



Office of the City Auditor

**Report to the City Council
City of San José**

**AN AUDIT OF THE TARGETED
NEIGHBORHOOD CLEAN-UP
PROGRAM**

**The Targeted Neighborhood Clean-up
Program Can Be Expanded And Enhanced**

**Report 03-01
January 2003**



CITY OF SAN JOSÉ, CALIFORNIA

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January 13, 2003

Honorable Mayor and Members
of the City Council
801 North First Street, Room 600
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Transmitted herewith is a report on *An Audit Of The Targeted Neighborhood Clean-up Program*. This report is in accordance with City Charter Section 805. An Executive Summary is presented on the blue pages in the front of this report. The City Administration's response is shown on the yellow pages before the Appendices.

I will present this report to the Finance and Infrastructure Committee at its January 22, 2003, meeting. If you need additional information in the interim, please let me know. The City Auditor's staff members who participated in the preparation of this report are Eduardo Luna and Chris Constantin.

Respectfully submitted,

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Table of Contents

Executive Summary	i
Introduction	1
Code Enforcement Administers The Clean-up Program	1
Other Clean-up Activities	3
Audit Objective, Scope, And Methodology	4
Finding I	
The Targeted Neighborhood Clean-up Program Can Be Expanded And Enhanced.....	5
The Neighborhood Clean-up Program Is Popular With City Council Members And San Jose Residents	6
Some Neighborhoods Can Go Up To Eight Years Between Clean-up Events.....	6
Program Capacity Can Be Increased By Maximizing The Use Of Available Resources	8
A City Council Office-Directed Community Grant Program May Be A Cost Effective Alternative For Specific Resident Requests For Clean-up Events.....	11
Consistency In Informing Residents Of Upcoming Clean-ups Can Be Improved	12
Total Program Costs Are Difficult To Capture.....	13
Participant Information Can Improve The Measurement Of Program Performance	15
Awareness Of Coordination Efforts With Other City Services And Community-Based Organizations Varies.....	16
The City Should Use Unused Household Hazardous Waste Program Resources Of About \$151,000 To Address Unmet Needs.....	17
The County Of Santa Clara May Owe The City About \$31,115 Due To Tonnage Report Discrepancies	18
CONCLUSION	18
RECOMMENDATIONS	19
Administration’s Response.....	21
Appendix A	
Definition Of Priority 1, 2, And 3 Audit Recommendations.....	A-1

Table of Exhibits

Exhibit 1	
Summary Of Selected Neighborhood Clean-up Programs	3
Exhibit 2	
Summary By City Council District Of The Number Of Households Served In 2001-02, Total District Households, Percent Of Households Covered, And Number Of Years Needed To Cover The Entire District	7
Exhibit 3	
Summary By City Council District Of The Average Households Targeted Per Bin Used And The Percent Difference In Use From The City Average	8
Exhibit 4	
Summary Of Average Bin Usage For Clean-Up Events By City Council District From July 2001 To June 2002.....	9
Exhibit 5	
Summary Of Neighborhood Clean-up Costs And Activities For 2000-01, 2001-02, And 2002-03	14
Exhibit 6	
Summary Of Budgeted And Actual Expenditures For 1999-00, 2000-01, And 2001-02 For The Neighborhood Clean-up Program	15

Executive Summary

In accordance with the City Auditor's 2001-02 Audit Workplan, we reviewed the Targeted Neighborhood Clean-up Program (Program). We conducted this audit in accordance with generally accepted government auditing standards and limited our work to those areas specified in the Scope and Methodology section of this report.

Finding I

The Targeted Neighborhood Clean-up Program Can Be Expanded And Enhanced

In 2001-02, the City of San Jose (City) coordinated 49 Targeted Neighborhood Clean-up Program (Program) events. These Program events targeted almost 50,000 households and resulted in the collection of almost 2,500 tons of debris. We found that the Program was very popular with City Council members and San Jose residents. However, we identified several opportunities to improve the efficiency and effectiveness of the Program. Specifically, we found that:

- Some neighborhoods can go up to eight years between Clean-ups;
- Program capacity can be increased by maximizing the use of available resources;
- A City Council Office-Directed Community Grant Program may be a cost effective alternative for specific resident requests for Clean-up events;
- Consistency in informing residents of upcoming clean-ups can be improved;
- Total Program costs are difficult to capture;
- A comprehensive budget for the Program and a process to compare budgeted to actual Program costs is needed;
- Code Enforcement should collect and analyze additional Program performance information;
- Awareness of coordination efforts with other City services and community-based organizations varies;

- The City should use unused Household Hazardous Waste (HHW) Program Resources of about \$151,000 to address unmet needs; and
- The County of Santa Clara may owe the City \$31,115 due to tonnage report discrepancies.

The Neighborhood Clean-up Program can be improved by 1) maximizing the use of available budget resources; 2) establishing a City Council Office-Directed Community Grant Program; 3) creating consistency in informing residents of upcoming clean-ups; 4) developing a comprehensive budget scheme; 5) collecting and analyzing participant information; 6) reporting on coordination efforts with other City services and community-based organizations; 7) utilizing \$151,000 of unused HHW capacity to service San Jose residents; and 8) resolving the \$31,115 tonnage report discrepancy with the County of Santa Clara. By implementing these improvements, Code Enforcement will be able to offer San Jose residents a more comprehensive and effective Neighborhood Clean-up Program.

RECOMMENDATIONS

We recommend that Code Enforcement:

- Recommendation #1** **Report to the City Council on its assessment of ways to reduce overtime costs and increase targeted Clean-up areas to accommodate an average of 22 bins per Clean-up event,**
- Work with the City Council to establish a City Council Office-Directed Community Grant Program to provide for two small neighborhood Clean-ups per year per City Council District, and**
- Develop written standards regarding the form, content, and timing for Clean-up event flyers and use funds budgeted for Clean-up event bins to cover the costs to mail the flyers. (Priority 3)**

We also recommend that the City Council:

- Recommendation #2** **Either expand the Neighborhood Clean-up Program based on Code Enforcement's implementation of Recommendation # 1, or return the Program's unused budget capacity to the General Fund. (Priority 3)**

We recommend that Code Enforcement and the ESD:

Recommendation #3 **Establish a comprehensive budget for the Neighborhood Clean-up Program and a process to compare budgeted to actual Program costs. (Priority 3)**

We recommend that Code Enforcement:

Recommendation #4 **Collect and analyze Clean-up statistics and additional Clean-up performance information. (Priority 3)**

Recommendation #5 **Report to the City Council on the extent of coordination efforts with other City services and community-based organizations. (Priority 3)**

We recommend that the ESD:

Recommendation #6 **Use unused Household Hazardous Waste Program (HHW) capacity to fund additional HHW Program disposal and/or outreach activities. (Priority 3)**

Recommendation #7 **Resolve the \$31,115 tonnage report discrepancy with the County of Santa Clara. (Priority 2)**

Introduction

In accordance with the City Auditor’s 2001-02 Audit Workplan, we reviewed the Targeted Neighborhood Clean-up Program (Program). We conducted this audit in accordance with generally accepted government auditing standards and limited our work to those areas specified in the Scope and Methodology section of this report.

The City Auditor’s Office thanks the City Council Offices; the Code Enforcement Division of the Planning, Building, and Code Enforcement Department; and the Environmental Services Department (ESD) for their time, information, and cooperation during the audit process.

Code Enforcement Administers The Clean-up Program

The Code Enforcement Division is responsible for organizing and planning the Program. The first step is selecting the Clean-up dates. In the preceding winter, Code Enforcement determines the dates when Clean-ups can be performed, while avoiding major holiday weekends. After Code Enforcement identifies these dates, it works with the City Council offices to schedule each of their five individual Clean-ups. Specifically, Code Enforcement meets with City Council staff to inform them of how Clean-ups can be of use to a neighborhood, changes in the Program, and services available from various City departments. Code Enforcement works with the City Council offices to designate the neighborhood where a Clean-up shall occur.

With assistance from Code Enforcement, the City Council offices select the Clean-up areas.

We found that each City Council office has its own decision-making process regarding neighborhood selection. City Council offices generally selected neighborhoods for Clean-up based on several factors, such as:

- need for a Clean-up event;
- the number of years since the last Clean-up;
- citizen and neighborhood associations’ requests; and
- specific knowledge of their District.

After the City Council office selects an area, Code Enforcement staff visually assesses the neighborhood’s condition by driving

through the streets of the targeted neighborhood. Code Enforcement then uses its assessment of the neighborhood's condition, past Clean-up event information, and natural boundaries of the neighborhood to determine the appropriate size of the targeted area. Code Enforcement generally targets from 500 to 1,000 households per Clean-up event and determines suitable bin locations. Most locations require two bins – one for rubbish and one for metal. In addition, Code Enforcement designates one of the bin location sites as the primary collection site for Chlorofluorocarbon-product (CFC)/Tire disposal and a flat-bed truck for Cathode Ray Tube (CRT) collection. Generally, Code Enforcement selects a school or park site as the primary collection site because these sites can accommodate extra collection bins, as well as handle increased traffic resulting from CFC-product and CRT collection. Code Enforcement indicated that other Clean-up related planning activities include placing “no parking” signs at bin locations. In addition, Code Enforcement provides a bin for concrete disposal.

Typically, neighborhood Clean-up events are held on Saturday mornings and run from 8:00 a.m. until 11:00 a.m. although some Clean-ups run longer. Code Enforcement team members, which include other City employees and volunteers, meet in the morning of the Clean-up to discuss how the Clean-up will operate, place cones around bin locations, and assign staff to monitor bins and provide traffic control. Bin monitors make sure residents put trash in the rubbish bin and metal in the metal bin. Bin monitors also give information about material that is not accepted at the Clean-up and options for disposing that material. Traffic control team members are responsible for minimizing the traffic congestion around the bin locations.

When bins become full, the Clean-up coordinator instructs site bin monitors to direct residents to other bin sites. The coordinator also notifies the hauler to replace full bins at higher demand sites. In some Districts, bin replacement can be delayed for up to one hour due to hauler capacity and location.

The Program has been called Dumpster Day, Mayor's Spring Clean-up, City Council District Clean-up Program, and Neighborhood Clean-ups. Regardless of its name, the Program's goal has been to encourage community partnerships and clean neighborhoods.

Other Clean-up Activities

Although the Program offers City residents 50 Clean-up events per year, we identified other City programs with complementary goals. The other City programs are designed to contribute to the cleanliness of neighborhoods. These other neighborhood clean-up programs include the Anti-Litter and Anti-Graffiti campaigns that have goals of removing unsightly trash and graffiti in the City. Other programs whose goals are to improve neighborhoods, such as Concentrated Code Enforcement and the Strong Neighborhoods Initiative, also have neighborhood Clean-up components. Exhibit 1 highlights the goals of selected programs.

Exhibit 1 Summary Of Selected Neighborhood Clean-up Programs

Program/Service	Goals	Coordinating Department	# Of Events
Targeted Neighborhood Clean-ups	Encourage community partnerships and clean neighborhoods.	Code Enforcement	50 ¹
Concentrated Code Enforcement	Reduce blight in areas with higher numbers of code violations.	Code Enforcement	4
Project Crackdown	Empowers communities to overcome extensive neighborhood problems by taking innovative action and building community pride.	Parks, Recreation, and Neighborhood Services	4
Strong Neighborhood Initiative	A partnership of the City of San Jose, San Jose Redevelopment Agency, and the community to build clean, safe, and attractive neighborhoods with independent and capable neighborhood organizations.	Parks, Recreation, and Neighborhood Services	26
Community, Action, and Pride	Grants for projects, services and activities that foster or enhance safety, reduce blight and crime, and improve the quality of life in a neighborhood.	Parks, Recreation, and Neighborhood Services	Varies
Anti-Litter Campaign ("Pick Up San Jose")	A community-wide cooperative anti-litter campaign with the goal to make San Jose the cleanest big city in America.	Parks, Recreation, and Neighborhood Services	As Needed
Anti-Graffiti	To further beautify San Jose by preventing and removing graffiti throughout the community.	Parks, Recreation, and Neighborhood Services	As Needed

Source: 2002-03 City of San Jose Adopted Budget and Code Enforcement.

¹ The Redevelopment Agency will be funding additional Clean-ups in Strong Neighborhood Initiative areas.

**Audit Objective,
Scope, And
Methodology**

Our audit objective was to review the efficiency and effectiveness of the Program. We collected data for each Clean-up event in 2001-02, by City Council District, the number of bins by type, and the total number of bins.

We conducted interviews with nine of the ten City Council offices to gain insight into their views of the Program. During our interviews, we obtained answers to the following questions: 1) What do you like about the Program? 2) What changes would you make to the Program to improve its effectiveness? 3) How do you decide when and where to have a Clean-up? 4) How do you market the Clean-ups to residents? 5) Does the existing Program meet the needs of your Council District? 6) What other needs do your residents have that the Program is not meeting? From the City Council offices' responses to these questions, we identified opportunities to improve the Program.

Additionally, we interviewed Code Enforcement Division staff responsible for administering the Program and the staff who work with the garbage haulers. We also visited and observed a Clean-up event. We worked with Code Enforcement and the ESD to obtain budget information for the Program. Using the information Code Enforcement and the ESD presented, we identified resources for improving the efficiency and effectiveness of the Program.

Finding I

The Targeted Neighborhood Clean-up Program Can Be Expanded And Enhanced

In 2001-02, the City of San Jose (City) coordinated 49 Targeted Neighborhood Clean-up Program (Program) events. These Program events targeted almost 50,000 households and resulted in the collection of almost 2,500 tons of debris. We found that the Program was very popular with City Council members and San Jose residents. However, we identified several opportunities to improve the efficiency and effectiveness of the Program. Specifically, we found that:

- Some neighborhoods can go up to eight years between Clean-ups;
- Program capacity can be increased by maximizing the use of available resources;
- A City Council Office-Directed Community Grant Program may be a cost effective alternative for specific resident requests for Clean-up events;
- Consistency in informing residents of upcoming clean-ups can be improved;
- Total Program costs are difficult to capture;
- A comprehensive budget for the Program and a process to compare budgeted to actual Program costs is needed;
- Code Enforcement should collect and analyze additional Program performance information;
- Awareness of coordination efforts with other City services and community-based organizations varies;
- The City should use unused Household Hazardous Waste (HHW) Program Resources of about \$151,000 to address unmet needs; and
- The County of Santa Clara may owe the City \$31,115 due to tonnage report discrepancies.

The Neighborhood Clean-up Program can be improved by
1) maximizing the use of available budget resources;
2) establishing a City Council Office-Directed Community Grant Program; 3) creating consistency in informing residents of upcoming clean-ups; 4) developing a comprehensive budget

scheme; 5) collecting and analyzing participant information; 6) reporting on coordination efforts with other City services and community-based organizations; 7) utilizing \$151,000 of unused HHW capacity to service San Jose residents; and 8) resolving the \$31,115 tonnage report discrepancy with the County of Santa Clara. By implementing these improvements, Code Enforcement will be able to offer San Jose residents a more comprehensive and effective Neighborhood Clean-up Program.

The Neighborhood Clean-up Program Is Popular With City Council Members And San Jose Residents

We found that City Council members were supportive of the Program. City Council members told us that the Program was very popular with San Jose residents and generally well-attended. The popularity of the Program is evidenced by a 150 percent increase in the number of Clean-up events since the start of the Program in 1996-97, when the City Council budgeted \$85,000 for a City Council District Clean-up Program. Under the Program, the City provided collection bins, publicity materials, and staff assistance for two annual Clean-up events per City Council District. These Clean-up events were to be a partnership of residents, businesses, schools, churches, and other community-based groups. The City Council expanded the number of annual Clean-up events per City Council District to three in 1998-99, four in 2000-01, and five in 2001-02. In 2001-02, Code Enforcement coordinated 49 Clean-up events in 10 City Council Districts. These events targeted almost 50,000 households and collected almost 2,500 tons of debris.

During a Clean-up event visit, we observed that the event was well-attended. Several bin locations had steady streams of cars, and bins were filled to capacity. We observed Code Enforcement Inspectors shuttling materials from one collection site to another to balance bin loads and assisting residents who were unable to dump due to physical limitations. Residents told us that they like the Program and would like to see more Clean-ups in the future.

Some Neighborhoods Can Go Up To Eight Years Between Clean-up Events

Based on current collection data, Code Enforcement is able to cover most City Council Districts with Clean-up events within about six years. However, we found that it may take up to eight years to cover some neighborhoods with Clean-ups. Altogether, we found that seven City Council Districts require six or less years to service. Districts 3 and 9 require seven

years, and District 6 requires eight. We found that Code Enforcement generally targets five Clean-up events to cover about 4,900 households per City Council District per year. As shown in Exhibit 2, the number of households the Clean-up events covered in 2001-02 ranged from about 13 percent in City Council District 6 to about 24 percent in City Council District 7.

Number Of Households Affect The Length Of Time Necessary To Service Neighborhoods

Code Enforcement indicated that the time to service individual City Council Districts varied based on several factors, such as the total number and type of households in the City Council District. Exhibit 2 shows the number of households targeted, total number of households in the City Council District, percent of households covered in one year, and the number of years needed to cover the entire City Council District.

Exhibit 2 Summary By City Council District Of The Number Of Households² Serviced In 2001-02, Total District Households, Percent Of Households Covered, And Number Of Years Needed To Cover The Entire District

	City Council District										City
	1	2	3	4	5	6	7	8	9	10	
Number Of Households Serviced With 5 Clean-ups³	5,255	4,754	3,760	6,584	4,073	4,563	5,388	5,107	4,586	5,590	49,660
Total District Households	32,130	27,725	27,401	29,342	20,820	35,704	22,167	24,888	31,751	29,913	281,841
Percent Of Households Covered	16.4%	17.1%	13.7%	22.4%	19.6%	12.8%	24.3%	20.5%	14.4%	18.7%	17.6%
Estimated Number Of Years Needed To Cover The Entire District	6	6	7	4	5	8	4	5	7	5	6

Source: Auditor’s analysis of U.S. Census data and Code Enforcement data.

Differences In Demand Affect The Number of Homes Serviced

An analysis of Code Enforcement data indicates that the amount of garbage disposed per household varies between Council Districts. Exhibit 3 shows the average number of households targeted per bin used during a Clean-up event. As shown in Exhibit 3, Districts 3 and 5 have a disproportionately higher amount of trash dumped than the City average. For

² Households refers to dwellings, which includes apartments and condominiums.

³ District 9 values are estimated, as only four Clean-up events were performed in 2001-02.

example, District 5 can target 45 households with one bin, while the Citywide average is 61 households. Although the average households targeted per bin is not an exact measure of demand, it does provide an estimate of differences in demand between Districts. Accordingly, the data indicates that Districts 3 and 5 appear to have a heavier demand than most Districts.

Exhibit 3 Summary By City Council District Of The Average Households Targeted Per Bin Used And The Percent Difference In Use From The City Average

	<i>City Council District</i>										
	1	2	3	4	5	6	7	8	9	10	City
Average Households Targeted per Bin (per Clean-up)	76	64	46	70	45	65	61	54	57	75	61
Percent Difference in Use from City Average	25%	5%	-24%	15%	-26%	7%	0%	-11%	-6%	22%	

Source: Auditor’s analysis of Code Enforcement data.

Program Capacity Can Be Increased By Maximizing The Use Of Available Resources

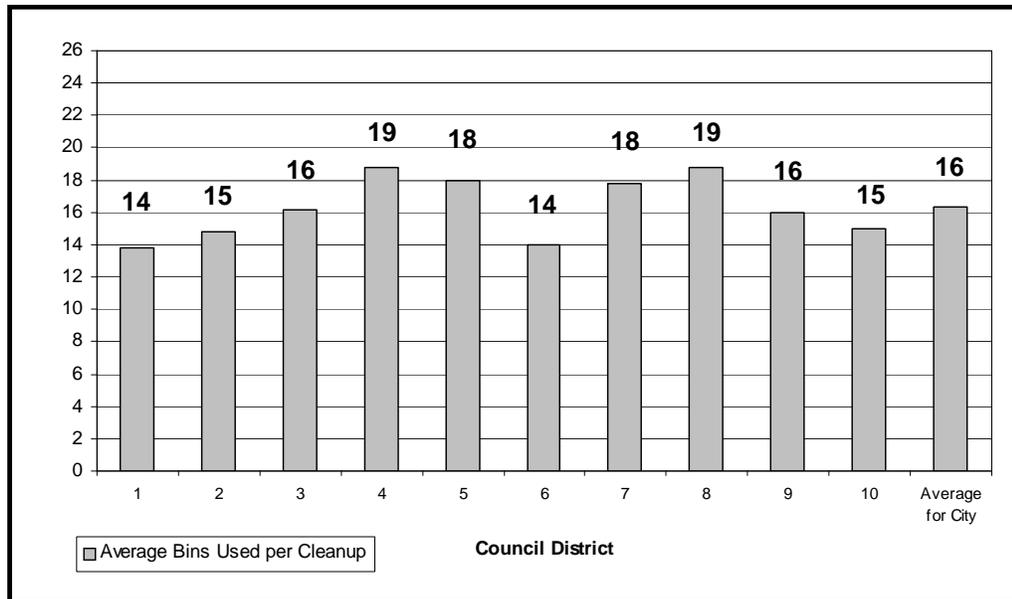
By re-evaluating the deployment of current resources, Code Enforcement can expand the number of homes targeted for each Clean-up event. According to ESD and Code Enforcement budget projections, there will be about \$143,000 in projected available bin budget resources for 2002-03 to increase the number of bins used during Clean-ups. Code Enforcement can use these additional bins to increase the size of targeted neighborhood Clean-up areas. Additionally, Code Enforcement needs to reconfigure Program staffing to accommodate increased Program event areas. By redeploying Program resources, Code Enforcement can increase the number of residents serviced with each Clean-up event.

We found that the ESD monitors and establishes the budget for collection bins. In 2001-02, however, Code Enforcement expended only 64% percent of the amount the ESD budgeted for bins. According to the ESD, the 2001-02 ESD budget for Neighborhood Clean-up collection bins was \$235,658. However, Code Enforcement spent only \$150,272 – leaving \$85,386 in unused collection bin budget capacity. For 2002-03, Code Enforcement Cost Model and ESD budget information indicate that there will be a projected unused collection bin budget capacity of about \$143,000. Code Enforcement’s projection assumes that an average of 16 large bins will be used per Neighborhood Clean-up event. According to Code Enforcement information, it appears that they have staffing

capacity to accommodate about 22 bins per Neighborhood Clean-up event.

Code Enforcement data for 2001-02 shows that the number of bins used for Clean-ups varies by City Council District. We found that four City Council Districts fell below the Citywide average of 16 bins, while City Council Districts 4 and 8 had the highest average Clean-up event bin usage at 19 bins. Exhibit 4 shows the average number of bins used per Clean-up by City Council District in 2001-02.

Exhibit 4 Summary Of Average Bin Usage For Clean-Up Events By City Council District From July 2001 To June 2002



Source: Auditor’s analysis of 2001-02 Code Enforcement data.

According to Code Enforcement, a Clean-up generally begins with about seven sites with two bins per site (*one bin for rubbish, one for metal*) and an additional bin at their main site for CFC product items and tires. Code Enforcement deploys one bin monitor per bin. Bin monitors ensure that the proper material is safely disposed in the appropriate bins – rubbish in the rubbish bins and metal in the metal bins. Bin monitors are charged with maintaining safety and order during the event. In addition, they assist residents to dump material if residents require assistance. Material is dumped in either a rubbish or metal bin to help the garbage haulers recycle metal material. Towards the end of a Clean-up event when bins fill to capacity,

Code Enforcement makes exceptions to the separation of rubbish and metal, in order to accommodate waiting residents and maximize the existing bin capacity.

Code Enforcement will need to reconfigure its staffing strategy to accommodate an increase in the number of bins used during Clean-up events. Currently, Code Enforcement uses a staff to bin ratio of one-to-one. This means one bin monitor is responsible for one bin during the Clean-up event. If the number of bin sites remains unchanged, increasing the size of targeted areas would require residents to travel further to reach bin sites in an expanded target area. Therefore, in order to accommodate an expanded Clean-up area and limit any additional travel distance for residents, Code Enforcement would have to alter its staff-to-bin ratio. For example, one bin monitor could oversee two bins that are proximate to each other. By so doing, Code Enforcement could accommodate additional bin sites within existing staff resources.

Changes in staffing resources may also reduce the total personal services cost of the Program. According to Code Enforcement's 2002-03 Projected Cost Model, staffing comprises 60% of Clean-up event costs. Funding includes seven Code Enforcement Inspectors, fifteen Recreation Leaders, a Parking Control Officer, and funding for the Department of Transportation. In total, the Cost Model projects nearly \$463,500 in personal services – about \$9,270 per Clean-up event. Of the total personal services cost, \$161,000 (or 35%) of the cost is due to overtime charges for Code Enforcement Inspectors and a Parking Control Officer. Because Code Enforcement Inspector hourly rates for overtime are more than three times as much as the Recreation Leaders' hourly rate, Code Enforcement could consider alternatives to reduce the use of overtime to staff Clean-up events. For example, Code Enforcement may consider contracting youth services or hiring part-time workers to assist in the Clean-up events or altering Code Enforcement work schedules to limit the use of overtime.

Changes in staffing and bin resources offer Code Enforcement the opportunity to both reduce personal services cost and increase service to residents. Such changes would help reduce the number of years necessary to cover an entire district. In our opinion, Code Enforcement should consider alternative staffing and bin plans to reduce the amount of overtime used for Clean-up events and increase targeted Clean-up areas to accommodate

an average of 22 bins per Clean-up event. In addition, the remaining budget capacity and a shifting of existing resources could help offset the cost of a Community Grant Program (*see this page, below*) and the postage for Clean-up event flyers (*see page 12*).

A City Council Office-Directed Community Grant Program May Be A Cost Effective Alternative For Specific Resident Requests For Clean-up Events

We found that a City Council member uses his own office funds to assist small groups of homeowners or neighborhood organizations to conduct their own Clean-ups. These groups use up to six bins for their Clean-up events.

In our opinion, augmenting the current Program with a City Council Office-Directed Community Grant Program (Community Grant Program) for smaller neighborhood-run Clean-ups would give the City Council offices the ability to target smaller areas within their District without sacrificing one of their large Clean-up events. For example, in 2001-02, one of the Clean-up events serviced an area with only 53 households. This event would have been an ideal candidate for a Community Grant Program Clean-up in view of the fact that the average Clean-up event serves about 815 households in this City Council District.

City Council offices could use a Community Grant to respond to requests from small groups of residents or community groups and/or target small, high-need areas where it may not be efficient to use one of the five City Council District Clean-ups. Furthermore, a Clean-up that City Council offices and/or small groups of residents organize and run could help build positive relationships among residents, the City Council offices, and the City.

According to Code Enforcement budget estimates, a small Clean-up would cost about \$1,452, which would include five bins (four garbage and one rock bin). The Community Grant Program would require some staff time for consultation, strategic support, and the creation of an annual training workshop for grant applicants.

In our opinion, Code Enforcement should work with the City Council to establish a City Council Office-Directed Community Grant Program. We estimate that the unused budgeted resources for Clean-up events should be sufficient to fund the \$29,000 needed for two Community Grant Clean-up events per year per City Council District.

**Consistency In
Informing
Residents Of
Upcoming Clean-
ups Can Be
Improved**

By implementing written standards for Clean-up flyers and using available budget resources to fund postage costs, the form, content, and timing of flyers announcing Clean-up events can be improved. Individual City Council offices are responsible for notifying residents of planned neighborhood Clean-up events. This responsibility includes creating, printing, and distributing informational flyers to residents. In order to mail flyers to residents, City Council offices use third party databases to identify mailing addresses of neighborhood residents. We found that some City Council offices sent flyers directly to residents, while other City Council offices hand-delivered flyers or relied on schools and neighborhood associations to distribute them. We also found that the design, information included, and delivery lead-time of the flyers varied from City Council office to office. The lead-time between Clean-up event flyer distribution and the event itself varied from a few days to four weeks depending on the targeted neighborhood and the City Council office.

In our opinion, Code Enforcement should develop written standards for Clean-up event flyers. Such standards should address flyer content and the timing of mailings. Developing written standards for all City Council offices will help ensure that Clean-up event information is complete and mailed to all the residents in a targeted area in a timely fashion. Clean-up event written standards should be in place to inform residents of materials not accepted at the Clean-up event and how residents can dispose of unacceptable materials, such as general household hazardous waste. Timeliness standards for flyer mailings should provide enough time for residents to prepare for Clean-up events but be close enough to the event that residents will not “forget” it.

Currently, individual City Council office budgets cover the cost of the mailing and postage for Clean-up event flyers. Accordingly, the resources of each City Council office may affect its ability to inform the community of scheduled Clean-ups. According to Code Enforcement and our analysis, there are sufficient unused budgeted funds for Clean-up event bins to cover these postage costs which we estimate to be \$19,000 per year.

By developing written standards for the form and content of Clean-up event flyers and using available budget resources to pay for mailing these flyers, City Council offices can more

consistently inform residents of upcoming Clean-up events without increasing the cost of the Program. Additionally, written standards can function as an orientation tool for new City Council members and their staffs.

According to a City news release dated November 14, 2002, the City is projecting a \$63 million budget shortfall for 2003-04 and is responding by implementing “renewed cost management plan targets for each department to reduce expenditures in the current fiscal year.” Therefore, the City Council may opt to return to the General fund any unused Program budget capacity and revisit expanding the Program when the budget situation improves.

We recommend that Code Enforcement:

Recommendation #1:

Report to the City Council on its assessment of ways to reduce overtime costs and increase targeted Clean-up areas to accommodate an average of 22 bins per Clean-up event,

Work with the City Council to establish a City Council Office-Directed Community Grant Program to provide for two small neighborhood Clean-ups per year per City Council District, and

Develop written standards regarding the form, content, and timing for Clean-up event flyers and use funds budgeted for Clean-up event bins to cover the costs to mail the flyers. (Priority 3)

We also recommend that the City Council:

Recommendation #2

Either expand the Neighborhood Clean-up Program based on Code Enforcement’s implementation of Recommendation # 1, or return the Program’s unused budget capacity to the General Fund. (Priority 3)

Total Program Costs Are Difficult To Capture

Currently, two departments – Code Enforcement and the ESD – monitor and track costs for the Program. Code Enforcement maintains budget information on personal services and operations, while the ESD budgets and monitors costs for bins, CRT recycling and disposal. Tracking and predicting the cost

of the Program is a challenge, as each department develops and monitors different elements of the Program. Code Enforcement could better track Program costs by defining a budget that separates and captures all Program costs.

According to Code Enforcement, the 2002-03 Clean-up Program cost is projected to be about \$778,800 with a cost of \$15,576 per Clean-up event. Because certain cost elements were difficult to identify, Code Enforcement has to estimate the overall Program Cost. Exhibit 5 breaks down Code Enforcement's 2000-01, 2001-02, and 2002-03 costs and projected costs, which include Program costs, number of large Clean-ups per District, number of actual Clean-ups, and the cost per Clean-up event.

Exhibit 5 Summary Of Neighborhood Clean-up Costs And Activities For 2000-01, 2001-02, And 2002-03

	Fiscal Year		
	2000-01	2001-02	2002-03
Program Costs	\$ 451,678	\$ 545,277	\$ 778,800
Number Of Clean-ups Per District	4	5	5
Number Of Actual Clean-ups Citywide	41	49	50
Cost Per Clean-up	\$ 11,017	\$ 11,128	\$ 15,576

Source: Code Enforcement 2000-01, 2001-02, 2002-03 Cost Models.

Between 2001-02 and 2002-03, Code Enforcement indicates that Program costs increase nearly 43 percent from \$545,277 to a projected \$778,800 and from \$11,128 to \$15,576 per Clean-up event, primarily as a result of changes to Program staffing and the addition of some non-personal cost elements. Additionally, Code Enforcement indicated that they planned to rely on Code Enforcement Inspectors to support the Clean-ups in lieu of relying on Recreation Leaders. Finally, increased disposal costs, Cathode Ray Tube (CRT) recycling, and bins for rock and construction material were budgeted through the ESD's budget.

Current Program budget information reports large variances in budgeted and actual expenditures in 1999-00, 2000-01, and 2001-02. Exhibit 6 shows Code Enforcement and ESD's reported budgeted and actual expenditures for the Program for 1999-00, 2000-01, and 2001-02.

Exhibit 6 Summary Of Budgeted And Actual Expenditures For 1999-00, 2000-01, And 2001-02 For The Neighborhood Clean-up Program

	Fiscal Year		
	1999-00	2000-01	2001-02
Budgeted	\$ 426,934	\$ 538,349	\$ 716,986
Actual Expenditures	392,448	451,678	545,277
Difference	\$ 34,486	\$ 86,671	\$ 171,709

Source: As reported by Code Enforcement.

Code Enforcement generally attributes the differences in budgeted and actual expenditures to differences in bin budgets and expenditures, but according to Code Enforcement, the variance in 2001-02 also includes personal and non-personal savings.

There have been a number of revisions of budget information to identify and estimate cost elements not originally accounted for by Code Enforcement Cost Models and projections. Consequently, budgeted and actual Program costs may vary from the true costs of the Program. In our opinion, a comprehensive budget for the Program will improve accountability and allow Code Enforcement and the ESD to compare budgeted to actual Program costs.

We recommend that Code Enforcement and the ESD:

Recommendation #3
Establish a comprehensive budget for the Neighborhood Clean-up Program and a process to compare budgeted to actual Program costs. (Priority 3)

Participant Information Can Improve The Measurement Of Program Performance

We found that Code Enforcement needs to analyze the level of actual household participation and collect other participant statistics in order to gauge current Program performance and identify areas of possible improvement. The new garbage contracts require GreenTeam and Norcal to provide the City with the following Clean-up statistics:

- Date of event,
- Location,
- Staffing,

- Number and type of bins,
- Items collected,
- Tons collected,
- Material reused,
- Material recycled, and
- Tons disposed.

Code Enforcement and the ESD collect some information about targeted neighborhoods and bin usage. However, neither Code Enforcement nor the ESD collects statistics on the actual number of Program participants and participants' perceptions of the Program. By collecting data and analyzing the actual number of households that participate in each Clean-up and participants' perceptions of the Program, Code Enforcement can better measure Program performance and identify ways to improve the Program.

We recommend that Code Enforcement:

Recommendation #4

Collect and analyze Clean-up statistics and additional Clean-up performance information. (Priority 3)

**Awareness Of
Coordination
Efforts With Other
City Services And
Community-Based
Organizations
Varies**

According to City Council members and their staffs, they would like to see improved coordination with other City services and community-based organizations during the Clean-up event. While some City Council members indicated that there were other City services, such as anti-graffiti and vehicle abatement present at Clean-ups, other City Council offices did not recall seeing these City services at their Clean-up events. Some City Council offices indicated that Code Enforcement coordinated Clean-up events with HOPE and the Salvation Army. According to Code Enforcement, they provide a number of other activities, which include Abandoned Shopping Cart Program, Cathode Ray Tube (CRT) disposal, battery and paint diversion, and the use of Conservation Corps for Right of Way Clean-ups. However, the extent of City and community-based organizations coordination does not appear to be consistent among City Council Districts. A report on the extent of coordination efforts is a starting point for identifying areas to improve the consistency and extent of coordination efforts.

We recommend that Code Enforcement:

Recommendation #5
Report to the City Council on the extent of coordination efforts with other City services and community-based organizations. (Priority 3)

The City Should Use Unused Household Hazardous Waste Program Resources Of About \$151,000 To Address Unmet Needs

Many City Council members we interviewed indicated that hazardous waste disposal was an unmet need of residents. City residents are unable to dispose of hazardous waste, such as paints, pesticides, and batteries at Clean-up events. Currently, in order to dispose of hazardous materials, residents must contact the County’s Household Hazardous Waste Program (HHW) and make an appointment to dispose of these materials. By contractual agreement, the County of Santa Clara is responsible for collecting hazardous waste in the City of San Jose. We found that the City is not using all of the HHW Program capacity attributed to San Jose.

The HHW Program does not fund unlimited household hazardous waste disposal. In June 2000, the City signed an agreement (Agency Agreement for Countywide AB 939 Implementation Fee, June 2000) with the County to provide hazardous waste disposal for several County municipalities at a cost of \$1.50 per ton of landfill-disposed waste. Under this agreement, the County would use fee revenue to provide hazardous waste disposal to three percent of San Jose residents – a total of 8,625 residents. However, only 6,038 residents (measured by the number of cars) actually participated in the HHW Program in 2001. As a result, the HHW Program has unused capacity for San Jose residents. The unused capacity amounts to about \$151,000, which under the agreement is available to fund additional HHW disposal, and/or do outreach activities for San Jose residents.

County statistics indicate that certain community segments have limited or no access to the HHW Program. For example, in 2001, less than three percent of San Jose households participated in the HHW Program. Further, a HHW Program survey of 9,358 County program users showed that 94 percent spoke English and only 28 percent were new users of the program in 2001. Additionally, 91 percent of the survey respondents were homeowners, more than 80 percent had stored hazardous waste at their home from one to over twenty years, and 30 percent earned more than \$100,000 a year.

In our opinion, the ESD should use unused HHW Program capacity to fund additional HHW disposal and/or outreach activities. Additionally, the ESD should work with Code Enforcement to include appropriate HHW information on Neighborhood Clean-up mailers.

We recommend that the ESD:

Recommendation #6

Use unused Household Hazardous Waste Program (HHW) capacity to fund additional HHW Program disposal and/or outreach activities. (Priority 3)

The County Of Santa Clara May Owe The City About \$31,115 Due To Tonnage Report Discrepancies

When we compared tonnage data from the County and the State Integrated Waste Management Board, we found inconsistencies in tonnage reports. Specifically, while the County reported 823,414 tons disposed, the State's Disposal Reporting System showed 844,157 tons disposed or a difference of 20,743 tons. Although some of this discrepancy is due to the direct export of waste to disposal facilities outside Santa Clara County, it is not possible to determine from readily available state publications how many tons of San Jose waste were exported after receipt at an in-County transfer station. Since these tons would be subject to the fee, the discrepancy cannot be ignored. This difference in tonnage could result in the County owing the City \$31,114.50. In our opinion, the ESD should resolve the tonnage report discrepancy issue with the County.

We recommend that the ESD:

Recommendation #7

Resolve the \$31,115 tonnage report discrepancy with the County of Santa Clara. (Priority 2)

CONCLUSION

The Neighborhood Clean-up Program can be improved by

- 1) maximizing the use of available budget resources;
- 2) establishing a City Council Office-Directed Community Grant Program;
- 3) creating consistency in informing residents of upcoming clean-ups;
- 4) developing a comprehensive budget scheme;
- 5) collecting and analyzing participant information;
- 6) reporting on coordination efforts with other City services and community-based organizations;
- 7) utilizing \$151,000 of unused HHW capacity to service San Jose residents; and
- 8) resolving the \$31,115 tonnage report discrepancy with the

County of Santa Clara. By implementing these improvements, Code Enforcement will be able to offer San Jose residents a more comprehensive and effective Neighborhood Clean-up Program.

RECOMMENDATIONS

We recommend that Code Enforcement:

- Recommendation #1** **Report to the City Council on its assessment of ways to reduce overtime costs and increase targeted Clean-up areas to accommodate an average of 22 bins per Clean-up event, Work with the City Council to establish a City Council Office-Directed Community Grant Program to provide for two small neighborhood Clean-ups per year per City Council District, and**
- Develop written standards regarding the form, content, and timing for Clean-up event flyers and use funds budgeted for Clean-up event bins to cover the costs to mail the flyers. (Priority 3)**

We also recommend that the City Council:

- Recommendation #2** **Either expand the Neighborhood Clean-up Program based on Code Enforcement's implementation of Recommendation # 1, or return the Program's unused budget capacity to the General Fund. (Priority 3)**

We recommend that Code Enforcement and the ESD:

- Recommendation #3** **Establish a comprehensive budget for the Neighborhood Clean-up Program and a process to compare budgeted to actual Program costs. (Priority 3)**

We recommend that Code Enforcement:

- Recommendation #4** **Collect and analyze Clean-up statistics and additional Clean-up performance information. (Priority 3)**

- Recommendation #5** **Report to the City Council on the extent of coordination efforts with other City services and community-based organizations. (Priority 3)**

Targeted Neighborhood Clean-up Program

We recommend that the ESD:

Recommendation #6 **Use unused Household Hazardous Waste Program (HHW) capacity to fund additional HHW Program disposal and/or outreach activities. (Priority 3)**

Recommendation #7 **Resolve the \$31,115 tonnage report discrepancy with the County of Santa Clara. (Priority 2)**

Memorandum

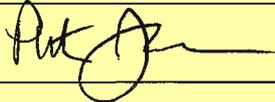
TO: Gerald A. Silva

FROM: Stephen M. Haase
Carl W. Mosher

SUBJECT: SEE BELOW

DATE: January 13, 2003

Approved:



Date:

1-19-03

SUBJECT: ADMINISTRATION'S RESPONSE TO AN AUDIT OF THE TARGETED NEIGHBORHOOD CLEAN-UP PROGRAM

BACKGROUND

The Departments of Planning, Building and Code Enforcement and Environmental Services have received the audit report. In general, the departments agree with the findings of the audit. Specific responses to the recommendations are listed.

***Recommendation #1** – Report to the City Council on its assessment of ways to reduce overtime costs and increase targeted clean-up areas to accommodate an average of 22 bins per Clean-up event; work with the City Council to establish a City Council-Directed Community Grant Program to provide for two small neighborhood clean-ups per year, per City Council District; and develop written standards regarding the form, content, and timing for clean-up event flyers, and use funds budgeted for clean-up event bins, to cover the costs to mail the flyers.*

The Department of Planning, Building and Code Enforcement concurs with this recommendation. The Code Enforcement Division is sensitive to the costs of staffing the Neighborhood Clean-ups with Code Enforcement Inspectors, and is eager to continue seeking alternative employee resources to reduce the overtime costs. The use of Code Enforcement Inspectors to staff bins has historically been necessary for a variety of reasons, as described below:

- Code Enforcement Inspectors provide oversight of items being discarded into the bins. The Neighborhood Clean-ups generally have bins designated for specific materials. Items such as metal, wood, refrigerators, tires, and refuse have, at one time or another, been separated into different bins. Code Enforcement Inspectors also monitor the bins to prevent the disposal of certain un-permitted items, such as hazardous materials, paint, and batteries.
- A Neighborhood Clean-up usually requires a minimum of two bins to be placed at various locations. As the bins arrive at a designated site, residents have either been waiting in vehicles or on foot to dispose of refuse. Generally, a minimum of two Code Enforcement Inspectors are deployed at the bin location to facilitate the safe disposal. Due to the exuberance shown by participants in an effort to dispose of refuse, whether in vehicles or hand-carried, close scrutiny is warranted to ensure residents' safety and the safety of staff.

- The first bins arriving in the neighborhood will generally be filled to capacity quickly, as other bins arrive at other locations. The role of the Code Enforcement Inspector is to ensure that bins are not filled above their capacity, that items are not discarded in the public right-of-way, and that residents proceed with disposal in an orderly fashion to ensure safety and that inappropriate items are not placed in the bins.

Securing dependable and less expensive employee resources has not always been possible. The Program has experienced occasions wherein staff from other departments is not available, or is unable to participate at the last minute, resulting in the need for Code Enforcement Inspectors to monitor the bins. Incidents as previously described have proven to be almost nonexistent when using Code Enforcement Inspectors to monitor the bins, provide traffic control and ensure that discarded items are sorted accordingly.

The Department of Planning, Building and Code Enforcement will begin looking at opportunities to increase the average number of bins available per Neighborhood Clean-up, to 22 per event. In defining Neighborhood Clean-up boundaries, a variety of factors are considered in determining the area to be serviced and the subsequent number of bins needed. These include: physical boundaries, the input of neighborhood associations and City Council Offices, and data from previous Neighborhood clean-ups. Staff will work with City Council Offices in an effort to expand these areas, therefore increasing the number of bins used. In addition, the Department of Planning, Building and Code Enforcement will develop written standards for the content of the clean-up flyers. Staff will also prepare, and distribute to the Council Offices, a schedule suggesting mailing dates for these flyers in an effort to ensure that residents are notified of these events.

The Audit Report indicates that, "...the remaining budget capacity and a shifting of existing resources could help offset the cost of a Community Grant Program" (Page 13). In addressing the projected General Fund shortfall for FY 2003-2004, the Code Enforcement Division will continue to pursue less costly staffing resources for the Neighborhood Clean-up Program and is looking at alternative funding sources to enable the Division to continue the Program at current levels, despite diminished resources citywide. Should the City Council decide to use any achieved staff cost and bin use savings to fund a "Community Grant Program," the Code Enforcement Division and Environmental Services Department will work with the City Council Offices to develop standards, written procedures, and criteria for these additional Council Office-coordinated clean-ups.

Recommendation #2 – *Either expand the Neighborhood Clean-up Program based on Code Enforcement's implementation of Recommendation #1, or return the Program's unused budget capacity to the General Fund.*

The Department of Planning, Building, and Code Enforcement, as indicated in Recommendation #1, is positioned to expand the Neighborhood Clean-up Program to an average of 22 bins per Clean-up event. Alternatively, if the City Council elects to retain the Clean-ups at current capacity, which is 16 bins per Clean-up event, any realized General Fund savings, as a result of

maintaining bin capacity at current levels, would be achieved in the budget of the Environmental Services Department.

Recommendation #3 – *Establish a comprehensive budget for the Neighborhood Clean-up Program and a process to compare budgeted to actual Program costs.*

The Departments of Planning, Building and Code Enforcement and Environmental Services concur with this recommendation and will work together to provide a comprehensive budget for the Program. This can be achieved for the 2003-2004 fiscal year.

Recommendation #4 – *Collect and analyze clean-up statistics and additional neighborhood clean-up performance information.*

The Department of Planning, Building and Code Enforcement concurs with this recommendation. A customer survey form will be created wherein the participants will be asked to comment on the effectiveness of the Neighborhood Clean-up Program. In addition, suggestions from the participants, including the City Council Offices, on opportunities for improving the Program will be solicited. It is estimated that it will require six months to acquire meaningful data.

Recommendation # 5 – *Report to the City Council on the extent of coordination efforts with other City services and community-based organizations.*

The Department of Planning, Building and Code Enforcement concurs with this recommendation. The Code Enforcement Division has held annual training sessions with City Council staff wherein the services and logistics for delivering the Neighborhood Clean-up Program are reviewed. This review is used as an opportunity to highlight the various City and community-based programs that are available in conjunction with standard clean-up services. City staffs, from various departments, attend to discuss additional services that may be provided in addition to delivery of the traditional refuse bins. Staff from various departments/divisions provide an overview of the following programs: vehicle abatement (Code Enforcement Division), tree trimming, street repair, street light maintenance (Department of Transportation), and the anti-graffiti and anti-litter programs (Parks, Recreation and Neighborhood Services). In addition, the Code Enforcement Division has historically coordinated these Neighborhood Clean-up activities with community-based organizations such as HOPE, Goodwill, and the Salvation Army, to encourage donations of clothing, toys, and furniture. The new contract requires the haulers to divert a percentage of discarded items. Staff is encouraging the haulers to continue utilizing these community-based organizations to ensure that they meet the diversion requirements. Staff will prepare an information memorandum summarizing these coordination opportunities.

Recommendation #6 – *Use unused Household Hazardous Waste Program (HHW) capacity to fund additional HHW Program disposal and/or outreach activities.*

The Environmental Services Department concurs with this recommendation. Staff agrees that approximately \$151,000 in funds is available for additional disposal and/or Household

Hazardous Waste Program (HHW) outreach activities. Staff is developing an outreach campaign and augmented services specifically targeted at two demographic groups currently underserved by the Countywide HHW Program. Specifically, those demographic groups are:

- Residents living in multiple-family dwellings, and;
- Non-English speaking residents

The first part of this campaign will consist of the development of two pieces of collateral material. The first item will be a brochure, printed in English, Spanish, and Vietnamese, to be distributed to residents living in census tracts identified to be areas with high concentrations of non-English speaking residents. The second item will be a poster to be placed in common areas of multiple-family complexes. The poster instructs the residents to call the HHW program to find out how they can properly dispose of their used automotive fluids and other household hazardous waste. The cost of these and other outreach elements to be developed is expected to be approximately \$50,000.

In addition to the above-referenced campaign elements, the City is currently negotiating a new HHW agreement with the County. As part of this agreement, the County will provide appointment-only, door-to-door HHW collection. This service will be designated to reach San Jose residents who have difficulty reaching a drop-off location. Door-to-door service is 50% more expensive than drop-off service. Staff estimates that the cost of providing this additional service, for 500 San Jose residents, will be \$70,000.

The outreach elements will be implemented in FY 2002-2003, and the door-to-door collection service will be available in FY 2003-2004.

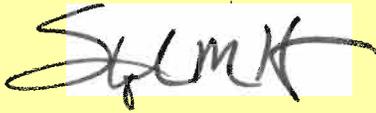
Recommendation #7 – *Resolve the \$31,115 tonnage report discrepancy with the County of Santa Clara.*

The Environmental Services Department concurs with this recommendation. The discrepancy should be fully resolved. The difference between the two total amounts noted in the Auditor's report are that the larger one includes all reported in-state disposal attributed to San Jose in 1998, while the smaller one includes only the amounts reported by the five landfills in Santa Clara County. In general, fees are not collected on waste generated in San Jose and disposed of outside Santa Clara County, since most of that waste is hauled directly from the point of generation to the ultimate site without being handled at an in-County facility subject to the fee. However, beginning with the 1998 MOA with the County, fees were to be collected at non-disposal solid waste facilities that send waste to out-of-County landfills. Two facilities that handle waste from San Jose, the transfer stations operated by Mission Trails in the City of Santa Clara and by GreenWaste Recovery in San Jose, were known to be shipping waste outside the County. Staff does not know at this time how much waste those two facilities handled from San Jose or to which facilities it was transferred.

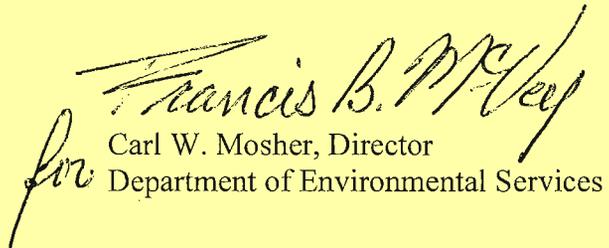
Subject: Administrations Response to an Audit
of the Targeted Neighborhood Clean-up Program
January 13, 2003
Page 5

Within 60 days, Department of Environmental Services staff will work with the County to ensure that the correct tonnages were used to calculate City payments in 1998 and subsequent years. Department of Environmental Services staff will also develop a procedure to ensure that a review with the County of this issue occurs on a periodic basis.

The department administration appreciates the work performed by the City Auditor's Office.



Stephen M. Haase, Director
Planning, Building and Code Enforcement



for Francis B. P. Mosher
Carl W. Mosher, Director
Department of Environmental Services

APPENDIX A

DEFINITIONS OF PRIORITY 1, 2, AND 3 AUDIT RECOMMENDATIONS

The City of San Jose's City Administration Manual (CAM) defines the classification scheme applicable to audit recommendations and the appropriate corrective actions as follows:

Priority Class¹	Description	Implementation Category	Implementation Action³
1	Fraud or serious violations are being committed, significant fiscal or equivalent non-fiscal losses are occurring. ²	Priority	Immediate
2	A potential for incurring significant fiscal or equivalent fiscal or equivalent non-fiscal losses exists. ²	Priority	Within 60 days
3	Operation or administrative process will be improved.	General	60 days to one year

¹ The City Auditor is responsible for assigning audit recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher number. **(CAM 196.4)**

² For an audit recommendation to be considered related to a significant fiscal loss, it will usually be necessary for an actual loss of \$25,000 or more to be involved or for a potential loss (including unrealized revenue increases) of \$50,000 to be involved. Equivalent non-fiscal losses would include, but not be limited to, omission or commission of acts by or on behalf of the City which would be likely to expose the City to adverse criticism in the eyes of its citizens.
(CAM 196.4)

³ The implementation time frame indicated for each priority class is intended as a guideline for establishing implementation target dates. While prioritizing recommendations is the responsibility of the City Auditor, determining implementation dates is the responsibility of the City Administration.
(CAM 196.4)