



OFFICE OF THE CITY MANAGER · PO BOX 3068 · 555 Santa Clara Street · Vallejo · CA · 94590

SENT VIA US MAIL AND E-MAIL (cdclower@solano.courts.ca.gov)

July 14, 2015

Mr. Terry L. Riddle
Foreman, 2014-2015 Solano County Grand Jury
Hall of Justice
600 Union Avenue
Fairfield, CA 94533

Re: City of Vallejo Response to 2014-2015 Grand Jury Report

Dear Mr. Riddle:

The City of Vallejo provides the following in response to your May 21, 2015 letter requesting the City's response to the 2014-2015 Grand Jury Report entitled "To Charge or Not to Charge".

The following responds to the Grand Jury Findings:

1. Grand Jury Finding #1.

Card usage saves time and money by not having to process purchase orders and wait for the arrival of ordered goods.

City Response: The City agrees with the finding.

Recommendation #1: *Continue the use of cards.*

City Action: The City shall continue to comply with this recommendation.

2. Grand Jury Finding #2.

The use of cards has a transaction fee which is passed on to the consumer. On time remittance of payment for card statements earn cash rebates which offset transaction fees.

City Response: The City agrees with the finding.

Recommendation #2: All cities should seek to use financial institutions which offer cash rebates and pay all invoices on time to qualify for rebates.

City Action: This recommendation has been implemented. The City's current credit card provider offers cash rebates to the City, and the City shall continue to pay invoices timely to qualify for that rebate program.

3. Grand Jury Finding #3.

The use of cards for travel expenses simplifies travel arrangements and reduces cost while keeping accurate purchasing records.

City Response: The City agrees with the finding.

Recommendation #3: Continue the use of cards for travel.

City Action: The City shall continue to comply with this recommendation.

4. Grand Jury Finding #4.

Not all cities are using a card with a rebate program.

City Response: The City agrees with the finding.

Recommendation #4: All cities utilize cards with a rebate program.

City Action: This recommendation has been implemented. The City's current credit card provider offers cash rebates to the City, and the City shall continue to pay invoices timely to qualify for that rebate program.

4. Grand Jury Finding #5.

All seven cities now have cards usage policies and security measures to prevent improper or fraudulent use of cards.

City Response: The City agrees with the finding.

Recommendation #5: Cities continue their current methods for security, and determine if other measures may be available that may enhance cards security.

City Action: This recommendation has been implemented. The City shall continue using current security methods, and will research and review further measures to enhance security and prevent improper or fraudulent use of cards.

If you have any questions regarding our responses, please feel free to contact Ron Millard, Interim Finance Director, at (707) 649-3559.

Sincerely,



Dan Keen
City Manager

cc: Ron Millard, Interim Finance Director