

## **Public Works, General Services, Parks, Recreation, and Community Services Departments Performance Assessment and Financial Expenditures Review**

**City Manager's Office – Internal Audit Division**

City Council  
January 8, 2019

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## **BACKGROUND**

1. On July 25, 2015, City Council endorsed the Performance Assessment and Financial Expenditure Audit Program, providing for comprehensive and independent audits of all departments by qualified experts on a five year rotating basis.
2. The departments approved by City Council for review in fiscal year 2017/18 are the Public Works Department, General Services Department, and Parks/Recreation and Community Services Department.



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## BACKGROUND

3. On November 28, 2017, the City Council approved the scope of work for the review of the Public Works Department, General Services Department, and Parks/Recreation and Community Services Department.
4. On November 30, 2017, a Request for Proposals (RFP) was issued to seek proposers to provide an independent review of the Public Works Department, General Services Department, and Parks/Recreation and Community Services Department.



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## BACKGROUND

5. On March 13, 2018, the City Council approved a Professional Consultant Services Agreement with Management Partners to conduct the performance assessment and financial expenditure review.
6. Management Partners conducted their review during the months of March through September, 2018.



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## DISCUSSION

Summary report presented by  
Mr. Andrew Belknap, Regional Vice President  
Mr. Steve Toler, Senior Manager

Management  
Partners



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## City of Riverside

### Performance Assessment and Financial Expenditures Review

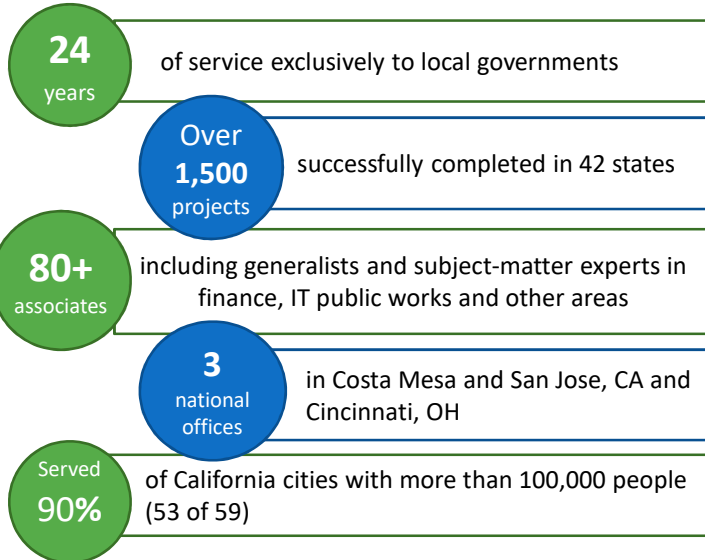
for the Public Works Department, General Services Department, and  
Parks, Recreation and Community Services Departments

Management  
Partners



Andrew Belknap, Regional Vice President  
Steve Toler, Senior Manager

# About Management Partners

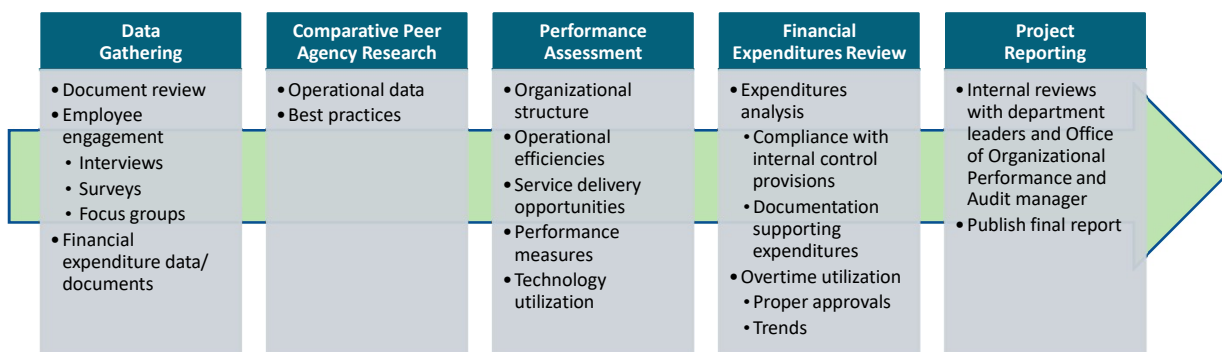


## Services

- **Process Improvement**
- Operations Improvement
- Strategic Planning
- Service Sharing
- Financial Planning/Budgeting
- Organization Analysis
- Organization Development
- Performance Management
- Facilitation and Training
- Executive Recruitment
- Executive Coaching

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# Project Approach



## Observations Consistent Across All Reviewed Departments

- Commitment
  - Striving to meet community needs
  - Providing high levels of service
- Rebuilding service delivery “doing more with less”
  - Great Recession impacts
  - Staffing reductions
- Providing cost-effective service delivery

## Common Challenges

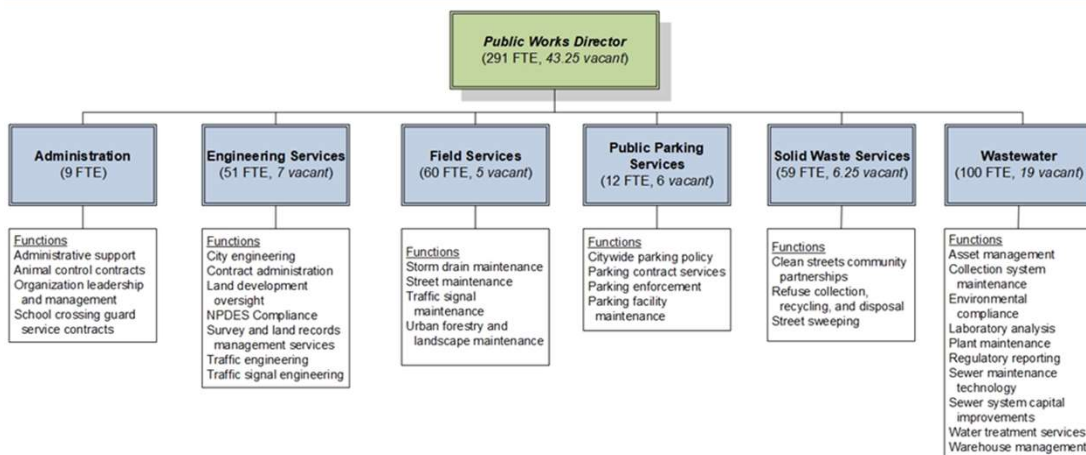
- City has not been able to recover from Great Recession in terms of staffing levels, and full recovery is problematic
- Revenues are not keeping pace with demands and costs
- Result is stress on organization and generalized service level erosion
- Challenge is to become more efficient and effective, even with growing personnel costs
- Solutions may be difficult and require alternative service delivery approaches

# Performance Assessment and Financial Expenditures Review

## Public Works Department



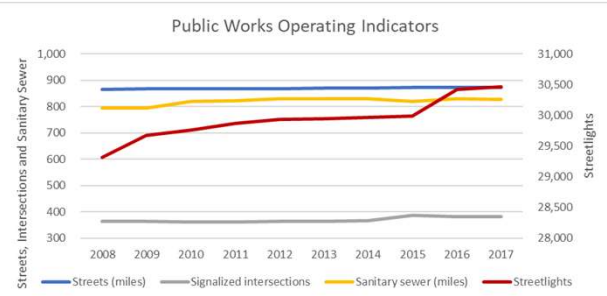
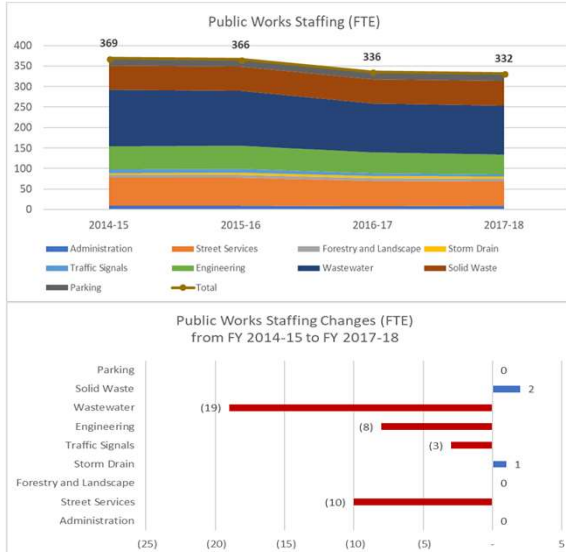
## Public Works – Organizational Structure



Organizational structure is consistent with service delivery needs and best practices



# Public Works – Operating Indicators



**Staffing levels have declined, yet department has maintained service delivery**

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# Public Works – Highest Priority Recommendations



## Solid Waste

- Obtain proposals from providers to provide service for all residential areas
- Enhance solid waste diversion efforts through
  - Services/Contracts with service providers
  - Marketing
  - Collaboration between collection, transfer and disposal providers



## Wastewater

- Incorporate a comprehensive strategic plan to maximize production and distribution of recycled water into the 2016 Wastewater Master Plan in cooperation with the Utilities Department
- Develop and implement a Wastewater Resources Recovery Plan with the goal of receiving organic material, increasing biomethane production, and maximizing energy production

## Public Works – Highest Priority Recommendations



### Street Sweeping

- Obtain proposals from street sweeping contract service providers to reduce the City's costs to provide this service and reduce potential impact to storm water collection and mitigation efforts



### Streets

- Develop a funding and implementation strategy to achieve the pavement condition index (PCI) standards established by Council policy

## Public Works – Financial Expenditures Review

### Overtime

- Proper approvals in place
- Overtime experience due to
  - ⑩ New service requirements for trash collections/cleanup in homeless areas
  - ⑩ 24-hr call response
  - ⑩ Staff vacancies

### Non-Personnel Expenditures

- Proper approvals in place
- No deviations from internal controls/purchasing policies were noted



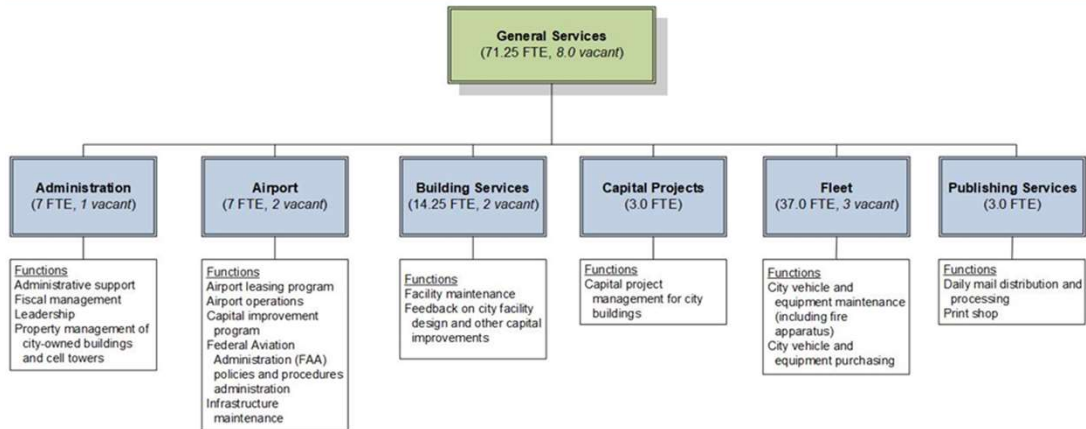
## Public Works – Opportunities for Innovation

- Cross-functional teams for environmental-sustainability initiatives
  - Energy, water, wastewater, solid waste management
  - Cooperative programs to meet state organics requirements
- Sustainable economic development strategies
  - Encourage investment in companies using recyclables as primary component of manufacturing or distributed goods
- Renewable energy output maximization
  - Wastewater treatment power independence
  - Organics diversion for recycling and treatment
  - Bio-methane production for energy generation
- Solid-waste and street-sweeping providers
  - Enhance service levels
  - Lower costs, reduced rates
- “Internet of Things” technology
  - Reduced energy costs for treatment facilities
  - Leverage investment in wi-fi hotspot program

## Performance Assessment and Financial Expenditures Review

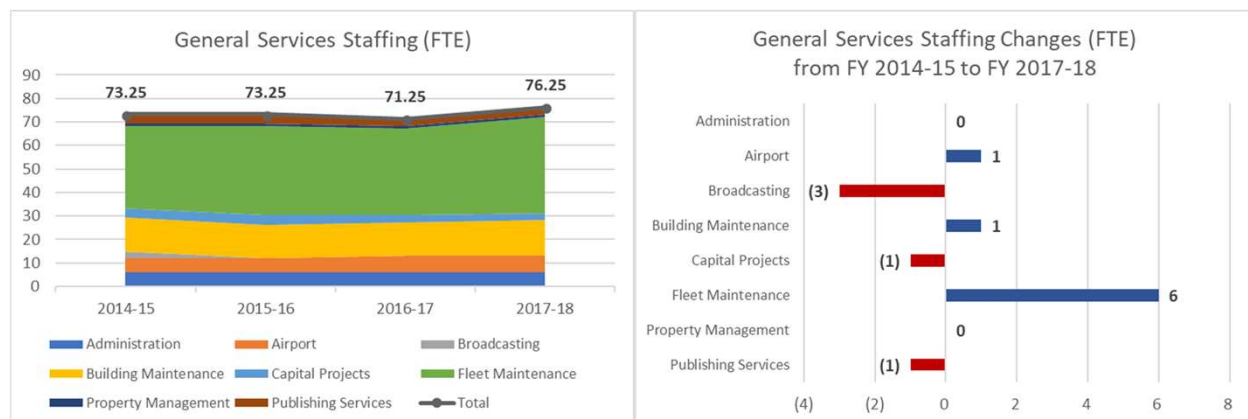
### General Services Department

## General Services – Organizational Structure



Organizational structure is appropriate with service delivery needs and best practices, with minor edits to positional organization chart to reflect current practices

## General Services – Operating Indicators



Staffing levels have increased in fleet maintenance to meet demands using available funds from Measure Z.

## General Services – Highest Priority Recommendations



### Riverside Municipal Airport

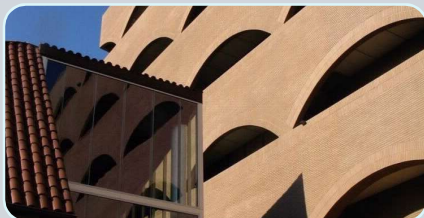
- Update Airport Master Plan focusing on potential to further develop hangar rental opportunities
- Enhance revenue opportunities:
  - ⑩ Finalize competitive bid process for fixed-based operators
  - ⑩ Use undeveloped property for additional hangar space
  - ⑩ Increase hangar rates based on market demands



### Fleet Services

- Conduct a cost-benefit analysis to compare to private sector service providers, considering potential future rising costs of employee compensation and benefits

## General Services – Highest Priority Recommendations



### Building Services

- Analyze impact of creating internal service funding for replacement of facility components (e.g., HVAC, roofing, paint, electrical systems)
- Implement modern asset management system to track/monitor facility conditions and maintenance activities



### Property Management

- Consider consolidation of property management functions in one part of City organization in coordination with City Auditor's review of property management services

## General Services – Highest Priority Recommendations



### Succession Planning

#### Succession Planning

- Request that Human Resources develop a formal succession plan for the department



#### Performance Standards

- Implement quantifiable performance standards and regularly evaluate performance against established standards

## General Services – Financial Expenditures Review

### Overtime

- Proper approvals in place
- Overtime experience in Building Services due to
  - ⑩ Addressing aging infrastructure
  - ⑩ Division staffing shortages

### Non-Personnel Expenditures

- Proper approvals in place
- No deviations from internal controls/purchasing policies were noted
- Assess competitive pricing on frequently ordered vehicle parts

## General Services – Opportunities for Innovation

- “Internet of Things” technology
  - Applicable for Building Services
  - Benefits of reduced energy and occupant happiness
- Advanced Heating/Ventilation/Air Conditioning (HVAC) technology
  - Better performing energy management systems
  - Ductless air conditioning units
- Automated facility maintenance software
- Drone use in facility management
- Building Information Modeling (BIM) technology
  - Used in developing/scaling virtual models of building projects
  - Assist with future facility renovation projects and long-term facility management planning
- Commuter flight-sharing services
  - Track US Senate Bill S2650 (Lee)
  - Determine applicability in serving Riverside region

## Performance Assessment and Financial Expenditures Review

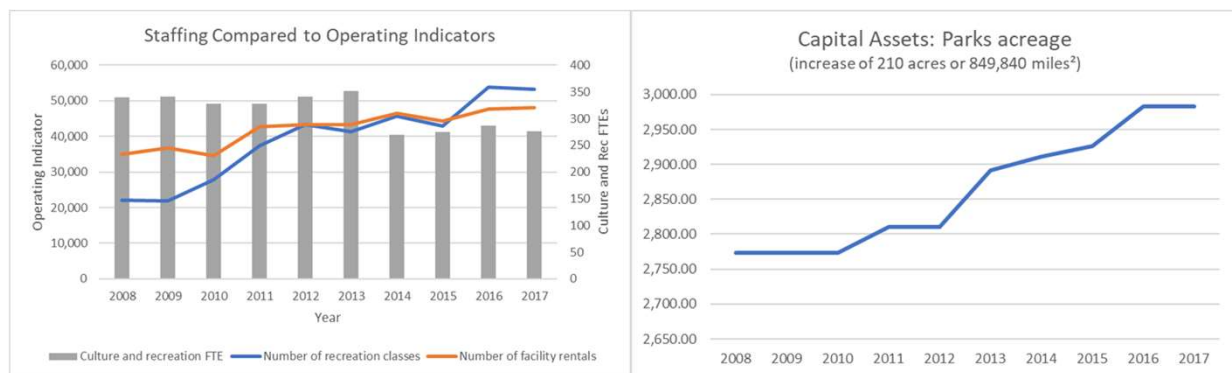
### Parks, Recreation and Community Services (PRCS) Department

## PRCS – Organizational Structure



Organizational structure is appropriate with service delivery needs and best practices; recent changes in staff organizational structure will benefit oversight and operations

## PRCS – Operating Indicators



Service level demands have increased while staffing levels have been reduced; realistic service provision and maintenance standards need to correlate with available staffing and funding resources

## PRCS – Highest Priority Recommendations



### Strategic Plan

- Develop comprehensive strategic plan for the department



### Cost Recovery

- Conduct fee study to determine current cost recovery levels
- Develop cost recovery goals and implement changes to fees/charges

## PRCS – Highest Priority Recommendations



### Maintenance Management System

- Implement a computerized maintenance management system for Parks Maintenance



### Performance Standards

- Implement quantifiable performance standards
- Regularly measure performance against standards

## PRCS – Financial Expenditures Review

### Overtime

- Proper approvals in place
- Overtime experienced primarily in Special Transit due to staffing shortages and scheduling
- Review overtime usage quarterly

### Non-Personnel Expenditures

- Proper approvals in place
- No deviations from internal controls/purchasing policies were noted
- Amend purchasing resolution to include exception for recreation class instructors from competitive bidding requirements

## PRCS – Opportunities for Innovation

- Computerized maintenance management system
  - Implementation is underway
- Golf course operations
  - Outsourcing or repurposing land is becoming more commonplace due to golf industry trends
  - Department is reviewing current operations to determine sustainable approaches
- Community partnerships for service delivery
  - PRCS has made tremendous strides in operation of community programs and special events
- Brokering public facilities
  - PRCS is concentrating on providing “umbrella” of facilities and administration of programs
  - Department seeking partners to operate such programs



## RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the Management Partner's Performance Assessment and Financial Expenditure Review report for the Public Works, General Services, and Parks, Recreation and Community Services Departments; and
2. Direct staff from the Public Works, General Services, and Parks, Recreation and Community Services Departments to return to the Governmental Affairs Committee in three months with Action Plans.



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