

City of Oakland Office of the City Auditor

June 23, 2010

Management Systems: RPP Program Performance Audit

Weak Management Systems for the Residential
Parking Permit (RPP) Program Resulted
in Operational Inefficiencies
and Uncollected Revenue



City Auditor
Courtney A. Ruby, CPA, CFE

PERFORMANCE AUDIT



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June 23, 2010

OFFICE OF THE MAYOR
HONORABLE CITY COUNCIL
OAKLAND, CALIFORNIA

**RE: MANAGEMENT SYSTEMS – RESIDENTIAL PERMIT PARKING PROGRAM
PERFORMANCE AUDIT**

Dear Mayor Dellums, President Brunner and Members of the Council:

Attached is the third in a series of three reports that focuses on the Residential Permit Parking (RPP) Program. Last year, the Office of the City Auditor issued an interim Residential Permit Parking Performance Audit report to assist the City Council during budget deliberations. This final RPP Performance Audit series expands on the issues previously identified in the interim report and goes further into critical policy areas, program mismanagement and ineffective and inefficient business practices.

The objectives of the audit were to analyze and evaluate a) the efficiency of the RPP Program operations and b) the effectiveness of the RPP Program.

Overall, the audit found Parking Management:

- 1) Lacked a management system for the RPP Program resulting in operational and oversight inefficiencies
- 2) Issued residential parking permits to residents with outstanding parking citations, totaling approximately \$20,000 over three fiscal years

As a result, the audit concludes that Parking Management did not manage the RPP Program efficiently and effectively, specifically document requirements were cumbersome, permit renewal processes were inefficient and Parking Management lacked the systems to prepare comprehensive financial analyses or collect outstanding citation revenue before issuing resident permits. A resident survey conducted during the audit revealed that many residents enjoyed the benefits of having

parking in their neighborhoods, yet they were frustrated with the inefficiencies of the program. The audit also found that the City fails to collect outstanding citations prior to issuing RPP permits. Five out of eight cities surveyed during the audit collect outstanding citations before issuing residential parking permits.

Over the course of the audit and at the request of City Council, Parking Management has begun to address many of the ineffective and inefficient business practices identified in the report. However, there remains more to do. Effective management systems must be put in place to rectify inefficiencies and improve customer satisfaction.

I would like to express my appreciation to the Office of the City Administrator and Parking Management for their cooperation throughout this audit process. A response from Parking Management is included at the end of this report.

I would also like to acknowledge my staff for their dedicated service in performing the Residential Permit Parking Program Performance Audit Report Series.

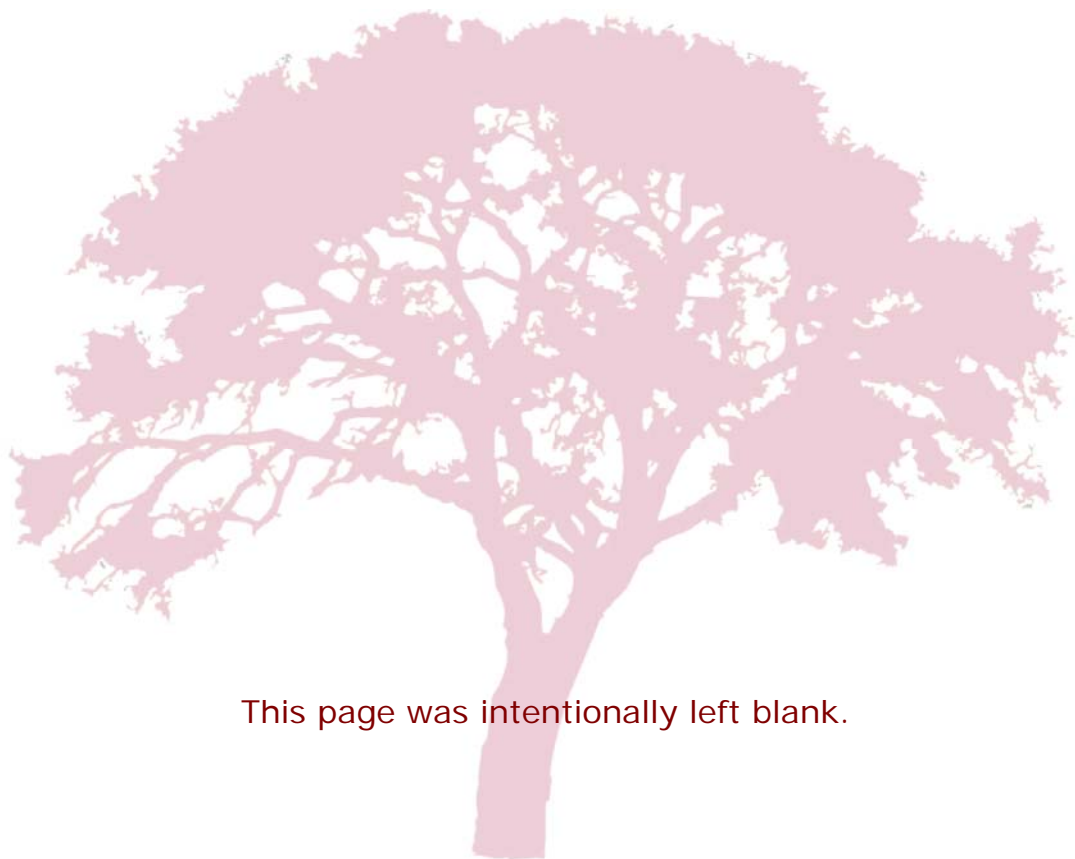
Respectfully submitted,

A handwritten signature in black ink, reading "Courtney A. Ruby". The signature is fluid and cursive, with the first name "Courtney" being more prominent and the last name "Ruby" following in a similar style.

COURTNEY A. RUBY, CPA, CFE
City Auditor

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Residential Permit Parking Program Performance Audit Summary

Management Systems

Weak Management Systems for the residential permit parking program resulted in operational and oversight inefficiencies and \$20,000 in uncollected citations

Overview

The Office of the City Auditor conducted a performance audit of the Residential Permit Parking (RPP) Program, which is a program under the Parking Division of the Finance and Management Agency. The scope of the audit primarily focused on FY 2006-07 through FY 2008-09. The objectives of this audit were to analyze and evaluate:

- The efficiency of the RPP Program operations
- The effectiveness of the RPP Program

This report is the third in a series of three final RPP Program performance audit reports.

Key Findings

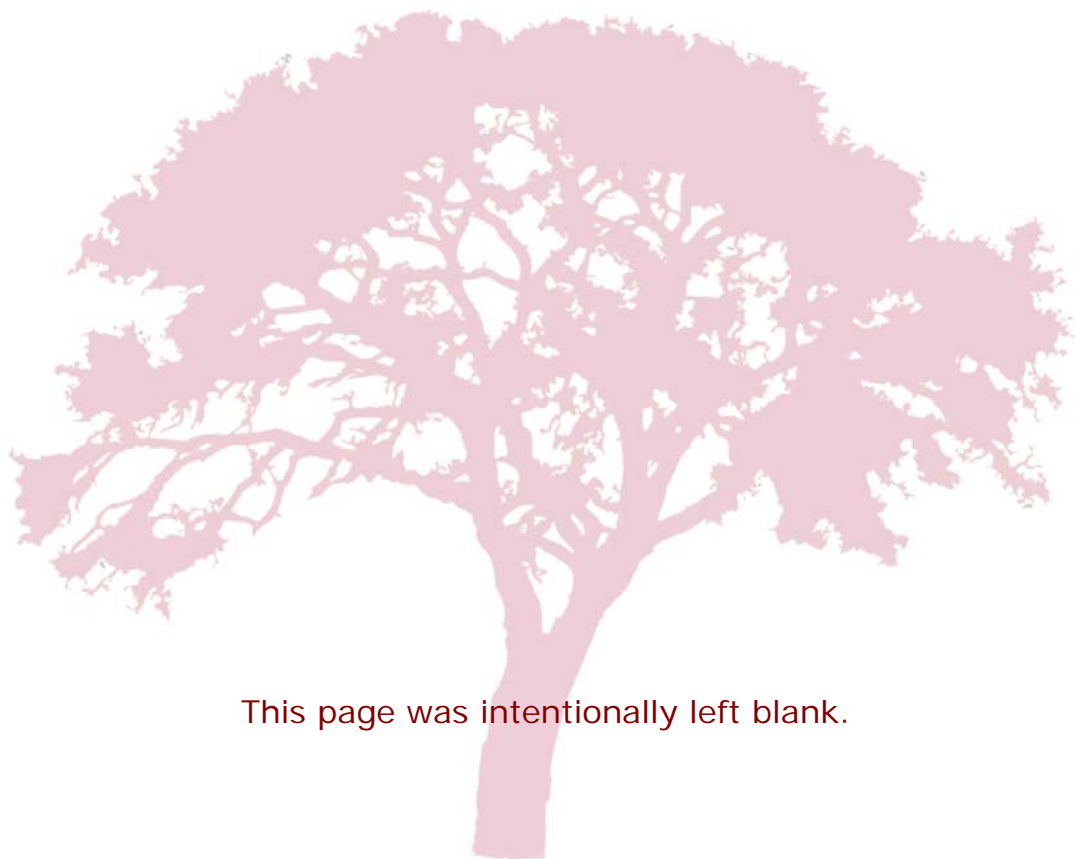
- Parking Management did not adequately address operational inefficiencies by streamlining documentation requirements and utilizing technology enhancements.
- RPP Program staff efficiency for processing permits has not been maximized.
- RPP Area residents are dissatisfied with the RPP Program because of the inefficiencies of the program.
- Parking Management did not collect approximately \$20,000 in revenue from outstanding parking citations over three fiscal years.
- Parking Management did not implement a policy and procedure to check for outstanding parking citations before issuing a permit.

Key

Recommendations

We recommend Parking Management:

- Develop a written policy and procedure for the new RPP Program documentation requirements, including verification of registration and address information periodically, such as, every other year and assigning fines or withholding permits for residents who are not compliant.
- Utilize the DMV database to verify vehicle registration and address information as appropriate.
- Develop a written procedure for processing online renewals
- Develop a strategic staffing plan for the RPP Program, which considers the staffing impact from reducing documentation requirements, implementing an online renewal system, and staggering the permit expiration dates.
- Develop a written procedure to notify residents of any outstanding citations in RPP permit renewal notices.
- Develop written policies and procedures to withhold new and renewal permits from residents seeking an RPP permit who have outstanding parking citations and assign appropriate roles and responsibilities to Parking Staff for enforcement.



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Introduction

The City of Oakland's (City) Residential Permit Parking (RPP) Program was instituted in 1986 after a series of public hearings found that traffic congestion and a shortage of parking were significant problems in areas with a high volume of non-resident traffic. The purpose of the RPP Program is to limit off-street parking by nonresidents in order to:

- Allow residents adequate parking space
- Promote the safety, health and welfare of the citizens of Oakland by reducing motor vehicle travel and pollution

On September 23, 2008, the Parking Division of the City's Finance and Management Agency (FMA) issued an Agenda Report calling for an increase in permit parking fees and an annual adjustment of 3% to cover the cost of operating the program. City Council decided to partially increase the fees and approve the annual adjustment of 3%. City Council also requested the Office of the City Auditor (City Auditor) conduct a performance audit before further consideration of fee increases for Fiscal Year (FY) 2010-11. On May 28, 2009, the Office of the City Auditor issued an interim report to support the Mayor's and City Council's budget deliberations in a timely manner.

This report is the third in a series of three final RPP Program performance audit reports and focuses on the operational efficiency and effectiveness of the RPP Program.

Background

RPP Program Operations

During the scope of the audit, to obtain a new or renewal RPP permit, residents needed to provide the required documentation, which included a driver's license, current vehicle registration and current utility bill or lease agreement. The permits expired annually, and the required documentation needed to be resubmitted each year. Residents could mail the required documentation to the Parking Office or they could submit this documentation in person. Residents who mailed their required documentation received their permits in the mail.

At the time of the audit, the City contracted with the City of Inglewood (Inglewood) to mail out annual permit renewal letters for the RPP Program. Using data provided by the City, as well as City letterhead and envelopes, Inglewood sent renewal letters to existing permit-holders and residents in permitted areas. However, the processing of the permit applications and distribution of permits remained the responsibility of the Parking Division. The operations of the RPP Program are further discussed in this audit report.

Objectives, Scope & Methodology

Audit Objectives

The objectives of this audit were to analyze and evaluate:

- The efficiency of the RPP Program operations
- The effectiveness of the RPP Program

Audit Scope

The scope of the audit primarily focused on FY 2006-07 through FY 2008-09. Proposed changes to the RPP Program in FY 2009-10 were reviewed. To provide historical context for the audit, Council Resolutions dating from 1985 were also reviewed. Our review of internal controls was limited to the controls relied upon by Parking Management to administer the RPP Program during the primary audit scope of FY 2006-07 through FY 2008-09. During the audit period, a transition in Parking Management occurred in February 2009.

Audit Methodology

To analyze and evaluate the efficiency of the program, we:

- Interviewed Parking Management and staff to obtain an understanding of the RPP Program process and systems
- Reviewed proposed RPP Program enhancements
- Reviewed the Request for Proposal for the new Citation Administration and Revenue Reconciliation System (CARRS) to obtain an understanding of future system enhancements related to the RPP Program
- Reviewed parking citation system reports
- Surveyed eight cities regarding their RPP Program processes and systems, which is included as Appendix E in this report

To analyze and evaluate the effectiveness of the program, we surveyed a sample of RPP permit holders, regarding the service of the program. Additional details about the survey methodology, communication to residents from the Office, survey document and results are included in Appendices A-D.

We performed this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, 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.

CHAPTER ONE

Parking Management lacked a management system for the RPP Program creating operational and oversight inefficiencies

Overall, the audit found that Parking Management did not have a clearly defined management system to ensure that the RPP Program was operating efficiently and effectively. Resulting inefficiencies include:

- Cumbersome documentation requirements for program participants
- Condensed amount of time for permit renewals that create delays in permit processing
- Inefficient use of personnel time

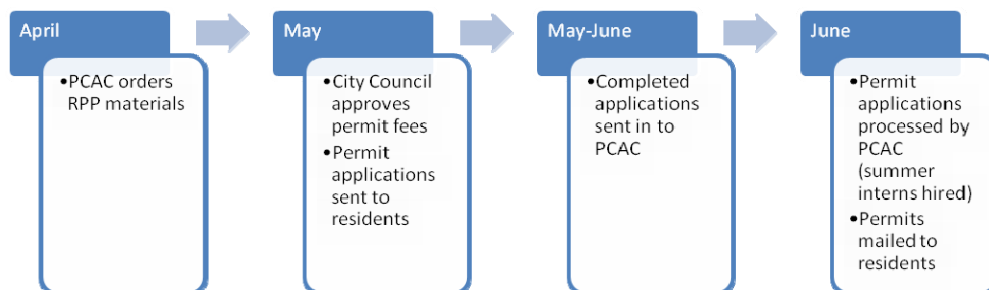
Through a Resident RPP Survey, the audit found that these program inefficiencies frustrate Oakland residents. Parking Management is tasked with serving Oakland residents in an efficient and timely manner. The audit found that Parking Management did not implement a clearly defined management system to achieve essential RPP Program and staff efficiency and effectiveness.

RPP Permit Process

The RPP Program is operated by the Parking Citation Assistance Center (PCAC), which is a subdivision of the Parking Division. PCAC staff are referred to as Public Service Representatives (PSR). During the audit scope years of FY 2006-07 through FY 2008-09, the audit found that five of the fifteen PSRs organized under the PCAC were assigned RPP Program responsibilities on a rotating basis. PSRs process all types of parking permit applications submitted in the PCAC lobby and mail applications.

Generally, the RPP permit process operates as shown in Exhibit 1:

EXHIBIT 1: RPP – Permit and Fee Approval Process



Source: Parking Management

Prior to FY 2008-09, the City contracted with the City of Inglewood (Inglewood) for annual residential permit renewals. According to Parking Management, to save on operating costs for FY 2008-09, PCAC assumed the responsibility of mailing out the renewal applications rather than contracting the process out to Inglewood. By March 2008, Parking staff ordered the necessary supplies — such as permits, letterhead and other materials — and mailed applications by June 15, 2008. Approximately 5,000 applications were sent out.

From July 2008 to August 2008, a number of residents complained that they had not received a renewal application in the mail and had received parking citations as a result. In addition, many residents' citation appeals were denied, leading to further frustration. When the number of RPP-related citation appeals increased, the City Administrator dismissed approximately 40 citations as a result of the mistake.

Parking Management did not adequately address operational inefficiencies by streamlining documentation requirements and utilizing technology enhancements

In determining the causes for the RPP permit process deficiencies experienced by RPP Program participants, the audit analyzed the role of PSRs. The audit confirmed that Parking Management is tasked with serving the public in an efficient and timely manner and found that the role of a PSR, as specifically stated in the job description, is to process permits and respond to questions from the public in a timely and efficient manner. Therefore, Parking Management needs to ensure 1) the RPP Program staffing model and 2) program processes allow the PSRs to address the public's concerns and needs in an efficient manner.

The audit found areas where Parking Management was deficient in meeting this objective. Specifically, Parking Management can improve the RPP Program's:

- Documentation requirements
- Permit expiration schedule
- Staffing model

Documentation Requirements for RPP Permit Renewals Are Cumbersome

At the time of the audit, Parking Management required the same types of documentation every year from Oakland residents for renewals. The required documentation included a driver's license, utility bill or rental agreement and current vehicle registration, as shown in Exhibit 2.

EXHIBIT 2: Documentation Required Annually for the RPP Program

- 1) Driver's License
- 2) Current Utility bill (within 30 days) or lease agreement at address where permit is requested
- 3) Current vehicle registration (must be registered in California to the address where permit is requested)

Source: Parking - RPP Website

The audit found that Parking Management has access to the Department of Motor Vehicle's (DMV) database, which could be used to verify vehicle registration and address information for residents applying for renewal permits. Currently, the Parking Office uses the DMV database to obtain the registered vehicle owner's name and address information to send citation payment reminders. It also uses the database to check for liens, registered disabled placards and Vehicle Identification Number (VIN) numbers. California Law states that California residents must notify DMV within 10 days of changing their address; therefore a resident's address should generally be current with the DMV. Utilization of resources such as the DMV database would allow for greater efficiency in the permit renewal process, while still maintaining accurate records for permit holders.

In response to the audit's finding regarding maximizing the use of the DMV database, Parking Management stated that change of address notifications sent to the DMV can be delayed by as much as six months. As a result, Parking Management believed no single source of verifying residency is always accurate and also required a current utility bill and vehicle registration for setting up new RPP permits. In doing so, Parking Management stated that it ensures verification of residency on the front end of setting up of the permit account.

In the audit's Resident RPP Survey, many residents stated they were aggravated with the documentation requirements. The audit found that Parking Management did not have adequate management controls in place to evaluate inefficiencies in the RPP Program and make appropriate and timely adjustments to the program when needed.

At the end of the audit, however, Parking Management proposed improvements to the RPP Program documentation requirements at the City Council's request. At the July 14, 2009, Finance and Management Committee meeting, Parking Management proposed limiting the required documentation for renewals to the completed renewal request form and payment of appropriate fees. Specifically, Parking Management proposed a shift to online renewals for RPP permits and not requiring proof of residency for any renewals starting January 1, 2010. The audit found the removal of the requirement for proof of residency and the addition of an online permit renewal process was not formalized in policies and procedures.

Parking Management should consider valid concerns of the public with a commitment to develop internal controls for effectively managing the RPP Program. Specifically, the audit found that one-time only proof of residency puts the RPP Program at risk for abuse without ongoing internal controls to ensure all program participants are actually Oakland residents living in established RPP zones.

We recommend Parking Management develop:

- Policies and procedures for the reduced documentation requirements, including the new frequency for verifying proof of residency and vehicle registration
- Procedures for online renewals for residents
- An impact analysis to identify needed changes in staffing and program costs due to reduced documentation requirements and the option to renew permits online

Permit Expiration is Concentrated on One Date and Creates a Backlog for RPP Permit Renewal Processing

At the time of the audit, all permits expired annually on June 30. This created a condensed period of time when a large number of residential permits needed to be processed by PCAC Staff. The large volume of permit processing resulted in delays or mistakes, which tended to frustrate Oakland residents. As stated previously, the inefficiencies in the FY 2007-08 renewal season resulted in numerous residents receiving parking citations for not having current permits. However, many residents did not have current permits because they did not receive their renewal notices or permits in the mail in a timely manner. As a result, Parking staff had to spend additional time dismissing parking citations and responding to frustrated residents.

During the July 14, 2009, Finance and Management Committee meeting, Parking Management proposed plans to stagger the permit expiration dates. However, the proposed plans in the Agenda Report for staggering expiration dates did not include a staffing impact analysis and a corresponding staffing plan. Although requested, these documents were not provided to the City Auditor's Office during the audit. **In conjunction with implementing the staggering of permit expiration dates, we recommend Parking Management conduct proper staffing analysis to determine the impact on staff time and program costs.**

RPP Program Staff Efficiency for Processing Permits Has Not Been Maximized

According to current Parking Management, the number of RPP staff reported by previous Parking Management in the September 2008 Council Agenda Report was overstated and inaccurate. Based on the staffing model from the September 2008 Council Agenda Report, five Full-Time Equivalent (FTE) staff persons were assigned during the peak renewal season. Four of the five FTEs were interns that were hired for the renewal season. Based on Parking Management's estimated permit sales for FY 2008-09, each staff person processed approximately 783 permits during the renewal season, which occurs every year from March to June. This estimate was made under the assumption that all new residential, and new business permits are also processed along with annual renewals for residential and business permits. **Based on 783 permits processed per staff person, the length of time it takes to process each permit was approximately 50 minutes.**

Exhibit 3 summarizes the staffing efficiency analysis the audit conducted. During the non-peak season, there were 4.5 FTE staff persons assigned on an on-going basis from July to February each year. Assuming these staff were only processing half year permits or temporary permits, staff processed approximately 717 permits per person throughout the non-peak season. In other words, it took approximately 50 minutes of processing time per permit. In our judgment, this length of time to process one permit application does not seem reasonable, considering the fact that there can be improvements made to the program that can increase the program's efficiency.

EXHIBIT 3: City Auditor's Staff Analysis for Permit Processing

Number of FTE	Staff Type	Hours per Day	Permits Processed	Permits per Person	Permit Process Time (in minutes)
5	Peak Season (4 months)	7.5	(1) New (2) Renewal (3) Business	783	50
4.5	Non-peak Season (8 months)	4	(1) Half Year (2) Temporary	717	50

Source: Data used for City Auditor's analysis from Parking Management-prepared "RPP Fee Increase Analysis" table used for RPP estimated revenue

The additional staff hours of peak season hires will likely not be needed if the permit expiration dates are staggered. Without an effective management system in place to maximize the use of staff, Parking Management will fail to meet its objective to serve the public efficiently.

We recommend Parking Management:

- Conduct a staffing impact analysis of the RPP Program incorporating the reduced documentation requirement, online renewal and staggered expiration date program model
- Develop a strategic staffing plan for the RPP Program to maximize efficient use of staff resources

RPP Area residents are dissatisfied with the RPP Program because of the inefficiencies of the Program

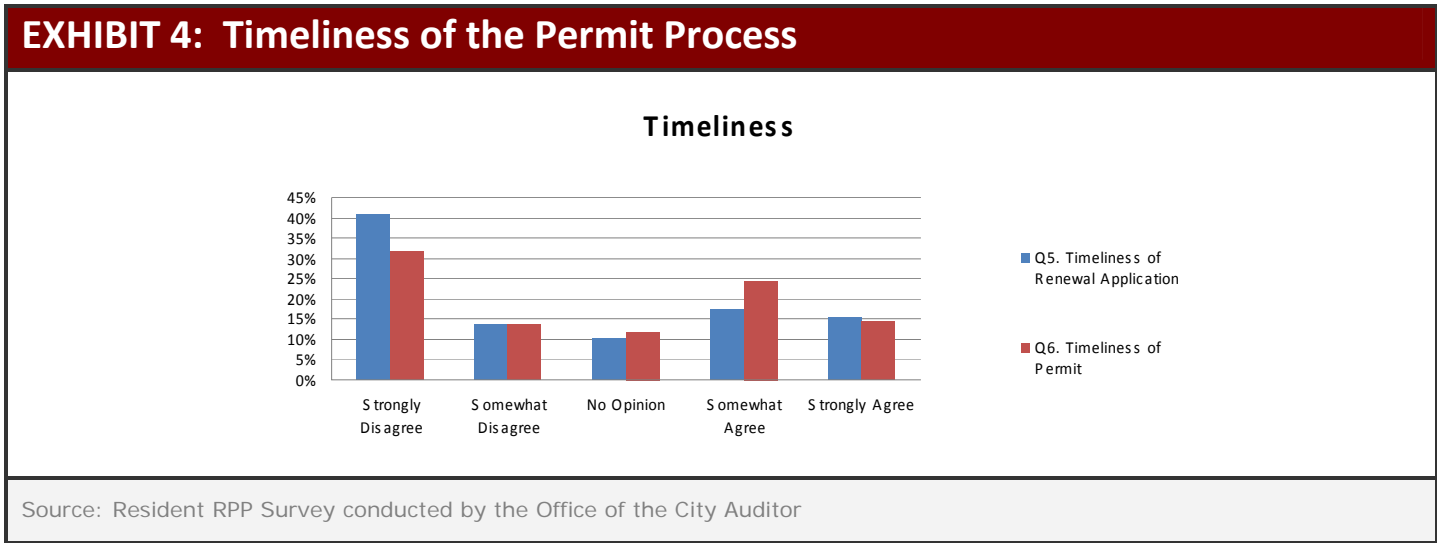
As a result of the inefficiencies of the RPP Program, many Oakland residents are frustrated with the program. The resident's dissatisfaction with the RPP Program was clearly shown in the results of the City Auditor's Resident RPP Survey. For the Resident RPP Survey, a random sample of approximately 1,400 RPP permit holders was selected from a total of 2,639 RPP permit holders listed on the Parking Division's RPP mailing list. Four hundred and ninety five mailed-in survey responses were received before the April 17, 2009 deadline, which is a 34% response rate. An additional, 45 residents completed an online survey that was sent to Oakland neighborhood associations via e-mail. Many more residents responded after the survey deadline and had additional comments and letters to the City Auditor. A summary of the comments from the survey is in Appendix D.

From the survey, 57% of respondents stated that they agree or strongly agree that, overall, they are satisfied with the program. However, other survey results indicate frustration with the process to obtain a permit. The survey results show

that residents enjoy the benefits of having the program, yet do not enjoy the burden of obtaining a permit or appealing parking citations when they are wrongly ticketed. Approximately 20% of the residents who responded to the survey by mail stated in the comment section of the survey that they did not receive their renewal application at all or received it late. Furthermore, approximately 20% of those residents stated they received a citation as a result. Many residents would like to continue to participate in the program but have a hard time paying for a service that they consider cumbersome.

Timelines

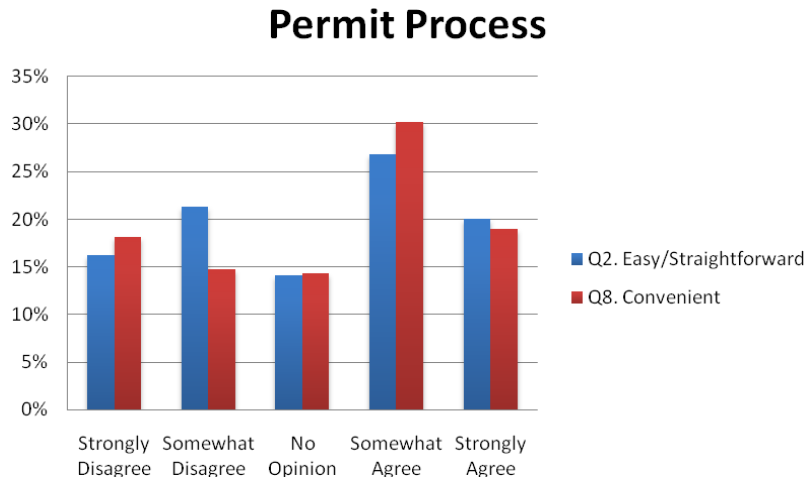
Approximately 55% of residents either strongly disagree or somewhat disagree with the statement that they received their renewal application in a timely manner and approximately 46% either strongly disagree or somewhat disagree that they received their parking permit in a timely manner, as shown in Exhibit 4.



Ease of Navigating Permit Process

The survey also asked the residents if they believed that the permit process has been relatively easy and straightforward, and whether or not it has been an overall convenient way to renew their permit. Forty seven percent of the respondents stated the process to renew their permit was easy/straightforward, while 37% stated that the process was not easy/straightforward, as shown in Exhibit 5. Fifty percent of respondents stated they agreed or strongly agreed that, overall, the parking permit process has been a convenient way to renew their permit, while 33% did not think it was a convenient process. A larger percentage disagrees about the relative ease/straightforwardness than about the convenience of the process.

EXHIBIT 5: Ease and Convenience of the Permit Process



Source: Resident RPP Survey conducted by the Office of the City Auditor

In the survey's comments, some residents have expressed that they would be willing to pay more if there was improved efficiency. Clearly, the survey results show that increasing fees without improved efficiency will result in dissatisfaction with the RPP Program.

Conclusion

The audit found that Parking Management did not manage the RPP Program efficiently and effectively, specifically in the documentation requirements, permit renewal processes, and staffing model for the RPP Program. Parking Management did not develop:

- Policies and procedures for the reduced documentation requirements, which should include the new frequency for verifying proof of residency and vehicle registration
- Procedures for online renewals for employees and residents
- An impact analysis to address any needed changes in staffing and program costs due to the reduced documentation requirements, staggering the permit process, and introducing the option to renew permits online.

These are essential components of effectively managing the RPP Program.

As a result of the inefficiencies of the RPP Program, many residents are frustrated with the program. The Resident RPP Survey results show many residents enjoy the benefits of having parking in their neighborhood, yet do not appreciate the difficulties associated with obtaining a permit or appealing parking citations that are given when they did not receive a renewal notice or permit in the mail in a timely manner. It is imperative that Parking Management serve the public in an efficient and timely manner by implementing a defined program management system that allows them to review, analyze, and address the RPP Program's operational issues.

Recommendations

We recommend Parking Management:

Recommendation #1	Develop a written policy for the new RPP Program documentation requirements including verification of registration and address information periodically, such as every other year, and assigning fines or withholding permits for residents who are not compliant.
Recommendation #2	Develop a written procedure for the new RPP Program documentation requirements for Parking staff.
Recommendation #3	Develop a written procedure for the new RPP Program documentation requirements for residents.
Recommendation #4	Utilize the DMV database to verify vehicle registration and address information as appropriate.
Recommendation #5	Develop a written procedure for processing online renewals for Parking staff. Allow residents to renew their permits online.
Recommendation #6	Develop a written procedure for online renewals for residents.
Recommendation #7	Develop a strategic staffing plan for the RPP Program, which considers the staffing impact from reducing documentation requirements, implementing an online renewal system, and staggering the permit expiration dates.

CHAPTER TWO

Parking Management Issued Residential Parking Permits to Residents with Outstanding Parking Citations, Totaling Approximately \$20,000 over Three Fiscal Years

The audit found that Parking Management did not check for outstanding citations before issuing RPP permits to residents. Furthermore, there were no documented policies or procedures in place to require Parking staff to check for outstanding citations before issuing RPP permits. The audit found checking for outstanding citations prior to issuing a RPP permit to be a best practice in five out of eight cities surveyed in the RPP City Comparison Survey conducted by the City Auditor's Office. From FY 2006-07 through FY 2008-09, approximately \$20,000 could have been collected in outstanding parking citations from residents who were issued permits. In light of the City's revenue crisis, it is important that Parking Management collect all revenue due to the City.

Parking Management did not collect approximately \$20,000 in revenue from outstanding parking citations over three fiscal years

Parking Management documented in the Citation Administration and Revenue Reconciliation System (CARRS) Request for Proposal (RFP) that the Parking Office collects outstanding parking citations before issuing a permit, and that the Parking Office notifies residents about their outstanding parking citations in their residential permit renewal letters. However, the audit found that Parking Management did not have a procedure in place requiring Parking staff to check for outstanding parking citations before issuing a permit to a resident, nor do they notify residents of outstanding citations in their residential permit renewal letters. Parking Management confirmed that this revenue collection control was not in place at the time of the audit.

The audit found that \$12,823 could have been collected in FY 2006-07, \$6,697 in FY 2007-08 and \$436 in FY 2008-09 from residential parking permit recipients with outstanding parking citations. As shown in Exhibit 6, this totals approximately \$20,000 over the three year period.

EXHIBIT 6: Uncollected Revenue in Outstanding Parking Citations from Residents Who Were Issued RPP Permits

Fiscal Year	Uncollected Revenue in Outstanding Parking Citations
FY 2006-07	\$12,823
FY 2007-08	\$6,697
FY 2008-09	\$436
Total	\$19,956
Source: City of Inglewood - AutoProcess Custom Reports provided by Parking Management	

Best Practices from other cities show that residents should be required to pay outstanding citation fines before receiving an RPP permit

In the audit's survey of other cities' RPP programs, five out of the eight cities surveyed instituted a best practice revenue collection control – where residents are required to pay outstanding citation fines before receiving a permit. Exhibit 7 summarizes the survey results regarding the surveyed jurisdictions' outstanding citation collections practice as it relates to their RPP Programs.

EXHIBIT 7: RPP City Comparison Survey Results

Does your city have a system check which prevents residents with outstanding parking citations from obtaining a permit?		
Answer Options	Response Percent	Response Count
Yes	62.5%	5
No	37.5%	3
Comments		4
<i>answered question</i>		8
<i>skipped question</i>		0

COMMENTS

City	System check
Berkeley	<u>Manual Process</u> The person requiring a permit is checked on the Citation Management System for parking citations. If a person has any parking citations, permit is denied.
Los Angeles	<u>Automatic Process</u> eTIMS prevents permit issuance when a resident has outstanding parking citations.
Madison	<u>Manual Process</u> We check Police database for outstanding parking citations before issuing a permit.
San Francisco	<u>Manual Process</u> New permit applications are processed manually by staff who verify parking citations recorded on the license plate. Renewal notices sent annually integrate with parking citations database and print citation amount due on renewal notice. Permits are not issued unless/until parking citations are paid.
Source: Office of the City Auditor's RPP City Comparison Survey Results	

As discussed in Chapter 1, there are areas for improvement in the efficiency of the RPP Program. Due to program inefficiencies, it is imperative that Parking Management institute a procedure that ensures residents who are currently appealing a citation are not kept from obtaining a permit. Effective management systems ensure that Parking Management can balance its role of providing efficient permit processing with pursuing revenue due to the City in an appropriate and fair manner.

Parking Management did not implement a policy and procedure to check for outstanding parking citations before issuing a permit

Parking Management lacked clear policies and procedures to identify Parking staff's responsibility to check for outstanding parking citations before issuing a permit. Parking staff were not aware that they were required to withhold permits if there were outstanding citation fines for a resident.

We recommend Parking Management formalize and document a clear policy and procedure requiring Parking staff to check for outstanding parking citations before issuing a permit. We also recommend that Parking Management begin immediately notifying residents of outstanding citations in RPP renewal notices.

Conclusion

Parking Management documented in the Citation Administration and Revenue Reconciliation System (CARRS) Request for Proposal (RFP) that the Parking Office collects outstanding parking citations before issuing a permit and that the Parking Office notifies residents about their outstanding parking citations in their residential permit renewal letters. The audit found that Parking Management did neither nor was there a documented procedure in place requiring staff to check for outstanding permits. Approximately \$20,000 in citation revenue could have been collected Had Parking Management enforced collection of outstanding parking citations prior to the renewal of RPP parking permits during FY 2006-07 through FY 2008-09. Efforts should still be made by Parking Management to collect outstanding Parking citations – where residents are not currently appealing the citation.

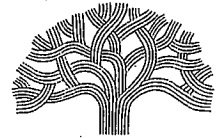
It is important to note that with effective management systems, Parking Management can ensure that the RPP Program is operating efficiently and effectively. With these systems, Parking Management will be able to ensure that every effort is made to collect revenue owed to the City in an appropriate and fair manner.

RECOMMENDATIONS

We recommend Parking Management:

Recommendation #8	Develop a procedure to notify residents of any outstanding citations in RPP permit renewal notices.
Recommendation #9	Develop clear policies and procedures to withhold new and renewal permits from residents seeking an RPP permit who have outstanding parking citations and assign appropriate roles and responsibilities to Parking staff for enforcement.
Recommendation #10	Collect outstanding citations from FY 2006-07 through FY 2008-09, while allowing residents with citation appeals to be issued their RPP permit.

CITY OF OAKLAND



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June 15, 2010

Ms. Courtney Ruby
City Auditor
City of Oakland
150 Frank H. Ogawa Plaza
Oakland, CA 94612

Re: Response to Performance Audit of the Residential
Parking Program

Dear Ms. Ruby:

Attached please find the City's response to the Residential Permit Parking Program (RPP) audit, addressing Fiscal Years 2007-2008 and 2008-2009, under the previous Parking Management.

We acknowledge that some improvements have been made to the final draft of the audit to clarify that the audit deals with issues under prior management. We would like to further emphasize, however, that number of issues raised in the audit already have been or are being addressed by the current Parking Management. We request our initial and current responses to the audit (dated May 19, 2010 and June 15, 2010) be made a part of the record and release of the final report.

The current Parking Management team has already implemented procedures and internal controls for the RPP program, addressing many of the issues raised in your audit. Further, we have responded to each of the recommendations in your audit in terms of what we think is feasible, practical, and reasonable given the City's severe budget reductions and lack of staff. In summary, staff in Parking and other departments will take the following actions to implement the audit's recommendations:

Cost Recovery for RPP program – The Budget Office will formalize and document through Council Ordinance what types of costs are to be included and recovered for specific government programs and when less than full cost recovery would be appropriate. Furthermore, Administrative Instruction #19 and the Master Fee Schedule will be revised accordingly.

Contracts – The City has signed a new long term RPP contract with Kaiser Permanente which addresses audit recommendations; Parking Management will negotiate a new RPP contract with Head-Royce School.

Area B RPP Ordinance – Parking Management will submit a Resolution to Council to formally rescind the 1991 Resolution which waived RPP permit fees to Area B residents.

All other recommendations have either been implemented or are not practical for Oakland's RPP program.

The Parking Division's Management team is committed to further refining the administration of the RPP program. We look forward to a further dialogue with you as we accomplish this.

Sincerely,

A handwritten signature in cursive script that reads "Noel Pinto".

Noel Pinto
Director, Parking Operations

cc: Dan Lindheim
Marianna Marysheva-Martinez
PCAC Supervisor

CITY OF OAKLAND

Response **to**

*The Final Draft Report of the Residential Permit Parking Program
Performance Audit #3*

June, 2010

Audit Response

This is a response to the audit conducted by the City Auditor regarding the Residential Parking Permit (RPP) program performance audit report #3. While some audit recommendations may help to further strengthen the administration of the RPP program, the audit report has some inaccurate statements in the final draft which the City is not in agreement with.

Although some changes to the audit report requested by the Parking division have been made, the report overall does not clearly emphasize that the audit findings reflect actions or decisions made by the prior parking administration. The report gives the appearance that the audit findings reflect current conditions under the new parking administration which is not the case.

RPP Report # 3

Chapter I: Parking Management lacked a management system for the RPP program resulting in operational and oversight inefficiencies.

RECOMMENDATION NO. 1: Develop a written policy for the new RPP Program documentation requirements including verification of registration and address information periodically, such as every other year, and assigning fines or withholding permits for residents who are not compliant.

RECOMMENDATION NO. 2: Develop a written procedure for the new RPP Program documentation requirements for Parking Staff.

RECOMMENDATION NO. 3: Develop a written procedure for the new RPP Program documentation requirements for residents.

RECOMMENDATION NO. 4: Utilize the DMV database to verify vehicle registration and address information as appropriate. By law, California residents are to have their current address on file with DMV.

RECOMMENDATION NO. 5: Develop a written procedure for processing online renewals for parking staff. Allow residents to renew their permits online.

RECOMMENDATION NO. 6: Develop a written procedure for online renewals for residents.

RECOMMENDATION NO. 7: Develop a strategic staffing plan for the RPP Program, which considers the staffing impact from reducing documentation requirements, implementing an online renewal system, and staggering the permit expiration dates.

Management's Response:

While an RPP program management system might have lacked in the past, current Parking Management has implemented a streamlined process for issuing parking permits. Because all parking permit renewals were previously due at the same time of the year, there was an annual spike in the staff's workload to process all the permits. To address this issue, the PCAC adopted a staggered due date that will spread the number of renewals over the year on a quarterly basis. This will address the spike in the staff workload and should result in residents receiving their permits in a timelier manner (please see new application processing procedures in Attachment #1). Additionally, the new Citation Administration and Revenue Reconciliation System (CARRS) will offer residents on-line residential parking permit renewals.

In Conclusion:

Regarding Recommendations #1-5: Procedures have been established (see Attachment #1). The new on-line renewal process will simplify the renewal process.

Regarding Recommendation # 6: In process developing these procedures with ACS management and these procedures will be posted on Parking Division's website.

Regarding Recommendation # 7: Permit expiration dates have been staggered starting FY 2010/2011. Additionally, two PSR vacancies have been filled enabling management to assign two dedicated staff for RPP renewals with trained back-up staff.

Chapter II: Parking Management issued Residential Parking Permits to residents with outstanding parking citations, totaling approximately \$20,000 over three fiscal years.

RECOMMENDATION NO. 8: Develop a procedure to notify residents of any outstanding citations in RPP permit renewal notices.

RECOMMENDATION NO. 9: Develop clear policies and procedures to withhold new and renewal permits from residents seeking RPP permit who have outstanding parking citations and assign appropriate roles and responsibilities to Parking staff for enforcement.

RECOMMENDATION NO. 10: Collect outstanding citations from FY2006-07 through FY 2008-09, while allowing residents with citation appeals to be issued their RPP permit.

Management's Response:

Parking Management has implemented procedures to check for outstanding parking citations before issuing RPP permits (see procedures in Attachment #1). Parking Division staff now verifies that there are no outstanding citations due on a vehicle prior to issuing a residential parking permit. Outstanding citations have to be paid in full prior to renewal of residential permits or issuance of new permits. The new ACS system has a feature which prevents permit issuance when a resident has outstanding parking citations and this feature will be fully utilized.

In Conclusion:

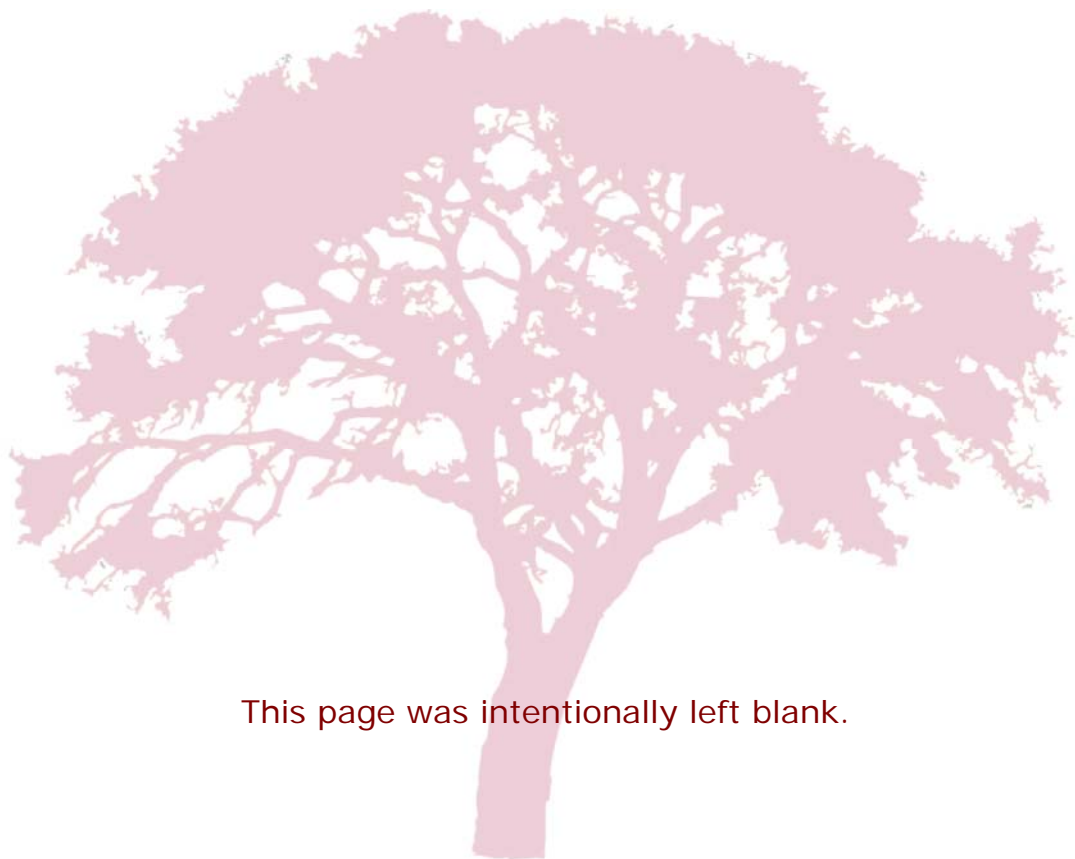
Regarding Recommendations # 8-9: These recommendations have been implemented (see Attachment # 1).

Regarding Recommendation # 10: Waiting for updated data from the new ACS System; however, beginning July 1, 2010 no RPP permits will be renewed for any resident with outstanding citations unless the citations are paid in full or appealed.

RESIDENTIAL PARKING PERMIT APPLICATION PROCESSING ASSIGNED TO PCAC STAFF

The procedures for the residential parking permits are outlined as follows:

- The City of Oakland's Parking Management Agency will mail renewal notices 45 days in advance, to all residents based on the staggered renewal schedule, automated by ACS system, beginning July 1, 2010.
- Residential parking permits, new or renewed, will no longer be issued to any resident whose vehicle has outstanding parking citations.
- Renewal notices will include a listing of all outstanding parking citations, obtained from the department's Citation Management System, along with instructions for payment.
- Beginning with renewal notices being sent during 2010, residents will no longer need to provide proof of their residence, every year, in order to obtain a residential parking permit.
- Every three years residents will be required to provide proof of their residency (copy of utility bill) in order to renew their residential parking permit.
- Procedure steps
 - Open mail
 - Identify RPP application (New or Renewal)
 - Check and verify proof of residency
 - Check if applicant has any unpaid citations
 - Verify address and corresponding RPP Area
 - Verify type of permit (Business or Residential)
 - Verify check amount matches permit type (Business or Residential)



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Analysis and Summary of Actions Necessary to Close the Report

We provided a final draft audit report to the City Administrator's Office and Parking Management for review and comment. Parking Management's response describes their actions taken or plans for implementing our recommendations. The Analysis and Summary of Actions Necessary to Close the Report summarizes our analysis of both the agreements between the Office of the City Auditor and Parking Management on actions necessary to close the report. The status of each of the ten recommendations at the time of publication for this audit is unresolved, partially resolved, resolved or closed.¹

Recommendation #1	<p>Resolved – In response to the audit's findings, Parking Management developed a written a policy for the new RPP Program documentation requirements, where program documentation for permit renewals is verified every three years. The policy lacked additional detail to describe if a penalty would be charged or the permit would be withheld for noncompliant residents.</p> <p>To close this recommendation, Parking Management should include in the Residential Permit Parking Manual, the revised "Residential Parking Permit Application Processing Assigned PCAC Staff" document including the appropriate actions to be taken for residents who are noncompliant with the renewal documentation requirements. The revised Residential Permit Parking Manual should be provided to the Office of the City Auditor by January 3, 2011.</p>
Recommendation #2	<p>Resolved – In response to the audit's findings, Parking Management developed a written a procedure for the new RPP Program documentation requirements, where program documentation for permit renewals is verified every three years. The procedure lacked additional detail to describe criteria or staff roles and responsibilities for every aspect of the process. For example, the procedure did not specify the criteria or procedures for charging penalties such as a fine or withholding permits for noncompliant residents.</p> <p>To close this recommendation, Parking Management should include in the Residential Permit Parking Manual, the revised "Residential Parking Permit Application Processing Assigned PCAC Staff" document with additional detail about criteria, and staff roles and responsibilities. The revised Residential Permit Parking Manual should be provided to the Office of the City Auditor by January 3, 2011.</p>

¹ Unresolved status indicates no agreement on the recommendation or the proposed corrective action. Implementation of proposed corrective action is directed in the City Auditor's Analysis and Summary of Actions Necessary to Close the Report. Partially Resolved status indicates partial agreement on the recommendation or the proposed corrective action. Implementation of the proposed corrective action is clarified in the Analysis and Summary of Actions Necessary to Close the Report. Resolved status indicates agreement on the recommendation and the proposed corrective action. Implementation of the proposed corrective action forthcoming from the auditee. Closed status indicates the agreed upon corrective action is complete and the impact of the action will be reviewed during future audit follow-up.

Recommendation #3	<p>Resolved – Parking Management agreed to develop a written procedure on the new RPP Program documentation requirements to be communicated to residents. Parking Management should provide the Office of the City Auditor with a copy of the FY 2010-11 permit renewal notices sent to residents that include the new RPP Program documentation requirements and the procedure for residents to comply. The new documentation requirements should also be posted on the RPP Program webpage.</p> <p>To close this recommendation, Parking Management should provide the Office of the City Auditor with a copy of the new documentation requirements for residents in the format of the FY 2010-11 renewal letters and RPP Program webpage by July 30, 2010.</p>
Recommendation #4	<p>Closed – Parking Management did not agree with our recommendation to utilize the DMV database to verify vehicle registration and address information as appropriate due to the fact that it takes DMV more than six months to make updates to addresses. In response to our recommendation, Parking Management implemented new documentation requirements. As a result of the new documentation requirements for verifying resident documentation every three years, Parking Management addressed the objective of this recommendation, which was to streamline the documentation requirements for residents. The Office of the City Auditor will review the implementation of these procedures in a follow up review.</p>
Recommendation #5	<p>Resolved – In response to the audit’s findings, Parking Management developed a new documentation management procedure for Parking staff; however they did not include a procedure for online renewals. The online renewal procedures should include detail to describe criteria, and staff roles and responsibilities for every aspect of online renewal process. These aspects include the review of the online submittals, verification of Oakland resident addresses, processing of online payments, and verification of outstanding parking citations.</p> <p>To close this recommendation, Parking Management should include in the Residential Permit Parking Manual, the revised “Residential Parking Permit Application Processing Assigned PCAC Staff” document with additional detail about criteria, and staff roles and responsibilities for processing online permit renewals. Parking Management should provide a revised copy of the Residential Permit Parking Manual to the Office of the City Auditor by July 30, 2010.</p>

Recommendation #6	<p>Resolved – Parking Management agreed with our recommendation and is in the process of developing a written procedure for online renewals to be communicated to residents. Parking Management should provide the Office of the City Auditor with a copy of the FY 2010-11 permit renewal notices showing the new procedure for online renewals. The new online renewal procedures should also be posted on the RPP Program webpage.</p> <p>To close this recommendation, Parking Management should provide the Office of the City Auditor with a copy of the new procedure for online renewals for residents in the format of the FY 2010-11 resident renewal letter and RPP Program webpage by July 30, 2010.</p>
Recommendation #7	<p>Unresolved – Parking Management believes that it addressed this recommendation by staggering the permit expiration dates and assigning two staff to work solely on the program. However, the Office of the City Auditor found that these steps did not address the recommendation, which is to develop a comprehensive staffing plan. A comprehensive staffing plan would provide an outlook for the year as it relates to staffing the program and would assign roles and responsibilities for all of the key staff who have any responsibilities related to the program. Furthermore, a staffing plan would clearly document how Parking Management determines how many full time equivalents (FTEs) are needed to run the program efficiently and effectively. The audit found that the current Parking Management’s staffing strategy of assigning two staff in its staffing assessment, does not 1) define roles and responsibilities for all staff, such as assigning staff for accounting responsibilities; 2) omits other personnel that are necessary for program management, such as the Administrative Services Manager who would manage the two RPP Program staff; and 3) clearly identify how Parking Management decided only two FTE were needed for the program.</p> <p>To resolve this recommendation Parking Management should develop a comprehensive staffing plan and provide a copy to the Office of the City Auditor by January 3, 2011.</p>
Recommendation #8	<p>Resolved – In response to the audit’s findings, Parking Management developed a procedure to notify residents of any outstanding citations in RPP permit renewal notices. Under this new procedure, Parking staff will include a list of all outstanding parking citations along with instructions for payment in the renewal notices.</p> <p>To close this recommendation, Parking Management should include in the Residential Permit Parking Manual the revised “Residential Parking Permit Application Processing Assigned PCAC Staff” document with additional details about roles and responsibilities for staff as it relates to notifying residents of any outstanding citations. Parking Management should provide a revised copy of the Residential Permit Parking Manual to the Office of the City Auditor by July 30, 2010.</p>

Recommendation #9	<p>Resolved – In response to the audit’s findings, Parking Management developed a policy and procedure for Parking staff to check for outstanding citations and withhold permits from residents seeking an RPP permit who have outstanding parking citations. However, the policy and procedure provided lacked additional detail to describe roles and responsibilities for every aspect of this process. For example, if a resident is contesting a citation and the citation is in administrative review, a documented policy and procedure should be in place for staff to appropriately administer the RPP Program.</p> <p>To close this recommendation, Parking Management should include in the Residential Permit Parking Manual the revised “Residential Parking Permit Application Processing Assigned PCAC Staff” document with additional detail about roles and responsibilities for staff as it relates to withholding RPP permits. Parking Management should provide the revised document to the Office of the City Auditor by January 3, 2011.</p>
Recommendation #10	<p>Partially Resolved – In response to the audit’s findings, Parking Management stated beginning July 1, 2010, no RPP permits will be renewed for any resident with outstanding citations unless the citations are paid in full or appealed. Parking Management was silent on actions to collect outstanding citations from FY 2006-07 through FY 2008-09.</p> <p>To close this recommendation, Parking Management should provide evidence of action taken to collect these outstanding citations to the Office of the City Auditor by July 30, 2010.</p>

APPENDIX A

Resident RPP Survey

Survey Methodology

We obtained the RPP resident mailing list from the Parking Revenue Analyst on March 17, 2009. The mailing list included 2,639 addresses, after filtering for duplicates. We randomly sampled 60% of the addresses for each area. The chart below details the sample selection per area and the corresponding response rate.

Permit Area	Sample	Response Rate
A	339	31%
B	106	22%
C	482	43%
D	126	30%
E	34	27%
F	243	23%
G	39	31%
I	28	36%
J	30	27%
K	4	25%
L	8	38%
Total	1439	38%

Each address sampled was mailed a cover letter and survey in three languages: Mandarin, English and Spanish. A link to an online version of the survey was sent out to neighborhood associations via e-mail.

Additional Sample Details

Area H is no longer a permitted area as of July 2008. Thus, Area H was not included in our sample. Area M is in the Jack London district, which is considered a mixed-use area in that there are many businesses and residencies inhabiting the same space. Area M was not sampled because the fees differ from the residential permit fee. However, Area M residents were still encouraged to provide input on the RPP Program via e-mail. Area A contains both addresses of residents who pay for RPP permits, and addresses of residents who don't pay for RPP permits. The sample was randomized to include both types of permit-holders. All of Area E does not pay for RPP permits. Residents who don't pay for permits have their permits paid for by a third party entity. Third party entities are discussed in the second Residential Permit Parking audit report.

Survey Response

There were 495 mailed-in survey responses before the April 17, 2009 deadline, which is a 34% overall response rate. An additional, 45 residents completed an online survey that was sent to neighborhood associations via e-mail. Many more residents responded after the survey deadline with additional comments and letters to the City Auditor.

APPENDIX B

Resident Survey Cover Letter

Dear Oakland Resident:

As your elected City Auditor, I am conducting a performance audit of the City of Oakland's Residential Permit Parking (RPP) Program. As part of the audit, **I need input from residents like you.**

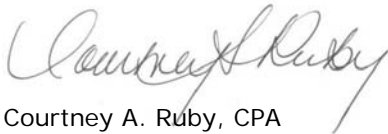
Please fill out the survey and include any comments, concerns, or suggestions at the bottom. *Please enclose it in the self-addressed stamped envelope and place it in the mail no later than April 17, 2009.* The survey is provided in three languages: English, Spanish, and Chinese.

I would like to **thank you in advance for participating** in this survey. Your input is extremely valuable to our audit of the RPP Program.

The results of our audit will be shared with the public and posted on our website for you to read. To receive updates about this and other audits, please sign up for my email update list at www.oaklandauditor.com.

If you have any questions, please feel free to contact my office at cityauditor@oaklandnet.com or (510) 238-3378.

Sincerely,



Courtney A. Ruby, CPA
City Auditor

APPENDIX C

Office of the City Auditor Residential Permit Parking Survey



1. Residential Area _____
2. Current Street Address _____
3. At Current Address Since (MM/YYYY) _____
4. Number of Permits in Household _____
5. Number of Vehicles in Household _____
6. Permit Type(s) Purchased This Year:

- | | |
|---|---|
| <input type="checkbox"/> Annual (new) | <input type="checkbox"/> Visitor (1 Day) |
| <input type="checkbox"/> Annual (renewal) | <input type="checkbox"/> Visitor (14 Days) |
| <input type="checkbox"/> Business | <input type="checkbox"/> Half-year Annual |
| <input type="checkbox"/> Replacement | <input type="checkbox"/> Half-year Business |

7. Please rate the following statements on a scale of 1 to 5, with 1 being "strongly disagree," 2 "somewhat disagree," 3 "no opinion," 4 "somewhat agree," and 5 "strongly agree."

1. Overall, I am satisfied with the Residential Permit Parking (RPP) Program.	1	2	3	4	5
2. It is relatively easy and straightforward to obtain a parking permit in Oakland.	1	2	3	4	5
3. Current parking permit fees place a financial burden on my family.	1	2	3	4	5
4. I would rather pick up my permit at the Parking Citation and Assistance Center than rely on receiving it in the mail.	1	2	3	4	5
5. I usually receive my renewal application in a timely manner.	1	2	3	4	5
6. I usually receive my parking permit in a timely manner.	1	2	3	4	5

7. The RPP Program improves availability of parking to residents in my neighborhood.	1	2	3	4	5
8. Overall, the parking permit process has been a convenient way for me to renew my permit.	1	2	3	4	5
9. Increased parking permit fees would place a significant financial burden on my family.	1	2	3	4	5
10. The parking limits for nonresidents are adequately enforced in my area.	1	2	3	4	5
11. I frequently park my car inside my garage or on my driveway.	1	2	3	4	5
12. The RPP Program discourages nonresidents from parking in my neighborhood for long periods of time.	1	2	3	4	5
13. I think \$40 is a reasonable amount to pay for an annual parking permit.	1	2	3	4	5
14. I think \$60 is a reasonable amount to pay for an annual parking permit.	1	2	3	4	5
15. I think \$80 is a reasonable amount to pay for an annual parking permit.	1	2	3	4	5

8. Please use the space below to voice any comments, concerns, or suggestions you may have about the City of Oakland's Residential Permit Parking Program.

APPENDIX D

Survey Results

Appendix D presents the Residential Permit Parking survey results and are focused on the responses to questions on the RPP Program's operations rather than on fees. Please see the first RPP Audit Report for analysis and evaluation of the RPP Program permit fees. The responses are not shown in the order of questions as listed on the survey. Rather, they are grouped by RPP Program operations issue area. If you would like to quickly refer to an answer to a particular question, use the chart below.

EXHIBIT 1²

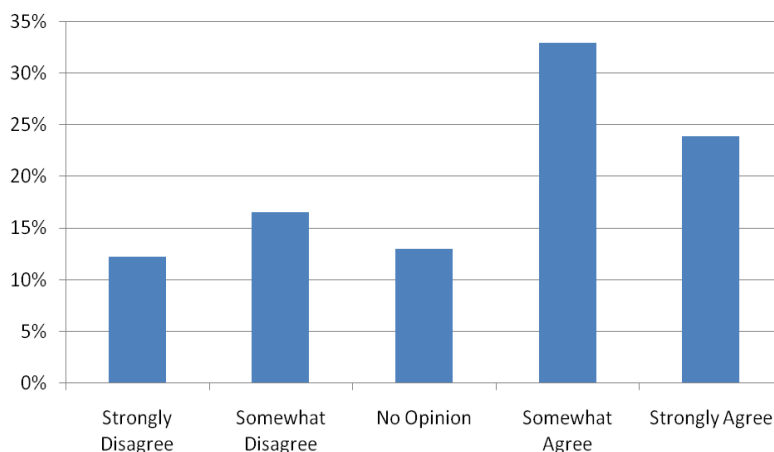
Survey Question	Exhibit No.
1 - Overall Satisfaction	2-3
7 - Limiting Nonresident Parking	4-7
10 - Limiting Nonresident Parking	4-7
12 - Limiting Nonresident Parking	4-7
11 - Parking Availability	8-9
5 - Timeliness	10-12
6 - Timeliness	10-12
2 - Permit Process	13-16
8 - Permit Process	13-16
4 - Permit Process	17
Resident Survey Comments Summary	Page XX

Overall Satisfaction

Oakland residents' general satisfaction with the RPP Program; survey results illustrate that approximately 57% either strongly agree or somewhat agree with the statement, "Overall, I am satisfied with the Residential Permit Parking (RPP) Program." (Q1.) The graph below illustrates the distribution of responses.

EXHIBIT 2

Overall Satisfaction

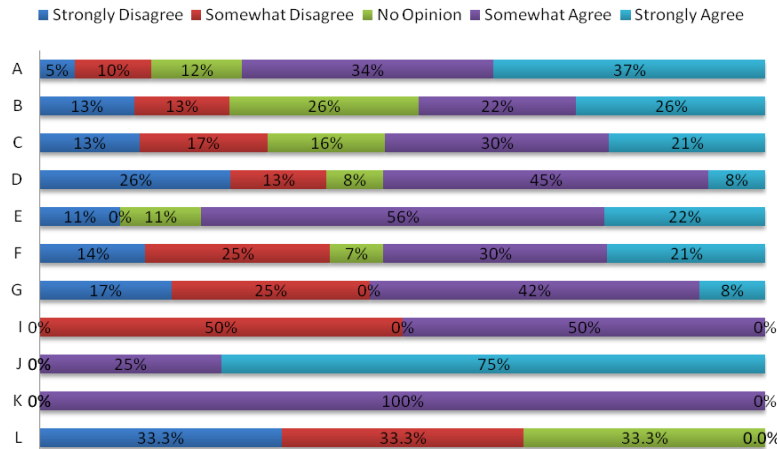


The breakdown of responses by permit area is illustrated below. The majority of residents in Area A and J strongly agree with the statement that they are satisfied overall with the RPP Program. The majority of residents in Areas C-I and K somewhat agree, and residents in Area B are split between strongly agreeing with the statement and having "no opinion." Area L is split between strongly disagreeing, somewhat disagreeing and having no opinion. Please note that there was only one citizen who responded from Area K and three from Area L.

² As noted above, Appendix D only includes survey results relevant to RPP operations. Questions 3, 9, 13, 14 and 15 are related to the RPP Program permit fees. Please refer to the first RPP Audit Report for an analysis on the RPP Program fee.

EXHIBIT 3

Overall Satisfaction



Moreover, the results of the online survey generally follow the results of the mailed survey. The majority of respondents somewhat agree that they are satisfied with the RPP Program.

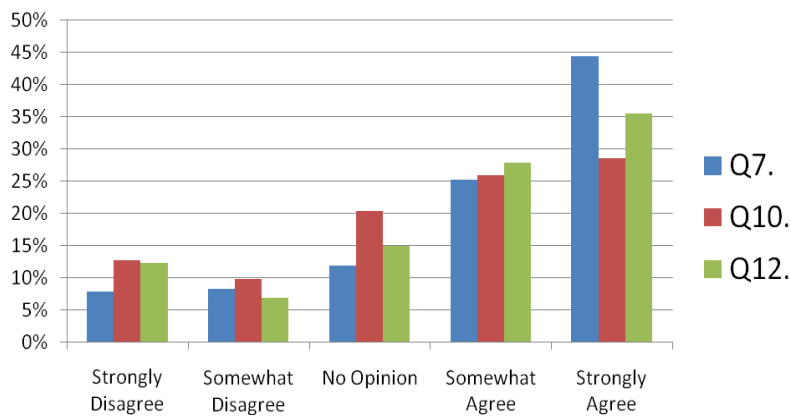
Limiting Nonresident Parking

According to the Resident RPP Survey results, residents believe that the Program improves the availability of parking in their neighborhood, and that non-residents are discouraged from parking in their neighborhood for long periods of time. A smaller percent agree that parking limits for non-residents are adequately enforced.

- Q7. "The RPP Program improves availability of parking to residents in my neighborhood."
- Q10. "The parking limits for non-residents are adequately enforced in my area."
- Q12. "The RPP Program discourages nonresidents from parking in my neighborhood for long periods of time."

EXHIBIT 4

Limits & Enforcement



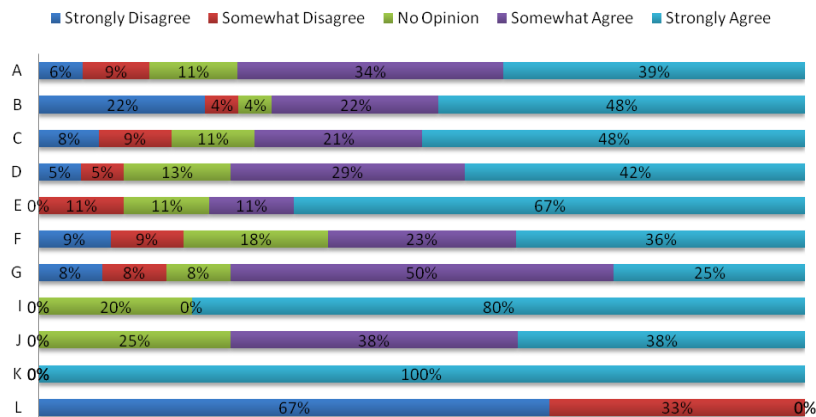
While the results of the online survey generally follow the results of the mailed survey, a larger percentage of respondents to the mail survey strongly agreed or somewhat agreed to the statement that the parking limits for nonresidents are adequately enforced. The majority of online respondents:

- (1) Strongly agree that the RPP Program improves availability of parking.
- (2) Have no opinion about parking limits being adequately enforced for nonresidents.
- (3) Strongly agree that the RPP Program discourages nonresidents from parking in their neighborhood for long periods of time.

The breakdown of responses is generally consistent among permit areas. Area L is the least consistent in residents' evaluation of the RPP Program's improvement of parking availability.

EXHIBIT 5

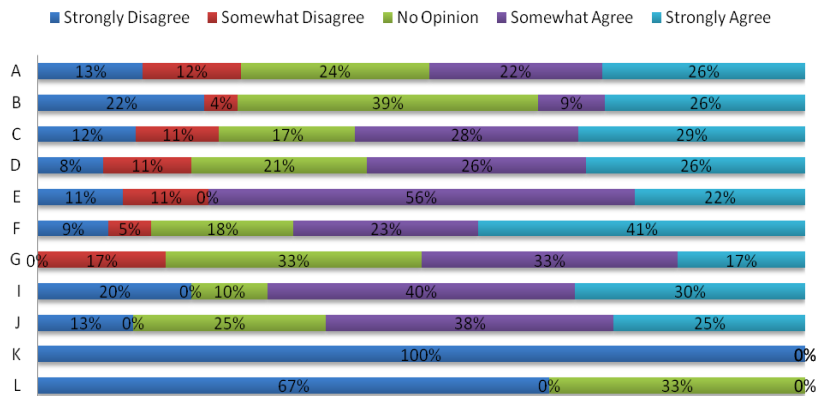
RPP Improves Availability of Parking



Area L and K residents also illustrate inconsistency as to the extent to which the limits for nonresidents are adequately enforced.

EXHIBIT 6

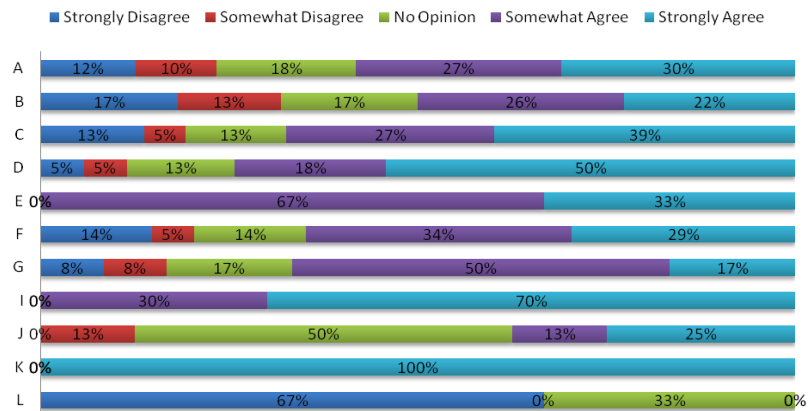
Limits for Nonresidents Adequately Enforced



As shown in Exhibit 7, approximately 63% of survey respondents strongly or somewhat agree that the RPP Program discourages nonresident parking. Area L residents fail to follow the trend. All survey respondents in Areas E and I either only strongly agree or somewhat agree with the statement.

EXHIBIT 7

RPP Discourages Nonresident Parking

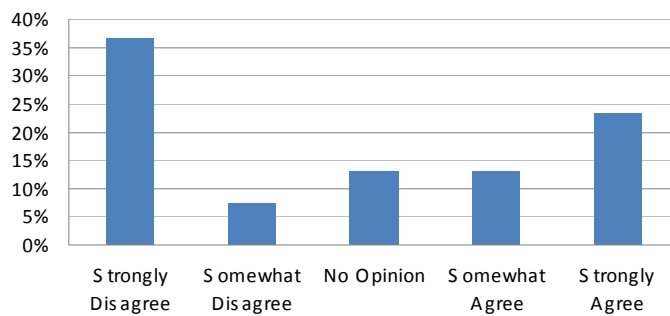


Parking Availability

Question 11 of the survey asks residents if they agree with the statement "I frequently park my car inside my garage or on my driveway." Thirty six percent of the residents somewhat agree or strongly agree with the statement, while 44% somewhat disagree or strongly disagree.

EXHIBIT 8

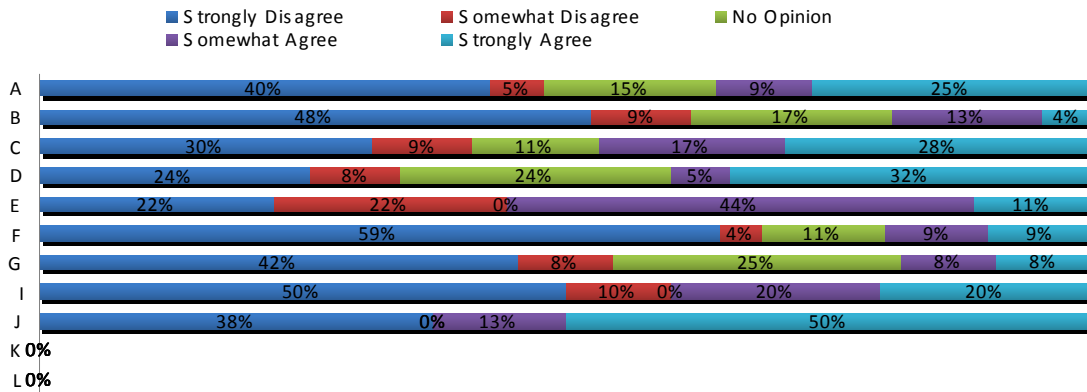
Frequently Parks in Garage or Drive Way



The graph by RPP area in Exhibit 9 is consistent with the graph in Exhibit 8 above; however, Areas K and L residents did not answer this question.

EXHIBIT 9

Frequently Parks in Garage or Drive Way



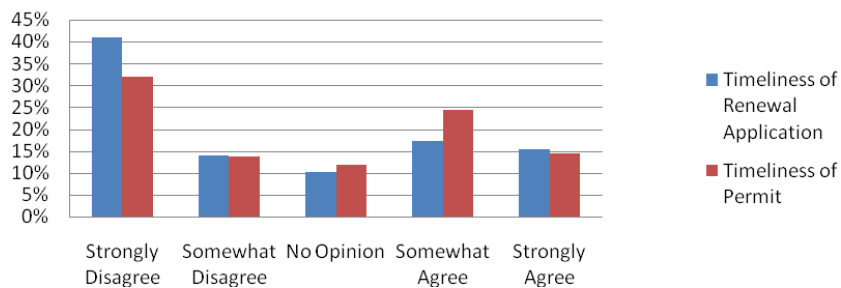
Timeliness

Approximately 55% of residents either strongly disagree or somewhat disagree with the statement that they receive their renewal application in a timely manner, and approximately 46% either strongly disagree or somewhat disagree that they receive their parking permit in a timely manner.

- Q5. "I usually receive my renewal application in a timely manner."
- Q6. "I usually receive my parking permit in a timely manner."

EXHIBIT 10

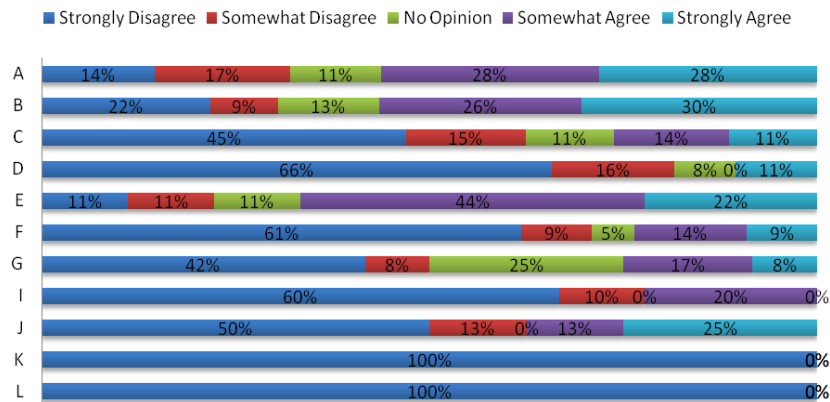
Timeliness



Areas D, F, I, K and L have the highest percentage of respondents who strongly disagree about the timeliness of the renewal application materials.

EXHIBIT 11

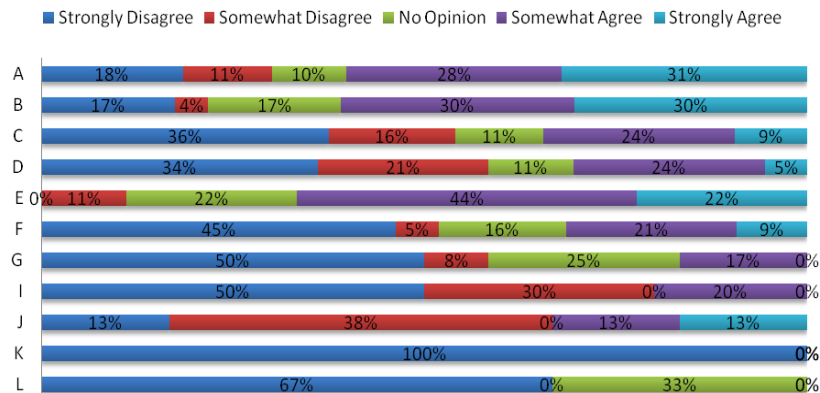
Timeliness of Renewal Application



Areas G, I, K and L have the highest percentage of respondents who strongly disagree that their receipt of parking permits is timely.

EXHIBIT 12

Timeliness of Permit



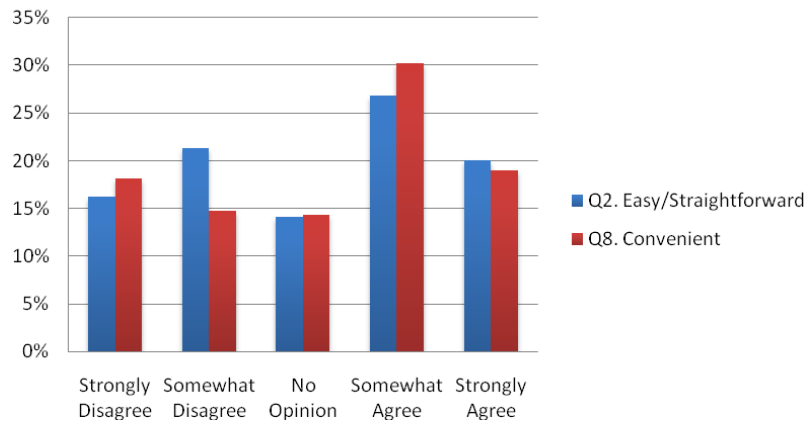
The results of the online survey do not follow the results of the mailed survey. The majority of online respondents have no opinion about whether they usually receive their renewal application in a timely manner, or whether they receive their permit in a timely manner.

Ease of Navigating the Permit Process

Majority of survey respondents either strongly agree or somewhat agree that the process is both easy/straightforward and convenient. A slightly larger percentage of residents disagree about the relative ease/straightforwardness, than they do about the convenience of the process.

EXHIBIT 13

Permit Process



The breakdown of responses is generally consistent among permit areas, with the exception of Area L.

EXHIBIT 14

Relative Ease/Straightforwardness of Process

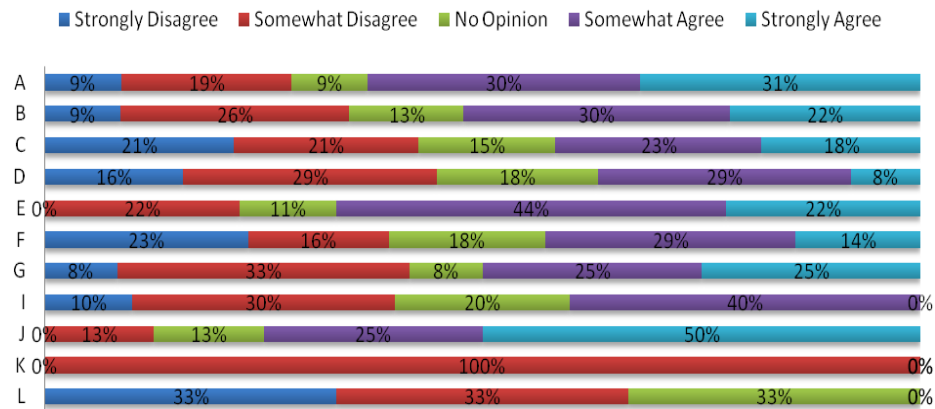
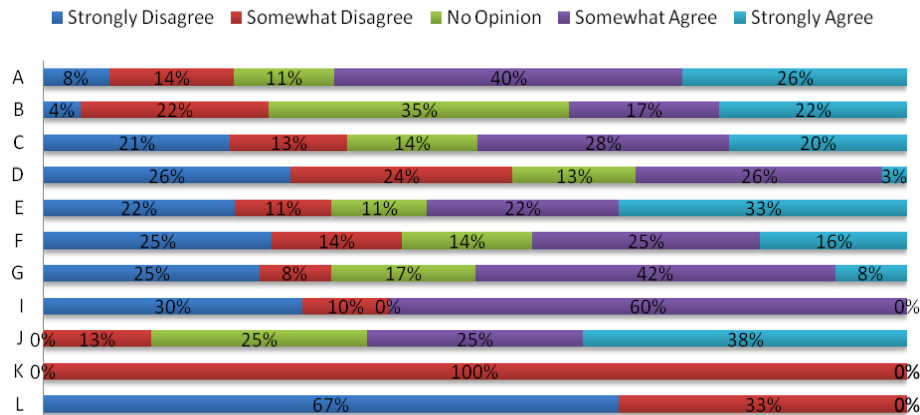


EXHIBIT 15

Permit Process Convenient Overall

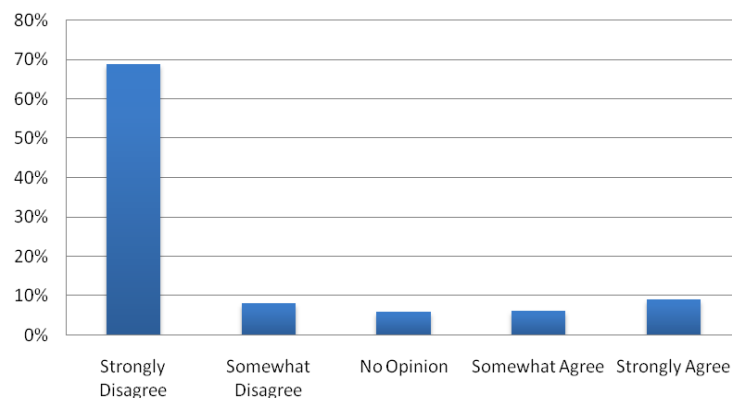


A majority of respondents to the online survey somewhat agree that it is relatively easy and straightforward to obtain a parking permit in Oakland, and somewhat agree that the permit process has been a convenient way to renew their parking permit.

Despite some residents' disagreement with the statement about the convenience of the process, approximately 77% of respondents either strongly disagree or somewhat disagree with the statement asked in question four that states they would rather pick up their permit than rely on receiving it in the mail. The results of the online survey also illustrate residents' strong disagreement with the statement.

EXHIBIT 16

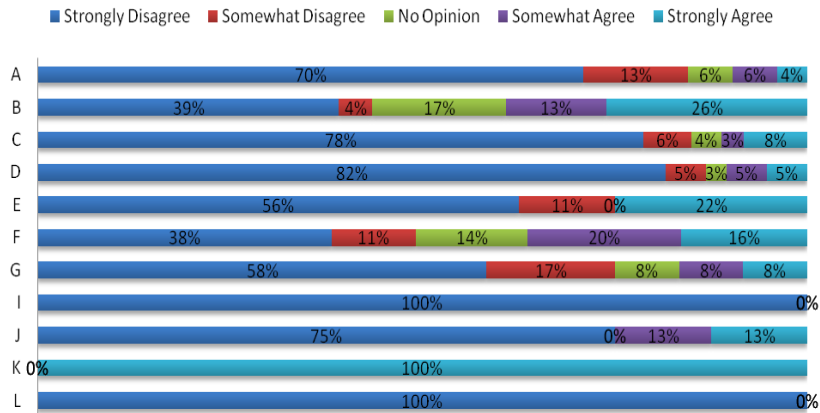
Pick Up Rather Than Rely on Mail



The breakdown of responses by permit area is consistent with the graph above, with the exception of Area K.

EXHIBIT 17

Pick Up Rather Than Rely on Mail



Resident Survey Comment Summary

Lastly, residents were asked to voice any comments, concerns, or suggestions they have about the RPP Program. Approximately 62% took the opportunity to provide such comments, with the majority falling into the following categories:

- (1) PCAC customer service
- (2) Enforcement in RPP areas
- (3) Documentation requirements
- (4) Postal workers with parking permits
- (5) Visitor permits

PCAC Customer Service

Many residents stated that PCAC staff provided inadequate customer service when they went to the Parking Citation and Assistance Center to pick up a permit, turn in an application, or obtain temporary permits. Most of these complaints, however, were in regard to the issues related to the renewal process in 2008. Residents stated that staff was unresponsive and at times defensive when the concern arose that certain neighborhoods had not received renewal applications. Lastly, some residents voiced the complaint that PCAC staff were "rude and incompetent". In contrast, some residents stated that staff were "very helpful" whenever they went in to the Parking Citation and Assistance Center.

In relation to PCAC, some residents stated that they need to take time off from work in order to come into the PCAC office. Others stated that they have come in only to find that there is a sign stating that permits will not be issued for a 1-2 hour period.

Enforcement in RPP Areas

Residents generally stated that increased fees are only justified if commensurate service is provided. Adequate enforcement is one of these services. Some residents want limits to be enforced on weekends as well, while others state that the only instances in which they have seen parking enforcement is if a resident calls in to report a violation.

Documentation Requirements

A common suggestion by residents was to limit the documentation requirements for those applying for renewal permits. They also advocated for a more streamlined process in which they can pay for permits online.

Postal Workers

A few survey respondents from Areas A and D stated that postal employees have obtained residential permits; they believe this is fraudulent. One resident claimed that a particular postal worker places a photocopied permit onto the back of their car, and that parking enforcement does not take any action.

Visitor Permits

Visitor permits must be obtained at the Parking Citation and Assistance Center. Thus, there was a common complaint among the residents that having to go downtown in order to obtain the visitor permits is a burden. Additionally, some residents are not in favor of the five visitor permits per visit limit.

APPENDIX E

Office of the City Auditor - City of Oakland

September 2009: Residential Permit Parking Program City Comparison Survey- Survey Results

Survey Methodology

As part of the Office of the City Auditor's performance audit of the Residential Permit Parking (RPP) Program in the Parking Department of the Finance and Management Agency, we conducted best practice research. In order to obtain information on best practices on RPP programs, we selected a sample of comparable cities to complete our RPP City Comparison Survey. The responses presented in this appendix are taken directly from the results of the survey and are unedited.

During the course of the survey we found that none of the cities which participated in the survey have online permit renewal options for their RPP programs, which was a component of a recent Request for Proposal from the City of Oakland's Parking Department to manage the RPP Program. Thus, we included cities outside of California that had online permit renewal options. The survey results below also describe the RPP Program in Oakland during the audit scope.

The following cities participated in the survey:

#	City
1	Berkeley, CA
2	Sacramento, CA
3	San Jose, CA
4	Santa Barbara, CA
5	Los Angeles, CA
6	Chicago, IL
7	Madison, WI
8	San Francisco, CA

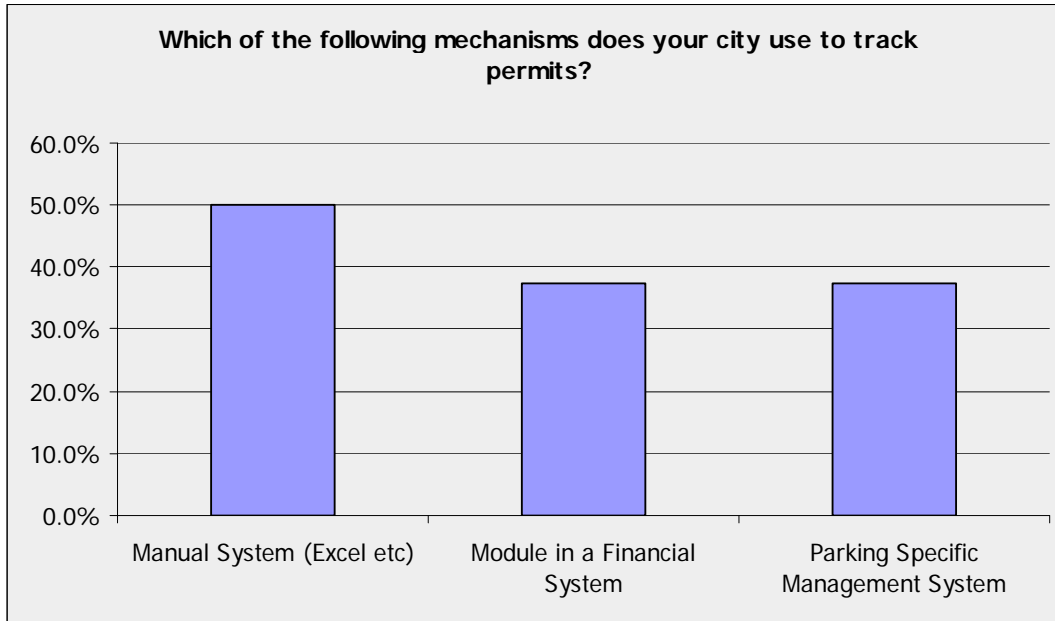
Below are the departments from each City who completed the survey.

Question 1: Contact Information.

	Department:	City:
1	City Manager	Berkeley
2	Transportation	San Jose
3	DOT Parking	Sacramento
4	Downtown Parking	Santa Barbara
5	Transportation	Los Angeles
6	City Clerk	Chicago
7	Parking Utility	Madison
8	SFMTA Customer Service--Citations & RPP and Municipal Transportation Agency	San Francisco

Although the Parking Director from the City of Oakland did not complete the survey, the current status of the RPP program in Oakland is mentioned in the results based on the knowledge and information the Parking Department provided to the Office of the City Auditor during the course of the RPP Performance Audit.

Question 2: Which of the following mechanisms does your city use to track permits?



Which of the following mechanisms does your city use to track permits?		
Answer Options	Response Percent	Response Count
Manual System (Excel etc)	50.0%	4
Module in a Financial System	37.5%	3
Parking Specific Management System	37.5%	3
answered question		8
skipped question		0

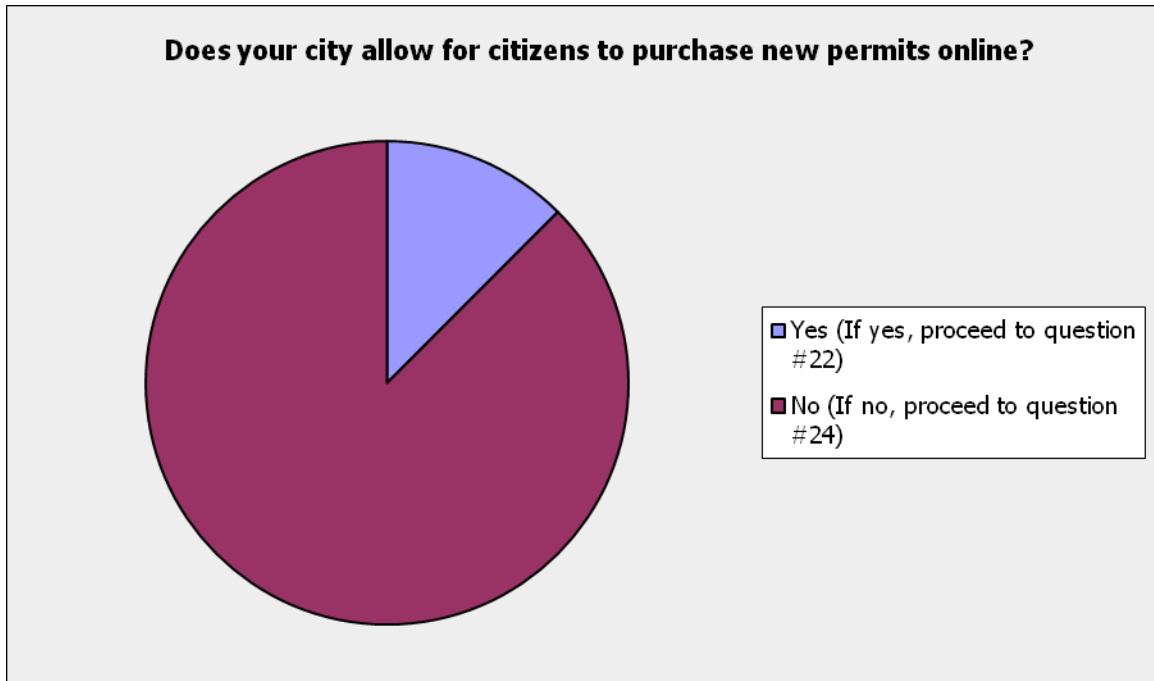
City of Oakland's RPP Program
Parking Specific Management System- AutoProcess managed by the City of Inglewood

Question 3: Are there any other systems used by your city to track permit issuance? If so, please describe them.

Are there any other systems used by your city to track permit issuance? If so, please describe them in the comment box below.		
Answer Options		Response Count
		4
<i>answered question</i>		4
<i>skipped question</i>		4
Number	City	Response Text
1	Sacramento	ICMS provided by Duncan Solution
2	Santa Barbara	We use an Access Database for all parking permits issued in the downtown area.
3	Los Angeles	All permitting is done by our contractor, ACS, and they provide us with reports tracking permit sales including annual, visitor, and guest permits. The contractor uses eTIMS.
4	Chicago	We moved to an electronic system 2 years ago.

City of Oakland's RPP Program
Not applicable

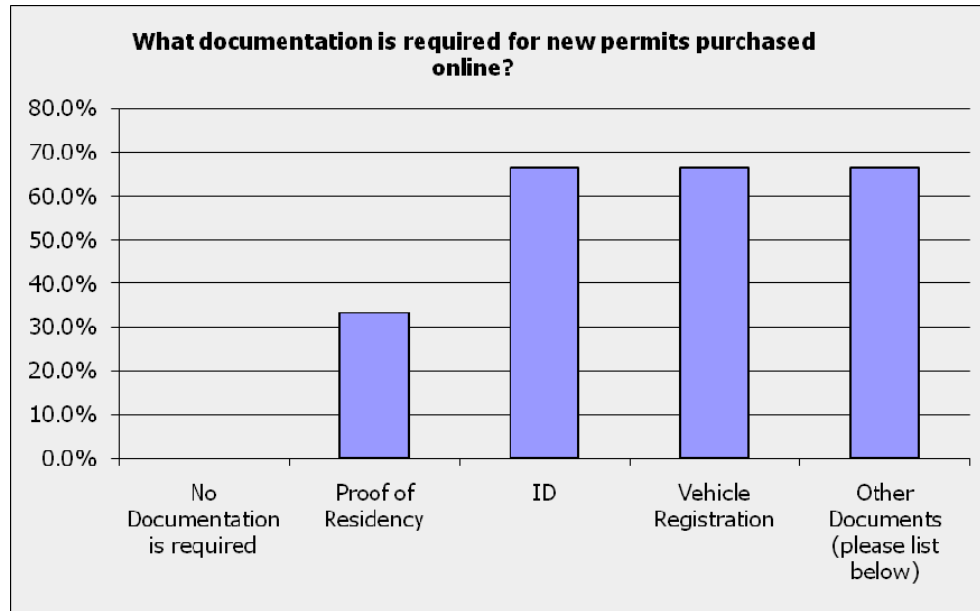
Question 4: Does your city allow for citizens to purchase new permits online?



Does your city allow for citizens to purchase new permits online?		
Answer Options	Response Percent	Response Count
Yes (If yes, proceed to question #22)	12.5%	1*
No (If no, proceed to question #24)	87.5%	7
<i>answered question</i>		8
<i>skipped question</i>		0
*Chicago allows citizens to purchase new permits online via their DMV registration.		

City of Oakland's RPP Program
No

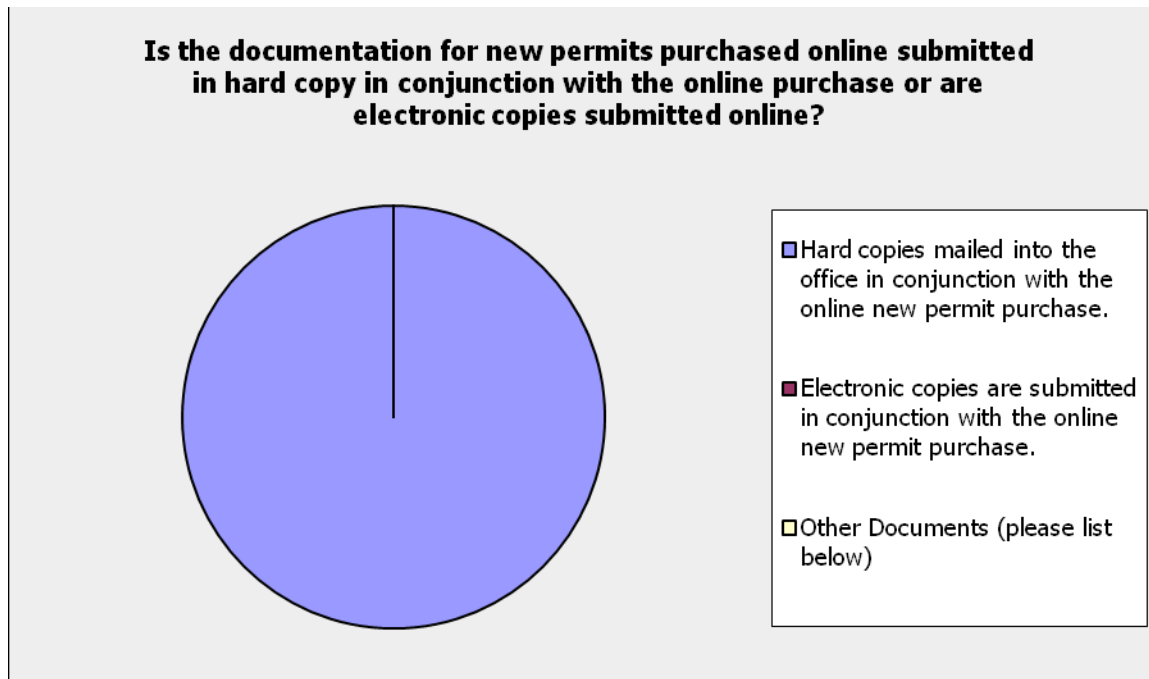
Question 5: What documentation is required for new permits purchased online?



What documentation is required for new permits purchased online?			
Answer Options		Response Percent	Response Count
No Documentation is required		0.0%	0
Proof of Residency		33.3%	1
ID		66.7%	2
Vehicle Registration		66.7%	2
Other Documents (please list below)		66.7%	2
Other (please specify)			3
answered question			3*
skipped question			5
Number	City	Other (please specify)	
1	Sacramento	lease or student class schedule	
2	Los Angeles	Utility bills.	
3	Chicago	They must be buying an annual vehicle sticker as well (this is required by city ordinance, residential permits are separate from the annual sticker - all get renewed at the same time)	
* Note that three cities answered this question when only one answered question 18 with a yes. Two of the cities answered this question in error.			

City of Oakland's RPP Program
Not applicable

Question 6: Is the documentation for new permits purchased online submitted in hard copy in conjunction with the online purchase or are electronic copies submitted online?



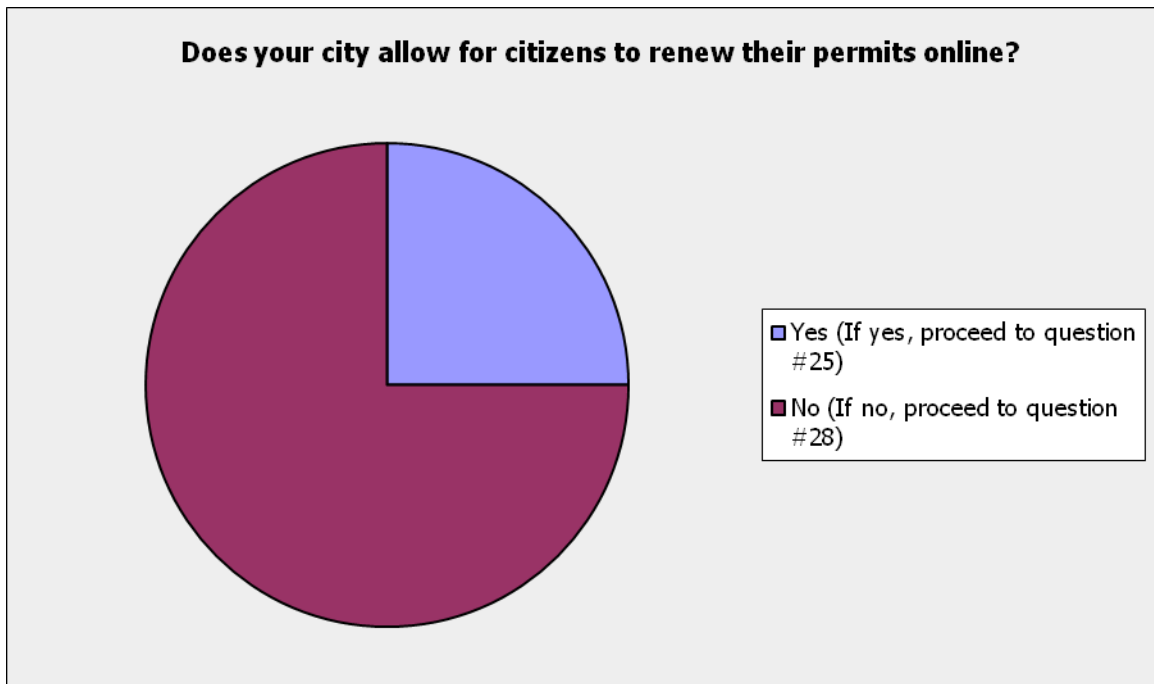
Is the documentation for new permits purchased online submitted in hard copy in conjunction with the online purchase or are electronic copies submitted online?

Answer Options	Response Percent	Response Count
Hard copies mailed into the office in conjunction with the online new permit purchase.	100.0%	1 *
Electronic copies are submitted in conjunction with the online new permit purchase.	0.0%	0
Other Documents (please list below)	0.0%	0
Other (please specify)		0
<i>answered question</i>		1
<i>skipped question</i>		7
*Note that the City who answered this question answered no to question 18. This question was answered in error.		

City of Oakland's RPP Program

Not applicable

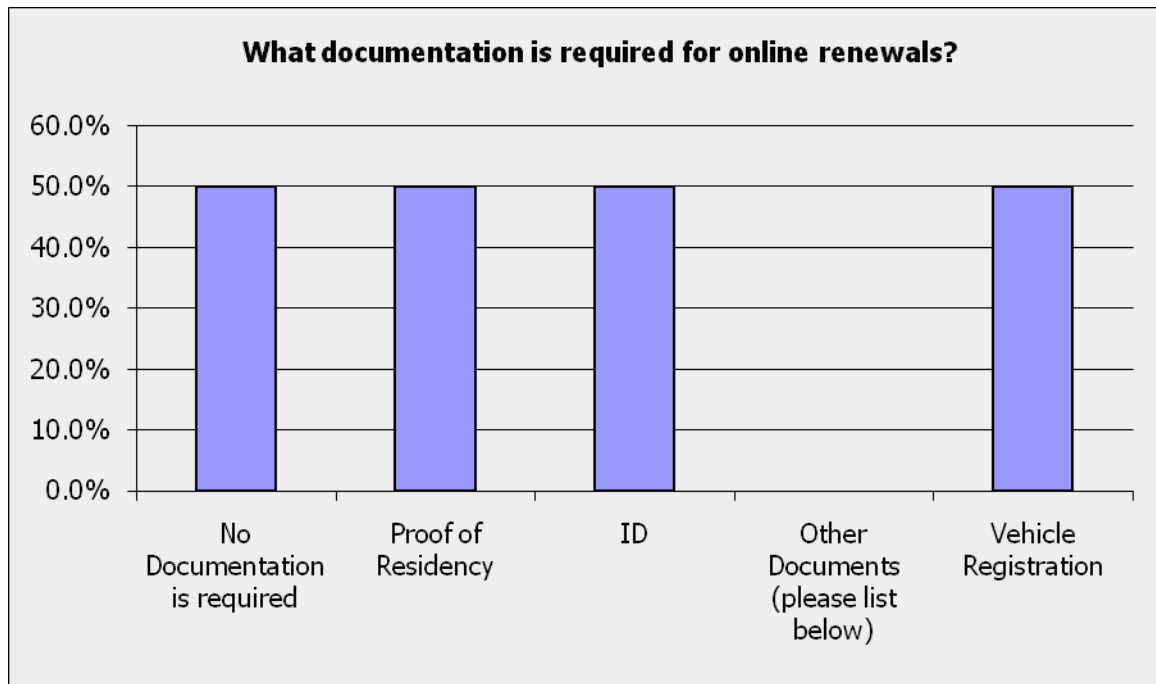
Question 7: Does your city allow for citizens to renew their permits online?



Does your city allow for citizens to renew their permits online?		
Answer Options	Response Percent	Response Count
Yes (If yes, proceed to question #25)	25.0%	2*
No (If no, proceed to question #28)	75.0%	6
<i>answered question</i>		8
<i>skipped question</i>		0
*Madison and Chicago allow citizens to renew their permits online.		

City of Oakland's RPP Program
No

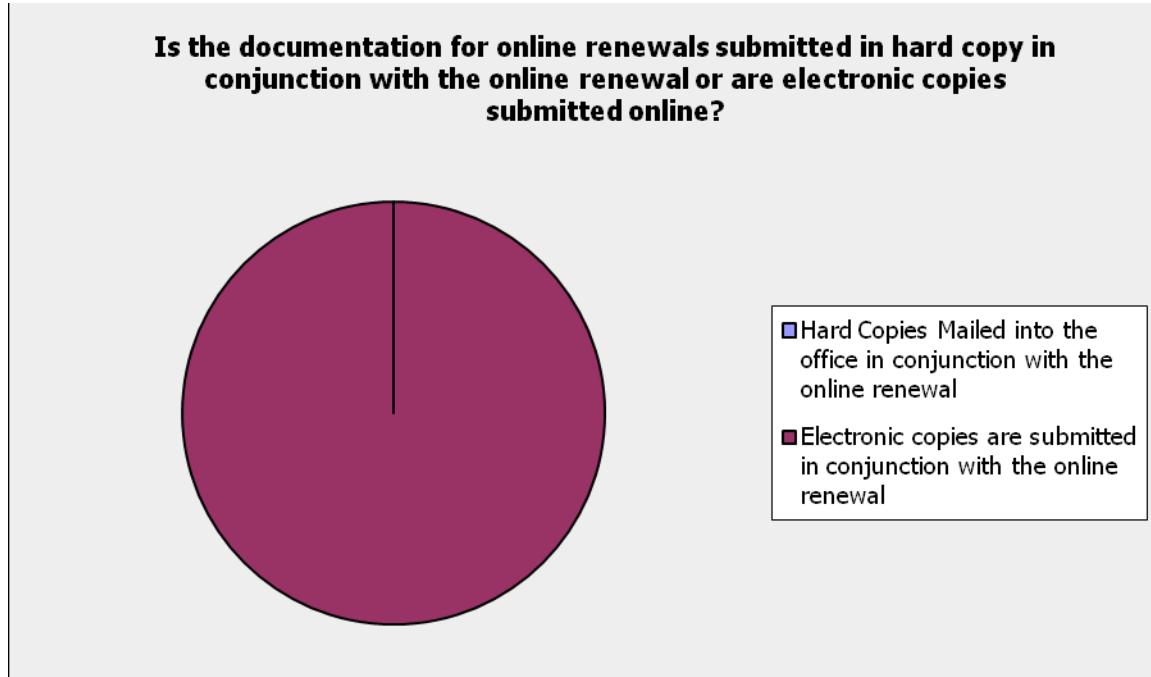
Question 8: What documentation is required for online renewals?



What documentation is required for online renewals?		
Answer Options	Response Percent	Response Count
No Documentation is required	50.0%	1
Proof of Residency	50.0%	1
ID	50.0%	1
Other Documents (please list below)	0.0%	0
Vehicle Registration	50.0%	1
Other (please specify)		0
<i>answered question</i>		2
<i>skipped question</i>		6

City of Oakland's RPP Program
Not applicable

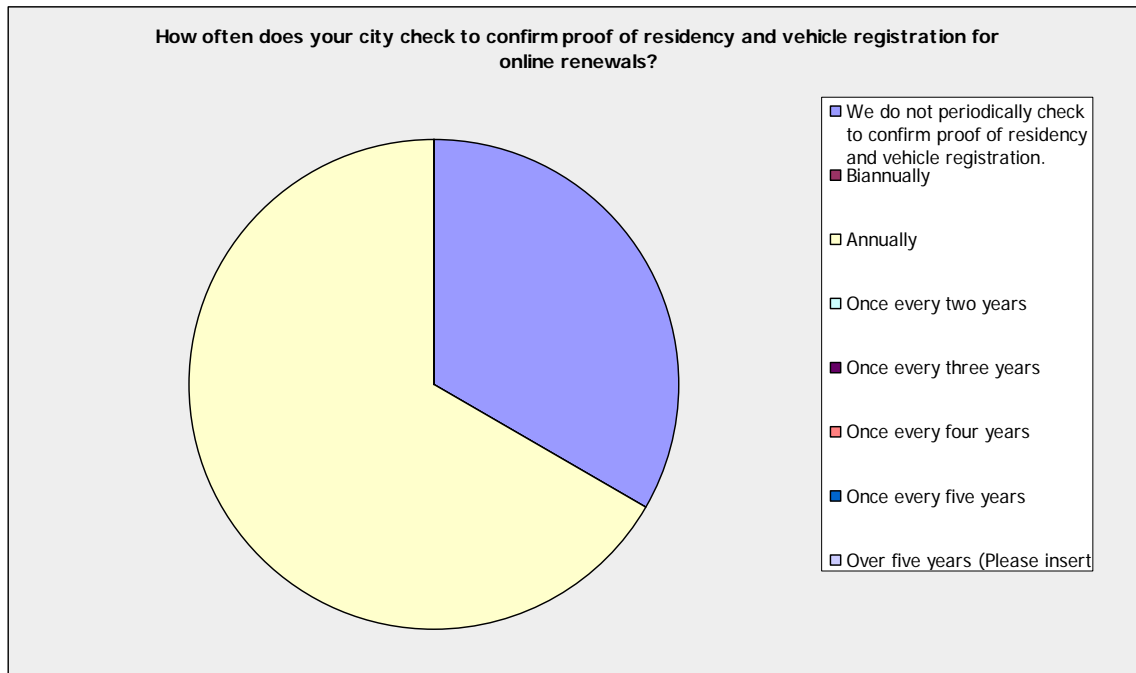
Question 9: Is the documentation for online renewals submitted in hard copy in conjunction with the online renewal or are electronic copies submitted online?



Is the documentation for online renewals submitted in hard copy in conjunction with the online renewal or are electronic copies submitted online?		
Answer Options	Response Percent	Response Count
Hard Copies Mailed into the office in conjunction with the online renewal	0.0%	0
Electronic copies are submitted in conjunction with the online renewal	100.0%	1
Other (please specify)		0
answered question		1
skipped question		7

City of Oakland's RPP Program
Not applicable

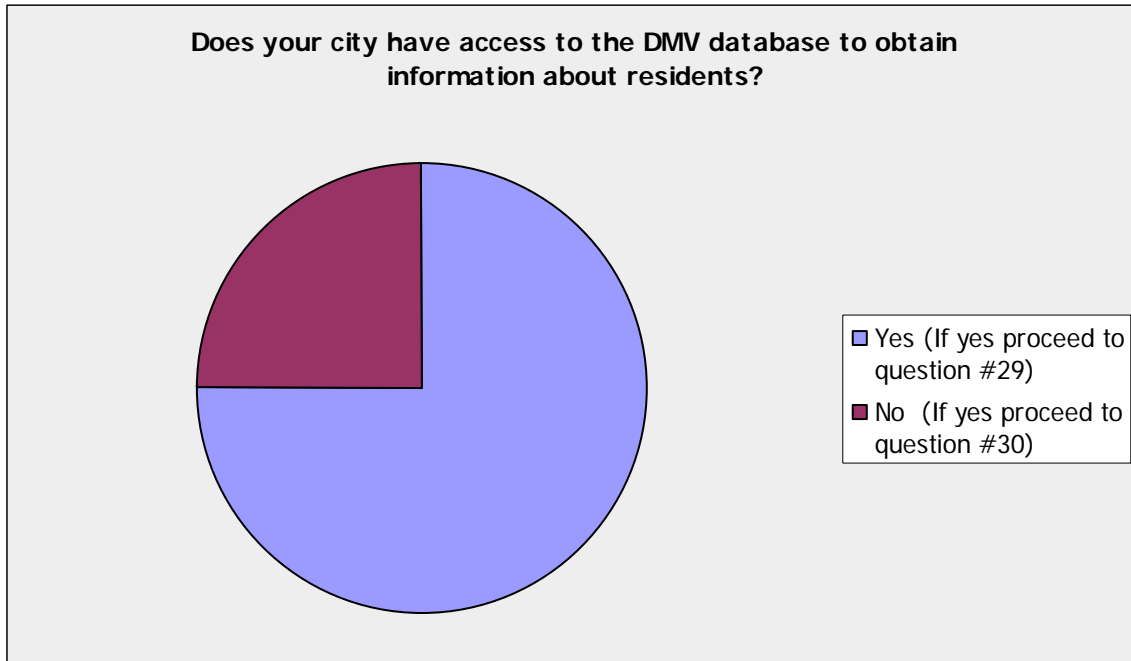
Question 10: How often does your city check to confirm proof of residency and vehicle registration for online renewals?



How often does your city check to confirm proof of residency and vehicle registration for online renewals?		
Answer Options	Response Percent	Response Count
We do not periodically check to confirm proof of residency and vehicle registration.	33.3%	1*
Biannually	0.0%	0
Annually	66.7%	2**
Once every two years	0.0%	0
Once every three years	0.0%	0
Once every four years	0.0%	0
Once every five years	0.0%	0
Over five years (Please insert the # below)	0.0%	0
Insert the number below		0
<i>answered question</i>		3
<i>skipped question</i>		5
*Chicago- process for renewals is through DMV		
**One city answered this question incorrectly in that they answered no to question 21.		

City of Oakland's RPP Program
Not applicable

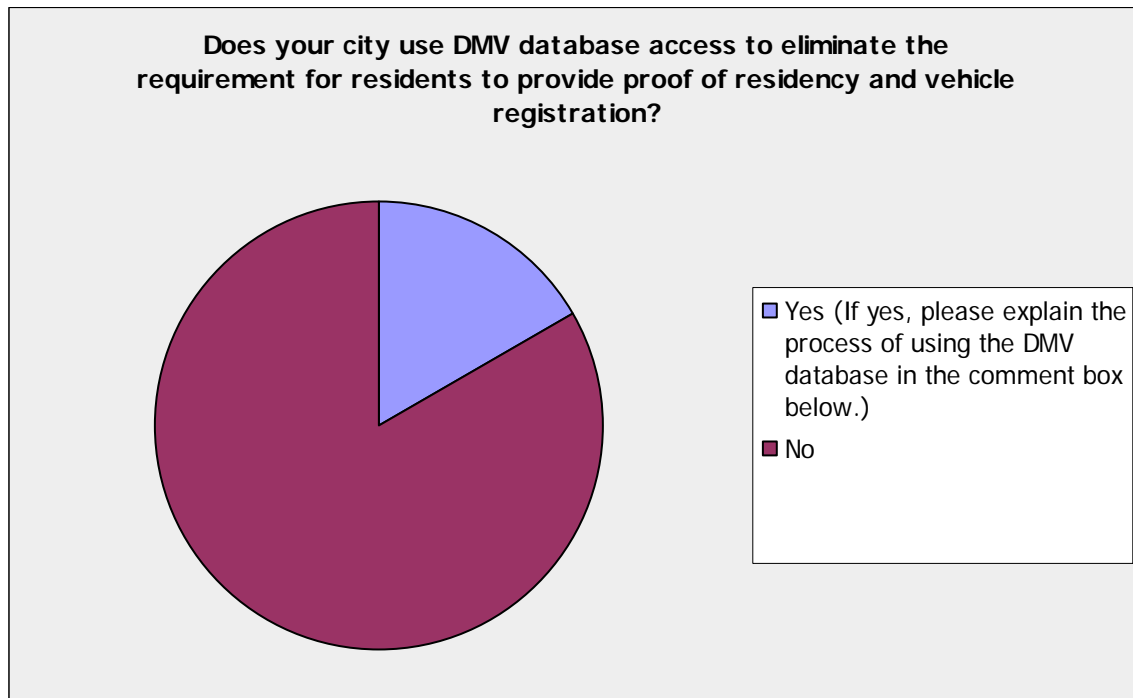
Question 11: Does your city have access to the DMV database to obtain information about residents?



Does your city have access to the DMV database to obtain information about residents?		
Answer Options	Response Percent	Response Count
Yes (If yes proceed to question #29)	75.0%	6
No (If yes proceed to question #30)	25.0%	2
<i>answered question</i>		8
<i>skipped question</i>		0

City of Oakland's RPP Program
Yes

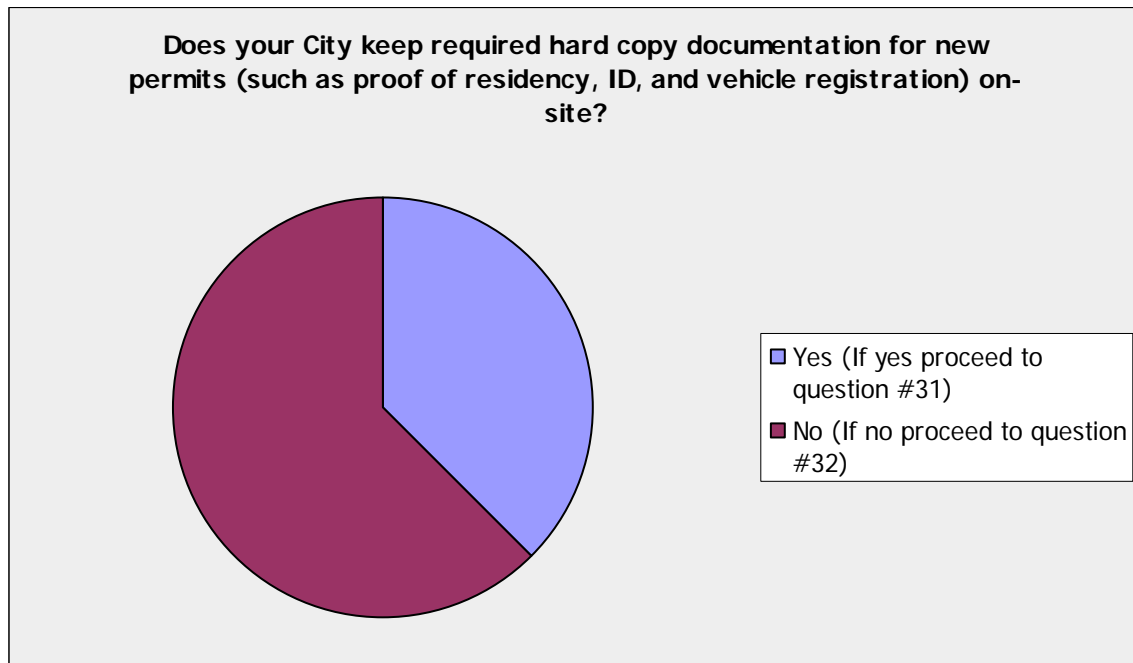
Question 12: Does your city use DMV database access to eliminate the requirement for residents to provide proof of residency and vehicle registration?



Does your city use DMV database access to eliminate the requirement for residents to provide proof of residency and vehicle registration?		
Answer Options	Response Percent	Response Count
Yes (If yes, please explain the process of using the DMV database in the comment box below.)	16.7%	1
No	83.3%	5
Use of DMV database Comment: To send out our renewal notices - we cross check with the DMV to capture as many people as possible - about 1.2 million		1
<i>answered question</i>		6
<i>skipped question</i>		2

City of Oakland's RPP Program
No

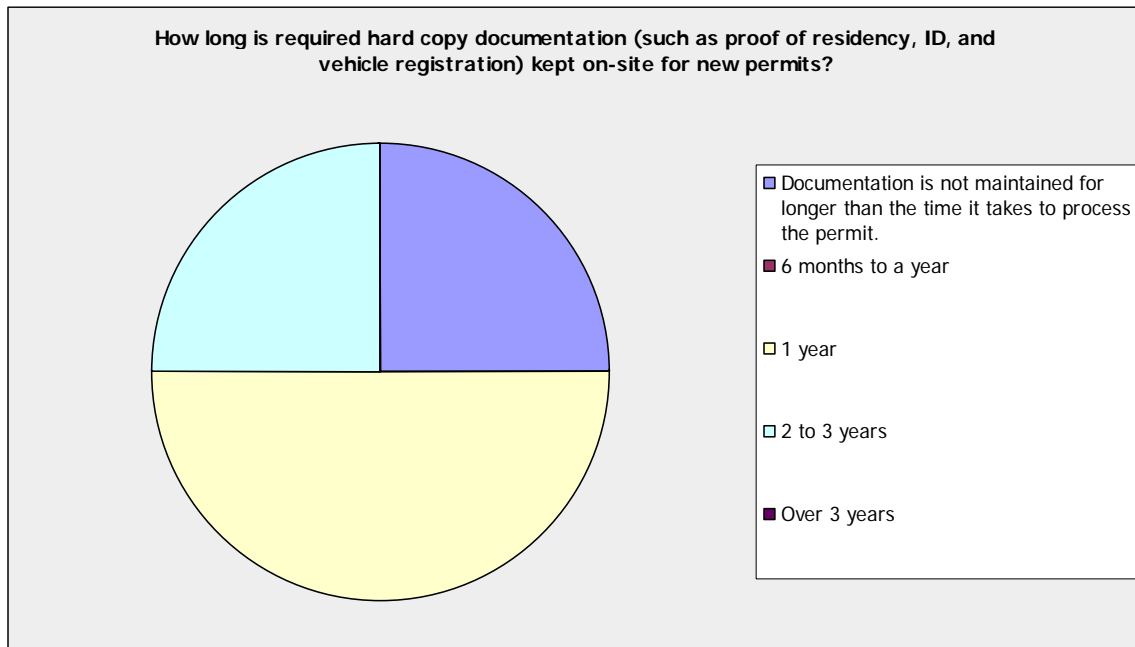
Question 13: Does your City keep required hard copy documentation for new permits (such as proof of residency, ID, and vehicle registration) on-site?



Does your City keep required hard copy documentation for new permits (such as proof of residency, ID, and vehicle registration) on-site?		
Answer Options	Response Percent	Response Count
Yes (If yes proceed to question #31)	37.5%	3
No (If no proceed to question #32)	62.5%	5
<i>answered question</i>		8
<i>skipped question</i>		0

City of Oakland's RPP Program
Yes

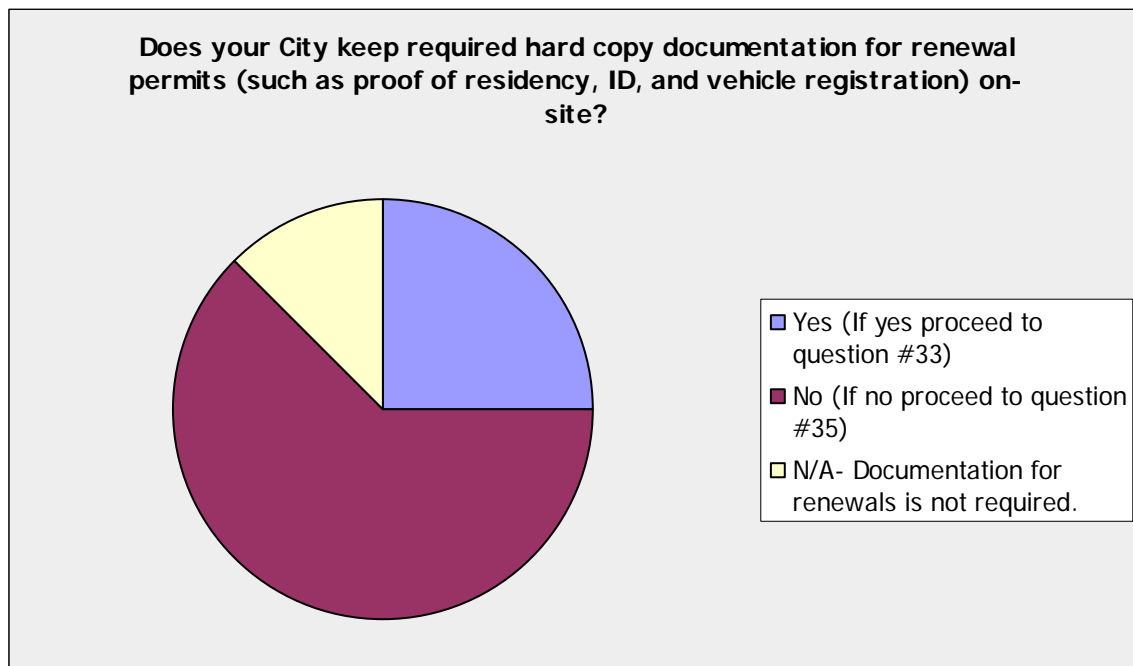
Question 14: How long is required hard copy documentation (such as proof of residency, ID, and vehicle registration) kept on-site for new permits?



How long is required hard copy documentation (such as proof of residency, ID, and vehicle registration) kept on-site for new permits?		
Answer Options	Response Percent	Response Count
Documentation is not maintained for longer than the time it takes to process the permit.	25.0%	1
6 months to a year	0.0%	0
1 year	50.0%	2
2 to 3 years	25.0%	1
Over 3 years	0.0%	0
<i>answered question</i>		4
<i>skipped question</i>		4

City of Oakland's RPP Program
Three years

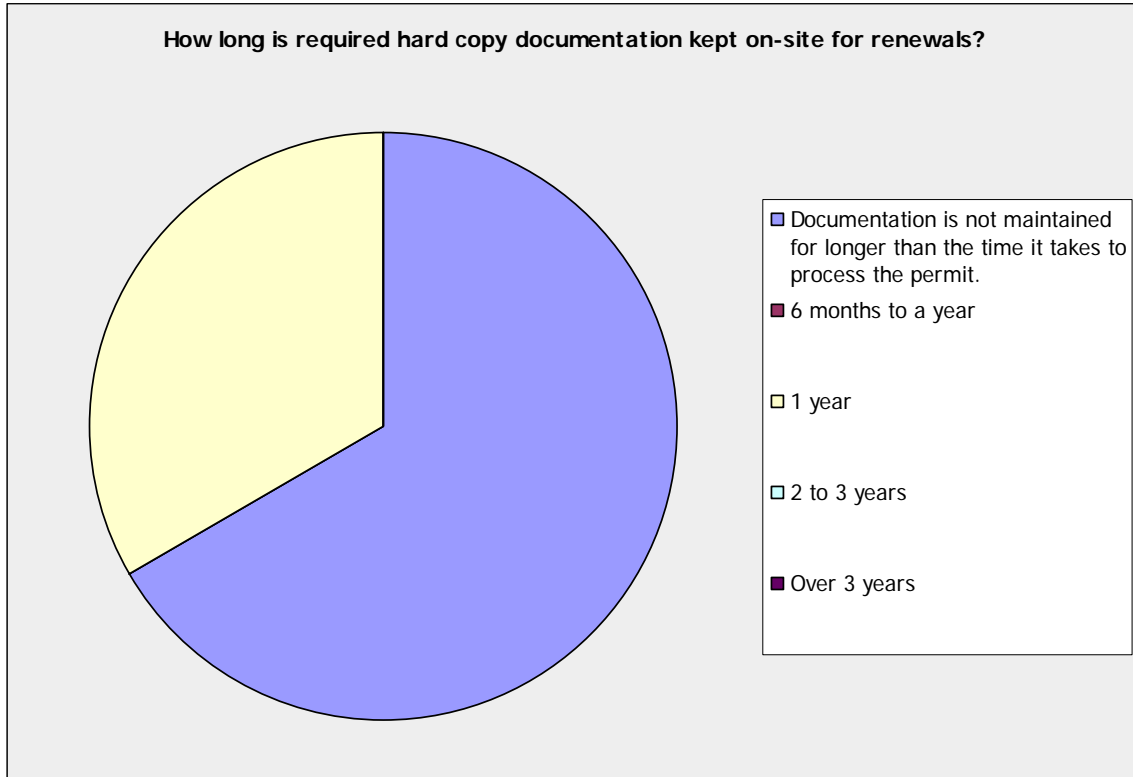
Question 15: Does your City keep required hard copy documentation for renewal permits (such as proof of residency, ID, and vehicle registration) on-site?



Does your City keep required hard copy documentation for renewal permits (such as proof of residency, ID, and vehicle registration) on-site?		
Answer Options	Response Percent	Response Count
Yes (If yes proceed to question #33)	25.0%	2
No (If no proceed to question #35)	62.5%	5
N/A- Documentation for renewals is not required.	12.5%	1
<i>answered question</i>		8
<i>skipped question</i>		0

City of Oakland's RPP Program
Yes

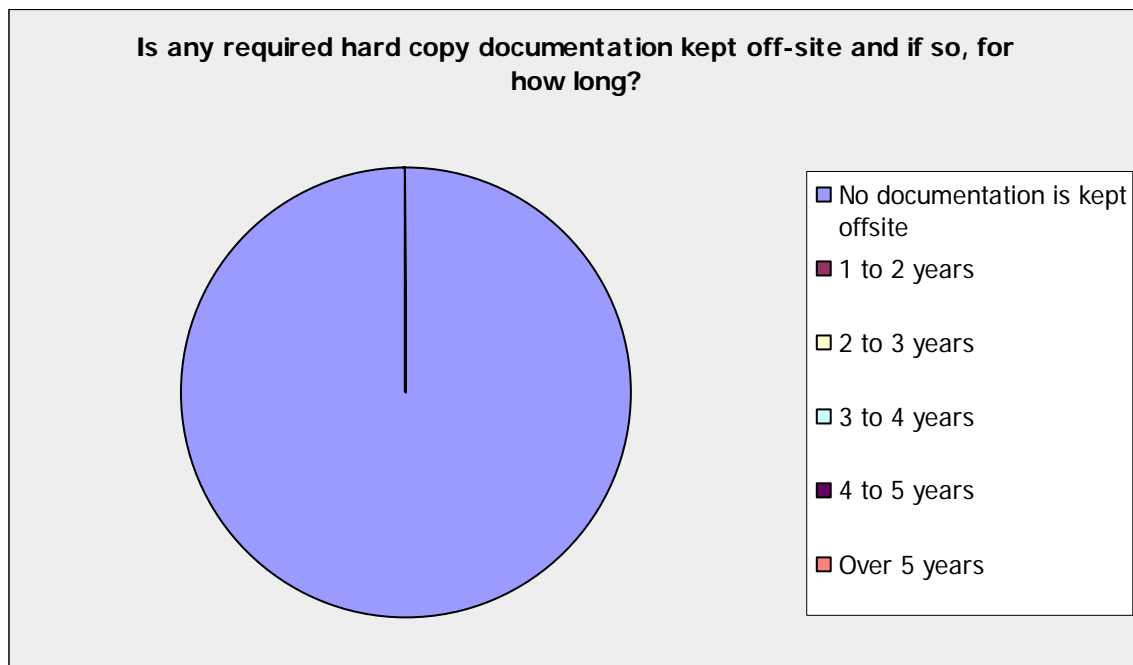
Question 16: How long is required hard copy documentation kept on-site for renewals?



How long is required hard copy documentation kept on-site for renewals?		
Answer Options	Response Percent	Response Count
Documentation is not maintained for longer than the time it takes to process the permit.	66.7%	2
6 months to a year	0.0%	0
1 year	33.3%	1
2 to 3 years	0.0%	0
Over 3 years	0.0%	0
<i>answered question</i>		3
<i>skipped question</i>		5

City of Oakland's RPP Program
Three Years

Question 17: Is any required hard copy documentation kept off-site and if so, for how long?



Is any required hard copy documentation kept off-site and if so, for how long?		
Answer Options	Response Percent	Response Count
No documentation is kept offsite	100.0%	3
1 to 2 years	0.0%	0
2 to 3 years	0.0%	0
3 to 4 years	0.0%	0
4 to 5 years	0.0%	0
Over 5 years	0.0%	0
<i>answered question</i>		3
<i>skipped question</i>		5

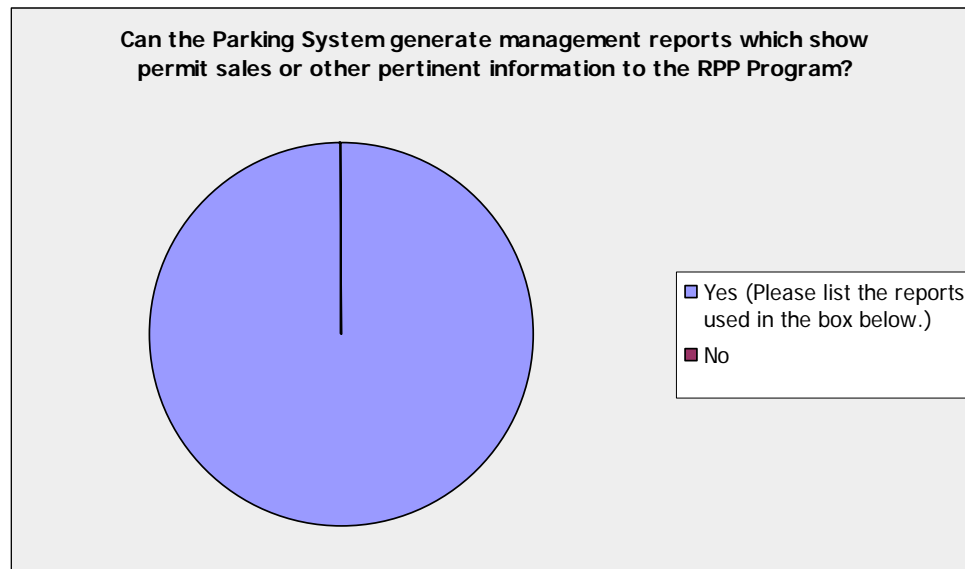
City of Oakland's RPP Program
Two Years following the three years of on-site storage.

Question 18: What internal Parking Management System does your City use to track and process the sale of permits? (State the name of the system.)

What internal Parking Management System does your City use to track and process the sale of permits? (State the name of the system.)		
Answer Options		Response Count
		6
<i>answered question</i>		6
<i>skipped question</i>		2
Number	Response Date	Response Text
1	Aug 24, 2009 6:15 PM	ICMS
2	Aug 24, 2009 6:22 PM	We use an Access Database
3	Aug 24, 2009 6:56 PM	Citation Mgt. Systems
4	Aug 26, 2009 4:04 PM	eTIMS is used by our contractor ACS.
5	Sep 1, 2009 9:16 PM	It is a system built specifically for the City of Chicago
6	Sep 16, 2009 12:05 AM	eTIMS (Ticket Information Management System) provided by vendor ACS State and Local Solutions, Inc.

City of Oakland's RPP Program
AutoProcess managed by the City of Inglewood.

Question 19: Can the Parking System generate management reports which show permit sales or other pertinent information to the RPP Program?



Can the Parking System generate management reports which show permit sales or other pertinent information to the RPP Program?		
Answer Options	Response Percent	Response Count
Yes (Please list the reports used in the box below.)	100.0%	7
No	0.0%	0
Reports		5
<i>answered question</i>		7
<i>skipped question</i>		1
Number	Response Date	Reports
1	Aug 24, 2009 6:15 PM	permit issuance report
2	Aug 24, 2009 6:22 PM	Eligible Addresses, Active Addresses with Permits, Addresses by block, Addresses by Area, Mailing Labels
3	Aug 24, 2009 6:56 PM	Duncan Systems
4	Aug 26, 2009 4:04 PM	Monthly permit sales reports as well as a daily accounting summary
5	Sep 16, 2009 12:05 AM	Multiple--please contact us for further information

City of Oakland's RPP Program

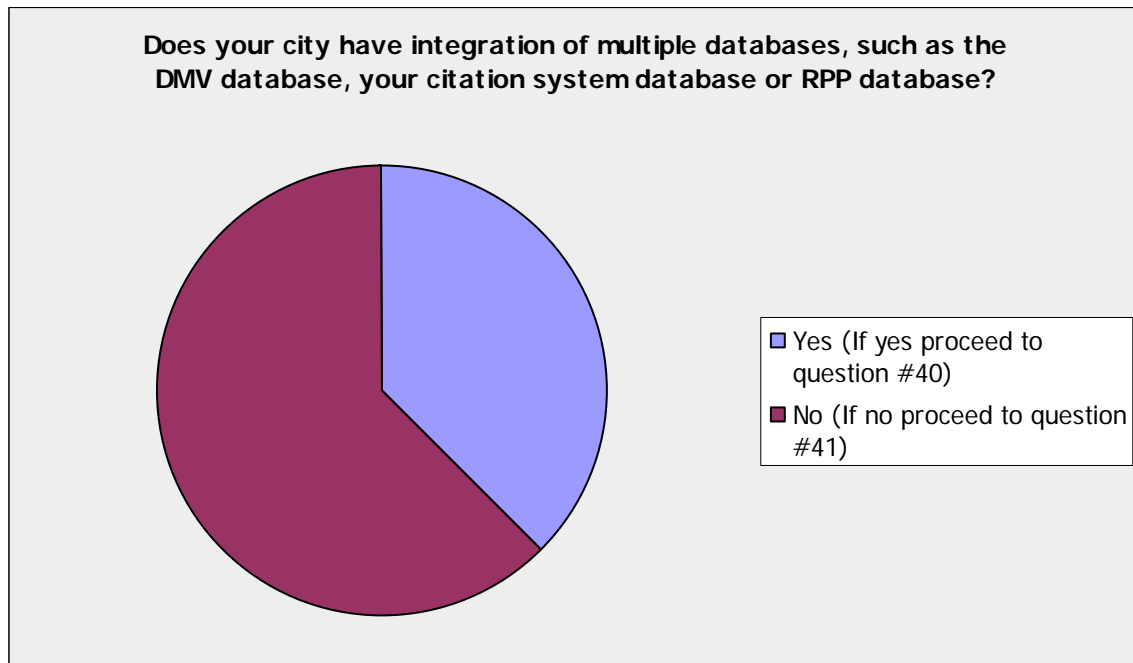
Yes, however, the ability to generate these reports in-house from the use of AutoProcess is limited. Often, Parking Staff need to request reports from the City of Inglewood.

Question 20: How does Parking Management in your city ensure accuracy of these reports?

How does Parking Management in your city ensure accuracy of these reports?		
Answer Options		Response Count
		5
<i>answered question</i>		5
<i>skipped question</i>		3
Number	Response Date	Response Text
1	Aug 24, 2009 6:15 PM	Manual review
2	Aug 24, 2009 6:22 PM	Manual input as well as hard copy documentation
3	Aug 24, 2009 6:56 PM	It records the permit number with address of Resident. Checked monthly by Analyst
4	Aug 26, 2009 4:04 PM	Audits.
5	Sep 16, 2009 12:05 AM	Not clear.

City of Oakland's RPP Program
Manual review, however this process is informal.

Question 21: Does your city have integration of multiple databases, such as the DMV database, your citation system database or RPP database?



Does your city have integration of multiple databases, such as the DMV database, your citation system database or RPP database?		
Answer Options	Response Percent	Response Count
Yes (If yes proceed to question #40)	37.5%	3
No (If no proceed to question #41)	62.5%	5
<i>answered question</i>		8
<i>skipped question</i>		0

City of Oakland's RPP Program
Yes, AutoProcess pulls data directly from the DMV database.

Question 22: If your city does have integration of multiple databases, can you describe the flow of data in the comment box below or provide us with a flowchart showing the data flow.

Answer Options		Response Count
		3
<i>answered question</i>		3
<i>skipped question</i>		5
Number	Response Date	Response Text
1	Aug 26, 2009 4:04 PM	No.
2	Sep 1, 2009 9:17 PM	RPP and Annual as well as Daily Guest Passes are all in the same database
3	Sep 16, 2009 12:10 AM	RPP system interfaces with citation processing system so permit holders are required to pay outstanding citations on the plate for issuance of permit. The RPP system does not interact directly with DMV, but the parking citations processing module does for ticket processing

City of Oakland's RPP Program

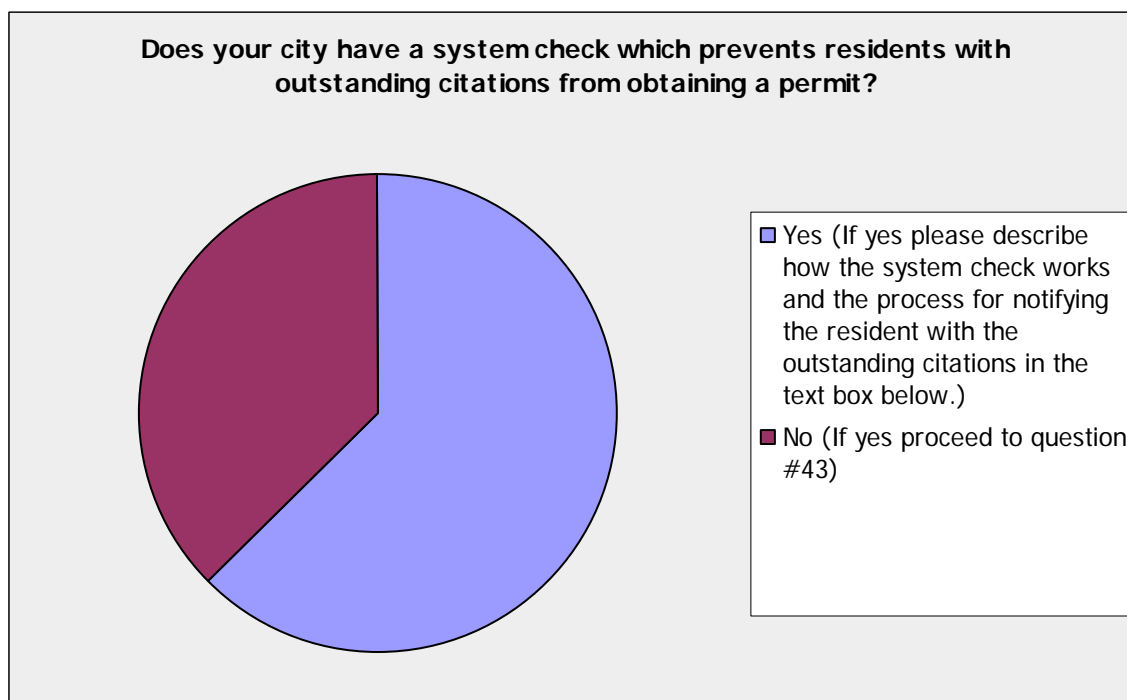
AutoProcess entry screens have options to search for VIN #, permit #, address and registration information directly from the DMV database.

Question 23: What controls does your city have in place to ensure that data is complete and accurate when transferred between systems? For example, how do you ensure that data from the handheld systems completely and accurately interfaces with your citation system? Please describe these controls in the text box below.

What controls does your city have in place to ensure that data is complete and accurate when transferred between systems? For example, how do you ensure that data from the handheld systems completely and accurately interfaces with your citation system? Please describe these controls in the text box below.		
Answer Options		Response Count
		1
<i>answered question</i>		1
<i>skipped question</i>		7
Number	Response Date	Response Text
1	Sep 16, 2009 12:10 AM	The vendor would need to address this question as they provide the systems.

City of Oakland's RPP Program
Oakland relies on the City of Inglewood to accurately transfer data between systems. Oakland does not have any specific controls in place to ensure accurate data transfers.

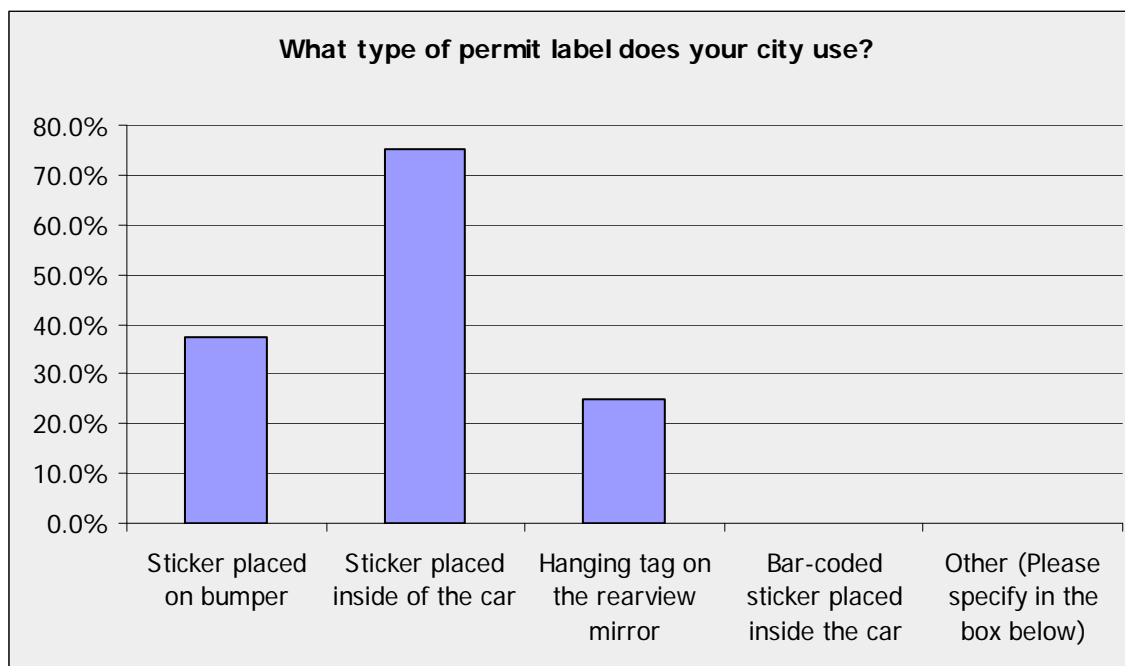
Question 24: Does your city have a system check which prevents residents with outstanding citations from obtaining a permit?



Does your city have a system check which prevents residents with outstanding citations from obtaining a permit?		
Answer Options	Response Percent	Response Count
Yes	62.5%	5
No	37.5%	3
System check		4
<i>answered question</i>		8
<i>skipped question</i>		0
	COMMENTS	
#	City	System check
1	Berkeley	The person requiring a permit is checked on the Citation Mgt. System for citations. If a person has any citations permit is denied.
2	Los Angeles	It is done through eTIMS.
3	Madison	We check Police data base for outstanding citations before issuing a permit
4	San Francisco	New permit applications are processed manually by staff who verify citations record on the plate. Renewal notices sent annually integrate with citations database, and print citation amount due on renewal notice. Permits are not issued unless/until citations are paid.

City of Oakland's RPP Program
No

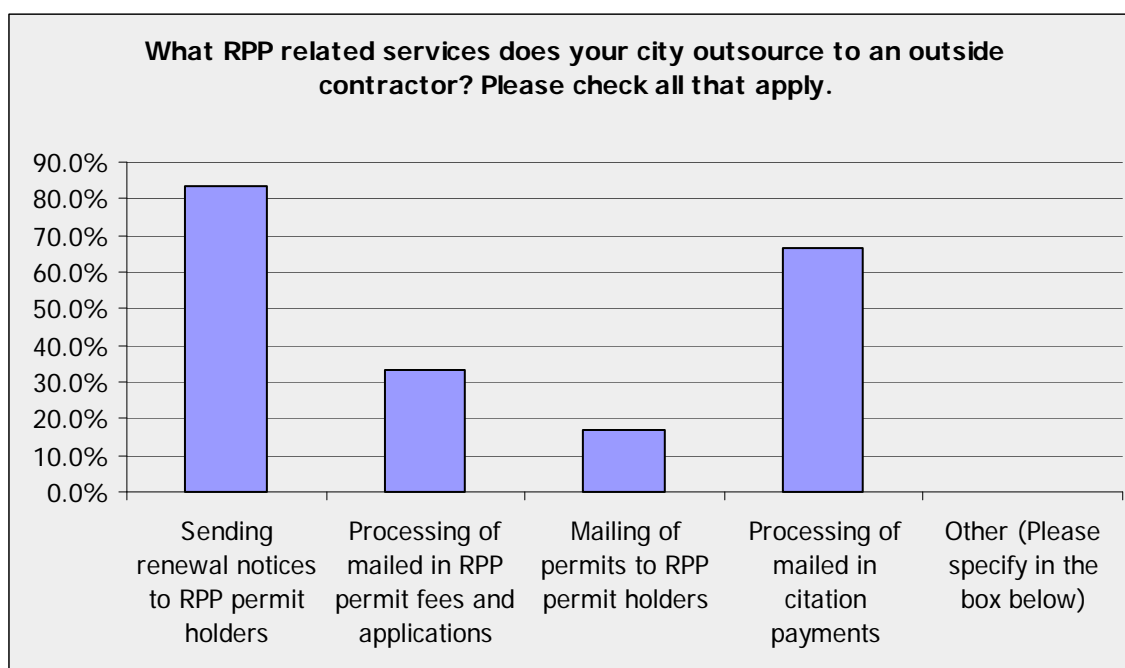
Question 25: What type of permit label does your city use?



What type of permit label does your city use?		
Answer Options	Response Percent	Response Count
Sticker placed on bumper	37.5%	3
Sticker placed inside of the car	75.0%	6
Hanging tag on the rearview mirror	25.0%	2
Bar-coded sticker placed inside the car	0.0%	0
Other (Please specify in the box below)	0.0%	0
Other		2
answered question		8
skipped question		0
Number	Response Date	Other
1	Aug 24, 2009 6:59 PM	Dash board cards for one day and 14 day permits
2	Sep 16, 2009 12:10 AM	Temporary/visitor permits placed inside the vehicle

City of Oakland's RPP Program
Sticker placed on bumper

**Question 26: What RPP related services does your city outsource to an outside contractor?
Please check all that apply.**



What RPP related services does your city outsource to an outside contractor? Please check all that apply.			
Answer Options		Response Percent	Response Count
Sending renewal notices to RPP permit holders		83.3%	5
Processing of mailed in RPP permit fees and applications		33.3%	2
Mailing of permits to RPP permit holders		16.7%	1
Processing of mailed in citation payments		66.7%	4
Other (Please specify in the box below)		0.0%	0
Other			1
<i>answered question</i>			6
<i>skipped question</i>			2
Number	Response Date	Other	
1	Sep 16, 2009 12:11 AM	Lockbox processing only	

City of Oakland's RPP Program
Sending renewal notices to RPP permit holders.