

November 30, 2018

The Honorable Rick W. West and
Members of the City Council
City of Chesapeake
City Hall – 6th Floor
Chesapeake, Virginia 23328

Dear Mayor West and Members of the City Council:

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.

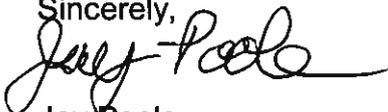
For FY 2018, DPW had an operating budget of over \$96 million and an authorized complement of approximately 478 personnel. The Central Office was located in the City Hall Building with an Operations Center at Greenbrier Yard and smaller centers in the Bowers Hill and Hickory sections of the City. In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

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.

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.

Sincerely,



Jay Poole
City Auditor
City of Chesapeake, Virginia

C: James E. Baker, City Manager
Robert N. Geis, Deputy City Manager
Eric Martin, Director of Public Works