

Office of the City Manager

SUPPLEMENTAL AGENDA MATERIAL for Supplemental Packet 1

Meeting Date: December 12, 2023

Item Number: 24

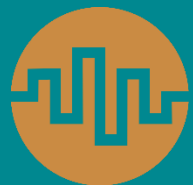
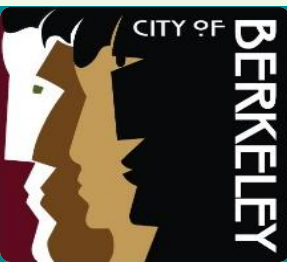
Item Description: Spending Aligned with Ballot Measure FF and the City Is Improving Internal Processes

Submitted by: Jenny Wong, City Auditor

This supplement is to add the presentation slides for this item.

Spending Aligned with Ballot Measure FF and the City Is Improving Internal Processes

Berkeley City Council Meeting
December 12, 2023



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Spending Aligned with Ballot Measure FF and the City Is Improving Internal Processes

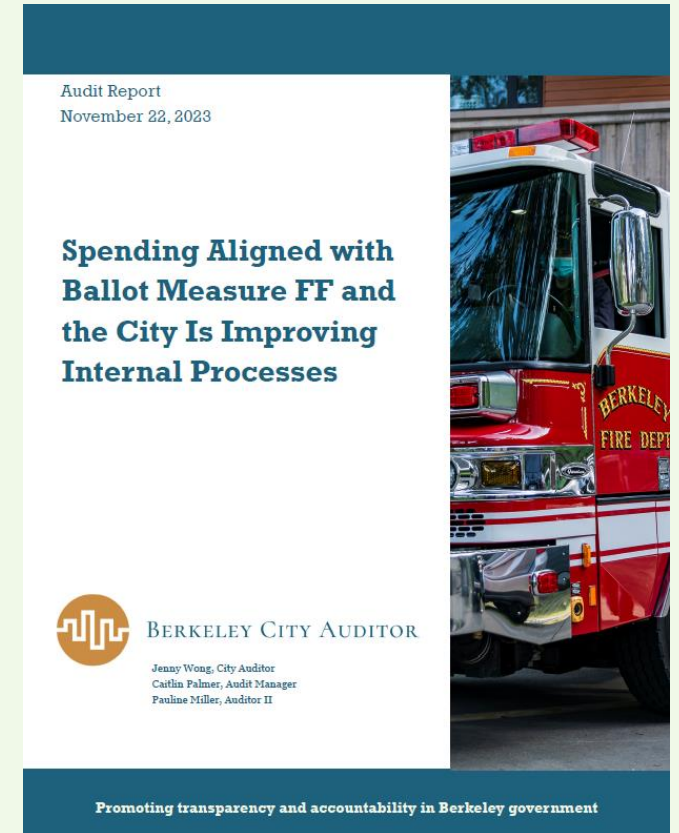
Overview

- Why we did this audit
- Objectives
- Findings
- Recommendations
- Management response



Why we did this audit:

- Our office aims to conduct periodic assessments of ballot measure funds to ensure spending of public funds is aligned with the intended use.
- Measure FF addresses critical public safety concerns in Berkeley.
- The roll out of Measure FF was impacted by Departmental pressures, increasing risk for misuse of funds.



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Objectives, Scope, and Methodology:

Objectives:

1. Did Measure FF spending align with the ballot measure and city code?
2. Are there adequate controls in place to ensure that Measure FF funds are used as intended?

Scope: Audit period of FY 2022 – FY 2023

Methodology:

- ERMA data analysis
- Documentation review
- Stakeholder interviews



What we found:

Finding 1: Measure FF spending aligned with the ballot measure and city code.

Finding 2: Measure FF transactions followed city procedures but there were some limitations in internal processes and reporting.



Measure FF funds were used according to the ballot measure language and the BMC Ch. 7.83 for the following public safety purposes:

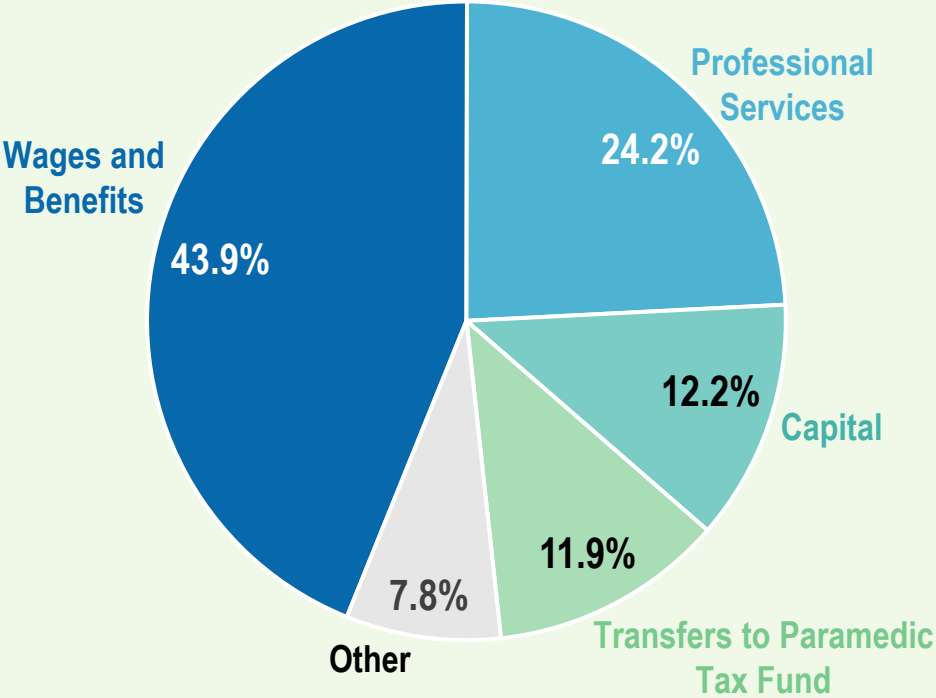


1. **Local firefighter and emergency medical response** including hiring and training personnel and upgrading safety equipment and facilities.
2. **Upgrading and modernizing the 9-1-1 dispatch system** to implement and maintain a system to provide emergency medical dispatching.
3. **Wildfire prevention and preparedness activities** including, but not limited to, vegetation management, hazard mitigation, public education, evacuation planning, and an emergency alert system.



Overview of Measure FF spending by category and program area:

Top spending categories were wages and benefits, followed by professional services.



Source: Berkeley's financial management system (ERMA)
Note: Other includes supplies, non-capital, and internal services.

Measure FF Spending by Program Area



34.4%
Emergency Medical Services



32.8%
Wildland Urban Interface



What we found:

Finding 1: Measure FF spending aligned with the ballot measure and city code.

Finding 2: Measure FF transactions followed city procedures but there were some limitations in internal processes and reporting.



The Fire Department did not consistently provide detailed spending information to the oversight commission due to short-staffing and reporting limitations.



DFSC is charged with Measure FF oversight:

- **requesting detailed expenditure plans**
- **obtaining a report on actual expenditures**

- According to the Fire Department, **staffing challenges** impacted the ability to provide detailed expenditure reports to the DFSC, but the Department developed a workaround.
- The City lacks **clear guidelines** on the frequency and detail of spending plans and expenditure reports.



Internal processes for hiring retirees had limitations, but the City is developing stronger ones.

- The Fire Department **hired back retirees** to temporarily staff the new WUI Division.
- Retirees were paid based on the positions they retired from, rather than their work in the WUI Division, resulting in **inefficient spending**.
- The City could have saved nearly **\$56,000** in staffing costs, or 1% of the total Measure FF staffing costs for fiscal years 2022 and 2023.



HR adjusted positions and pay rates for retirees paid through Measure FF in December 2022.



The Wildland Urban Interface Division did not have a consistent process for reporting on the performance of its Defensible Space Inspection program.



Inspections declined when retirees working in the WUI Division paused work in FY 2023.

- Inspections declined from 289 in August 2022 to 64 in November 2022.
- Retiree inspectors were phased out as of June 2023. With full-time inspectors and interns, inspections increased to 1,474 in August 2023.



The Fire Department stopped reporting on inspections in FY 2023.

- The defensible space inspection program did not have defined performance measures.
- The Fire Department recently implemented a new inspection software.



Recommendations

We recommend that the Fire Department and Human Resources:

- Develop an expenditure and budget reporting schedule to the Disaster and Fire Safety Commission and assess the feasibility of automating detailed reporting on Measure FF spending.
- Complete the revision of A.R. 2.2 to include state requirements for employment of retirees and finalize a form for hiring retirees that specifies their comparable position as part of this.
- Resume regular reporting on defensible space inspections and develop performance measures for the defensible space inspection program as part of this.



Management Response

City management, the Fire Department and Human Resources agreed with our audit findings, conclusions, and recommendations, and provided an action plan to address our recommendations.



*We would like to thank the Fire Department,
Human Resources and the Finance Department for
their cooperation with this audit.*



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