COUNCIL AGENDA: 11-09-10
ITEM: 3.4

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Lee Price, MMC
City Clerk

SUBJECT: **TAKE-HOME VEHICLES AUDIT**

DATE: 10-28-10

RECOMMENDATION

As recommended by the Public Safety, Finance and Strategic Support Committee on October 21, 2010 and outlined in the attached memo previously submitted to the Public Safety, Finance and Strategic Support Committee, accept the Take-Home Vehicles Audit and the Administration's Response to the Audit.

ATTACHMENTS

1) Report entitled "Audit of the City's Take-Home Vehicles" from the Office of the City Auditor, dated October 2010.
2) Memorandum from City Manager Debra Figone entitled "Response to the Audit of Take-Home Vehicles" dated October 12, 2010.
3) Supplemental Memorandum from Deputy City Manager Deanna J. Santana entitled "Response to the Audit of Take-Home Vehicles" dated October 19, 2010.

CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

Office of the City Auditor

Report to the City Council
City of San José

AUDIT OF THE CITY'S TAKE-HOME VEHICLES

The City Has Allowed More Take-Home Use of City Vehicles Than Necessary

Report 10-11

October 2010

CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

Office of the City Auditor

Report to the City Council
City of San José

AUDIT OF THE CITY'S TAKE-HOME VEHICLES

CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

Office of the City Auditor
Sharon W. Erickson, City Auditor

October 14, 2010

Honorable Mayor and Members
of the City Council
200 East Santa Clara Street
San Jose, CA 95113

Take-Home Vehicles: The City Has Allowed More Take-Home Use of City Vehicles Than Necessary

The City of San Jose has a fleet of about 2,200 motor vehicles. The City's vehicle policy governs employee use of these vehicles for official City business, with a goal of efficient and effective delivery of City services, while minimizing city expenditures and maximizing current resources. In limited circumstances, employees may use City vehicles to commute to and from work on a regular, assigned basis. In fiscal year 2009-10, 166 City vehicles were used on a take-home basis, including 144 by Police Department employees. The objective of our audit was to assess the cost and reasonableness of current practices, and opportunities to reduce the number of take-home vehicles.

Our audit concludes that the City has allowed City employees to take home more vehicles than needed to meet its operational needs. In fact, many employees that take home vehicles actually log more miles commuting in the City vehicle than they do driving for City purposes. Specifically, 78 percent of the miles logged on the City's police motorcycles, for example, were for commuting. Similarly, 72 percent of the miles driven in police canine cars, and over 50 percent of the miles driven in certain police SUVs and Fire department sedans, were for commuting. Altogether, about 9 percent of the 16 million (or 1.5 million) miles that City vehicles were driven in 2009 were for commuting.

Commuting in City vehicles is expensive—costing the City nearly $1.1 million in 2009, including $900,000 for the Police Department. Also, commuting in city vehicles greatly accelerates the frequency with which City vehicles need to be replaced. For example, the commute miles logged on the police motorcycles in 2009 alone will add an estimated $142,000 to the City's vehicle replacement costs because these vehicles will need to be replaced sooner than if they were not used for commuting. Furthermore, after commuting miles are subtracted, many of the City's take-home vehicles are under-used, raising the possibility that the City has more vehicles than it needs to meet its operational needs. We recommend that the General Services Department work with the Police and Fire Departments during their vehicle utilization reviews to identify opportunities to make greater use of pooled/shared vehicles, and redeploy to other uses or remove from the fleet any vehicles that can be eliminated without compromising operational needs. We also found two non-City employees who regularly drove City vehicles.

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To help balance the City's operating budget and preserve other City services, the Council's 2010-11 adopted operating budget dramatically reduces the number of City vehicles taken home by Police Department employees, effective November 2010. Faced with diminishing resources and the steep cost of routine commuting, we believe vehicles should go home with employees only when frequently needed to respond to emergencies in the field. However, we found that some take-home vehicles are used by employees who are not required to respond to the field, emergency call backs are rare for some staff with take-home vehicles, and sometimes the number of emergency call backs is not tracked.

Thus, we determined that 93 take-home vehicles—with annual commute costs of about $630,000—may be unnecessary, and that the City needs to collect more information which would justify the decision to allow many other vehicles to be taken home. We recommend that the City Manager's Office review the information in this report and remove unjustified vehicles from take-home use. In cases where emergency call-back estimates were not available, temporary use could be continued to allow departments sufficient time to gather information. The City should also require that departments maintain and update records on the number of emergency call backs and provide these records with their annual requests for take-home vehicles.

Further, we recommend that the City amend the vehicle policy to specify that the rationale for allowing employees to take home City vehicles is to ensure timely responses to unforeseen emergencies in the field. More specifically, the amended policy should establish: 1) that vehicles can be taken home only by employees who must respond to after-hours emergencies; 2) a minimum number of emergency call backs before a vehicle is authorized to be taken home; 3) a maximum emergency response time and/or a maximum allowable one-way commute distance for employees with take-home vehicles; and 4) a minimum amount and/or percentage of vehicle utilization, excluding commuting miles, for City vehicles. When take-home vehicles are not justified in terms of emergency call backs, departments should assess the cost-benefit of alternatives to employees having take-home vehicles, such as reimbursing the employees for miles driven on City business in their personal vehicles and auto allowances, or other alternatives; and the City Manager's Office should enforce implementation of the least costly option. Finally, to better align resources to needs, departments should review historical data on emergency call backs, which show that, for two City departments, allowing more vehicles to be taken home over the weekend makes more sense than allowing the vehicles to go home during the workweek.

Lastly, most of the City's take-home vehicles were properly exempted from tax reporting in 2009, but we identified a few, limited instances where we have questions about the City's determination. We recommend that the Finance Department work with the City Attorney's Office to clarify the process for determining whether use of a City vehicle is personal or business, and review whether the City may need to calculate and remit to the IRS taxes for take-home vehicle usage. The City should also amend the vehicle policy to require: 1) the City Manager's Office to authorize positions, not individuals, for take-home use of City vehicles, and clarify the level of discretion departments have in assigning occasional or short-term take-home use of a City vehicle; 2) departments to track authorized employees who use take-home vehicles during year and report the list to both the General Services and Finance Departments; and 3) the Finance Department to base its calculation of estimated vehicle income on the take-home vehicle list authorized by the City Manager's Office in coordination with departments.

The City Administration's response will be distributed under separate cover. I will present this report at the October 21, 2010 meeting of the Public Safety, Finance, and Strategic Support Committee. If you need any additional information, please let me know.

Respectfully submitted,

Sharon W. Erickson
City Auditor

finaltr
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Introduction

In accordance with the City Auditor's fiscal year (FY) 2010-11 Audit Work Plan, we have completed an audit of take-home vehicles. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We limited our work to those areas specified in the "Audit Objective, Scope, and Methodology" section of this report.

The City Auditor's Office thanks the management and staff of the City Manager's Office; General Services Department (General Services); San José Police Department; San José Fire Department; Finance Department, Department of Transportation; Environmental Services Department; Planning, Building, and Code Enforcement Department; Parks, Recreation, and Neighborhood Services Department; and City Attorney's Office for their time, information, insight, and cooperation during the audit process.

Background

The City of San José has a fleet of about 2,200 vehicles, including transport, special purpose, and police and fire vehicles.[1] These three categories are defined as follows:

1. Transport vehicles: Vehicles, including sedans and light trucks, whose primary use is to transport employees from place to place during the course of conducting official City business
2. Special purpose vehicles: Vehicles whose primary use requires special equipment designed to perform job functions, or whose primary use is in a restricted area where non-City vehicles are prohibited
3. Police and fire vehicles: Vehicles whose primary use involves official business conducted by the Police or Fire Departments

Employees may use special purpose vehicles or police and fire vehicles on a take-home basis—that is, to commute to and from work on a regular, assigned basis—when certain conditions are met. The City had 166 take-home vehicles in FY 2009-10.

The City's Vehicle Policy

The purpose of City Policy Manual section 1.8.1, "Use of City and Personal Vehicles" (vehicle policy), is "To establish the policy, procedures and guidelines for the use of City and personal vehicles for the efficient and effective delivery of City services, while minimizing city expenditures and maximizing current resources."[2] It states that

[1] The total count includes vehicles, motorcycles, scooters, and other rolling stock such as lawn mowers.

[2] The City last revised the vehicle policy in April 2009.

"transportation required for employees to conduct official City business will be available by the use of a City provided vehicle or the use of an authorized personal vehicle at the City's sole discretion."

The vehicle policy defines official City business and prohibits personal use of City vehicles as follows:

> *Vehicles authorized for use based on this Policy shall be used only in the conduct of City business. This means, only when driven in the performance of, or necessary to, or in the course of, the duties of City employment... Vehicles driven on City business shall not be used to transport any passengers other than authorized City employees on official City business or persons directly related to the official City business being conducted... City owned vehicles shall not be used to transport any items or goods that are not the property of the City, unless such transportation is directly related to official business being conducted by the City.*

Alternatively, employees authorized to use personal vehicles can receive mileage reimbursement for official City business use only. According to the vehicle policy, reimbursement for mileage "does not include commuting travel from home to work or return, nor conducting personal business." The City Manager can also grant a vehicle allowance for members of senior staff under the City Manager's appointing authority.[3]

The City Manager is responsible for administering the vehicle policy and making decisions concerning certain specific vehicle uses. The vehicle policy delegates responsibility for managing the City's transportation vehicle fleet to the Fleet Management Division of General Services (Fleet Management).

Conditions for Take-Home Use of City Vehicles

The vehicle policy also details conditions that must be met for special purpose vehicles or police and fire vehicles to be used by an employee on a take-home basis. The City Manager's Office must authorize any and all regular take-home use of City vehicles. A list of authorized uses is to be maintained by the City Manager's Office. According to the vehicle policy, "Any take-home use of a vehicle not appearing on the list will be considered in violation of the policy."[4]

[3] In limited circumstances, the City Manager may authorize take-home use of a City vehicle in lieu of a vehicle allowance. In FY 2009-10, the City Manager did not allow use of a take-home City vehicle for members of senior staff except for the Police Chief and the Fire Chief.

[4] The City also allows for an employee's use of a pooled vehicle for 24 hours or longer, but only when authorized by the employee's Department Director or designee and Fleet Management. The vehicle policy states that this use "may be approved if the use of a pool vehicle is for a work-related event in which circumstances are such that returning the vehicle within the same day is unreasonable and/or not in the City's best interest." Justification in writing for use of a pooled vehicle for 24 hours or longer must be provided and filed with Fleet Management.

The vehicle policy further explains that

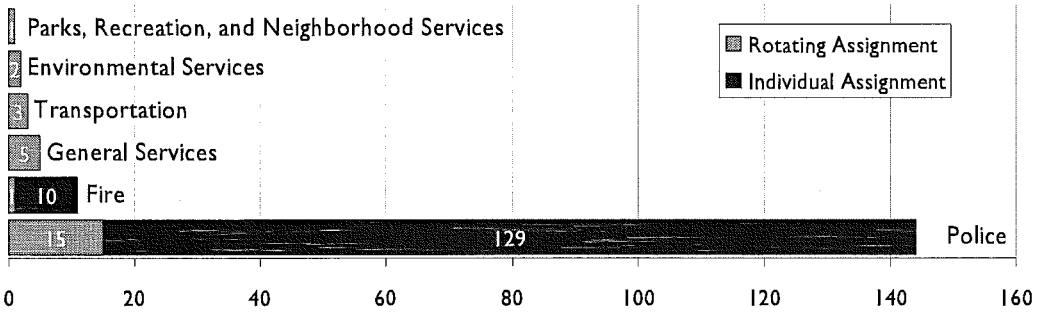
> *...employees approved for take-home use of vehicles will comply with any standards which may be set by the City regarding the maximum allowable time or distance from the reporting location for standby or callback duty. Such employees shall park the vehicle in the City parking lot designated by the Department on scheduled days off. If the employee is required to be on call, the Department Director [or Department Chief] may authorize the employee to use the vehicle in conducting official City business during scheduled days off.*

As of October 2010, the City has not established City-wide standards for maximum allowable time or distance from the reporting location, but some departments have set expectations for staff on standby duty. For instance, the Environmental Services Department requires employees on standby to respond to the site of an after-hours emergency within 45 minutes of notification.

Take-Home Vehicles in FY 2009-10

The City Manager's Office has reviewed annual department take-home vehicle requests since 2006, most recently in March 2010. The City Manager's Office approved all 22 of the vehicles requested by the Fire, General Services, Transportation, Environmental Services, and Parks, Recreation, and Neighborhood Services Departments. The Police Department also requested but, as of October 2010, did not receive reauthorization for its take-home vehicle assignments. As shown in Exhibit 1, the Police Department accounted for 144 out of 166 take-home vehicles.

Exhibit 1: Take-Home Vehicles by Department in FY 2009-10



Source: Auditor's analysis of take-home vehicles reviewed in March 2010, and interviews with staff

Exhibit 1 also shows the number of take-home vehicles that are assigned for exclusive use by specific employees or assigned to a group of employees on a rotating standby basis. Only the Police and Fire Departments had take-home vehicles permanently assigned to specific employees in FY 2009-10. Some of the personally assigned vehicles were for senior managers in the Police and Fire Departments. In addition, three other groups of City employees in the Police Department commuted in their take-home vehicles every workday: employees in the Traffic Enforcement Unit (motorcycle),

Mobile Emergency Response Group & Equipment (MERGE) unit, and Canine unit.[5] The City's labor agreement with the Police Officers' Association stipulates that employees in these units receive specialty pay, but the agreement does not require the provision of take-home vehicles. The Departments' reasons for personally assigning take-home vehicles are discussed in the Finding.

Management's Right to Change Vehicle Assignments

City agreements with labor unions include a provision concerning management's absolute right to change vehicle assignments. The provision in the Police Officers' Association Memorandum of Agreement reads:

> *The City has the sole and absolute right to determine the nature and type of, assign, reassign, revoke assignments of or withdraw assignments of, City equipment, including motor vehicles, to or from employees during, after, or before hours of duty, without consultation or meeting and conferring with the employee affected or the San Jose Police Officers' Association representing such employee.*

The City's memoranda of agreement with labor unions may also establish rules concerning standby duty and call-back responsibilities. However, they do not, in any way, grant take-home vehicles.

Take-Home Vehicles Can be a Taxable Fringe Benefit

Take-home use of a business vehicle may be a taxable fringe benefit. If an employer provides a vehicle that is used exclusively for business purposes, there are no tax consequences or reporting. In most situations "Business use does not include commuting," however IRS rules exempt marked police and fire vehicles, unmarked vehicles used by law enforcement officers if the use is officially authorized, and specialized utility repair trucks.[6] On the other hand, vehicle allowances are considered taxable income.

The Role of the Fleet Management Division of General Services

Fleet Management is responsible for managing the City's transportation vehicle fleet by working with departments to maximize utilization of vehicles, maintaining the fleet in good working condition, determining which vehicles will be removed from the fleet, and managing the acquisition and disposal of vehicles. Its goal is to provide safe and reliable vehicles and equipment that are readily available for City employees. Fleet Management's operations include providing repair and maintenance of City fleet and equipment; managing the acquisition and equipping of the entire City fleet; managing fuel availability and distribution; and managing radio communications and equipment.

[5] Employees in the Traffic Enforcement Unit can also drive police motorcycles to an authorized secondary employment site if prior to or immediately following a unit member's work shift.

[6] Internal Revenue Service's (IRS) Taxable Fringe Benefit Guide for Federal, State, and Local Governments.

Under the vehicle policy, Fleet Management's only direct role regarding take-home vehicles is to receive a copy of the list of authorized uses maintained by the City Manager. However, in practice Fleet Management performs a cursory review of department take-home vehicle lists on behalf of the City Manager's Office and forwards them for final approval.

Additionally, Fleet Management works with departments to rotate assignments of vehicles to achieve maximum utilization, utilize the fleet as effectively as possible, and meet utilization levels required for replacement cycles. Thus, a vehicle that is experiencing higher-than-normal use may be rotated to a lower-intensity use, and vice versa, which spreads wear and tear across multiple vehicles rather than having it focused on specific vehicles. This means that Fleet Management may work with departments to ensure that vehicles used on a take-home basis are neither under- nor over-used.

Fleet Management also administers and maintains the fuel and fleet databases, which track fuel and maintenance and operations costs by vehicle, and reports in the budget average cost per mile for general categories of vehicles.

Past Audits by City Auditor's Office

Our office has issued two reports and made several recommendations over the past 20 years concerning take-home vehicles. In May 1993, we issued "An Audit Of The Department Of General Services/Vehicle Maintenance Division—Police Vehicles." The report noted that, in December 1992, the Assistant Chief of Police wrote a memorandum establishing 54 as the number of take-home vehicles for the department (10 for administrative staff and 44 for detectives), a number said to be justified based on investigative or on-call responsibilities. The audit report further noted that a Police Department committee reviewing take-home vehicles was unable to reach consensus on the department's traditional assignment of police motorcycles as take-home vehicles. Our office concluded that the take-home tradition for police motorcycles was outdated and recommended that the City meet and confer with the Police Officers' Association to eliminate that tradition and other unnecessary take-home vehicles. Nevertheless, as of October 2010, police motorcycles are still taken home.

The 1993 audit also reported the results of a benchmarking and best practices review of other vehicle policies. We recommended an update to the City's policy to include key concepts from other jurisdictions, such as a citywide "sphere of influence" (i.e. an area around an employee's permanent work station or jurisdiction) and a stipulation that employees compensate the City for taking vehicles past the sphere of influence. We considered this recommendation implemented when the City updated its vehicle policy to include language allowing for a definition of maximum allowable time or distance from the reporting location for standby or call-back duty.

In June 2004, we issued "An Audit of the Utilization and Replacement of the City's Transport Vehicles." Among other things, we recommended that the City Manager's Office "Implement the City's policy to track 24-hour vehicle assignments and provide a

complete list of authorized vehicles and employees to appropriate departments." After the audit, the City undertook a major revision to the vehicle policy that, according to management, dramatically reduced the number of take-home vehicles for most departments. We considered this recommendation implemented after receiving a copy of the City Manager's May 2006 authorization of take-home vehicles. The current audit follows up and expands on our prior reviews of take-home vehicles.

Audits from Other Jurisdictions

The use of government vehicles on a take-home basis has also been explored extensively by other cities, counties, and states. The economic downturn and widespread government budget shortfalls have recently spurred reviews in jurisdictions across the State of California and the United States. For instance, an internal California Department of Transportation audit found many home storage (take-home vehicle) permits were unjustified. Partly as a result of that audit, the Governor of California ordered state departments to submit a plan to reduce their take-home vehicles by 20 percent. In another example, a January 2009 audit report by the City Controller of the City of Los Angeles recommended that the Los Angeles Police and Fire Departments be given instruction to perform a vehicle-by-vehicle review of their 1,218 take-home vehicles and motorcycles to ensure each was properly justified under their policies.

Audit Objective, Scope, and Methodology

The objective of our audit was to assess the cost and reasonableness of current practices and potential opportunities to reduce the number of take-home vehicles. Specifically, we identified authorized take-home vehicles, calculated their annual cost, and analyzed the frequency of their use in call-back situations. We primarily focused on the 2009 calendar year but examined documents dating back to the 1990s.

To estimate commuting mileage for take-home vehicles on the most recent department lists, we multiplied the number of days each take-home vehicle was driven by the round-trip commute distance found through an examination of the City's personnel and time-reporting records and the use of online mapping software. The City's time-reporting records provided information on active employees only—we did not analyze information for employees who no longer worked for the City as of the date of our data queries.

To estimate commuting costs, we then multiplied commuting miles by the average cost per mile for relevant types of vehicles, which we found by analyzing General Services' vehicle fleet and commercial fuel credit card data. We limited our analysis of vehicle cost to fuel, maintenance and operations, and replacement (depreciation). To ensure the completeness and accuracy of the authorized list of take-home vehicles, we conducted spot checks of City garage locations and reviewed commercial fuel credit card transactions.

To understand how the vehicles are used, we reviewed departmental justifications for take-home vehicle requests, surveyed and interviewed staff with take-home vehicles, obtained program reports, and reviewed call-back statistics from the City's time-reporting database. We also researched best practices and benchmarked other jurisdictions to learn how they assign and manage take-home vehicles. However, we did not assess the need for standby duty.

Finally, to assess the tax and workers' compensation liabilities related to take-home vehicles, we reviewed authoritative documents from the IRS, interviewed staff in the Human Resources Department's Risk Management Division, the Finance Department, and the City Attorney's Office, and reviewed worksheets from the Finance Department.

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Finding I The City Has Allowed More Take-Home Use of City Vehicles Than Necessary

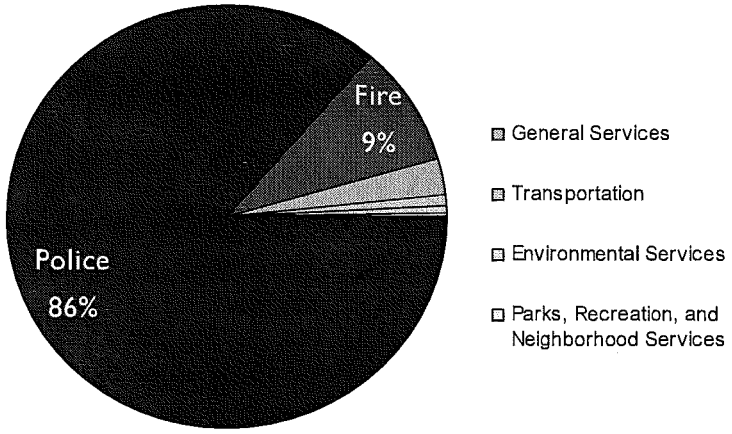
Faced with diminishing resources and the steep cost of routine commuting, the City should restrict take-home use of City-owned vehicles to the greatest extent possible. In our opinion, vehicles should go home with employees only when frequently needed to address emergencies in the field requiring immediate response. However, the City lacks a defined purpose for take-home use of City vehicles and a process for consistently evaluating department justifications. We believe this has led to the authorization of more take-home vehicles than necessary. Specifically, we found that the City should consider eliminating take-home use of at least 93 vehicles, which would result in the avoidance of about $630,000 in annual commuting costs.

Commuting Comprises Most of the Miles Traveled by Many of the City's Take-Home Vehicles

The City's vehicle policy governs employee use of City vehicles for official City business. Its goal is the efficient and effective delivery of City services, while minimizing city expenditures and maximizing current resources. In calendar year 2009, the City's fleet of motor vehicles traveled about 16 million miles.

The focus of this audit is on the commuting (take-home) portion of vehicle use, which we estimated to be 1.5 million (9 percent of total) miles. Exhibit 2 shows that in 2009, 86 percent of all commuting miles were from the Police Department, 9 percent of commuting miles were from the Fire Department, and only 5 percent of commuting miles were from all other departments combined. This should come as no surprise considering the Police Department had 144 of the City's 166 take-home vehicles in FY 2009-10, compared to 11 take-home vehicles in the Fire Department and 11 take-home vehicles in all other departments combined.

Exhibit 2: Commuting Miles by Department in 2009



Source: Auditor's analysis of the City's personnel and time-reporting records for employees with take-home vehicles

Commuting, although a small percentage of overall fleet usage, represents a significant portion of mileage for some vehicles. Specifically, commute miles were more than 50 percent of overall miles driven by the Police Department's motorcycles, canine sedans and sport utility vehicle (SUV), and MERGE SUVs, and the Fire Department's sedans. The Police Department notes that motorcycles, canine cars, and MERGE vehicles are driven by staff who do not regularly patrol; thus, the Police Department expects commuting to be a large percentage of their overall mileage.

In the following sections we briefly describe these take-home vehicles and the commute miles they logged in 2009.

Police Motorcycles

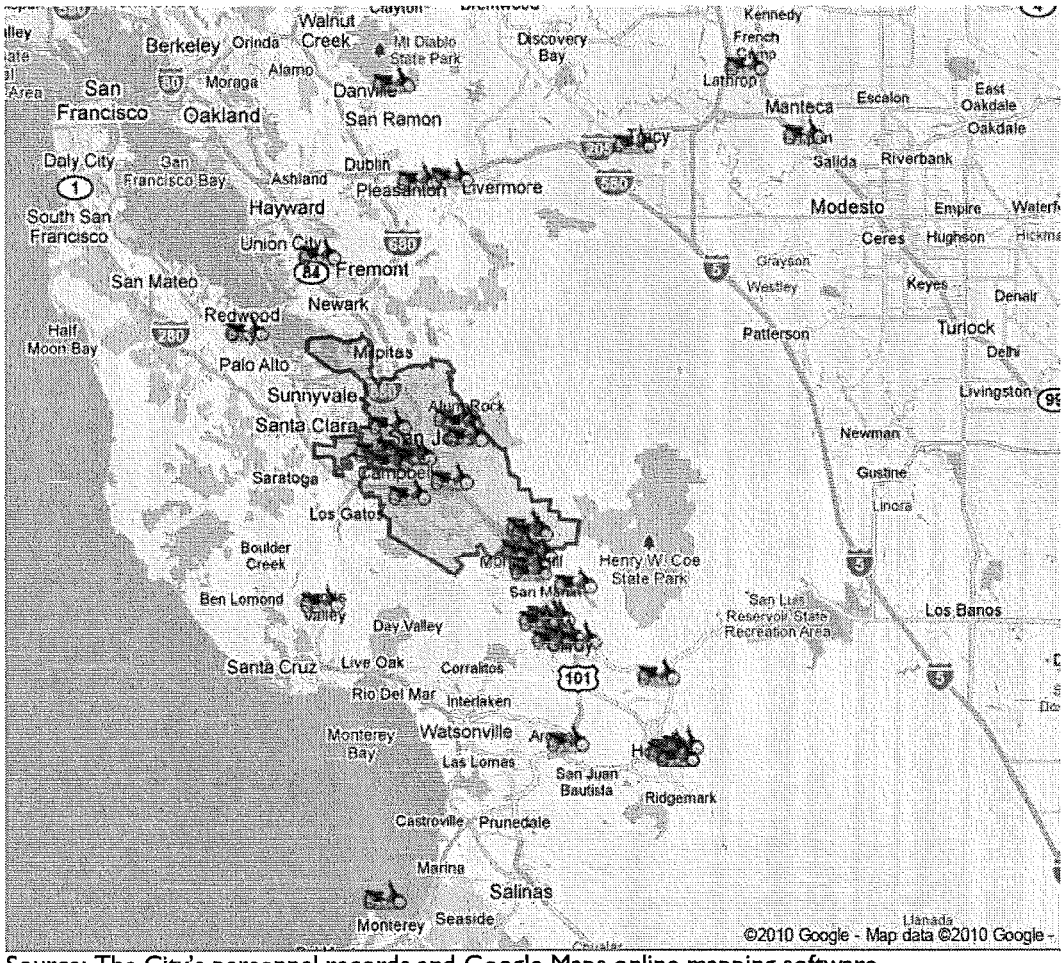
The Police Department's Traffic Enforcement Unit motorcycles are assigned on a take-home basis to individual employees in the Unit. According to Police Department management, as of June 2010 the department had 41 positions (34 police officer and 7 police sergeant) authorized for motorcycle use—a number set to increase by 6 in September 2010.

We estimate that 78 percent (362,000 of 467,000) of the miles driven by police motorcycles in calendar year 2009 were for routine commuting.[7] This means that of the 9,400 miles the average motorcycle drove in 2009, only 2,100 were not commuter miles. Moreover, commute mileage for six employees in the Traffic Enforcement Unit topped 19,000 miles each in 2009. Because employees in the Unit rotate motorcycles to balance usage across the fleet, it is difficult to determine the percentage of commuting use for specific motorcycles. However,

[7] As noted earlier, police motorcycles can be driven to or from authorized secondary employment locations. Those miles are similar to commute miles, but we have not attempted to estimate mileage associated with commuting to secondary jobs.

if those six employees drove the average of 2,100 non-commute miles, their commutes represented 90 percent of their vehicle use. Exhibit 3 shows where employees commuted to/from using police motorcycles in 2009.

Exhibit 3: Map of Police Department Employees with Take-Home Motorcycles in 2009



Source: The City's personnel records and Google Maps online mapping software

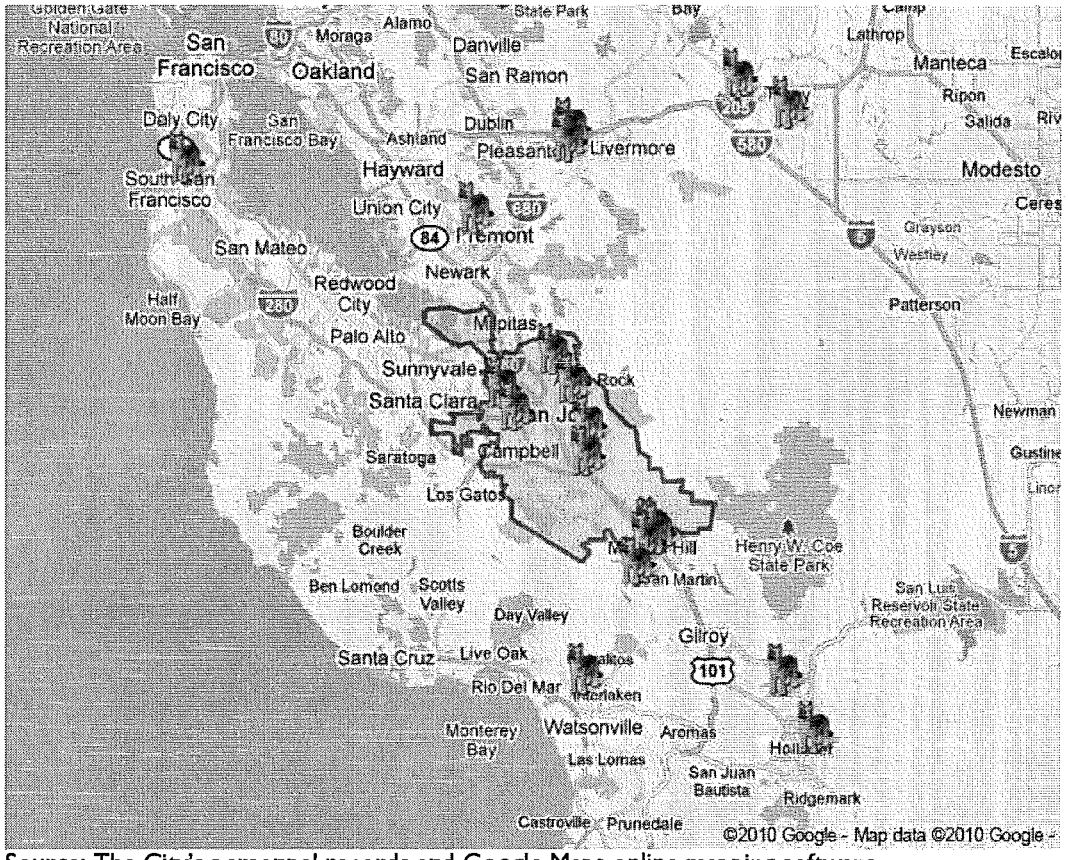
Because motorcycles are more dangerous to drive than sedans, the labor agreement between the City and Police Officers' Association stipulates that employees who ride a motorcycle during all or a portion of their duty hours shall be paid an amount equivalent to a one-step (roughly 5 percent) increase in pay. Despite the increased danger of riding them, take-home use of police motorcycles has been a long-standing tradition in the Police Department. In our 1993 audit report on police vehicles, we recommended that the City eliminate this "tradition"—a recommendation that was incorporated into the FY 1993-94 adopted operating budget. However, the tradition continues. In recent take-home vehicle requests, the Police Department has further justified take-home use by citing an emergency response role, namely that a motorcycle may be able to traverse congested or damaged roadways better than a sedan in the event of a

major disaster. The Police Department also believes that time spent commuting within City limits in marked police vehicles has potential benefits to the City, such as traffic calming.

Canine Sedans/SUV

All of the Police Department's canine officers are assigned police vehicles on a take-home basis. Unlike the other sedans and SUVs taken home by Police Department staff, the canine sedans and SUV are marked cars bearing the insignia of the San José Police Department. Of the 216,000 miles traveled by the 15 canine sedans and 1 canine SUV in calendar year 2009, we estimate that 156,000 miles (72 percent) were for routine commuting.[8] Exhibit 4 shows where employees commuted to/from using the police canine sedans and SUV in 2009.

Exhibit 4: Map of Police Department Employees with Take-Home Canine Sedans and SUV in 2009



Source: The City's personnel records and Google Maps online mapping software

[8] The canine unit calculations do not include two police sergeants who have take-home sedans because their cars are equipped differently. The Police Department indicated that commuting in canine cars, as a percentage of overall miles, may decrease in the future because canine officers assumed added patrol responsibilities effective September 2010.

In recent memoranda discussing take-home vehicles, the Police Department justified these take-home vehicles by noting their role in canine searches and assisting the MERGE Unit with critical incidents, and that the canine sedans and SUV are specially equipped for canine transport needs. In addition, canine officers receive specialty pay in an amount equivalent to a one-step (roughly 5 percent) increase in pay. According to the labor agreement, the additional compensation "...is granted in recognition of the personal monetary investment, duties and responsibilities of the canine assignment including the time spent by the unit employee while on or off duty in the care and maintenance of the assigned canine."[9] If called back to work in an emergency, canine personnel generally receive overtime pay.

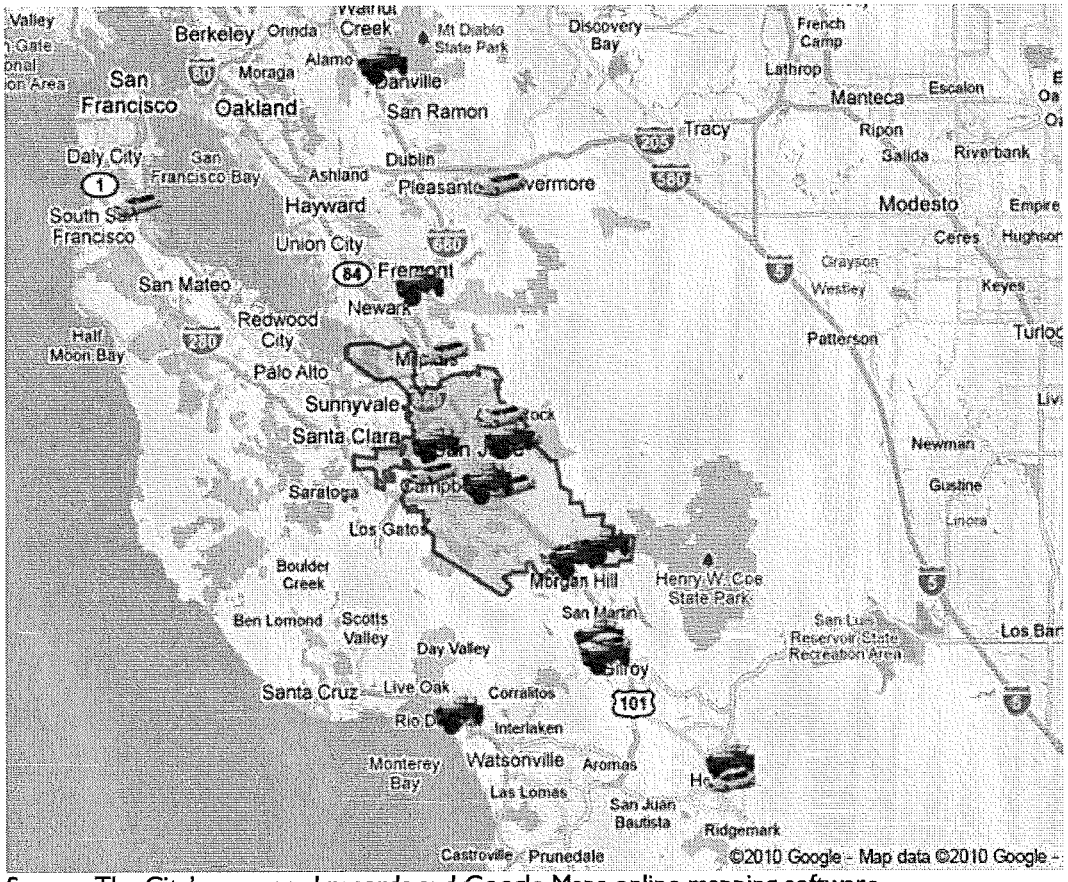
MERGE SUVs

Although it was not always the case, all employees in the MERGE unit now are assigned take-home vehicles. The MERGE unit is made up of 2 teams of 10 police officers and 1 police sergeant and is overseen by 1 police lieutenant. Members in one of the teams drive unmarked vehicles that are generally indistinguishable from other vehicles on the road (also known as covert, or "cold," cars), but equipped with flip-down lights on their visors. Members in the second team drive SUVs that carry tactical armor, weapons, and equipment.[10] We estimate that commuting accounted for 51 percent (106,000 of 206,000) of the miles traveled by the Police Department's MERGE SUVs, and that MERGE covert cars commuted an additional 90,000 miles. Exhibit 5 shows where employees commuted to/from using MERGE SUVs and covert cars.

[9] San José police officers purchase the canines with which they work in the Canine Unit and Narcotics Investigations Unit. Canines at the Airport are purchased by the US Transportation Security Administration.

[10] The Police Department noted that, effective September 2010, the MERGE Unit has fewer members.

Exhibit 5: Map of Police Department Employees with Take-Home MERGE SUVs and Covert Cars in 2009



Source: The City's personnel records and Google Maps online mapping software

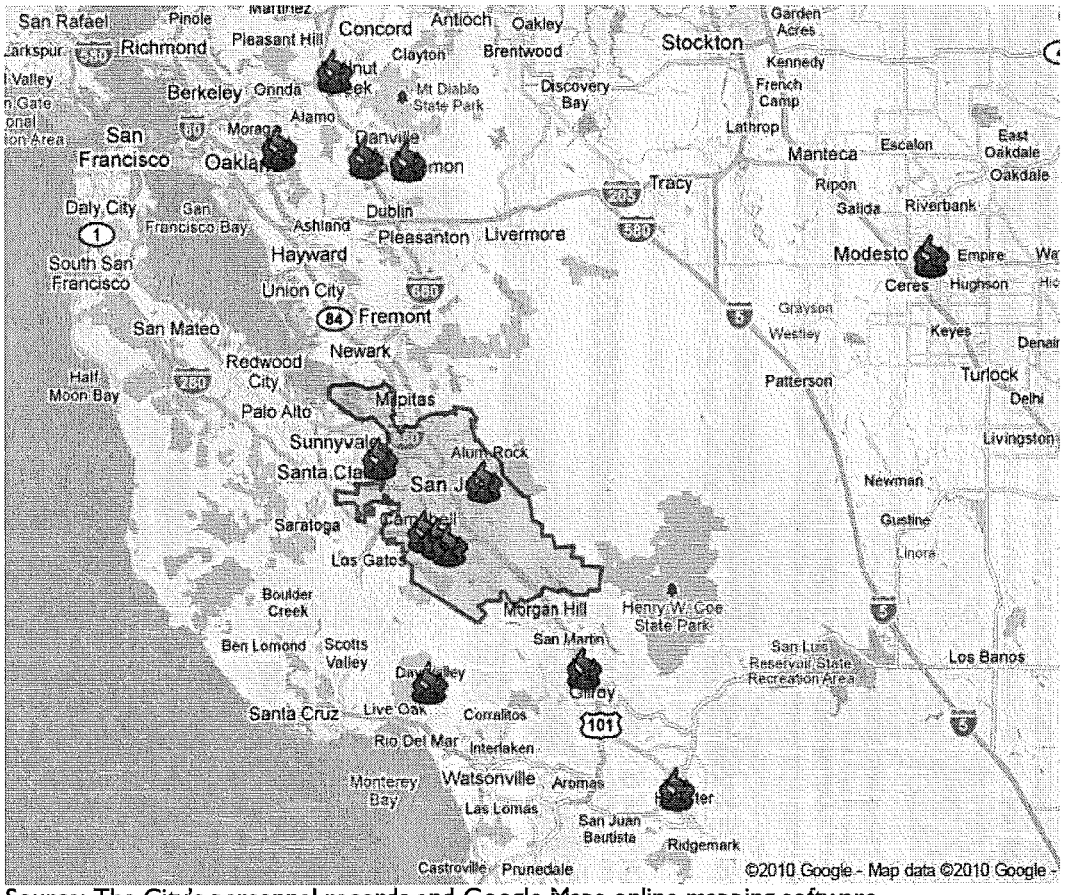
In recent take-home vehicle requests, the Police Department's management justified the MERGE unit's take-home vehicles by noting their role in responding to critical incidents (i.e. they must respond to events, such as hostage situations, where time is of the essence) and the specialized equipment and weapons some carry. The Police Department also noted that, in addition to emergency call-outs, staff in the MERGE Unit have extended and/or after-hours assignments and duties, such as assisting with high-risk arrest warrants and suspect surveillance. Employees in the MERGE unit all receive premium pay in an amount equivalent to a one-step (roughly 5 percent) increase in pay, and generally receive overtime pay for each call-out.

Fire Department Sedans

The Fire Department has traditionally assigned take-home vehicles to members of its senior management and other select personnel such as the Department Safety Officer and Press Information Officer. The Fire Department has justified take-home sedans for senior management by noting that senior staff must be available at all times, and that others are required to respond to after-hours emergencies.

Although the vehicles are unmarked, they are equipped with lights, siren, and specialized radio equipment, and often carry equipment such as personal protective gear. Exhibit 6 shows where employees commuted to/from using the Fire Department's take-home cars in 2009.

Exhibit 6: Map of Fire Department Employees with Take-Home Vehicles in 2009



Source: The City's personnel records and Google Maps online mapping software

According to the vehicle fleet database, staff in the Fire Department drove 182,000 miles in City sedans in 2009. We estimate that 101,000 (55 percent) of those miles were for commuting in take-home vehicles, including 77,000 for three employees.

Commuting in City Vehicles is Costly

Commuting in City vehicles cost the City nearly $1.1 million in 2009. Of the $1.1 million in commuting costs, $900,000 was for the Police Department. The most expensive commuting by use/purpose was, in aggregate, that of take-home police motorcycles at nearly $300,000, followed by that of the MERGE and canine cars at about $270,000. In addition, take-home cars for all 15 members of Police

Department management at the rank of police captain and higher cost almost $70,000. Altogether, estimated commuting costs exceeded $10,000 per year for 27 individual employees (including staff in the units mentioned). Appendix A shows these costs in more detail.[11] Furthermore, accidents involving City vehicles driving to/from home are another cost of commuting. All of these costs have brought attention to the Police Department's commuting in take-home vehicles, most recently in the form of budget actions.

Commuting Accelerates Vehicle Replacement

General Services' policies and procedures define conditions for the replacement of City vehicles. Generally, the City's goal is to replace sedans and trucks after they have been in the fleet for at least 10 years and driven at least 100,000 miles. Police motorcycles, however, are replaced after 4.5 years and 60,000 miles, and marked police sedans (including canine sedans) are replaced after 6 years and 110,000 miles.

Because their useful lives are defined in part by mileage thresholds, commuting accelerates the replacement of City vehicles. For example, if the City replaces a police motorcycle after 60,000 miles (assuming 9,400 miles per year based on current utilization this would take about 6 years), about 47,000 of those miles may have been due to commuting. Without commuting, that motorcycle potentially could have lasted another 22 years (absent mechanical failure), and the City could have delayed replacement costs, including equipment, of about $23,600, in today's dollars.

Similarly, if the City replaces a canine sedan after 110,000 miles (assuming current utilization of 13,500 miles per year this would take about 8 years), we estimate about 79,000 miles could have been due to commuting. Without commuting, that fully-equipped canine sedan could have potentially lasted another 21 years, delaying $27,500 in replacement costs, including specialized equipment, in today's dollars.

The accelerated replacement of vehicles is costly. For instance, the 362,000 commute miles driven by police motorcycles were the equivalent of the useful lives of 6 motorcycles, meaning the commute miles cost $142,000 in accelerated replacement in 2009. Also, the City's 5-year forecast for police vehicle replacement budgets for the replacement of the fleet police motorcycles at a cost of $1.1 million.[12] Given their current utilization and replacement criteria, the City

[11] We estimated commuting costs for each authorized take-home vehicle. Our estimates include projected per-mile fuel, maintenance, and eventual replacement costs. For many take-home vehicles, the most expensive cost elements are preventive and corrective maintenance, or fuel. Nonetheless, vehicle replacement represents an important portion of overall cost.

[12] As of May 2010, the police motorcycle with the highest odometer reading had driven nearly 46,000 miles. Given current utilization of about 9,400 miles per year, the motorcycle will need to be replaced in November 2011. However, without commuting miles, the motorcycle could last until January 2017 absent mechanical failure.

would then spend another $1.1 million, excluding inflation or other cost escalation, about every 5 years replacing motorcycles that, in 2009, employees used for commuting purposes 78 percent of miles traveled.

Vehicle Rotation

Unmarked police sedans are driven by a variety of Police Department employees. In the FY 2010-11 adopted operating budget, the City established new criteria for the replacement of these sedans: as of July 2010, the City plans to replace unmarked police sedans when they are 11 years old and have accumulated 110,000 miles. Both criteria must be met to replace a vehicle, except in the cases of mechanical failure or total loss from a wreck. Thus, the Police Department aims to use unmarked police sedans about 10,000 miles per year on average. To achieve this target and ensure the vehicles are replaced on schedule (i.e. do not reach the 110,000-mile target well before or after 11 years), the Police Department rotates car assignments within and across units. In other words, an unmarked police sedan that is infrequently driven in a certain unit may be swapped with one that is on pace to reach 110,000 miles ahead of schedule.

The practice of vehicle rotation is common in federal and local government, and enables the Police Department to better track vehicle use, minimize maintenance and replacement costs, and extend the life of its vehicle fleet. In a July 2008 memorandum, the Police Chief described the department's vehicle rotation program as follows:

> *[The monthly Vehicle Report created by the Police Department's Fleet Manager] allows command staff to identify which vehicles need to "slow down." This means the vehicle should not travel outside the City limits until the utilization changes and should not be used for on-call assignments. The Vehicle Report also identifies which vehicles need to "speed up." This means this vehicle must be utilized by being assigned to an on-call detective who must conduct business outside the City limit for purposes such as scheduled out-of-town training, witness/suspect interviews or other police activities outside the City limits.*

Although not mentioned in the memorandum, the assignment of a vehicle to take-home use also clearly "speeds up" its utilization. In fact, we estimated that take-home use of 53 unmarked police sedans in calendar year 2009 accounted for 499,000 commuter miles driven—the equivalent of one year of use for nearly 50 vehicles. We believe relying on commuting miles to achieve utilization goals for unmarked police sedans undermines the purpose of vehicle rotation: to minimize maintenance and replacement costs, and extend the life of the vehicle fleet for business use.

Police and Fire Unmarked Sedans

In an era of diminished resources, the need to assign existing resources to their highest and best use has never been greater. However, during our audit we noted that the number of unmarked police sedans has grown over the past two decades. As of July 2010, the Department had about 380 unmarked vehicles, an increase of about 150 vehicles compared to FY 1993-94 when the department's authorized staffing level was roughly comparable to staffing in FY 2010-11. Thus, the increase in unmarked police vehicles warrants further review for opportunities to reduce the fleet or defer replacement.

Recommendation #1: To ensure adequate utilization excluding commuting, we recommend that the General Services Department and Police Department work together during their regular vehicle utilization reviews to identify opportunities to make greater use of pooled/shared vehicles and to remove from the fleet, or redeploy to other City uses, unmarked police sedans that can be eliminated without compromising operational needs.

In addition, the minimal business use of Fire Department unmarked sedans indicates a similar review is needed of the Fire Department's complement. We found that, on average, the Fire Department's sedans were driven 5,500 miles each in 2009. However, the average is only 2,400 miles per vehicle when commuting is excluded. The City's vehicle policy defines the minimum annual mileage for transport sedans to be 9,000 miles. An average utilization of 5,500 miles per year per vehicle—or 2,400 excluding commute miles—does not warrant the Fire Department's complement of 33 sedans. In fact, 12 of the department's 33 sedans were placed in service in the 1990s but, as of April 2010, had not yet reached 90,000 miles of use.

The Fire Department explained that its low average utilization levels (2,100 miles per year) were partly the result of carpooling on the part of staff and the short distances staff usually drive during the business day. For example, we were told Deputy Chiefs often drive between the department's Bureau of Field Operations and Training Center—locations that are separated by a little more than one mile—and sometimes travel in one rather than separate vehicles. Because the Fire Department's employees already carpool in some instances and typically drive short distances during work, the City should explore opportunities to make greater use of pooled/shared vehicles, reduce the number of individual vehicle assignments, more frequently utilize mileage reimbursement, and eliminate excess vehicles from the fleet.

Recommendation #2: To eliminate under-utilized Fire Department sedans and enhance overall utilization, we recommend that the General Services Department and Fire Department work together during their regular vehicle utilization reviews to identify and eliminate from the fleet, or redeploy to other uses, unmarked fire sedans that can be removed from the Fire Department's complement without compromising operational needs.

Commuting Increases the City's Liability

The City self-insures its vehicle fleet. This means that the City takes on potential liability for its vehicles and pays justifiable claims resulting from their use. However, the additional miles driven and time spent driving due to take-home use of City vehicles undoubtedly increases City exposure to loss and liability. For instance, over the past several years there have been accidents involving City vehicles during commutes. In one case, an accident resulted in a settlement payment of $650,000 from the City.

Another recent collision involving a police chaplain highlights another weakness in the City's vehicle policy. The police chaplain involved in the collision and another police chaplain who provides services to Police Department employees are not City employees—they are listed as staff for the Police Officers' Association. Yet, the Police Department has given unmarked police sedans to both and requested authorization for take-home use for one of them. In order for City employees to drive City vehicles, they must take a class on defensive driving. However, the vehicle policy does not address whether non-City employees can drive City vehicles at all, let alone their ability to drive them on a take-home basis.

Disallowing take-home use by non-City employees and generally reducing commuter use of City vehicles will likely decrease the frequency of commuting accidents in City vehicles.

Recommendation #3: We recommend the City amend the vehicle policy to state that only City employees can be assigned vehicles on a take-home basis.

The Police Department Has Not Reduced Commuting Costs as Targeted in the 2009-10 Council Adopted Budget

The Police Department's commuting costs have been a point of discussion for many years. As noted earlier, in 1993 the City Auditor's Office issued a report on police vehicles that recommended eliminating the take-home tradition for motorcycles and other unnecessary take-home vehicles, in part because of their

cost. In June 2008, the City Manager's Office asked that the Police Department provide information or data that would help prepare a full analysis of take-home vehicle usage by the Police Department employees.

The FY 2009-10 budget directly addressed the Police Department's commuting costs. In the June Budget Message for FY 2009-2010, the Mayor wrote, "In the Proposed Operating Budget, an ongoing savings of $100,000 was identified by reducing the Police Department's number of personnel who are assigned take-home vehicles. I commend this effort and request that the City Manager identify an additional savings of $100,000 from take-home vehicles." Thus, the FY 2009-10 Adopted operating budget reduced the Police Department non-personal budget (vehicle maintenance, fuel, and parts) by a total of $200,000. This savings was to be accomplished through reducing the number of personnel assigned take-home vehicles. The budget document stated that no significant change to current service levels was expected as a result of this action.

According to Budget Office and Police Department documents, the Police Department achieved the initial $100,000 in savings by restricting take-home use by about 30 personnel, including:

- Fewer lieutenants with personally assigned take-home vehicles because of the removal from the list of various units including Personnel, Permits/Secondary Employment, and Training
- Fewer motorcycle personnel with take-home use because the department established a maximum allowable commuting distance for motorcycles
- Fewer sergeants and officers with vehicles because of the removal of most, if not all, take-home uses for the Vice, Metro, Violent Crimes Enforcement Team, Horse Mounted, and Gang Investigation units

In a December 2009 memorandum, the Police Department identified a second set of about 30 positions from which to remove take-home use. However, it did not implement that further reduction to the number of personnel assigned take-home vehicles.

In June 2010, the Council adopted the FY 2010-11 operating budget, which further reduces the Police Department's ongoing vehicle maintenance and operations funding by $165,000 to help balance the budget and preserve City services. To achieve this cost reduction, the budget stated that Police Department would dramatically reduce its complement of take-home vehicles, to an estimated total of 45 take-home vehicles, by November 2010.

The Lack of a Clear Purpose Has Led to the Inconsistent Implementation of the City's Take-Home Vehicle Policy Across Departments

The City's vehicle policy governs employee use of City and personal vehicles for official City business. Its goal is the efficient and effective delivery of City services, while minimizing city expenditures and maximizing current resources. The vehicle policy delegates responsibility for managing the City's fleet to General Services; defines official City business use; establishes minimum utilization standards for the City's transport sedans and trucks; and describes special purpose vehicles that can potentially be made available for take-home use. The vehicle policy also explains that "employees approved for take-home use of vehicles will comply with any standards which may be set by the City regarding the maximum allowable time or distance from the reporting location for standby or callback duty."

However, the vehicle policy does not define the purpose for take-home vehicles. In our opinion, the purpose of a take-home vehicle is to facilitate immediate, timely response to unforeseen emergencies in the field requiring specialized equipment. Unfortunately, the vehicle policy does not provide an objective basis for ensuring that take-home vehicles address such needs. As shown in Exhibit 7, conditions for take-home use of special purpose City vehicles are outlined in the vehicle policy. For the Police and Fire Departments the vehicle policy only says the authorization for take-home vehicle use will be based upon written justification from the Department Chief. These departments seem to rely largely on tradition, rather than documented call back patterns, to guide their requests for take-home vehicles.

Exhibit 7: Requirements for Granting Take-Home Vehicles

Police or Fire Department Vehicles	Other Vehicles
• Department Chief has provided written justification • Department Chief has received authorization from the City Manager's Office for take-home use of the vehicle	• Department Director has provided written justification • Department Director has received authorization from the City Manager's Office for take-home use of the vehicle • Employee is required to be on standby duty • Standby duty job function requires a specially equipped working platform vehicle

Source: City Policy Manual section 1.8.1 "Use of City and Personal Vehicles"

We believe the absence of a defined purpose for take-home vehicles in the vehicle policy is a factor in the inconsistent implementation across departments. The need for clarification on the purpose of take-home vehicles is exemplified by a July 2008 memorandum from the Police Chief to the City Manager stating that "The majority of the Department's personnel who utilize take-home vehicles receive no compensation for their call-back status. The only compensation is their take-home vehicle, with the understanding that they will respond back immediately when needed." In our opinion, tying the assignment of vehicles to officer compensation undermines the true purpose of allowing take-home use of City vehicles—to meet the urgent operational needs of the City.

Moreover, the City's vehicle policy does not clearly communicate that take-home vehicles are not to be assigned according to employee status or as a privilege. In contrast, King County, Washington's policy reads:

> *The county wishes to restrict the number of county-owned vehicles being used by employees to commute to and from work.... The use of Motor Pool dispatch vehicles or travel reimbursement is preferred over the assignment of take-home vehicles for conducting county business.... Assignment of a county vehicle is neither a privilege nor a right of any county employee.... Assignment of a county vehicle shall not be made based on employee merit or employee status.*

We believe this policy's tone communicates a strong message about the restrictions over the assignment of take-home vehicles.

Recommendation #4: We recommend that the City amend the vehicle policy to clearly define the purpose of take-home vehicles and restrict their use to the greatest extent possible.

The City Should Consider Eliminating Take-Home Use of 93 Vehicles and Needs to Justify the Use of Another 38

While the City's vehicle policy addresses the administrative steps for authorizing take-home use, it does not provide a framework for making the initial determination that a vehicle should be taken home in the first place. In our opinion, City vehicles should go home with employees only when frequently needed to address emergencies in the field requiring immediate response. Thus, we asked a set of three questions designed to gauge whether each vehicle needed to be taken home. Our questions incorporated aspects of City and departmental policies as well as best practices from other jurisdictions. We specifically asked whether employees need to:

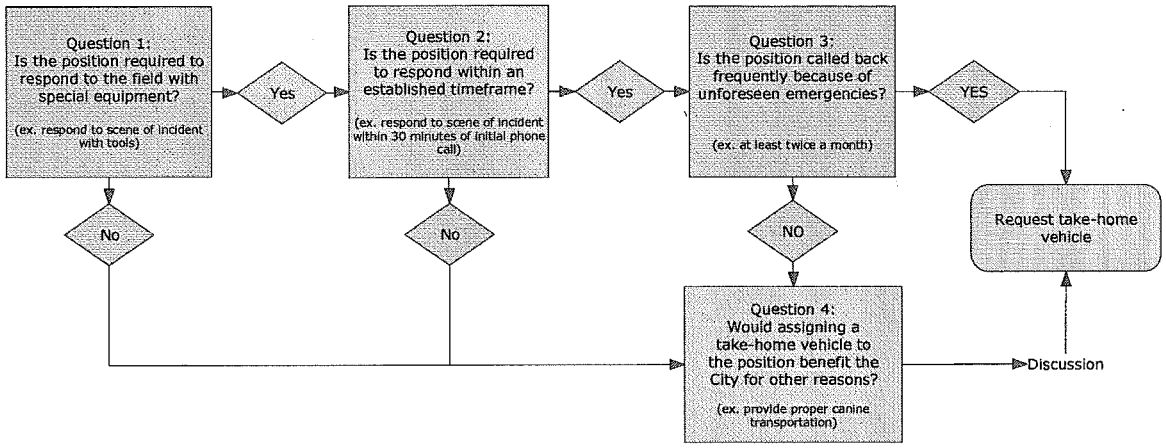
- Be on standby duty to respond to the field with special equipment

- Respond within an established timeframe
- Respond frequently to unforeseen emergencies[13]

If these conditions were not met, we concluded a take-home vehicle did not need to be provided. However, to make a final determination, the City must evaluate whether there are other compelling reasons for granting take-home use of an otherwise unjustified vehicle.

Exhibit 8 presents, in the form of a flowchart, the questions we asked to assess whether or not a take-home vehicle was needed.

Exhibit 8: Take-Home Vehicles Model



Source: Auditor generated based on the vehicle policy and best practices from other jurisdictions

93 Vehicles Should Be Considered for Termination from Take-Home Use

Based on our review, all eleven take-home vehicle assignments for the Departments of General Services; Environmental Services; Parks, Recreation, and Neighborhood Services; and Transportation appeared reasonable. In addition, as many as 24 take-home assignments from the Fire and Police Departments also appeared reasonable, such as vehicles for the Bomb Squad, Homicide, Crime Scene, Sexual Assaults, and Internal Affairs Units.

However, take-home uses of at least 93 vehicles did not appear as justified. Exhibit 9 shows the results of our analysis, listing take-home uses that should be considered for termination, as well as potential one-year savings. Exhibit 9 does not include 38 take-home vehicle assignments for which we could not obtain sufficient information to make an informed judgment about their reasonableness.

[13] We define *frequently* as a minimum of two callbacks a month, or 24 total callbacks within 12 months. Another jurisdiction requires staff to have a minimum of 48 callbacks per year to maintain authorization for take-home vehicle use.

Also, it is important to note that some departments changed take-home vehicle assignments during the audit. For instance, effective October 2010, the Fire Chief does not have a take-home vehicle.

Exhibit 9: Take-Home Uses That Should Be Considered for Termination

Department / Role	Number of Cars	1-Year Savings	Take-Home Question		
			Field Response?	Established Timeframe?	Frequent Call Back?
Police Department					
Bureau of Administration					
Deputy Chief and Captain	2	$4,000	Yes	**No**	**No**
City Attorney's Office Police Investigation Unit Sergeant	1	6,000	Yes	**No**	**No**
Bureau of Field Operations					
MERGE Unit (Lieutenant, 2 Sergeants and 20 Officers)	23	125,000	Yes	Yes	**No**
Canine Unit (2 Sergeants and 10 Officers)	12	100,000	Yes	**No**	**No**
Traffic Enforcement Unit (Lieutenant, 7 Sergeants, and 34 Officers)	42	298,000	Yes	**No**	**No**
Airport Division (Lieutenant and 6 Canine Officers)	7	44,000	Yes	No response	**No**
Bureau of Technical Services					
Deputy Chief and Captain	2	7,000	**No**	**No**	Yes
Police Chaplain[14]	1	Unknown	**No**	**No**	No response
Fire Department					
Bureau of Field Operations					
Deputy Chiefs[15]	2	39,000	**No**	**No**	Yes
Press Information Officer[15]	1	7,000	**No**	**No**	Yes
Total	**93**	**$630,000**			

Source: Auditor's analysis of take-home vehicles, and the City's personnel and time-reporting records

By eliminating the vehicles listed above, the City could avoid $630,000 in annual commuting costs. Appendix A shows department justifications for all take-home vehicles, their cost, and any available emergency call-back statistics. The following sections provide more detail.

Traffic Enforcement Unit Motorcycles

As described earlier, 78 percent of miles traveled by police motorcycles are commuter miles. In our opinion, the need for take-home motorcycles is unclear. The Police Department explained that police motorcycles serve a key role in disaster response. Yet, the Department has not established a timeframe within

[14] We explain our reasoning for determining the Police Chaplain's take-home vehicle is unnecessary on page 19. According to the Police Department, the Police Chaplain's vehicle was removed from take-home use effective August 2010.

[15] Elimination of these vehicles would leave one vehicle available for take-home use on a rotating basis for each function.

which personnel driving police motorcycles must arrive to the scene of an incident, and in practice police motorcycles respond to only about 12 call-back events, including foreseeable events, per year.

The Police Department further noted that police motorcycles driven on City streets and highways during commute act as a traffic calming influence. Even if valued at a Police Officer's base pay, this does not outweigh annual commute costs. Moreover, the Police Department previously determined that it obtained the best value from police motorcycles by concentrating their enforcement efforts in areas with the highest collision rates in the City, rather than assigning them to general patrol.

Canine Cars

Police Department staff who work with canines, including those assigned to the Airport, are given take-home vehicles. However, canine officers need not respond to incidents within established timeframes and, in practice, are called back to work only about 7 to 10 times per year, according to the Police Department. Thus, it is unclear why the City should, in effect, pay for their regular commute to and from work.

The Police Department stated that Police Officers should not be asked to permanently alter their personal vehicles at their own expense, or be required to own a personal vehicle large enough to accommodate their canines and canine equipment.

MERGE Unit Cars

Staff in the MERGE Unit are required to respond to critical incidents, such as hostage situations, within 50 minutes of receiving notice. However, such call-backs are infrequent. The Unit documented 28 emergency call-backs from FY 2006-07 to FY 2009-10, or about 7 per year.

38 Vehicles for Which We Could Not Obtain Sufficient Information

In the previous sections, we described why some of the City's take-home vehicles may be unnecessary. However, we were unable to assess the reasonableness of all take-home vehicles because the Police Department could not provide estimates for the number of emergency call backs in one year for 38 vehicles. Exhibit 10 lists the take-home vehicles in the Police Department for which we could not obtain sufficient information.

In addition, during the audit we learned that five vehicles not on an official list kept by the Police Department were nonetheless used on a take-home basis. Specifically, the Police Department's Internet Crimes Against Children team (ICAC) members commute in their City vehicles but are not authorized under the vehicle policy for such use. According to the Police Department, the vehicles

were all purchased through federal grant funding with the understanding that detectives assigned to ICAC would be on-call 24 hours a day to respond to any ICAC issues in the region, which includes 100 agencies in the greater Bay Area and 11 counties from Napa County to San Benito County. If it wishes to continue their take-home use, the Police Department should justify the reasonableness of these take-home vehicles in future lists.

Exhibit 10: Take-Home Vehicles for Which Information Was Not Available

Department / Role	Number of Cars
Police Department	
Office of the Chief	
Press Information Office (Sergeant and Officer)	2
Special Investigations Unit (Lieutenant)	1
Intelligence Unit (Sergeant)	1
Mayor/Council Protection (Officer)	1
Bureau of Field Operations	
Deputy Chief and 5 Captains	6
Violent Crimes Enforcement Team (Lieutenant)	1
Crisis Management Unit (Sergeant)	1
Bureau of Investigations	
Deputy Chief and 2 Captains	3
Internet Crimes Against Children	5
Family Violence Unit (Sergeant)	1
Robbery Unit (Lieutenant, Sergeant, Investigator)	3
Assaults Unit/Hate Crime Detail (Lieutenant and 2 Sergeants)	3
Vehicular Crimes Unit (Lieutenant and 2 Sergeants)	3
Narcotic Covert Investigations (Lieutenant, Sergeant, and Canine Officer)	3
Regional Auto Theft Task Force (Lieutenant, Sergeant, and Officer)	3
REACT Task Force (Sergeant)	1
Total	**38**

Source: Auditor-compiled based on responses from Police Department

Recommendation #5: We recommend the City Manager's Office review the information in this report and remove unjustified vehicles from take-home use. In cases where emergency call-back estimates were not available, temporary use could be continued until departments gather the required information.

The Police and Fire Departments Allow Take-Home Use of City Vehicles by Some Staff Who Do Not Respond to the Field or Are Not on Standby

Part of a reasonable justification for take-home vehicle assignment is the need to respond to the field with specialized equipment. However, some staff with assigned take-home vehicles regularly report back to their non-emergency work locations, such as Police Department headquarters, rather than directly to incidents in the field. For example, managers in the Police Department's Bureau

of Administration and Bureau of Technical Services (4 staff), and a Battalion Chief in the Fire Department's Bureau of Support Services, respond to their respective headquarters or communications center.[16] In addition, 7 Police Department staff assigned to the Airport Division likely return to their non-emergency work location (the Airport) when called back. In such cases, take-home vehicles seem unnecessary.

Some staff who regularly report back to non-emergency work locations say that a take-home vehicle is necessary because of their required attendance at after-hours community meetings and events. Driving a City vehicle to one of these meetings or events—official City business after regular business hours—is allowable under the vehicle policy. However, these uses do not warrant personally assigned take-home vehicles. Staff can utilize personal vehicles and request mileage reimbursement or utilize pooled City vehicles for such non-emergency use. In the event that a community meeting runs late and an employee cannot reasonably return a City pool vehicle the same night, he/she could obtain authorization to drive the vehicle home on that occasion.

In addition, several staff in the Fire Department are authorized to take home a City vehicle everyday even though they are not always on standby. For instance, the full-time Press Information Officer has a personally assigned take-home vehicle but shares after-hours responsibilities with others on a rotating basis. Similarly, Deputy Fire Chiefs have individually assigned take-home vehicles but rotate standby duty. Deputy Fire Chiefs must respond to 2nd alarm fires when on standby, and when not on standby, to fires that are 3rd alarm or greater, which are far less frequent. While the vehicle policy states that employees are required to be on standby as part of the conditions for take-home use of special purpose vehicles, it does not specify this condition for police and fire vehicles. We believe that this condition should apply consistently to all employees who may take home a City vehicle.[17]

Some Departments Do Not Have Response Time and/or Maximum Driving Distance Expectations

It is reasonable to expect that staff authorized for take-home use of City vehicles will be able to respond immediately and timely to emergencies. To this end, the vehicle policy states that authorized drivers of take-home vehicles must "comply with any standards which may be set by the City regarding the maximum allowable time or distance from the reporting location for standby or callback duty." Such requirements are meant to ensure immediate and timely response to urgent situations. However, as of October 2010, the City has not established

[16] According to the Fire Department, effective July 2010 the Battalion Chief does not have a take-home vehicle.

[17] The Fire Department states that, as of October 2010, it has stopped take-home use of three vehicles, though not the three we discussed.

City-wide standards and few departments have set limits specifically for their staff on standby. In the absence of defined limits, it is unclear to us why a take-home vehicle is needed when an employee could drive his/her personal vehicle and pick up a City vehicle without compromising the urgency of the situation.

Response Time Limits

Some departments have communicated timeliness expectations to staff with take-home vehicles, but these standards are inconsistent and uncommon. Specifically, we found that the Department of Transportation requires staff on standby to respond within 30 minutes and the Environmental Services Department requires staff on standby to respond to the scene within 45 minutes of a call. In addition, these two departments require staff to find accommodations closer to the City when on standby if they live farther away than allowable given the response-time limit. By comparison, General Services does not stipulate a maximum response time for some vocations with take-home vehicle use. However, we noted that the General Services employees without response-time limits respond to hundreds of after-hours call-backs each year.

The Fire Department has set an expectation that the Department Safety Office respond within 30 minutes, but has not set a standard for others with take-home vehicles.

The Police Department's MERGE unit requires staff to live within a 50-minute drive of headquarters. Police Department management explained the response-time expectation for other units, like the Traffic Enforcement Unit, was "as soon as possible." However, an "as soon as possible" policy results in unequal results. For instance, a motorcycle officer living within the City limits may respond within minutes, but one living in Tracy may take significantly longer to respond even if he/she leaves at the same moment as the officer living in-City. Furthermore, "as soon as possible" does not take into account that employees may not be at their homes or near their City vehicles when they receive a call back to service. Exhibit 11 compares response time limits by department, and in some cases, unit or position.

Exhibit 11: Comparison of Response Time Expectations for Staff with Take-Home Vehicle by Department

Department / Unit	Response Time Limit (minutes)
Non-Public Safety Departments	
Department of Transportation	30
Environmental Services	45
Parks, Recreation, and Neighborhood Services	60
General Services	
Animal Services Officers	60
All Other General Services Units	None
Public Safety Departments	
Fire Department	
Safety Officer	30
All Other Fire Department Units	None
Police Department	
Office of the Chief	None
Internal Affairs	60
All Other Office of the Chief's Units	No response
Bureau of Administration	None
Bureau of Investigations	No Response
Bureau of Technical Services	None
Bureau of Field Operations	
MERGE Unit	50
Traffic Enforcement Unit	None
All Other Field Operations Units	No Response

Source: Auditor compilation of standby and take-home vehicle policies from department

In our opinion, undefined, unwritten, and lenient response-time limits undermine the urgency of the situations requiring attention. Where policies are so lax, it is unclear why a non-urgent response—asking employees to commute in their own vehicles and, if necessary, pick up vehicles from City parking lots—would not fulfill the City's needs.

Sphere of Influence

In our 1993 audit on police vehicles we recommended the City define a City-wide sphere of influence and stipulate how employees will compensate the City for taking a City vehicle beyond the City's sphere of influence. We continue to believe that a defined sphere of influence will help ensure timely and immediate response to emergencies. The Police Department set an unwritten 60-mile limit for motorcycles but not for other vehicles. However, we found that two motorcycle officers with commutes greater than 60 miles each way regularly drove their city vehicle home. Their commuting cost the City nearly $37,500 in 2009. Police Department management agreed to address these violations of its unwritten rule. However, we found no written policies, City-wide or departmental, that define maximum allowable commuting distances for City take-home vehicles.

Many jurisdictions have policies on how far or where a take-home vehicle may be driven. For example:

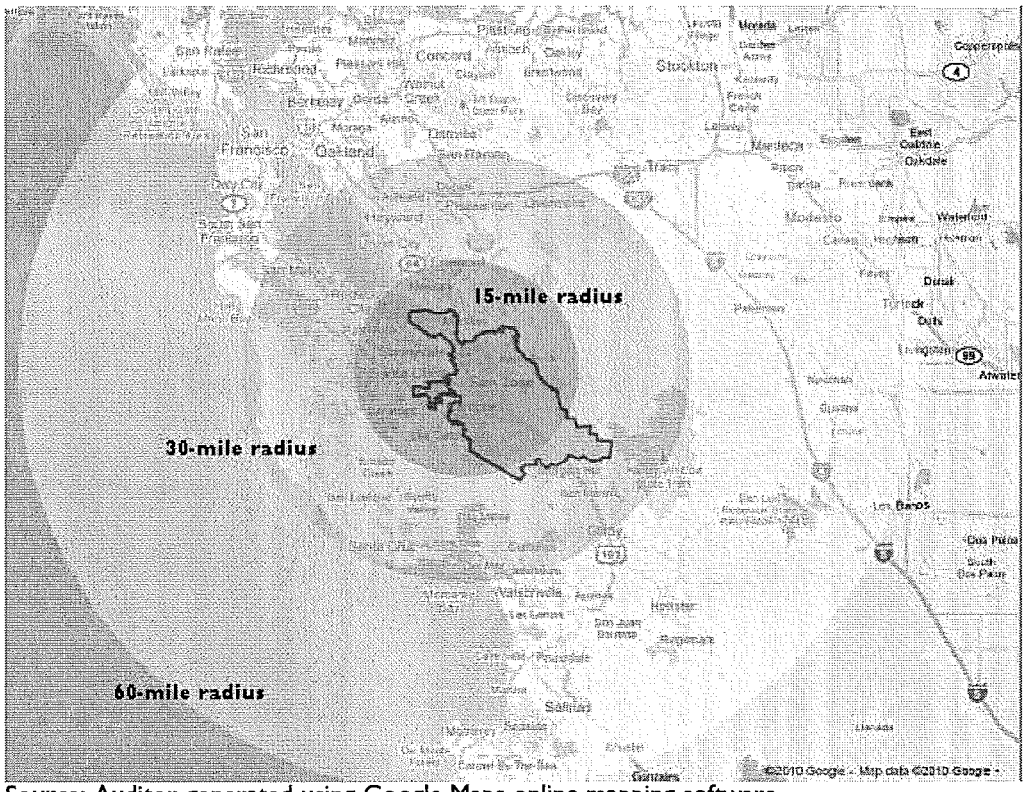
- The City of Phoenix Fire Department allows authorized employees to commute up to 2 miles from the city's border.
- Santa Clara County allows 35 miles from the County Government Center.
- The City of San Diego allows use in the proximity of the County of San Diego.
- King County allows in county and neighboring counties if there are compelling justifications.
- The City of Fresno Police Department allows employees assigned vehicles for "take-home" purposes to drive to their residences within fifteen miles of any point in the city limits.

In fact, some jurisdictions require employees who are authorized to utilize city vehicles routinely between home and work to reimburse normal commute costs. For the City of Berkeley, this reimbursement ranges from $58 per month for employees living within 5 miles of its City Hall to $290 per month for employees living more than 20 miles away.

In our opinion, the farther beyond City limits a City vehicle is driven, the less utility and benefit that vehicle can provide to City residents in the case of emergencies. In September 2008, General Services suggested that the City set a maximum take-home commute distance of 30 miles from an employee's reporting location. This suggestion was not implemented, but if it had been applied consistently to all take-home vehicles, we estimate the City could have avoided $565,000 in commuting costs in 2009.

However, even 30 miles might not allow for a timely response. Further, as mentioned earlier, commuting in city vehicles is costly. An average sedan commuting 30 miles each way will still cost the City about $6,000 per year. City vehicles used for commuting have also broken down outside the City limits on several occasions, as far away as Ripon (80 miles from City Hall), requiring General Services to arrange for towing. In our opinion, broken down vehicles, especially far outside the City, not only provide no utility to City residents but also increase the City's exposure to potentially avoidable costs. Exhibit 12 shows potential spheres of influence, centered around the Police Department's headquarters.

Exhibit 12: Potential Spheres of Influence for City Vehicles Around the Police Department's Headquarters



Source: Auditor-generated using Google Maps online mapping software

The City should revise the vehicle policy to require a maximum response time and a maximum allowable one-way commute distance for employees on standby. For job functions with unspecified maximum response time limit, the vehicle policy should require employees to pick up a City vehicle in response to a callback instead of driving a take-home vehicle.

Emergency Call Backs are Rare for Some Staff with Take-Home Vehicles

In our opinion, the purpose of take-home vehicles centers around the probability of after-hours, emergency call-backs in the field. However, some employees in the Fire and Police Departments with individually assigned vehicles estimated that they had been called back less than ten times in the last year (i.e. less than once a month on average). To put that into perspective, King County, Washington requires a minimum of 12 emergency call-backs per quarter, or 48 per year, as part of its evaluation criteria for take-home vehicle assignments.

It appears that almost none of the City's existing take-home vehicles would meet a requirement of 48 emergency call-backs per year to maintain take-home authorization. Thus, we used a very conservative 24 emergency call-backs per

year to assess the reasonableness of current take-home vehicle assignments. Nonetheless, few take-home uses of City vehicles in the Police Department experienced this frequency of emergency response. As shown in Appendix A, the MERGE Unit had only 7 critical incidents in 2009, some of which may have been during work hours, and the Traffic Enforcement Unit estimated that it generally has about 12 emergency call-backs per year, including call backs to provide service at City events such as Cinco de Mayo and Mardi Gras.

During the audit, it was difficult to gather information on the number of call backs for many staff with take-home vehicles. Specifically, many units in the Police Department do not consistently track emergency call backs, including those in the Bureau of Investigations and, for the most part, the Bureau of Field Operations. In contrast, other jurisdictions often require record-keeping through regular vehicle usage logs which ask for details such as commute/business mileage and call-back trips. For example, King County's policy explains that emergency response assignments should be supported by data demonstrating the actual number and nature of emergency responses in the prior year, and estimates of future emergency responses.

The Police Department disagrees that authorization of take-home vehicles should be based on the frequency of emergency call back. According to the Police Department, even though incidents of crisis—such as natural disasters, riots, terrorist acts, and public health emergencies—are rare, the department does not have the luxury of being unprepared. In our opinion, the frequency of call back is key information for understanding how often take-home vehicles are actually needed for emergency response.

Recommendation #6: We recommend that departments maintain and update records on the number of call backs for individuals, positions, and units with take-home vehicles, and provide these records with their annual requests for take-home vehicles.

Recommendation #7: To enhance the process for justifying take-home vehicles, we recommend the City amend the vehicle policy. The vehicle policy should, at a minimum, establish:

a. **A requirement that, as a condition for take-home use of a City vehicle, staff must be required to respond to after-hours emergencies.**

b. **A minimum number of emergency callbacks within a 12-month period and field response as part of a justification model for take-home vehicles and require evidence of minimum emergency call backs with annual take-home vehicle requests.**

c. **A maximum emergency response time for employees with take-home vehicles. Departments should establish and document emergency response-time limits and other expectations by unit. If there is no specific time target, departments should establish policies that require employees to pick-up a City vehicle to respond to the callback rather than take a City vehicle home; and/or a maximum allowable one-way commute distance to achieve the maximum allowable emergency response time.**

d. **A minimum amount and/or percentage of vehicle utilization, excluding commuting miles, that must be attained otherwise the vehicle will be considered for elimination from take-home use. If take-home vehicles do not attain minimum business usage, they should be placed into a department's or the City's motor vehicle pool, or eliminated.**

City Departments may create stricter departmental policy, as needed.

Potential Alternatives to Take-Home Vehicles

During the course of the audit, we heard reasons for take-home cars unrelated to emergency response. These included the desire to provide employee-owned police canines appropriate transportation and to provide motorcycles sufficient freeway mileage. Additionally, some take-home vehicle assignments were said to be justified in part by planned or foreseeable events, or community meetings. In those cases, it is not clear why the employees could not have commuted in their own vehicles, and then driven a City vehicle to the event. While these types of non-emergency uses are not compelling to justify take-home use, they speak to other needs that can be addressed with various alternatives to take-home vehicles.

Many cities and counties are faced with the problem of steep costs associated with take-home vehicles. A number of other comparable jurisdictions have adopted innovative and cost-effective alternatives. The City can utilize a variety of such alternatives in lieu of some take-home vehicles. These alternatives will ensure the City's residents receive the needed services but at lesser cost. Some examples include:

a. **Canine carriers:** Provide canine officers with police canine carriers for use in personal vehicles. In the City of Fresno, canine officers who reside farther than 15 miles from the city limits must leave their assigned vehicles at an approved city facility, and provide approved secure transportation for their canine from that point to their residences.

b. **Commute cost repayment:** As noted earlier, one approach some cities have taken to reduce the costs is to require repayment from employees who regularly commute in the government vehicles.

c. **Mileage reimbursements:** Agree to pay mileage reimbursements for callback duty not requiring an emergency response (i.e. lenient or no time-limit response target).

d. **Expanded use of car allowances:** Provide car allowances for senior staff in-lieu of take-home vehicles.

Cost-benefit of alternatives

The Police Department believes that, in some cases, take-home vehicles save the City money by reducing overtime costs. Specifically, the Police Department told us that paying extra overtime for staff to pick up a police vehicle would be more expensive than allowing them to take City vehicles home.

In our opinion, this is highly unlikely. First, salaried management, who take home six cars, do not receive overtime pay. Second, it appears that most of the other staff with assigned vehicles do not respond to enough after-hours emergency call-backs for the extra overtime to be more expensive than a take-home vehicle. We estimate that, on average, a take-home vehicle would be the less expensive option only if a police officer were called back more than 82 times per year. Exhibit 13 shows our calculations.

Exhibit 13: Take-Home Vehicles are Usually Not More Economical

(1) Police Department commuting costs	$885,000	
(2) Number of police take-home vehicles	144	
(a) Average cost per take-home vehicle (1) ÷ (2)		$6,150
(3) Assumed Police Officer hourly wage	$50/hour	
(4) Conservative estimate of added response time to pick up a vehicle from the Police Department garage	1 hour	
(5) Overtime pay rate	1.5	
(b) Added overtime cost per call back (3) x (4) x (5)		$75
Number of call backs needed for added overtime to equal average cost of police take-home vehicle (a) ÷ (b)		82

Source: Auditor analysis of the City's personnel and time-reporting records for employees with take-home vehicles, the City's vehicle fleet database, and the City's pay plan

As shown in Appendix A, we did not find any employee in the Police Department who responded to 82 emergency call backs in 2009. As noted earlier, most units within the Police Department do not track the number of emergency call backs for employees with take-home vehicles. Further, if overtime costs are a genuine concern, the Police Department can implement cost-controlling measures like establishing a maximum allowable time or distance from the reporting location for employees on standby or callback duty.

Recommendation #8: We recommend departments assess the cost-benefit of mileage reimbursements, auto allowances, and other options mentioned above in cases where take-home vehicles are not justified in terms of the number of emergency call-backs. The City Manager's Office should approve and enforce implementation of the less costly option.

Weekend-only take-home vehicles

If data show that the majority of call backs occur over the weekend, take-home use should correspond. For example, DOT has modified its take-home use according to the number of callbacks received within a given period. Since June 1, 2010, DOT now has one duty supervisor who takes home a vehicle nightly and two standby electrical staff who take home a vehicle each weekend. Based on our analysis of workweek and weekend/holiday call-backs for non-safety departments, in Exhibit 14, it appears General Services has an opportunity to take a similar approach with its HVAC and Fire Mechanic take-home vehicle assignments.

Exhibit 14: Call Backs During the Workweek and Weekend for Some Departments

Department / Role	Workweek			Weekend and Holidays		
	Days on standby*	Days with call backs	Call back frequency	Days on standby	Days with call backs	Call back frequency
Parks, Recreation, and Neighborhood Services						
Park Maintenance	241	26	11%	115	20	17%
Environmental Services						
Supervisor	279	46	16%	107	30	28%
Water Systems Technician	265	128	48%	108	66	61%
Subtotal	544	174	32%	215	96	45%
Transportation						
Duty supervisor	237	42	18%	109	70	64%
Street Light Electrician	373	76	20%	223	135	61%
Subtotal	610	118	19%	332	205	62%
General Services						
HVAC	299	36	12%	119	78	66%
Equipment Mechanic	229	17	7%	106	70	66%
Radio Communication	271	24	9%	146	16	11%
Electrical Maintenance	294	76	26%	128	52	41%
Subtotal	1,093	153	14%	499	216	43%
Animal Services**	266	83	31%	117	25	21%
Grand Total	**2,488**	**471**	**19%**	**1,161**	**537**	**46%**

Source: Auditor's analysis of the City's time-reporting records

*These amounts may add up to more than 365 days because standby shifts, generally scheduled in 7-day blocks, overlap.

**Animal Services is excluded from the total for General Services and the Grand Total because the division's employees regularly work on weekends.

Recommendation #9: To better align resources to needs, we recommend Departments make fewer take-home vehicles available during the workweek in cases where historical callback data show less frequent call backs during the workweek than on the weekend.

Clarification and Better Coordination are Needed to Ensure Accurate Reporting of the Taxable Portion of a Few Take-Home Vehicles

Generally, take-home (personal) use of an employer-provided car is a fringe benefit that is reportable as taxable income to an employee. Commuting between residence and work station and vacation and/or weekend use are examples of taxable personal use of an employer-provided vehicle. Exemptions include:

- Marked Police and Fire vehicles
- Unmarked vehicles driven by law enforcement officers if the use is officially authorized
- Some specialized utility repair trucks
- Trucks and vans if they have been specifically modified to be unlikely to allow more than minimal personal use (i.e. no passenger seat)

It should be noted that de minimis (infrequent and irregular—generally less than once a month) personal use of a government vehicle is not a taxable fringe benefit.[18]

To calculate taxable income for take-home vehicles, the Finance Department first requests descriptions of take-home vehicles from departments to determine whether they fall into an exemption category. It then solicits information regarding business and commuting mileage from staff whose take-home vehicle use has not been exempted to calculate the amount it reports to the IRS as a taxable fringe benefit. However, we identified Fire Department staff with unmarked vehicles who may have been incorrectly considered exempt. We also determined that potential personal mileage was not reported for two police chaplains who drive unmarked cars and are not authorized law enforcement officers. We further identified a potential error with a Deputy Fire Chief's self-reported personal use of a City vehicle, which could impact the amount of taxable use of the City vehicle.

In addition, the Finance Department uses an incomplete list of take-home vehicles and one that is not approved by the City Manager's Office when calculating the City's tax liability. It also does not coordinate its calculations of estimated vehicle income with the City Manager's Office or the General Services Department. Mid-year changes to staff in positions with take-home vehicles could complicate the coordination and communication from departments to General Services and the Finance Department, as could occasional take-home use of City vehicles. The vehicle policy defines a process for overnight use of a pool vehicle from the

[18] All unauthorized take-home use of a government vehicle is personal use that is taxable to the employee as wages. To the extent that any employee is found to utilize a City-owned vehicle without authorization, the use would likely be taxable if not repaid to the City. Any errors and subsequent corrections would require recalculation of the imputed vehicle usage value and potential payment of back taxes to the IRS.

citywide fleet (it requires department director and fleet management approval), but to our knowledge no such process or policy is in place for personally assigned vehicles, special purpose vehicles, or police and fire vehicles.

Recommendation #10: We recommend the Finance Department work with the City Attorney's Office to clarify the process for determining whether use of a City vehicle is personal or business, and review whether the City may need to calculate and remit to the IRS imputed vehicle usage of Fire Department and Chaplain vehicles.

Recommendation #11: We recommend the City amend the vehicle policy to require:

a. **The City Manager's Office to authorize positions, not individuals, for take-home use of City vehicles, and clarify the level of discretion departments have in assigning occasional or short-term take-home use and the level of management at which such use can be authorized.**

b. **Departments to track authorized employees who use take-home vehicles during year and report the list to both the General Services and Finance Departments.**

c. **The Finance Department to base its calculation of imputed vehicle income on the take-home vehicle list authorized by the City Manager's Office in coordination with Departments and General Services.**

Conclusion

In limited circumstances, employees may use City vehicles to commute to and from work. In fiscal year 2009-10, 166 City vehicles were used on this take-home basis, including 144 by Police Department employees. Faced with the steep cost of routine commuting, the City should restrict take-home use of City vehicles to the greatest extent possible. In our opinion, vehicles should go home with employees only when frequently needed to address emergencies in the field requiring immediate response. We believe the City may be able to significantly reduce the number of vehicles used on a take-home basis without compromising operational needs.

RECOMMENDATIONS

Recommendation #1: To ensure adequate utilization excluding commuting, we recommend that the General Services Department and Police Department work together during their regular vehicle utilization reviews to identify opportunities to make greater use of pooled/shared vehicles and to remove from the fleet, or redeploy to other City uses, unmarked police sedans that can be eliminated without compromising operational needs.

Recommendation #2: To eliminate under-utilized Fire Department sedans and enhance overall utilization, we recommend that the General Services Department and Fire Department work together during their regular vehicle utilization reviews to identify and eliminate from the fleet, or redeploy to other uses, unmarked fire sedans that can be removed from the Fire Department's complement without compromising operational needs.

Recommendation #3: We recommend the City amend the vehicle policy to state that only City employees can be assigned vehicles on a take-home basis.

Recommendation #4: We recommend that the City amend the vehicle policy to clearly define the purpose of take-home vehicles and restrict their use to the greatest extent possible.

Recommendation #5: We recommend the City Manager's Office review the information in this report and remove unjustified vehicles from take-home use. In cases where emergency call-back estimates were not available, temporary use could be continued until departments gather the required information.

Recommendation #6: We recommend that departments maintain and update records on the number of call backs for individuals, positions, and units with take-home vehicles, and provide these records with their annual requests for take-home vehicles.

Recommendation #7: To enhance the process for justifying take-home vehicles, we recommend the City amend the vehicle policy. The vehicle policy should, at a minimum, establish:

a. A requirement that, as a condition for take-home use of a City vehicle, staff must be required to respond to after-hours emergencies.

b. A minimum number of emergency callbacks within a 12-month period and field response as part of a justification model for take-home vehicles and require evidence of minimum emergency call backs with annual take-home vehicle requests.

c. A maximum emergency response time for employees with take-home vehicles. Departments should establish and document emergency response-time limits and other expectations by unit. If there is no specific time target, departments should establish policies that require employees to pick-up a City vehicle to respond to the callback rather than take a City vehicle home; and/or a maximum allowable one-way commute distance to achieve the maximum allowable emergency response time.

d. A minimum amount and/or percentage of vehicle utilization, excluding commuting miles, that must be attained otherwise the vehicle will be considered for elimination from take-home use. If take-home vehicles do not attain minimum business usage, they should be placed into a department's or the City's motor vehicle pool, or eliminated.

City Departments may create stricter departmental policy, as needed.

Recommendation #8: We recommend departments assess the cost-benefit of mileage reimbursements, auto allowances, and other options mentioned above in cases where take-home vehicles are not justified in terms of the number of emergency call-backs. The City Manager's Office should approve and enforce implementation of the less costly option.

Recommendation #9: To better align resources to needs, we recommend Departments make fewer take-home vehicles available during the workweek in cases where historical callback data show less frequent call backs during the workweek than on the weekend.

Recommendation #10: We recommend the Finance Department work with the City Attorney's Office to clarify the process for determining whether use of a City vehicle is personal or business, and review whether the City may need to calculate and remit to the IRS imputed vehicle usage of Fire Department and Chaplain vehicles.

Recommendation #11: We recommend the City amend the vehicle policy to require:

a. The City Manager's Office to authorize positions, not individuals, for take-home use of City vehicles, and clarify the level of discretion departments have in assigning occasional or short-term take-home use and the level of management at which such use can be authorized.

b. Departments to track authorized employees who use take-home vehicles during year and report the list to both the General Services and Finance Departments.

c. The Finance Department to base its calculation of imputed vehicle income on the take-home vehicle list authorized by the City Manager's Office in coordination with Departments and General Services.

APPENDIX A

Take-Home Vehicles by Department and Role – Estimated Commute Miles, Cost, and Call Backs for 2009

We estimated that City vehicles commuted about 1.5 million miles, at a cost of $1.1 million, in 2009. The Police Department, at 1.3 million miles and a cost of nearly $900,000, accounted for a large portion of this commuting. The table on the following pages provides information on each of the 166 take-home vehicles the City of San José had in fiscal year 2009-10 by department and unit and/or role, as follows:

Department	Number of vehicles	Estimated commute miles	Estimated commute cost	Page(s)
Police	144	1,314,946	$885,120	A-2 to A-6
Fire	11	137,624	$103,866	A-2
General Services	5	41,910	$45,145	A-2
Transportation	3	13,425	$21,100	A-2
Environmental Services	2	10,635	$9,805	A-2
Parks, Recreation, and Neighborhood Services	1	3,279	$3,557	A-2
Total	**166**	**1,521,820**	**$1,068,594**	

Specifically, the table on the following pages describes, among other things, the types of vehicles taken home, their average cost-per-mile, and estimated commute miles and costs in calendar year 2009. Our calculations were generally based on the following approaches and assumptions:

Table Column	Description
Number of Cars	If the vehicle is assigned to a specific employee, one. Otherwise, the maximum number of vehicles that may be taken home by the unit or the set of employees covered by the row of information. We did not arbitrarily divide commute miles or costs among a unit's employees. Please note the number of rows of information for Police Department staff with canine cars, or in the MERGE or Traffic Enforcement Units, may not equal the maximum number of vehicles that may be taken home because we provide calculations for each employee in those units during 2009—thus, in these cases, there may be rows that provide partial year data.
Postal code	Home zip codes identified using the City's personnel records. "Varies" indicates that take-home use of the vehicle is rotated among multiple employees.
Type of vehicle	Vehicle(s) described in department take-home vehicle lists.
Cost per mile	Includes fuel, maintenance, and replacement costs, rounded to the nearest cent, according to the City's fleet database and vehicle replacement forecast. When different types of vehicles are used, we provide an average cost.
One-way commute (miles)	Driving distances calculated using employee home addresses from the City's personnel records, work locations, and Google Maps online mapping software. When take-home use is shared among multiple employees, we provide an average.
Roundtrips with vehicle	The number of days in 2009 worked by employees with personally assigned take-home vehicles. When take-home use is shared among employees, the number of roundtrips is the sum of the number of days worked with standby hours among the employees.
Estimated commute miles	The number of roundtrips in 2009 multiplied by roundtrip commute miles (one-way commute multiplied by 2). When take-home use is shared among employees, the average roundtrip commute distance multiplied by the number of roundtrips will not always equal estimated commute miles because staff had varying numbers of roundtrips in the vehicle.
Estimated commute cost	The estimated commute miles in 2009 multiplied by the cost per mile for the type of vehicle(s) described.
Number of emergency call backs	For employees eligible to receive call back pay, the total number of days in 2009 with call back hours in the City's time-reporting database. Otherwise, the number estimated in staff interviews or surveys.
Department justification for take-home use of City vehicle	Justification for take-home vehicle provided in department lists, and supplemented by information from staff interviews or surveys.

Job title	Cars	code [e]	Type of vehicle / cost per mile [c]		(miles) [c]	vehicle [c]	miles	commute cost	call backs [e]	Department Justification for Take-Home U
:es										
	1	Varies	Pick up/maintenance truck	$ 1.09	6.1	241	3,279	$ 3,557	46	On rotation for repair worker standby for the Parks Division.
	1	Varies	Cargo van/pick up truck	$ 0.93	5.7	279	3,131	$ 2,901	76	Responds to after-hours emergencies. Employees and vehicles rotate
'stems Technician	1	Varies	Pick up truck	$ 0.92	14.2	265	7,504	$ 6,904	194	home' only when employee is on-call.
	2						10,635	$ 9,805		
	1	Varies	Pick up truck	$ 0.92	7.7	237	3,811	$ 3,506	112	Responds to after-hours emergencies. Employees and vehicles rotate
n	2	Varies	Bucket truck	$ 1.83	13.8	373	9,614	$ 17,594	211	home' only when employee is on-call.
	3						13,425	$ 21,100		
litioning Mechanic	1	Varies	Cargo van/pick up truck	$ 0.93	12.2	299	7,947	$ 7,391	114	Responds to after-hours emergencies. Employees and vehicles rotate
ıications Technician	1	Varies	Cargo van/maintenance truck	$ 1.10	23.0	271	10,781	$ 11,806	40	home' only when employee is on-call.
n	1	Varies	Cargo van/maintenance truck	$ 1.10	17.0	294	10,446	$ 11,438	128	
:	1	Varies	Maintenance truck	$ 1.25	13.0	229	5,690	$ 7,112	87	Used to respond to after-hours emergency fire apparatus repairs at a home only when employee is on-call.
ervices Officer	1	Varies	Animal services truck	$ 1.05	10.7	383	7,046	$ 7,398	108	Responds to priority, animal-related, emergency after-hours calls. Em Vehicles are 'take-home' only when employee is assigned to a special
	5						41,910	$ 45,145		
f [h]	1	95117	Unmarked sedan	$ 0.70	3.9	247	1,927	$ 1,349	10	Required by job specifications to be available 24 hours a day, 7 days a
Fire Chief	1	94605	Unmarked sedan	$ 0.70	41.1	248	20,386	$ 14,270	NR	needed to fill critical roles in after-hours emergency services. Vehicle
Chief - Department ficer	1	95120	Unmarked SUV	$ 0.92	11.9	218	5,188	$ 4,773	103	specialized radio equipment.
ain - Press on Officer [f]	1	94583	Marked SUV	$ 0.92	39.2	149	11,693	$ 10,757	19	
ire Chief [g]	3	95351	Unmarked sedan	$ 0.70	94.1	182	34,299	$ 24,010	10	Serve as the after hours (weekends, holidays, and day/evening) Duty C
		95023	Unmarked sedan	$ 0.70	49.5	226	22,374	$ 15,662	10	situations involving serious injuries to the public or emergency respor
		95120	Unmarked sedan	$ 0.70	10.2	242	4,937	$ 3,456	10	community events, and otherwise performs the duties of the Fire Chi
ire Chief [f]	1	95135	Unmarked sedan	$ 0.70	9.8	232	4,547	$ 3,183	10	vehicles equipped with lights, siren, and specialized radio equipment.
Chief - Logistics ıications Manager [h]	1	95120	Marked sedan	$ 0.70	8.8	216	3,802	$ 2,661	25	Serves as the Communications Manager, and reports to the communi resources in the event of a significant escalating emergency. Serves as providing necessary supplies after hours. May be assigned Departmer Safety Officer in unavailable. Assigned a vehicle equipped with lights,
ain - After-hours ormation Officer	1	Varies	Marked sedan	$ 0.70	31.0	187	11,129	$ 7,790	19	Serve as "Duty" Public Information Officers (PIO) after hours, on wee primary PIO. Perform various overhead functions on the scenes of es
ain - Wildland)	1	94582	Marked truck	$ 0.92	38.2	227	17,343	$ 15,955	24	into the incident command structure to enhance command and contr with lights, siren, and specialized radio equipment.
	11						137,624	$ 103,866		
ıief	1	95120	Unmarked sedan	$ 0.52	13.0	227	5,902	$ 3,069	NR	Senior Management. Coordination of emergency response and servic
Police Chief	1	94526	Unmarked sedan	$ 0.52	39.1	226	17,673	$ 9,190	NR	critical incidents in City; attendance of numerous meetings.
rgeant	1	95020	Unmarked sedan	$ 0.52	36.0	191	13,752	$ 7,151	NR	

Job title	Cars	code [e]	Type of vehicle / cost per mile [e]		(miles) [e]	vehicle [e]	miles	commute cost	call backs [e]	Department Justification for Take-Home U
rgeant	1	Varies	Unmarked sedan	$ 0.52	23.2	292	14,685	$ 7,636	13	
rgeant	1	95123	Unmarked sedan	$ 0.52	9.8	228	4,469	$ 2,324	NR	On-call job requirement.
ficer	1	93901	Unmarked sedan	$ 0.52	62.3	155	19,313	$ 10,043	NR	
utenant	1	95037	Unmarked sedan	$ 0.52	26.3	182	9,573	$ 4,978	NR	On-call for all special investigations.
rgeant	1	95127	Unmarked sedan	$ 0.52	9.2	196	3,606	$ 1,875	NR	On-call for all special investigations.
ficer	1	95046	Unmarked sedan	$ 0.52	26.4	248	13,094	$ 6,809	NR	On-call job requirement.
utenant	1	94550	Unmarked sedan	$ 0.52	45.0	176	15,840	$ 8,237	NR	On-call response to regional events pertaining to Homeland Security. Francisco. Position frequently responds to business in North Bay citi
	11						134,870	$ 70,132		
olice Chief	1	95008	Unmarked sedan	$ 0.52	6.9	229	3,160	$ 1,643	NR	Senior Management. Coordination of emergency response & services
ptain [f]	1	95032	Unmarked sedan	$ 0.52	9.7	230	4,462	$ 2,320	3	Bureau of Administration. Attends many official duties and communit weekends. Addresses employee-related issues such as identifying and circumstances. Responds to alarms calls at 151 W. Mission Street.
rgeant	1	95020	Unmarked sedan	$ 0.52	32.6	182	11,866	$ 6,171	4	Responds to officer-involved incidents, serious traffic/use of force inci possible City liability.
	1	NR	Unmarked sedan	$ 0.52	(i)	(i)	(i)	(i)	(i)	Responds to officer-involved incidents; major incident debriefings; hor counseling.
	4						19,489	$ 10,134		
olice Chief	1	94588	Unmarked sedan	$ 0.52	27.4	231	12,659	$ 6,583	NR	Senior Management. Subject to law enforcement emergency call-back
ptain	5	94612	Unmarked sedan	$ 0.52	44.7	186	16,628	$ 8,647	NR	
		95037	Unmarked sedan	$ 0.52	26.5	200	10,600	$ 5,512	NR	
		95135	Unmarked sedan	$ 0.52	10.8	182	3,931	$ 2,044	NR	
		95118	Unmarked sedan	$ 0.52	6.7	236	3,162	$ 1,644	NR	
	[f]	95120	Unmarked sedan	$ 0.52	10.2	184	3,754	$ 1,952	NR	
utenant	1	95120	Unmarked sedan	$ 0.52	11.8	199	4,696	$ 2,442	23	Call-back critical incident response; vehicles equipped with communic
utenant	1	95129	Unmarked sedan	$ 0.52	7.0	201	2,814	$ 1,463	NR	equipment.
utenant	1	94526	MERGE SUV	$ 0.74	37.7	187	14,100	$ 10,434	7	Call-back critical incident response; vehicles equipped with communic
rgeant	2	95020	Covert car	$ 0.52	32.8	181	11,874	$ 6,174	7	equipment.
		94539	MERGE SUV	$ 0.74	12.2	88	2,147	$ 1,589	3	
ficer	20	95023	MERGE SUV	$ 0.74	48.5	160	15,520	$ 11,485	7	
		95076	MERGE SUV	$ 0.74	43.4	176	15,277	$ 11,305	7	
		95023	Covert car	$ 0.52	49.8	189	18,824	$ 9,789	7	
		95020	MERGE SUV	$ 0.74	33.3	194	12,920	$ 9,561	7	
		95020	MERGE SUV	$ 0.74	35.1	178	12,496	$ 9,247	7	
		95037	MERGE SUV	$ 0.74	26.7	197	10,520	$ 7,785	7	
		94066	Covert car	$ 0.52	36.1	182	13,140	$ 6,833	7	
		95037	MERGE SUV	$ 0.74	23.3	177	8,248	$ 6,104	7	
		95020	Covert car	$ 0.52	32.7	161	10,529	$ 5,475	7	
		95037	Covert car	$ 0.52	23.8	183	8,711	$ 4,530	7	
		94550	Covert car	$ 0.52	26.9	144	7,747	$ 4,029	7	
		95135	MERGE SUV	$ 0.74	11.1	218	4,840	$ 3,581	7	
		95123	MERGE SUV	$ 0.74	11.0	176	3,872	$ 2,865	7	
		95119	MERGE SUV	$ 0.74	11.4	162	3,694	$ 2,733	7	

Job title	Cars	code [9]	Type of vehicle / cost per mile [9]		(miles) [9]	vehicle [9]	miles	commute cost	call backs [9]	Department Justification for Take-Home U
		95148	Covert car	$ 0.52	10.4	179	3,723	$ 1,936	7	
		95125	MERGE SUV	$ 0.74	5.7	177	2,018	$ 1,493	7	
		95035	Covert car	$ 0.52	7.1	197	2,797	$ 1,455	7	
		95118	Covert car	$ 0.52	7.6	178	2,706	$ 1,407	7	
		95138	Covert car	$ 0.52	10.2	49	1,000	$ 520	-	
							195,651	$ *124,982*	7	
rgeant	2	94551	Patrol sedan	$ 0.92	30.3	163	9,878	$ 9,088	7	Emergency call-back response; critical incidents/canine searches; equip
		94539	Patrol sedan	$ 0.92	17.9	175	6,265	$ 5,764	7	
ficer	10	95377	K-9 sedan	$ 0.82	61.3	172	21,087	$ 17,292	7	
		95376	K-9 sedan	$ 0.82	52.7	180	18,972	$ 15,557	7	
		95023	K-9 sedan	$ 0.82	49.1	171	16,792	$ 13,770	7	
		95037	K-9 sedan	$ 0.82	25.1	192	9,638	$ 7,903	7	
		95037	K-9 sedan	$ 0.82	23.6	190	8,968	$ 7,354	7	
		95037	K-9 sedan	$ 0.82	23.4	186	8,705	$ 7,138	7	
		95037	K-9 sedan	$ 0.82	23.6	177	8,354	$ 6,851	7	
		95138	K-9 sedan	$ 0.82	13.3	157	4,176	$ 3,424	7	
		95148	K-9 sedan	$ 0.82	9.9	196	3,881	$ 3,182	7	
		95127	K-9 sedan	$ 0.82	8.1	166	2,689	$ 2,205	7	
							119,406	$ *99,527*	7	
utenant	1	95037	Unmarked sedan	$ 0.52	23.7	203	9,622	$ 5,004	12	Emergency call-back response; motorcycles/Disaster Plan Managemen
rgeant	7	95023	Motorcycle	$ 0.81	50.7	190	19,266	$ 15,605	12	
		95045	Motorcycle	$ 0.81	45.1	159	14,342	$ 11,617	12	
		95020	Motorcycle	$ 0.81	33.9	158	10,679	$ 8,650	12	
		95037	Motorcycle	$ 0.81	25.7	165	8,481	$ 6,870	12	
		95020	Motorcycle	$ 0.81	32.4	129	8,359	$ 6,771	12	
		95037	Motorcycle	$ 0.81	23.6	140	6,608	$ 5,352	12	
		95037	Motorcycle	$ 0.81	24.5	131	6,419	$ 5,199	12	
		94301	Motorcycle	$ 0.81	17.7	163	5,770	$ 4,674	12	
		95148	Motorcycle	$ 0.81	10.2	154	3,142	$ 2,545	12	
		95037	Motorcycle	$ 0.81	22.2	60	2,664	$ 2,158	12	
		95135	Motorcycle	$ 0.81	10.9	64	1,395	$ 1,130	12	
ficer	34	95336	Motorcycle	$ 0.81	69.2	176	24,358	$ 19,730	12	
		95366	Motorcycle	$ 0.81	76.3	143	21,822	$ 17,676	12	
		95376	Motorcycle	$ 0.81	56.8	184	20,902	$ 16,931	12	
		95023	Motorcycle	$ 0.81	51.0	192	19,584	$ 15,863	12	
		95023	Motorcycle	$ 0.81	49.7	197	19,582	$ 15,861	12	
		95023	Motorcycle	$ 0.81	50.9	130	13,234	$ 10,720	12	
		95020	Motorcycle	$ 0.81	33.8	194	13,114	$ 10,623	12	
		95020	Motorcycle	$ 0.81	32.5	192	12,480	$ 10,109	12	
		94506	Motorcycle	$ 0.81	39.8	156	12,418	$ 10,058	12	
		95020	Motorcycle	$ 0.81	34.1	179	12,208	$ 9,888	12	
		94566	Motorcycle	$ 0.81	27.7	208	11,523	$ 9,334	12	
		94550	Motorcycle	$ 0.81	27.9	183	10,211	$ 8,271	12	
		95066	Motorcycle	$ 0.81	27.1	182	9,864	$ 7,990	12	
		95037	Motorcycle	$ 0.81	23.8	183	8,711	$ 7,056	12	

Job title	Cars	code [7]	Type of vehicle / cost per mile [7]		(miles) [7]	vehicle [7]	miles	commute cost	call backs [8]	Department Justification for Take-Home U
		94536	Motorcycle	$ 0.81	17.3	198	6,851	$ 5,549	12	
		95037	Motorcycle	$ 0.81	26.8	99	5,306	$ 4,298	12	
		95023	Motorcycle	$ 0.81	45.0	53	4,770	$ 3,864	12	
		95120	Motorcycle	$ 0.81	12.1	182	4,404	$ 3,568	12	
		95020	Motorcycle	$ 0.81	37.2	59	4,390	$ 3,556	12	
		95135	Motorcycle	$ 0.81	11.7	185	4,329	$ 3,506	12	
		95119	Motorcycle	$ 0.81	12.1	149	3,606	$ 2,921	12	
		95023	Motorcycle	$ 0.81	49.7	36	3,578	$ 2,899	12	
		95136	Motorcycle	$ 0.81	7.6	191	2,903	$ 2,352	12	
		95136	Motorcycle	$ 0.81	7.4	184	2,723	$ 2,206	12	
		95124	Motorcycle	$ 0.81	6.8	181	2,462	$ 1,994	12	
		95118	Motorcycle	$ 0.81	6.1	195	2,379	$ 1,927	12	
		95037	Motorcycle	$ 0.81	22.3	53	2,364	$ 1,915	12	
		95136	Motorcycle	$ 0.81	7.3	140	2,044	$ 1,656	12	
		95124	Motorcycle	$ 0.81	7.4	131	1,939	$ 1,570	12	
		95118	Motorcycle	$ 0.81	7.9	93	1,469	$ 1,190	12	
		95125	Motorcycle	$ 0.81	4.1	178	1,460	$ 1,182	12	
							371,663	$ *298,256*	*12*	
utenant	1	95037	Unmarked sedan	$ 0.52	29.8	237	14,125	$ 7,345	NR	Law enforcement emergency call-back. Transportation Security Adm
ficer	6	95023	K-9 sedan	$ 0.82	43.4	216	18,749	$ 15,374	10	restricted area control.
		94550	K-9 sedan	$ 0.82	27.2	226	12,294	$ 10,081	10	
		94066	K-9 sedan	$ 0.82	39.2	155	12,152	$ 9,965	10	
		95126	K-9 sedan	$ 0.82	2.3	222	1,021	$ 837	10	
		95125	K-9 sedan	$ 0.82	4.5	6	54	$ 44	NR	
							58,396	$ *43,647*		
rgeant	1	95124	SUV	$ 0.74	9.4	190	3,572	$ 2,643	NR	Standby for call-back in critical incidents (officer-involved shootings/cr
rgeant	1	95037	K-9 sedan	$ 0.82	29.2	186	10,862	$ 8,907	7	On-call job requirement, response to explosive/bomb calls, and bomb
	94						817,794	$ 608,250		
olice Chief	1	95020	Unmarked sedan	$ 0.52	30.7	235	14,429	$ 7,503	NR	Senior management coordination of emergency response and service.
ptain	2	95037	Unmarked sedan	$ 0.52	27.3	245	13,377	$ 6,956	NR	On-call critical response. Coordination of emergency response and s
		95066	Unmarked sedan	$ 0.52	28.7	188	10,791	$ 5,611	NR	
utenant	1	95125	Unmarked sedan	$ 0.52	5.2	190	1,976	$ 1,028	NR	On call for response to homicides, suspicious deaths, officer involved
rgeant / Officer	2	Varies	Unmarked sedan	$ 0.52	25.6	500	27,878	$ 14,497	12	evidence collection/MOA Article 15.1.
ficer	2	Varies	Unmarked sedan	$ 0.52	19.3	560	22,974	$ 11,947	3	
rgeant	1	95008	Unmarked sedan	$ 0.52	6.8	195	2,652	$ 1,379	NR	
rgeant	1	Varies	Unmarked sedan	$ 0.52	30.5	240	15,240	$ 7,925	25	On-call to respond to sexual assault investigations/MOA Article 15.1.
ficer	1	Varies	Unmarked sedan	$ 0.52	15.3	250	8,671	$ 4,509	64	
rgeant	1	95037	Unmarked sedan	$ 0.52	22.2	232	10,301	$ 5,356	NR	Vehicles for to Internet Crimes Against Children (ICAC) team were p
ficer	1	95066	Unmarked sedan	$ 0.52	26.0	207	10,764	$ 5,597	NR	with the understanding that assigned detectives would be on-call 24 h
ficer	1	94539	Unmarked sedan	$ 0.52	9.5	185	3,515	$ 1,828	NR	in the region (includes 100 agencies in the greater Bay Area, including
ficer	1	95128	Unmarked sedan	$ 0.52	4.6	194	1,785	$ 928	NR	Benito County).
ficer	1	95124	Unmarked sedan	$ 0.52	7.1	204	2,897	$ 1,506	NR	
rgeant [1]	1	Varies	Unmarked sedan	$ 0.52	25.9	180	9,324	$ 4,848	NR	On-call response for domestic violence and family violence cases. Sta Joint Response Protocol.

Job title	Cars	code [e]	Type of vehicle / cost per mile [e]		(miles) [c]	vehicle [c]	miles	commute cost	call backs [e]	Department Justification for Take-Home U
utenant	1	95020	Unmarked sedan	$ 0.52	32.0	170	10,880	$ 5,658	NR	On call for serious assaults, hate crimes, criminal cases involving peac
rgeant [i]	2	Varies	Unmarked sedan	$ 0.52	25.9	360	18,648	$ 9,697	NR	
utenant	1	95037	Unmarked sedan	$ 0.52	23.2	221	10,254	$ 5,332	NR	Standby for call-back, including accident fatality call-back.
rgeant [i]	2	Varies	Unmarked sedan	$ 0.52	25.9	360	18,648	$ 9,697	48	
utenant	1	95037	SUV	$ 0.74	26.1	185	9,657	$ 7,146	24	Standby for call-back in critical incidents (covert investigations, drug la
rgeant [i]	1	Varies	SUV	$ 0.74	25.9	180	9,324	$ 6,900		Standby for immediate need for canine call-out and covert investigativ
ficer	1	95019	K-9 sedan	$ 0.82	46.4	45	4,176	$ 3,424		
		95138	K-9 sedan	$ 0.82	12.1	162	3,920	$ 3,215		
utenant	1	95037	SUV	$ 0.74	21.8	177	7,717	$ 5,711	NR	Standby for County-wide response to assist allied law enforcement ag
rgeant	1	94550	SUV	$ 0.74	32.4	188	12,182	$ 9,015	NR	needs equipment. Call-back for bait cars and stolen vehicle investigati
ficer	1	94513	SUV	$ 0.74	60.8	164	19,942	$ 14,757	NR	day and 7 days per week.
rgeant	1	95020	SUV	$ 0.74	34.4	197	13,554	$ 10,030	NR	Standby for emergency response to critical incidents involving technol County to assist allied law enforcement agencies in computer-related
	33						329,097	$ 189,482		
olice Chief	1	95070	Unmarked sedan	$ 0.52	11.1	188	4,174	$ 2,170	36	Senior management on call for critical response/Computer Aided Dis
iptain	1	95046	Unmarked sedan	$ 0.52	26.6	179	9,523	$ 4,952	36	network infrastructure. Many after-hours community events and mee
	2						13,696	$ 7,122		
	144						1,314,946	$ 885,120		
	166						1,521,820	$ 1,068,594		

time-reporting and vehicle fleet databases, surveys and interviews of staff with take-home vehicles, and department take-home vehicle requests

City vehicle is rotated among multiple employees. Home zip codes were identified using the City's personnel records.

enance, and replacement costs, rounded to the nearest cent. When different types of vehicles are used, we provide an average cost.

ultiple employees, we provide an average commute. Distances were calculated using employee home addresses, from the City's personnel records, and work locations, and Google Maps online mapping software.

of roundtrips with the City vehicle, the average commute distance times the number of roundtrips with a vehicle will not always equal the estimated commute miles.

ultiple employees, the number of roundtrips is the sum of the number of days with standby hours in calendar year 2009 among the employees.

regular or overtime hours in 2009.

ck pay, the number of emergency call backs is the total number of days with call back hours in the City's time-recording data.

us by staff through interviews, surveys, or program reports.

priate estimate from staff. Inappropriate estimates may have reported that no record had been kept or included events, such as community meetings, which are not emergencies.

ear of data.

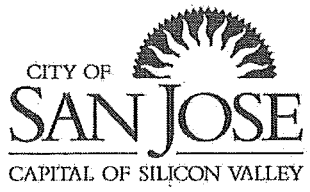
closer to San Jose when on-call. We have not included in our calculation roundtrips for days when he may have driven less than his normal commute.

oes not have a take-home vehicle.

nent eliminated the take-home vehicles assignments for the Logistics Officer/Communications Manager, and Wildland Officer except when the employees are on standby.

nformation on the chaplain, who is not a City employee.

es and 180 roundtrips per vehicle.



Memorandum

TO: Sharon Erickson
City Auditor

FROM: Debra Figone

SUBJECT: **RESPONSE TO THE AUDIT OF TAKE-HOME VEHICLES**

DATE: October 12, 2010

RECOMMENDATION

Accept the Administration's response to the Audit of Take-Home Vehicles, and present the proposed workload assessment for implementing the Audit recommendations, among other priorities.

BACKGROUND

The Administration has reviewed the final draft report of the Audit of Take-Home Vehicles and generally agrees with the findings and recommendations of the report. However, there are some findings and recommendations in the report where additional analysis needs to be performed prior to final implementation. This analysis will focus on operations, efficiencies, and service delivery trade-offs that come with a reduced level of take-home vehicles and call back staffing levels.

The Administration has worked together with the City Auditor's Office over the last few months as this audit was performed. According to the Audit, its objective was "to assess the cost and reasonableness of the program's current practices, and opportunities to reduce the number of take-home vehicles." The Audit concludes that while the Vehicle Use Policy requires revisions, the take-home vehicle assignments appear reasonable for the Departments of General Services; Environmental Services; Parks, Recreation and Neighborhood Services; and, Transportation. The Audit recommends reductions in the take-home vehicle assignments for the Police and Fire Departments.

The Administration is in agreement with the Audit recommendations, however, it should be noted that some of the responses below have taken into account the need for further evaluation on Police Department take-home vehicles. The adopted operating budgets for FY 2009-2010 and 2010-2011 directed a reduction in the Police Department take-home vehicle complement. The FY 2009-2010 Adopted Operating Budget reduced the Police Department non-personal budget (e.g., vehicle maintenance, fuel, and parts) by a total of $200,000. This savings was to be accomplished through reducing the number of personnel assigned take-home vehicles. The

Police Department achieved the first $100,000 in savings by restricting take-home vehicle use in the following areas:

- Fewer lieutenants with personally assigned take-home vehicles in various units including Personnel, Permits/Secondary Employment, and Training;
- Fewer motorcycle personnel with take-home motorcycles as the department established a maximum allowable commuting distance for motorcycles; and
- Fewer sergeants and officers with vehicles because of the removal of most, if not all, take-home uses for the Vice, Metro, Violent Crimes Enforcement Team, Horse Mounted, and Gang Investigation units.

While the Police Department did not fulfill in totality the direction to achieve a reduction by $200,000 through reducing take-home vehicle use, the Department did achieve the second $100,000 savings through other efficiencies not related to Take Home Vehicles and stayed within budget for FY 2009-2010. Nevertheless, the Police Department did not implement the direction as provided by the City Council, despite some effort to achieve compliance through the last fiscal year.

The Audit references a December 2009 draft memorandum in which the Police Department responded to the budget direction to reduce an additional $100,000 by identifying further take-home vehicle reductions. This draft memorandum was an internal working document where the Police Department identified potential implementation issues. Although some reductions toward the directive occurred, discussions between the City Manager's Office and the Police Department focused on the possible service delivery impacts and the need for further analysis to achieve the reductions and, thus, the beginnings of this audit scope and the Police Department's vehicle-per-vehicle cost-benefit analysis.

In June 2010, the Council adopted the FY 2010-2011 Operating Budget, which further reduced the Police Department's vehicle maintenance and operations funding by $110,000 for the current year and an ongoing reduction of $165,000 to help balance the budget and preserve City services. To achieve this cost reduction, the Department was directed to reduce its complement of take-home vehicles by November 2010, which was to be accompanied by this audit to further inform the City's take home vehicle policies and practices.

The Administration advanced the FY 2010-2011 Budget Proposal based on the need to achieve cost savings and preserve police staffing. The Administration also supported an audit by the City Auditor as it would produce additional information that would inform specific decisions needed to achieve further take-home vehicle reductions.

The Auditor's report identifies 93 Police vehicles, from 144 to 51, that should be considered for termination from take-home use and an additional 38 Police vehicles for which sufficient information could not be obtained. As noted above, further analysis is needed to better understand the optimal number of take-home vehicles needed for the Police Department.

However, the Administration has identified, as noted later in this report, approximately 42 take-home vehicles that will be evaluated further in the first phase review for elimination from the take-home vehicle program. To facilitate this evaluation, the Police and General Services Departments have provided the City Manager with a vehicle-by-vehicle analysis along with vehicle parking options to consider as the take-home vehicle complement is reduced.

It should also be noted that since the time this audit was conducted, some key management considerations have surfaced regarding the best timing to implement these recommendations. Many areas are in flux for the department including the Police Chief's retirement, the implementation of the FY 2010-11 budget actions, reductions and reorganizations in the department, and the need to enable the workforce to transition with the recent staffing reductions and a permanent Police Chief. Reducing the next round of take-home vehicles must be prioritized and integrated with the high-profile and priority projects during this period in a way that ensures continued top quality police services for the City.

The information below provides a response to the Audit Recommendations as well as a workload assessment for advancing the recommendations (Attachment A) in the context of other priorities that require significant multi-departmental effort (Attachment B).

AUDIT RECOMMENDATIONS AND RESPONSE

Many of the Recommendations require revisions to the Vehicle Use Policy (CPM 1.8.1). All proposed policy revisions will be coordinated through line departments who are assigned City vehicle complements with guidance from the Office of Employee Relations. Impacted departments are: Fire, Police, General Services, Finance, Environmental Services, and PBCE, along with the Offices of the City Manager, City Attorney, and Employee Relations. Given the required coordination, and other competing priorities, a workload assessment is provided to assess other projects that are on the work plans of the referenced departments and offices to be clear about the various competing priorities.

The following is the Administration's response to each recommendation.

Recommendation #1: To ensure adequate utilization excluding commuting, we recommend that the General Services Department and Police Department work together during their regular vehicle utilization reviews to identify opportunities to make greater use of pooled/shared vehicles and to remove from the fleet, or redeploy to other City uses, unmarked police sedans that can be eliminated without compromising operational needs.

The Administration agrees with this recommendation. The Police Department regularly reviews vehicle utilization and rotates vehicles throughout its operations to balance and maximize vehicle utilization. General Services and the Police Department will incorporate additional analysis into the utilization reviews of the unmarked Police fleet reviews to address the audit's suggestion that commuting miles be excluded from the utilization analysis.

Recommendation #2: To eliminate under-utilized Fire Department sedans and enhance overall utilization, we recommend that the General Services Department and Fire Department work together during their regular vehicle utilization reviews to identify and eliminate from the fleet, or redeploy to other uses, unmarked fire sedans that can be removed from the Fire Department's complement without compromising operational needs.

The Administration agrees with this recommendation. General Services and the Fire Department will work together to further analyze the possibilities of reducing and redeploying underutilized light transport vehicles within the Fire Department's vehicle complement. It will be important to make reduction decisions that preserve flexibility in assigning vehicles based on operational needs, particularly during periods of peak activity.

Recommendation #3: We recommend the City amend the vehicle policy to state that only City employees can be assigned vehicles on a take-home basis.

The Administration agrees with this recommendation. The Policy section of the Vehicle Use Policy (CPM 1.8.1) does state that "transportation required for **employees** (emphasis added) to conduct official City business will be available by the use of a City-provided vehicle or the use of an authorized personal vehicle at the City's sole discretion." The Policy will be amended to specifically state that City vehicles are to be assigned to and operated by City employees only.

It should be noted that the Police Department has discontinued the take-home use of a City vehicle by the Police Chaplain that is described in this section of the audit. In addition, the Fire Department has confirmed that the Fire Chaplain does not drive a City-owned vehicle.

Recommendation #4: We recommend that the City amend the vehicle policy to clearly define the purpose of take-home vehicles and restrict their use to the greatest extent possible.

The Administration agrees with this recommendation. The City's vehicle policy focuses on using vehicles for official City business in a way that produces the efficient and effective delivery of City services, while minimizing City expenditures and maximizing current resources for service delivery. The addition of a definition of the purpose of take-home vehicles and further restrictions on their use, as described in response to other recommendations in this Audit, will further support that focus.

In this context, it is important to consider that focusing solely on cost savings may compromise the City's ability to deliver public safety services at times of greatest need. As an example, our Public Safety units are trained to respond to emergencies and catastrophic events should they occur. While we hope these events never occur, we do need to be prepared to respond. To some degree, allowing take home vehicles serves as an "insurance" for ensuring that resources will respond when needed, regardless of whether on-duty or hour of the day; however, this must be evaluated against whether any waste exists or opportunities exist for removing some

assigned take home vehicles without significantly degrading service delivery. The cost savings against service delivery tradeoffs must be clearly understood.

In the case of specialized units with specialized equipment (particularly emergency lights and sirens), the service benefits of giving staff the ability to respond directly from home to the scene of an event at any time of the day needs to be weighed against the cost savings that may be produced by having them drive their personal car to a reporting location first to retrieve a City vehicle to then respond to the scene of the incident. As a result, the Administration will work to strike a balance between efficiencies and effectiveness in the provision of emergency and critical services to the residents as the purpose of take-home vehicles is defined.

Recommendation #5: We recommend the City Manager's Office review the information in this report and remove unjustified vehicles from take-home use. In cases where emergency call-back estimates were not available, temporary use could be continued until departments gather the required information.

The Administration agrees with this recommendation and has already initiated this effort through the annual budget process as described in the Audit. Initial review has resulted in take-home vehicle reductions in both the Police and Fire Departments. However, as mentioned above, further detailed analysis is required to fully implement this recommendation and to avoid adverse service delivery impacts to the extent reasonable. The attached workload assessment provides more detail on the timing of the analysis as well as other work needed to advance the recommendations (Attachment A). The goal will be to determine the amount of reductions feasible without creating unacceptable impact on public safety services, and to fully understand service delivery trade-offs to inform decision making before determinations are made, as discussed above (Recommendation #4).

Police Department – The table below provides a high level summary of the Police Department's progress-to-date on vehicle reductions along with the Phase I proposed reductions of take-home vehicles.

Table 1

Milestone	Police Take-Home Vehicle Count
July 2009	155
Start of Audit	144
Reduction during Audit	(18[1])
Current Total	126
Phase I Review	(42)
Projected Total for additional consideration (Phase 2)	84

[1] Police Chaplain (1); BFO VCET Lieutenant (1); MERGE Unit (8); Canine Unit Sergeant (1); Traffic Enforcement Unit (7)

At the point the Audit was conducted, the take-home vehicle complement in the Police Department was 144. As previously noted, the adopted operating budgets for FY 2009-2010 and 2010-2011 reduced vehicle operating expenses and, therefore, the number of personnel authorized for take-home vehicle use. During the time this audit was conducted, the Department achieved an additional 18 vehicle reduction in the context of implementing the budget reduction direction contained in the FY 2010-2011 Operating Budget and reorganizations, without compromising police operations.

Phase I Review

In order to ensure that Police Department take-home vehicle reductions can be implemented and evaluated during a time of Department transition, the implementation of current year budget actions as well as in recognition of overall staffing resources, the Administration recommends a phased approach in moving forward with this recommendation. The Administration has identified, as previously mentioned in this report, approximately 42 take-home vehicles in the Police Department that will be evaluated in the first phase for elimination from the take-home vehicle program. The remainder of the fleet will be evaluated once the City appoints a new Police Chief. Included in this first phase of review will be vehicles serving the following functions:

- Traffic enforcement (35 motorcycles);
- Investigations in various specialties (e.g., 6 - robbery, assaults, regional auto theft, narcotics, etc); and,
- Press information (1).

The Administration believes that a full analysis and implementation plan for the 42 vehicles could be completed by spring 2011. As noted in the attached workload assessment, this will cause some delay in implementing the FY 2010-2011 budget direction by November 2010; however, the Administration will ensure that this does not cause any budget issues with respect to the Police Department meeting the overall budget reduction target.

Fire Department – At the point the Audit was conducted, the take-home vehicle complement in the Fire Department was 11. During the time this audit was conducted, the department analyzed its emergency operations and reduced its take-home vehicle complement by 3 vehicles without compromising fire operations. The Fire Department's focus in these decisions was to ensure that flexibility in assigning vehicles is preserved based on operational needs, particularly during periods of peak activity.

Recommendation #6: We recommend that departments maintain and update records on the number of call backs for individuals, positions, and units with take-home vehicles, and provide these records with their annual requests for take-home vehicles.

The Administration agrees with this recommendation. In conjunction with Recommendation #4, the Administration will develop a revision to the Vehicle Use Policy that will incorporate record keeping requirements for the Take-Home Vehicle Program that will allow tracking of call-back performance data by department, vehicle, trade and position, at a level commensurate with available resources.

Available resources to collect, summarize and analyze this information on an annual basis must be considered, as departments currently have limited administrative capacity and no readily available technology tools to implement this recommendation; nevertheless, the value of this information is significant enough that its implementation is warranted, and the Administration will evaluate resource needs in order to address and support the work needed to implement this recommendation.

Recommendation #7: To enhance the process for justifying take-home vehicles, we recommend the City amend the vehicle policy. The vehicle policy should, at a minimum, establish:

a. A requirement that, as a condition for take-home use of a City vehicle, staff must be required to respond to after-hours emergencies.

b. A minimum number of emergency callbacks within a 12-month period and field response as part of a justification model for take-home vehicles and require evidence of minimum emergency call backs with annual take-home vehicle requests.

c. A maximum emergency response time for employees with take-home vehicles. Departments should establish and document emergency response-time limits and other expectations by unit. If there is no specific time target, departments should establish policies that require employees to pick-up a City vehicle to respond to the callback rather than take a City vehicle home; and/or a maximum allowable one-way commute distance to achieve the maximum allowable emergency response time.

d. A minimum amount and/or percentage of vehicle utilization, excluding commuting miles, that must be attained otherwise the vehicle will be considered for elimination from take-home use. If take-home vehicles do not attain minimum business usage, they should be placed into a department's or the City's motor vehicle pool, or eliminated.

City Departments may create stricter departmental policy, as needed.

The Administration agrees with Recommendation item 7a, 7b, and 7c. The Administration is not in full agreement with Recommendation 7d. Following are comments by sub-section of the recommendation.

7a. The Administration will further analyze this recommendation within the context of civil service employment and the current City work rules and policies, and as appropriate will incorporate clarifying language into the Vehicle Use Policy.

7b. In conjunction with Recommendation #6, a revision to the Vehicle Use Policy will incorporate the following:

Record keeping – As mentioned in response to Recommendation #6, record keeping requirements for the Take-Home vehicle program that will allow tracking of call-back performance data by department, vehicle, trade and employee, at a level commensurate with available resources.
Minimum number of Call-backs - The Administration will further analyze and consider establishing a minimum number of call-backs per year as a benchmark criterion for considering the approval of take-home vehicles. While the Administration recognizes the importance of a standard, we also acknowledge the need to find that point where we balance efficiencies and effectiveness in the provision of emergency and critical services to our residents, and other criteria may be developed to inform consideration for approval. The Administration anticipates that the result of this analysis may recommend a different standard for public safety operations on a unit by unit basis.

7c. - In conjunction with Recommendation #6, a revision to the Vehicle Use Policy will incorporate the following:
Response time - A standard for maximum travel response time of 45 minutes for a call-back response will be incorporated into the Vehicle Use Policy. This response standard will apply to the first call-back in the event that the employee is already managing an active emergency response.
One-way Commute Distance - In addition to a maximum response time standard, a standard for maximum one-way commute distance for take-home vehicles of 30 miles will be incorporated into the Vehicle Use Policy. The intent of this standard will be to support overall travel response times while reducing City vehicle operating costs and increasing the life-cycle of the City's fleet assets. Based on the standard, employees serving in a call-back assignment who respond to an emergency call-back from a point beyond 30 miles of their primary work reporting location would not be assigned take-home vehicles.

For both the response time and one-way commute distance standards, departments will be given the authority to create internal operations policies that create response protocols that appropriately support their service delivery on a unit by unit basis. Variations from the standard will be considered by the City Manager's Office on a case-by-case basis.

7d. The Administration is not in full agreement with this recommendation. The Administration feels that this is largely a vehicle utilization concern and that responses to other recommendations in this Audit have noted that the Administration will continue to work with the Police and Fire Departments to further analyze the possibilities of reducing and redeploying underutilized vehicles within those departments. The City's vehicle fleet does have utilization criteria. General Services routinely reviews utilization with all line departments who are assigned a City vehicle complement and regularly retrieves underutilized pieces of equipment. Specifically to take-home vehicles, however, the Administration needs to strike a balance among cost, utilization, efficiency, and other factors related to the ability to maintain a reasonable and operable service delivery level. A broader cost-benefit analysis needs to be considered against several factors, including

safeguards in the overall public safety system, as well as other management and operational benefits in departments.

As an example, General Services operates a Fire Maintenance Truck that is equipped with tools, equipment, parts and fuel critical to supporting firefighting operations. The current deployment protocol is to have this truck activated to respond to off-site apparatus repairs and all fires that reach a third alarm. As a result, the Fire Maintenance Truck may appear to be underutilized and/or may accumulate more commute miles than business miles. Given the critical support function this truck provides, it should not be considered for pooled use or elimination from the fleet; thus, the need for some discretionary criteria for the City Manager.

Recommendation #8: We recommend departments assess the cost-benefit of mileage reimbursements, auto allowances, and other options mentioned above in cases where take-home vehicles are not justified in terms of the number of emergency call-backs. The City Manager's Office should approve and enforce implementation of the less costly option.

The Administration generally agrees with this recommendation. The Administration is committed to reducing the number of take-home vehicles, and acknowledges that cost is a very important factor in the overall decision-making process. However, the Administration needs to strike a balance between cost and other factors related to service delivery. A broader cost-benefit analysis needs to be considered against several factors and service delivery trade-offs, including safeguards in the overall public safety system, as well as other management and operational benefits in departments. This analysis will need to be guided very closely by the Office of Employee Relations to determine when civil service and/or MOAs should be factored into this effort.

Recommendation #9: To better align resources to needs, we recommend Departments make fewer take-home vehicles available during the workweek in cases where historical callback data show less frequent call backs during the workweek than on the weekend.

The Administration agrees with this recommendation. The annual review process of take-home vehicle justifications will consider vehicle deployment strategies based on historical call-back data. However, as noted in our response to Recommendation #8, the Administration needs to strike a balance between cost and other factors related to service delivery. A broader cost-benefit analysis needs to be considered against several factors, including safeguards in the overall public safety system, as well as other management and operational benefits in departments.

Recommendation #10: We recommend the Finance Department work with the City Attorney's Office to clarify the process for determining whether use of a City vehicle is personal or business, and review whether the City may need to calculate and remit to the IRS imputed vehicle usage of Fire Department and Chaplain vehicles.

The Administration agrees with this recommendation. Based on the recommendation, Finance will work with the City Attorney's Office to clarify specific criteria for the determination of personal and business use under the IRS regulation. In addition, Finance will review the criteria for the calculation of imputed value for tax reporting purposes.

As previously noted, the Police Department has discontinued the take-home use of a City vehicle by the Police Chaplain and the Fire Department has confirmed that the Fire Chaplain does not drive a City-owned vehicle. In recognition of possible tax issues for the Police Chaplain, Finance will work with the Police Department regarding the taxability of the Police Chaplain's previous use of a take-home City vehicle.

Recommendation #11: We recommend the City amend the vehicle policy to require:

a. The City Manager's Office to authorize positions, not individuals, for take-home use of City vehicles, and clarify the level of discretion departments have in assigning occasional or short-term take-home use and the level of management at which such use can be authorized.

b. Departments to track authorized employees who use take-home vehicles during year and report the list to both the General Services and Finance Departments.

c. The Finance Department to base its calculation of imputed vehicle income on the take-home vehicle list authorized by the City Manager's Office in coordination with Departments and General Services.

The Administration agrees with this recommendation with the following comments by sub-section of the recommendation.

11a. The Administration will develop a revision to the Vehicle Use Policy that will more clearly define the annual take-home vehicle authorization process. This revision will include the authorization of positions for the take-home vehicle program, as well as direction related to occasional or short-term use. The revision language specific to occasional or short-term use will be reviewed by the City Attorney and Finance to ensure compliance with IRS code.

11b. As noted in our response to Recommendation #6, the Administration will develop a revision to the Vehicle Use Policy that will incorporate record keeping requirements for the Take-Home vehicle program that will allow tracking of call-back performance data by department, vehicle, trade and position (including information for each employee within the position during the reporting period) and the one-way trip mileage from the employees home to their primary work reporting location, at a level commensurate with available resources Specific employee information will be collected so that the Finance Department can verify if the employee's participation in the Take-Home vehicle program is subject to IRS reporting requirements. General Services will be responsible for requesting this information and submitting to the City Manager and Finance Department for final review and direction. This process will be timed to

ensure that any imputed income will be determined prior to finalizing W-2 forms for any affected employees.

11c. The Finance Department will continue to work with departments and General Services to gather the necessary information, guided by the list of vehicles approved for take-home use by the City Manager. As part of the Finance Department's ongoing due diligence related to IRS compliance reporting, if a review identifies other vehicles that are being driven home, Finance will coordinate with General Services and the City Manager's Office to resolve any issues.

CONCLUSION

The Audit makes valid findings and recommendations for improving the City's Take-home Vehicle program. As noted in our responses, all of the recommendations will be implemented, but will be weighed against other priorities as indicated in the attached workload assessment, being mindful of current resources and organizational transitions. Particularly in the Police Department, it will be important for a permanent Police Chief to lead the department to achieve the goal of realizing cost savings and efficiencies while maintaining excellent service delivery.

Implementation of the recommendations will consider all impacts of decisions regarding take-home vehicles, with a detailed analysis of operational issues, full costs, and logistical concerns. This analysis has already been initiated, as the Police Department has completed a vehicle-by-vehicle review of its take-home vehicle uses that will be compared with the audit recommendations to identify any issues which could affect implementation. The Administration thanks the City Auditor and her staff for the hard work and analysis that went into this Audit.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, Finance, General Services, Police and Fire Departments.

/S/
DEBRA FIGONE
City Manager

For questions please contact Peter Jensen, Director of General Services, at 975-7290

Attachment A: Take-Home Vehicle Audit
Workload Assessment

Task		Activity Narrative	Timeline
Policy Revisions - Vehicle Use Policy (CPM 1.8.1)		There are 7 policy revisions proposed to the Vehicle Use Policy. These include: * Rec #3 - Clarification that a City vehicle can only be assigned to and operated by City employees, * Rec #4 - Defining the purpose of a take-home vehicle, * Rec #6 - Inclusion of a record keeping requirement for all take-home vehicles, * Rec #7a - Requirement that staff with take-home vehicles must respond to after-hours emergencies, * Rec #7b - Establishment of minimum number of call-backs as a standard to consider the approval of a take-home vehicle, * Rec #7c - Establishment of maximum time standard and one-way commute distance for take-home vehicle assignments, * Rec #11 - Authorization of positions versus individuals for the take-home vehicle program. These revisions will be drafted and coordinated with the line departments to identify resource needs and service delivery impacts created by these recommended policy changes.	6-9 months
	Department Coordination	**Task**	
	CMO	Oversight of the policy revision process, final approval of policy revisions	
	General Services	Lead department on policy revision process. General Services will draft revised language and coordinate with all departments who participate in the take-home vehicle program.	
	Environmental Services; General Services; Parks, Recreation and Neighborhood Services; Transportation; Fire and Police Departments	These departments will need to analyze the proposed policy revision in the context of their operations and resource allocations to identify potential issues and solutions. This feedback will be reviewed and considered in the final policy recommendations.	
	Employee Relations and City Attorney's Office	Review proposed language changes in relation to civil service employment; current City work rules and policies. Provide recommendations on overall legal liability.	
Task		**Activity Narrative**	**Timeline**
Phase I PD Fleet Analysis		The Administration has identified 42 PD fleet vehicles for the Phase I analysis. This will require a more detailed review of the vehicle by vehicle analysis provided by the Police Department in relation to the overall benefit of having these vehicles authorized for take-home purposes.	3-9 months
	Department Coordination	Task	
	CMO	Oversight of the Phase I analysis	
	General Services	Lead department in coordinating the Phase I analysis. General Services will lead the review process with the PD and support the CMO in this overall effort. Prepares the final results of this analysis.	
	Police Department	Provide detailed analysis and associated operations and emergency response impacts. Provide alternative solutions for consideration.	
	Employee Relations and City Attorney's Office	Review proposed Phase I reductions to current City work rules and policies. Provide recommendations on overall legal liability.	

Attachment A: Take-Home Vehicle Audit
Workload Assessment

Task		Activity Narrative	Timeline
Future Phase(s) of PD Fleet Analysis		A more detailed review and analysis of the PD's vehicle fleet, operations and take-home vehicle assignments will need to be completed with the new Police Chief.	undetermined
	Department Coordination	**Task**	
	CMO	Oversight of future phase analysis, assist in briefing the new Police Chief on take-home vehicle issues	
	General Services	Provide support to the CMO and the new Police Chief as further review and analysis of the PD's marked and unmarked fleet is undertaken.	
	Police Department	Provide analysis and recommendations for a phased approach to achieving additional reductions in take-home vehicles without compromising Police operations.	
	Employee Relations and City Attorney's Office	Review future phase reductions to current City work rules and policies. Provide recommendations on overall legal liability.	
Task		**Activity Narrative**	**Timeline**
Develop Record Keeping Methodology		In support of several policy recommendations regarding the need for more detailed call-back records, a record keeping requirement including a standardized data set and methodology for collecting and reporting that data will be developed. This information will be used annually when considering the annual take-home vehicle requests.	4-6 months
	Department Coordination	**Task**	
	CMO	Oversight of the record keeping methodology process	
	General Services	Lead department on the methodology development process. General Services will research other jurisdictions on their processes and will incorporate all of the best practices available to create a record keeping methodology and format solution for the take-home vehicle program. General Services will also technology solutions to facilitate the ongoing solution. General Services will engage all departments who will be subject to this reporting requirement to provide input for the final solution including the need for additional resources to support this proposed reporting requirement. Prepares the final recommendation and SOP for data collection and routine reporting.	
	Environmental Services; General Services; Parks, Recreation and Neighborhood Services; Transportation; Fire and Police Departments	These department will need to analyze the proposed record keeping and reporting requirement in the context of their operations and resource allocations to identify potential issues and solutions. This feedback will be reviewed and considered in the final SOP recommendations.	
	Employee Relations and City Attorney's Office	Review proposed language changes in relation to civil service employment; current City work rules and policies. Provide recommendations on overall legal liability.	

Attachment B: Key Priority Projects

Department	Key Projects	Project Overview
City Managers Office - Public Safety Projects (30 - 90 day window)	Police Chief Recruitment	Work with recruiter, community, and other stakeholders on overall process and schedule and conduct various interviews to reach appointment.
	UASI MOU and Interoperability Effort (BTOP)	Continue to negotiate MOU with six public agencies by early 2011.
	City Manager's Use of Force Response	Prepare response for PSFSS in November 2010 and follow-up effort as needed into 2011.
	Proposition 19 Follow Up	Prepare for December Council Study Session and policy development as directed by Council.
	Medical Marijuana Regulations	Prepare for December Council Study Session and policy development as directed by Council.
	EMS Contract Follow Up	Work with AMR and other Strategic Alliance Partners if AMR is awarded contract.
	PS CSA Budget Development	Begin working on budget development for Public Safety Departments.
	COPS Grant	Evaluate options for the City based on budget options.
Police Department	Transition New Police Chief	Allow for new Chief to evaluate the organization's capacity, structure and workload to inform the redefining of department priorities, staffing levels and organizational structure.
	Use of force	Implement a new policy based on comprehensive force response protocol. This project is estimated to take an additional 4-6 months.
	Early Intervention System	Incorporated into strategic plan. Costs identified for potential grant funding. Awaiting next steps on AFR/RMS. IA Pro System upgrades also needed. This project is estimated to take at least 6 months.
	Management Audit	Monthly status reports are presented to PSFSS
Fire Departrment	Dynamic Deployment	Dynamic Deployment is a key strategy in the Fire Department. Implementation requires concentrated leadership efforts to prepare the organization and the emergency Fire apparatus to utilize the system.
	Fire Department Strategic Plan	In progress - due November 5, 2010 to the CMO
	Filling Senior Staff Vacancies (4)	Currently 3 Deputy Fire Chief and 1 Deputy Director position to fill. Projected date is January 31, 2011
	SAFER Grant Effort	Evaluate options for the City based on budget options.
	Department Reorganization	Review of organizational structure, policies and priorites to align with current staffing levels.
Office of Employee Relations	Negotiations For Successor MOA's with 11 Bargaining Units	Either in progress or going to begin shortly.
	City/IAFF Binding Interest Arbitration	Preparation in progress. Scheduled to begin November 9, 2010.
	Labor Negotiations Open Session Report to City Council	Preparation in progress. Scheduled for November 18, 2010, Study Session.
	GFSDEP Stakeholder Report to Council	Preparation in progress. Scheduled for November 18, 2010, Study Session.

Attachment B: Key Priority Projects

		Sexual Harassment Training for All Managers and Supervisors	Preparation is in progress for 2011 as a compliance year for AB1825 State mandated Sexual Harassment Training.
	General Services	Alternative Service Delivery Models	Conduct an internal review of service delivery systems and initiate a competitive assessment process as approporiate. This is a 4-6 month process.
		Building Infrastructure Rehabilitation for Cultural Facilities	Assess building infrastructure condition and develop a financial model to support the rehabilitiation efforts of failing systems. This is a 6-9 month process.
		FY 11-12 Budget Development	Begin working on budget development for the department within the Strategic Support CSA. This effort will be initiated in December 2010 and will be completed with the adoption of the proposed budget in June 2011.
	Finance	To be provided verbally.	To be provided verbally.

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: Sharon Erickson
City Auditor

FROM: Deanna J. Santana

SUBJECT: **RESPONSE TO THE AUDIT OF TAKE-HOME VEHICLES**

DATE: October 19, 2010

Approved

Date 10/19/10

REASON FOR SUPPLEMENTAL

This supplemental is intended to update the count of Police take-home vehicles in the Administration's initial response.

ANALYSIS

The following chart includes updated vehicle counts and should replace the "**Table 1**" on Page 5 of the response:

Table 1

Milestone	Police Take-Home Vehicle Count
July 2009	160
Start of Audit (July 2010)	144
Reduction During Audit	(13[1])
Current Total	131
Phase 1 Review	(40)
Projected Total for additional consideration (Phase 2)	91

In order to properly reflect the changes in the table above, the body of the Administration's response should also be updated as follows:

- On Page 6, the response should be updated to reflect that the Police Department has achieved an additional 13 (not 18) vehicle reduction during the time this Audit was conducted.
- On Page 6 under **Phase I Review**, the response should be updated to reflect that the Administration has identified approximately 40 (not 42) take-home vehicles in the Police Department that will be evaluated in the first phase for elimination from the take-home vehicle program. This update is based on revised information that the Police Department has 33 officers authorized to take home motorcycles.

[1] Police Chaplain (1); MERGE Unit (8); Canine Sergeant (1); Traffic Enforcement Unit (2); High Tech Unit Sergeant (1)

- On Page 6 under **Phase I Review**, the response should be updated to reflect under the first bullet a total of 33 (not 35) motorcycles.

for DEANNA SANTANA
Deputy City Manager

For questions please contact Peter Jensen, Director of General Services, at 975-7290.