



City of San José  
Service Efforts and Accomplishments Report 2011-12  
Annual Report on City Government Performance

A Report from the City Auditor  
Report #12-09  
December 2012

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## City of San José Service Efforts and Accomplishments Report 2011-12

We are pleased to present the fifth annual Service Efforts and Accomplishments (SEA) Report for the City of San José. This report contributes to good governance and transparency by providing residents and decision makers with accurate information and independent analysis. Unlike most of our audits, the SEA report offers no recommendations to improve City services. The report is intended to be informational and to provide the public with an overview of the services the City provides.

Using data available from City departments, the SEA report summarizes and highlights performance results and compares those results over five years. The report provides cost, workload, and performance data for City services. It includes historical trends, comparisons to targets and other cities when appropriate and available.

The SEA report also includes the results from San José's second year of participation in The National Citizen Survey.<sup>TM</sup> Resident opinions and perceptions about City services help inform decision makers about how well the City is responding to residents' needs. The National Citizen Survey<sup>TM</sup> is a collaborative effort between the National Research Center, Inc. (NRC) and International City/County Management Association (ICMA). San José residents received a mail survey in September 2012 and were asked their opinions about overall quality of life in San José and about specific City services.

### Overall Spending and Staffing

With a population of 971,372, San José is the tenth largest city in the United States and the third largest city in California. The City of San José serves one of the most racially diverse populations in California—about one-third Asian, one-third Hispanic, and one-third white. The City relies on a number of funding sources to support its operations. In 2011-12, the City's departmental operating expenditures were about \$1.28 billion.\* On a per resident basis, this comes to about \$1,322:

- \$299 for Police
- \$234 for Citywide, General Fund Capital, Transfers, and Reserves
- \$198 for Environmental Services
- \$159 for Fire
- \$ 77 for Public Works
- \$ 69 for Transportation
- \$ 59 for Airport
- \$ 53 for Parks, Recreation and Neighborhood Services
- \$38 Finance, Retirement, Information Technology, and Human Resources
- \$35 for Mayor, City Council, and Council Appointees
- \$35 for Convention Facilities and Economic Development
- \$29 Planning, Building, and Code Enforcement
- \$28 for Library
- \$ 8 for Housing

\* The City's Operating Budget totaled \$2.8 billion, which includes the above expenditures as well as various non-General Fund operating and enterprise fund expenditures (e.g., capital expenditures, debt service, pass-through grant funds) and operating or other reserves.

### Overall Spending and Staffing Challenges

The City of San José continued to face significant fiscal challenges in 2011-12. 2011-12 was the tenth consecutive year with a budget shortfall because growth in revenues had not kept pace with growth in expenditures. The 2011-12 budget closed a General Fund shortfall of \$115.2 million. The City's workforce was reduced by 7.5 percent in 2011-12. Cumulatively, over three years, General Fund shortfalls of more than \$300 million had been addressed and the City's workforce had dropped by more than 20 percent. 2011-12 strategies to close the budget gap included: (1) service reductions and eliminations (2) employee total compensation reductions (3) new service delivery models and efficiencies and (4) use of reserves, one-time funds, and fee increases. Significant service reductions were unavoidable and included cuts to police and fire personnel, reduced library hours, reduced community centers, reduced park services and reduced maintenance of many City facilities and the transportation infrastructure.

Over the past decade, the City of San José has cut 28 percent of budgeted positions from 7,500 to 5,400. The City has eliminated budgeted positions over the last ten years mainly by eliminating positions as they became vacant. In addition to laying-off 337 people over the last ten years (all but 6 were laid off in the last three years), 2,444 fulltime employees retired and 1,507 fulltime employees resigned. The City's annual turnover rate, which historically had been between 5 to 8 percent, spiked to 14 percent in 2011 – a year in which the City cut more than 600 budgeted positions. Several functions were outsourced; most others are running with reduced staffing. In addition, at least 965 positions were affected by bumping (wherein more tenured employees displaced less tenured employees when positions were eliminated).

While 2012-13 has been brighter, the future remains uncertain with more General Fund shortfalls projected in coming years. In addition, the City continues to face challenges related to the dissolution of its Redevelopment Agency (uncertainty over the City's certain responsibilities and rights related to the former agency). The City also continues to face challenges regarding the long-term fiscal condition of its two pension plans as well as its ability to pay for retiree healthcare coverage.

Operating expenditures were about 3 percent less than one year ago, and about 2 percent more than five years ago. During that five-year period, the City's population increased 5 percent and inflation was 6.5 percent. In 2011-12, the City had 5,402 authorized full-time equivalent positions Citywide, 8 percent fewer than in 2010-11 and 28 percent fewer than ten years ago.

### Overall Resident Satisfaction

2012 marked San José's second year of participation in The National Citizen Survey.<sup>TM</sup> Respondents were selected at random. Participation was encouraged with multiple mailings and self-addressed, postage paid envelopes. Surveys were available in English, Spanish, and Vietnamese. Results were statistically re-weighted to reflect the proper demographic composition of the entire community. The survey and its results are included in the Appendix. Results of service-specific questions are also incorporated into the relevant departmental chapters.

Sixty percent of residents rated the overall quality of life in San José as good or excellent and 64 percent found San José good or excellent as a place to live. Forty-two percent of residents rated the quality of City services as good or excellent. Thirty percent of residents reported that they had some contact with City of San José employees. Of those residents, 53 percent reported that their overall impression of City employees was good or excellent.

### Major Service Results and Challenges in 2011-12

The City of San José provides a wide array of services that City residents, businesses, and other stakeholders count on. Service results for 2011-12 show the inevitable outcome of significant budget reductions across the City. Some highlights include:

- In spite of staffing reductions in the Police Department, average Police response times for Priority 1 calls increased only slightly from 6.1 minutes to 6.5 minutes; however, average response times for Priority 2 calls increased from 13.7 minutes to 17.3 minutes. San José's rate of major crimes per 100,000 residents increased from 2010-11 but decreased compared to five years ago. It has, however, remained below the state and federal rates in each of the five prior years. 54 percent of residents rate the quality of Police services as good or excellent.

- In 2011-12, the Fire Department responded to more than 52,000 emergencies — 94 percent of which were medical emergencies. During the first seven months of the year, the Department reported that initial responding units arrived at calls within 8 minutes 78.3 percent of the time. This declined from 82 percent in 2010-11. In February 2012, the Department changed its method for calculating response time to include previously uncounted call processing time. From February through June, the Department reported that initial responding units arrived within 8 minutes 63.8 percent of the time. The change in calculation method increases reported response time but does not change actual response times. The Department advises that it is working to solve long-term underlying issues related to the collection of response time data and the tracking of emergency incidents. Eighty percent of residents rated Fire services as good or excellent and 73 percent rated emergency medical services good or excellent.
- The City has 53 community centers but, due to budget constraints, the City operated only 11 of those centers in 2011-12. The other 42 centers (up from 16 sites three years ago) were used by community service providers in exchange for providing services that primarily benefit San José residents. City-operated facilities included ten hub community centers that were open 59 hours per week on average (compared to 63 hours per week in 2010-11). 89 percent of residents reported having visited a park at least once in the last year, and 42 percent reported having visited a community center.
- Several newly constructed City facilities remained closed due to insufficient funds for operations. Two library branches (Seven Trees and Bascom), which were constructed in 2010-11, are scheduled to open in early 2013. The South San José Police Substation, which was also completed in 2010-11, is expected to open in the fall of 2013. In 2011-12, construction was completed on two additional library branches (Calabazas and Educational Park). Those branches are expected to open in mid-2013.
- Ongoing budget reductions have resulted in reduced branch library hours. In 2011-12, branch libraries were open 33 or 34 hours per week over four days of service. This compares to 39 hours per week over five days of service in 2010-11. Prior to 2003-04, all branch libraries (excluding King) were open 54 hours per week over six days of service. Total circulation remains high (11.5 million items, including eBooks), though this was a 16 percent decrease from 2010-11. 62 percent of residents rated library services good or excellent.
- Garbage/recycling rates as well as sewer rates remained the same in 2011-12 as in 2010-11. Stormwater rates increased by 3 percent and have increased 74 percent over five years. Muni Water rates increased by 6 percent and have increased by 32 percent over five years. These increases are less than those of other retail water providers whose rates increased 23 percent since 2010-11 and 39 percent over five years. Between 72 percent and 78 percent of San José residents rated garbage, recycling, and yard waste pick up as good or excellent.
- The City's "one-stop" Permit Center in City Hall received 27,201 customers, about 2 percent fewer than in 2010-11 and about 41 percent fewer than in 2007-08. While the number of planning applications was nearly equal to 2010-11, the size and value of building projects overall increased. The number of plan check reviews increased by 8 percent compared to 2010-11. The Permit Center fell short of its timeliness targets for six out of seven permit processes. 54 percent of residents rated the overall quality of new development in San José as good or excellent.
- In 2010-11, the Airport served 8.3 million airline passengers, down slightly from the prior year. There were 86,478 passenger flights (takeoffs and landings) in 2011-12 or 237 per day. While the number of passengers in the region has rebounded to the 2007-08 levels, the Airport's market share has declined in the past five years to 14 percent in 2011-12. Airport costs have gone up as a result of the completion of the \$1.3 billion Airport modernization and expansion (annual debt service grew to \$66.2 million). 76 percent of residents rated the ease of use of the Airport as good or excellent.
- In 2011, San José had a Pavement Condition Index (PCI) of 64 out of a possible 100, which is considered "fair" according to the statewide index. By

comparison, San José's PCI rating was in the bottom third of 109 Bay Area jurisdictions. About 16,000 potholes were filled in 2011-12, an increase of about 6 percent from 2010-11. As the pavement condition has been deteriorating due to lack of funds, the need for corrective maintenance, such as pothole repairs, continues to grow. Only 15 percent of residents rated street repair as good or excellent.

Additional information about other City services is included in the report.

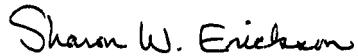
### Conclusion

This report builds on the City's existing systems and measurement efforts. The City Auditor's Office compiled and reviewed departmental performance data for reasonableness, however we did not audit or perform detailed testing of the data. All City departments are included in our review, however this report is not intended to be a complete set of performance measures for all users. It provides insights into service results, but is not intended to thoroughly analyze those results.

By reviewing this report, readers will better understand the City's operations. The report contains a background section which includes a community profile, information on the preparation of the report, and a discussion of service efforts and accomplishments reporting in general. The following section provides a summary of overall spending and staffing. The remainder of the report presents performance information for each department, in alphabetical order which provide services to achieve that mission, descriptions of services, workload and performance measures, and survey results.

Additional copies of this report are available from the Auditor's Office and are posted on our website at <http://www.sanjoseca.gov/index.aspx?nid=321>. We thank the many departments that contributed to this report. This report would not be possible without their support.

Respectfully submitted,



Sharon Erickson  
City Auditor

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## BACKGROUND

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Community Profile  
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## BACKGROUND

### INTRODUCTION

This is the fifth annual report on the City of San José's Service Efforts and Accomplishments (SEA). The purpose of this report is to:

- improve government transparency and accountability,
- provide consolidated performance and workload information on City services,
- allow City officials and staff members to make informed management decisions, and
- report to the public on the state of the City departments, programs, and services.

The report contains summary information including workload and performance results for the fiscal year ended June 30, 2012. We limited the number and scope of workload and performance indicators in this report to items we identified as the most useful, relevant, and accurate indicators of City government performance that would be of general interest to the public.

This report also includes the results of a resident survey, completed in October 2012, rating the quality of City services. All City departments are included in our review; however this report is not a complete set of performance measures for all users. The report provides three types of comparisons when available: five-year historical trends for fiscal years 2007-08 through 2011-12, selected comparisons to other cities, and selected comparisons to stated targets.

After completing the first annual report on the City's Service Efforts and Accomplishments, the Auditor's Office published *Performance Management And Reporting In San José: A Proposal For Improvement*, which included suggestions for improving quality and reliability of performance and cost data. Since issuing that report we have worked with the Budget Office to assist a number of City departments in improving their measures. We will continue to work with departments towards improving their data as requested.

The first section of this report contains information on overall City revenues, spending and staffing, as well as resident perceptions of the City, City services, and City staff. The remainder of the report displays performance information displayed by department, in alphabetical order. The departments are as follows:

- Airport
- City Attorney
- City Auditor
- City Clerk
- City Manager
- Convention Facilities
- Economic Development
- Environmental Services
- Finance
- Fire
- Housing
- Human Resources
- Independent Police Auditor
- Information Technology
- Library
- Mayor and City Council
- Parks, Recreation, and Neighborhood Services
- Planning, Building, and Code Enforcement
- Police
- Public Works
- Retirement
- Successor Agency to the Redevelopment Agency
- Transportation

**COMMUNITY PROFILE**

San José, with a population of 971,372 is the tenth largest city in the United States and the third largest city in California. San José is the oldest city in California; established as El Pueblo de San José de Guadalupe on November 29, 1777, 73 years before California achieved statehood. Although it is the tenth largest city, it ranks 61<sup>st</sup> in population density for large U.S. cities. The City covers approximately 179 square miles at the southern end of the San Francisco Bay. For comparison, San Francisco covers 47 square miles with a population of 812,538. Originally an agricultural community, San Jose is now in the heart of Silicon Valley, so called in reference to the many silicon chip manufacturers and other high-tech companies.

**CITY DEMOGRAPHICS**

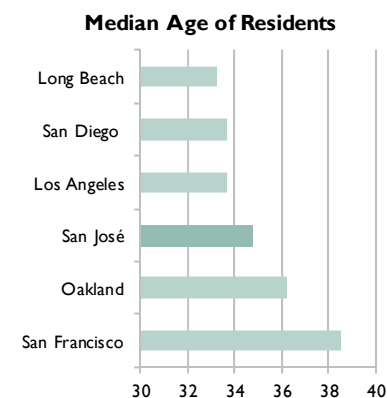
The City of San José is one of the most racially diverse cities in the country. The demographics of San José are important because they influence the type of services the City provides and residents demand.

According to the Census Bureau in 2010, the ethnic break-down of residents was:

| <b>Ethnic Group</b> | <b>Estimated Total</b> | <b>% of Pop.</b> |
|---------------------|------------------------|------------------|
| Asian               | 303,138                | 32%              |
| <i>Vietnamese</i>   | 100,486                |                  |
| <i>Chinese</i>      | 63,434                 |                  |
| <i>Filipino</i>     | 53,008                 |                  |
| <i>Indian</i>       | 43,827                 |                  |
| <i>Other Asian</i>  | 42,383                 |                  |
| Hispanic            | 313,636                | 33%              |
| Non-Hispanic White  | 271,382                | 29%              |
| Black               | 30,214                 | 3%               |
| Other               | 27,572                 | 3%               |

San José also has a high number of foreign born residents; over 38 percent of San José residents were foreign born. More than 60 percent of those identifying as foreign born were born in Asia and 32 percent were born in Latin America. More than 18 percent of residents are not U.S. citizens. Approximately 56 percent of San José residents speak a language other than English at home, and over 25 percent of the population identifies as speaking English less than “very well.”\*

| <b>Resident Age</b> | <b>Estimated Total</b> | <b>% of Pop.</b> |
|---------------------|------------------------|------------------|
| under 5 years       | 69,939                 | 7%               |
| 5-19 years          | 193,303                | 20%              |
| 20-29 years         | 142,792                | 15%              |
| 30-39 years         | 151,534                | 16%              |
| 40-49 years         | 147,649                | 15%              |
| 50-59 years         | 120,450                | 12%              |
| 60-69 years         | 76,738                 | 8%               |
| 70 or more years    | 67,996                 | 7%               |
| Median Age          | 35 years               |                  |



The largest occupation groups are management, business, science and arts (42 percent) and sales and office (23 percent).\*

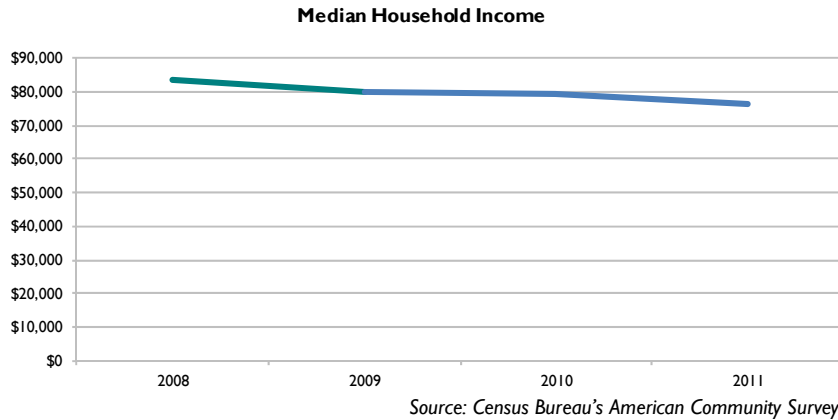
According to the county registrar, approximately 73 percent of the 432,392 registered voters in City of San José voted in the last presidential election (November 2012).

\* Source: Census Bureau's American Community Survey 2011.

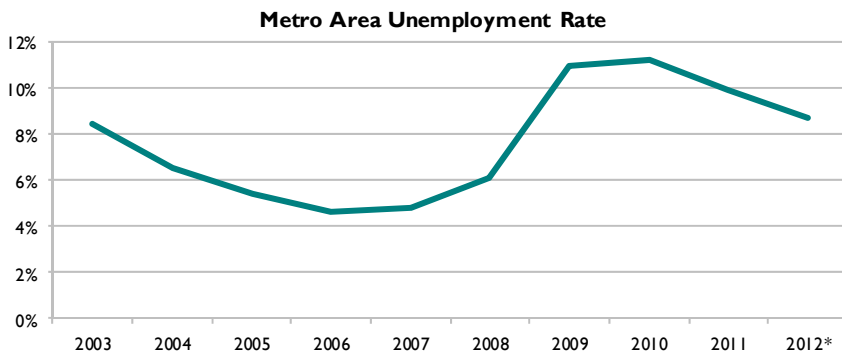
## BACKGROUND

### CITY DEMOGRAPHICS

Median household income was approximately \$76,593 down from a high of \$83,543 in 2008.



San Jose's unemployment rate has declined since reaching a high of about 11 percent in 2010. It is now approximately 8.7 percent.

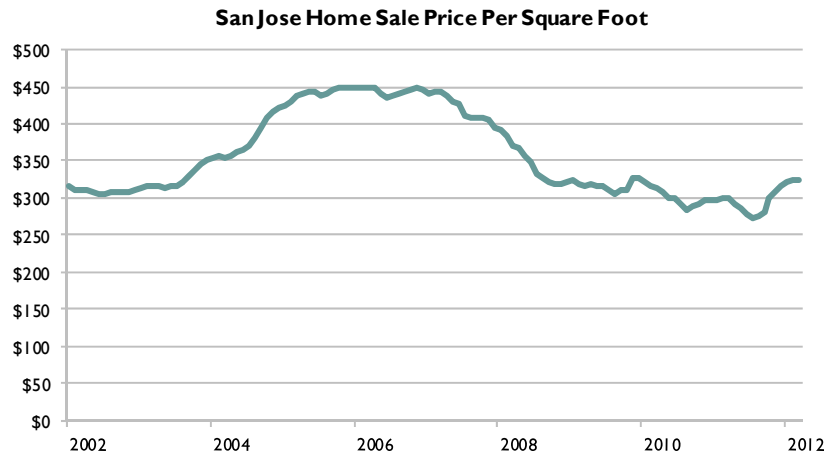


*Source: Bureau of Labor Statistics (Metro Area includes San Jose, Sunnyvale, and Santa Clara.)*

*\* 2012 based on January through September 2012.*

According to the Census Bureau, approximately 58 percent of the housing stock is owner-occupied and 42 percent is renter-occupied. This is slightly lower than the national average: nationwide 66 percent of housing stock is owner-occupied and 34 percent is renter-occupied.

The U.S. Housing and Urban Development department defines housing affordability as housing stock which costs less than 30 percent of the occupant's gross income. 52 percent of respondents to San Jose's National Citizen Survey report spending more than 30 percent of household income on housing costs.



*Source: zillow.com monthly data, July 2002 through September 2012.*

The median home price in San José in 2011-12 was \$575,888 and average monthly rent for a one-bedroom apartment was about \$1,628. This is up from \$520,000 and \$1,470, respectively in 2010-11. This compares with a median existing home value of approximately \$181,500 nationally, according to the National Association of Realtors.

**CITY GOVERNMENT**

San José is a charter city, operating under a council/manager form of government. There is a 11-member City Council and many Council-appointed boards and commissions.\* The Mayor is elected at large; Council members are elected by district (see map).

There were 23 City departments and offices during fiscal year 2011-12. Six of the departments and offices are run by officials directly appointed by the City Council. Those officials are the City Manager, City Attorney, City Auditor, Independent Police Auditor, and City Clerk.

Each February the Mayor gives a State of the City address which sets priorities for the year. The priorities for 2012 were:

- Hope
- Optimism
- Recovery

The City Council meets weekly to direct City operations. The Council meeting schedule and agendas can be viewed at this website:

<http://www.sanjoseca.gov/index.aspx?NID=399>.

The City Council also holds Council Committee meetings each month. The decisions made in these meetings are brought to the main Council meeting for approval each month.

City Council Committees:

- Community & Economic Development Committee
- Neighborhood Services & Education Committee
- Public Safety, Finance & Strategic Support Committee
- Rules & Open Government Committee
- Transportation & Environment Committee
- Airport Competitiveness Committee (ad hoc)



\*Details of the boards and commissions can be found at <http://www.sanjoseca.gov/index.aspx?NID=328>.

## BACKGROUND

### THE NATIONAL CITIZEN SURVEY™

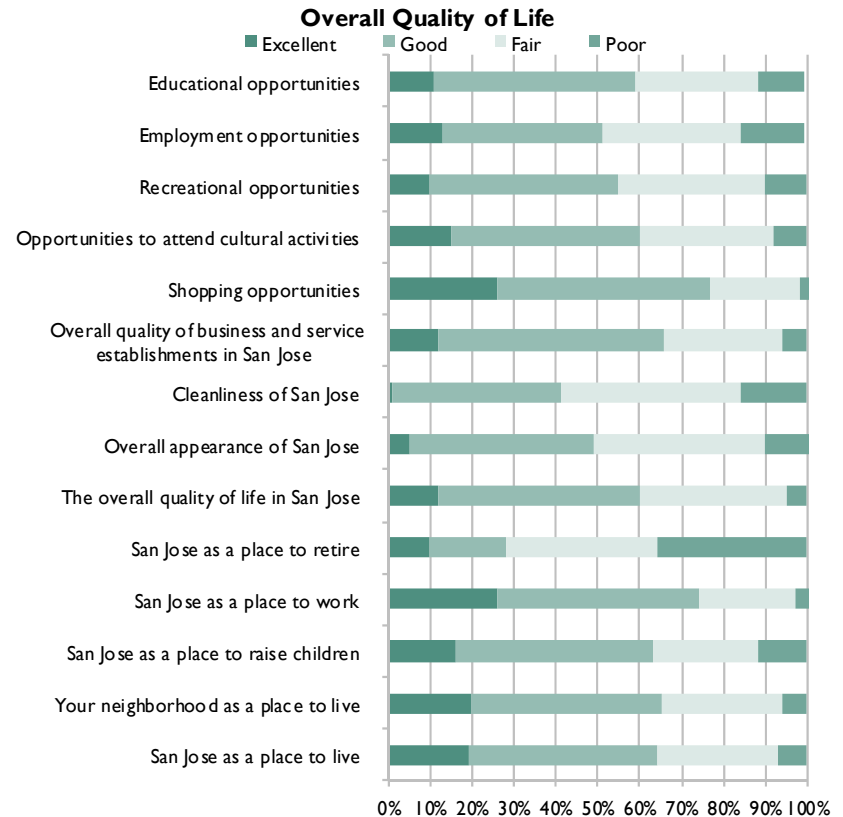
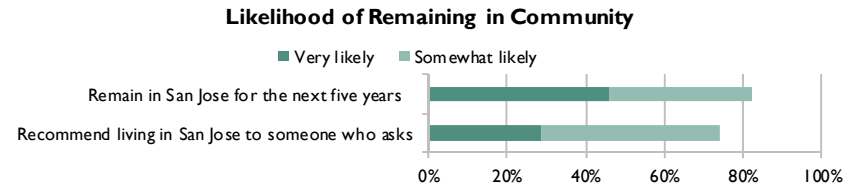
The National Citizen Survey™ (The NCS) is a collaborative effort between National Research Center, Inc. (NRC) and the International City/County Management Association (ICMA). The NCS was developed by NRC to provide a statistically valid survey of resident opinions about community and services provided by local government. Respondents in each jurisdiction are selected at random and survey responses were tracked by each quadrant of the City. Of the completed surveys, 78 were from the Northwest quadrant of the City, 48 were from the Northeast, 70 were from the Southwest, and 35 were from the Southeast quadrant of San José. Participation was encouraged with multiple mailings, self-addressed, postage-paid envelopes, and three language choices— English, Spanish and Vietnamese. Results were statistically re-weighted, as necessary, to reflect the proper demographic composition of the entire community.

Surveys were mailed to a total of 1,200 San Jose households in September and October 2012. Completed surveys were received from 231 residents, for a response rate of 20 percent. Typical response rates obtained on citizen surveys range from 20 to 40 percent. It is customary to describe the precision of estimates made from surveys by a “level of confidence” and accompanying “confidence interval” (or margin of error). A traditional level of confidence, and the one used here, is 95 percent. The 95 percent confidence interval can be any size and quantifies the sampling error or imprecision of the survey results because some residents' opinions are relied on to estimate all residents' opinions. The margin of error around results for the City of San José Survey is plus or minus six percentage points. With this margin of error, one may conclude that when 60 percent of survey respondents report that a particular service is “excellent” or “good,” somewhere between 54 to 66 percent of all residents are likely to feel that way. Differences between years can be considered statistically significant if they are greater than nine percentage points.

The full survey results are posted online at <http://www.sanjoseca.gov/index.aspx?nid=144>.

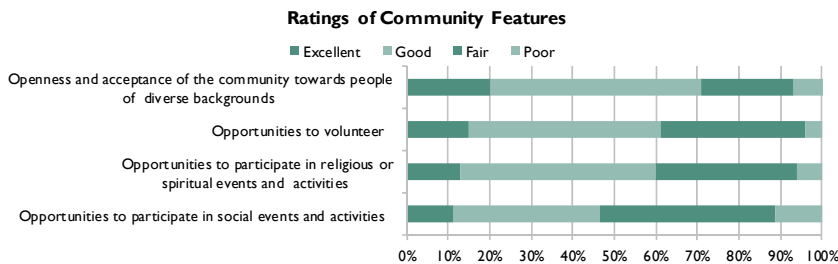
### OVERALL QUALITY OF LIFE

60 percent of respondents to the 2012 National Citizen Survey rated the overall quality of San Jose as good or excellent and 64 percent found San Jose good or excellent as a place to live. Respondents also rated a variety of other opportunities and amenities in San Jose as shown in the chart below.



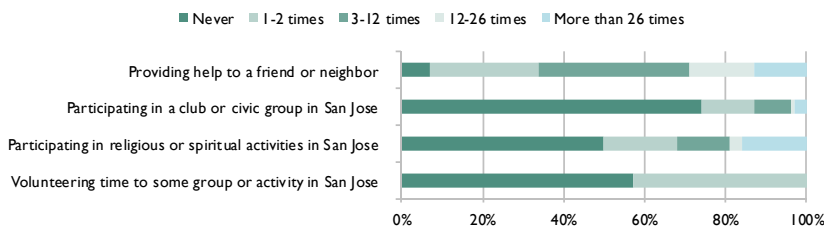
**SENSE OF COMMUNITY**

Most San Jose residents, 71 percent, reported feeling that openness and acceptance toward people of diverse backgrounds was excellent or good. However, the overall sense of community in San Jose is fairly low with just 42 percent of residents reporting the sense of community as good or excellent and 16 percent reporting it as poor. The chart below indicates how satisfied residents are with opportunities to engage in the community.

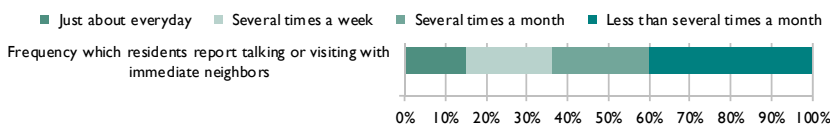


Most San Jose residents do not report participating in community organizations with high frequency.

**Frequency of Community Activities (last 12 months)**



The majority of residents report talking or visiting with immediate neighbors



**POPULATION**

San José grew from a population of 897,898 in 2001 to 971,372 in 2012, approximately an 8 percent increase in population over the last eleven years. Unless otherwise indicated, This report uses population data from the California Department of Finance. In some cases we have presented per capita data in order to adjust for population growth.

| Year                     | Population |
|--------------------------|------------|
| 2008                     | 923,491    |
| 2009                     | 937,965    |
| 2010                     | 946,954    |
| 2011                     | 958,789    |
| 2012                     | 971,372    |
| <hr/>                    |            |
| % change in last 5 years | 5%         |

Some departments and programs serve expanded service areas. These departments include Environmental Services, Public Works and the Airport. For example, the San Jose/Santa Clara Water Pollution Control Plant is co-owned by the cities of San José and Santa Clara and provides service to those cities as well as Milpitas, Cupertino, Los Gatos, Monte Sereno, Campbell, and Saratoga, and the Airport serves the entire South Bay region and neighboring communities.

**INFLATION**

Financial data have not been adjusted for inflation. Please keep in mind the inflation data in the table of San Francisco Area Consumer Price Index for All Urban Consumers below when reviewing historical financial data included in this report.

| Date  | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | % Change over 5 Years |
|-------|---------|---------|---------|---------|---------|-----------------------|
| Index | 225.2   | 225.7   | 228.1   | 233.6   | 239.8   | 6.5%                  |

Source: Bureau of Labor Statistics, 2012 based on January through June.

## BACKGROUND

### SCOPE & METHODOLOGY

The City Auditor's Office prepared this report in accordance with the City Auditor's FY 2012-13 Work Plan. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The workload and performance results that are outlined here reflect current City operations. The report is intended to be informational and does not fully analyze performance results. The independent auditors in the City Auditor's Office compiled and reviewed departmental performance data. We reviewed information for reasonableness and consistency. We questioned or researched data that needed additional explanation. We did not, however, audit the accuracy of source documents or the reliability of the data in computer-based systems. Our review of data was not intended to give absolute assurance that all information was free from error. Rather, our intent was to provide reasonable assurance that the reported information presented a fair picture of the City's performance.

### SERVICE EFFORTS & ACCOMPLISHMENTS

The Government Accounting Standards Board (GASB) has been researching and advocating Service Efforts and Accomplishments (SEA) reporting for state and local government for many years to provide government officials and the public with information to supplement what is reported in annual financial statements. Financial statements give users a sense of the cost of government service, but do not provide information on the efficiency or effectiveness of government programs. SEA reporting provides that kind of information, and enables government officials and the public to assess how well their government is achieving its goals.

This is the fifth annual SEA report for the City of San José. The number of cities and counties that produce SEA reports has been growing steadily over the past few years. The Association of Government Accountants (AGA), together with GASB, has initiated a Certificate of Excellence in Service Efforts and Accomplishments Reporting project with criteria which this report aims to address and which our four previous SEA reports have received.

### SELECTION OF INDICATORS

This report relies on existing performance measures, reviewed yearly by Council, staff, and interested residents during the annual budget study sessions. It also relies on existing benchmarking data. We used audited information from the City's Comprehensive Annual Financial Reports (CAFRs).<sup>\*</sup> We cited mission statements, performance targets, performance outcomes, workload outputs, and budget information from the City's annual operating budget. We held numerous discussions with City staff to determine which performance information was most useful and reliable to include in this report. Where possible, we included five years of historical data. We strove to maintain consistency with prior years' SEA reports, by including most of the same performance indicators, however, due to issues such as reporting and program updates, some indicators have changed.

We welcome input from City Council, City staff, and the public on how to improve this report in future years. Please contact us with suggestions at [city.auditor@sanjoseca.gov](mailto:city.auditor@sanjoseca.gov).

### ROUNDING

For readability, most numbers in this report are rounded. In some cases, tables or graphs may not add to 100 percent due to rounding.

### COMPARISONS TO OTHER CITIES

Where possible and relevant, we have included benchmark comparisons to other cities (usually other large California cities, the state, or the nation). It should be noted that we took care to ensure that performance data comparisons with other cities compare like with like; however, other cities rarely provide exactly the same programs or measure data with exactly the same methodology.

### ACKNOWLEDGEMENTS

The Office of the City Auditor thanks staff from each City department for their time, information, and cooperation in the creation of this report.

<sup>\*</sup> <http://www.sanjoseca.gov/index.aspx?NID=759>



# OVERALL REVENUES, SPENDING AND STAFFING

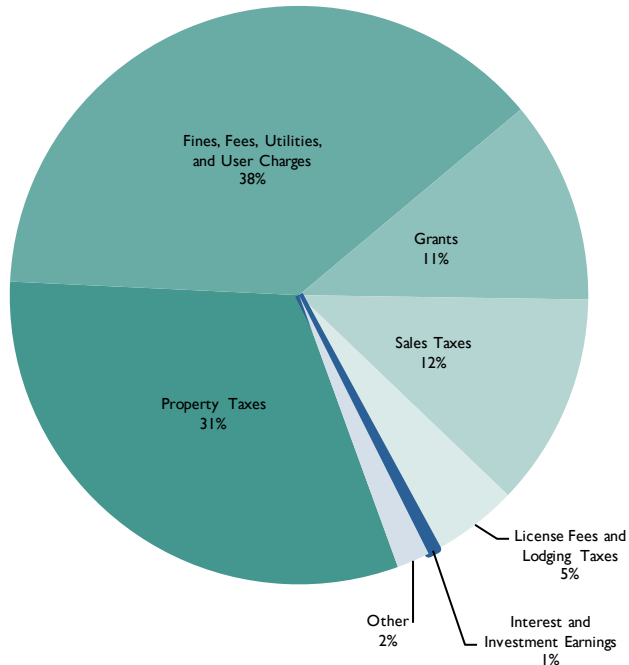
Revenues, Spending and Staffing  
Resident perceptions of City Services and City Staff

# OVERALL REVENUES, SPENDING AND STAFFING

## CITY REVENUES

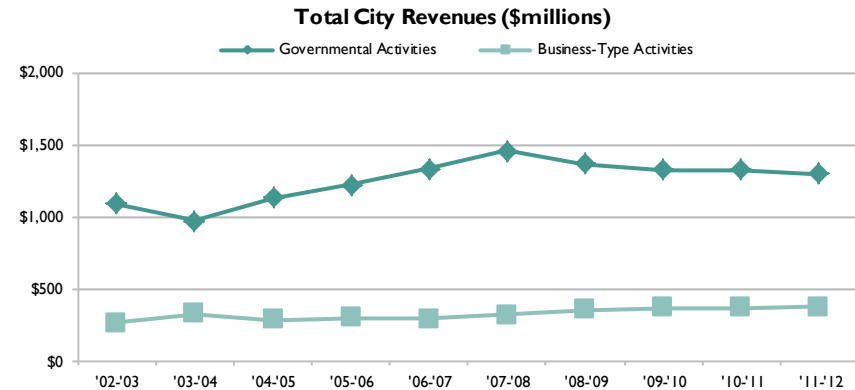
The City relies on a number of funding sources to support its operations, particularly taxes, grants, fees, fines, and utility and user charges, as seen in the chart below. The composition of general governmental revenues (i.e., excluding business-type activities such as the Airport) has changed somewhat over the past five years, as the portion of revenues derived from fines, fees, utilities and user charges has grown to 38 percent of total revenue, up from 33 percent just two years ago. Likewise, property tax revenues have declined from 38 percent of revenues two years ago to 31 percent in 2011-12.

**General Government and Program Revenues by Type, 2011-12**



Source: 2011-12 Comprehensive Annual Financial Report

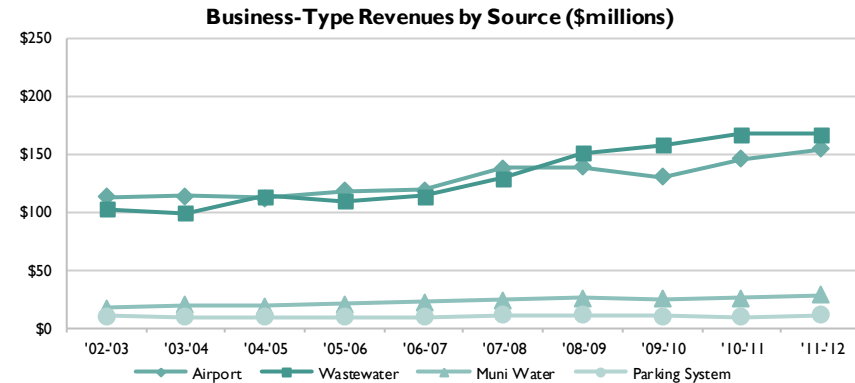
Overall revenues declined from \$1.35 billion in 2010-11 to \$1.3 billion in 2011-12.



Source: 2011-12 Comprehensive Annual Financial Report, 2011-12 does not include one time \$2.061 billion extraordinary gain due to the accounting treatment of the dissolution of the City's Redevelopment Agency.

Among business-type activities, all sources saw increases in revenues over the past five years.

- Airport revenues were up 12 percent
- Wastewater Treatment revenues were up 29 percent
- Muni Water revenues were up 18 percent
- Parking System revenues were up 3 percent

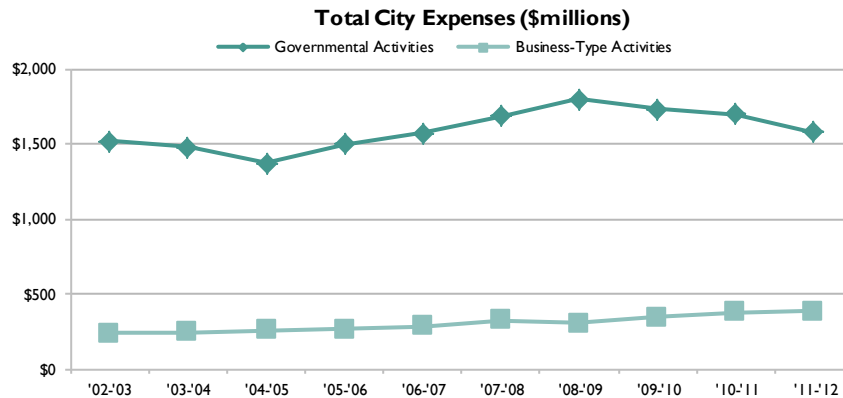


Source: 2011-12 Comprehensive Annual Financial Report

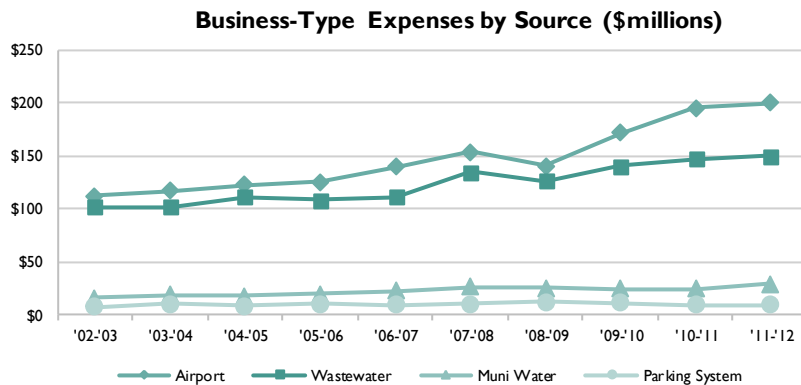
## OVERALL REVENUES, SPENDING AND STAFFING

### CITY EXPENDITURES

The City's total expenses peaked in 2008-09 at \$2.10 billion and have since fallen to \$1.97 billion in 2011-12. Note, this includes non-cash expenses such as depreciation on the City's capital assets. General government expenses fell 12 percent over that time, whereas expenses from business-type activities increased. Airport expenditures increased the most among business-type activities, due to an increase in debt service related to the Airport modernization and expansion program (see Airport chapter for more details).



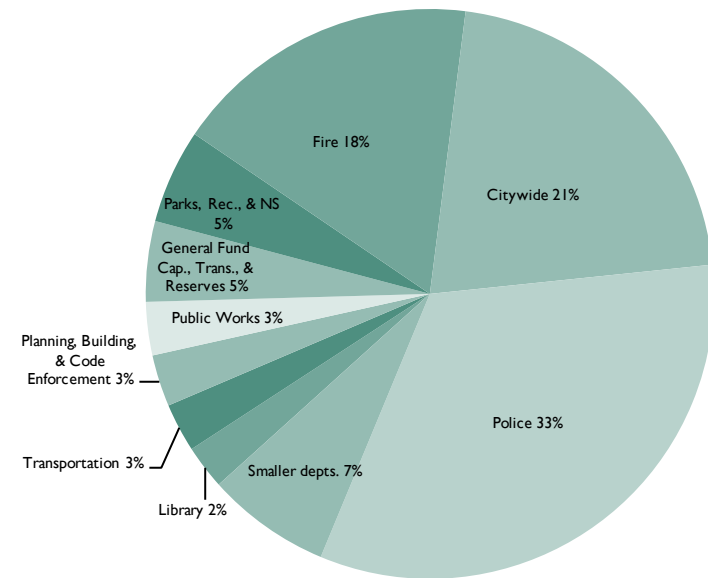
Source: 2011-12 Comprehensive Annual Financial Report



Source: 2011-12 Comprehensive Annual Financial Report

The General Fund is the primary operating fund used to account for the revenues and expenditures of the City which are not related to special or capital funds. Some of the General Fund's larger revenue sources include: property taxes, sales taxes, utility taxes, licenses and permits, and franchise fees. Fiscal year 2011-12 was the tenth consecutive year of budget cuts in the General Fund for the City of San José. The City closed a \$115.2 million General Fund deficit through the approval of the 2011-12 Operating Budget.

General Fund Expenditures, 2011-12



| Smaller Departments        | % of General Fund Total | Smaller Departments    | % of General Fund Total |
|----------------------------|-------------------------|------------------------|-------------------------|
| Airport                    | 0.0%                    | City Auditor           | 0.2%                    |
| Convention Facilities      | 0.0%                    | Economic Development   | 0.5%                    |
| Housing                    | 0.0%                    | Human Resources        | 0.6%                    |
| Redevelopment Agency       | 0.0%                    | Mayor and City Council | 1.0%                    |
| Retirement                 | 0.0%                    | Information Technology | 1.0%                    |
| Environmental Services     | 0.0%                    | City Manager           | 1.0%                    |
| Independent Police Auditor | 0.1%                    | City Attorney          | 1.2%                    |
| City Clerk                 | 0.2%                    | Finance                | 1.2%                    |

## OVERALL REVENUES, SPENDING AND STAFFING

### CITY OPERATING BUDGETS

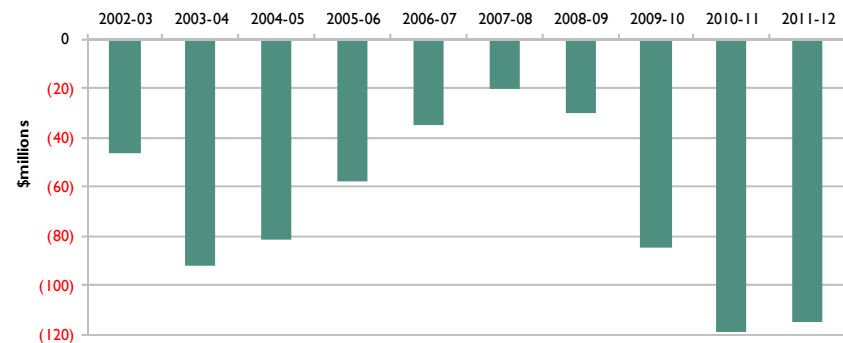
Budgeted City expenditures totaled about \$2.8 billion in 2011-12. Of that, the City directly allocated\* approximately \$1.28 billion to City departmental operations during 2011-12. This was a 3 percent drop over the prior year, and marked the tenth consecutive year of budget cuts.

|  | '11-'12                | 1 year change |
|--|------------------------|---------------|
| Airport                                      | \$57,651,884           | -11%          |
| City Attorney                                | \$12,297,980           | -8%           |
| City Auditor                                 | \$1,741,109            | -3%           |
| City Clerk                                   | \$1,439,595            | -63%          |
| City Manager                                 | \$9,105,611            | -14%          |
| Citywide Expenditures                        | \$187,245,271          | 3%            |
| Convention Facilities                        | \$22,260,406           | 11%           |
| Economic Development                         | \$11,916,275           | 30%           |
| Environmental Services                       | \$192,191,212          | 4%            |
| Finance                                      | \$13,611,934           | -4%           |
| Fire   | \$154,297,611          | 1%            |
| General Fund Capital, Transfers, & Reserves  | \$40,011,000           | 7%            |
| Housing                                      | \$7,995,491            | -19%          |
| Human Resources                              | \$7,459,095            | -16%          |
| Independent Police Auditor                   | \$934,379              | 14%           |
| Information Technology                       | \$12,349,248           | -35%          |
| Library                                      | \$27,277,529           | -11%          |
| Mayor and City Council                       | \$8,463,117            | 12%           |
| Parks, Recreation, and Neighborhood Services | \$51,861,308           | -13%          |
| Planning, Building, and Code Enforcement     | \$28,446,014           | 6%            |
| Police                                       | \$290,298,883          | 0%            |
| Public Works                                 | \$74,779,737           | -8%           |
| Redevelopment Agency                         | \$0                    | -100%         |
| Retirement                                   | \$3,848,372            | -4%           |
| Transportation                               | \$66,677,252           | 2%            |
| <b>Total</b>                                 | <b>\$1,284,160,313</b> | <b>-3%</b>    |

\* Department operating expenditures include personal services for all funds, and non-personal/equipment expenditures for all funds with the exception of capital funds. Departmental operating budgets do not include all expenditures such as reserves, capital expenditures, debt service, and pass-through funding. Furthermore, other special funds are not always captured in departmental operation budgets. For example, the Airport's departmental expenditures totaled roughly \$58 million in 2011-12 (as we report in the chart above and in the Airport section), but the Airport had oversight over roughly \$178 million in other expenditures over the course of the year. The City's Operating and Capital Budgets are online at <http://www.sanjoseca.gov/index.aspx?NID=183>.

Over the past decade, general fund shortfalls resulted in operating budget decreases and staffing declines.

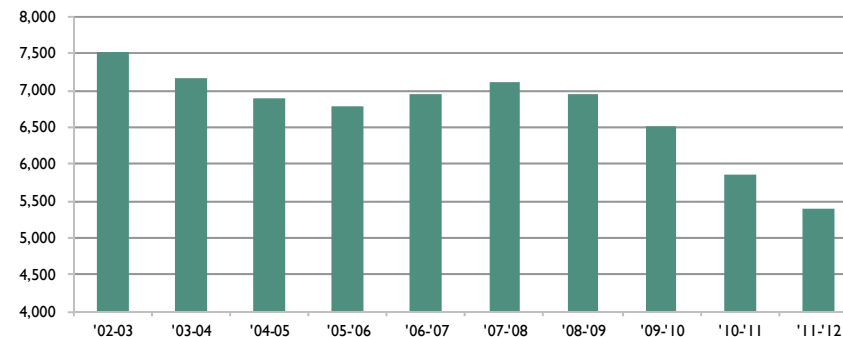
General Fund Shortfalls



### CITY STAFFING

In 2010-11 \$612 million, or 64 percent, of the General Fund's \$954 million in expenses were allocated for personnel costs. When the City is forced to make major budget cuts, it has to cut staffing. Overall staffing levels decreased by 28 percent over the last ten fiscal years from about 7,500 to 5,400 positions; 1,100 positions were cut in the last three fiscal years.

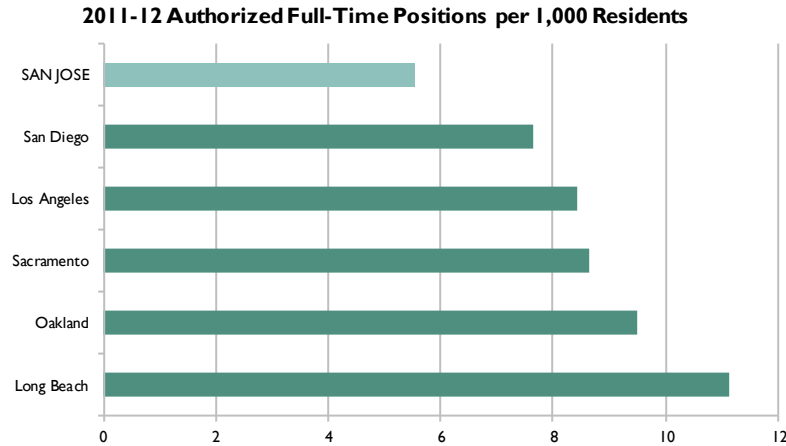
Citywide Budgeted Full-time Equivalent Positions Over the Past 10 Years



## OVERALL REVENUES, SPENDING, AND STAFFING

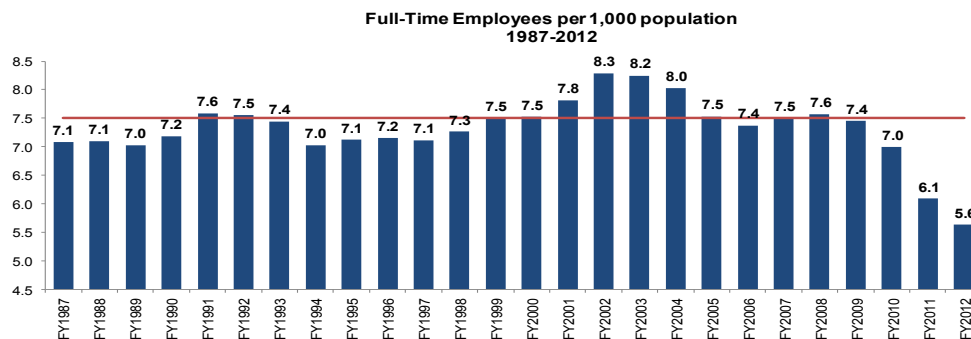
### CITY STAFFING (CONTINUED)

The City of San José employs fewer people per 1,000 residents in 2011-12 than many other large California cities.



San José employed 5.6 employees per 1,000 residents, much less than San José's average of 7.5 positions during the 22 year period from 1987-2009.

Source: 2011 Fiscal and Service Level Emergency Report, November 2011



In 2011-12 there were 5,402 authorized full-time equivalent positions City-wide. On average, between June and August 2012, about 13 percent of full-time and part-time positions were vacant.

| Authorized Departmental Staffing             | '11-'12      | % Change over 10 years |
|--|--------------|------------------------|
| Convention Facilities                        | 9            | -94%                   |
| Airport                                      | 205          | -49%                   |
| Parks, Recreation, and Neighborhood Services | 460          | -47%                   |
| Public Works                                 | 469          | -46%                   |
| Planning, Building, and Code Enforcement     | 213          | -39%                   |
| City Auditor                                 | 13           | -35%                   |
| City Attorney                                | 71           | -30%                   |
| Human Resources                              | 53           | -29%                   |
| Library                                      | 271          | -26%                   |
| Transportation                               | 397          | -26%                   |
| Information Technology                       | 101          | -24%                   |
| Housing                                      | 63           | -23%                   |
| City Clerk                                   | 13           | -21%                   |
| Police                                       | 1,511        | -19%                   |
| City Manager                                 | 62           | -13%                   |
| Fire   | 752          | -11%                   |
| Finance                                      | 118          | -1%                    |
| Independent Police Auditor                   | 6            | 0%                     |
| Environmental Services                       | 506          | 14%                    |
| Retirement                                   | 34           | 51%                    |
| Economic Development                         | 75           | 53%                    |
| <b>Total</b>                                 | <b>5,402</b> | <b>-28%</b>            |

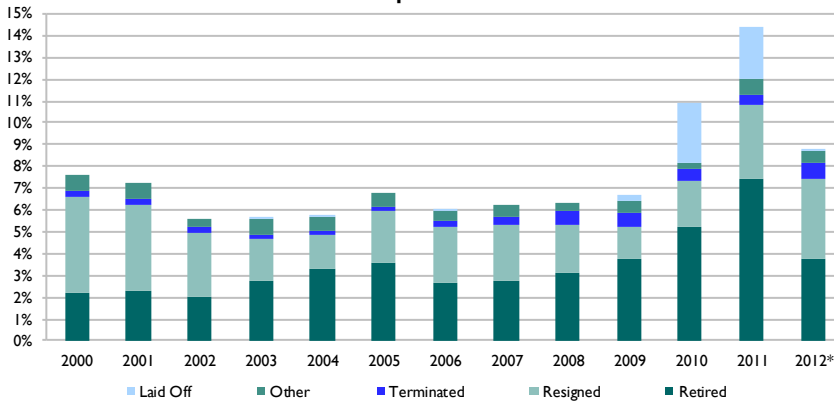
Source: San José 2011-12 Operating Budget

## OVERALL REVENUES, SPENDING, AND STAFFING

### CITY STAFFING (CONTINUED)

City turnover has increased, reaching a high of about 14 percent in CY 2011 (2010-11 was the fiscal year in which the City cut the greatest number of positions) before dropping to almost 9 percent in 2012. This was still higher than typical years, which had a departure rate between 5 and 7 percent.

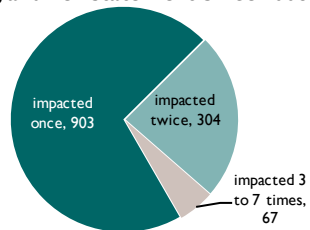
Percentage of Full-time Staff Leaving City Service by Type of Departure



\*2012 data is projected based on January through August 2012.

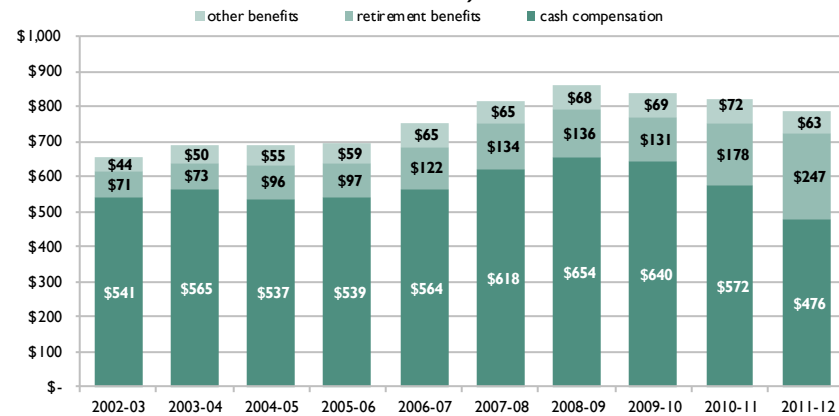
In addition, many of the City's employee classifications are subject to "bumping;" a process where a more senior employee displaces a less senior employee from a job. Employee bumping has been extensive since 2008 as the City has experienced significant staffing reductions. 965 positions and 1,274 employees have been affected by bumping since 2008. Some have been affected multiple times. Bumping is often highly disruptive to both the employees and departments affected. As positions change hands, newly bumped employees must learn new skills to conduct their new jobs.

Employees Affected by Bumping, Layoff, and Reinstatement Since 2008



Total employee compensation dropped from a high of approximately \$859 million in 2008-09, to \$787 million in 2011-12, despite the fact that retirement costs have increased in every year. This is due to a combination of factors including staffing reductions as well as salary reductions that City employees took beginning on 2010-11 and continuing into 2011-12.

Retirement, Fringe and Cash Compensation for all Funds (\$ millions)



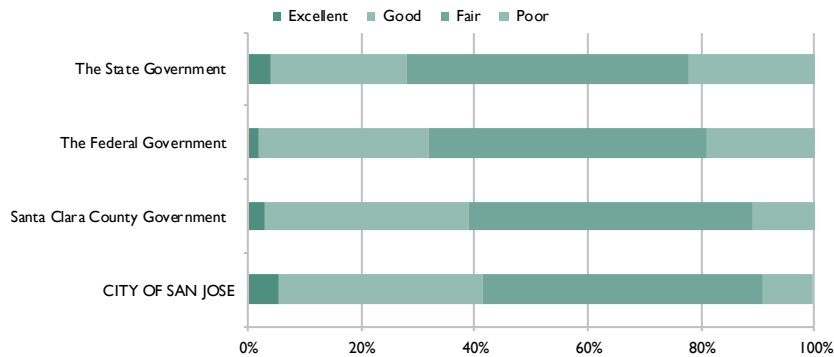
\*2011-12 data was extracted from the City's financial management system whereas data from previous years was extracted from the City's Peoplesoft payroll system.

## OVERALL REVENUE, SPENDING, AND STAFFING

### CITYWIDE QUALITY OF SERVICES

In the 2012 National Citizen Survey, 41 percent of San José surveyed residents rated the quality of City services “good” or “excellent.”

**Resident Satisfaction with Government**



In 2012, residents were asked how they would rate specific government services on the scale from “excellent” to “poor.” The chart to the right shows the results of this evaluation.

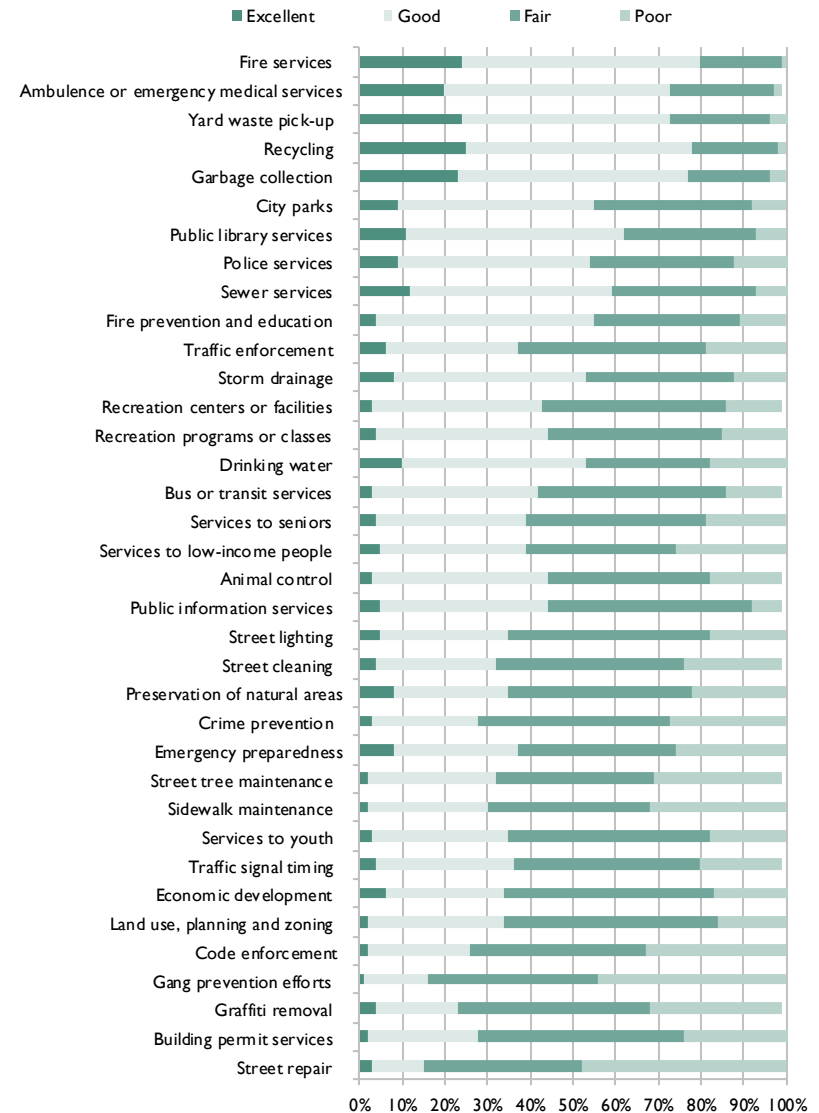
Residents also rated their overall impression of San José’s image or reputation. Nearly half of residents, 46 percent, rated the overall image or reputation as good or excellent in 2012.

**Overall Image or Reputation of San Jose**



Satisfaction with government services ranges from a high of 80 percent of residents rating fire services as “good” or “excellent” to a low of 15 percent rating street repair as “good” or excellent.”

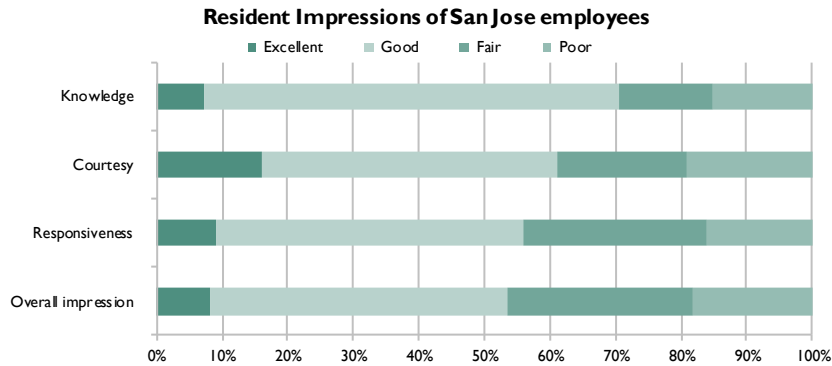
**Quality of Government Services**



## OVERALL REVENUE, SPENDING, AND STAFFING

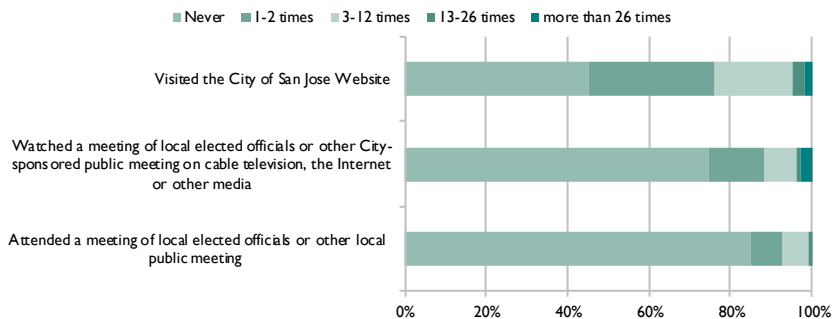
### CITYWIDE PUBLIC TRUST

In the 2012 National Citizen Survey, 30 percent of residents reported that they had some contact with City of San José employees. Of those residents, 53 percent reported their overall impression of City employees as “excellent” or “good.”



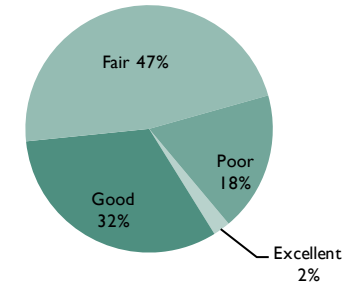
More than a third, 37 percent, of residents rated the job San José does at welcoming citizen involvement as “excellent” or “good.” Most residents did not report having viewed a meeting of public officials or other public meeting, in person, or on tv, the internet or other media sources. However, 55 percent of residents reported visiting the City’s website at least once in the last 12 months, and 24 percent reported visiting it three or more times.

### Frequency which residents report doing the following in the last 12 months

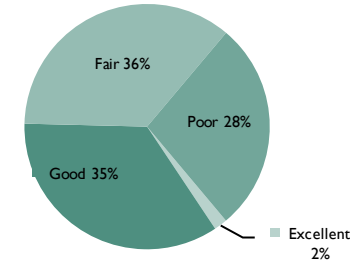


Nearly half of residents feel that the overall direction San José is taking is “fair” and 34 percent feel it is “excellent” or “good.”

### The overall direction that San José is taking

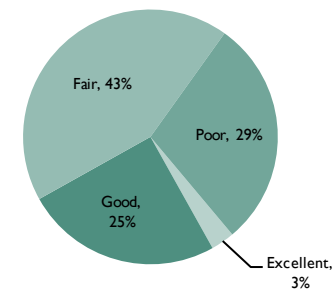


### The job San José government does at welcoming citizen involvement



About 4 in 10 residents feel that the value of services for taxes paid to San José is “fair” and over a quarter feel it is “excellent” or “good.”

### The value of services for the taxes paid to San José





## OVERALL REVENUE, SPENDING, AND STAFFING

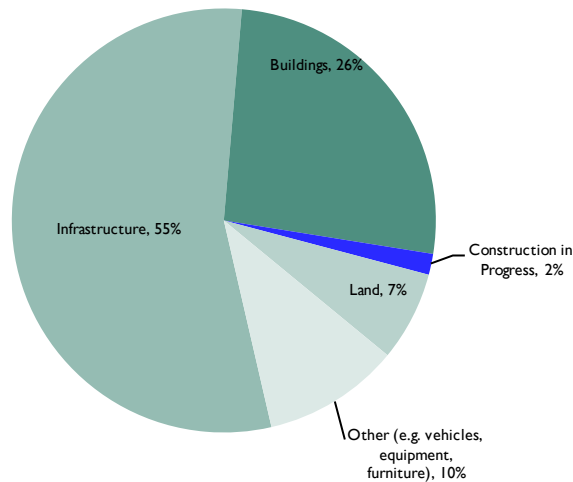
### CITY CAPITAL SPENDING

Capital assets refer to land, buildings, vehicles, equipment, infrastructure (e.g., roads, bridges, sewers), and other assets with a useful life beyond one year. Also included are construction projects currently being built but not yet completed (referred to as construction in progress).

At the end of fiscal year 2011-12 the City owned \$8.8 billion of capital assets. This figure represents the historical purchase or constructed cost less normal wear and tear from regular use (referred to as depreciation).

Capital assets used for normal government operations totaled \$6.6 billion and assets used in business-type activities such as the Airport, wastewater treatment, and other fee-based services totaled \$2.2 billion.

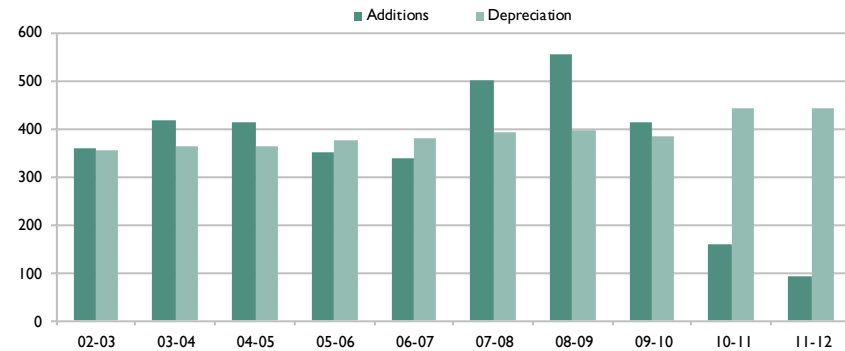
**Net Capital Asset Breakdown, June 30, 2012**



Source: 2011-12 Comprehensive Annual Financial Report

In 2011-12, the City added \$92 million in capital assets; however, these were offset by \$444 million in depreciation. In addition, \$180 million of formerly RDA assets were transferred to the SARA (see Successor Agency chapter). As a result, total assets declined by \$540 million from the prior year. Among the additions were multiple completed capital projects at the Airport (e.g., airfield improvements, Terminal B Phase I project).

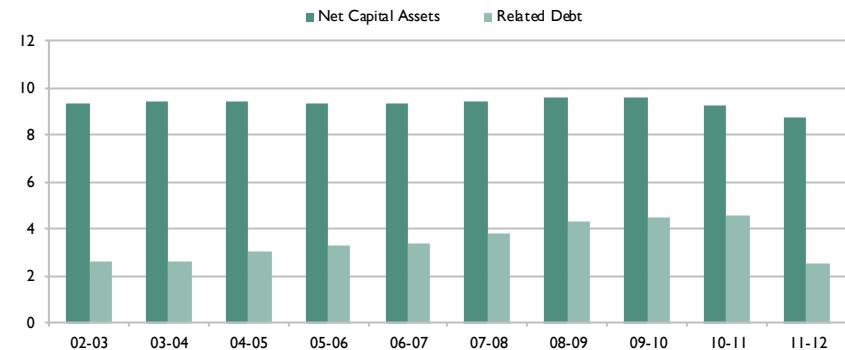
**Capital Asset Additions and Depreciation (\$millions)**



Source: 2002-03 through 2011-12 CAFRs

On June 30, 2012, capital asset-related debt totaled \$2.5 billion, a nearly \$2 billion drop from the prior year due to the transfer of former RDA debt to the SARA (see Successor Agency chapter).

**Net Capital Assets and Debt, Fiscal Year End (\$billions)**



Source: 2002-03 through 2011-12 CAFRs



## **AIRPORT**

The mission of the Airport is to meet the air transportation needs of Silicon Valley residents and businesses in a safe, efficient, and cost-effective manner.

## AIRPORT

The City operates the Mineta San José International Airport (Airport), which provides non-stop air service to 27 U.S. cities, including New York, Chicago, Boston, and Hawaii. The airport currently serves two international destinations and will add Tokyo in 2013.

The Airport does not receive general fund dollars; Airport operational revenues come from rents, concession fees, parking, passenger facility charges, and landing fees. In 2011-12, operating revenues totaled \$137.1 million, an increase of 7 percent over the past year, and 19 percent over the past five years\*. According to the department, the increase in revenues can be attributed to a one-time sale of 14 shuttle buses to SFO, changes in car rental fees from a per transaction to a per day charge, and increases in terminal rental fees paid by airlines.

Operating expenditures have decreased by 11 percent, totaling \$57.7 million\*\*. However, total outstanding debt as of June 30, 2012, was \$1.5 billion, and debt service for the fiscal year was \$66.2 million, both of which were up from five years ago, due to the Airport's newly completed \$1.3 billion modernization program.

The Airport made significant changes to police and fire services in 2011-12.\*\*  
 \*Federal grant funding saved the department nearly \$500,000 and allowed it to keep fire services at the same level; restructuring police staffing reduced costs by \$5 million. The Airport reported no negative effects on public safety and expects these savings to grow in the next fiscal year.

\*Operating revenues do not include Passenger Facility Charges (\$16.8 million) or grants.

\*\*Operating expenditures do not include police and fire services at the Airport, debt service, capital project expenditures, or reserves. As of 2011-12, overhead is no longer included in operating expenditures.

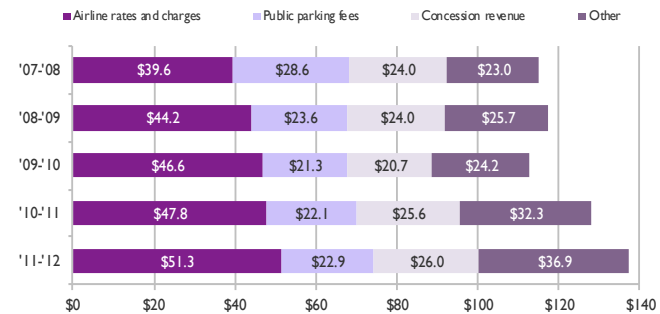
\*\*\*Police and fire expenses are considered general fund transfers.

### THE NATIONAL CITIZEN SURVEY™

**76%** of San José residents surveyed rated the overall ease of using the Airport as "excellent" or "good"

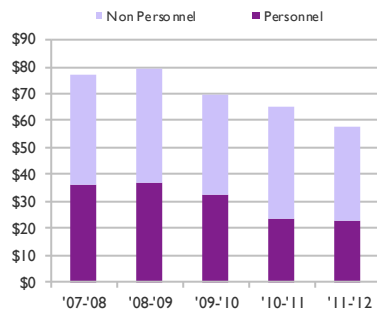
**65%** rated the availability of flights at the Airport as "excellent" or "good"

### Airport Operating Revenues\* (\$millions)



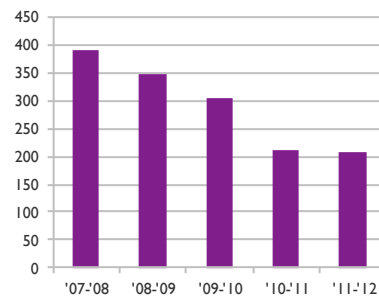
\*Does not include passenger facility charges and other non-operating revenues  
 Sources: Airport Comprehensive Annual Financial Reports, 2007-08 through 2011-12

### Airport Operating Expenditures (\$millions)



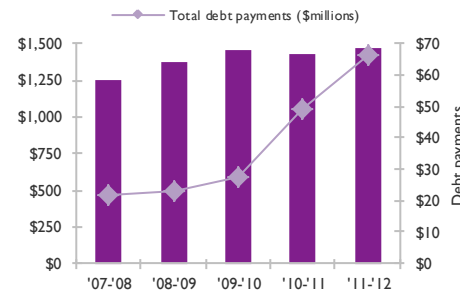
In 2011-12, the City changed its method of allocating overhead for the department.

### Airport Authorized Positions



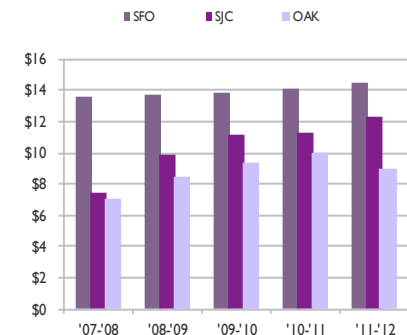
\*Of the 93 positions eliminated due to budget cuts, 54 were a result of outsourcing custodial services.

### Outstanding Debt and Debt Payments\* (\$millions)



\*Excludes commercial paper

### Regional Cost per Enplanement



In 2011-12, the Airport served 8.3 million airline passengers, down 20 percent from five years ago. There were 86,478 passenger flights (takeoffs and landings) in 2011-12 or 237 per day. While the number of total passengers in the region has rebounded back to 2007-08 levels, the Airport's market share has declined in the past five years to 14 percent in 2011-12. San Francisco's market share is 71 percent and Oakland's is 16 percent. According to the department, limited east coast and international flights, and the prolonged economic downturn contribute to both declines.

In 2011-12, the airline's cost per enplanement (CPE) was \$12.29, which has increased nearly 65 percent over the past five years.\* An increase in airline rates and charges (as a result of the modernization program) combined with a decrease in the number of passengers has led to a higher CPE. By comparison, the CPE for San Francisco has increased by 7 percent in the same period to \$14.54 and by 29 percent to \$9.04 in Oakland.

In 2011-12, the Airport handled 83.8 million pounds of cargo, freight, and mail, down more than 50 percent from five years ago. Regionally, the Airport's market share of cargo and freight is just under 5 percent, compared to 40 and 56 percent for San Francisco and Oakland respectively. The department reports that traffic and noise curfew have put major limitations on cargo, freight, and mail capacity.

Noise complaints have decreased over the past five years but more than doubled in the past year to 856. However, 30 percent of calls were made by two individuals in two months. Excluding these calls, there was still an 80 percent increase in complaints, despite a small decrease in the number of total aircraft operations.

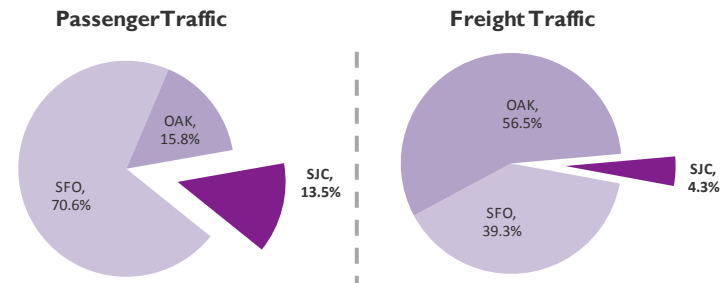
\*The CPE (industry standard) is based on charges and rates paid by airlines divided by the number of boarded passengers.

**Regional Comparisons, 2011-12**

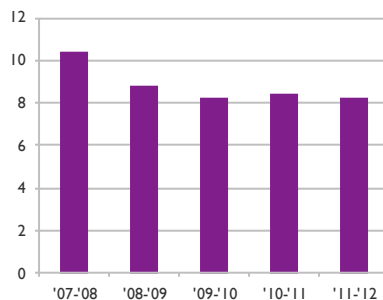
|  | <b>SJC</b> | <b>OAK</b> | <b>SFO</b> |
|--|------------|------------|------------|
| Airlines   | 12         | 12         | 50         |
| Destinations                                     | 29         | 40         | 105        |
| Domestic   | 27         | 36         | 74         |
| International                                    | 2          | 4          | 31         |
| Passengers                                       | 8,256,223  | 9,643,555  | 43,050,723 |
| Passenger Flights/Day<br>(Takeoffs and landings) | 237        | 262        | 520        |
| On-Time Percentage                               | 88%        | 87%        | 73%        |

Sources: Oakland, San Francisco, and San José Airports.

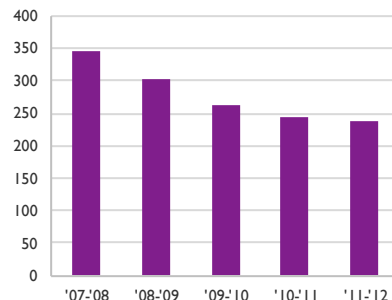
**Market Shares**



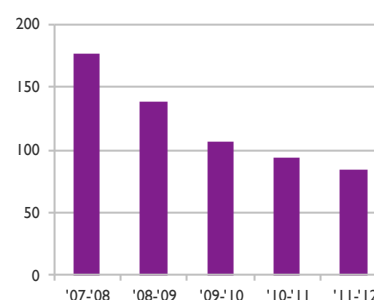
**Annual Airport Passengers (millions)**



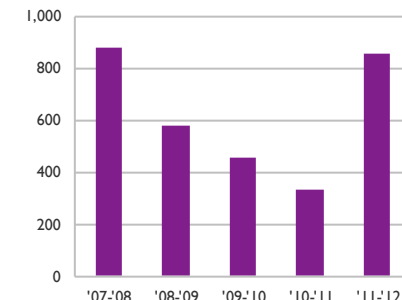
**Passenger Flights Per Day (Takeoffs and Landings)**



**Air Cargo, Freight, and Mail (million lbs.)**



**Environmental Noise Complaints**





## CITY ATTORNEY

The mission of the San José City Attorney's office is to provide excellent legal services, consistent with the highest professional and ethical standards, to the City, with the goal of protecting and advancing their interests in serving the people of San José.

## CITY ATTORNEY

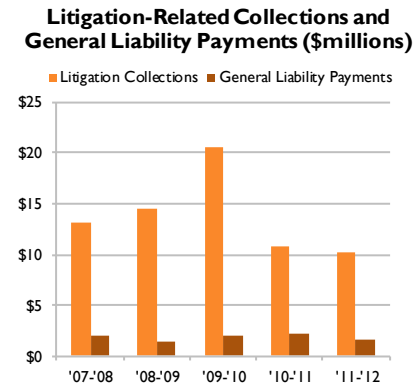
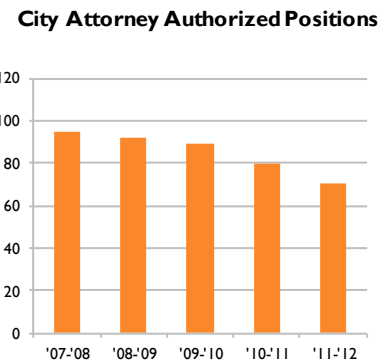
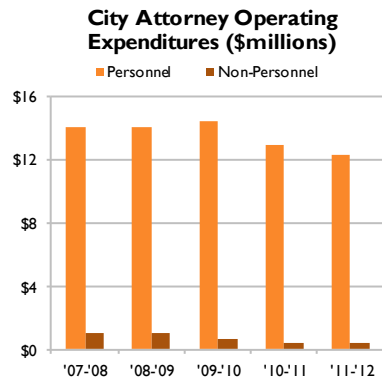
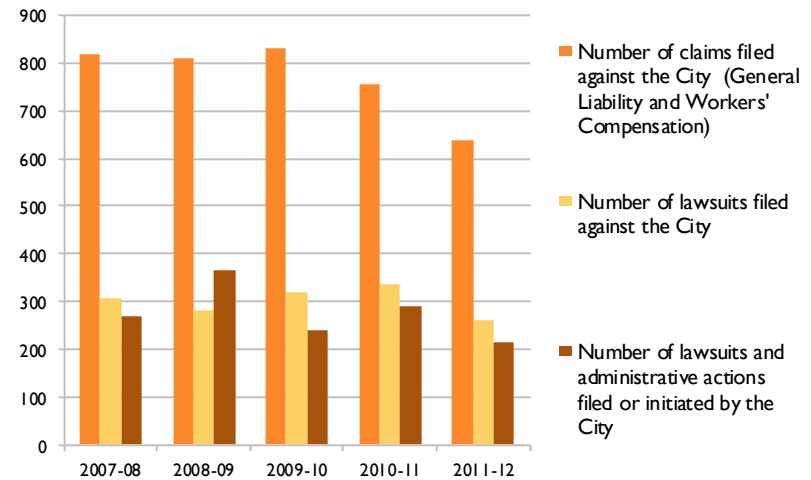
The City Attorney's Office provides legal counsel and advice, prepares legal documents, and provides legal representation to advocate, defend, and prosecute on behalf of the City of San José and the Successor Agency to the San José Redevelopment Agency.

In 2011-12, operating expenditures for the City Attorney's Office decreased 5 percent, from \$13.3 million to \$12.7 million compared to 2010-11. Compared to five years prior, expenditures decreased 16 percent.

Staffing decreased 11 percent from 80 in 2010-11 to 71 in 2011-12. Compared to five years ago, the number of positions decreased 25 percent from 95 to 71.

The City Attorney's Office handled 1,116 new litigation matters in 2011-12 and prepared or reviewed 5,321 legal transactions, documents or memoranda. Litigation-related collections in 2011-12 totaled about \$10.3 million while general liability payments totaled about \$1.6 million.

### Claims and Lawsuits





The mission of the San José City Auditor's Office is to independently assess and report on City operations and services.

## CITY AUDITOR

The City Auditor's Office conducts performance audits that identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.

In 2011-12, operating expenditures for the City Auditor's Office decreased from \$1.80 million to \$1.78 million since last year. Compared to five years prior, expenditures decreased 14% from \$2.1 million. The number of authorized positions decreased 13% from 15 in 2010-11 to 13 in 2011-12.

In addition to performance audits, the City Auditor's Office issues the Service Efforts and Accomplishments (SEA) report that is intended to promote transparency and accountability. The City Auditor's Office also oversees a variety of external audits including the Comprehensive Annual Financial Report (CAFR) and the Single Audit.

In 2011-12, the audit *Key Drivers of Employee Compensation: Base Pay, Overtime, Paid Leaves and Premium Pays*, was recognized with an award from the Association of Local Government Auditors (ALGA). The office also received the 2011 Association of Government Accountability (AGA) Gold Certificate of Achievement in Service Efforts and Accomplishments Reporting.

The City Auditor's annual workplan is on the web at <http://www.sanjoseca.gov/index.aspx?nid=313>, along with copies of all issued audit reports and the semi-annual recommendation status reports. Identified monetary benefits vary from year to year based on the types of audits that are conducted.

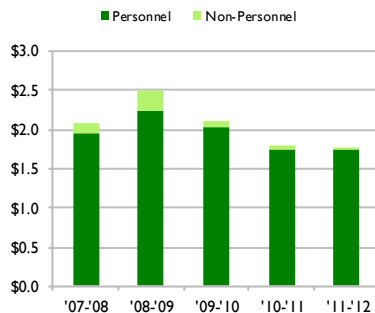
### KEY FACTS (2011-12)

|  |               |
|--|---------------|
| Number of audit reports issued   | 16            |
| Number of audit recommendations adopted  | 67            |
| Number of audit reports per auditor  | 1.8           |
| Ratio of identified monetary benefits to audit cost                                      | \$1.30 to \$1 |
| Percent of audit recommendations implemented (cumulative over 10 years)                  | 83%           |
| Percent of approved workplan completed or substantially completed during the fiscal year | 70%           |

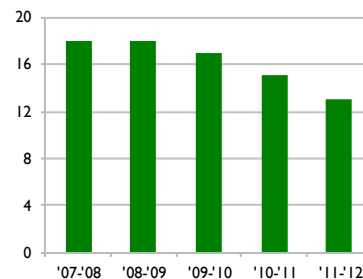
#### A sample of audits issued in 2011-12 include:

- Traffic Citation Revenue
- American Recovery and Reinvestment Act
- Airport Public Safety
- Form 700 Filers
- Service Efforts and Accomplishments Report
- Office Supply Purchases
- Information Technology General Controls
- Team San Jose's Management of the City's Convention and Cultural Facilities
- Police Department Secondary Employment
- Fire Department Performance Measures
- Cities Association of Santa Clara County Expenditures

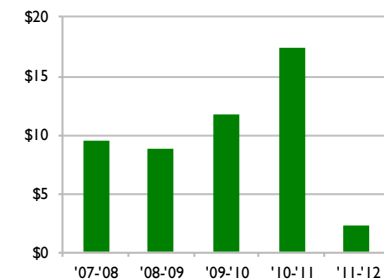
**City Auditor Operating Expenditures (\$millions)**



**City Auditor Authorized Positions**



**Identified Monetary Benefits (\$millions)**



## CITY CLERK

The mission of the San José City Clerk is to maximize public access to municipal government.

## CITY CLERK

The City Clerk's Office assists the City Council in the legislative process and makes that process accessible to the public by maintaining the legislative history of the City Council and complying with election laws.

Operating expenditures totaled \$1.7 million\* in 2011-12, a decrease of 57 percent from 2010-11. Expenditures in 2010-11 were higher due to expenses related to elections. Compared to five years ago, 2011-12 expenditures were 31 percent lower.

Staffing in 2011-12 totaled 13, a decrease of 13 percent compared to 2010-11. Compared to five years ago, staffing was 26 percent lower in 2011-12.

In 2011-12 the City Clerk's Office conducted elections for City Councilmembers and ballot measures in accordance with the City Charter and the State Elections Code. In addition, the Office maintained compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.

\* In addition, the City Clerk's Office administered about \$1.9 million in spending for various Citywide items.

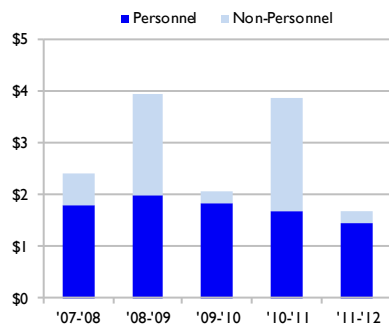
### KEY FACTS (2011-12)

|   |       |
|---|-------|
| Number of ordinances processed                      | 175   |
| Number of resolutions processed                     | 365   |
| Number of Public Records Act requests processed     | 1,500 |
| Number of Statements of Economic Interest processed | 1,450 |
| Number of Lobbyist reports processed                | 250   |
| Number of contracts processed                       | 1,300 |
| Number of meetings staffed                          | 185   |

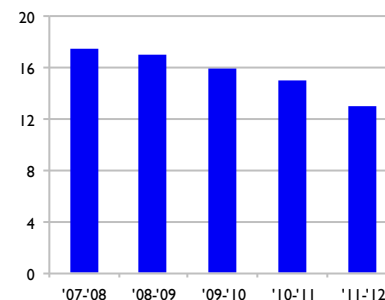
### City Clerk's Office: Selected Activities in 2011-12

- Prepared and distributed Agenda packets, synopses, and action minutes of City Council and Rules and Open Government Committee meetings and posted them on the City's website. Prepared and distributed minutes for other City Council Committees. Both City Council and City Council Committee meetings were web-cast live, indexed, and archived for on-demand replay.
- Provided access to the City's legislative records and documents. Requests for the City's legislative records and related public documents were received and fulfilled under provisions of the California Public Records Act.
- Reviewed all City contracts for administrative compliance and made them available for review.

City Clerk Operating Expenditures (\$millions)



City Clerk Authorized Positions



## CITY MANAGER

The mission of the San José City Manager's Office is to provide strategic leadership that supports the Mayor and the City Council and motivates and challenges the organization to deliver high quality services that meet the community's needs.

## CITY MANAGER

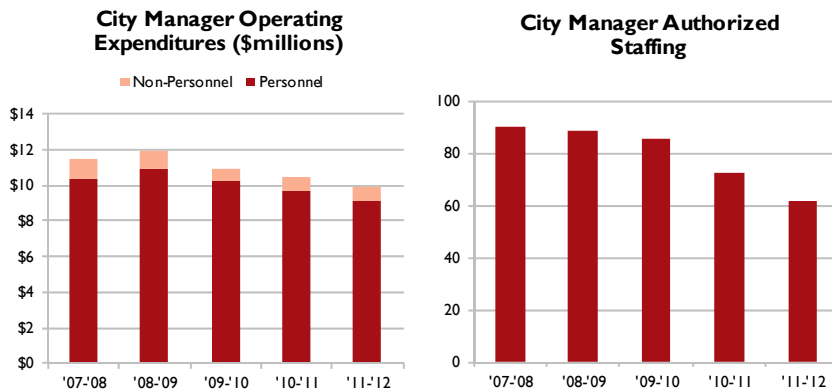
A key focus of the City Manager's Office (CMO) for the past year was providing leadership needed to support the organizational changes resulting from recent years' budget deficits (see below). An emphasis for 2011-12 was addressing the impacts of retirements and departures throughout the City, including several executive managers, and realigning services with available resources. With the dissolution of the the Redevelopment Agency, the CMO also coordinated the multi-departmental transition team managing Successor Agency activities (see *Successor Agency to the Redevelopment Agency* chapter).

The CMO worked to engage members of the community by holding 20 meetings throughout the City to gather input for the development of the annual budget and nine meetings of the Neighborhoods Commission. The CMO responded to or coordinated 439 public records request, 88 percent of which received a response within 10 days (the initial time limit set state law).

The CMO assists the City Council in the legislative process by developing legislative agenda and providing staff reports. In 2011-12, the Office approved 780 staff reports for City Council consideration, assigned 79 referrals from the City Council, and issued 145 information memoranda. The CMO also continued to facilitate the prioritization of policies and ordinances by the City Council. Of the initial 43 pending policies and ordinances identified in February, 2011, 13 were completed as of June 30, 2012.

Operating expenditures totaled \$10.0 million\* in 2011-12, a decrease of 5 percent from 2010-11 and 13 percent from five years ago. Staffing in 2011-12 totaled 62, down from 73 in 2010-11 and 90 from five years ago.

\* The CMO also oversaw \$3.0 million in Citywide expenditures, including \$1.4 million for Public, Education, and Government (PEG) Access Facilities capital expenditures.



### Functions of the City Manager's Office:

- **Budget** - Develops and monitors the operating and capital budgets totaling \$2.8 billion for the City of San José, providing fiscal and operational analysis and ensuring the fiscal health of the organization. More than 10 major documents are produced annually related to these activities.
- **Employee Relations** - Negotiates labor contracts, encourages effective employee relations, and supports a positive, productive, and respectful work environment.
- **Policy Development** - Provides professional expertise and support to the City Council in the formulations, interpretation, and application of public policy.
- **Intergovernmental Relations** - Monitors, reviews, and analyzes state and federal activities with an actual or potential effect on the City; advocates on state and federal issues of concern to the City; and manages the sponsorship of and advocates for City-sponsored legislation.
- **Communications** - Provides point of contact with the media on Citywide issues, manages CivicCenterTV San Jose operations including videotaping of Council and Council Committee meetings, oversees the City's web site, and coordinates the City public records program.
- **Agenda Services** - Works with the City Attorney's Office and the City Clerk's Office to develop weekly and special City Council/Rules and Open Government meeting agenda and oversees the development of agenda for other Council Committees to ensure compliance with the Brown Act and City open government policy.

### Ongoing Budget Challenges

For 2011-12, the City faced a \$115.2 million budget shortfall, the tenth consecutive year of deficits that cumulatively have totaled \$680 million (the 2012-13 budget saw a surplus of \$9 million; however, the City projects deficits in future years). In May 2011, the City Manager issued a Fiscal Reform Plan to provide a framework for closing the City's General Fund structural deficit and restoring essential public services through a combination of cost reduction and revenue strategies, with a focus on retirement reform (see Retirement Services chapter for discussion of Measure B, the pension reform measure approved by San José voters in June 2012). Strategies to close the gap have included employee compensation reductions, new service delivery models/efficiencies, service reductions and eliminations, and a limited amount of additional funding sources. In 2011-12, the CMO led the evaluation, which was approved by Council for the 2102-13 Budget, of an alternative service model for curbside management which is expected to result in savings of \$1 million annually.

## CONVENTION & CULTURAL FACILITIES

The mission of the Convention & Cultural Facilities is to ensure that San José's Convention and Cultural Facilities are effectively managed to reduce costs, improve the local economy, and add value to customers, residents, workers, and businesses within the City of San José.

## CONVENTION & CULTURAL FACILITIES

The City's Convention & Cultural Facilities (Facilities) house exhibitions, trade shows, and conferences. They are also home to concerts, plays, and other performances. These Facilities have been managed by Team San José since July 2004.

In 2011-12, the Convention and Cultural Facilities drew nearly one million people to events. The Facilities rely on support from the transient occupancy (hotel) taxes. Net operating losses totaled \$5.8 million in 2011-12, compared to \$4.1 million in 2010-11. Gross revenues from the facilities totaled \$19.4 million, 61 percent more than five years ago. Revenues have increased as a result of bringing new lines of business in-house such as food and beverage services and event production services.

In 2011-12, the Facilities employed 9 full time City employees, down from 86 five years ago. Team San José has changed the staffing model at the Facilities from a permanent full-time employment model to a variable labor model, as a result of prior net losses. A variable labor model allows the City to staff the Facilities during events only. Team San José has increased the budget for variable contract labor to account for occasional spikes in workload that may occur.

The Convention Center is currently undergoing renovation and expansion that has had minimal impact on current activities. The additional 125,000 square feet of new meeting/ballroom space will increase the Facilities total square footage to 550,000, with possible LEED silver certification.

### KEY FACTS (2011-12)

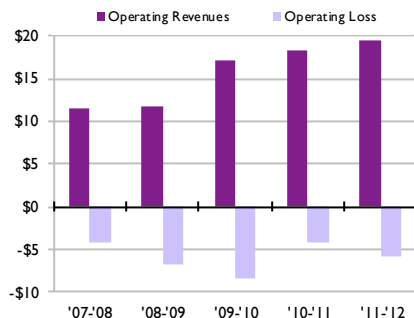
|  |         |
|--|---------|
| Events (e.g. conferences, exhibitions, concerts) | 285     |
| Total attendance at all events                   | 968,704 |
| Total out of town attendance                     | 57,463  |

### San Jose Convention Center Expansion and Renovation Opening Fall 2013



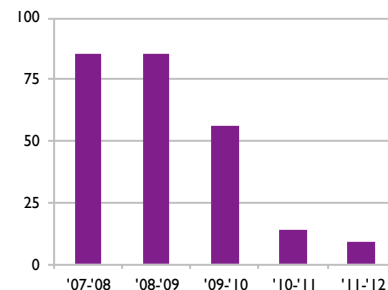
Source: San José Convention and Cultural Facilities website, [www.sanjose.org](http://www.sanjose.org).

#### Operating Revenue/Loss (\$millions)

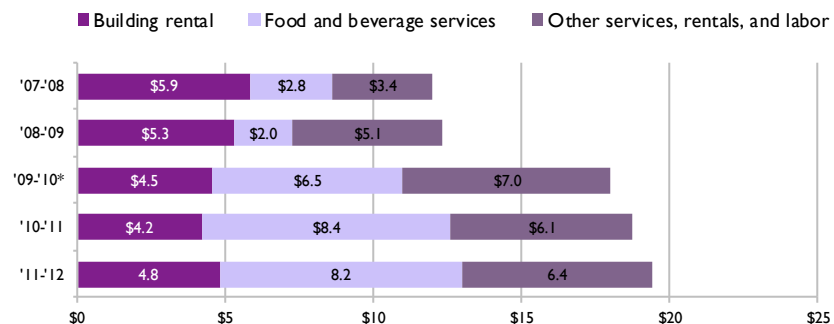


Source: Audited Financial Statements

#### Convention & Cultural Facilities Authorized Positions



#### Sources of Revenues (\$millions)



\* Food and beverage services were brought in-house in 2009-10.



## CONVENTION & CULTURAL FACILITIES

The **Convention Facilities** include:

- McEnery Convention Center
- Parkside Hall
- South Hall

The **Cultural Facilities** include:

- San José Civic
- Montgomery Theater
- California Theater
- Center for the Performing Arts

In 2011-12, the Convention & Cultural Facilities hosted 285 events overall. The Convention Facilities hosted 97 events which saw more than 502,519 visitors. These included professional conferences, trade shows, professional meetings, concerts and other events.

Events with the greatest overall attendance included the 2012 Silicon Valley International Auto Show (attendance: 181,351), the Tech Museum's "Islamic Science Rediscovered" (attendance, 59,283), and Mary Poppins (attendance 22,275). Events with the greatest out of town attendance included the Living Stream Ministry Annual Conference, the USA Taekwondo Junior and Senior National Championships, and the Golden State Cheer Competition.

The number of events at the facilities has dropped since 2007-08, but has remained steady for the past three years. Total attendance (including exhibitors) was about 968,704, down 1 percent from 2010-11 and down 42 percent from than five years ago. The Convention Center's overall occupancy rate was 58 percent, compared to 72 percent five years ago.

Customer satisfaction at the facilities has remained high, with 98 percent of customers rating overall service as good or excellent. This rating has been above 95 percent for each of the past five years.

### McEnery Convention Center

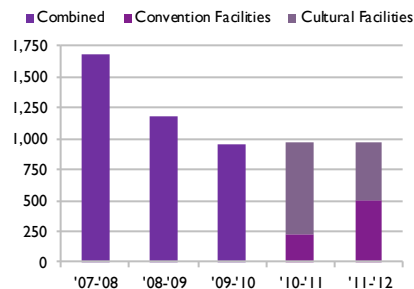


Source: San José Convention and Cultural Facilities website, [www.sanjose.org](http://www.sanjose.org).

#### THE NATIONAL CITIZEN SURVEY™

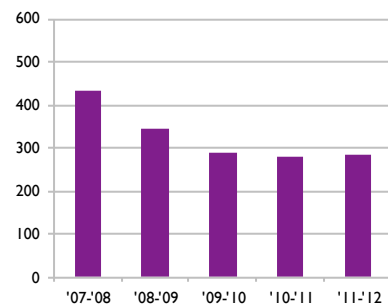
**60%** of San José residents surveyed rated opportunities in the City to attend cultural activities as "excellent" or "good"

**Annual Attendance, Convention & Cultural Facilities (thousands)**



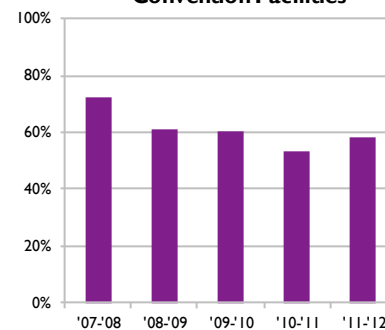
Source: Team San José

**Number of Events, Convention & Cultural Facilities**



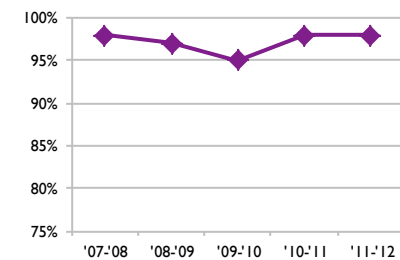
Source: Team San José

**Occupancy Rate, Convention Facilities**



Source: Team San José

**% of Customers Rating Overall Service Good to Excellent**



Source: Team San José



## ECONOMIC DEVELOPMENT

The mission of the Office of Economic Development is to catalyze job creation, private investment, revenue generation, and talent development and attraction.

## OFFICE OF ECONOMIC DEVELOPMENT

(includes the Office of Cultural Affairs and work2future)

The City of San José's Office of Economic Development (OED) leads the City's economic strategy, provides assistance for business success, manages the City's real estate assets, helps connect employers with trained workers, and supports art and cultural amenities in our community.

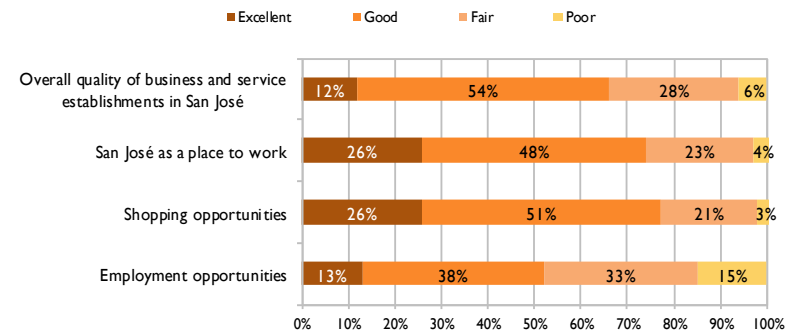
OED also manages a variety of incentive programs for businesses.

Operating expenditures for OED totaled \$11.9 million\* in 2011-12. This includes federal workforce development dollars for the City's work2future office. Additionally, OED also oversees various other funds.

### THE NATIONAL CITIZEN SURVEY™

**34%** of San José residents surveyed rated the quality of economic development in San José as "excellent" or "good"

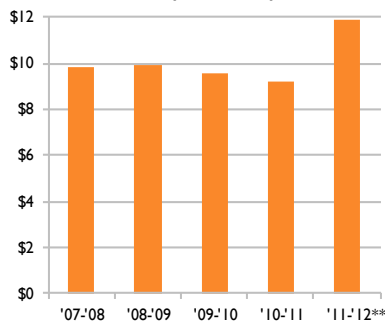
#### Residents' Ratings of Economic Sustainability & Opportunities



Source: The National Citizen Survey™

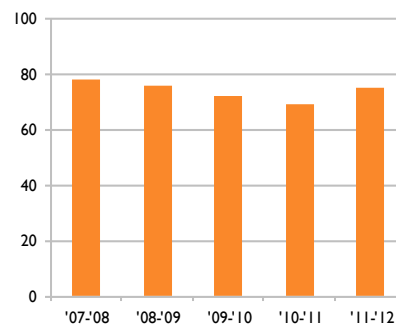
\* OED was also responsible for \$6.1 million of Citywide expenses in 2011-12, including a \$1.1 million subsidy to the Tech Museum of Innovation, \$1.1 million for the Economic Development/Incentive Fund, \$784,000 for History San José, and \$554,000 for the Convention and Visitors Bureau Marketing Program. Also does not include all Workforce Investment Act, Business Improvement District, and Economic Development Enhancement funds and expenditures.

#### OED Operating Expenditures (\$millions)

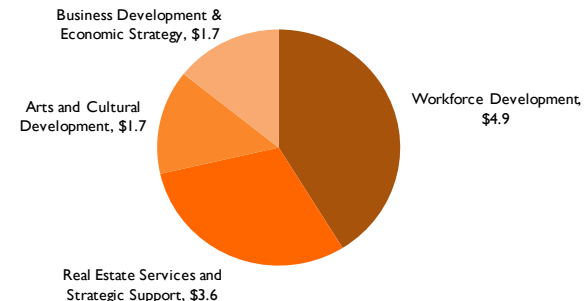


\*\* The '11-'12 increase reflects the addition of Real Estate Services and Asset Management to OED's budget.

#### OED Authorized Staffing



#### OED 2011-12 Expenditures by Service (\$millions)



**BUSINESS DEVELOPMENT AND JOB CREATION**

OED promotes business in the City of San José by providing assistance, information, access to services, and facilitation of the development permit process (also see *Development Services in the Planning, Building and Code Enforcement* section).

In 2011-12, OED provided development facilitation services to 46 businesses. An estimated 25,000 clients received information, technical/human resources support, or other services from partner organizations in the Business Owner Space small business network, for example from the San José Silicon Valley Chamber of Commerce and SCORE\*.

Companies and businesses that received OED assistance created an estimated 3,000 jobs and retained about 3,100 jobs in 2011-12. Tax revenues (e.g. business and sales taxes) generated by OED-assisted companies are estimated at \$1.7 million in 2011-12; this was 12 percent more than in 2010-11. Nearly \$2 in tax revenue were generated for every \$1 of OED expenditure on business development\*\*.

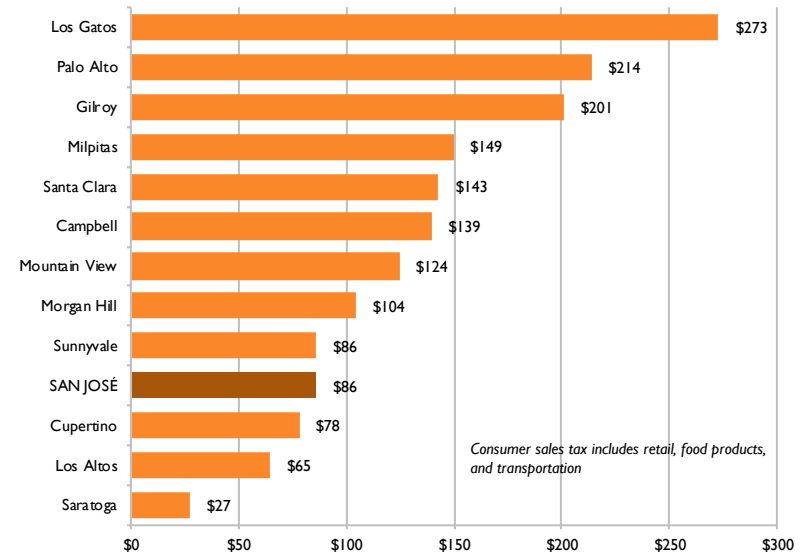
\* For more information on the small business network, see [www.BusinessOwnerSpace.com](http://www.BusinessOwnerSpace.com)

**KEY FACTS (2011-12)**

Largest city in the Bay Area (3<sup>rd</sup> largest in California, 10<sup>th</sup> in the nation)  
 Unemployment Rate 8.7%  
 Median Household Income \$76,593

Sources: Bureau of Labor Statistics and Bureau of Economic Analysis (Metro Area includes San José, Sunnyvale, and Santa Clara.)

**Consumer Sales Tax Per Capita  
 Santa Clara County Comparison (Q4 2011)**



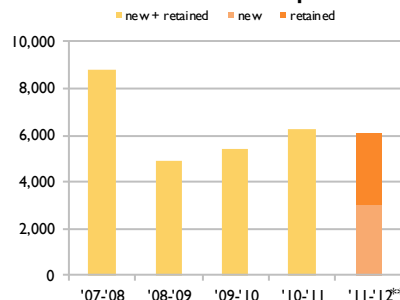
Source: Muniservices

**Estimated Tax Revenue  
 Generated by OED-assisted  
 Companies (\$millions)**

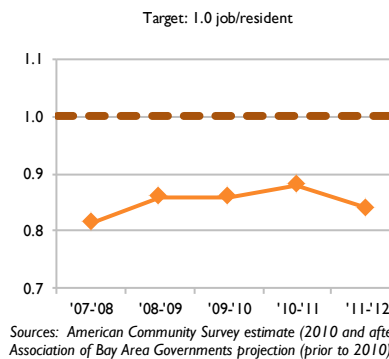


\*\* The methodology changed in '11-'12

**Estimated Jobs Created or  
 Retained by  
 OED-assisted Companies**



**Jobs Per Employed Residents in  
 San José**



**Facilitating Corporate & Retail Expansion**

Successful efforts in 2011-12 to facilitate corporate and retail expansion/relocation included, but were not limited to:

- Capitol Chevrolet
- Capitol Fiat
- Cavium
- Drobo
- Flextronics
- Kovio
- Netflix
- Polycom

Source: Office of Economic Development

## ECONOMIC STRATEGY 18-MONTH WORKPLAN

Implementation of the Economic Strategy is a collaborative effort that involves ten City departments, with overall leadership provided by the Office of Economic Development. In April 2010, the City Council adopted the Economic Strategy 2010-2015, which was intended to align City staff and other resources in a common direction over a five-year period to aggressively regain jobs and revenue as the national economy recovers, and to create an outstanding business and living environment that can compete with the world's best cities over the long term.

***The following provides a sample of major accomplishments achieved during the second 18-month Economic Strategy Workplan, covering the time period from July 2011 to October 2012:***

| STRATEGIC GOALS (Economic Strategy 2010-2015) |  | SAMPLE of MAJOR CITYWIDE ACCOMPLISHMENTS in 2011-12  |
|---|--|--|
| #1  | Encourage Companies and Sectors that Can Drive the San José/Silicon Valley Economy and Generate Revenue for City Services and Infrastructure | Additional relocations, expansions and new openings include Polycom, Drobo, Flextronics, Netflix, and Cavium.  |
| #2  | Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Vitality  | Assisted attraction and opening of significant new retail offerings, including Capitol Fiat and Capitol Chevrolet and the approval of 400,000 retail square feet at Almaden Ranch.   |
| #3  | Preserve and Strengthen Manufacturing-Related Activity and Jobs  | Staff met with a range of manufacturing firms including original equipment manufacturers, supply network manufacturers and contract manufacturers, and with their input produced a five-part strategy to retain and strengthen San José's extensive capabilities in advanced manufacturing.          |
| #4  | Nurture the Success of Local Small Businesses  | The BusinessOwnerSpace.com website served 37,000 visitors, while an estimated 25,000 clients participated in partner organizations' programs. Translated website into Spanish and Vietnamese; provided business assessment tools.  |
| #5  | Increase San José's Influence in Regional, State and National Forums in Order to Advance City Goals and Secure Resources                     | Secured a seat for San José on the Metropolitan Transportation Commission (MTC), the Bay Area's federally designated metropolitan planning organization.   |
| #6  | Improve the Speed, Consistency, and Predictability of the Development Review Process, and Reduce Costs of Operating a Business in San José   | Since March 2012, Development Services staff have processed 274 Special Tenant Improvement (STI) and Industrial Tool Installation (ITI) projects including Adobe, Advantest, Cisco, Flextronics, Hitachi GST, Lam Research, Polycom, Qualcomm, and Valin.  |
| #7  | Prepare Residents to Participate in the Economy Through Training, Education, and Career Support  | Work2future provided over 3,300 individuals with skill-building activities, including certificated workshops, for-credit college courses, and online classes, from training providers on the State's Eligible Training Provider List (ETPL).   |
| #8  | Advance the Diridon Station Area as Key Transportation Center for Northern California  | OED and DOT staff are partnering with VTA and Caltrain to explore governance models and a solicitation process to jointly engage a developer for the core Diridon Area site.   |
| #9  | Keep Developing a Competitive, World Class Airport, and Attract New Air Service  | All Nippon Airways (ANA) will launch the Tokyo Narita-San José flight on January 11, 2013 and plans are underway with many partners to actively promote the flight.  |
| #10   | Continue to Position Downtown as Silicon Valley's City Center  | City Council approved a range of incentives for high rise projects. Incentives for residential downtown high rise projects include a 50% reduction in taxes, fee deferral until occupancy, and continuation of park fee reductions and suspension of affordable housing requirements.                |
| #11   | Create More Walkable, Vibrant, Mixed-Use Environments to Spur Interaction and Attract Talent   | Urban Village Plans are underway including the Diridon Station Area, Five Wounds Neighborhood, The Alameda, Bascom Avenue, San Carlos Street, and Stevens Creek Boulevard.   |
| #12   | Develop a Distinctive Set of Sports, Arts, and Entertainment Offerings Aligned With San José's Diverse, Growing Population                   | The City approved a Planned Development Permit to allow for the construction of an outdoor soccer stadium for the San José Earthquakes with a capacity of up to 18,000 people. In August 2012, the Earthquakes exercised their option to buy the 14-acre stadium site at Airport West from the City. |

Source: Office of Economic Development. For the full Economic Strategy, Workplan updates, and list of major accomplishments, please visit [www.sanjoseca.gov/index.aspx?NID=3331](http://www.sanjoseca.gov/index.aspx?NID=3331).

**WORKFORCE DEVELOPMENT**

Under the Workforce Investment Act (WIA), job-seeking clients receive a customized package of services based on an individual needs assessment. The City’s work2future WIA programs serve adults, dislocated (laid-off) workers, and youth, providing job search assistance, occupational training, and skills enhancement workshops through one-stop centers\*. Over 3,300 job seekers took advantage of skill upgrades and training programs throughout 2011-12. Work2future’s Business Services Unit served 304 business clients, conducting a broad range of activities, including job fairs for workers impacted by the NUMMI, Cisco and Solyndra workforce reductions, and specialized recruitments for Clean Solar, Target and PG&E.

**Workforce Development Program Results**

|                    | Number of Participants<br>July '11—June '12 | Placed in Jobs<br>Oct '10—Sept '11 | Federal Goal | Employed 6 Months after Initial Placement<br>Apr '10—Mar '11 | Federal Goal   |
|--------------------|---|------------------------------------|--------------|--|----------------|
| Adults             | 4,125                                       | 44%                                | 44%          | 77%  | 76%            |
| Dislocated Workers | 2,137                                       | 53%                                | 52%          | 81%  | 83%            |
| Youth              | 274   | 77%                                | 65%          | not applicable   | not applicable |

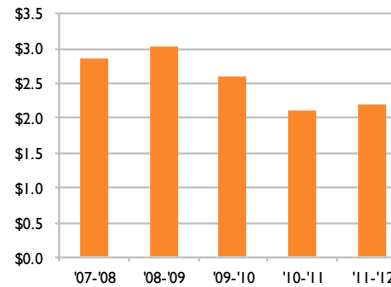
\* work2future serves San José, Campbell, Morgan Hill, Los Altos Hills, Gilroy, Los Gatos, Saratoga, Monte Sereno, and unincorporated areas of Santa Clara County

**ARTS AND CULTURAL DEVELOPMENT**

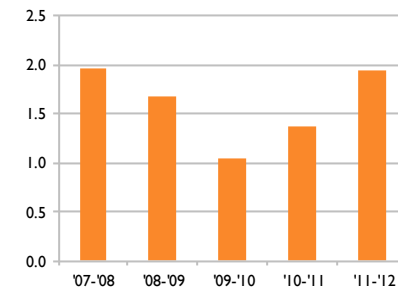
The Office of Cultural Affairs (OCA) promotes the development of San José’s artistic and cultural vibrancy, managing resources to support opportunities for cultural participation and cultural literacy for residents, workers and visitors. In 2011-12, through its transient occupancy tax-funded *Cultural Funding Portfolio: Investments in Art, Creativity and Culture*, OCA awarded 87 grants totaling \$2.2 million to San José organizations. Contributing to San José’s creative placemaking and high quality design goals, the public art program maintains 256 permanent works throughout San José.

OCA helped facilitate 324 events in 2011-12 with an estimated attendance of over 1.9 million. Large-scale events included the San José Jazz Festival, Italian Family Fest, Dancin’ on the Avenue, the Rock ‘n’ Roll Half Marathon, Sub Zero Festival, the Veteran’s Day Parade, Christmas in the Park, Downtown Ice, and Winter Wonderland. OCA was instrumental in the attraction of signature events such as the Amgen Tour of California, Cavalia and Cirque du Soleil, contributing to the City’s cultural and economic development goals.

**Grant Awards for Arts & Cultural Development (\$millions)**



**Estimated Attendance at Outdoor Special Events (millions)**



**REAL ESTATE SERVICES**

The Real Estate Services and Asset Management (RESAM) unit manages the City’s real estate portfolio, provides real estate services to City departments, and represents the City in third-party transactions. RESAM’s areas of expertise include acquisition, disposition, surplus sales, leasing, relocation, valuation, telecommunications, and property management. RESAM generated over \$3.9 million in sales revenue and over \$2.1 million in lease revenue in 2011-12.





## ENVIRONMENTAL SERVICES

The mission of the Environmental Services Department is to work with our community to conserve natural resources and safeguard the environment for future generations.

## ENVIRONMENTAL SERVICES

The Environmental Services Department (ESD) provides recycling and garbage services, wastewater treatment, potable water delivery, stormwater management, and recycled water management. ESD also manages programs to conserve water and energy resources and achieve other environmental goals. ESD provides City-wide coordination of efforts to protect and conserve air, land, water, and energy resources through policy development, education, and grant-seeking. This work is guided by the City's Green Vision (see last page of this section) and regulatory drivers.

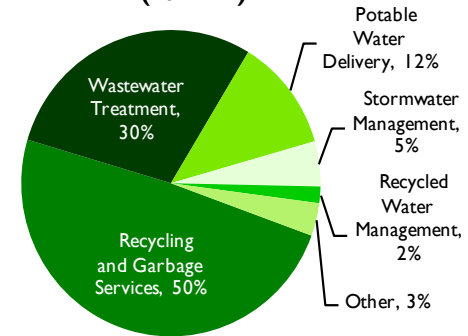
Most ESD revenues come from various customer fees and charges; less than 1 percent of ESD's budget comes from the General Fund. The General Fund accounted for about \$389,000 of ESD's operating expenditures in 2011-12, down from about \$1.15 million five years ago.

In 2011-12, ESD departmental operating expenditures totaled \$192.2 million\*, 4 percent more than the previous year and up 8 percent from five years ago. Although staffing in 2011-12 included 506 full-time equivalent positions, up slightly from 2010-11 and 6 percent more from five years ago, department wide vacancy rates were nearly 20 percent by the end of fiscal year 2012.

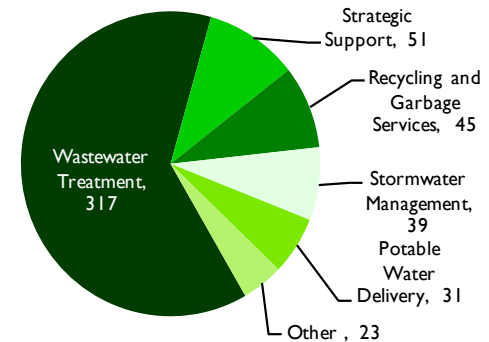
\* In addition, ESD spent \$5.5 million in Citywide expenses (including \$4.3 million for energy-related projects funded by the federal American Recovery and Reinvestment Act). Departmental expenditures also do not include capital expenditures, reserves, or some other program expenditures paid through ratepayer funds (including City overhead).

| % of San José residents rating of their local environment as "excellent" or "good" |     |   |     |
|--|-----|---|-----|
| Cleanliness of San José  | 41% | Air quality   | 48% |
| Quality of overall natural environment in San José                                 | 48% | Preservation of natural areas such as open space, farmlands, and greenbelts | 35% |

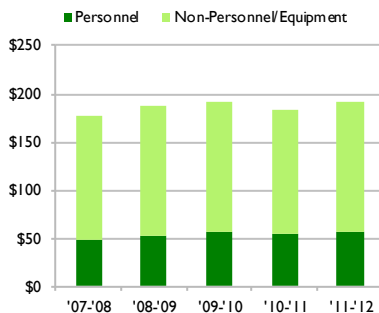
ESD Operating Expenditures Breakdown (2011-12)



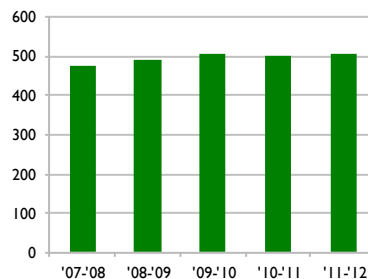
ESD Staffing Breakdown by Positions per Service (2011-12)



ESD Operating Expenditures (\$millions)



ESD Authorized Positions



## RECYCLING & GARBAGE SERVICES

ESD provides recycling and garbage services to more than 300,000 residential households in San José through contracted service providers, including California Waste Solutions, Garden City Sanitation Inc., Green Team of San José, and GreenWaste Recovery. ESD also provides waste management programs and services for San José businesses, large events, public areas, and City facilities. New in 2012, the program began managing a franchise agreement with Republic Services for commercial collection and recyclables processing, a contract for organics processing with Zero Waste Energy Development Company, and approximately 15 non-exclusive franchise agreements with haulers providing construction waste collection services in the City of San José.

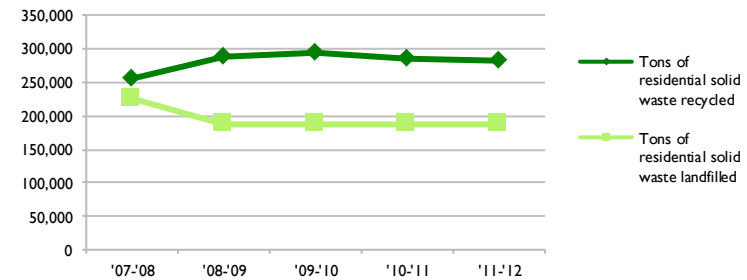
In 2008, the State passed legislation requiring the monitoring of each jurisdiction's "per capita disposal rate." The State mandate requires at least 50 percent of solid waste to be diverted\* from landfills; San José has performed at or above 60 percent for the past five years, including 70 percent in 2011-12.

Operating expenditures for recycling and garbage services have increased 17 percent over the past five years, from \$80.6 million to \$94.2 million.

### THE NATIONAL CITIZEN SURVEY™

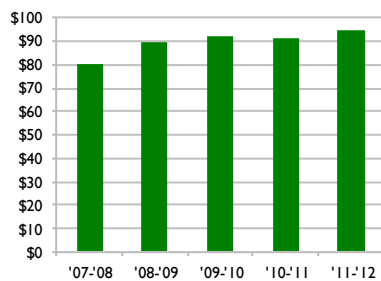
|  |                    | % of San José residents rating of their utility service as "excellent" or "good" |  |
|--|--------------------|--|--|
| <b>66%</b> of San José residents surveyed reported recycling used paper, cans or bottles at least 26 times in last 12 months | Yard waste pick-up | <b>72%</b>   |  |
|  | Recycling          | <b>78%</b>   |  |
|  | Garbage collection | <b>77%</b>   |  |

### Tons of Residential Solid Waste Recycled vs. Landfilled

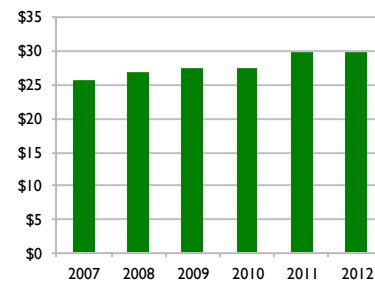


\*"Diversion" refers to any combination of waste prevention, recycling, reuse, and composting activities that reduces waste disposed at landfills. (Source: CA Integrated Waste Management Board)

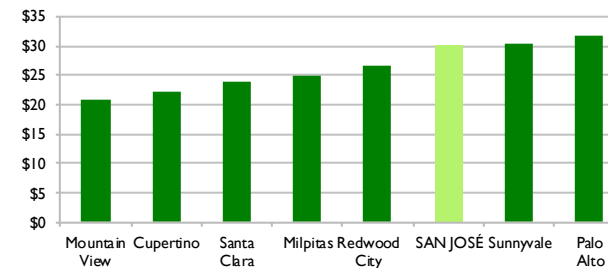
### Operating Expenditures Recycling & Garbage Services (\$millions)



### San Jose Garbage and Recycling Rates (32-gallon bin)



### Comparison of Monthly Residential Garbage and Recycling Rates (2012)



Sources: Rates listed on local government websites for those municipalities provided

## ENVIRONMENTAL SERVICES

### WASTEWATER TREATMENT

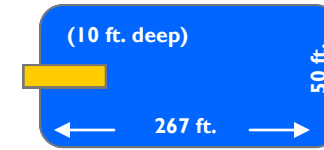
The City's Department of Transportation maintains the City's sanitary sewer system (see Transportation chapter) that flows to the San José/Santa Clara Water Pollution Control Plant. ESD staff at the Plant provide wastewater treatment for 1.4 million residents in San José, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno. The Plant is co-owned with the City of Santa Clara; however, it is managed and operated by ESD. ESD also manages pretreatment programs to control for pollutants at their source. For 2011-12, operating and maintenance expenditures totaled nearly \$56 million.

The Plant continues to meet the Regional Water Quality Control Board's permit requirements for water discharged into the San Francisco Bay. In 2011-12, pollutant discharge requirements were met or surpassed 99.8 percent of the time.

While there has been a decline in influent over the past several years, increasing maintenance and capital costs associated with aging infrastructure at the Plant have contributed to high operational costs. ESD is currently moving forward with an asset management program to track the condition of Plant assets. Additionally, the Plant Master Plan includes \$2.2 billion in capital improvements, \$1.2 billion of which is slated for rehabilitation and repair project improvements.

ESD wastewater treatment operations account for the largest share of ESD employees, 317 full time budgeted positions out of a total department of 506. Similar to ESD's department wide vacancy, wastewater treatment sustained a 20 percent vacancy rate throughout 2011-12.

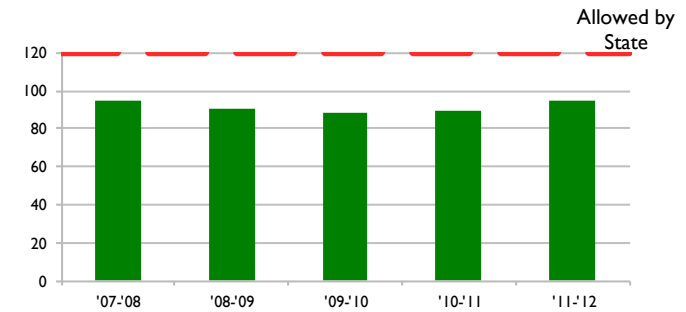
#### How Much is a Million Gallons of Water?



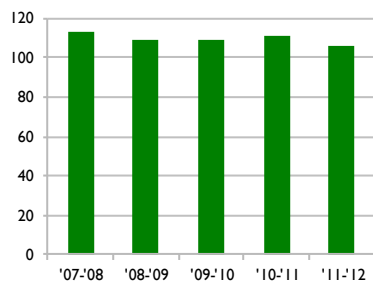
A million gallons of water would fit into a swimming pool about the length of a football field (267 feet long), 50 feet wide, and 10 feet deep.

Source: <http://ga.water.usgs.gov/edu/imgd.html>

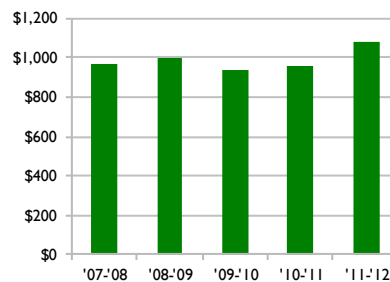
#### Millions of Gallons per Day Discharged to Bay During Average Dry Weather Season



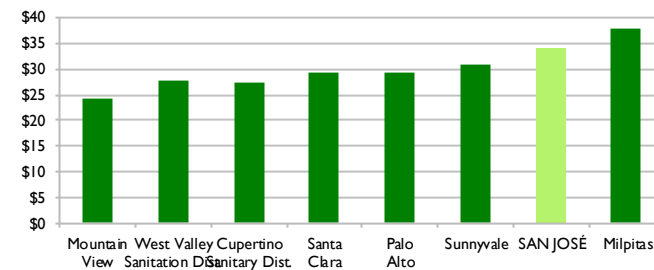
#### Millions of Gallons of Wastewater Treated per Day



#### Cost per Millions Gallons of Wastewater Treated



#### Comparison of Monthly Sewer Rates (2012)



\* Sewer rates pay for costs of the sewer system as well as wastewater treatment.  
Sources: Rates listed on local government websites for those municipalities provided

**DRINKING WATER**

ESD operates and maintains the San José Municipal Water System (Muni Water) which serves about 26,500 customers annually in North San José, Alviso, Evergreen, Edenvale, and Coyote Valley. For 2011-12, operating expenditures totaled \$24 million and staffing included 30 authorized positions.

Other local San José water retailers include Great Oaks Water Company (which serves Blossom Valley, Santa Teresa, Edenvale, Coyote Valley, and Almaden Valley) and the San José Water Company (which serves the San José Metropolitan area).

In 2011-12, Muni Water delivered 7,821 million gallons of water to its customers, about 8 percent increase from the prior year. According to ESD, water delivery levels are up primarily due to economic improvements and a low volume of local rainfall during winter months. Muni Water met federal water quality standards in 99.8 percent of water samples taken.

For 2012-13, ESD advises that Muni Water rates increase by nearly 9.5 percent to offset increased costs from the San Francisco Public Utilities Commission (for water purchases). In 2011-12, Muni Water rates increased by 6 percent and have increased by 32 percent over five years. These increases are less than those of other retail water providers whose rates increased 23 percent since 2010-11 and 39 percent over five years.

**THE NATIONAL CITIZEN SURVEY™**

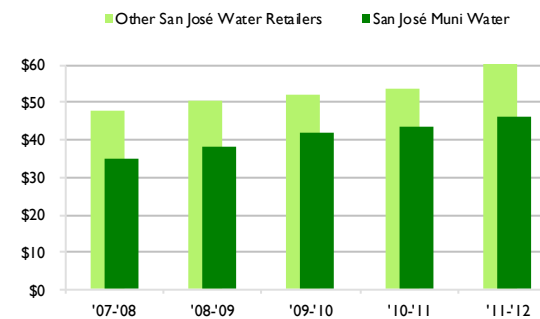
**64%** reported having water-saving fixtures such as low-flow shower heads or low-flush toilets in their home

**53%** of San José residents\* surveyed rated the delivery of drinking water as "excellent" or "good"

**64%** reported that it was "essential" or "very important" to conserve water in their home

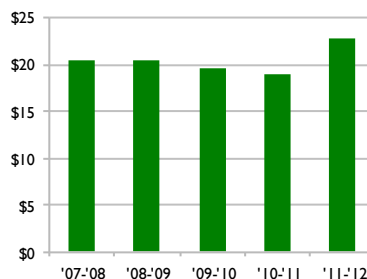
\* Note, this includes Muni Water and non-Muni Water customers.

**Comparison of Monthly Residential Water Bills**

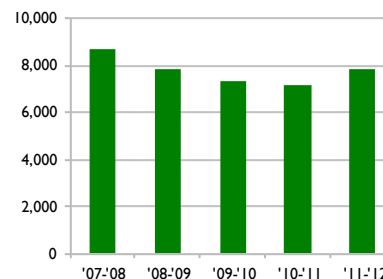


Source: ESD

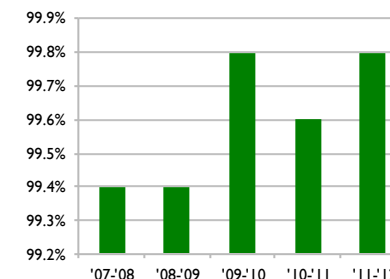
**Operating Expenditures Potable Water Delivery (\$millions)**



**Millions of Gallons of Water Delivered to Muni Water Customers**



**% of Water Samples Meeting State and Federal Water Quality Standards**



## ENVIRONMENTAL SERVICES

### STORMWATER MANAGEMENT

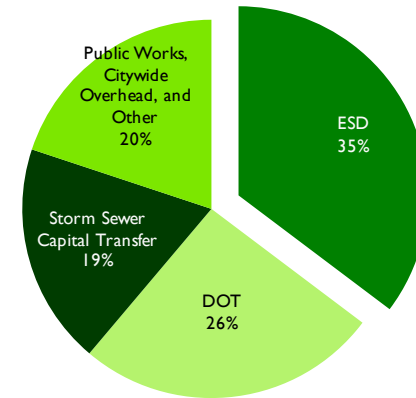
ESD, along with the Departments of Public Works and Transportation, manage the City's storm drains and storm sewer system, the purposes of which are to sustainably manage stormwater and prevent flooding of streets and neighborhoods by conveying rainwater into creeks, and eventually the South San Francisco Bay. ESD accounts for roughly one third of storm sewer expenditures.

Specifically, ESD manages regulatory programs, initiatives, and activities to prevent pollution from entering the storm sewer system and waterways. These efforts protect water quality and the health of the South Bay watershed and the San Francisco Bay. Included among these programs is the litter/creek clean up program. These programs and activities are largely directed by the City's National Pollutant Discharge Elimination System (NPDES) permit for municipal storm sewer systems.

The annual fee per residential unit in 2011-12 was \$94.44\* (or a monthly charge of \$7.87), a 3 percent increase from last year and a 74 percent increase from five years ago. The rate increases are a result of increased costs to support infrastructure maintenance, fund rehabilitation and replacement projects, and meet regulatory requirements.

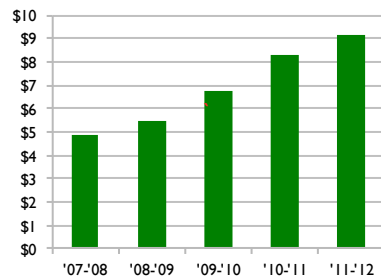
\* This rate is for a single-family residence.

**Breakdown of Storm Sewer Fund Budgeted Expenditures, 2011-12**

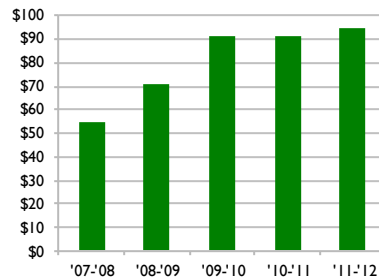


Source: 2012-13 Adopted Operating Budget

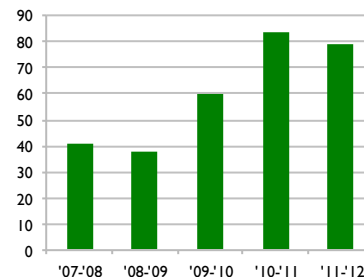
**ESD Operating Expenditures Stormwater Management (\$millions)**



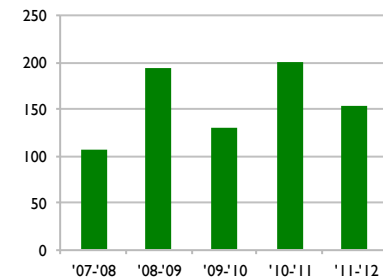
**Annual Fee for Household Storm Sewer Service**



**Litter / Creek Clean-Ups**



**Tons of Litter Collected at Creek Clean-Ups**



**RECYCLED WATER**

The City built the South Bay Water Recycling (SBWR) system to reduce wastewater effluent, thereby protecting the ecosystem of the South Bay, including the habitat of two federally endangered species, the Salt Marsh Harvest Mouse and the California Clapper Rail. SBWR serves the cities of Milpitas, Santa Clara, and San José.

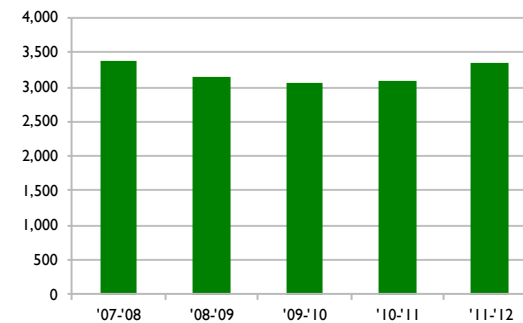
In 2011-12, SBWR delivered 3,339 million gallons of recycled water to 633 customers, charging \$1.00 to \$1.82\* per hundred cubic feet of water depending on the use. SBWR customers used recycled water to irrigate parks, golf courses, schools, commercial landscape, and for cooling towers.

The SBWR program is not cost recovery; the cost per million gallons of recycled water delivered has increased over the last five years from \$952 in 2007-08 to \$1,610 in 2011-12. According to ESD, the increase in cost is due to more accurate accounting of the facility and programmatic costs to treat and deliver recycled water.

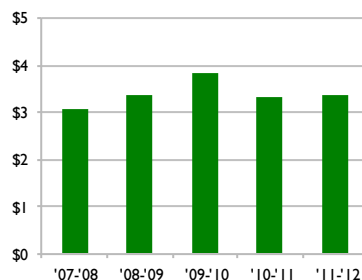
In 2011-12, 12 percent of wastewater influent was recycled for beneficial purposes during dry weather period. SBWR met recycled water quality standards 99.9 percent of the time during the same period.

\* This rate is for City of San José—Municipal Water customers, other SBWR provider rates may vary.

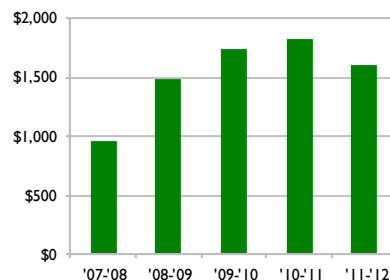
**Millions of Gallons of Recycled Water Delivered Annually**



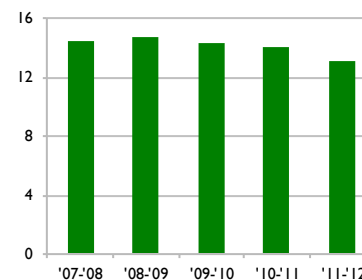
**Operating Expenditures Recycled Water (\$millions)**



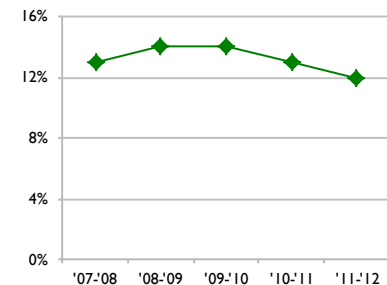
**Cost per Million Gallons of Recycled Water Delivered**



**Millions of Gallons per Day Diverted During Dry Weather Periods**



**% of Wastewater Recycled for Beneficial Purposes During Dry Weather Periods**



## GREEN VISION

On October 30, 2007, the San José City Council adopted the Green Vision, a 15-year plan to transform San José into a world center of clean technology innovation, promote cutting-edge sustainable practices, and demonstrate that the goals of economic growth, environmental stewardship, and fiscal responsibility are inextricably linked. The Green Vision lays out ten ambitious goals for the City, in partnership with residents and businesses, to achieve by 2022. To date, San José has received over \$85 million in grant funding related to Green Vision projects. As Federal and State grant money, including federal stimulus dollars and tax credit allocations targeted at fostering and building the green economy are being expended, staff are evaluating strategies and work plans in order to advance the Green Vision initiatives with limited resources. For example, the City is partnering with industry leaders such as Armageddon Energy, PG&E, and Harvest Power to advance the City's Green Vision goals.

| San José Green Vision Goals  | Calendar Year 2011 Green Vision Key Achievements*  |
|--|--|
| Create 25,000 clean tech jobs as the world center of clean tech innovation                         | 155 new Clean Tech jobs in 2011; 7,000 total clean tech jobs to date. Over \$7 billion in total venture capital invested in Clean Tech companies in Silicon Valley to date, with \$1.7 billion invested in 2011 alone  |
| Reduce per capita energy use by 50 percent   | Energy efficiency measures implemented at City facilities have saved \$170,000 in cost savings and \$25,000 in rebates/incentives  |
| Receive 100 percent of its electrical power from clean renewable sources                           | To date, 3,274 solar photovoltaic (PV) systems with a total capacity of over 44 MW have been installed in San José to date, which is equivalent to 11,099 4 kW residential systems<br>Council approved agreement with SolarCity to install solar at 28 City facilities with total production potential of 4 MW   |
| Build or retrofit 50 million square feet of green buildings  | Over 5.4 million square feet of certified green buildings completed to date, including 17 municipal buildings totaling to 1.4 million square feet  |
| Divert 100 percent of the waste from its landfill and convert waste to energy                      | Continuing to have the highest diversion rates in the nation including a 71% overall diversion rate, 77% multi-family, 84% City facilities   |
| Recycle or beneficially reuse 100 percent of its wastewater (100 million gallons per day)          | Over 10 miles of new recycled water pipes have been installed and various facility improvements are underway including construction of the Advanced Water Treatment Facility   |
| Adopt General Plan with measurable standards for sustainable development                           | General Plan Update was adopted by the San José City Council on November 1, 2011   |
| Ensure that 100 percent of public fleet vehicles run on alternative fuels                          | 40% of City fleet on alternative fuel; fleet green house gas emissions reduced by 32% compared to 2003 baseline  |
| Plant 100,000 new trees and replace 100 percent of streetlights with smart, zero-emission lighting | With the leadership of Our City Forest, planted 2,148 new trees, opened a community tree nursery, and completed over 60% of the street tree inventory with the help of grants and AmeriCorps volunteers<br>With San José as a key advocate, the California Public Utility Commission (CPUC) approved a Pacific Gas & Electric (PG&E) tariff pilot for network controlled energy efficient Light Emitting Diode (LED), dimmable streetlights; awarded contract for 2,100 smart LED streetlights |
| Create 100 miles of interconnected trails  | Over \$5.4 million in grant funding for trails and on street bike and pedestrian improvements<br>Trail Count survey indicated a 5.7% increase in usage along downtown's Guadalupe River Trail and San José continues to be 20% above the national average in terms of commuting by bike  |

\*As reported in the 2011 Green Vision Annual Report (<http://www.sanjoseca.gov/Index.aspx?NID=1417>)



San José implemented a ban on plastic shopping bags beginning in January 2012.

New bike lanes were installed on portions of Almaden Boulevard, Third Street, Fourth Street, Tenth Street and Eleventh Street by replacing traffic lanes. To enhance safety and encourage bicycle travel, most of the new bike lanes include a "buffer" area that increases the separation of bicyclists from motor vehicles.



Source: San José Green Vision Website



## **FINANCE**

The Mission of the Finance Department is to manage, protect, and report on the City of San José's financial resources to enhance the City's financial condition for our residents, businesses and investors.

## FINANCE DEPARTMENT

The Finance Department manages the City's debt, investments, disbursements, financial reporting, purchasing, and revenue collection. In 2011-12 the department had approximately 118 authorized positions and its operating expenditures totaled \$13.6 million.\*

The Treasury Division manages the City's cash and investment portfolio; the three goals of the investment program are safety, liquidity and yield. In 2011-12, the investment portfolio earned an average of 0.69 percent; the investment portfolio totaled \$913.4 million, a drop from \$1.4 billion from five years ago. The Treasury Division also issues debt and administers the City's debt portfolio, which consisted of \$5.7 billion in outstanding bonds at the end of 2011-12.

The Accounting Division is responsible for timely payments to vendors and employees, and for providing relevant financial information to the public. During 2011-12, the Disbursements section processed 97 percent (258,586 out of 265,603) of employee payments (e.g. wages) timely and accurately.

The Purchasing Division is responsible for reliable services to ensure quality products and services in a cost-effective manner, and proper insurance coverage for the City's assets. In 2011-12, the department procured \$94.0 million dollars of products and services, with an estimated \$956,000 of cost savings associated with centralized procurement.

The Revenue Management Division is responsible for City's business systems and processes that support timely billing and revenue collection efforts, reducing delinquent accounts receivable and enhancing revenue compliance. In 2011-12 the division collected \$11.4 million in outstanding accounts receivables.

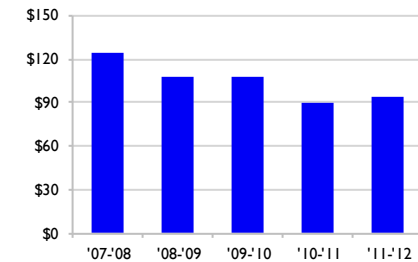
### KEY FACTS (2011-12)

|   |           |
|---|-----------|
| Total investment portfolio (millions)                       | \$913.4   |
| Total debt managed (billions)                               | \$5.7     |
| Total dollars procured (millions)                           | \$94.0    |
| Total dollars recovered from surplus sales                  | \$190,377 |
| Number of employee payments processed accurately and timely | 258,586   |
| Total accounts receivables collected (millions)             | \$11.4    |

### San José Credit Ratings

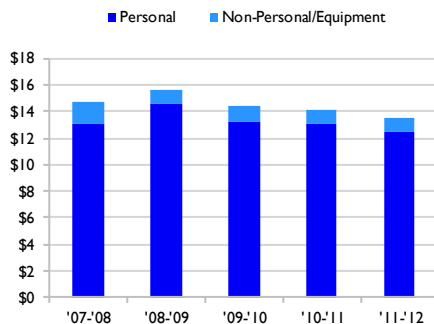
|         |     |
|---------|-----|
| Moody's | Aa1 |
| S&P     | AA+ |
| Fitch   | AA+ |

**Total Dollars Procured (\$millions)**

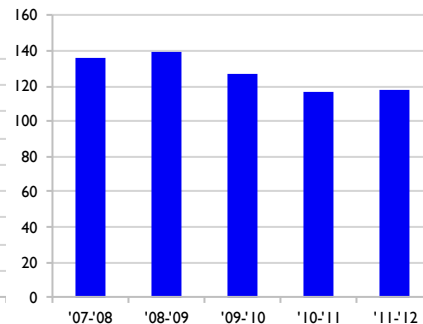


\* The Finance Department was also responsible for \$131 million in Citywide expenditures including \$100 million for debt service, \$15 million for Convention Center lease payments, and \$2 million for general liability claims.

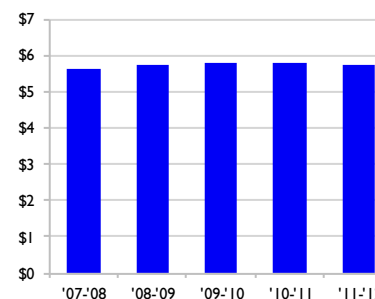
**Finance Operating Expenditures (\$millions)**



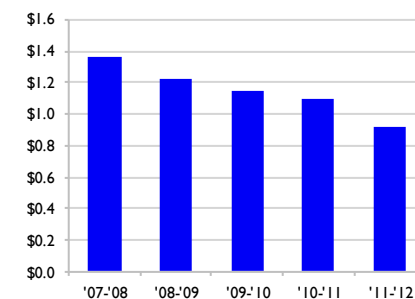
**Finance Authorized Positions (\$millions)**



**Total Debt Managed (\$billions)**



**Total Investment Portfolio (\$billions)**



## **FIRE DEPARTMENT**

The mission of the San José Fire Department is to serve the community by protecting life, property, and the environment through prevention and response.

# FIRE

The San José Fire Department provides fire suppression, emergency medical (EMS), prevention and disaster preparedness services to residents and visitors in San José's incorporated and the County of Santa Clara's unincorporated areas, totaling approximately 200 square miles. Other fire prevention services include regulatory enforcement of fire and hazardous materials codes through inspection activities and construction plan reviews for residents and businesses. The Office of Emergency Services engages in emergency planning, preparedness curriculum development and training, and maintains the City's Emergency Operations Center.

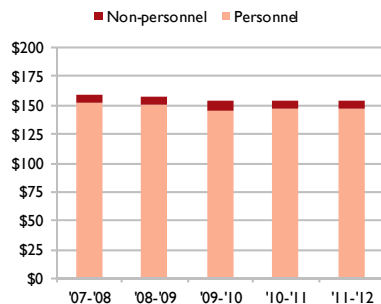
In 2011-12, the Fire Department's operating expenditures were \$154.3 million\*, slightly higher than 2010-11 and about 3 percent more than five years ago. There were 752 authorized positions in the Fire Department, or about 2.4 percent less than in 2010-11.

\*Does not include \$10.9 million in Citywide expenses spent by the Fire Department, including \$5.9 million on workers' compensation claims (up from \$5.8 million in 2010-11).

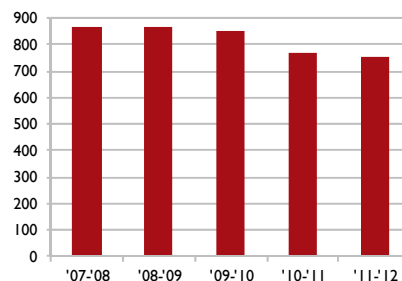
## KEY FACTS (2011-12)

|  |        |
|--|--------|
| Fire stations  | 33     |
| Engine companies   | 30     |
| Truck companies  | 9      |
| Urban search and rescue companies                                | 1      |
| Hazardous Incident Team (HIT) units                              | 1      |
| San José Prepared! Graduates (Emergency Preparedness & Planning) |        |
| 2-hour Disaster Preparedness course graduates                    | 1,276  |
| 20-hour Community Emergency Response Training (CERT) graduates   | 112    |
| Emergency Incidents  | 52,364 |
| Emergency Medical Incidents                                      | 49,320 |
| Fires  | 1,765  |
| Estimated Initial Fire Inspections                               | 7,000  |

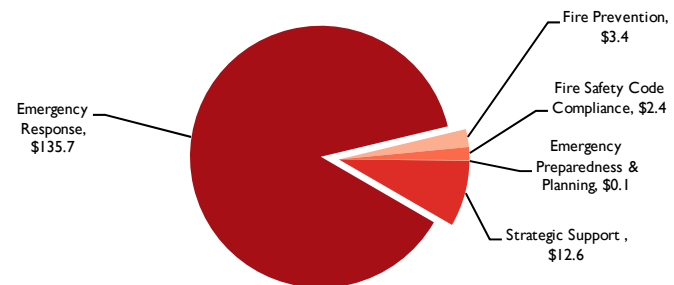
**Fire Department Budget (\$millions)**



**Fire Department Authorized Positions**



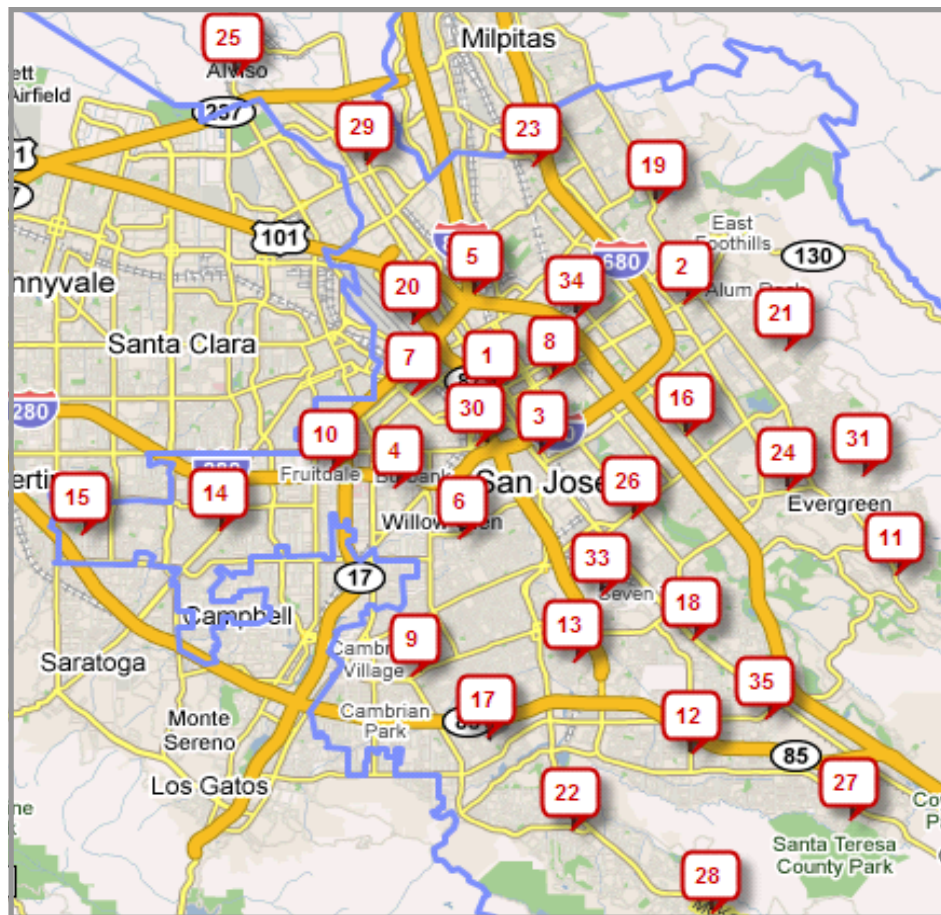
**Fire Department 2011-12 Expenditures by Service (\$millions)**



At the end of 2010-11, the City accepted a federal Staffing for Adequate Fire and Emergency Response (SAFER) grant that restored 49 positions in the Fire Department with SAFER funding through June 2013. This allowed the Department to staff an Engine Company that was previously identified for elimination, as well as 13 positions at the Airport.

The Department implemented a Flexible Brown-Out Plan to allow up to 2 fire companies to be subject to brown-outs each day. In May 2012, the Department implemented a Squad Pilot Program in which 2-person squads in smaller vehicles are dispatched to lower priority calls. This frees engine and truck companies to respond to higher priority calls. The pilot program will operate for one year while its effectiveness is evaluated.

**City of San José—Map of Fire Stations by Station**



**THE NATIONAL CITIZEN SURVEY™**

**80%** of residents surveyed rated San José’s fire services as “excellent” or “good”.

**91%** of residents surveyed rated their contact with the San José Fire Department as “excellent” or “good”.

**73%** of residents surveyed rated ambulance or emergency medical services as “excellent” or “good”.

**55%** of residents surveyed rated San José’s fire prevention and education as “excellent” or “good”.

**37%** of residents surveyed rated San José’s emergency preparedness as “excellent” or “good”.

**Emergency Medical Services (EMS)**

The City of San José Fire Department provides first responder Advanced Life Support (paramedic) services primarily within the incorporated City limits through a direct contract with the County of Santa Clara Emergency Medical Services (EMS) Agency. The County also contracts with a private company (Rural Metro) to provide emergency ambulance transportation services exclusively to all County areas (except to the City of Palo Alto).

# FIRE

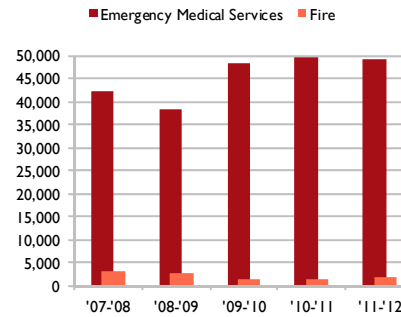
## EMERGENCY RESPONSE

In 2011-12, the Fire Department responded to 52,364 emergency incidents (requiring the use of red lights and sirens); 94 percent of which were medical emergencies (49,320). Medical emergencies in 2011-12 reflected a 16 percent increase from five years ago. There were 1,765 emergency responses to fires in 2011-12, up 12 percent from 2010-11, but down 43 percent from five years ago. There were also 9,929 non-emergency responses, up 1 percent from last year. A breakdown of all incidents by fire station is provided below.

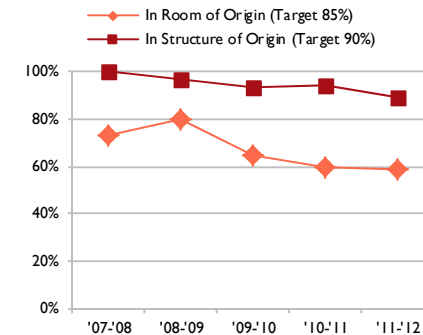
In 2011-12, the Department was able to contain 59 percent of fires to the room of origin; this was below the containment target of 85 percent. Fires that extend beyond the room of origin typically result in significantly more injuries, deaths, and property loss. For the first time in seven years, the Department did not meet its target of 90 percent of fires contained in the structure of origin (actual: 89 percent).

There were 34 civilian fire injuries in 2011-12—this is the same as 2010-11, but is down 23 percent from 2009-10. According to the National Fire Protection Association (NFPA) comparisons, San José has experienced lower fire-related death and injury rates per million population than the western United States and national averages over the past three years.

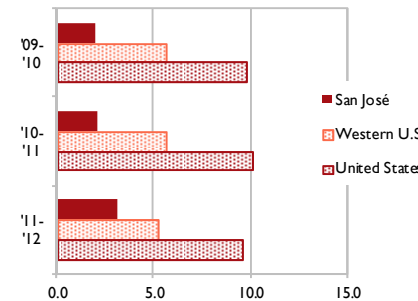
**Emergency Incidents**



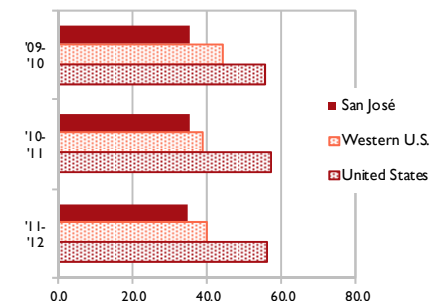
**Percent of Fires Contained**



**Civilian Fire Deaths per Million Population**



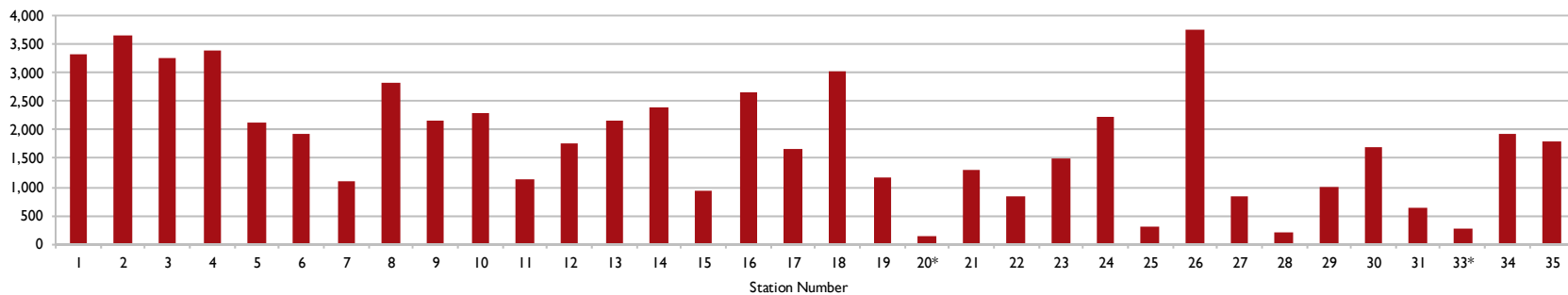
**Civilian Fire Injuries per Million Population**



Source: National Fire Protection Association, 2011

Source: National Fire Protection Association, 2011

**Incidents by Fire Station (2011-12)**



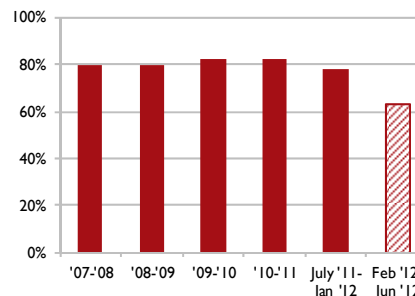
\* Fire Station #20 dedicated to Mineta San José International Airport. Fire Station #33 closed in August 2010. Incidents within the district of Station #33 handled by other stations. Fire Station #32 reserved for Coyote Valley, pending future development.

**EMERGENCY RESPONSE** (continued)

The Department’s resource deployment plan defines how response time performance is measured for responding units. Three of the measures that are regularly reported include: how quickly a responding unit arrives after receiving a 9-1-1 call, how quickly the second unit arrives after a 9-1-1 call, and how often the “first due” or assigned company is available for calls in the response area.

- In the first seven months of 2011-12, the Department reported that 78.3 percent of initial responding units arrived within 8 minutes from time of dispatch. This was a decline from 82.1 percent in 2010-11.
- According to the Department, the methodology changed for calculating response time in February 2012 to include some previously uncounted call processing time (see text box to the right). Between February 2012 and June 2012, the Department reported that 63.8 percent of initial responding units arrived within 8 minutes (including some previously uncounted call processing time). A breakdown of response time by station is provided below.
- The Department reported that 91 percent of second response units arrived within 10 minutes in 2011-12 (target: 80 percent).
- 96 percent of all emergencies (medical, fire, etc.) in 2011-12 were handled by units assigned to their respective districts (target: 85 percent).

**% of Time Initial Responding Unit Arrives within 8 Minutes**



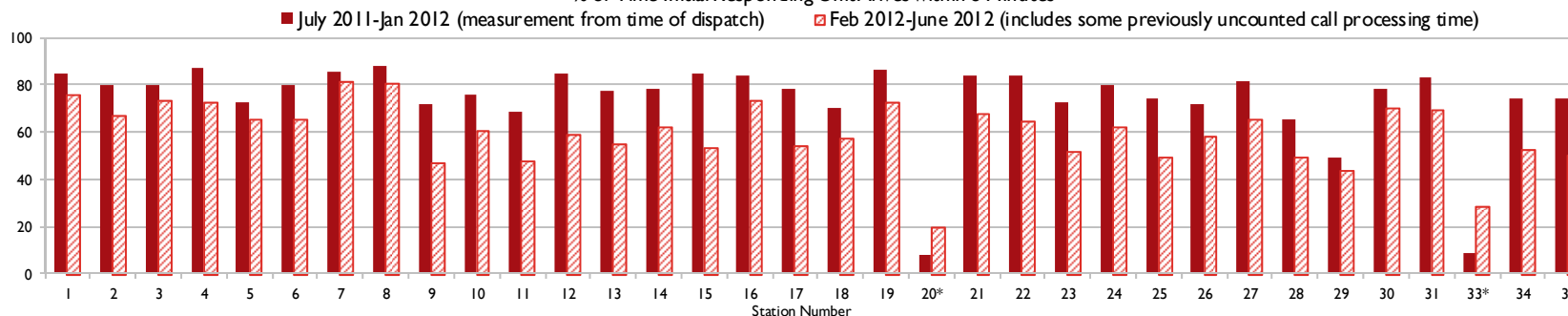
According to the Department, the methodology changed for calculating response time in February 2012. Data from prior years may not be comparable.

**Reporting of Response Time Data**

In February 2012, the Fire Department began including some previously uncounted “call processing time” in its calculation of response time. The National Fire Protection Association recommends including call processing time in the measurement of total response time. Prior to February 2012, the response time calculation began at the point in time when a fire company was dispatched. This change increases reported response time, but does not change actual response time. In addition to this methodology change, the Department advises that it is working to solve long-term underlying issues related to the collection of response time data and the tracking of emergency incidents.

**Emergency Response Time by Station**

% of Time Initial Responding Unit Arrives within 8 Minutes\*\*



\* Fire Station #20 dedicated to Mineta San José International Airport. Fire Station #33 closed in August 2010. Incidents within the district of Station #33 handled by other stations. Fire Station #32 reserved for Coyote Valley, pending future development.  
 \*\* Numbers reflect best available data.

# FIRE

## FIRE PREVENTION

Fire Prevention provides regulatory enforcement of fire and hazardous materials codes, investigates fire cause, and educates the community to reduce injuries, loss of life, and property damage from fires and other accidents. In 2011-12, the Department performed an estimated 7000 initial fire inspections, many of which were conducted by firefighters. The remainder were conducted by fire prevention staff. An estimated 70 percent of initial inspections did not require a follow-up inspection to re-check code violations.\*

Fire Prevention also conducts investigations based on complaints received about residents or businesses. In 2011-12, 111 complaints were investigated.

Fire investigators conducted 305 arson investigations in 2011-12; 173 of those investigations were determined to be arson. There were 66 arson fires in structures in 2011-12, resulting in a dollar loss of \$1.7 million.

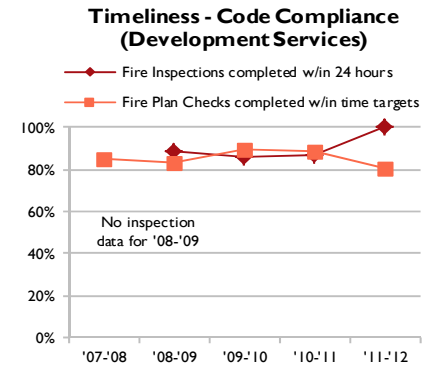
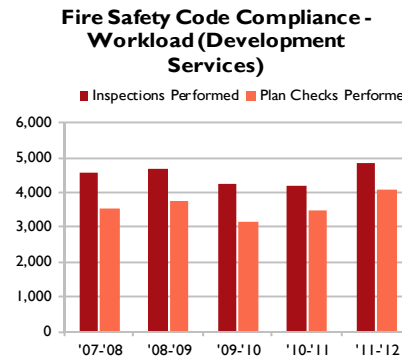
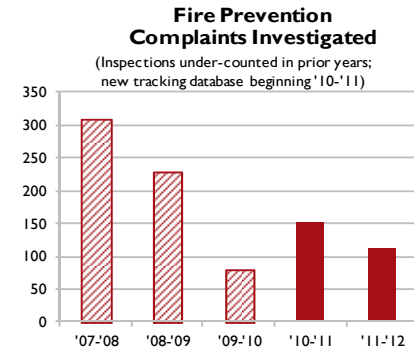
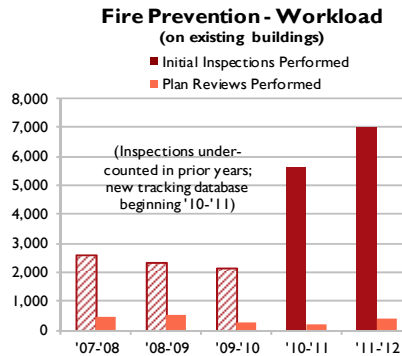
\*Numbers reflect best available data. The City Auditor is currently conducting an audit of the Bureau of Fire Prevention.

## FIRE SAFETY CODE COMPLIANCE (DEVELOPMENT SERVICES)

Fire Safety Code Compliance enforces the City's Fire and Health and Safety Codes during the plan review and inspection processes, in coordination with the Development Services partners in the Permit Center (see *Planning, Building & Code Enforcement Department*). In 2011-12, 4,088 fire plan checks and 4,830 inspections were performed for Development Services customers. 100 percent of inspections in 2011-12 were completed within the 24-hour target. Revenues from the Fire Department's Development Fee exceeded the modified budget estimate by \$255,000, resulting in a corresponding increase to the Fire Fee Reserve.

The **Development Services partners** in the Permit Center are:

- Planning, Building & Code Enforcement Department (see *PBCE section*)
- Fire Department
- Public Works Department (See *Public Works section*)





## HOUSING DEPARTMENT

The mission of the Housing Department is to strengthen and revitalize our community through housing and neighborhood investment.

## HOUSING DEPARTMENT

The Housing Department employs a number of strategies to meet the housing needs of San José residents, who face some of the highest housing costs in the nation. These strategies include:

- administering a variety of single-family and multi-family lending programs
- recommending housing-related policies
- financing new affordable housing construction
- extending the useful lives of existing housing units through rehabilitation, and
- addressing homelessness through a regional “housing first” model.

Additionally, the Department administers a number of federal and state grant programs, including the Community Development Block Grant (CDBG) program.

This chapter provides a snapshot of these efforts. The Housing Department’s allocated operating expenditures were \$8 million\* in 2011-12, down 19 percent from the previous year. The Department spent \$0 out of the City’s General Fund. Instead, it funded its activities with an estimated \$91.1 million in federal, state, and local funds as shown in the chart to the right. This included revenues from the Department’s \$673.3 million loan portfolio which will continue to generate program income.

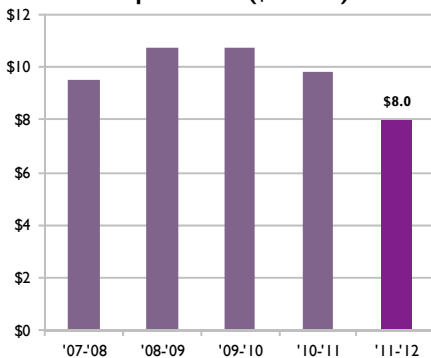
Previously, the former Redevelopment Agency’s tax increment financing made possible about three-quarters of affordable housing that the Department helped develop. In February 2012, State law dissolved Redevelopment Agencies statewide, including San José’s. This means that much of the Department’s revenues will decrease. This action has far-reaching implications for the Housing department and all local affordable housing development.

\* This represents only operating expenditures and does not include all housing program fund expenditures, including those shown on the right.

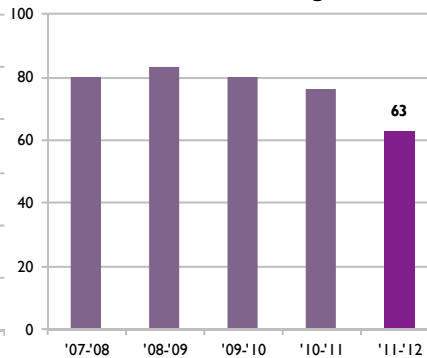
### 2011-12 Housing Program Funds Received

|                     |  |
|---------------------|--|
| \$21,297,000        | Loan Repayments, Interest, and Other Revenue       |
| \$20,614,000        | 20% Redevelopment Tax Increment                    |
| \$20,452,000        | Neighborhood Stabilization Program                 |
| \$8,127,000         | Community Development Block Grant (CDBG)           |
| \$6,833,000         | Miscellaneous                                      |
| \$4,313,000         | HOME Investment Partnership Program Fund           |
| \$3,449,000         | Family Shelter Project                             |
| \$1,778,000         | CallHome   |
| \$922,000           | Bond Administration Fee                            |
| \$859,000           | Housing Opportunities for People With AIDS (HOPWA) |
| \$630,000           | Hazard Mitigation Grant Program                    |
| \$473,000           | Emergency Shelter Grant                            |
| \$424,000           | HOPWA Special Projects                             |
| \$393,000           | Homeless Prevention & Rapid Rehousing Program      |
| \$387,000           | Rental Rights and Referrals Program                |
| \$104,000           | Skills to Succeed                                  |
| \$72,000            | Job Training Grant Program                         |
| \$10,000            | Homebuyer Subordination Fee                        |
| \$2,600             | Multi-Family Project Ownership Transfer Fee        |
| <b>\$91,140,000</b> | <b>Total Funding Sources</b>                       |

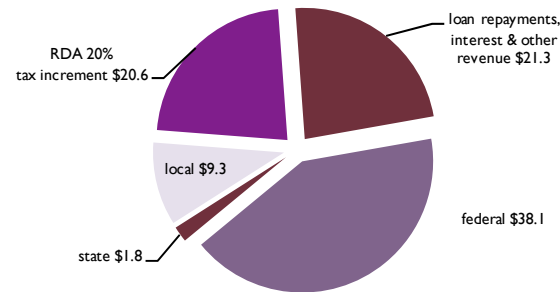
Housing Department Operating Expenditures (\$million)



Housing Department Authorized Staffing



2011-12 Housing Funds (Actuals) By Source (\$millions)



**HOUSING DEVELOPMENT & PRESERVATION**

**Building New Affordable Housing**

Since 1988, in its capacity as a public purpose lender, the Housing Department has been making loans to developers to increase the supply of affordable housing in San José.

The dissolution of the Redevelopment Agency transferred Low and Moderate Income Housing Fund assets (primarily, outstanding loans) to the Housing Department. With the loss of RDA tax increment funding, the Department will depend on repayments from these loans, interest income, and miscellaneous revenues to continue its activities - about \$21.3 million in 2011-12. Read more about the dissolution of the RDA in the Successor Agency chapter of this report.

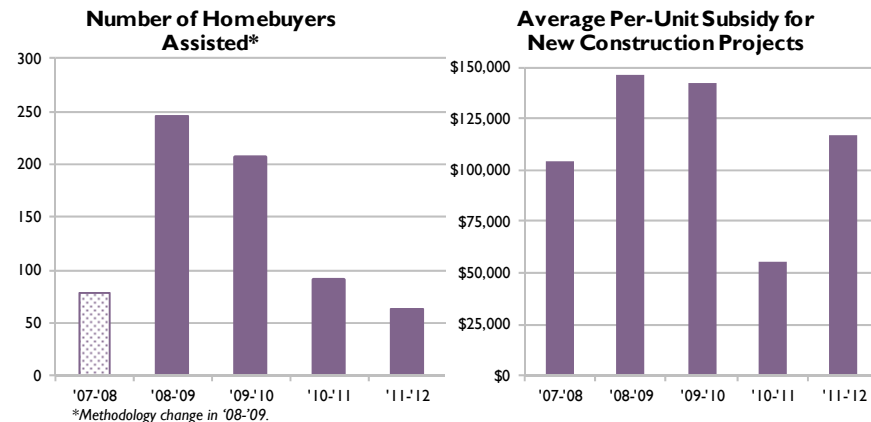
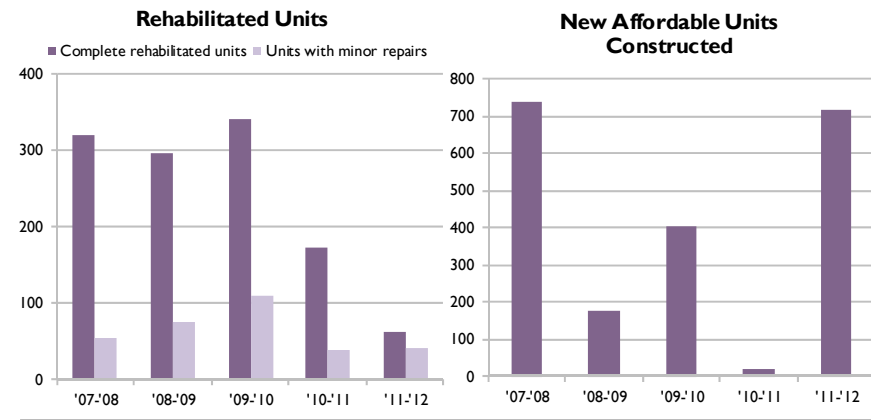
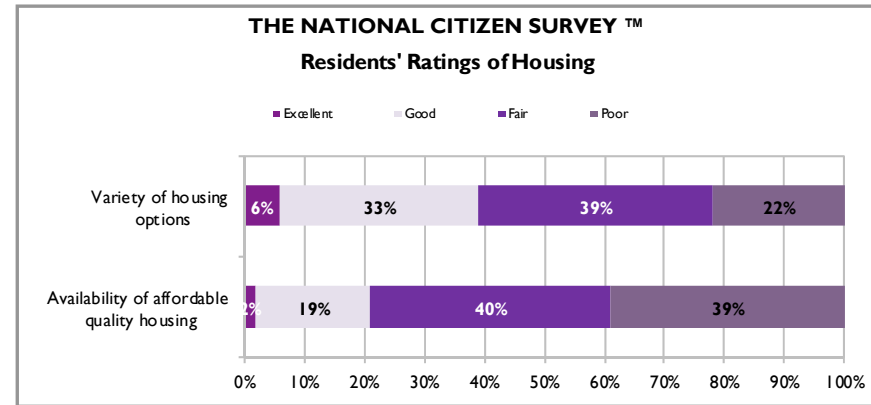
In 2011-12, developers completed 718 affordable housing units with City help (18,877 units since 1988). According to the Department, the City's per-unit subsidy in 2011-12 was \$117,302.

**Rehabilitating Existing Housing**

Low income homeowners whose homes are in need of repairs can qualify for City financial help to rehabilitate them. The Department used local, state, and federal funds to help rehabilitate 63 single family homes and mobilehomes in 2011-12, and provided minor repairs for another 41 units. Using a FEMA grant, it also supported the seismic retrofitting of 207 mobilehomes.

**Financing Home Buying**

People who want to buy homes in San José can receive financial help, including downpayment assistance, through various City programs. These programs made loans to 64 unduplicated households in 2011-12. The Department wrote off 5.55 percent of its homebuyer loan principal due to foreclosures and short sales in 2011-12.



\*Methodology change in '08-'09.

# HOUSING DEPARTMENT

## NEIGHBORHOOD DEVELOPMENT & STABILIZATION

The Department administered about \$8.1 million in federal Community Development Block Grant (CDBG) program funds in 2011-12.\* CDBG funds are used for housing rehabilitation, fair housing, code enforcement, and economic development services. In 2011-12, they were also used for a wide range of other services through dozens of nonprofit organizations, from preventing homelessness, to investing in at-risk youth, improving parenting skills, and meeting the needs of seniors and survivors of domestic violence. In 2011-12, the City developed a new place-based CDBG strategy that will focus funds on three neighborhoods (Mayfair, Santee, and Five Wounds/Brookwood Terrace).

Since 2009, the City has used two federal stimulus grants totaling \$30.6 million to buy, rehabilitate, and sell vacant and foreclosed homes to low and moderate income homebuyers. Under the first grant, the City bought, rehabilitated and sold 14 single family homes; this grant wound down in 2011-12. Under the second grant, the City worked together with local partners to complete the rehabilitation and sale of 23 homes in 2011-12. It also funded the rehabilitation of a 60-unit apartment complex purchased through foreclosure.

The City continued to fund fair housing, foreclosure assistance, and rental rights and referrals services.

\*Does not include \$3.2 million in Section 108 debt service, administration and other program costs.

### Homeless Services

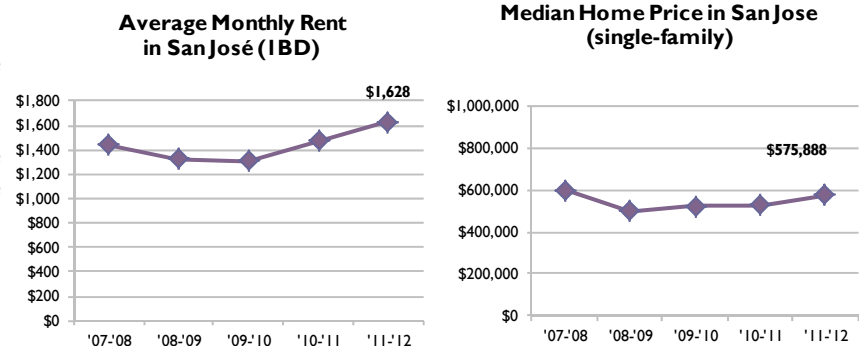
In 2011, there were an estimated 10,844 homeless individuals in San José, 37 percent chronically so. The Department provides an array of homelessness programing including rental assistance, job training, Housing Opportunities for People With AIDS (HOPWA), and emergency shelter grants. The Department also coordinates with the local Housing Authority to ensure that Section 8 vouchers are allocated to homeless residents. In 2011-2012, 60 such vouchers were provided to homeless households, 10 of whom were chronically homeless. The Department participates in a countywide effort with *Destination: Home* and other local entities who are trying to eliminate chronic homelessness.

### KEY FACTS

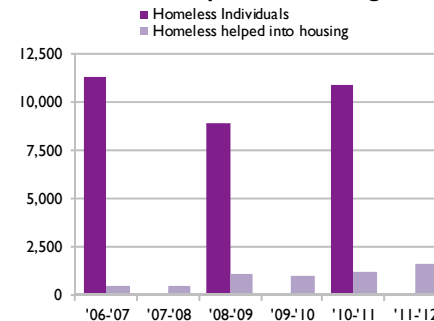
|  |         |  |           |
|--|---------|--|-----------|
| Median Household Income in San José*: \$76,593                                   |         |  |           |
| Average Monthly Rent in San José (1 bedroom)** :                                 | \$1,628 | Median Home Price in San José (single-family)**:   | \$575,888 |
| Percent of Renters whose Gross Rent is 30 percent or more of Household Income* : | 49.2%   | Percent of Owners whose Monthly Owner Costs is 30 percent or more of Household Income (with and without a mortgage)* : | 39.3%     |

\*Source: U.S. Census - American Community Survey – 2011 Estimates

\*\* RealFacts report for July 2012, from Dept.



### Estimated Total Number of Homeless Individuals, and Those Helped Into Housing\*



\*This reflects annualized count of homeless individuals derived from a point-in-time survey conducted in San José once every two years. Number of homeless helped into housing according to countywide homeless services database.

## HUMAN RESOURCES

The mission of the Human Resources Department is to attract, develop, and retain a quality workforce.

## HUMAN RESOURCES DEPARTMENT

Human Resources manages employee benefits, health and safety, and employment services. In 2011-12, operating expenditures were \$7.5 million, down 16 percent from 2010-11. The department had 53 full-time positions, 20 fewer than in 2007-08. Additionally, over 40 percent of current employees were bumped from other departments. Staffing reductions led to the elimination of the department's Training and Development Division which provided professional development to over 3,000 City employees at its peak in 2008-09.

Staffing reductions in Human Resources have impacted other City departments as well. At the end of 2011-12, 679 full-time positions in the City were vacant, nearly double from the last year. The department posted 256 jobs in 2011-12, an increase from a low of 107 in 2009-10. The number of new full-time employees hired grew to 216 in 2012 (CY).

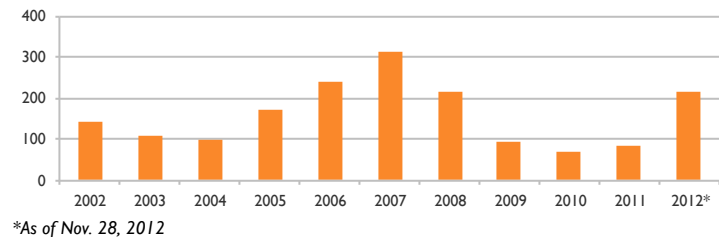
Human Resources manages benefits administration, which cost \$409 per full-time employee in 2011-12. Health care premiums have significantly increased over the last ten years; the City now spends \$50.2 million in all health benefits for employees and their dependents.\* Kaiser Family Plan rates have increased from \$607 to nearly \$1500 since 2003; the City spends \$29.2 million on Kaiser plans alone. In addition to health benefits, the department also manages Workers' Compensation claims. In 2011-12, there were 996 new claims and disability leave totaled \$7.5 million. The department also oversees contributions to deferred compensation. Although the percentage of employees contributing has remained steady, annual contributions have dropped to \$29 million, a 26 percent drop from last year and from five years ago.

\*The City spends another \$30 million in other benefit related expenses.

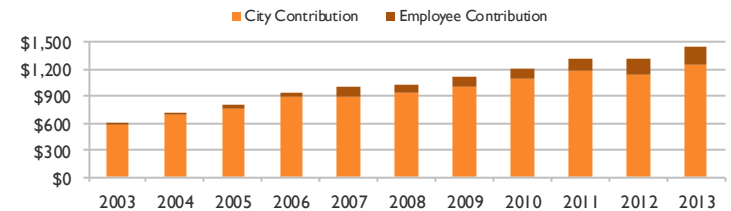
### KEY FACTS (2011-12)

|   |        |
|---|--------|
| Number of City employees (budgeted)                 | 5,400  |
| Covered lives (employees and their dependents)      | 11,462 |
| Jobs Posted   | 256    |
| Time to Hire (days)                                 | 100    |
| New Hires   | 216    |
| Percentage of Current Employees Reviewed since 2010 | 64%    |
| Turnover Rate                                       | 13%    |

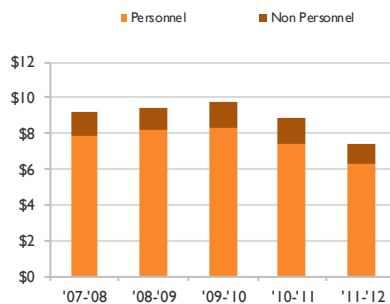
New Full Time Employees Hired, 2002-2012 (CY)



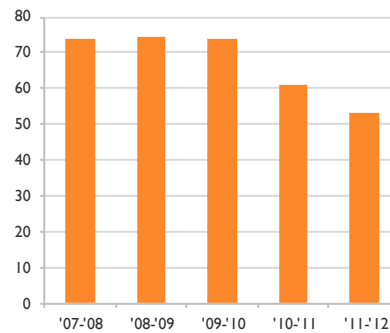
Kaiser Family Plan Premium Rates



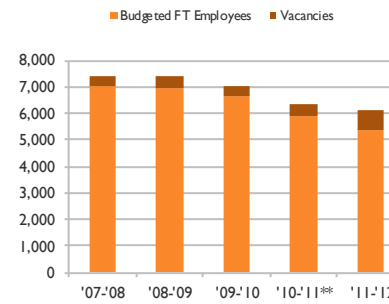
HR Operating Expenditures (\$ millions)



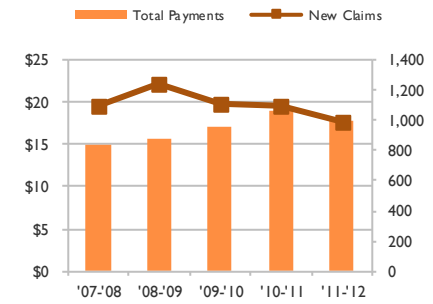
Authorized Positions



Vacancies\* and Budgeted FT Employees



Workers' Compensation Payments & Claims, 2011-12



\*Vacancies are a snapshot as of June of the fiscal year.  
\*\* As of May 2011

## **INDEPENDENT POLICE AUDITOR**

The mission of the San José Independent Police Auditor is to provide independent oversight of the police misconduct complaint process to ensure its fairness, thoroughness, and objectivity.

## INDEPENDENT POLICE AUDITOR

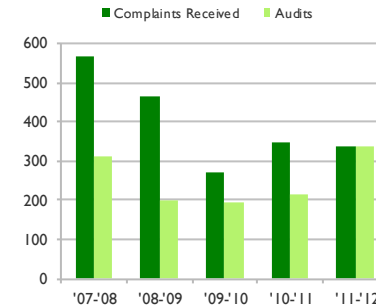
The Independent Police Auditor (IPA) provides the public with an objective review of police misconduct investigations in order to instill confidence in the complaint process and to provide independent oversight. In addition, the IPA conducts outreach to the San José community, proposes policy recommendations to the City Council, and works to strengthen the relationship between the San José Police Department and the community it serves.

In 2011-12, operating expenditures for the IPA totaled \$934,379, an increase of 14 percent compared to 2010-11 and 16 percent compared to five years earlier. The number of authorized positions was 6 in 2011-12, one more than in 2010-11. Compared to five years ago, the office had an equal number of positions in 2011-12.

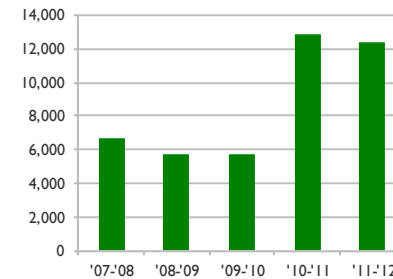
In 2011-12, the number of complaints received from the public regarding SJPD officers decreased 4 percent to 335 from 349 in 2010-11. Complaints were down 41 percent compared to five years earlier. The number of people attending IPA outreach events and meetings decreased by 3.5 percent from 12,825 in 2010-11 to 12,367 in 2011-12.

In 2012, the IPA created the Student Guide Initiative with a goal of distributing their Student Guide to Police Practices to the 10,600 freshmen in San Jose public high schools. The IPA also provided “train-the-teacher” videos to teachers to assist them in presenting the Guides to their students.

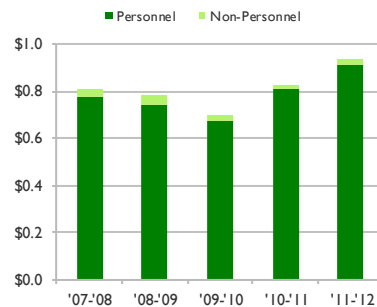
**Complaints Received and IPA Audits**



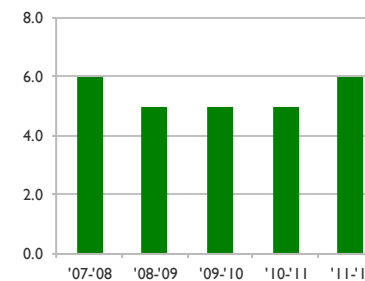
**Individuals Attending Outreach Events/Meetings**



**IPA Operating Expenditures (\$millions)**



**IPA Authorized Positions**





## INFORMATION TECHNOLOGY

The mission of the Information Technology Department is to enable the service delivery of our customers through the integration of City-wide technology resources.

## INFORMATION TECHNOLOGY

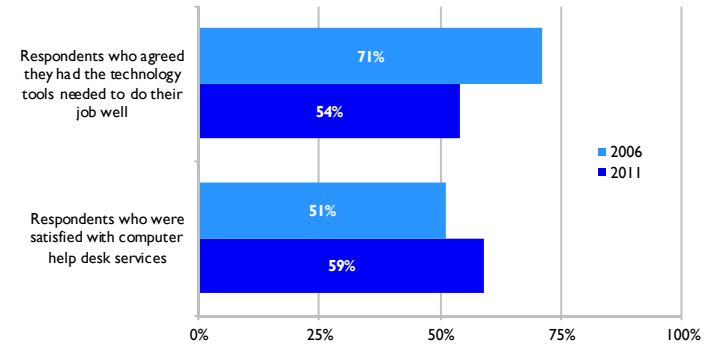
The Information Technology Department (IT) manages the City's information technology infrastructure, provides enterprise technology solutions, and supports departmental technology services. IT, together with staff from other City departments, is responsible for managing a number of City databases including the Financial Management System (FMS), PeopleSoft HR/Payroll system, Geographic Information System, and the Capital Project Management system.

In 2011-12, departmental operating expenditures for IT totaled \$15.9 million, a 16 percent decrease from 2010-11. IT staffing totaled 101 positions, 32 fewer than 2009-10 and 56 fewer than 2007-08. IT staffing includes 32 non-technical positions for the Customer Contact Center (see next page). Staffing reductions occurred in several functional areas, including systems applications, the Customer Contact Center, and database administration. In addition, IT no longer supports department-specific computer applications; staff supporting such applications were transferred to other departments.

### KEY FACTS (2011-12)

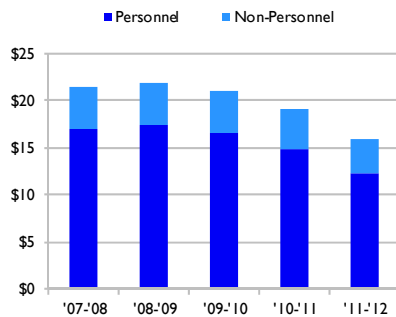
|                                      |         |
|--------------------------------------|---------|
| Customer Contact Center calls        | 305,344 |
| Service Desk requests                | 23,290  |
| Centralized E-mail mailboxes         | 7,501   |
| Network outages                      | 3       |
| Estimated desktop computers Citywide | 5,300   |
| Estimated enterprise servers         | 291     |

### Employee Survey Results

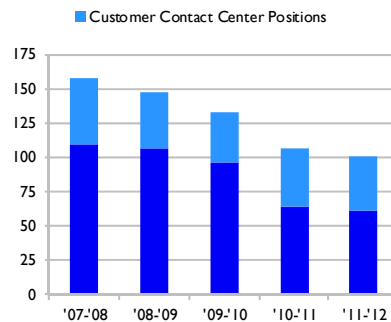


Source: City of San José 2011 Employee Survey Report of Findings, Fairbank, Maslin, Maullin, Metz & Associates

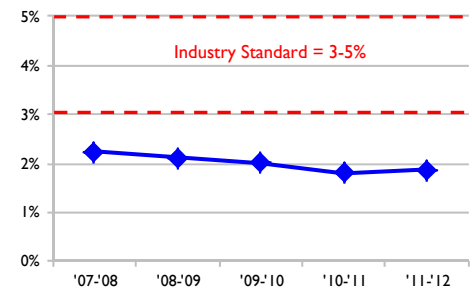
### IT Department Operating Expenditures (\$millions)



### IT Department Authorized Positions



### IT Department Staffing as a % of Total City Staffing (Industry Standard = 3-5%)



Source for Industry Standard: City of San José Information Technology Study, April 2010, Management Partners, Incorporated

City of San José- 2011-12 Service Efforts and Accomplishments Report

## INFORMATION TECHNOLOGY

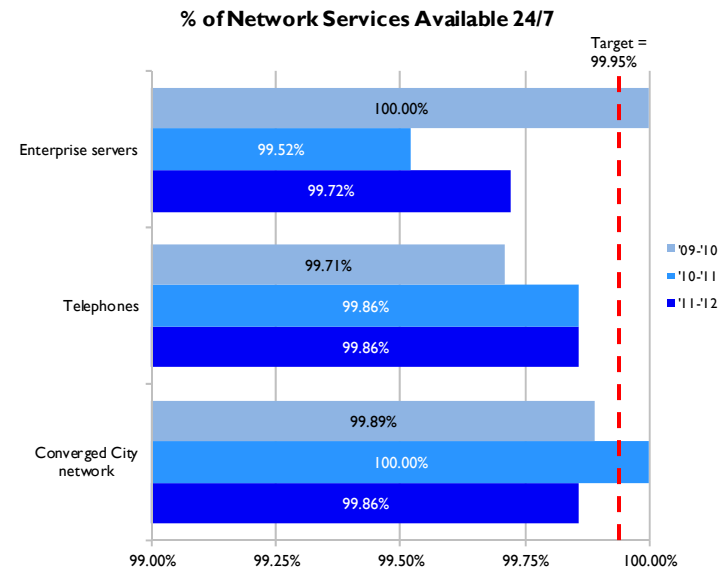
IT's target is to have network services available 24/7 at least 99.95 percent of the time for the City's enterprise servers, telephones, and the converged City network. IT did not meet those targets in 2011-12, however the increase in the number of outages was anticipated due to the replacement of aging core network hardware.

IT has a target of having the City's e-mail system available 99.5 percent of the time during normal business hours. In 2011-12, IT met this target for the fourth time in the last five years.

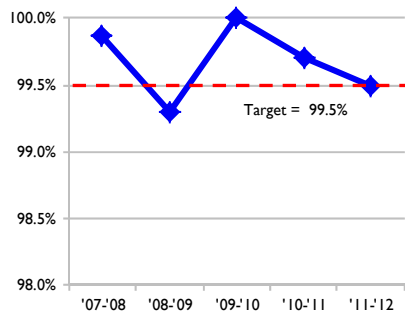
### CUSTOMER CONTACT CENTER

The City's Customer Contact Center processes calls related to utility billing and services and serves as the primary point of City information for residents, businesses, and employees. The Customer Contact Center targets a 70 percent call answer rate, down from 75 percent from the prior year. The new target was reached during 2011-12 (70 percent of calls were answered, 25 percent were abandoned or disconnected, and 5 percent were routed elsewhere.)

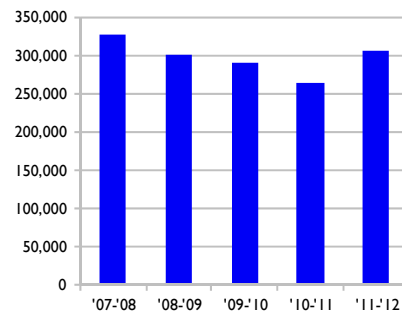
The average wait time was 5.97 minutes, up from 3.65 minutes in 2010-11. According to IT, this was due to an increase in the number of lien cycles (which dramatically increase call volume) and the elimination of two Customer Contact Center positions.



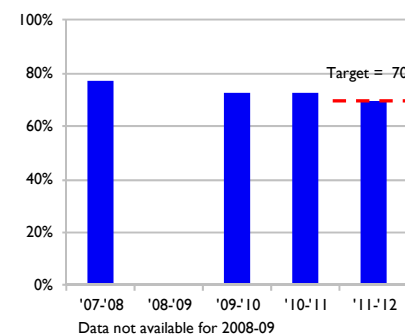
**% of Time E-Mail is Available During Normal Business Hours**



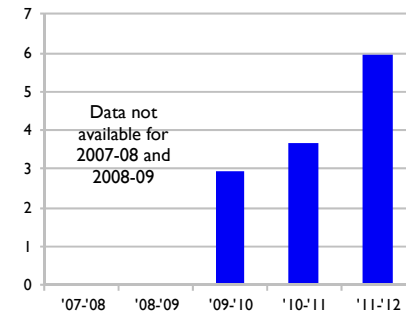
**Number of Customer Contact Center calls received**



**% of Customer Contact Calls Answered**



**Average Wait Time in Minutes**





## LIBRARY

The San José Public Library's mission is to enrich lives by fostering lifelong learning and by ensuring that every member of the community has access to a vast array of ideas and information.

## LIBRARY

The San José Public Library consists of 23 libraries, including the main Dr. Martin Luther King, Jr. Library downtown and branches across the City. In 2011-12 the Library offered 2.1 million materials in various forms including books, CDs, DVDs, and eBooks. The Library also provided programs such as summer reading, literacy assistance, and story times. In 2011-12, 19 of the libraries were open. Four recently constructed/renovated branches are expected to open in 2013.

In 2011-12, the Library's operating expenditures totaled \$27.3 million, 11 percent less than one year ago and 19 percent less than five years ago. Staffing totaled 271 authorized positions, 10 percent less than one year ago and 26 percent less than five years ago. In 2011-12, hours open annually totaled 34,077, a drop of 14 percent from the prior year and 21 percent from five years ago.

In a resident survey, 62 percent rated the quality of public library services as good or excellent. 31 percent rated services fair and 7 percent rated services poor.

### KEY FACTS (2011-12)

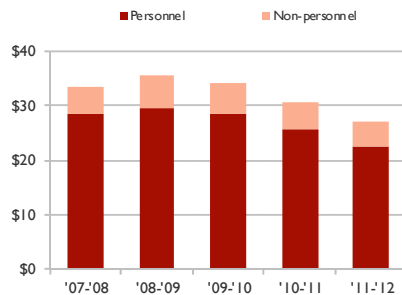
|  |            |
|--|------------|
| Libraries open   | 19         |
| Libraries under construction or constructed but with deferred openings | 4          |
| Weekly library visitors  | 118,620    |
| Total library materials  | 2,070,119  |
| Number of eBooks   | 35,715     |
| Number of items checked out (including eBooks)                         | 11,544,886 |
| Number of registered borrowers   | 550,190    |

### How would you rate the quality of public library services in San José?

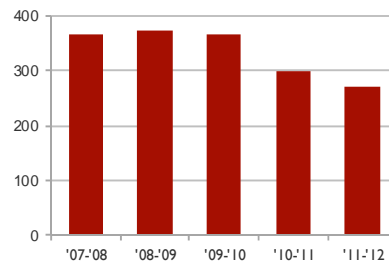


Source: The National Citizen Survey™

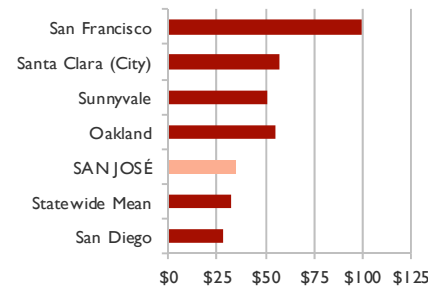
### Library Operating Expenditures (\$millions)



### Library Staffing

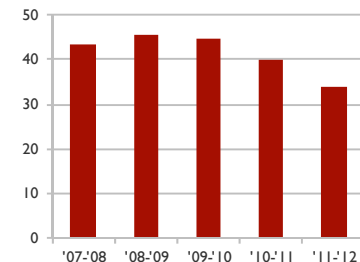


### Expenditures Per Capita (2010-11)



Source: California Library Statistics 2012

### Total Hours Open Annually (thousands)



**LIBRARY COLLECTION AND CIRCULATION**

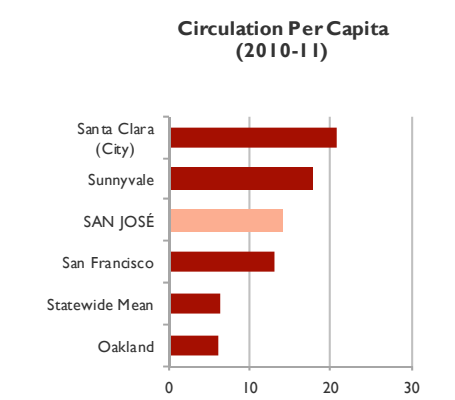
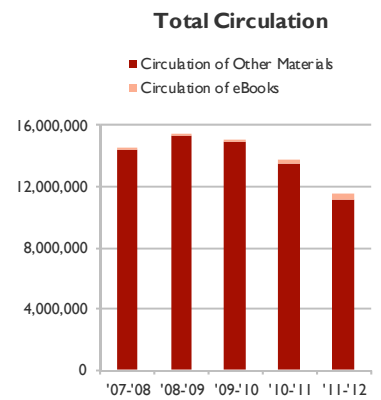
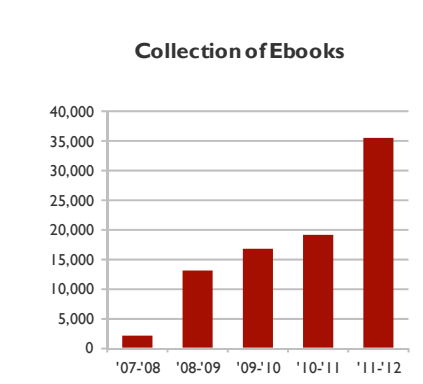
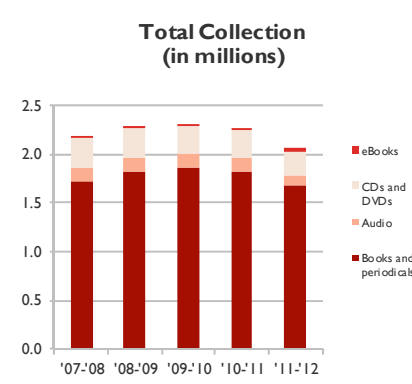
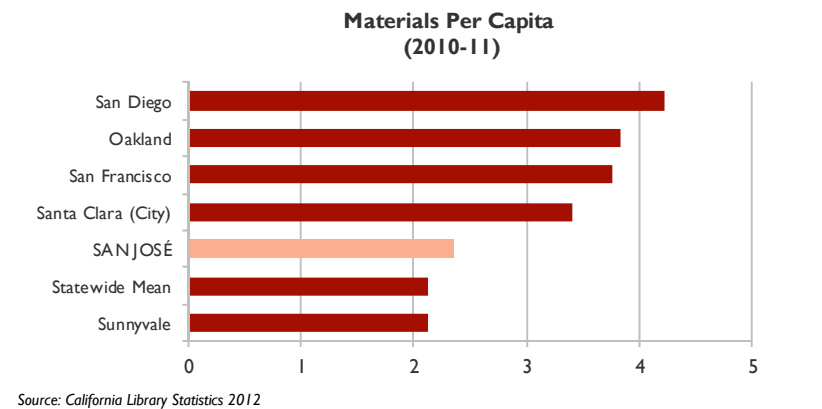
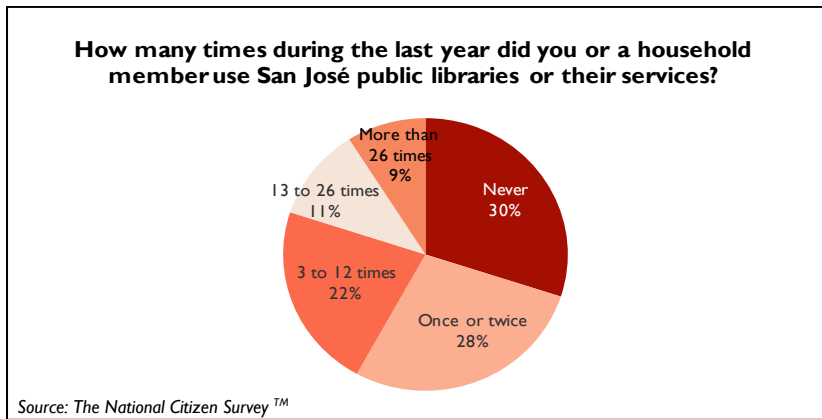
In 2011-12, the Library’s collection totaled about 2.1 million items, about 9 percent fewer than in 2010-11 and about 4 percent fewer than five years ago.

Although eBooks remain a small portion of the total collection, their number increased 84 percent to 35,715 in 2011-12, compared to the prior year and has increased 1,560 percent compared to five years ago. Circulation of eBooks has also continued to increase. It totaled 352,377 in 2011-12, a 99 percent increase over the prior year and a 392 percent increase over five years ago. During FY 2010-11, the Library began offering eBooks for Kindle devices and Kindle apps via a virtual branch.

Total circulation in 2011-12 (including eBooks) was 11.5 million, a 16 percent decrease over one year ago and a 20 percent decrease compared to five years ago, most likely due to continuing reductions in the number of hours that libraries are open. Library borrowers placed about 445,000 online holds to reserve materials.

In 2011-12, circulation per capita (including eBooks) was 11.9, a 17 percent decrease from the prior year and an 19 percent decrease from five years ago. The graph below shows that San José’s circulation per capita was lower than that of Santa Clara or Sunnyvale in 2010-11 but higher than San Francisco, Oakland, and the statewide mean.

Twenty percent of San José respondents to The National Citizen Survey indicated they, or someone in their household, used San José libraries more than 12 times during the last year.



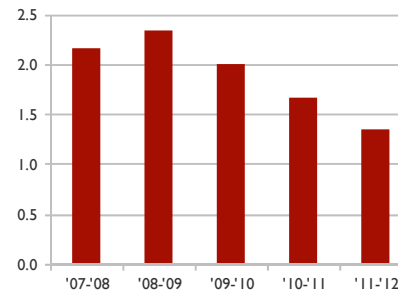
## LIBRARY

The City's libraries provide programs to promote reading and literacy and support school readiness. Programs include adult and family literacy programs, preschool and early education initiatives, story time programs, and summer reading programs.

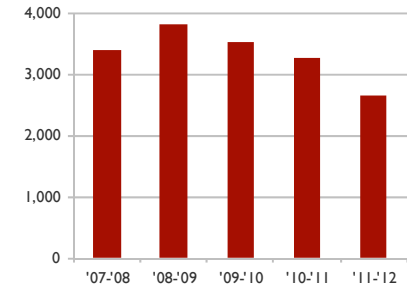
In 2011-12, City libraries offered 2,640 literacy programs or services with attendance totaling 87,421. Total attendance was down 22 percent from 2010-11 and down 17 percent compared to five years ago. In 2011-12, there were 15,547 participants in the summer reading program, 42 percent more than in 2010-11.

In 2011-12, the number of computer sessions on library computers totaled about 1.4 million, a 19 percent decrease from the prior year. According to the department, this was due primarily to the drop in hours open from 2010-11 to 2011-12.

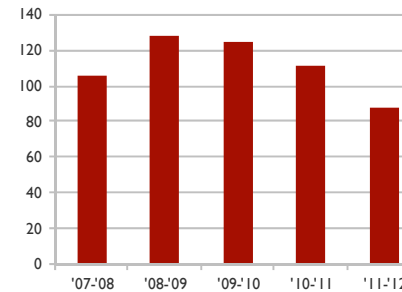
Computer Sessions in Library (millions)



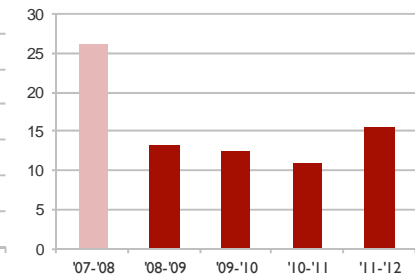
Number of Literacy Programs/Services



Attendance at Literacy Programs (thousands)

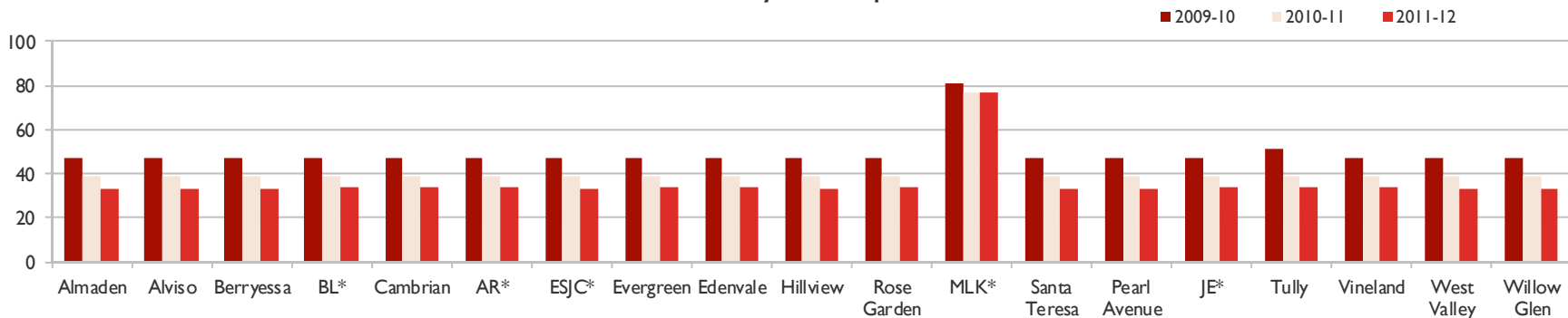


Participants in Summer Reading Program (thousands)\*



\*In 2008-09, the methodology for calculating Summer Reading participation changed. Data from 2007-08 may not be comparable.

Branch Library Hours Open Per Week



\* BL = Biblioteca Latinoamericana; AR = Dr. Roberto Cruz Alum Rock; ESJC = East San José Carnegie; MLK = Dr. Martin Luther King, Jr. Library; JE = Joyce Ellington



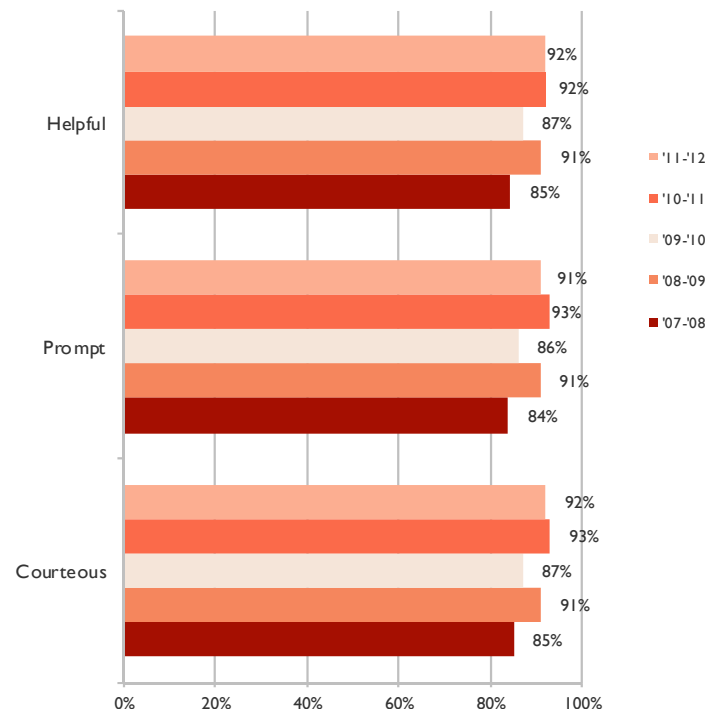
**SAN JOSÉ BRANCH LIBRARIES**

The main Dr. Martin Luther King, Jr. Library was open 77 hours per week in 2011-12 and 2010-11 (compared to 81 hours in 2009-10). Ongoing budget reductions have resulted in reduced branch library hours. Prior to 2003-04, all branch libraries (excluding King) were open 54 hours per week over six days of service. In 2009-10, branch libraries were open 47 hours per week over six days of service. In 2010-11, branch libraries were open 39 hours a week over five days of service. Such decreases continued into 2011-12 so that branches were open 33 or 34 hours over four days.

In 2010-11, construction was completed on Seven Trees Library and Community Center and the Bascom Library and Community Center. The Seven Trees Community Center opened in October 2010 but the opening of the library was deferred due to budget reductions and is now scheduled for January 2013. The Bascom Community Center opened in mid-2012 and the Library is scheduled to open in February 2013. In 2011-12, construction was completed on the Educational Park Branch and the Calabazas Branch and they are expected to open in May and June 2013, respectively.

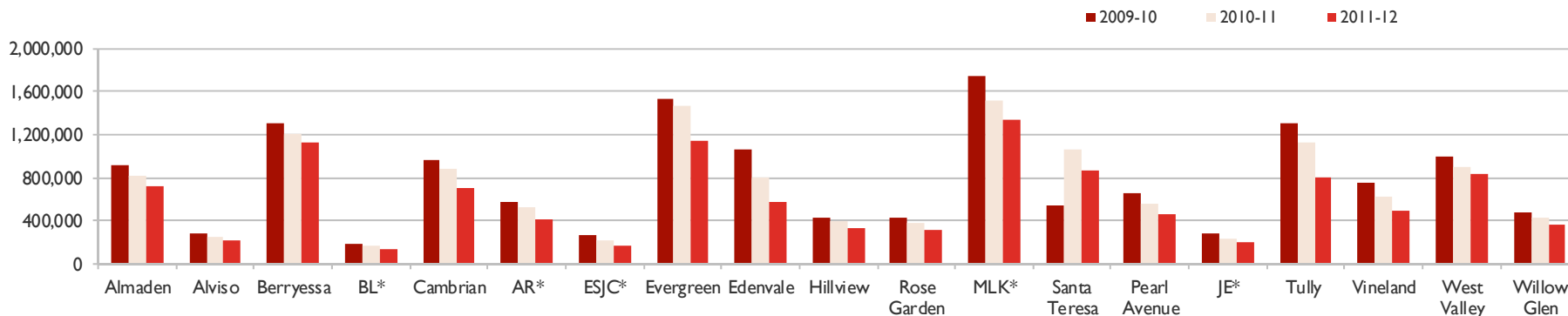
Circulation in 2011-12 varied significantly among locations. The main library (Dr. Martin Luther King, Jr.) downtown had the highest circulation, totaling 1.3 million. Both the Evergreen and Berryessa branch libraries had circulation that was nearly as high, at about 1.1 million. Other high circulation branches included Santa Teresa (861,964) and West Valley (834,342).

**Percent of Library Customers Rating Staff Assistance as Helpful, Prompt, or Courteous**



Source: Library customer surveys

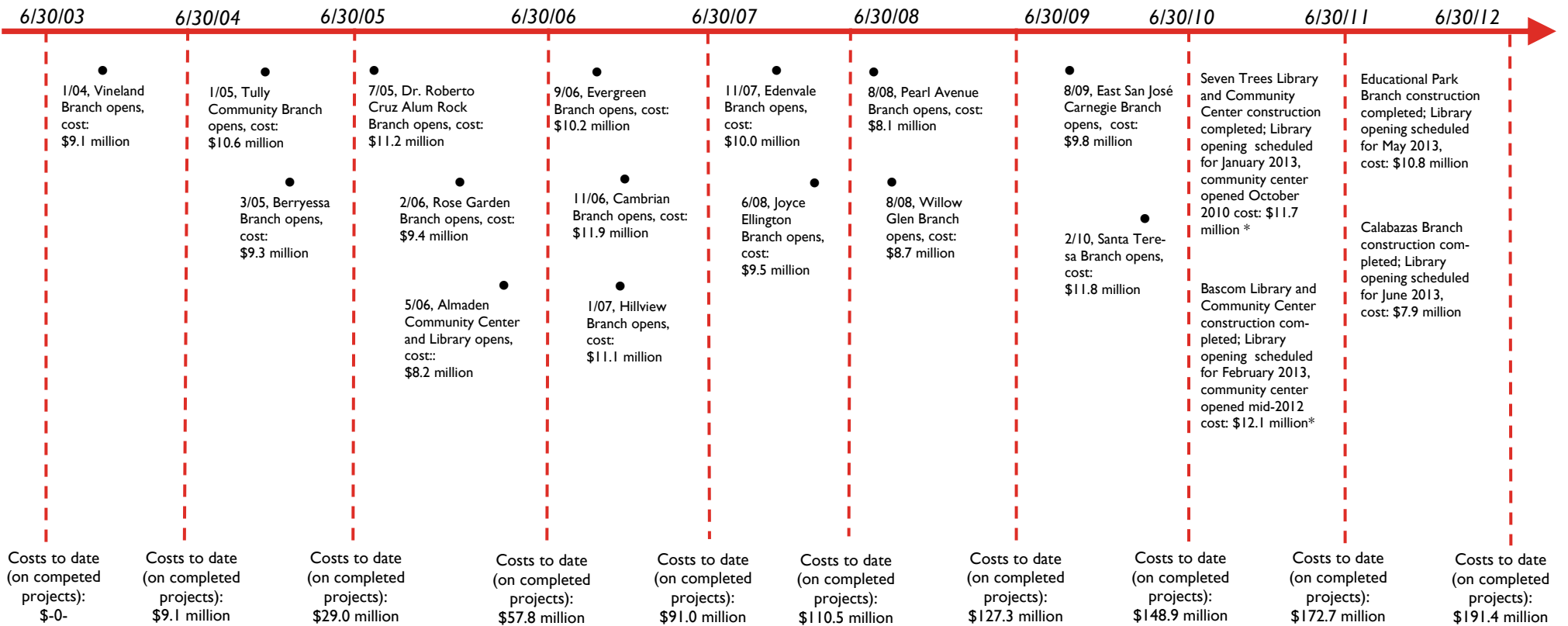
**Branch Library Circulation**



# LIBRARY

In November 2000, voters approved a Branch Library Bond Measure, dedicating \$212 million over ten years for the construction of six new and 14 expanded branch libraries in San José. The first project to be completed under this measure was the new Vineland Branch in South San José, which opened its doors in January 2004.

## Branch Library Development Timeline



**Project in design phase:**

Southeast Branch, projected opening summer 2015, project budget: \$12.1 million

\*Library costs only.

## **PARKS, RECREATION AND NEIGHBORHOOD SERVICES**

The mission of Parks, Recreation and Neighborhood Services is to build healthy communities through people, parks, and programs.

## PARKS, RECREATION AND NEIGHBORHOOD SERVICES

The Parks, Recreation and Neighborhood Services Department (PRNS) operates the City's regional and neighborhood parks, as well as special facilities such as Happy Hollow Park & Zoo. PRNS also operates the City's community and recreation centers and provides various recreation, community service, and other programs for the City's residents.

In 2011-12, PRNS' departmental operating expenditures totaled \$52 million\*, 13 percent less than 2010-11. Staffing totaled 460 authorized positions, 164 fewer positions than 2010-11. The largest decrease removed 80 positions which had been one-time funded in the prior year's budget, including 26 senior nutrition and 38 community center staff. Other changes came from contracting out landscape maintenance of parks smaller than two acres and restroom custodial services (37 positions), a reduction in youth intervention program staff (13 positions), and a change in the graffiti abatement service delivery model (12 positions).

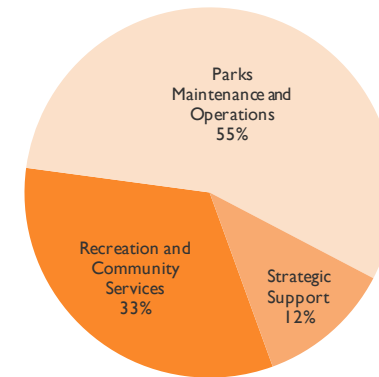
PRNS has a goal of recovering 40 percent of its direct program costs through collected revenues (e.g., fees, charges, leases, grants). For 2011-12, PRNS reported its direct program cost recovery rate was 38 percent, up from 22 percent four years ago. Program fees accounted for approximately 71 percent of collected revenues.

\* PRNS was also responsible for \$8.1 million in Citywide expenses. Significant Citywide expenses included \$3 million for San José B.E.S.T., \$2.1 million for the Children's Health Initiative, and \$957,000 for workers' compensation claims, and \$539,000 for after school education and safety programs. Departmental operating expenditures also do not include capital expenditures, reserves, or pass-through items such as federal Community Development Block Grant funds.

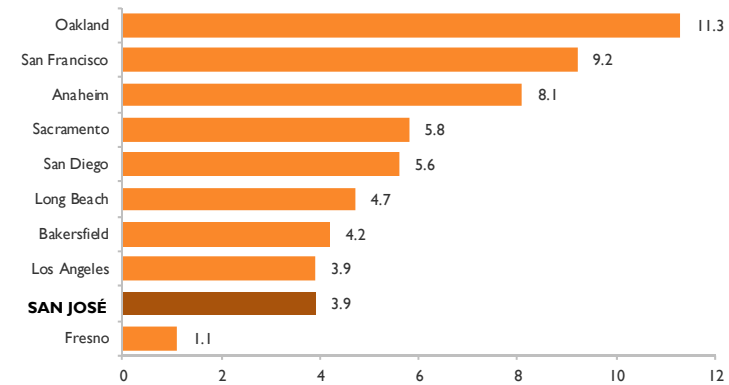
### THE NATIONAL CITIZEN SURVEY™

**55%** of San José residents surveyed rated San José's recreational opportunities as "excellent" or "good"

PRNS Operating Expenditures Breakdown

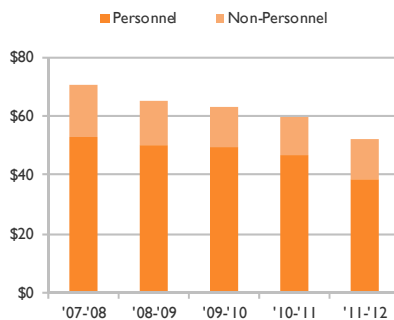


Parks and Recreation Employees per 10,000 Residents, California's 10 Most Populous Cities, 2010-11

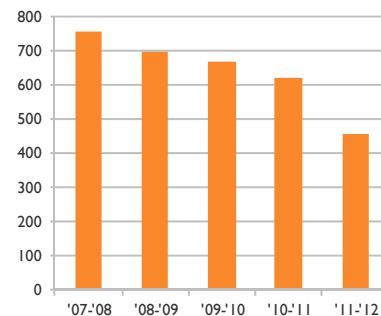


Source: 2012 City Park Facts, The Trust for Public Land

PRNS Operating Expenditures (\$millions)



PRNS Authorized Positions



# PARKS, RECREATION AND NEIGHBORHOOD SERVICES

## PARKS

In 2011-12, the City maintained 184 neighborhood parks as well as other facilities, such as community gardens, trails, and skate parks. In total, the developed portion of these facilities covered 1,191 acres. There were an additional 392 acres of open space or undeveloped land. The City has added 12.9 acres of new developed parkland since 2009. See box below right for list of park additions.

The cost to the City's General Fund to maintain the developed facilities was \$8,961 per acre, 13 percent less than 2010-11. According to PRNS, the drop was a result of contracting out restroom custodial services and landscape maintenance services, as well as operational efficiencies.

The City's adopted Green Vision sets forth a goal of 100 miles of interconnected trails by 2022. As of June 2012, there were 55 miles of trails (approximately 29.5 miles of which have been completed since 2000). An additional 81 miles have been identified or are being studied for further development, or are in the planning or construction phases of development.

For a list of City parks and trails, see [www.sanjoseca.gov/index.aspx?NID=3053](http://www.sanjoseca.gov/index.aspx?NID=3053).

### THE NATIONAL CITIZEN SURVEY™

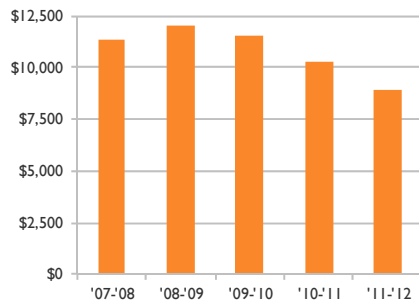
**55%** of San José residents surveyed rated San José's parks services as "excellent" or "good"  
**89%** reported having visiting a park at least once in the past year

### KEY FACTS (2011-12)

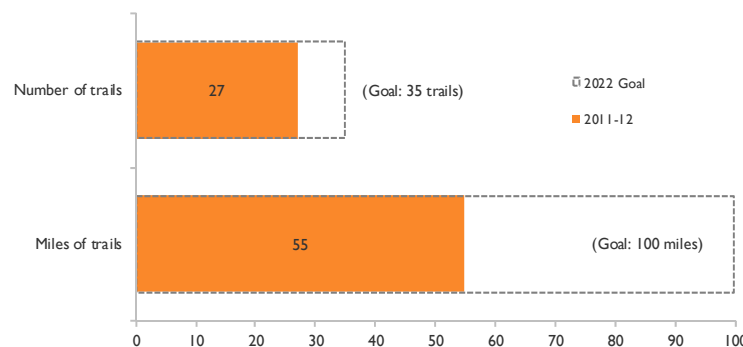
|   |                  |
|---|------------------|
| Neighborhood parks  | 184              |
| Developed acreage (including neighborhood parks, community gardens, and other facilities) | 1,191 acres      |
| Open space and undeveloped land   | <u>392 acres</u> |
| Total*  | 1,583 acres      |
| Acreage of regional parks and City golf courses:  |                  |
| Regional parks (9 parks)  | 1,478 acres      |
| Golf courses (3 courses)  | <u>371 acres</u> |
| Total *   | 1,849 acres      |

\* State, county, or other public lands within San José's boundaries are not included in the above figures.

**General Fund Cost per Acre to Maintain Parks and Other Facilities**



**Number and Miles of Trails Compared to Program Goals**



### Developed Neighborhood Parkland Added Since 2009

- Fleming Park (0.5 acres)
- Jackson/Madden Park (0.3 acres)
- Carolyn Norris Park (1.3 acres)
- Luna Park (1.3 acres)
- Piercy Park (0.8 acres)
- St. Elizabeth Park (0.9 acres)
- Nisich Park (1.3 acres)
- Newhall Park (1.5 acres)
- River Oaks Park (5 acres)

## PARKS, RECREATION AND NEIGHBORHOOD SERVICES

### RECREATION PROGRAMS AND COMMUNITY CENTERS

PRNS program offerings include (but are not limited to) after-school programs, aquatic programs, arts and crafts, dance, educational programs, health and fitness programs, sports, therapeutic classes designed for persons with disabilities, and programs for seniors. For a list of all programs and classes, see [www.sanjoseca.gov/index.aspx?NID=3057](http://www.sanjoseca.gov/index.aspx?NID=3057).

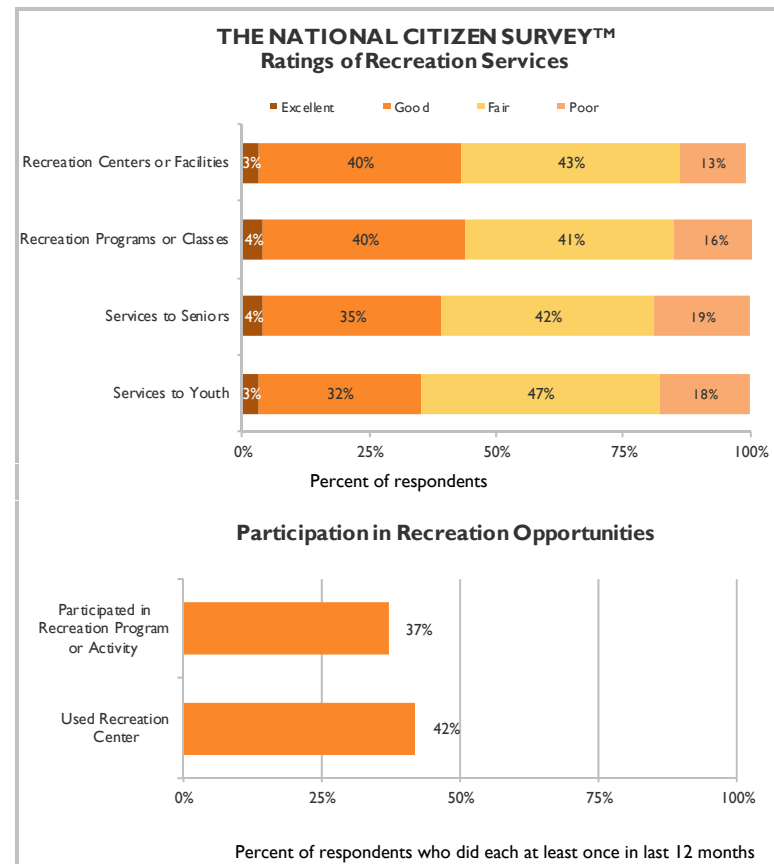
In 2011-12, the City had 53 community centers (including youth and senior centers). These include 10 large hub community centers located in each of the City's Council Districts as well as smaller satellite and neighborhood centers. The City's community centers covered 532,178 square feet, 8 percent more than five years ago. See table on following page for a list of the centers.

In 2011-12, the City only operated 11 of the 53 community centers—the 10 hub community centers and Grace Therapeutic Recreation Center which serves adults with mental illness and cognitive disabilities. The City's 10 hub community centers were open 59 hours per week on average, down from 63 hours per week from 2010-11.

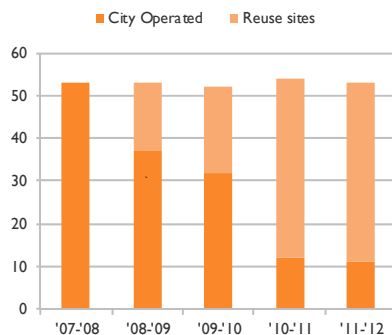
#### KEY FACTS (2011-12)

|  |                 |
|--|-----------------|
| Community centers (including reuse sites)                            | 53              |
| Community center square footage                                      | 532,178 sq. ft. |
| Average weekly hours open<br>(hub community centers):                | 59              |
| Estimated recreation program participants at<br>City run facilities* | 557,038         |

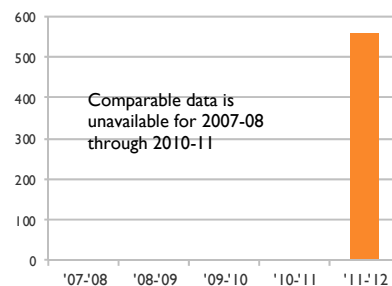
\* This is a duplicated count (i.e., individuals are counted for each program attended).



**Community Centers in Operation**



**Estimated Participants in Programs at City-Operated Community Centers (thousands)**



Data for 2011-12 is tracked through a new registration system and does not include drop-in clientele, senior nutrition participants or therapeutic clientele at the Grace Community Center.

## PARKS, RECREATION AND NEIGHBORHOOD SERVICES

### RECREATION PROGRAMS AND COMMUNITY CENTERS (continued)

In 2004-05, PRNS began a facility re-use program with the intention of reducing operating costs to allow for smaller community centers to remain open. This program allows use, in some cases at no cost, by for-profit, nonprofit, neighborhood associations, school districts, and other government agencies or community service providers in exchange for services that primarily benefit San José residents.

In recent years, the re-use program has grown significantly, from 16 sites in 2008-09 to 42 in 2011-12. An estimated 13,000 individuals attended programs at these re-use sites in 2011-12. Examples of activities and service providers at re-use facilities include:

- Sports leagues offered by the South Valley YMCA and other organizations
- Youth and child development services provided by the Boys and Girls Clubs of Silicon Valley, Catholic Charities, and other organizations
- Cultural services provided by Asian American Community Services, Ethiopian Community Services, Korean American Community Services, and others
- Performing arts activities by multiple organizations

#### Community Centers

|   |   |
|---|---|
| * Alma Community Center                 | * Los Paseos Community Center             |
| <b>Almaden Community Center (hub)</b>   | <b>Mayfair Community Center (hub)</b>     |
| * Almaden Winery Community Center       | * McKinley Community Center               |
| * Almaden Youth Center                  | * Meadowfair Community Center             |
| * Alum Rock Youth Center                | * Millbrook Community Center              |
| * Alviso Youth Center                   | * Noble House Community Center            |
| * Backesto Community Center             | * Noble Modular Community Center          |
| <b>Berryessa Community Center (hub)</b> | * Northside Community Center              |
| * Berryessa Youth Center                | * Old Alviso Community Center             |
| * Bramhall Neighborhood Center          | * Old Hillview Library                    |
| * Calabazas Community Center            | * Olinder Community Center                |
| <b>Camden Community Center (hub)</b>    | * Paul Moore Community Center             |
| * Capitol Park/Goss Community Center    | * Rainbow Community Center                |
| <b>Cypress Senior Center (hub)</b>      | * River Glen Park Community Center        |
| * Edenvale Community Center             | <b>Roosevelt Community Center (hub)</b>   |
| * Edenvale Youth Center                 | * San Tomas Community Center              |
| * Erickson Community Center             | <b>Seven Trees Community Center (hub)</b> |
| <b>Evergreen Community Center (hub)</b> | * Sherman Oaks Community Center           |
| * Gardner Community Center              | * Shirakawa Community Center              |
| <b>Grace Community Center</b>           | <b>Southside Community Center (hub)</b>   |
| * Hamann Park Community Center          | * Starbird Community Center               |
| * Hank Lopez Community Center           | * Vista Park Community Center             |
| * Hoffman/Via Monte Community Center    | * Washington Community Center             |
| * Hoover Community Center               | * Welch Park Community Center             |
| * Houge Park Community Center           | * West San José Community Center          |
| * Joseph George Community Center        | <b>Willow Glen Community Center (hub)</b> |
| * Kirk Community Center                 |   |

Facilities in bold are operated by the City. A \* denotes re-use sites which are operated by outside organizations and are generally only open as needed. See map of community centers at end of chapter.

## PARKS, RECREATION AND NEIGHBORHOOD SERVICES

### COMMUNITY SERVICES

PRNS provides a number of community services including anti-graffiti and anti-litter programs, gang prevention and intervention programs, the Safe Schools Campus Initiative (SSCI)\*, the senior nutrition program, and others.

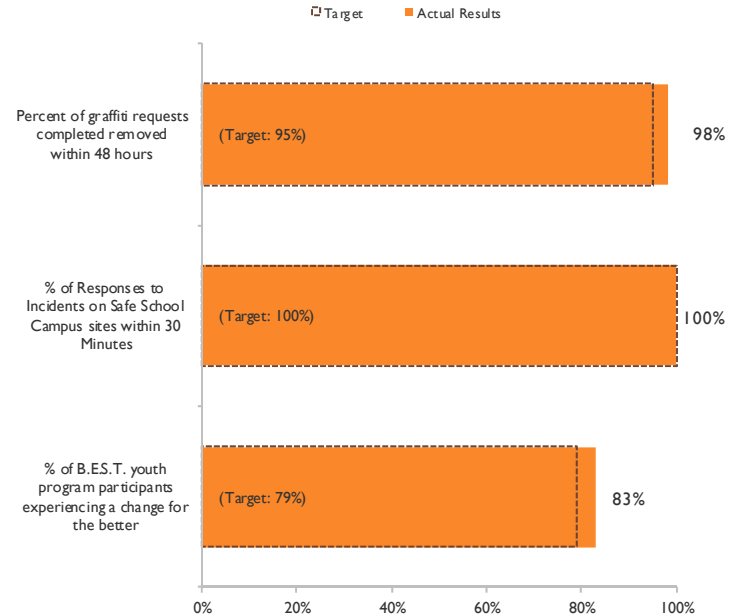
In 2011-12, the City contracted out graffiti abatement. The contractor removed more than 33,000 graffiti sites. Graffiti sites were removed within 48 hours of being reported 98 percent of the time, meeting the goal of 95 percent.

The SSCI team responded to 383 incidents on SSCI campuses, down from 731 five years ago when there had been a spike in gang-related incidents. As a result of budget cuts, the program offered reduced services to middle schools for 2011-12.

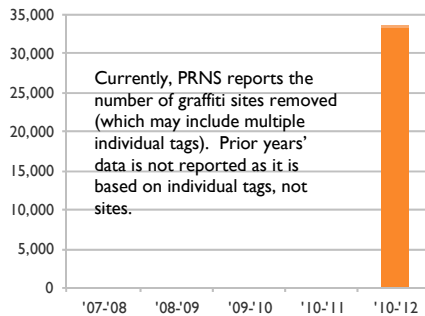
The San José Bringing Everyone's Strengths Together (B.E.S.T.) program provides services to at-risk youth and their families. For 2011-12, B.E.S.T. funding was reduced by 30 percent and the total number of agencies providing services dropped from 25 to 23. As a result, in 2011-12, there was a 17 percent drop in the number of program participants from the prior year (from 5,543 to 4,611).

\* SSCI is a partnership between school districts and the City (including the Police Department) to address violence-related issues in schools.

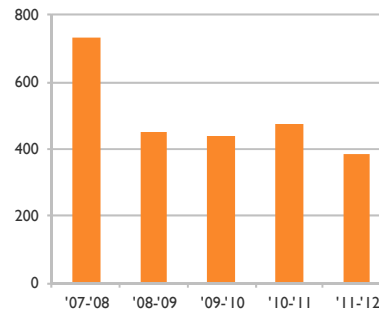
2011-12 Performance of Selected Community Services



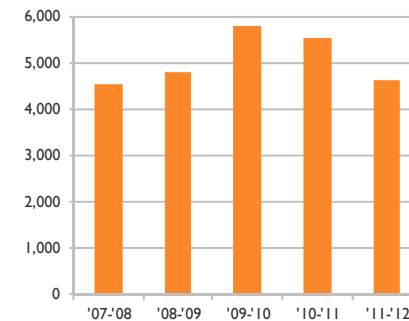
Graffiti Sites Removed



Incidents on Safe School Campus Sites Responded To

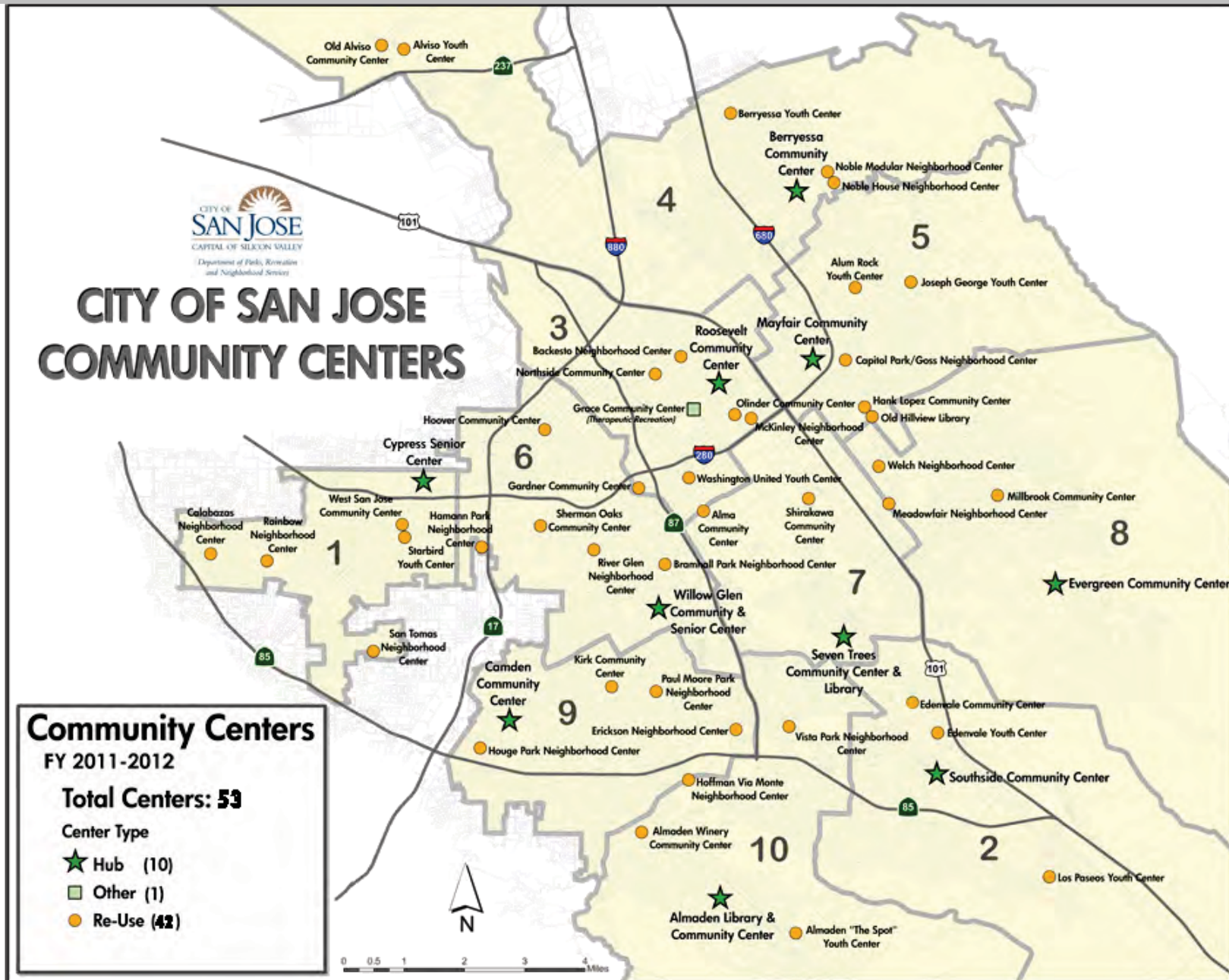


Participants in B.E.S.T. Youth Service Program





**PARKS, RECREATION AND NEIGHBORHOOD SERVICES**



Source: San José Parks, Recreation and Neighborhood Services Department



## **PLANNING, BUILDING AND CODE ENFORCEMENT**

The mission of the Planning, Building & Code Enforcement Department is to facilitate the preservation and building of a safe, attractive, vibrant and sustainable San José through partnership with and exceptional service to our diverse communities and customers.

## PLANNING, BUILDING & CODE ENFORCEMENT

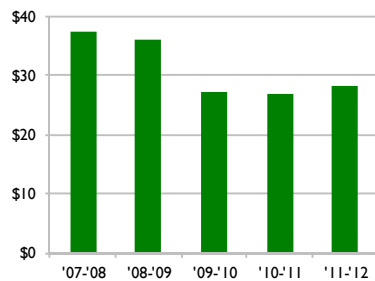
The Planning, Building & Code Enforcement (PBCE) Department guides the physical development of San José. Through its three Divisions, it reviews construction applications and issues permits consistent with law and policy.

In 2011-12, the Department's operating expenditures were \$28.4 million\*, slightly more than in 2010-11, but 24 percent less than five years ago. The Department had 230 authorized positions, down thirty-seven percent from five years ago.

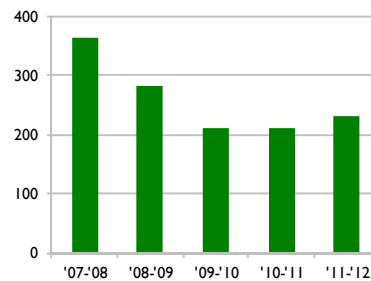
Under the collaborative umbrella of Development Services, PBCE works with other City Departments to deliver the City's permitting function. Subsequent pages of this chapter discuss Development Services.



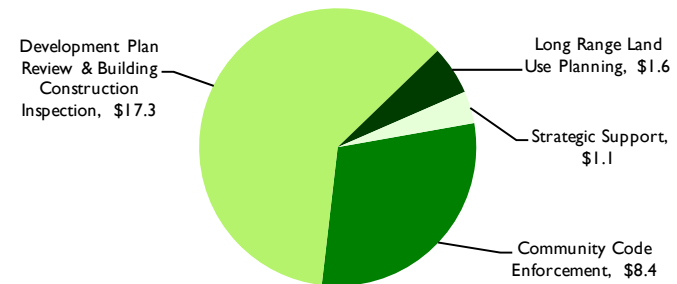
**PBCE Operating Expenditures (\$millions)**



**PBCE Authorized Positions**



**PBCE 2011-12 Expenditures by Service (\$millions)**



## PLANNING, BUILDING & CODE ENFORCEMENT

### BUILDING

PBCE's Building Division reviews new construction projects within the City, making sure they meet health and safety requirements. It achieved 81% of plan checks within cycle times and 47% of building inspections within 24 hours. It is the largest Development Services program, processing nearly 25,000 building permits in 2011-12, and seeing gains in construction volume and value for two consecutive years. See *Development Services* section for more information on the Division's work.

\*Does not include \$0.5 million that PBCE spent in Citywide expenses, most of which went toward the Comprehensive General Plan Update.

### PLANNING

PBCE's Planning Division administers the City's long-range planning projects, and processes land development applications to match the City's planning goals. The City completed the *Envision San José 2040 General Plan* in 2011-12.\*\* This Planning project identifies twelve major strategies, following the input of thousands of community participants over more than four years. In addition to staff, the process included a 35-member task force, outreach in five languages to 1,000 community members who participated in over 100 workshops and community meetings, and the use of online surveys and social media. See the *Development Services* pages of this chapter for more on Planning's work.

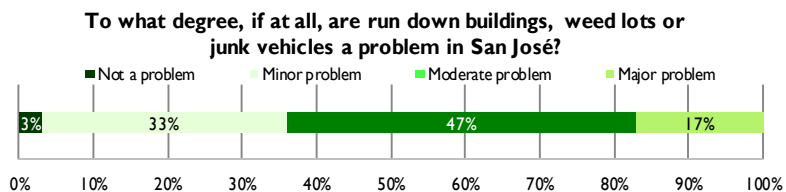
\*\**Envision San José 2040 General Plan*, available at [www.sanjoseca.gov/index.aspx?nid=1737](http://www.sanjoseca.gov/index.aspx?nid=1737). See also *Planning in San José: A Community Guide*, available at [www.sanjoseca.gov/index.aspx?nid=1731](http://www.sanjoseca.gov/index.aspx?nid=1731).

#### THE NATIONAL CITIZEN SURVEY™

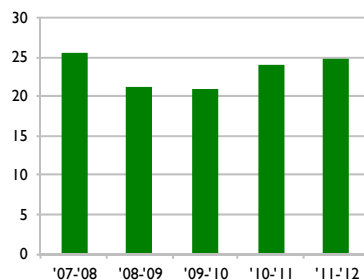
**54%** of residents surveyed rated the overall quality of new development in San José as "excellent" or "good".

**34%** of residents surveyed rated land use, planning and zoning in San José as "excellent" or "good".

**26%** of residents surveyed rated code enforcement (weeds, abandoned buildings, etc.) as "excellent" or "good".



**Building Permits (thousands)**



#### Envision San José 2040 General Plan: 12 Major Strategies

1. Community Based Planning
2. Form Based Plan
3. Focused Growth
4. Innovation/Regional Employment Center
5. Urban Villages
6. Streetscapes for People
7. Measurable Sustainability/Environmental Stewardship
8. Fiscally Strong City
9. Destination Downtown
10. Life Amidst Abundant Natural Resources
11. Design for a Healthful Community
12. Phasing and Periodic Review

## DEVELOPMENT SERVICES

The Permit Center at City Hall provides one-stop construction permit services for residents' and businesses' new building projects and changes to existing structures.

The **Development Services partners** in the Permit Center are

- Planning Division
- Building Division
- Fire Department (see *Fire section*)
- Public Works Department (see *Public Works section*)

An uptick in development activity within the City prompted the City Council to approve 21 new development fee positions mid-year. This brought the total Development Services authorized staff up to 183. The number of customers decreased by 2 percent since 2010-11 and 41 percent since 2007-08, and the number of planning applications was nearly equal. However, the size and value of building projects overall increased, and plan check reviews increased by 8 percent since 2010-11.

**Development Services 2011-12 Summary (\$millions)**

| Partner      | Revenue       | Cost          | % Cost Recovery* | Positions (rounded) |
|--------------|---------------|---------------|------------------|---------------------|
| Building     | \$23.6        | \$18.6        | 126.7%           | 119                 |
| Public Works | \$6.3         | \$4.3         | 148.5%           | 27                  |
| Fire         | \$5.4         | \$4.4         | 122.7%           | 22                  |
| Planning     | \$2.7         | \$2.7         | 100.8%           | 15                  |
| <b>TOTAL</b> | <b>\$38.0</b> | <b>\$30.0</b> | <b>126.9%</b>    | <b>183</b>          |

\*Fee revenue above 100 percent cost recovery increases fee reserves.

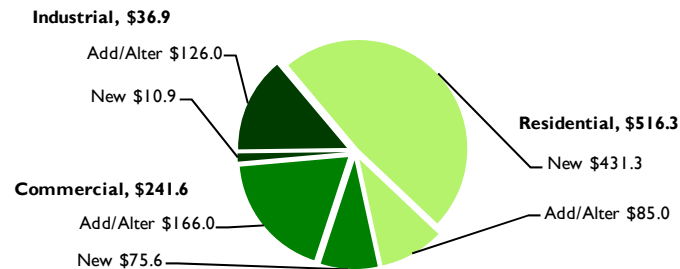
In 2011-12, Development Services

- issued 24,871 building permits,
- served 27,201 Permit Center customers, and
- processed 1,835 planning applications.

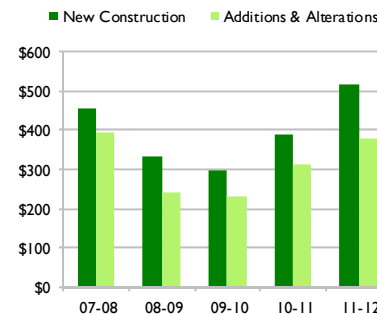


The Permit Center, located in City Hall.

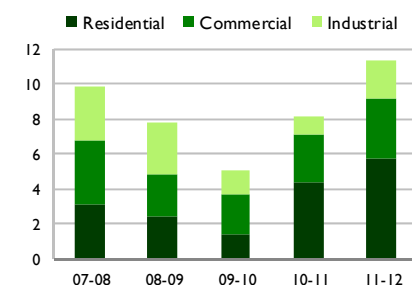
**Value of 2011-12 Building Activity (in \$millions)**



**Value of Construction (\$millions)**



**Volume of Construction\* (in millions of square feet)**



\*Permitted new construction, additions & alterations.

Across all the partner departments, Development Services was a \$38 million business of the City of San José in 2011-12, reaching 127 percent cost recovery. According to PBCE, revenue was above base estimates in part due to an increase in large projects of longer duration, where fees are paid to the City upfront but the City's costs are spread out over a longer period of time.

The City has instituted two programs to expedite project delivery: Special Tenant Improvement (STI) and Industrial Tool Installation (ITI). Approximately 348 projects received additional cross-departmental attention through these programs.

Projects using Development Services vary broadly, from replacing a residential water heater to large, mixed-use developments of many thousands of square feet. One project may require multiple permits and inspections. Some development projects require approval through a public hearing, but most (an estimated 79 percent\*) require only administrative approval. Projects only go through Public Works or the Fire Department when they have impacts on public facilities (e.g., traffic, streets, sewers, utilities, flood hazard zone) or fire-related issues (e.g. need for fire sprinkler systems or fire alarm systems), respectively.

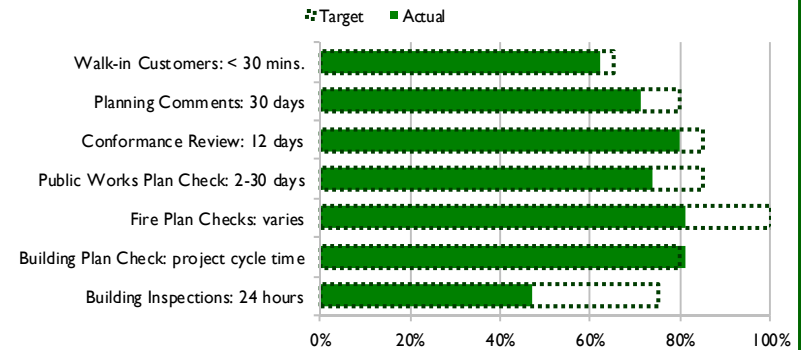
In 2011-12, the number of staff available to respond to general inquiries in the Permit Center declined. As a result, the partners implemented a new policy limiting free consultations with staff to 15 minutes. Staffing changes also affected timeliness, which did not meet targets in six of seven permitting processes. Timeliness of individual steps in the development process varies depending on the scale and complexity of a given project, and can involve from one to all four of the Development Services partners listed above.

\*79% of Development Services customers in a 2012 survey reported that their most recent project required only administrative approval.

**Examples of Planning Timelines**

- < 30 days: single family house permit, dead tree removal, sign permit
- < 60 days: retail site modifications, residential addition
- < 90 days: church, school, child care conversions; some commercial & industrial sites
- < 120 days: gas stations, nightclubs
- < 180 days: high density residential permit (> 3 stories), large hotels/motels
- > 180 days: large public / quasi-public use requiring EIR

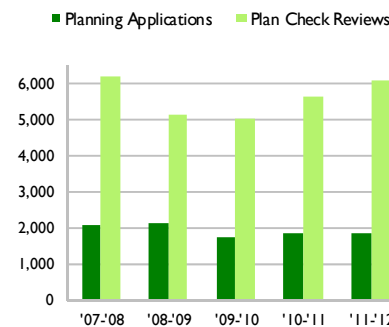
**Timeliness of Development Services\***



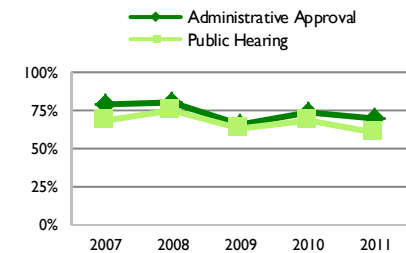
Source: Development Service Report, August 2012

\*The selected measures above may occur simultaneously; some are dependent on completion of particular processes. For other Fire and Public Works measures related to Development Services, see the Fire and Public Works chapters.

**Plan Reviews**

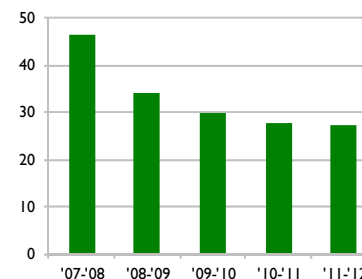


**Development Services Overall Customer Satisfaction by Project Type**

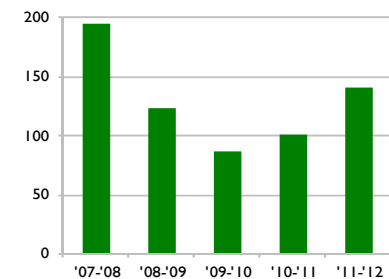


Source: PBCE survey

**Development Services Permit Center Customers (in thousands)**



**Field Inspections (in thousands)**



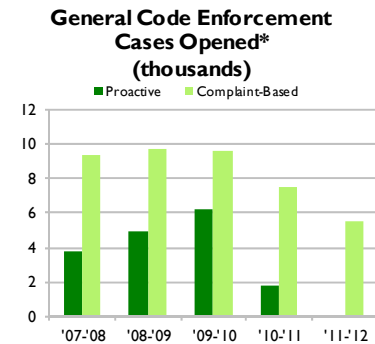
## PLANNING, BUILDING & CODE ENFORCEMENT

### COMMUNITY CODE ENFORCEMENT

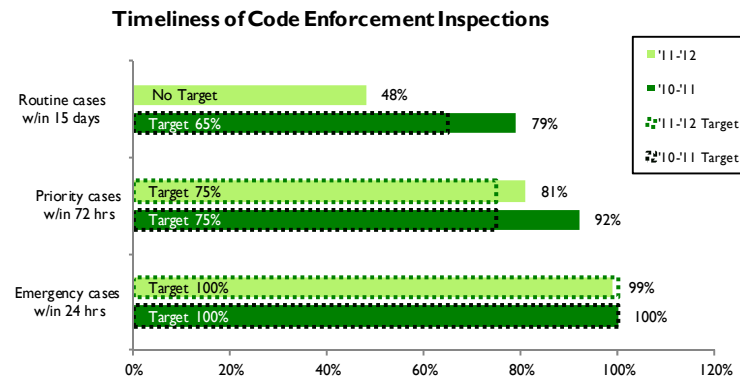
PBCE's Code Enforcement Division enforces laws that promote the health, safety, and appearance of existing buildings and neighborhoods. In 2011-12, PBCE opened up a total of 5,569 general code enforcement cases, down 58 percent over five years ago. Because of staffing reductions, PBCE now relies exclusively on complaints from members of the public, rather than proactive (staff-initiated) enforcement. PBCE responded to 99 percent of 65 emergency complaints within 24 hours, and 81 percent of 1,184 priority complaints within 72 hours.\* Previously, PBCE responded personally to other types of routine complaints, like illegal signs and lawn parking (previous target: 15 days). Now, staff send letters in response to routine complaints and only respond personally on an as-available basis.

In 2011-12, PBCE resolved 95 percent of code violations through voluntary compliance (i.e. without a hearing or citation). PBCE also provides routine inspections of multiple unit housing properties and businesses selling alcohol or tobacco; the property or business owners fund these inspections with fees. In 2011-12, these inspections covered over 14,000 multiple housing units.

\*Emergency complaints involve an immediate threat to life or property, like an unsecured pool fence. Priority complaints involve possible threats to life or property, like unpermitted construction.



\*Does not include multiple unit housing inspections.





## **POLICE**

The San José Police Department's mission is to create safe places to live, work and learn through community partnerships.

## POLICE

In 2011-12, San José Police Department (SJPD) operating expenditures totaled about \$290.3 million,\* just slightly less than in 2010-11 and 4 percent more than five years earlier.

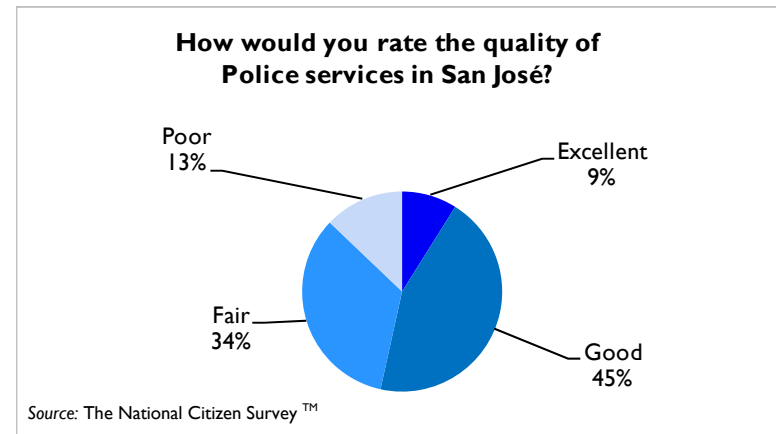
In 2011-12, there were 1,527 authorized positions in the SJPD, a decrease of 10 percent from the prior year. Sworn positions totaled 1,101 (down 13 percent from 1,271 in 2010-11). The number of sworn staff per 1,000 residents decreased from 1.39 in 2007 to 1.13 in 2011.

Fifty-four percent of San José respondents to The National Citizen Survey™ rated the quality of Police services in San José as good or excellent. Twenty-three percent of respondents said they had contact with the San José Police Department during the prior year. Fifty-eight percent rated their overall impression of that contact as good or excellent.

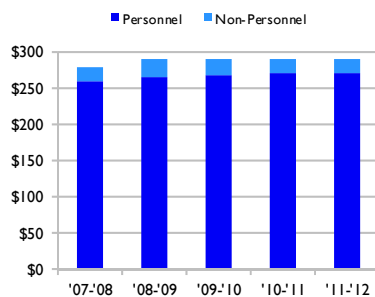
\*The Police Department was also responsible for \$11.1 million in Citywide expenditures, including \$7.4 million for workers' compensation claims (down from \$7.9 million in 2010-11). Departmental operating expenditures do not include capital expenditures, federal and state drug forfeiture funds, or various grants.

### KEY FACTS (2011-12)

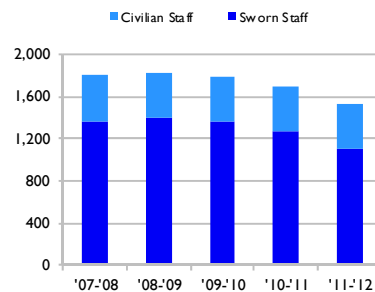
|   |         |
|---|---------|
| Police stations   | 1       |
| Community policing centers (in addition, South San José Police Substation is fully constructed but opening was deferred due to budget reductions) | 3       |
| Sworn police employees  | 1,101   |
| Total authorized positions  | 1,527   |
| Total emergency calls   | 424,956 |



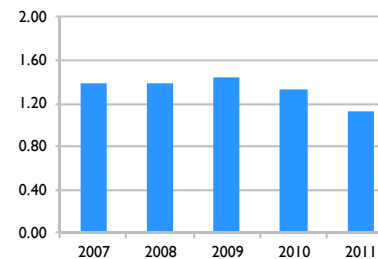
**Police Department Operating Expenditures (\$millions)**



**Police Department Authorized Positions**



**San José Sworn Staff Per 1,000 Residents**



### THE NATIONAL CITIZEN SURVEY™

**23%** of San José residents surveyed said they had in-person or phone contact with an employee of SJPD within the last 12 months

**58%** of those rated their overall impression of that contact as good or excellent

**CRIME IN SAN JOSE**

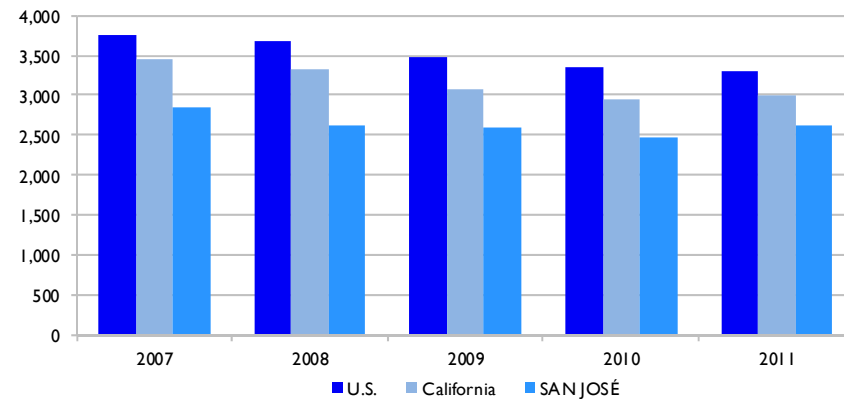
In 2011, there were 25,178 major violent and property crimes in San José, about the same as in 2010 and 10 percent fewer than five years ago. Major crimes include homicide, rape, robbery, aggravated assault, burglary, larceny, and vehicle theft. In 2011, there were 40 homicides in San José, double the 20 in 2010.

The rate of major crimes per 100,000 residents in San José has been below the state and federal rates in each of the past five years. In 2011, the rate was 2,626 crimes per 100,000 residents, compared to 2,995 and 3,295 crimes for California and the U.S., respectively. San José's rate was also lower than that of other major California cities, as shown in the graph below. The San José, California, and U.S. rates have decreased over the five-year period.

There were 454 gang-related incidents in 2011-12, of which 303 (or 67%) were classified as violent by the Police Department. The Gang Investigations Unit (GIU) works to reduce gang activity through a coordinated approach with Bureau of Field Operations personnel, parole and probation officers, and gang unit district attorneys by identifying and suppressing the gangs responsible for the direction of criminal activity by subordinate gang members.

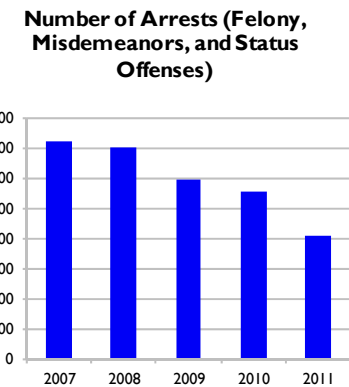
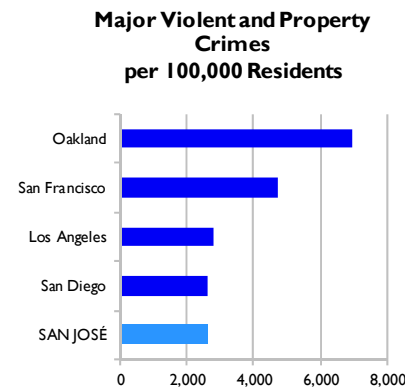
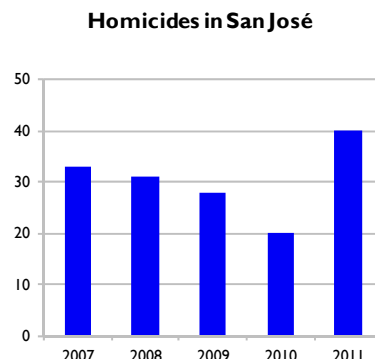
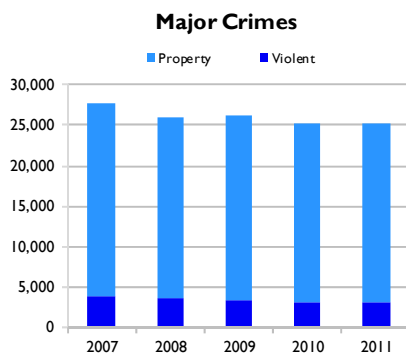
\*In 2010-11, the Police Department merged the Violent Crimes Enforcement Unit (VCET), (which worked to suppress gang activity) with the METRO unit (which focused on street-level alcohol, drug, and criminal activities including gang-related activity, graffiti problems and homeless encampments). GIU typically worked closely with VCET and now works closely with the METRO Unit.

**Major Violent and Property Crimes per 100,000 Residents\***



Sources: SJPD, CA Department of Justice, FBI

\* Major crimes include homicide, rape, robbery, aggravated assault, burglary, larceny, and vehicle theft

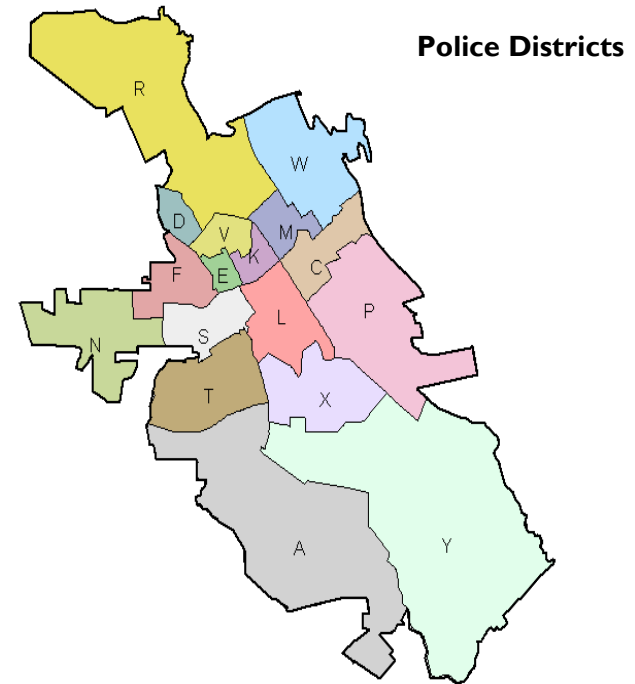


# POLICE

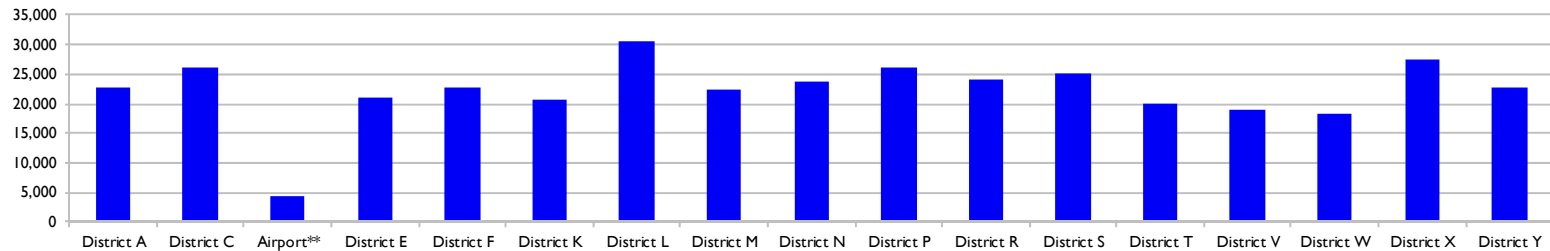
## CALLS FOR SERVICE

The SJPD responds to emergency and non-emergency calls. In 2011-12, there were about 917,000 total calls for service, slightly more calls than during the previous year (see graph on next page). However, the number of 9-1-1 and other emergency calls increased by 5% percent (totaling about 425,000 or 46 percent of all calls). There also continued to be an increasing number of wireless 9-1-1 calls. The number has risen from about 144,000 in 2007-08 to about 309,000 in 2011-12 (about 73 percent of all emergency calls).

In 2011-12, the number of non-emergency calls (e.g. 3-1-1 calls) totaled about 374,000 (41 percent of total calls). This was 9 percent more than in the previous year. Field events (e.g., car and pedestrian stops or officer-initiated calls) accounted for the remaining 13 percent of calls. In 2011-12, total field events were 24 percent fewer than the previous year and fewer than any of the previous four years.



**2011-12 Police Calls for Service by District\*  
(All Priority Levels)**



\* Includes only calls to which the Department responded

\*\* Airport is District D.

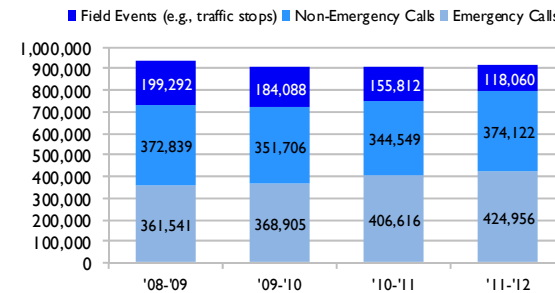
### POLICE RESPONSE TIMES

In 2011-12, the Citywide average response time for Priority 1 calls was 6.5 minutes, just slightly above the target response time of six minutes or less and up from the average of 6.1 minutes in 2010-11.

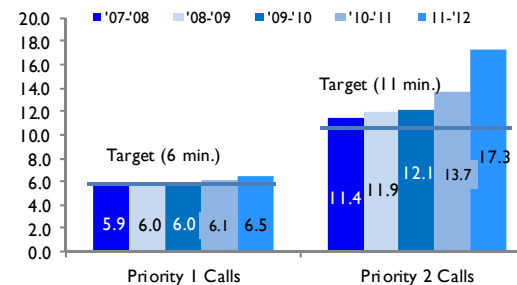
The Citywide average response time for Priority 2 calls was 17.3 minutes, well above the target of 11 minutes and also well above the 2010-11 response time of 13.7 minutes. As staffing reductions have affected the Police Department, the Department has focused on maintaining the Priority 1 response times close to the target as these are calls involving present or imminent danger to life or major property loss.

Compared to 2010-11, Priority 1 average response times by police district in 2011-12 increased in 15 of the regular districts. Average Priority 1 response times decreased in one regular district as well as in the Airport District (District D). Response time may vary across districts because of the size or physical characteristics of an area, whether there are adjacent police service areas, population density, traffic conditions, officer staffing levels, or call-taker and dispatching levels.

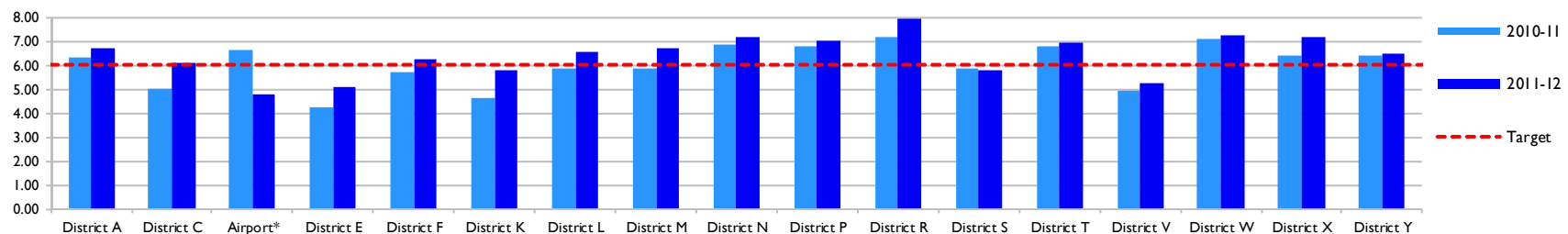
Breakdown of Calls for Service



Average Response Time to Calls For Service



Priority 1 Police Response Times (in minutes)



\* Airport is District D.

# POLICE

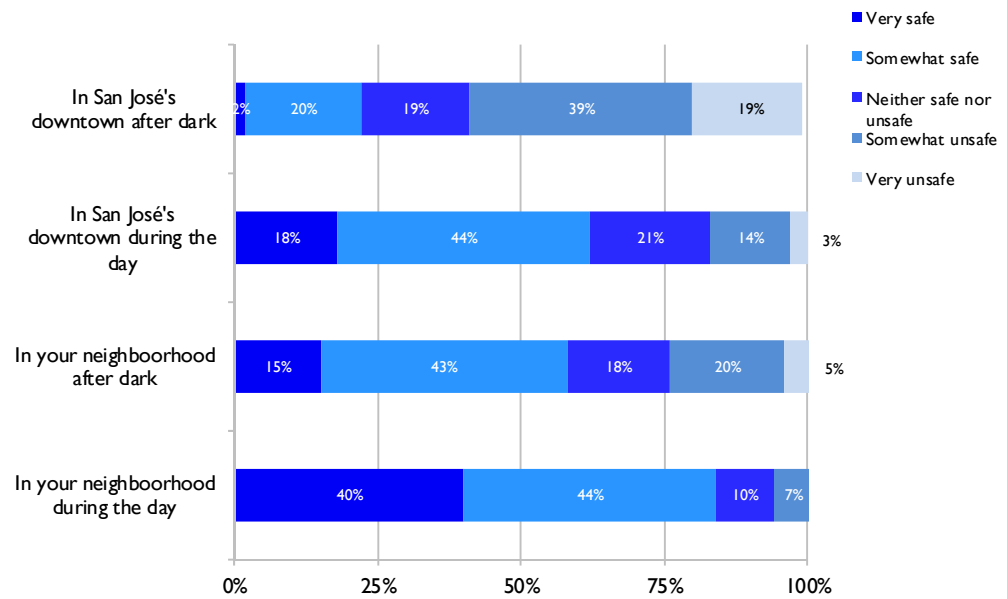
## PERCEPTIONS OF SAFETY IN SAN JOSÉ

The National Citizen Survey asked San José residents a variety of questions about how safe they feel in the City and whether they've had contact with the Police Department during the last year.

Respondents were asked about how safe they feel in their own neighborhoods as well as in downtown San José, both during the day and after dark. Eighty-four percent of respondents said they feel "very" or "somewhat" safe in their neighborhoods during the day while 22 percent feel "very" or "somewhat" safe in San José's downtown after dark.

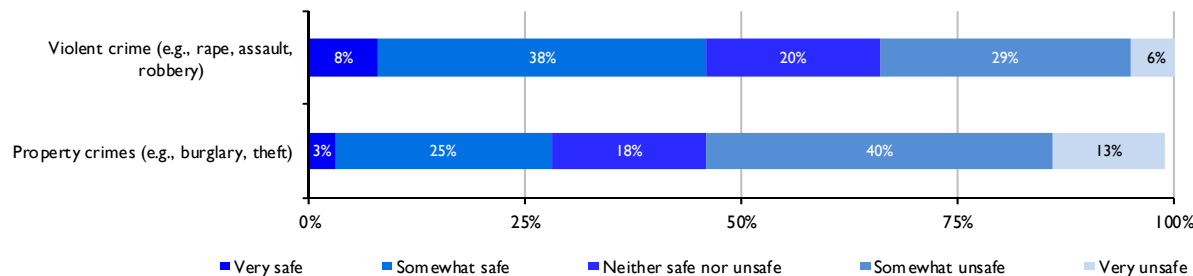
Respondents were asked how safe they feel from violent and property crimes in San José. Forty-six percent reported that they feel "very" or "somewhat" safe from violent crime in San José. Twenty-eight percent reported feeling "very" or "somewhat" safe from property crimes.

San José residents were asked, "How safe do you feel....?"



Source: National Citizen Survey™

How safe or unsafe do you feel from the following in San José?



Source: National Citizen Survey™

**THE NATIONAL CITIZEN SURVEY™**

**12%** of San José residents surveyed said they or someone in their household had been a victim of a crime in the last 12 months

**78%** of those said the crime was reported to the police

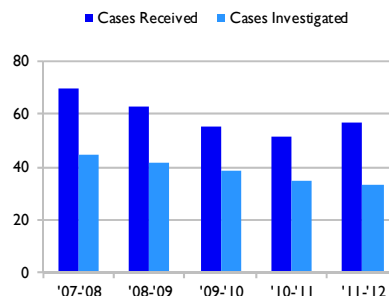
### INVESTIGATIVE SERVICES

The SJPD investigates crimes and events by collecting evidence, interviewing witnesses, interrogating suspects, and other activities. In 2011-12, the SJPD received 56,491 cases, 10 percent more than in 2010-11. Of these cases, 32,982 were assigned for investigation, 6 percent fewer than in the previous year.

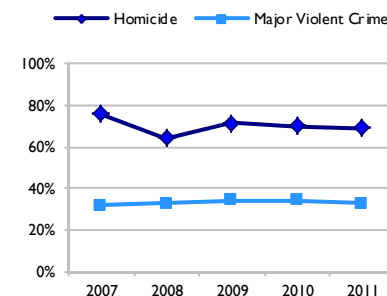
According to the SJPD, the declines were due to normal fluctuations in crime trends and a reduction in sworn personnel that would have been assigned to those investigations. A case may be unassigned because of a lack of resources or it is deemed not workable (e.g. no evidence).

When a case is closed because of an arrest or by exceptional means (e.g. death of suspect), it is classified as cleared. The clearance rate for major violent crimes has fluctuated between 32 and 34 percent for the last five years. In 2011, the clearance rate for homicides was 69 percent, compared to 65 percent for both the U.S. and California respectively.

Total Cases (thousands)



Clearance Rates



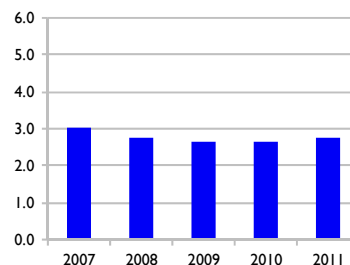
### TRAFFIC SAFETY

The Police Department provides for the safe and free flow of traffic through enforcement, education, investigation, and traffic control. In 2011-12, the SJPD's Traffic Enforcement Unit issued 27,275 citations, down 34 percent from the approximately 41,000 citations issued in 2010-11. Thirty-seven percent of residents surveyed rated traffic enforcement good or excellent.

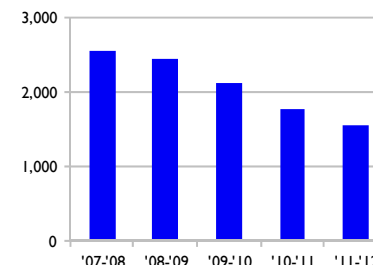
In 2011, San José had 2.78 injury crashes per 1,000 residents. This was lower than the national rate of 5.0, but higher than San José's rate of 2.67 in 2010.

There were 1,573 DUIs, 12 percent fewer than the previous year and 39 percent fewer than five years ago.

City of San José - Injury Crash Rate per 1,000 Residents



DUIs



THE NATIONAL CITIZEN SURVEY™

37% of San José residents surveyed rated traffic enforcement as "excellent" or "good"





## **PUBLIC WORKS**

The mission of the Public Works Department is to provide excellent service in building a smart and sustainable community, maintaining and managing City assets, and serving the animal care needs of the community.

## PUBLIC WORKS

The Public Works Department currently oversees the City's capital projects, maintains the City's facilities, equipment, and vehicles, provides plan review services for development projects, and provides animal care services.

In 2011-12, operating expenditures allocated to Public Works totaled about \$74.8 million\*, 8 percent less than in the previous fiscal year. There were 469 authorized positions in the Department. Public Work's staffing decreased over the past five years for the following reasons:

- Capital Project Services experienced planned reductions in staffing as a result of the near completion of the Parks, Library, and Public Safety Bond programs and the completion of the Terminal Area Improvement Program at the Airport.
- Development Services reduced staffing as a result of decreased activity, primarily due to the economic downturn.
- The City's General Fund budgeting challenges has led to a reduction in fleet vehicles and preventative maintenance for buildings, both of which has decreased staffing.
- The Department outsourced custodial services in 2010-11 resulting in the elimination of 22.75 FTE.



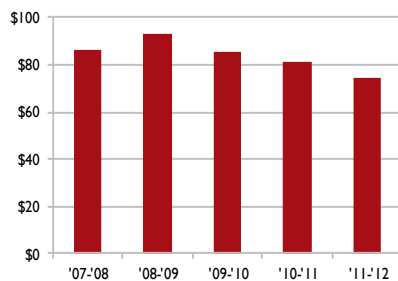
Bramhall Park Play Lot Renovation



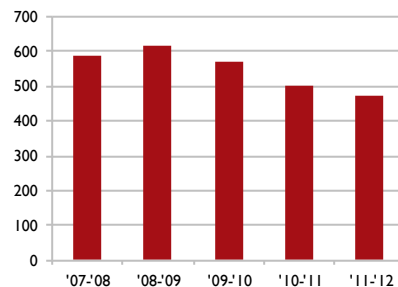
Animal Care Services

\*Does not include \$1.6 million that Public Works spent in Citywide expenses, including \$574,000 in maintenance & operations funds for the Mexican Heritage Plaza and \$458,000 in workers' compensation claims. Also does not include capital improvement, program support, and maintenance-related expenditures.

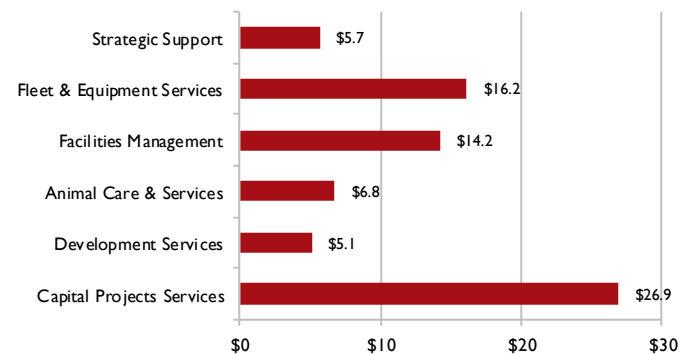
Public Works Operating Expenditures (\$millions)



Public Works Authorized Staffing



Public Works 2011-12 Expenditures by Service (\$millions)



**CAPITAL PROJECT SERVICES**

The Capital Services Divisions of Public Works oversee the planning, design, and construction of public facilities (e.g. airport, police and fire stations, libraries, community centers) and infrastructure (e.g. street and transportation projects, pipe systems). Department of Transportation and Environmental Services Department also manage some capital projects in their divisions.

In 2011-12, the Department completed 62 construction projects at a construction cost of \$214.4 million. 56 of the 62 projects (90 percent) were completed on budget, meeting the department's target. On budget projects refer to those completed in the reporting year that do not exceed the approved baseline budget by more than 1 percent and no longer incur additional costs.

Of the projects intended for completion in 2011-12, 35 of 45 projects (78 percent) were on schedule, short of the department's target of 85 percent. A project is considered on schedule when it is available for its intended use (i.e. completed street being used by vehicles, parks being utilized) within two months of the approved baseline schedule.

The Department uses an industry standard to measure project delivery costs. This figure calculates the percentage of overhead or "soft" costs relative to material or "hard" costs. In 2011-12, 14 projects were \$500,000 or over and had a delivery cost of 35 percent (industry benchmark: <41 percent). Ten projects in 2011-12 were less than \$500,000 and had a delivery cost of 73 percent (industry benchmark: <68 percent).

**KEY FACTS (2011-12)**

|                                      |               |
|--------------------------------------|---------------|
| Operating Expenditures               | \$26,900,153  |
| Total Construction Costs of Projects | \$214,406,548 |
| Completed Projects                   | 62            |
| On budget                            | 56 (of 62)    |
| On schedule                          | 35 (of 45)    |

**On Budget Performance, 2011-12**



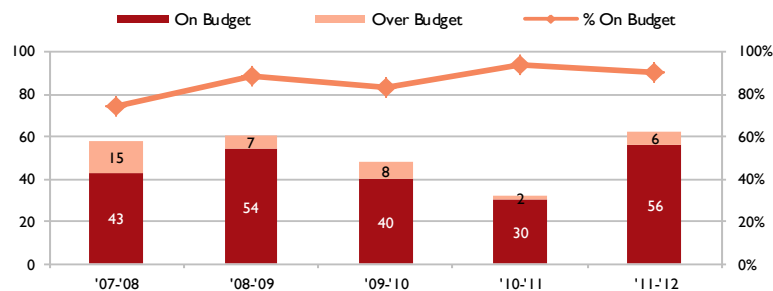
Happy Hollow Pedestrian Bridge

**On Schedule Performance, 2011-12**

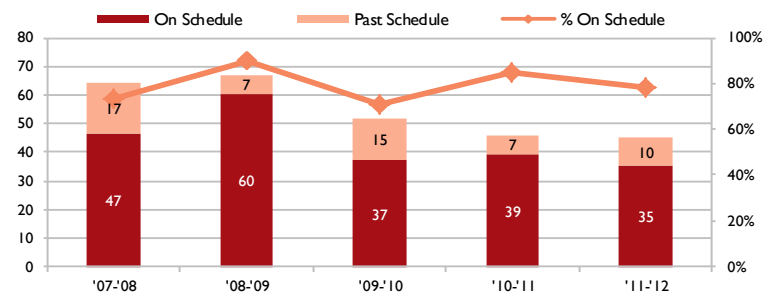


Paul Moore Park Youth & Tot Lot Renovation

**"On Budget" Construction Projects - Completed within Baseline Budget**



**Projects Completed "On Schedule" (available for intended use)**



## PUBLIC WORKS

### PUBLIC WORKS—DEVELOPMENT SERVICES

The Development Services division of Public Works coordinates with private developers and utility companies to ensure that private projects comply with City standards to provide safe and reliable public infrastructure.

The division manages two fee-based cost-recovery programs: the Development Fee Program (for private developers) and the Utility Fee Program (for utility companies). In 2011-12, the development program totaled \$4.7 million in revenue and \$2.9 in expenses; the utility program totaled \$2.3 million in revenue and \$1.9 million in expenses. In 2011-12, the division approved 329 development permits and 2,474 utility permits; the number of combined permits continues to grow, nearing peak 2007-08 levels. The department sets a target to turn around 85 percent of planning and public improvement permits within designated timelines; due to increased activity and reduced staffing, only 76 percent of planning and 74 percent of public improvement permits met their timelines. Program activity is expected to increase as the division is in charge of permitting the BART project.

Private development projects add public infrastructure (streets, street lights, traffic lights, water, sewer, etc.) to the City's asset base. Projects permitted in 2011-12 are expected to add \$23.8 million in public infrastructure upon completion. Projects completed in 2011-12 added \$6.6 million in value to the city's asset base. (See table for examples.)

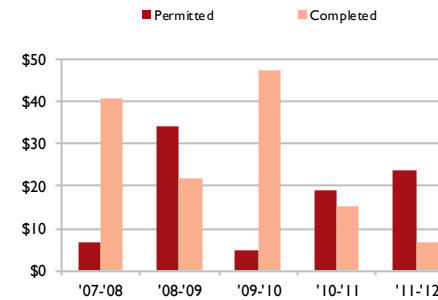
The **Development Services partners in the Permit Center** are:

- Planning, Building & Code Enforcement Department (see *PBCE* section)
- Fire Department (see *Fire* section)
- Public Works Department

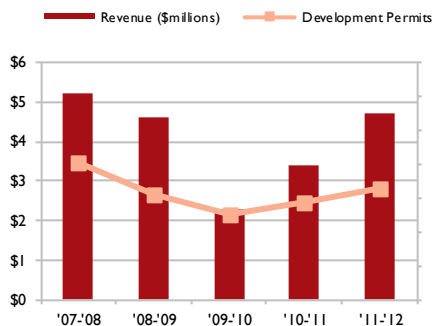
### Major Projects & their Public Improvement Values, 2011-12

| Permitted  |           | Completed  |           |
|--|-----------|--|-----------|
| N. San José EPIC Development (280 multi family apts)                           | \$4.7 mil | E. San José Belovida Senior Housing Dev (185 affordable units) | \$831,000 |
| Evergreen-Mirassou Dev. (107 multi/single family homes + 10,000 sf commercial) | \$3.5 mil | Lowe's on Coleman/Newhall                                      | \$632,400 |
| Evergreen Cadwallader Dev. (41 single family homes)                            | \$2.8 mil | S. San José Almaden Walk Dev (56 condos)                       | \$462,200 |
| Westbury Development (86 single family homes)                                  | \$2.4 mil | Whole Foods on Blossom Hill                                    | \$461,400 |

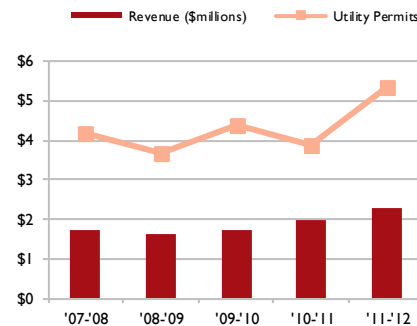
Value of Public Improvements (\$millions)



### Development Revenues and Permits

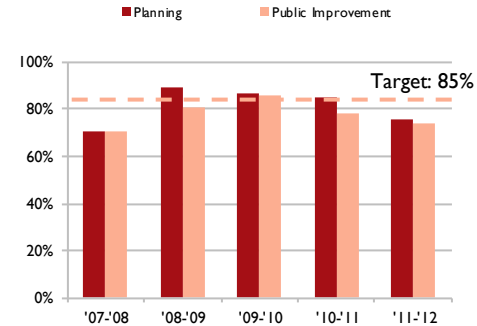


### Utility Revenues and Permits\*



\*Minor permits are excluded.

### Permitting Timeliness Target



### Examples of Permitting Timelines\*

|                    |              |
|--------------------|--------------|
| Planning           | 20 days      |
| Public Improvement | 20/30 days** |
| Private Street     | 30 days      |
| Lateral            | 5 days       |
| Grading            | 20 days      |

\* Working days  
\*\* Depends on scope

**FLEET & EQUIPMENT SERVICES**

The Department manages procurement and maintenance to provide a safe and reliable fleet of 2,506 City vehicles and equipment. The department completed 22,766 repairs and preventive work orders in 2011-12. Emergency vehicles were available for use when needed 100 percent of the time in 2011-12; similarly, the City's general fleet was available when needed 97 percent of the time.

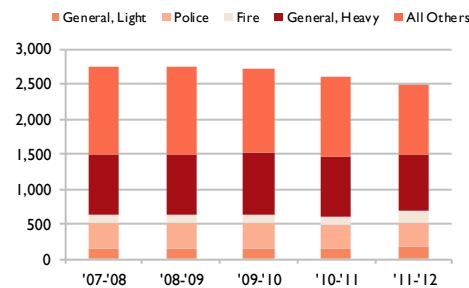
The City's Green Vision plan set a goal that all City vehicles and equipment run on alternative fuels by 2022-23. The percentage of City vehicles and equipment that ran on alternative fuels, including compressed natural gas, propane, electricity, and B20 biodiesel was the same as 2010-11, 42 percent.

As of March 2012, the department estimated a vehicle and equipment deferred maintenance backlog of \$6.2 million in one-time costs, an increase from last year's \$3.9 million.

**KEY FACTS (2011-12)**

|  |              |
|--|--------------|
| Operating Expenditures                       | \$16,160,867 |
| Total number of vehicles & equipment         | 2,506        |
| Completed repairs and preventive work orders | 22,766       |
| % of fleet running on alternative fuel       | 42%          |

**City Vehicles & Equipment**



| Equipment Class                    | Cost/Mile/ Hour |
|------------------------------------|-----------------|
| Police                             | \$0.36          |
| Fire                               | \$1.62          |
| General, Light (sedans, vans)      | \$0.23          |
| General, Heavy (tractors, loaders) | \$1.53          |

**FACILITIES MANAGEMENT**

The department provides maintenance to a total of 2.5 million square feet in 387 City facilities, including City Hall (over 500,000 square feet, including the Tower, Rotunda, and Council Wing). Services include maintenance, improvements, special event support, and property management. The department completed 13,231 work orders in 2011-12.

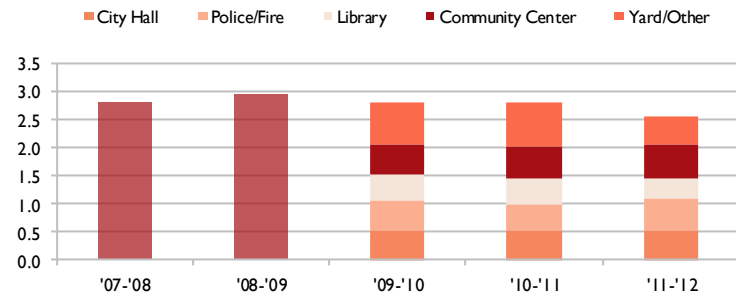
In 2011-12, 100 percent of health and safety concerns were mitigated within 24 hours (total concerns: 243). For non-health and safety-related work, 77 percent of work was completed within time targets in 2011-12 (or 5,679 out of 7,381); this was a 4 percent decrease from 2010-11.

As of March 2012, the department estimated a facilities maintenance backlog for City-owned and operated facilities of over \$108.6 million in one-time costs, as well as \$4.6 million in annual unfunded costs. In addition, the department estimated a one-time maintenance backlog for City facilities operated by others, including the Convention Center and other cultural facilities, at \$48.1 million in one-time costs.

**KEY FACTS (2011-12)**

|   |              |
|---|--------------|
| Operating Expenditures                    | \$14,208,492 |
| Total number of City-managed facilities   | 387          |
| Square footage maintained                 | 2.5 mil      |
| Health/Safety concerns mitigated in 24hrs | 100%         |

**Facilities Managed, by Millions of Square Feet**



## PUBLIC WORKS

### ANIMAL CARE SERVICES

The City provides animal licensing programs, patrol services, adoption/rescue programs, spay/neuter programs, and medical services for homeless animals through its Animal Care Center (Center). The Center serves San José, Cupertino, Los Gatos, Milpitas, and Saratoga.

As of June 30, 2012, there were 67,167 licensed animals in the Center's service area, a 16 percent increase from the previous year. Of licensed animals, 73.5 percent were dogs and 26.5 percent were cats. The increase in licenses is attributable to ongoing efforts to improve license compliance, including low-cost clinics, outreach, license amnesty, and collection of vaccination information from veterinarians. The Center continues to provide low-cost spay/neuter surgeries to the public, which increased this year by 6 percent to 6,360.

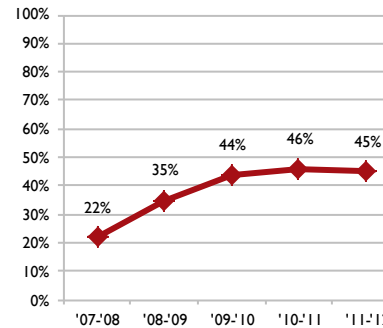
In 2011-12, there were 17,453 incoming animals into the Center. Among incoming dogs, 71 percent were adopted, rescued, returned to their owner, or transferred compared to 66 percent of incoming cats. The Center's overall live release rate (i.e. percentage of all animals leaving the Center alive) was 71 percent, another record high. This year, Maddie's Fund granted the Center \$370,000 for their continued performance in saving all adoptable and healthy animals.

In 2011-12, animal service officers responded to 22,854 service calls, about the same as the previous year. For emergency calls, such as dangerous situations or critically injured or sick animals, the time target is to respond to calls within one hour. In 2011-12, the Center met this target 94 percent of the time, a 3 percent increase from 2010-11.

### KEY FACTS (2011-12)

|                                 |                       |
|---------------------------------|-----------------------|
| Operating Expenditures          | \$6,768,694           |
| Location of Animal Care Center  | 2750 Monterey Highway |
| Licensing Costs (dog / cat)     | \$20 / \$10           |
| Animal licenses in service area | 67,167                |
| Incoming animals to Center      | 17,453                |
| Live Release Rate               | 71%                   |
| Calls for service completed     | 22,854                |
| Spay/neuter surgeries           | 6,360                 |

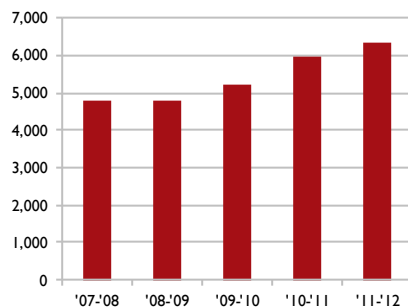
### Cost Recovery



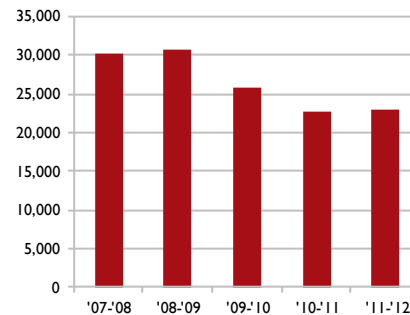
### NATIONAL CITIZEN SURVEY™

**44%** of residents surveyed rated San José's animal control services as "excellent" or "good".

### Low-Cost Spay/Neuter Surgeries

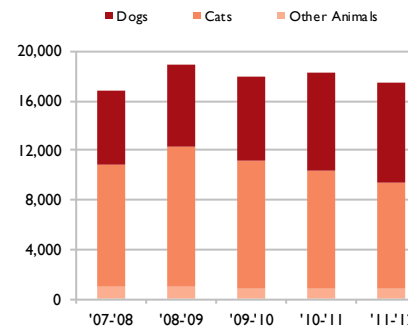


### Calls for Service\*

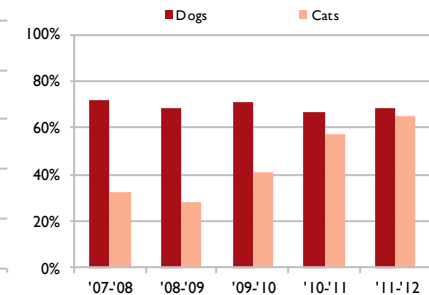


\* Five major categories of calls (dead animal removal, humane investigations, stray animals, confined stray animals, and animal bite investigations) accounted for nearly two-thirds of all calls.

### Incoming Shelter Animals



### Percent Adopted, Rescued, Returned to Owner, or Transferred



## **RETIREMENT SERVICES**

The mission of the Retirement Services Department is to provide quality services in the delivery of pension and related benefits and maintain financially sound pension plans.

## RETIREMENT SERVICES

The Retirement Services Department administers two pension plans (the Federated City Employees' Retirement System and the Police and Fire Department Retirement Plan) and retirement benefit programs for City employees. In 2011-12, Department operating expenditures totaled \$3.8 million\* and staff included 34 authorized positions (up from \$3.1 million and 28 positions five years ago).

In 2011-12, the City contributed \$255 million and employees about \$56 million to the retirement funds for pension and retiree health and dental benefits. The City's contributions were more than triple what they were ten years ago; for employees, the contributions were more than one and a half times greater. Contributions actually went down for employees overall from 2010-11. This was partially because in the prior year some employee bargaining groups picked up a portion of the City's payments as part of negotiations surrounding efforts to balance that year's operating budget. For 2012-13, the City's contributions were projected to decrease slightly to \$250.1 million.

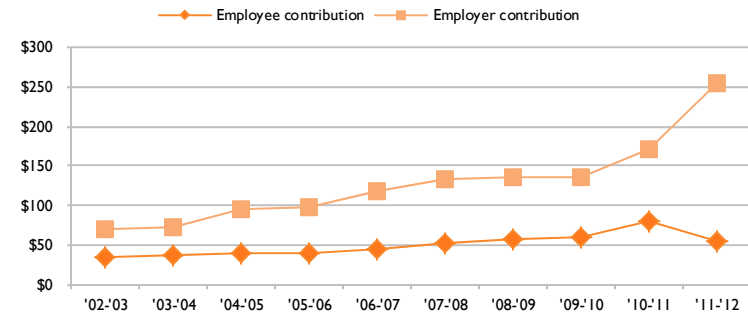
In June 2012, San José voters approved a comprehensive pension reform measure (Measure B) that established parameters for a new pension benefit structure for new City employees ("Tier 2"), established higher employee retirement contributions for current City employees who choose to stay in the existing plan ("Tier 1"), and provided current City employees the choice to opt in to a lower cost retirement plan with a reduced benefit structure from the existing plan. Measure B is in the process of being implemented (pending the outcome of legal challenges).

\* In addition, Retirement Services spent \$138,000 of Citywide expenses.

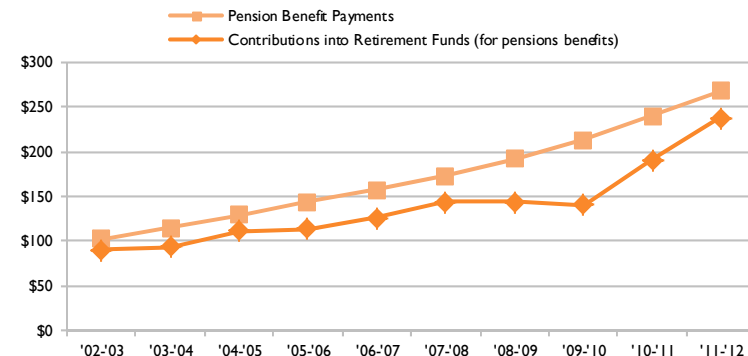
### KEY FACTS (2011-12)

|   |         |
|---|---------|
| Pension plan net assets (\$billions):                             |         |
| Federated City Employees' Retirement System                       | \$1.8   |
| Police and Fire Department Retirement Plan                        | \$2.6   |
| Total   | \$4.4   |
| Total retirees and beneficiaries:                                 |         |
| Federated City Employees' Retirement System                       | 3,688   |
| Police and Fire Department Retirement Plan                        | 1,910   |
| Total   | 5,598   |
| Pension and retiree health and dental contributions (\$millions): |         |
| City  | \$255.1 |
| Employees   | \$56.4  |

**Total Annual Contributions for Pension and Retiree Health and Dental Benefits (\$millions)**

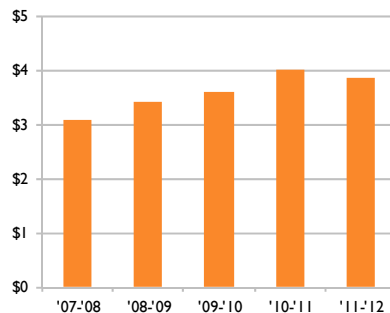


**Pension Benefit Payments and Contributions (\$millions)**

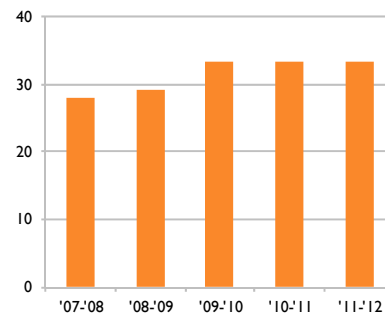


Sources for above charts: Police and Fire Department Retirement Plan and Federated City Employees' Retirement System Comprehensive Financial Reports

**Retirement Services Operating Expenditures (\$millions)**



**Retirement Services Authorized Positions**





## RETIREMENT SERVICES

As of June 30, 2012, there were 5,598 beneficiaries of the plans, nearly 60 percent more than ten years ago. Over that same period, the number of active members (i.e., current employees contributing to the plans) has decreased by about a quarter. The ratio of active members to beneficiaries has declined from nearly 2:1 to less than 1:1 over that time. Thirty years ago the ratio was 5:1.

During 2011-12, both plans had negative rates of return on plan assets. Federated's gross rate of return was negative 2.4 percent and Police and Fire's return was negative 0.2 percent. By comparison, the California Public Employees' Retirement System (CalPERS) earned a 1 percent return. Over the past ten years, the Federated and Police and Fire annualized gross returns have been 6.4 and 6.6 percent respectively (CalPERS earned 6.1 percent over the same period).

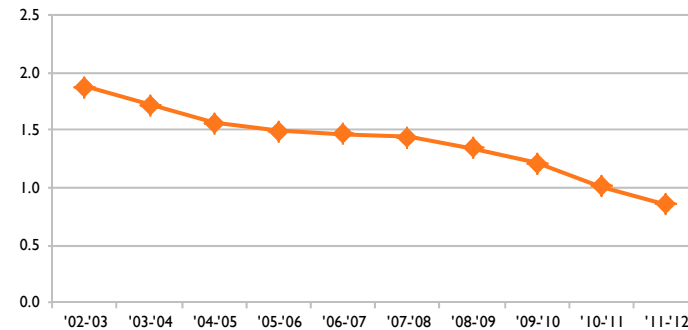
Because of the negative returns, as well as the fact that payments out of the plans were greater than contributions into the plans (see chart on previous page), total plan assets declined from \$4.6 billion to \$4.4 billion over the last fiscal year.

As of June 30, 2011, both of the City's retirement plans had funded ratios below 100 percent (i.e., pension liabilities were greater than plan assets). This was because of the large investment losses suffered by both plans during the recent economic downturn, past retroactive benefit enhancements, and actuarial assumptions not holding true.\* The funded ratios are expected to remain below 100 percent for the near future because of the size of the past investment losses as well as the other factors noted above. Because of the actuarial method of smoothing market gains and losses over five years, past losses have not been fully recognized for actuarial purposes.

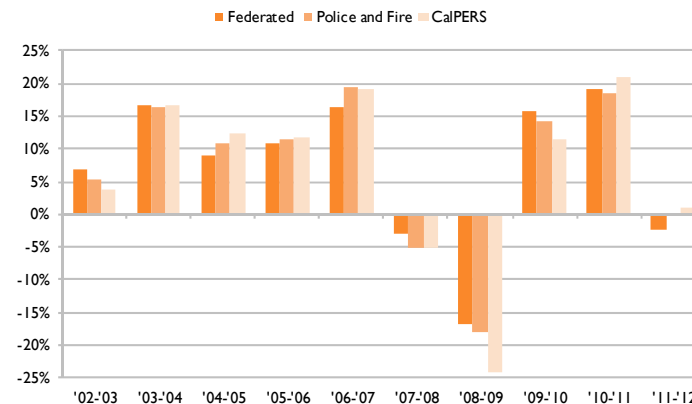
\* Actuarial assumptions represent expectations about future events such as investment returns, member mortality and retirement rates, salary increases, and others. Actuaries use those assumptions to calculate pension liabilities and contribution rates. When assumptions do not hold true, or if they need to be adjusted, estimated pension liabilities can change.

Sources for all charts: Police and Fire Department Retirement Plan and Federated City Employees' Retirement System Comprehensive Financial Reports; CalPERS Quarterly Performance Report, Quarter Ending June 30, 2012

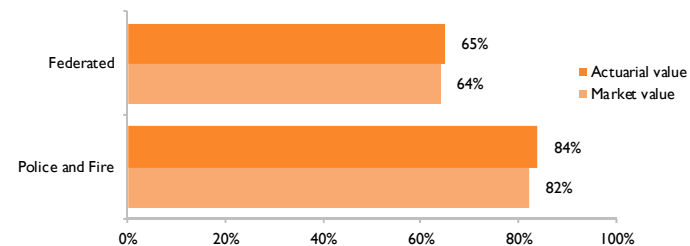
Ratio of Active Members to Retirees and Beneficiaries



Rate of Return on Plan Assets



Retirement Plan Funded Status, June 30, 2011



Funded ratios represent the percentage of plan assets to plan liabilities. (i.e., a funded ratio below 100% means there are more liabilities than assets). The funded ratio using the actuarial value of assets differs from that calculated using the market value because, for actuarial purposes, market gains and losses are recognized over a period of five years to minimize the effect of market volatility on contribution rates.



## SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

The Mission of the former Redevelopment Agency *was* to promote and collaborate for the sound development and redevelopment of blighted areas by revitalizing the physical, economic, and social conditions to support the general welfare and enhance the quality of life in the community

## SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

The former San José Redevelopment Agency (RDA) was a public, government organization created in 1956 by the City Council. It was a separate legal entity from the City which had the goal of revitalizing blighted project areas in the City.

The Agency issued bonds to finance projects in Redevelopment Areas. Most of the Agency's funding came from tax increments. In addition to debt service and other redevelopment activities, 20 percent of tax increment revenues was dedicated to low- or moderate-income housing.

Tax increment financing was a method of paying for redevelopment projects by issuing bonds based on anticipated future gains in tax revenue in identified redevelopment areas. Increases in property tax revenues then became tax increments, which were (and will continue to be) used to make bond payments for redevelopment projects.

Upon the elimination of the RDA, effective January 31, 2012, the Successor Agency to the Redevelopment Agency of the City of San Jose (SARA) took responsibility for the dissolution process and wind down of the former RDA. Upon creation on February 1, 2012, the SARA recorded the receipt of the former RDA's:

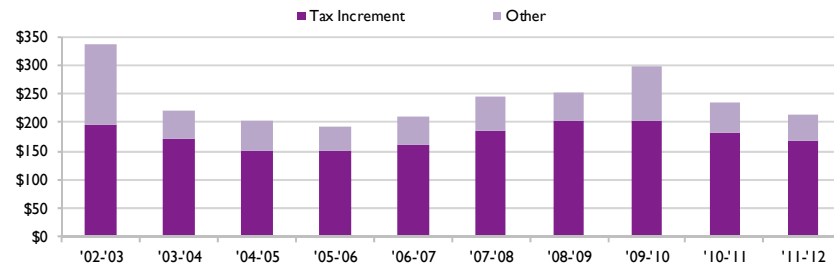
- Assets: \$376.3 million
- Liabilities: \$2.48 billion
- Unencumbered cash of the City's Housing Activities Fund: \$6.9 million

Certain loans made between the City and the RDA totaling \$35.3 million were invalidated. The SARA's debt obligations totaled approximately \$2.38 billion as of June 30, 2012.

### Elimination of the RDA

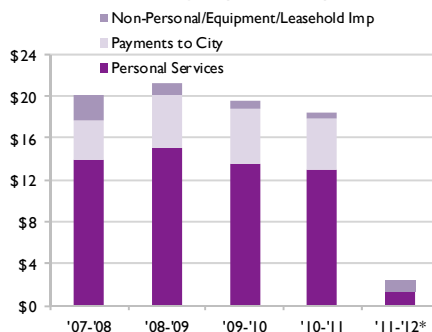
Pursuant to State Assembly Bill XI 26 and subsequent California Supreme Court decision, Redevelopment Agencies were dissolved effective February 1, 2012. State Assembly Bill AB 1484 provided that all assets, properties, contracts, leases, books, records, buildings and equipment be transferred from the RDA to the Successor Agency to the Redevelopment Agency of the City of San José (SARA).

10-Year Redevelopment Agency Revenues (\$millions)

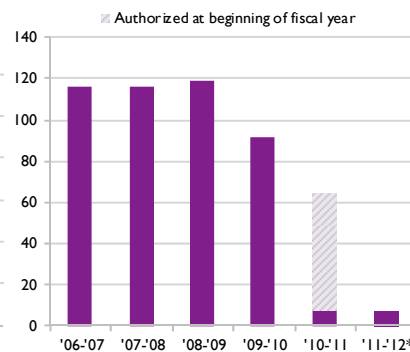


\* Operating budget figures capture operations but do not capture all the expenditures for delivering services. Between July 1, 2011 and January 31, 2012, the RDA also had oversight over approximately \$122 million in additional expenditures.

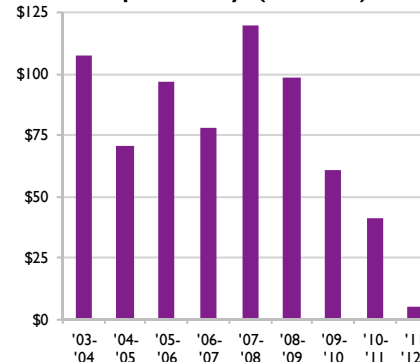
RDA and SARA Operating Budget (\$millions)



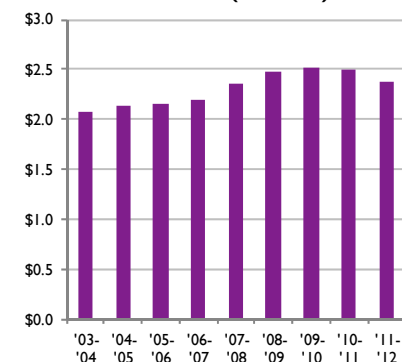
RDA and SARA Authorized



Capital Outlays (\$millions)



Total Debt (\$billions)



\* RDA and SARA operating budget and authorized positions for FY 2011-12 come from details in the RDA and SARA CAFR's for that year, not from the City's Budget Office, like the data from previous years. SARA staff are also captured in the City Manager's budget for 2011-12.

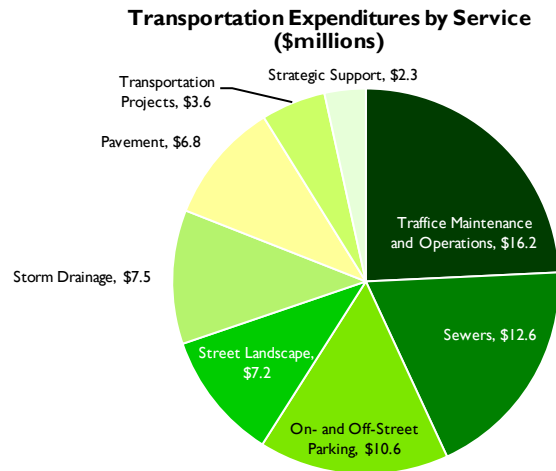
114 \*\* Capital Outlays for FY 2011-12 all occurred before the dissolution of the RDA on February 1, 2012.

## TRANSPORTATION

The mission of the Transportation Department is to plan, develop, operate, and maintain transportation facilities, services, and related systems which contribute to the livability and economic health of the City.

## TRANSPORTATION DEPARTMENT

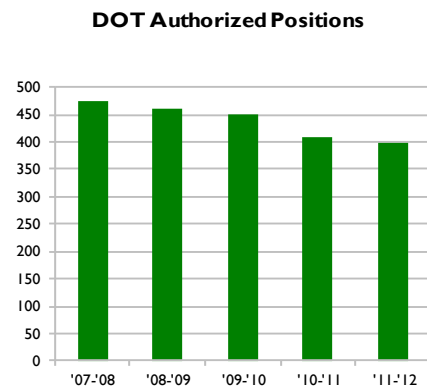
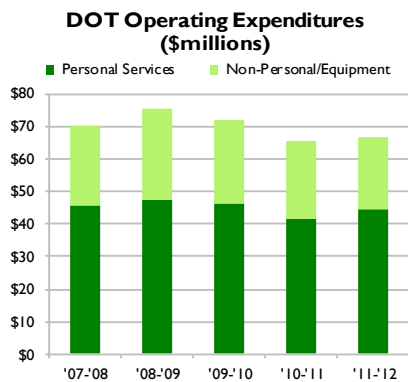
In 2011-12, the Department of Transportation's (DOT) operating expenditures totaled nearly \$67 million\*, about 2 percent more than in 2010-11. DOT had 397 authorized positions, 16 percent fewer than five years ago.



### KEY FACTS (2011-12)

|   |                     |
|---|---------------------|
| Streets                                     | approx. 2,410 miles |
| Traffic Signal Intersections                | 917                 |
| Streetlights                                | 62,743              |
| - LED Streetlights                          | 1,000 (estimate)    |
| On-Street Bicycle Lanes                     | 215 miles           |
| Landscape Abutments in Public Right-of-Ways | 552 acres           |
| - Maintained by Special Districts           | 323 acres           |
| Street Trees                                | approx. 243,000     |
| Streets Resealed and Resurfaced             | 129 and 7 miles     |
| Parking Lots and Garages                    | 18                  |
| - Total Spaces                              | 7,900               |
| Parking Meters                              | 2,587               |
| Sanitary Sewers                             | 2,278 miles         |

\* DOT was also responsible for approximately \$5.4 million of Citywide expenditures in 2011-12, including about \$3.4 million in parking citation processing and fees, and \$774,000 in sidewalk repairs. DOT also had authority over approximately \$108 million in special funding and capital improvement programs for parking and traffic.



### THE NATIONAL CITIZEN SURVEY™

% of San José residents who found the following "excellent" or "good"

|                                    |            |
|------------------------------------|------------|
| Ease of walking in San José        | <b>53%</b> |
| Ease of car travel in San José     | <b>50%</b> |
| Ease of rail travel in San José    | <b>41%</b> |
| Ease of bicycle travel in San José | <b>40%</b> |
| Ease of bus travel in San José     | <b>40%</b> |

**STREETS**

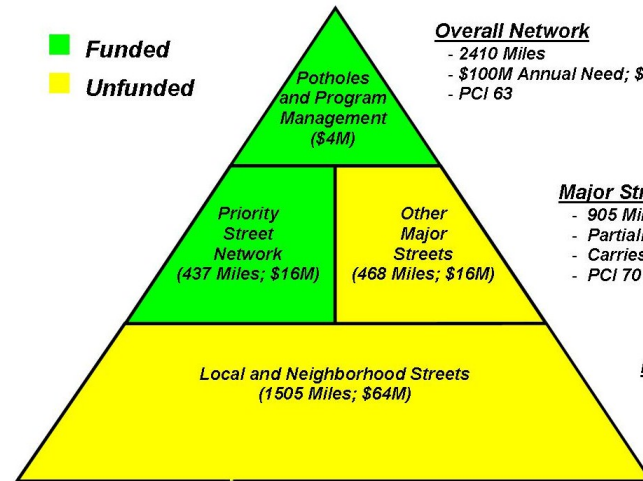
The Transportation Department is responsible for the maintenance and repair of about 2,410 miles of City street pavement. For many years, pavement maintenance has been under-funded, now short by an estimated \$80 million annually.

In calendar year 2011, San José had a Pavement Condition Index (PCI) rating of 64 (out of a possible 100), which is considered “fair” according to the statewide index. San José’s PCI ranked in the bottom third of 109 Bay Area jurisdictions. Just 15 percent of residents surveyed in September 2012 reported that they felt streets were in “excellent” or “good” condition.

As the pavement condition has been deteriorating due to lack of funds, the need for corrective maintenance, such as pothole repairs, continues to grow. Over the last five years, the number of potholes repaired has risen 150 percent from 6,275 in 2007-08 to 15,734 in 2011-12.

**Pavement Preservation Funding**

- **Funded**
- **Unfunded**



**Overall Network**

- 2410 Miles
- \$100M Annual Need; \$20M Funded
- PCI 63

**Major Streets**

- 905 Miles
- Partially Funded
- Carries 87% of Traffic
- PCI 70

**Local Streets**

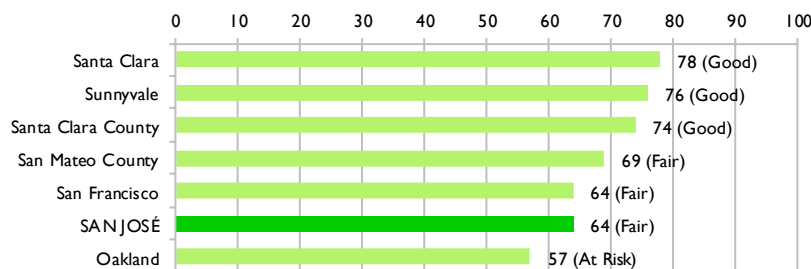
- Unfunded
- PCI 58

Source: Department of Transportation

**THE NATIONAL CITIZEN SURVEY™**

**15%** of San José residents rated street repair as “excellent” or “good”

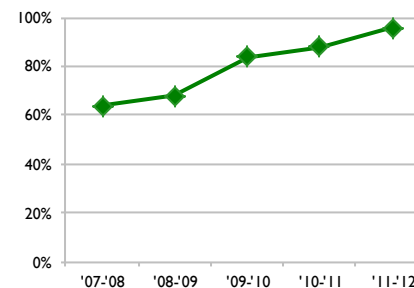
**2011 Pavement Condition Index Selected Bay Area Comparisons\***



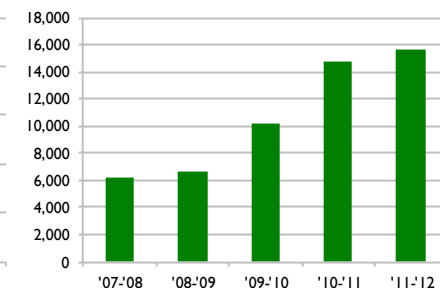
\* 3-year moving average  
Source: Metropolitan Transportation Commission

**Percent of Corrective Pavement Repairs Completed**

Priority within 2 days; non-priority within 30 days



**Number of Potholes Filled**



# TRANSPORTATION DEPARTMENT

## TRAFFIC MAINTENANCE

The Department is responsible for maintaining the City’s traffic signals, traffic signs, roadway markings, and streetlights. In 2011-12, DOT made 1,775 repairs to traffic signals. DOT responded to signal malfunctions within 30 minutes 61 percent of the time, up by 5 percentage points since last year.

DOT’s response to traffic and street name sign service requests fell within established priority guidelines 94 percent of the time in 2011-12. 12,149 signs were preventatively maintained, up 28 percent from five years ago.

Roadway marking services were completed within established priority guidelines 94 percent of the time in 2011-12. 60 percent of roadway markings met visibility and operational guidelines. This is an improvement to last year’s 48 percent, but down from 80 percent five years ago, when the City had identified roadway marking visibility as a priority and earmarked one-time funding for markings.

97 percent of San José’s 62,743 streetlights were operational. 55 percent of malfunctions were repaired within established guidelines, compared to 85 percent five years ago.

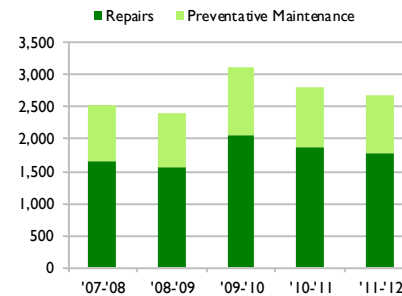
### THE NATIONAL CITIZEN SURVEY™

**37%** of San José residents rated traffic signal timing as “excellent” or “good”

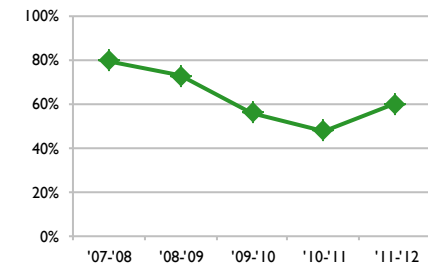
**35%** of San José residents rated street lighting as “excellent” or “good”

**26%** of San José residents rated the traffic flow on major streets as “excellent” or “good”

**Number of Traffic Signal Maintenance Activities**



**Percent of Roadway Markings Meeting Visibility and Operational Guidelines**



#### Traffic Signals

**917** traffic signal intersections in San José

**1,775** repairs and **904** preventative maintenance activities completed

**61%** of malfunctions responded to within 30 minutes

#### Traffic and Street Name Signs

**108,902** traffic control and street name signs in San José

**1,581** repairs and **12,149** preventative maintenance activities completed

**94%** service requests completed within established guidelines

#### Roadway Markings

**5,401,145** square feet of roadway markings

**422** maintenance requests completed

**94%** of service requests completed within prioritized operational guidelines

**60%** of markings met visibility and operational guidelines

#### Streetlights

**62,743** streetlights in San José - **1,000** LED streetlights (estimate)

**10,975** repairs completed

**55%** of malfunctions repaired within 7 days

**97%** of streetlights in operational condition



**TRANSPORTATION OPERATIONS**

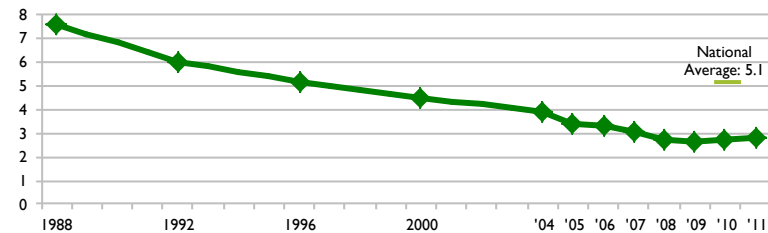
Transportation Operations focuses on safe and efficient operations through various traffic calming and safety programs.

San José's ratio of injury crashes per 1,000 residents rose slightly to 2.8 in calendar year 2011, but compares favorably to the national average of 5.1 per 1,000 residents.

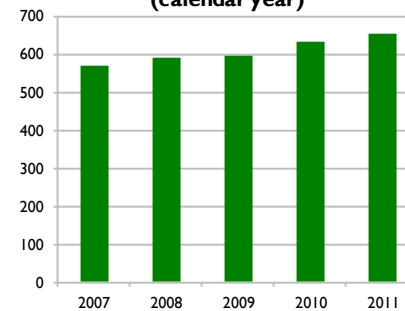
San José currently supports 270 miles of existing bikeways: As of 2011-12, DOT provided 215 miles of on-street bicycle lanes and routes, while Parks provided 55 miles of trails and paths.

In 2011-12, DOT finished re-timing 600 traffic signals along major commute corridors to help reduce travel time and vehicle emissions. This effort began in 2008 when the City received a \$15 million grant from the state for the Traffic Light Synchronization Project (TLSP).

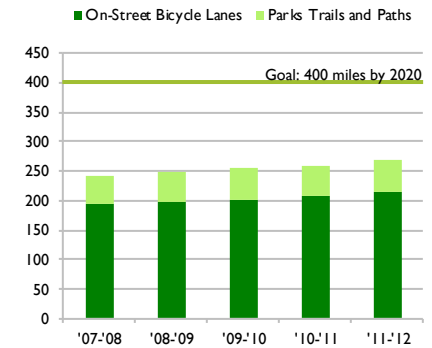
**San José Injury Crash Rate  
(Per 1,000 Residents)**



**Pedestrian and Bicycle Injury Accidents  
(calendar year)**



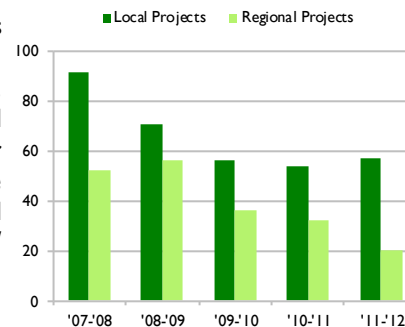
**Miles of Bicycle Lanes and Trails**



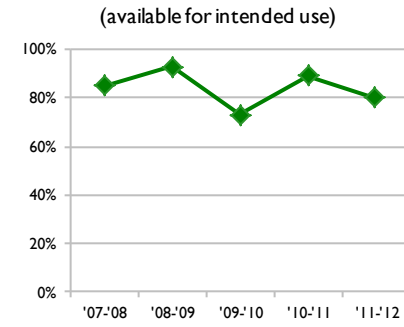
**TRANSPORTATION PLANNING & PROJECT DELIVERY**

Transportation Planning supports the development of San José's transportation infrastructure. This includes coordinating transportation and land use planning studies, managing the Capital Improvement Program (CIP), and working with regional transportation agencies such as VTA, BART, and Caltrans. In 2011-12, 80 percent of projects were completed on schedule or within two months of the baseline schedule. Local projects include the Autumn Street Extension, The Alameda—A Plan for the Beautiful Way, and Montague Expressway Improvements. Regional projects include Route 101/Tully, Route 280/880/Stevens Creek, and the BART extension to San José.

**Transportation Projects in Process**



**Transportation Projects Delivered On Schedule  
(available for intended use)**



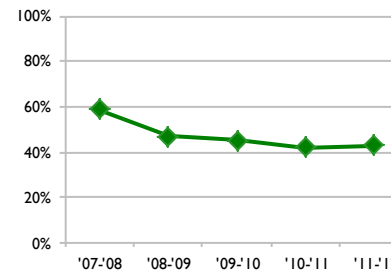
## TRANSPORTATION DEPARTMENT

### STREET LANDSCAPE MAINTENANCE

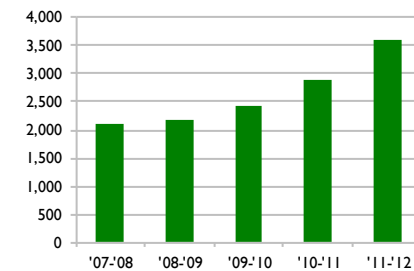
The Department maintains median islands, undeveloped rights-of-ways, street trees, and ensures the repair of sidewalks. Many of these services have been eliminated or reduced due to budget constraints; thus service levels and landscape conditions have also declined. In 2011-12, DOT maintenance staff provided basic safety-related and complaint-driven activities to keep an estimated 43 percent of street landscapes in good condition, down 16 percentage points from five years prior.

There are an estimated 243,000 street trees in the City\*. DOT responded to 643 emergencies for street tree maintenance in 2011-12, more than twice as many as in the previous year. According to DOT, emergency street tree repairs are largely a result of stormy weather and extremely hot or windy days. The City also completed 3,606 sidewalk repairs in 2011-12, 71 percent more than five years ago.

Percent of Street Landscapes in Good Condition



Sidewalk Repairs Completed



#### THE NATIONAL CITIZEN SURVEY™

% of San José residents who found the following "excellent" or "good"

|                          |     |
|--------------------------|-----|
| Amount of public parking | 36% |
| Street cleaning          | 32% |
| Street tree maintenance  | 32% |
| Sidewalk maintenance     | 30% |

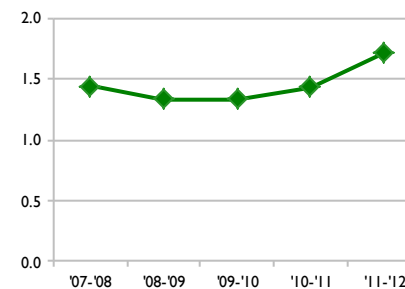
### ON- AND OFF-STREET PARKING

Parking Services is responsible for managing on-street and off-street parking, implementing parking policies and regulations, and supporting street sweeping, construction, and maintenance activities. Monthly parking in 2011-12 reached approximately 77,000 customers in City facilities, up 11 percent compared to five years ago. About 1.36 million downtown customers used City parking facilities in 2011-12.

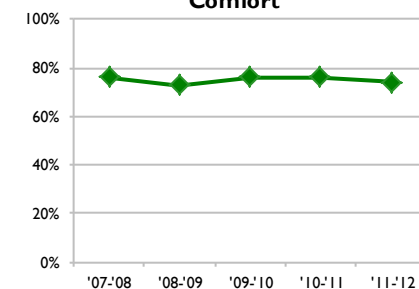
The Department issued about 238,000 parking citations in 2011-12, about six percent fewer than in the prior year. 6.4 percent of vehicles identified as potentially abandoned in 2011-12 were found to be actually abandoned and were subsequently towed.

\* Property owners are typically responsible for maintaining street trees and repairing adjacent sidewalks. The City maintains trees that are located within the arterial medians and roadside landscaped areas designated for the City.

Parking Services Revenue to Cost Ratio



Customers Rating Parking Services Good or Better Based on Satisfaction, Appearance, and Comfort



Source: Department of Transportation

**SANITARY SEWERS**

The Department maintains and operates 2,278 miles of sanitary sewer pipes, 19 sanitary sewer pump stations, and 48,000 manholes. DOT personnel are responsible for maintaining uninterrupted sewer flow to the San José Water Pollution Control Plant\* with minimum overflow spills and for preventing significant impact on public health and property. DOT responded to 192 overflows in 2011-12. City crews removed 539 blockages and cleaned 621 miles of sewer mains.

\* The Water Pollution Control Plant is operated by the Environmental Services Department (for more information see the ESD chapter).

**KEY FACTS (2011-12)**

|   |              |
|---|--------------|
| Sanitary Sewers   | 2,278 miles  |
| Combo Cleaning Trucks   | 16           |
| Storm Sewers  | 1,250 miles  |
| Storm Water Pump Stations                                     | 27           |
| Residential Curb Sweeping<br>(by the City and by Contractors) | 60,751 miles |

**STORM DRAINAGE**

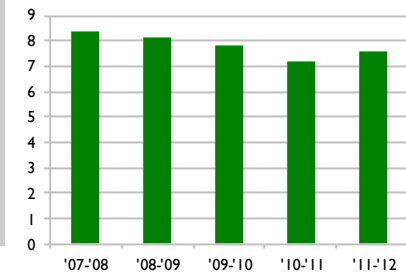
The City cleans the storm sewer system and ensures proper flow into the regional water tributary system and the southern San Francisco Bay. Proactive cleaning of storm inlets prevents harmful pollutants and debris from entering the Bay and reduces the number of blockages during storms. DOT maintains approximately 29,000 storm inlets. In 2011-12, 330 storm drain inlet stoppages were identified and cleared. DOT also maintains 27 storm water pump stations and cleans the wet-wells during dry season.

**THE NATIONAL CITIZEN SURVEY™**

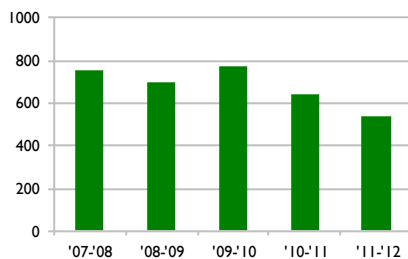
**59%** of San José residents rated sewer services as “excellent” or “good”

**54%** of San José residents rated storm drainage services as “excellent” or “good”

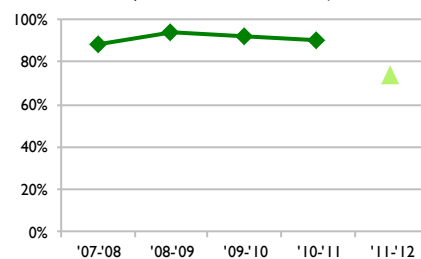
**Tons of Sweeping Debris Collected (thousands)**



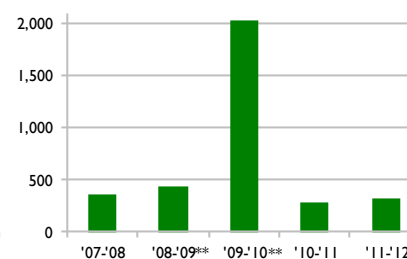
**Sanitary Sewer Main Line Stoppages Cleared**



**Percentage of Sanitary Sewer Blockages Cleared Within 4 Hours**  
(Starting in '11-'12: Percent of Overflows Responded to Within 30 Minutes)

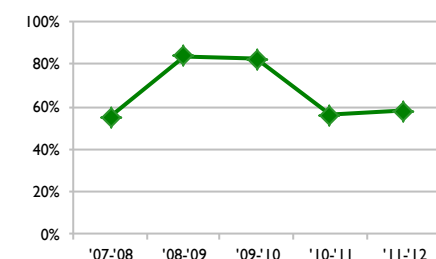


**Storm Drain Inlet Stoppages Identified and Cleared**



\*\* 2008-09 estimated. 2009-10 was an above-normal storm year.

**Percentage of High Priority Storm Sewer Requests Addressed Within 4 Hours**





## **APPENDIX A: THE NATIONAL CITIZEN SURVEY™**



# CITY OF SAN JOSÉ, CA 2012



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The National Citizen Survey™ by National Research Center, Inc.

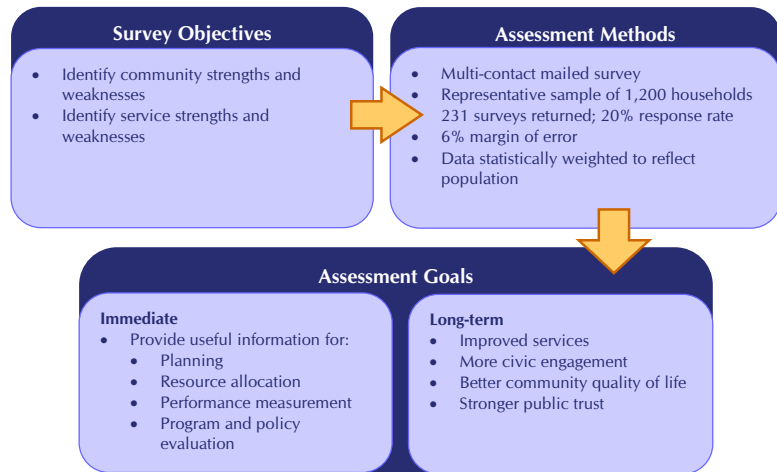
The National Citizen Survey™

**SURVEY BACKGROUND**

**ABOUT THE NATIONAL CITIZEN SURVEY™**

The National Citizen Survey™ (The NCS) is a collaborative effort between National Research Center, Inc. (NRC) and the International City/County Management Association (ICMA). The NCS was developed by NRC to provide a statistically valid survey of resident opinions about community and services provided by local government. The survey results may be used by staff, elected officials and other stakeholders for community planning and resource allocation, program improvement and policy making.

FIGURE 1: THE NATIONAL CITIZEN SURVEY™ METHODS AND GOALS



The NCS focuses on a series of community characteristics and local government services, as well as issues of public trust. Resident behaviors related to civic engagement in the community also were measured in the survey.

FIGURE 2: THE NATIONAL CITIZEN SURVEY™ FOCUS AREAS



The survey and its administration are standardized to assure high quality research methods and directly comparable results across The National Citizen Survey™ jurisdictions. Participating households are selected at random and the household member who responds is selected without bias. Multiple mailings give each household more than one chance to participate with self-addressed and postage-paid envelopes. Results are statistically weighted to reflect the proper demographic composition of the entire community. A total of 231 completed surveys were obtained, providing an overall response rate of 20%. Typically, response rates obtained on citizen surveys range from 25% to 40%.

The National Citizen Survey™ customized for the City of San José was developed in close cooperation with local jurisdiction staff. San José staff selected items from a menu of questions about services and community issues and provided the appropriate letterhead and signatures for mailings. City of San José staff also augmented The National Citizen Survey™ basic service through a variety of options including a Spanish language survey, a Vietnamese language survey and several custom questions.

## UNDERSTANDING THE RESULTS

As shown in Figure 2, this report is based around respondents' opinions about eight larger categories: community quality, community design, public safety, environmental sustainability, recreation and wellness, community inclusiveness, civic engagement and public trust. Each report section begins with residents' ratings of community characteristics and is followed by residents' ratings of service quality. For all evaluative questions, the percent of residents rating the service or community feature as "excellent" or "good" is presented. To see the full set of responses for each question on the survey, please see Appendix A: Complete Survey Frequencies.

### Margin of Error

The margin of error around results for the City of San José Survey (231 completed surveys) is plus or minus six percentage points. This is a measure of the precision of your results; a larger number of completed surveys gives a smaller (more precise) margin of error, while a smaller number of surveys yields a larger margin of error. With your margin of error, you may conclude that when 60% of survey respondents report that a particular service is "excellent" or "good," somewhere between 54-66% of all residents are likely to feel that way.

### Comparing Survey Results

Certain kinds of services tend to be thought better of by residents in many communities across the country. For example, public safety services tend to be received better than transportation services by residents of most American communities. Where possible, the better comparison is not from one service to another in the City of San José, but from City of San José services to services like them provided by other jurisdictions.

### Interpreting Comparisons to Previous Years

This report contains comparisons with prior years' results. In this report, we are comparing this year's data with existing data in the graphs. Differences between years can be considered "statistically significant" if they are greater than nine percentage points. Trend data for your jurisdiction represent important comparison data and should be examined for improvements or declines. Deviations from stable trends over time, especially represent opportunities for understanding how local policies, programs or public information may have affected residents' opinions.

### Benchmark Comparisons

NRC's database of comparative resident opinion is comprised of resident perspectives gathered in citizen surveys from approximately 500 jurisdictions whose residents evaluated local government services and gave their opinion about the quality of community life. The comparison evaluations are from the most recent survey completed in each jurisdiction; most communities conduct surveys every year or in alternating years. NRC adds the latest results quickly upon survey completion, keeping the benchmark data fresh and relevant.

The City of San José chose to have comparisons made to the entire database. A benchmark comparison (the average rating from all the comparison jurisdictions where a similar question was asked) has been provided when a similar question on the City of San José survey was included in NRC's database and there were at least five jurisdictions in which the question was asked. For most questions compared to the entire dataset, there were more than 100 jurisdictions included in the benchmark comparison.

The National Citizen Survey™

Where comparisons for quality ratings were available, the City of San José results were generally noted as being "above" the benchmark, "below" the benchmark or "similar" to the benchmark. For some questions – those related to resident behavior, circumstance or to a local problem – the comparison to the benchmark is designated as "more," "similar" or "less" (for example, the percent of crime victims, residents visiting a park or residents identifying code enforcement as a problem.) In instances where ratings are considerably higher or lower than the benchmark, these ratings have been further demarcated by the attribute of "much," (for example, "much less" or "much above"). These labels come from a statistical comparison of the City of San José's rating to the benchmark.

### "Don't Know" Responses and Rounding

On many of the questions in the survey respondents may answer "don't know." The proportion of respondents giving this reply is shown in the full set of responses included in Appendix A. However, these responses have been removed from the analyses presented in the body of the report. In other words, the tables and graphs display the responses from respondents who had an opinion about a specific item.

For some questions, respondents were permitted to select more than one answer. When the total exceeds 100% in a table for a multiple response question, it is because some respondents did select more than one response. When a table for a question that only permitted a single response does not total to exactly 100%, it is due to the customary practice of percentages being rounded to the nearest whole number.

For more information on understanding The NCS report, please see Appendix B: Survey Methodology.

The National Citizen Survey™



## EXECUTIVE SUMMARY

This report of the City of San José survey provides the opinions of a representative sample of residents about community quality of life, service delivery, civic participation and unique issues of local interest. A periodic sounding of resident opinion offers staff, elected officials and other stakeholders an opportunity to identify challenges and to plan for and evaluate improvements and to sustain services and amenities for long-term success.

Most residents experienced a good quality of life in the City of San José and believed the City was a good place to live. The overall quality of life in the City of San José was rated as “excellent” or “good” by 60% of respondents. Most reported they plan on staying in the City of San José for the next five years.

A variety of characteristics of the community was evaluated by those participating in the study. The three characteristics receiving the most favorable ratings were shopping opportunities, the openness and acceptance of the community towards people of diverse backgrounds and the overall quality of business and service establishments. The three characteristics receiving the least positive ratings were the availability of affordable quality child care, traffic flow on major streets and the availability of affordable quality housing.

Ratings of community characteristics were compared to the benchmark database. Of the 31 characteristics for which comparisons were available, four were above the national benchmark comparison, two were similar to the national benchmark comparison and 25 were below.

Residents in the City of San José were somewhat civically engaged. While only 15% had attended a meeting of local elected public officials or other local public meeting in the previous 12 months, 93% had provided help to a friend or neighbor. Less than half had volunteered their time to some group or activity in the City of San José, which was similar to the benchmark.

In general, survey respondents demonstrated distrust in local government. Less than half rated the overall direction being taken by the City of San José as “good” or “excellent.” This was lower than the benchmark. Those residents who had interacted with an employee of the City of San José in the previous 12 months gave average marks to those employees. The majority rated their overall impression of employees as “excellent” or “good.”

City services rated were able to be compared to the benchmark database. Of the 32 services for which comparisons were available, two were similar to the benchmark comparison and 30 were below.

Respondents were asked to rate how frequently they participated in various activities in San José. The most popular activities included recycling and providing help to a friend or neighbor; while the least popular activities were watching a meeting of local elected officials and attending a meeting of local elected officials. Generally, participation rates in the various activities in the community were similar to other communities.

While most ratings remained stable compared to the 2011 survey, some ratings changed. Ratings for the ease of car travel and for contact with the fire department increased. Ratings also increased for the availability of affordable quality health care, San Jose as a place to raise children, and the availability of affordable quality child care. There were also decreases in ratings for City parks, traffic enforcement, crime prevention, the cleanliness of San José, services to seniors and services to low-income people.

The National Citizen Survey™

## COMMUNITY RATINGS

### OVERALL COMMUNITY QUALITY

Overall quality of community life may be the single best indicator of success in providing the natural ambience, services and amenities that make for an attractive community. The National Citizen Survey™ contained many questions related to quality of community life in the City of San José – not only direct questions about quality of life overall and in neighborhoods, but questions to measure residents’ commitment to the City of San José. Residents were asked whether they planned to move soon or if they would recommend the City of San José to others. Intentions to stay and willingness to make recommendations provide evidence that the City of San José offers services and amenities that work.

Many of the City of San José’s residents gave favorable ratings to their neighborhoods and the community as a place to live. Further, most reported they would recommend the community to others and plan to stay for the next five years.

FIGURE 3: RATINGS OF OVERALL COMMUNITY QUALITY BY YEAR

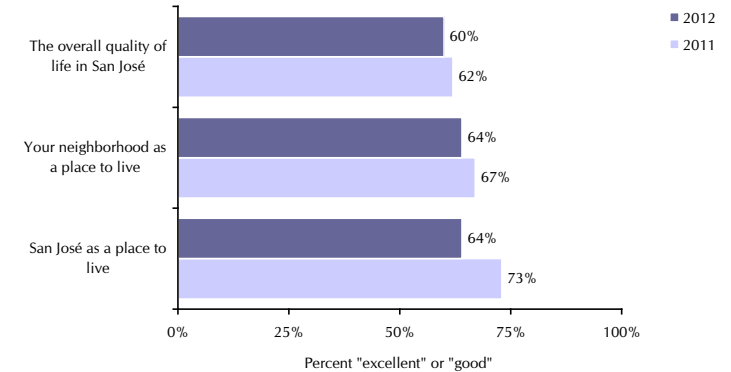
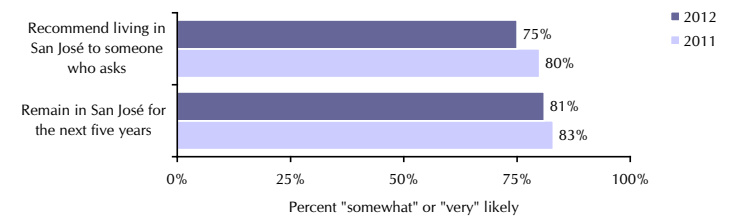


FIGURE 4: LIKELIHOOD OF REMAINING IN COMMUNITY AND RECOMMENDING COMMUNITY



The National Citizen Survey™

FIGURE 5: OVERALL COMMUNITY QUALITY BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| Overall quality of life in San José              | Much below              |
| Your neighborhood as place to live               | Much below              |
| San José as a place to live                      | Much below              |
| Recommend living in San José to someone who asks | Much below              |
| Remain in San José for the next five years       | Below                   |

COMMUNITY DESIGN

Transportation

The ability to move easily throughout a community can greatly affect the quality of life of residents by diminishing time wasted in traffic congestion and by providing opportunities to travel quickly and safely by modes other than the automobile. High quality options for resident mobility not only require local government to remove barriers to flow but they require government programs and policies that create quality opportunities for all modes of travel.

Residents responding to the survey were given a list of seven aspects of mobility to rate on a scale of "excellent," "good," "fair" and "poor." Ease of walking was given the most positive rating, followed by ease of car travel. The ratings for ease of car travel increased from 2011 to 2012.

FIGURE 6: RATINGS OF TRANSPORTATION IN COMMUNITY BY YEAR

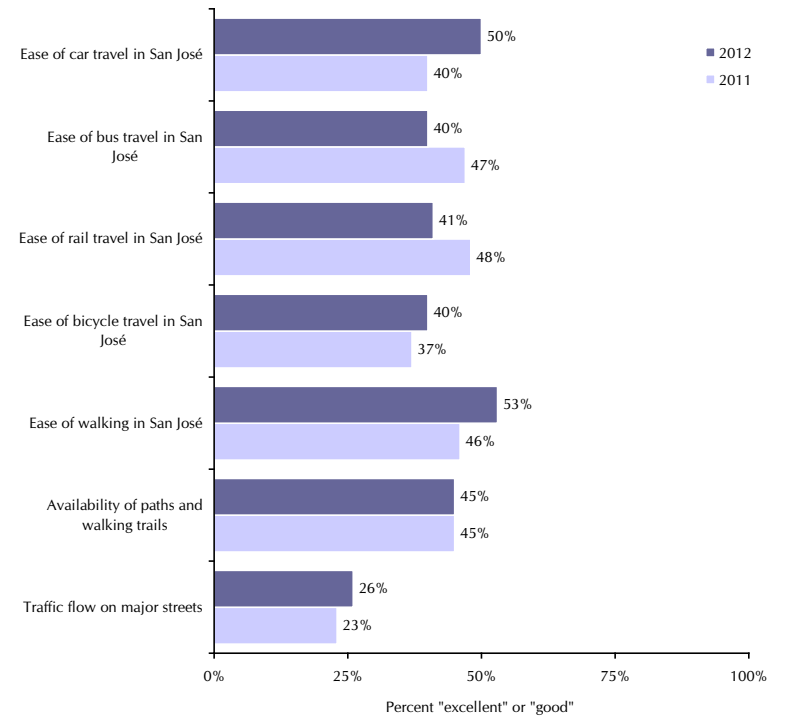


FIGURE 7: COMMUNITY TRANSPORTATION BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| Ease of car travel in San José           | Below                   |
| Ease of bus travel in San José           | Below                   |
| Ease of rail travel in San José          | Below                   |
| Ease of bicycle travel in San José       | Below                   |
| Ease of walking in San José              | Much below              |
| Availability of paths and walking trails | Much below              |
| Traffic flow on major streets            | Much below              |

Seven transportation services were rated in San José. As compared to most communities across America, ratings tended to be negative. All services were below the benchmark. Ratings for street cleaning decreased compared to the 2011 survey.

FIGURE 8: RATINGS OF TRANSPORTATION AND PARKING SERVICES BY YEAR

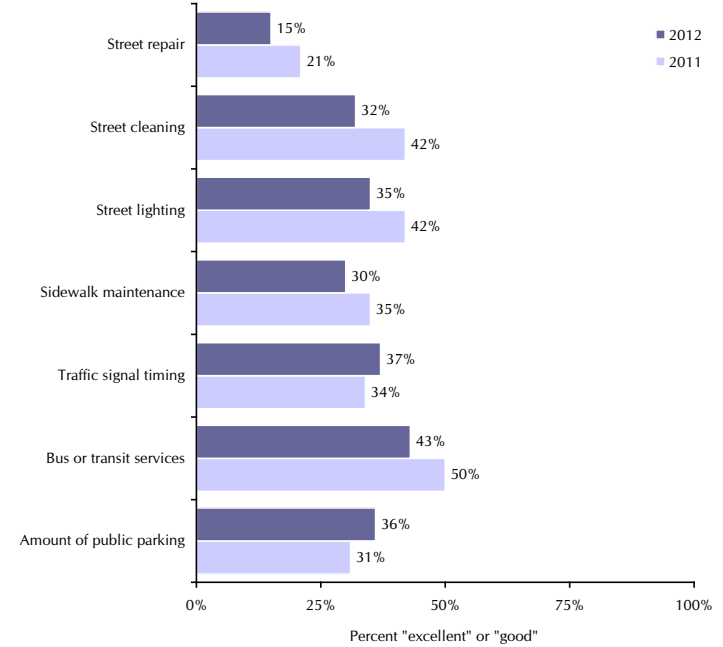


FIGURE 9: TRANSPORTATION AND PARKING SERVICES BENCHMARKS

|                          | Comparison to benchmark |
|--------------------------|-------------------------|
| Street repair            | Much below              |
| Street cleaning          | Much below              |
| Street lighting          | Much below              |
| Sidewalk maintenance     | Much below              |
| Traffic signal timing    | Below                   |
| Bus or transit services  | Below                   |
| Amount of public parking | Below                   |

By measuring choice of travel mode over time, communities can monitor their success in providing attractive alternatives to the traditional mode of travel, the single-occupied automobile. When asked how they typically traveled to work, single-occupancy (SOV) travel was the overwhelming mode of use. However, 4% of work commute trips were made by transit and 1% by bicycle.

FIGURE 10: FREQUENCY OF BUS USE IN LAST 12 MONTHS BY YEAR

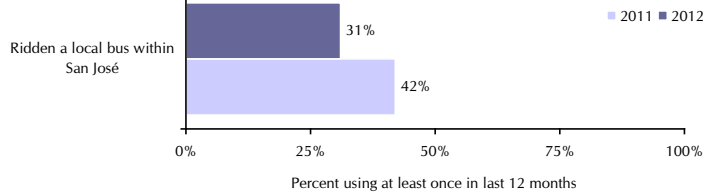


FIGURE 11: FREQUENCY OF BUS USE BENCHMARKS

|                                    | Comparison to benchmark |
|------------------------------------|-------------------------|
| Ridden a local bus within San José | Much more               |

FIGURE 12: MODE OF TRAVEL USED FOR WORK COMMUTE

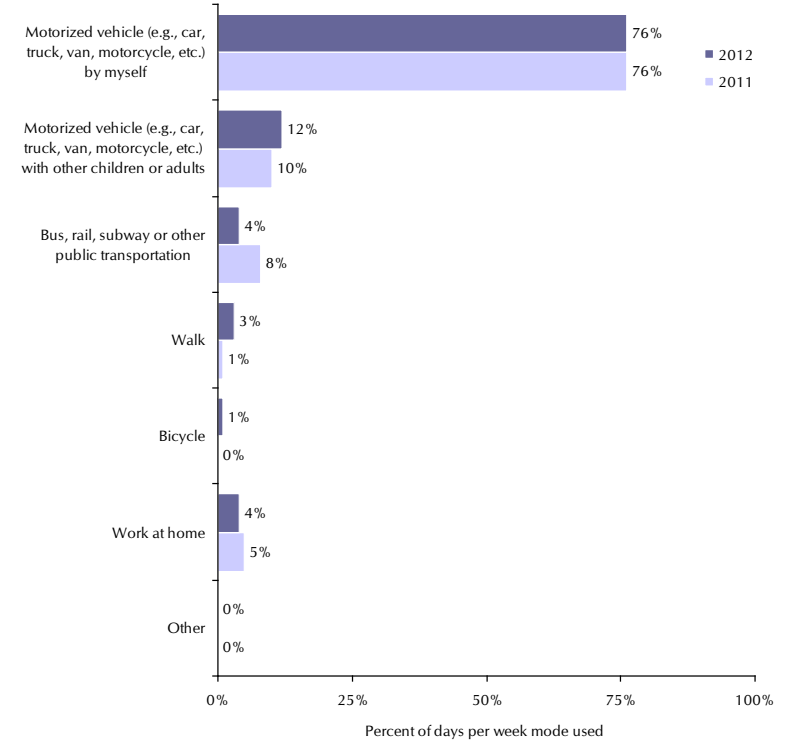


FIGURE 13: DRIVE ALONE BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Average percent of work commute trips made by driving alone | Similar                 |

### Housing

Housing variety and affordability are not luxuries for any community. When there are too few options for housing style and affordability, the characteristics of a community tilt toward a single group, often of well-off residents. While this may seem attractive to a community, the absence of affordable townhomes, condominiums, mobile homes, single family detached homes and apartments means that in addition to losing the vibrancy of diverse thoughts and lifestyles, the community loses the service workers that sustain all communities – police officers, school teachers, house painters and electricians. These workers must live elsewhere and commute in at great personal cost and to the detriment of traffic flow and air quality. Furthermore lower income residents pay so much of their income to rent or mortgage that little remains to bolster their own quality of life or local business.

The survey of the City of San José residents asked respondents to reflect on the availability of affordable housing as well as the variety of housing options. The availability of affordable housing was rated as “excellent” or “good” by 21% of respondents, while the variety of housing options was rated as “excellent” or “good” by 39% of respondents. The rating of perceived affordable housing availability was worse in the City of San José than the ratings, on average, in comparison jurisdictions. When compared to the 2011 survey, ratings for the variety of housing options decreased.

FIGURE 14: RATINGS OF HOUSING IN COMMUNITY BY YEAR

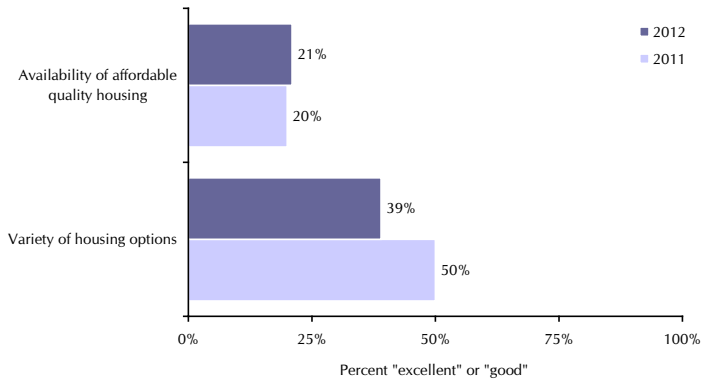


FIGURE 15: HOUSING CHARACTERISTICS BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| Availability of affordable quality housing | Much below              |
| Variety of housing options                 | Much below              |

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To augment the perceptions of affordable housing in San José, the cost of housing as reported in the survey was compared to residents’ reported monthly income to create a rough estimate of the proportion of residents of the City of San José experiencing housing cost stress. About half of survey participants were found to pay housing costs of more than 30% of their monthly household income.

FIGURE 16: PROPORTION OF RESPONDENTS EXPERIENCING HOUSING COST STRESS BY YEAR

|                                     | 2011 | 2012 |
|-------------------------------------|------|------|
| Housing costs 30% or more of income | 59%  | 52%  |
| Percent of respondents              |      |      |

FIGURE 17: HOUSING COSTS BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Experiencing housing costs stress (housing costs 30% or MORE of income) | Much more               |

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### Land Use and Zoning

Community development contributes to a feeling among residents and even visitors of the attention given to the speed of growth, the location of residences and businesses, the kind of housing that is appropriate for the community and the ease of access to commerce, green space and residences. Even the community's overall appearance often is attributed to the planning and enforcement functions of the local jurisdiction. Residents will appreciate an attractive, well-planned community. The NCS questionnaire asked residents to evaluate the quality of new development, the appearance of the City of San José and the speed of population growth. Problems with the appearance of property were rated, and the quality of land use planning, zoning and code enforcement services were evaluated.

The overall quality of new development in the City of San José was rated as "excellent" by 6% of respondents and as "good" by an additional 48%. The overall appearance of San José was rated as "excellent" or "good" by 48% of respondents and was lower than the benchmark. When rating to what extent run down buildings, weed lots or junk vehicles were a problem in the City of San José, 17% thought they were a "major" problem.

FIGURE 18: RATINGS OF THE COMMUNITY'S "BUILT ENVIRONMENT" BY YEAR

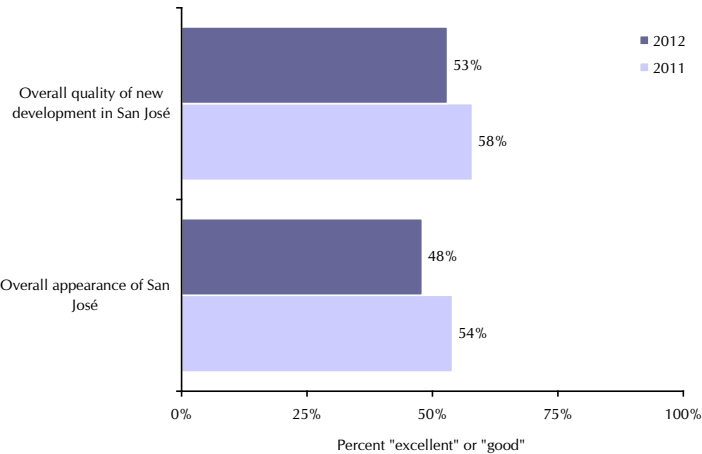


FIGURE 19: BUILT ENVIRONMENT BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| Quality of new development in San José | Below                   |
| Overall appearance of San José         | Much below              |

FIGURE 20: RATINGS OF POPULATION GROWTH BY YEAR

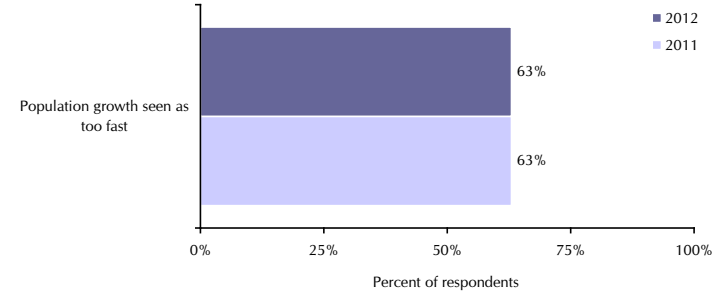


FIGURE 21: POPULATION GROWTH BENCHMARKS

|                                    | Comparison to benchmark |
|------------------------------------|-------------------------|
| Population growth seen as too fast | Much more               |

FIGURE 22: RATINGS OF NUISANCE PROBLEMS BY YEAR

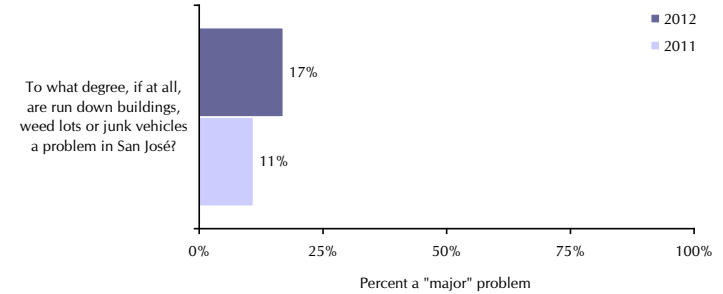


FIGURE 23: NUISANCE PROBLEMS BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Run down buildings, weed lots and junk vehicles seen as a "major" problem | More                    |

FIGURE 24: RATINGS OF PLANNING AND COMMUNITY CODE ENFORCEMENT SERVICES BY YEAR

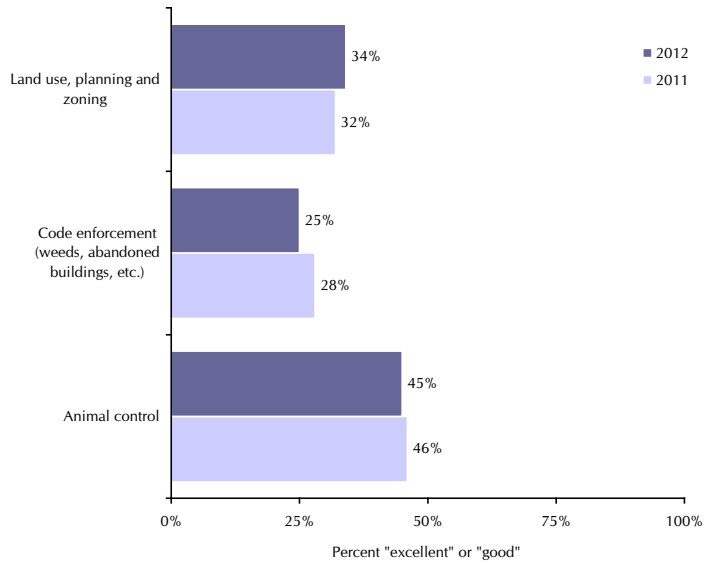


FIGURE 25: PLANNING AND COMMUNITY CODE ENFORCEMENT SERVICES BENCHMARKS

| Service Category                                    | Comparison to benchmark |
|---|-------------------------|
| Land use, planning and zoning                       | Below                   |
| Code enforcement (weeds, abandoned buildings, etc.) | Much below              |
| Animal control                                      | Much below              |

### ECONOMIC SUSTAINABILITY

The United States has been in recession since late 2007 with an accelerated downturn occurring in the fourth quarter of 2008. Officially we emerged from recession in the third quarter of 2009, but high unemployment lingers, keeping a lid on a strong recovery. Many readers worry that the ill health of the economy will color how residents perceive their environment and the services that local government delivers. NRC researchers have found that the economic downturn has chastened Americans' view of their own economic futures but has not colored their perspectives about community services or quality of life.

Survey respondents were asked to rate a number of community features related to economic opportunity and growth. The most positively rated features were shopping opportunities and San José as a place to work. Employment opportunities, shopping opportunities and San José as a place to work were all rated much above the benchmark.

FIGURE 26: RATINGS OF ECONOMIC SUSTAINABILITY AND OPPORTUNITIES BY YEAR

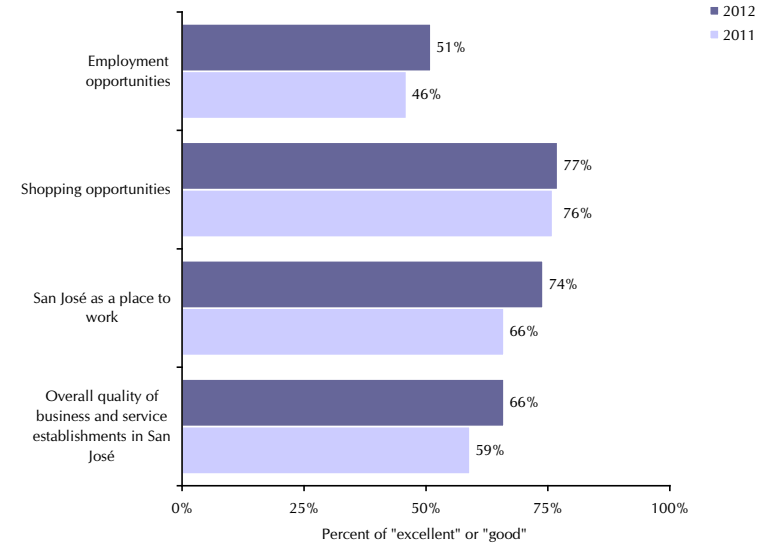


FIGURE 27: ECONOMIC SUSTAINABILITY AND OPPORTUNITIES BENCHMARKS

| Category   | Comparison to benchmark |
|--|-------------------------|
| Employment opportunities   | Much above              |
| Shopping opportunities   | Much above              |
| San José as a place to work  | Much above              |
| Overall quality of business and service establishments in San José | Similar                 |

Residents were asked to evaluate the speed of jobs growth and retail growth on a scale from “much too slow” to “much too fast.” When asked about the rate of jobs growth in San José, 72% responded that it was “too slow,” while 21% reported retail growth as “too slow.” Fewer residents in San José compared to other jurisdictions believed that retail growth was too slow and fewer residents believed that jobs growth was too slow.

FIGURE 28: RATINGS OF RETAIL AND JOB GROWTH BY YEAR

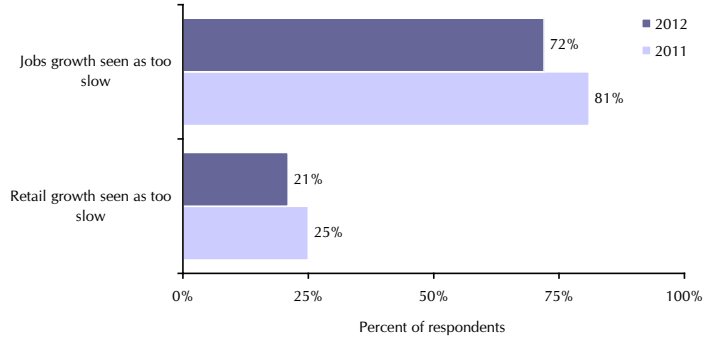


FIGURE 29: RETAIL AND JOB GROWTH BENCHMARKS

|                                | Comparison to benchmark |
|--------------------------------|-------------------------|
| Retail growth seen as too slow | Much less               |
| Jobs growth seen as too slow   | Less                    |

FIGURE 30: RATINGS OF ECONOMIC DEVELOPMENT SERVICES BY YEAR

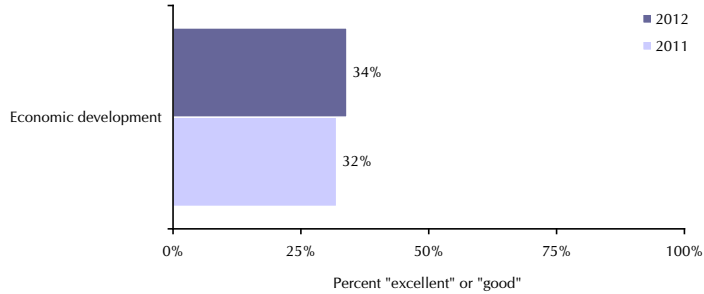


FIGURE 31: ECONOMIC DEVELOPMENT SERVICES BENCHMARKS

|                      | Comparison to benchmark |
|----------------------|-------------------------|
| Economic development | Below                   |

Residents were asked to reflect on their economic prospects in the near term. Twenty-seven percent of the City of San José residents expected that the coming six months would have a “somewhat” or “very” positive impact on their family. The percent of residents with an optimistic outlook on their household income was much greater than comparison jurisdictions.

FIGURE 32: RATINGS OF PERSONAL ECONOMIC FUTURE BY YEAR

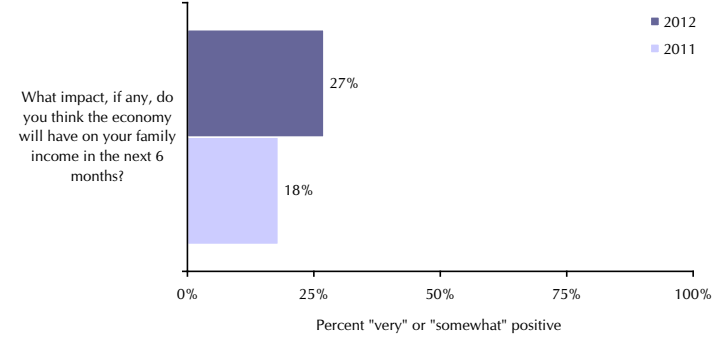


FIGURE 33: PERSONAL ECONOMIC FUTURE BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| Positive impact of economy on household income | Much above              |



**PUBLIC SAFETY**

Safety from violent or property crimes creates the cornerstone of an attractive community. No one wants to live in fear of crime, fire or natural hazards, and communities in which residents feel protected or unthreatened are communities that are more likely to show growth in population, commerce and property value.

Residents were asked to rate their feelings of safety from violent crimes, property crimes, fire and environmental dangers and to evaluate the local agencies whose main charge is to provide protection from these dangers. More than 40% of those completing the questionnaire said they felt “very” or “somewhat” safe from violent crimes and 54% felt “very” or “somewhat” safe from environmental hazards. Daytime sense of safety was better than nighttime safety and neighborhoods felt safer than downtown.

FIGURE 34: RATINGS OF COMMUNITY AND PERSONAL PUBLIC SAFETY BY YEAR

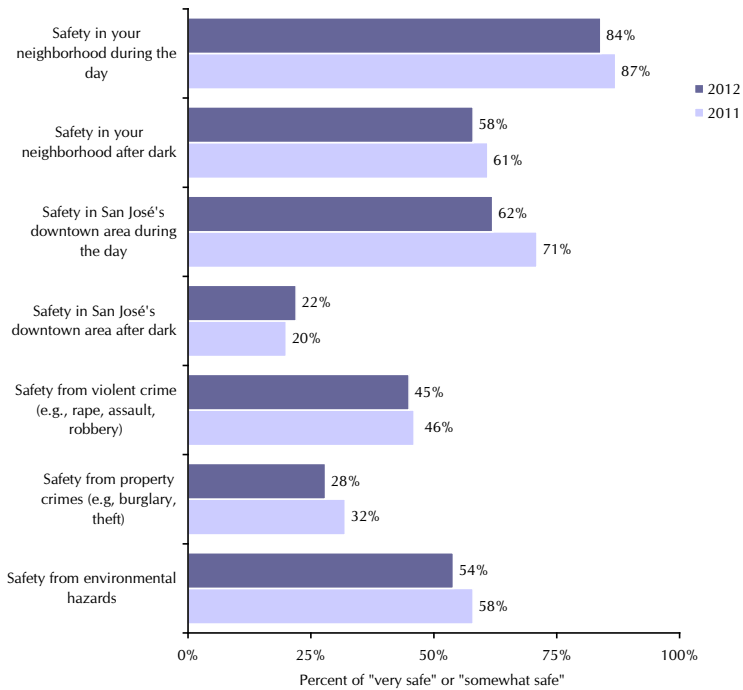


FIGURE 35: COMMUNITY AND PERSONAL PUBLIC SAFETY BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| In your neighborhood during the day          | Much below              |
| In your neighborhood after dark              | Much below              |
| In San José's downtown area during the day   | Much below              |
| In San José's downtown area after dark       | Much below              |
| Violent crime (e.g., rape, assault, robbery) | Much below              |
| Property crimes (e.g., burglary, theft)      | Much below              |
| Environmental hazards, including toxic waste | Much below              |

As assessed by the survey, 12% of respondents reported that someone in the household had been the victim of one or more crimes in the past year. Of those who had been the victim of a crime, 78% had reported it to police. Compared to other jurisdictions about the same percent of San José residents had been victims of crime in the 12 months preceding the survey and about the same percent of San José residents had reported their most recent crime victimization to the police.

FIGURE 36: CRIME VICTIMIZATION AND REPORTING BY YEAR

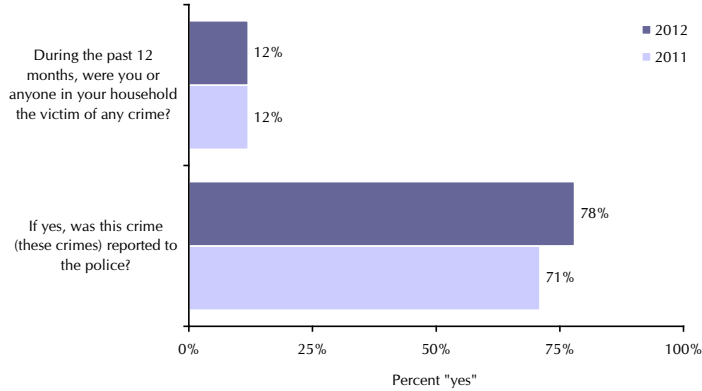


FIGURE 37: CRIME VICTIMIZATION AND REPORTING BENCHMARKS

|                 | Comparison to benchmark |
|-----------------|-------------------------|
| Victim of crime | Similar                 |
| Reported crimes | Similar                 |

Residents rated seven City public safety services; of these, all seven were rated below the benchmark comparison. Fire services received the highest ratings, while crime prevention received the lowest ratings. Ratings for ambulance or emergency services, crime prevention and traffic enforcement decreased from 2011 to 2012.

FIGURE 38: RATINGS OF PUBLIC SAFETY SERVICES BY YEAR

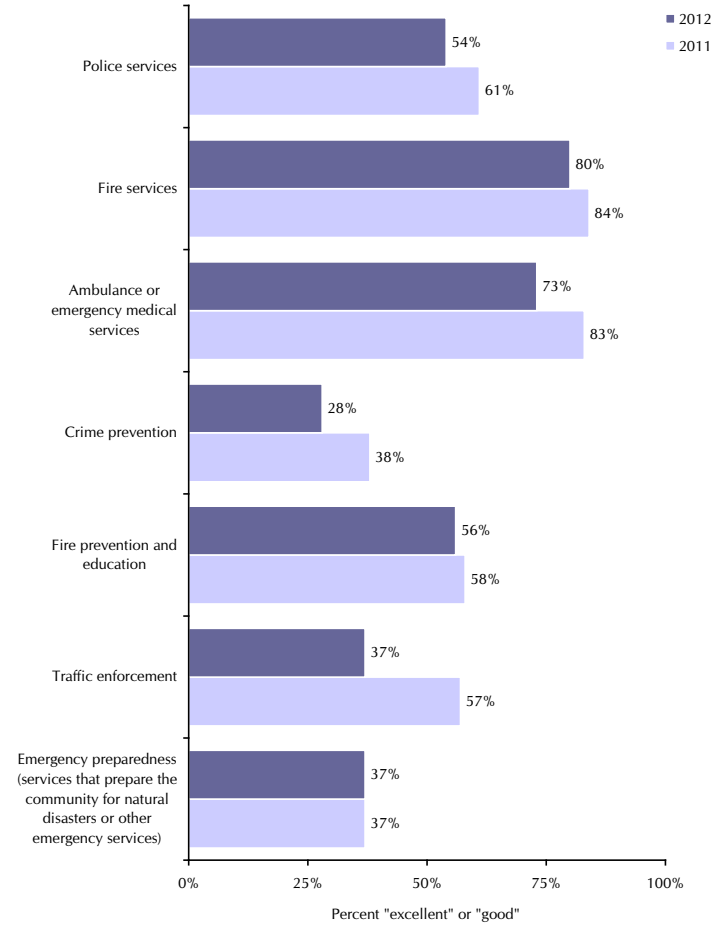


FIGURE 39: PUBLIC SAFETY SERVICES BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| Police services  | Much below              |
| Fire services  | Much below              |
| Ambulance or emergency medical services  | Much below              |
| Crime prevention   | Much below              |
| Fire prevention and education  | Much below              |
| Traffic enforcement  | Much below              |
| Emergency preparedness (services that prepare the community for natural disasters or other emergency situations) | Much below              |

FIGURE 40: CONTACT WITH POLICE AND FIRE DEPARTMENTS BY YEAR

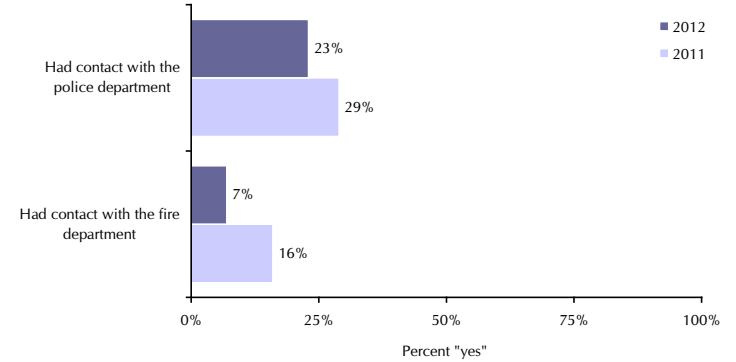


FIGURE 41: RATINGS OF CONTACT WITH POLICE AND FIRE DEPARTMENTS BY YEAR

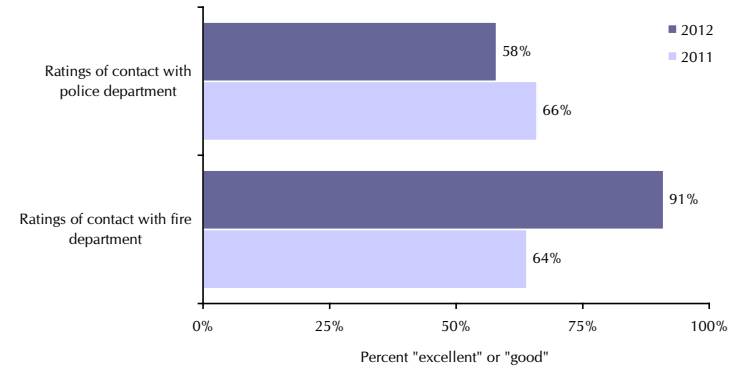


FIGURE 42: CONTACT WITH POLICE AND FIRE DEPARTMENTS BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Had contact with the City of San José Police Department                               | Much less               |
| Overall impression of most recent contact with the City of San José Police Department | Much below              |
| Had contact with the City of San José Fire Department                                 | Less                    |
| Overall impression of most recent contact with the City of San José Fire Department   | Similar                 |

### ENVIRONMENTAL SUSTAINABILITY

Residents value the aesthetic qualities of their hometowns and appreciate features such as overall cleanliness and landscaping. In addition, the appearance and smell or taste of the air and water do not go unnoticed. These days, increasing attention is paid to proper treatment of the environment. At the same time that they are attending to community appearance and cleanliness, cities, counties, states and the nation are going "Green". These strengthening environmental concerns extend to trash haul, recycling, sewer services, the delivery of power and water and preservation of open spaces. Treatment of the environment affects air and water quality and, generally, how habitable and inviting a place appears.

Residents of the City of San José were asked to evaluate their local environment and the services provided to ensure its quality. The overall quality of the natural environment was rated as "excellent" or "good" by 48% of survey respondents. Air quality and the quality of the overall natural environment received the highest ratings, but were much below the benchmark. Ratings for the cleanliness of San José decreased compared to the previous survey iteration.

FIGURE 43: RATINGS OF THE COMMUNITY'S NATURAL ENVIRONMENT BY YEAR

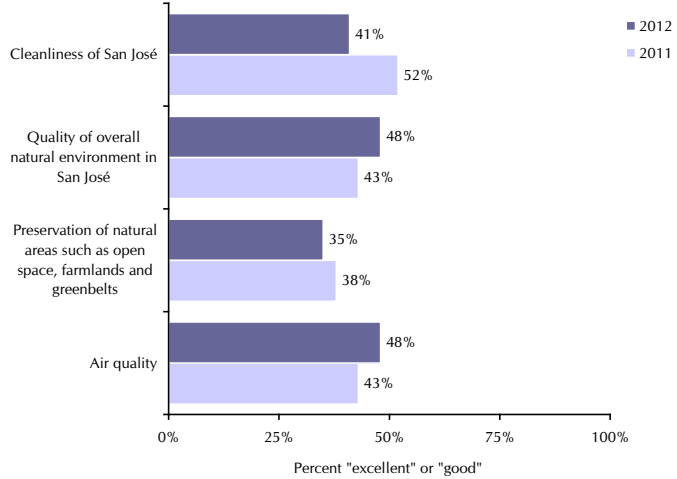


FIGURE 44: COMMUNITY ENVIRONMENT BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| Cleanliness of San José  | Much below              |
| Quality of overall natural environment in San José                         | Much below              |
| Preservation of natural areas such as open space, farmlands and greenbelts | Much below              |
| Air quality  | Much below              |

Resident recycling was much greater than recycling reported in comparison communities.

FIGURE 45: FREQUENCY OF RECYCLING IN LAST 12 MONTHS BY YEAR

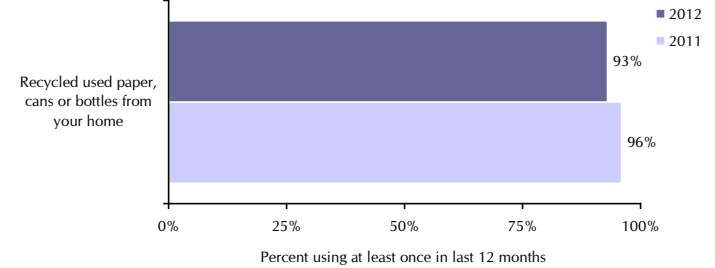


FIGURE 46: FREQUENCY OF RECYCLING BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Recycled used paper, cans or bottles from your home | Much more               |

Of the six utility services rated by those completing the questionnaire, six were similar to the benchmark comparison and four were below the benchmark comparison. These service ratings trends were stable when compared to the past survey.

FIGURE 47: RATINGS OF UTILITY SERVICES BY YEAR

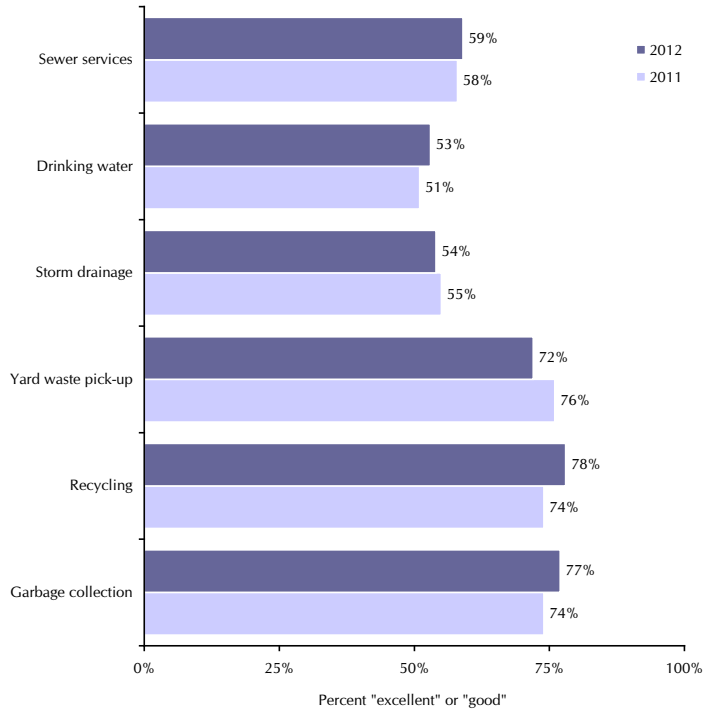


FIGURE 48: UTILITY SERVICES BENCHMARKS

|                    | Comparison to benchmark |
|--------------------|-------------------------|
| Sewer services     | Much below              |
| Drinking water     | Much below              |
| Storm drainage     | Below                   |
| Yard waste pick-up | Similar                 |
| Recycling          | Similar                 |
| Garbage collection | Below                   |

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## RECREATION AND WELLNESS

### Parks and Recreation

Quality parks and recreation opportunities help to define a community as more than the grind of its business, traffic and hard work. Leisure activities vastly can improve the quality of life of residents, serving both to entertain and mobilize good health. The survey contained questions seeking residents' perspectives about opportunities and services related to the community's parks and recreation services.

Recreation opportunities in the City of San José were rated somewhat positively as were services related to parks and recreation. City parks received the highest rating, but were lower than the benchmark. Recreation programs and recreation facilities received the lowest ratings and were lower than the national benchmark. Parks and recreation ratings decreased over time.

Resident use of San José parks and recreation facilities tells its own story about the attractiveness and accessibility of those services. The percent of residents that used San José recreation centers was smaller than the percent of users in comparison jurisdictions. Similarly, recreation program use in San José was lower than use in comparison jurisdictions.

FIGURE 49: RATINGS OF COMMUNITY RECREATIONAL OPPORTUNITIES BY YEAR

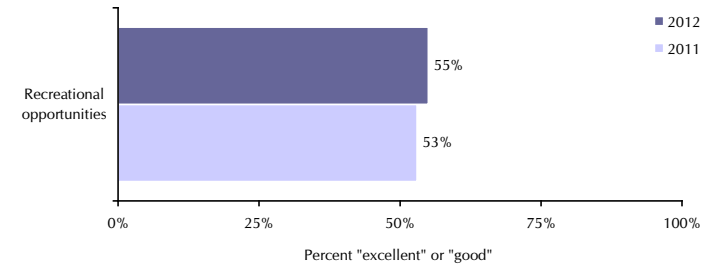


FIGURE 50: COMMUNITY RECREATIONAL OPPORTUNITIES BENCHMARKS

|                          | Comparison to benchmark |
|--------------------------|-------------------------|
| Recreation opportunities | Below                   |

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FIGURE 51: PARTICIPATION IN PARKS AND RECREATION OPPORTUNITIES BY YEAR

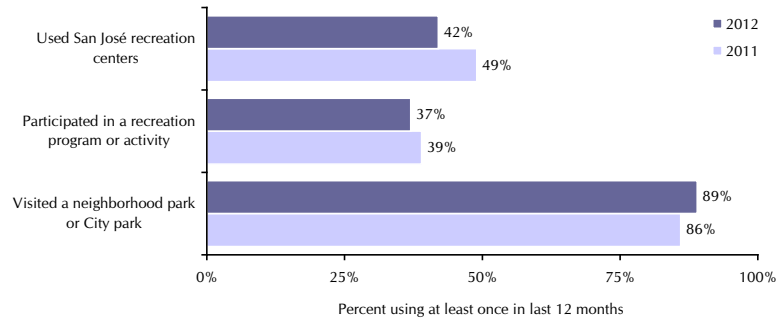


FIGURE 52: PARTICIPATION IN PARKS AND RECREATION OPPORTUNITIES BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| Used San José recreation centers                 | Much less               |
| Participated in a recreation program or activity | Much less               |
| Visited a neighborhood park or City park         | Similar                 |

FIGURE 53: RATINGS OF PARKS AND RECREATION SERVICES BY YEAR

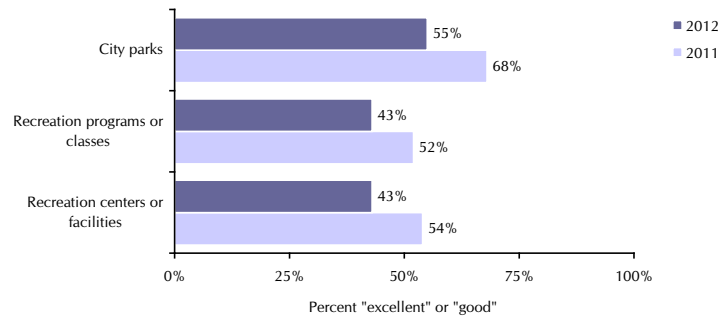


FIGURE 54: PARKS AND RECREATION SERVICES BENCHMARKS

|                                  | Comparison to benchmark |
|----------------------------------|-------------------------|
| City parks                       | Much below              |
| Recreation programs or classes   | Much below              |
| Recreation centers or facilities | Much below              |

### Culture, Arts and Education

A full service community does not address only the life and safety of its residents. Like individuals who simply go to the office and return home, a community that pays attention only to the life sustaining basics becomes insular, dreary and uninspiring. In the case of communities without thriving culture, arts and education opportunities, the magnet that attracts those who might consider relocating there is vastly weakened. Cultural, artistic, social and educational services elevate the opportunities for personal growth among residents. In the survey, residents were asked about the quality of opportunities to participate in cultural and educational activities.

Opportunities to attend cultural activities were rated as “excellent” or “good” by 60% of respondents. Educational opportunities were rated as “excellent” or “good” by 59% of respondents. Compared to the benchmark data, educational opportunities were below the average of comparison jurisdictions, while cultural activity opportunities were rated below the benchmark comparison.

About 70% of San José residents used a City library at least once in the 12 months preceding the survey. This participation rate for library use was similar to comparison jurisdictions.

FIGURE 55: RATINGS OF CULTURAL AND EDUCATIONAL OPPORTUNITIES BY YEAR

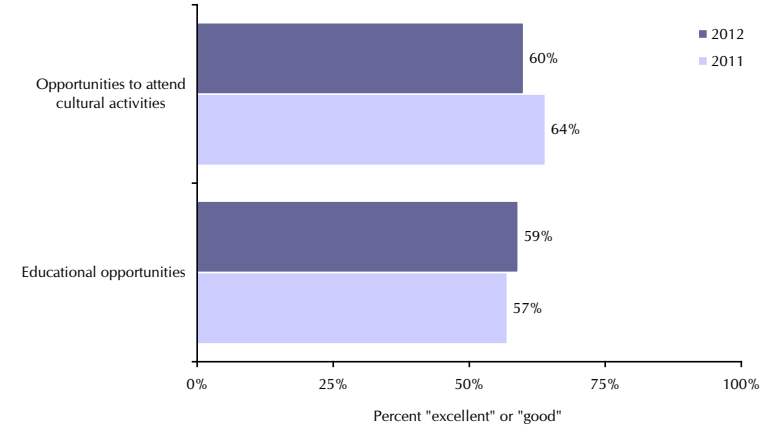


FIGURE 56: CULTURAL AND EDUCATIONAL OPPORTUNITIES BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Opportunities to attend cultural activities | Above                   |
| Educational opportunities                   | Below                   |

FIGURE 57: PARTICIPATION IN CULTURAL AND EDUCATIONAL OPPORTUNITIES BY YEAR

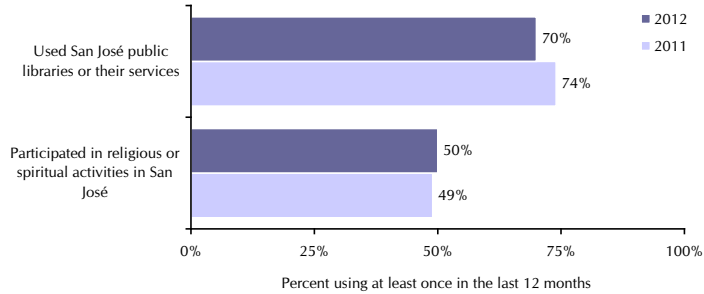


FIGURE 58: PARTICIPATION IN CULTURAL AND EDUCATIONAL OPPORTUNITIES BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Used San José public libraries or their services              | Similar                 |
| Participated in religious or spiritual activities in San José | Similar                 |

FIGURE 59: PERCEPTION OF CULTURAL AND EDUCATIONAL SERVICES BY YEAR

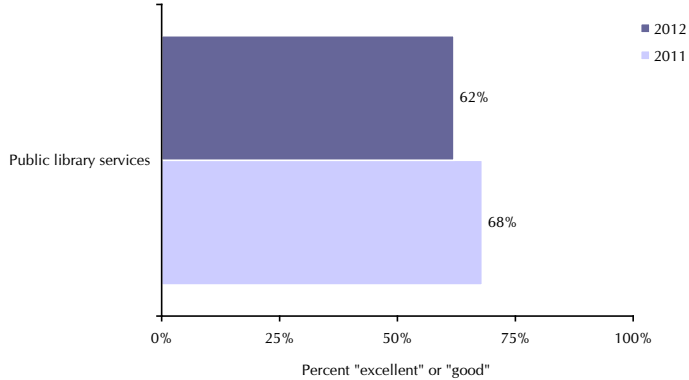


FIGURE 60: CULTURAL AND EDUCATIONAL SERVICES BENCHMARKS

|                         | Comparison to benchmark |
|-------------------------|-------------------------|
| Public library services | Much below              |

### Health and Wellness

Healthy residents have the wherewithal to contribute to the economy as volunteers or employees and they do not present a burden in cost and time to others. Although residents bear the primary responsibility for their good health, local government provides services that can foster that well being and that provide care when residents are ill.

Residents of the City of San José were asked to rate the community's health services as well as the availability of health care, high quality affordable food and preventive health care services. The availability of affordable quality food was rated most positively for the City of San José, while the availability for affordable quality health care was rated less favorably by residents. Ratings increased for the availability of affordable quality health care compared to the 2011 survey.

Among San José residents, 44% rated affordable quality health care as "excellent" or "good." Those ratings were below the ratings of comparison communities.

FIGURE 61: RATINGS OF COMMUNITY HEALTH AND WELLNESS ACCESS AND OPPORTUNITIES BY YEAR

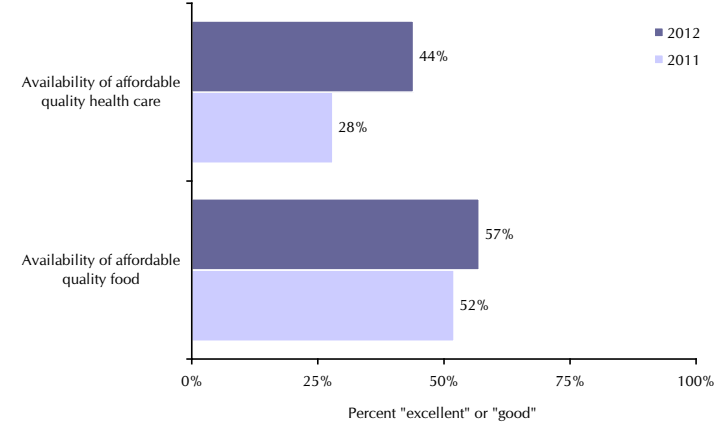


FIGURE 62: COMMUNITY HEALTH AND WELLNESS ACCESS AND OPPORTUNITIES BENCHMARKS

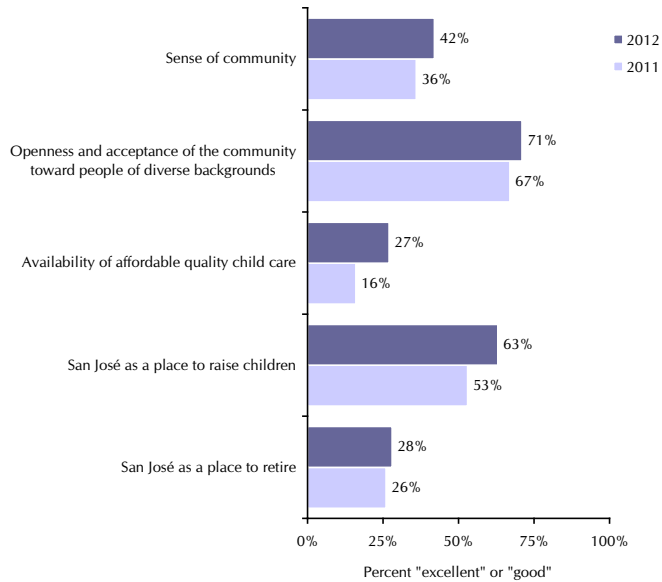
|  | Comparison to benchmark |
|--|-------------------------|
| Availability of affordable quality health care | Below                   |
| Availability of affordable quality food        | Similar                 |

### COMMUNITY INCLUSIVENESS

Diverse communities that include among their residents a mix of races, ages, wealth, ideas and beliefs have the raw material for the most vibrant and creative society. However, the presence of these features alone does not ensure a high quality or desirable space. Surveyed residents were asked about the success of the mix: the sense of community, the openness of residents to people of diverse backgrounds and the attractiveness of the City of San José as a place to raise children or to retire. They were also questioned about the quality of services delivered to various population subgroups, including older adults, youth and residents with few resources. A community that succeeds in creating an inclusive environment for a variety of residents is a community that offers more to many.

A majority of residents rated the City of San José as an “excellent” or “good” place to raise kids and about 28% rated it as an excellent or good place to retire. Some residents felt that the local sense of community was “excellent” or “good.” Most survey respondents felt the City of San José was open and accepting towards people of diverse backgrounds. The availability of affordable quality child care was rated the lowest by residents and was lower than the benchmark. When compared to the previous survey, ratings increased for the availability of affordable quality child care and for San José as a place to raise children.

FIGURE 63: RATINGS OF COMMUNITY QUALITY AND INCLUSIVENESS BY YEAR



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FIGURE 64: COMMUNITY QUALITY AND INCLUSIVENESS BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Sense of community  | Much below              |
| Openness and acceptance of the community toward people of diverse backgrounds | Above                   |
| Availability of affordable quality child care                                 | Much below              |
| San José as a place to raise kids   | Much below              |
| San José as a place to retire   | Much below              |

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Services to more vulnerable populations (e.g., seniors, youth or low-income residents) ranged from 36% to 39% with ratings of “excellent” or “good.” All services for more vulnerable populations were below the benchmark.

FIGURE 65: RATINGS OF QUALITY OF SERVICES PROVIDED FOR POPULATION SUBGROUPS BY YEAR

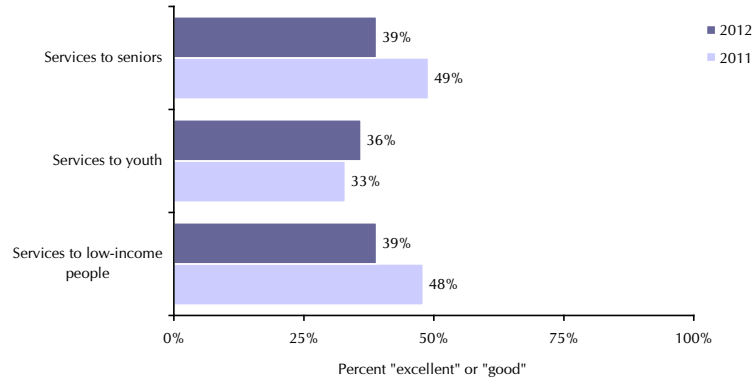


FIGURE 66: SERVICES PROVIDED FOR POPULATION SUBGROUPS BENCHMARKS

|                               | Comparison to benchmark |
|-------------------------------|-------------------------|
| Services to seniors           | Much below              |
| Services to youth             | Much below              |
| Services to low income people | Below                   |

### CIVIC ENGAGEMENT

Community leaders cannot run a jurisdiction alone and a jurisdiction cannot run effectively if residents remain strangers with little to connect them. Elected officials and staff require the assistance of local residents whether that assistance comes in tacit approval or eager help; and commonality of purpose among the electorate facilitates policies and programs that appeal to most and causes discord among few. Furthermore, when neighbors help neighbors, the cost to the community to provide services to residents in need declines. When residents are civically engaged, they have taken the opportunity to participate in making the community more livable for all. The extent to which local government provides opportunities to become informed and engaged and the extent to which residents take those opportunities is an indicator of the connection between government and populace. By understanding your residents’ level of connection to, knowledge of and participation in local government, the City can find better opportunities to communicate and educate citizens about its mission, services, accomplishments and plans. Communities with strong civic engagement may be more likely to see the benefits of programs intended to improve the quality of life of all residents and therefore would be more likely to support those new policies or programs.

### Civic Activity

Respondents were asked about the perceived community volunteering opportunities and their participation as citizens of the City of San José. Survey participants rated the volunteer opportunities in the City of San José favorably. Opportunities to attend or participate in community matters were rated similarly.

Ratings of civic engagement opportunities were below ratings from comparison jurisdictions where these questions were asked.

FIGURE 67: RATINGS OF CIVIC ENGAGEMENT OPPORTUNITIES

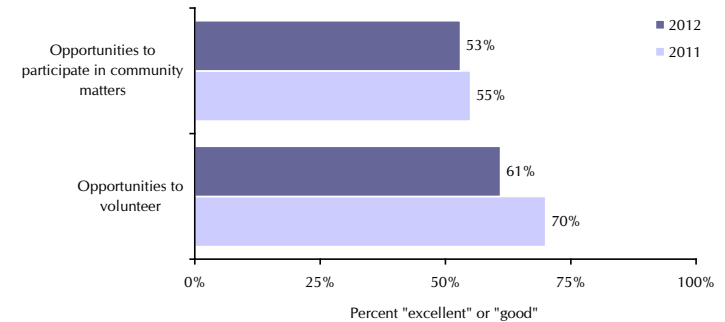


FIGURE 68: CIVIC ENGAGEMENT OPPORTUNITIES BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Opportunities to participate in community matters | Below                   |
| Opportunities to volunteer                        | Below                   |

Most of the participants in this survey had not attended a public meeting, volunteered time to a group or participated in a club in the 12 months prior to the survey, but the vast majority had helped a friend. The participation rates of these civic behaviors were compared to the rates in other jurisdictions. Volunteering time to a group and providing help to a neighbor showed similar rates of involvement; while attending a meeting of local elected officials, watching a meeting of local elected officials and participating in a club showed lower rates of community engagement.

FIGURE 69: PARTICIPATION IN CIVIC ENGAGEMENT OPPORTUNITIES BY YEAR

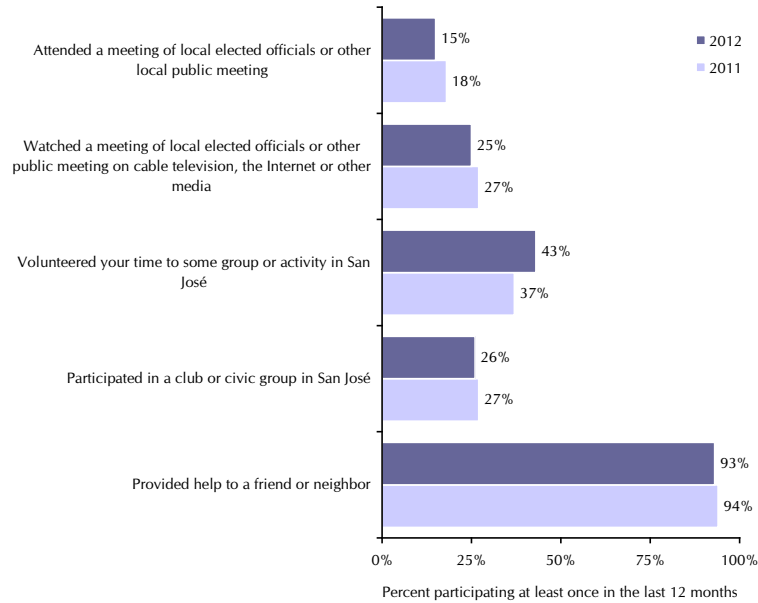
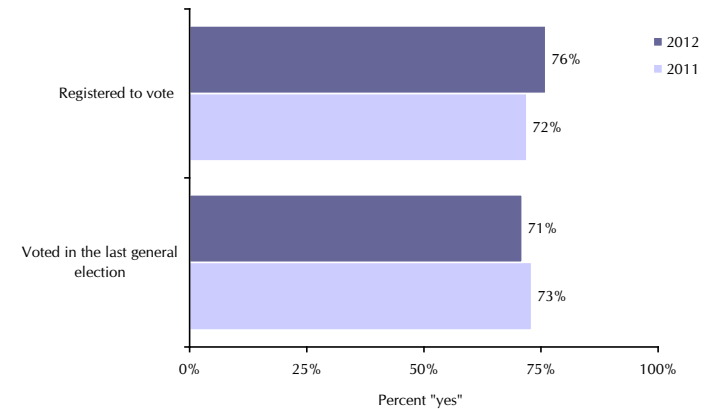


FIGURE 70: PARTICIPATION IN CIVIC ENGAGEMENT OPPORTUNITIES BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Attended a meeting of local elected officials or other local public meeting   | Much less               |
| Watched a meeting of local elected officials or other public meeting on cable television, the Internet or other media | Much less               |
| Volunteered your time to some group or activity in San José   | Similar                 |
| Participated in a club or civic group in San José   | Less                    |
| Provided help to a friend or neighbor   | Similar                 |

City of San José residents showed the largest amount of civic engagement in the area of electoral participation. Seventy-six percent reported they were registered to vote and 71% indicated they had voted in the last general election. This rate of self-reported voting was lower than that of comparison communities.

FIGURE 71: REPORTED VOTING BEHAVIOR BY YEAR



Note: In addition to the removal of "don't know" responses, those who said "ineligible to vote" also have been omitted from this calculation. The full frequencies appear in Appendix A.

FIGURE 72: VOTING BEHAVIOR BENCHMARKS

|                                | Comparison to benchmark |
|--------------------------------|-------------------------|
| Registered to vote             | Much less               |
| Voted in last general election | Less                    |

### Information and Awareness

Those completing the survey were asked about their use and perceptions of various information sources and local government media services. When asked whether they had visited the City of San José Web site in the previous 12 months, 55% reported they had done so at least once. Public information services were rated unfavorably compared to benchmark data.

FIGURE 73: USE OF INFORMATION SOURCES

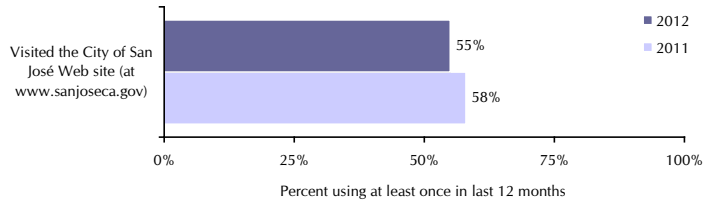


FIGURE 74: USE OF INFORMATION SOURCES BENCHMARKS

| Comparison to benchmark               |
|---------------------------------------|
| Visited the City of San José Web site |
| Less                                  |

FIGURE 75: RATINGS OF LOCAL GOVERNMENT MEDIA SERVICES AND INFORMATION DISSEMINATION BY YEAR

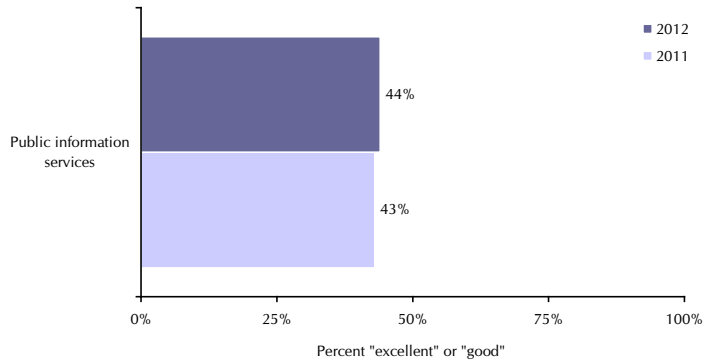


FIGURE 76: LOCAL GOVERNMENT MEDIA SERVICES AND INFORMATION DISSEMINATION BENCHMARKS

| Comparison to benchmark     |
|-----------------------------|
| Public information services |
| Much below                  |

### Social Engagement

Opportunities to participate in social events and activities were rated as "excellent" or "good" by 46% of respondents, while even more rated opportunities to participate in religious or spiritual events and activities as "excellent" or "good." Opportunities to participate in social events trended lower compared to the previous survey year.

FIGURE 77: RATINGS OF SOCIAL ENGAGEMENT OPPORTUNITIES

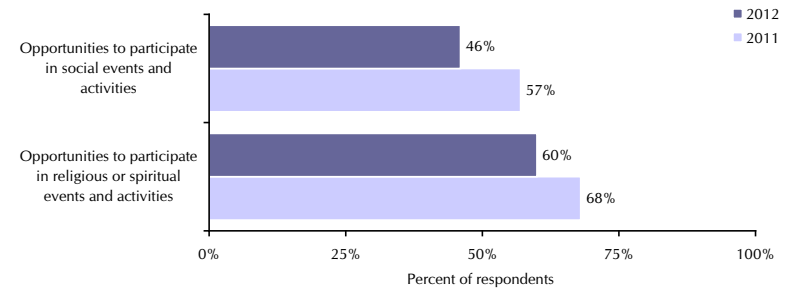


FIGURE 78: SOCIAL ENGAGEMENT OPPORTUNITIES BENCHMARKS

| Comparison to benchmark  |
|--|
| Opportunities to participate in social events and activities                 |
| Much below   |
| Opportunities to participate in religious or spiritual events and activities |
| Much below   |

Residents in San José reported a fair amount of neighborliness. About 35% indicated talking or visiting with their neighbors at least several times a week. This amount of contact with neighbors was less than the amount of contact reported in other communities.

FIGURE 79: CONTACT WITH IMMEDIATE NEIGHBORS

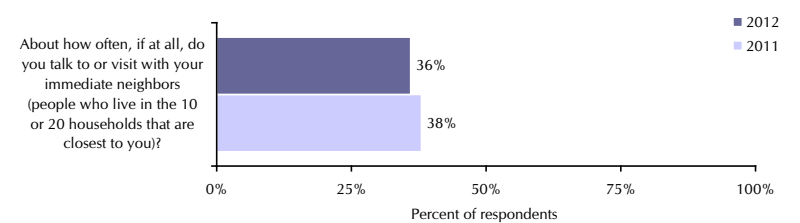


FIGURE 80: CONTACT WITH IMMEDIATE NEIGHBORS BENCHMARKS

| Comparison to benchmark                                    |
|--|
| Has contact with neighbors at least several times per week |
| Much less  |

### PUBLIC TRUST

When local government leaders are trusted, an environment of cooperation is more likely to surround all decisions they make. Cooperation leads to easier communication between leaders and residents and increases the likelihood that high value policies and programs will be implemented to improve the quality of life of the entire community. Trust can be measured in residents' opinions about the overall direction the City of San José is taking, their perspectives about the service value their taxes purchase and the openness of government to citizen participation. In addition, resident opinion about services provided by the City of San José could be compared to their opinion about services provided by the state and federal governments. If residents find nothing to admire in the services delivered by any level of government, their opinions about the City of San José may be colored by their dislike of what all levels of government provide.

Less than half of respondents felt that the value of services for taxes paid was "excellent" or "good." When asked to rate the job the City of San José does at welcoming citizen involvement, 37% rated it as "excellent" or "good." Of these four ratings, all four were much below the benchmark.

FIGURE 81: PUBLIC TRUST RATINGS BY YEAR

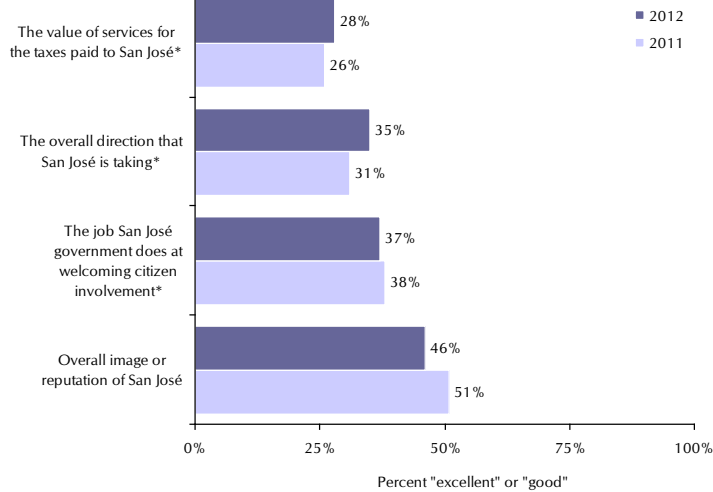


FIGURE 82: PUBLIC TRUST BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Value of services for the taxes paid to San José              | Much below              |
| The overall direction that San José is taking                 | Much below              |
| Job San José government does at welcoming citizen involvement | Much below              |
| Overall image or reputation of San José                       | Much below              |

On average, residents of the City of San José gave the highest evaluations to their own local government and the lowest average rating to the State Government. The overall quality of services delivered by the City of San José was rated as "excellent" or "good" by 42% of survey participants. The City of San José's rating was below the benchmark when compared to other communities in the nation. Ratings of overall City services have remained stable over the last year.

FIGURE 83: RATINGS OF SERVICES PROVIDED BY LOCAL, STATE AND FEDERAL GOVERNMENTS BY YEAR

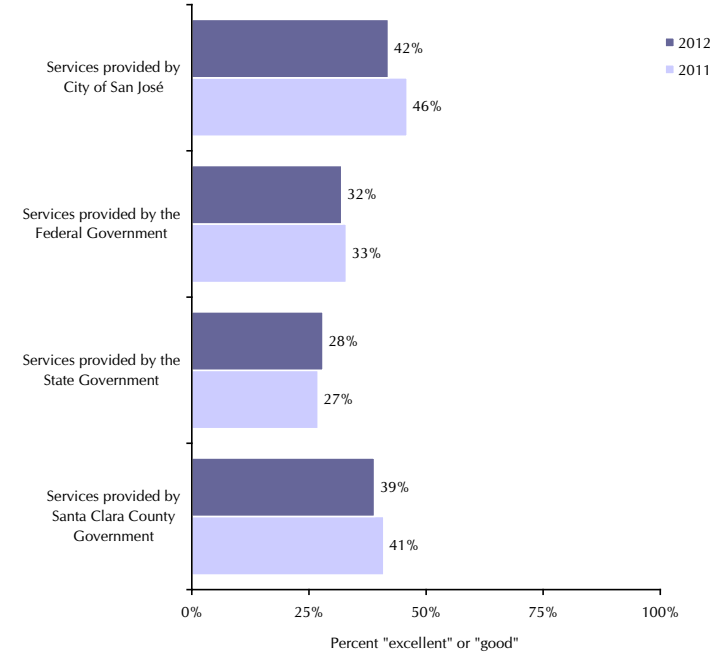


FIGURE 84: SERVICES PROVIDED BY LOCAL, STATE AND FEDERAL GOVERNMENTS BENCHMARKS

|  | Comparison to benchmark |
|--|-------------------------|
| Services provided by the City of San José          | Much below              |
| Services provided by the Federal Government        | Similar                 |
| Services provided by the State Government          | Below                   |
| Services provided by Santa Clara County Government | Below                   |

### City of San José Employees

The employees of the City of San José who interact with the public create the first impression that most residents have of the City of San José. Front line staff who provide information, assist with bill paying, collect trash, create service schedules, fight fires and crime and even give traffic tickets are the collective face of the City of San José. As such, it is important to know about residents' experience talking with that "face." When employees appear to be knowledgeable, responsive and courteous, residents are more likely to feel that any needs or problems may be solved through positive and productive interactions with the City of San José staff.

Those completing the survey were asked if they had been in contact with a City employee either in-person, over the phone or via email in the last 12 months; the 30% who reported that they had been in contact (a percent that is lower than the benchmark comparison) were then asked to indicate overall how satisfied they were with the employee in their most recent contact. City employees were rated highly; 53% of respondents rated their overall impression as "excellent" or "good." Employees ratings were lower than the national benchmark and were similar to the past survey.

FIGURE 85: PROPORTION OF RESPONDENTS WHO HAD CONTACT WITH CITY EMPLOYEES IN PREVIOUS 12 MONTHS BY YEAR

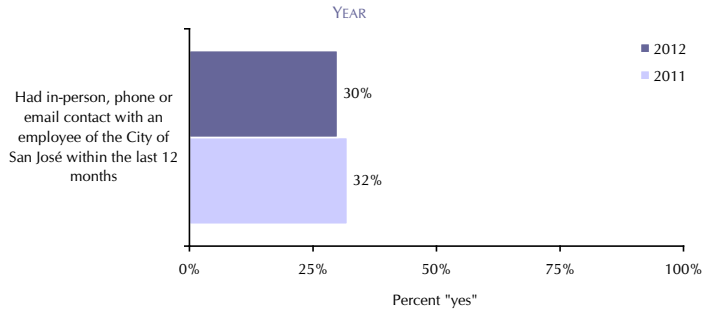


FIGURE 86: CONTACT WITH CITY EMPLOYEES BENCHMARKS

|   | Comparison to benchmark |
|---|-------------------------|
| Had contact with City employee(s) in last 12 months | Much less               |

FIGURE 87: RATINGS OF CITY EMPLOYEES (AMONG THOSE WHO HAD CONTACT) BY YEAR

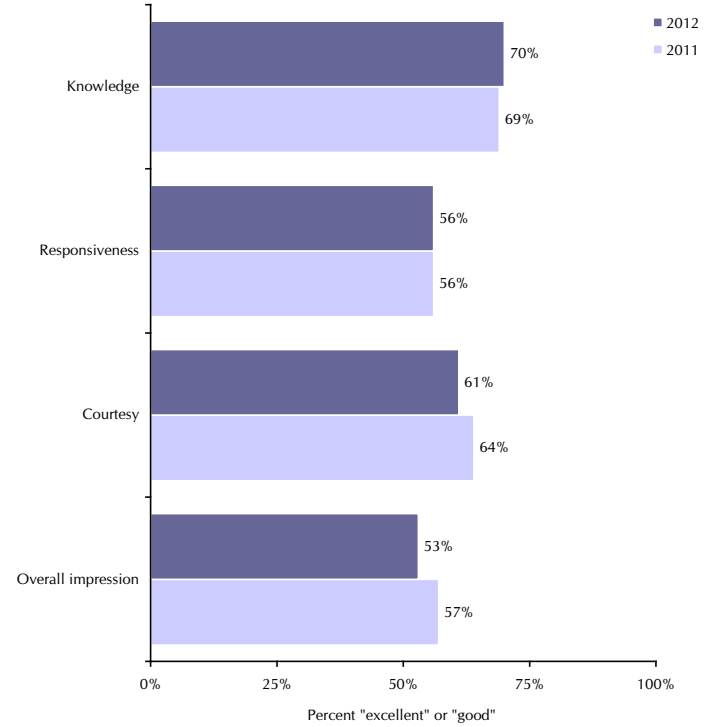


FIGURE 88: RATINGS OF CITY EMPLOYEES (AMONG THOSE WHO HAD CONTACT) BENCHMARKS

|                    | Comparison to benchmark |
|--------------------|-------------------------|
| Knowledge          | Much below              |
| Responsiveness     | Much below              |
| Courteousness      | Much below              |
| Overall impression | Much below              |

**CUSTOM QUESTIONS**

“Don’t know” responses have been removed from the following questions, when applicable.

| Custom Question 1   |           |      |      |      |       |
|---|-----------|------|------|------|-------|
| Please rate the following aspects of Mineta San José International Airport: | Excellent | Good | Fair | Poor | Total |
| Overall ease of using Mineta San José International Airport                 | 25%       | 51%  | 22%  | 1%   | 100%  |
| Availability of flights at Mineta San José International Airport            | 17%       | 48%  | 27%  | 9%   | 100%  |

| Custom Question 2   |                        |
|---|------------------------|
| Do you have water-saving fixtures such as low-flow shower heads and low-flush toilets in your home? | Percent of respondents |
| No  | 36%                    |
| Yes   | 64%                    |
| Total   | 100%                   |

| Custom Question 3   |                        |
|---|------------------------|
| How important, if at all, is it for you to conserve water in your home? | Percent of respondents |
| Essential   | 19%                    |
| Very important  | 45%                    |
| Somewhat important  | 31%                    |
| Not at all important  | 5%                     |
| Total   | 100%                   |