City of Culver City

ENTERPRISE RISK ASSESSMENT

November 15, 2019

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Finance Advisory Committee
City of Culver City
Culver City, California

Attention: City of Culver City Finance Advisory Committee

The attached report summarizes the results of the enterprise risk assessment conducted by Moss Adams LLP (Moss Adams, we) of the City of Culver City (Culver City, the City). The purpose of the enterprise risk assessment was to provide the City's leadership with a means to identify and measure uncertainty related to the City's ability to achieve its defined strategic objectives and to operate effectively.

This engagement performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. Accordingly, we provide no opinion, attestation, or other form of assurance with respect to our work or the information upon which our work is based. This report was developed based on information from our interviews and analysis of sample documentation. The procedures we performed do not constitute an examination in accordance with generally accepted auditing standards or attestation standards.

We would like to thank you and the staff of Culver City for your help in accomplishing this enterprise risk assessment. If you have any questions, please do not hesitate to reach out to me.

Very truly yours,

Mark Steranka

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I. EXECUTIVE SUMMARY

A. PROJECT SCOPE

This enterprise risk assessment provides a way for the leadership of Culver City to measure uncertainty related to the City's ability to achieve defined strategic objectives and operate effectively. Risks are identified, analyzed, and measured by the level of inherent vulnerability, the level of preparedness to mitigate them, and the impact such negative events could have on Culver City should they occur. This assessment serves as our basis for determining possible actions for managing and mitigating uncertainty, both on an inherent and a residual basis.

B. METHODOLOGY

Risk Assessment Framework

The process to identify and assess risks considers both internal and external factors. As part of this risk assessment, Moss Adams used a variety of techniques, both qualitative and quantitative, to identify external and internal factors that contribute to risk. The risk assessment involves a dynamic and iterative process to identify and analyze risks to the City's ability to achieve its objectives, forming a basis for determining how risks should be managed.

The risk assessment analysis process often includes identifying changed conditions, which involves identifying both external and internal events or activities that may affect the City's objectives and analyzing the associated opportunities and risks. The enterprise risk assessment process leveraged the Enterprise Risk Management (ERM) framework as defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and embraced by the Institute of Internal Auditors (IIA).

For each of the risk factor categories, Moss Adams assigned an overall risk level rating. The risk levels are intended to provide Culver City leadership with a means of prioritizing remediation efforts.

RISK LEVEL	Level of uncertainty that could impair functions and processes, in the absence of any actions taken to alter either the risk's likelihood or impact.	
	● Low ● Low-to-Moderate ●Moderate ●Moderate-to-High ●High	
IMPACT	Level of impact a negative event would have on strategy, people, operations, systems, and resources if it occurred.	
	● Incidental ●Minor ●Moderate ●Significant ●Major	
LIKELIHOOD	Likelihood of potential negative event occurring, based on current risk conditions.	
	●Remote ●Unlikely ●Reasonably Possibility ●Likely ●Almost Certain	

	PREPAREDNESS	Level of preparedness through activities and resources to manage risks and minimize and limit potential losses. ● Minimal ●Limited ●Moderate ●Significant ●Substantial
	TRAJECTORY	Trajectory that risk is headed without active mitigation efforts by management. ● Decreasing ● Flat ●Increasing
	RISK MITIGATION	Potential strategies for reducing or responding to risk, and to increase preparedness and resiliency.
	RESIDUAL RISK	Possible remaining exposure after known risks have been mitigated through specific actions.

C. ENTITY OVERVIEW

The City of Culver City is located in Los Angeles County, California (the County), and serves a resident population of an estimated 40,000 residents and an estimated daytime population of approximately 77,600 people.[1] The City provides a full range of municipal services, including but not limited to: community development; economic development; fire; parks, recreation, and community services; police; public works; transit; and transportation infrastructure.

D. RISK ASSESSMENT RESULTS

As part of this enterprise risk assessment, Moss Adams identified and evaluated risk conditions within Culver City, using categories that range from strategy, staffing, finance and systems, and operations. The table below presents the summary results of the risk assessment, presenting each of the risk categories by overall risk level from highest risk ranking to lowest. Each risk category is assigned a rating in the categories of potential impact, likelihood, preparedness, and trajectory.

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[1] Culver City Fire Department, *2019 Standards of Cover & Community Risk Assessment.*

RISK CATEGORY		IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
HIGH RISK					
Asset Management	➤	Significant	Almost Certain	Limited	Increasing
Information Technology	➤	Major	Almost Certain	Limited	Increasing
Organizational Structure and Staffing	➤	Significant	Almost Certain	Limited	Increasing
MODERATE-TO-HIGH RISK					
External Environment	➤	Significant	Almost Certain	Limited	Increasing
Funding	➤	Major	Likely	Moderate	Increasing
Human Capital and Resources	➤	Significant	Likely	Moderate	Increasing
Management	➤	Significant	Likely	Moderate	Increasing
Reputation and Public Perception	➤	Moderate	Likely	Minimal	Increasing
MODERATE RISK					
Compliance	➤	Significant	Reasonable Possibility	Moderate	Decreasing
Governance	➤	Moderate	Unlikely	Moderate	Flat
Planning and Strategy	➤	Significant	Reasonable Possibility	Moderate	Flat
Public Safety	➤	Significant	Reasonable Possibility	Substantial	Increasing
Risk Programs	➤	Major	Reasonable Possibility	Moderate	Flat
Policies & Procedures	➤	Significant	Likely	Moderate	Decreasing
Procurement	➤	Significant	Reasonable Possibility	Moderate	Decreasing
LOW-TO-MODERATE RISK					
Fraud Waste & Abuse	➤	Significant	Unlikely	Moderate	Flat
Accounting and Reporting	➤	Moderate	Reasonable Possibility	Moderate	Decreasing

Comparison to Employee Survey

In addition to interviews and document review, Moss Adams conducted an online survey of management-level employees (supervisor positions and above) to understand the risk conditions and the perceived level of risk by employees.

CATEGORY	RISK ASSESSMENT	EMPLOYEE SURVEY
Accounting and Financial Reporting	Low to Moderate	Low to Moderate
Asset Management	High	Low to Moderate
Compliance	Moderate	Low to Moderate
Fraud Waste Abuse	Low to Moderate	Low to Moderate
Funding and Economics	Moderate to High	Moderate
Governance	Moderate	Low to Moderate
Human Capital and Resources	Moderate to High	Low to Moderate
Information Technology	High	Low to Moderate
Management	Moderate to High	Low to Moderate
Organization and Staffing	High	Low to Moderate
Planning	Moderate	Low to Moderate
Policies Processes Procedures	Moderate	Low to Moderate
Procurement	Moderate	Low to Moderate
Public Safety	Moderate	Low
Reputation and Public Perception	Moderate to High	Low to Moderate
Risk Programs	Moderate	Low to Moderate

II. PROJECT SCOPE AND METHODOLOGY

A. SCOPE

Culver City engaged Moss Adams to conduct an independent enterprise risk assessment to assess the City's overarching areas of risk. In order to assess the overall risk level of Culver City and the different risk categories, the enterprise risk assessment process leveraged the Enterprise Risk Management (ERM) framework as defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and embraced by the Institute of Internal Auditors (IIA). The results of this assessment were presented to the City's Finance Advisory Committee.

The Moss Adams team evaluated multiple categories of risk—and business processes within each—that collectively make up the operations across the organization. Risk identification includes identifying current levels of risk, the Culver City's level of preparedness in terms of mitigation efforts, and what reasonably foreseeable risks may have a significant impact on the organization. The objective of risk identification is to identify the most important areas of risk and lay the foundation for subsequent management of these risks.

The enterprise risk assessment process is reported on at a specific point in time; the enterprise risk assessment was conducted from July 2019 through October 2019. Both the risk ratings and trajectory levels are directly connected to the timing.

B. METHODOLOGY

The enterprise risk assessment process consists of four primary phases of work: 1) planning, 2) fact finding, 3) risk assessment, and 4) risk reporting.

The activities and goals for each phase are described in detail below.

Planning	We begin planning our assessment by requesting a standard set of documents from Culver City, including (but not limited to) prior risk assessments, audits, public website documents, and financial reports. We use these to identify the first round of individuals to interview and additional document needs based on business process/functional areas.
Fact Finding	Fact-finding encompasses analysis of received documents, employee and Council member interviews, and soliciting additional employee feedback via an online survey. In this phase our aim is to gather information in order to gain a clear understanding of Culver City and the way it operates to achieve its goals and purpose.
Risk Assessment	With the information collected and compiled, we perform a risk assessment that includes a comprehensive review and analysis of the various categories of risks. This analysis includes assessing current risk conditions; the level of preparedness efforts to mitigate risks, and the probability and potential impact a negative event may have on the City's ability to achieve its mission, vision, and strategic goals.
Reporting	During this phase, we develop the draft version of this report to engage in review and discussion with senior leadership. This report becomes the final deliverable, which is then presented to Culver City leadership and the Audit Committee.

The enterprise risk assessment process relies on evidence obtained from Culver City employees. By design, the assessment process requires access to all senior leadership, and many department and division managers. Input was obtained from employees from all Culver City departments, through a combination of interviews and a web-based questionnaire; full disclosure of information has been assumed in this process.

Employee Survey

Distribution of a risk assessment questionnaire offers staff the opportunity to identify perceived strengths and weaknesses of Culver City, which helps us assess potential opportunities for improvement, and identify areas of specific vulnerability. The questionnaire poses a variety of statements to employees, including rating scales questions as well as open-ended questions for each of the risk categories. The questionnaire was sent out to supervisor level and above employees, and was open for submission from September 3, 2019 through September 12, 2019. Out of the 111 employees invited to take the survey, 78 individuals submitted either full or partial responses to the survey (a participation rate of 70 percent). The consolidated results of the survey are listed in **Section V** of this report.

Risk Assessment Framework

For each of the risk categories assessed, our risk assessment presents an overview of the risk condition at Culver City, including the current risk level, risk preparedness, negative event impact, and risk level trajectory. Risk mitigation identifies potential strategies for each category, and the residual risk level represents the probable risk exposure shift after risk mitigation efforts. The components below make up the risk assessment framework, which are industry standards and defined by COSO's ERM methodology.

OVERALL RISK		
LEVEL		**SIGNIFICANCE**
High	➤	Represents significant risks that should be addressed immediately.
Moderate-to-High	➤	Represents serious risks that should be addressed expeditiously.
Moderate	➤	Represents moderate risks that should be addressed as soon as reasonably possible.
Low-to-Moderate	➤	Represents ordinary risks that should be addressed during the next review cycle.
Low	➤	Represents a minor threat to the organization.

IMPACT

LEVEL		SIGNIFICANCE
Major	➤	Threatens the success of the organization/service delivery
Significant	➤	Substantial impact on time, cost, or quality
Moderate	➤	Notable impact on time, cost, or quality
Minor	➤	Minor impact on time, cost, or quality
Incidental	➤	Negligible impact

LIKELIHOOD

LEVEL		SIGNIFICANCE
Almost Certain	➤	Almost certain to occur with current risk conditions.
Likely	➤	Very likely to occur with current risk conditions.
Reasonable Possibility	➤	Likely to occur with current risk conditions.
Unlikely	➤	May occur with current risk conditions.
Remote	➤	Unlikely to occur with current risk conditions.

PREPAREDNESS

LEVEL		SIGNIFICANCE
Substantial	➤	Risk preparedness activities are robust and likely to be sustained, with readily available evidence attesting to this level of achievement.
Significant	➤	Risk preparedness efforts are well established, documented, and stable.
Moderate	➤	Deliberate risk preparedness efforts are under way; important gaps remain.
Limited	➤	Preliminary risk preparedness efforts have been initiated, though few, if any, have been implemented.
Minimal	➤	Minimal risk preparedness activity.

TRAJECTORY

LEVEL		SIGNIFICANCE
Increasing	➤	Inherent risk is increasing in current conditions.
Flat	➤	Inherent risk is holding steady in current conditions.
Decreasing	➤	Inherent risk is decreasing in current conditions.

III. OVERVIEW

Culver City is a community covering approximately five square miles in western Los Angeles County, approximately five miles north of the Los Angeles International Airport (LAX) and three miles east of the Pacific Ocean. The California Department of Finance estimates that the population of Culver City increased 1.0 percent to reach 40,173 people at the beginning of calendar year 2019, compared to 2018. Culver City estimates its daytime population reaches approximately 77,600 people during the week.

City Government

A charter city since 1947, Culver City currently operates under the most recent charter adopted in 2006. The City is a full-service municipality with a 2019-2020 fiscal year General Fund budget of $134.4 million, governed by an elected five-member City Council (the Council) that serves as the legislative body for the City, and managed by a City Manager and ten department heads. The public elects a City Council of five citizens who each serve a four-year term and are responsible for electing the Mayor from among themselves. The City Council appoints the City Manager, City Attorney, Police Chief and Fire Chief.

TABLE 1: CITY OF CULVER CITY ORGANIZATIONAL CHART

City-provided services include police, fire, general maintenance, public improvements, planning and zoning, refuse collection, municipal bus lines, parks, recreation and community services, transportation infrastructure, and general administrative services. The City is also financially accountable for the legally separate Culver City Housing Authority and Culver City Parking Authority, which are both included in the City's financial statements.

The majority of Culver City is surrounded by the city of Los Angeles, with the exception of the portion of the City which borders unincorporated Los Angeles County. As of 2018, there are an estimated 10.3 million residents within the 4,084 square miles of the County. Within Los Angeles County there are 88 independent cities, most of which have 60,000 or fewer residents, and nearly 150 unincorporated communities.

TABLE 2: LOCATION OF CULVER CITY WITHIN LOS ANGELES COUNTY (HIGHLIGHTED IN YELLOW)
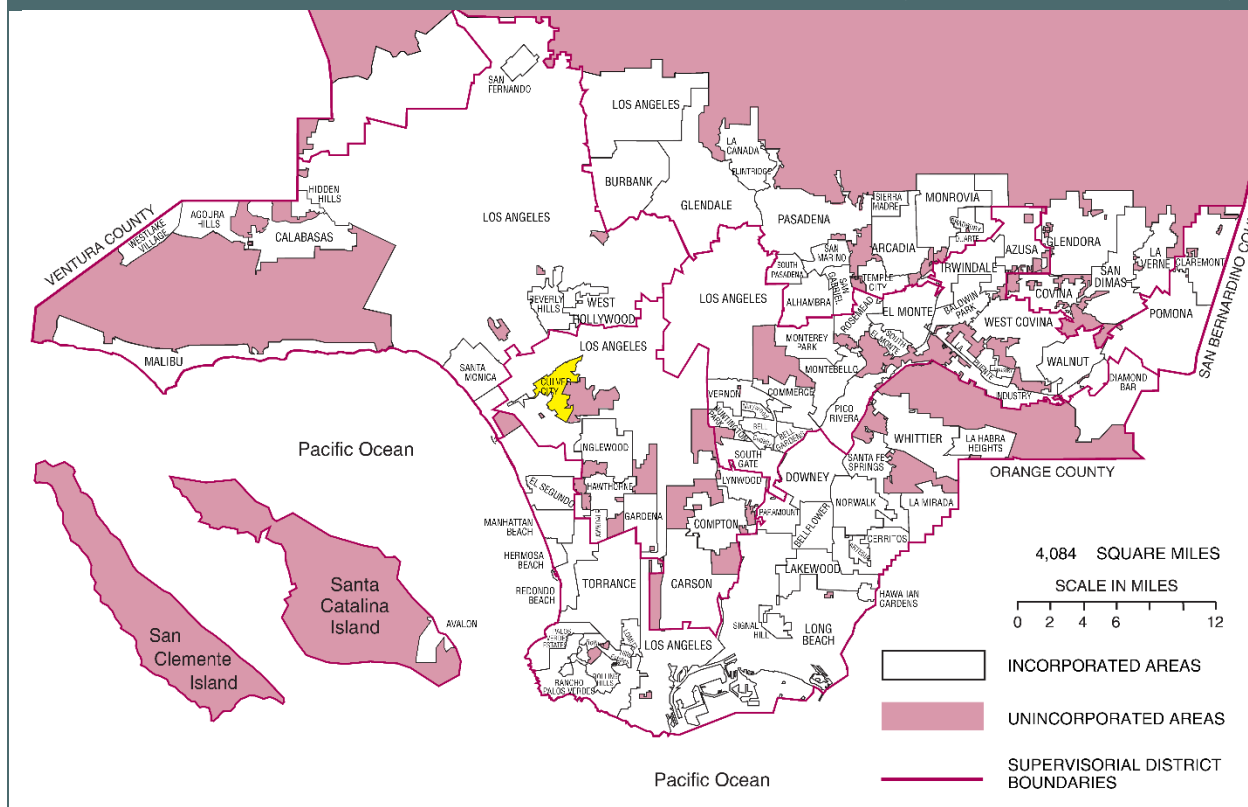
Culver City is within the following legislative districts:

- Los Angeles County 2nd Supervisorial District
- California State Legislature 30th Senate District; 54th Assembly District
- U.S. House of Representatives 37th Congressional District

Community Characteristics

The City estimates there are 3,597 businesses and 49,081 employees working in Culver City in 2019. There are an estimated 16,543 households in the City, with the owner-occupied housing rate of 53.4 percent. Approximately 75 percent of Culver City residents are involved in white collar professions; an estimated 57 percent of Culver City residents have at least an undergraduate degree. In 2019, Culver City's cost of living is reported to be 58 percent higher than the national average.[2] According to data from the U.S. Census, average per capita income is $49,274 in Culver City, and the median household income is $86,997.

Culver City has five operating public elementary schools (including a language magnet), Culver City Middle School, Culver City High School, Culver Park High School (alternative high school), Adult School, and a Children's Center.

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[2] PayScale. Accessed Oct. 2019 <www.payscale.com/cost-of-living-calculator/California-Culver-City>

City Demographics[3]

The socio-demographic make-up of Culver City residents has continued to shift over the last two decades. Since the 2000 Census, the percentage of the population of Culver City who identify as white alone has increased from 59.2 to 62.4 percent. The number of residents who identify as black or African American decreased from 12.0 percent to 7.7 percent.

City Demographics by Race and Hispanic Origin

	2000 Census	2010 Census	2017 Estimates
Hispanic or Latino	23.7%	23.2%	24.3%
Two or More Races	5.7%	6.1%	6.2%
Native Hawaiian / Pacific Islander	0.2%	0.2%	0.2%
Asian	12.0%	14.8%	15.9%
American Indian and Alaska Native	0.7%	0.5%	0.6%
Black or African American	12.0%	9.5%	7.7%
White alone	59.2%	60.3%	62.4%
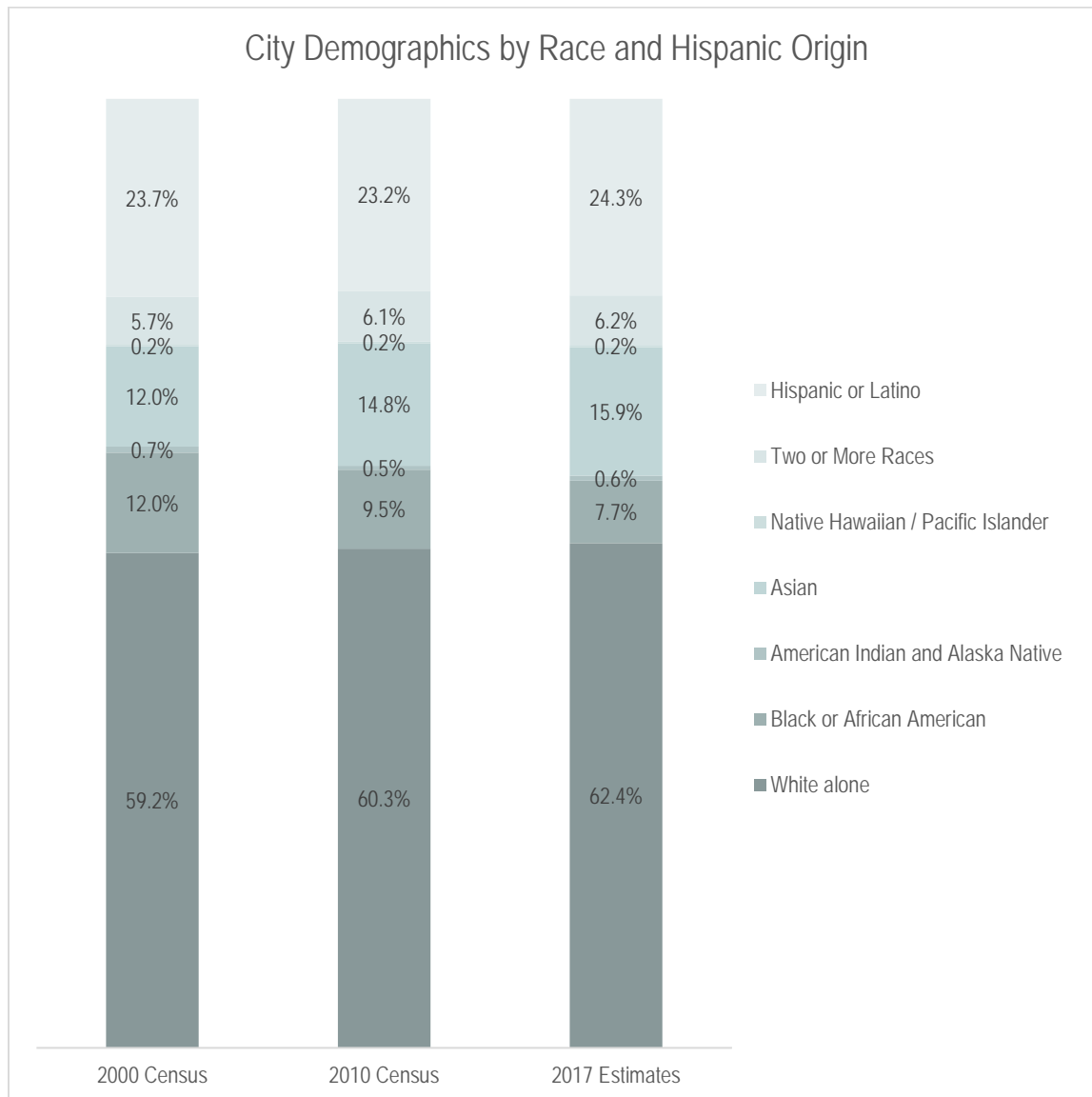
Over the same period, the percent of the population under the age of 18 decreased from 20.9 percent to 18.6 percent. The number of citizens age 65 and older increased from 13.9 percent in 2000 to an estimated 15.7 percent of the population in 2017.

City Demographics by Age

	2000 Census	2010 Census	2017 Estimates
Persons 65 years and over	13.9%	14.9%	15.7%
Persons 18 to 64	65.3%	66.3%	65.7%
Persons Under 18	20.9%	18.8%	18.6%
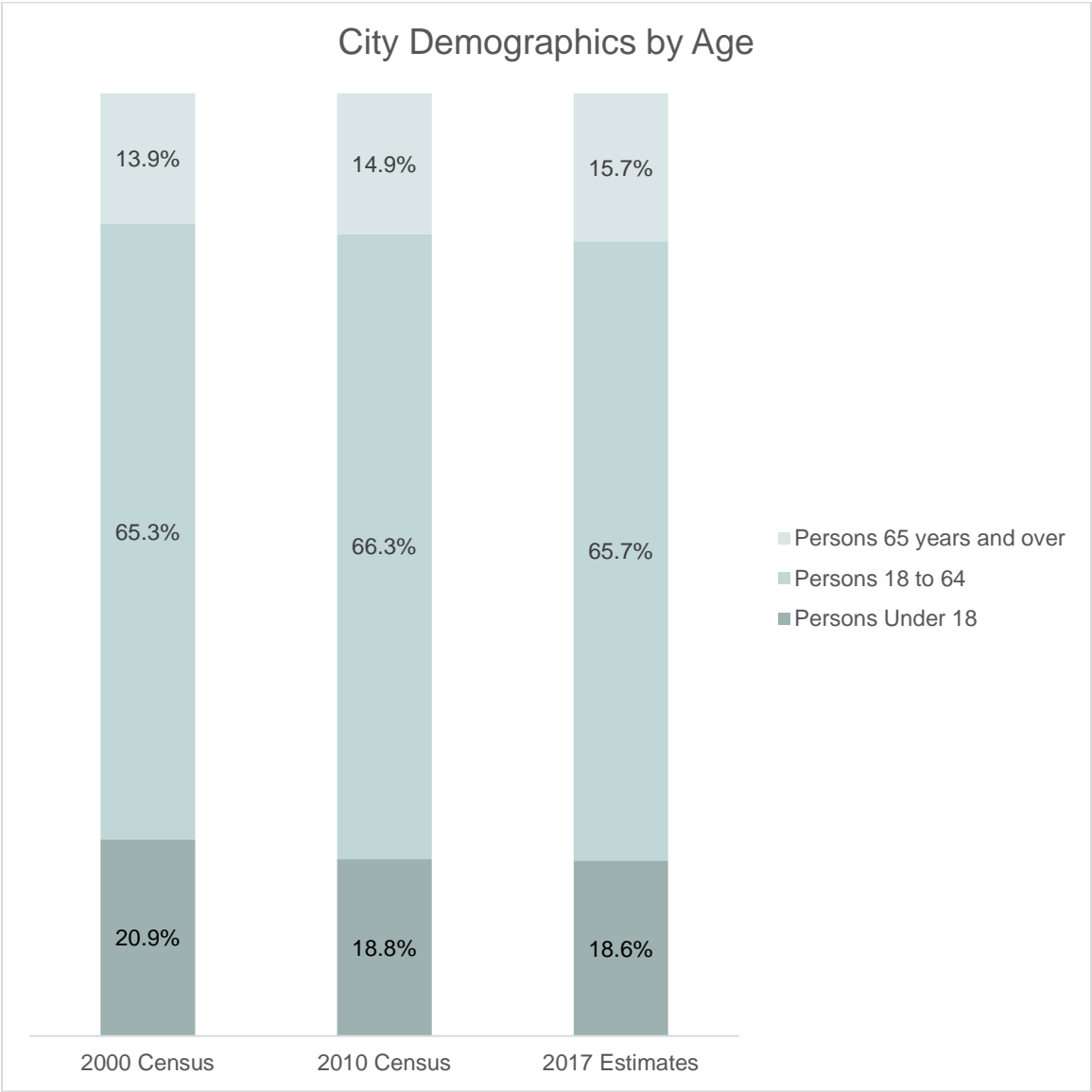
IV. RISK ASSESSMENT RESULTS

A. SUMMARY OF RESULTS

As part of this enterprise risk assessment, Moss Adams identified and evaluated risk conditions within Culver City, using categories that range from strategy, staffing, finance and systems, and operations. The table below presents the summary results of the risk assessment, presenting each of the risk categories by overall risk level from highest risk ranking to lowest. Each risk category is assigned a rating in the categories of potential impact, likelihood, preparedness, and trajectory.

RISK CATEGORY		IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
HIGH RISK					
Asset Management	➤	Significant	Almost Certain	Limited	Increasing
Information Technology	➤	Major	Almost Certain	Limited	Increasing
Organizational Structure and Staffing	➤	Significant	Almost Certain	Limited	Increasing
MODERATE-TO-HIGH RISK					
External Environment	➤	Significant	Almost Certain	Limited	Increasing
Funding	➤	Major	Likely	Moderate	Increasing
Human Capital and Resources	➤	Significant	Likely	Moderate	Increasing
Management	➤	Significant	Likely	Moderate	Increasing
Reputation and Public Perception	➤	Moderate	Likely	Minimal	Increasing
MODERATE RISK					
Compliance	➤	Significant	Reasonable Possibility	Moderate	Decreasing
Governance	➤	Moderate	Unlikely	Moderate	Flat
Planning and Strategy	➤	Significant	Reasonable Possibility	Moderate	Flat
Public Safety	➤	Significant	Reasonable Possibility	Substantial	Increasing
Risk Programs	➤	Major	Reasonable Possibility	Moderate	Flat
Policies & Procedures	➤	Significant	Likely	Moderate	Decreasing
Procurement	➤	Significant	Reasonable Possibility	Moderate	Decreasing
LOW-TO-MODERATE RISK					
Fraud Waste & Abuse	➤	Significant	Unlikely	Moderate	Flat
Accounting and Reporting	➤	Moderate	Reasonable Possibility	Moderate	Decreasing

B. EXTERNAL ENVIRONMENT

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate to High	Significant	Almost Certain	Limited	Increasing

Recommended Risk Mitigation and Response Efforts
● Continue to participate in regional resilience and preparedness programs, initiatives, and planning.
● Identify and begin to capture data on indicators for key external risk factors to establish a baseline for the City.
● Design and implement cross-departmental scenario analysis and stress testing exercises based on the results of the Fire Department's *Community Risk Assessment* to assess citywide resource and training needs.
● Incorporate into planning considerations the Summer Olympics and Paralympics hosted in the Los Angeles Region in the 2028

Risk Areas	*External risks are those that arise from events outside of an organization's control; examples include natural disasters, climate change, political lobbying and changes, and macroeconomic changes including interest rates and industry shifts.*
Scope	*Organizations typically cannot influence the likelihood of these risk events, but through risk mitigation and increasing resiliency can reduce the cost and disruptive impact of a negative event.*

Culver City is located within Los Angeles County, which is the most populous and among the most diverse counties in the United States. The subsequent external risk factors described in more detail below are primarily outside the City's control, and the City has very little influence on the likelihood of a negative event. Mitigating these risks requires a different approach, which should include risk identification and subsequent scenario analysis/testing to determine if the City has the necessary resources to endure the full impact of an external risk event.

Regional

Traffic
Portions of Interstate 405 and Interstate 90 pass through Culver City, and Interstate 10 passes immediately to the north of the City. There are roughly 120 linear miles of streets and five miles of highway in Culver City. Accident consequences increase if an incident involves hazardous materials, multiple patients, or is extremely complex. The Los Angeles area consistently tops national worst traffic lists, and the traffic congestion in Culver City is similarly poor. The City reports the process of conducting a travel demand forecast model (TDFM) is currently underway to assess individual and cumulative impacts of development projects in Culver City. The focus will be on vehicle miles traveled and greenhouse gas emissions.

Affordable Housing
California has a serious housing shortage. California's housing costs, consequently, have been rising consistently over the last few decades. These high housing costs make it difficult for many Californians to find housing that is affordable and meets their needs. This phenomenon has been mirrored in Los Angeles County and Culver City. Access to stable and affordable housing within Culver City and the greater region is an increasingly difficult challenge. Los Angeles County had a shortfall of 581,823 homes affordable to the lowest-income renters as of 2018.

Data from the U.S. Census shows that both owner and rental costs within Culver City are higher than the surrounding County average as well as the U.S. national average. Culver City's median monthly housing ownership costs are higher than the County average, with mortgage-holders paying $2,752 per month for owning a housing unit in the City. Monthly rental costs (rent plus cost of utilities) in Culver City is 28.3 percent higher than the County average at $1,758 and over twice as much as the U.S. national average.

TABLE 3: HOUSING UNIT COSTS IN CULVER CITY					
	Culver City	Los Angeles County	U.S. Average	% diff. from County	% diff. from U.S.
Owner-occupied housing	53.4%	45.9%	63.8%	15.1%	-17.7%
Monthly owner costs (with mortgage) – median	$2,752	$2,336	$1,515	16.4%	58.0%
Monthly owner costs (without mortgage) – median	$588	$556	$474	5.6%	21.5%
Gross rent – median	$1,758	$1,322	$982	28.3%	56.6%

Source: U.S. Census Bureau

Affordable housing is an issue for not only the community, but increases risk to the City in terms of recruiting and retaining employees. Multiple department heads noted that many of the City's employees live outside of Culver City due to housing costs, and have long commutes; this presents risks to both employee retention and operational stability. At the same time that affordable housing has become a major area of concern, the City experienced a significant reduction in available funding for housing-related programs when the Redevelopment Agency was dissolved.

Homelessness

Homelessness has been identified as a regional crisis by Los Angeles County, and Culver City reports a dramatic rise in homelessness as well. The City reported in mid-2018 that on any given night in Culver City, approximately 227 people experience homelessness, nearly double the number from 2016. The Culver City Committee on Homelessness serves as an advisory body to the City Council on potential short- and long-term strategies to address homelessness, including activities related to the Los Angeles County's Homelessness Initiative. In July 2018, the City's consultant completed and presented the City's "Plan to Prevent and Combat Homelessness." This three-year plan serves as a roadmap to establish the City's approach to addressing homelessness over the long-term.

As part of its wildland fire risk assessment, the City reported the existence of smaller pockets of grass/vegetation located throughout the city which pose a potential threat. These areas include but are not limited to the vegetation along the 405 interstate and highway 90, where there is a considerable homeless population.

Terrorism

Located within the Los Angeles basin, Culver City is at risk of being involved in a terrorist attack targeting Los Angeles. Depending on the nature of the event—chemical, biological, radiological, nuclear, or explosive—the Police and Fire departments report they actively collaborate to increase the City's capabilities and resilience.

Air Traffic

In 2017, the Federal Aviation Administration implemented changes in flight patterns and altitudes of planes landing at LAX. These revisions resulted in a greater concentration of planes flying over Culver City at lower altitudes. The Fire department believes that the risks from an air transportation emergency are extremely low; however, community members have expressed concern over increased noise and air pollution.

Environmental

The City of Culver City is susceptible to various natural hazards including drought, earthquakes, extreme heat, flood, geological hazards, landslide/mudflow, liquefaction, seismic hazards, wildfire, windstorms, and climate change. California is subject to wide variations in weather due to a phenomenon called the El Niño Southern Oscillation (ENSO). Much of Culver City is in the former floodplain of La Ballona Creek, with the eastern portion of the City including a portion of the Baldwin Hills. Culver City is in an area with multiple known earthquake faults. The three known faults are Newport-Inglewood, Charnock, and Overland. In addition to these faults, there are four other major faults that have the potential to affect the greater Los Angeles Basin and Culver City: San Andreas, Palos Verdes, Whittier, and Santa Monica. Specific earthquake and disaster response policies have been developed and personnel have received training on earthquake-related procedures and tasks. Mutual aid agreements are in place to ensure access to additional or specialized resources.

Climate Change

Climate change is a complex issue that imposes multiple challenges on public agencies, which include defining how climate change relates to existing scopes of work and how to develop a plan to address climate change. While climate change itself is not a distinct hazard, the effects of it can exacerbate hazards and risks. These risks include increasing average temperatures, more heat waves and extreme heat days, more extreme weather, rising sea levels, worsening air pollution, and more vector-borne diseases. These changing conditions can have significant effects on the regional economy, urban infrastructure, public health, recreation, tourism, agriculture, and the environment.

More frequent extreme heat days, defined in Los Angeles as days with daytime maximum temperatures above 92°F, present one of the greatest potential health threats to Culver City residents and employees. Research has found Los Angeles County has the largest number of residents in the state who will be exposed to extreme heat and be at greatest risk of heat-related health problems due to factors such as other preexisting health conditions, lack of air conditioning, or working outdoors in unshaded areas.

Sustainability

The Los Angeles County Board of Supervisors unanimously adopted the *OurCounty Sustainability Plan* in August 2019, which was drafted over the course of two years with the help of nearly 1,000 community and expert stakeholders from every part of the County. Since 2016, the state of California has banned practices that waste potable water. These practices include prohibiting hosing off sidewalks, driveways and other hardscapes, washing a motor vehicle without a hose that is fitted with a shut-off nozzle, operating a fountain or decorative water feature unless the water is part of a recirculation system, watering outdoor landscapes in a manner that causes excess runoff, or within 48 hours following measurable precipitation and irrigating ornamental turf in public street medians with potable water.

Culver City formed the City Council Subcommittee on Sustainability in 2008 to address matters of environmental sustainability, resource conservation, land use and open space, while also addressing the

economic viability, public health, and educational engagement needs of the community. Additionally, the City's Division of Environmental Programs & Operations (EPO), as part of the Public Works Department, has championed significant efforts to provide environmental education opportunities as well as improve services in the areas of resource conservation, environmental and public health protection, and solid waste diversion.

Natural Resources

The Inglewood Oil Field is a current active oil field, approximately 1,000 acres large, of which roughly 100 acres are located within Culver City's jurisdiction. It is one of the largest contiguous urban oil fields in the United States. Throughout its existence, the oil field has presented real and perceived dangers for the City. The area is home to oil drilling and fracking, which has caused concern in the Culver City community. The area has experienced brush fires in the past, primarily as a result of electrical transformer failures. The Fire Department reports it is aware of the risk to the City and has prepared the necessary equipment to address wildland-urban interface fires in this area.

C. FUNDING

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate to High	Major	Likely	Moderate	Increasing

Recommended Risk Mitigation and Response Efforts

- Pursue the Council's strategic plan initiatives for long-term financial stability, including revising the business tax structure and conducting an economic assessment.
- Identify and collect development-related performance measures to track and assess the benefits of developing to the community over time.
- Continue to plan for CalPERS and OPEB increases.
- Integrate the new long-term financial forecasting tool into normal decision-making and reprioritization.

Risk Areas	*Risks associated with revenue sources (rates, fees, grants, and taxes), funding levels, cash management, liquidity, expenditure rates and commitments, debt management, and inter-organizational business.*
Scope	*The internal, local, regional, and other funding and economics factors that impact the organization's ability to maintain operations and deliver programs and services. Whether within the organization's realm of influence (or outside of their control), the funding and economic factors impact the organization's long-term fiscal stability as well as its ability to mitigate the negative impacts of extraordinary risk such as earthquakes, fires, floods, and national economic volatility.*

Ensuring long-term financial stability is the very first goal in the City's strategic plan for 2018-2023, with the objective of identifying new revenue sources and maximizing existing sources of revenue to maintain financial stability.

The General Fund—the location of the City's general tax revenues and from which expenditures for many broad operations are released—in the 2019-2020 fiscal year budget for Culver City increased approximately $3.0 million. Budget appropriations for the Special Revenue Funds decreased by $18.2

million; there was also a decrease of $20.0 million in the Capital Improvement Funds due to prior-year funds carried over into the new fiscal year.

The major sources of revenues for the General Fund are comprised of various taxes; any increases must be approved by voters. The remaining 30 percent of revenues are primarily items where there is minimal ability to increase rates, if any exists. The passage of Proposition 13 locked in the portion of property taxes the City receives, which is limited to $0.10 cents per dollar paid. The remaining funds are collected by various County and State agencies. The Transient Occupancy Tax (TOT) is a visitor tax of 14.0 percent paid by those that stay at hotels within the City. There are two new hotels currently being built within the City, which would help diversify the distribution of revenues. As the City continues to pursue additional economic development, attention should be paid to ensuring that it has defined (and developed a process to track) the benefits from increased economic development activity.

Employee Survey: How concerned are you about the impact of external economic forces (e.g. financial markets, local economy) on the City?

5%	16%	38%	28%	14%

■ Not At All ■ A Little ■ A Moderate Amount ■ A Lot ■ A Great Deal

The City has adopted a Contingency Reserve Policy with a target of 30 percent of its General Fund Operating Budget. Access to such funds are limited to specifically defined circumstances, and are designed to be used in the vent of a significant financial emergency. As of June 30, 2018, the City had a committed General Fund fund balance of $33.9 million for contingencies/emergency, $9.2 million for future facility improvements/replacements, and $1.3 million for recreational facility improvements. Additionally, the City had $22.1 million in unassigned General Fund fund balance.

Employee Survey: How would you rate the availability and stability of the primary funding sources of the City?

7%	53%	34%	7%

■ Excellent ■ Good ■ Average ■ Poor ■ Terrible

Some programs rely on funding sources more susceptible to economic downturns. For example, the funding for work programs in the Cultural Affairs Division comes from the Cultural Trust Fund, a development impact fund. This increases the risks associated with being able to continue to deliver cultural affairs programs to the community during the next economic downturn.

Measure A

In late 2017, City Council approved permitting two commercial cannabis businesses (one home-delivery retailer and one distributor). At the April 10, 2018 municipal election ballot, Culver City voters approved Measure A, a cannabis business tax. The initial rates will be in place for two years, after which they will be able to be adjusted by City Council resolution. A third business was permitted at the end of May 2019,

and twelve other businesses have been given preliminary approvals by the City and are expected to be permitted within the next year. In September 2018, 23 applicants applied for one of up to three storefront retail (dispensary) permits. Depending on the length of time necessary to complete the conditional use permit process and complete the permitting process, it is expected that the approved retail locations will open sometime in early 2020. The City adopted a fiscal year 2018-2019 budget with $615,000 in anticipated revenue from the Cannabis tax; the estimated amount of revenue ended up amounting to approximately $25,000 instead. However, for the proposed 2019-20 fiscal year budget, the City assumes it will receive $1,000,000 in revenues related to this tax, a significant jump in funds.

Measure C

In November 2018, Culver City residents approved a quarter-cent sales tax to allow the City to maintain current levels of public safety efforts including 911 emergency response times by retaining firefighters, police officers, paramedics. The measure also funds City services such as after school youth programs, senior services and street repairs.

Debt Management

Like nearly all California cities and other public agencies, Culver City provides retirement programs to its employees through the California Public Employees Retirement System (CalPERS). The City has separate CalPERS accounts for its Safety Employees (sworn police and fire employees) and its Miscellaneous Employees (all other non-safety employees). Employees are required to contribute a percentage of their pay towards retirement costs (8 percent for the majority of Miscellaneous and 9 percent for the majority of Safety), but the employer must pay the remaining required amount, as determined by CalPERS actuaries. Data from the California State Controller shows that Culver City's net pension liability[4] increased 7.8 percent in fiscal year 2018 to reach $234,345,914.

CalPERS sustained huge investment losses during the Great Recession that greatly reduced the funded status of the plans. CalPERS has since taken a number of steps to shore up the system. This included changes to actuarial assumptions, and most notably assumed investment earnings. The City has engaged the services of Bartel Associates, LLC and Urban Futures, Inc. to assist with retirement cost financial forecasting, and pension and OPEB analytics and management. These firms have thoroughly reviewed the City's actuarial reports, rates, and obligations, and are working to develop a comprehensive 10-year planning model, which will help mitigate and offer solutions to pursue financial sustainability through a more informed decision-making process.

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[4] Net Pension Liability (NPL) is the amount owed to a defined benefit pension plan based on the actuarial present value of projected benefit payments for plan members and their beneficiaries less the plan's net position.
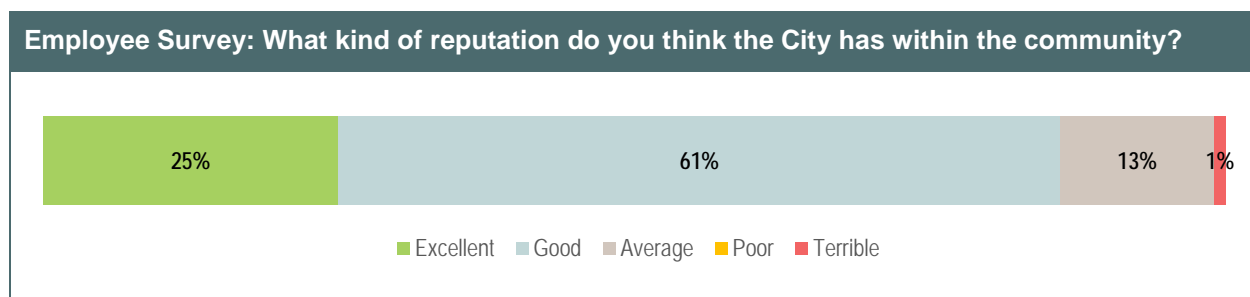
D. REPUTATION AND PUBLIC PERCEPTION

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate to High	Moderate	Likely	Minimal	Increasing

Recommended Risk Mitigation and Response Efforts
• Identify a position with sufficient authority to provide oversight and governance of the City's online content.
• Develop and document communications-related policies and procedures, including roles and responsibilities for providing oversight of City communications.
• Establish a baseline measure of reputation within the community through a community survey and online searches of blogs, forums, websites, and social media platforms.
• Engage with community members to analyze threats and opportunities to strengthen the City's reputation, and identify opportunities to celebrate City "wins" with the public.
• Develop a reputation management framework and a supporting communications plan that incorporates participation from all departments, and supporting policies and procedures.

Risk Areas	*Risks associated with the City's reputation and the public's perception of the organization, including its competency (financial performance, safety and security, responsiveness), transparency (openness and integrity), and guardianship (demonstrating care and consideration).*
Scope	*The reputation of an organization refers to how a broad group of stakeholders perceive the accumulated decisions, actions, and behaviors of the people within an organization. This social judgement is influenced both directly and indirectly by interactions with employees, with programs and services, and by commentary in the public domain (e.g., news stores, press release, social media).*

As a local government entity, the City's reputation and relationship with residents and stakeholders is at the heart of its success. The operations of a local government like the City are complex and multi-faceted, and impact the lives of citizens either directly or indirectly every day. In a society that is connected to the instantaneous, 24-hour news cycle across the internet, citizens have increasingly high expectations around transparency of decision making, effective use of financial resources, and instant action or results.

Employee Survey: What kind of reputation do you think the City has within the community?

| 25% | 61% | 13% | 1% |

■ Excellent ■ Good ■ Average ■ Poor ■ Terrible

As a community, Culver City is facing challenges that are complicated and changing constantly, including:

- Affordable housing and cost of living
- Changing community population and expectations
- Social and corporate responsibility expectations

The City's demographics are shifting, and staff report that there is a division between older and newer residents in terms of priorities, political beliefs, and satisfaction with City services. Being responsive to resident needs is not a simple task, especially if needs are divergent. This division is exemplified by some of the most recent public topics that have been the center of debate, like the recently passed rent control measure, or the use of surveillance drones. Staff report that there is a public perception that funding decisions are sometimes based on politics, rather than community need. Some staff noted general challenges around transparency or the perception of a lack of transparency that can easily rise to crises level under certain circumstances. These comments may indicate that the City needs to focus on proactively and strategically communicating with the community.

Public Information/Communication

The City's methods of communication have historically been decentralized across various departments, with a significant portion of public relations activity focused within the City Attorney's office. However, the City does not employ a Public Information Officer (PIO), a Communications Director, or any other role dedicated solely to supporting external communication and media relations. This increases the risk that the City will not have proactive, clear, and consistent communications. The City has hired a California-based public relations firm to handle some elements of public relations, which staff report has been a helpful resource when crafting needed communications. Other public information activity (such as social media posts and website content) is spread across different roles and departments. For example, while the City Clerk's office manages some of the content on the City's website (www.culvercity.org) including Council meeting documents and information, individual departments are responsible for updating their own pages. The Information Technology (IT) department is also involved, as they provide technical support for the website, but they are not the content owners. The City could benefit from an internal communication lead, who could coordinate efforts with the outside consultants, develop needed crises communication plans and processes, and think strategically about how best to proactively tell the City's story.

This decentralized model lacks the necessary oversight to ensure the City's website content is coordinated and with other published information and aligned with City policies. A city's website is a core tool for interfacing with residents and local businesses, and serves as the most visible public place for information about a city. Technology is a powerful tool for public engagement; leveraged strategically and effectively, it can help shape participation in local decision making. Without a clearly defined process (and associated responsibilities) for aligning content on the website, the City is at increased risk of having outdated or conflicting information posted online. For example, the City's privacy statement (as linked to from the Parks and Recreation department's online registration website) results in an error.

TABLE 4: PRIVACY STATEMENT	
Link from Parks, Recreation and Community Services' registration page.	← → C ⌂ ⓘ Not secure | culvercity.org/Information/PrivacyStatement.aspx Oops, the page you are looking for may have been removed, renamed, entered wrong or is temporarily unavailable!

TABLE 4: PRIVACY STATEMENT	
Link from City's website to privacy statement.	

However, despite the lack of resources and concerns voiced in interviews, survey respondents felt that the City communicates with the public in a consistent manner extremely well (29%) or very well (44%). Staff primarily attribute this positive engagement to front-line staff who work directly with City residents, but some staff also noted positive involvement from City Council in terms of playing an active and visible role within the community.

Community Hot Topics

The City of Culver City is in a period of transition, as recent growth levels continue to drive higher density of land use across residential, retail, commercial, industrial, and tourism sectors. The community has a strong interest in preserving its feel and historical past while managing its future growth to produce quality neighborhoods that translate into healthy and happy lifestyles.

Looking at the recent news related to "Culver City Council" allows for narrowing of key or pressing topics that emerged within the last year (2018 – 2019). Once the topics were identified, researching news and opinion pieces related to each topic separately provided more background information on the content.

Topic	Summary of Issue/Topic	# of articles in last year
Rent Control	On August 12th 2019, the City Council voted in favor of rent control ordinance (4 – 1 majority) to ensure affordable housing. In the prior months, opposition was led by Protect Culver City Renters, who argued against rent freeze or government financial compensation to compensate for increase cost in maintenance. The question remains how the council intends to implement and operate this plan.	12
Homelessness	This topic relates to rent control and affordable housing issue. In 2016, the Council adopted a resolution to prevent and combat homelessness. This did not tackle affordable housing issues, however. In 2018, the plan was updated to include emergency shelters from old motels and expanding funding for homeless services.	7
Diversity and Inclusion	As the demographics of Culver City are changing, the council makes an effort to ensure their decisions are intentional and reflect inclusive values. In 2017, the Council decided Culver City will become a sanctuary city for refugees, opposing the federal stance on immigration. These type of sentiment towards people of all backgrounds has sustained to current day.	5

Topic	Summary of Issue/Topic	# of articles in last year
Environmental Sustainability	Community members have pushed the City Council to be more environmentally conscious. The community particularly has concerns on the Inglewood oil activity and regulation efforts (since 2018). The Council agreed to an amortization study to gain more information on the outcomes of stopping oil drilling. A recent oil spill in the dog park has advanced Council talks to flesh out the study's plan.	5
Trust and Accountability	There is a range of subtopics. However, Culver City's citizen engagement is notable. All articles reflect high participation and passion from community members (during Council meetings). Most importantly, it appears the Council listens and takes into consideration the input provided by the public. There are criticisms around the transparency of the way the Council chooses to spend tax dollars or even the choices on how to spend the tax dollars, which has hampered trust with some members in the community.	4

E. GOVERNANCE

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate	Moderate	Unlikely	Moderate	Flat

Recommended Risk Mitigation and Response Efforts

- Continue to proactively build strong relationships between City Manager, Police, and Fire to ensure alignment between these functions.
- Consolidate City Council policies into a manual for ease of training and onboarding.
- Continue to pursue charter amendments to standardize Council reporting structure and increase term limits.

Risk Areas	*Risks associated with ongoing oversight; ethics and values; control environment; policy management; risk management; accountability; performance management; coordination and communication; and defined roles, responsibilities, and authorities.*
Scope	*Governance is a process of overseeing an organization's management of risk and control processes and is ultimately the responsibility of an organization's board of directors. Management is responsible for identifying and managing risks.*

Governance Structure

The five-member elected City Council is the main body providing governance over City affairs. In addition, the City has four commissions, two boards and eight advisory committees. The City Manager is also involved in governance, as Culver City's form of government is a City Council/City Manager structure. The City Clerk manages Council, board, and committee agendas and notices, as well as compliance with the Brown Act.

Within the current Council, four of the five members are in their first term—two with starting dates in 2016 and two with starting dates in 2018. The only member in their second term is the Mayor. This is a useful mix of tenure, signifying that there will likely be a certain level of continuity during the next election cycle as only one member will be ineligible to run based on term limits.

Hybrid Reporting Structure

In 2004, the City Council convened a Charter Review Committee that recommended changing the form of government from City Council/Chief Administrative Officer (where most department heads reported directly to the City Council) to the more common City Council/City Manager form of government (where the department heads report to the City Manager). In 2006, voters approved a new Charter that retained the Police Chief and Fire Chief reporting directly to the City Council, along with the City Attorney and the newly created position of City Manager, and directed the elected offices of City Clerk and City Treasurer to be appointed by the City Manager. These changes were implemented in 2008 and reported that the shift improved inter-departmental collaboration.

In 2016, the City put forth a ballot measure to change the Charter to have the Police Chief and Fire Chief report to the City Manager. This measure was supported by the Police Chief and Fire Chief and was designed to integrate the management team for all City functions and remove any lingering impacts of a transitioning from a commissioner form of government. However, this ballot measure was defeated, and the City retained its former reporting structure. This hybrid structure presents some risks to the City, primarily related to the:

- Clear delineation of the policy and oversight role (as opposed to operational role) of the City Council
- Potential inability of the City Manager to manage, compel cooperation, appoint, or remove Police and Fire Chiefs
- Clear chain of command through the City Manager in emergency situations
- Issues around cultivating cross-departmental collaboration

As part of the transition to the City Council/City Manager form of government and in relation to the natural expansion of the City, the City Manager and Council have been working to further formalize and professionalize the governance environment. As part of this work, the Council has embraced a strong policy-driven culture in recent years. Over the last two years, an Ad Hoc City Council Subcommittee has been working to review and revise Council policies as necessary. The scope of review has included grammatical and technical changes; changes to policies from the perspective of how the City Council wants to operate; review from a labor/employee perspective; a legal review; and organization and formatting of documents. The Subcommittee has also transferred policies from the Council to more appropriate subcommittees, such as the Internal Controls subcommittee.

While the City does have a meeting policy that outline public meeting processes and procedures, there are no bylaws that exist. Perhaps stemming from this, another area of concern is the productiveness of City Council meetings. For example, staff report that the Council occasionally allows for new agenda items to be added in response to last-minute requests from the community, which is reflected in the meeting minutes. This—in combination with the council's culture of vigorous debate—can extend the length of the meetings and undermine the established process.

Survey respondents rate the effectiveness of governance at the City as either extremely (11%), very (30%), or moderately (46%) effective.
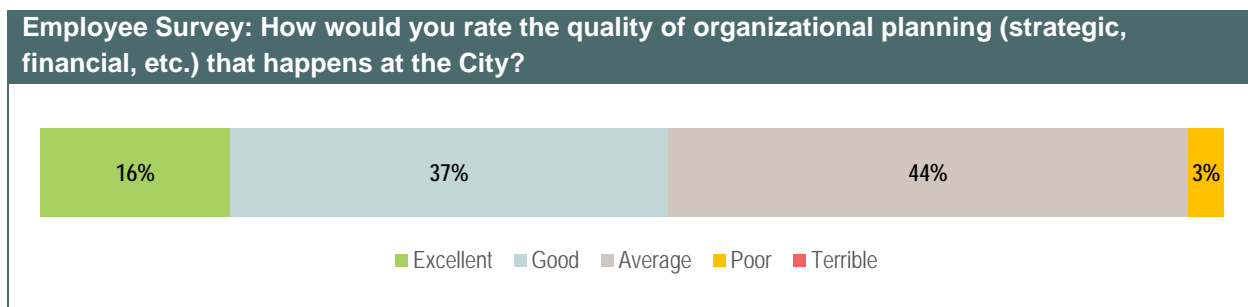
F. PLANNING AND STRATEGY

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate	Significant	Reasonable Possibility	Moderate	Flat

Recommended Risk Mitigation and Response Efforts

- Develop and implement a consistent process across departments to proactively manage reprioritization.
- Create interdepartmental steering committees for major initiatives (such as the SMARTBus project and other mobility efforts) as appropriate to develop and document the guiding vision of the projects and programs.
- Assess how to use performance measures to capture meaningful and measurable indicators that can enhance the communication of the accomplishments of the City.

Risk Areas	*Risks associated with how the organization plans for operations, strategy, and the future, including both short-term and long-range planning.*
Scope	*A comprehensive planning framework builds upon the strategic goals, and dives into the next layer of planning which looks at the strategic objectives for not only the enterprise, but sets objectives for the departments, divisions, programs, and individual roles.*

Strong planning allows cities to align leadership, focus staff efforts, effectively prioritize when resources are limited, and achieve the most critical outco7mes for the residents they serve.

Employee Survey: How would you rate the quality of organizational planning (strategic, financial, etc.) that happens at the City?

16%	37%	44%	3%

■ Excellent ■ Good ■ Average ■ Poor ■ Terrible

Strategic Planning

Strategic plans serve as valuable tools to clarify the mission, vision, and direction of the organization in a way that inspires and enables staff to understand the value of their work. More tactically comprehensive strategic plans will provide a clear roadmap for guiding strategic decisions through goals and objectives, strategic initiatives, and key performance indicators. The employee survey showed that 44 percent of respondents said the City had done extremely well (10%) or very well (34%) in achieving clearly defined guiding strategies.

In 2016, the City developed their first strategic plan through a collaborative process with staff and stakeholders. In May 2018, the Council reviewed progress and made adjustments to the priorities. The plan outlines five strategic priorities:

- Ensure Long-term Financial Stability

- Enhance Mobility and Transportation
- Improve Housing and Homeless Services
- Revitalize Ballona Creek
- Transform Inglewood Oil Field

While this work is a strong step forward for the City, there are opportunities to improve the effectiveness and utilization of the City's Strategic Plan.

First, the strategic plan could be used more effectively to support prioritization and decision-making. While the strategic plan lays out clear priorities, staff report that it does not yet have the specificity needed to help Council and staff make prioritized decisions. As a result, City management and staff reported a reactive approach to addressing community needs, whereby multiple projects are considered a top priority and priorities often change. The City's culture embraces innovation by exploring opportunities and implementing new ideas. However, this approach results in undue challenges when the City leadership does not evaluate the impact of additional work prior to providing direction to embark on a new project. This is directly tied to concerns about increasing staff workloads discussed in the Organizational and Structure and Staffing section.

Ultimately, a strategic plan and supporting department operating plans should serve as a decision framework that provides a foundation for evaluating new initiatives. For example, will an initiative support the long-term vision for the community? Will it help to achieve the City's mission? Will it achieve the City's goals and objectives? Will it align with the values of the organization? Using the strategic plan as a comprehensive planning framework will help the City to evaluate and prioritize issues in an evolving, political environment.

Second, the strategic plan does not yet incorporate effective or specific performance measures to track progress toward goals. The plan identified some high-level indicators, but these could be greatly improved and specified to help the Council, staff, and City stakeholders better understand how success will be tracked and measured. Regular performance reporting can help guide implementation and improve decision-making.

Finally, some staff, including those in leadership positions, report that they do not always feel connected with planning processes or decisions that directly impact their work—including the Strategic Plan itself.

Employee Survey: How well is input solicited during organizational planning activities for all involved stakeholders?

11%	34%	34%	11%	10%

■ Extremely Well   ■ Very Well   ■ Moderately Well   ■ Slightly Well   ■ Not Well At All

Operational and Capacity Planning

As part of the annual budgeting process, departments are required to submit operating plans. Staff report that there are opportunities to improve the usefulness of these plans, as many staff and management see them as a checkbox task, rather than a document to drive work and aid in prioritization and decision-

making. Without proactive processes to share and coordinate work, the City is at risk for redundant projects, wasted staff time, and limited project buy-in and success rates.

The City lacks consistent processes to support cross-departmental collaborative planning at a strategic level to ensure tactical alignment of efforts. Staff report that historically, work on major projects has been prone to occur in siloes without appropriate input from impacted departments. For example, there are multiple projects and plans that will impact mobility either directly or indirectly across the City, such as the SMARTBus Project (Transportation); the General Plan (Community Development); and the Traffic Study Guidelines (Public Works). However, there is not a unifying plan on how all of these efforts should align and support each other across the department. The new Transportation Director facilitated a visioning retreat in August 2019, which resulted in the goal for the Department to create a Master Plan for the SMARTBus project and create an interdepartmental steering committee to create a long-term vision for the project.

In a public sector environment with limited resources by nature, not every idea can be pursued. Other local governments have implemented policies to proactively manage reprioritization. For example, in Monterey County, any work with extra-budgetary exploration must have a staff assignment, describing staff time dedicated in a specific timeframe with a detailed outcome statement. Included in the staff assignment is a description of what work the staff will set aside to work on the Board exploratory research. An initiative can only be approved by a majority vote, and the vote can occur only after there has been an exploration into the full costs and benefits.

The City Council should adopt a policy and a supporting procedure for evaluating the costs (including direct and indirect) and benefits of proposed initiatives that are not included in the City's budget. Whether mandated or discretionary and proposed by the Council, a department, or an agency, new initiatives should be evaluated in a consistent manner. Each proposal should define lifecycle costs, including staffing requirements, and identify whether existing resources will need to be reallocated or current programs or services will need to be deprioritized in favor of the new initiative. The impacted or proposing department/agency should be responsible for performing this analysis with the support of the City's senior leadership.

General Plan

The City's General Plan establishes its long-range vision for future development over the next 20 to 30 years. The City's existing General Plan contains nine topics areas including housing, land use, circulation, open space, noise, public safety, seismic safety, conservation, and recreation. Each topic area has been updated individually over the past 40 years, ranging from recreation in 1968 to housing in 2014. In September, 2019, the City launched an initiative to perform the first-ever comprehensive update to the General Plan. The process of updating the General Plan is expected to be collaborative with both staff and community stakeholders, and take place over the next three years.

As part of this process, the City will re-evaluate zoning ordinances to define each property's allowable use and form. Use dictates the category of development that is permitted on the property, such as single-family residential, multifamily residential, or commercial. By dictating how many sites housing can be built on and at what densities, zoning controls how much housing a community can accommodate. The City's should consider and incorporate strategic plan goals related to housing in the General Plan to ensure that the plans are aligned. A number of other master plans will likely be updated in the wake of the general plan, including the Parks and Recreation Master Plan, which was last updated in 2009.

G. MANAGEMENT

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate to High	Significant	Likely	Moderate	Increasing
Recommended Risk Mitigation and Response Efforts				
• Develop succession plans for key positions • Implement processes to foster cross-departmental communication and collaboration.				

Risk Areas	*Risks associated with organizational leadership, management practices, leadership strategic activities, and operating styles*
Scope	*Management's philosophy and operating style affect the way an organization is managed, including the kinds of risks accepted. The attitude and daily operating style of top management affect the extent to which actions are aligned with risk philosophy and appetite.*

Most departments reported good relationships with management, who have typically been working at the City for a long time. Leading the management team is the City Manager, who has strong skills and extensive experience. He continues to foster a stable work environment and serves as an effective conduit between management and the City Council. Department directors reported fairly good working relationships at the executive level. This is reflected in staff survey, where the majority of respondents reported being extremely (16%), very (30%), or moderately (33%) confident in the City's leadership team.

As of August 2018, there were approximately 110 supervisors, managers, or director-level employees at the City, representing approximately 19.8 percent of the total number of City employees. During the 2018-2019 fiscal year, 10 management positions separated from the City, approximately 27 percent of the 37 total positions. Six of these positions were due to retirement. As noted in the Human Resources and Capital section, succession planning for key management positions is critical to reducing risk related to turnover and retirements at the leadership level.

Communication & Collaboration
While department leaders report that management collaboration is on a positive trajectory, there are still opportunities to increase collaboration and coordination across departments. This is particularly relevant as an increasing number of City priorities—including tackling homelessness and affordable housing, climate change, and diversity and inclusion—require extremely strong cross-departmental collaboration.

Survey responses related to the question of how well City management collaborates ranged widely, with 44% reporting that management works either extremely or very well together, and 56% reporting that management works only moderately, slightly, or not well at all.

Communication fosters the development of common values and goals, ultimately encouraging a sense of teamwork and collaboration. Frequent, transparent communications about decision-making will help build trust between employees at all levels of the organization. Currently, staff noted that there are gaps in communication and coordination within and between departments at City Hall. Communication and coordination seems to be horizontal (i.e., working relatively well on the same floor), whether within the

same division or department or between departments and divisions. In this way, geography seems to be an important factor as to whether communication is good or poor.

The survey responses also indicate that there may be opportunities to improve how information is shared upwards through the organization. When asked how often they feel feedback or recommendations for improvements are heard, recognized, or considered, the majority of respondents reported that this occurs only sometimes (44%) or less than half the time (15%).

Span of Control and Management Capacity

Across departments, the average span of control (i.e. the number of direct report reports to any given manager) is within normal ranges and under eight direct reports. Notable exceptions were found in the following departments:

- Community Development
- Police
- Public Works
- Transit

When a manager's span of control is too high, managers are frequently unable to perform more high-level management and strategy work because they are constantly needed to complete routine operational tasks. It can also impact staff growth and development, if management is unable to give each direct report adequate support and attention.

H. ORGANIZATIONAL STRUCTURE AND STAFFING

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
High	Significant	Almost Certain	Limited	Increasing

Recommended Risk Mitigation and Response Efforts

- Develop a program to support strategic cross-training to provide positions with backup.
- Conduct a human capital needs assessment and subsequent workforce plan.
- Assess the addition of administrative support positions within departments to increase management capacity for higher-level strategic activities.
- Reposition the City Clerk to report directly to the City Manager.

Risk Areas	*Risks associated with how personnel is organized, as well as staffing levels and skills.*
Scope	*An entity's organizational structure provides the framework to plan, execute, control, and monitor its activities. Organization and staffing encompasses hierarchy, chain of command, span of control, and staffing levels. Staffing includes specific positions, counts, and capacity. A relevant organizational structure includes defining key areas of authority and responsibility and establishing appropriate lines of reporting.*

Operating Structure and Reporting Lines

City's organizational structure consists of ten departments. Of these, the City Attorney's Office, Fire Department, and Police Department report directly to the City Council and all other report to the City Manager (see the Governance section for a more detailed analysis of this structure).

The organizational structure is fairly well-aligned. However, some modifications may help strengthen the city's operating environment:

- Administrative Support: Many departments operate with few or no administrative support positions. Without adequate support staff, managers and directors must perform their own clerical, data, and administrative tasks. Typically, these tasks are able to be completed by lower paid, specialized employees that would in turn enable leaders across the City to focus on high-level strategic work. Many managers reported spending significant portions of their time entering and analyzing data, coordinating schedules, and performing other logistical activities. In the absence of this support, directors and managers report that their daily work is often task-oriented rather than strategic. This inhibits the City's ability to operate an effective enterprise management structure by requiring leaders to focus on completing activities specific to their department.
- City Clerk: Currently, the City Clerk reports to one of the Assistant City Managers—which is an unusual reporting structure. It is a legacy of prior staffing, when the City Clerk role was a position filled by an Assistant City Manager. Industry best practice recommends that City Clerks report directly to the City Manager, due to the nature of their work and the need for independence.
- Communications: As noted in the Reputation and Public Perception section, the City does not employ a Public Information Officer (PIO), a Communications Director, or any other role dedicated to supporting external communication and media relations. While some of this work is currently outsourced, the City may benefit from bringing in an in-house specialist to help guide the City's communication strategy.
- Facilities: There is no centralized department or division to support facilities maintenance for the City. Rather, this function is managed by a variety of positions across Public Works, Fire, and individual departments. Staff report a lack of clear roles and responsibilities, especially for facilities outside of City Hall.
- Telecommunications: The Telecommunications division within the Fire Department provides radio and system support to all departments on the City's radio infrastructure. If changes are made to this system, the City may wish to alter the staffing on this team, or potentially integrate some or all of this function in the IT Department.

Staffing Levels

As of the start of fiscal year 2019-2020, the City proposed budget for 692.94 FTE positions. The number of payroll employees (headcount) declined by 1.0 percent to 883. The City's budgeted FTE staffing levels have increased from around 666 FTEs in 2014-15 to a little over 716 FTEs in 2019-20. On average, the City is hiring around 10 new FTEs a year, although 2017-18 saw a decrease (primarily driven by the elimination of the police communication unit). The most recent staffing gains have been primarily driven by 15 FTE increase in Public Safety (Fire and Police). According to payroll data, Culver City had a turnover rate of approximately 7.5 percent in 2018.

However, the City is still dealing with the lasting impacts of reductions from the Great Recession. According to the 2019-2020 budget, the total number of budgeted full-time positions increased only 3.7 percent since the 2008-2009 fiscal year number. However, as the chart below shows, only two of the ten departments have actually increased the number of positions since 2008-2009; the others remain at or below pre-recession levels. Multiple department leaders raised concerns about staffing levels during the

next economic recession, as the City does not currently have excess service capacity. If staffing levels are reduced, the City will likely be unable to maintain the service levels currently delivered.

Change in Budgeted FTE Positions by Department

Department	FY 2008-2009	FY 2019-2020
City Council	5.0	5.0
City Manager	4.1	4.0
City Attorney	8.5	7.0
Finance	36.5	35.5
Administrative Services	16.1	16.3
IT	17.0	18.5
Parks	45.8	34.0
Police	163.8	159.8
Fire	72.8	78.9
Community Dev	57.8	41.5
Public Works	120.2	117.6
Transportation	149.3	199.5
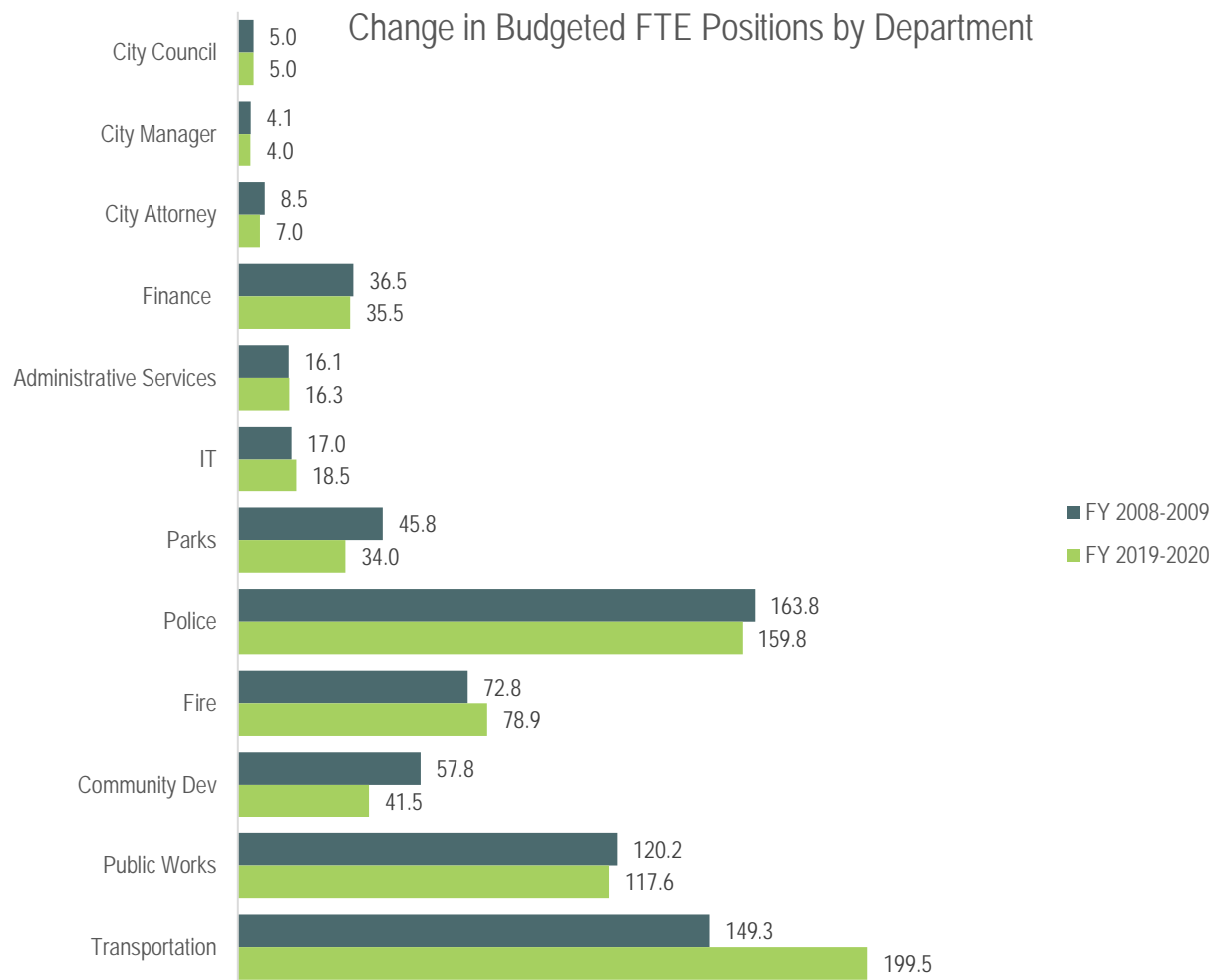
The table below shows the number of vacant full-time positions across the City at the start of the 2019-2020 fiscal year. The high percentage of vacancies within the Police department was attributed primarily to the addition of eight budgeted positions effective at the start of the fiscal year.

FULL-TIME POSITION VACANCIES	AS OF JULY 1, 2019	PERCENT OF TOTAL
Administrative Services	3	4%
Community Development	7	9%
Finance	5	7%
Fire	9	12%
Information Technology	4	5%
Parks, Recreation and Community Services	6	8%
Police	16	22%

Public Works	16	22%
Transportation	8	11%

In combination with a lack of prioritization resulting in increasing workloads (see Planning and Strategy section), multiple staff expressed concerns about low staffing levels. There is increased risk when workloads increase without proportional growth in staff capacity. Only 26 percent of survey respondents rated current staffing levels within their department to be adequate, with the rest reporting only average (36%), poor (30%), or terrible (8%).

I. PUBLIC SAFETY

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate	Significant	Reasonable Possibility	Substantial	Increasing
Recommended Risk Mitigation and Response Efforts				

- Fire: Focus on pursuing and implementing the identified recommendations in the Community Risk Assessment
- Police: Update the Police Department's Strategic Plan

Risk Areas	*Risks associated with public safety services, including level of services, funding, and community issues.*
Scope	*Public safety includes emergency services such as law enforcement, fire, dispatch, and community disaster response programs.*

Historically, "public safety" might simply refer to narrow definitions that focus on crime prevention or fire suppression. However, the concept of public safety has expanded to incorporate the broader issue of community safety and security as a public good. Tackling the challenges of community safety benefits from using a framework that includes:

- Recognizing public safety as quality-of-life issues.
- Working across jurisdictional boundaries both horizontally and vertically.
- Recognizing the crucial role of political leadership.
- Adapting strategies to local needs on the basis of good analysis and targeted plans.
- Building capacity.
- Developing tools and measurements of success.

Culver City is currently experiencing public safety-related challenges faced by many nearby municipalities: its populations (both residential and day-time) are expanding and migrating; the surrounding area of Los Angeles is growing rapidly; and levels of poverty and disparities between rich and poor are increasing. These developments have already had a significant impact on safety and security and their effects are likely to continue to play an important role in the risks associated with community safety.

One of the greatest challenges to public safety is articulating its value in a quantifiable manner. The necessity of data collection, analysis and reporting cannot be overstated. Data, and the information

gleaned from it, can show the need for various public safety programs, including prevention, public education, and emergency response services. The technology and information needs related to public safety services and programs continues to be an increasingly vital area of focus.

Dispatch

In 2017, the Culver City Fire and Police departments coordinated the move to a new dispatch center, also known as a regional communications center (RCC). The South Bay Regional Public Communications Authority now provides dispatching services for the City. This transition causing a modification in the computer aided dispatch (CAD) systems utilized as well as a shift in records management systems (RMS) for both CAD and fire records. Another move is on the horizon, as the RCC is currently in the process of improving its CAD system. A new police RMS has already been implemented and Mark 43, the new vendor, is currently developing the CAD system.

Fire

The Culver City Fire Department is a fully career fire department that serves the community of Culver City with various core emergency response services, such as fire suppression, emergency medical services (EMS), technical rescue, and hazardous materials mitigation. In addition to these core services, the Department also provides several other community supportive functions, such as fire prevention and emergency preparedness services. The Fire Department comprises six divisions: The Office of the Fire Chief, Fire Suppression, Emergency Medical Services, Emergency Preparedness, Community Risk Reduction, and Telecommunications. The Fire Department accounts for 19.8 percent of the City's general fund at $24.4 million in fiscal year 2019-2020. There are three fire stations, out of which three engine companies operate staffed by three personnel each; one truck company staffed with four personnel; two paramedic rescues staffed with two firefighters/paramedics each; and one battalion chief command vehicle. In total, the Department employs 72 employees.

In alignment with best practices and as part of the Commission on Fire Accreditation International's (CFAI) accreditation process, the City's Fire department published its latest Community Risk Assessment in July 2019.

TABLE 5: CULVER CITY FIRE EMERGENCY ACTIVITY						
Incident Type	2014	2015	2016	2017	2018	% Change 2014 - 2018
Fire	92	101	82	81	117	*27.2%*
Fire – Structure	41	40	28	32	45	*9.8%*
Fire - Wildland	10	7	12	5	16	*60.0%*
Rescue – EMS	4,017	4,337	4,379	4,813	4,819	*20.0%*
Hazardous Materials	101	102	106	138	134	*32.7%*
Total Incidents	**5,261**	**5,644**	**5,744**	**6,676**	**6,791**	***29.1%***

The Community Risk Reduction division has also been experiencing increased workload related to plan checks and inspections. The number of plan checks completed increased 14.5 percent in 2018 to 308 plans, compared to 2017; this is an increase of 13.7 percent compared to 2015. The number of inspections by CRR personnel remained relatively unchanged at 1,043 inspections in 2018, only 14 fewer

compared to the prior year; however, the number of CRR inspections is up 9.1 percent compared to 2014.

Out of the 2019 process, four primary opportunities were identified for the Fire Department. These included 1) adding a third rescue ambulance at Fire Station 2; 2) refocusing all components of response time (alarm handling; turnout time; and travel time); 3) improving data collection methods and quality; and 4) revisiting automatic aid agreements to optimize efficiency and effectiveness with Los Angeles County and the City of Los Angeles Fire Departments.

Wildfires

Southern California faces challenges with wildfire hazards from increased development in the wildland-urban interface, which has produced a significant increase in threats to life and property from fires. The City reports this has pushed existing fire protection systems across the region beyond original or current design and capability. Culver City has mutual aid agreements in place and front-line apparatus which have been equipped with wildland firefighting equipment to address wildland-urban interface fires in and around Culver City.

Police

The Culver City Police Department consists of four divisions, including the Office of the Police Chief; its Operating Bureaus; COPS; and Animal Services. In the 2019-2020 budget, the Department had 158.85 budgeted positions; of those, there were 117 sworn officer positions. The Police Department is responsible for providing visible patrol, criminal investigations, follow up investigations, traffic accident investigations, and specialized investigations such as identity theft, vice offenses, and similar crimes. The Department attempts to enhance community safety through the deterrence/prevention of crime, the apprehension of offenders, and the education of the public in self-protective measures to minimize victimization.

The Police Department has reallocated the primary responsibilities of a few managers and supervisors to create a Community Relations section, managed by the Community Relations Lieutenant. The purpose of this section is to focus on enhancing and refining the Police Department's partnerships, community outreach and engagement, and social media footprint.

Similar to the Fire Department, recruitment is one of the biggest issues for the Police department. Department leadership reports that because of a culture that promotes individuals internally, there is a critical reliance upon the incoming pipeline of entry level officers. Delays in certain phases of the hiring these entry-level recruits can cause frustration and loss of candidates, particularly delays in the background check process.

The Department strives to meet these expectations with a "no call too small" philosophy, and a 50 percent case clearance rate. In recent years, the Police Department has focused on modernization through the utilization of technology. For instance, the City utilizes crime mapping, online reporting, and a mobile app. In addition, the Department has implemented cameras in vehicles and is pursuing body cameras for officers. As in many other agencies, policies and procedures are regularly updated through the utilization of Lexipol, which monitors state and federal laws to ensure compliance. The Police Department's published strategic plan requires updating (it was created in 2015 for fiscal years 2015-2019).

Community Disaster/Emergency Preparedness

The Fire Department oversees a Community Emergency Response Team (CERT) program, which is intended to assist in disaster relief efforts. CERT members are educated to be self-sufficient for at least 72 hours. They receive training in first aid, in the use of fire extinguishers, and in conducting neighborhood safety surveys. The Fire department reported increased requests to provide community education.

The Fire Department offers several public education and life safety education services. The Department visits local schools, conducts fire station tours, and offers emergency education at multiple public events through the year. The Department works with the Culver City CERT Teams, educates the public through the *Ready, Set, Go* wildland fire safety program, the Culver City smoke alarm program, and participates in Culver City High School's Project Shadow, a program that gives high school students a better understanding of the fire service. The Fire Department also manages several educational campaigns throughout the year, which include dissemination of information in person at the local farmers' market and via the City's website, social media channels and email. The City reports it has developed a preparedness plan to ready and educate property owners and residents living in landslide/mudflow areas within the City.

Related to the discussion under Public Information, the City does not have a crisis communication plan in place that could help the City proactively prepare for how to gather and share information during a crisis or disaster.

J. RISK PROGRAMS

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate	Major	Reasonable Possibility	Moderate	Flat

Recommended Risk Mitigation and Response Efforts
- Evaluate acquiring a risk management information system and framework to allow for the collection, curation, consolidation, and analysis of data to strengthen insights and understanding, and increase data-driven decision making.   - Continue to train staff and update the City's Emergency Operations plan based on lessons learned during testing exercises.   - Develop Continuity of Operations Plans (COOP) for each department

Risk Areas	*Risks associated with the organization's formal/structured risk management programs, such as employee health and safety programs, operational risk management programs, and incident response and emergency management efforts.*
Scope	*Formal programs and efforts (such as general liability insurance, workers' compensation, safety training, disability management, and property programs) intended to help management prepare for and respond to specific types of risks. Risk programs may also include contract/insurance certificate review, insurance procurement, and emergency management/preparedness programs.*

The City's risk management function is led by the Administrative Services Department and the City Attorney's Office. A Claims and Safety Coordinator and a Safety Technician are responsible for workers' compensation claim management and safety training and coordination throughout the City. The Safety Coordinator maintains a safety log and provides training to departments focused on OSHA compliance. The City Attorney's office plays a significant role in risk management and oversight, managing insurance contracts and liability claims. All litigation is handled by outside contracted attorneys specializing in litigation.

Employee Survey: As far as you know, does the City conduct continuity of operations and/or government planning at least annually?

| 24% | 5% | 71% |

■ Yes ■ No ■ I'm Not Sure

The City has a safety program in place to prevent losses to the City, such as employee injury, injury to the public, or equipment/property loss. This is accomplished through employee safety training, hazard identification, and health monitoring programs. Human Resources reports an increased investment in safety and training to reduce workers' compensation.

Employee Survey: How would you rate the workers compensation program and processes?

| 13% | 45% | 28% | 11% | 4% |

■ Excellent ■ Good ■ Average ■ Poor ■ Terrible

The Police Department recognized the need to support an "in-house" mental health and wellness resource that provides support to employees and their family members in managing both professional and personal challenges and crises. The Police Department created and implemented the Peer Support Team program in 2014 to provide services and support to various Police Department members.

Employee Survey: How would you rate the employee safety program at the City?

| 12% | 39% | 41% | 6% | 2% |

■ Excellent ■ Good ■ Average ■ Poor ■ Terrible
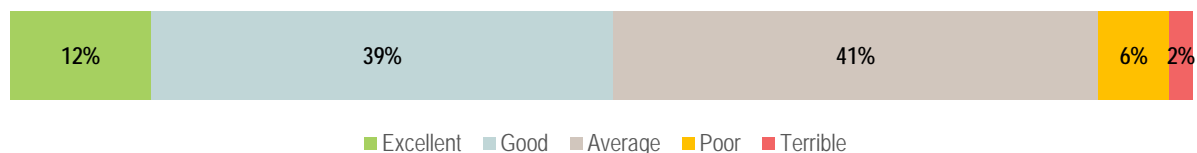
The City would benefit from pursuing the next level of data analysis maturing through the acquisition of a risk management information system (RMIS), or at least a more systematic approach to leveraging data

for risk analysis. A RMIS or risk information program would allow the City to collect, curate, track, analyze, and report information to decision makers to help evaluate risks.

Emergency Management

The Culver City Fire Department has emergency management responsibilities in its jurisdiction, which are managed through the Emergency Preparedness Division, i.e., Office of Emergency Management. It maintains an all-hazards emergency operations plan (EOP), has adopted the State of California Standardized Emergency Management System (SEMS) standards, is National Incident Management System (NIMS) compliant, and utilizes the NIMS Incident Command System (ICS) on all emergency responses. The Fire Department reports it has interoperable communications with surrounding agencies and participates in various drills with neighboring agencies to ensure operational readiness. The Department conducts annual community-wide disaster drills and works closely with community readiness groups like the Culver City Amateur Radio Emergency Service (CCARES) and the Community Emergency Response Team (CERT).

The Fire Department reports that critical City infrastructure—including City Hall, the Police Department, Public Works, the Transportation Facility, the Senior Center, and each fire station—have emergency power capability with procedures in place to maintain essential emergency services. However, the department reports that a long-term power outage could significantly impact the City.

K. HUMAN CAPITAL AND RESOURCES

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate to High	Significant	Likely	Moderate	Increasing

Recommended Risk Mitigation and Response Efforts
• Deliver competency based training aligned with career paths and reflective of succession requirements.
• Review and update job specifications need to match the positions requirements
• Evaluate the City's recruitment process and identify streamlining opportunities.
• Add accountability mechanisms to ensure performance reviews are conducted regularly.
• Develop and document a process for HR to send out employee termination notifications to all relevant parties.

Risk Areas	*Risks associated with recruiting, workforce development, labor management/contracts, employee performance, training, compensation, benefits, employee morale, and retirement and succession planning.*
Scope	*Human capital and resource practices can span functions including hiring, orientation, training, evaluating, counseling, career planning, compensation and benefits, and housing the policies that define an organization's expected levels of skill, culture, behavior and competence.*

The City's almost 700 employees are supported by a small team of around 7 FTEs in the Human Resources division. The team has been operating for some time without a direct manager, although an HR Manager was recently hired in August, 2019. Multiple staff note that the HR team's workload is too high, and some report issues related to this team's responsiveness, as well as consistency and clarity of

communications. While the introduction of the new HR Manager may resolve some of these issues, the City should continue to evaluate staff workloads and capacity within this team.

When staff leave positions, it can create gaps in institutional knowledge, increase stress, and slow down operations. This is particularly true if several members of a team leave within a close timeframe or team members are not cross-trained. Staff departure also increases the risk of loss of institutional knowledge, without strong document management practices already in place.

In addition, the City faces the same challenges as many other public sector organizations stemming from the impact of retiring Baby Boomers and the need for succession planning. According to analysis provided by the City, in fiscal year 2017-2018 approximately 190 of the City's workforce was eligible for retirement based on the CalPERS requirement of five years in the California retirement systems and age 50 years.

Positions eligible to retire in fiscal year 2017-2018			
Department	Positions Eligible to Retire	Budgeted Positions 2017-2018	% of Budgeted Positions
Administrative Services	4	13	31%
City Attorney's Office	6	7	86%
City Manager's Office	3	4	75%
Community Development	20	40	50%
Finance	11	33	33%
Fire	19	72	26%
Information Technology	4	18.5	22%
Police	22	151	15%
PRCS	17	35	49%
Public Works	30	112	27%
Transportation	54	195	28%

In terms of retirements, governmental entities tend to be impacted somewhat more significantly than businesses. This is due, in part, to the fact that governments are not typically as active in recruiting employees directly out of college, which helps to diversify the age spectrum, and governments typically offer generous retirement plans, which provide a financial foundation for retirement. Over the last three fiscal years, retirements have accounted on average for 16 percent of terminations. In fiscal year 2018-2019, the number of retirements increased year-over-year by 26.7 percent from 15 to 19 employees.

Culver City County of Employee Terminations by Fiscal Year				
Termination Type	2016-2017	2017-2018	2018-2019	Total
Dismissal	1	1	2	**4**
Resignation	38	55	52	**145**
Retirement	21	15	19	**55**
Separation	45	58	43	**146**

Death	1	1	2	**4**
Total	**106**	**130**	**118**	**354**

As noted in the External Environment section, Culver City is experiencing increased challenges associated with the high cost of living, which has been driven by the gentrification of the area. Cost of living presents two challenges for the City, including 1) not benefitting from the pride that City employees typically exhibit working for the City in which they reside, and 2) the impact of long commutes on attracting and retaining employees. When asked about the City's current efforts to attract, develop, and retain employees, only 32 percent of survey respondents rated the City's efforts positively, with 22 percent rating the efforts as poor and 3 percent rating efforts as terrible.

In addition, the City has conducted limited workforce planning to identify, grow, and prepare high-skill employees to take on new roles. While some department—like Fire and Police—have well-establish career ladders that lend themselves to organic succession planning, most departments do not. Developing succession plans for key positions will be critical to addressing retirements.

Staff report that employee evaluations are not performed regularly for all employees in a timely manner. Only 17% of survey respondents said they receive an annual performance review, 24% said they only receive verbal feedback, and 35% reported having never received a formal performance evaluation. Along similar lines, when asked how well constructive guidance is provided on how to improve performance gaps (for example, clear steps on what needs or be improved or a clear picture of what improvement looks like), over 33% of survey respondents reported only slightly well or not well at all.

A majority of City employees are represented by a labor union. As is common in highly unionized environments, staff reported that it can be challenging to hold employees accountable to performance expectations. However, survey respondents provided varied responses when asked about the consistency of employee discipline across the City, with some reporting that it is not consistent (20%), slightly consistent (25%), moderately consistent (16%), very consistent (29%), and extremely consistent (9%). Within this type of performance management environment, it is extremely challenging to ensure accountability, fairness, and trust.

To promote employee retention and morale, consistent performance evaluations should be established so exemplary work can be rewarded and low-quality work can be identified, treated as a training opportunity, and regularly assessed. Effective performance evaluations present an opportunity to align staff activities with organizational goals and strategies, while also supporting employee growth and development.

Employee growth and development is integral to a well-functioning organization, because it encourages innovative thinking, teamwork, retention, succession planning, and strong morale. In smaller departments, career growth and advancement can often reflect new roles and responsibilities rather than formalized promotions. In contrast to performance evaluations, employee development through trainings was well rated, with over 60% of respondents noting that access to training was excellent (11%) or good (50%).

The culture at the City continues to be reported as positive and pro-employee. Approximately three-quarters of survey respondents (74%) rated the City as achieving a welcoming workplace culture either extremely well (25%) or very well (49%). Only 3% (two employees) rated the City as not achieving a welcoming workplace culture.

L. POLICIES AND PROCEDURES

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate	Significant	Likely	Moderate	Decreasing

Recommended Risk Mitigation and Response Efforts
• Continue to participate in the policies and procedures development project with Moss Adams. • Develop and execute a plan to hold all departments accountable to increasing use of SharePoint to store, organize and share documents across the City. • Departments whose work affects all employees -- e.g., Finance, HR, IT, etc. -- should have annual all-employee training sessions to provide updates on updates to policies and procedures.

Risk Areas	*Risks associated with policies, processes, and procedures, including efficiency, effectiveness, and level of documentation.*
Scope	*Policies and procedures play a critical role in providing the guidance required to ensure all functions operate efficiently, effectively, safely, and consistently across the organization. A policy establishes what should be done, and procedures describe how a policy is enacted. Policies and procedures also play an important role in protecting against the loss of institutional knowledge.*

The City lacks comprehensive policies and procedures in multiple areas across the City. Concurrent to this risk assessment, the City engaged Moss Adams to conduct a policies and procedures inventory and gap assessment, in order to develop a prioritized work plan for the update and development of organizational policies and procedures. Multiple departments identified the need to update policies and procedures from both operational and compliance perspectives, as well as ensure they reside at the appropriate level and encompass users outside of the policy owner department. Policies and procedures help ensure that management directives to mitigate risks are carried out consistently at all levels of the organization and at various stages within difference business processes (such as procurement).

Employee Survey: How well has the City overall (across departments and functions) defined and documented operational policies and procedures?

7%	29%	34%	18%	13%

■ Extremely Well ■ Very Well ■ Moderately Well ■ Slightly Well ■ Not Well
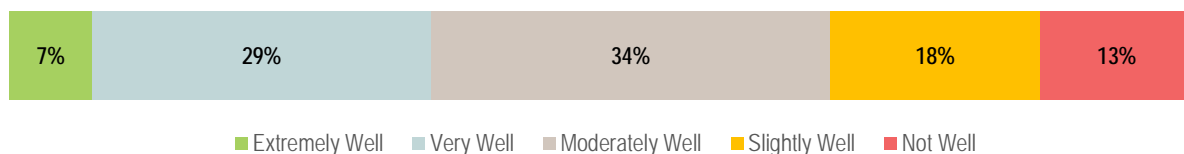
Employee Survey: Do you have documented guidance to help you do the tasks that are critical for your role/job?
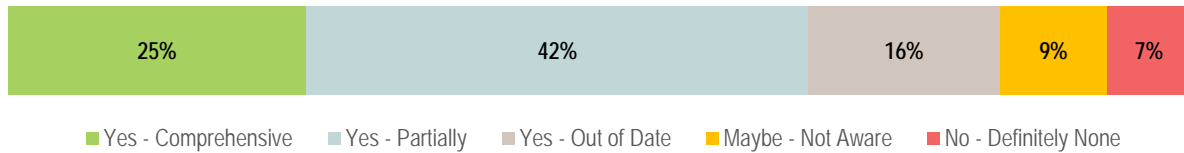
25%	42%	16%	9%	7%

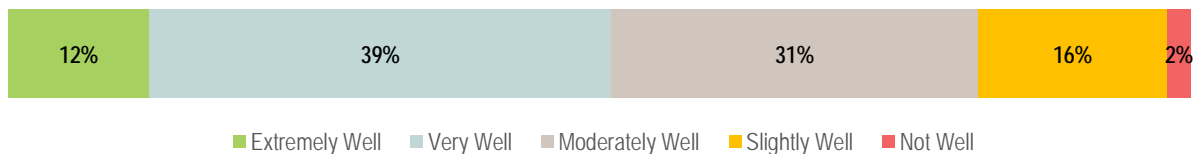■ Yes - Comprehensive ■ Yes - Partially ■ Yes - Out of Date ■ Maybe - Not Aware ■ No - Definitely None

In the most recent single audit report (issued December 21, 2018), the City's financial auditors found no material weaknesses in the internal controls over financial reporting for the fiscal year ending June 30, 2018; however, the significant finding (2018-001) identified internal control deficiencies across various accounting transaction cycles. The cause of the deficiencies was attributed by the auditors to the lack of comprehensive policies and procedures governing the City's financial reporting processes and systems.

City-wide policies and procedures should be stored centrally and readily accessible to all City staff. Multiple employees report the need for more training for all staff on how to use SharePoint, including expectations for use.

Employee Survey: How well does the current document management process suit your needs (documents easy to find, easy to search, etc.)?

12%	39%	31%	16%	2%

■ Extremely Well ■ Very Well ■ Moderately Well ■ Slightly Well ■ Not Well

M. FRAUD, WASTE AND ABUSE

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Low to Moderate	Significant	Unlikely	Moderate	Decreasing

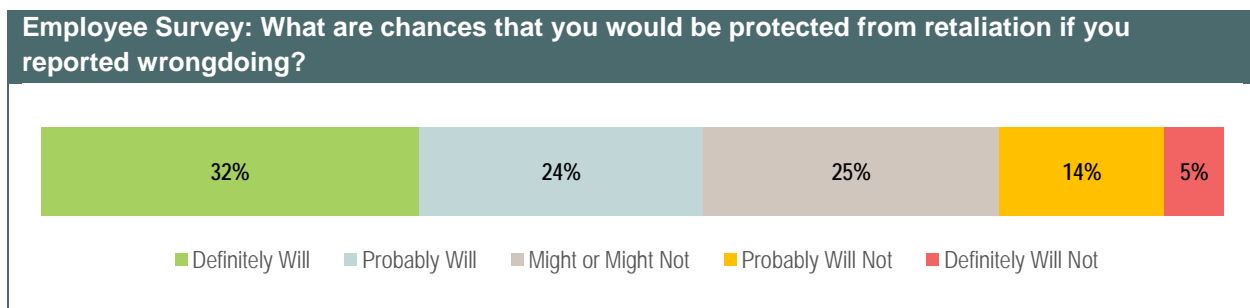| Recommended Risk Mitigation and Response Efforts |
|---|
| • Complete the hotline pilot phase and roll-out full program. |
| • Develop and schedule fraud, waste, and abuse training to all City employees, including mechanisms in place to protect employees from retaliation. |
| • Continue strengthening internal controls and assess opportunities for control automation and preventative controls. |

Risk Areas	*The employees of the City are entrusted with public funds and have a duty to use those funds economically, efficiently, effectively, and ethically. When employees do not honor this obligation, it could result in instances of significant errors, fraud, or noncompliance.*

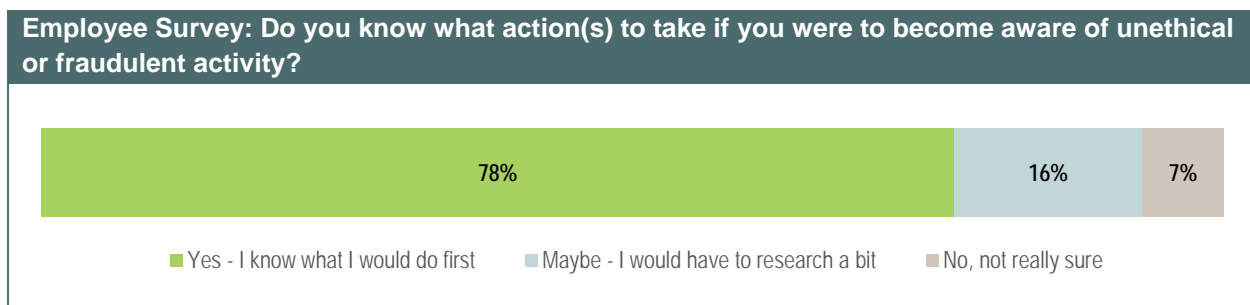| Scope	*The internal audit function is not responsible for the detection of all fraud, but is required to be alert for the possibility and to evaluate the risks. Opportunity to commit fraud is the characteristic an organization can most influence through the system of controls; considerations include control deficiency, fraud*

All City employees share the common purpose of serving the public and ensuring public funds are spent wisely. The work of the City should be conducted fairly, equitably, ethically, and transparently. Proactive steps should be taken to ensure community commitments and management objectives are met. It is important for employees to be provided a mechanism to voice concerns when they see or feel something is not right. In the survey, 78 percent of respondents reported knowing what to do if they became aware of unethical or fraudulent activity, and 16 percent felt they could find the right thing to do if they researched a bit. Only 7 percent reported not knowing what actions to take.

A risk to the city, however, is the fact that only 56 percent of survey respondents reported that they felt they definitely or probably would be protected from retaliation if they reported wrongdoing.

Employee Survey: What are chances that you would be protected from retaliation if you reported wrongdoing?

32%	24%	25%	14%	5%

■ Definitely Will ■ Probably Will ■ Might or Might Not ■ Probably Will Not ■ Definitely Will Not

The City published Whistle Blower Policy #4011 in 2003 for employees to report unlawful conduct or conduct in violation of any City policy, directive, ordinance or charter provision. This policy provides employees with three possible actions that an employee can take if they find something that needs to be reported.

1. File their complaints with the City Manager for further investigation;
2. File their complaint with City Council for further investigation; or
3. Call the California State Attorney General Whistleblower Hotline and file a complaint.

Employee Survey: Do you know what action(s) to take if you were to become aware of unethical or fraudulent activity?

78%	16%	7%

■ Yes - I know what I would do first ■ Maybe - I would have to research a bit ■ No, not really sure

In response to the Moss Adams report, "Culver City Fraud, Waste, and Abuse Program" dated June 30, 2017, the City has pursued establishing a contract with an external hotline answering company to receive complaints from employees and residents of Culver City. The City has committed to fully implementing a Fraud, Waste and Abuse Program per the recommendations of Moss Adams. The City has also

committed to providing initial and ongoing training to all City employees and update the Whistleblower Policy #4011 and Code of Ethics Policy #4006 to reflect current regulations.

The City reports in October 2019 that they are in final contract review with a whistleblower hotline service provider. The City has already prepared the content for the City's website. Once the contract has been approved, the City plans to first conduct a pilot program, which will initially direct any reports or calls to the City Attorney's Office. Based on the activity during the pilot program, the City will implement a full roll-out of the hotline.

N. COMPLIANCE

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate	Significant	Reasonable Possibility	Moderate	Flat

Recommended Risk Mitigation and Response Efforts

- Assess the option to add an accountant or a dedicated accounting liaison in Transportation to handle federal grants management.
- Develop and execute a plan for monitoring PCI Compliance.
- Develop and execute plan to ensure timekeeping system and processes support HR compliance requirements and PERS reporting.
- Develop and document a process for HR to coordinate with the City Clerk to ensure compliance with all paperwork requirements upon employee departure from the City.
- Review grants management policies, procedures, and resources.

Risk Areas	*Risks associated with compliance with laws, regulations, and other requirements.*
Scope	*Risks organizations face when they are unable to follow internal policies, government laws, and regulations, and may be subjected to legal penalties and financial fines.*

Overseeing proactive compliance throughout the City depends primarily on individual departments, while the Risk Manager, internal auditor, and external auditor reactively evaluate compliance. Proactive compliance is characterized by employees being aware of requirements and actively operating to comply with them. Performed effectively, proactive compliance prevents issues from occurring before they become problematic. Reactive compliance involves ongoing monitoring, testing, and reporting.

Compliance drives operations in the City Attorney's office, where representatives responded that the most important issue their office faces in terms of regulatory compliance is from dealings with the City Council, the Brown Act, and Conflicts of Interest. The Transportation, Housing, Police, and Fire all have significant reporting requirements.

13%	27%	38%	11%	11%

■ Extremely Well   ■ Very Well   ■ Moderately Well   ■ Slightly Well   ■ Not Well at All

Similar to other administrative functions, grants management at the City is decentralized. Each department head is responsible for seeking grant opportunities and ensuring compliant with their guidelines and reporting requirements. The City relies on grants as a funding source; however, decentralized grants management poses challenges in ensuring citywide compliance in grant expenditures, monitoring, and reporting. In the most recent single audit report (issued December 21, 2018), the City's financial auditors reported that in their opinion, the City complied in all material respects with the types of compliance requirements that could have a direct and material effect on each of its major federal programs for the fiscal year ending June 30, 2018. One finding (2018-002) found a significant deficiency in an audit of internal control and compliance over Housing Quality Standards enforcement; one of the eight samples tested did not meet the 48 hours' correction requirement. The financial auditors attributed this deficiency to insufficient monitoring control over the Housing Quality Standards Enforcement compliance requirement. The City's response noted the extenuating circumstances surrounding the exception file, and attributed the deficiency to a filing error (the correct, most recent report was not placed in the file before the auditors sampled the documents).

In November 2016, Culver City voters approved Measure CW, creating a dedicated source of funding to pay for water quality programs that will prevent pollution from reaching city waterways, beaches and the Ballona Creek Estuary. This parcel tax is estimated to generate approximately $2.06 million annually. While there is yet a gap between the needed capital costs to fully comply with the NPDES requirements, the City plans to utilize this funding source to annually complete as many projects as revenues will allow, and leverage potential grants by providing a source for matching.

O. ACCOUNTING AND REPORTING

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate	Moderate	Reasonable Possibility	Moderate	Decreasing

Recommended Risk Mitigation and Response Efforts

- Explore opportunities to automate transactions, reviews, and approvals to reduce reliance on paper.
- Assess the option to assign an accounting technician or a dedicated accounting liaison model to support accounting and financial reporting functions.
- Develop and execute a plan for Transportation staff to transfer to new timekeeping system.

Risk Areas	*Risks associated with fiscal control, budgeting, ongoing information tracking and management, revenue capture, and transaction processing. Also, risks associated with financial reporting (content, distribution, assembly, utilization, frequency, formatting, accuracy, and reliability).*
Scope	*The role of accounting and financial functions in risk mitigation is focused on recordkeeping and compliance through recording, classifying, summarizing, and reporting financial transactions. Financial reporting includes deliverables such as the Comprehensive Annual Financial Report (CAFR), monthly financials for budgetary comparison, and other compliance reports such as an organization's Single Audit. Reliable financial information is fundamental to planning, budgeting, pricing, evaluating vendor performance, assessing partnerships, and a range of other operational and strategic activities.*

Several Finance-related functions are decentralized as a result of the City's formerly siloed organization structure. The most significant impact of decentralization is that policies and procedures are not consistent across departments, though as noted in the Policies and Procedures section, the City has engaged Moss Adams to provide policy development support this fiscal year. Management reporting seems to be a challenge for departments, who are self-service with respect to financial reporting. Departments also lead the budget development process, with limited support from the Finance department. Billing, invoicing, and payment processing in smaller departments may lack appropriate segregation of duties.

Employee Survey: How would you rate the existing internal controls that are in place to protect the resources of the City?

14%	48%	29%	10%

■ Excellent ■ Good ■ Average ■ Poor ■ Terrible

Multiple department leaders reported that the arrival of the new Chief Financial Officer in 2019 has resulted in an increased attention to detail and addressing the deficiencies noted related to internal controls and accounting/financial functions in the City over the last few years. In both the most recent single audit report (2018) and the 2017 report, the City's financial auditors noted internal control deficiencies across various accounting transaction cycles. However, the financial auditors did not include specific examples in their report; the City should request that the financial auditors provide more detailed and actionable data in the future.

Employee Survey: How would you rate the adequacy of the authorization, approval, and review/verification of transactions at the City?

17%	42%	34%	8%

■ Excellent ■ Good ■ Average ■ Poor ■ Terrible

Cash handling and revenue collection remain areas of concern for the City. Citywide cash handling and revenue receipt policies need to be updated and employees trained on the updated, comprehensive
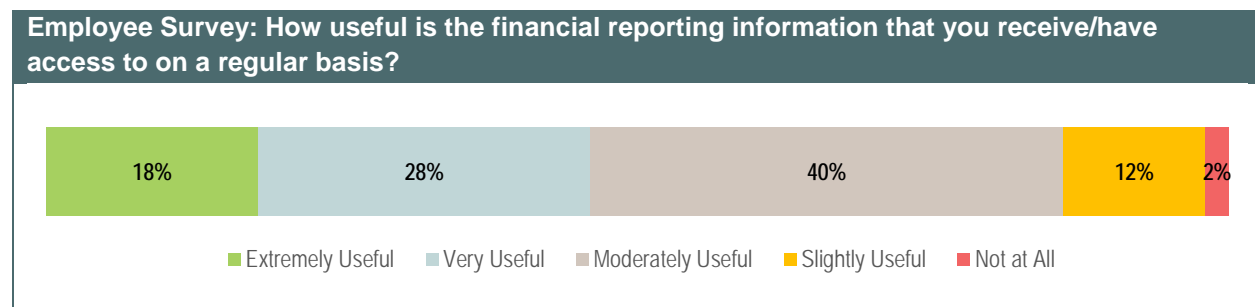
policies and procedures. Culver City Finance staff collected management responses from departments in April and May 2019 in response to the Cash Handling Internal Controls Review performed by Moss Adams for the City (reported dated November 2017). The acceptance of credit card payments is an area that will require ongoing attention. The Finance department is currently working with IT on the implementation of Refuse Online Billing and payment software. The City is exploring how to more fully integrate payment processing with Munis.

Employees surveyed reported a desire for more training opportunities related to common tasks, such as contract writing and related protocols, reimbursements, payment practices and timeline on getting checks processed.

Management Reporting

Management reporting has historically been an area of challenge for departments, who are self-service with respect to financial reporting. While strengthening guidance in these areas would require additional analytical capacity in Finance, it may provide significant benefits to the City.

Employee Survey: How useful is the financial reporting information that you receive/have access to on a regular basis?

18%	28%	40%	12%	2%

■ Extremely Useful ■ Very Useful ■ Moderately Useful ■ Slightly Useful ■ Not at All

In the 2017 single audit report, the financial auditors found a material fund balance restatement due to a lack of proper communication between the Housing Department and the Finance Department over the completeness and accuracy of the loans receivable accounting records. In the 2018 single audit report, the financial auditors reported this finding (2017-001) was resolved.

Budgeting Process and Financial Forecasting

The City historically budgeted year-to-year with a short-term focus and has not investing many resources to develop a long-term financial planning strategy. This changed in 2019, when the City contracted with Urban Futures Inc. to develop long-range financial planning tools.

The City has engaged the services of Bartel Associates, LLC and Urban Futures, Inc. (UFI) to assist with retirement cost financial forecasting, and pension and OPEB analytics and management. These firms have thoroughly reviewed the City's actuarial reports, rates and obligations, and are working to develop a comprehensive 10-year planning model, which will help mitigate and offer solutions to pursue financial sustainability through a more informed decision-making process.
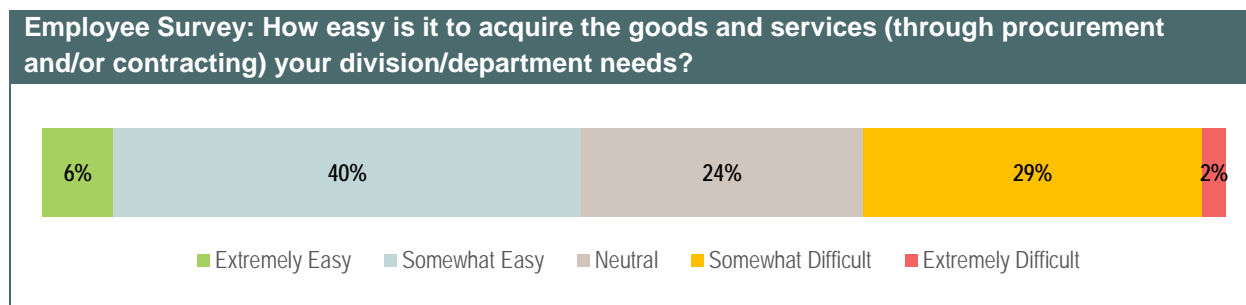
P. PROCUREMENT

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Moderate	Significant	Reasonable Possibility	Moderate	Decreasing

Recommended Risk Mitigation and Response Efforts

- Complete the Transportation Department's project to updates its purchasing policies and procedures.
- Prioritize the development of a comprehensive set of Procurement policies and procedures, including contract management.
- Assess the contract management processes for opportunities to improve efficiency and streamline communication.

|	
Risk Areas	*Risks associated with purchasing processes (e.g., specifications development, bidding, selection) and contract administration (e.g., compliance with terms and conditions, payments, change orders) for goods, services, and capital programs.*
Scope	*Procurement and contracting includes purchasing processes (e.g., purchase orders, bidding, selection) and contract administration (e.g., compliance with terms and conditions, payments, change orders) for goods and services.*

The City's Purchasing Division resides within the Finance Department. Purchasing is highly centralized, with buyers receiving support with vendor selection and requirements definition from buying departments. The City does not utilize a contract management module in Munis, and contract management is highly decentralized.

Employee Survey: How easy is it to acquire the goods and services (through procurement and/or contracting) your division/department needs?

6%	40%	24%	29%	2%

■ Extremely Easy　■ Somewhat Easy　■ Neutral　■ Somewhat Difficult　■ Extremely Difficult

The City's procurement policies and procedures are primarily out of date and not comprehensive, increasing the risk of key gaps in internal controls. Purchasing policies and procedures were specifically identified by survey respondents as a critical need. A comprehensive set of procurement policies and procedures should be documented in an easy-to-follow format that can serve as a tool for personnel to use during purchasing activities. The Purchasing Manual should be updated to incorporate language from the Uniform Guidance and a full comparison should be performed to ensure current practices are in compliance with the relevant standards and regulations. In order to provide one central location for all purchasing related P&Ps, we suggest combining all purchasing-related policies and procedures into the updated manual. These should all be updated to ensure they reflect current practices and incorporate solid internal controls, including segregation of duties, best practices, and added efficiencies, where possible.

Employee Survey: How would you rate the combined clarity and comprehensiveness of the documentation on procurement and contracting procedures?

4%	35%	49%	11%	2%

■ Excellent ■ Good ■ Average ■ Poor ■ Terrible
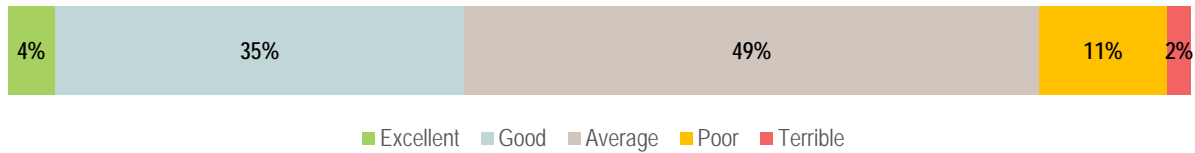
Contract Management

The City has multiple projects related to contract management. The City adheres to many procurement best practices, including City Attorney review of every contract. As in many other cities, contract management processes and policies could be improved. The City does not fully utilize the contract management module in Munis, and contract management is highly decentralized. The contract module is instead limited to a document storage location. Additionally, the City is currently in discussions about transitioning to electronic signatures; the City currently only uses hardcopy, wet-signatures for contract signing. Contract documents should be stored centrally and readily accessible to department and Finance staff.

Q. ASSET MANAGEMENT

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
High	Significant	Almost Certain	Limited	Increasing

Recommended Risk Mitigation and Response Efforts

- Define and document cross-departmental roles & responsibilities related to City facilities and capital assets.
- Develop a prioritized workplan to address deferred maintenance and safety issues at City facilities.
- Continue to expand public feedback solicitation and data collection in order to better align future planning with shifting community needs and expectations.
- Conduct a capital project process and program assessment to identify opportunities to strengthen project oversight and project management.
- Implement the insurance-tracking functionality in Munis.

| Risk Areas	*Risks associated with ongoing maintenance, management, tracking, reporting, accountability, accounting, and physical safeguarding of assets. Includes risks associated with capital asset management (including preservation and maintenance).*
Scope	*Asset management includes the supply, deployment, and maintenance of the organization's resources; it includes physical or logical access to data and locations (offices, warehouses, etc.). Asset management is inclusive of the connected strategies, processes, people and technology that make up the foundation of enabling the organization to meet service levels and minimize the overall cost of asset ownership.*

Capital Program and Infrastructure

Many department heads and staff expressed concern that there is insufficient investment in maintenance of capital assets. A significant amount of maintenance has not been performed and many of the City's

assets and infrastructure are past their recommended useful life. This presents a financial and liability risk to the City, as routine maintenance almost always costs less than extraordinary or corrective maintenance or replacement. When routine maintenance is deferred, the life of an asset is shortened and infrastructure must be rebuilt or replaced earlier than expected. The amount of deferred maintenance will likely continue to increase and conditions will likely continue to incrementally degrade. In particular, there are seismic concerns regarding older buildings, and the subsequent increase in demand on maintenance staff to maintain aging buildings and infrastructure. The decrease reliability along increases the City's liability risk.

Employee Survey: How would you rate the condition of the facilities (buildings) used by the City?

8%	40%	35%	15%	3%

■ Excellent ■ Good ■ Average ■ Poor ■ Terrible
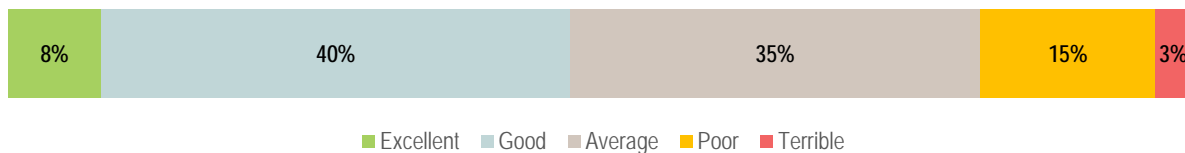
The Parks, Recreation and Community Services Department—while responsible for numerous facilities and capital assets—does not have any staff dedicated to Capital Improvement Projects. The Parks, Recreation and Community Services Department also lacks a planning and project management function, which hinders the Department's ability to actually delivery on capital projects. Staff across departments reported the need for the City to overhaul how it manages its capital project, including assessing staffing, for greater efficiency and economy of scale.

The City is in the process of assessing how to best activate use of the Project Based accounting module within Munis. The Finance Department is currently scoping a project to identify how to better automate the legacy CIP book.

Facilities

As of August 2019, the City was in the process of reviewing the recent facilities assessment study conducted by Faithful + Gould, who was hired to prepare the 10-year maintenance plan of nineteen city-owned facilities. Several major development projects were in the Redevelopment Authority (RDA) pipeline when RDAs were dissolved. Employees report that the parks, recreation and community services buildings are outdated, substandard, out of ADA compliance, and suboptimal as community centers.

The Veterans Memorial Complex was identified by multiple City leaders as a significant risk, due to increasing need for improvements and eventual replacement. The complex hosts hundreds of citizens per week, for a wide range of activities. Basement rooms are not ADA compliant, and the City is currently addressing signage and fire safety issues. The City has not yet determined the full cost of addressing the Complex's maintenance needs; the proposed budget does not

The Police Department's headquarters is another aging facility; however, there is currently no funding being set aside for replacing it with a modern facility. With the disbandment of the Redevelopment Agency in 2012, the funding that had been set aside for the new police station was no longer earmarked. The City will likely need to go out for a bond for the first time in order to secure funding.

Additionally, changing community expectations can impact the demands on current city facilities. For example, the City oversees the maintenance and operations of 92.2 acres of parks and special use

facilities, including eleven parks, four parkettes and two playgrounds. In 2009 when the Parks and Recreation Master Plan was published, the most requested new facilities were for trails, passive areas for picnicking, fitness facilities, meeting room space, and sports fields for adult and youth play. Staff report that the existing park spaces and facilities are increasingly insufficient to meet growing and shifting community demand.

Infrastructure

Another major capital project is the replacement and/or upgrade of the City's radio system. The Baldwin Hills Radio site still requires improvements, and there is a need to replace portable and mobile radios at the end of their service life. The majority of this need is located within the Police Department, with a lesser degree of need within the Fire and Public Works Departments. The City plans to replace the radios over the next three years.

In September of 2019, the City's Sewer Fund bond is eligible to be refinanced at the option of the City, as a whole or in part. The City is currently seeking proposals from qualified financial advisory firms to review financial conditions and advise on debt issuance. The new bond will refinance the existing bond, eliminate the reserve requirement, finance the cost of issuance, and provide additional funding for Capital Improvement Projects such as the Bristol Sewer Pump Station Diversion and Fox Hills Sewer Pump Station Sewer Diversion Pipelines to the new Bankfield Sewer Pump Station.

Trees

As noted in the external environment section, climate change is increasingly impacting the urban environment. The City has a large, mature tree population is vulnerable to wind and rain, and creates sidewalk hazards; the drought has increased tree risk to the City. Tree-related claims remain one of the primarily areas of risk for liability claims to the City. According to the City's 2016 Urban Forest Master Plan, the City is home to 15,356 trees.

Mobility and Transportation

According to California Department of Transportation estimates, the total number of miles driven by vehicles within in Culver City averages 800,280 miles a day, including on the 93.2 miles of maintained road within the City. The City Council's revised 2018-2023 strategic plan identified mobility and transportation as one of the City's strategic priorities. Various City leaders recognize that mobility initiatives require a systemic change to be most successful (such as the implementation of dedicated bike and bus lanes). The majority of bicycle paths running through the City run along streets, with the Ballona Creek Bike Path as well. In an effort to improve mobility and decrease carbon emissions in and around Culver City, the City Council decided in July 2018 to allow two dockless electric stand-up scooter companies to place their scooters in Culver City. The City is also in the process of exploring bike share options.

Staff expressed concerns regarding conflicts over the appropriate use of the City's rights-of-way, and how to divide among the competing interests. These include automobile traffic, street parking, and active transportation (bicycles, pedestrians, scooters, etc.). While the City has conducted a sidewalk assessment to identify needs, department leaders report that the identified maintenance and replacements remains underfunded. Deteriorating sidewalk conditions can constitute a hazard to pedestrians and increases the risk of accidents and injury. The Public Works department reports it is continuing to explore grant funding sources to address the sidewalk repair and replacement needs.

The City has its own municipal bus service, which is the second oldest municipally-owned bus line in the State of California. Culver CityBus' fleet is composed of 54 compressed natural gas (CNG) buses. Culver CityBus operates seven routes, serving nearly 6 million riders annually with a service area encompassing 25.5 square miles, which includes the Westside communities of Venice, Westchester, Westwood, West Los Angeles, Palms, Playa Vista, Marina Del Rey, Rancho Park, Mar Vista, Century City, and Culver City. A new regional light rail mass transit system also operates within City boundaries. The presence of the light rail system adds to the potential for mass casualty and/or rescue incidents.

R. INFORMATION TECHNOLOGY

OVERALL RISK	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
High	Major	Almost Certain	Limited	Increasing

Recommended Risk Mitigation and Response Efforts

- Establish an IT Governance Committee, policies, and procedures.
- Conduct an IT security assessment, including penetration testing, and implement security measures.
- Continue to regularly provide all staff training on key systems, best practices, and IT policies and procedures.
- Assess workflows and processes as systems and technology are updated, and update policies and procedures to maintain alignment with current practices. Explore affordable workflow automation solutions, such as CityGrows, to strengthen digital services provided to residents and businesses.
- Coordinate a citywide IT disaster recovery plan assessment.
- Develop and deliver in-person training to staff on using SharePoint.

Risk Areas	*Risks associated with the design, development, implementation, administration, operations, and maintenance of information systems including change management and system development life cycle. Also includes risks to infrastructure, system performance, data architecture and management, integration, back-up, security, and controls.*
Scope	*The importance and pervasiveness of information technology and information systems continues to rapidly expand, regardless of organization.*

The City's application platform consists of Munis for an enterprise financial system, Microsoft Office, and numerous specialty applications. Munis modules utilized by the City include contracting, HR, and payroll. The City recently transitioned to leveraging NeoGov for recruiting staff. Multiple departments noted that technology in their respective fields keep changing rapidly, can result in in a number of benefits but also introduces vulnerabilities due to the cost of adequately staffing and monitoring the technology.

Multiple staff reported that the IT Department often seems overwhelmed with the amount of requests received, citing unfulfilled requests that remain open for a long time. The City should assess if it would be appropriate to dedicate an employee in IT to serve as a liaison for each Department (one person can be the liaison to multiple departments) to assist that/those Department(s) with their needs.
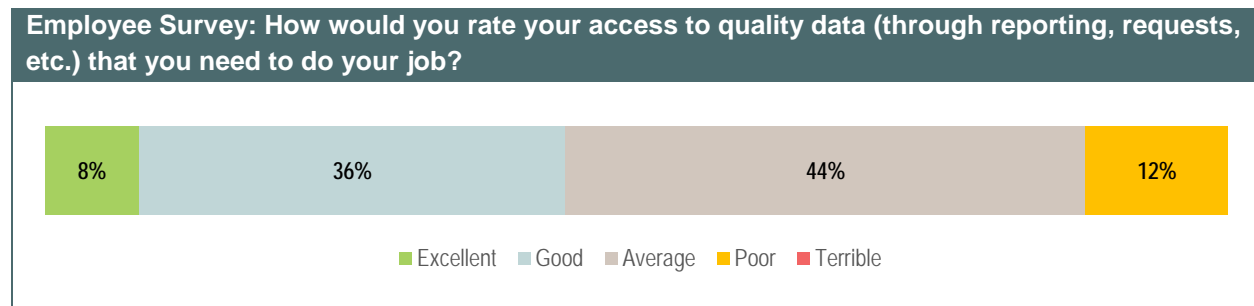
Some of the current IT projects focused on key City systems and cross-departmental efforts include:

- Updating the waste management customer billing software to a cloud-based program.
- PCI Compliance for credit cards

- Credit Card processing to Community Development and Fire Departments
- Updating Munis to the 2018 version
- Planning the implementation of the employee reimbursement model in Munis.

Multiple department leaders within the City reported ongoing, current efforts to modernize the way the City conducts its business and services. This is particularly true in departments with new leadership, who have entered the organization with fresh perspectives and a variety of backgrounds. For example, the Finance Department is currently undergoing a number of projects to review and strengthen system connectivity and financial data quality.

Employee Survey: How would you rate your access to quality data (through reporting, requests, etc.) that you need to do your job?

8%	36%	44%	12%

■ Excellent   ■ Good   ■ Average   ■ Poor   ■ Terrible

Areas of remaining opportunity include the registration process for the Parks, Recreation and Community Services Department. Additionally, the Building division within Community Development is in the process of setting up a new permitting center, which is part of the larger efforts to modernize the City's permitting process; the Division is assessing what it would take to be able to accept electronic submissions. Another significant challenge is the lack of a Human Resources Information System (HRIS). This presents challenges in monitoring ongoing employee trends, performance evaluations, disciplinary actions, and training attendance.

Document Management
The City Clerk's Office reports that the first phase of the Enterprise Document Management Project was completed in October 2018. Phase 1 comprised the migration of citywide files from two legacy document repositories. This included SharePoint 2010 (also known as Swami) and the archival scanned documents from Sire, into the new intranet portal branded as Culver Central. Phase 2 was initiated in January 2019. Phase 2 of the project includes a document retention assessment, creation of document retention libraries and the development of retention workflows. The retention assessment aligns and incorporates the City's document retention schedule. The development of the retention libraries and workflows will follow.

Survey respondents noted that more training is needed for all staff no how to use SharePoint. Employees reported that staff who do not understand SharePoint avoid using it. Training currently consists primarily of online training only. Staff recommend providing in-person training and sending out "Did you Know" tips to help the overall use of SharePoint's functionality and tools.

Information Technology Governance
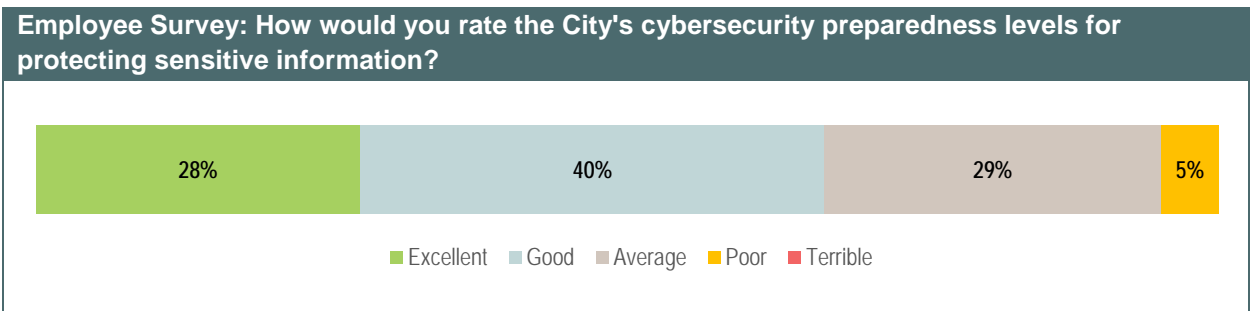IT governance plays an important role in local governments to optimize technology purchases, systems integration, and access to information to support decision making. The City does not have an IT Governance Committee. Without IT Governance in place, the City faces the risks of suboptimal cost effectiveness in technology purchases and proliferation of disparate information systems. With increasing

community expectations for accountability transparency, integrated systems, and information are essential to efficient and effective planning, monitoring, and reporting.

Cybersecurity

Like many other organizations, information security is an evolving risk for the City. The IT Department reports that it facilitated employees to take online training campaigns for heightened cybersecurity awareness in fiscal year 2018-2019. IT is planning to coordinate at least two more training campaigns in the current fiscal year, as well as exploring other methods of providing online training by assignment, on-demand, and open enrollment. Out of the employees who answered the question, only one survey responded saying they had not received cybersecurity training within the last year.

Employee Survey: How would you rate the City's cybersecurity preparedness levels for protecting sensitive information?

| 28% | 40% | 29% | 5% |

■ Excellent   ■ Good   ■ Average   ■ Poor   ■ Terrible

Additional investment in training and exercises for IT staff—as well as training for all City staff on IT security—will be required to continue to support a robust information security program.

Fiber Optic

The City is investing in fiber optic cabling for businesses to support economic development. Culver Connect is Culver City's municipal fiber open access network. It is intended to provide high speed, high quality broadband service to the City's business community, school district, and the municipal government operations. The network backbone will consist of 21.7 route miles of underground fiber infrastructure with a 576-strand count. On April 8, 2019, a subcommittee consisting of two Council members was formed to assist staff in evaluating proposals for the network operations services and provide future inputs.

The City contracted with Magellan Advisors to assist in developing a Technology Roadmap. Technology strategy meetings were held with all departments to identify areas where additional technology could be implemented to leverage the city's municipal fiber infrastructure. Two initiatives were highly ranked by most city departments and will be pursued by Information Technology: an enterprise camera solution and a WiFi expansion strategy. Additionally, the IT Department is also finalizing plans for transitioning toward utilizing the new fiber infrastructure for municipal operations.

V. EMPLOYEE SURVEY RESULTS

Distribution of a risk assessment questionnaire was sent out to supervisor level and above employees, and was open for submission from September 3, 2019 through September 12, 2019. Out of the 111 employees invited to take the survey, 78 individuals submitted either full or partial responses to the survey (a participation rate of 70 percent).

A. SURVEY RESPONDENT PROFILE

Years of Tenure

	Less than 1	1 to 2	3 to 5	6 to 10	11 to 15	More than 15
Tenure with City	3%	5%	10%	10%	26%	35%
Tenure in Position	8%	21%	18%	18%	19%	18%

Department

Department	Percentage
Transportation	19%
Police	14%
CommunityDevelopment	12%
Public Works	12%
Finance	9%
Fire	9%
Parks & Community Services	9%
City Attorney	5%
Administrative	4%
City Manager's Office	4%
Information Technology	3%
City Clerk	1%
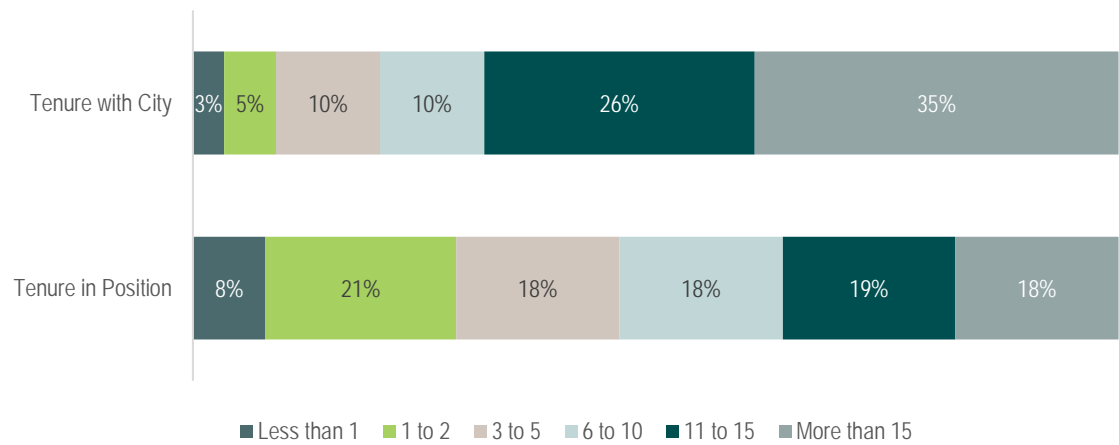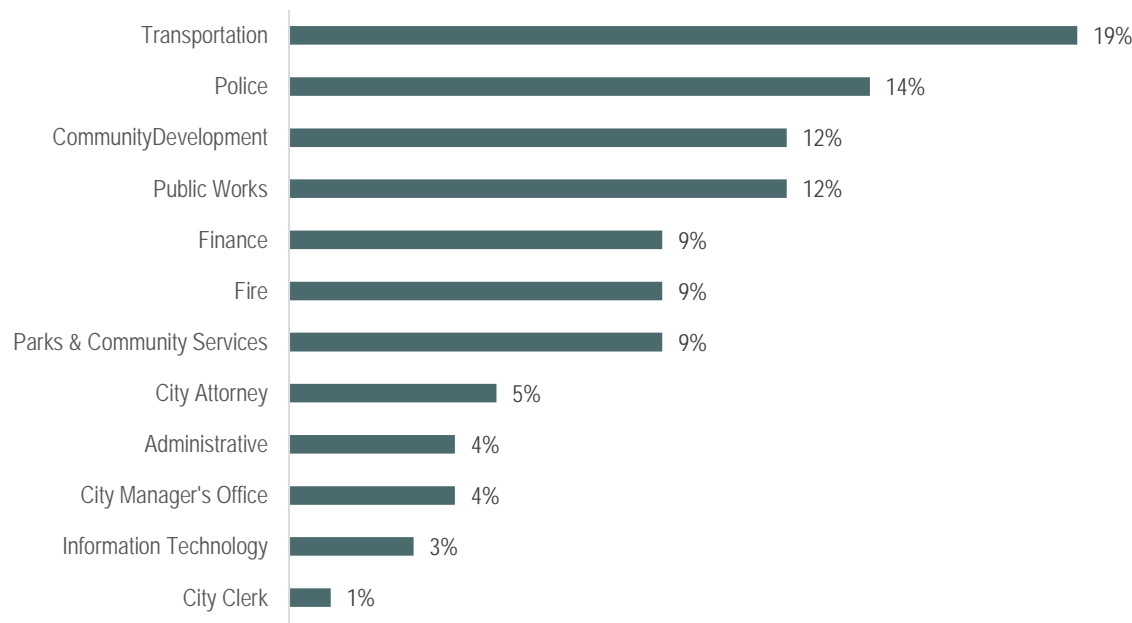
Ratings of City Characteristics

Effective team leadership.

19%	39%	31%	10%	3%

■ Extremely Well ■ Very Well ■ Moderately Well ■ Slightly Well ■ Not Well

Clearly defined guiding strategies.

10%	34%	40%	13%	3%

■ Extremely Well ■ Very Well ■ Moderately Well ■ Slightly Well ■ Not Well
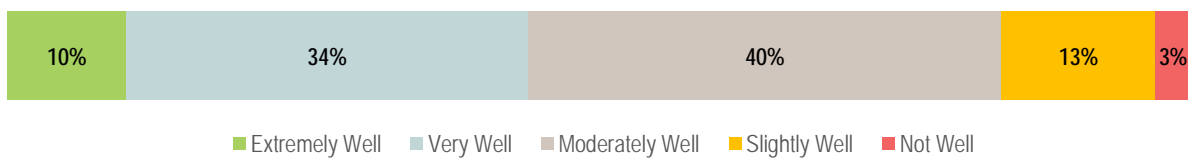
Focused on meaningful outcomes.

16%	32%	30%	19%	3%

■ Extremely Well ■ Very Well ■ Moderately Well ■ Slightly Well ■ Not Well

Leveraging information and knowledge strategically.

12%	34%	34%	14%	3%

■ Extremely Well ■ Very Well ■ Moderately Well ■ Slightly Well ■ Not Well

Leadership holds all employees accountable.

8%	34%	29%	17%	3%

■ Extremely Well ■ Very Well ■ Moderately Well ■ Slightly Well ■ Not Well

HOW WELL DO YOU FEEL THAT THE CITY HAS ACHIEVED THE FOLLOWING CHARACTERISTICS AS AN ORGANIZATION?

Appropriate levels of engagement with citizens.

30%	43%	21%	6%

■ Extremely Well ■ Very Well ■ Moderately Well ■ Slightly Well ■ Not Well

Welcoming workplace culture.

25%	49%	19%	4%	3%

■ Extremely Well ■ Very Well ■ Moderately Well ■ Slightly Well ■ Not Well
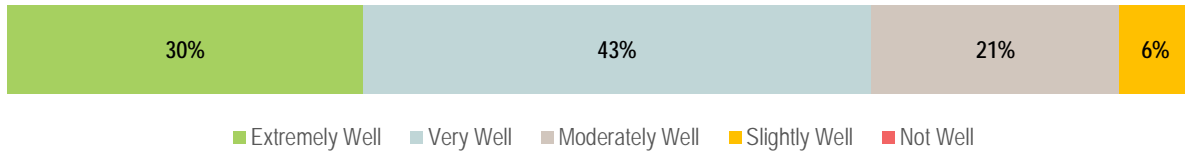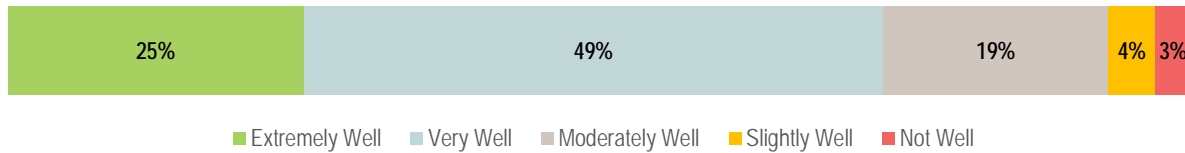
Risk Category Ratings

How would you rate the city's level of overall risk?

GOVERNANCE

24%	33%	34%	4%	4%

■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

PLANNING

15%	40%	35%	6%	3%

■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

REPUTATION

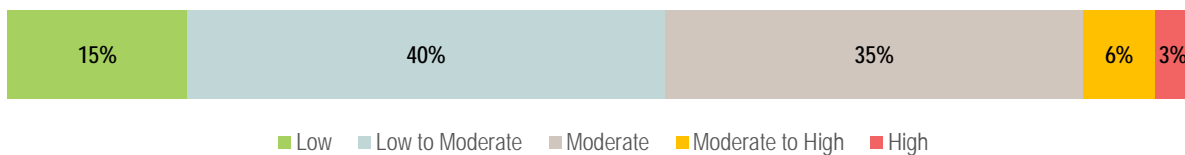| Low	Low to Moderate	Moderate	Moderate to High	High
28%	44%	22%	4%	1%

ACCOUNTING AND FINANCIAL

Low	Low to Moderate	Moderate	Moderate to High	High
32%	37%	29%	2%	

FUNDING AND ECONOMICS

Low	Low to Moderate	Moderate	Moderate to High	High
5%	33%	31%	21%	10%

INTERNAL CONTROLS

Low	Low to Moderate	Moderate	Moderate to High	High
33%	30%	22%	10%	5%

COMPLIANCE

Low	Low to Moderate	Moderate	Moderate to High	High
20%	43%	32%	4%	2%

PROCUREMENT

25%	44%	25%	5%

■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

CAPITAL PROGRAM

9%	35%	42%	7%	7%

■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

FRAUD WASTE ABUSE

32%	40%	17%	10%	2%

■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

MANAGEMENT

26%	41%	26%	7%

■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

OPERATIONS

Low	Low to Moderate	Moderate	Moderate to High	High
19%	47%	26%	7%	2%

Legend: ■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

POLICIES PROCESSES PROCEDURES

Low	Low to Moderate	Moderate	Moderate to High	High
14%	47%	29%	8%	2%

Legend: ■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

RISK MANAGEMENT

Low	Low to Moderate	Moderate	Moderate to High	High
14%	46%	28%	4%	8%

Legend: ■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

PUBLIC SAFETY

Low	Low to Moderate	Moderate	Moderate to High	High
39%	42%	12%	3%	3%

Legend: ■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

INFORMATION TECHNOLOGY

Low	Low to Moderate	Moderate	Moderate to High	High
18%	42%	35%	2%	4%

Legend: ■ Low ■ Low to Moderate ■ Moderate ■ Moderate to High ■ High

ASSET MANAGEMENT

| 22% | 40% | 31% | 5% | 2% |

Low — Low to Moderate — Moderate — Moderate to High — High

ORGANIZATION AND STAFFING

| 13% | 49% | 28% | 8% | 2% |

Low — Low to Moderate — Moderate — Moderate to High — High

HUMAN CAPITAL

| 17% | 39% | 27% | 14% | 3% |

Low — Low to Moderate — Moderate — Moderate to High — High