



# MEMORANDUM

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DATE: November 4, 2011

TO: Richard Miranda  
City Manager

FROM: Marie Nemerguth  
Budget and Internal Audit  
Program Director

SUBJECT: Collaborative Auditing – FY 2011 Fourth Quarter Report

Internal Audit has completed an analysis of the Collaborative Auditing (CA) performance measures reported by departments through the fourth quarter (April through June) of fiscal year 2011.

Departments participating in the CA process include Environmental Services, Fire, Housing and Community Development, Parks and Recreation, Planning and Development Services, Police, and Transportation – Sun Tran. Other information provided through CA includes General Fund Financial Indicators, Golf Financial Trends, and Rio Nuevo Revenues. Tucson Supplemental Retirement System charts for Historical and Projected Funding Results and Demographic History have recently been added to the CA website. The Fire Department has added a chart for average response time for Transport Capable Trucks. Data may be reported on a monthly, quarterly, seasonal or annual basis and the updates are posted quarterly on the CA website <http://cms3.tucsonaz.gov/content/collaborative-auditing>. Attachment A contains a list of all the charts.

The performance measures were analyzed to identify existing or corrected negative trends and the corrective actions planned or taken, as applicable. The following measures were identified for reporting and follow-up as necessary:

**Environmental Services Department: Missed Pick-ups** (Attachment B)

**Issue Identified in Prior Report:** (Third Quarter – January through March Fiscal Year 2011)

- Although missed pick-ups for January through March fluctuated slightly, it continued to be in a range of about one or slightly less per 1,000 collections (combined refuse and recycle). Missed pick-ups have been in this same range for the past 24 months.

**Current Report:** (Fourth Quarter – April through June Fiscal Year 2011)

- Missed pick-ups for April through June remained under one per 1,000 collections (combined refuse and recycle).

**Fire Department: Fire Suppression Average Response Times** (Attachment C)

**Issue Identified in Prior Report:** (Third Quarter – January through March Fiscal Year 2011)

- Fire Suppression Average Response Times - In January and February the average response time was on target at 4 minutes. In March that increased slightly to 4 minutes and 6 seconds. According to Fire Department staff, the fluctuation in response time may be a result of budgetary effects such as a reduction in response force, removal of two Alpha trucks, longer maintenance wait times, and furloughs. This slight fluctuation

over the target has occurred sporadically over the past 10 months and will be monitored for any developing negative trend.

**Current Report:** (Fourth Quarter – April through June Fiscal Year 2011)

Note: The Fire charts are from April through August 2011.

- Fire Suppression Average Response Times - In May, June and July the average response time was 12 seconds over the 4 minute target. This decreased to 6 seconds over the target in August. According to the Fire staff, the fluctuation in response times may be a result of budgetary effects such as longer wait times at an understaffed and “furloughed” maintenance and supply section and a reduction in response force: January 2011 – Paramedic 21 and Alpha trucks 4 and 10 were decommissioned; June 2011 – Paramedic 20, Alpha 16 and Water Tender 4 were decommissioned.
- Advanced Life Support Average Response Times – Response times increased by up to 18 seconds for May through August for transport capable trucks (5 minutes and 30 seconds) and for transport capable medic trucks and paramedic assessment units combined (5 minutes and 18 seconds). However, these average response times are still well below the 8 minutes 59 second targets for each.

**Housing and Community Development Department: Code Enforcement Division**

(Attachment D)

**Issue Identified in Prior Report:** (Third Quarter – January through March Fiscal Year 2011)

- Code Enforcement Division – Calls received have decreased from 6,380 in the first quarter of FY 2011 to 5,098 in the third quarter of FY 2011. As would be expected, there has also been a decrease in cases created and violations issued. The number of calls received is dependent on citizens requesting services.

**Current Report:** (Fourth Quarter – April through June Fiscal Year 2011)

- Code Enforcement Division – Calls received have increased 5,098 to 5,647 in the fourth quarter of FY 2011. Violations issued increased significantly 1,479 to 4,351 and cases created increased from 2,134 to 3,811. The number of calls received is dependent on citizens requesting services; therefore, there is no target for the metric. Please see the attached chart for additional information.

Note: Housing and Community Development Department charts for metrics reported annually have been updated for FY 2011 and posted on the Collaborative Auditing website. The annual charts provide information regarding funding sources and major programs. There are no targets for these annual metrics.

**Parks and Recreation Department: Registrations and Memberships** (Attachment E)

**Issue Identified in Prior Report:** (Third Quarter – January through March Fiscal Year 2011)

- Number of Registrants – Participation continued to decrease slightly. A downward trend in participation can be related to the implementation of the Parks and Recreation Revenue and Pricing Policy (January 2010) calling for specific cost recovery for programs and subsequent increase in fees (30-60%) and the restructuring of the Discount Program to offer a single 25% discount in lieu of a sliding scale up to 90%.
- Recreation Center Memberships Number of Pass Holders – The number of recreation center pass holders declined slightly. See the explanation stated above.
- Number of Courses Offered and Completed – The number of courses offered this spring was slightly lower than the number offered this past fall and there was a corresponding

dip in the number of courses completed which appears to be a normal correlation based on chart data over the past three years.

**Current Report:** (Fourth Quarter – April through June Fiscal Year 2011)

- Number of Registrants – Participation increased in the summer which is in line with summer increases for 2009 and 2010. However, the increase was moderately less than last year and significantly less than in 2010. Despite the normal summer increase, the general downward trend in participation can be related to the implementation of the Parks and Recreation Revenue and Pricing policy (January 2010) calling for specific cost recovery for programs and subsequent increase in fees (30-60%) and the restructuring of the Discount Program to offer a single 25% discount in lieu of a sliding scale up to 90%.
- Recreation Center Memberships Number of Pass Holders – There was an increase of approximately 500 recreation center pass holders. However, the current total of approximately 2,000 pass holders is about half of the pass holders for this time period in 2009. There has been a steady decline in pass holders over the last past two years due, at least in part, to the implementation of the Parks and Recreation Revenue and Pricing Policy (see above). Additionally, reduced budget funding has resulted in a reduction in Recreation Center operational hours.
- Number of Courses Offered and Completed – There was a decrease in the number of courses offered this quarter and fewer courses were offered than in the summer of 2010. However, the number of courses was comparable with the summer of 2009 and 2008. The number of courses completed was slightly higher than last quarter and was comparable to the past three summers.
- Zoo Revenue and Admissions – Zoo admissions increased in the fourth quarter and there was a corresponding increase in revenue.

**Planning and Development Services Department: Plan Revisions – Average Days to Review** (Attachment F)

**Issues Identified in Prior Report:** (Third Quarter – January through March Fiscal Year 2011)

- Plan Revisions – A spike in January to approximately 32 days for review was significantly over the 20 day target. This was due to the submission of a very large commercial project and February and March average review times were well below the target.

**Current Report:** (Fourth Quarter – April through June Fiscal Year 2011)

- Plan Revisions – Reviews of plan revisions were within the 20 day target for the fourth quarter.
- Initial Plan Submittals – The number of plans submitted for review decreased significantly this quarter and the reviews were within the 20 day target.
- Plan Resubmittals – The number of plans resubmitted for review decreased significantly from approximately 100 to less than 25 during this quarter. Reviews are within the 20 day target.

**Police Department: Response Times** (Attachment G)

**Issues Identified in Prior Report:** (Third Quarter – January through March Fiscal Year 2011)

- Level 1 - Emergency Response – The average response time for the third quarter had a slight but steady decrease below 4 minutes and has remained below the 5 minute target for the past 15 months.
- Level 2 - Critical Response – The average response time for the third quarter remained below the 10 minute target.
- Level 4 - General Response – The average response time for the third quarter was slightly less than the 60 minute target for January and February then increased to slightly above the target for March. This increase may be the result of several high profile incidents when officers were pulled from patrol for proper coverage of the incidents.
- Motor Vehicle Accident Responses Per 1,000 Residents – The significant drop in reported calls in the second quarter was due to a change in response policy for non-injury motor vehicle accidents. The strategy implemented by the Chief of Police is in response to the Department's decrease in staffing and resources. During the third quarter the accident responses remained relatively stable at less than 1 per 1,000 residents.

**Current Report:** (Fourth Quarter – April through June Fiscal Year 2011)

- Level 2 - Critical Response – The average response time for the fourth quarter increased in May and June to between 10 and 11 minutes which is above the 10 minute target. This may be attributed to increases in travel time due to a shortage in sworn personnel.
- Level 4 - General Response – The average response time in May and June was approximately 80 minutes which exceeded the 60 minute target by 20 minutes. See the explanation stated above. September 2010 was the last time the average reached 80 minutes.

**Transportation Department: SunTran** (Attachment H)

**Issues Identified in Prior Report:** (Third Quarter – January through March Fiscal Year 2011)

Note: SunTran charts include April.

- Cost/Revenue per Total Mile – The cost increased significantly in April due to an increase in liability claims while revenue remained the same.
- Cost/Revenue per Passenger - The cost increased significantly in April due to an increase in liability claims while revenue remained the same.

**Current Report:** (Fourth Quarter – April through June Fiscal Year 2011)

Note: Sun Tran charts include July and August

- Cost/Revenue per Total Mile – The cost decreased in May and has continued to decline slightly through August.
- Cost/Revenue per Passenger - The cost decreased in May, increased slightly in June and July then decreased in August.

**Tucson Supplemental Retirement System** (Attachment I)

An analysis of the data is included with the charts.

TO: Richard Miranda, City Manager  
SUBJECT: Collaborative Auditing – Quarterly Analysis Report  
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Attachments:

- A – List of Collaborative Auditing Charts
- B - Environmental Services Department Missed Pick-ups
- C - Fire Department Fire Suppression Average Response Times
- D - Housing and Community Development Code Enforcement Division
- E - Parks and Recreation Department Registrations, Memberships, Courses, Zoo Revenue and Admissions
- F - Planning and Development Services Department Plan Revisions, Initial Plan Submittals and Resubmittals
- G - Police Department Average Response Times Level 2 and Level 4
- H - Transportation Department - SunTran
- I - Tucson Supplemental Retirement System

- c: Independent Audit and Performance Commission
- Richard Miranda, City Manager
  - Kelly Gottschalk, Assistant City Manager/CFO
  - Andrew Quigley, Assistant City Manager/Environmental Services Department Director
  - Liz Miller, Assistant City Manager
  - James Critchley, Fire Chief
  - Albert Elias, Housing and Community Development Director
  - Fred H. Gray, Jr., Parks and Recreation Department Director
  - Ernie Duarte, Planning and Development Services Director
  - Roberto A. Villaseñor, Chief of Police
  - Jim Glock, Transportation Director – Sun Tran

## COLLABORATIVE AUDITING CHARTS

### **Environmental Services Department**

<http://cms3.tucsonaz.gov/sites/default/files/ca/escharts.pdf>

Missed Pick-ups (Monthly)

Landfill (Annual)

Brush & Bulky (Annual)

Recycling (Annual)

### **Fire Department**

<http://cms3.tucsonaz.gov/sites/default/files/ca/firecharts.pdf>

Fire Suppression Average Response Times (Monthly)

EMS Transport Capable Medic Trucks and Paramedic Assessment Units (Monthly)

EMS Transport Capable Trucks (Monthly)

### **Housing and Community Development Department**

<http://cms3.tucsonaz.gov/sites/default/files/ca/hcdcharts.pdf>

Funding Sources (Annual)

Code Enforcement Division (Quarterly)

Housing Management Division (Quarterly)

Housing Assistance Division (Annual)

Human Services Contracts (Annual)

Human Services Funding Sources (Annual)

Affordable Housing Units Produced (Annual)

Units Rehabilitated (Annual)

### **Parks and Recreation Department**

<http://cms3.tucsonaz.gov/sites/default/files/ca/parksandreccharts.pdf>

Course Status - Number of Courses Offered and Completed (Seasonal)

Programs - Number of Registrants (Seasonal)

Recreation Center Memberships - Number of Pass Holders (Quarterly)

Zoo Revenue and Admissions (Quarterly)

### **Planning and Development Services Department**

<http://cms3.tucsonaz.gov/sites/default/files/ca/pdsdcharts.pdf>

Plan Revisions Average Days to Review (Monthly)

Plan Resubmittals Average Days to Review (Monthly)

Initial Plan Submittals Average Days to Review (Monthly)

### **Police Department**

<http://cms3.tucsonaz.gov/sites/default/files/ca/policecharts.pdf>

Level 1 - Emergency Response - Average Response Times (Monthly)

Level 2 - Critical Response - Average Response Times (Monthly)

Level 3 - Urgent Response - Average Response (Monthly)

Level 4 - General Response - Average Response Times (Monthly)

Motor Vehicle Accident Responses Per 1,000 Residents (Monthly)

### **Transportation Department**

<http://cms3.tucsonaz.gov/sites/default/files/ca/suntrancharts.pdf>

SunTran Cost/Revenue per Total Mile (Monthly)

SunTran Cost/Revenue per Passenger (Monthly)

**OTHER:**

**General Fund Financial Indicators (Annual)**

[http://cms3.tucsonaz.gov/sites/default/files/ca/GF\\_Financial\\_Indicators.pdf](http://cms3.tucsonaz.gov/sites/default/files/ca/GF_Financial_Indicators.pdf)

Tax Revenues to Operating Revenues  
Unassigned Fund Balance to Operating Revenues  
State-Shared Revenues to Operating Revenues  
Surplus (Deficit) to Operating Revenues  
Current Liabilities to Operating Revenues  
Debt Service to Operating Revenues  
Full Time Equivalents (FTE) per 1,000 Population

**Golf Financial Trends (Annual)**

<http://cms3.tucsonaz.gov/sites/default/files/financialtrends.pdf>

Operating Revenues vs. Operating Expenses  
Unrestricted Cash to Operating Revenues  
Percentage of Debt Service to Operating Revenues

**Rio Nuevo Revenues (Annual)**

<http://cms3.tucsonaz.gov/sites/default/files/ca/rionuevocharts.pdf>

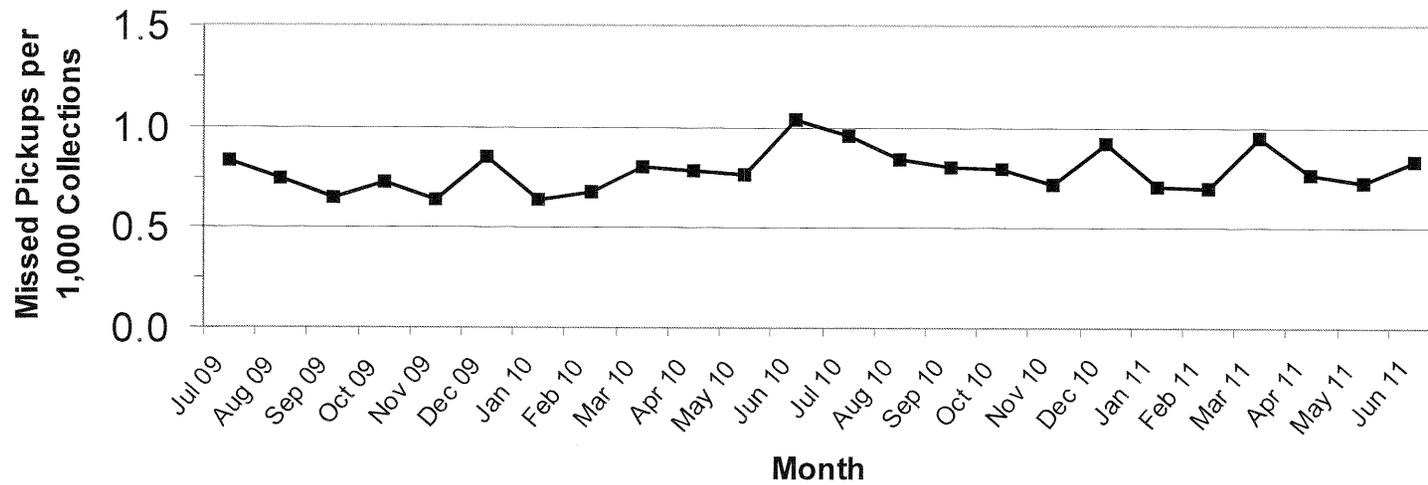
Tax Increment Financing Revenues – Comparison of Fiscal Years 2009 and 2010  
Tax Increment Financing Revenues – by Fiscal Year

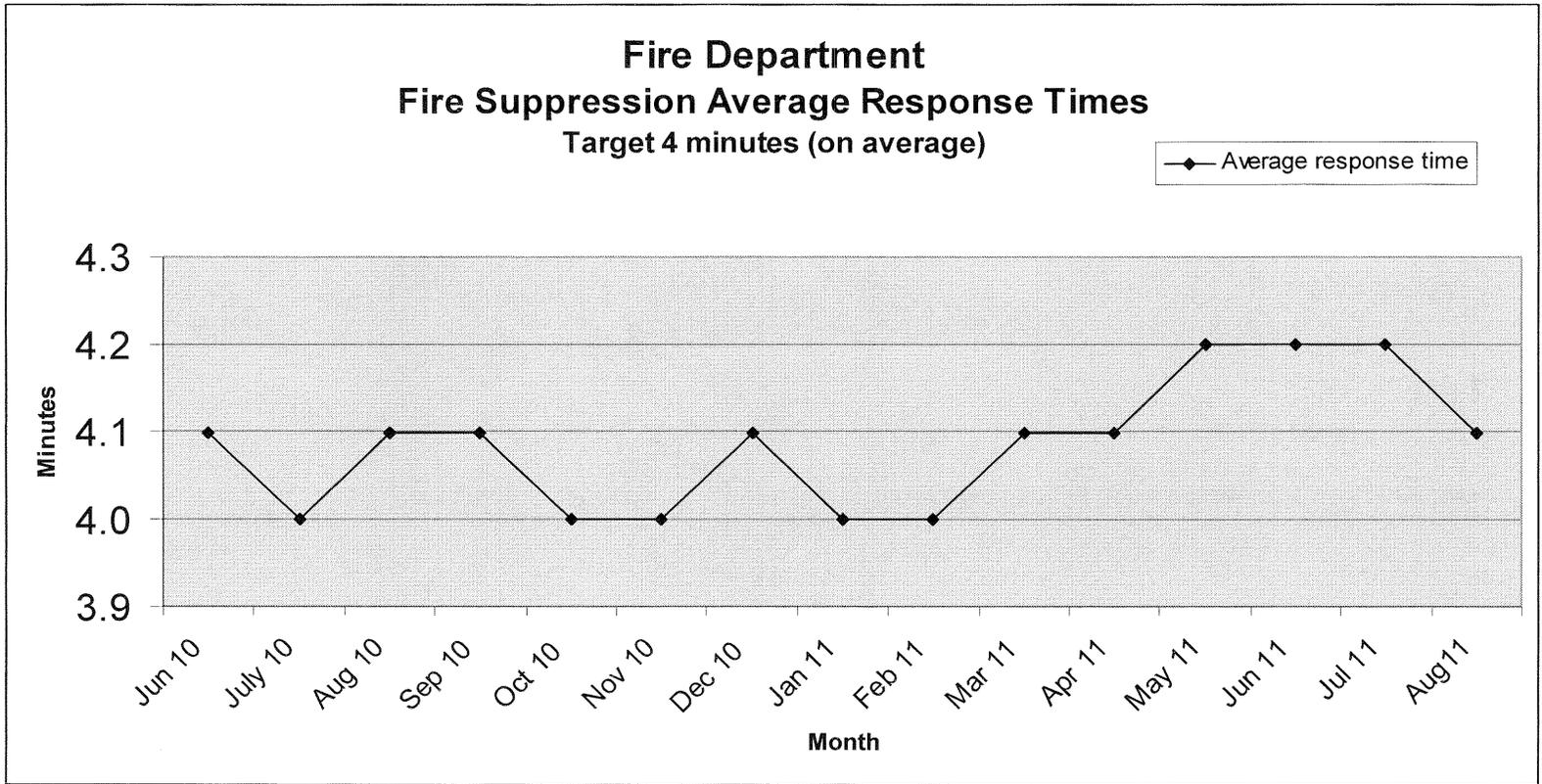
**Tucson Supplemental Retirement System (Annual)**

<http://cms3.tucsonaz.gov/sites/default/files/ca/tsrs.pdf>

Historical and Projected Funding Results  
Demographic History

**Environmental Services Department  
Plastic Container Missed Pickups  
per 1,000 Collections  
(combined Refuse and Recycle)**



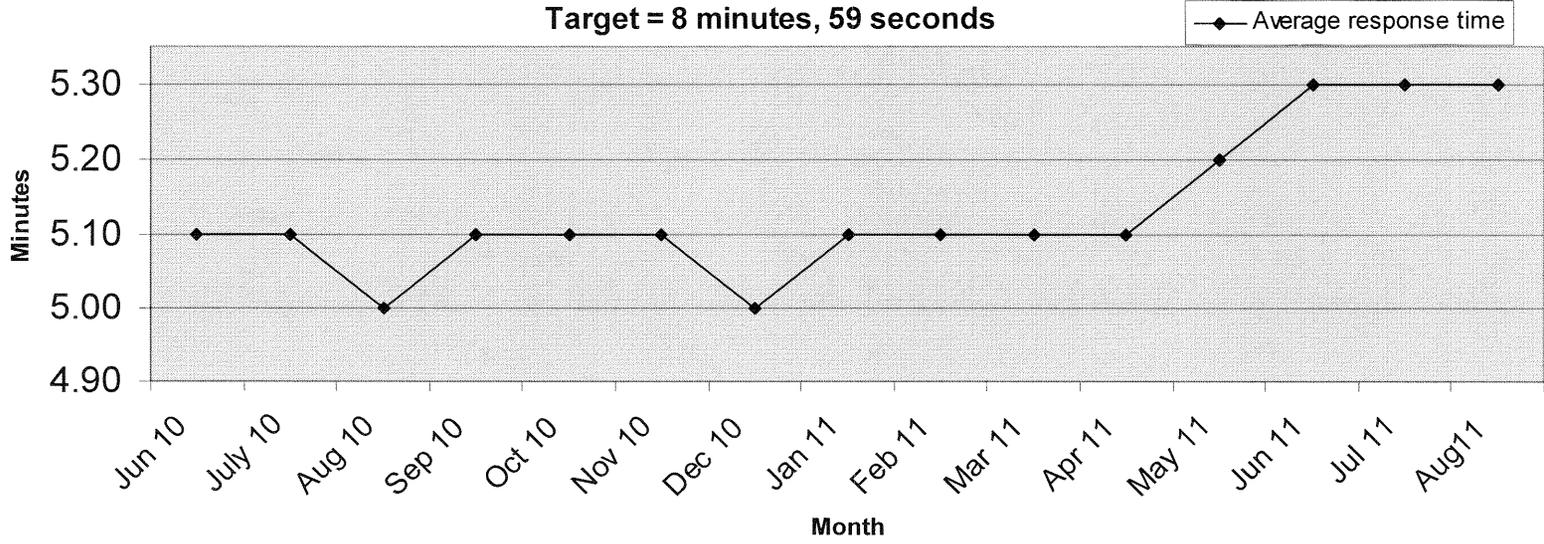


*Fire Response Target:* The target is based on a response that results in a minimum of twenty firefighters, including command staff, with the first unit arriving within 4 minutes of dispatch. The response time indicated is the average of all fire suppression responses that occurred during the month.

The fluctuation in response times may be a result of budgetary effects such as longer wait times at an understaffed and “furloughed” maintenance & supply section and a reduction in response force: January 2011 – Paramedic 21 and Alpha trucks 4 & 10 were decommissioned; June 2011 – Paramedic 20, Alpha 16 and Water tender 4 were decommissioned.

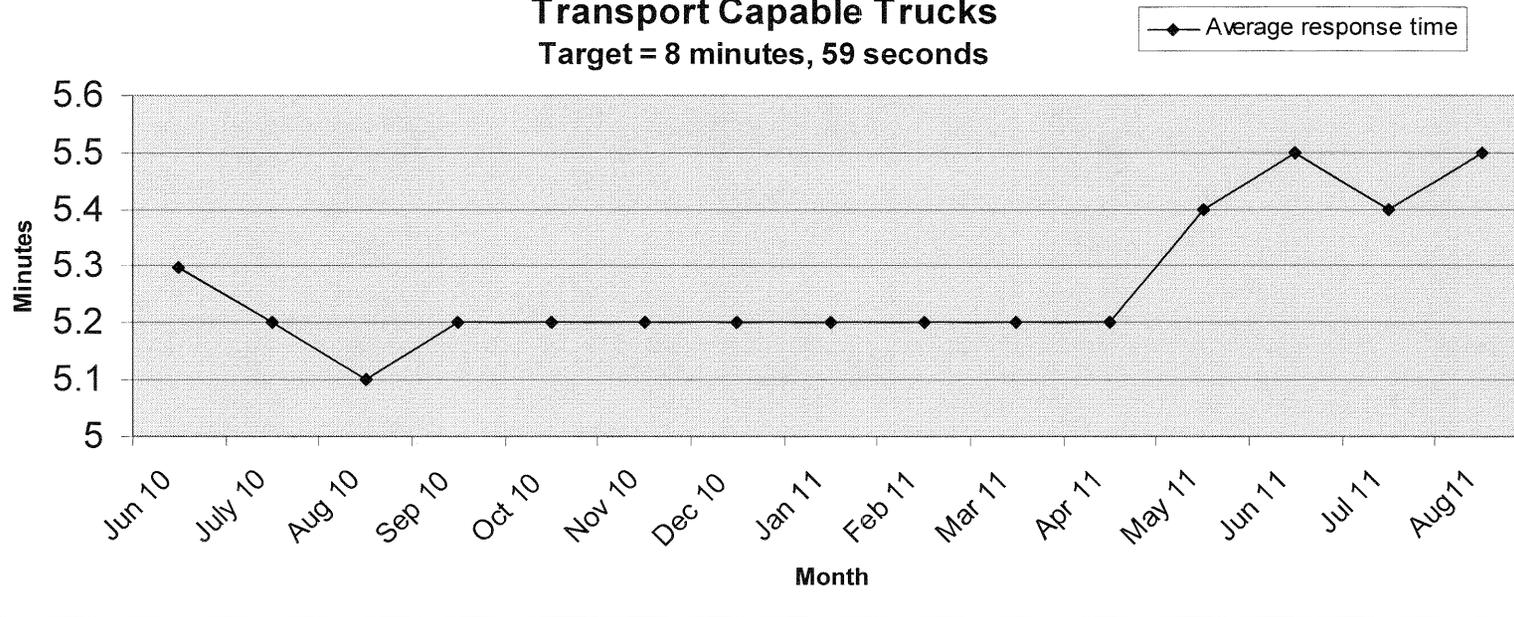
# Fire Department Emergency Medical Services Advanced Life Support Average Response Times

Transport Capable Medic Trucks and Paramedic Assessment Units (combined)  
Target = 8 minutes, 59 seconds



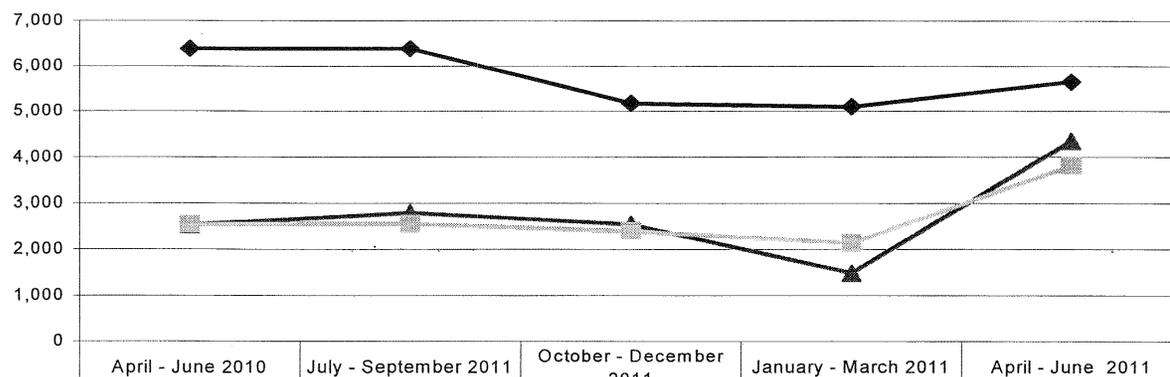
*EMS Combined Response Times:* City-wide, response that results in a minimum of two state-certified paramedics with the advanced life support capacity and the ability to transport arriving within eight minutes and fifty-nine seconds from the time of dispatch 90% of the time or Paramedic Assessment Unit (PAU) engine or ladder with one state-certified paramedic arriving within eight minutes and fifty-nine seconds from the time of dispatch 90% of the time. The response time indicated is the average of all advanced life support responses that occurred during the month indicating the time when the first TFD ALS provider arrives on scene whether transport capable or PAU.

**Fire Department  
Emergency Medical Services  
Advanced Life Support Average Response Times  
Transport Capable Trucks  
Target = 8 minutes, 59 seconds**



*EMS Combined Response Times:* City-wide, response that results in a minimum of two state-certified paramedics arriving with the advanced life support capacity and the ability to transport within eight minutes and fifty-nine seconds of the time of dispatch 90% of the time. The response time indicated is the average of all advanced life support responses that occurred during the month.

### Housing and Community Development Department Code Enforcement Division

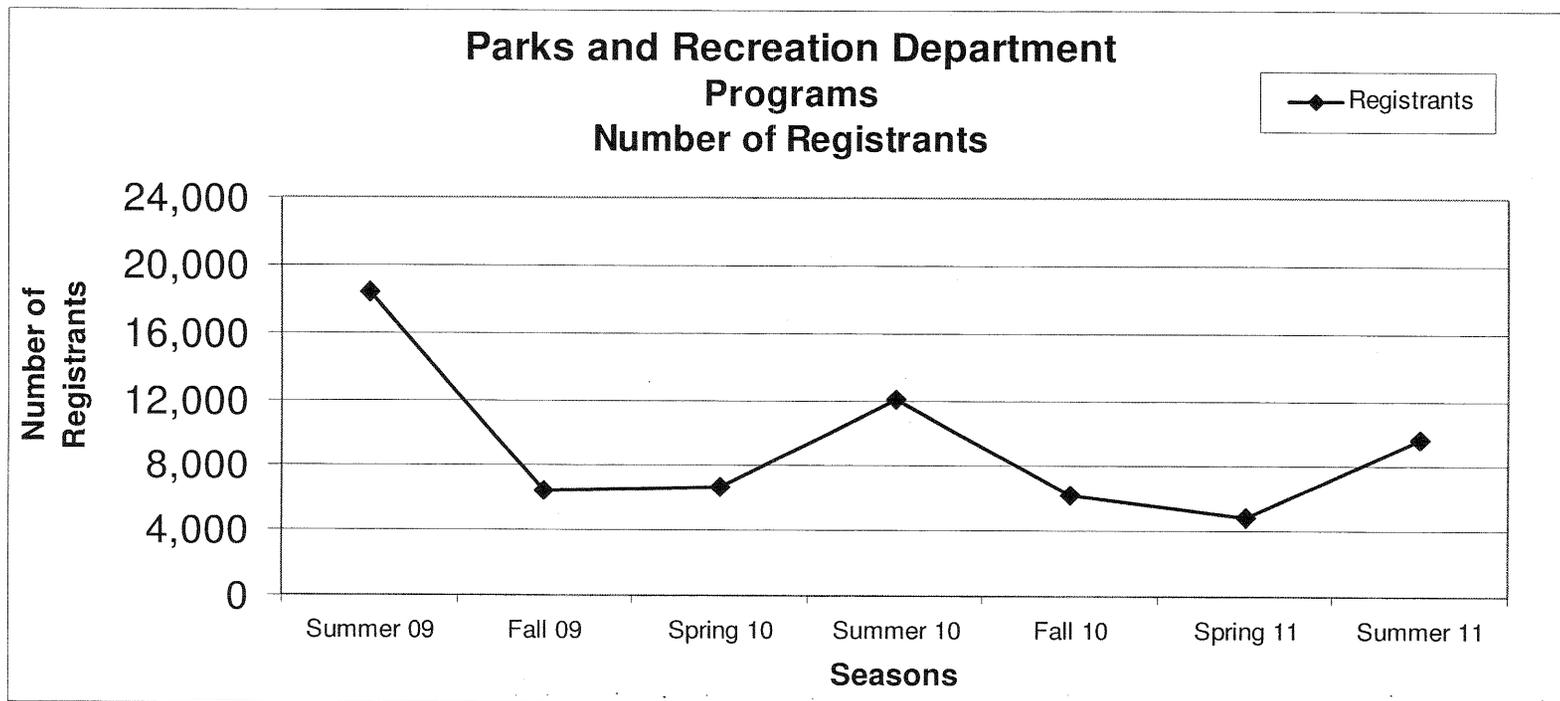


	April - June 2010	July - September 2011	October - December 2011	January - March 2011	April - June 2011
Violations issued (number)	2,522	2,787	2,533	1,479	4,351
Calls received (number)	6,383	6,380	5,172	5,098	5,647
Cases created (number)	2,540	2,545	2,384	2,134	3,811

This chart shows the code enforcement activity of the Housing and Community Development Department between April 2010 and March 2011. The data displayed includes the total number of calls received by the Code Enforcement Division's call center, the number of code enforcement cases created, and the number of code violations issued.

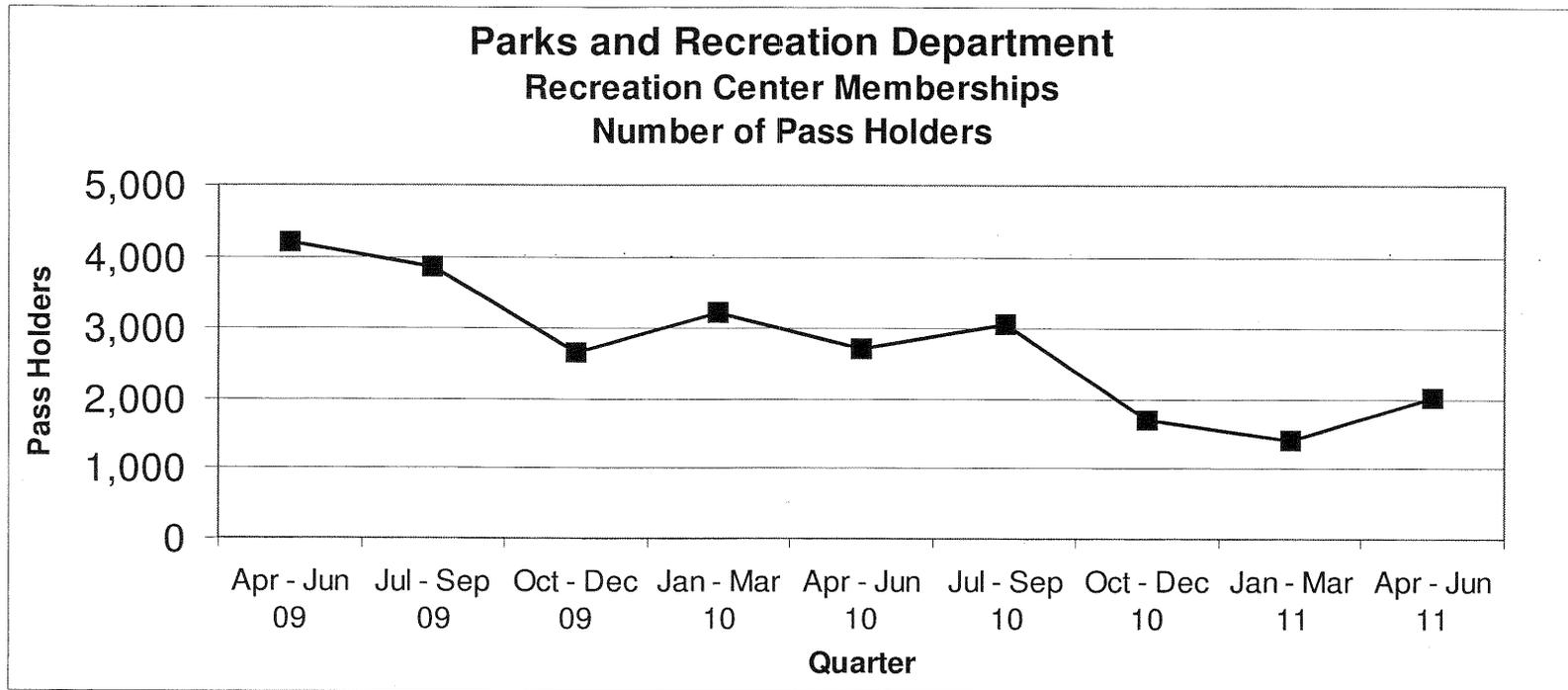
A fairly large gap exists between the number of calls received and the number of cases created. The Code Enforcement Division is often the first point of contact for citizens reporting a complaint. Once a call is received, the Division's call center staff determines the type of complaint being reported. Many calls may actually be the responsibility of other agencies, for example, trash container violations (Environmental Services), permit information (Planning and Development Services), on-street parking violations (ParkWise), green pools/mosquitoes (Pima County Health Department), and tenant/landlord disputes (Southern Arizona Legal Aid). These calls are forwarded by staff to the appropriate agency.

If a call is for enforcement of the code for which the Housing and Community Development Department is responsible, a case is created by staff for an inspector to conduct a field inspection. Generally, the field inspection may result in a violation being issued to the property owner. However, this is not always the case. For instance, the property owner may have corrected the issue prior to the inspection or the complaint that was reported is not actually a violation of the code. When this occurs, the case can be closed without a violation being issued.



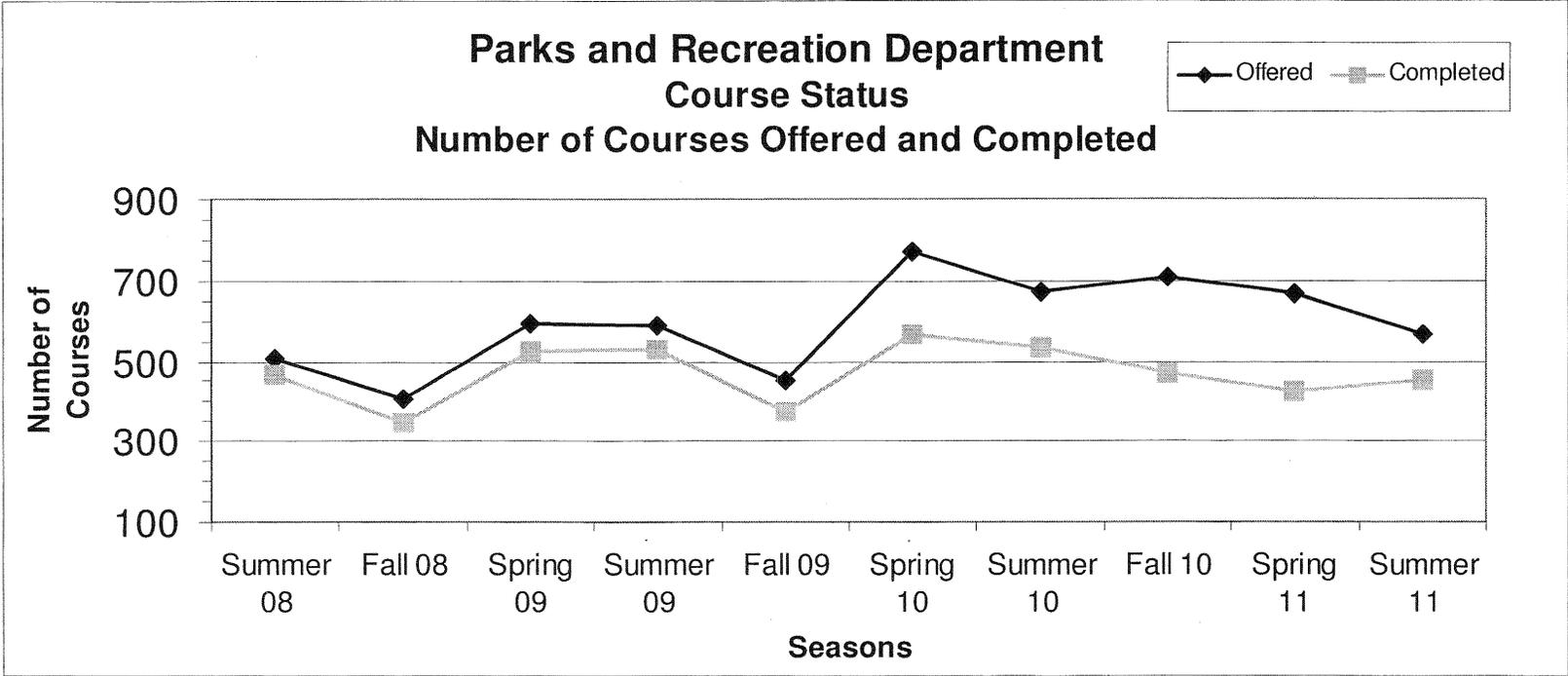
Note – “Programs” includes: Leisure Classes, Therapeutics, Adaptive Classes, Aquatics, Adaptive Aquatics, KIDCO, and Summer Swim Lessons.

Downward trend in participation can be related to the implementation of the Parks and Recreation Revenue and Pricing Policy (January 2010) calling for specific cost recovery for programs and subsequent increase in fees (30-60%) and the restructuring of the Discount Program to offer a single 25% discount in lieu of a sliding scale up to 90%.

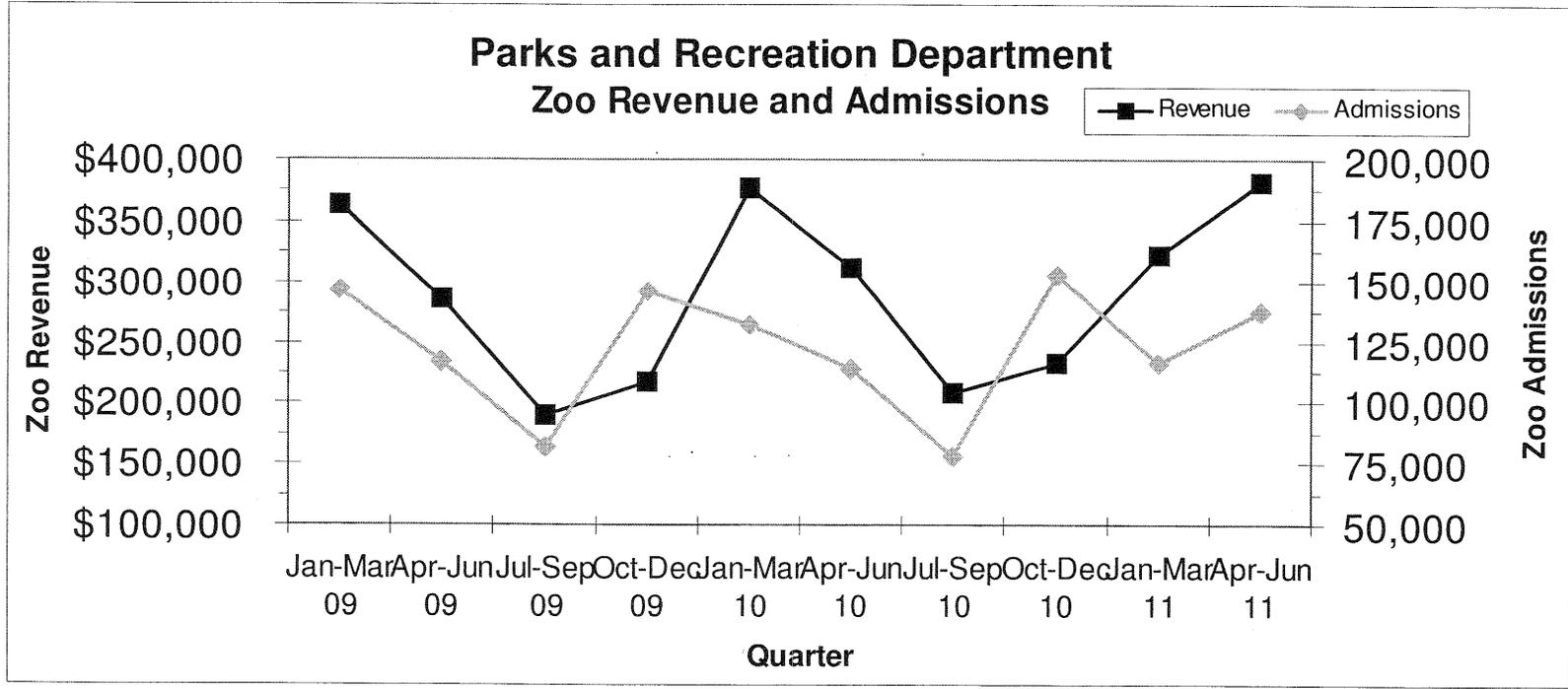


Note – The data reflects the number of pass holders only and does not include daily admissions. Recreation center facilities vary, but may include: weight room, walking track, gymnasium, game room.

Downward trend in memberships sold can be related to the implementation of the Parks and Recreation Revenue and Pricing Policy (January 2010) calling for specific cost recovery for programs and subsequent increase in fees (30-60%) and the restructuring of the Discount Program to offer a single 25% discount in lieu of sliding scale up to 90%. Additionally, reduced budget capacity has resulted in a reduction in Recreation Center operational hours.

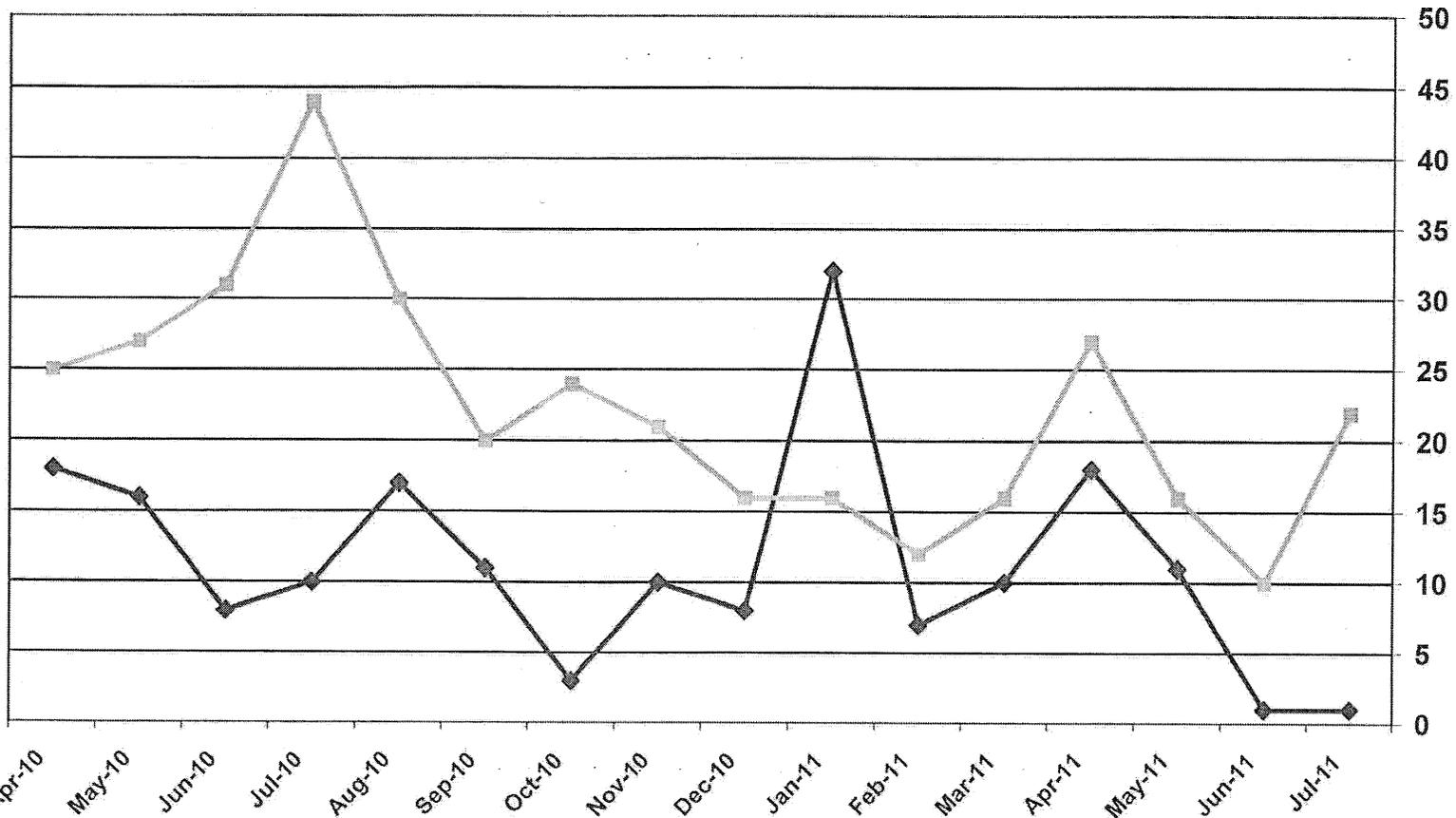


Note – Cancellations occurred due to low enrollment, lack of instructor, and facility space issues.



Note – The number admitted includes membership entries, complimentary entries, and four free-day entries per year.

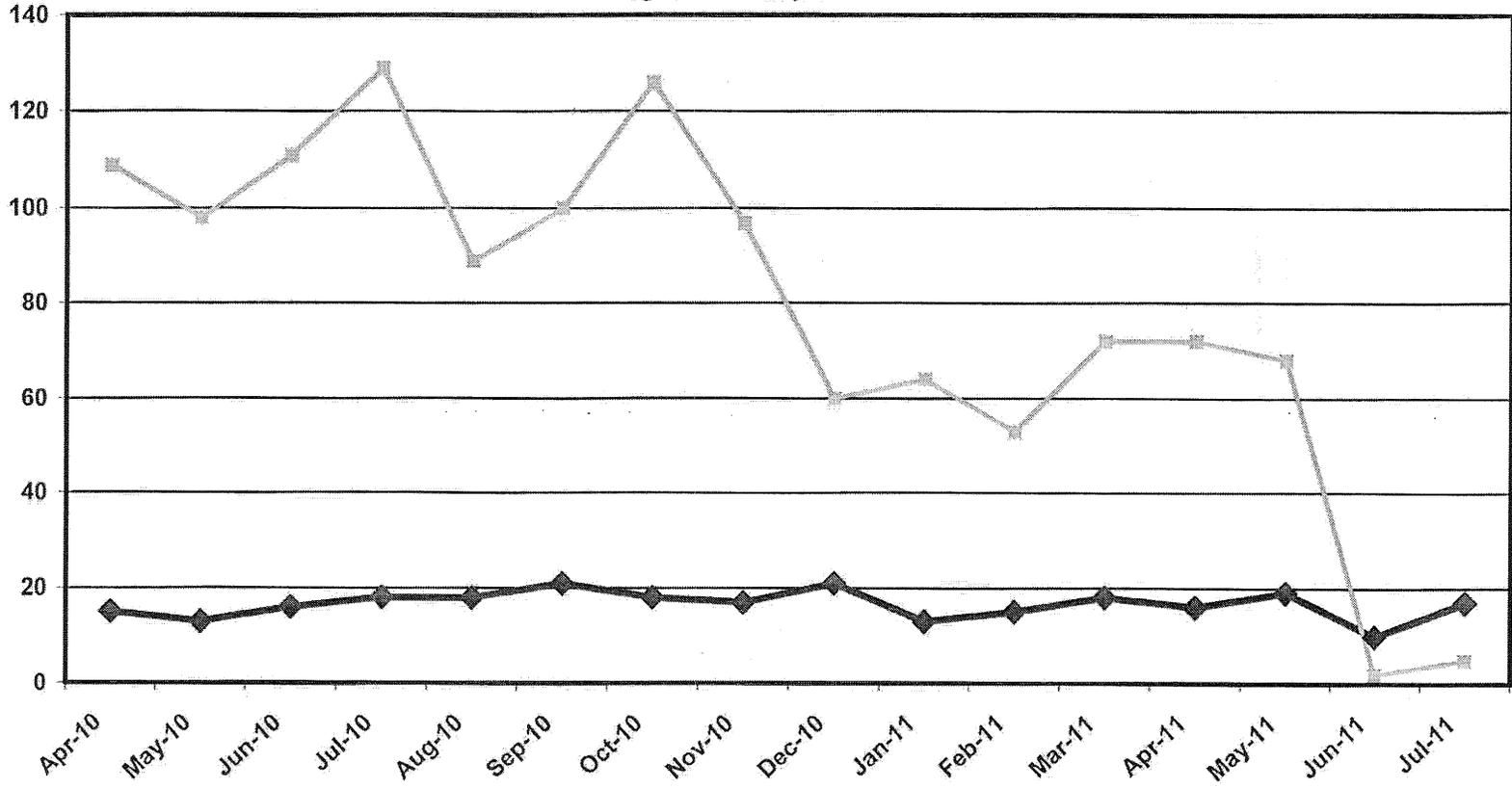
**Planning & Development Services Department  
Plan Revisions - Average Days to Review  
Target = 20 days**



Note: This chart shows the number of approved plans submitted for a revision and the average number of days needed per plan to complete the review. January 2011 shows a spike in review time due to the submission of a very large commercial project.

◆ Average Working Days to Review  
■ Number of Plans

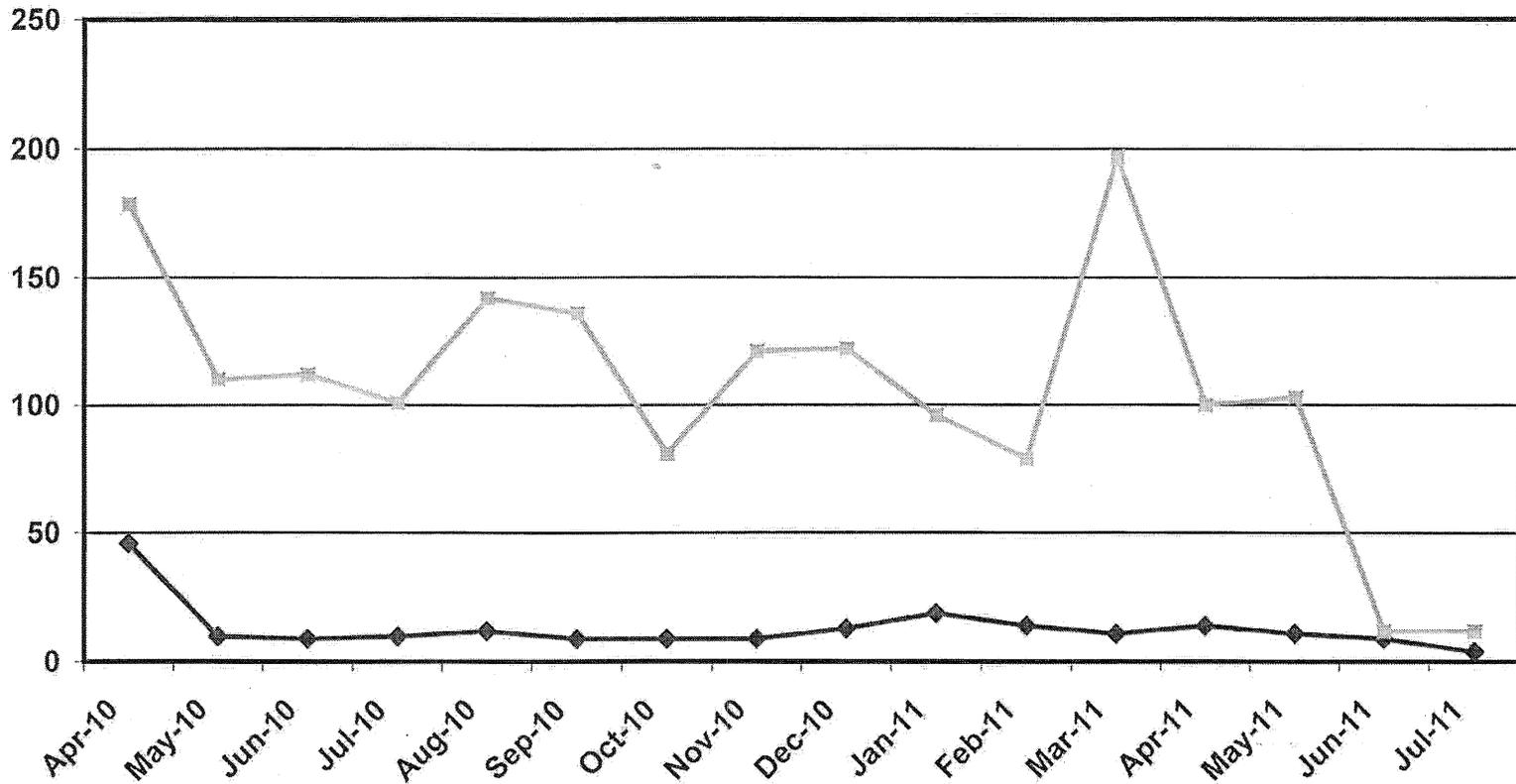
**Planning & Development Services Department  
Initial Plan Submittals - Average Days to Review  
Target = 20 days**



Note: This chart shows the number of plans submitted for an initial review and the average number of days needed per plan to complete the review.

◆ Average Working Days to Review    ■ Number of Plans

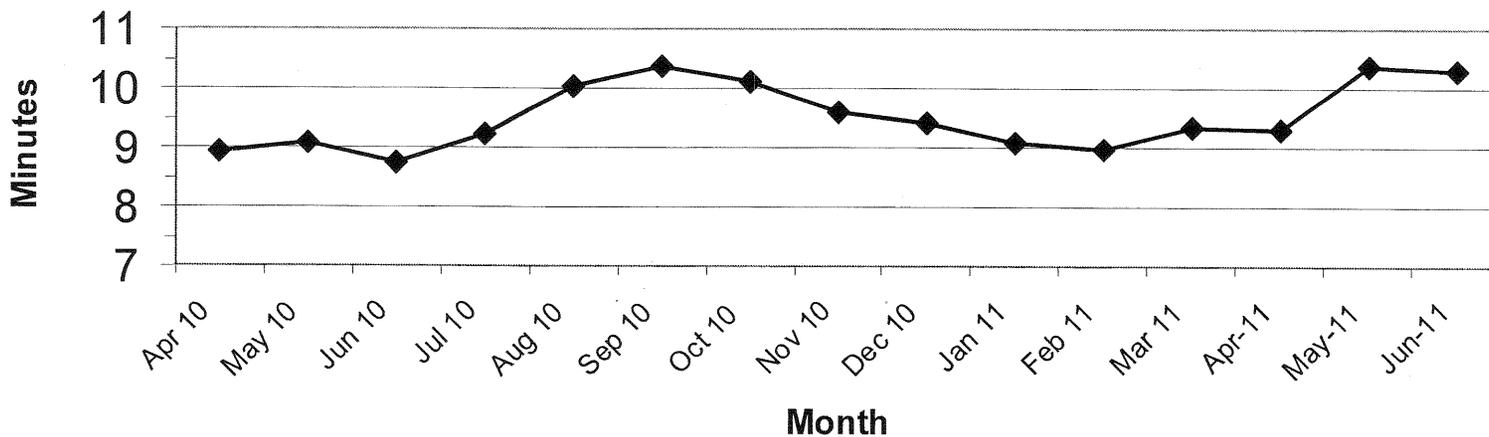
**Planning & Development Services Department  
Plan Resubmittals - Average Days to Review  
Target = 20 days**



Note: This chart shows the number of approved plans resubmitted for review after corrections were made by the customer and the average number of days needed per plan to complete the review. When plans are returned to the customer for additional corrections, the department makes a data entry to stop the clock on review days. It is possible that this entry was not made for one or more plans in April 2010, resulting in a large, isolated spike in the average number of review days.

◆ Average Working Days to Review  
■ Number of Plans

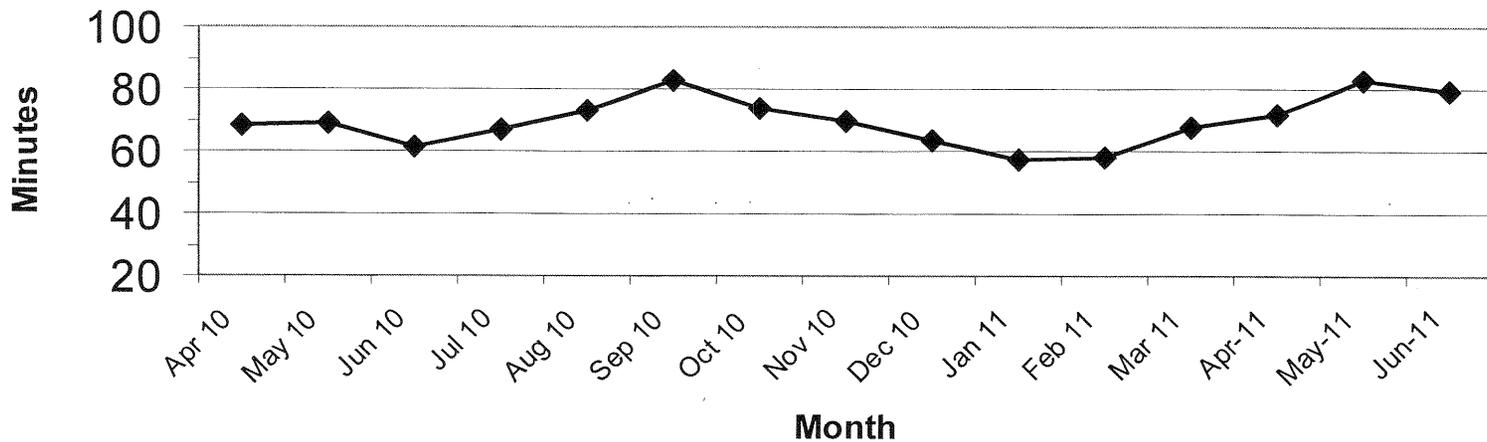
**Police Department  
Level 2 - Critical Response  
Average Response Times  
Target = 10 minutes (on average)**



CRITICAL RESPONSE – An incident involving a situation of imminent danger to life or a high potential for a threat to life to develop or escalate. This incident must be in progress or have occurred within the past 5 minutes.

As a result of the current shortage in sworn personnel, travel time to calls has increased as officers are now having to travel farther distances between calls.

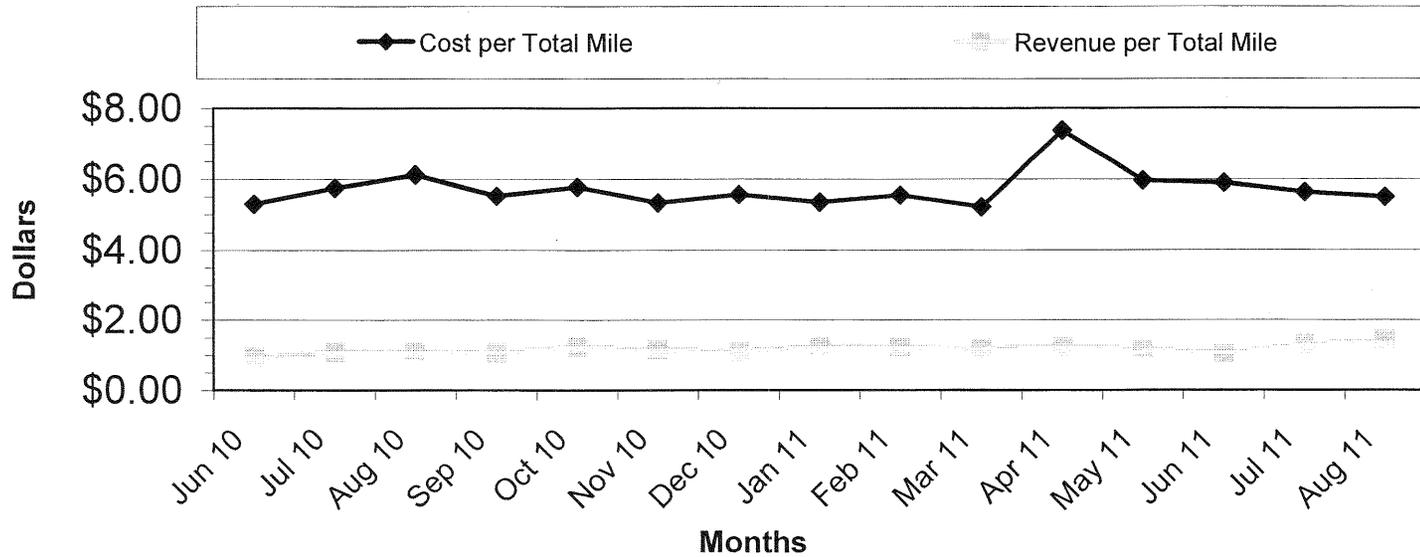
**Police Department  
Level 4 - General Response  
Average Response Times  
Target = 60 Minutes (on average)**



GENERAL RESPONSE – Other crimes or matters requiring police response, generally occurring more than 10 minutes prior to dispatch and having a complainant.

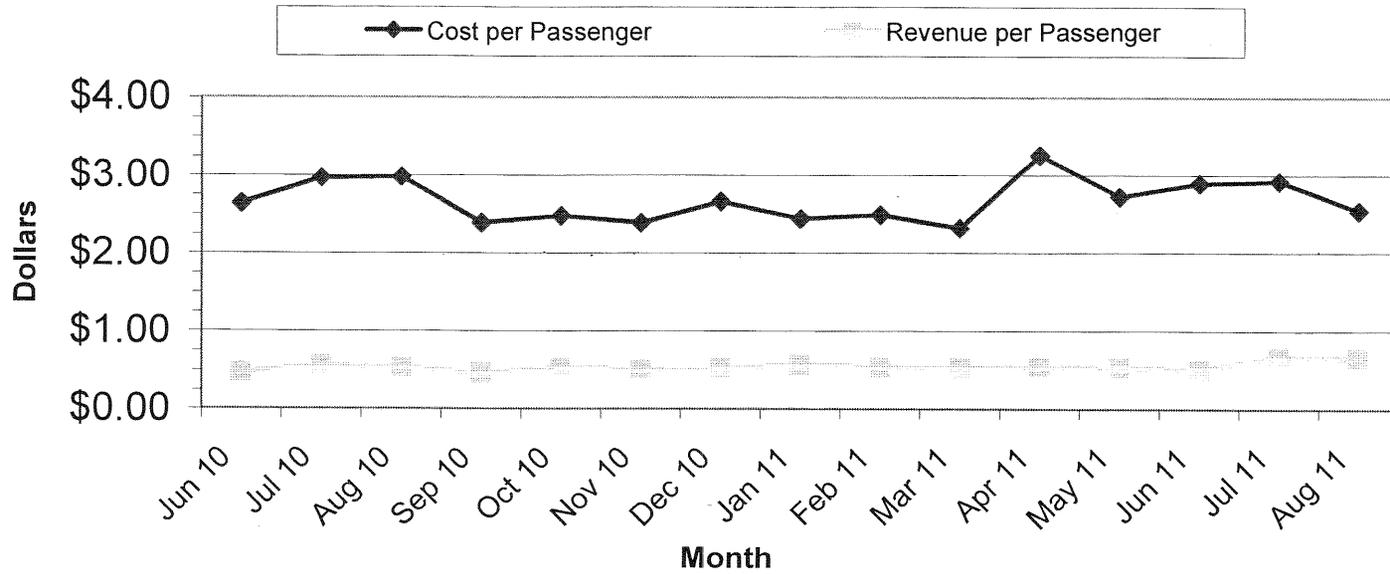
As a result of the current shortage in sworn personnel, travel time to calls has increased as officers are now having to travel farther distances between calls.

### Transportation Department SunTran Cost/Revenue Per Total Mile



The increased cost per mile in April 2011 is attributed to the increase in chargeable liability claims.

## Transportation Department SunTran Cost/Revenue Per Passenger



The increased cost per passenger in April 2011 is attributed to the increase in chargeable liability claims.

**Tucson Supplemental Retirement System (TSRS)  
Plan Metrics – June 30, 2010**

**Historical and Projected Funding Results Chart**

This chart indicates current trend through June 30, 2010, and projects trends and future Employer contribution rates for TSRS through June 30, 2025. A continuing decline in the funded ratio indicates the liabilities of the plan are losing their “coverage” by the assets. A low funded ratio is not necessarily an indicator of a looming funding problem. However, it provides insight that the plan may need to consider restructuring either the plan’s benefit or the plan’s investment policies in an effort to improve the trend.

During the past decade, many pension plan sponsors have experienced declining funded ratios for a variety of reasons; some, because the investment markets did not perform as expected; others, because the plan sponsor was unwilling to commit funding at a level that was at least equal to the recommended actuarial funding rates. The TSRS Board has consistently requested, and the Mayor and Council have supported, full funding of TSRS contribution rates recommended by the system’s Actuary.

Escalating contribution rates have been among the top concerns for the TSRS Board of Trustees, but the 2008 financial market collapse provided urgency to take action. The great recession and subsequent economic climate moved many defined benefit plans to consider less costly plan designs to ease pressure on the plan sponsors’ strained budgets.

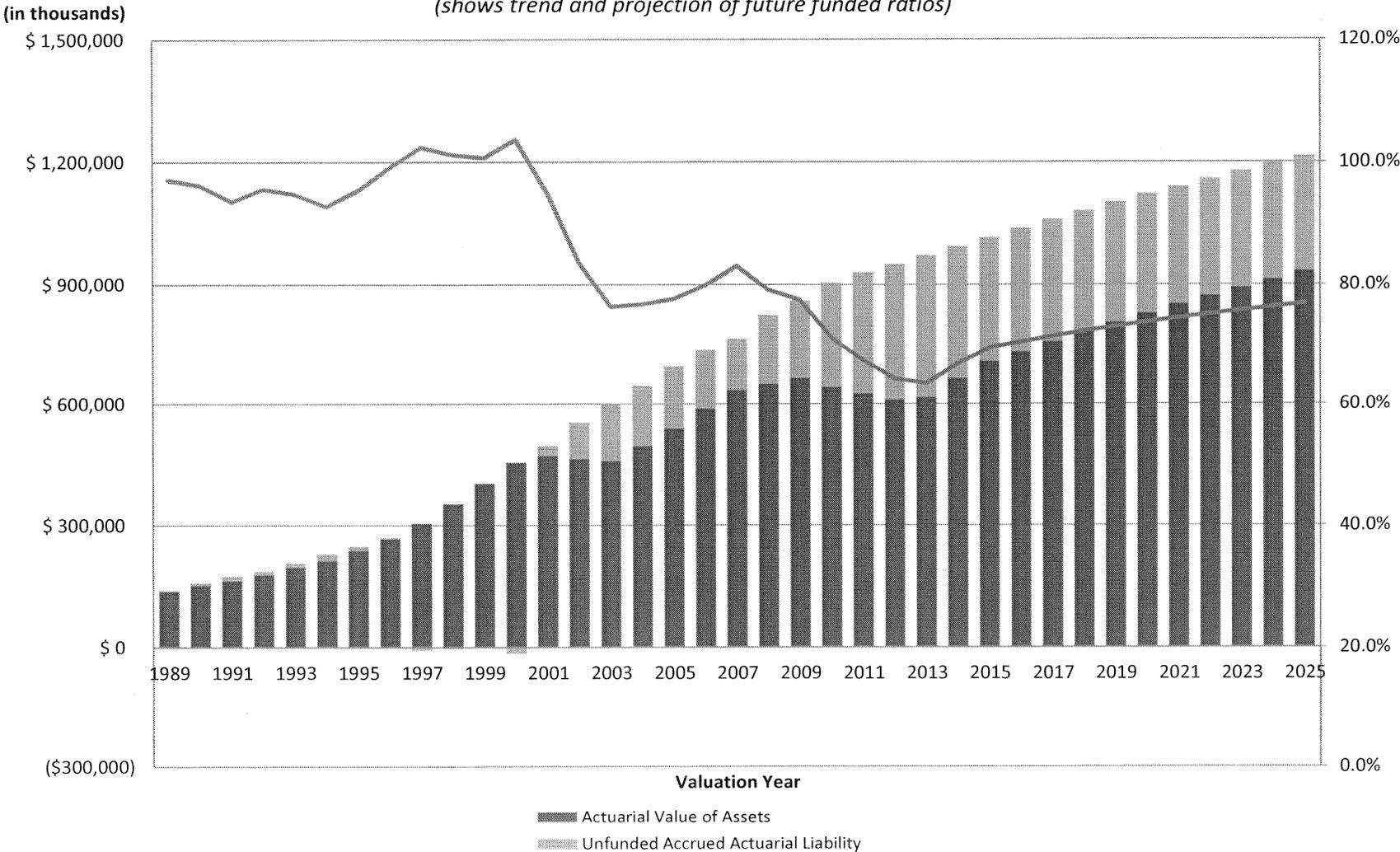
In April 2011, the TSRS Board completed its own study of alternative plan designs, firmly recommending implementation of a reduced benefit pension for employees hired after June 30, 2011. The Board’s stated priority emphasized the goal of sustainability; assuring all retirees and active members working toward retirement that their annuities would be protected over the long-term. Adding this new benefit tier to the plan is projected to reduce pension contributions by \$214 million through 2039.

Assuming the plan continues to earn at least 7.75% annually on its portfolio, recovery from 2008 market losses are projected annually when the actuarial valuation report is completed. This year’s valuation indicates recovery is occurring sooner than the prior year’s forecast, because that the Employer funding contribution rate is projected at 27.39% for FY 2015; or .014% lower than the recommended FY 2013 Employer contribution rate of 28.77%.

Additional information regarding the TSRS plan and its two benefit tiers can be found at: <http://cms3.tucsonaz.gov/retirement/tsrs>

# Tucson Supplemental Retirement System Historical and Projected Funding Results

*(shows trend and projection of future funded ratios)*



**Tucson Supplemental Retirement System (TSRS)  
Plan Metrics – June 30, 2010**

**Demographic History Chart**

This chart indicates the composition of active and retiree membership in TSRS since 1989. In 1989, TSRS had 780 retirees; and with 3,250 active members, the ratio of actives to retirees was 4.166. The City's active employee membership hit a peak in 2001 with 3,669 with 1,355 retirees for a ratio of 2.71 actives per retiree. More recently, at June 30, 2011, there were 2,628 active members and 2,709 retirees; for a ratio of 0.9701 actives per retiree (less than one active per retiree).

The declining ratio of active employees to retirees indicates the effect of a maturing plan, coupled with workforce management efforts resulting from economic conditions. This has shifted active employees earning salaries to retired members earning pension benefits. Examples of workforce management include retirement incentives, hiring freezes and decreased staffing levels.

**Note:** The Historical and Projected Funding Results chart and the Demographic History chart will be updated annually, following the Actuary's completion of an Annual Plan Valuation Report.

## Tucson Supplemental Retirement System Demographic History

