



CITY OF
PORTLAND, OREGON

OFFICE OF THE CITY AUDITOR
Audit Services Division

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TO: Mayor Vera Katz
Commissioner Jim Francesconi
Commissioner Gretchen Miller Kafoury
Commissioner Charlie Hales
Commissioner Eric Sten
Bureau Managers

Attached is a report entitled *Missed Opportunities: Unimplemented Recommendations from Audits and Studies*. This is the first of three special reports we will prepare in response to Measure 47 information demands. Our purpose in completing this review is to pull together the ideas and recommendations from previous studies and present them in one report for Council consideration. We recommend that bureau managers and the City Council give serious consideration to these recommendations during budget deliberations.

If you have comments or questions about the report, or need copies of past audits or studies, please call me or Audit Director Richard Tracy.

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City Auditor

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Missed Opportunities: Unimplemented Recommendations from Audits & Studies

January 1997

A Report by the Audit Services Division
Report #233



Office of the City Auditor
Portland, Oregon

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Summary

This report reviews the status of 59 audits and studies of City of Portland programs. The audits and studies contain over 442 recommendations to improve the efficiency and effectiveness of various services administered by City government. We limited our review to reports issued in the past 10 years.

**Most
recommendations
implemented or
addressed**

The City of Portland has taken action to implement or address many of the recommendations made in audits and studies. Organizations have implemented or are in process of implementing 353 of 442 recommendations we reviewed, over 81 percent. We estimate that about 89 (20 percent) recommendations have not been implemented. According to bureau representatives we talked to, recommendations were not implemented for a variety of reasons, including overstated savings potential, poor rationale for implementation, and organizational and political barriers. The status of all recommendations is summarized as follows:

	<u>Audits</u>	<u>Studies</u>	<u>Total</u>
Implemented:	200 (65%)	35 (27%)	235(53%)
In Process:	66 (21%)	52 (39%)	118(27%)
Unimplemented:	44 (14%)	45 (34%)	89(20%)

**Missed opportunities:
significant
unimplemented
recommendations**

Eight unimplemented audit recommendations have the most potential for savings and increased revenues. While some can be addressed immediately, others face various barriers to implementation and may take additional time to accomplish. However, in each case the recommendation is based on sound research and analysis that can provide a strong rationale for action.

Unimplemented Audit Recommendations

1. Subject city services to market competition where appropriate.
2. Increase span of control and reduce management layers throughout City organizations.
3. More actively pursue programs to reduce worker injuries and improve safety.
4. Reduce the size of the City fleet and free-up spaces in parking garages for public parking.
5. Establish goals for parks recreation participation and set cost recovery goals for youth and adults.
6. Reduce the costs of maintaining Fire Bureau buildings and vehicles by eliminating management staff and obtaining cost bids from the Bureau of General Services.
7. Increase the collection of unpaid parking fines.
8. Reduce the size and number of petty cash accounts.

There are also a number of unimplemented recommendations from other studies and reports produced by City bureaus and outside consultants. Because these studies varied considerably in scope and quality, we are highlighting those recommendations that appear best supported by research and analysis, and that may hold the most potential for savings and revenues.

Unimplemented Study Recommendations

1. Pursue operational efficiencies and new revenues in the Portland Office of Transportation:
 - Increase parking revenues, implement transportation systems development charge, recover sidewalk posting program costs, obtain more federal funds, increase gas taxes.
 - Reduce capital expenditures on signals, traffic management projects, pedestrian programs, ADA projects.
2. Consolidate various City and County services and programs: purchasing, facilities management, personnel and recruitment, citizen involvement, fleet management.
3. Pursue Tri-County or regional consolidation and coordination opportunities:
 - Create a regional public services corporation for roads maintenance.
 - Regionalize police force management, administration, and information.

- Study regional building codes enforcement.
- 4. Pursue program savings through a variety of legislative changes:
 - Reduce the number of elections, implement mail ballot, revise voter pamphlets.
 - Legislate the annexation of existing unincorporated areas within urban growth boundaries into appropriate city limits.
- 5. Consolidate various Police and Sheriff functions:
 - Narcotics investigations, patrol in unincorporated areas, personnel recruitment, special emergency response teams, records management.

A summary of recommendations is included in Chapters 2 and 3 of this report. Copies of the audit reports are available through the Audit Services Division of the Office of the City Auditor. Copies of other studies and reports are also available for review at the Audit Services Division.

Chapter 1 Introduction

This report was prepared by the Audit Services Division of the Office of the Portland City Auditor. It was conducted in accordance with the Auditor's revised FY 1996-97 audit schedule published December 6, 1996. The compilation of information is intended as a special report and therefore is not subject to generally accepted government auditing standards. Information provided by other entities was not tested or verified by auditors. However, the work was conducted by independent, qualified professional staff and due care was taken to produce reliable and accurate information.

Report objectives

The objective of this report is to provide information to City Council and the public to help decision making. It reviews the status of prior recommendations from audits and other studies, and highlights those recommendations that may still hold promise for improved efficiency and effectiveness. The Council should be able to use this information during deliberations on budget reductions that will be required as a result of Ballot Measure 47, property tax limitation.

Methodology

In order to identify the status of audit recommendations, we reviewed our internal records on the status of completed audits. We restricted our review to 45 of the most significant audits released in the past 10 years (1987 through 1996). Audit staff who conducted the audits were asked to assess the current status of recommendations and, where necessary, make contact with City bureaus to obtain updates on the status of implementation. In some cases, bureaus provided written status reports. We did not visit bureaus to obtain documentary evidence of the implementation of the audit recommendations, nor did we conduct further study to verify status.

In order to identify other reports and studies that contain recommendations for improvement, we searched the City Archives and Records Center and the Audit Services Division Library, and talked to Bureau of Financial Planning analysts and representatives in the major bureaus. We identified over 14 significant studies issued over the past 10 years that contain various recommendations to improve service efficiency and effectiveness. We contacted knowledgeable staff in each bureau to determine the status of the recommendations, and limited our review to those recommendations that had potential for improved efficiencies and savings. We interviewed bureau staff and obtained written documentation when possible to support oral testimony. We did not attempt to gather further documentary or analytical evidence to confirm status.

Chapter 2 Status of Audit Recommendations

We reviewed 310 recommendations contained in 45 audit reports released in Fiscal Year 1987-88 through Fiscal Year 1995-96. We found that 200 recommendations (65 percent) have been implemented or resolved in some way. An additional 66 recommendations (21 percent) are in process of implementation or study. About 44 recommendations (14 percent) have not been implemented or have been reviewed and rejected.

The following list identifies the audit reports reviewed, summarizes each recommendation, and indicates the status of implementation. A "✓" indicates that the recommendation has been implemented or satisfied.

The other recommendations are portrayed as either "**In Process**" or "**Unimplemented**." Where possible, we have also listed the potential savings available by implementing the unaddressed recommendations.

Status of Audit Recommendations

	<u>Status</u>
<i>Opportunities to Improve City Fleet Management, September 1987</i>	
1. Fully recover costs, including replacement	
a. Improve rate setting and billing systems	✓
b. Develop plan for vehicle replacement	✓
c. Improve salvage recovery	✓
2. Use vehicles efficiently	
a. Develop standards for vehicle assignments	Unimplemented
b. Monitor vehicle use	Unimplemented
c. Develop policy on personal cars	✓
d. Expand use of pooled vehicles	✓
e. Plan for best use of special heavy equipment	✓
3. Lower repair and maintenance costs	
a. Explore cost savings through contracting out	✓
b. Greater vehicle standardization	✓
c. Reduce careless handling and vehicle accidents	✓
d. Analyze benefits of using parts runner/ security	✓
4. Improve repair quality and timeliness	
a. Improve data input: nature, reason, time	✓
b. Develop in-house performance standards and monitoring	✓
c. Review mechanic training program	✓
<i>Street Maintenance: Opportunities to Improve Quality and Lower Costs, February, 1988</i>	
1. Track more operations on PMS	✓
2. Ensure the quality of paving work	
a. Set asphalt paving standards for in house program	✓
b. Regularly test paved streets	✓
c. Analyze asphalt mix design	✓
d. Evaluate crew training needs	✓
e. Better coordinate on utility cuts by other bureaus	✓
f. Study including utility cuts on PMS	✓
g. Encourage cuts prior to repaving by notice and fee	✓
3. Minimize costs and provide benchmarks to measure cost effectiveness	
a. Request bids from private sector for [certain] paving	✓
b. Compare in house to contracted out paving costs	✓
c. Carefully monitor contractor performance	✓

Status of Audit Recommendations

	<u>Status</u>
<i>Bureau of Fire, Rescue & Emergency Services: Evaluation of Emergency Dispatch Operations, July 1988</i>	
1. Improve written procedures for handling fire and medical calls	✓
2. Provide improved fire and medical dispatch training to all FAD personnel	✓
3. Improve supervision at FAD to ensure more consistent dispatch actions	✓
4. Work with BOEC to ensure that all fire calls are properly transferred to FAD	✓
5. Develop a detailed plan for equipment replacement	✓
6. Council should direct consolidation of functions and facilities	✓
 <i>Division of Printing and Distribution, Bureau of General Services, January 1988</i>	
1. Monitor work orders to make sure user costs are appropriately recovered	✓
2. Improve budgeting a develop accurate cost estimates b. appropriate all revenues c. develop CIP.	✓
3. Improve internal controls a. guidelines for contracting work, b. accurate management records	✓
 <i>Review of Transient Lodging Tax Program, June 1988</i>	
1. Initiate collection procedures for under-reported amounts found in audit	✓
2. Develop a program to clarify tax code requirements for hotel/motel operators	✓
3. Revise and simplify City Transient Lodging Tax Code:	✓
4. Revise interest rate to provide incentive for timely payment	✓
5. Work with OF&A to ensure that tax receivables are monitored	✓
6. Set up a Transient Lodging Tax Review Committee and request a Code change	✓
 <i>A Review of Police Bureau Information Systems, February 1989</i>	
1. Police Bureau should develop a plan for improving police information systems	✓
2. Assign responsibility for planning and development to one senior manager	✓
3. Employ outside expertise in planning and developing an improved info. system	✓

Status of Audit Recommendations

	<u>Status</u>
<i>An Evaluation of the City's Financial Condition: 1989-87, September 1988</i>	
1. City Council should adopt a comprehensive financial management policy	✓
2. Council should continue to control expenditures and evaluate the mix and adequacy of revenues.	
a. Rebuild depleted cash reserves and establish adequate contingencies	✓
b. Expand the capital replacement program	✓
c. Improve financial forecasting	✓
d. Monitor financial trends	✓
 <i>Portland International Raceway Concessions, September 1988</i>	
1. The PIR Manager should require an adequate audit trail	✓
2. Parks should improve monitoring of contract compliance.	✓
 <i>A Review of the Bureau of Buildings, March 1989</i>	
1. The Bureau should improve turnaround time by:	
a. develop plan review turnaround time performance reports	✓
b. develop reports listing projects assigned and due dates	✓
c. work with other bureaus to eliminate delays	✓
2. Buildings should write a formal computer development plan	✓
 <i>Improving the Management of City Parking Garages, April 1989</i>	
1. BGS should cut costs, increase revenues, and build reserves	
a. Reduce parking garage management and promotion costs	✓
b. Increase monthly parking rates at the Auto Port to market levels	✓
c. Identify and eliminate underused fleet vehicles parked at the Auto Port	Unimplemented
d. Develop a plan to finance and operate new parking facilities	✓
2. BSG should comply with state statutes and revenue bond covenants	
a. Amend existing management and promotion contract with the APP	✓
b. Improve internal controls	✓

Potential Savings from Unimplemented Recommendations: \$163,000.

Status of Audit Recommendations

	<u>Status</u>
<i>A Review of the Records Management Division, August 1989</i>	
1. The Division should address storage needs and improved document preservation	
a. Develop plan to increase space	✓
b. Increase efforts to establish and review Bureau record schedules	✓
c. Consider developing and adopting a historic documents policy	✓
<i>Police Bureau Fleet Management, December 1989</i>	
1. Expand the use of shared & pool vehicles	✓
2. Review take-home vehicle policy	✓
3. Consider equipping one or more sergeants' cars for patrol duty	Unimplemented
4. Continue to experiment with alternative shift schedules	✓
<i><u>Potential Savings from Unimplemented Recommendations: Minor</u></i>	
<i>Evaluating Government Performance: Reporting on City Service Efforts and Accomplishments, April 1991</i>	
1. Prepare and issue an annual report on City SEAs	✓
2. Refine and improve the SEA indicators for Portland	✓
3. The City should annually conduct a citizen survey	✓
4. Develop standardized indicators for intercity comparison	✓
<i>Limited Review of Portland International Raceway Concessions, August 1989</i>	
1. Parks should invoice vendor \$2,510.20	✓
2. Continue monitoring cash handling and revenue documentation	✓
3. Require contractor to prepare daily logs	✓
<i>Franchise Fee Audit: TCI Cable, November 1991</i>	
1. Repay overpayment of franchise fees (\$785.02)	✓

Status of Audit Recommendations

	<u>Status</u>
<i>The City of Portland's Participation in PERS: A Review of Costs and Benefits, November 1990</i>	
1. Office of Intergovernmental Affairs should review legislation affecting PERS costs	✓
2. OFA should evaluate limiting conversion of sick/vacation days	✓
<i>An Evaluation of City Financial Trends: 1978-89, April 1990</i>	
1. Finalize and adopt a comprehensive financial management policy	✓
2. Monitor and review employee salary and benefits	✓
3. Conduct more oversight of the quality and performance of services	✓
4. Increase cash reserves	✓
5. Study and identify opportunities for additional revenues	✓
<i>Bureau of Parks and Recreation: Opportunities to Enhance Services Through Improved Management, August 1991</i>	
1. Revise master plan to ensure it is a more useful and reliable guide for capital spending.	
a. accurately interpret recreation trends and needs	✓
b. assess the relative priority of needs and identify essential projects	✓
c. consider phased implementation schedule and list projects by importance	✓
2. Develop more specific goals and objectives for the recreation program	
a. define the number and percent of youth they wish to serve	Unimplemented
b. Set specific participation goals for each recreation location and activity	Unimplemented
c. Set a fee policy that clearly defines the level of cost recovery desired	Unimplemented
3. Confirm management information needs before implementing the automation plan	
a. evaluate the kinds of information each program needs	✓
b. use assessment results to clarify automation RFP	✓
4. Employ outside assistance for systems requirements/ MIS needs	
a. use a consultant to help management identify critical MIS needs	✓

Status of Audit Recommendations

	<u>Status</u>
b. manage consultant's work by clearly defining objectives, scope	✓
c. top management should manage contractor	✓
5. Develop policies and practices for supervision, performance reporting and evaluation	
a. supervision and reporting should be tied to goals, objectives, and performance measures	Unimplemented
b. improved measures of performance and enhance accountability for expenditures	✓
c. reallocate some existing staff to conduct evaluation and review	✓
6. Develop and implement an employee performance evaluation program	✓

Potential Savings from Unimplemented Recommendations: Unknown.

Petty Cash Practices Need Improvement, July 1990

1. Prepare policies and procedures for petty cash operation	
a. Guidelines for internal controls	✓
b. Clearer instructions for disbursements, reconciling accounts	✓
c. Periodic review of the policies and procedures	✓
2. Provide adequate training and supervision to petty cash custodians.	
a. provide orientation for new custodians in all phases of a petty cash account.	✓
b. develop timely information on new policies and questionable purchases	✓
c. Periodically review of petty cash accounts	✓
3. City Auditor to convene a task force to prepare Guidelines on Allowability	✓
4. Convert funded checking accounts to interest bearing checking accounts	✓
5. Close unused accounts and reduce the size of underused accounts:	
a. Close \$1,000 Council Emergency account	Unimplemented
b. Close \$5,000 Police Chief petty cash account	Unimplemented

Potential Savings from Unimplemented Recommendations: \$6,000

Franchise Fee Audit: Paragon (Rogers) Cable October 1990

1. Collect \$66,917 from Paragon Cable.	✓
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Status of Audit Recommendations

	<u>Status</u>
<i>A Review of Police Evidence Funds, January 1992</i>	
1. Improve compliance with general order for disbursing evidence funds	
a. List all disbursements, witnessed in writing by an approved issuer	✓
b. Limit disbursements to amounts specified	✓
c. Funds should be issued only by authorized personnel	✓
2. Rewrite general order to clarify approval and disbursement process	
a. Present a clear, chronological order of the process and procedures	✓
b. Require written authorization for fund use in the Master Ledger	✓
c. Prepare a flow chart and examples of completed forms	✓
d. clarify procedures for insuring the integrity of informant payments	✓
e. retain copy of each Summary Report in the Deputy Chief's office	✓
3. Develop new procedures for periodic internal review of evidence funds	✓
4. Limit the monthly carry-over and use for unallowable purposes	✓
 <i>Bureau of Personnel Services: Enhancing Performance Through Better Management, November 1993</i>	
1. Develop and propose a comprehensive human resource policy	In Process
2. Develop a mission statement for approval by Council	✓
3. Develop revised policies and procedures to guide Bureau staff	In Process
4. Eliminate practices that slow the process and provide little benefit	In Process
5. Eliminate practices that contribute to unfairness in selection	In Process
6. Expand existing training to include formal program for HR analysts	✓
7. Improve supervision of HR analysts to ensure compliance with internal policies and procedures	✓
8. Develop better management information and reports to Council	In Process
9. Improve human resource recordkeeping	In Process
 <i>Fire and Police Disability and Retirement Plan: Status of 1989 City Charter Amendments, June 1992</i>	
1. An audit should be conducted within the next 3 to 4 years	✓
2. The board should adopt F&P/D&R procedures	In Process

Status of Audit Recommendations

	<u>Status</u>
<i>Opportunities to Improve City Contracting and Purchasing Practices, November 1992</i>	
1. Prepare written guidance explaining how to prepare bid specifications.	✓
2. Develop training on the preparation of bid specifications.	✓
3. Update the City Attorney's model instructions	In Process
4. Improve guidance on methods to ensure contract compliance.	✓
5. submit a Charter change for authority to obligate amounts up to \$50,000	✓
6. changes Code to advertise for bids for items exceeding \$50,000	✓
7. explore options to reduce number of bids by prequalifying bidders	In Process
8. City Auditor transfer some responsibilities to bureaus	In Process
9. City Auditor eliminate duplicative monitoring	✓
10. Update and revise the purchasing manual	Unimplemented
11. Revise PTE code requirements under \$10,000	In Process

Potential Savings from Unimplemented Recommendations: Unknown.

Opportunities Exist to Enhance Methods for Reviewing and Approving Water and Sewer Rates, February 1993

1. Hold annual public rate hearings	✓
2. OFA should review utility costs and rate proposals in greater detail	✓
3. Conduct more frequent and detailed audits of utility operations	In Process

An Evaluation of City Financial Trends: 1980-91, May 1992

1. Finalize and adopt a comprehensive financial management policy	✓
2. Control employee compensation	✓
3. Pursue opportunities to increase productivity.	✓
4. Identify opportunities to increase cost recovery	✓
5. Continue to upgrade fixed assets.	✓
6. Monitor the growth in accounts payable	✓

Audit of the IBIS System, November 1993

<u>Purchasing</u>	
1. Bureau rep should review & approve Computer user access request	✓
2. Security Violation Report should be printed and reviewed	In Process

Status of Audit Recommendations

	<u>Status</u>
3. Security Administrator should be a priority	In Process
4. Bureaus should input their own purchase requests	In Process
5. Bureaus should obtain all approvals prior to sending requests to Purchasing	In Process
6. Approving bureaus should have a target time for approvals of Pur. Req's	In Process
7. A system check for funds availability for cap. exp. would be more efficient	In Process
8. System should check the Available Funds File before accepting req.	In Process
9. Should periodically review the Policy File for correctness	In Process
10. The invoice control function should be activated to save time	In Process
11. The Vendor File should be reviewed and duplicates deleted	✓
12. The "Requests for Quotations" feature should be more efficient.	In Process
13. Send contracts directly to the City Attorney for review	In Process
14. Contract approval & processing flow needs to be studied.	In Process
15. Periodically print and review the Item File for duplicate items.	In Process

Payroll

16. Decentralize time entry as quickly as possible.	✓
17. Consider developing an exception report to reduce time	✓
18. Redesign input screens to consolidate data correction field on one screen.	✓
19. Evaluate input forms and screens for employee data input efficiency	✓
20. Review Master File Change Report to verify updates made correctly	✓
21. Consolidate PAN information into fewer screens.	✓
22. Review the PERS update process to automate the process	In Process
23. Reevaluate the Payroll Process to reduce the number of data entry screens.	✓

Accounts Payable

24. Review procedures at all bureaus to ensure adequate segregation of duties.	In Process
25. Bureaus should use the password option on Accounts Payable system.	✓
26. Bureaus should send batch info to A/P on a scheduled basis.	✓
27. Bureau vendor files should be kept current with IBIS system.	✓
28. City should require bureau names on vendor invoices	✓
29. A/P staff should rotate tasks	✓
30. Continue to decentralize entering of PO's and CRA's.	In Process
31. Include virus check on diskettes used to submit PO data to A/P.	✓

Status of Audit Recommendations

	<u>Status</u>
<i>Portland's System for Handling Citizen Complaints about Police Misconduct Can be Improved, January 1993</i>	
1. Review the general order for prescribing the purpose and procedures IID.	✓
2. Provide additional training and equipment to support IID operations.	✓
3. Develop revised procedures to ensure more timely investigation	✓
4. Develop procedures to implement the command review policy.	✓
5. Review policies regarding record keeping on complaint intake	✓
6. Consider revising current complaint intake procedures	✓
7. Provide additional direction and stronger leadership	✓
8. Support changes in PIIAC procedures recently recommended	✓
 <i>Competitive Contracting: Opportunities to Improve Service Delivery and Save Money, May 1995</i>	
1. All bureaus should subject public services to market competition.	Unimplemented
2. Council should support bureaus in removing barriers	Unimplemented
3. Bureaus should use PICs to steer the process	Unimplemented
4. Purchasing should develop an impartial process for public/private competition	Unimplemented
5. Purchasing should develop a cost comparison methodology to analyze public and private bids	Unimplemented
6. Managers should ensure in-house contracts are accountable for performance	Unimplemented
 <u><i>Potential Savings from Unimplemented Recommendations: 10%-30% of service cost</i></u>	
 <i>Results of Preliminary Survey of the City's Fraud Risk Assessment, March 1993</i>	
1. Conduct a series of audits of high risk areas.	✓
 <i>Bureau of Fire, Rescue and Emergency Services: Logistical Support Program, October 1993</i>	
1. Explore options to reduce the cost of maintaining	
a. Fire to submit standards to BGS to enable bid on maintenance.	Unimplemented
b. Reduce costs by cutting staff in Logistics	Unimplemented

Status of Audit Recommendations

	<u>Status</u>
2. Fully implement the vehicle maintenance data tracking system	✓
3. Review and establish a clear basis for apparatus reserve policy	In Process
<i>Potential Savings from Unimplemented Recommendations: \$384,000.</i>	
<i>Deployment of Patrol Staff in the Portland Police Bureau, February 1994</i>	
1. Establish clear deployment objectives	In Process
2. Gather better management information	In Process
3. Identify and prioritize livability problems	In Process
4. Redirect activities of sergeants and lieutenants	In Process
<i>Financial Trends in the City of Portland 1985-1995, April 1995</i>	
1. Review current Comprehensive Financial Management Policy to update sections needing revision	✓
2. Continue to search for efficiencies and improve productivity in water and sewer operations	✓
3. Upgrade and improve fixed asset accounting and record keeping system	✓
4. Increase current efforts to control the costs of employee benefits	✓
5. Analyze the increased reliance on intergovernmental revenues	✓
<i>Review of Surplus and Unclaimed City Property, August 1993</i>	
1. The Bureau of Purchases and Stores should:	
a. Remove partitions and material blocking the view of the entrance area	✓
b. Develop and enforce a written policy on access to the storage areas	✓
c. Store jewelry, watches and other items of high value in a safe	✓
d. Clean and reorganize the warehouse	✓
e. Develop a list of usable equipment	✓
f. Give higher priority to supervision of the warehouse operation.	✓
g. Follow established policies and procedures	✓
h. Sell all items after they have been held a maximum of two months	✓
i. Better advertise to the public the availability of surplus property.	✓

Status of Audit Recommendations

	<u>Status</u>
2. Costs can be saved by:	
a. The Purchasing Agent should develop contracts for disposal of surplus property.	✓
b. Relocate to smaller facility, reduce hours.	✓
c. Explore ways to maximize the use of surplus property	✓
d. Give authority to disburse unusable equipment to other bureaus.	✓
e. Review and update existing City Code	✓

***Portland Police Bureau Property-Evidence Center,
February 1995***

1. Discontinue procedure of preparing a duplicate petty cash	✓
2. Install two additional security devices in the building	✓
3. Submit all void and destroyed property/evidence	✓
4. The Bureau develop a system to track and monitor items	✓
5. The Bureau prepare policies and procedures for handling	✓
6. The bureau should review 18 vehicles	✓

***City of Portland Golf Program
May 1995***

1. Adopt a golf revenue distribution policy	✓
2. Require annual five year financial plan for the golf program.	In Process
3. Rescind existing greens fee surcharges.	✓
4. Restore golf fund financial health by controlling expenditures and increasing revenues.	In Process
5. Seek opportunities to maintain course quality at lower cost.	In Process
6. Continue to improve the planning and management of capital improvement projects.	In Process
7. Develop a single tee time reservation system.	Unimplemented
8. Monitor concessionaire operations more frequently.	In Process
9. Disagreements with Progress Downs should be resolved.	✓
10. Clarify golf program management structure and performance expectations.	Unimplemented

Potential Savings from Unimplemented Recommendations: \$120,000.

Status of Audit Recommendations

Portland's Street Parking Program July 1994

	<u>Status</u>
1. Craft legislation to authorize more effective collection of unpaid parking fines	Unimplemented
2. Help pass legislation authorizing collection efforts.	In Process
3. Offer a onetime amnesty period to recover fines.	Unimplemented
4. Explore City assuming responsibility for parking citation collection	✓
5. Obtain more complete and timely information on unpaid fines.	✓
6. Improve the availability of productive patrol deputy time.	✓
7. Evaluate contracting out Parking Patrol activity.	In Process

Potential Savings from Unimplemented Recommendations: \$500,000.

City of Portland Span of Control Study, June 1994

1. City Council should provide leadership on organizational restructuring	
a. Council should determine whether current layers and spans are acceptable.	Unimplemented
b. If changes would promote City goals, Council should set organizational goals.	Unimplemented
c. Council should take a position on employee involvement and self-directed teams	Unimplemented
d. Council should designate a cross-bureau implementation team.	Unimplemented
2. OFA should help transform broad policy into reality	
a. OFA should lead the cross-bureaus team to establish org. struct. guidelines.	Unimplemented
b. The guidelines should recognize situation differences.	Unimplemented
c. OFA should review the structure of each bureau based on the guidelines.	Unimplemented
d. OFA should lead in determining compensation strategy.	Unimplemented
3. Offices and bureaus should streamline their organizations.	
a. Each office and bureau should develop a plan to address the City's organizational structural goals.	In Process
b. The offices and bureaus should present their plans during budget review.	Unimplemented
c. If appropriate, training to support employee actions should be included	Unimplemented
d. All changes should be completed no later than July 1, 1996.	Unimplemented
4. The Auditor should use standards when auditing organization.	In Process

Potential Savings from Unimplemented Recommendations: \$500,000 to \$1 Million.

Status of Audit Recommendations

	<u>Status</u>
<i>Managing Employee Injuries, November 1994</i>	
<u>City Council</u>	
1. Ensure loss prevention is implemented	✓
2. Schedule a formal annual review of safety programs.	✓
3. Mayor should assign the Risk Manager as her representative to FPDR board	Unimplemented
4. Council should give Risk Management the responsibility for reporting on citywide injuries and monitoring safety.	Unimplemented
 <i><u>Potential Savings from Unimplemented Recommendations: Unknown.</u></i>	
 <u>FPDR Board</u>	
5. Develop and implement new procedures for reviewing, approving and monitoring injury claims.	✓
6. The Board should create a new staff position and hire a claims analyst.	✓
7. The Board should require that all injured members seek medical services from a provider network.	✓
8. The Board should direct the Fund Administrator to develop a new claims-based filing system.	✓
 <u>Risk Management</u>	
9. Monitor and report on early return to work efforts.	✓
10. Develop procedures to contact injured workers quickly.	✓
11. Increase referrals to Worker Conditioning Program.	In Process
12. Report complete injury information.	In Process
13. Continue to give safety consultations.	✓
14. Review and update loss control plan	✓
 <u>Bureau Managers</u>	
15. Establish and communicate safety plans and goals.	✓
16. Conduct thorough investigations of accidents.	✓
17. Develop and implement effective hazard assessments.	✓
18. Ensure employees understand need and use of protective equipment.	✓
19. Identify specific modified duty positions.	✓

Potential Savings from Unimplemented Recommendations: Unknown.

Status of Audit Recommendations

	<u>Status</u>
<i>Review of the City of Portland Assessments and Liens Division, February 1995</i>	
1. Review new assessments and produce daily edit report, both signed by management	In Process
2. Ensure separation of duties: opening mail, posting receipts, account reconciliation.	In Process
3. Perform supervisory review of postings.	In Process
4. Management review of all manual payments.	Unimplemented
5. Store uncashed checks in locked safe. Access only by management.	In Process
6. Batch tapes should be attested by clerk and reviewed by supervisor.	In Process
7. Produce aged account reports each accounting period.	In Process

Potential Savings from Unimplemented Recommendations: Unknown.

<i>Audit of Cash Handling Practices at the Water Bureau's Credit and Collection Unit, May 1996</i>	
1. Develop security check procedure for sensitive positions.	In Process
2. Provide ongoing training for cashiers.	In Process
3. Develop cash till shortage/overage policy.	In Process
4. Install security equipment for safe room.	In Process
5. Conduct surprise cash counts / document results.	In Process
6. Annually replace banker for one week to review procedures / transactions.	In Process

<i>Audit of Enterprise Zone Program, April 1996</i>	
1. Improve documentation of abatement recipient compliance.	In Process
2. Initiate monitoring of abatement recipients	In Process
3. Explore methods to assess cost benefits of abatements.	Unimplemented

Potential Savings from Unimplemented Recommendations: Unknown.

Status of Audit Recommendations

	<u>Status</u>
<i>Audit of Golf Concessionaire Selection Process, July 1996</i>	
1. Advertise contracts in trade journals.	Unimplemented
2. State selection criteria clearly in "instructions to proposers".	Unimplemented
3. Instructions to selection committee should be clear.	Unimplemented
4. Selection process, committee deliberations and interviews should be documented.	Unimplemented

Potential Savings from Unimplemented Recommendations: Unknown.

<i>Investigation of allegations of overtime misuse at the Bureau of fire, Rescue and Emergency Services, February 1996</i>	
1. Strengthen management and supervision of EMS unit.	In Process
2. Reclassify EMS coordinator from represented to management.	In Process
3. Obtain reimbursement for telephone expenses.	In Process
4. Publish Bureau policy on telephone use.	In Process

<i>Residential Solid Waste: Recycling Efforts Are Effective, But Opportunities Exist to Lower Rates, October 1996</i>	
1. Continue franchised garbage collection system, but modify franchise agreements and rate setting methods.	
a. Exclude disposal costs from the calculation of operating margin.	Unimplemented
b. Derive operating margin as a percent of cost of service, not total revenue.	Unimplemented
c. Eliminate large and small can incentive/disincentive rate differentials.	In Process
d. Study existing operating margin levels to ensure they are equitable to ratepayers.	✓
e. Calculate franchise fees as a percent of cost of service and operating margin.	✓
2. City Council should request that Metro thoroughly analyze opportunities to reduce the impact of their operations on residential garbage bills.	Unimplemented
3. The Bureau of Environmental Services should develop and report more complete information on the performance and efficiency of franchised haulers.	In Process
4. The Bureau should develop and present for City Council approval new goals for the recycling program to replace the 60 percent by 1997 goal.	In Process

Potential Savings TO CITIZENS from Unimplemented Recommendations:
\$900,000.

Chapter 3 Status of Other Report Recommendations

We reviewed 132 selected recommendations contained in 14 reports and studies released over the past 10 years. We found that 35 (27 percent) recommendations have been implemented and/or resolved in some way. An additional 52 (34 percent) recommendations are in progress of implementation or study. About 45 (34 percent) recommendations have not been implemented or were rejected after study.

The following identifies the reports and studies reviewed, summarizes each of the major recommendations with potential for improved efficiency and/or effectiveness, and indicates the status of implementation. A "✓" indicates that the recommendation has been implemented or satisfied.

The other recommendations are portrayed as either **"In Process"** or **"Unimplemented."** Where possible, we listed the potential savings available by implementing unaddressed recommendations.

Status of Other Report Recommendations

***Organization Analysis of the Portland Police Bureau - Final Report,
Institute of Law and Justice, Citizen Crime Commission
January 1990***

The report contained 98 recommendations for service enhancements and efficiencies. New costs estimated at \$9.1 million, and savings estimated at \$2.5 million.

Key recommendations for savings or new revenue:

- a. Civilianize sworn positions responsible for fleet and facilities, liability management, and crime analysis.
- b. Eliminate copying of police records.
- c. Substitute community services officer positions for precinct desk officers.
- d. Reduce pay of detectives to patrol officer pay.
- e. Strengthen alarm ordinance.

Status

✓
In Process
Unimplemented
Unimplemented
✓

Potential Savings from Unimplemented Recommendations: \$1,000,000

***Report of the Citizens' Committee on City/County Service Consolidation,
March 1991***

- 1. Consolidate citizen involvement processes
- 2. Consolidate City/County background check for gun purchases
- 3. Unify City-County 911 systems.
- 4. Unify business licenses systems.
- 5. Merge Fire District 14 with Gresham, and Fire District 10 with Portland
- 6. Consolidate aging, human relations, substance treatment and CDBG programs in County.
- 7. Study differences in personnel systems and implement coordination.
- 8. Evaluate consolidation of GIS with METRO.
- 9. Consolidate contract administration where possible and develop performance measures.
- 10. Combine City & County land-use planning.
- 11. Merge City and County parks departments under METRO administration.
- 15. Consolidate cable regulation and franchise management.
- 16. Consolidate Tri-County tax assessment.
- 17. Consolidate City/County facilities management.

Unimplemented
✓
✓
✓
✓
In Process
Unimplemented
✓
Unimplemented
✓
Unimplemented
✓
Unimplemented
Unimplemented

Potential Savings from Unimplemented Recommendations: Unknown

Status of Other Report Recommendations

	<u>Status</u>
<i>Report on the Bureau of Environmental Services by the Association for Portland Progress December 1991</i>	
1. Establish a city utilities commission	✓
2. Set measurable goals	✓
3. Develop cost/benefit analysis	In Process
4. Improve budget document	In Process
5. Eliminate utility fee paid by Bureau	In Process
6. Develop a new contracting process	In Process
 <i>Parks Bureau Report, Association for Portland Progress December 1991</i>	
1. Strengthen management	In Process
2. Establish a Park Commission	Unimplemented
3. Reduce personnel costs	In Process
4. Define a mission statement	✓
5. Develop measurable operational goals	✓
6. Develop an operational plan	In Process
7. Measure bureau activities	✓
8. Improve communications within the Bureau	In Process
9. Consolidate and regionalize to remove bureau from general fund and stabilize funding	Unimplemented
10. Form a special park and recreation district	Unimplemented
 <i><u>Potential Savings from Unimplemented Recommendations: Unknown.</u></i>	
 <i>Governor's Task Force on Local Government Services (Goldschmidt Commission), September 1992</i>	
1. Create an independent Tri-County public service corporation for roads maintenance	Unimplemented
2. Regionalize police force, administration and information systems	Unimplemented
3. Education Service Districts in Tri-County should develop a service delivery plan for all schools in the area.	Unimplemented
4. Create mental health corporation to provide services in Tri-County.	Unimplemented

Status of Other Report Recommendations

	<u>Status</u>
5. Legislate public purchasing co-op to consolidate regional purchasing programs.	Unimplemented
6. Change Oregon election laws to pursue efficiencies.	Unimplemented
7. Unify definition and collection of business income tax	✓
8. Consolidate local government data centers, common data bases, and applications.	Unimplemented
9. Legislate annexation of remaining unincorporated areas within urban growth boundary into appropriate cities.	Unimplemented
10. Consolidate City and County facilities maintenance.	Unimplemented
11. Consolidate Portland and Multnomah cable regulatory Commissions.	✓
12. Revise and standardize city and county assessment and taxation systems.	In Process
13. Create regional 911 commission.	Unimplemented
14. Create a regional emergency planning and policy group.	✓
15. Explore regional coordination and consolidation of fleet management.	Unimplemented
16. Study regional building codes enforcement.	Unimplemented
17. Reduce employee health care benefits demand through education, economic disincentives and plan designs.	Unimplemented
18. Endorse regional water supply study.	✓
19. Control cost increases in PERS.	In Process

Potential Savings from Unimplemented Recommendations: Over \$40 million

Public Safety 2000 Citizens' Crime Commission November 1992

1. Consolidate major non-patrol support functions throughout the County.	
a. Law Enforcement Data System	In Process
b. Police records	Unimplemented
c. Training	In Process
d. Personnel recruitment	Unimplemented
e. River patrol	✓
f. Special Emergency Response Teams	In Process
g. Narcotics investigation	Unimplemented
h. Gang enforcement	✓
2. Realign County Sheriff patrol functions.	
• Portland police should patrol unincorporated Westside.	Unimplemented
• Sheriff should patrol unincorporated Eastside.	✓
• Sheriff should seek to increase East County patrol.	✓

Status of Other Report Recommendations

Status

3. Civilianize some sworn positions and privatize certain administrative services.

In Process

Potential Savings from Unimplemented Recommendations: Unknown.

Study of Portland, Oregon, Bureau of Fire, Rescue and Emergency Services by TriData Company, June 1993

Study made 61 recommendations for service improvements to cost approximately \$7 million over a 3-year period.

Key recommendations with potential savings impact:

1. Redeploy personnel and units by combining two existing stations and operating one new station.
2. Reinforce commitment to fire and risk reduction through inspections, public education, and improving codes.
3. Revise emergency management planning and coordination, and schedule disaster exercises & training for city leadership.
4. Increase fire prevention efforts through public education, changes in building codes, and better code compliance.
5. Invest in new technology to help hold down costs and increase the level of service.
 - a. Use smaller fire vehicles
 - b. Automate analysis of the causes of fires and injuries
 - c. Promote use of fast-acting sprinkler head technology
6. Improve management information capabilities and regularly update strategic plan.

In Process

In Process

✓

In Process

Unimplemented

Unimplemented

In Process

In Process

Potential Savings from Unimplemented Recommendations: Unknown

Audit of Portland Mid-County Sewer Project, Talbot, Korvola & Warwick, December 1993

1. Continue responsiveness to citizen concerns.
2. Improve public relations efforts to communicate changes
3. Intensify efforts to present numbers consistently with clear definitions.
4. Ensure that accurate information is not used in a misleading way.
5. Conduct more frequent and detailed audits to address a lack of overview management reporting and ensure management of aggregated costs.

✓

✓

✓

✓

In Process

Status of Other Report Recommendations

***Portland Development Commission: Support Services Comparative Cost Analysis, prepared by the Office of Finance and Administration
January 1994***

	<u>Status</u>
1. Adjust staffing and support services to reflect core organization	✓
2. Integrate PDC's financial system with IBIS to better coordinate financial systems if economic to do so.	Unimplemented
3. Provide enhanced services to its employees by utilizing City services through the City's personnel system.	Unimplemented
4. Services should be reviewed to determine the need for functions separate from the City Attorney's Office and Government Relations Office.	✓
5. Market loan servicing to community based organizations.	✓
6. Market construction and property management services to other City bureaus.	✓
7. Explore establishing public affairs as a city wide service to maximize capacity.	Unimplemented
8. Use the City archival and records management system.	Unimplemented
9. Review use of City purchasing, fleet and other general services to reduce costs and improve service.	✓
10. Define a level of funding for support services based on actual needs rather than rely on historic rates.	✓

Potential Savings from Unimplemented Recommendations: Unknown.

***City/County Support Services Consolidation: Phase I
City & County Task Force
May 1994***

1. Do not proceed with planning to consolidate City/County support services: facilities/property management, distribution services, electronic services, fleet.	✓
2. Seek savings through joint management improvements, such as joint space planning, custodial contracting, vehicle purchasing and standardization, presorting of mail, and the use of communication technology.	In Process

Status of Other Report Recommendations

Status

Design 98 - Report & Recommendations Portland Office of Transportation December 1994

This report identified 89 recommendations of possible economies, efficiencies and increases in non-tax revenues. Twelve recommendations were implemented in FY 1995-96 and 13 recommendations were rejected after further review. The most significant of the remaining 64 recommendations are listed under three headings below:

- | | |
|---|----------------------|
| 1. Increases revenues | |
| a. Increase parking fines. | In Process |
| b. Extend parking enforcement hours. | Unimplemented |
| c. Collect past-due parking fines when vehicle registration is renewed. | Unimplemented |
| d. Recover 100 percent of costs of sidewalk posting program. | Unimplemented |
| e. Aggressively pursue obtaining more federal HES funding. | Unimplemented |
| f. Assess a transportation systems development charge. | In Process |
| g. Seek increases in state gas tax. | In Process |

Potential Savings from Unimplemented Recommendations: \$2.2 Million.

- | | |
|---|----------------------|
| 2. Reduce Capital Improvement Spending | |
| a. Reduce replacement of traffic signals. | Unimplemented |
| b. Reduce neighborhood traffic management program projects. | Unimplemented |
| c. Eliminate school safety projects | Unimplemented |
| d. Moratorium on pedestrian program capital projects. | Unimplemented |
| e. Develop least cost strategy for ADA capital spending. | Unimplemented |

Potential Savings from Unimplemented Recommendations: \$2.5 Million.

- | | |
|---|-------------------|
| 3. Implement Operating Savings | |
| a. Respond only to critical traffic requests. | In Process |
| b. Reduce scope of Reclaiming our Streets program. | In Process |
| c. Contract out maintenance of street lights. | In Process |
| d. Implement more energy efficient traffic signals. | In Process |

Status of Other Report Recommendations

***Development Review/Permit Process Case Study Report,
Association for Portland Progress
January 1995***

Status

- | | |
|---|---------------|
| 1. Improve inter-bureau coordination. | In Process |
| 2. Improve prediction of project review time and costs. | Unimplemented |
| 3. Improve pre-application review process. | In Process |

Potential Savings from Unimplemented Recommendations: Unknown.

***New Paradigm Assessment, Bureau of Water Works,
by EMA
October 1995***

- | | |
|--|------------|
| 1. Improve planned maintenance and work force flexibility | In Process |
| 2. Replace customer billing and information system | In Process |
| 3. Upgrade SCADA to allow integration w/ other systems | In Process |
| 4. Develop strategic info. systems plan | In Process |
| 5. Conduct cost/benefit analysis of automating head works | In Process |
| 6. Implement engineering project management system | In Process |
| 7. Implement engineering records management system | In Process |
| 8. Implement an AM/FM system to ease transfer of drawings | In Process |
| 9. Recruit Info. Systems Dept. Manager | In Process |
| 10. Implement new Lab. and water quality information systems | In Process |
| 11. Study automated meter reading | In Process |
| 12. Analyze elimination of night emergency crew | In Process |
| 13. Implement organizational development process | In Process |
| 14. Improve organizational communications | In Process |
| 15. Continue to work with Labor unions | ✓ |

***"New Paradigm Assessment", Bureau of Environmental Services
January 1996***

- | | |
|--|------------|
| 1. Focus on system improvement, rather than responsive maintenance. | In Process |
| 2. Focus on planned, preventative and predictive activities. | In Process |
| 3. Reduce staff needs through automation. | In Process |
| 4. Reduce worker "down time" by increasing cross training and teams. | In Process |
| 5. Automate operations, develop knowledge-based maintenance, improve customer service and support decision making. | In Process |
| 6. Emphasize team orientation and employee empowerment. | In Process |

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