CONSULTING ENGAGEMENT

Community & Economic Development

Code Enforcement Assessment

May 17, 2017

Office of the City Manager
Internal Audit Division
Cheryl Johannes, Internal Audit Manager

DATE: May 17, 2017

TO: JOHN RUSSO, CITY MANAGER

FROM: CHERYL JOHANNES, INTERNAL AUDIT MANAGER
VINCENT PRICE, SENIOR INTERNAL AUDITOR

CC: RAFAEL GUZMAN, COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR
AL ZELINKA, ASSISTANT CITY MANAGER
MARIANNA MARYSHEVA, ASSISTANT CITY MANAGER
ALEX NGUYEN, ASSISTANT CITY MANAGER

RE: CODE ENFORCEMENT ASSESSMENT (CONSULTING ENGAGEMENT)

Periodically Internal Audit is requested to do thorough and impartial data collection, analysis, and reporting of a program, service, or function, which results in an assessment report for management. At the request of the Community and Economic Development Department (CEDD) Director, an Assessment of the Code Enforcement Division was included in the Internal Audit Workplan for FY 2016/17. The specific objectives[1] of the requested consulting engagement included in this assessment report were to:

- Determine if Code Enforcement staffing levels are adequate to provide
  - Cost-effective service to the community;
  - Sufficient collaborative support to other City departments as needed;
- Determine if management of case load and other performance related data is sufficient; and
- Determine if Code Enforcement management of unscheduled time off is satisfactory.

We thank the Community and Economic Development Director and staff for their cooperation during the assessment.

Please contact Internal Audit if you have any questions or comments regarding the attached summary.

[1] This assessment did not include a review of the efficiency and effectiveness of Code Enforcement administrative processes and procedures, nor the adequacy of internal control processes, as these activities were completed in a Performance Audit conducted in August 2015.

SCOPE and METHODOLOGY

Our assessment consisted of an analytical review of Code Enforcement data, reports, and other applicable documentation covering July 1, 2015, through June 30, 2016[2]. To address our objectives, our assessment included the following review elements:

- Reviewed applicable Code Enforcement policies and procedures;
- Accessed the division's GoEnforce application to review code enforcement case management and other applicable data/reports;
- Interviewed the Code Enforcement Manager;
- Reviewed code enforcement budgetary and personnel data noted in the City of Riverside Adopted Biennial Budget for fiscal years 2015/16 to 2017/18;
- Reviewed code enforcement budgetary and personnel data for other selected California cities for benchmarking purposes; and
- Reviewed transactional data from the City's financial system, IFAS.

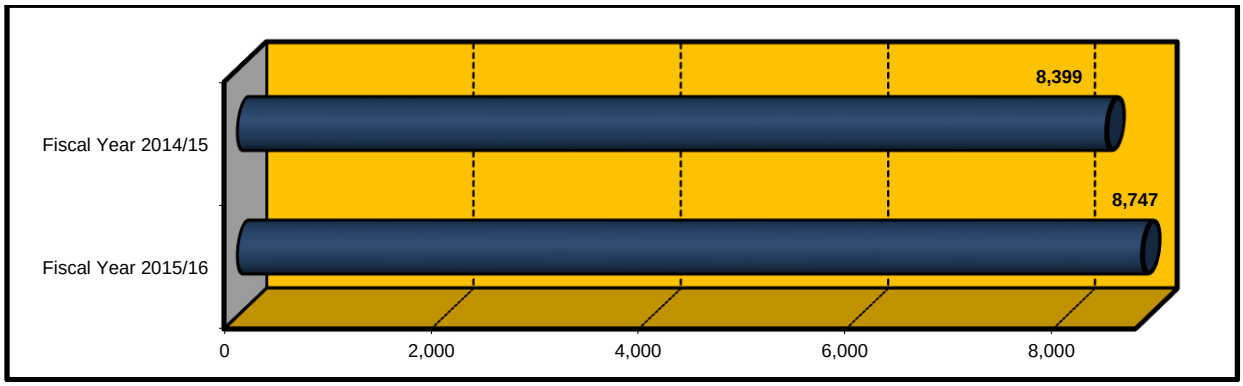
OBSERVATIONS

STAFFING LEVELS

For fiscal year 2015/16 there were 31 authorized positions[3] in Code Enforcement, however this number was reduced to 24 for fiscal year 2016/17. At the time of this report, the total of filled positions was 22 as reflected in *Appendix A*.

Code Enforcement personnel responsibilities are divided up among several different assignments, as noted in *Appendix B*. The chart below reflects the number of violations accumulated by the division for the prior two fiscal years as a result of their oversight of Code assignment areas.

Code Enforcement Violation Counts
Fiscal Years 2014/15 & 2015/16



Source: Internal Audit Division. Data obtained from GoEnforce.

[2] During the assessment, Internal Audit additionally reviewed applicable data and/or documentation for fiscal years 2014/15 and 2016/17 as necessary for comparative purposes.
[3] As reflected in the City of Riverside adopted Biennial Budget for fiscal years FY2016 to FY2018.

Overall, funding for the Code Enforcement Division decreased by 10% for fiscal year 2016/17 from the previous fiscal year (primarily attributed to a reduction in salaries and professional services). A comparison was made between Riverside and other California cities of expenditures and authorized full-time equivalent (FTE) employees (the results of which are shown in the table below), to assess the correlation of funding and staffing levels relative to a city's population.

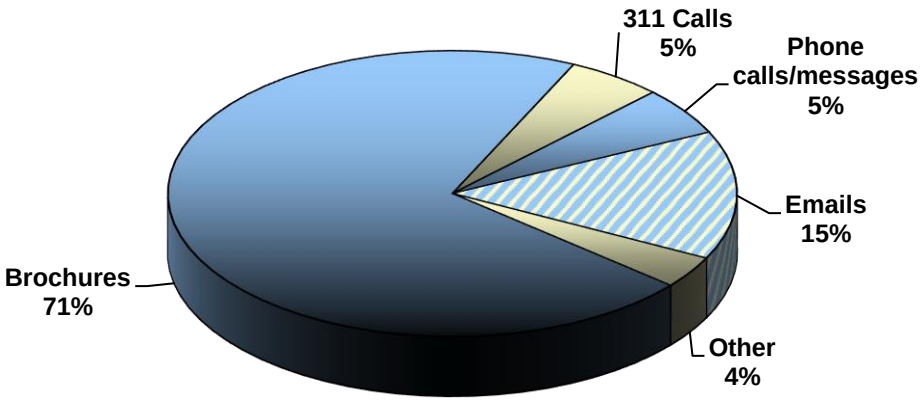
Code Enforcement Budget and FTE Comparison by Selected California Cities (fiscal year 2016/17)

City	Population (2015)	Budgeted Expenditures	Authorized FTEs	Expenditures per Citizen
Sacramento	480,105	$ 8,396,719	63.00	$ 17.49
Long Beach	472,779	6,693,866	49.60	14.16
Oakland	410,603	3,067,464	21.75	7.47
Santa Ana[4]	335,264	2,600,000[5]	21.00	7.76
Riverside	317,307	3,039,959	24.00	9.58
Modesto	209,186	973,047	8.00	4.65
Moreno Valley	200,670	1,781,460	13.00	8.88

Source: Internal Audit Division. City population data obtained from California Department of Finance. Expenditures and FTE data obtained from various California city websites.

Internal Audit documentary review and discussion with the Code Enforcement Manager revealed that the division uses a number of different methods to gauge customer feedback on its performance/activities. The chart below represents the feedback received by the division for fiscal year 2015/16; Internal Audit review of all feedback methods noted generally positive reviews were received by the division.

Customer Feedback Methods Fiscal Year 2015/16



Source: Internal Audit Division. Data obtained from Code Enforcement Division.

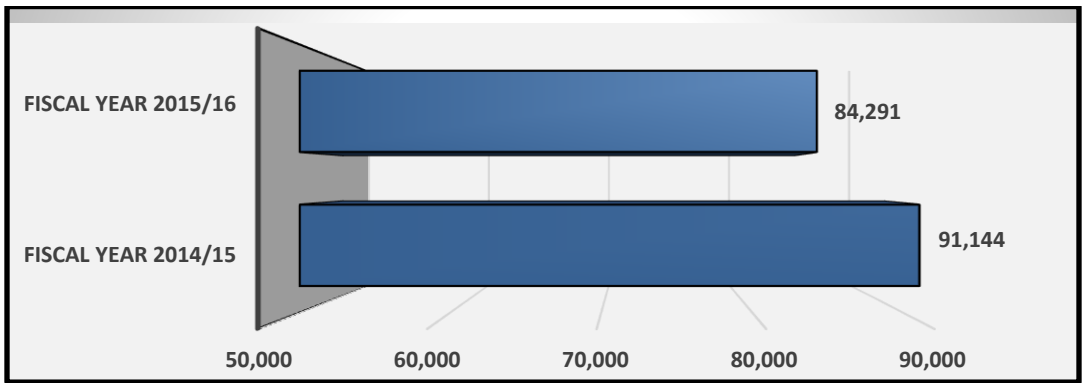
[4] The expenditures and FTEs span two separate divisions.
[5] Estimated actual expenditures. Santa Ana does not include a budget for abatement; Riverside's abatement allotment is $310,000, the primary difference in expenditures between Santa Ana and Riverside.

CASE MANAGEMENT

Code Enforcement Officers are assigned to specific geographic areas of the City – these areas correspond with the City of Riverside Police Department's Neighborhood Policing Centers (North, East, Central, and West). Officers respond to all incoming complaints within their respective assigned areas, and complete routine patrols of those areas.

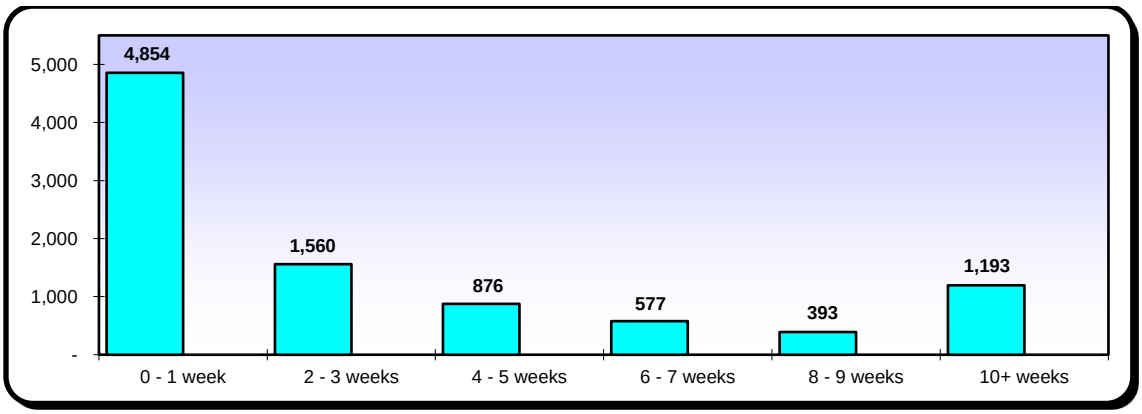
For fiscal year 2015/16, the total number of complaints reported were 9,643 (an average of 567.2 complaints handled per Code Enforcement officer), slightly down from the prior fiscal year. When a case is opened resulting from a complaint, there are several different actions or activities (action counts[6]) that Code Enforcement staff takes in relation to that case. The first chart below reflects the number of action counts for the division for fiscal years 2014/15 and 2015/16, while the second chart shows the number of cases closed within the time frame noted by the division for fiscal year 2015/16 (68% of opened cases were closed within 21 days).

Code Enforcement Action Counts[7]
Fiscal Years 2014/15 & 2015/16



Source: Internal Audit Division. Data obtained from GoEnforce.

Number of Days to Close a Case
Fiscal Year 2015/16



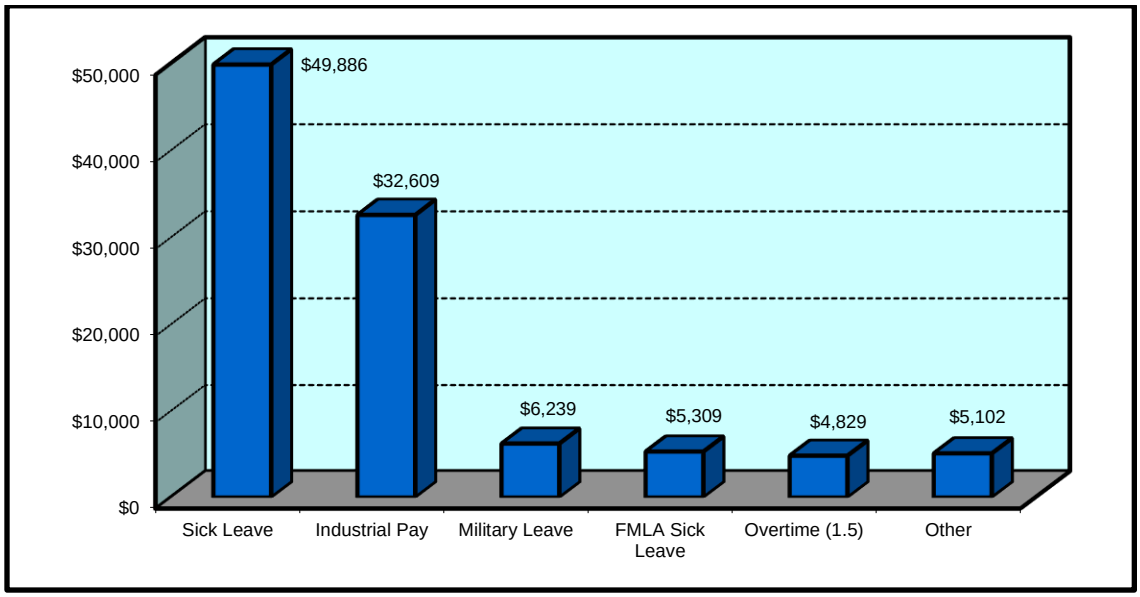
Source: Internal Audit Division. Data obtained from GoEnforce.

[6] Action counts include (but are not limited to) inspections, issuing notices, phone calls, research, or meetings.
[7] Totals listed do not include complaints handled by Public Utilities 311 Call Center.

UNSCHEDULED TIME MANAGEMENT

Code Enforcement Supervisors (along with the Code Enforcement Manager) approve unscheduled time off, which is annotated by employees in Outlook and entered into IFAS. Supervisors review timecards submitted and compare it to what is reflected in Outlook for verification. The chart below reflects the pay allocations for the leave types noted for unscheduled time off for fiscal year 2015/16 (the unscheduled time off total for fiscal year 2015/16, $103,973, was down 19% from the prior fiscal year).

Unscheduled Time Off
Fiscal Year 2015/16



Source: Internal Audit Division. Data obtained from IFAS.

RECOMMENDATIONS

As noted in the August 2015 Code Enforcement Audit, performance measurement data can provide managers with relevant information needed to allocate resources, and set performance targets and goals. This information is also useful to both elected officials and the public, as it provides them with objective information necessary to ascertain how their tax dollars are being spent.

Over the last several months, the City of Riverside has been implementing a Citywide Performance Measurement and Reporting Program (PMRP), and all departments have uploaded external and internal performance measures into the HIVE, the City's enterprise project management information system. The table below illustrates the CEDD's strategic goal and performance measure related to Code Enforcement Division activities.

Updated Strategic Goal	Performance Measure	Target
Promote and maintain a safe and desirable living and working environment	**Percentage of Code Enforcement complaints** responded to within 5 days	Increase above 90% (Quarterly)

The Code Enforcement Division should consider further developing and defining performance measures that can be used for strategic planning and goal setting purposes, in an effort to determine and address productivity and efficiency needs.

The International City/County Management Association (ICMA) Center for Performance Measurement released in 2002 a data report consisting of code enforcement data analysis, resources, and characteristics supplied by several U.S. cities. While every city should tailor measurement data best suited for their particular environment, some suggested performance measures are noted in *Appendix C*.

CONCLUSION

Our assessment revealed no major discrepancies for the objectives listed over the period under review. Staffing levels appear to be adequate given the volume of complaints and violations being handled by the division. Citizen feedback reviewed regarding Code Enforcement performance has been predominantly positive.

In comparison to other selected California cities, Code Enforcement expenditures relative to its FTE count and the city's population do not appear to be cost prohibitive[8]. While expenditures have declined in recent years, they are projected to increase by 2% for fiscal year 2017/18[9].

The GoEnforce application allows for sufficient case management for the division. The system is regularly updated for cases that involve other agency assistance, and appropriate approvals are obtained prior to Code Enforcement contact with external groups (such as Police, Fire, etc.). The reporting capabilities of GoEnforce provide the division with several types of reports to track, measure, and evaluate Code Enforcement's job performance.

It does not appear that the division's use of unscheduled time off has had any measurable impact on its performance. Our review of unscheduled time off in fiscal year 2015/16 showed that productivity levels for activities reviewed remained consistent in comparison to the prior fiscal year.

Further efforts to measure performance and gauge feedback from customers and other departments should be explored, provided Code Enforcement has the means and resources available to accomplish those responsibilities.

Management's formal response to our recommendation is attached. We sincerely appreciate the cooperation extended by the division during this assessment.

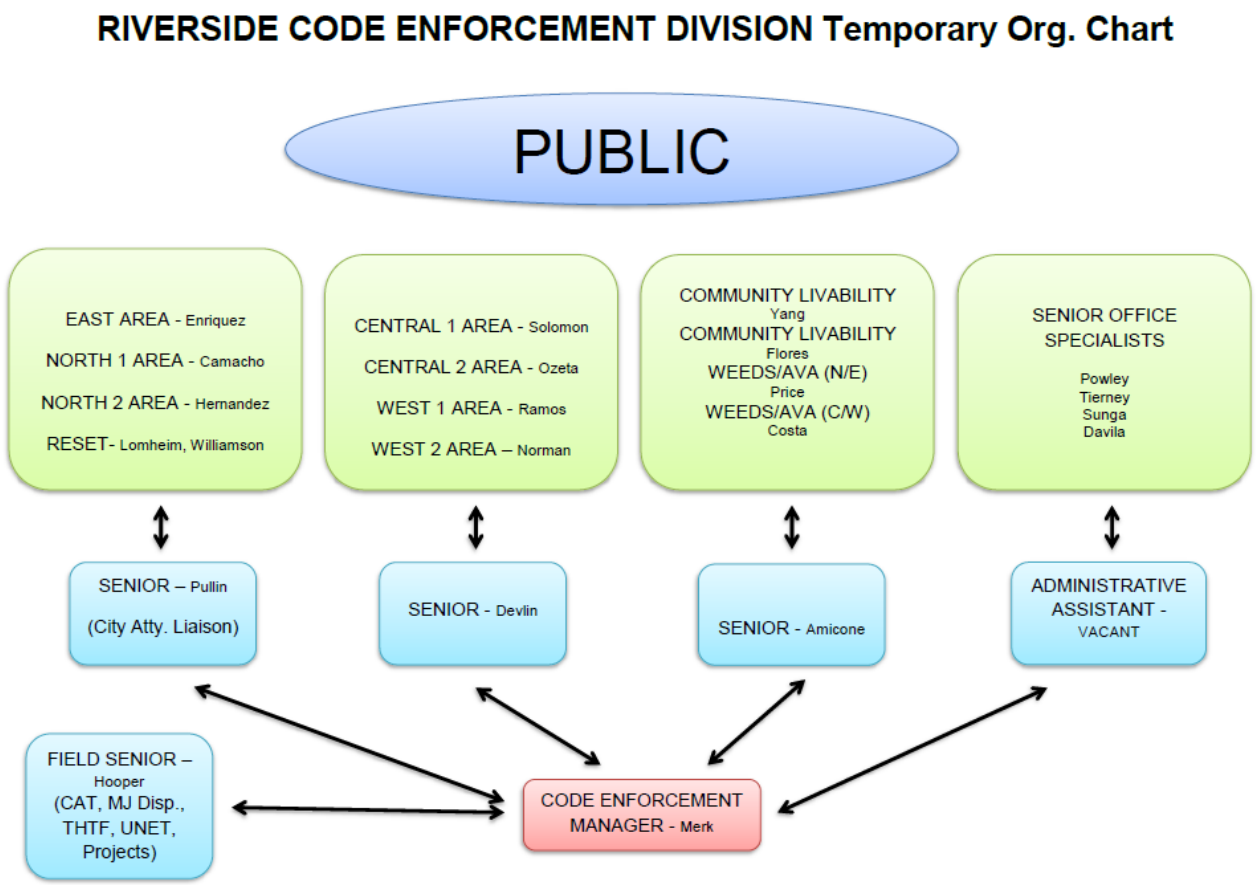
Respectfully,

Vincent Price, CGAP, CICA
Senior Internal Auditor
City of Riverside – Internal Audit Division

[8] Internal Audit research conducted for this assessment did not reveal an established standard.
[9] As reflected in the City of Riverside adopted Biennial Budget for fiscal years FY2016 to FY2018.

APPENDIX A

Code Enforcement Organizational Chart



Source: Code Enforcement Division.

APPENDIX B

Code Enforcement Teams and Assignments

TEAMS & ASSIGNMENTS

Senior Code Enforcement Officers

Senior Officers are responsible for the day to day management and operations of their assigned teams. Senior Officers oversee the area code enforcement activities as well as specialized teams within the Division.

Area Officers

The City is divided into four geographic areas that correspond with the City of Riverside Police Department 'Neighborhood Policing Centers': North, East, Central, West. Code Enforcement Officers are assigned a geographic area of the City. The area officer addresses all incoming complaints within that area that do not fall under one of the specialized team's responsibilities (See "Special Project Teams" for additional information). Area officers also complete routine patrol of their areas, respond to assist other city departments and may proactively initiate cases.

SPECIAL PROJECT TEAMS

Transitional Housing Task Force (T.H.T.F.)

Officer is assigned to this team with the primary focus of addressing parolee boarding houses, group homes and sober living homes.

University Neighborhood Enhancement Team (U.N.E.T.)

Officer investigates student housing with University of California police and Riverside Police. The officer investigates concerns regarding campus related problems, student/fraternity related rental housing concerns, overcrowding, noise and parties.

APPENDIX B – continued

Illegal Marijuana Co-ops/Businesses (M.J.)

Officer investigates illegal marijuana co-ops and commercial businesses enforcing concerns such as illegal business and marijuana cultivation.

Code Action Team (C.A.T.)

Officers respond to high priority matters and provide same day response to these concerns. Officers are responsible for finding a successful remedy in an expeditious manner.

Community Livability

Officers address homeless encampments and transient related complaints on public property and works in conjunction with City of Riverside Police Department, Public Works and Homeless Outreach. In addition, this team handles illegal vendor complaints, weekend yard sale activity and other public nuisances as assigned.

Weed Abatement

Officers are assigned to identify and abate weeds on vacant lots twice a year and survey the City for fire fuel mitigation.

AVA

Officers proactively survey all parts of the City to identify and abate abandoned and inoperative vehicles.

APPENDIX B – continued

RESET/Student Workers

Student workers are assigned to the sign abatement team and remove signs that have been illegally placed in the right-of-ways. These teams recover costs by locating the proprietor of the signs removed. RESET is also assigned to administrative support duties and other code enforcement related tasks.

Ward Action Teams (W.A.T.)

The primary purpose of the WAT is to better coordinate and streamline City responses to high priority quality of life cases. The WAT includes existing staff who already have the knowledge and tools to perform the work in their respective departments. One Senior Code Enforcement Officer is assigned to the WAT team for each Council Ward and oversees projects arising from those teams. The WAT for each Council Ward meets monthly.

Source: Code Enforcement Division.

APPENDIX C

ICMA Suggested Performance Measures

For summary scorecards:

- Cases closed as a percentage of cases open at any time during the reporting period
- Cases brought into compliance (voluntarily or through administrative/judicial action) as a percentage of cases open at any time during the reporting period
- Average number of calendar days from case initiation to compliance.

For in-depth reports:

- Average number of calendar days until first inspection of reported code violations
- Ratio of cases carried over from the previous reporting period to total cases on the books ("carry-over" rate)
- Expenditures per capita (perhaps broken down by voting district or neighborhood, if your jurisdiction has access to such detailed information)
- Expenditures per case closed (for all violations, as well as by violation type)
- Building permits issued or development plans reviewed per FTE
- Cases open at any time during the reporting period per FTE (caseload per FTE).

Source: ICMA Center for Performance Measurement, FY 2002 Code Enforcement Data Report.

MEMORANDUM
City Manager's Office

DATE: June 9, 2017

TO: Cheryl Johannes, Internal Audit Manager
Vincent Price, Senior Internal Auditor

FROM: Al Zelinka, Assistant City Manager

CC: John Russo, City Manager
Alex Nguyen, Assistant City Manager
Marianna Marysheva, Assistant City Manager
Rafael Guzman, Community and Economic Development Director
Gary Merk, Code Enforcement Manager

RE: **Response to Code Enforcement Assessment Recommendations**

Dear Ms. Johannes and Mr. Price –

Thank you for your thorough report pertaining to code enforcement's adequacy of performance and cost-effectiveness of service given its staffing levels and case-loads, and collaboration with and support to other departments. (As you noted in Appendix B, including the City's newly formed Ward Action Teams (WAT), Code Enforcement participates on 9 special project teams that depend on inter-departmental collaboration).

I personally have appreciated the performance levels of this code enforcement team, and have observed that, generally, this team has done an above-average job addressing code complaints by the public and other constituents. Your report validates this observation.

According to your report, the Code Enforcement Unit has:

A. received generally positive feedback from the public - which is especially noteworthy given the unit's focus on enforcement and telling people what needs to be corrected on their property, etc.,

B. managed a caseload in FY 16/17 that is respectable compared to peer cities, and

C. closed 75% of its cases in less than 5 weeks and 88% in less than 3 months. Assuming this trend continues or improves, it is a positive statement given the team has reduced its unscheduled time off between FY 14/15 and FY 15/16 by 19%, experienced 10% funding reduction for FY16/17, anticipated a 2% increase in expenditures for FY 17/18, and had only 22 of the 24 positions filled at the time of your report.

I greatly appreciate the suggested opportunities to improve the team's performance and its measurement thereto. In addition to the ICMA suggestions, I hope that the focused and consistent nature of WAT to address the more challenging code cases would result in reduction of closed cases in the "10+ Weeks" category to at or below 10% by end of FY 18/19 (compared to 12% in FY 15/16).

I would also hope that we could move the needle of closed cases in the "5 or less weeks" category from 75% to as much as 80% by end of FY 18/19. And, I absolutely agree that assessing customer service satisfaction of both complaining parties as well as those who have violations would be helpful in fine-tuning this well-performing team.

Thank you again for undertaking this study. While no division is perfect, given the challenging nature of this team's work, I am generally pleased with your findings. And I am very proud of the work you've done on this study and others - our organization improves because of your quality work.