



CITY OF BEVERLY HILLS
455 North Rexford Drive
Beverly Hills, CA 90210
4th Floor Conference Room A

The Beverly Hills City Council Liaison / Audit Committee

SPECIAL MEETING HIGHLIGHTS

Friday, January 31, 2020
3:30PM

MEETING CALLED TO ORDER

Date / Time: January 31, 2020 / 3:40PM

IN ATTENDANCE: Vice Mayor Lester Friedman, Councilmember Robert Wunderlich, City Manager George Chavez, Assistant City Manager Nancy Hunt-Coffey, Deputy City Manager Gabriella Yap, City Auditor Eduardo Luna, Director of Public Works Shana Epstein, Assistant Director of Public Works/Utilities Gilbert Borboa, Jr., Chief of Police Sandra Spagnoli, Principal Performance Auditor Shawneé Pickney, Principal Performance Auditor Abbey Tenn, Chief Financial Officer Farimah Fayyad, Consultant Matthew Helm, Consultant Denise Callahan and Consultant Gregory Matayoshi.

Public in attendance: None.

1) PUBLIC COMMENT

Members of the public were given the opportunity to directly address the Committee on any item listed on the agenda.

None.

2) PERFORMANCE AUDIT OF THE CITY'S FIRE HYDRANT INSPECTION, MAINTENANCE, AND REPAIR OPERATIONS

The Performance Audit of the City's Fire Hydrant Inspection, Maintenance, and Repair Operations was the Office of the City Auditor's first launched audit and was used as a way to beta test the audit procedure, as well as an audit that looked into an area of health and safety for the City. Consultant Matthew Helm performed the audit.

Audit Objectives

1. Evaluate whether City maintains accurate locational data on fire hydrants and whether City has developed and promulgated adequate policies and procedures.
2. Assess data management effectiveness in ensuring fire hydrant operational issues are fully addressed.
3. Assess fire hydrant program cost management and program efficiency.



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Audit Scope

January 1, 2019 - June 30, 2019 in order to focus on City's current processes for fire hydrant inspection, maintenance, and repair.

Background

Fire hydrants serve several critical functions:

- Firefighting / fire flow compliance testing
- Flushing water mains / maintaining water quality
- Temporary water supply connections during water main breaks
- Insertion points to inspect water main interiors

The City is responsible for about 1,366 fire hydrants located within Beverly Hills and a portion of West Hollywood. The Public Works Department's Water Distribution Division has primary responsibility for the City's fire hydrant program.

Results in Brief:

Strengths

- Comprehensive / Accurate Locational Data
- Promulgated Work Standards and Procedures
- Commitment to Continuous Improvement

Opportunities for Improvement

- More Systematic Supervisory Review
- Data Management
- Use of Overtime
- Inventory Controls
- Optimizing Dispatch and Task Consolidation

Finding 1: Location, Process, Supervision

- City has compiled and maintains comprehensive locational GIS data (began in 2010) on all fire hydrants within its area of responsibility.
- City has developed work standards that are substantially compliant with industry standards. Audit field observations confirmed crews' understanding and execution of the work standards.



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- Opportunities to improve direct supervision of field crews' work, most of the work is done on overtime.

Finding 2: Data Management

- City implemented current processes in January 2019; previous processes were reactive, ad hoc, and not systematic.
- Audit field inspections revealed some data inaccuracies. Of a random sample of 25 identified issues, 9 were not resolved and 16 were resolved but there was no close out entry made.
- Interviews with field crews showed differing practices on types and amount of data collection.
- Implementing more systematic data collection practices would improve information flow and program efficiency.

Finding 3: Program Costs and Efficiency

Program Cost Key Issues:

- During audit period, 66 percent of fire hydrant operations conducted at overtime rates. OT used because of broad portfolio of responsibilities, crew safety (traffic congestion/minimize distribution to residents)
- Total direct labor charges were \$55,700, of which \$41,000 was overtime pay.
- Department unable to provide summary data on materials costs due to lack of inventory information system.
- Audit inspection of storeroom determined that physical controls are limited, these had been identified previously as well. Limiting access should be taken into account.
- The City is addressing the issue with the implementation of a new system.

Program Efficiency Key Issues:

- Water main valves and fire hydrants are co-located throughout the City's zones of responsibility, although frequency of inspection and numbers of main valves and hydrants differ (4,900 main valves vs. 1,300 hydrants). Main valves once every 3 years, internal goal for hydrants is annually.
- Water main valve maintenance and fire hydrant maintenance utilizes essentially same equipment, vehicles, and crews; however, dispatch practices differ. Dispatch for valves different zones, hydrants crews self-select.
- In May 2019, there were 22 valves and 13 hydrants inspected in Zone 8 on slightly different days. The City could optimize operations by consolidating water main valve and fire hydrant tasks and dispatch. This could reduce vehicle wear and tear, greenhouse emissions, vehicle miles, overtime, disruption to residents, etc.



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Recommendations:

1. Establish processes and procedures to provide for more direct supervisory review of field crews' work.
2. Add to existing or develop new work standards to provide for more systematic, consistent, and accurate data collection.
3. Provide updates on status of efforts to address inventory control issues.
4. Consolidate efforts for water main valve and fire hydrant inspection, maintenance, and repair operations.

Management agreed to implement all four recommendations. They are already implementing some changes, as well as some changes being contingent upon the Infor system being in place.

Per Public Works Management:

- The crews responsible for fire hydrant maintenance are very busy. Overtime is due to development work taking up a lot of the crews' time during the day. Overtime costs mitigate traffic and safety impacts.
- There is potential to outsource some development work and/or to possibly put it on the developer to contract for the connections and service installations of hydrants, which could save time and allow crews to focus on maintenance.
- The City does get reimbursed for development work, but there is a potential to just inspect what developers do versus raising the fees which are already viewed as very high.
- Street sweepers use fire hydrants and they are metered. Construction can also use the hydrants and they receive temporary meters. The hydrants are inspected upon return and there have been no issues relating to damages, the focus is on reimbursement for water use.
- Every three years an analysis is done, independent of fire hydrant maintenance, for the Beverly Hills Fire Department on the location and fire flow of hydrants which results in a Class 1 rating.

The audit report will be presented to the Public Works Commission on 2/13/2020. The report will also be presented to the City Council during the City Auditor Report portion of a Formal Session Meeting.



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3) REPORT ON THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND BEVERLY HILLS CHAMBER OF COMMERCE FOR FY 2018-19

Principal Performance Auditor Abbey Tenn was the audit staff responsible for the report.

Audit Objectives:

1. Evaluate whether business attraction and retention services expenses are reasonable.
2. Verify that components agreed upon by the City and the Chamber in the FY 2018-19 work plan occurred.

Audit Scope: FY 2018-19 Agreement for Business Attraction and Retention Services.

Work Plan Components

- The FY 19 work plan consisted of 14 different components totaling \$334K.
- Each component involved different obligations such as monthly meetings, multi-day trips or bi-yearly open houses.
- Some of the major components included in the FY 19 work plan were the New York Business Attraction & Retention Mission, San Francisco Business Attraction & Retention Mission and Holiday BOLD.

FY 2018-19 Work Plan Expenditures Appear To Be Reasonable

- The City is required to compensate the Chamber for all actual and necessary expenses incurred in the performance of the work plan components listed in the Agreement.
- We reviewed calculations provided by Chamber staff supporting FY 2018-19 work plan expenditures.
- We reviewed supporting documentation for work plan expenditures including receipts and invoices.

FY 2018-19 Work Plan Components Occurred, With Limited Exceptions

We determined that FY 19 work plan expenditures occurred, with limited exceptions. These exceptions include the following:

- Economic Sustainability Plan carried over to FY 2019-20 at the request of the City.



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- Several Mayoral Business Retention meetings will be rolled over to FY 2019-20. The Chamber held 4 meetings with 8 different companies in FY 19. The Chamber will be meeting with 4 additional companies in FY 20.
- Destination Master Plan Strategic Support meetings condensed from 12 to six meetings.
- Economic Development Portal placed on hold until FY 2019-20.

The report will be presented to the City Council during the City Auditor Report portion of a Formal Session Meeting.

4) UPDATE TO THE DISCUSSION OF THE EXTERNAL REPORT ON THE FIBER-TO-THE-PREMISES PROJECT PRO FORMA, BUDGET, AND EXPENDITURE REPORT

This agenda item was not presented during this meeting. An update will be provided at a later time.

5) CITY OF BEVERLY HILLS POLICE DEPARTMENT PATROL VEHICLE USAGE REVIEW

Consultants Denise Callahan and Gregory Matayoshi of TAP Financials performed the audit.

Audit Questions:

1. Is the Police Department patrol vehicle fleet size adequate to meet operational needs?
2. Is the City acquiring the vehicles for the best price?

Review Caveats

- BHPD does not have an information management system or process to track and record the use of patrol vehicles. As a result, there is no definitive record of where and when patrol vehicles were deployed or the circumstances that led to possible patrol vehicle shortages.
- Court appointments, special jobs and LA Metro support work is recorded in the Department's overtime reports, but no record is kept of the number of patrol vehicles used.
- There is no requirement that patrol vehicles be used by officers who are not on assigned duty shifts to go to court appointments. However, Department management reports it is standard practice.



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Analysis

- Review of the 19 patrol vehicles the BHPD currently has, although there are 124 total BHPD vehicles.
- Standard performance metrics show the Police Department is performing well, suggesting a sufficient level of resources.
- Response times have been relatively stable and commendable since 2016, averaging 2.4 minutes for Priority 1 calls and 2.9 minutes for Priority 2-7 calls.
- City's call volume has not increased substantially since 2016, with an average of 4430 per month.
- Maintenance requirements affect the number of available patrol vehicles.
- There are an average of 15 patrol vehicles available for use out of the 19 total patrol vehicles.
- Patrol vehicles are used to support various service functions.
- Day and Night Watch require the most vehicles.
- Special jobs are required occasionally but can use a significant number of vehicles.
- While court appointments occur often, there is no City requirement that officers use patrol vehicles.
- LA Metro support jobs occur frequently and can require a significant number of patrol vehicles.
- Rain days can affect patrol vehicle availability as Motor Officers transition from their motorcycles to patrol vehicles with two motor officers per vehicle.

Analysis Assumptions

- Court appointments recorded as patrol officer overtime were assumed to require one patrol vehicle per appointment.
- Special jobs noted in the overtime report for patrol officers were assumed to require one patrol vehicle per appointment.
- One patrol vehicle was assumed to be required for each patrol officer assigned to an LA Metro job.
- Rain days assumed an additional four patrol vehicles were needed to accommodate the current eight motor officers.

Acquisition Costs

The City uses the National Joint Powers Agreement to acquire vehicles and is acquiring vehicles at a competitive rate. Quite a few jurisdictions also use this agreement to source



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vehicles but even those jurisdictions did not do any better in pricing. There are not any glaring issues with the costs the City is incurring to acquire vehicles.

Recommendations

Recommendation 1: To support the right-sizing of the Police Department patrol vehicle fleet, the Police Chief should implement one of the following three options:

Option 1: Delay Fleet Size Decision-Making and Develop

Better Fleet Management Data.

The City can opt to forgo the acquisition of additional patrol vehicles and re-examine fleet needs when reliable and verifiable data can be developed. The desired data includes:

The availability and status of each patrol vehicle at any point in time:

- Out of service information (e.g., date and time patrol vehicles are
- The reason each vehicle is taken out of service (including decontamination work and information systems repairs performed outside of the Fleet Management office and system).
- The total number of patrol vehicles available for each Day Watch and Night Watch shift.

Patrol vehicle deployments during each shift.

- The vehicle number and officer(s) assigned.
- The job, shift assigned, or other vehicle use (example: overtime for court appointment, specific special job, Day Watch patrol, Night Watch patrol, etc.).
- Vehicle check-in and check-out times, and vehicle status (e.g., fully functional, needs repair or maintenance, other concerns).

Option 2: Change Current Practices to Meet Vehicle Fleet Needs

A. The City could re-program the use of funds received from the agreement with LA Metro to acquire leased patrol vehicles, which can increase vehicle availability up to four patrol vehicles per Day Watch shift and up to two patrol vehicles per Night Watch shift.

B. The Department could deploy only spare available patrol vehicles as Adam cars to accommodate motor officers during "rain" days. Patrol officers without patrol vehicles could be assigned other duties that do not require a vehicle.



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C. BHPD can restrict the use of patrol vehicles for transportation of patrol officers on overtime to court appointments, increasing vehicle availability up to two patrol vehicles per day.

Option 3: Rely on Current Data and Increase BHPD's Fleet Size by up to Four Patrol Vehicles

Should the Department continue with its current patrol vehicle deployment practices, up to an additional four patrol vehicles could reduce officer wait time, accommodate officers during "rain" days and court appointments, and fulfill deployment needs for special jobs as well as LA Metro support jobs.

Recommendation 2:

The Police Chief should strengthen the Department's information systems and documentation to allow for day-to-day fleet management decision-making. These information systems could include better vehicle tracking forms (daily availability by vehicle, vehicle out-of-service information, vehicle assignments, check-out and check-in times) and project/job coding of time spent by patrol officers assigned to patrol vehicles.

Per the BHPD Police Chief:

- There are other vehicles equipped the same way as patrol vehicles, but they are assigned as supervisory vehicles and K-9 units.
- During shift changes, the entire fleet is out in the field and there may be situations where an emergency call comes in and you can see the officers waiting for cars to come in, although that is not reflected in the data.
- Fleet leasing is common in the industry. Vehicles can be leased for three to five years or up to seven years for unmarked vehicles. Based on the needs of the Department, short term leases are used for situations such as an undercover detail or as a replacement until a vehicle comes back into service.
- Most court appointment vehicles are used to get to the LAX Court which is for misdemeanor/felony arrests made in Beverly Hills. On one subpoena, up to 10 officers can be out in one day. It is a safety issue when it comes to officers in uniform driving their own personal vehicles. There is a significant reduction of fleet vehicles available for use during the daytime because other PD staff such as detectives use vehicles as well.
- PD works with PW to retire and replace vehicles that have serious damage or are at end of life.
- Minor damages and newer vehicles can be repaired.



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- Risk management money comes in for not-at-fault accidents but it is put into the general fund and not into the fleet budget.
- BHPD is in the second year no vehicles being purchased.
- Currently there are two decoy vehicles, but they do not have a secondary usage as they are classified as end of life. Looking into alternatives to have decoy vehicles that can be used for other purposes.
- There are 45 take home vehicles. Only 2 are pursuant to the MOU. PMA's MOU says the Watch Commander has to have a vehicle during the four days that they are responding. All take home vehicles are assigned to on-call PD staff.
- Staff is on-call for immediate response and in an on-call status so they can be responsive to City needs at any given time. Majority of on-call staff live on the outer edges of Los Angeles County or out of the county.
- The life of a patrol vehicle is about three to four years. Patrol cars are running cars at all times even when parked. It is not a good practice to run the vehicles 24/7 365, they should have a rest period which can extend their life.
- Vehicle usage is tracked in the PD CAD system which track who is in what vehicle as well as mileage, but it is not an optimal system to extract data. Talking to PW about using their system to fill the gap and have a better idea of vehicle outage time.

Per Public Works Management:

- The City can financially support itself for a replacement program.
- Leasing has been used for undercover work or decoy vehicles.
- PW manages vehicle acquisitions.
- Vehicles have been in asset management for over a decade. PW tracks the down time, service levels, and run times off the vehicles but they do not dispatch the vehicles so the utilization of each vehicle is unknown to PW.
- Looking at the possibility of using PW asset management tool for PD. Arranging current vendor to come out and give options.
- PW repairs all vehicles except body shop work, which is sent out.
- Metro agreement takes vehicles into account, the funds just need to be appropriated accordingly.

Per the City Manager and Assistant City Manager:

- Preliminary look at leasing seems to show that there is an advantage to leasing for some of the City's fleet, not necessarily just for BHPD vehicles, such as assisting with cash flow. Leasing options are being explored.



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- Fleet support companies provide vehicles that already come upfitted and lowers the delay of acquiring a vehicle and then having to upfit it.
- There can be a policy issue should there be an emergency in the City where an officer needs to come back from court quickly. If the Officer is not in a patrol car, they would not have lights and sirens or the proper equipment to report to the scene.

The report will be presented to the City Council during the 2/18/2020 Study Session. Management will then request the additional vehicles during the Formal Session.

6) CITY AUDITOR UPDATE

During the next Audit and Finance Committee Meeting, the Trust & Innovation Portal Quarterly Report and the completed City Council Investigative Protocols will be presented. There will also be a discussion as to the capacity to take on additional audit work.

7) ADJOURNMENT

Date / Time: August 29, 2019 / 5:10PM