

Memorandum

City of Lawrence

City Auditor

TO: Members of the City Commission

FROM: Michael Eglinski, City Auditor

CC: David L. Corliss, City Manager
Cynthia Boecker, Assistant City Manager
Diane Stoddard, Assistant City Manager
Jonathan Douglass, Assistant to the City Manager

Date: May 27, 2010

RE: Solid Waste Audit Recommendation Follow-Up June 2010

Following-up on performance audit recommendations provides the City Commission with information on management's efforts to implement recommendations. This report covers recommendations from the January 2010 Solid Waste Division performance audit.

Management has made progress on implementing eight of the recommendations and has not implemented one recommendation. Figure 1 summarizes the status of the recommendations. Management's written update for each recommendation is attached.

Figure 1 Audit recommendation status

Status	Number	Recommendations
Implemented	0	n/a
Not implemented	1	Charge enterprise operations for solid waste services.
In progress	8	Write policies and procedures for estimating municipal solid waste and recycling. Policies and procedures should ensure backyard composting is not counted in the recycling rate and address how the city will account for debris from major storms. Policies and procedures could include forms published by the US EPA in <i>Measuring Recycling: A Guide for State and Local Governments</i> . Test the conversion factors used for estimating yard waste. Consider estimating yard waste collected at curbside by counting truck loads rather than collected items. Track and report on actual hours worked for employees under the task incentive.

Write policies on overtime for the solid waste division.

Review the lifetimes used for depreciation calculations for fixed assets in the solid waste division.

Write a policies and procedures for provision of free solid waste services.

Include additional performance measures and benchmarking information in annual rate memos.

Analyze costs/benefits and feasibility of implementing more automated collection, routing and vehicle/driver performance monitoring technologies, and residential volume-based collection.

Undetermined

0 n/a

The Solid Waste Division took steps to reduce overtime at the beginning of March and year-to-date overtime expenditures are lower than in the previous two years. Through May 20, solid waste division overtime was 18 percent lower than overtime for the same period in 2008 and 14 percent lower than the same period in 2009. See figure 2.

Figure 2 Solid Waste Division Overtime

	2008	2009	2010
Overtime through May 20	\$ 47,792	\$ 45,356	\$ 39,155

Scope, method and objectives

Following-up on the status of audit recommendations provides the City Commission with information about management's efforts to implement audit recommendations. No later than 6-months after issuing an audit, the City Code requires the City Auditor to follow-up to determine that corrective action was taken and is achieving the desired results. City Code requires that the auditor inform the City Manager and the City Commission of the results of the follow-up.

The City Commission requested follow-up information on the Solid Waste Division performance audit during the May 4 City Commission meeting.

The City Auditor asked the City Manager for an update on the status of implementing the recommendations on May 10. The City Manager provided a written response on May 19.

The auditor compiled the information but did not audit the information provided by management. For each recommendation, the auditor made a judgment about the status of the recommendation.

Figure 3 Implementation Status Definitions

Status	Indicator
Implemented	Management describes steps taken to implement the recommendation.
Not implemented	Management asserts that the recommendation will not be implemented or has not taken steps to implement the recommendations.
In progress	Management describes progress toward implementing the recommendation.
Undetermined	Status cannot be determined, for example, because the recommendation requires future actions.

The follow-up information on the status of implementing recommendations was not conducted as a performance audit under Government Auditing Standards.

The City Auditor shared a draft of this report with the City Manager.

Memorandum

City of Lawrence

City Manager's Office

TO: Cynthia Wagner, Assistant City Manager

FROM: Tammy Bennett, Assistant Director of Public Works

CC: Charles Soules, Director of Public Works
Kathy Richardson, WR/R Operations Supervisor
Craig Pruett, Solid Waste Field Supervisor

DATE: May 12, 2010

RE: Follow Up to Auditor Review of Solid Waste Division

Below, please find a brief summary of progress or comment on each of the audit items as follow up for the Solid Waste Division Audit.

Write policies and procedures for estimating municipal solid waste and recycling. Policies and procedures should ensure backyard composting is not counted in the recycling rate and address how the city will account for debris from major storms. Policies and procedures should include forms published by the US EPA in Measuring Recycling: A Guide for State and Local Governments.

The WRR Division is currently working on collecting data city-wide to calculate the recycling rate. Data is collected from all recycling outlets and processors (e.g., WalMart, the Bargain Center, Lonnie's, Deffenbaugh, etc.). In addition, staff is surveying local manufacturers who may have large quantities of recycled material (e.g., Hallmark, Lawrence Paper Company, etc.). As the recycling rate is developed for the previous year, all processes will be documented and catalogued to provide a comprehensive overview of the data collection and estimating process. Backyard composting will not be included in the generation or recycling calculation. Once the process is completed, the WRR Operations Supervisor will review previous years' calculations and make adjustments where it is feasible so the City will have the most accurate comparison possible on year to year changes. Steady progress is being made on the data collection from outside processors and companies. The target for completion of the calculation and documentation is September 1, 2010. A policy / procedure document will be finished by October 1, 2010. The project is currently assigned to the WRR Operations Supervisor and will also have input and review from the Solid Waste Division Manager when hired.

Test the conversion factors used for estimating yard waste. Consider estimating yard waste collected at curbside by counting truck loads rather than collected items.

Testing system is underway to collect data on yard waste weights. The data collection plan is to collect weights monthly to ensure that all seasons and various conditions are represented. The data collection tool has been created. Data collection dates for March

and April have been completed. Crews continue to collect information on items collected curbside (numbers of cans, carts, and compostable bags). The continued collection of this information will provide staff with the data necessary to "retrofit" previous yard waste weight calculations to be consistent with the new conversion factors. On data collection days, all yard waste trucks are re-directed to the co-op for weighing prior to dumping materials. This data is validated by a separate effort to weigh items at the curb by the WRR Division in randomly selected areas. A full year of data collection is important to ensure the best "average item" calculations. Those averages will be applied to historical collection data. At the current time, the plan is to validate weights using this system one out of every three years, collecting a full year of monthly samples each time.

Track and report on actual hours worked for employees under the task incentive.

To be accomplished with implementation of time and attendance software. Public Works staff was working under the plan that the time and attendance system would be installed in June, per the handout from the January 2010 Management Team meeting. Development of alternative data collection systems is feasible but time intensive. Should implementation of time and attendance not proceed as planned, the Solid Waste Division can pursue installation of a time clock system with download and reporting capabilities.

Write policies on overtime for the solid waste division.

Changes to the overtime system were implemented effective March 1, 2010. These changes included a rear-load collection crew voluntarily changed their normal work days scheduled from Monday through Friday to Tuesday through Saturday. This schedule change eliminated Saturday overtime for the rear-load crew. We have seen a slightly off-setting increase to Monday overtime due to staffing shortages on the busiest day of the week for all operations. Due to staffing levels, similar changes have not been feasible for the Operator II providing front-load services Saturdays or supervision. As new employees are hired, one of the conditions made clear from hire is that the scheduled 5 day work-week may include Saturdays, and does not guarantee two consecutive days off in the work week. The effectiveness of these changes will be evaluated over the summer. Further changes are under review as part of the city-wide overtime policy review.

Review the lifetimes used for depreciation calculations for fixed assets in the solid waste division.

Pending assignment for Solid Waste Manager is to work with Finance Department on this review. This is more of an accounting and equipment management issue. If necessary, the task can be assigned to the Fleet Manager to work with Finance to ensure the financial depreciation rates applied are consistent with life expectancy of equipment.

Write policies and procedures for provision of free solid waste services.

Data is collected monthly on (non) charges for free services. Based on the revenue situation, the Division is limiting free services where possible. The formal policy documentation will be completed by August 1, 2010.

Charge enterprise operations for solid waste services.

Per City Manager direction, this recommendation is not being pursued at this time due to current economic situation. This could be further explored in the future as the financial situation improves.

Include additional performance measures and benchmarking information in annual rate memos.

Additional performance measures and benchmarking information will be included in the annual rate memos as appropriate information is identified and collected. The 2010 rate memo will be expanded to include some of this data.

Analyze costs/benefits and feasibility of implementing more automated collection, routing and vehicle/driver performance monitoring technologies, and residential volume-based collection.

Various efforts are currently in progress. Staff has been evaluating various equipment (semi-automated and automated) with consideration of application to fleet. The Solid Waste Division is undertaking a pilot project for routing using existing GIS software. The goal is to test the routing for predominantly commercial collection rear-load areas. Step one of the process has been to document all tank locations, special collection conditions, schedules and frequency in a single format that can be loaded into the GIS. Solid Waste supervisors have been working on this data collection component, in consultation with the GIS Coordinator. No progress will be made on this pilot project between now and June, due to work load of large housing transitions (fraternities, sororities, scholarship halls, and dormitories). When the data is loaded into GIS, the test routing and re-routing will be completed. Final timeframe is unknown at this point, but steady progress is being made.