

Status of City Auditor Recommendations With Funding Impact 2011-2012 Adopted Budget

There are several audit recommendations that are incorporated into actions approved in the 2011-2012 Adopted Budget. The table below provides a summary of those audit recommendations.

Department	Item	Status	Remarks
City Manager's Office - Employee Relations	Workers' Compensation Program – propose structural changes to the City's Workers' Compensation Program: 1) reducing the City's policy of providing up to nine months of a disability leave supplement pay at 85 percent for non-sworn and one full year at 100 percent for sworn employees; and 2) implementing a retirement benefit payment offset for sworn employees receiving disability retirement payments that replicates the offset for retired non-sworn employees.) (Issued 4/8/09, #1)	Partly Implemented	The structural changes to the City's Workers' Compensation Program this recommendation proposes are subject to meet and confer with the City's bargaining units. In 2010-2011, the City achieved a reduction in the disability leave supplement pay, from nine months to six months, with three employee groups, including ABMEI, ALP and unrepresented employees in Unit 99. The City achieved additional changes in the disability leave supplement benefit with all of the City's nine non-sworn bargaining units which reduced the disability leave supplement from nine months to three months for Fiscal Year 2011-2012. This change was also implemented for unrepresented employees in Unit 99. In addition, the City achieved elimination of the disability leave supplement in Fiscal Year 2012-2013 with four of the City's nine non-sworn bargaining units (AEA, CAMP, AMSP and ABMEI). The City is continuing negotiations over changes for Fiscal Year 2012-2013 with the remaining five non-sworn bargaining units.

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Police/ City Manager's Office - Employee Relations	Auto Theft Unit – explore feasibility of using civilian staff for administrative assignments (Issued 5/13/09, #5)	Partly Implemented	The 2011-2012 Adopted Budget includes reductions in sworn staffing and the elimination of the Auto Theft Unit. Responsibility for auto theft investigations will transfer to the Robbery Unit. Remaining sworn staff will be responsible for auto theft investigations. With the consolidation of auto theft investigations under the Robbery Unit, the opportunity to civilianize positions is not feasible.
Human Resources/ City Manager's Office - Employee Relations	Employee Medical Benefits – Prohibit Employees from Being Simultaneously Covered by City- provided medical benefits as a City employee and as a dependent of another City employee and work with Employee Relations on potential meet and confer issues (Issued 6/10/09, #12)	Implemented	For unrepresented employees and employees represented by ABMEI, POA and ALP, the City implemented eligibility changes to prohibit employees from being simultaneously covered by City-provided medical benefits as a City employee and as a dependent of another City employee. This change took effect June 2010 for unrepresented employees and employees represented by ABMEI and ALP, and took effect December 2010 for employees represented by the POA. As part of negotiations for 2011-2012, the City achieved this change with the remaining bargaining units (IAFF, AEA, CAMP, AMSP, MEF, CEO, IBEW, and OE#3) to prohibit employees from being simultaneously covered by City-provided medical benefits as a City employee and as a dependent of another City employee.

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Human Resources/ City Manager's Office - Employee Relations	Employee Medical Benefits – Reduce cash in-lieu payment amounts (Issued 6/10/09, #13)	Implemented	For unrepresented employees and employees represented by ABMEI, POA and ALP, the City changed the calculation for the in-lieu payments. The City discontinued its practice of setting payments as 50 percent of what the City would otherwise contribute toward premiums. Instead, eligible employees in these employee groups will receive fixed in-lieu payments that do not increase with the rising premium costs. These changes took effect June 2010 for unrepresented employees and employees represented by ABMEI and ALP, and took effect December 2010 for employees represented by POA. As part of negotiations for 2011-2012, the City achieved this change with all remaining bargaining units (IAFF, AEA, CAMP, AMSP, CEO, MEF, IBEW, and OE#3) to establish fixed in-lieu amounts.

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Human Resources/ City Manager's Office - Employee Relations	Employee Medical Benefits – Prohibit participation in the Health in-Lieu Plan among City employees who are already receiving other City-provided medical benefits and work with the Office of Employee Relations on potential meet-and-confer issues that such a change would present (Issued 6/10/09, #14)	Partly Implemented	For unrepresented employees and employees represented by ABMEI, POA and ALP, the City implemented eligibility changes to limit participation/reduce the benefit in the Health-In-Lieu Plan (to the Health-In-Lieu single rate) among those who are already receiving other City-provided medical benefits. This change took effect June 2010 for unrepresented employees and employees represented by ABMEI and ALP, and took effect December 2010 for employees represented by POA. As part of negotiations for 2011-2012, the City achieved this change with the remaining bargaining units (IAFF, AEA, CAMP, AMSP, CEO, MEF, IBEW, and OE#3) to limit participation in the Health-In-Lieu Plan among those who are already receiving other City-provided medical benefits.

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Human Resources/ City Manager's Office - Employee Relations	Employee Medical Benefits – Pursue at least one or a combination of cost-containment strategies and work with the Office of Employee Relations on potential meet-and-confer issues (Issued 6/10/09, #17)	Partly Implemented	The City Administration has addressed rising costs of medical premiums by furthering cost-sharing among employees and pursuing alternative plan designs for employee medical benefits. In April 2010, the City introduced a new lowest-cost medical plan for unrepresented employees and employees represented by ABMEI, POA and ALP. The premium for this new lowest-cost plan is approximately 5 percent lower than the lowest-cost plan available to other City employees. This new lowest-cost plan has higher co-pays. In addition, for unrepresented employees and employees represented by ABMEI, POA and ALP, the City decreased its premium contribution rate from 90 percent to 85 percent. These changes took effect June 2010 for unrepresented employees and employees represented by ABMEI and ALP, and took effect December 2010 for employees represented by POA. As part of negotiations for 2011-2012, the City achieved these changes with the remaining eight bargaining units (IAFF, AEA, CAMP, AMSP, CEO, MEF, IBEW, and OE#3) to introduce a new lowest cost medical plan and decrease the City's share of premiums from 90 percent to 85 percent.

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Police/ City Manager's Office - Employee Relations	<p>Audit of Civilianization Opportunities in the San Jose Police Department –</p> <p>Develop short, medium, and long-term plans to civilianize the positions identified in this audit and/or other positions identified by the Police Department, #9</p> <p>Identify partial administrative roles filled by sworn and consider options for civilianization, #10 (Issued 1/14/10)</p>	Partly Implemented	<p>The 2011-2012 Adopted Budget includes the civilianization of 15 sworn positions throughout the Police Department, generating General Fund savings of approximately \$1.0 million. However, severe reductions in sworn staffing in patrol and investigative functions limit further civilianization efforts in the short-term. A re-evaluation of civilianization opportunities may commence once the staff reductions are implemented and the impacts are realized. The civilianization of additional positions is also subject to Meet and Confer with the Police Officers' Association.</p>
Police	<p>Audit of Civilianization Opportunities in the San José Police Department –</p> <p>Consider outsourcing the helicopter pilot duties as well as the fixed wing airplane assignments on an hourly basis. (Issued 1/14/10, #11)</p>	N/A	<p>The Helicopter Program was suspended effective March 2011 and the 2011-2012 Adopted Budget includes the suspension of this program and the one-time elimination of the Police Department positions that support this function in 2011-2012. The Police Department will work to identify service delivery alternatives, including collateral assignments and contract pilots, during this one-year suspension.</p>

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Police	Audit of Civilianization Opportunities in the San Jose Police Department – Work with the Airport Department to determine the most effective and efficient mix of sworn (SJPD) and civilian (Airport) security required to maintain the Airport's security program, in accordance with TSA regulations (Issued 1/14/10, #13)	Implemented	<p>The 2011-2012 Adopted Budget includes a change to the security services at the Airport. As of July 1, 2011, 19 of 42 sworn Police positions were eliminated (1 Sergeant and 18 Police Officers), six Police Officers were reassigned to Field Patrol on the overlap day, and civilian security support (budgeted in the Airport Department) was increased as a cost savings measure for the Airport.</p> <p>The outsourcing of the entire security function at the Airport is currently under review. For budget purposes, the 2011-2012 Adopted Budget assumes the elimination of the remaining sworn staffing in the Airport Police Division as of January 31, 2011. This will allow time to evaluate the options for delivering this service, fulfill the meet and confer requirements, and allow time for potential transition of services. As directed in the Mayor's June Budget Message approved by the City Council, a hybrid security system that uses some San José Police personnel will be considered. The hybrid system will be analyzed to mitigate any challenges or coordination issues, and it will be presented to the Public Safety, Finance and Strategic Support Committee for consideration.</p>
Parks, Recreation and Neighborhood Services	Audit of Community Center Staffing – Include Washington Youth Center in the Re-Use Program or Operate with City staff (Issued 3/11/10, #10)	Implemented	As part of the 2010-2011 Adopted Budget, funding for the Washington Youth Center was eliminated effective July 1, 2011. This Center will be placed in the Re-Use Program in 2011-2012. This action generated savings of \$363,000.

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City Manager's Office - Employee Relations	Pension Sustainability – Pursue at least one or a combination of cost-containment strategies, including: <ul style="list-style-type: none"> • Additional cost sharing between the City and employees • Eliminating the Supplemental Retirement Benefit Reserves (SRBRs) or prohibiting transfers in and distribution of “excess earnings” when the plans are underfunded • Negotiating with employee bargaining groups for changes to plan benefits for existing employees • Establishing a second tier pension benefit for new employees • Considering whether to join the California Public Employees Retirement System in order to reduce administrative costs (Issued 9/29/10, #3)	Partly Implemented	As part of negotiations for 2011-2012, the City achieved agreements with four bargaining units (IAFF, AEA, CAMP and AMSP) that include continuing negotiations over retirement reform, which includes but is not limited to changes to SRBR and retirement benefits for current and future employees. The City is continuing negotiations regarding this issue with the remaining seven bargaining units.

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Department	Item	Status	Remarks
Police	Police Department Staffing: Opportunities to Maximize the Number of Police Officers on Patrol – As an option to reduce costs in the near term and decrease span of control, SJPD should assess the feasibility of reducing the current number of divisions and associated supervisory positions without simultaneously redistricting (Issued 12/9/10, #3)	Partly Implemented	The 2011-2012 Adopted Budget includes the elimination of 23 supervisory staff (9.0 Police Lieutenants and 14.0 Police Sergeants) in Patrol, which will increase the span of control for the remaining positions. This reduction represents a 13% reduction in the Police Sergeant staffing and a 40% reduction in the Police Lieutenant staffing assigned to Patrol. The span of control for supervisors in patrol could increase to an average of 11:1 on the first and third watch from the current level of 7:1.

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Police	<p>Police Department Staffing: Opportunities to Maximize the Number of Police Officers on Patrol –</p> <p>In order to better match investigative staffing to workload, SJPD should redeploy day detectives elsewhere in the organization and reconfigure schedules for investigative units to provide investigative coverage during nights and weekends. (Issued 12/9/10, #6)</p>	Implemented	The 2011-2012 Adopted Budget includes reductions to Police Investigations and a restructuring of the remaining staff. As part of this restructuring, the Day Detective Detail will be eliminated.