

1. Strategic Planning and Organization of the Port of San Francisco

The Executive Director of the Port should:

- 1.1 Enforce the Port's policy to conduct quarterly budget to actual analysis and report quarterly to the Port Commission.
- 1.2 Not create any new capital-funded positions nor hire into the vacant capital-funded position until a formal capital improvement program is established.
- 1.3 Proceed with the Port's stated intention to lay-off eight capital-funded positions not included in the Annual Salary Ordinance and to delete one capital-funded Laborer position included in the Annual Salary Ordinance in FY 2004-2005.
- 1.4 Delete the vacant capital-funded Project Manager position and Roofer position.
- 1.5 Code the remaining six positions designated for capital programs as "limited tenure" positions in the Administrative Salary Ordinance, with the intention to delete the position when the capital project is completed or the funding source eliminated.
- 1.6 Delete the following vacant positions, which have been vacant for more than one year:
 - (a) 1446 Secretary II
 - (b) 9395 Property Manager
- 1.7 Proceed with the Port's stated intention to delete the following four vacant positions:
 - (a) 1244 Senior Personnel Analyst
 - (b) 1657 Senior Systems Accountant
 - (c) 7220 Asphalt Finisher Supervisor I
 - (d) 9377 Feasibility Analyst
- 1.8 Not exercise the option to expand its current office space at Pier 1 into an additional estimated 3,132 square feet of space at Piers 1 ½ and 3.
- 1.9 Meet and confer with employee organizations to discontinue parking to employees to avoid future direct costs to the Port for discounted parking.
- 1.10 Develop and implement an annual muscular-skeletal injury prevention and back training program, which is mandatory for all Port employees, to reduce work place injury and workers compensation costs.

- 1.11 Report to the Port Commission and the Board of Supervisors during the annual budget review on the Port's efforts in managing workers compensation claims, including:
 - (a) New indemnity and medical-only claims filed during the fiscal year;
 - (b) The age, annual payment, and expected total payment for all outstanding claims;
 - (c) The number of claims closed due to permanent disability settlements, including the age of the claim and the total payments; and
 - (d) The number of employees successfully returned to work during the fiscal year, including employees participating in restricted work programs.
- 1.12 Designate the Finance Manager to work with the City's Risk Manager to determine if the Port should self-insure for vehicle accidents and report to the Port Commission during the FY 2005-2006 budget review on the proposal for self-insurance.
- 1.13 Designate a Port manager to perform the functions of a risk manager who would report directly to the Port Executive Director regarding the risk management program, including:
 - (a) Identification of areas of risk reduction, resulting from the Port's security assessment, and potential for reducing insurance costs;
 - (b) Identification of areas of uninsured risk and proposals to reduce uninsured risk; and
 - (c) Identification of the Port's exposure to litigation and other risks resulting from the Port's activities, and development of a formal prevention loss program.
- 1.14 Develop a vehicle accident reporting program, which includes written policies and procedures to report vehicle accidents, including criteria identifying:
 - (a) What must be reported,
 - (b) When the information must be reported,
 - (c) To whom the information is reported,
 - (d) Responsibility for maintaining and analyzing vehicle incident data, and
 - (e) Reporting accidents to the insurance company.
- 1.15 Combine the Real Estate Division and Development and Planning Division into a single division as part of the FY 2005-2006 budget, including deletion of one 9397 Deputy Director position and one 1450 Executive Secretary position.
- 1.16 Present a quantifiable business case that clearly demonstrates the ongoing cost benefits and justifies the creation of a proposed Development Project Coordinator position during the FY 2004-2005 budget review.

- 1.17 Re-assign the Environmental Health and Safety Section of the Engineering and Maintenance Division to the Administrative Services Division.
- 1.18 Delete the Engineering and Maintenance Director position and re-assign the duties to the Chief Harbor Engineer.

2. Planning and Development of Port Properties

The Board of Supervisors should:

- 2.1 Request the Port Commission to submit development negotiation term sheets for projects with development costs greater than \$10 million to the Board of Supervisors for endorsement, and submit the development agreements to the Board of Supervisors for approval.

The Port Commission should:

- 2.2 Adopt policies through the public hearing process to better respond to the community's goals and objectives for Port development projects.
- 2.3 Establish criteria for development project lease structures, ensuring that Port is protected from unnecessary risk, including:
 - (a) Setting the minimum rent at a pre-determined amount with periodic CPI adjustments; and
 - (b) Establishing caps on construction costs or the developer's equity contribution and other methods for minimizing the Port's risk.
- 2.4 Develop guidelines to strengthen the analysis of the financial feasibility of Port development projects and conduct public hearings about the financial feasibility of Port projects prior to issuing RFPs and awarding projects to developers.
- 2.5 Submit development negotiation term sheets for projects with development costs greater than \$10 million to the Board of Supervisors for endorsement, which include:
 - (a) An analysis of the project's financial viability,
 - (b) The project's overall financial projections,
 - (c) The estimated financial return to the Port, and
 - (d) A summary of the project's structure to share financial risks between the Port and the private developer.
- 2.6 Submit development agreements for the Port's development projects to the Board of Supervisors for approval.

3. Appropriation and Budgetary Control and the Port's Capital Program

The Board of Supervisors should:

- 3.1 Amend the Administrative Code to affirm the legal level of budgetary control for capital project appropriations at the project level and establish a threshold for which increases or decreases to capital appropriations require supplemental review and approval by the Board of Supervisors.
- 3.2 Amend the Administrative Code to establish a City policy that any capital project appropriation that is fully de-funded or partially de-funded by a specified threshold such as 10 percent, subsequent to the project having been authorized by the Board of Supervisors, be reported to the Board of Supervisors.

The Executive Director of the Port should:

- 3.3 Assign the Finance Manager in the Administrative Services Division the responsibility for the development of a capital improvement program.
- 3.4 Require the Division Directors to meet monthly as a group with the Finance Manager to facilitate the development of the capital improvement program and to resolve any problems that arise.
- 3.5 Dedicate sufficient staffing resources to complete the development of a realistic capital improvement program by December 31, 2004 such that it can be used to develop the FY 2005-2006 capital budget.
- 3.6 Suspend the Illinois Street Bridge project and bring legislation before the Board of Supervisors with detailed cost estimates and secured funding sources for the Board of Supervisors review and determination of the future of the project.

The Administrative Services Division should:

- 3.7 In conjunction with the development of a capital improvement program, clearly delineate operating activities from capital activities in the budget and in the accounting for such activities, which includes the work order process.
- 3.8 Maintain budgetary control in the financial accounting system, FAMIS, at the level approved and appropriated during the annual budget process and any other supplemental Board action for all new capital project appropriations and any existing projects exceeding \$200,000 in outstanding appropriations and unfunded costs combined.
- 3.9 Cease making capital labor adjustments, which effectively charge expenditures to capital projects that were not incurred.

- 3.10 Develop the mechanism and accounting procedures to capture capital project indirect costs and allocate such costs to the various capital projects.
- 3.11 Reconcile all capital projects accounting records, commencing with projects with negative balances, and closeout obsolete and inactive projects.
- 3.12 Determine the allowable disposition of remaining bond funds and expedite their use.
- 3.13 Establish, document, and communicate policies and procedures for the capital project budget process, including:
 - (a) Budget modifications,
 - (b) Project transfers, including a maximum limit for transfer amounts using an administrative process,
 - (c) Project closeouts and disposition of surplus funds including a statement that all surplus funds are subject to appropriation approval by the Board of Supervisors, and
 - (d) Project de-fundings.
- 3.14 Establish, document, and communicate policies and procedures for the use of generalized appropriation categories, including:
 - (a) Administrative process for assigning funds to projects,
 - (b) Criteria for the use of funds, as well as prohibited uses, for each generalized appropriation category, and
 - (c) Process for tracking and monitoring of such funds.

The Engineering and Maintenance Division should:

- 3.15 Work with the Administrative Services Division to establish controls and ensure that the time worked by its staff is appropriately and accurately captured in the facility maintenance management and financial accounting systems.

4. Maintenance Division Management

The Port Commission should:

- 4.1 Reorganize the Maintenance Division to remove a management layer between the General Superintendent and supervisors, to achieve continuity of command in the management structure, and to eliminate one nonessential position.

The Executive Director should:

- 4.2 Using the information contained in this audit section and other information available, perform an examination and evaluation of the leadership changes needed to make the Maintenance Division an effective organization.
- 4.3 In accordance with the recommendation to have the Maintenance Division report to the Chief Harbor Engineer due to the recommended elimination of the Deputy Director of Engineering and Maintenance (See Section 1 on Strategic Planning and Organization of the Port of San Francisco), insure that the Chief Harbor Engineer requires that the Maintenance Division develop an effective mission statement and objectives that are challenging, but achievable.
- 4.4 Delete the classification 7205, Chief Stationary Engineer, from the Port's FY 2004-2005 Budget.
- 4.5 Substitute one classification 9360, Construction/Maintenance Supervisor II position for one classification 9363, Superintendent of Harbor Maintenance, position.
- 4.6 Report to the Finance and Audits Committee of the Board of Supervisors on the status of these recommendations to improve the operations of the Maintenance Division during FY 2004-2005 after January 1, 2005.

The General Superintendent of the Maintenance Division should:

- 4.7 Initiate and complete the development of a policies and procedures manual.
- 4.8 Allocate staff resources and efforts to successfully implementing the Avantis facility maintenance management system.
- 4.9 In congruence with implementing the Avantis system, transform the existing disorganized and unkempt storeroom into one that has effective inventory control and is efficient, economical, and supportive of the Maintenance Division's mission.
- 4.10 Using the Avantis system, develop performance measures that can determine the effectiveness, economy, and efficiency of the Maintenance Division.
- 4.11 Institute and enforce standards for supervisory control of work crews.
- 4.12 Standardize and enforce an effective tools and equipment control system.
- 4.13 Ensure that Port storage yards are not used for storing private property.

- 4.14 Emphasize to all Maintenance Division personnel the absolute necessity of having a harassment-free work environment.
- 4.15 Ensure that the practice of performing non-Port related and personal activities on Port time and with Port resources is not permitted.

5. Engineering Division Management

The Chief Harbor Engineer should:

- 5.1 On a high priority, comprehensive basis, develop an Engineering Manual that provides policies and procedures for conducting the business of the Engineering Division.
- 5.2 Ensure that engineering projects that require coordination with Port user and support divisions are fully coordinated with such non-Engineering Division personnel and that such coordination is documented.
- 5.3 Ensure that all engineering projects are fully coordinated within the Engineering Division.
- 5.4 Review the existing Engineering Division retention policy and update the policy, if necessary, and ensure that the Engineering Division complies with the retention policy.
- 5.5 Ensure that the Engineering Division complies with all ADA regulations.

The Executive Director should:

- 5.6 Conduct a formal review and evaluation of the Drydock #1 incident to extract lessons learned and to determine whether other Port facilities or activities should be changed in any manner to make them safer and whether specific procedures should be included in the Port's Procedures Manuals to aid in preventing such incidents in the future.

6. Management of the Port's Real Estate

The Port Commission should:

- 6.1 Adopt rental rates for:
 - (a) Full service and net office leases for Pier 50 and Pier 80 office space; and
 - (b) Storage use for all Port land, shed and open pier space.
- 6.2 Instruct the Port Director to provide to the Port Commission an analysis of the Port's costs and revenues for lease amendments and re-negotiated leases, in which the tenant has not met the criteria of the original lease. The analysis should include:

- (a) City Attorney, Port staff, and other direct Port costs to enforce the lease and negotiate amendments or re-negotiated leases;
 - (b) Actual rents and other payments to the Port made by the tenant under the terms of the lease, including the amounts of any rent credits;
 - (c) Rents and other payments due to the Port and not paid, including applicable service charges;
 - (d) Estimated opportunity costs to the Port of not obtaining an alternative tenant for the property.
- 6.3 Develop minimum financial criteria, including standards for tenant credit ratings and provision of audited financial statements and other financial documents, for all Port tenants and explicitly state in the Port Commission resolution, which approves the property agreement, as to whether all of the Port's financial criteria have been satisfied.

The Director of the Port should:

- 6.4 Enforce the Port Commission's minimum rental rates for all new, expired, and month-to-month leases, and present to the Port Commission quarterly a list of all new, expired, and month-to-month leases which do not meet the Port Commission's minimum rental rates and the reasons for not meeting the minimum rental rates.
- 6.5 Develop, implement, and enforce a protocol, establishing lease criteria for financial guarantees and insurance coverage which are specific to the lease use, including criteria to require:
- (a) performance bonds for hazardous materials management and construction of tenant improvements,
 - (b) guarantor with financial capacity to ensure completion of construction of tenant improvements,
 - (c) proof of financing for construction of tenant improvements, and
 - (d) specific types and amount of insurance coverage.

The Real Estate Division Director should:

- 6.6 Survey West Coast ports to determine the market rates for maritime industrial uses, and present new rate parameters to the Port Commission for adoption.
- 6.7 Prepare a written policy, defining Property Managers' responsibilities and procedures for identifying and reporting vacant space to the Leasing Department.
- 6.8 Consistently enforce lease provisions, including negotiating settlement agreements or terminating leases for non-performing tenants in a timely manner.

- 6.9 Enforce existing Real Estate Division policies to check the credit and insurance status of new tenants.
- 6.10 Require all leases with provisions regarding “Right of Early Entry” to contain specific dates for entry and rent commencement and to be signed by both parties; and enforce Port Commission policy to allow tenants to occupy Port property for no more than one month prior to rent commencement.
- 6.11 Require all lease addenda for the “Right of Entry” specify dates of entry, not to exceed 30 days prior to rent commencement, and enforce requirements for tenants and Property Managers to sign the addenda.
- 6.12 Enforce existing Real Estate Division policies regarding completion of the Lease Abstract and Basic Lease Terms documents.
- 6.13 Clarify Real Estate Division policy in writing regarding the implementation and use of facility profiles and direct the Real Estate Division Director to work with Property Managers regarding facility profile implementation.
- 6.14 Develop a written policy on routine property inspections and completion of real estate surveys, including:
 - (a) the frequency of inspections,
 - (b) procedures for ensuring that inspections are completed on termination of the tenant,
 - (c) procedures to inform tenants of facility conditions, and
 - (d) mechanisms to ensure that the Real Estate Division, the Maritime Division, the Division of Engineering and Maintenance, and the Environmental Health and Safety Department are coordinating property inspections and sharing information.
- 6.15 Develop a formal protocol, establishing a threshold for new leases that require review by the Environmental Health and Safety Department.
- 6.16 Prepare a protocol for the frequency and documentation of Property Managers’ site visits.

7. Monitoring Billing and Collections

The Real Estate Division Director should:

- 7.1 Ensure that property managers are fully accountable for implementation of new leases and adjustments to existing leases, such as CPI adjustments, and for the correct entry of lease information into PROPworks.
- 7.2 Develop a checklist or other system of control, in which property managers verify and sign off on new and amended lease information after it has been entered into

- PROPworks, to ensure accuracy and consistency of information in the property agreement, the basic lease forms and lease abstract documents, and PROPworks.
- 7.3 Require property management staff, in collaboration with the Real Estate administrative analyst, to review (i) checklists such as the Basic Lease form and the Lease/License Termination Procedure Checklist and (ii) PROPworks “tickler” notices that apply to each property manager to ensure compliance with lease provisions.
 - 7.4 Require Real Estate staff to revise standard terms of agreement amendments and assignments to ensure that they have clearly identified rent commencement dates or agreement effective dates, so that the Port can correctly bill new, amended, and assigned agreements from their correct rent commencement date.
 - 7.5 Require portfolio managers to supervise that property managers are correctly preparing miscellaneous billings for all new, amended, and assigned property agreements in which the agreement information is entered into the system later than the rent commencement date or too late for PROPworks automatic billing.
 - 7.6 Improve the current Port agreement termination process by:
 - a) Designating property management staff, in collaboration with the Real Estate administrative analyst and Collections unit, to revise the current Lease/License Termination Procedure Checklist;
 - b) Requiring property management and leasing management staff to provide Real Estate administrative staff with documentation of the “walk through” (e.g., Real Estate Survey) and the vacation date, signed by the tenant and property manager, and reviewed by Real Estate management, as part of the termination process;
 - c) Requiring property managers to (i) follow-up with tenants who have given notice, (ii) submit the appropriate termination papers for entry into the system, and (iii) create timely miscellaneous billings when necessary, to ensure the Port bills tenants rents until they vacate leased premises; and
 - d) Requiring portfolio managers to routinely review lease termination checklists to ensure property managers’ compliance with billing requirements.
 - 7.7 Clarify and enforce the criteria and procedures for placing and monitoring tenants in non-billable status to reduce the risk of not billing tenants that should be billed.
 - 7.8 Revise the performance evaluation criteria for property managers to include evaluation of their collection activities.
 - 7.9 Ensure that the Port applies tenants’ payments to specific invoices by verifying that:
 - (a) Property management staff, in collaboration with the Collections Unit, create invoices to unapplied payments standing in accounts;

- (b) The Collections Unit staff notify tenants of the unapplied balance standing in their accounts through the monthly account statements, in cases where customers have made overpayments or advanced payments; and
 - (c) The Collections Unit staff, in collaboration with the Accounting staff, reconcile all unapplied payments at least twice a year and also during agreements' termination process. The monthly Detail Aging Report could serve as monitoring tool for such reconciliation process.
- 7.10 Improve the application of service charges and penalty fees to delinquent Port clients by requesting staff of the Collections Unit, in collaboration with administrative staff of Maritime, Accounting, and Information Systems, to:
- a) Clarify Port's written and unwritten collection policies and procedures on applying penalty charges and service charges to late sales reports and percentage rent payments; and

The Maritime Division Director should:

- 7.11 Request the Maritime administrative analyst, in collaboration with Information Systems staff, to review the current billing rules in PROPworks for each Maritime customer and their corresponding effective dates, to ensure that the Port charges correct rates to Maritime customers.
- 7.12 Review miscellaneous billing procedures with Maritime and Accounting staff to ensure that empty wharfage units are correctly accounted for, and that sales reports and fixed and percentage dockage billings of casual landing customers are properly monitored.
- 7.13 Maximize current PROPworks capacity for billing procedures of Maritime vessel activities by:
- a) Requesting the Maritime administrative analyst, in collaboration with Information System staff, to produce and maintain live reports that are closely related to the billing process of Maritime vessel activities, to efficiently monitor and forecast wharfage units handled by cargo carriers per contract years and improve the efficiency of billing procedures of Maritime vessel activities. For example, Information System staff can create a live Full Wharfage Units Running Total Report that Maritime staff could use when verifying carriers' Vessel Attendance Reports for billing, particularly at the third and fourth quarters of the contract year.
- 7.14 Establish (i) written agreements with regular vessel customers, and (ii) standard operational procedures that indicate the circumstances in which formal agreements should be created, and when a berthing application, which is currently under review, would be sufficient, to ensure that the Port has sufficient safeguards to prevent revenue loss or other liabilities caused by defaults of Port clients.
- 7.15 Enhance maintenance of Maritime terminal (non-property) agreements by:

- (a) Developing a simple filing system of Maritime terminal agreements, which complements the Real Estate Division's maintenance of Maritime property agreements, that also meets the needs of the Maritime Division; and
 - (b) Designating the staff person who will be responsible for maintenance of the Maritime filing system to decrease the risk to the Port of incomplete, outdated, and sometimes, lost Maritime files.
- 7.16 Designate a specific Maritime staff to be responsible for ensuring that casual landing customers send Sales Reports to the Port on a timely manner, and that the Port bills these clients for additional dockage charges, if applicable.
- 7.17 Establish audit procedures for sales reports of casual landing customers as well as Vessel Attendance Reports (VARs) submitted by carriers or agent lines to ensure (i) casual landing customers correctly report Port sales proceeds from casual landing activity, and (ii) new and current agents, who work as intermediaries between the Port and carriers, are accurately reporting in VARs all wharfage contents of vessels.

The Port Commission should:

- 7.18 Establish collection objectives that take into account collections net of tenant improvement allowances, restructure of leases, bad debt, and other adjustments and the impact these factors have on collections and Port revenues.
- 7.19 Establish written policies regarding restructured leases and payment plans with the intent to continue receiving market rate rents while recovering delinquent balances plus interest.
- 7.20 Establish a written policy, affirming the tenant's primary responsibility to pay rent, and withholding the application of rent credits to the tenant's account, until all past due payments and service charges are applied.

8. Monitoring Parking Meter Collections

The Port Commission should:

- 8.1 Require Port staff to conduct a physical count of all parking meters located on Port jurisdiction.

The Executive Director of the Port should:

- 8.2 Develop and implement formal policies and procedures, assigning formation responsibility and accountability for basic internal controls, including:
- (a) Conducting a monthly reconciliation of all deposits and communicator revenue amounts and perform a thorough investigation of all discrepancies;
 - (b) Improving electronic audit records to sufficiently capture and track data and information;

- (c) External verification of accounting data;
 - (d) Segregation of duties to prevent the possibility of misappropriations and irregularities; and
 - (e) Maintenance of records in a physically secure location.
- 8.3 Develop and implement a formal parking meter operations audit plan.
- 8.4 Develop and implement formal parking meter operations performance measures.
- 8.5 Conduct annual training sessions on internal controls with all Port staff involved in the revenue collection process.
- 8.6 Consider an outside contractor on a trial basis of several months to perform parking meter collection.
- 8.7 Report to the Port Commission the status of these recommendations prior to September 1, 2004.

The Board of Supervisors should:

- 8.8 Consider contracting parking meter services to a private company as a policy option if the Port does not present a substantive work plan to implement and maintain parking meter internal controls.

9. Non-Compliance with California Building Standards

The Port Commission should:

- 9.1 As a matter of priority, adopt a Port Building Code that conforms to the requirements of the California Building Standards Code

10. Port Building Inspection Issues

The Building Inspection section should:

- 10.1 Develop a policies and procedures manual for performing its building inspection services.
- 10.2 Develop an adequate permit history system.
- 10.3 Implement an efficient and economical means of microfilming the Port's current and future permit and permit-related holdings.

The Executive Director should:

- 10.4 In conformance with State law, ensure that all non-exempt construction and repair work performed on Port property is performed in accordance with required permits and inspections.
- 10.5 Fill the authorized but vacant classification 6334, Chief Building Inspector, and classification 5364, Civil Engineering Associate I, positions.
- 10.6 Appoint an interdepartmental team to identify, prioritize, and develop a plan for abating the significant safety violations and assign responsibility for implementing and coordinating the interdepartmental team to one of the Division Directors.
- 10.7 Develop a plan to address the building permit and inspection deficiencies noted in this section and present that plan to the Board of Supervisors.

11. Environmental, Health and Safety Issues

The Executive Director should, as a matter of the highest priority:

- 11.1 Ensure that the Port is in compliance with polychlorinated biphenyl (PCB) regulations.
- 11.2 Require Pacific Cement to comply with environmental regulations.
- 11.3 Ensure that remaining holes at Pier 90 are covered with metal plates and implement interim controls to restrict access to unsafe areas.
- 11.4 Ensure that health and safety hazards in the Pier 50D storeroom are corrected.

The Executive Director should:

- 11.5 Implement the recommendations included in the section of this report titled *Environmental/Health & Safety Issues*, including:
 - (a) Reassigning the Environmental, Health and Safety section from the Engineering Division to the Administrative Services Division, as discussed in Section 1;
 - (b) Developing a Port procedure ensuring that any new lease or lease renewal other than for office space requires the concurrence of the Environmental, Health and Safety section;
 - (c) Including Environmental, Health and Safety as a major factor in the performance appraisals of all managers and supervisors. Possible rated items could be number of injuries and adherence to required safety training; and
 - (d) Obtaining “courtesy” inspections of all Environmental, Health and Safety programs on a bi-annual basis.

- (e) Re-instituting the monthly inter-divisional coordination meetings, staffed by the Assistant Deputy Directors, to promote communication and coordination between divisions, requiring attendance by all Assistant Deputy Directors, and requiring that minutes be taken and action items assigned; and
 - (f) Assigning existing clerical staff to support the Environmental, Health and Safety section.
- 11.6 Ensure that all of the deficiencies recorded during the Environmental, Health and Safety evaluations of October 9, 2003 and February 5, 2004 are corrected.
- 11.7 Emphasize the importance of Environmental, Health and Safety programs and issues on a continuous basis.

12. Managing the Port's Human Resources

The Port's Human Resources unit should:

- 12.1 Develop or augment written policies for the Personnel Policy and Procedures Manual requiring that:
- (a) Managers in the Municipal Executive Association who participate in the Pay for Performance program have their bonuses contingent upon obtaining current employee performance evaluations for all employees under their sphere of influence even if the employees are not direct reports;
 - (b) All substantiated instances of violence, harassment, discrimination, threatening behavior, whether it is physical, emotional, or psychological, or other inappropriate conduct be documented in employee personnel files as a critical incident and in the employee performance evaluation so that there is a corrective action plan and follow up; and
 - (c) Leaves may not be granted for terms exceeding one year at any given time and that no leave, except for workers' compensation, shall exceed two years or 24 months for any reason.
- 12.2 Develop and provide training on the following topics for all Port management and supervisory staff:
- (a) Managing employee performance and conducting evaluations, and
 - (b) The principles of good management and supervision.
- 12.3 Ensure that all substantiated violations of Port policy with regard to inappropriate behavior by Port staff is documented in employee personnel files by reporting directly to the Executive Director if Division management does not document these violations.

The Port Commission should:

12.4 Adopt the written policies developed as recommended in 12.1 above.

The Executive Director should:

12.5 Enforce the policies adopted by the Port Commission as recommended in 12.4 above, including:

(a) Enforcement of the Municipal Executive Association contingent bonus policy requiring all employee performance evaluations be completed before bonuses are received.

(b) Enforcement of the zero tolerance policy for inappropriate behavior by Port staff.

(c) Enforcement of the Port's leave policies.

12.6 Require that all Port management and supervisory staff attend training on:

(a) Managing employee performance and conducting evaluations, and

(b) The principles of good management and supervision.

13. Information Systems

The Executive Director should:

13.1 Form a Project Team with members representing all Port Divisions with the responsibility to, by December 31, 2004:

(a) Conduct a comprehensive business process review and needs assessment for all Divisions of the Port,

(b) Evaluate all existing systems against those needs, and

(c) Make recommendations with respect to the Port's general ledger financial accounting systems and other systems required to meet the core business requirements of the Port.

13.2 Form an Information Technology Advisory Committee (ITAC) of senior management that:

(a) Meets regularly to discuss information systems issues,

(b) Provides guidance and focus to the Project Team discussed above, and

(c) Makes a determination with respect to the recommendations made by the Project Team discussed above.

- 13.3 Report back to the Port Commission and the Board of Supervisors on an annual basis for the next three years beginning in January of 2005 on the status of the business process review, needs assessment, and implementation of the Project Team's and ITAC's recommendations.