CITY OF

SAN JOSE

CAPITAL OF SILICON VALLEY

Office of the City Auditor

Report to the City Council

City of San José

STATUS OF OPEN AUDIT RECOMMENDATIONS AS OF DECEMBER 31, 2018

MARCH 2019

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CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Office of the City Auditor
Sharon W. Erickson, City Auditor

March 15, 2019

Honorable Mayor and City Council

City of San José
200 E. Santa Clara Street
San José, CA 95113

STATUS OF OPEN AUDIT RECOMMENDATIONS AS OF DECEMBER 31, 2018

RECOMMENDATION

We recommend the City Council accept the Status of Open Audit Recommendations as of December 31, 2018.

SUMMARY OF RESULTS

The City Auditor's Office conducts audits and makes recommendations to strengthen accountability and improve the efficiency and effectiveness of City programs. The Office monitors progress toward implementing recommendations and reports on the status of all open audit recommendations every six months.

City staff implemented or closed 40 recommendations in the last six months, and to date have implemented 67 percent of open recommendations over the last 5 years. 229 recommendations are still pending. This includes 10 of the 12 priority items (approved by the City Council in June 2018) that staff would focus on in FY 2018-19.

Attached to this report is a summary table of pending recommendations by report (Appendix A), details of all 269 pending audit recommendations as of December 31, 2018 (Appendix B), and an index of recommendations by department (Appendix C).

As of December 31, 2018:

269 pending recommendations

79 were issued in new reports

10 of 12 priority items pending

40 implemented/closed in the last six months

229 partly or not implemented

$10.1 million potential budget savings

7 subject to meet and confer

98 target dates within next 6 months

67% open recommendations over the last 5 years have been implemented or closed

Twelve Priority Items For Fiscal Year 2018-19

In June 2018, the City Council approved the *2018-19 Open Audit Recommendation Priorities*[1] with direction to the City Manager to prioritize work on these outstanding audit recommendations, while continuing to make progress on addressing and working with the City Auditor to close out other open audit recommendations. The 2018-19 audit recommendation priorities (with their target dates) are:

Potential budgetary savings/revenue generation

- Invest in a Fire Department Safety Officer (*Audit of Fire Department Injuries*, 2012)

  To ensure a more coordinated response and better follow-up to injuries that cost the City about $9 million per year at the time of our audit, the Fire Department prioritized hiring a safety officer. The Fire Department filled this position in December 2018. Recommendation #1207-14: IMPLEMENTED.

- Invest in street pavement funding (*Audit of Street Maintenance*, 2015)

  Thanks to the preservation and addition of new funding sources, the City was able to fully fund the 2018-19 pavement maintenance program for the first time in recent history. Recommendation #1502-01: IMPLEMENTED.

- Reduce Police Department comp time balances (*Audit of Police Overtime*, 2016)

  The number of sworn employees with comp time balances over the 240 and 480 hour thresholds continues to increase. Recommendation #1608-10 target date: Dec-2019.

Operational efficiency

- Non-emergency medical call response (*Audit of the Fire Department's Strategic Plan*, 2001)

  Expanded application of priority response levels requires authorization from the Medical Director of the County's Local Emergency Medical Services Agency. Over the past fifteen years, the Department has made improvements that would allow the Department to potentially expand the use of priority responses levels whenever authorization is granted. Recommendation #0105-03 target date: Dec-2019 (delayed from Dec-2018).

- Contract management policies (*Audit of Consulting Agreements*, 2013)

  The Administration reports they are in the process of developing tools to standardize the contract management process. Recommendation

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[1] 2018-2019 Open Audit Recommendation Priorities May 31, 2018 (https://sanjose.legistar.com/LegislationDetail.aspx?ID=3512937&GUID=A59AA751-4DB2-4759-BE3A-03E8B26DB47F&Options=&Search=)

#1306-09 target date: Dec-2019 (delayed from Dec-2018).

- Volunteer program guidelines (*Audit of the City's Use and Coordination of Volunteers*, 2016)

    The Administration utilized an Encore Fellow to create a draft volunteer policy and volunteer management guide. A cross-departmental working group was established in March 2018 to review and add to the draft. More recently, through the Gen2Gen campaign, the Mayor's Office has partnered with PRNS and community organizations on three service-oriented pilot programs. The effort is expected to provide insights to City departments on engagement and strategies related to volunteer programs. Recommendation #1603-03 target date: Dec-2019 (delayed from Jun-2019).

Improved service delivery

- SJFD public education (*Audit of Fire Prevention*, 2013)

    The Fire Department's Strategic Business Plan includes goals to expand community partnerships and promote public education. The Department advises that it does not have sufficient resources to fulfill public education goals at this time but does, for example, make smoke detectors available when possible for line staff to distribute to residents. Recommendation #1304-19 target date: Jun-2019.

- Reactivate Emergency Management CERT program (*Audit of the City's Use and Coordination of Volunteers*, 2016)

    Reactivation of the CERT program has been delayed for a number of reasons, but CERT trainings are expected to begin in Spring 2019. Recommendation #1603-05 target date: Jun-2019.

- Housing Department outreach to tenants and landlords (*Audit of the Apartment Rent Ordinance*, 2016)

    The Department has provided additional outreach to tenants and landlords explaining ordinance updates, updated its website, and is making communications available in additional languages. Updates to its lobby space and the ability to file petitions online are still pending. Recommendation #1610-03 target date: Jun-2019 (delayed from Dec-2018)

Citywide security/risk mitigation

- Adopt an Information Security Policy ((*Audit of Information Technology General Controls,* 2012)

    The IT Department has updated credit card, password, and access protocols, and drafted revisions to the City's Information Security Policy. The Policy is under review, and training on the policy is pending. Recommendation #1202-04 target date: Jun-2019 (delayed from Dec-2018).

- Update expired leases *(Audit of the City's Oversight of Financial Assistance to Community-Based Organizations, 2008)*

> The Office of Economic Development procured a new leasing system in April 2017, but implementation has been delayed due to staff vacancies. The Office reports it is in the process of renewing expired leases for both nonprofit and for-profit tenants, developing standard leasing templates, and bringing current the backlog of expired leases of City property. Recommendation #0804-11 target date: Dec-2019 (delayed from Dec-2018).

- Develop and implement a Disaster Data Recovery Plan *(Audit of Information Technology General Controls, 2012)*

> The agreement with the selected vendor to enable the City to perform quarterly data center failure simulations has been delayed. Recommendation #1202-02 target date: Dec-2019 (delayed from Dec-2018).

More detail about each of the priority recommendations is shown in our online dashboard and in Appendix B of this report.

Departments Implemented or Closed 40 Recommendations in the Last Six Months

In addition to their work on the priority items shown above, departments continued to make progress toward implementing other open audit recommendations. For example,

- The Fire Department currently has three squad units to respond to lower priority emergency calls. Last fall, the Squad Pilot Program was made permanent. Squad program policies and procedures will be incorporated into normal operating procedures *(Audit of the Fire Department's Strategic Plan Regarding Proposed Fire Stations, 2001)*.

- The Police Department completed backgrounding for current coaches at the Police Activities League (PAL). PAL reports it has updated rosters of all coaches and assistant coaches *(Audit of the Police Activities League, 2018)*.

- Retirement Services completed corrections to pension benefits paid to retired City employees *(Audit of Pensionable Earnings, 2009)*.

A Total of 229 Recommendations Are Still Pending

Of the 229 recommendations that are still pending, 162 are partly implemented and 67 are not implemented. The Department of Parks, Recreation and Neighborhood Services has the largest number of open audit recommendations – most of them new recommendations issued within the last 6 months..

Open Audit Recommendations by Lead Department or Office
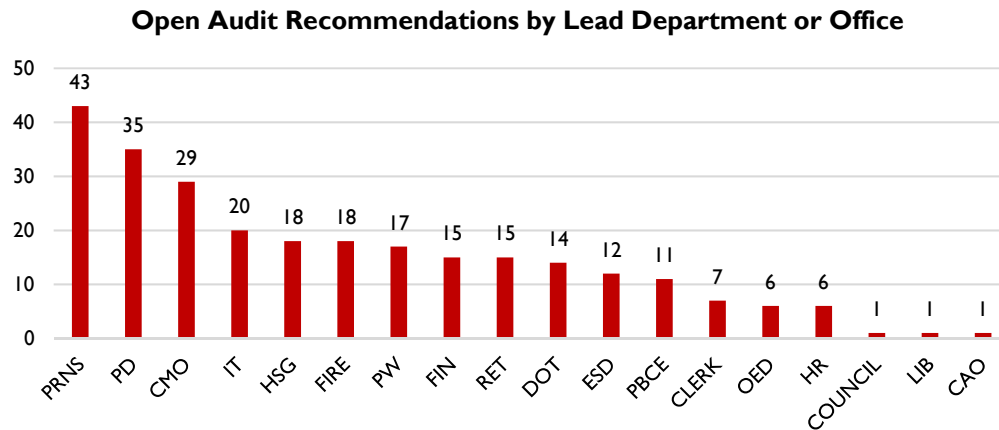
Potential Benefits Include Improved Service Delivery, Transparency and Accountability, Operational Efficiency, and Securing City Assets

When implemented, many of these recommendations will improve operational efficiency of City departments. Others will improve transparency and accountability, or improve service delivery. Others will help secure City assets.

Open Audit Recommendations by Intended Outcome
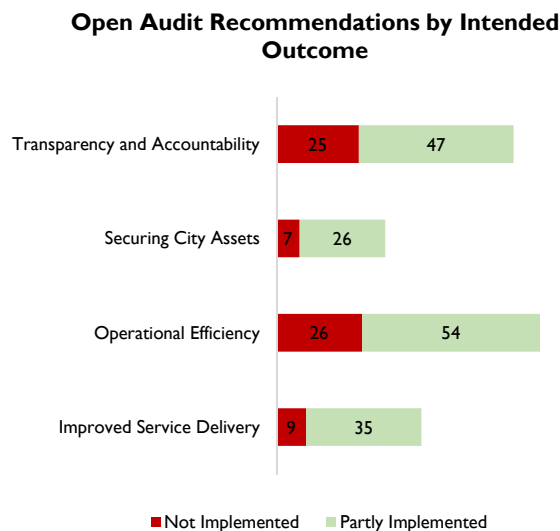
Some examples include:

- Improved management of the Police Department's secondary employment program that allows sworn personnel to work second jobs in uniform in addition to their City work (*Audit of Police Department Secondary Employment*, 2012).

- Automating contractor wage calculations (*Audit of the Office of Equality Assurance*, 2017)

- Improving the timeliness of City Council minutes (*Audit of the Office of the City Clerk*, 2016)

- Expanding the SJPD Cadet Program to encourage San Jose youth to become San Jose Police Officers (*Audit of Police Staffing*, 2015).

$10.1 Million in Potential Budget Savings From 14 Open Recommendations

Implementing recommendations can sometimes result in cost savings or additional revenue to the City. This includes:

- Renegotiating the integration agreement with Santa Clara Valley Water District to recognize needed funding for reliability projects ($2.8 million)

- Lowering the General Fund subsidy for golf course lessees/operators ($2.7 million)

- Pursuing reductions in overtime and compensatory time for supervisory employees ($1.6 million)

- Follow up on overdue accounts in the Fire Department ($1.2 million)

- Requiring sworn employees to lower compensatory time balances ($1.1 million)

- Recovering 100 percent of the cost of the Police Department's secondary employment program ($0.7 million)

- Reviewing mobile device billings ($0.2 million)

These and other recommendations that could result in potential budget savings are shown in more detail in Appendix B and in our online database, and forwarded to the Budget Office for consideration during the annual budget process.

## 7 Pending Recommendations Are Potentially Subject to Meet and Confer

In addition to appearing in the attached report (Appendix B) and online, we forward open items that may be subject to meet and confer to the Office of Employee Relations for inclusion in their annual labor relations update to the City Council.[2]

## Departments Implemented 67 Percent of Open Recommendations Over the Last 5 Years

Over the last 5 years, the City Auditor's Office has followed-up on 689 open recommendations to improve or enhance City services. 67 percent of those recommendations have been implemented or closed. Over that 5-year period, the Police Department had more recommendations than any other office or department, and the Finance Department implemented more recommendations than any other office or department.

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[2] For more information, see the *2018 Annual Summary of Labor Negotiations* at San Jose, CA - Official Website - Recent Updates.

Audit Recommendations in the Last 5 Years
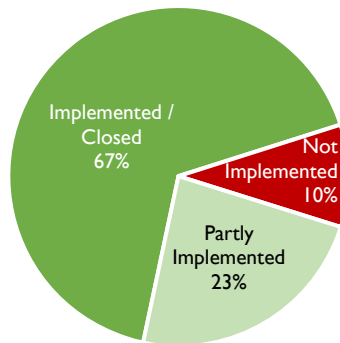
Recommendations by Department Over the Last 5 Years
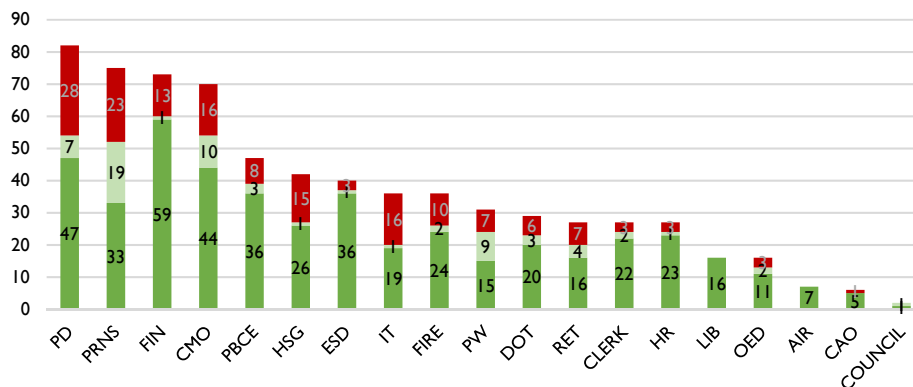
Departments Expect to Implement 98 Recommendations Within the Next Six Months

Addressing open recommendations in a timely manner demonstrates management's commitment to address risk areas and improve City services. Departments are responsible for establishing target dates for each open audit recommendation.

While departments expect to implement a significant number of pending audit recommendations within the next six months, it should be noted that competing priorities may delay implementation. The target dates for 159 recommendations in this report slipped from previous department-determined target dates.

CONCLUSION

In December 2016, the City Manager and City Auditor agreed to bring forward items that the administration recommends should be dropped or closed, but where the City Auditor's Office disagrees that the problem has been fixed. There are no recommendations that fall into this category at this time.
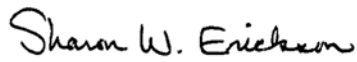
More information about all open recommendations is available in the appendices to this report, and online:

- The *Dashboard of the Status of Open Audit Recommendations* contains information about the status of all pending recommendations as of December 31, 2018 – sortable by priority, department, year published, target date, and type/benefit.

- The *Dashboard of All Recommendations 2010 to Present* contains all recommendations (both open and closed) made since 2010 – sortable by report, department, year published, and status. A new search feature allows users to search by keyword.

Both dashboards are online at: http://www.sanjoseca.gov/index.aspx?NID=309.

The City Auditor's Office would like to thank the City Manager's Office and all of the affected departments for their efforts to implement audit recommendations and for their assistance in compiling this report.

Respectfully submitted,

Sharon W. Erickson

Sharon W. Erickson
City Auditor

Appendix A: Summary Listing of Recommendations by Report
Appendix B: Detailed Listing of the Status of Pending Recommendations as of December 31, 2018
Appendix C: Index of Audit Recommendations by Department/Office
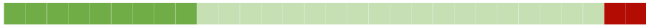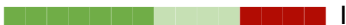
Appendix A:
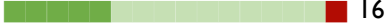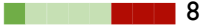
SUMMARY LISTING RECOMMENDATIONS
BY REPORT

Report	Audit Title	Dept (s)	We made recommendations to:	Current Status
#01-05	An Audit of the City of San José Fire Department's Strategic Plan Regarding Proposed Fire Stations	FIRE	Improve the efficiency and effectiveness of deployment	5
#03-10	An Audit of the San José Fire Department's Bureau of Fire Prevention	FIRE	Ensure inspections meet regulatory targets and provide adequate enforcement of Fire Code requirements	16
#08-04	Audit of the City's Oversight of Financial Assistance to Community-Based Organizations	OED	Improve monitoring and oversight of community-based organizations	21
#09-08	Performance Management and Reporting in San José: A Proposal for Improvement	CMO	Improve the City's performance management and reporting systems	1
#09-10	Audit of Pensionable Earnings and Time Reporting	FIN	Improve the accuracy of pensionable earnings calculations	15
#10-04	Audit of Decentralized Cash Handling	IT	Ensure adequate and effective internal controls over cash handling	8
#10-05	Audit of Community Center Staffing	PRNS	Improve the efficiency and effectiveness of community center staffing	17
#10-09	City Procurement Cards: Policies Can Be Improved	FIN	Ensure compliance with the City's procurement card policies	8
#10-13	Police Department Staffing: Opportunities to Maximize the Number of Police Officers on Patrol	PD	Maximize the number of Police Officers on patrol	8
#11-04	Key Drivers of Employee Compensation: Base Pay, Overtime, Paid Leaves and Premium Pays	CMO	Assess the major cost drivers of employee compensation	7
#11-09	Audit of Annual Form 700 Filers	CLERK	Ensure accurate and timely completion of Form 700s	5
#12-02	Audit of Information Technology General Controls	IT	Ensure the City's information systems are properly safeguarded, that applications programs and data are secure, and that computerized operations can be recovered in case of unexpected interruptions	11

Report	Audit Title	Dept (s)	We made recommendations to:	Current Status
#12-04	Police Department Secondary Employment: Urgent Reform and a Cultural Change Needed to Gain Control of Off-Duty Police Work	PD	Gain control of off-duty police work	30
#12-05	Review of Fire Department Performance Measures: Improving the Usefulness of Data	FIRE	Improve the usefulness of the Fire Department's publicly reported performance measures	3
#12-06	Environmental Services: A Department At A Critical Juncture	ESD	Ensure appropriate and effectiveness use of ratepayer funds	22
#12-07	Fire Department Injuries: A More Coordinated Response and Better Follow-up Is Needed	FIRE	Improve coordination and handling of workplace injuries and ensure timely treatment and recovery	15
#12-08	Ten Years of Staffing Reductions at the City of San José: Impacts and Lessons Learned	HR	Lessen the impact of any future layoffs, bumping, and reinstatements	7
#13-02	Deferred Compensation: The City Can Streamline And Improve The Administration Of Its Deferred Compensation Program	FIN	Correct past errors in the allocation of participant contributions, reduce costs to participants by decreasing accumulated reserves and streamlining administrative processes, and increase fee transparency	8
#13-04	Fire Prevention: Improve Follow-up on Fire Code Violations, Prioritize Inspections, and Target Public Education to Reduce Fire Risk	FIRE	Ensure follow-up on fire code violations, improve the prioritization of inspections, and target public education efforts to reduce the risk of fires.	20
#13-06	Consulting Agreements: Better Enforcement of Procurement Rules, Monitoring, and Transparency is Needed	FIN	Strengthen City oversight of consulting agreements to improve procurement and contract monitoring processes and increase transparency	15
#13-11	Code Enforcement: Improvements Are Possible, But Resources Are Significantly Constrained	PBCE	Improve code enforcement division operations	22

Report	Audit Title	Dept (s)	We made recommendations to:	Current Status
#13-12	Audit of Employee Travel Expenditures	FIN	Streamline the travel reimbursement process through an electronic system and improve the travel policy to ensure employee travel is necessary, reasonable, and consistent with the policy	13
#14-07	City Procurement Cards: Better Oversight and Streamlined Processes Would Improve Protection of Public Resources	FIN	Streamline the authorization process for purchases made using City-issued procurement cards, and improve the transparency and public accountability of government spending	7
#14-08	Development Services: Improving the Experience for Homeowners	PBCE	Improve homeowners' customer service experience at the permit center with improved staffing, streamlined coordination with development partners, and better information	22
#14-12	Accounts Receivable: The City Can Enhance Revenue Collections By Improving Its Billing & Collection Practices	FIN	Increase City revenues by improving controls surrounding the City's invoicing and collection processes	18
#15-02	Street Pavement Maintenance: Road Condition Is Deteriorating Due to Insufficient Funding	DOT	Improve the condition of City streets and address the maintenance backlog by prioritizing funding, increasing inspection efficiency, and providing greater public accountability	4
#15-04	Employee Hiring: The City Should Streamline Hiring and Develop a Workforce Plan to Fill Vacancies	HR	Streamline the hiring process and develop a plan to fill the large number of vacant positions Citywide	14
#15-05	PRNS Fee Activity Program: The Department Can Better Reflect the City's Goals for Tracking and Recovering Costs, Setting Fees, and Promoting Affordable Access	PRNS	Improve cost recovery for recreational classes offered through the City while expanding access for low-income residents	6

Report	Audit Title	Dept (s)	We made recommendations to:	Current Status	
#15-06	Curbside Recycling: The City Can Enhance Its Single-Family Residential Recycling Program to Improve Waste Diversion	ESD	Enhance the City's single-family residential recycling		6
#15-08	Golf Courses: Loss of Customers and Revenues Requires A New Strategy	PRNS	Improve the utilization and finances of golf courses through Council direction, increased staffing and oversight, and competitive contracting process		5
#15-09	Police Hiring: Additional Efforts to Recruit Qualified Candidates Urgently Needed to Fill Vacancies	PD	Bolster recruiting efforts and increase the efficiency of recruiting to fill the growing vacancies in the Police Department		14
#16-02	Street Sweeping: Significant Investment and Re-Tooling Are Needed to Achieve Cleaner Streets	DOT	Improve the effectiveness of sweeping City streets through evaluating program costs, enhancing tools for data monitoring, and improving communication with the public		14
#16-03	The City's Use and Coordination of Volunteers: Volunteer Programs Provide Significant Benefits to the Residents of San José	PRNS	Provide tools for City staff to better manage volunteers and allow for better coordination across volunteer programs		8
#16-04	Technology Deployments: Additional Resources Needed to Shorten Deployment Timelines	IT	Improve and establish additional resources for deploying new technology across the City organization		9
#16-05	South Bay Water Recycling: Better Information and Renegotiation of Contractual Obligations Will Increase Transparency and Aid Program Success	ESD	Provide more transparency over the accounting of South Bay Water Recycling revenues and expenses and help sustain revenues sufficient to cover costs		4
#16-07	Office of the City Clerk: Streamlining Processes and Clarifying Roles Can Better Ensure Compliance with Statutory Responsibilities	CLERK	Maximize organizational efficiency and consistency, as well as transparency and public accountability, by streamlining processes and clarifying roles		20

Report	Audit Title	Dept (s)	We made recommendations to:	Current Status
#16-08	Police Overtime: The San José Police Department Relies on Overtime to Patrol the City Due to Unprecedented Vacancies	PD	Increase efficiency of operations' staffing, improve tracking of hours worked by Police Department employees, and improve the tools for supervisors to monitor overtime worked	12
#16-10	The Apartment Rent Ordinance: Additional Investment, Improved Processes, and Strategic Resource Deployment Needed to Better Serve Tenants and Landlords	HSG	Better deploy resources, improve processes, and recover program costs	19
#16-11	Mobile Devices: Improvements Needed to Ensure Efficient, Secure, and Strategic Deployment	IT	Ensure efficient, secure, and strategic deployment of mobile devices through the policies and procedures, software solutions, and streamlining of processes	16
#17-01	Audit of Our City Forest	DOT	Ensure consistency and accountability with the City's grant agreements with OCF and improve the off-site tree replacement program	4
#17-02	Office of Equality Assurance: Increased Workload Warrants Reevaluation of Resource Needs	CMO	Reallocate staff and update procedures considering the growing number of OEA responsibilities	8
#17-04	Open Government: The City Has Made Progress in Meeting the Goals of the Sunshine Reform Task Force	CMO	Promote government transparency and ensure compliance with the City's Consolidated Open Government and Ethics Provisions.	12
#17-05	Audit of Environmental Services Department Consulting Services: Agreements Require Additional Oversight	ESD	Protect City resources by strengthening controls in the amended agreement with Stantec as well as improve contract monitoring	10

Report	Audit Title	Dept (s)	We made recommendations to:	Current Status
#17-06	Audit of Retirement Services: Greater Transparency Needed in the Budgeting Process, Interactions Among Stakeholders, Investment Policies, and Plan Administration	RET	Increase transparency in the budgeting process, interactions among stakeholders, investment policies, and plan administration	25
#17-09	San José's Tier 3 Defined Contribution Plan: The City Should Clarify How Contributions Are Calculated	FIN	Clarify how contributions to employee accounts are calculated under the Municipal Code and determine whether the City is required to make retroactive corrections for past errors	1
#18-01	Pensionable Earnings: Tighter Controls and More Transparency Can Ensure Retirement Contributions Continue to be Accurate	FIN	Improve controls and transparency to ensure retirement contributions continue to be accurate	4
#18-02	Audit of the San José Police Activities League	PRNS	Improve the City's oversight and management of the San José Police Activities League	23
#18-03	Department of Public Works: Enhancing Management of Capital Projects	PW	Enhancing management of capital project	10
#18-04	Audit of Vehicle Abatement: The City Could Improve Customer Service for Vehicle Abatement Requests	DOT	Improve customer service for vehicle abatement requests	12
#18-06	Community Center Reuse: Efficient Monitoring and Better Data Can Help Determine the Next Phase of Reuse	PRNS	Efficient monitoring and better data can help determine the next phase of reuse	19
#18-07	Audit of the City's Homeless Assistance Programs: More Coordination and Better Monitoring Can Help Improve the Effectiveness of Programs	HSG	Improve the City's oversight and management of its homeless assistance program	14
#18-08	Team San Jose Performance FY 2017-18	OED	Establish and formalize the target for theater occupancy	1

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Appendix B:

DETAILED LISTING OF THE STATUS OF PENDING

RECOMMENDATIONS AS OF December 31, 2018

Report	Recommendation	Dept (s)	Current Status	Comments
01-05	#03 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.	FIRE	**Partly Implemented - Priority**	The San José Fire Department provides Advanced Life Support (ALS) and Medical Priority Dispatch System (MPDS) services through its agreement with the Santa Clara County Local Emergency Medical Services Agency. Expanded application of the Omega priority response level requires authorization from the Medical Director of the County's Local Emergency Medical Services Agency. Over the past fifteen years, the Department has made improvements that would allow the Department to potentially expand the use of the Omega priority response level whenever authorization is granted. This work has included: meeting certain prerequisites to implementation of MPDS (such as accreditation of Fire Communications and the use of updated CAD software); participating in EMS stakeholder group meetings to recommend changes to EMS delivery in Santa Clara County; reviewing its patient care data to determine what factors could identify an Omega level response; and successfully obtaining County EMS agency authorization to respond to lower priority medical aid service requests with Basic Life Support resources (BLS). In December 2018, the County exercised the option to extend the current agreement, which will now expire on June 30, 2022. Meanwhile, the Department continues to pursue dispatch policies and response alternatives with the County's Local Emergency Medical Services Agency to optimize EMS service delivery. Target Date: Dec-2019 (Delayed From: Dec-2017) Potential Budget Savings: Implementation of priority response levels could reduce the number of EMS responses, improve emergency response times, and save wear and tear on vehicles.
01-05	#05 Implement a pilot project to evaluate the use of SUVs or Light Units to respond to lower priority emergency medical calls.	FIRE	Implemented	The Department initiated a Squad Pilot Program in 2012 to respond to lower priority emergency calls, thus maintaining greater availability of fire engines and trucks for higher priority emergencies. The pilot program as described in the May 2015 Side Letter Agreement between the City and the International Association of Firefighters, Local 230, continued through September 31, 2018. Through the bargaining process, the City and the San José Fire Fighters, IAFF Local 230 (IAFF) agreed to establish a permanent Squad Program in accordance with the 2018 City of San José - IAFF MOA Negotiations Tentative Agreement. This agreement was approved by the City Council in October 2018. Squad Program policies and procedures will be incorporated into normal operating procedures. The Department currently has 3 squad units.

Report	Recommendation	Dept (s)	Current Status	Comments
03-10	#12 Develop a workload analysis to determine its inspection staff needs to achieve its inspection goals and objectives.	FIRE	Not Implemented	The Fire Department's has selected a consultant (NBS Government Finance) to study the Fire Department's non-development fee program. This study will include a new inspection service delivery model. The Department reports that the study is underway. Target Date: Jun-2019 (Delayed From: Dec-2017)
08-04	#09 Clarify when the 7-1 policy should apply to leases with CBOs of City facilities.	OED	Partly Implemented	City Council Policy 7-1 ("Below Market Rental Policy for Use of City-Owned Land And Buildings By Nonprofit Or Charitable Organizations or for Governmental or other Public Purposes") allows community-based organizations (CBOs) to occupy City properties for as low as $1 per month with certain requirements. The San José City Council first adopted Policy 7-1 in 1970; it was revised in 1994 and 2006. At the time of our audit, responsibility for management of CBO leases was decentralized, and application of Policy 7-1 (which was intended for short-term use of City property) was unclear. Staff are still in the process of working with the City Attorney's Office to draft clarifications to the 7-1 Policy as it relates to the duration of the leases and the subsidy amounts, and anticipate the changes to be complete December 2019. Target Date: Dec-2019 (Delayed From: Dec-2009)
08-04	#11 We recommend the Real Estate Division: A) Develop a centralized spreadsheet to track the status of CBO leases and other long-term use agreements for City owned properties with CBOs including key terms and rental payments. B) Bring current all expired leases, rental payments, insurance certificates, and other required reporting documentation.	OED	**Partly Implemented - Priority**	A) The Real Estate Division created a centralized spreadsheet tracking all of the CBO leases and other long-term use agreements along with the lease description, the lease terms, and estimated rent amounts for the duration of the lease. Staff has determined the fair market rent of those facilities where the lease has expired and will use the information in determining the amount of subsidy that is being provided by the City. In April 2017, staff procured a new leasing system that will provide additional tools to estimate the fair market rent and value of the re-use facilities. Staff is working on the implementation of this new system, which has been delayed due to unfilled staff vacancies. B) Real Estate is in the process of renewing expired leases for both non-profit and for-profit tenants. Real Estate reports they are working with the City Attorney's Office on the development of three leasing templates for properties where the City acts as landlord. Target Date: Dec-2019 (Delayed From: Dec-2009)

Report	Recommendation	Dept (s)	Current Status	Comments
09-08	#01 The purpose of the "white paper" was to provide a roadmap for developing a performance management system that promotes data-driven decision making. Jointly signed by the City Manager and the City Auditor, it included "next steps" meant to reduce staff time compiling data while ensuring City staff and policy makers have the best information available for decision making and increasing accountability and transparency in the City's public reporting. As outlined in the report, next steps included: scheduling frequent and regular meetings of top department managers and the City Manager's Office to proactively discuss performance metrics, identify issues, and to evaluate solutions; periodic assessments of the performance management system itself; reviewing and reducing the number of performance measures; compiling methodology sheets for performance measures; reassessing reporting mechanisms; validating performance measures; establishing information systems to track performance data; clarifying core service names; clarifying the link between mission, goals, and objectives; obtaining the net cost of services; and increasing the use of efficiency measures.	CMO	Partly Implemented	The City's Budget Office has implemented many of the next steps identified in the report. This includes: eliminating more than 100 performance measures that were no longer meaningful; clarifying or renaming many of the City's core services; reallocating some costs from the City-Wide Expense budget category to department budgets, and organizing City-Wide Expenses by department; and requiring up-to-date methodology sheets for all of the performance measures reported in the budget. In addition, the City Auditor has completed reviews of reported performance measures for several departments, and continues to produce the Annual Report on City Services. In June 2018, the City Manager identified a half dozen high-priority metrics for each of the six City Service Areas, which were included in the City's Adopted Operating Budgets as "CSA Dashboards" and also highlighted in the City Auditor's Office's Annual Services Report. The Budget Office is exploring more frequent reporting of the CSA dashboard measures, and establishing a web-based central location to post them. Target Date: On-going

Report	Recommendation	Dept (s)	Current Status	Comments
09-10	#02 Review the highest 12-month salary of all active beneficiaries starting in July 1, 2001 and work with Payroll to adjust those with retroactive lump sum payments to ensure that beneficiaries are receiving accurate pensions.	RET / FIN	Implemented	When employees receive merit raises, they frequently receive a retroactive lump sum payment. If those lump sums are not spread across all affected periods in the City's pension system, the calculation of an employee's pension can be incorrect, as the pension calculation is based on the highest salary year. In 2014, Finance provided Retirement Services with a file with the retroactive lump sum payments. By December 2015, Retirement Services had applied corrections to 70 percent of the retirement plans' members in the file provided by Finance and manually recalculated their pension amounts. The remaining updates occurred over time after other pensionable pay corrections were implemented. In February and March 2017, the monthly benefits of some Police and Fire Plan (P&F) members were corrected, with collection of overpayments beginning in August 2017. Additional P&F members were notified of their overpayments in the spring of 2017, with monthly benefit corrections and collection of overpayments beginning in February 2018. Corrections to the underpaid P&F groups were completed as of October and December 2018. The review of Federated members' benefits was completed in April 2018, and corrections were made to the overpaid retiree's monthly benefits starting in October, 2018. Corrections to the underpaid retirees' benefit payments started in August 2018 (including cumulative underpaid amounts, including interest). The Federated Board determined that the cumulative overpaid amounts including interest (totaling $2.7 million) will be collected from the City. The City expects the amount to be designated as unfunded liability and paid over time as that amount is paid.

Report	Recommendation	Dept (s)	Current Status	Comments
09-10	#04　To the extent possible, correct pension payments and retirement contributions for the Police and Fire Retirement members and for the Federated Retirement members where higher class pay or management allowances were considered pensionable.	RET / FIN / OER	Implemented	In 2010 and 2011, Finance corrected the treatment of higher class pay and management allowances on a go forward basis. In 2013, Finance provided Retirement Services with a data file with higher class pay corrections for active members of the retirement plans. Retirement Services and Finance worked to address discrepancies found in the data file over the next couple of years. In early 2015, Retirement Services uploaded the adjustments into the pension administration system. In 2016, Finance provided Retirement Services with a new data file with higher class pay adjustments for terminated employees. This process took some time because of the manual nature of the recalculations and adjustments. In the Police and Fire Plan (P&F), ongoing monthly benefits of some members were corrected in February and March 2017, and collection of overpayments began in August 2017. The rest of the P&F population was notified of the corrections and information sessions were held in the spring of 2017; ongoing monthly benefits were corrected and collections of overpayments began in February 2018. Corrections to the underpaid P&F groups were completed as of October and December 2017. The review of Federated members' benefits was completed in April 2018, and corrections were made to the overpaid retiree's monthly benefits starting in October, 2018. Corrections to the underpaid retirees' benefit payments started in August 2018 (including cumulative underpaid amounts, including interest). The Federated Board determined that the cumulative overpaid amounts including interest (totaling $2.7 million) will be collected from the City. The City expects the amount to be designated as unfunded liability and paid over time as that amount is paid.
09-10	#12　Provide timekeepers with written procedures and consider having them conduct the periodic monitoring of time codes.	FIN	Partly Implemented	Payroll and OER met with City timekeepers in December to discuss procedures and training related to time codes. Universal procedures are being developed and posted on the Finance intranet when completed. As of the time of this update, these included guidance for exception time reporting, and time reporting for alternative work schedules. In addition, Payroll plans to provide a listing of time reporting codes with descriptions and intended uses, along with FAQ's to assist City Timekeepers with tools to ensure proper use of the codes. Target Date: Jun-2019 (Delayed From: Dec-2018)
10-04	#02　Develop Citywide policies and procedures to require and periodically assess Payment Card Industry compliance at all distributed cash handling sites accepting credit cards.	IT / FIN	Implemented	The City's Cash Handling Policy 5.3.7 requires that credit card payments must be done in a PCI compliant manner. IT's internal CSJ-Information Security Standards handbook addresses security of credit card collections systems. It requires departments conduct an annual self assessment questionnaire to assess their department's PCI compliance. In addition, PCI systems are addressed for compliance by the City's credit card vendor.

Report	Recommendation	Dept (s)	Current Status	Comments
10-05	#08 Estimate the fair market value of re-use facilities.	OED	Partly Implemented	The City's Annual Report of Funding to Community Based Organizations improves City oversight of public funds to non-profits and other organizations by consolidating the total value of City subsidies (in the form of financial grants, in-kind contributions, and below-market rent) granted to each organization. The annual CBO report presents lease subsidy amounts for 18 organizations that receive below-market rent. However, at least 26 non-profits have subsidized use of City buildings within the PRNS reuse program, the value of which is not presented within the CBO report. To better represent the total support granted to these organizations, the Administration plans to estimate the level of subsidy based on a generalized value per square foot of office, commercial, or retail space, and include these subsidies within the CBO report. Target Date: Jun-2019 (Delayed From: Jun-2011)
10-09	#01 Revise the p-card policy to require simple descriptive annotations on receipts or statements that describe the intended use of the purchases, as well as the intended location, and if applicable, the number of people intended to use the purchased items or services.	FIN	Partly Implemented	In 2012, the Finance Department began informing departments that they should annotate receipts or statements from p-card purchases with simple descriptive annotations of the intended use of the purchase, the intended location, and if applicable, the number of people intended to use the purchased items or services. Finance recommends annotations in quarterly p-card trainings, as well. Additionally, the Finance Department is working on revising the City Procurement Cards policy (Section 5.1.2 of the City Policy Manual), dividing the policy into two parts: a high-level administrative policy and a detailed p-card administrative guide. Both documents are currently still in outline/draft form. Target Date: Jun-2019 (Delayed From: Jun-2011)

Report	Recommendation	Dept (s)	Current Status	Comments
10-13	#02　To better align staffing with workload, SJPD should propose additional shift start times.	PD	Partly Implemented (Subject to meet and confer)	Over the last 20 years a series of reviews by the City Auditor's Office and outside consultants have recommended changes in Police Department shift schedules and staffing. In April 2018, the Matrix Consulting Group released a report finding that the current 10-hour shifts have proven effective. However, to improve efficiency with the current shift schedule, mitigate staffing shortages, and shift types, the consultant recommended that the Department implement an alternative shift schedule that reallocates personnel and modifies the start and end times to 0730 for days, 1230 for swings, and 2200 for midnights. According to the Department implementing these recommendations would be a costly and lengthy process that is currently not feasible. In response to this concern the consultant recommended adding additional personnel in the districts and beats with the greatest workload, which the Department implemented. Best practices suggest reviewing shift start times and workloads on a regular basis. We continue to encourage the Department to review shift schedules once it achieves full staffing. Target Date: Jun-2019 (Delayed From: Jul-2018)
10-13	#05　SJPD should assess and report on (to the Public Safety, Finance, and Strategic Support Committee of the City Council) the feasibility of changing the Patrol schedule to a potentially more efficient schedule.	PD	Partly Implemented	It is our understanding that the 2018 Matrix report has not yet been discussed at PSFSS. See recommendation #2. Target Date: Jun-2019 (Delayed From: Dec-2018)
11-04	#02　To reduce the cost of overtime, the City should (1) conduct a Citywide FLSA overtime review or at a minimum review job specifications for specific positions and whether they would qualify for an FLSA overtime exemption; (2) pursue reductions in overtime to align with FLSA requirements (including but not limited to calculating overtime on hours worked, not paying overtime to exempt employees, and not paying overtime to employees receiving executive leave); and (3) prepare full cost estimates of contract provisions that exceed FLSA provisions.	CMO	Partly Implemented (Subject to meet and confer)	(1) The City has not yet conducted a citywide FLSA overtime review or a review of job specifications to determine whether some positions would qualify for FLSA overtime exemptions. (2) The City achieved changes in overtime eligibility for some employees. For instance, some represented employees are paid overtime only after having worked 40 hours (excluding paid time off, with the exception of holiday leave). Changing overtime eligibility for employees who receive executive leave may be subject to meet-and-confer and would be considered within the context of labor negotiations. (3) The Office of Employee Relations (OER) reports that it will prepare the recommended full cost estimates of contract provisions that exceed FLSA provisions in preparation for the upcoming contract negotiations. The target date varies by employee unit. Target Date: Jun-2021 (Delayed From: Dec-2018) Potential Budget Savings: Between May 2011 and August 2014, overtime costs to supervisory employees approached $4 million. At that time, we estimated pursuing reductions in overtime and comp time for supervisory employees could save over $1.6 mullion.

Report	Recommendation	Dept (s)	Current Status	Comments
11-04	#05 We recommend the City Administration (1) seek to eliminate obsolete premium pays, (2) disclose the direct and indirect costs associated with rolling in premium pays, and (3) consider discounting the value of premium pays to maintain cost neutrality when rolling in premium pays OR identify and disclose the full cost associated with rolling in these premium pays into base pay.	CMO	Implemented	OER has reached agreements with IAFF, Local 230 and the SJPOA to roll some premium pays into base pay. For example, base pay for employees in IAFF, Local 230 will now include anti-terrorism premium pay and emergency medical technician (EMT) premium pay. Both anti-terrorism training and an EMT certification are requirements of the current job duties for these employees. As part of the overall agreement, OER disclosed the costs associated with rolling these premium pays into base pay to the City Council. OER reports that they will continue to consider rolling in premium pays when negotiating with other bargaining units, and disclosing the associated costs as appropriate.
11-09	#03 To ensure designated consultant firms' assigned employees file their Form 700s timely, (a) the City Clerk should require such firms to coordinate and file assuming office statements for their assigned employees upon the commencement of work, and (b) the City Clerk should annually notify those firms whose contracts are still valid of the requirement for their assigned employees to file the Annual Form 700.	CLERK	Implemented	The City Clerk implemented a new filing system in January 2018. Department liaisons are responsible for inputting the names of Form 700 filers and ensuring information is up-to-date. The City Clerk's Office has drafted procedures to independently verify and follow-up on outstanding Form 700s filers. Meanwhile, the SouthTech system automatically notifies filers annually of their obligation to file. The City Auditor's Office will be testing this system during our upcoming audit of Form 700s.
12-02	#02 To improve password and access controls over the City's network and data, ITD should: a) Establish minimum length and complexity requirements for users' passwords, automatic periodic expiration schedules, and "lock-outs" when users reach a predetermined number of consecutive unsuccessful login attempts. b) While granting access to additional server drives, etc., ITD should by default, terminate transferring employees' access to the drives of the departments they are departing, or explore a system through which employees' access levels are tied to their employment status as recorded in the City's personnel system. c) Develop a review process requiring departments to periodically review the users with access to their departmental drives.	IT	Partly Implemented	a) IT has established minimum length and complexity requirements for passwords that need to be changed on a regular schedule. However, this requirement is not currently enforced for some of the City's key enterprise applications. b) IT implemented a Group ID project that would automate Active Directory for creation and disabling of employee accounts. c) IT reached out to departments to confirm or modify privileges for shared folders. IT plans to do this attestation on an annual basis. Target Date: Dec-2019 (Delayed From: Dec-2017)

Report	Recommendation	Dept (s)	Current Status	Comments
12-02	#04 In order to fully comply with Data Security Standards (PCI-DSS), immediately develop an Information Security Policy and include within this policy (applicable to all users who are connected to the City's network) the following minimum standards: a) Updated password and access protocols (see Recommendation #2); b) Required schedules for periodic reviews of people with access to data center (including restricting the number of people with access); c) Improved guidelines to departments for facilitating IT network changes during inter-departmental transfers and terminations; d) Training and implementation of the City's information security policy; e) After developing and implementing a Council-adopted Information Security Policy, initiate a citywide data security assessment to identify City's PCI-DSS status.	IT	**Partly Implemented - Priority**	a) IT has updated password and access protocols and worked with relevant departments to develop procedures on processing credit cards that would be compliant with PCI-DSS standards. The PCI policy is part of the Citywide Information Security Policy and is being coordinated by the City Information Security Officer (CISO). The updated City's Information Security Policy (City Administrative Policy 1.7.6) is pending review by Purchasing and the Police Department. The Department has made two courses on credit card tampering prevention and best practices available through the City's CSJ University. b) The Department Administrative Officer conducts a semi-annual review of employees authorized to access the data center. c) IT has implemented a Group ID project that would automate Active Directory for creation and disabling of employee accounts and review the audit of security groups. d) The City's Information Security Policy is currently under review. Training for this policy is pending City Manager approval. Target Date: Jun-2019 (Delayed From: Dec-2017)
12-02	#05 The City should expand its Identity Theft Prevention Program to include all programs that collect personally identifiable information and: a) Annually review, amend and report on the status of handling private information. b) Annually review the business needs of employees with access to private information and update accordingly. c) Provide periodic training for all employees handling private information and/or annually highlight (through an email) and inform employees of their responsibilities on safeguarding this data. d) Include boilerplate language in its contracts to protect the City from liability when personally identifiable information is collected and ensure that the contractor has controls in place to secure and protect this information. e) Ensure that the ITPP guidelines are posted publicly and easily accessible by City employees.	IT / OER	Partly Implemented	IT has adopted the NIST cybersecurity framework which are guidelines and best practices to manage cybersecurity risk. Those guidelines include assessing systems with personally identifiable information (PII). IT plans to assess systems with PII. IT is currently working on the assessment of systems that have PII. In addition, the cybersecurity training (which will be done by a consultant) will include PII. IT is in the process of developing the Cybersecurity RFP for a consultant that will include a training component. IT plans to make this training available to all City employees. Finally, IT has worked with Purchasing and the City Attorney's Office to incorporate boilerplate language in its contracts where personally identifiable information is generated, collected or otherwise managed. Target Date: Dec-2019 (Delayed From: Oct-2017)

Report	Recommendation	Dept (s)	Current Status	Comments
12-02	#06 We recommend that ITD develop the following written policies and procedures: a) Internal policies and procedures on day-to-day operations within ITD; b) Citywide policies on technology usage such as ITD responsibilities in enforcement, principles of least privilege, and acceptable use of computer equipment. Within these policies develop clear guidelines on which departments would be exempt and why, from some of these policies.	IT	Implemented	IT has developed a CSJ Information Security Standards Handbook that provides guidance on internal policies and procedures. The updated Information Security Policy (City Administrative Policy 1.7.6), last revised in 2008, is still pending. We will follow-up on the Information Security Policy implementation as part of Recommendation #4 of this report.
12-02	#07 In order to ensure that the City's critical data is protected ITD should: a) Ensure that backups are done and tapes are sent off-site at the pre-determined intervals; b) Get end-user input to determine if the current back-up process meets individual departments' business needs and City Council-approved document retention schedules; and c) Formalize, document and implement these processes.	IT	Implemented	Most of the City's backup data is now archived to cloud storage, rather than on tape. Departments are expected to retain their electronic files in accordance with the City's retention policies. IT has developed internal backup policies, and has worked with business owners to review and update backup schedules.
12-02	#08 ITD take the lead to develop (and test) a Disaster Data Recovery Plan and ensure that end-user business needs are included in the final plan.	IT	**Partly Implemented - Priority**	The IT infrastructure Refresh Project RFP (currently in process) includes a solution for backups and disaster recovery. The solution is intended to enable the City to perform quarterly data center failure simulations: (1) primary data center failover to the secondary data center and (2) failover of both data centers to the cloud. The agreement with the selected vendor has been delayed. Target Date: Dec-2019 (Delayed From: Dec-2017)
12-02	#10 Because computer equipment may contain personal identifiable information and other sensitive information, ITD should develop, distribute, and implement a Citywide policy for decommissioning computer equipment, and include it in the citywide surplus inventory policy.	IT	Partly Implemented	IT has developed internal procedures to decommission computers including laptops, and servers. To facilitate citywide compliance, the Citywide Administrative Policy 5.2.1 (Transfer of Surplus Property) should refer to the IT policy. Target Date: Jun-2019 (Delayed From: Dec-2017)

Report	Recommendation	Dept (s)	Current Status	Comments
12-04	#01 The Police Department should develop and immediately implement a written procedure for periodic review of off-duty employment timecards including comparisons of: (a) City timecards to off-duty timecards, (b) timecards for multiple off-duty jobs to each other to test for fraud, and (c) hours taken for administrative/disability/sick leave to hours worked off-duty. The Department should also hold supervisors accountable for paying attention to on-duty and secondary employment time keeping.	PD	Partly Implemented	Following the audit, the Department updated procedures for the Secondary Employment Unit (SEU) to include audits of timecards to test for fraud, overlapping hours, as well as secondary employment worked simultaneously with disability or other leaves. The Department periodically reviews timecards. However, due to staffing constraints, SEU is unable to conduct additional reviews. The Duty Manual was updated after the audit to cover failure to report SEU hours. The Police Department is working with its software vendor to add software updates to enable the Department to accurately track its employees' hours and pay rates. After this is done, the Department will need to review the process to test employee timecards to off-duty timecards. Target Date: Mar-2020 (Delayed From: Jun-2017)
12-04	#02 The Police Department should develop a system to compile real-time data regarding the number of hours worked and pay earned from off-duty work.	PD	Partly Implemented	In 2013, the Department purchased scheduling software that could potentially allow for real-time data as recommended. The Police Department is working with its software vendor to add software updates to enable the Department to accurately track its employees' hours and pay rates. See recommendation #1. Target Date: Mar-2020 (Delayed From: Dec-2013)
12-04	#03 The Police Department should: (a) keep lists of work permits and employers updated and be able to provide summary data; (b) include tests in periodic reviews to ensure the completeness of pay job hours that are reported to the City; (c) specify in the Duty Manual the disciplinary consequences for both employees and supervisors for failure to consistently report off-duty hours worked; and (d) develop a way to track enforcement actions taken at pay jobs; one possibility is a special code or call sign in CAD to designate calls from those working secondary employment.	PD	Partly Implemented	(a) The Police Department is working with its software vendor to update its software in order to accurately track work permits, hours and employers. (b) After the audit, the SEU Procedures Manual was revised to require verification of hours worked based on secondary employers' records; SEU management advises that the unit has insufficient staffing to conduct more than periodic verifications. (c) After the audit, several sections of the Duty Manual were updated to outline disciplinary measures with regards to secondary employment. (d) SEU created specific call signs dedicated to secondary employment jobs. The Department reports that officers use these call signs to track enforcement actions taken at pay jobs, and SEU has continued to send reminders to its staff to use these call signs. Target Date: Mar-2020 (Delayed From: Dec-2019)

Report	Recommendation	Dept (s)	Current Status	Comments
12-04	#04 The SEU should report to the Police Chief at least annually on the following data about the secondary employment program: (a) the number of hours worked, (b) the amount of pay earned by employee from each off-duty employer, (c) the number of employees who have off-duty work permits, (d) the total number of permits, and (e) the number of employers participating in the program. The report should also note major changes or challenges with program during the prior year.	PD	Partly Implemented	The Department purchased scheduling software in 2013 that it hoped could allow for tracking of hours worked and pay earned as recommended in parts (a) and (b). The Police Department is working with its software vendor to enable accurate tracking of secondary employee hours and pay rates. Once this is complete the Department will have to continue to work with its vendor to determine the types and format of reports that its software can run. Target Date: Jun-2020 (Delayed From: Dec-2013)
12-04	#05 To promote transparency and accountability, the Police Department should know and post annually, on the City's web site, total compensation earned by Police Department employees working secondary employment in SJPD uniform. The Department should know and post information for each employee by name, each employer where that employee worked, and the amount earned from each employer during the year as reported by the employee to the Police Department.	PD	Partly Implemented	SEU has advised that current staffing levels in SEU are inadequate to provide this information currently. The E-Resource update is expected to give the Department the ability to track compensation earned -- by company and by individual officer. Further discussion is needed to determine whether this information could be made public on the website, and at what level of detail. Target Date: Dec-2024 (Delayed From: Dec-2013)
12-04	#09 The Police Department should enforce its procedure for periodic inspections of secondary employers. As specified in the procedure, such inspections should include reviews of: (a) current business license and proper regulatory permits, (b) other required licenses or professional certificates, (c) employer logs of officer work hours, (d) consistency of job with description on work permit and employer approval form, (e) whether officers at site have current/authorized work permits on file. Inspections of a sample of employers should occur at least quarterly, be documented, and notes maintained on the resolution of problems. The Police Department should inform employers and employees that such reviews will occur.	PD	Partly Implemented	The Department advises that an Officer position was brought back in the Permits Unit and will be tasked with conducting SEU site inspections while out in the field on permit inspections. The Department anticipates that the officer will conduct 2-4 inspections per month. Target Date: Mar-2019 (Delayed From: Dec-2019)

Report	Recommendation	Dept (s)	Current Status	Comments
12-04	#10 The Police Department should clarify (in writing) the City's limited liability with regard to workers' compensation in the context of secondary employment.	PD	Not Implemented	No written clarification has been provided to employees or employers regarding the liability associated with workers' compensation in the context of secondary employment. Target Date: Jun-2019
12-04	#11 The Police Department should immediately eliminate the practices of allowing Department employees to solicit off-duty work and allowing them to be paid in cash. The Department should develop and implement a written procedure that includes a business card SJPD employees can provide to businesses or individuals who inquire about hiring off-duty police. The card could include contact information for SEU and inform businesses that calling SEU is the only way to arrange the hiring of SJPD employees. A provision should also be added to secondary-employer agreements to prohibit cash payments to SJPD employees for off-duty work and to require employers to issue appropriate tax documents to pay job employees.	PD	Partly Implemented	The Duty Manual has been revised to prohibit Department members from soliciting secondary employment and from being paid in cash (with exceptions allowed if approved by the SEU commander or the Chief of Police). In addition, Department management advised that the secondary employer application was removed from the intranet, and that all applications were required to be processed through SEU. Notice of a tax document provision was not added to the secondary employer application. The Department plans to update the webpage once the implementation of its online software is complete. Target Date: Mar-2020 (Delayed From: Dec-2019)
12-04	#12 Assuming that the City continues to offer uniformed off-duty employment to private employers, then the Department should contact local business organizations as well as existing approved employers and inform them of (a) revisions to the secondary employment program, and (b) new procedures that prohibit officers from soliciting jobs or accepting cash payments or gratuities, and (c) how to contact the Department if they are interested in secondary employment, (d) pay rates for secondary employment and prohibitions on gratuities or other forms of compensation, and (e) how to lodge a complaint or suggestion, and (f) the requirement that SJPD employees may only enforce the law and may not enforce employer rules. The Department should also provide guidance, in writing, about how employees should address potential situations in which there is a conflict between what a private employer requests of them and their role as a City employee.	PD	Partly Implemented	Although the Department has not yet conducted the outreach to local business organizations and existing approved employers as recommended in this recommendation, the Department has: a) Made forms and instructions regarding SEU officers available on the Department website. Businesses are required to go through this process to employ SEU officers b) Revised the Duty Manual in 2012 to prohibit Department members from soliciting secondary employment and from being paid in cash. c) The SEU website posts Frequently Asked Questions that provides information on how to contact the Department if they are interested in secondary employment. d) While pay rates are posted on the application form, there is no posted information on prohibition on gratuity or other forms of compensation e) There is a link on the SEU website for complaints, questions or suggestions with a stated goal to respond within 5 business days. f) The Duty Manual clarifies that officers working SEU assignments, "May act to prevent a breach of the peace or to enforce the law, but officers shall not use their police authority to enforce a secondary employer's policies or regulations". Target Date: Mar-2020 (Delayed From: Dec-2019)

Report	Recommendation	Dept (s)	Current Status	Comments
12-04	#16 The Police Department should develop and implement written guidelines that include criteria for how pay jobs are assigned by SEU and by coordinators. The Department should also prohibit employees who work in the Secondary Employment Unit from working pay jobs, even if they were working such jobs before being assigned to the unit. Reasonable exceptions should be included related to oversight of special events.	PD	Partly Implemented	The Department revised the Duty Manual in 2012 to prohibit employees who work in SEU from working pay jobs. Exceptions are made for SEU staff to work pay jobs coordinated through SEU after obtaining approval from the SEU commander. This was designed to allow SEU employees who were heavily involved in the oversight/planning of a special event to be able to work at that event and take advantage of their familiarity with it. In 2014, SEU staff reported that pay jobs had become harder to fill due to mandatory overtime requirements, and that the unit had not been receiving complaints about the process for filling secondary employment jobs. In our opinion, it is still essential that the Department have criteria for how to assign secondary employment jobs to ensure the perception of fair and equitable distribution of such jobs. Target Date: Jun-2020 (Delayed From: Dec-2013)
12-04	#17 The Police Department should revise its written guidelines for the exercise of discretionary judgment in determining the number of police employees the Department requires event organizers to hire for special events. The guidelines should specify the criteria upon which the decisions will be made and should also address how the Department determines an appropriate mix of private security and police.	PD	Partly Implemented	In 2012, SEU advised that it was working with the Office of Cultural Affairs (OCA) to find an appropriate mix of security, non-sworn personnel, and police to staff events. In 2013, in collaboration with the Department of Transportation (DOT) and OCA, the Department created a new traffic control model. However, the model did not address the issue of written guidelines. The Department responded that it would continue to evaluate each event by looking at historical data related to repeat events, and by working closely with event promoters and DOT to determine the proper mix of personnel and equipment. In our opinion, written guidelines are important so as to be fully transparent in how the Department determines appropriate staffing levels. Target Date: Jun-2020 (Delayed From: Dec-2013)
12-04	#20 The Police Department should fully implement the Independent Police Auditor's recommendation for ongoing ethics training and should try to do so as soon as possible.	PD	Partly Implemented	The Department conducted ethics training in 2012. Although the Department reports that it provided training on Fair and Impartial Procedural Justice and 21st Century Policing, to our knowledge the curriculum does not include a specific ethics component. Target Date: Jun-2019 (Delayed From: Jun-2013)

Report	Recommendation	Dept (s)	Current Status	Comments
12-04	#21 If the Police Department retains the system of decentralized coordination, the SEU should be solely responsible for appointing coordinators and providing them with the lists of employees available to work pay jobs. The SEU should also maintain an up-to-date list of coordinators and the jobs they oversee. The Department should also establish and implement clear written guidelines regarding: (a) roles and responsibilities of coordinators and how they fit within the chain of command, (b) a prohibition against any form of compensation other than pay, (c) a fixed hourly rate for coordinators as well as not-to-exceed limits on coordinators pay, (d) clarify that coordinators can only be paid for actual hours of coordination rather than an agreed upon estimate or "plug", and (e) expressly prohibit coordination on City time.	PD	Partly Implemented	SEU management updated its list of all coordinators in 2012 but now advises that this is not currently occurring. The Duty Manual covers the roles and responsibility of the coordinator. While coordinators may schedule members of a higher rank to SEU, they will not schedule members of a higher rank that are in their immediate chain of command. The Duty Manual also prohibits coordination of secondary employment when a department member is on duty. In June 2014, SEU advised that it was researching an appropriate fixed pay rate for coordinators and would recommend the adoption of that rate once determined. However this has still to be adopted. The Department continues to need policies to prohibit any form of compensation other than pay, and clarifying that coordinators can only be paid for actual hours of coordination rather than an agreed-upon estimate. Target Date: Jun-2020 (Delayed From: Dec-2019)
12-04	#22 The Police Department should: (a) calculate the cost of bringing all coordination into SEU and the related impact on employers' fees, and (b) assess the impact on the hourly rate charged to employers, as well employer fees, if coordination were brought into SEU and employees were paid at an overtime rate. Given that information, the Department should seriously consider three options moving forward: (1) phasing into SEU the coordination of additional pay jobs, (2) bringing all coordination into SEU, (3) bringing all coordination into SEU and also paying employees on overtime through the City.	PD	Partly Implemented	In 2012, SEU management advised that some cost-benefit analysis was conducted and that the Department was exploring options for the future structure of the secondary employment program. There have been no further updates since then. The Department advises its focus continues to be on maintaining core services. (See Recommendation #30) Target Date: Dec-2024 (Delayed From: Dec-2019)
12-04	#23 The Police Department should: (a) immediately develop and enforce a reasonable daily hour limit and should consider a rest period prior to a regular shift; (one possibility is to reinstate the 14-hour daily limit previously in place), and (b) apply the 24-hour weekly limit for off-duty jobs even in weeks when employees have taken time off, and (c) develop a way to ensure sufficient days off per month.	PD	Partly Implemented	In 2012, the Duty Manual was revised to limit the number of hours worked in a 24-hour period to 16 hours. The 24-hour weekly limit on secondary employment hours was increased to 30 hours per week. The Duty Manual makes an employee's supervisor responsible for monitoring the impact of secondary employment on the performance of the employee's duties. The Department currently does not mandate that employees take days off each month. The Department reports that this issue requires further discussion. Target Date: Dec-2020 (Delayed From: Dec-2019)

Report	Recommendation	Dept (s)	Current Status	Comments
12-04	#25 Because engaging in secondary employment may prolong the recovery of a member who has been injured, the Police Department should (a) ensure that the existing Duty Manual provision prohibiting secondary employment while on disability leave is enforced, and (b) develop a process for identifying employees who are working secondary employment hours either concurrently or in the same time frame as taking disability leave hours.	PD	Partly Implemented	The SEU Procedures Manual includes a provision for auditing employee timecards to check whether an employee was on disability leave while working secondary employment. However this is not enforced. Furthermore, the Duty Manual prohibits officers from working any SEU jobs while on a disability. A violation of this would be enforced during the Department's periodic reviews. The Department advises that once E-Resource has been updated, it anticipates that officers on disability will not be able to sign up for SEU assignments. Target Date: Mar-2020 (Delayed From: Mar-2019)
12-04	#26 The SEU should be housed in the Police Chief's office with the appropriate mix of civilian and sworn employees, with an emphasis on civilians to perform administrative duties and an emphasis on stable staffing and sufficient staffing to provide oversight. Sworn employees should be of sufficient rank to oversee all lower ranks that work secondary employment.	PD	Partly Implemented	In 2012, SEU was moved to the Office of the Chief. The Department requested but was not approved for additional civilian staffing. In our opinion, additional civilian staffing could help relieve sworn staff of administrative duties, and also provide stability to the unit. Target Date: Dec-2024 (Delayed From: Dec-2019)
12-04	#27 The Police Chief should set clear goals and a timetable for restructuring the secondary employment program and should propose a plan as soon as possible to the City Council for secondary employment going forward.	PD	Partly Implemented	In 2012, SEU management advised that the Department was exploring possibilities for the future structure of the secondary employment program. No further updates have been provided since then. The Department advises its focus continues to be on maintaining core services. Target Date: Dec-2024 (Delayed From: Dec-2013)
12-04	#28 The Police Department should: (a) calculate the comprehensive cost of the secondary employment program (personnel, administrative costs, etc.), (b) compare those costs to the revenue generated by related fees, and (c) determine the fees that would be required to make the program 100% cost recovered and present this data to the City Council.	PD	Partly Implemented	In 2012, SEU management advised that the Department was exploring options for the future structure of the secondary employment program. There have been no further updates since then. The Department advises its focus continues to be on maintaining core services. Target Date: Dec-2024 (Delayed From: Dec-2019) Potential Budget Savings: The personnel costs of operating SEU were estimated at $747,000 in the audit. Recovery of these costs through fees would reduce the subsidy by the General Fund.
12-04	#29 The Police Department should fully recover the cost of secondary employment liability policy either through increased employee contributions or by a fee charged to secondary employers.	PD	Not Implemented	In 2012, SEU management advised that some cost-benefit analysis was conducted and that the Department was exploring options for the future structure of the secondary employment program. There have been no further updates since then. The Department advises that due to staffing shortages, work on this recommendation has not begun. Target Date: Dec-2020 (Delayed From: Dec-2019) Potential Budget Savings: In 2019, the General Fund subsidy of the secondary employment liability policy was $23,000.

Report	Recommendation	Dept (s)	Current Status	Comments
12-04	#30 Assuming that the City continues to offer uniformed off-duty employment to private employers, the City should assess the public and private benefits of the current provision of uniformed security services to a broad range of private and public entities. The Department should analyze the costs and benefits of continuing to provide this service on such a broad scale as well as the potential effects of limiting the program to certain types of jobs. The Department should propose a plan for the future of the program to the City Council that includes the results of this analysis.	PD	Partly Implemented	In 2012, SEU management advised that some cost-benefit analysis was conducted and that the Department was exploring options for the future structure of the secondary employment program. There have been no further updates since then. The Department advises its focus continues to be on maintaining core services. Target Date: Dec-2024 (Delayed From: Dec-2019)
12-05	#01 For those performance measures that it will continue to track, the Fire Department should document methodologies for calculating measures. In particular, the Bureau of Fire Prevention should document its methodologies for calculating and reporting key performance measures, including but not limited to measures for internal day-to-day management and public reporting.	FIRE	Partly Implemented	The Fire Department has been reviewing its performance measures and methodologies. Additionally, the Fire Department has undergone an organizational review which included an analysis of some performance metrics. The Department reports that it is updating its methodology mapping and validating data sources, and expects to have documentation complete by the end of the fiscal year. Target Date: Jun-2019 (Delayed From: Dec-2016)
12-05	#02 The Fire Department should continue to review—by core service—its performance measures and determine which are most important to monitor and track on an ongoing basis for internal use, management purposes, and for public reporting.	FIRE	Partly Implemented	The Department reports that it has reviewed performance measures, and periodically continues such reviews. The Department reports that it is updating its methodology mapping and validating data sources, and expects to have documentation complete by the end of the fiscal year. Target Date: Jun-2019 (Delayed From: Jun-2016)
12-05	#03 The Fire Department should assess—by core service—how performance data can be used by management and staff on an ongoing basis to help analyze past performance, establish next performance objectives, and examine overall performance strategies.	FIRE	Partly Implemented	The Department reports that it is updating its methodology mapping and validating data sources. Additionally, the Department is completing a Performance Measure or Activity Workload Highlight Methodology Worksheet for each core service. The Department also reports that it has developed ongoing reports regarding turnout time, line inspection, response times, and dispatch protocol compliance to be used by management and staff to analyze and improve performance. Target Date: Jun-2019 (Delayed From: Aug-2016)

Report	Recommendation	Dept (s)	Current Status	Comments
12-06	#13 The Administration should propose the City Council establish a City Council Policy which includes guiding principles so as not to raise rates in years in which ratepayer fund balances exceed reasonable targets.	ESD	Partly Implemented	At the time of our audit, the City had accumulated large ending fund balances in its utility funds – totaling more than $278 million at the end of FY 2010-11. The funds held in the Regional Wastewater Facility (RWF) and sanitary sewer operating and capital funds represented nearly two years of annual sanitary sewer revenue collection. The sources of the large balances were lower than expected capital spending, staff vacancies, and other budget savings. Because of these large balances, we recommended the Administration should propose a policy to hold rates steady when fund balances exceed reasonable targets. In coordination with the City Managers' Budget Office, ESD is developing a new City Administrative Policy Manual section outlining the overall guidelines for evaluating ratepayer costs and important considerations involved in establishing utility rates. The goal of the new City Policy Manual section will be to identify the guiding principles for developing utility rates to ensure rate increases are fair and appropriate, while also balancing key priorities such as safe and reliable services, cost efficiency, and supporting environmental outcomes. Target Date: Jun-2019 (Delayed From: Sep-2017)
12-06	#22 The Administration should propose the City Council adopt a City Council Policy which includes guiding principles for evaluating ratepayer costs and rate increases for fairness and appropriateness, and balancing priorities, such as safe and reliable services, cost efficiency, ratepayer impacts, and environmental outcomes.	ESD	Partly Implemented	In coordination with the City Managers' Budget Office, ESD is developing a new City Administrative Policy Manual section outlining the overall guidelines for evaluating ratepayer costs and important considerations involved in establishing utility rates. The goal of the new City Policy Manual section will be to identify the guiding principles for developing utility rates to ensure rate increases are fair and appropriate, while also balancing key priorities such as safe and reliable services, cost efficiency, and supporting environmental outcomes. Target Date: Jun-2019 (Delayed From: Dec-2016)
12-07	#03 We recommend that the Administration review and update Fire Department job descriptions with more specific descriptions of the physical requirements of what employees actually do on a day-to-day basis, and make the job descriptions and physical requirements easily accessible to physicians.	HR / FIRE	Partly Implemented	As discussed in the audit, the job descriptions for the firefighter series have not been updated since 1999, and have similar physical requirements for differing classifications and ranks that could needlessly limit getting employees back to work. HR reports that it has begun updating class specifications and is close to completing the first phase. The Department has brought forward a budget proposal for 2019-2020 to continue phase 2 of updating job specifications that are outdated. A full review and update of the sworn Fire class specifications still needs to be completed. Target Date: Jun-2019 (Delayed From: Jun-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
12-07	#05 The Administration and Employee Health Services should streamline and refocus the annual physicals by: a) removing duplication and focusing on job-specific and State mandated requirements, and b) developing a process for handling those individuals who are unable to meet pre-determined minimum fitness thresholds. This may be subject to meet and confer and could be applicable to other employees in physically demanding positions around the City.	HR	Partly Implemented	The intent of refocusing the annual physicals was to remove duplication and focus on job-specific and State-mandated requirements. Staffing in Employee Health Services has been reduced and it contracts for the annual physicals. Employee Health Services reports they follow-up with employees on the results of their annual physicals including discussing potential risk factors and changes in key markers. HR reports that it will review the annual physical process. Since the audit, the Fire Department implemented a semi-annual health risk assessment fitness evaluation that provides an employee an assessment of their fitness and potentially recommendations to address and improve their aerobic fitness. If an employee gets a "fit score" of 2 or below, the Fire Chief may direct the employee to participate in a fitness program while on duty. Target Date: Jun-2019 (Delayed From: Jun-2018)
12-07	#06 To ensure that Fire employees returning to the field from a long absence of any kind are physically able to perform their job functions, the City should develop a policy and process to require them to undergo a physical agility test. This may be subject to meet and confer, and could be applicable to employees in other physically demanding positions around the City.	HR / FIRE / OER	Implemented	Effective February 2018, the City's Third Party Administrator requires physicians to do an 18 point assessment (Duty Status Report) of an employee's ability. Physicians test for an employee's ability to sit, stand, bend/stoop, crawl, carry/lift from 11-100 lbs. and ability to drive City vehicle. In addition, Fire Department employees undergo a semi-annual health risk assessment fitness evaluation. Any employee scoring below a minimum threshold may be required to participate in a fitness program while on duty.
12-07	#07 We recommend that the Administration clarify and reevaluate the role of Employee Health Services, including, potentially, its role in: A) testing employees' physical abilities to return to work after long leaves of absence, B) the Fire Department's return to work process, and C) regularly contacting physicians to clarify employee restrictions and provide them with details about the City's ability to accommodate the various restrictions	HR	Implemented	At the time of our audit, Employee Health Services had 3.5 FTE, including a full-time physician. Since then, many of Employee Health Services' responsibilities have been outsourced. As discussed in the previous recommendations, the City requires physicians to conduct an 18-point assessment of the employees physical ability. The TPA contract requires the TPA to confirm medical status with the physician, and work closely with the City and the primary treating physician to maximize return to work potential and utilize all available resources to minimize the City's exposure. The Fire Department tracks employees on disability and offers options for modified duty.
12-07	#08 To ensure proper attention is given to the cost of workplace injuries, the Fire Department should A) work with the Workers' Compensation Division to develop and report on the total costs of disability leave (including the cost of backfilling employees on disability leave), and B) develop goals to reduce these costs by getting employees back to work as soon as possible.	FIRE	Partly Implemented	The 2018-19 Adopted Budget added a Battalion Chief to serve as the Department Safety Officer. The Fire Department filled this position in December 2018. HR has also hired a Division Manager in November 2018 to manage the workers' compensation program. The Division Manager will work with the Fire Department's safety officer to develop and report total costs of disability leave and developing goals to reduce these costs. Target Date: Jun-2019 (Delayed From: Jun-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
12-07	#12 We recommend that the Fire Department review injury data and incorporate the review results into regular safety trainings.	FIRE	Implemented	The Fire Department filled its Safety Officer position in December 2018. The Department is provided injury data at safety committee meetings. In addition, the Department publishes regular "safety alerts" that provide fire employees with information on injury prevention using previous injury trends in the Department and other agencies. Finally, the Department incorporates safety trainings provided through its training software.
12-07	#14 We recommend that the Fire Department prioritize improving its safety culture by dedicating the appropriate personnel with the right authority to enforce and coordinate changes and raise awareness about employee injuries.	FIRE	**Implemented - Priority**	The 2018-19 Adopted Budget added a Battalion Chief to serve as the Department Safety Officer. The Fire Department filled this position in December 2018.
12-07	#15 We recommend that subject to meet and confer with the bargaining units, the City should discontinue its practice of paying Fire and Police employees' premium pays when the employees are off of work due to a disability.	CMO	Implemented	The City previously discontinued its practice of paying Police employees' premium pays when the employees are off work due to a disability. The 2018-2023 agreement with the International Association of Fire Fighters (IAFF) discontinues all premium pays (with the exception of paramedic premium pay) when the employees are off work due to a disability.
12-08	#01 We recommend eliminating bumping from the City's civil service rules as it is not cohesive with the City's modernized broadband classification structure nor with the complex and specialized work that many City employees do. If elimination is not possible, we recommend: limiting bumping to intradepartmental bumping only, limiting the number of people who can bump into a given position over a given time period, limiting the number of bumps and reinstatements into a given work unit over a given time period, and/or lowering the threshold for meeting position exemption requirements.	CMO	Not Implemented (Subject to meet and confer)	This recommendation would have to be considered as part of labor negotiations. Target Date: Jun-2021 (Delayed From: Dec-2018)
12-08	#02 Modify the reinstatement process to A) Allow departments to choose the most qualified candidate on the City reinstatement lists when such lists are in effect, regardless of seniority. B) Develop an exemption process for managers who have compelling cases for not filling critical positions from reinstatement lists. C) Allow employees to waive reinstatement for a certain time period or a certain number of opportunities.	CMO	Not Implemented (Subject to meet and confer)	This recommendation would have to be considered as part of labor negotiations. Target Date: Jun-2021 (Delayed From: Dec-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
12-08	#03 Pursue changes to the layoffs, bumping and reinstatement rules that subordinate seniority and factor in applicable job skills, recent job performance and disciplinary records.	CMO	Not Implemented (Subject to meet and confer)	This recommendation would have to be considered as part of labor negotiations. Target Date: Jun-2021 (Delayed From: Dec-2018)
13-02	#04 The City Attorney's Office and Human Resources should review the Deferred Compensation Plans and draft amendments to the Municipal Code as follows: A) Assign responsibility for administering the Plans to the City Manager or her designee, including the operation and interpretation of the Plans in accordance with their terms and contractual authority to enter into contracts for the administration of the Plans. B) Clarify the oversight role and responsibilities of the Deferred Compensation Advisory Committee, including reviewing and advising on annual budgets and proposed changes to the Plan document, the Investment Policy, and the investment menu, and reduce the Committee's required meeting frequency to a semiannual or as-needed basis. C) Leave the basic provisions of the Deferred Compensation Plans in the Municipal Code (Name, Purpose, Establishment of Trust, Definitions, Deferral of Compensation, Participation in the Plan, and Administration of the Plan, etc.), and remove the specifics of the Plans so that they can be put in stand-alone Plan documents. D) Authorize the City Manager or her designee to prepare and adopt the stand-alone Plan documents and update the Plan documents as necessary to conform with necessary legal or operational changes (while requiring any benefit changes to be approved by the City Council).	HR / CAO	Not Implemented	The City Attorney's Office, in consultation with outside counsel, has finished revisions for the Deferred Compensation 457 Plan. The City Attorney's Office and staff are reviewing proposed revisions to the PTC Plan. It is anticipated that the changes to both the Deferred Compensation 457 Plan and PTC Plan will be brought to the Deferred Compensation Advisory Committee (DCAC) for comment in 2019. Target Date: Dec-2019 (Delayed From: Jun-2017)
13-04	#03 The Fire Department should: (a) enforce the BFP policy regarding the issuance of administrative citations for recurring violators as a means to encourage compliance and promote safety, (b) ensure that staff applies fines in the Administrative Citation procedure consistently, and (c) ensure that the Department is charging for all re-inspections.	FIRE	Implemented	In 2013, the Fire Department completed an Administrative Citations Policy that included the Department's policy regarding the issuance of administrative citations for recurring violations as a means to encourage compliance and promote safety. Additionally, Fire Inspectors were trained on the administrative citations procedures manual to ensure that they apply fines consistently. This policy remains in effect. In July 2018, the Department reinforced an internal policy to ensure all re-inspections are being charged appropriately. Staff review all re-inspections to ensure that hours are being billed, and that any non-billed re-inspections conform to the policy.

Report	Recommendation	Dept (s)	Current Status	Comments
13-04	#06 Fire Department management should (a) ensure that necessary data (inspections, staff activities, etc.) is entered into FireHouse consistent with the policies in Recommendation #4, (b) confirm that the programming/queries underlying the useful reports in FireHouse are accurate and provide the content that management understands it to include, and (c) use the reporting tools in FireHouse to manage workload and staff more effectively.	FIRE	Implemented	The Fire Department created and will maintain desktop manuals that serve as references for new employees. Random samples of entries are reviewed to validate data entry as part of a quality assurance process. Additionally, Fire Prevention has worked on tools to use FireHouse to effectively manage inspection scheduling and staff workload. Inspections are scheduled in advance and are assigned to inspectors based on their geographic district. The inspections are scheduled to ensure that priority inspections are completed within the fiscal year, and supervisory staff review the completion of these inspections. Staff use FireHouse to report on the number of inspections per district as well as the number of inspections completed by each inspector during a given time.
13-04	#07 Fire Department management should use the data in the staff activity report to analyze how inspection workload compares to staffing levels.	FIRE	Implemented	The Bureau of Fire Prevention tracks the number and type of inspections to evaluate workload and performance, comparing workload for inspections with staffing levels. The Department has improved its methodology and has created automated reporting tools to more effectively utilize staff activity data to allocate resources. As described in Recommendation #17 from this report, the NBS Government Finance study is expected to include recommendations for a new inspection service delivery model.
13-04	#09 The Department should reexamine its non-development fire permit fee structure to charge San José facilities based on fire safety risk.	FIRE	Not Implemented	Analysis of a risk-based inspection/fee model and their applicability to the City of San José is included in the scope of work by NBS Government Finance study currently underway. Target Date: Jun-2019 (Delayed From: Jun-2017)
13-04	#10 The Fire Department should work with the Finance Department to ensure timely and sufficient follow-up on overdue accounts. The Finance and Fire Departments should work together to develop written policies and procedures that outline the division of responsibility for accounts between the Fire Department and the Finance Department.	FIRE / FIN	Partly Implemented	The Fire and Finance Departments have met and formulated a plan to address overdue accounts and improve collections. Throughout 2018, the two departments collaborated to complete an analysis of aging receivables for the fire permits program and facilitated a write-off of uncollectible accounts. The departments have also planned next steps for collection efforts, and Finance reports that staff will work toward completing written policies and procedures. Fire staff continue to provide Finance with information about overdue accounts on a monthly basis. Target Date: Jun-2019 (Delayed From: Jun-2014) Potential Budget Savings: The audit identified $1.2 million in one-time savings that could be generated by collecting revenue from overdue accounts.

Report	Recommendation	Dept (s)	Current Status	Comments
13-04	#12 The Fire Department should update the organizational chart of Fire Administration, ensure that the appropriate separation of duties is in place, and develop written policies and procedures regarding billing processes. Such policies and procedures should address functions such as account: (a) invoicing (b) adjustments and credits (c) collections and (d) write-offs.	FIRE / FIN	Partly Implemented	The Fire Department updated an organizational chart for Fire Administration in 2018, and has created with policies and procedures related to (a) invoicing, (b) adjustments and credits, and (d) write-offs. As described in Recommendation #10, Fire and Finance staff are reviewing the process related to collections and responsibilities of accounts. Target Date: Jun-2019 (Delayed From: Dec-2014)
13-04	#17 To implement a risk-based inspection approach, the Fire Department should develop a workload analysis that assesses: (a) staffing requirements in the Bureau of Fire Prevention, (b) the effective use of light-duty firefighters and line staff in fire prevention activities including public education, and (c) how much additional time could become available if the Department conducted fewer re-inspections.	FIRE	Partly Implemented	A) The consultant study underway by NBS Government finance will include recommendations for a new inspection service delivery model. B) To the extent possible, the Department has been utilizing light duty personnel who have been trained in fire safety code inspections, analytics, and fire prevention education. Through a return-to-work program, the Department is working to match light duty personnel's' skills with available positions. C) To ensure that inspector time is spent efficiently, Fire Prevention has a policy limiting the number of re-inspections before an administrative citation must be issued. Target Date: Jun-2019 (Delayed From: Jun-2017)
13-04	#19 The Fire Department should develop a public education program based on the fact that many fires and most of the fire deaths in recent years occurred in multifamily residences. Public education efforts should include working with the community to provide education to children and other high-risk groups as well as education about and access to smoke detectors.	FIRE	**Partly Implemented - Priority**	The Fire Department's Strategic Business Plan (Vision 2023) was presented to the City Council in June 2016. Part of the focus of Vision 2023 was Community Alliance -- including goals to expand community partnerships and promote public education. Additionally, the Fire Department has undergone an organizational review by an external consultant. The Department advises that at this time, it would require additional resources to fulfill public education goals. Public education is critical to fire prevention because may fires and fire deaths occur in multifamily dwellings, which are subject to limited fire inspections (at the time of our audit, multi-family dwellings and hotels/motels made up about a quarter of the facilities with outstanding fire code violations). Currently, the Department makes smoke detectors available when possible for line staff to distribute to residents. The Department has an ongoing partnership with the American Red Cross to help provide smoke detectors in mobile homes through the Sound the Alarm program. The Department received a donation for $500,000 to install smoke detectors in mobile homes, and has applied for grant funding from the Department of Homeland Security for additional funding for smoke detectors. Target Date: Jun-2019

Report	Recommendation	Dept (s)	Current Status	Comments
13-04	#20 The Fire Department should continue to develop a Public Relations Committee as a way to connect with the community and provide targeted public education. The Department should assess the extent to which light or modified-duty firefighters could perform public education activities.	FIRE	Partly Implemented	Shortly after the publication of the audit, the Department's public education staff and a public relations committee developed an initial work plan to reach out to neighborhood associations throughout the City. The Fire Department's Strategic Plan incorporates public education into to the Department's goals. However, the Department advises that resources are not currently available to roll out the implementation of the public education programs. Target Date: Jun-2019 (Delayed From: Jun-2018)
13-06	#05 The City Manager's Office should revisit the role of the Finance Department with respect to consultant procurements, evaluating whether its current level of involvement and resources is adequate.	CMO / FIN	Not Implemented	It is our understanding that the reevaluation of roles is pending. Target Date: Dec-2020
13-06	#07 To lessen the burden on City staff while fostering improved competition in consultant procurements, the Finance Department should include in its annual procurement training simplified procurement processes for smaller consulting contract procurements while encouraging full and open competition, and define when these simplified processes can be used.	FIN	Partly Implemented	Finance secured $60,000 in the FY 2017-18 budget to pilot software to create and maintain templates that will help streamline the City's procurement process. However, the pilot and training program has been delayed due to staff vacancies in the Finance department. Target Date: Jun-2019 (Delayed From: Jun-2018)
13-06	#08 We recommend that the City: A) Reconcile overpayments as described above and get reimbursed for these overpayments, B) Document any changes in consulting contract terms or requirements through a formal contract amendment, and enforce existing contract terms. If the contract allows for changes in terms without amendments, such changes should be documented in writing, and C) Require contract managers to reconcile previously received deliverables to contract payments during the contract amendment process, prior to increasing contract amounts.	CMO / FIN	Partly Implemented	With respect to item (a), in 2014, the SJPD executed a retroactive extension that approved prior year expenditures with at least one of the consultants we identified (Corona Consulting). For items (b) and (c), policies and procedures have not yet been drafted to cover the circumstances outlined in parts (b) and (c) of this recommendation. These items should be included in upcoming trainings. Also see Recommendation 1306-09. Target Date: Dec-2019

Report	Recommendation	Dept (s)	Current Status	Comments
13-06	#09 We recommend the Administration develop Citywide policies and procedures on contract monitoring and management including: - a standardized contract management process, - organization of contract files, - checklists for tracking agreed-upon deliverables and line item budgets, - components of invoice review which link payments to contract deliverables, and - documenting deliverables prior to payment. We further recommend that the City require contract administrators to annually certify they have reviewed and understand those policies and procedures.	CMO / FIN	**Not Implemented - Priority**	The City Administration conducted a training on contract management (primarily for administrative officers) in 2014. The administration reports that they are currently in the process of developing tools to standardize the contract management process. This would include annual certification that they have reviewed and understand. As we mentioned in the audit, the City requires all employees to certify understanding of its procurement card policy (where spending limits are frequently below $10,000), but employees monitoring millions of dollars of taxpayer-funded consulting contracts require no such accountability and receive no training on how to monitor these contracts. Target Date: Dec-2019 (Delayed From: Jun-2018)
13-06	#10 For inter-departmental contracts, we recommend the Administration require staff to designate a responsible staff member who would be accountable for all aspects of contract monitoring, including invoice approval and review.	CMO / FIN	Not Implemented	Contract management and monitoring has largely been delegated to individual department staff; contract monitoring and management protocols vary by department. At the time of the audit, the City did not require its departments to have a contract manager for each contract. This was particularly problematic for inter-departmental contracts (i.e. contracts that spanned several departments). Updated polices are being drafted. Target Date: Jun-2019 (Delayed From: Dec-2014)
13-06	#11 We recommend the Administration ensure that: A) Staff managing contracts conform with current City contract retention policies and, consistent with those policies, keep all documents related to contract procurement, compliance and monitoring, including all documents related to contract renewals, amendments, continuation agreements, and other contract modifications; and B) Require staff to include a notation regarding the City's retention policies in each individual contract file.	CMO / FIN	Not Implemented	At this time, contract management and document retention has largely been delegated to individual department staff. These issues may be addressed through upcoming training, however policies and procedures for have not yet been established. Also see Recommendation 1306-09. Target Date: Dec-2019 (Delayed From: Jan-2018)
13-06	#13 We recommend that the City Administration include the City's Conflict of Interest and Ethics policies in its annual procurement and contract monitoring training.	FIN	Partly Implemented	The Finance Department has uploaded an online procurement training. However, it does not include or refer to the City's conflict of interest and ethics policies. In our opinion, all staff who are involved with consulting contract monitoring and procurement should have adequate training to recognize and prevent behaviors that compromise wise stewardship of public monies. Target Date: Dec-2019 (Delayed From: Jun-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
13-06	#15 Once a new electronic data management system is available, we recommend the City Clerk prepare and annually post a listing of payments to consultants over the previous year, including: (a) the consultant's name, (b) the general nature of the work performed, (c) the type of procurement process used, (d) the department, and (e) the amount paid.	CLERK	Partly Implemented	The City's new electronic data management system, GILES, went live in March 2018, and is available to the public. The Clerk reports that a checkbox was added to GILES which allows tracking of consultants (for new agreements) with a description of service, the department, and total amount of the process. This does not include the ability to track payments or the type of procurement process. This means other options for preparing the recommended report will need to be pursued for tracking payments and procurement process. Target Date: Jun-2019 (Delayed From: Dec-2017)
13-11	#08 The City Administration should propose to expand the Residential Occupancy Permit program to include condominiums functioning as rental apartment complexes.	PBCE	Not Implemented	The goal of the Residential Occupancy Permit Program is to provide minimum safety and habitability standards for renters. As reported in the audit, about 41 percent of San Jose residents were renters in a total of about 125,000 renter-occupied units. However, the Multiple Housing Program issued Residential Occupancy permits for only about 84,000 units. This net difference of 41,000 units could mean that as much as a third of San José's renters are not receiving the same level of service afforded to other rental residents. The current City policy to exclude condominiums (potentially housing hundreds of renters) defeats the underlying purpose of the program and leaves a significant portion of San José's renters potentially at risk. Code Enforcement is currently in the process of working with CSDC Systems Inc. to upgrade the integrated billing system. Target Date: Jul-2020 (Delayed From: Jul-2018)
13-11	#12 To ensure tenants are aware of deficiencies found in their place of residence, Code Enforcement should formally inform tenants of the violations found and the deadline for compliance.	PBCE	Partly Implemented	Code Enforcement inspectors contact property owners or their representatives to schedule inspections. However, no information is provided to tenants as to the purpose of this inspection, what types of violations have been found, or even to alert them that an inspection occurred in their place of residence. Code Enforcement anticipates that the new database system will provide them the capability of easily generating such a letter after inspections have been completed. Target Date: Jul-2020 (Delayed From: Jul-2018)
13-11	#16 Code Enforcement review options to replace or enhance its code enforcement database (CES) and include options for mobile units and interfacing with other city databases.	PBCE	Partly Implemented	As described in the audit, Code Enforcement's current database does not have the capability of interfacing with PBCE's primary database to retrieve property related information while out in the field, research any residual permit information, or document information immediately after completing an inspection. Code Enforcement anticipates that its new database will provide inspectors with full access to this information. Target Date: Jul-2020 (Delayed From: Jul-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
13-11	#17 In order to ensure that the Multiple Housing roster is complete, Code Enforcement should: A) Periodically update its Multiple Housing Roster with newly issued Certificates of Occupancy from the AMANDA database; and B) Automate the process when it replaces its database.	PBCE	Partly Implemented	Code Enforcement staff has to manually update the Multiple Housing roster by checking the AMANDA database for newly issued Certificates of Occupancy. This manual process can be unreliable. Code Enforcement anticipates that the new database will automate this process and has begun working with CSDC Systems Inc. to map out the process to include in the new system. Target Date: Nov-2019 (Delayed From: Jul-2018)
13-12	#08 The Administration should require, through the City Procurement Card Policy, that procurement card approvers attach travel coordinator-approved Travel Statements as supporting documentation for travel-related procurement card expenditures.	FIN	Partly Implemented	Finance staff is reviewing how to best incorporate this recommendation into the Procurement Card Policy (City Administrative Policy 5.1.2). Target Date: Jun-2019 (Delayed From: Jun-2017)
13-12	#11 To minimize work effort and facilitate timely approvals, the Administration should implement an electronic travel authorization system, and until then should encourage departments to use electronic pre-trip and post-trip approval.	FIN	Partly Implemented	The Finance Department reports that it is in the process of obtaining funds and upon approval, will work on an RFP for the project. Target Date: Jun-2019 (Delayed From: Jun-2018)
14-07	#01 We recommend that the Finance Department revise the Procurement Card Policy to: A) Emphasize the responsibility cardholders have to make prudent purchases; B) Include questions that guide cardholders to evaluate the reasonableness of their purchases; C) For purchases that require IT approval, require documentation of that approval be attached to p-card statements; D) Change the approval process for Council appointees to require review by the Finance Department and referral to the Mayor's Office or City Council in cases of potential policy violations; E) Clarify the department coordinator's responsibility to notify Finance of all violations and that Finance should only refer personal purchases to OER; and F) Establish a process to have frequent contact via email with department coordinators	FIN	Partly Implemented	In 2015, the Finance Department began drafting revisions to the City Procurement Cards policy (Section 5.1.2 of the City Policy Manual) to reflect these recommended changes, aimed at enforcing prudent and responsible expenditure of City funds. Since then, the Department has decided to rework the p-card policy, dividing it into two parts: a high-level administrative policy, and a detailed p-card administrative guide. Both documents are currently in outline/draft form. In the meantime, Finance has incorporated several of the recommended items into quarterly p-card trainings and created a Citywide p-card email account for contact with department administrators. Target Date: Jun-2019 (Delayed From: Jun-2015)

Report	Recommendation	Dept (s)	Current Status	Comments
14-07	#03 To improve transparency, accountability, and legibility, the Finance Department should create a pilot program that: a) Begins the transition to online approvals, payment code entries, annotations and general finance coding (office supplies, travel, etc.); b) Considers requiring monthly statements of activity be signed by cardholders and approving officials to ensure that all transactions are authorized; c) Allows individual departments to collect, store, and submit receipts in PDF; and d) States that sufficient documentation of p-card purchases includes line item transaction detail stored in Access Online for a list of approved vendors (e.g. Office Max).	FIN	Partly Implemented	The Finance Department began working with U.S. Bank in 2015 to determine whether it should wait to begin using online modules until the update of the City's financial reporting software is complete. At the time, the Department determined that the online approval module was not workable with the City's financial reporting software, however US Bank has since updated its online reporting tool and staff reviewed it anew, meeting with U.S. Bank in March of 2018. Finance determined the online reconciliation would not be feasible until the City's financial reporting software is upgraded. (Staff is still working through this upgrade.) The draft p-card policy makes reference to measures for improved transparency, which are to be detailed within a p-card administrative guide. Both documents are currently in draft form. Target Date: Jun-2019 (Delayed From: Jun-2015)
14-07	#07 The City Administration should ensure that p-card expenditures accurately categorize expenditures by type of budgetary purposes.	FIN	Partly Implemented	In 2015, the Finance Department included this recommendation in the revised City Procurement Cards policy, which is being reworked into a policy and companion guide. Both documents are currently in draft form. Target Date: Jun-2019 (Delayed From: Jun-2015)
14-08	#13 Implement the technological infrastructure needed to support electronic plan submittal and review.	PBCE / IT	Partly Implemented	Electronic plan submittal and review has been delayed due to the overall delay of the Integrated Permitting System. Target Date: Dec-2019 (Delayed From: Jun-2015)
14-08	#15 To improve communication with project participants, PBCE should upgrade the online permit interface to provide relevant project information to anyone affiliated with the project.	PBCE	Partly Implemented	Implementation of the online permit interface has been delayed due to the delay of the Integrated Permitting System. Target Date: Dec-2019 (Delayed From: Jun-2015)
14-08	#18 Eliminate the Construction & Demolition Diversion Deposit.	PBCE / ESD	Not Implemented	According to ESD, in 2018, 78% of all construction projects in San José were demolitions, alterations, or remodels, which fall under the Construction & Demolition Diversion Deposit (CDDD) program. The Department reports that approximately 60% of the projects that paid a high value ($500 or more) deposit under CDDD met the recycling requirement and received a refund. As of February 2019, there were approximately 2,100 accounts eligible for refunds, amounting to $960,000. To better improve deposit recovery, ESD plans to enhance and consolidate its Construction & Demolition (C&D) diversion programs and work with PBCE to explore ways to streamline the refund process for homeowners. Target Date: Jun-2021 (Delayed From: Mar-2017)
14-08	#19 To increase accessibility of online fee estimation, PBCE should update and simplify the online fee calculator.	PBCE	Not Implemented	Update of the online fee calculator has been delayed due to the overall delay of the Integrated Permitting System. In the meantime, PBCE has simplified its fee calculation methodology, as reflected in the FY 2018-19 fee schedule. Target Date: Dec-2019 (Delayed From: Jun-2016)

Report	Recommendation	Dept (s)	Current Status	Comments
14-12	#08 To maximize collections, Finance should finalize and implement its revenue collection procedures (City Administrative Policy). These should include criteria and time frames to pursue specific collections activities, including: Automatically sending accounts to the City's outside collections agencies; Pursuing legal remedies; Liening properties; and Writing off old accounts. The procedures should also identify supervisory or management roles for reviewing delinquent accounts and collections activities.	FIN	Partly Implemented	In January 2015, the Finance Department updated and posted its General Guidelines for Accounts Receivables/Revenue Collection (City Administrative Policy 5.3.6). This policy includes criteria and time frames to pursue specific collections activities such as sending accounts to the outside collections agencies and liening properties. Finance has drafted written internal procedures to regularly move delinquent accounts to outside collection agencies; continuously refer invoices to legal action; schedule liens; and perform write-offs of uncollectible accounts. These procedures are under management review. Target Date: Jun-2019 (Delayed From: Oct-2017) Potential Budget Savings: At the time of the audit we estimated the City could recover $42,000 a year by automatically sending accounts to the City's outside collections agencies.
14-12	#10 To aid the collection process, the Finance Department should work with the City Attorney's Office to explore expanding lienable activities, such as with Planning, Building, and Code Enforcement's neglected and vacant homes program.	FIN / CAO	Partly Implemented	SJMC Section 17.38.340 requires a property owner subject to registration under Chapter 17.38 to pay a monitoring fee as set forth in the City Council Schedule of Fees resolution. If a property owner fails to pay the fee, it is a debt owed to the City. In 2016, Finance requested that the Appeals Hearing Board ("Board") authorize a lien for an unpaid monitoring fee. The Board denied the request stating that there is no authority in the Municipal Code authorizing such lien. However, Code Enforcement can issue a Compliance Order under Chapter 1.14 and Finance can then request a lien pursuant to the administrative remedies process. Code Enforcement is in the process of updating procedures for the Neglected and Vacant Building and Storefronts Program to issue Compliance Orders to property owners for non-payment of monitoring fees so Finance can pursue liens before the Appeals Hearing Board, as appropriate, pursuant to the administrative remedies process. Target Date: Dec-2019

Report	Recommendation	Dept (s)	Current Status	Comments
14-12	#12 The Finance Department should work with: • The Information Technology Department to develop an online payment option for accounts owing to the City and managed in Revenue Results. • The Fire Department and Information Technology to develop an online payment option for invoices billed through FireHouse.	FIN / IT / FIRE	Not Implemented	The new accounts receivable system (RevQ) was implemented in 2017. Finance has now initiated planning sessions to identify system requirements needed to accept online payments for miscellaneous invoices (i.e., RevQ transactions). Online payments will be a functionality that is implemented as part of the RevQ Phase I stabilization, expected to complete by June 2019. Once RevQ Phase I is stabilized, Finance and IT will finalize scope for Phase II which will likely include FireHouse interfaces. Once FireHouse is interfaced with RevQ, a separate online payment option for FireHouse will not be necessary. Finance has begun planning sessions to identify system requirements needed to accept online payments for miscellaneous accounts receivable invoices, which can include FireHouse receivables. Target Date: Jun-2020 (Delayed From: Jun-2018)
14-12	#15 The Library should lower their threshold for collection agency referrals and expanding referrals to include fines only accounts in order to maximize the number of books returned and revenue recovered.	LIB / FIN	Closed	At the time of the audit, the Library had $5.7 million in outstanding fine balances that had been levied between 2010 and 2014. The purpose of this recommendation was to address this large outstanding balance and ensure proper follow up on patron late accounts. Since 2014, the Library has reduced outstanding balances to roughly $3 million. This was partly due to the elimination of expired debt and various forgiveness programs (e.g., Volunteer Your Fines Away, a Book Replacement Program). In FY 2016-17, the City Council also reduced fines for lost or late materials, and in FY 2018-19, approved a one-year pilot program to eliminate late-fees for children and teen materials. In early 2019, the Library drafted new procedures for handling patron late accounts, including both internal guidelines for the routine evaluation of debt, regular notifications by the Library to patrons when they have overdue and billed items, and referrals for third party collection under certain circumstances. In accordance with the City's General Guidelines for Accounts Receivable/Revenue Collection (CPM 5.3.6), the procedures were submitted and approved by the Director of Finance in March, 2019. We consider these actions have sufficiently addressed the problem identified during the audit.

Report	Recommendation	Dept (s)	Current Status	Comments
14-12	#16 The Finance Department should work with the Information Technology Department to: Improve the interface between department billing systems and Revenue Results so that key information, such as the service date and other details about the service or citation, that will aid in the collection process is transferred. Work with Planning, Building, and Code Enforcement and the Fire Department to develop an interface or some other means of transferring data from the departmental billing systems into Finance's collections software to better manage collections for these departmental billings.	FIN / IT / PBCE / FIRE	Partly Implemented	Finance is coordinating with the IT Department to prioritize upgrades and improvement to its financial systems. Interfaces between FireHouse and PBCE to RevQ is expected to be delivered in Phase II of RevQ implementation, which is expected to occur in FY 2019-20 after other financial systems replacements and upgrades. Target Date: Jun-2020 (Delayed From: Jun-2018)
14-12	#18 Once Revenue Results is implemented, the Finance Department should develop and implement procedures for periodic departmental account reviews to determine collection rates and assess performance of the revenue collection process. These results should be shared with departments to help identify potential problems and solutions to improve the revenue collection cycle.	FIN	Partly Implemented	In January 2015, the Finance Department updated and posted its General Guidelines for Accounts Receivables/Revenue Collection (section 5.3.6 of the City Administrative Policy Manual). This policy includes periodic departmental account reviews. Finance is developing procedures and is working with IT and the vendor to finalize reports for departments to review on a periodic basis. Target Date: Jun-2019 (Delayed From: Dec-2018)
15-02	#01 The Department of Transportation, together with the City Manager's Office, should identify a sustainable, predictable funding stream to maintain roads annually, and develop a multi-year plan to use one-time funding to bring the road network up to good condition by addressing maintenance backlogs and reconstructing poor and failed streets.	DOT	**Implemented - Priority**	DOT reports that, thanks to the preservation and addition of new funding sources, the 2018-19 Pavement Maintenance Program was fully funded for the first time in the City's recent history. In the November 2018 election, California's gas tax increase known as Senate Bill 1 (SB1) withstood a repeal effort, and San José voters approved Measure T, the Disaster Preparedness, Public Safety, and Infrastructure Bond Measure. SB1 will continue providing $17.5 million in annual funding for pavement maintenance, and Measure T will provide $300 million to repair 388 miles of local and neighborhood streets in the worst condition starting in 2020. These and other funding sources, including the favorable outcome to litigation regarding Valley Transportation Authority Measure B Sales Tax funds, will provide the Pavement Maintenance Program with a projected 10-year annual revenue exceeding $86 million. DOT reports that $102 million will be needed each year to bring the City's pavement network up to good condition (PCI 70). Although the projected funding levels are below this target, DOT expects the pavement maintenance backlog to remain stable and overall pavement condition to improve over the next 10 years.

Report	Recommendation	Dept (s)	Current Status	Comments
15-04	#11 Work with departments to update minimum qualifications and job specifications to ensure they are pertinent to job requirements, starting with those that are out-of-date.	HR	Partly Implemented	Human Resources contracted with Koff & Associates to review and update 69 job classifications that are most frequently recruited for and/or have more than 50 incumbents. These updates were completed by the consultant in October 2016 and forwarded to the bargaining units. Of the 69 job classifications that were updated, three are remaining. These are currently being reviewed by the union and should be finalized shortly. HR is continuing to update classifications as issues are brought forward during the recruitment process. As part of the 2019-2020 Proposed Operating Budget, HR will put forward a proposal for funding to utilize consulting services to continue a second phase of updating additional job classifications city-wide. Target Date: Jun-2019 (Delayed From: Dec-2015)
15-05	#01 PRNS should work with the Budget Office to: A) Reassess the purpose of the Fee Activity Program (including cost-recovery targets), B) Provide reasonable justification for mid-year expenditure request, C) More clearly link revenues and expenses to their respective programs, and D) Determine which activities should be included in the Fee Activity Program.	PRNS / BUDGET	Partly Implemented	PRNS continues to refine financial models for highly variable programs, such as leisure classes, which change based on community interests and demands. The Department expects to complete these models June 2019. Once complete, PRNS and the Budget Office will use the results of the analysis to establish a framework to revise the PRNS Fee Activity Program, which would likely include changes to cost-recovery targets and performance, as well as how fee activity expenditures are budgeted. Target Date: Sep-2019 (Delayed From: Jun-2016)

Report	Recommendation	Dept (s)	Current Status	Comments
15-06	#01 The Environmental Services Department should utilize the results of its upcoming Waste Characterization and Residue Study to: A) Provide baselines for single-family curbside diversion goals in future contracts, and B) Work with its haulers to determine where program improvements can be made.	ESD	Implemented	A third-party Waste Characterization Study, along with recommendations to explore program improvements, went to City Council in January 2016. Council directed staff to pilot larger garbage carts for single family residences in focused areas; work with one hauler and interested community groups on increasing public education and outreach; explore options for phasing in backend processing of garbage for a portion, or all, of remaining single-family households; and work with one hauler to create a solution to improve recycling capture rates. In April 2016, the hauler submitted a proposed diversion plan to improve recycling capture rates, including facility improvements. They also reported the installation of a new equipment (two drum feeders) in September 2016. In July 2017, ESD phased in backend sorting of residential solid waste for the remaining single-family households across the City. ESD utilized the results of the 2015 study to renegotiate with the current haulers (as directed by Council). Through these negotiations, ESD has reached an understanding with its two single-family recycling contractors on program improvements, such as a new dynamic rate structure that accounts for the extent of recyclables in the recycling stream, and performance standards based on the amount of recycled material in the residual at the haulers' facilities. These improvements are reflected in signed term sheets (as of February 2019).

Report	Recommendation	Dept (s)	Current Status	Comments
15-06	#02 If the upcoming Waste Characterization and Residue Study shows that clean recyclables are present in the residue from either MRF, the Environmental Services Department should require the contractor either: A) Improve its MRF processing procedures to ensure compliance with the terms of their contract, or B) Explore backend sorting its residue to recover any materials which were not recovered during processing.	ESD	Implemented	A third-party MRF evaluations report, which provided recommendations for improvements to processing procedures, went to City Council in January 2016. The Council directed staff to explore options for phasing in backend processing of garbage for a portion, or all, of the remaining single-family households. In May 2016, ESD returned to the Transportation and Environment Committee with an update on efforts to facilitate one hauler's meeting contractual recycling requirements, the proposed larger garbage cart pilot study, and outreach efforts for the residential recycling program. At that time, the hauler's proposed diversion plan involved: 1) installation of two drum feeders at their recycling facility that will open bags and evenly meter the contents of the bags onto the sorting line, and 2) resuming re-processing of Post-Processing Commingled Recyclable Material. After installation of the drum feeders in September 2016, the hauler reported a decrease in residue at their facility. Unfortunately, they were not able to meet their diversion goal for either 2016, 2017, or 2018. As directed by Council, ESD began renegotiations with the current haulers in 2017. Through these negotiations, ESD has reached an understanding with its two single-family recycling contractors on program improvements, such as a performance standards based on the amount of recycled material in the residual at the haulers' facilities. This new standard is reflected in signed term sheets (as of February 2019).
15-06	#03 To better track progress in single-family curbside recycling and inform the development of performance targets, the Environmental Services Department should define a standard diversion calculation and apply it consistently across all garbage and recycling districts in future recycling contracts.	ESD	Implemented	Staff has researched potential program modifications, and preparation for replacement contracts continues. As of February 15, 2019, ESD and its recycling haulers have signed term sheets for potential future contracts that include a standard diversion calculation applied consistently across all hauler districts.

Report	Recommendation	Dept (s)	Current Status	Comments
15-06	#04 As a part of their Public Education and Outreach Programs, the Environmental Services Department should require haulers to: A) Increase the number of presentations to schools and community groups, and B) Design and implement an in-person, door-to-door outreach campaign that targets neighborhoods known to have contamination problems. This could include ensuring large households have the right garbage container size and integrating demographic differences across neighborhoods.	ESD	Implemented	Based on a 2014 ESD survey, only 56 percent of residents felt the City did a good job explaining how to recycle, down from 65 percent (2010) and 68 percent (2005). Although we found that haulers may be setting aside adequate funds for outreach and education, we recommended the City require haulers to refocus their efforts toward more direct communication with residents. At the time of the audit, outreach efforts had primarily been focused on distributing non-collection notices (NCNs) and large events. As part of the haulers' annual Public Education and Outreach Program plans, beginning in 2016 the haulers agreed to conduct additional presentations to schools, community groups, and at community events (including MRF tours). ESD and one hauler launched a knock-n-talk outreach campaign in 2016 (the hauler would leave education materials during visits regardless of whether or not they were able to speak with a resident). The hauler completed 35 (of 50 required) knock-n-talks though September 2018. The hauler was also required to complete 240 appointments in 2018, of which 41 were conducted through September 2018. According to ESD, the hauler encountered difficulties in reaching residents through both knock-n-talks and appointments; residents were either reluctant to open their doors during knock-n-talks or refused appointment offers from the hauler. Since summer 2014, the Recycle Right Campaign has messaged "keep garbage out of the recycling cart" and "order a larger garbage cart" via direct mail, knock-n-talks, and recycling assistance appointments. As of February 15, 2019, ESD and its recycling contractors have signed term sheets and will begin negotiations on new contracts that will transition outreach responsibilities to the City. ESD intends to submit a budget proposal for additional resources to support outreach activities.

Report	Recommendation	Dept (s)	Current Status	Comments
15-06	#05 To ensure consistent enforcement, ESD should work with its haulers to clarify under what circumstances non-collection notices are issued, and ESD should regularly monitor the haulers' process of issuing NCNs.	ESD	Implemented	Our audit found there are differing interpretations of contract requirements allowing a contractor to refuse to pick up a recycling container and issue a non-collection notice (NCN). The contracts state, "If Recyclable Material is contaminated through commingling with Residential Solid Waste, Contractor shall, if practical, separate the Residential Solid Waste from the Recyclable Material." This means that haulers should only issue an NCN if the hauler cannot "practically" separate the materials. However, the City and its haulers have had differing opinions about the practicality of removing non-recyclable material from carts. In August 2015, ESD enforcement inspectors audited NCNs issued in select neighborhoods – of the carts they reviewed, only one notice was issued in accordance with ESD guidelines. According to ESD, staff assessments of a sampling of NCNs issued in August 2018 showed that more than half were improperly issued to residents (i.e., for a small block of packaging foam in the recycling cart). ESD has discussed its parameters for issuing an NCN with its haulers, but it appears there still is not a common understanding with one hauler about when that hauler can refuse to pick up recycling and issue an NCN. From January through September of 2018, an average of over 4,000 NCNs were issued per month. As of February 15, 2019, ESD and its recycling contractors have signed term sheets and will begin negotiations on new contracts that will limit the use of NCN's to hazardous materials and overflowing garbage.

Report	Recommendation	Dept (s)	Current Status	Comments
15-06	#06 ESD should work with the City Attorney's Office to address enforcement of the Municipal Code recycling requirements. This includes finalizing and implementing procedures that contain minimum documentation requirements for non-collection notices and establish thresholds for taking enforcement actions.	ESD / CAO	Implemented	ESD has finalized with the City Attorney's Office (CAO) procedures and guidelines that contain minimum documentation requirements for NCNs and establish thresholds for taking enforcement action. Examples of minimum documentation requirements include: photos of cart and residence, type of contamination, type of education/outreach left with resident, and certification from the driver. ESD has discussed these enforcement parameters with its haulers. In 2017, ESD began conducting site visits to recycling and garbage carts of residences that continued to show up on the distribution list for quarterly educational mailings. Through June 2017, ESD reported completing 35 residential site visits. Between, July 2017 and June 2018, there were no residences that received multiple educational mailings. Based on observations at the 35 visited households, ESD determined that the large majority did not warrant an NCN, and the results indicate that only a small percentage of households need education about Recycle Plus program requirements. ESD is currently renegotiating contracts with its haulers. As of February 15, 2019, ESD and its recycling contractors have signed term sheets and will begin negotiations on new contracts that will limit the use of NCN's to hazardous materials and overflowing garbage. The term sheets also note that haulers will be required to provide the City with photo documentation and related information (e.g., address, reason for issuance) for each NCN issued.
15-08	#01 To obtain more favorable contract terms, when the lease and management agreements expire, the Department of Parks, Recreation and Neighborhood Services should seek competitive proposals from potential golf course lessees/operators that lower the City's financial risks and grow customer usage.	PRNS	Partly Implemented	Staff expects to post the RFP for golf course operators in Spring 2019, with results presented to City Council in Fall 2019. Target Date: Dec-2019 (Delayed From: Dec-2018)

Potential Budget Savings: The City could increase its lease income at Municipal Golf Course and/or improve the growing annual operating losses at Los Lagos and Rancho del Pueblo (the estimated General Fund transfer for both golf courses for 2018-19 is $2.7 million). |

Report	Recommendation	Dept (s)	Current Status	Comments
15-08	#05 To improve oversight of the golf courses and contracts, the Department of Parks, Recreation and Neighborhood Services should: A) Regularly audit Muni's gross revenues and capital improvement fun; B) Keep all golf records centrally and ensure they are obtained timely; C) Formalize the revised maintenance standard; and D) Formally approve the fees charged and discounts given to The First Tee and the schedule of access hours.	PRNS	Partly Implemented	Upon completion of the Request for Proposal process noted in the update for Recommendation #1, staff will include updated maintenance standards in new Qualified Management Agreements. Subsequently, staff plans to renegotiate the City's agreement with The First Tee to formalize the organization's fees, discounts, and access hours. Target Date: Dec-2019 (Delayed From: Jun-2017)
15-09	#06 After ensuring appropriateness of content and sufficiency of oversight of the Law Enforcement Unit (LEU) Cadet Program, SJPD should enhance and expand the program to encourage San José residents to become San José Police Officers.	PD	Partly Implemented	The Department created a Police Cadet classification which was approved by City Council in March 2017. However, the Department's request to advance a cadet program did not get approved during the 2017-18 budget process. The Department advises that due to the City's current budget reduction targets it will not be moving this proposal forward at this time. Target Date: Jul-2020 (Delayed From: Dec-2017)
16-02	#01 DOT's in-house street sweeping operation should stop emptying street sweepings onto the street.	DOT	Partly Implemented	Best practices advise that sweep waste should be stored in containers to minimize pollutants and debris in the air, on roadways, and in waterways. DOT received a previous estimate of $300,000 for a contractor to provide bins and hauling service to eliminate on-street sweep waste dumping. Due to funding constraints, DOT continues using a revised approach, which still involves emptying street sweepings onto the street. However, DOT's Heavy Equipment team picks up the sweepings from designated dumping sites daily and a street sweeping crew will pick up residual debris during the next sweeping shift. DOT reports that a budget proposal has been prepared for FY 2019-20, which if approved, would provide funding for the bins and hauling service. Target Date: Jan-2020 (Delayed From: Jun-2017)
16-02	#03 Going forward, DOT should periodically monitor the comparative effectiveness, costs, and efficiency of in-house and contracted street sweeping operations, and the threshold at which alternative service delivery should be considered.	DOT	Implemented	DOT reports that it continues to periodically monitor the comparative effectiveness, cost, and efficiency of in-house and contracted street sweeping. As part of contract extension negotiations with the current Recycle Plus contractor (which provides residential street sweeping services), DOT received a preliminary cost per curb mile for the contractor to sweep the miles currently swept by the in-house program. DOT updated their cost analysis of the in-house program in December 2018 to compare to the contractor cost. The current in-house estimate to provide street sweeping services is about $1,167,000 compared to $1,736,000 quoted by the contractor. DOT and ESD will factor this into the contract negotiations.

Report	Recommendation	Dept (s)	Current Status	Comments
16-02	#04 The City should identify additional funding to improve street sweeping service citywide.	DOT / BUDGET	Partly Implemented	DOT reports they have obtained additional funding for various service improvements, including one-time funding in FY 2017-18 for an additional 44+ curb miles of parking restriction signage. The signage was installed and fully enforced as of October 2018. DOT is also in the hiring process for an Associate Construction Inspector to support the new signage and enhanced sweeps, and the department received an additional street sweeper in 2018, with another expected by the end of 2019. However, additional funding may be necessary to ensure improved and effective service delivery of street sweeping. Target Date: Jun-2019 (Delayed From: Jun-2018)
16-02	#05 DOT and ESD should deploy the new electronic inspection system and GPS-tracking devices to: A) Enable supervisory staff to track vehicle location, speed, and activity remotely; B) Link route conditions and problems, and street cleanliness to specific locations along street sweeping routes; and C) Include electronic tracking and inspection compatibility in future bids for contracted street sweeping services.	DOT / ESD	Partly Implemented	A) DOT's in-house program has installed GPS telematics, which is used to remotely track vehicle location and speed, and confirm completion of sweeping routes. B) DOT reports that all operators have been equipped with tablets that enable them to link obstructions (tree branches, debris) to specific locations for follow-up. However, currently only higher priority issues (debris blocking streets, sidewalks, or bike lanes) are being routed to a team for follow-up. DOT reports that lower priority issues (tree trimming, debris in park strips) will require additional resources to allow adequate follow-up. In the interim, the Department has requested an overstrength position for FY 2019-20 to identify obstructions in conjunction with pavement inspection teams. C) On January 15, 2019 Council directed ESD and DOT staff to continue negotiations with the residential street sweeping contractor to explore enhancements, including incorporating electronic inspection and GPS tracking capabilities. Staff will continue to collaborate to ensure these tracking systems will be used by the contractor. Staff report that a new agreement is expected to be finalized by April 2019. Target Date: Jul-2019 (Delayed From: Jan-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
16-02	#06 Based on staff input, route data, the results of past studies, and equipment needs, DOT should: A) Review and revise street sweeping schedules and routes; B) Consider additional enhanced sweeps in particularly dirty areas as funds and resources become available; and C) Develop a plan to periodically review street sweeping schedules and routes that consider street conditions.	DOT	Partly Implemented	A) DOT reports they have reviewed and revised street sweeping schedules and routes to the extent that funding and resources allow. The residential street sweeping program maintains a once per month sweeping schedule as part of the current contract. B) DOT reports that enhanced sweeps were completed for 16 streets in FY 2017-18. DOT is also in the hiring process for an Associate Construction Inspector, which is expected to facilitate up to 20 enhanced sweeps per year for the residential street sweeping program. C) Additional resources to periodically review street sweeping routes and schedules will need to be evaluated by the Administration as a part of future budget cycles. DOT will incorporate street condition data into street sweeping schedules and route reviews throughout the year. Target Date: Jun-2019 (Delayed From: Jun-2018)
16-03	#01 To improve the accessibility of volunteer opportunities to the City's residents, the Administration should develop and post on the City's intranet an outreach "how-to" guide for volunteer coordinators across the City with information on social media strategies and how to update the City's website and events calendar. It should also reference the Citywide Language Access Policy (once it is finalized).	CMO	Partly Implemented	In 2017, the Administration utilized an Encore Fellow to create a draft volunteer policy which is expected to be useful in developing materials to help volunteer coordinators conduct outreach or promote their volunteer programs more effectively. In March 2018, a cross-departmental Volunteer Service Initiative Working Group was established by the CMO in partnership with the Mayor's Office to build on the work of the Encore Fellow. The working group included representatives from the CMO, PRNS, Library, HR, OER, Attorney, and the Mayor's Office. In 2018, through the Gen2Gen campaign and with grant support, the City also began piloting an SMS text message volunteer outreach tool for older adults. The pilot allows for participants to develop a profile of volunteer preferences via the tool and receive volunteer opportunities through text message. Although this pilot is initially intended for volunteer outreach to older adults, there is the potential for this tool to improve accessibility of volunteer opportunities for all residents and be included in the future guidance for City staff. Target Date: Dec-2019 (Delayed From: Feb-2018)
16-03	#02 To ensure more consistent management of volunteer programs, the Administration should develop a Volunteer Policy to be included in the City Administrative Policy Manual that formally recognizes the value volunteers contribute and includes minimum standards for the management of volunteer programs. The policy should include guidance on the use of volunteer agreements; health and safety requirements, such as fingerprinting and TB testing; volunteer recognition; and other topics as necessary.	CMO	Partly Implemented	In 2017, the administration utilized an Encore Fellow to develop a draft Volunteer Policy that includes minimum standards for the management of volunteer programs, including fingerprinting requirements, TB testing, the use of such volunteer agreements, and other health and safety requirements. n March 2018, a cross-departmental Volunteer Service Initiative Working Group was established to review the draft volunteer policy developed by the Fellow. The policy is currently still in draft form and is being reviewed in light of current service-oriented pilot projects, such as those related to the ongoing Gen2Gen campaign. Target Date: Dec-2019 (Delayed From: Feb-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
16-03	#03 To assist City staff in managing volunteer programs, the Administration should create and post on the City's intranet a volunteer guidebook or "toolkit" as a reference for staff during the development and management of volunteer programs.	CMO	**Partly Implemented - Priority**	In 2017, the Administration utilized an Encore Fellow to create a draft volunteer policy and identify best practices and tips that was the basis for the beginning of a volunteer management guidebook. In March 2018, a cross-departmental Volunteer Service Initiative Working Group was established to review and add to the drafted Volunteer Management Guide. Through the Gen2Gen campaign and with grant support from the Health Trust, the Mayor's Office has partnered with PRNS and community organizations on three service-oriented pilot programs, an outcome of which is the creation of a blueprint, or toolkit, based on lessons learned and best practices. It is intended that the blueprint will provide insights to city departments on engagement and operational strategies related to volunteer programs. This document is intended to serve as a volunteer guide or "toolkit" for staff during the development and management of volunteer programs. Target Date: Dec-2019 (Delayed From: Feb-2018)
16-03	#04 The Administration should work with the departments of Parks, Recreation and Neighborhood Services, Environmental Services, and Transportation to coordinate efforts around place-based volunteer programs. In particular, the Administration should streamline the process and expand the options that allow volunteers to play an active role in cleaning and maintaining public spaces by: A) Developing a separate volunteer webpage for the City's place-based volunteer programs that includes (i) descriptions of the programs (ii) relevant contact information and (iii) specific directions on how to request materials and supplies. The website should also provide information to help groups interested in one-time clean up or similar events. B) Allowing volunteers to apply with multiple place-based programs at once. C) Identify resources to reactivate the Adopt a Street program and/or expand the types of spots that volunteers can adopt to clean or maintain, including storm drains and creek segments for which the City holds an easement.	CMO / PRNS / ESD / DOT	Not Implemented	A cross-departmental Volunteer Service Initiative Working Group was established in March 2018. Among the issues the group explored was the use of technology to better promote, manage, and evaluate volunteer experiences. In 2018, through the Gen2Gen campaign and with grant support, the City also began piloting an SMS text message volunteer outreach tool for older adults. The pilot allows for participants to develop a profile of volunteer preferences via the tool and receive volunteer opportunities through text message. Although this pilot is initially intended for volunteer outreach to older adults, there is the potential for this tool to improve accessibility of volunteer opportunities for all residents to engage in neighborhood volunteerism. In addition, an outcome of this and other Gen2Gen campaign pilot programs is expected to be the creation of a blueprint, or toolkit, based on lessons learned and best practices. It is intended that the blueprint will provide insights on operational strategies related to volunteer programs. Target Date: Dec-2019 (Delayed From: Dec-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
16-03	#05 The Administration should work with the Fire Department's Office of Emergency Services to define specific roles for volunteers in the City's updated emergency operations plan and reactivate the Community Emergency Response Team (CERT) program.	CMO	**Partly Implemented - Priority**	The CERT program obtained one-time funding for 12 CERT training courses during FY 2016-17 and a second round of funding for FY 2017-18. As the City did not have internal staff available to conduct CERT programs, the City issued three separate RFPs during 2017 and 2018 for a consultant to conduct the trainings. Unfortunately, all three RPP processes were unsuccessful. The Office of Emergency Management (OEM) brought in State certified trainers to train32 volunteers (including 12 city firefighters) to become trainers. OEM has also worked with City Attorney's Office and the California Office of Emergency Services (CalOES) to evaluate city ordinances, resolutions, and policies to determine compliance with Volunteer Disaster Service Worker (DSW) policies and rules. OEM reported that the legal infrastructure which provides liability protection for all volunteer response and provides workers compensation for injury while responding, needed updating. On December 10, 2018, the Emergency Services Council (ESC) was reconvened. The ESC recommended Council-adoption of the City of San José Emergency Operations Plan, Base Plan. The Base Plan includes volunteer management over CERT trained volunteers, search and rescue, and the Radio Amateur Civil Emergency Services (RACES) program. The Base Plan was approved by the City Council in February 2019. The Emergency Services Council also approved (a) creation of a DSW Volunteer Program, which would ensure volunteers are properly registered and covered by workers compensation and (b) a CERT training schedule, with trainings are to begin in the Spring of 2019. Target Date: Jun-2019 (Delayed From: Feb-2019)
16-03	#06 The Parks, Recreation and Neighborhood Services Department should provide broad oversight and management of its community center volunteer programs, including developing a volunteer recruitment strategy and standard policies and procedures that contain specific guidance on volunteer intake, ongoing assessments such as the tracking of hours, and the retention of key documents.	PRNS	Partly Implemented	In FY 2016-17, PRNS convened a meeting of all community center Recreation Supervisors to share an overview of community center volunteer programs, followed by site visits where center staff discussed their policies and procedures, how to improve their programs, and best practices and feedback on the use of the Better Impact software. PRNS hired a Volunteer Coordinator in September 2017 and began moving towards department-wide coordination of volunteer efforts. In 2018, PRNS convened a working group of staff from each community center to improve communication and coordination, and share insights, practical limitations and implementation ideas. Staff has begun to study utilizing software that will allow for electronic signature and storage of liability forms, which will eliminate the need for physical storage of documents and help enable broad oversight of community center volunteer programs. Target Date: Dec-2019 (Delayed From: Feb-2019)

Report	Recommendation	Dept (s)	Current Status	Comments
16-04	#09 IT and Finance should review and update policies on technology procurement (including the purchase of PCs and monitors), make all required forms available centrally in one location, and train relevant staff on technology procurement processes.	IT / FIN	Partly Implemented	IT is in the process of updating the Procurement of Information Technology policy (City Administrative Policy 5.1.9). Guidelines on technology procurement are available on IT's intranet site. Target Date: Jun-2019 (Delayed From: Dec-2017)
16-05	#01 The Department of Environmental Services should work with the Budget Office and Finance Department to establish operating and capital funds for South Bay separate from other Wastewater Facility operating and capital funds.	ESD / FIN	Implemented	ESD worked with the Budget Office, Finance, and the City Attorney's Office to establish separate South Bay Water Recycling (SBWR) operating and capital funds. These new funds allow for the reporting and tracking of SBWR financial activities separate from other Wastewater Facility activities. The operating fund was included with the 2018-2019 Adopted Operating Budget effective July 1, 2018, while resources for the capital fund were allocated as part of the actions included in the 2017-18 Annual Report approved by the City Council in October, 2018.
16-05	#04 To sustain South Bay's operational and capital cost recovery status in the future, ESD should: A) Renegotiate the revenue sharing terms of the Integration Agreement to allow the City to access South Bay revenue to fund South Bay's projected capital costs sooner than is projected to occur under the Agreement as currently written; and B) Secure a recycled water wholesale cost of service study that can be used to maximize the ability to maintain cost recovery for South Bay.	ESD	Not Implemented	A) SBWR is in ongoing conversations with the Santa Clara Valley Water District regarding the terms of the Integration Agreement, implementation of the Strategic Master Plan, and other agreements between the City and the District. Due to timeline extensions for negotiation of a Memorandum of Understanding for an Expanded Potable Reuse facility, and subsequent Comprehensive Agreement, the resulting modifications to the Integration Agreement may require an additional two years. B) ESD participated in a statewide rate study sponsored by the WateReuse Research Foundation, which was completed in December 2018. South Bay Water Recycling is reviewing the study findings, to recommend the optimum fee study structure that will address program needs. Target Date: Dec-2020 (Delayed From: Jan-2017) Potential Budget Savings: If the City renegotiated the Integration Agreement with the Water District to retain funding for needed reliability projects, we estimate the City would be able to invest an additional $2.8 million annually in these projects.

Report	Recommendation	Dept (s)	Current Status	Comments
16-07	#02 To increase the transparency of legislative actions taken, the City Clerk's Office should decrease the turnaround time to create and post action minutes. Specifically, the City Clerk should: A) Establish and document a more aggressive timeframe for approval of minutes by Council, B) Reconsider whether both Council meeting synopses and action minutes are still required, and C) Bring to the City Council recommendations to update the Open Government Resolution to reflect these changes.	CLERK	Partly Implemented	A) After the audit, the City Clerk changed its internal goal for having City Council action minutes approved from three months to one month. However, due to staffing constraints, the City Clerk has re-stated its original goal of three months, with recent progress slowed by staff turnover and shortage. It should be noted that as of February 12, 2019, the most recent, regular Council meeting minutes listed for approval were from August 7, 2018. B) and C) Because of the backlog, the City Clerk reports no progress made at this time. Target Date: Jun-2019 (Delayed From: Apr-2017)
16-07	#03 To ensure records of City Council proceedings are posted timely, the City Clerk should utilize existing technology to streamline the approval and posting of synopses and/or minutes.	CLERK	Not Implemented	The City Clerk reports no progress has been made at this time due to staffing shortages. See also Recommendation #2. Target Date: Jun-2019 (Delayed From: Apr-2017)
16-07	#13 The City Clerk's Office should develop policies and procedures for the collection of outstanding lobbyist and other fees, which should be approved by the Department of Finance and be in accordance with General Guidelines for Accounts Receivable / Revenue Collection (City Policy 5.3.6).	CLERK	Partly Implemented	The City Clerk has drafted procedures to collect outstanding fees and has met with Finance to finalize. The estimated completion date is April 2019. Target Date: Apr-2019 (Delayed From: Mar-2017)
16-07	#20 The City Clerk's Office should: A) Develop consistent methodologies to track and calculate the performance measures for its statutory responsibilities that are reported in the City's Operating Budget, B) Identify staff leads tasked with maintaining these performance measures and reporting them on a frequent basis to the City Clerk, and C) Develop action plans to address areas where results do not meet established targets or expected results.	CLERK	Not Implemented	The City Clerk reports no progress has been made at this time due to staff turnover and shortage. Target Date: Jun-2019 (Delayed From: Oct-2017)
16-08	#04 To reduce the risk that police officers are fatigued due to excessive City police work or secondary employment, the San José Police Department should: (a) Define the circumstances under which overtime is exempt from work limits in the Duty Manual; and (b) Review and enforce work limits for scheduled City overtime and secondary employment.	PD	Partly Implemented	The Department's Fiscal Unit has begun to send each Bureau Chief a biweekly report listing each of the officers who work more than 30 hours of overtime in the pay period to inform the Bureau Chiefs which employees are at a greater risk for fatigue. The department's use of overtime continues to increase. The department reports that at this time it will address overtime internally without updating the Duty Manual. Target Date: Jun-2020 (Delayed From: Jun-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
16-08	#05 To facilitate supervisory review of time worked, the San José Police Department should centralize the tracking of all work done in the Department and through secondary employment in a centralized software package. To do this, the Department should obtain additional information technology expertise to fully deploy eResource or an alternative software solution.	PD	Not Implemented	The Department is in the process of updating eResource to address the concerns raised by the audit. The Police Department reports that identified changes in eResource would require software updates. The Police Department has worked with its software vendor to facilitate event planning, and tracking. The Department is working with the City's Purchasing Division to add these updates to the software. The first step in this process is to accurately track SEU hours and rates. Once this is done the Department plans to review and follow-up on the backend process that needs to be changed. Target Date: Mar-2020 (Delayed From: Feb-2018)
16-08	#08 While vacancies remain high and operational needs require high use of overtime, the Police Department should allow more overtime to be worked for pay and/or require the first ten hours of overtime to be worked for pay.	PD / OER	Partly Implemented (Subject to meet and confer)	Since the audit was published, total overtime hours worked have dropped even though the cost of those hours has increased (from $36 million during the audit, to $44 million in FY 2017-18). In addition, comp time balances grew from 220,000 hours to 271,000 hours; the liability for compensatory time increased from $13 million to $16.5 million; and the number of staff with balances over 240 hours also grew -- from 410 to 535. The Department is authorized for 1,110 sworn staff. As of February 2019, the Police department reported that it had 58 recruits in Academy and an additional 53 officers in the field training program. This means that there are 956 street ready sworn staff. As the Department continues to hire and train additional staff, it will be in a better position to address overtime and compensatory time increases as part of a comprehensive strategy to draw down comp time balances. Target Date: Jun-2019
16-08	#09 To reduce the liability associated with high comp time balances, the San José Police Department should: A) Lower the allowable comp time balance from 480 hours, B) Explore a comp time buy-out program, and C) Consider a mandatory comp time balance buy-out upon promotion between sworn ranks.	PD / OER	Not Implemented (Subject to meet and confer)	See recommendation #8. Target Date: Jun-2020 (Delayed From: Jun-2019) Potential Budget Savings: At the time of our audit, we estimated that the City would save $227,000 in future costs by buying out 10% of employee comp time balances, and $138,000 by buying-out balances upon promotion.

Report	Recommendation	Dept (s)	Current Status	Comments
16-08	#10 The Police Department should enforce the requirement for employees to lower their comp balance to 240 hours by the end of the year or submit plans to reduce balances.	PD	**Partly Implemented - Priority**	Although total overtime hours worked has declined, the number of sworn employees with comp time balances over 240 hours increased from 410 at the time of our audit to 535 in February 2019. The number of sworn employees with a balance of 480 hours increased from 220 to 271. As mentioned in prior updates, the Department issued General Order #2017-031 reminding staff that they are responsible for bringing comp time balances to 240 hours or less by December 2017. The Department however exempted the Bureau of Field Operations (about 337 employees) from this order. Also see recommendation #8 and #9. Target Date: Dec-2019 (Delayed From: Mar-2018) Potential Budget Savings: At the time of our audit, we estimated the cost of allowing employees to carry balances over 240 hours while granting wage increases was about $740,000.
16-08	#11 The San José Police Department should clarify the process for denying requests for comp time off.	PD	Not Implemented	The Department will evaluate the process for denying requests for comp time off. Target Date: Jun-2020 (Delayed From: Jun-2019)
16-08	#12 In order to ensure consistent enforcement, the City Administration should develop written policies on when and how much police overtime should be reimbursed by special events including political campaigns and when those requirements can be waived.	PD / OED	Not Implemented	The Police Department will work with the City Attorney's Office to implement this recommendation. Target Date: Jun-2019 (Delayed From: Jun-2017) Potential Budget Savings: Reimbursement for the two campaign events referenced in the audit would have saved the City $140,000.
16-10	#03 To improve communication and outreach, the Housing Department should: A) Adopt a targeted approach to tenants and landlords, B) Improve language accessibility, C) Improve its lobby space, D) Improve websites, and E) Expand its online offerings including an on-line look-up tool, and the ability to file petitions online.	HSG	**Partly Implemented - Priority**	The Department performed outreach to tenants and landlords, explaining ordinance updates. In addition, the Department updated its website with current information on its programs. Print communications are available in English, Spanish, and Vietnamese, and translators are available for walk-in customers. In January 2019, the Department began translating communications to Chinese. An interactive map has been added to the website which allows the public to look up addresses to determine if those locations are covered by the Apartment Rent Ordinance, Tenant Protection Ordinance, and/or the Ellis Act Ordinance. To date, the completion of the lobby space re-design and staffing of the space is undetermined. In the meantime, the Rent Stabilization Program team is in the process of determining alternatives to make the space more customer friendly including a comprehensive staff directory in the lobby for visitors to access. In addition, the Attorney's Office is reviewing the feasibility of accepting petitions online. Target Date: Jun-2019 (Delayed From: Jun-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
16-10	#05 The Housing Department should enter unit addresses into the citywide integrated permitting system.	PBCE	Partly Implemented	Several City departments continue to make progress towards coordinating a Master Address Database (MAD). MAD utilizes common unit addresses that can be used to share information on units across departments and, when complete, MAD will integrate updates into the citywide integrated permitting system. Meanwhile, the Housing Department's Rent Registry went live in August 2018 and now contains approximately 31,000 unit addresses as of March 11, 2019 (the deadline for property owners to register was extended to March 1, 2019 and will re-open on an annual basis). Prior to going live, the Housing Department reconciled property building and units addresses to MAD. In addition, Housing manually entered unit addresses from the Rent Registry into the Master Address Database. Additional addressing and PBCE's reconciliation of unit addresses between the two systems is pending. Target Date: Jul-2020 (Delayed From: Jun-2018)
16-10	#06 The Housing Department should use its live access to the citywide integrated permitting system to answer routine questions about properties and receive alerts about changes to the Multiple Housing Roster, conversion or demolition permit applications, and code enforcement cases.	HSG	Partly Implemented	Department staff now have direct access to view information in the citywide integrated permitting system (AMANDA). The Department and PBCE are using a manual review process to ensure demolition permit applications fulfill Ellis Act requirements. That is, PBCE places a note in AMANDA authorizing permits to be pulled once PBCE staff receive confirmation from Housing that all the Ellis Act requirements are met. Housing also annually reviews changes to the multiple housing roster. In addition, Housing reports that it requested the AMANDA upgrade team automate the process to flag apartments covered by the Apartment Rent Ordinance including changes to the Multiple Housing Roster and code enforcement cases. The AMANDA upgrade is pending. Target Date: Jul-2020 (Delayed From: Jun-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
16-10	#10 Revise the fee exemption process by: A) Developing an online exemption option, B) Providing receipts or acknowledgements to landlords to confirm exemption requests have been submitted and granted/not granted, C) Establishing reasonable standards for landlords to prove eligibility for exemptions, and D) Developing a validation process to confirm exemption eligibility against building data in the citywide integrated permitting system and other authoritative sources.	HSG	Partly Implemented	A) The City Attorney's Office approved the use of electronic signatures on the exemption form thus allowing the Department to receive exemptions through email. At this time, the Department still requires landlords physically bring the documentation to Housing for review. Housing has requested the Information Technology (IT) Department add the exemption form to the Business Process Automation system which, when complete, would allow residents to sign and submit the petition in a one-stop portal. B) Starting in Fall 2018, the Department began issuing receipts or acknowledgements to landlords confirming that an exemption was been provided. C) The Department established standards to prove eligibility for exemptions, and included that information on the Fee Exemption Form. D) The Department developed a validation process to confirm exemption eligibility. This process was formalized through the addition of an authoritative source note on the exemption form. Target Date: Mar-2019 Potential Budget Savings: TBD.
16-10	#15 To ensure customers are provided necessary services, the Housing Department should develop a strategic plan for the Rental Rights and Referrals Program that outlines desired goals and outcomes, and establishes measures of program effectiveness.	HSG	Partly Implemented	According to the Department, the Rental Stabilization Program has begun its strategic planning process and continues to evaluate its process including the identification of outcome measures. In addition, the Department plans to use information from its Rent Registry in this effort. Target Date: Mar-2020 (Delayed From: Jun-2018)
16-10	#16 To track customer satisfaction, and the perceived effectiveness of services, the Housing Department should develop customer satisfaction and information surveys, feedback cards, and online feedback options.	HSG	Partly Implemented	The Department developed a customer satisfaction survey in English, Spanish, and Vietnamese. The survey is distributed at both outreach events and at the completion of the petition process, but has not tabulated results to date due to its paper-based format. To facilitate the tabulation of survey results, the Department developed an electronic version of the survey, and reports it will begin administering this version at its outreach events going forward. Target Date: Jul-2019 (Delayed From: Jun-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
16-11	#01 To ensure appropriate controls over City-owned mobile devices (including cellphones, smartphones, hotspots, tablets, and laptops), the Administration should require departments to label City-owned mobile devices and maintain current inventories. The inventories should include the type of device, serial number, the name and ID of the employee to whom the device is assigned, the phone number (if applicable), the date of issuance, and the date returned (if applicable).	IT	Partly Implemented	IT has worked with direct-support departments to label assets and maintain asset data in an inventory. IT also reports that they shared the process and materials with departmental IT groups to complete asset tagging and data collection. IT will continue to work with all departments to complete the City's inventory. Target Date: Jun-2019 (Delayed From: May-2018)
16-11	#02 To ensure that cellphone stipends are cost-effective and reflect current technologies and the usage and needs of City employees, the Information Technology Department should work with the Finance Department to: A) Provide guidance for departments on how to assess the cost-effectiveness of offering a stipend as opposed to issuing a City-owned device; B) Update the eligibility criteria for stipends to reflect business need (i.e., the same criteria for City-owned devices) and delegate approval to the department level; and C) Review and adjust the amount and structure of the City's cellphone and data stipends.	IT / FIN	Partly Implemented	IT reports that, when requesting mobile devices, departments can view the costs of voice and voice + data stipends and compare them to the costs of various City-owned mobile devices. IT also reports that Finance has reviewed stipend amounts periodically. The draft Mobile Device Policy would allow departments to approve stipends for exempt employees with defined ongoing project or work needs. However, given City budget constraints, IT reports that the City will not actively encourage broad use of cellular stipends or added lines. According to IT, the draft Mobile Device Policy incorporates feedback from the City Attorney's Office, City Manager's Office, Finance Department, Information Technology Department, and Office of Employee Relations; OER is leading the final review prior to City Council approval. Target Date: Jun-2019 (Delayed From: Dec-2017)
16-11	#05 The Finance Department should: A) Work with the City Attorney's Office to clarify City policy on the taxability of stipends and either eliminate non-taxable stipends, or provide guidance to department staff on what documentation is required for a stipend to be non-taxable. B) If non-taxable stipends are continued, the Finance Department should review the authorization forms for employees for non-taxable stipends for required documentation to justify the non-taxable status of the stipends. Finance should then work with departments to compile any missing documents or change the status to taxable.	FIN / CAO	Implemented	As of October 2018, the City has removed the option of non-taxable stipends. The Office of Employee Relations sent a notice of the change to employees receiving non-taxable stipends and the Finance Department has updated its stipend authorization form.

Report	Recommendation	Dept (s)	Current Status	Comments
16-11	#06 The Information Technology Department should develop a Mobile Device Policy to supersede the current Cellular Telephone Policy (1.7.4) to: A) Reflect the use of all mobile devices by employees across the City, including both personal and City-owned cellphones, smartphones, tablets, hotspots, and laptops. B) Clarify the specific duties and responsibilities of mobile device liaisons within departments who are tasked with managing such devices. The new policy should cross-reference with the City's Information Security Policy, the Remote Access Policy, and any other relevant policies that relate to mobile devices.	IT	Partly Implemented	IT reports that an updated draft of the Mobile Device Policy is currently under review by the City Attorney's Office, City Auditor's Office, City Manager's Office, Finance Department, Information Technology Department, Office of Employee Relations. It is in its third round of review. Target Date: Jun-2019 (Delayed From: Dec-2017)
16-11	#07 To ensure consistent application of the Mobile Device Policy, the Information Technology Department should develop and provide periodic training for department liaisons on their specified administrative duties and responsibilities outlined in the policy for both City-issued and personal devices used for City business.	IT	Partly Implemented	IT reports that training will depend upon the final Mobile Device Policy, which is still in draft form and remains under review. Target Date: Jun-2019 (Delayed From: Dec-2017)
16-11	#08 To address information security risks associated with mobile devices, the Information Technology Department (IT) should develop, and include in the Mobile Device Policy, guidelines and procedures for both City-issued and personally owned devices that identify: A) The degree of access for various types of mobile devices and employee classifications in connecting to either cloud based City services or to the City's network; B) Any applicable support expectations by IT for personally owned mobile devices used for City business; C) Any applicable user conditions, especially if personally owned devices may be enlisted on a mobile device management software; and D) Any applicable IT controls over mobile devices, such as remote locking or wiping of device in case of theft or loss. Any authorization forms, such as the Remote Access Authorization Form, should be updated accordingly.	IT	Partly Implemented	The Mobile Device Policy has been drafted, but remains under review. IT reported that the final policy will address stipends, eligibility, support and mobile device management requirements, security standards, and use agreements. IT also stated that the City's guidelines and procedures for personal devices used for City business will include: An agreement allowing the City to open, secure, and delete City information from devices as needed; MDM and cloud service tools to manage access and information; Standards for device security settings; and protocols for managing identity, rights, and usage. Target Date: Jun-2019 (Delayed From: Dec-2017)

Report	Recommendation	Dept (s)	Current Status	Comments
16-11	#09 The Information Technology Department should: A) Develop user friendly guidelines on mobile device information security and include it as part of the Mobile Device Policy. B) Establish periodic information security awareness trainings for all personnel who access the City's network on City issued and personal devices.	IT	Partly Implemented	The Mobile Device Policy has been drafted, but remains under review. IT reports that the final policy will address information security and mobile security. IT executed the City's second cybersecurity awareness training in October as part of National Cybersecurity Awareness Month, releasing content each week of that month. According to the department, additional training resources and activities will come with the completion of the Advanced Cybersecurity Products and Services procurement. Target Date: Jun-2019 (Delayed From: Dec-2017)
16-11	#11 To reduce ordering turn-around and demands on staff time, we recommend the Administration: A) Allow departments to order mobile devices (cellphones, smartphones, hotspots, tablets, and laptops) and accessories directly, through appropriate citywide purchase orders; B) Develop a process for IT or department staff to configure devices to meet information security standards in the Mobile Device Policy. C) Update City policy accordingly	IT	Partly Implemented	IT reports that departments with internal IT support can order standard laptops and tablets directly; all departments can order phones and accessories online with approvals by department management. Currently, IT centrally manages Mobile Device Management (MDM) software. Departments with dedicated IT staff are able to manage mobile devices through the MDM management platform. IT anticipates mobile configurations and associated security standards will be included in the Mobile Device Policy (draft under review). Target Date: Jun-2019 (Delayed From: Dec-2017)
16-11	#12 To reduce ordering turn-around and demands on staff time, and to provide greater transparency and citywide inventory control, we recommend the Administration: A) Explore tools to develop online approval form(s) for the approval of City-issued cellphones, smartphones, hotspots, tablets, and laptops, including whether the device will require remote network access, to be authorized electronically and saved in a centralized, searchable database; and B) Revise the Procurement of Laptops and Tablets Policy (1.7.8) and reference the Remote Access Policy (1.7.3) accordingly.	IT	Partly Implemented	IT reports that the City and its two primary cellular service providers have discussed mobile device ordering, required configurations for security, and a tool to centralize device ordering through vendors' portals. Combined with an online request and approval workflow, these changes will fulfill City Council's direction to digitize mobile device orders. IT states that requests and approvals of mobile device orders would be electronically documented and searchable. IT has not yet begun revisions to the procurement and remote access policies. Target Date: Jun-2019 (Delayed From: Dec-2017)

Report	Recommendation	Dept (s)	Current Status	Comments
16-11	#14 To address the information security risks of mobile devices, the Information Technology Department (IT) should work with departments citywide to implement Mobile Device Management (MDM) software citywide for the devices that pose the greatest information security risks for the City. Specifically, IT should: A) Prioritize devices that pose the greatest information security risks for the City to be enlisted on an MDM software, and work with departments to implement MDM software citywide for those devices; B) Establish basic minimum standards or settings within the MDM software to protect City data within the software; and C) Either directly manage mobile devices for departments or provide administrative access for departments to manage their own devices if they have the internal capacity to manage those devices.	IT	Partly Implemented	A combination of MDM tools (AirWatch, Apple MDM, and Intune) provide centralized controls over City-owned mobile devices. While some older devices still need to be enrolled in MDM, IT reports that new devices have consistently been enrolled since January 2018. IT has prioritized deployment to high-risk users and to staff with access to sensitive systems. Target Date: Jun-2019 (Delayed From: May-2018)
16-11	#15 In order to ensure that the City and/or departments control costs related to mobile device, the Information Technology Department (IT), in consultation with the Finance Department where applicable, should: A) Administer citywide review of mobile device bills for usage and potential cost savings (e.g. zero- and low-use, plan optimization, minute and data pooling, etc.), potentially through the acquisition and utilization of telecommunications expense management software. B) Clarify the management structure between IT and other departments in its updated Mobile Device Policy (see Recommendation #6)—including some level of departmental bill review—and provide procedures and annual trainings to responsible individuals. C) Ensure that appropriate individuals within departments receive vendor reports and communications. D) Ensure that all wireless service users in the City are informed of their plans' features and limitations.	IT / FIN	Partly Implemented	IT reports that it has reviewed costs and optimization reporting with the City's two primary cellular vendors. IT and vendors have worked on scheduled reports showing city lines with exceptional usage (no/low use or high use) to cancel, suspend, or change service options as appropriate to ensure wireless service costs align with usage and need. IT staff is also considering pooled data plans for some work groups to further optimize cost to demands. IT reports it has centralized mobile devices, and now has oversight of all AT&T and Sprint accounts, as well as partial oversight of Verizon. (The Police Department, rather than IT staff, maintain oversight of their primary Verizon account.) Finally, IT plans to procure wireless telecommunications expense management solution, pending a 2019-20 budget proposal. According to staff, this solution will identify cost savings and standardize the plan features that are available to departments. As processes mature, IT will document procedures and provide training to City departments. Target Date: Jun-2019 (Delayed From: May-2018) Potential Budget Savings: During the audit, we identified $189,000 per year in potential savings from eliminating zero or low use lines, use of pooled plans for devices with low data consumptions, and other active management of telecommunications expenses.

Report	Recommendation	Dept (s)	Current Status	Comments
16-11	#16 To support staff training, pool resources, and foster departmental innovation, the Administration should create an interdepartmental working group to serve as a forum for departments to share mobile solutions and processes, and facilitate mobile strategies across the City.	IT	Not Implemented	The purpose of this recommendation was to periodically bring together teams or representatives from different departments working on mobile strategies to learn from one another. At the time of the audit, the Administration planned to create an interdepartmental working group within nine months. Since then, there has been no action. Target Date: Jun-2019 (Delayed From: Jan-2018)
17-01	#03 The City Administration should review and formalize its off-site tree replacement process. If the City desires to contract for these services, it should determine whether a competitive process is required to select a provider(s), establish an agreement(s) for these services (including a cost per tree), and require documentation of the tree plantings and maintenance provisions.	PBCE	Partly Implemented	PBCE, DOT, and PRNS staff report that they are developing a revised process for off-site tree replacement that will not require issuing an RFP. A new off-site tree planting fee, appropriate for the actual cost of planting and monitoring trees, was adopted by Council in November 2018. This fee has now been incorporated into the City's AMANDA permit software system. PBCE reports planners were trained at a staff meeting on how to use it. The next steps of the proposed process includes DOT subsequently identify planting sites in City parks and on City streets, and use the collected fees to have vendors (already contracted through DOT and PRNS) plant trees. DOT would then be able to generate a geocoded report of planted trees to give to PBCE for reconciliation. Target Date: May-2019 (Delayed From: Dec-2017)
17-01	#04 To ensure permit conditions are met, the Planning Division should: A) Require permittees (developers and homeowners/landowners) to provide proof of off-site tree mitigation plantings; B) For development permits, require proof of off-site replacement plantings prior to the issuance of building permits; C) For tree removal permits, continue to require proof of offsite replacement plantings within 30 days of removal of the trees, and utilize Code Enforcement to ensure compliance; D) Retain documentation of verification of compliance with offsite replacement tree conditions; and E) Require maintenance period for replacement trees and replanting if they fail within that period.	PBCE	Partly Implemented	A) & B) PBCE and DOT staff report that they have been working on an internal process for off-site tree replacement process (see recommendation #03). C) Tree removal permits for private property require that replacement plantings (on- or off-site) be planted within 30 days of removal. However, we understand that Code Enforcement is not being utilized for compliance. D) PBCE has updated the City's AMANDA permit software to better track off-site tree replacement requirements, incorporating the new off-site tree replacement fee. PBCE reports this system should now be able to notify the Staff Project Manager when the required tree replacement compliance information from the applicant is not received by the City, as required. E) The PBCE-recommended Tree Removal Control Ordinance revisions as it pertains to tree removals on private property were adopted by the City Council December 19, 2017. The revised Ordinance was effective February 9, 2018. Those Ordinance revisions include development of a minimum three-year maintenance process for tree replacement and a requirement for replacement if the tree fails during that time. Target Date: May-2019 (Delayed From: Dec-2017)

Report	Recommendation	Dept (s)	Current Status	Comments
17-02	#01 To better administer the prevailing and living wage compliance programs, the Office of Equality Assurance should: A) Procure a software solution to automate payroll review to free up staff time for other responsibilities (e.g., site visits, review of supplemental documentation); B) Adopt a risk-based strategy for conducting site visits and reviewing supplemental documentation to efficiently verify the accuracy of information in submitted payrolls; and C) Ensure the program has sufficient supervisory resources following the implementation of Recommendation #3.	OEA	Partly Implemented	A) Public Works has explored options for a software solution and reports that start up and on-going annual costs range from $144,000-186,000 (based on the total value of the projects being reviewed). Local hire and disadvantaged business enterprise tracking would be added to the annual cost. Public Works is also participating in program to potentially develop a software system for OEA. This project is still in the early stages of development, and staff will determine the viability in winter/spring 2019. If it is determined that the software cannot provide the desired platform, the budget referral stated that the allocation of ongoing General Fund resources for a software platform will be considered during the 2019-2020 Proposed Budget development process. B) OEA will use previous wage and apprentice violations as the criteria to determine whether a project has high, moderate, or minimal risk. Two Contract Compliance Specialist conduct site visits that focus on high to moderate risk projects weekly. C) As other recommendations are implemented that change workload and assignments, OEA will evaluate the appropriate supervisory staffing. Target Date: Jun-2019 (Delayed From: Jun-2018) Potential Budget Savings: We estimate that a software solution would free time for two FTE to be redeployed to other OEA functions that are currently understaffed. Redeploying these staff will potentially reduce the need to hire additional staff to administer OEA responsibilities.
17-02	#02 The Office of Equality Assurance should develop a plan to conduct concerted and ongoing outreach to employees and employers about wage compliance, maximizing its current network with City departments, nonprofits, and community organizations.	OEA	Partly Implemented	Public Works has launched the Public Works Academy, which focuses on outreach/engagement and education with the local contracting community. The Academy has scheduled five Opportunity Awareness Events and four Seminars. Public Works has also partnered with the Small Business Development Center, Hispanic Chamber of Commerce, Black Chamber of Commerce, SCORE Association, work2future, and BusinessOwnerSpace.com. Public Works will continue to develop programs to outreach and engage the employee community to educate and provide networking services. The current outreach efforts have been primarily focused on the requirements for contracting with the City and prevailing and living wage. Target Date: Dec-2019 (Delayed From: Jun-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
17-02	#03 The Office of Equality Assurance should rededicate the 2.0 FTE originally budgeted to administer the Minimum Wage Ordinance. These staff should also aid with the implementation, administration, and enforcement of the City's Wage Theft Prevention Policy and Opportunity to Work Ordinance.	OEA	Partly Implemented	OEA recruited and successfully hired two Contract Compliance Specialist in August 2018. That recruitment has allowed for staff to be assigned directly to the Minimum Wage Ordinance and Opportunity to Work review. Staff will make future changes to assignments after the implementation of a software solution. Target Date: Jun-2019 (Delayed From: Jun-2018)
17-02	#04 To ensure continuity and consistency in practices, the Office of Equality Assurance should document the processes involved in: A) Determining wage requirements for a prevailing or living wage project and notifying Finance of the wage determination; B) Receiving purchase order information from Finance and sending documents to contractors for living wage projects; C) Conducting pre-construction meetings and sending documents to contractors for prevailing wage projects; D) Performing prevailing wage and living wage payroll reviews, including how to determine the wage rate based on labor compliance documents and how to review inspector logs; E) Escalating enforcement when labor compliance documents are not received, such as sending notices of noncompliance and withholding of payment (see Recommendation #5); F) Calculating restitution for prevailing, living, and minimum wage, and notifying required parties of violations; G) Completing the director review of violation appeals; H) Closing a project after completion; I) Conducting a minimum wage review; J) Conducting outreach for race-neutral disadvantaged business enterprise (DBE) projects and evaluating DBE good faith efforts for race-conscious projects; and k. Completing an Americans with Disabilities Act complaint investigation.	OEA	Partly Implemented	OEA reports that staff is working on development of a policy and procedures manual. Staff have started updating policies and procedures, including processes relating to DBE outreach, construction contract awards, recent changes to the labor code, and pre-construction meetings. Target Date: Dec-2019 (Delayed From: Jun-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
17-02	#05 To avoid inconsistencies in the treatment of contractors, the Office of Equality Assurance (OEA) should document staff's decision-making criteria for: A) Timelines for payroll review process; B) Escalation of enforcement and appropriate use of enforcement tools; C) When payrolls are to be requested for service and maintenance projects; and D) The minimum value of a contract at which OEA must be notified.	OEA	Not Implemented	OEA reports that staff is working on development of a policy and procedures manual. Target Date: Dec-2019 (Delayed From: Jun-2018)
17-02	#06 To ensure appropriate and uniform application of the City's formal enforcement mechanisms, the Office of Equality Assurance should: A) Work with the City Attorney's Office to clarify its policy that penalties or liquidated damages should be assessed on all payrolls with wage violations on City-funded projects, regardless of the timing of submission or Notice of Violation; and B) Require that payrolls should be submitted whenever a contract requests a payment.	OEA	Not Implemented	OEA has contacted the Department of Industrial Relations for information regarding their process for this situation. Staff report that additional research and coordination with the City Attorney's Office is needed for this issue. Target Date: Dec-2019 (Delayed From: Jun-2018)
17-02	#08 Once the City Council determines the desired scope of the City-wide contracting program, the local hire/apprentice utilization program, and Americans with Disabilities Act compliance program, the City should assign the resources needed to perform these responsibilities.	OEA	Not Implemented	In May 2017, the City Council approved two master agreements for a consultant to develop proposals for a Citywide Contracting Program. OEA provided an update at Community and Economic Development (CED) Committee in June 2018 with the consultants findings. Findings included a lack of ability to reach the contract community and that the City has multiple options for programs. The consultants are analyzing each program provided in the summary report for feasibility, legal considerations, staffing, and resource considerations. This work is underway. Meanwhile, a consultant been performing work on the Labor Market Study relating to the development of a possible local hire program. OEA reported progress at the January 2019 CED, and expects to provide final recommendations and resources needs in June 2019 (Citywide Contracting Program) and November 2019 (Local Hire). After that time, the future of a local hire program can be reassessed. Target Date: Jan-2020 (Delayed From: Dec-2018)
17-04	#01 The Administration should create an Open Government policy to be included in the City's Administrative Policy Manual. The policy should state the purpose and goals of the Open Government Ordinance and Resolution and cross reference with the specific procedures outlined in the resolution and other City policies as necessary.	CMO	Partly Implemented	No action was taken since the last update. The City Attorney's Office has reviewed a draft administrative policy that broadly outlines responsibilities under, and makes reference to, the Open Government Resolution. The Open Government Manager and the Office of Employee Relations will coordinate on its finalization. Target Date: Jun-2019 (Delayed From: Dec-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
17-04	#02 The Office of Economic Development, in coordination with the City Attorney's Office, should develop a policy and procedures to clarify whether and how to disclose cost-benefit information for provisions of economic benefit to private entities when: The provision is a part of a larger incentive program to be issued to entities that meet specified criteria, Multiple provisions may benefit a single entity within a short timeframe, The City provides services on behalf of/for a private entity, and The entity receiving the benefit is a non-profit or public agency.	OED	Not Implemented	The Office of Economic Development and City Attorney's Office have identified reporting requirements and applicability of different subsidy disclosures. Staff from the Office of Economic Development have reported that they have been working on an internal memo to outline procedures and a records keeping process for disclosure of economic development subsidies, however this has been delayed due to staff turnover. Target Date: Jun-2019 (Delayed From: Jun-2018)
17-04	#03 The City Manager's Office should update the Council memo template to include direction for required disclosures for proposed subsidies of more than $100,000 and more than $1 million, in accordance with the state law and Open Government Resolution, respectively.	CMO	Not Implemented	Agenda Services is working with the Office of Economic Development, the major stakeholder, to create instructions for the memo template. The Office of Economic Development has been delayed in implementing the recommendation due to staff turnover. Target Date: Jun-2019 (Delayed From: Mar-2018)
17-04	#04 The Administration should implement procedures to track public subsidy and tax abatement agreements to ensure compliance with state and Open Government after-action reporting requirements and financial statement disclosures.	OED / FIN	Not Implemented	The City Attorney's Office worked with the Office of Economic Development to outline the reporting requirements and applicability of different subsidy disclosures. The Office of Economic Development reports that it has been working on an internal memo to outline procedures and a records keeping process for disclosure of economic development subsidies, but that implementation of the recommendation has been delayed due to staff turnover. Target Date: Jun-2019 (Delayed From: Jun-2018)
17-04	#05 The City Clerk's Office should: A) Include Open Government calendaring requirements (e.g., name, title, organization, and purpose, as outlined in §1.3.3 of the Open Government Resolution) in trainings for new Council staff, and B) Include calendar set up as a part of the onboarding process for Council staff (such as referral to appropriate Information Technology Department and City Manager's Office staff).	CLERK	Implemented	The City Clerk's Office and City Attorney's Office trained Council Assistants and Mayoral staff on calendaring requirements and lobbying restrictions, and has incorporated these topics into training for new Council offices going forward.

Report	Recommendation	Dept (s)	Current Status	Comments
17-04	#08 The City Council should consider a change to the Revolving Door Ordinance that mitigates potential conflicts of interest and simplifies the rules surrounding former designated employees who work for non-profit organizations as lobbyists or on legislative or administrative matters which they worked on as part of their City employment. Potential policy directions include: A) Narrowing the non-profit exemption to 501(c)(3) organizations, regardless of whether the organization had received support from the City; or B) Striking the non-profit exemption, such that the same rules apply whether former designated employees go to work for non-profit or for-profit organizations.	CAO / CLERK	Partly Implemented	The City Council referred this recommendation to the Board of Fair Campaign and Political Practices Commission (formerly the Ethics Commission) for further consideration, prior to the item's return to Council. The Board discussed the recommendation at its January 10, 2018 meeting, and will recommend Council strike the non-profit exemption. This recommendation has not yet been referred back to Council. Target Date: Jun-2019
17-04	#09 The Administration should update City policies and guidance on the retention and disposition of electronic records and City email to reflect the current technological environment and allow for more effective management of public records. This includes the storage of records to efficiently respond to public records requests and the disposition of records per approved retention schedules.	CMO	Partly Implemented	The purpose of this recommendation was to address the growth of electronic records, including old emails, many of which are not public records, but are routine, mass, or unsolicited, as well as preliminary draft documents. The City Manager's Office and City Attorney's Office updated the City's Public Records Policy and Protocol to include provisions for public records stored on personal devices or accounts and add reference to disposition and retention of email and social media content. The policy was reviewed by the Office of Employee Relations (OER) and employee bargaining units and will be posted after a final review by OER and the Office of Communication. Target Date: Mar-2019 (Delayed From: Jun-2018)
17-04	#10 To better manage electronic records on the City's enterprise file share and email systems, the Administration should consider a combination of strategies, including but not limited to: A) Developing procedures for department records administrators to conduct electronic file clean outs to dispose of unnecessary electronic files as well as those saved past the City's approved retention schedules. B) Periodic reminders to City staff to clean out their email folders, along with guidance on what is a public record that should be saved, and what is not.	CMO	Partly Implemented	In early 2018, departments began providing the City Manager's Office with input for revisions to their records retention schedules, which include electronic files for clean out. The City Manager's Office reports that it will send periodic reminders to public records and records retention coordinators in each department and to Council offices, and will work with IT to implement a citywide reminder similar to key policy reminders once the changes to the City's Public Records Policy are final. Target Date: Jun-2019 (Delayed From: Dec-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
17-04	#11 In accordance with the Municipal Code, the City Manager's Office, in coordination with the City Clerk's Office, should issue regular reports on the scope of open government activities, including: A) Open meeting provisions such as posting of agendas and minutes of the City Council and decision-making bodies, B) Responding to public records requests, C) Posting of City officials' public calendars, D) Other public disclosure and information activities, such as notices of public subsidies, community engagement or outreach efforts, and required disclosures of City-funded non-governmental organizations, and E) Recommendations to update open government or related City policies to remain current and effective, as necessary.	CMO	Implemented	The Open Government Manager's semi-annual reports to Rules thoroughly cover open meeting provisions such as posting of agendas and minutes of the City Council and decision-making bodies, responding to public records requests, and posting of City officials' public calendars, and may include other public disclosure or information.
17-05	#08 To address the problem of service orders, tasks, compensation schedules, and sub-consultants not being consistent with approved agreements, ESD Administrative staff should periodically distribute the City's instructions on "Using and Completing the City of San Jose Standard and Master Consulting Agreement Forms" to all contract monitoring staff.	ESD	Implemented	ESD administrative staff included a link to the City's instructions on the ESD webpage, and sent e-mail reminders twice to department staff, with the latest in November 2018. Instructions have been referenced in the training materials for the annual ESD Introduction to Contracts training and the ESD Introduction to Consultant Procurement training. ESD plans to continue to provide instructions in future Contract Management trainings.
17-05	#10 To improve consistency across all divisions, ESD should offer additional contract management training. Contract management training should include, but is not limited to the following: Invoice review Situations that require amendments Sales tax accrual process Standard operating procedures for contract monitoring Managing consultant relationships	ESD	Partly Implemented	ESD drafted a non-CIP Contract Management Standard Operating Procedures (SOPs) manual that included instructions and guidance on aspects of contract management. ESD is working with a third-party consultant to review the SOP to set up a standardized contracts management process, and to develop a contract management system for contract monitoring staff to use. The SOPs content and Contracts Management course curriculum will be completed with the assistance of the selected consultant. Target Date: Jun-2019

Report	Recommendation	Dept (s)	Current Status	Comments
17-06	#03 The Office of Retirement Services should prepare a comprehensive annual budget document covering the entire aggregate expense of administering each plan.	RET	Partly Implemented	The Office of Retirement Services prepared a budget document that was submitted to the City Council in May 2018 in the form of a Manager's Budget Addendum (MBA). Following questions from the City Council, Retirement Services prepared a supplemental MBA that outlined the plans' expected investment expenses and attached the prior year investment expense report. In our opinion, the information contained in the second MBA is critical for the City Council to have a complete understanding of Retirement Services spending. At a minimum, Retirement Services should submit both MBAs in the upcoming budget cycle. In our opinion, this information should be provided routinely to both the Boards and the City Council without a special request. Furthermore, while the documents submitted last year contain most of the information required, budget information should be better organized to provide clarity and transparency. Target Date: Jun-2019
17-06	#04 In compliance with the City Charter, the Office of Retirement Services should formally request each retirement board annually adopt the annual budget document that has also been approved by the City Council.	RET	Partly Implemented	In May 2018, the Office of Retirement Services submitted to the City Council (MBA #2) the budget documents that had been previously approved by the Retirement Boards. Following City Council request, the Office of Retirement Services submitted a supplemental MBA (MBA #3). The City Council accepted both documents together as the Retirement Services budget. To consider this recommendation implemented in the coming budget cycle, we would expect all budget documents that the City Council approved to also be approved by the Retirement Boards. Target Date: Jun-2019
17-06	#05 The Retirement Boards should establish formal budget adoption policies and procedures that include clear delegation of authority to staff to spend plan assets subject to certain limits defined by the Boards.	RET	Partly Implemented	The Office of Retirement Services has prepared formal budget adoption policies and procedures which were approved by the Retirement Boards at their August 2018 meetings. The policy states that the budget document will be forwarded to the City Council as a Manager's Budget Addendum (MBA) and will be accompanied by the most recent Investments Fee Report, as well as an estimate of the investment-related fees for the fiscal year of the budget. However, the policy further states that "investment fees reduce the return on investments, they are not an expense of administering the funds... " This is in direct conflict with the opinion of the City Attorney stating that "the compensation paid to investment consultants and managers for investment consulting services relate to the administration of the retirement plans and per Measure G should be identified in Retirement Services' annual budget." We will hold this recommendation as partly implemented until this conflict is resolved. Target Date: Jun-2019

Report	Recommendation	Dept (s)	Current Status	Comments
17-06	#06 The City Manager's Office should update the City's Operating Budget to: a) include total employee and employer retirement contributions in the City's Operating Budget as summary or historical information, b) cross-reference its separate approval of the Retirement budget, and c) modify the presentation in the Operating Budget's Source and Use statements to display investment expense.	CMO / RET	Partly Implemented	a) The 2018-2019 Proposed Operating Budget incorporated a new Summary of Contributions to Retirement Funds (Pages III-15 and 16) that included total employee and employer retirement contributions. b) The Office of Retirement Services department budget presented in the 2018-2019 Proposed Operating Budget was updated to clarify that the budget figures reflected in that section account for only a small portion of the total budget for the Office of Retirement Services and described where additional information could be found. The Proposed Budget also included appendices (A14 – A-47) with the Retirement Services Proposed Budgets submitted to the Federated and Police and Fire Plan Boards. In addition, the Office of Retirement Services prepared its 2018-2019 Proposed Administrative Budget for City Council approval (Manager's Budget Addendum #2). c) The Office of Retirement Services did not break out the investment expenses in the Source and Use Statements provided to the Budget Office. The investment income figures presented in the Source and Use Statements were net of investment expenses. As part of MBA #2, the Office of Retirement Services footnoted the 2015-2016 investment expenses for reference and included attachments with the most recent Comprehensive Annual Fee Reports that were presented to the Retirement Boards. Target Date: Jun-2019
17-06	#09 The Retirement Boards should structure a formal process to periodically orient Board members to the City's budget and service level solvency.	RET	Implemented	The Retirement Boards approved a Board Education Policy in June 2018, which stipulates that staff shall invite the City management to present on the City's budget and service level solvency. In October and November 2018, the City's Budget Director and Director of Finance presented to the Retirement Boards regarding the City's budget and budget process, service level challenges, credit ratings, and budget forecast.
17-06	#10 The City as the plan sponsor should provide the Retirement Boards, on a regular basis, with relevant budget documents, such as the City's 5-year budget forecast, the Mayor's budget messages, and the City's proposed operating budget.	RET	Not Implemented	As described in Recommendation #9, the City's Budget Director and Director of Finance presented to the Retirement Boards regarding the City's budget and budget process, service level challenges, credit ratings, and budget forecast in October and November 2018. The Office of Employee Relations expects that these presentations will occur annually, and that staff will provide 2019-20 budget documents to the Retirement Boards as they are published. Target Date: Jun-2019 (Delayed From: Oct-2018)
17-06	#11 The City Council should clarify their expectations of the Council representatives to the Retirement Boards, including the type of report and frequency of reporting that would be most useful to the Council.	COUNCIL	Not Implemented	The CMO will work on bringing forward an action that implements this recommendation in the next fiscal year. Target Date: Jun-2020 (Delayed From: Dec-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
17-06	#12 The Retirement Boards should clarify their expectations of each Council representative, including the type and frequency of reporting that would be most useful to the Board.	RET	Implemented	In December 2018, the Retirement Boards approved Council Representative charters, which outline the Boards' expectations for attendance and reporting. These expectations include that the representative attends all regular and special meetings of the Board, provides a monthly report to the Board on any relevant activities and deliberations of the City Council, and informs the Board and retirement plan staff of any information or education needs of the City Council.
17-06	#15 The Retirement Boards should adopt a formal set of performance measures to be included in the retirement plans' budgets for both plan administration and the investment program. The Retirement Boards should provide the City Council with the opportunity to review and provide comment on the adopted performance measures.	RET	Not Implemented	The Retirement Boards' Governance and Investment committees are discussing performance measure changes. The Office of Retirement Services reports that it has received clarification regarding performance measures from the City Manager's Budget Office and will be discussing potential clarifications with the Governance and Investment Committees. Target Date: Dec-2019 (Delayed From: Dec-2018)
17-06	#18 The Retirement Boards should clarify the different levels of investment decisions and which bodies have the authority to implement or approve them. The Boards should incorporate these clarifications into updates to the Investment Policy Statements, and if necessary, the Investment Committee Charter and Chief Investment Officer Charter.	RET	Partly Implemented	Retirement Services revised the Investment Policy Statements to update policies on delegation of authority for investment decisions. The revisions were approved by their respective boards in April 2018. Retirement Services is working with a consultant to clarify investment authority and approval processes. Target Date: Jun-2019 (Delayed From: Nov-2018)
17-06	#19 The Retirement Boards should periodically provide copies of the retirement plans' investment policies to the City Council.	RET	Partly Implemented	Retirement Services posted the Investment Policy Statements to the Retirement Services website. However, Retirement Services is currently working with a consultant to review their investment policies and will issue a separate memorandum to the City Council with updated Investment Policy Statements resulting from that review. Target Date: Jun-2019 (Delayed From: Nov-2018)
17-06	#22 The Office of Retirement Service should assess how to use workflow functionality in PensionGold Version 3 for case management, including routing beneficiary requests to subject matter experts or staff familiar with the case, and to track workload statistics (such as time to complete requests), or acquire a separate case management software system.	RET	Partly Implemented	Retirement Services reports that the new PensionGold Version 3 system (a pension administration system) went live in February 2019. The Office reports that workflow functionality has been integrated and is expected to be used as part of the new system. Target Date: Jun-2019
17-06	#23 The Office of Retirement Services should expand its newsletters to include more information about the plans, upcoming events, and information about retirement.	RET	Not Implemented	Retirement Services reports that this recommendation is on hold given personnel budget limitations. Target Date: Jun-2020

Report	Recommendation	Dept (s)	Current Status	Comments
17-06	#24 The Office of Retirement Service should upgrade their website to promote transparency and ease of navigation for stakeholders and plan members to find information.	RET	Not Implemented	Retirement Services reports that their IT staff are currently involved in the pension administration system upgrade. The new system went live in February 2019. However, the Office reports that full implementation of the system is expected to be completed in late Spring 2019; therefore, upgrading the Office's website is expected to begin around the end of 2019. Target Date: Jun-2020
17-06	#25 To improve transparency, the Office of Retirement Services should post plan charters and policies, as well as audio recordings of committee meetings, online.	RET	Partly Implemented	Retirement Services reports that it began updating the contents of its website in June 2017. Audio recordings for most of the committee meetings have been posted online on a go-forward basis since June 2017. However, some audio recordings for committee meetings since then have not yet been posted, and some plan charters and policies do not appear to be available on the Office's website as of this report. Retirement Services reports that plan policies and charters will be available on their website shortly. Target Date: Jun-2019 (Delayed From: Dec-2018)
17-09	#01 The Administration, in coordination with the City Attorney's Office, should clarify how the Tier 3 contribution base be defined and propose changes to the Municipal Code as necessary. The Administration should also determine whether to make retroactive adjustments or make corrections on a go-forward basis.	CMO / CAO	Partly Implemented	On August 7, 2018, the City Council approved an ordinance amending the Municipal Code that will align the definition of compensation in the Tier 3 plan with the City's current practice of only including certain types of pay when calculating Tier 3 retirement contributions effective on or about September 21, 2018. On October 3, 2018, the City submitted a request to the IRS for approval of a retroactive correction to the Tier 3 Plan. The City is awaiting a response from the IRS. Target Date: Dec-2019 (Delayed From: Dec-2018)
18-01	#01 The Office of Employee Relations and the City Attorney's Office should clarify the term FLSA premium pay in Municipal Code Section 3.36.020.3 C.	CMO / CAO	Not Implemented	The Office of Employee Relations and the City Attorney's Office are researching the issues and evaluating options on clarification of the current definition of FLSA premium pay. Target Date: Dec-2019 (Delayed From: Jun-2019)
18-02	#01 The City should reconsider how and who should manage the PAL facilities and associated activities, and revise its 2007 agreement with the PAL organization accordingly.	PRNS / PD	Partly Implemented	PRNS, SJPD, and the City Manager's Office have begun an internal review to identify alternatives to PAL's current service delivery model. As part of this evaluation, PRNS developed a 30-60-90 day work plan with regular updates to the Neighborhood Services and Education committee. PRNS is in the process of conducting community outreach, with two meetings completed so far, and focus groups to come. PRNS anticipates a new structure will be determined by Fall 2019, and a new agreement to accompany this determination. In the interim, Police staffing has been removed and reassigned in the Police Department, and a former PAL board member is volunteering as part-time executive director of PAL. Target Date: Fall-2019
18-02	#02 The City should clarify its relationship with the PAL Board, including the role of the Council liaisons and the role of police staff on the PAL Board.	PRNS / PD	Not Implemented	The Administration anticipates a new structure will be determined by Fall 2019, and a new agreement will be drafted once the final structure is determined. Target Date: Fall-2019

Report	Recommendation	Dept (s)	Current Status	Comments
18-02	#03 The San José Police Department should inform and encourage officers regarding available volunteer opportunities at PAL.	PD	Partly Implemented	The Police department recently spoke to the graduating academy class about PAL programs and volunteer opportunities. In addition, SJPD officers recently took part in the following PAL events: turkey giveaway at Thanksgiving, shoe and toy giveaways at Christmas, and produce giveaways with Second Harvest Food Bank. The status of this recommendation will be reviewed again, once the anticipated new agreement is finalized. Target Date: Fall-2019
18-02	#04 The San José Police Department should determine if some opportunities for police officers to work with youth in PAL programs can be paid.	PD	Not Implemented	The Police department reports that further evaluation of this recommendation is needed. Target Date: Jun-2020
18-02	#05 The City should ensure that the PAL organization complies with the City's requirement to submit an annual audit and regularly follow-up.	PRNS / PD	Partly Implemented	PAL recently posted its 2015 and 2016 audits on PAL's website. However, the financial auditor stated "the Organization's accounting records are not sufficient or adequate to enable us to form an opinion on these financial statements..." PAL is in negotiation with new auditors for their remaining overdue audits (for 2017 and 2018). PAL also has hired a part-time accountant/CFO to assist with ensuring compliance with this requirement on a go-forward basis. Target Date: Jul-2019
18-02	#06 The City should require formal policies and procedures to ensure compliance with Federal and State financial reporting requirements.	PRNS / PD	Partly Implemented	PAL's new accountant has drafted financial policies which include a statement on tax filing requirements. However, the City will need to review these policies, and the status of this recommendation is pending implementation of the new agreement between PAL and the City. Target Date: Fall-2019
18-02	#07 The City should require that the PAL organization prepare and submit an annual budget.	PRNS / PD	Partly Implemented	PAL has completed an annual budget for FY 2018-19. Status of this recommendation will be revisited once the anticipated new agreement between the City and PAL is finalized. Target Date: Fall-2019
18-02	#08 The City should require financial policies and procedures addressing a two signature approval system and cash handling, including segregation of duties, proper cash count methodology, and tracking process.	PRNS / PD	Partly Implemented	PAL has drafted financial policies that include a two signature approval system. Further, new bank bags have been purchased for staff use, replacing the paper bag system. Status of this recommendation will be reviewed again once the anticipated new agreement between the City and PAL is finalized. Target Date: Fall-2019
18-02	#09 The City should require a formal process to receive donations and record the amount of the donation, the stated purpose of the donation, any restrictions, and final reports on how the funds were used.	PRNS / PD	Partly Implemented	PAL's draft financial policies address recording donation amounts. PAL has also developed a donation tracking form that includes the donation amount, purpose of donation, and any imposed restrictions. Further, PAL reports that reports are being made available at PAL board meetings. Status of this recommendation will be revisited once the anticipated new agreement between the City and PAL is finalized. Target Date: Fall-2019
18-02	#10 The City should work with the PAL Board to track and comply with revenue sharing provisions in its 2007 Agreement.	PRNS / PD	Not Implemented	Status of this recommendation is contingent on the determined structure and potential new agreement between the City and PAL. Target Date: Fall-2019

Report	Recommendation	Dept (s)	Current Status	Comments
18-02	#11 The City should require compliance with its rules on naming and advertising rights, and require policies and procedures to require written agreements regarding signage.	PRNS / PD	Not Implemented	PAL is currently working with several companies with signs still up to determine if they would like to continue the relationship with PAL, or if signs should be removed. Target Date: Jun-2019
18-02	#12 The City should require a comprehensive strategy to maximize fundraising opportunities through naming and advertising rights.	PRNS / PD	Not Implemented	Status of this recommendation is contingent on the determined structure. Target Date: Fall-2019
18-02	#13 The City should either require PAL board members to sign the City's volunteer code of ethics, or work with the City Attorney's Office to eliminate that provision from the Agreement.	PRNS / PD	Not Implemented	Status of this recommendation is contingent on the determined structure and potential new agreement between PAL and the City. Target Date: Fall-2019
18-02	#14 The City should require that the PAL Board formalize conflict of interest policies and determine whether any conflict of interest laws were violated in PAL's previous use of a board member's family insurance or in paying for board member expenses.	PRNS / PD	Partly Implemented	PAL reports the board members have signed conflict of interest policies and added a section on conflict of interest in their draft financial policies. However, they have not yet reviewed the potential conflict of interest of insurance affiliated with a board member previously being used. Target Date: Fall-2019
18-02	#15 The City should enforce agreement terms regarding when the fields can be used and when they are allowed to "rest".	PRNS / PD	Partly Implemented	PAL reports that they shut the fields down for the rest period specified in the current 2007 agreement. Status of this recommendation will be revisited once the new structure is determined and a potential new agreement is reached. Target Date: Fall-2019
18-02	#16 The City should formalize the fees that are charged for use of the facilities including the required documents to be completed. Further, address whether free use of the PAL facilities is allowed and what waivers would be required when providing that free use.	PRNS / PD	Partly Implemented	PAL has established a standardized fee schedule, however this does not address free use at the PAL facility or what waivers are required. Furthermore, it has not been reviewed or approved by the City. Currently, PRNS is analyzing data to establish a future revised fee schedule. Status of this recommendation will be revisited once the new structure is determined and a potential new agreement is finalized. Target Date: Fall-2019
18-02	#17 PRNS and Public Works should review the facilities, develop a list of longterm and short-term priority improvements, and determine the funding mechanism to address those improvements.	PRNS / PW	Partly Implemented	PRNS and Public Works staff have jointly evaluated and developed a list of short-term capital improvement priorities. Some improvements to the facility have been made, and continue to be made using the $270,000 set aside from the Mayor's budget message. Long-term vision and improvements will incorporate community feedback from PRNS outreach events. Target Date: May-2020
18-02	#18 The City should require a process to ensure consistent and cost-equivalent fees and expenditures among all districts.	PRNS / PD	Partly Implemented	PAL equalized soccer registration rates for all districts in 2018, and provided uniforms to each district. The Police Department reports that PAL is in the process of refunding the $27 cost of uniforms to participants, and $25 to participants who had a parent volunteer. A process is still required to ensure consistent and cost-equivalent fees and expenditures in the future. Target Date: Fall-2019

Report	Recommendation	Dept (s)	Current Status	Comments
18-02	#19 The City should enforce fingerprint background checks of all adults serving in a supervisory or disciplinary role over children to ensure that all coaches and relevant volunteers comply with the California Public Resource Code 5164 and relevant City policies.	PD / PRNS	Partly Implemented	Since publishing the audit, the SJPD Police Chief reported that "the DOJ/SMS [Department of Justice] system has flagged one volunteer, who has since been suspended. Over the last six months, the PAL Custodian of Records has received several subsequent arrest notifications from DOJ; however, these coaches were determined to no longer volunteer/coach for PAL". Status of this recommendation will be revisited once the anticipated new agreement between PAL and the City is finalized. Target Date: Fall-2019
18-02	#20 The City should require maintenance of an updated roster of all players, coaches, and other relevant volunteers participating in each of PAL's activities.	PRNS / PD	Partly Implemented	PAL has updated rosters of all players, coaches, and assistant coaches participating in each of PAL's activities for 2018. Depending on future responsibilities, status of this recommendation will be revisited once the anticipated new agreement is finalized. Target Date: Fall-2019
18-02	#21 The City should require compliance with the concussion awareness requirements in the California Health and Safety Code.	PRNS / PD	Partly Implemented	PAL has developed and distributed concussion awareness education material. These can be found on PAL's website. PAL reports: all coaches and assistant coaches are required to take an annual online course covering concussion awareness and protocols; coaches must provide a copy of their certificate of completion to PAL; parents are provided with a Concussion Information Fact Sheet; and parents are required to sign a Concussion Awareness Form to acknowledge they have reviewed it. However, these requirements have not been documented in PAL's policies or procedures. Status of this recommendation will be revisited once the anticipated new agreement is finalized. Target Date: Sep-2019
18-02	#22 The City should require development and enforcement of policies and procedures for TB testing for relevant employees.	PRNS / PD	Partly Implemented	The appropriate PAL concession employees underwent TB tests for 2018. Policies and procedures on TB testing will be revisited once the anticipated new agreement between the City and PAL is finalized. Target Date: Fall-2019
18-02	#23 The City should require formal agreements with the various sports leagues that govern the relationship and responsibilities of each of the leagues.	PRNS / PD	Not Implemented	PAL reports that they are working with their various sports leagues to formalize agreements, however, no agreements have been entered into at this time. Target Date: Dec-2019
18-03	#01 To better allocate training and non-project costs to capital projects, Public Works and the City Manager's Budget Office should appropriate a portion of capital staff time for such charges in the Public Works Program Support Fund (150), and allocate such costs to projects through the Public Works Cost Allocation Plan.	PW / Budget	Not Implemented	Public Works is in the process of determining the appropriate cost allocation for training and non-project specific activities to Fund 150 . Management is also evaluating whether changes to the Public Works Support Fund, including additional resources, are needed to enhance project delivery and cost tracking. Target Date: Jul-2019

Report	Recommendation	Dept (s)	Current Status	Comments
18-03	#02 Public Works can better ensure that lessons learned improve future performance by: a) Ensuring that project completion reports containing lessons learned are distributed to department an client staff, b) Regularly meeting with client departments to share lessons learned from projects, c) Including standard language in the project completion report, following the lessons learned section, that ensures department manuals and project guidance are updated if necessary	PW	Partly Implemented	Public Works has developed client meeting agendas which include a section listing upcoming meetings to discuss Project Completion Reports and Lessons Learned. Additionally, project completion reports have been updated to capture whether a project's lessons learned warrant updates to the department's project management training. The Department also reports that a master database has been developed to record necessary lessons learned along with their "solutions" and "impacts", supporting the knowledge transfer of lessons learned across project teams. Outstanding items of the recommendation include ensuring project completion reports are distributed to department and client staff in the event they are unable to make scheduled Project Completion Reports and Lessons Learned Meetings, and ensuring department manuals are also updated, as necessary, based on projects' lessons learned. Target Date: Mar-2019 (Delayed From: Jan - 2019)
18-03	#03 Public Works should provide project management training for implementation managers that covers general principles of project management as well as Department/Division procedures for managing projects through the various phases of project delivery.	PW	Partly Implemented	Public Works provided its implementation managers project management training which covered reviewing internal procedures for the Bid / Award Phase (Phase IV), documenting project information, and accessing the lessons learned from past projects. The Department plans to provide additional trainings in March 2019 that will cover the other five phases of project delivery. Additionally, the Department will update its internal guidelines to document that implementation managers are required to complete the project management trainings and that the trainings will be delivered annually. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-03	#04 To ensure a more standardized and efficient capital project delivery process, Public Works should enhance CPMS reporting tools to aid implementation managers with tracking budget and schedule from feasibility through post-construction.	PW	Implemented	CPMS has been updated to provide users the ability to monitor the two components of overhead costs for projects. The Department also has developed a new portal that allows users the ability to quickly search and generate project reports, enabling managers to monitor project schedules from feasibility through post construction. In addition, the Department has just updated the project portal to be able to produce a report on multiple projects showing real-time expenditures.
18-03	#05 To support consistent project management delivery, knowledge transfer during staff turnover, and accessibility for future reference, Public Works should use a standard electronic file structure for capital projects and determine what files should be kept to ensure that key documents are maintained for each phase of the capital delivery process.	PW	Not Implemented	Public Works has reviewed various file structures, including those of the Airport and Regional Waste Water Facility, to assess which file structures would work best for the department and the different types of capital projects performed by the department. The department expects to complete this recommendation by July 2019. Target Date: Jul-2019

Report	Recommendation	Dept (s)	Current Status	Comments
18-03	#06 To ensure consistent project delivery, Public Works should: a) Update its project management manual using existing project management guidelines and checklists as well as current practices, b) Expand the manual to include guidance for each project phase and include duties of all divisions that are responsible for project delivery, and c) Establish a process to regularly review and update the manual as needed.	PW	Partly Implemented	The department reports that it has taken steps to improve internal processes and departmental communication by creating a new project delivery checklist for both of its capital project divisions (CFAS and THS) and establishing bi-weekly roles and responsibility meetings between the design and construction inspection teams. The series of bi-weekly meetings between the teams is expected to be completed by June 2019. These discussions will be used to update the project management manual as needed. Outstanding items of this recommendation include updating the project manual and establishing a practice to regularly review and update the manual as needed. Target Date: Dec-2020 (Delayed From: Mar - 2019)
18-03	#07 Public Works should review and update its Standard Details and Specifications, in coordination with the City Attorney's Office and other departments, to ensure it contains up-to-date specifications, and establish a process to regularly review and update the manual as needed.	PW / CAO / DOT / ESD	Not Implemented	Public Works expects to complete this recommendation by December 2020, and reports that several technical construction specifications and details have been updated. The department also notes that, pending Council approval, Municipal Code changes resulting from the passing of Measure S will require further updates to the contracting portion of the Standard Details and Specifications. Target Date: Dec-2020
18-03	#08 To improve its metrics used to assess performance, Public Works should: a) Clarify that the performance metrics "on-budget" and "on schedule" for capital projects refer to the construction phase of project delivery, and b) Track the categories of change orders over time across all projects.	PW	Not Implemented	Public Works has established the following change order categories which will be used to track change orders across all projects: Unknown Utility Conflicts, Excessive Rain Delay, Change in Scope of Work per Client Requests, Interagency Permit or Requirement, Unknown Archeological Resources, Unknown Contaminated Site Conditions, Significant Delay in Material Deliveries / Procurement, Specialty Equipment Failure, Subcontractor Default, Unique / Unusual Project Scope, Others (Described) Target Date: Mar-2019
18-03	#09 To improve the scope development process, Public Works should create, and require clients to submit, a comprehensive intake form that clearly identifies the project scope.	PW	Not Implemented	Public Works, in collaboration with partner departments, has developed a draft intake form and expects to finalize the form by July 2019. Target Date: Jul-2019
18-03	#10 To improve coordination and understanding between Public Works and client departments, Public Works should create a standardized project planning document that includes: the scope, budget, and schedule, and identifies the services to be provided by Public Works as well as others. The project planning document should be signed by the client department and Public Works prior to beginning project design and saved in the project file.	PW / DOT	Not Implemented	The department has drafted a project planning document, and expects to finalize the document in July 2019. Once finalized, the project planning document will be signed each department and saved in the project files. Target Date: Jul-2019

Report	Recommendation	Dept (s)	Current Status	Comments
18-04	#01 The Department of Transportation should establish an internal set of performance targets for response times and follow-up times, including distinctions for any type of prioritization that the Department uses.	DOT	Implemented	The Department of Transportation has developed internal targets for the number of days to respond to a request and to follow-up, depending on the time of year, and DOT is monitoring their effectiveness at meeting those targets.
18-04	#02 To improve customer service to My San Jose app requests, the Department of Transportation should prioritize the timeliness of visiting a vehicle for an initial visit. This could include continuing to use contracted staff to perform initial visits.	DOT	Partly Implemented	In the 2018-19 budget, the Department of Transportation expanded its pilot program to have contractors perform initial visits. In the second quarter of FY 18-19, initial visits were performed, on average, within less than seven days. In the 2019-20 budget, they will request an extension of the pilot program; however, this is only one-time funding. Target Date: Jul-2019
18-04	#03 Based on the conditions observed at the first visit (such as number of AVASA points), the Department of Transportation should prioritize cases that are likely abandoned and warrant quicker follow-up.	DOT	Partly Implemented	The Department of Transportation reports that they now prioritize hazardous and inoperable vehicles to ensure they can be removed within 48 hours. Because they have sped up their process, such that they currently abate vehicles within an average of 10 days, they do not prioritize cases based on conditions observed at first visit, aside from those that are hazardous or inoperable. They report that they have initiated additional staff training on AVASA points. Target Date: Dec-2019 (Delayed From: Dec-2018)
18-04	#04 The Department of Transportation should establish performance expectations for site visits, and monitor program and employee performance against those expectations.	DOT	Not Implemented	The Department of Transportation has developed internal dashboards to monitor the number of site visits completed on a monthly basis. Because DOT has been relying more heavily on contracted staff for vehicle abatement, they have not yet set performance expectations for site visits. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-04	#05 The City should address data synchronization, user interface, customer communication, and language access issues in the development of My San Jose 2.0.	CMO / IT	Partly Implemented	The City has implemented improvements, such as clearer communications with users and syncing a large number of vehicle abatement cases with DOT's database. They conducted user research to inform their approach to language access and inclusivity as they continue to develop the My San Jose 2.0. Target Date: Dec-2019
18-04	#06 The Department of Transportation should develop an alternative service request category or rename the "abandoned vehicle" category in My San Jose.	DOT / CMO	Not Implemented	City staff are continuing to explore and test alternative names for this service request category in My San Jose. Target Date: Dec-2019 (Delayed From: Dec-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
18-04	#07 The Department of Transportation should revise the text of 72-hour warning notice to provide clear, accurate information to vehicle owners about next steps to avoid their vehicle being towed. This should include providing a telephone number, website address, and referral to the My San Jose app for more information. DOT should also ensure that all City staff that use the warning notice have accurate versions, and are provided with updated notices when changes occur.	DOT	Implemented	The Department of Transportation revised the text of the 72-hour warning notice to provide clearer information to vehicle owners.
18-04	#08 The City should include information about the tow hearing process on the vehicle abatement and vehicle impound websites.	DOT / PD	Implemented	The City has added tow hearing information to their websites for both vehicle abatement and vehicle impounds.
18-04	#09 The City's vehicle abatement website and the My San Jose FAQs should provide information about Planning, Building and Code Enforcement's private property vehicle abatement program.	CMO / PBCE	Partly Implemented	The City's vehicle abatement website provides information about PBCE's private property vehicle abatement program at http://www.sanjoseca.gov/index.aspx?NID=6298. My San Jose FAQs are pending. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-04	#10 To ensure that homeless outreach teams are providing support to homeless individuals as quickly as possible, the Department of Transportation should refer cases to the Housing Department following a first visit to a vehicle that appears to be inhabited.	DOT / HSG	Not Implemented	The Department of Transportation has already set up its internal database to send updates to Housing and its outreach partner as soon as a DOT records a homelessness concern about an abandoned vehicle. DOT and Housing are reviewing workload and timeliness impacts, but they have not developed procedures for contract staff to refer vehicles to Housing's outreach partner on the first visit. Target Date: Mar-2019 (Delayed From: Dec-2018)
18-04	#11 The City should continue work to establish a safe parking program for individuals inhabiting vehicles on public streets.	HSG	Implemented	In October 2018, the Council approved a contract with a local homeless services nonprofit to operate a safe parking pilot program. In February 2019, Council passed an ordinance to allow legal use of parking lots for homeless people living in vehicles.
18-04	#12 The Police Department should: a) revisit the calculation of impound costs and recommend that the City Council approve an adjustment to the vehicle release fee accordingly, and b) bring forward to the City Council a recommendation for the City to institute a subsidized vehicle release fee for low-income vehicle owners.	PD	Partly Implemented	After reviewing the vehicle release fee, the Police Department adjusted the fee to $122 per vehicle; the Council adopted the revised fee, effective February 2019. Consideration of a subsidized vehicle release fee for low-income vehicle owners is expected in the 2019-2020 budget cycle. Target Date: Jun-2019
18-06	#01 To inform future capital investment decisions and better understand the subsidy value to reuse service providers, PRNS should work with Public Works to periodically assess the condition and calculate the deferred maintenance of reuse facilities.	PRNS	Not Implemented	Currently, PRNS does not have complete facility-level information on deferred maintenance at reuse facilities. This information would help PRNS consider whether additional capital investment is required to update and maintain facilities, move facilities to lease agreements, or, particularly as facilities age, to convert facilities to parkland or sell the facility. PRNS is evaluating resources needed to assess deferred maintenance of reuse facilities. Target Date: Jun-2024

Report	Recommendation	Dept (s)	Current Status	Comments
18-06	#02 To better track the net costs of individual facilities in the Reuse Program, PRNS should improve tracking of maintenance costs and revenues, periodically review the City's cost for re-use facilities, and assess the continued value of reuse sites.	PRNS	Not Implemented	Currently, all maintenance and work orders use a central Reuse code for minor building improvements and does not have individual Reuse site codes which can be challenging. PRNS will have to track work orders for 39 separate sites, each with specific charge codes, while coordinating with other departments. The Finance Department regularly assesses the value of City assets for insurance purposes. PRNS will use this information, combined with facility condition/assessments, to help determine the true value of the buildings and costs of the program. PRNS is evaluating resources needed to help track the net costs of individual reuse facilities as well as maintenance costs and revenues. Target Date: Dec-2021
18-06	#03 To provide policy makers with information about the Reuse Program in all districts, PRNS should include information on contracted and actual reported services by program activity across all service providers and facilities in their annual reuse updates.	PRNS	Not Implemented	The PRNS Administration plans to develop, monitor, and track contracted and actual reported services for all reuse service providers and to include this information in their annual reuse updates. Target Date: Jul-2020
18-06	#04 PRNS should establish and implement procedures to regularly monitor reuse service providers. The procedures should identify roles and responsibilities for staff regarding contract management including establishing a master contract file with key documents, site visits, collecting performance reports, and tracking performance.	PRNS	Partly Implemented	The procedures set in place to regularly monitor reuse service providers regarding key documents such as contracts with the City as well as tracking performance will ensure compliance and a better assessment of community benefit. PRNS is currently not regularly tracking actual services provided by the reuse program. To start, PRNS has created a matrix that includes and tracks contract statuses and key documents required under the reuse contract agreement. Target Date: Dec-2019
18-06	#05 PRNS should revise reuse service provider performance reports to require information about changes in programming and staffing; and establish guidelines for approving changes in scopes of service, or implementing corrective actions if a reuse provider is not adhering to the terms of the agreement.	PRNS	Not Implemented	Adjustments in program services can range widely from minor changes (for example, shifting services to another day but having the same number of hours) to larger scope of services changes that would require a contract amendment. PRNS plans to establish guidelines and contract language to identify the appropriate level of scope change that would only require staff approval or a contract amendment. Target Date: Jul-2019
18-06	#06 PRNS should immediately update all property use agreements, in coordination with the City Attorney's office, for all service providers under the reuse program.	PRNS	Partly Implemented	Out of a total of 36 reuse providers, 14 reuse service providers have current and up to date reuse contracts with the City. However, of the 14, only one service provider whose contract was previously expired had been updated. 22 reuse providers either have expired contracts, temporary contracts, or none on file with City. PRNS reports they are in the process of negotiations/communication with service providers. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-06	#07 PRNS should immediately collect active certificates of insurance from all service providers under the reuse program.	PRNS	Partly Implemented	Currently, the PRNS Administration have active certificates of insurance on file for 14 reuse providers. When PRNS executes active reuse agreements with the other 22 service providers, they will collect active certificates of insurances as well. Target Date: Jun-2019 (Delayed From: Dec-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
18-06	#08 PRNS should immediately ensure verification or certification of background checks of reuse providers' paid and unpaid staff, in accordance with the reuse agreement.	PRNS	Not Implemented	PRNS collected all but one "Employee/volunteer clearance verification and compliance with the child abuse and neglect reporting act" forms from service providers. This form verifies that providers understand that they must comply with state laws regarding background checks of employees and volunteers working with minors. However, PRNS did not verify whether providers have conducted background checks on their staff. In accordance with the reuse agreement, service providers are required to verify that their employee and volunteers are background checked by providing the City with a letter with a list of names certifying they have been background checked. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-06	#09 To ensure proper licensing of daycare programs, including after school programs, PRNS should modify its reuse agreements to require service providers to either provide proof of licensure or certify they are exempted from licensure under the Department of Social Services guidelines.	PRNS	Not Implemented	PRNS inquired with the State Department of Social Services (DOSS) Child Care Licensing Program to determine the level of verification for license-exempt programs and was referred to Title 22 regulations for Exemption From Licensure. PRNS reported they are currently working with the City Attorney's Office to develop a notice to agencies and a documentation process to ensure agencies either provide proof of licensure or certify they are exempted from licensure. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-06	#10 To ensure service providers in the reuse program are abiding by the provisions of the City's Reuse Policy, PRNS should: a) Implement corrective actions for current service providers who offer fees above City standard rates, report revenues not being reinvested in reuse facility programs, rent facilities out on their own behalf, or provide benefits solely to members, and b) Develop procedures to review, on an annual basis, reuse providers' fee levels; revenues and expenses; and whether any benefits are offered solely to members and implement corrective actions.	PRNS	Not Implemented	According to the reuse agreement, if fees and charges or other revenues collected by service providers are not spent in accordance with the agreement (for example, subsidizing programs), they are to be paid to the City. During the time of the audit, at least three service providers appeared to be charging fees for services that were above City standards and one organization reported collecting significantly more revenue than expenses incurred. PRNS plans to develop monitoring procedures that would include a review of reuse service providers who charge fee for services that are above City standards and establish corrective actions as well as corrective actions when service providers are not compliant. Target Date: Jul-2020
18-06	#11 To account for the differences between satellite and neighborhood reuse facilities, PRNS should create a new standard reuse agreement for neighborhood sites that revises the scope of financial and program reporting requirements to allow for more efficient reporting and monitoring.	PRNS	Not Implemented	The PRNS Administration plans to work in coordination with the City Attorney's office and the Department's Strategic Partnership Unit to review existing PRNS contract templates including smaller grant agreements, such as Beautify SJ, to possibly be adapted to reuse agreements for neighborhood sites. These changes will alleviate the burden of reporting on smaller service providers at neighborhood centers and help manage and monitor service providers more efficiently with 1.6 FTE. Target Date: Jul-2020

Report	Recommendation	Dept (s)	Current Status	Comments
18-06	#12 PRNS should establish targeted minimum standards for performance and open hours for satellite centers and work with current providers or potential providers from the satellite reuse pool to bridge gaps at satellite centers that do not meet those targets.	PRNS	Not Implemented	The PRNS Administration is committed to maximizing the usage of reuse facilities as it impacts benefits to the community. To determine standards for performance and open-hours, PRNS will work with service providers to identify capacity, services, and hours of service in order to establish minimum standards at satellite facilities. Target Date: Jul-2020
18-06	#13 PRNS should ensure that all organizations receiving free or subsidized rent have a current property use agreement and be formalized under the reuse program to ensure consistency.	PRNS	Not Implemented	Out of a total of 36 reuse providers, 14 reuse service providers have current and up to date reuse contracts with the City (one expired contract has been updated since the time of our audit). The other 22 reuse providers still either have expired contracts, temporary contracts, or no agreement (for example, "grandfathered" service providers). PRNS reports they are in the process of negotiations/communication with service providers. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-06	#14 To more efficiently book meeting spaces, PRNS should utilize its online recreation software to track schedules of service providers or other users of reuse facilities.	PRNS	Not Implemented	PRNS continues to use its online recreation software and a separate master calendar for reuse programs. At this time, they reported that they are not able to grant external users access to the PRNS ActiveNet system. Target Date: Jun-2019
18-06	#15 PRNS should advertise City programming at reuse sites, similar to how it advertises City programming at hubs.	PRNS	Not Implemented	To increase community awareness of programs at reuse facilities, PRNS is requiring for all Hub Community Center brochures to also include information on reuse providers nearby. They plan to include information regarding the provider's contact, programs, and operational hours. Target Date: Jun-2019
18-06	#16 To facilitate community awareness and use of reuse facilities, PRNS should update the reuse facilities webpage to include links to service providers' websites and facility hours, and reference to financial assistance requirements.	PRNS	Not Implemented	The PRNS Administration reported that upon the City's website redesign, they will update their reuse facilities webpage and include information on the reuse program. Target Date: Jul-2019
18-06	#17 PRNS should document reasons for selection and placement of current service providers as unique services as required by the Unique Services Purchases section of the Municipal Code and in keeping with Finance Department guidelines.	PRNS	Partly Implemented	PRNS has documented reasons for the selection and placement of some current reuse providers through the Unique Services Procurement. PRNS is still in the process of documenting the remaining unique services providers in accordance with the Finance Department's Unique Service Purchases guidelines. Target Date: Jul-2019
18-06	#18 PRNS should work with the City Attorney's Office to designate in the City's Conflict of Interest Code those positions involved in the award of reuse agreements, which will require filing of Statements of Economic Interest (Form 700).	PRNS	Implemented	PRNS coordinated with the City Attorney's Office to add Recreation Supervisor as a designated position in the City's Conflict of Interest. As of January 2019, the current Recreation Supervisor has submitted a Form 700.

Report	Recommendation	Dept (s)	Current Status	Comments
18-06	#19 To establish a process for future placements of reuse providers, PRNS should use the list of qualified providers that resulted from the 2015 and 2017 RFQs in the event space opens up prior to the next RFQ. In addition, PRNS should document any departure from the use of the results for the selections.	PRNS	Partly Implemented	PRNS is currently experiencing a vacancy in one of their community centers and has issued a letter of interest to the existing qualified pool of organizations who have applied through the prior reuse RFQ for satellite centers (2015) to ensure qualified providers, who have been ranked based on proposal and needs of the desired service locations, are placed in reuse facilities. As of February 2019, PRNS has received some responses but no confirmation. We are pending next steps and procedures to ensure transparency in their determination and placement of qualified providers. Target Date: Jul-2019
18-07	#01 To facilitate a more coordinated City-wide response to homelessness, the City Manager's Office should coordinate and schedule regular meetings of the City Manager's "Creating Housing and Preventing Homelessness" initiative with all relevant departments to share information, discuss response strategy and develop a proactive approach on homelessness response.	CMO	Partly Implemented	In 2018, the City Manager's Office (CMO) established the "Creating Housing and Preventing Homelessness" Enterprise team. The team is in process of developing a housing and homelessness work plan. The plan will consolidate all activities impacting the City's response to homelessness and help guide the CMO's evaluation of the effectiveness of its coordination efforts across City departments. To develop this plan, the CMO will complete the following five-part process: a) review existing documentation and council meetings related to homelessness, b) develop an inventory of activities and outputs related to creating housing and preventing homelessness across identified departments through key informant interviews over the next 18-24 months, c) determine how the activities fit into existing City strategies to address homelessness, d) distribute initial findings and a draft work plan with key stakeholders, and e) finalizing report.

To date, the CMO has completed its document review and will begin conducting key interviews with identified departments in the month of February. Target Date: Feb-2021 |
| 18-07 | #02   To ensure all staff have relevant information to provide and respond to residents who are homeless or on the verge of homelessness, the Housing Department should work to formalize dissemination of information resources for field personnel, including up-to-date information on available services. | HSG | Partly Implemented | The Housing Department continues to facilitate monthly encampment planning meetings with participation from the departments of Parks, Recreation, and Neighborhood Services (PRNS), Environmental Services, Police, Santa Clara Valley Water District, and local non-profits (HomeFirst and Downtown Streets Team). While the Department conducts annual trainings on homelessness to Housing Department staff, it plans to expand these trainings to PRNS, the Police Department, and Office of Economic Development through an annual training on the Department's homeless concerns hotline and available resources. The Housing Department has begun meeting with departments to gather feedback on the development of an annual training. Target Date: Dec-2019 (Delayed From: Feb-2019) |

Report	Recommendation	Dept (s)	Current Status	Comments
18-07	#03 To ensure a broader range of County and relevant stakeholders are involved in the coordinated approach to homeless response efforts the City Manager's Office should continue working with the County to include additional County agencies in the broader effort.	CMO	Partly Implemented	Homelessness presents challenges that necessitate changes in traditional public administration practice, with a greater importance on cross-agency collaboration and relationship building. Given the cross-agency nature of this work, the City Manager's Office (CMO) and County Executive's Office recently established a City-County working group made up of 16 department directors to foster better working relationships, establish a common set of metrics, and coordinate and align the County and City services that respond to our homeless residents. The first round of meetings was held on September 10, 2018 and November 15, 2018, with smaller group meetings occurring to dive deeper into specific issues. The CMO continues to move forward in its coordination around homelessness. In January 2019, executive staff from both the City and County met to further articulate the goals and value proposition of its joint efforts. Additionally, the next joint City-County meeting on March 22, 2019 will be focused on homelessness. Target Date: Mar-2019
18-07	#04 Finalize encampment abatement policies and clarify provisions regarding which encampments will be prioritized for abatement, and noticing requirements (pre and post abatement).	HSG	Implemented	The City Council approved the Housing Department's revised Encampment Abatement Program procedures on February 26, 2019. The procedures include revised policies on pre and post abatement noticing, instructions for storable property, as well as guidelines on abatement prioritization.
18-07	#05 The Housing Department should require grantees to report on: a) outreach conducted at encampments; b) encampment residents referred to shelters/services; c) number of residents who accepted referrals and the types of referrals accepted; and d) number of assessments completed. In addition, the Housing Department should summarize this by abatement and use this information to inform what kind of services encampment residents need, future service and allocations, whether resident concerns were addressed, etc.	HSG	Partly Implemented	The Department amended the contracts of its two outreach service providers (HomeFirst and PATH) to include measures on the impacts of outreach services at encampments including: encampment identification information, date of the visit, number of tents/structures, number of people at the encampment, number of contacts made, number of people at the encampment who were referred to shelter and/or services, number of people who accepted shelter, number of people who accepted services, number of Vulnerability Index - Service Prioritization Decision Assistance Tool surveys (VI-SPDATS) completed, and notes about the encampment and surrounding area. Grantees will be required to report on these measures in their quarterly performance reports. The Department will seek to achieve the following outreach performance outcome: 20% of participants will exit to permanent housing or temporary destinations (emergency shelter, transitional housing or institutions). Target Date: Oct-2019 (Delayed From: Dec-2018)

Report	Recommendation	Dept (s)	Current Status	Comments
18-07	#06 The City should use the upcoming funding cycle to assess emergency shelter or other interim housing solutions, and determine whether San José can do more to ensure residents have access to immediate, emergency housing solutions – particularly when they are the subject of an abatement action.	HSG	Partly Implemented	On November 27, 2018, the City Council approved the Housing Department's proposed expenditure plan for the state's one-time Homeless Emergency Aid Program (HEAP) funding. In January 2019, the Department received the HEAP award and plans to bring forward two rounds of contract proposals to the City Council in the upcoming months. Target Date: Oct-2019
18-07	#07 To analyze the effectiveness of the City's homeless assistance efforts, the Housing Department should use HMIS to: a) Aggregate City of San Jose data by strategy area (rapid rehousing, permanent housing, crisis response, and prevention) and report on key performance indicators including: exits to permanent housing, returns to homelessness, number of participants enrolled per strategy area; and b) Compare the performance of the City's homeles assistance by strategy area to identified targets and the performance of the CoC on a semi-annual basis.	HSG	Not Implemented	In January 2019, the Housing Department met with the Santa Clara County Office of Supportive Housing (OSH) to identify performance measures for each aligned housing strategy based on the Continuum of Care system-wide benchmarks. As a result, OSH will work with the HMIS vendor to develop non-standard reports in the HMIS system that, once complete, Housing Department staff will use assess the performance of City of San José funded homeless assistance efforts. Target Date: Aug-2019
18-07	#08 The City should obtain direct access to HMIS.	HSG	Partly Implemented	The contract with the Santa Clara County Office of Supportive Housing (OSH) is currently under review by the County counsel. Additionally, the Homeless Management Information System (HMIS) agreement is currently under review of the City Attorney's Office. Once approved, staff in both the Grants and Homelessness Response teams will receive training from the County to navigate HMIS, complete the VI-SPDAT assessment tool, and develop and run reports. Target Date: Apr-2019 (Delayed From: Jan-2019)
18-07	#09 The Housing Department should develop and implement performance management processes, including: a) A continuous feedback loop between grantees and Housing staff (program and grants teams); b) A template and standards for conducting quarterly reviews of grantee performance that would assess grantee progress towards targets, any obstacles to date, and areas for improvement; and c) Utilize project results to set realistic grantee performance targets and goals.	HSG	Partly Implemented	a) The grants management team has developed templates and standards for conducting quarterly reviews of grantee performance to facilitate communication between grantees and Housing staff. b) To ensure ongoing communication between grantees and the Housing Department, the template includes an area to document conversations with grantees concerning performance including achievement of outputs, outcomes, and steps to improve progress towards contracted targets in the event of underperformance. c) Grants management staff plans to implement use of the new template starting with quarterly reviews in Spring 2019. Target Date: Oct-2019 (Delayed From: Jun-2019)

Report	Recommendation	Dept (s)	Current Status	Comments
18-07	#10 To ensure effective risk management for its homelessness assistance grants, the Housing Department should: a) Develop and implement procedures for an annual risk assessment of all active grants to include an annual monitoring plan for grantees; b) Assign sufficient staff resources to conduct annual risk assessments for all active grant agreements; and c)Develop training procedures on risk assessments.	HSG	Partly Implemented	a) The Department developed an annual risk assessment template, as well as procedures to implement the risk assessment tool. In January 2019, the Grants Team held a retreat that included staff training on the risk assessment tool. b) Staff is in the hiring process phase to fill two grants management analyst positions. c) As part of new analyst onboarding the Department will train new staff on the monitoring process and use of the risk assessment tool. Target Date: Oct-2019 (Delayed From: Jun-2019)
18-07	#11 To effectively manage monitoring activities and utilize monitoring results to improve project delivery of its homeless response grants, the Housing Department should: a) Develop monitoring procedures including an annual monitoring plan, grantee performance summary, and upload monitoring reports and risk assessment to the City's grants management system; b) Conduct on-site monitoring visits for each homeless assistance contract at least every two years as has been described in its annual action plan; and c) Compare grantee progress reports against HMIS reported data on a semi-annual basis to ensure the accuracy of grantee reported performance metrics.	HSG	Partly Implemented	a) The Department developed monitoring policies and procedures including new templates for its monitoring visits. The grants team integrated training on this information to its staff retreat in January 2019. b) To ensure monitoring occurs every two years, staff is creating an annual monitoring plan and calendar of monitoring visits which will begin in Spring 2019 with a priority on homelessness assistance contracts. c) As cited in its revised monitoring policies and procedures, Housing staff plans to verify that HMIS reports are provided and plans to compare HMIS data to other data submitted to the City at least semi-annually. Target Date: Jul-2020
18-07	#12 The Housing Department should formalize collaboration between the grants team and the program team to integrate overall program outcomes with criteria for risk assessment and grant monitoring.	HSG	Partly Implemented	In February 2019, the Grants and Homelessness Response Teams began holding a formal bi-weekly meeting. The Department reports that the standing agenda will include, but not be limited to, the following: 1) Roles and expectations / leads for each task; 2) Staff workload; 3) Status updates (calendar development, contracts, RFPs, memos, reimbursement requests, monitoring); 4) Reporting (running reports in HMIS, comparing reports with Webgrants, review grantee quarterly performance reports); and 5) CoC involvement. Target Date: Jun-2019

Report	Recommendation	Dept (s)	Current Status	Comments
18-07	#13 Housing should continue developing a system to track homeless assistance grant expenses by service/program and include this breakdown in its annual report to City Council.	HSG	Partly Implemented	The Department pulled this data for FY 2017-18 and for FY 2018-19 and included the information in its FY 2017-18 annual report which was presented to City Council on November 27, 2018. The Department will continue to present the information in future year reports. The Housing Department also explored ways to automate this information, so it is less time consuming in the future, but thus far concluded it will need to rely on manual compilation of the information going forward. This leaves the department without a good management tool to track expenses by service or program. Target Date: Dec-2019
18-07	#14 Develop processes to limit retroactive agreements and ensure grant agreements are executed in a timely manner.	HSG / CAO	Partly Implemented	Grants Management Staff is working with the City Attorney's Office (CAO) to create a timeline for contract review. The CAO is implementing an improved work tracking system to help sort priorities for grants and all other work per due dates. Housing staff will also draft amendments ahead of time as appropriate. Currently, Housing's grants analysts are working to draft agreements as the CAO provided approved templates to start the contract process earlier. The CAO will also conduct a training for all grants management staff on the attorneys' review process and the use of approved templates. This training is expected to be held in Spring 2019. Target Date: Jul-2020
18-08	#01 The Administration should work with Team San Jose to establish and formalize the target for theater occupancy for FY 2018-19.	OED	Implemented	The City Council approved the FY 2018-19 theater performance goal of 86 percent at its December 11, 2018 meeting.

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Appendix C:

INDEX OF AUDIT RECOMMENDATIONS BY
DEPARTMENT / OFFICE

Primary Department:	Report Number:
Department of Transportation (DOT)	#15-02, #16-02, #18-04
Environmental Services Department (ESD)	#12-06, #15-06, #16-05, #17-05
Finance Department (FIN)	#09-10, #10-09, #13-06, #13-12, #14-07, #14-12, #16-11
Fire Department (FIRE)	#01-05, #03-10, #12-05, #12-07, #13-04
Housing Department (HSG)	#16-10, #18-07
Human Resources (HR)	#12-07, #13-02, #15-04
Information Technology Department (IT)	#10-04, #12-02, #16-04, #16-11
Library Department (LIB)	#14-12
Office of Economic Development (OED)	#08-04, #10-05, #17-04, #18-08
Office of the City Attorney (CAO)	#17-04
Office of the City Clerk (CLERK)	#11-09, #13-06, #16-07, #17-04
Office of the City Manager (CMO)	#09-08, #11-04, #12-07, #12-08, #13-06, #16-03, #17-04, #17-06, #17-09, #18-01
Parks, Recreation and Neighborhood Services (PRNS)	#15-05, #15-08, #16-03, #18-06
Planning, Building, Code Enforcement (PBCE)	#13-11, #14-08, #16-10, #17-01
Police Department (PD)	#10-13, #12-04, #15-09, #16-08, #18-02
Public Works (PW)	#17-02, #18-03
Retirement Services (RET)	#09-10, #17-06
City Council (COUNCIL)	#17-06