

Managerial Summary

A. Objectives, Scope, and Methodology

The Audit Services Department has completed its review of the City of Chesapeake (City) Department of Public Works (DPW) for the period October 17, 2017 to July 13, 2018. The review was conducted for the purpose of determining whether the DPW was providing services in an economical, efficient, and effective manner, whether its goals and objectives were being achieved, and whether it was complying with applicable City and departmental procedures related to DPW staffing and operations, and the Chesapeake Transportation System (CTS) activities and operations.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards required that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believed that the evidence obtained provided a reasonable basis for our findings and conclusions consistent with audit objectives.

DPW provided essential services for the City. DPW consisted of 19 service areas, organized into eight divisions, two of which operated as enterprise funds. The remaining six divisions were part of the City's General Fund. Three of the service areas, Resource Management, Solid Waste Disposal, and Contractual Services will be discontinued and folded into other service areas effective with the Fiscal Year (FY) 2019 budget.

DPW's primary services included the collection and recycling of solid waste; design, review, approval, and inspection of capital improvement plans for the construction of roads, bridges and major highways; installation, repair, and maintenance of traffic signals, signs, and pavement markings; operation and maintenance of streets, bridges, drainage and stormwater infrastructure elements, inspection of contract maintenance work, including street cleaning and vegetation control; construction inspection and maintenance of municipal buildings; and storm water management. DPW had been accredited by the American Public Works Association (APWA) since September 2006 and was re-accredited in November 2010 and 2014. The results of the next re-accreditation review were due in December 2018.

For FY 2018, DPW had an operating budget of over \$96 million and an authorized complement of approximately 478 personnel. The Central Office was located in the City Hall Building with an Operations Center at Greenbrier Yard and smaller centers in the Bowers Hill and Hickory sections of the City. In July of 2010, the former General Services Department divisions of Facilities Maintenance and Facilities Construction were reorganized and placed into Public Works.

Divisions within Operations included Streets, Bridges, Drainage, Stormwater, Operations Group, and Contractual Services. These areas were reorganized into three functional groups: Administration, Planning and Scheduling, and Execution.

To conduct this audit, we reviewed and evaluated City and DPW policies, procedures, operations documents, and reports, both internal and external. We also reviewed and evaluated various aspects of departmental operations. We conducted site visits to obtain a general understanding of various departmental processes. We discussed these audit areas and conducted interviews with departmental management and various other personnel.

Major Observations and Conclusions

Based on our review, we determined that DPW had accomplished its overall mission of providing a variety of core services that were critical to the operations of the City. However, we did identify several areas of concern that needed to be addressed. Those areas included retention of employees in several key positions, most notably motor equipment operators, operational issues related to the opening of the Dominion Boulevard Veterans Bridge; and possible City Code revisions related to the release of performance bonds.

This report, in draft, was provided to DPW officials for review and response and their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. DPW management, supervisors, and staffs were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

B. Performance Information

Public Works had 19 services areas split into eight divisions which provided a wide variety of different citizen and City services. These divisions included Resource Management/Customer Service, Engineering, Operations, Streets and Bridges (which reported to Operations), Stormwater Management/Drainage (which also reported to Operations), Facilities Management, Waste Management, Traffic Operations, Contractual Services, and the Chesapeake Expressway. Three of the service areas, Resource Management, Solid Waste Disposal, and Contractual Services will be discontinued and folded into other service areas effective with the FY2019 budget.

1. Resource Management/Customer Service Division (Customer Service, Accounting, and Safety)

The Resource Management Division was comprised of three major components: Customer Service, Accounting, and the Safety Program. Customer Service processed DPW-related calls received by the City's Customer Contact Center. Calls were logged and distributed to the various divisions to be addressed.

2. Operations Divisions

Operations provided oversight and technical support to several divisions and budgetary sections of DPW including Street Maintenance, Bridges, Drainage, Contractual Services, Operations Group, and Stormwater. The Operations Group was led by an Operations Manager who was responsible for supervision and oversight of all of these divisions. Separate from these divisions, Operations included two Customer Support Technicians, an Administrative Assistant, three Engineering Technicians, an Engineering Specialist, a GIS Analyst and a Storekeeping Supervisor, Surveyor, Accountant, Safety Officers, two Engineer IIs, Project Manager Operations Administrator (P.E.), Operations Superintendent, and an Engineer III all of whom provided support services to the other divisions as well. In addition, Operations was responsible for managing emergency operations, with all divisions collectively responding to clearing roadways and drainage facilities during snow, ice, hurricane, tornado, and flooding events.

3. Street Maintenance/Bridges and Structures (Operations Division)

The Street Maintenance/Bridges and Structures Division reported to Operations and maintained and repaired the City's right-of-way, which included more than 2,300 lane miles. It also maintained 112 bridges and overpasses and structures, three of which were movable bridges. These bridges opened approximately 30,000 times a year for water vessels.

4. Contractual Services (Operations Division)

Contractual Services, a separately identified section in the City's budget was functionally part of Operations. It procured and administered contracts for Street Maintenance/Bridges, Traffic Operations, Stormwater Management/Drainage, and other functions within Public Works.

5. Engineering Division

There were approximately 100 staff in Engineering. DPW Engineering as a division had multiple sections:

- Traffic Engineering conducted traffic studies for problem areas related to highway capacity, traffic signalization, and intersection signalization. Traffic was also responsible for the operational side. For instance, when a traffic signal was not working, traffic technicians were sent into the field to make repairs. The traffic signs were created in Traffic Engineering. They handled everything related to Traffic except for Transportation projects.
- Design Construction Management (DCM) was responsible for the design and construction management of Transportation projects.
- Stormwater Engineering was part of the Stormwater Management Division. This section was responsible for designing stormwater systems in compliance with federally mandated EPA requirements.

The DCM staff consisted of a total of 22 FTEs responsible for oversight of the design and construction of the City's CIP Budget (which exceeded \$732 million) and the City's stormwater construction projects (which exceeded \$28.5 million)

6. Stormwater Management

Stormwater Management, which reported to the Director, was a mandated federal and state program that required the City to regulate stormwater runoff in an effort to reduce pollution. Since neither the federal nor state government provided funding, the revenues needed to support the program were provided through a Stormwater Utility fee, which was the primary source of revenue for the Stormwater Management Enterprise Fund. Owners of developed property (property that contained impervious areas), both residential and non-residential, were billed this fee.

Stormwater Management was responsible for maintaining more than 1,730 miles of public ditches and stormwater pipes, and 38,000 inlets and manholes. As the City continued to acquire and construct more storm drain pipes, ditches, and channels, the City was expected to maintain those newly constructed systems and address "nuisance flooding" caused by poor or congested drainage. New environmental regulations for runoff quality were pending. DPW faced many new requirements to meet the Total Maximum Daily Load (TMDL) water quality requirements for the Chesapeake Bay and impaired local waterways.

7. Waste Management

Waste Management provided refuse collection once every week for over 68,500 residences in Chesapeake. Over 100,000 tons of refuse was collected annually. The City's solid waste was transported to the Southeastern Public Service Authority (SPSA) transfer station on Greenbrier Parkway or the regional Refuse Derived Fuel Facility in Portsmouth. Waste Management was responsible for bulk trash pick-up. They also managed the City's five-year contract with TFC Recycling, a recycling contractor. Waste Management had become more fuel efficient as a result of the City's purchase of approximately 25 trucks that ran on natural gas. All collection trucks were outfitted with DriveCam GPS and cameras. Waste Management had also improved the efficiency of operations through the use of its RouteSmart system.

8. Facilities Management (Facilities Maintenance and Facilities Construction)

Facilities Management was the City's internal resource for constructing and maintaining City-owned facilities. It included two sections: Facilities Maintenance and Facilities Construction. In July 2010, these sections were transferred into DPW from the General Services Department, which was eliminated. Although DPW managed the two sections separately, they were still consolidated under Facilities Management in the City's operating budget. This section manages several facility replacement or expansion projects such as fire stations 7 and 10. The section recently completed the \$40 million

public safety operations center well under budget. An example of ongoing projects managed by this section was the jail expansion.

9. Safety Meetings

DPW Operations held weekly safety meetings live for all operations staff in order to improve safety and efficiency at the same time. These meetings were broadcast to other areas in the Bowers Hill and Hickory locations. Using various internet broadcast tools such as Skype, DPW Operations could reach all employees without requiring them to assemble at the Butts Station location. This saved time and travel for employees at outlying locations and allowed for the DPW Management's weekly agenda to be communicated to all field employees in a prompt and efficient manner. DPW Operations disseminated other information on a weekly basis: employee opportunities, Administrative and Department Regulations, equipment status, and CDL training schedules.

10. Chesapeake Transportation System (CTS)

The CTS operated and maintained the Chesapeake Expressway (Expressway) and the Dominion Boulevard Toll Road (Blvd), as well as the associated toll collection equipment.

- a) **Expressway.** The Expressway was a 16-mile long, four lane divided highway which opened in 2001 and linked Interstate 64 to North Carolina and the Outer Banks. Expressway staff managed an electronic toll collection system which incorporated open-road technology. Vehicles equipped with an E-Z Pass transponder could pass through the "express lane" at the toll facility without stopping. The Expressway was built parallel to Battlefield Boulevard, which it crossed in three places. As many as 40,000 vehicles passed through the toll plaza on a peak weekend day. The Expressway used a peak/off peak rate schedule. The peak period was roughly weekends between mid-May and early September. According to DPW's CTS Monthly Disclosure Report from July 17, 2017 through November 17, 2018, the cumulative number of cars that had used the Expressway was 2,060,384.
- b) **Dominion Boulevard Project.** Construction on the project began in January 2013 and was substantially completed in November 2016. The 3.8-mile project widened Dominion Boulevard from two to four lanes from Cedar Road to Great Bridge Boulevard, replaced the two-lane drawbridge over the Elizabeth River with a four-lane, fixed-span, high-rise bridge, and provided improved connection between the I-64/464 interchange and the southernmost portion of U.S. Route 17. Funding was provided by toll revenue bonds, previously committed funds, and a \$152 million loan from the Virginia Transportation Infrastructure Bank. According to DPW's CTS Monthly Disclosure Report, from July 17, 2017 through November 17, 2018, the cumulative number of cars that had used the Dominion Blvd. Veterans Bridge was 3,560,511.

The Dominion Boulevard Improvement Project was the recipient of the American Society of Highway Engineers 2018 National Project Award of the Year in the over \$20 million category. This national recognition adds to a long list of awards for the project.

11. 2010 Reorganization of DPW Responsibilities Regarding Performance and Defect Bonds

On July 1, 2010, the City officially reorganized the staff of the DPW and the Department of Development and Permits (DDP). This change had been in progress since February 2010. Under City Code 1970 Sec. 70-122 – Acceptance of Bonding of Physical Improvements, the City fundamentally changed the process for the release of Performance Agreements and Defect Bonds¹ and moved the responsibility of releasing the bonds from DPW to DDP.

DPW was no longer responsible for performing the final quality review to ensure newly installed infrastructures were meeting operational standards prior to the City's acceptance and release of the Performance Agreements and Defect Bonds. DPW was only involved after the ownership was transferred to the City. It would be prudent to transfer the acceptance authority to the owner (DPW) to ensure the expected service life of improvements was met from a maintenance perspective.

12. DPW Operations – Proposed Apprenticeship Academy

In an effort to train and retain qualified employees for MEO positions DPW Operations was researching the creation of an apprenticeship academy program which would include a Motor Equipment Operator In Training (MEOIT). This program as envisioned would allow DPW Operations to team up with Tidewater Community College (TCC), University of Virginia (UVA) Transportation Training Academy, and Hampton Roads Public Works (HRPW) Academy to provide the necessary training to develop employees who wanted a career as heavy equipment operators for the City. The involvement with TCC would either be TCC directly providing the classes necessary, or training subject matter experts and trainers within DPW to bring the training “in house.”

The program required that applicants have a basic understanding of construction work in various areas such as asphalt, concrete, and excavation. Applicants to the program also needed to have a valid driver's license and an acceptable driving record. Upon acceptance, the employee would start training class as well as hands-on training with crew leaders and supervisors in order to obtain the necessary skills required to achieve licensure and certification during their probationary period.

13. Service Level Agreement Between Central Fleet (CF) and DPW'S Waste Management Division (WM)

¹ Performance Agreements and Defect Bonds are also known as Agreements and Bonds With Surety

In March of 2016, the CF and the WM Divisions entered into a service level agreement for fleet management and maintenance services. This agreement as designed:

- Created a collaborative partnership to manage, maintain and replace the WM fleet in the most efficient and economical manner possible while also maintaining vehicle availability
- Focused the priority needs of both CF and WM
- Established clear performances roles, responsibilities, and expectations for both CF and WM
- Identified and perform fleet management and maintenance services according to agreed upon standards, schedules, and deadlines
- Established performances metrics
- Created a culture of service quality and embraced continuous improvement concepts

14. Plans for a DPW Central Warehouse and Other Administrative and Operational Building Needs

In 2017, DPW Operations recognized a need to construct a permanent building structure for the purpose of creating a central warehouse. The warehouse would be used to store DPW supplies and equipment most needed by the various DPW work crews as well as the Sheriff's inmate workforce crews. DPW Operations did not maintain a central warehouse for its supplies. Work crews were required to make purchases from local hardware stores in order to replenish supplies. The new central warehouse, combined with the storeroom, work order, and inventory processes in the Maximo System, was intended to create more efficient use of resources and crew time. Additionally, supplies could be ordered at reduced bulk pricing, minimizing the number of separate trips work crews would need to make to replenish supplies at the local hardware stores. The new building would allow a small team of storeroom clerks to gather and assemble the necessary supplies, equipment, and other materials necessary for the work crews to fulfill work orders as needed.

An Administrative building with ample parking was also proposed to house the management, supervisory, and inspection staff from DPW, and Department of Public Utilities (DPU). The corner vacant lot of the Public Works Greenbrier Operations location was also proposed for the construction site of this building to allow for the least disruptions to day-to-day operations. DPW indicated that this option would free up the land occupied by the DPW & DPU dilapidated buildings/trailers for either crew shops or sold for commercial re-development. This building was estimated at \$12.5 M(illion). The existing available funds as of October 8, 2017 were approximately \$11M (\$7.1M General Obligation Bond & Cash and \$3.9M Public Utility Revenue Bond).

15. CSR Mobile App

The CSR Mobile application was primarily aimed at citizens and would allow them to request a variety of City services over their mobile devices. The CSR mobile application had a soft roll out in February 2018 at Apple and Android sites and was being used by a small number of users. This was expected to change when the application was officially launched to the general public. The main functionalities of the application were:

- Ability to submit and view the status of service requests
- Ability to view recent requests from other users
- Ability to attach pictures to a service request
- Ability to use GPS locations to enter service requests

The CSR Mobile App would have the potential to significantly increase the number of work orders for DPW as more citizens become aware of this mobile application.

16. Mowing in the City Right-of-Ways

To help further the City's economic development goals, the City's leadership was being proactive by making improvements to the attractiveness and presentation of the City. In FY 2018, DPW was approved to increase mowing cycles on tall weeds and grass in the City's maintained right-of-way areas for the major economic development corridors. The goal was to give perspective business and citizens a positive perception of the City.

DPW planned to increase the mowing of open areas from three cycles a year to four cycles at an additional annual cost of \$13,500.00, and increased the mowing of ditch back slopes from two cycles to three at an additional annual cost of \$52,500.00, as funds became available and appropriated.

C. Employee Turnover and Staffing Impacts

DPW was experiencing a shortage of qualified field operations personnel and other significant technical positions due to vacancies created by high employee position turnover. The situation was particularly acute for Motor Equipment Operators, since their salaries were not as competitive as they could be. Furthermore, the City was not tracking the employee turnover rate, nor the cost of employee turnover by department. (Note: Audit Services developed a process to assess the employee turnover rate and will share the process City-wide to ensure all departments have the ability to track this data). As a result, DPW was experiencing overtime, service delivery, and other adverse impacts. As a result of turnover, DPW experienced 3,228 months of employee vacancies and an increase in operational inefficiencies. The City incurred an obligation of approximately \$3.6 million of various known expenses relative to employee turnover between April 8, 2011 and October 17, 2017.

1. High MEO and Other Position Turnover

Finding - DPW was experiencing a shortage of qualified MEO personnel and other significant operational and technical positions due to high employee turnover.

Recommendation - DPW should continue to work with the City and HR to take additional steps to address the MEO and other significant position turnover issues.

Response – *HR staff planned and executed a major undertaking to recruit MEOs in June 2018. Staff from HR, PW and PU participated in the hiring event from processing applications to conducting interviews and making conditional offers all on a Saturday. The event had received a new level of advertising campaign well before that day. The selected candidates failed to fill the vacant positions due to various reasons. As of today, the number of vacancies remain the same.*

PW initiated a similar attempt independently last year by posting a 'Now Hiring' sign at the Greenbrier yard. The sign attracted over 230 local marginally qualified applicants over a short period of time. This attempt coupled with the recent HR Hiring Event indicate that attracting applicants is not the issue. The real issue is RETENTION. Once they are considered, the pay becomes the deciding factor. (Note: the full text of the DPW response is included in the audit report.)

2. Salary Competitiveness for MEO and Solid Waste Positions

Finding – MEO and Solid Waste salaries were not as competitive as those in some neighboring localities, and changes made to increase the pool of applicants may adversely impact future promotion for the affected staff.

Recommendation - The City should explore alternate means of becoming more competitive for MEO and other positions. Additionally, the City should also take steps to ensure that any newly hired MEO's can eventually be promoted.

Response - *Although some localities offer higher salaries, they basically face the same retention issue. Private sectors who currently offer higher salaries and bonuses should be included in the benchmarking analysis. However, the current approach to lower education requirements for MEOs to attract entry level applicants will limit promotional opportunities to supervisory and lead crew positions requiring additional formal education.*

The proposed robust training/apprenticeship program will provide the desired competitive edge as an alternative/interim step to competitive salaries. The MEO education requirements may need to be reverted to HS diploma or GED. Almost all MEO Hiring Event applicants had their HS diploma or GED.

3. Tracking and Monitoring of Employee Turnover

Finding - The City did not track, monitor, or report on the status of employee turnover by position within departments and their divisions. Consequently, employee retention at those levels was also not monitored by the City. Additionally, the City did not require exit interviews for separating employees, making it difficult to gain the full understanding for

reasons why employees left. Both HR and DPW agreed that changes were needed to address the staffing issues.

Recommendation - The City should identify ways to more effectively track, monitor, and report on the status of employee turnover by position within departments and their divisions. Similarly, the City should explore methods of increasing the number of exit interviews for separating employees.

Response - *The Auditor created additional vacancy reports that were not previously available that showed the length of time vacancies occurred rather than the incidences as was previously available. These reports should be continued and expanded to other departments to show the full impact of lost time due to vacant positions.*

PW Operations initiated independent exit interviews last year. The results indicated that the majority of employees sought outside employment for higher salaries. The records indicate that the department has been successful to promote from within competitively. PW will continue conducting exit interviews and share the results with HR.

4. Overtime Costs

Finding - DPW Overtime costs increased substantially over a seven year period. The increase appeared to be related predominantly to staff shortages.

Recommendation – DPW should continue its efforts to reduce vacancies, so that overtime is reduced.

Response – *We concur with this finding. Some overtime is inevitable due to Public Works emergency management role - snow fighting and storm responses. But we also have had to overextend the capability of the workforce to deliver core services under the current vacancy rates (10-15%). Apprenticeship Academy/training seems to be a logical and practical approach to increasing staffing levels thereby lowering overtime costs and maintaining the expected level of service. Although frequent overtime may be attractive to some employees, it promotes fatigue and missing work in the long run which eventually contributes to high turnover rates.*

Alternatively we have had to contract for basic maintenance services to augment our short staffing. For example, the current cave-in repair backlog by contractor amounts to \$800,000. At least 60-70% of this work could be completed by the in-house workforce if PW had its full complement.

5. Service Delivery Delays Caused by Staffing Shortages

Finding – DPW was experiencing delayed service delivery due to staffing shortages.

Recommendation – DPW should continue to monitor the impact of service delays and ensure that City management is aware of potential impacts.

Response - *PW has established Service Goal Days for every major service category. Our annual performance measurement reports track accomplishments in terms of output measures. Those reports show the reduced level of staffing has had a direct impact on our ability to provide timely services to our customers. While priority repairs will be made, routine service responses are being delayed due to lack of staffing - resulting in backlogs or work, longer response times, and delayed completion of work. This is reflected in growing dissatisfaction with the length of time it takes to schedule and complete urgent and routine work.*

To help connect our workforce performance to our customers, PW added a new part time position last year to conduct customer satisfaction surveys on the quality and timeliness of services. The data will be used to determine an outcome performance measurement on a semi-annual basis and provide feedback to crews on the satisfaction with their work.

6. DCM Staff Shortage Impacts

Finding – DCM was experiencing staff shortages that required extensive usage of contractors, potentially increasing contract costs.

Recommendation - The City should continue supporting DCM in utilizing consultants for specialized projects, on-call consultants, and staff augmentation for vacant positions until filled.

Response - *Public Works concurs with the recommendations. Continued high turnover in the engineering division has significant impacts on project delivery schedules resulting in delayed improvements to our customers and to increased costs due to construction inflation.*

7. Other Employee Turnover Impacts

Finding – The City was experiencing a number of other employee turnover impacts including higher worker’s compensation costs. Increased administrative workload, cost of hiring and training new employees, potentially avoidable City closures, and other costs.

Recommendation - The City should monitor cost an impacts in these areas and take action if necessary.

Response - *Those factors are somewhat expected when the workforce is overextended to meet the day-to-day demands of designing and repairing the streets, bridges and drainage ways safely. We believe that significant lost time (not currently captured) is spent in interview panels, new employee training and orientation, limited productivity of new worker, etc. We concur - the costs*

including the hidden costs should be collected as a City-wide effort to be analyzed and compared to the cost of impacted employee classification pay increases.

D. Chesapeake Transportation System

The Chesapeake Transportation System (CTS) consisted of the Chesapeake Expressway (Expressway) and Dominion Boulevard Veteran's Bridge (DBVB) Toll Roads. While the Expressway has been operational since 2001, the DBVB just initiated operations on February 9, 2017. Based upon our review of CTS operations, we identified several areas of concern, including concerns related to backroom operations that needed to be addressed for both DBVB and the Expressway.

1. CTS DBVB Operational Issues

Finding – There were a number of areas related to CTS's operation of the DBVB that were experiencing challenges. These areas included the vendor contract, cost of collections for toll-by-plate and VTOLL transactions, incomplete transfer of duties to the new customer services manager, issues with collections on delinquent account written off by the vendor, the resignation of the Fiscal Administrator and insufficient cross training of the accounting staff, and the vendor continuing to send toll notices to accounts with invalid addresses (bad addresses).

Recommendation – CTS management should work with the City Attorney's Office and Purchasing to revise the existing contract with UBP to reduce operational costs. Remaining CSM job responsibilities should be transferred to the position as quickly as feasibly possible. Collection efforts for delinquent toll and fee accounts should be made a high priority. Consideration should be given to having the CTS Fiscal Administrator position jointly overseen by CTS and the Finance Department, and CTS should reevaluate their staffing needs to ensure they have sufficient and cross-trained staff to perform CTS job responsibilities, timely, effectively and efficiently. A process should be developed and implemented for invalid addresses so that toll violators can be invoiced for toll violations.

Response – *(DPW responded to the individual bulleted items. In order:)*

- *CTS, in conjunction with the City Attorney's office and Purchasing staff will be entering negotiations with UBP in preparation for contract renewal in February 2019. The goal of the contract negotiations will be to better refine contract requirements and reduce operational costs.*
- *A reciprocity agreement with NC falls under the jurisdiction of the Virginia Department of Transportation (VDOT) Toll Division. VDOT has indicated they are currently in discussions with NC to develop a reciprocity agreement that will better enable Va. agencies to seek payment from NC users of Va. toll systems.*
- *CTS has recently hired a Fiscal Administrator. CTS Management will work with CTS financial staff to develop tracking tools to carefully monitor the success of the delinquent account collection process. UBP*

is developing a new reporting suite to be implemented with the delinquent toll account collections process to better facilitate monitoring and reporting of delinquent account revenue capture. (Note: the full text of the DPW response is included in the audit report.)

2. CTS Expressway Operations

Finding – The operations function for the CTS Expressway needed improvement in the following areas: segregation of duties related to invoicing and posting of payments, system reconciliation, billing process, and issuance and inventory of EZ Pass transponders.

Recommendation – CTS management should review the operational work flow to find areas to streamline processes to get day-to-day work done in a timely fashion. CTS should consider ways to expedite the selling and inventorying of the E-Z pass transponders and find ways to expedite the counting of all funds.

Response – *(DPW responded to the individual bulleted items. In order:)*

- *Implemented during the audit period.*
- *Implemented during the audit period.*
- *System currently in use does not support this function.*
- *Cross training of administrative staff has been implemented to allow for processing of all payments received by 3 pm; payments received after 3 pm are processed the next business day. (Note: the full text of the DPW response is included in the audit report.)*

E. Other DPW Operational Issues

We noted that DPW Operations was being required to repair streets transferred to the City by developers earlier than anticipated in some cases due to construction issues. We also noted that areas of the DPW website needed updating.

1. Infrastructure Issues

Finding – Some completed streets submitted by developers to the City were deteriorating more rapidly than expected in some cases, creating additional costs and workload for the City.

Recommendation – The City should consider revising City Code section to require approval from DPW prior to surety bond release.

Response - *We concur, the mechanism that establishes departments' authority (the City Code) should be revised to reflect PW (the owner) responsibility to review and accept the completed work prior to the releasing the bonds to ensure it meets city requirements.*

D&P currently reviews and approves development plans, accepts agreements/bonds to guarantee construction of the infrastructure elements according to the approved plans, inspects the construction activities, accepts the improvements for maintenance on behalf of PW and releases the performance as well as defect bonds upon completion of the projects. PW has delegated plan review to D & P. PW then inherits the maintenance responsibility of the new streets and drainage improvements as soon as the performance bond is released. PW has the option of requesting certain requirements through PFM. The PFM addresses design criteria, construction standards and specifications. In reality, many development and construction aspects such as equipment access, easements and particularly non-engineering maintenance requirements are difficult to be simply captured in the PFM

2. DPW Web Pages

Finding – Some Public Works’ webpages on the City’s website contained out-of-date information and had other issues as well.

Recommendation – Public Works should ensure the webpages are reviewed as necessary to ensure the information provided is accurate and timely.

Response- *The PW Public Information Specialist is tasked with updating the Department's webpage. Position is currently vacant which is causing delays in timely updating. Vacancy issue should be resolved by October.*