



City of San José
Office of the City Auditor

Honorable City Council

City of San José Service Efforts and Accomplishments Report 2012-13

We are pleased to present the sixth 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 timely, 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 with their tax dollars.

The SEA report summarizes and highlights performance results and compares those results over ten 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 third year of participation in The National Citizen Survey.TM Resident opinions and perceptions about City services help inform decision makers about how well the City is responding to residents' needs. The National Citizen SurveyTM 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 2013 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 984,299, 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. In 2012-13, the City's departmental operating expenditures were about \$1.29 billion*, or about \$1,310 per resident including:

- \$291 for Police
- \$242 for Citywide, General Fund Capital, Transfers, and Reserves
- \$203 for Environmental Services
- \$155 for Fire
- \$ 82 for Public Works
- \$ 70 for Transportation
- \$ 56 for Parks, Recreation and Neighborhood Services
- \$ 54 for Airport
- \$41 for Finance, Retirement, Information Technology, and Human Resources
- \$36 for Mayor, City Council, and Council Appointees
- \$31 for Planning, Building, and Code Enforcement
- \$28 for Library
- \$13 for Economic Development
- \$ 8 for Housing

* The City's Operating Budget totaled \$2.8 billion, which includes the above expenditures as well 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

After ten consecutive years of budget shortfalls, San José had a small General Fund surplus in 2012-13 of \$9 million. The surplus was used to help reduce deficits projected by the Budget Office for future years. Because of this brighter budget outlook the City was able to continue services that were funded on a one-time basis in 2011-12, open four new libraries and one new community center, begin to address unmet infrastructure needs, and fund a limited number of programs and initiatives identified by the City Council.

On a financial statement basis, City revenues remained relatively flat at about \$1.7 billion compared to the prior year. However, City expenses have declined since reaching a peak in 2008-09. This included reductions to many City programs and a significant reduction in staff (23 percent over the last ten years). The City now employs about 5.6 people per 1,000 residents—fewer than any other large California city we surveyed and fewer than San Jose’s 26-year average of 7.2. Significant work toward long-term fiscal reform remains, with the goal of returning services to January 1, 2011 levels. The City also faces an estimated \$900 million in deferred maintenance and infrastructure backlog and a \$3.7 billion unfunded liability for pension and retiree health benefits.

Overall Resident Satisfaction

2013 marked San José’s third year of participation in The National Citizen Survey.TM 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.

In this survey, fifty-seven percent of residents rated the overall quality of life in San José as good or excellent and 65 percent found San José good or excellent as a place to live. Forty-four percent of residents rated the quality of City services as good or excellent. Forty-five percent of residents reported that they had some contact with City of San José employees. Of those residents, 63 percent reported that their overall impression of City employees was good or excellent.

Major Service Results and Challenges in 2012-13

The City of San José provides a wide array of services that City residents, businesses, and other stakeholders count on. Some highlights include:

- The Police Department responded to about 950,000 calls for service. The average response time for Priority 1 calls was 6.7 minutes, above the target response time of 6 minutes or less and slightly higher than the previous year. The response time for Priority 2 calls was 20.3 minutes, well above the target of 11 minutes or less. Over the past ten years, the Police department’s sworn officers per 1,000 residents decreased from 1.48 to 1.13. San José’s rate of major crimes per 100,000 residents has increased and surpassed national and state averages. Major crimes increased 27 percent from one year prior with the majority of increase due to property crimes (e.g., burglary and auto-theft).
- Fifty-one percent of residents rate the quality of Police services as good or excellent and only 40 percent of residents reported feeling very or somewhat safe from violent crime in San Jose. The majority of residents, 81 percent, feel very or somewhat safe in their neighborhoods during the day but only 22 percent feel the same way in downtown at night— with more than a quarter of residents reporting that they feel very unsafe downtown at night.

- The Fire Department responded to more than 55,000 emergencies — 94 percent of which were medical emergencies. Due to underlying data issues, the Fire Department was unable to provide data for 2012-13 regarding the response time to emergency incidents. Eighty-one percent of residents rated fire services as good or excellent and 73 percent of residents rated emergency medical services as good or excellent.
- The City has 54 community centers including the recently opened Bascom Community Center. PRNS operated only 12 of those centers in 2012-13. The remaining facilities were operated through the City’s facility re-use program by outside organizations and/or other City programs; three sites were closed. Ninety-one percent of residents reported having visited a park at least once in the last year. Only 32 percent and 26 percent of residents rated services to seniors and youth as good or excellent, respectively.
- Branch libraries were open 33 or 34 hours per week over four days of service. This compares to 47 hours per week over six days from 2003-04 through 2009-10. The Dr. Martin Luther King, Jr. main library was open 77 hours per week. Although total circulation remained high (10.7 million items, including eBooks), it was 25 percent less than ten years ago. Sixty-two percent of residents rated library services good or excellent.
- San Jose remains one of the least affordable cities in the country with nearly four out of five residents rating the availability of affordable quality housing as only fair or poor. The Housing Department recently lost a revenue stream of about \$35 million per year for affordable housing due to the dissolution of redevelopment statewide.
- Garbage/recycling, sewer, and stormwater rates all remained unchanged from 2011-12 to 2012-13. Muni water rates increased by 9 percent and have increased by 73 percent over ten years. These increases are consistent with other retail water providers in San José. Between 68 percent and 79 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 served 32,000 customers. Activity has been on the rise as the Permit Center provided 39 percent more plan checks, 53 percent more field inspections, and 30 percent more building permits than five years ago. Permit Center services operate at a combined 111 percent cost recovery and met or exceeded their timeliness targets for three out of seven permit processes. Planning completed four Urban Villages plans and initiated another six during 2012-13.
- In 2012-13, the Airport served 8.5 million airline passengers, down 20 percent from 10 years ago. There were 87,500 passenger flights (takeoffs and landings), or 240 per day. While the number of passengers in the region was greater in 2012-13 than in any of the prior 10 years, the Airport’s market share declined to 13 percent from 19 percent in 2003-04. Airport operating expenditures have decreased 33 percent over the last five years, but annual debt service increased greatly to \$90.4 million as a result of the completion of the Airport modernization and expansion. Seventy-nine percent of residents rated the ease of use of the Airport as good or excellent.
- In 2012, San José had a Pavement Condition Index (PCI) of 63 out of a possible 100. This is considered “fair” according to the statewide index, however that means that streets are worn to the point where rehabilitation may be needed to prevent rapid deterioration. San José’s PCI rating was in the bottom third of 109 Bay Area jurisdictions. As the pavement condition has been deteriorating due to a lack of funds, the need for corrective maintenance, such as pothole repairs, has continued to grow. About 20,000 potholes were filled in 2012-13 (compared to just 1,100 ten years prior). Just 29 percent of residents rated street repair as good or excellent.

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

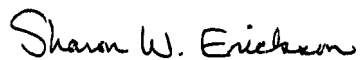
Conclusion

This report builds on the City's existing systems and measurement efforts. The City Auditor's Office selected and reviewed performance data to provide assurance that the information in this report presents a fair picture of the City's performance. 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— their missions, 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/auditor/>. 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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