 2)

Not implemented. Target date: 12-02.

#18 (ESD/LB) - Ensure any future civil penalties assessed through San Jose Municipal Code Section 15.14.720 are placed in Fund 541. (Priority 1)

Partly implemented. ESD transferred \$106,574 from Fund 514 to Fund 541. Draft procedures still need to be finalized and implemented. Target date: 12-02.

01-05 AN AUDIT OF THE CITY OF SAN JOSÉ FIRE DEPARTMENT'S STRATEGIC PLAN REGARDING PROPOSED FIRE STATIONS

#2 (City Council/RM) - Direct the City Auditor to perform detailed analyses on the 2000-2001 workload, travel time, and total reflex time performance for the geographic areas specific to the proposed Yerba Buena and Blossom Hill fire stations. (Priority 3)

Dropped. Measure O, which was approved by the voters on March 5, 2002, provides funding for the proposed Yerba Buena and Blossom Hill fire stations. Therefore, this recommendation is no longer necessary. In April 2002, the City Council/Finance And Infrastructure Committee approved that this recommendation be dropped.

#3 (San José Fire Department/RM) - Develop for City Council consideration plans for expanding its use of the Omega priority response level. These plans should include: obtaining the software necessary to fully implement the Omega priority response level; options and costs for dispensing non-emergency medical advice; and any other issues that need to be addressed. (Priority 3)

Partly implemented. The Fire Department fully supports the implementation of the Omega Program. There are two prerequisites for its implementation: (1) The requirement of Fire Communications becoming an Accredited Center of Excellence which was obtained in July, 2001 and (2) ProQA software must be in place and integrated with the City's Computer Aided Dispatch (CAD) system. This will occur with implementation of the new CAD system tentatively scheduled for October 2003. According to the Fire Department, implementation of the Omega Program itself, the evaluation of advice program options, and the projected costs, will be assessed and determined at the appropriate time in the future. Target date: 7-04.

#4 (San José Fire Department/RM) - That should the San Jose Fire Department opt to convert some Engine Companies to Quint Companies, that it also reevaluate its existing Engine and Truck Companies to convert one to a Quint company. (Priority 3)

Dropped. Both the City Council and the Fire Department rejected the idea of converting Engine Companies to Quint Companies during the Strategic Plan presentation to the City Council in October 2001. Therefore, this recommendation is no longer necessary. In April 2002, the City Council/Finance And Infrastructure Committee approved that this recommendation be dropped.

#5 (San José Fire Department/RM) - Implement a pilot project to evaluate the use of SUVs or Light Units to respond to lower priority emergency medical calls. (Priority 3)

Not implemented. According to the Fire Department, they will begin a process to evaluate potential limited implementation (pilot) within the next year. However, according to the Fire Department, it needs to consider the following factors first:

1. Pilot implementation first requires improved analytical and data collection capabilities in order to determine the most appropriate location for the “pilot” and to measure the effectiveness of the pilot program.
2. Evaluate the impact of any staffing and labor issues.
3. Determine the additional “emergency medical dispatch” capabilities required to fully implement a “priority medical dispatch” procedure that meets legal tests and is acceptable to the County EMS.

Target Date: 12-03.

02-01 AN AUDIT OF THE CITY OF SAN JOSÉ’S RENTAL DISPUTE PROGRAM

#1 (Parks, Recreation, and Neighborhood Services/JL) - Continue recording and compiling data on the Service Request form, analyzing the data on a weekly basis, and automate the data collection system. (Priority 3)

Implemented. The Housing Department continues to record and compile data on a newly-automated Service Request Form database. The database results are being reported in the Rental Dispute Program Quarterly Report. The Housing Department will continue to present these results bi-monthly to the Advisory Committee on Rents and the Mobilehome Advisory Commission, and quarterly to the Economic Development and Environment Committee.

#2 (Parks, Recreation, and Neighborhood Services/JL) - Require staff to complete the weekly activity logs for compilation and analysis purposes. (Priority 3)

Implemented. The Housing Department developed and implemented a database that automatically records the time staff spend on each case.

#3 (Parks, Recreation, and Neighborhood Services/JL) - Collect and analyze apartment complex size data for those callers who are concerned about evictions. (Priority 3)

Partly implemented. The Housing Department plans to collect and analyze apartment complex size data for callers concerned about evictions. The staff plans to collect this information once Information Technology staff updates the database to include the field for the client’s apartment size. Target date: 09-02.

#4 (Parks, Recreation, and Neighborhood Services/JL) - Build stronger partnerships with Community-Based Organizations, provide Program and Ordinance information to those persons and organizations most affected by rent control, and target outreach dollars to specific geographic areas and non-English speaking residents. (Priority 3)

Implemented. During the last quarter of 2001-02, Rental Dispute staff attended eight community meetings and participated in one employee training program. Staff distributed information concerning apartments and mobile homes. The recording for incoming calls has been changed to include an English and Spanish message. Brochures have been designed and interpreted in English, Spanish, and Vietnamese. These brochures have been distributed to all managers and owners with rent controlled units. The Housing Department is also collaborating with Community-Based Organizations to train staff on specific services provided by each organization, ensuring that services are not being duplicated, and providing the latest information for clients receiving services from the program.

#5 (Parks, Recreation, and Neighborhood Services/JL) - Update its written office procedures and job descriptions, develop a Program purpose statement, goals, objectives, and performance indicators that align with the Program description in the ordinances and cross-train its staff to ensure that staff illness does not adversely affect the Program. (Priority 3)

Implemented. The Rental Dispute Program has written office procedures and job descriptions. Updated goals and objectives for the program have also been completed. Training and cross-training efforts have been on-going for the Mobilehome and Apartment analysts.

#6 (Parks, Recreation, and Neighborhood Services/JL) - Update its website with an easy-to-use menu, additional Program information, and links to other organizations including the City's Housing Department website. (Priority 3)

Partly implemented. The Housing Department reported that the effort to update its website is 90 percent complete. The Rental Dispute Program webpage is revised to include detailed information on the rental ordinances and a search function to allow residents to check whether their rental unit is eligible for the Rental Dispute Program. Target date: 08-02.

#7 (Parks, Recreation, and Neighborhood Services/JL) - Work with the Information Technology Department to improve service levels and ensure 24-hour service via an informative, user-friendly, and multi-lingual call answering system. (Priority 3)

Partly implemented. The Housing Department has a Pacific Bell Call Management System. This system has the ability to produce call reports and the capacity to include the three languages needed by the Program. The Program staff is working with the Telecommunication's Division of the Housing Department on this project. Target date: 12-02.

#8 (Parks, Recreation, and Neighborhood Services/JL) - Assist commissioners by:

- **Actively recruiting commissioners when commission membership is inadequate;**
- **Producing monthly reports for commission meetings, including an analysis of data collected through the Service Request forms;**
- **Assisting with appropriate special studies;**
- **Providing an orientation on City Municipal Code and ordinance-required commission responsibilities; and**
- **Incorporating statistics on calls to the Program in its annual reports to both commissions. (Priority 3)**

Implemented. The Housing Department is working with the City Clerk's Office to monitor the recruitment of candidates for the Mobilehome Advisory Commission. The Commissioners (Mobilehome and Rents) are receiving bi-monthly reports, which include the database results, and a report on current legislation affecting mobilehomes and apartments.

#9 (Advisory Commission on Rents/JL) - Increase meeting frequencies from bi-monthly to monthly. (Priority 3)

Not implemented. The Advisory Commission on Rents and Mobilehome Advisory Commission discussed increasing meeting frequencies. The consensus of both Commissions is to continue meeting bi-monthly and call special meetings in the event the need arises. We recommend that this recommendation be dropped.

REQUIRES FINANCE AND INFRASTRUCTURE COMMITTEE ACTION.

#10 (Parks, Recreation, and Neighborhood Services/JL) - Provide landlords with information brochures in at least three languages--English, Spanish, and Vietnamese. (Priority 3)

Implemented. The Rental Dispute Program created and translated new program brochures in three languages. These brochures were printed and sent out to all landlords. In addition, the program staff distributed brochures to the Code Enforcement Division.

#11 (City Council/JL) - Approve the ordinance amendments the Task Force has proposed and/or is considering requiring landlords to provide the Program copies of 30-day eviction notices and tenant information permitting easy Program verification of rent before and after eviction. (Priority 3)

Implemented. On June 18, 2002, the City Council approved Ordinance 26649, which, among other things, required landlords to provide copies of 30-day eviction notices and tenant information to the program. The Ordinance also allows the City to demand landlords to provide new tenant information following an eviction. Program staff developed a system for tracking 30-day notices.

#12 (City Council/JL) - Forward to the Task Force for its consideration an additional ordinance amendment that 30-day eviction notices are submitted under penalty of perjury and subject to audit and Program pre-approval of rent increases in excess of the ordinance maximum. (Priority 3)

Implemented. On June 18, 2002, the City Council approved Ordinance 26649, which, among other things, required a landlord or property manager to provide a statement, under penalty of perjury, that the landlord is not evicting the tenant in order to evade an applicable ordinance, law, or regulation. The Task Force considered, but did not pass, requiring the Program to pre-approve rent increases in excess of the ordinance maximum.

02-02 AN AUDIT OF THE SAN JOSÉ ARENA MANAGEMENT CORPORATION'S COMPLIANCE WITH THE SAN JOSÉ ARENA MANAGEMENT AGREEMENT

#1 (Arena Management/ME) - Develop written procedures for calculating the annual Arena fees payment to the City and include in those new procedures estimating luxury suite revenues based upon prior years' luxury suite leasing history. (Priority 2)

Not implemented. To our knowledge, Arena Management has not yet developed procedures. The Administration will be assigning responsibility for oversight of the Management Agreement, and the assigned staff will work with Arena Management to implement this recommendation. Target date: 12-02.

#2 (City Manager's Office/ME) - Assign responsibility for reviewing and approving the annual Arena fees payment. (Priority 3)

Not implemented. The Administration will be working to divide responsibilities for the various aspects of overseeing the Arena Management Agreement to ensure that both financial and programmatic issues will be monitored. Target date: 12-02.

#3 (Arena Management/Arena Authority/City Attorney's Office/ME) - Develop a mutually agreeable delivery schedule regarding the frequency of the detailed reports and records relating to the City Related Accounts. (Priority 3)

Not implemented. The Administration will be assigning responsibility for oversight of the Management Agreement, and the assigned staff will work with Arena Management and the Arena Authority to implement this recommendation. Target date: 12-02.

#4 (Arena Management/ME) - Provide the past and future City Income Reports and Audit Reports in accordance with the Management Agreement. (Priority 3)

Not implemented. The Administration will be assigning responsibility for oversight of the Management Agreement, and the assigned staff will work with Arena Management to implement this recommendation. Target date: 12-02.

#5 (City Manager's Office/ME) - Assign responsibility for ensuring that Arena Management submits all Management Agreement-required reports. (Priority 3)

Not implemented. The Administration will be working to divide responsibilities for the various aspects of overseeing the Arena Management Agreement to ensure that both financial and programmatic issues are well monitored. Target date: 12-02.

#6 (Redevelopment Agency/ME) - Pay the City \$958,000 for Arena Management's possessory interest tax deductions. (Priority 1)

Implemented. This payment has been made.

#7 (Agency/City Attorney's Office/City Manager's Office/Arena Management/ME) - Work together to determine how Arena Management should calculate its possessory interest tax deduction. (Priority 2)

Not implemented. The Administration will be assigning responsibility for oversight of the Management Agreement, and the assigned staff will work with the various parties involved to implement this recommendation. Target date: 12-02.

#8 (City/ME) - Establish a procedure to immediately bill the Agency for Arena Management's possessory interest tax deductions when it receives Arena Management's annual Arena fee payment. (Priority 2)

Not implemented. The Administration will be assigning responsibility for oversight of the Management Agreement, and the assigned staff will work to develop this procedure to ensure that the recommendation is implemented. Target date: 12-02.

02-03 AN AUDIT OF THE PROPERTY MANAGEMENT OPERATIONS OF THE CITY OF SAN JOSÉ'S DEPARTMENT OF PUBLIC WORKS – REAL ESTATE DIVISION

#1 (City Council/EL) - Revisit its policy on non-profit leases of City-owned properties. (Priority 2)

Not implemented. The City Council requested that the Office of the City Auditor survey City departments, and the Redevelopment Agency, to identify all City and Agency owned real property non-profit organizations lease, occupy, or otherwise use. Upon completion of this analysis, the City Council will revisit its policy on non-profit leases of City-owned properties. Target Date: 6-03.

#2 (Administration/Department of Public Works/Real Estate Division/EL) - Include language in its leases with non-profits requiring the annual submission of documents to the Division to facilitate an annual review. (Priority 3)

Partly implemented. Effective July 1, 2002, all Public Works' property management operations were transferred to the General Services Department. At the direction of the City Manager's Office, non-profits whose leases expire will be given month-to-month rental agreements until such time as the City Council revisits Policy 7-1. All non-profits requesting lease renewals will be required to submit key non-profit background information prior to having their leases renewed. Additionally, new lease agreements will contain wording requiring the annual submission of documents to facilitate an annual review. Target date: 12-02.

#3 (Administration/Department of Public Works/Real Estate Division/EL) - Establish a formal application process for non-profit leases of City-owned property including the submission of key non-profit background information. (Priority 3)

Partly implemented. Effective July 1, 2002, all Public Works' property management operations were transferred to the General Services Department. At the direction of the City Manager's Office, non-profits whose leases expire will be given month-to-month rental agreements until such time as the City Council revisits Policy 7-1. All non-profits requesting lease renewals will be required to submit key non-profit background information prior to having their leases renewed. The Administration needs to formalize and implement an application process for non-profits to complete to obtain the necessary information to ensure compliance with City Council policy. Target date: 12-02.

#4 (Administration/Department of Public Works/Real Estate Division/EL) - Designate a staff person to monitor non-profit leases and ensure that these leases are renewed in a timely manner, have appropriate insurance, and are in compliance with Revised City Council Policy 7-1 on Below Market Rents provision. (Priority 3)

Partly implemented. As reported, effective July 1, 2002, all Public Works' property management operations were transferred to the General Services Department. The Department is in the process of filling a current vacancy to find a staff person to monitor non-profit leases. Target date: 12-02.

#5 (Department of Public Works/EL) - Work with the City Attorney's Office on how best to resolve underpaid and overpaid rents. (Priority 2)

Partly implemented. Staff have consulted with City Attorney staff and determined that, with the exception of delinquent rents addressed in Recommendation #9, no current underpayments of rents exist. A portion of the overpayment noted in the report was applied to current rental charges, while the balance was refunded. Target date: 12-02.

#6 (Department of Public Works/EL) - Identify all Real Estate leases with late payment penalty provisions and establish procedures to ensure that late payment penalties are properly assessed. (Priority 3)

Partly implemented. Staff have identified leases with late payment provisions and have met with Treasury Division staff to discuss developing a process to ensure late payment penalties are properly assessed. Treasury Division staff is developing violation codes that will automatically calculate and assess the penalties on the appropriate accounts. Target date: 12-02.

#7 (Department of Public Works/EL) - Review all of its leases of City-owned property with private entities and ensure that the Fiscal Division has been invoicing tenants for the proper amount of rents and invoice tenants for any amounts owed. (Priority 2)

Partly implemented. Staff have reviewed all leases under their control and have submitted revised information to the Public Works Fiscal Section to ensure the proper amounts are being charged. Responsibility for invoicing tenants needs to be transferred from Public Works to the General Services Department. Target date: 12-02.

#8 (Department of Public Works/EL) - Establish a process to ensure that the Fiscal Division invoices tenants on a consistent and continuous basis until the tenant vacates the property or until there is a change in property ownership. (Priority 2)

Partly implemented. Effective July 1, 2002, all Public Works property management operations were transferred to the General Services Department. General Services needs to establish and document its process for ensuring tenants are invoiced on a consistent and continuous basis. Target date: 12-02.

#9 (Department of Public Works/Finance Department/EL) - Identify the leases for which there are past due payments and initiate appropriate collection efforts. (Priority 2)

Partly implemented. Leases that had past due payments were identified and referred to the Treasury Division for appropriate collection action. Once the transfer of responsibilities to the General Services Department is complete, Property Management staff plan to establish a formal procedure to ensure the continued monitoring of lease payments. Target date: 12-02.

#10 (Department of Public Works/EL) - Establish a reconciliation process and formal procedures to ensure that leases of City-owned property are correctly invoiced and collected. (Priority 2)

Partly implemented. Staff reviewed all leases and sent revised information to the Fiscal Section to ensure that tenants are being invoiced the correct amounts. General Services needs to develop a formal reconciliation process to ensure leases are correctly invoiced and proper rent amounts collected. Target date: 12-02.

#11 (Department of Public Works/EL) - Assign responsibility for calculating rent adjustments on City-owned property and establish policies and procedures to effectuate that assignment. (Priority 3)

Not implemented. The General Services Department needs to assign responsibility for calculating rent adjustments on City-owned property and establish policies and procedures to ensure proper reconciliation. Target date: 12-02.

#12 (Department of Public Works/EL) - Assign to the Real Estate Division the responsibility for providing oversight over leases of City-owned property. (Priority 2)

Partly implemented. Effective July 1, 2002, Public Works' Property Management operations were transferred to the General Services Department. The responsibility for oversight of the majority of leases of City-owned property was assigned to this Department. Staff is in the process of working with City Departments to identify all City leases and to determine under whose management each lease belongs. Target date: 12-02.

02-04 AN AUDIT OF THE SAN JOSÉ POLICE DEPARTMENT'S METHOD OF PROJECTING SWORN OFFICER RETIREMENTS AND OTHER SEPARATIONS

#1 (SJPD/CC) - Expand its current attrition-based approach for projecting sworn officer retirements to include the longer-term impact of retirements using demographic considerations. (Priority 3)

Not implemented. The SJPD plans to expand its approach for projecting long-term officer retirements by 1) reviewing officer demographics and 2) surveying officers approaching retirement eligibility. The SJPD is researching survey instruments and will work with the Auditor's Office to review officer demographics. Target date: 12-02.

#2 (SJPD/CC) - Evaluate the impact of any proposed retirement plan changes on future sworn officer retirements. (Priority 3)

Partly implemented. The department indicates that it has a process to evaluate the impact of retirement plan changes on future sworn retirements. This recommendation cannot be completely implemented until retirement plan changes are proposed. Target date: TBD.

#3 (City Administration/CC) - Determine the feasibility of designing a Regular Deferred Retirement Option Plan that improves sworn officer retention and retirement predictability without being cost prohibitive. (Priority 3)

Not implemented. The Administration plans to determine the feasibility of designing a Regular Deferred Retirement Option Plan in preparation for the next collective bargaining sessions in June 2003. Target date: 6-03.

02-05 AN AUDIT OF THE CITY OF SAN JOSÉ'S CUSTOMER SERVICE CALL CENTER

#1 (City Council and the Administration/RM) - Consider using an answering service to handle the Call Center's off-peak hours calls. (Priority 2)

Partly implemented. The Call Center will be issuing a purchase requisition and working with Purchasing on a competitive process to select an answering service for off-peak hours. Target date: 9-02.

#2 (Office of Employee Relations/RM) - Review any labor relations implications resulting from using an answering service to handle the Call Center's off-peak hours calls. (Priority 3)

Partly implemented. Preliminary discussions have been held with labor representatives, and further discussions are scheduled. Target date: 9-02.