

**Report from the City Auditor**

**City of Palo Alto  
Service Efforts and Accomplishments  
Report 2006-07  
Annual Report on City Government Performance**



January 2008

# City of Palo Alto

Office of the City Auditor

## Service Efforts and Accomplishments Report FY 2006-07: Annual Report on City Government Performance

This is a summary of the City Auditor's sixth annual Service Efforts and Accomplishments (SEA) Report for the City of Palo Alto. The SEA Report is intended to be informational. It provides data about the costs, quality, quantity, and timeliness of City services. It includes a variety of comparisons to other cities, and the results of a citizen survey. Our goal is to provide the City Council, staff, and the public with an independent, impartial assessment of past performance to strengthen public accountability, improve government efficiency and effectiveness, and support future decision making.

### OVERALL SATISFACTION

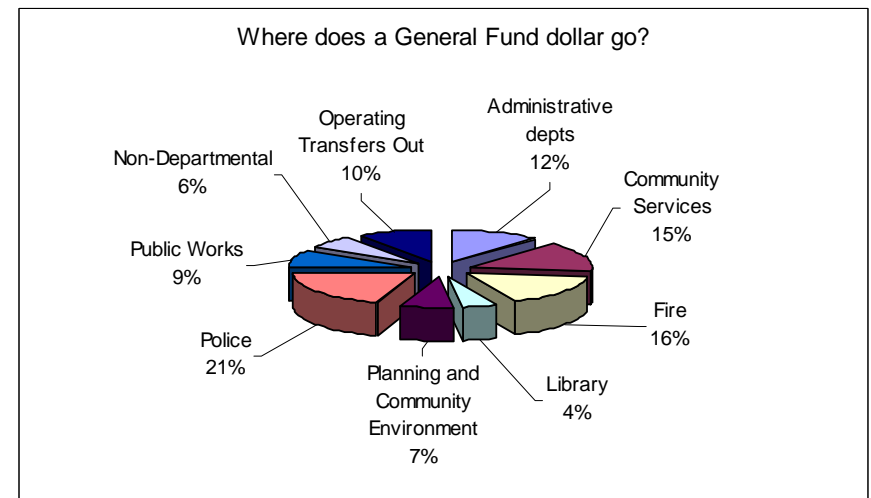
The fifth annual Citizen Survey, administered in conjunction with this report, reveals high ratings for City services. 86% rated the overall quality of City services good or excellent, placing Palo Alto in the 86<sup>th</sup> percentile compared to other jurisdictions. From 86% to 90% of respondents have rated the overall quality of city services good or excellent every year of the survey, although fewer residents rated services excellent (23%) than in previous years.

When asked to evaluate whether they felt they received good value for the City of Palo Alto taxes they pay, 67% agreed that they receive good value (compared to 74% last year) and 16% disagreed (compared to 12% last year). This placed Palo Alto in the 91<sup>st</sup> percentile compared to other jurisdictions. This year 57% reported they were pleased with the overall direction of the City (compared to 62% last year). 57% of respondents reported having contact with a City employee in the last 12 months, and 79% rated that contact good or excellent.

In comparison to survey responses from other jurisdictions, Palo Alto ranks in the 98<sup>th</sup> percentile for job opportunities, 95<sup>th</sup> percentile as a place to live, in the 94<sup>th</sup> percentile as a place to raise children and in overall quality of life, but only the 2<sup>nd</sup> percentile in access to affordable quality housing. This year Palo Alto ranked #1 as a place to work, in ease of walking, and in feelings of safety in your neighborhood during the day. When asked to rate potential problems in Palo Alto, 19% said too much growth, 18% said homelessness, 16% said traffic congestion, and 16% said taxes.

### OVERALL SPENDING AND STAFFING

General Fund spending increased from \$119.2 to \$132.4 million (or 11%) over the last 5 years; Palo Alto's estimated population increased 3.7% and inflation was about 10% over the same period. In FY 2006-07, total citywide authorized staffing, including temporary and hourly positions, was 1,160 full-time equivalent employees (FTE), or 4% less than five years ago.



Source: FY 2006-07 expenditure data

Infrastructure remains a City Council priority. Capital spending last year totaled \$46.4 million, including \$17.5 million in the general governmental funds and \$28.9 million in the enterprise funds. As of June 30, 2007, the City had \$15.8 million in reserves set aside to fund infrastructure rehabilitation (compared to \$33.4 million 5

years ago).

#### Net General Fund cost per resident

On a per capita basis, FY 2006-07 net General Fund costs of \$1,518 included:

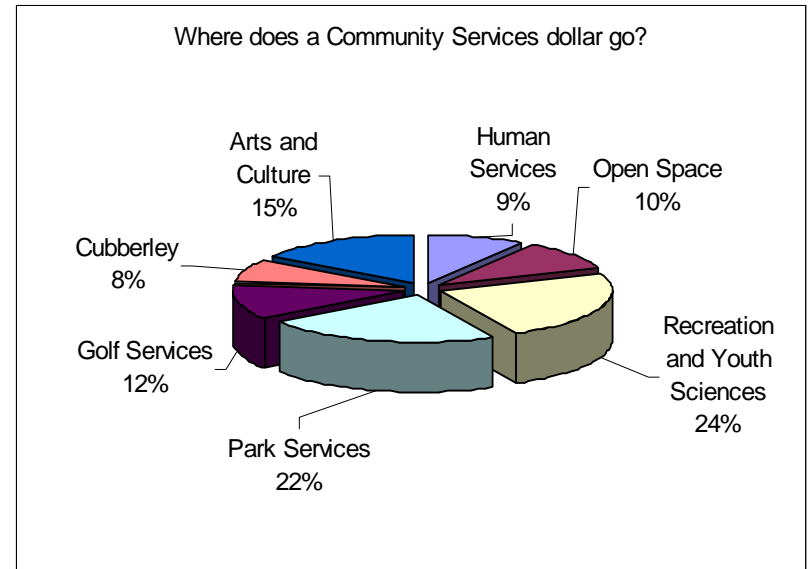
- \$335 for police services
- \$207 for community services
- \$186 for fire and emergency medical services<sup>1</sup>
- \$152 for public works
- \$136 for administrative, legislative, and support services
- \$90 for library services
- \$45 for planning, building, code enforcement
- \$231 in operating transfers out (including \$140 in transfers for capital projects)
- \$136 for non-departmental expenses (including \$99 paid to the school district)

This year's report includes information about greenhouse gas emissions. In 2007, the City Council adopted climate protection as a top City priority, inventoried its municipal and community emissions, and set emission reduction goals (from 2005 baseline levels). Within the limitations of the measurement tools currently available, estimated baseline 2005 Palo Alto emissions totaled 728,720 metric tons of CO<sub>2</sub> equivalents. The City has committed to tracking and reporting greenhouse gas emissions on a regular basis, and measuring progress towards reducing emissions.

### COMMUNITY SERVICES

Spending on community services increased 6% over the last five years to \$19.8 million. In FY 2006-07, volunteers donated more than 11,000 hours for open space restorative/resource management projects. Enrollment in classes was down 12% from 20,995 in FY 2002-03 to 18,433 in FY 2006-07. Online class registrations continue to increase, with 42% of registrations online last year compared to 11% five years ago. Attendance at Community Theatre performances was down 6%, but attendance at Children's Theatre performances was up 9%. In FY 2006-07,

parks maintenance spending totaled about \$4 million or approximately \$15,000 per acre maintained. About 22% of maintenance spending was contracted out. The Golf Course continues to break even.



Source: FY 2006-07 revenue and expenditure data

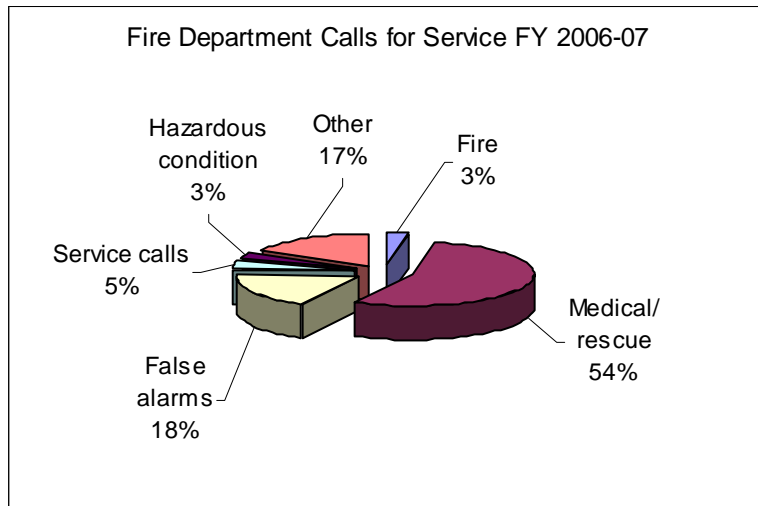
82% of residents rate the quality of recreation centers/facilities as good or excellent; 90% rate the quality of recreation programs/classes as good or excellent; 82% rate the range/variety of classes good or excellent; 89% rate their neighborhood park good or excellent; and 91% rate the quality of city parks good or excellent. In comparison to other jurisdictions, Palo Alto's survey responses ranked in the 99<sup>th</sup> percentile for recreation programs and classes, 96<sup>th</sup> in quality of parks, 95<sup>th</sup> percentile in opportunities to attend cultural events, and 92<sup>nd</sup> in recreational opportunities.

### FIRE

Fire Department expenditures of \$21.6 million were 19% more than five years ago. In FY 2006-07, 45% of costs were covered by revenue. In FY 2006-07, the Department responded to an average of 20 calls per day. The average response time for fire calls was 5:48 minutes, and the average response time for medical/rescue

calls was 5:17 minutes. In FY 2006-07, there were more than 3,900 medical/rescue incidents, and only 221 fire incidents (including 68 residential structure fires). In FY 2006-07, the Department performed 24% fewer fire inspections and 21% fewer hazardous materials inspections (including only 53% of annual inspections of the 501 facilities permitted for hazardous materials) than it did five years ago. Palo Alto is the only city in Santa Clara County that provides ambulance services. 30% of line personnel are certified paramedics; the other 70% of line personnel are certified emergency medical technicians (EMTs). In FY 2006-07, the department provided 2,527 ambulance transports.

Residents give high marks to the quality of Fire Department service: 98% of residents rated fire services good or excellent, and 94% rated ambulance/emergency medical services good or excellent. In FY 2006-07, the Department provided 240 fire safety, bike safety, and disaster preparedness presentations to more than 17,000 residents. In response to a survey question about emergency preparedness, 57% of residents said that they were prepared to sustain themselves for 72 hours with sufficient food and water in the event of a major disaster such as an earthquake or flood.

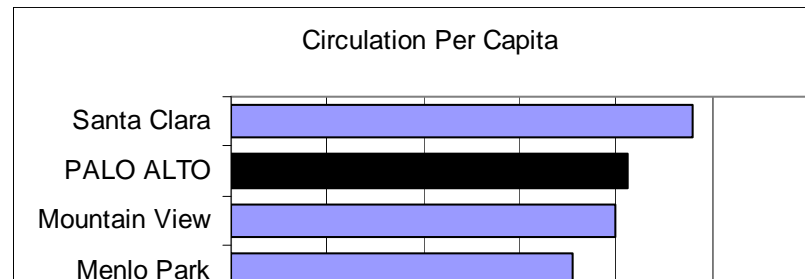


Source: Fire Department

## LIBRARY

Operating expenditures for Palo Alto's five library facilities rose 12% over the last five years to \$5.8 million. Total circulation topped 1.4 million in FY 2006-07. More than 900,000 first time checkouts were completed on the Library's self-check machines, compared to about 45,000 five years ago. Over the last 5 years, the number of reference questions declined 35%, while the number of internet sessions increased 52% and the number of online database searches increased 192%. Volunteers donated more than 5,800 hours of service to the libraries in FY 2006-07 – 45% more than five years ago. 33% of survey respondents reported they used the library or its services more than 12 times last year.

81% of Palo Alto residents rated the quality of library services good or excellent (54<sup>th</sup> percentile in comparison to other jurisdictions asking this survey question), 75% rated the quality of neighborhood branch libraries good or excellent, and 75% rated



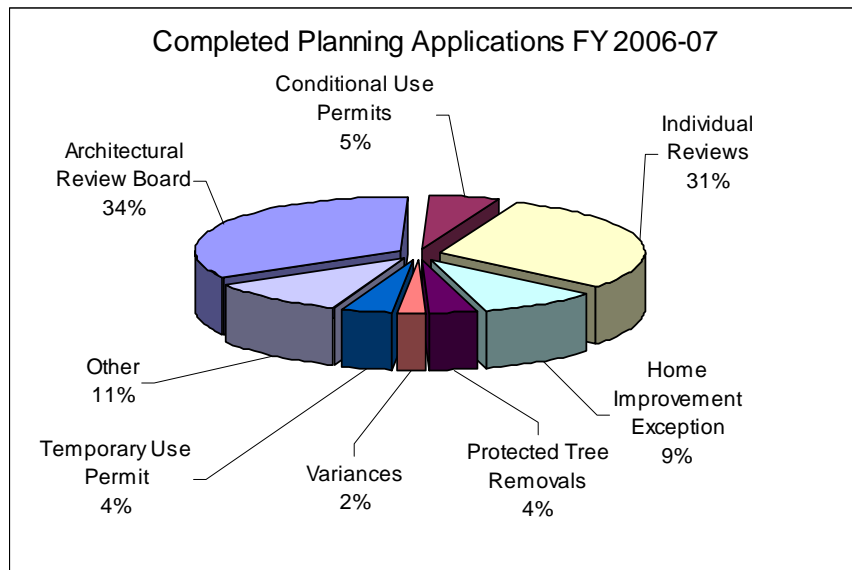
the variety of library materials as good or excellent

(also 54<sup>th</sup> percentile in comparison to other jurisdictions).

## PLANNING AND COMMUNITY ENVIRONMENT

Planning and Community Environment expenditures totaled \$9.4 million in FY 2006-07. This was offset by revenue of \$6.6 million. A total of 299 planning applications were completed in FY 2006-07 – 8% fewer than five years ago. The average time to complete planning applications was 13.4 weeks. 49% of residents rate planning services good or excellent; 57% rated the overall quality of new development in Palo Alto as good or excellent; 61% rated economic development good or excellent. 58% of residents rated

code enforcement services good or excellent; only 17% of residents consider run down buildings, weed lots, or junk vehicles a major or moderate problem. Over the last 5 years, the number of new code enforcement cases dropped from 764 to 369, or 52%.



Source: Planning and Community Environment Department

The department issued a total of 3,136 building permits in FY 2006-07 – about the same number as 5 years ago. 76% of building permits were issued over the counter. For those permits that were not issued over the counter, the average for first response to plan checks was 27 days (compared to 28 days last year), and the average to issue a building permit was 102 days (compared to 98 days last year). According to the department, 99% of building permit inspection requests were responded to within one working day.

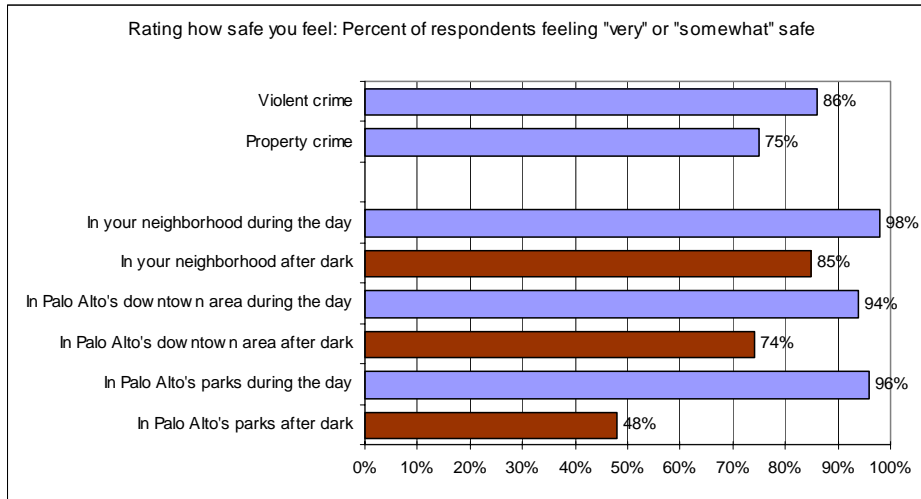
City Shuttle boardings are up 1% over the last five years, from about 167,000 in FY 2002-03 to about 169,000 in FY 2006-07. In response to the survey, 55% of residents said traffic congestion was a major or moderate problem in Palo Alto. Interestingly, non-commute traffic constituted 30%, and work-related commuting constituted 6%, of estimated Palo Alto greenhouse gas emissions in 2005. 88% rated the ease of walking good or excellent, and

83% rated the ease of bicycle travel good or excellent.

## POLICE

Police Department spending of \$25.9 million was 22% more than five years ago. The department handled more than 60,000 calls for service in FY 2006-07, or about 165 calls per day. Over the last 5 years, the average response times for emergency calls improved from 5:53 minutes to 5:08 minutes. The total number of traffic collisions declined by 16% over the five year period, however the number of bicycle/pedestrian collisions increased by 27%. There were 31 alcohol related collisions, and 257 DUI arrests in FY 2006-07. Police Department statistics show 135 reported crimes per 1,000 residents, with 81 reported crimes per officer last year. FBI statistics show that Palo Alto has fewer violent crimes per thousand residents than many local jurisdictions.

In comparison to other jurisdictions, Palo Alto ranked #1 in ratings of safety in your neighborhood during the day and in the 85<sup>th</sup> percentile after dark. Palo Alto ranked in the 91<sup>st</sup> percentile in feelings of safety in the downtown during the day, and the 82<sup>nd</sup> percentile at night. In FY 2006-07, residents' feelings of safety from violent and property crimes recovered from a one year drop in ratings last year to 86% and 75%, respectively. 91% of residents rated police services good or excellent – placing Palo Alto in the 92<sup>nd</sup> percentile in comparison to other jurisdictions. The Police Department reports it received 121 commendations and 11 complaints last year (one complaint was sustained).



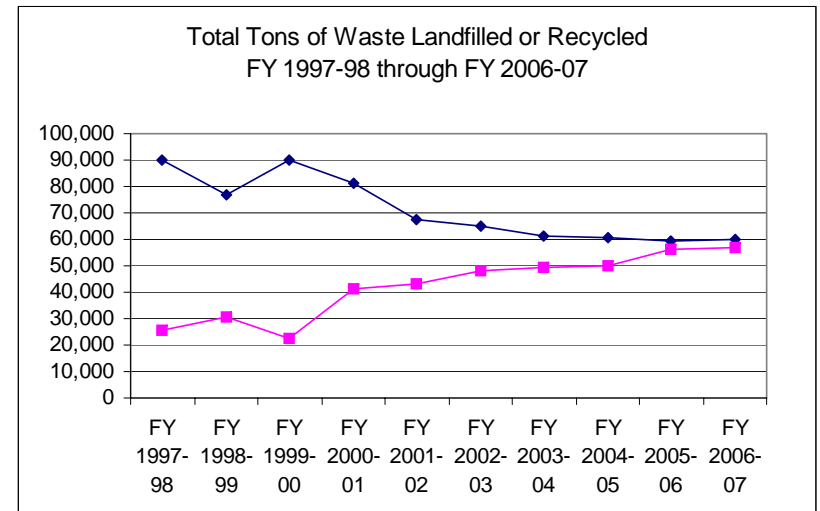
Source: National Citizen Survey™ 2007 (Palo Alto)

## PUBLIC WORKS

Public Works Department General Fund spending decreased by 7% in the last five years to \$12.4 million due to the reallocation of staffing and other costs to other funds. The General Fund services that Public Works provides include streets, sidewalks, trees, city facilities, and private development reviews. Capital spending for these activities included \$5.2 million for streets (up from \$2.4 million in FY 2005-06), and \$2.5 million for sidewalks. Over the past 5 years, more than ½ million square feet of sidewalks have been replaced or permanently repaired, and 326 ADA ramps were completed. In FY 2006-07, 67% rated street tree maintenance good or excellent, 56% rated sidewalk maintenance good or excellent, and 47% rated the quality of street repair good or excellent.

The Department is also responsible for refuse collection and disposal (\$25.1 million in FY 2006-07), storm drainage (\$3.5 million in FY 2006-07), wastewater treatment (\$18.1 million, of which more than 60% is reimbursed by other jurisdictions), and city fleet and equipment replacement and maintenance (\$3.3 million). These services are provided through enterprise and internal service funds. Over the last five years, tons of materials recycled

increased 18%; tons of waste landfilled declined 8%; and tons of household hazardous materials collected increased 33%. In FY 2006-07, 91% of residents rated the quality of garbage collection as good or excellent (placing Palo Alto in the 95<sup>th</sup> percentile), and 93% rated recycling services good or excellent (99<sup>th</sup> percentile compared to other jurisdictions). 60% of residents rated storm drainage good or excellent.



Source: Public Works Department

## UTILITIES

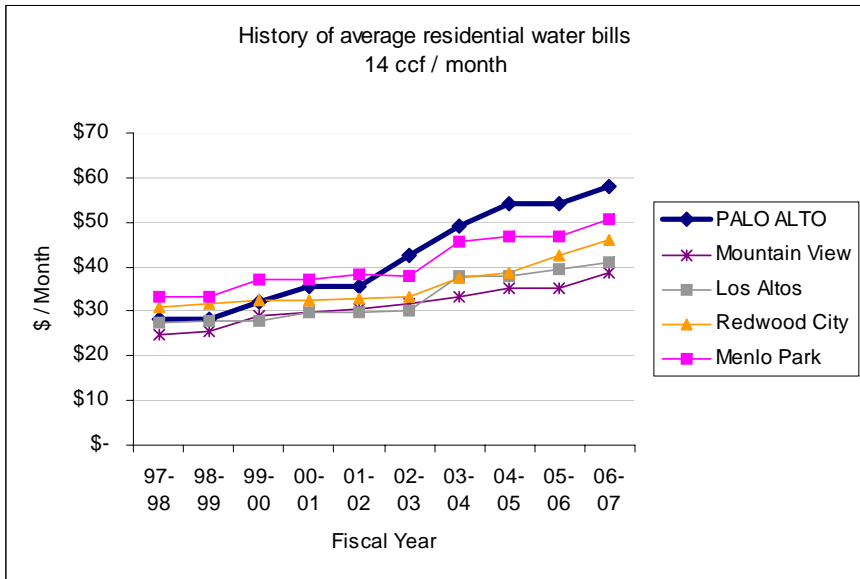
In FY 2006-07, operating expense for the electric utility totaled \$89.6 million, including \$62.5 million in electricity purchase costs (67% more than five years ago). The average monthly residential bill has increased 21% over the five year period. Average residential electric usage per capita increased 2% from five years ago. As of June 30, 2007, more than 17% of Palo Alto customers had enrolled in the voluntary Palo Alto Green energy program – supporting 100% renewable energy. 86% of residents rated electric utility services good or excellent.

Operating expense for the gas utility totaled \$30.1 million, including \$22.3 million in gas purchases (45% more than five years ago). The average monthly residential bill has increased 63% over the five year period. Average residential natural gas usage per



capita declined 5% over five years ago. The number of service disruptions has decreased 60% over the five year period. 85% of residents rated gas utility services good or excellent.

Operating expense for the water utility totaled \$16.3 million, including \$7.8 million in water purchases (36% more than five years ago). The average residential water bill has increased 37% over the five year period. Average residential water usage per capita is down 5% from five years ago. 79% of residents rate water utility services good or excellent.



Source: Utilities Department data

Operating expense for wastewater collection totaled \$10 million in FY 2006-07. The average residential sewer bill has increased 34% over the last five years. 82% of residents rated sewer services good or excellent. There were 152 sewage overflows in 2006.

This year's report includes information about the City's fiber optic utility. Launched in 1996, the fiber optic utility offers "dark" fiber optic network service to the Palo Alto business community. Operating revenue totaled \$2.2 million in FY 2006-07. Over the past five years, the number of service connections grew by 61%

and operating revenue increased by 57%, while operating expense has remained relatively flat. In FY 2006-07, the system served 49 commercial customer accounts with a total of 161 service connections. It included 40.6 miles of backbone fiber and 39.5 miles of service connection fiber.

## LEGISLATIVE AND SUPPORT SERVICES

This category includes the Administrative Services and Human Resources departments, and the offices of the City Manager, City Attorney, City Clerk, City Auditor, and the City Council, and includes performance information related to these departments.

## FURTHER INFORMATION

By reviewing the entire report, readers will gain a better understanding of the mission and work of each of the City's departments. The background section includes a community profile, discussion of service efforts and accomplishments reporting, and information about the preparation of this report. Chapter 1 provides a summary of overall City spending and staffing over the last five years. Chapters 2 through 9 present the mission statements, description of services, background information, workload, performance measures, and survey results for the various City services.

Copies of the full report and results of the National Citizen Survey™ are available in our office, or on the web at: [http://www.cityofpaloalto.org/depts/aud/service\\_efforts\\_and\\_achievements.asp](http://www.cityofpaloalto.org/depts/aud/service_efforts_and_achievements.asp). We thank the many departments and staff that contributed to this report. This report would not be possible without their support.

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