



Office of the City Auditor

ACTION CALENDAR

March 8, 2005

To: Honorable Mayor and Members of the City Council

From: Ann-Marie Hogan, City Auditor

Subject: Parking Enforcement Operations Audit

RECOMMENDATION

That Council request the City Manager to ensure that the recommendations in the attached report are fully implemented, and to report back by July 19, 2005, regarding the implementation status of each recommendation in the attached report. A date should be set for a follow-up report to Council if any recommendations remain unimplemented at the time of the July report.

SUMMARY

As part of the City Auditor's fiscal year 2005 audit plan we conducted an audit of the operational and policy issues related to the City's Parking Enforcement Operations. The scope of the audit was expanded to include a walkthrough of cash handling of meter coin revenue. This audit focused on:

- Determining whether there was a decline in parking enforcement effectiveness and related revenues.
- Reviewing the amount of Parking Enforcement Officer (PEO) lost time (sick leave, workers compensation leave, etc.), its effect on performance, and results of actions taken by the Police Department to address lost time issues and employee safety concerns.
- Identifying factors outside of the Police Department's control that may negatively impact parking enforcement operations.
- Evaluating the handling of meter coin revenue in the Office of Transportation.

The audit identifies possible ways in which these problems could be addressed.

The audit identified the following concerns:

1. Number of citations issued per PEO decreased.
2. Monthly Reports on PEO activity and results were not verified or reconciled to the available data and appeared insufficient for decision-making purposes.
3. The methodology for allocation of revenues and expenses to the Parking Fund resulted in deficits.
4. Parking enforcement goals for the City appear inconsistent.
5. Parking enforcement beats are not reassigned when staff shortages occur.
6. PEOs report general work dissatisfaction.
7. PEOs report feeling unsafe while performing their public duties.
8. PEOs are having problems enforcing parking laws due to circumstances beyond their control.

We also found that the internal control structure over the cash handling of coins from meters by the Office of Transportation could be strengthened.

#### FISCAL IMPACTS OF RECOMMENDATIONS

The recommendations will help the Police Department and the City Manager address specific obstacles to efficient and effective performance of parking enforcement responsibilities. The current budgeted revenue from parking fines is over \$9 million. Accordingly, reversing the 6% decrease in the number of citations issued per PEO between FY03 and FY04 should lead to a significant increase in revenue.

#### CURRENT SITUATION AND ITS EFFECTS

The Police Department and the City Manager have indicated that they have taken steps to enhance the effectiveness of the parking enforcement functions and to assist the PEOs in overcoming identified obstacles to effective performance. This will include establishment of new systems to formally track and monitor incidents, obstacles, and concerns on the beat.

Internal control issues regarding coin handling were also noted. The Office of Transportation has already addressed some of these and has proposed viable solutions to be implemented in the future to ensure the safety of the City's coin revenue.

#### RATIONALE FOR RECOMMENDATIONS

Effective parking control is an important component of the quality of life and economic vitality of the City. In addition, parking fine revenue is a significant part of the General Fund discretionary revenue. Increases in the effectiveness and efficiency of parking enforcement will benefit the City by improving the quality of performance while reducing the cost of service.

#### CONTACT PERSON

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Approved:

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