

Report from the City Auditor

**City of Palo Alto
Service Efforts and Accomplishments
Report FY 2004-05
Annual Report on City Government Performance**



February 2006

City of Palo Alto

Office of the City Auditor

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Honorable City Council
Palo Alto, California

This is the City Auditor's fourth annual Service Efforts and Accomplishments report for the City of Palo Alto. The 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 help make better decisions about the future. We are confident that reliable information on the performance of City services will strengthen public accountability and help improve government efficiency and effectiveness.

OVERALL SATISFACTION

The third annual Citizen Survey, administered in conjunction with this report, reveals high ratings for City services. 88 percent rated the overall quality of City services good or excellent. This included 26 percent rating the overall quality of services as excellent, 62 percent good, 11 percent fair, and only 1 percent poor. This places Palo Alto in the 90th percentile compared to other jurisdictions.

When asked to evaluate whether they felt they received good value for taxes they pay, 70 percent agreed that they receive good value (compared to 75 percent last year) and 16 percent disagreed. This places Palo Alto in the 91st percentile compared to other jurisdictions. This year 54 percent reported they are pleased with the overall direction of the City (compared to 63 percent last year). 56 percent of respondents reported having contact with a City employee in the last 12 months, and 80 percent rated that contact good or excellent.

In comparison to responses from other jurisdictions, Palo Alto ranks in the 95th percentile as a place to live, in the 94th percentile as a place to raise children, and in the 92nd percentile in overall quality of life, but only the 3rd percentile in access to affordable quality housing. Palo Alto ranked #1 as a place to work. When asked to rate potential problems in Palo Alto, 26 percent said homelessness, 22 percent said taxes, 17 percent said traffic congestion, and 16 percent said too much growth.

OVERALL SPENDING AND STAFFING

A downturn in the local economy and decreases in City revenue has forced spending reductions over the last 5 years. General Fund spending decreased from \$119.9 to \$118.0 million (or 2 percent) over the 5 year period. Given an estimated population increase of 2.3 percent, inflation of 12.3 percent, and a 58 percent increase in employee benefit costs over the same period, the General Fund's spending power was less.

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In FY 2004-05, we estimate the net General Fund cost per resident was \$1,390 including:

- \$292 for police services
- \$206 for community services and parks
- \$165 for fire and emergency medical services
- \$154 for public works
- \$142 for administrative/legislative/support services
- \$80 for planning, building, and code enforcement services
- \$79 for library services
- \$133 in operating transfers (including \$77 for capital projects)
- \$139 for non-departmental expenses (including \$96 paid to the school district)

In FY 2004-05, General Fund staffing dropped to 672 regular full-time equivalents (FTE), the lowest point since FY 1996-97. Including hourly and temporary staffing, General Fund FTE was 759 FTE, or 5 percent less than 5 years ago. However, total authorized staffing citywide, including temporary and hourly positions, is 2 percent higher than five years ago.

Capital spending in the general governmental funds increased 92 percent over five years – from \$11.1 million in FY 2000-01 to \$21.3 million in FY 2004-05. As of June 30, 2005, the City had \$25.2 million in reserves set aside to fund infrastructure rehabilitation.

COMMUNITY SERVICES

Spending on community services increased 11 percent over the last five years to \$19.1 million. In FY 2004-05, volunteers donated nearly 16,000 hours for open space restorative/resource management projects. Enrollment in classes was up 11 percent from FY 2000-01. Attendance at Community Theatre performances was down 9 percent, but attendance at Children's Theatre performances was up 1 percent. In FY 2004-05, parks maintenance spending totaled about \$3.8 million or approximately \$14,600 per acre maintained. About 16 percent of maintenance is contracted out.

78 percent of residents rate the quality of recreation centers/facilities as good or excellent; 87 percent rate the quality of recreation programs/classes as good or excellent; 89 percent rate their neighborhood park good or excellent; and 91 percent rate the quality of city parks good or excellent. In comparison to other jurisdictions, Palo Alto's survey responses ranked 96th in opportunities to attend cultural events, 97th in the quality of parks, and 95th in range/variety of recreation programs and classes.

FIRE

Fire Department expenditures of \$19.1 million were 13 percent more than five years ago. The Department is 47 percent cost recovery. The Fire Department provides Palo Alto and Stanford residents and businesses with emergency response, environmental and safety services. The average response time for fire calls was 5:09 minutes, and the average response time for medical/rescue calls was 5:28 minutes in FY 2004-05. In FY 2004-05, there were more than 3,600 medical/rescue calls, and only 224 fire calls (including 58 residential structure fires).

Residents give high marks to the quality of Fire Department service: 94 percent of residents rate fire services good or excellent, and 94 percent of residents rate ambulance/emergency medical services good or excellent. In FY 2004-05, the Department provided 219 fire safety, bike safety, and disaster preparedness presentations to nearly 16,000 residents, compared to 148 presentations 5 years ago.

LIBRARY

Operating expenditures for Palo Alto's five library facilities rose 11 percent over the last five years to \$5.1 million. Total hours open annually decreased 19 percent over that period. Total family program attendance rose 9 percent. Volunteers donated about 7,537 hours of service to the libraries in FY 2004-05 – 98 percent more than 5 years ago. 25 percent of survey respondents reported they use the library or its services more than 12 times during the last year.

Library services receive high ratings from residents: 80 percent rate the quality of library services good or excellent (62nd percentile in comparison to other jurisdictions asking this survey question), 75 percent of Palo Alto residents rate the variety of library materials as good or excellent, and 78 percent rate the quality of neighborhood branch libraries good or excellent.

PLANNING AND COMMUNITY ENVIRONMENT

Planning and Community Environment expenditures increased 31 percent from \$7 million to \$9.1 million over the last 5 years. In FY 2004-05, the average time to complete planning applications decreased to 13.8 weeks for major projects and 10.7 weeks for minor projects. 46 percent of residents rate planning services good or excellent; 56 percent rate the overall quality of new development in Palo Alto as good or excellent. Only 4 percent of residents consider run down buildings, weed lots, or junk vehicles a major problem. 55 percent of residents rate code enforcement services good or excellent.

Over the last five years, the number of building permits issued decreased 15 percent (from 3,639 in FY 2000-01 to 3,081 in FY 2004-05). Building permit revenue also decreased 15 percent. In FY 2004-05, 69 percent of building permits were issued over the counter. For those permits that were not issued over the counter, we estimate the average for first response to plan checks was 24 days, and the average to issue a building permit was 62 days. 91 percent of building permit inspection requests were responded to within one working day.

POLICE

Police Department spending of \$22.5 million was 16 percent more than five years ago. The department handled more than 52,000 calls for service in FY 2004-05. Over the last 4 years, the average response times for emergency calls improved from 6:41 minutes to 5:01 minutes. The total number of traffic accidents declined by 23 percent, but the percent of traffic accidents with injury increased by 7 percent over the five year period.

Palo Alto ranked in the 97th percentile in comparison to other jurisdictions in response to the question “how safe do you feel in your neighborhood during the day” – 98 percent of residents said they feel very or somewhat safe in their neighborhoods during the day. 87

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percent of residents rate police services good or excellent, including 42 percent excellent, 45 percent good, 10 percent fair, and 3 percent poor – placing Palo Alto in the 91st percentile in comparison to other jurisdictions. In response to a new survey question this year, 36 percent of respondents reported having contact with the Police Department during the last 12 months. Of those, 78 percent rated their contact good or excellent. 79 percent of residents rate animal control services good or excellent, and 63 percent rate traffic control services good or excellent.

PUBLIC WORKS

Public Works department General Fund spending increased by only 4 percent in the last five years to \$11.1 million (this was due in part to the reallocation of staffing and other costs to other funds). The General Fund services that Public Works provides include streets, sidewalks, trees, structures and grounds, and private development. Capital spending for these activities totaled \$14.1 million in FY 2004-05. The Department is also responsible for refuse collection and disposal, storm drainage, wastewater treatment, and vehicle replacement and maintenance (these services are provided through enterprise and internal service funds).

In 2004, Palo Altans diverted an estimated 62 percent of waste from landfills. Tons of materials recycled increased 22 percent; tons of waste landfilled declined 25 percent; and tons of household hazardous materials collected increased from 205 tons to 324 tons, or 58 percent. Over the past 5 years, more than ½ million square feet of sidewalks have been replaced or permanently repaired, and nearly 450 ADA ramps were completed. In FY 2004-05, 92 percent of residents rated the quality of garbage collection as good or excellent, 82 percent rated street tree maintenance good or excellent (up from 70 percent last year), 60 percent rated storm drainage good or excellent, 48 percent rated the quality of street repair good or excellent, and 51 percent rated sidewalk maintenance good or excellent.

UTILITIES

The Utilities Department continues to face significant challenges as energy commodity and transmission costs continue to fluctuate. Driven in part by rising energy prices, enterprise fund expenditures for electricity, water, gas, refuse, and other utility services increased to \$182.6 million in FY 2001-02 before declining to \$162.6 million in FY 2004-05.

In FY 2004-05, operating expense for the electric utility totaled \$68.1 million, including \$41 million in electricity purchase costs. 12.6 percent of Palo Alto customers enrolled in the voluntary Palo Alto Green energy program during calendar year 2004 – supporting 100 percent clean wind and solar power. Operating expense for the gas utility totaled \$26.7 million, including \$18.8 million in gas purchases. Over the last 5 years, operating expense for the water utility increased from \$11.9 to \$15 million (26 percent), including a 14 percent increase in the cost of water purchases (\$6.7 million in FY 2004-05). Operating expense for wastewater collection totaled \$8.9 million in FY 2004-05. Palo Alto has an aggressive capital improvement program in its Utility funds. The number of electric, gas, and water service disruptions are down 3 percent, 73 percent, and 81 percent respectively, over 5 years ago.

In FY 2004-05, 68 percent of residents rate electric and gas services good or excellent (compared to 88 percent last year), 63 percent rate street lighting good or excellent (compared to 65 percent last year), 82 percent rate sewer service good or excellent (compared to 80 percent last year), and 81 percent rate drinking water service good or excellent (compared to 75 percent last year). In our opinion, three major events this year may have contributed to the decline in electric and gas service satisfaction: (1) utility rates increased, (2)

it was revealed that several employees in the Utilities Department were disciplined due to irregularities, and (3) the City agreed to a settlement with Enron Corporation.

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.

We urge readers to review the entire report to understand more fully the mission and work of each of the City's departments. The full results of the National Citizen Survey™ are included in the appendices. We thank the many departments and staff that contributed to this report. This report would not be possible without their support.

Respectfully submitted,

Sharon W. Erickson
City Auditor

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BACKGROUND

INTRODUCTION

This is the fourth annual report on the City of Palo Alto's Service Efforts and Accomplishments (SEA). The purpose of the report is to

- Provide consistent, reliable information on the performance of City services,
- Broadly assess trends in government efficiency and effectiveness, and
- Improve City accountability to the public.

The report contains summary information on spending and staffing, workload, and performance results for the fiscal year ended June 30, 2005 (FY 2004-05). It also includes the results of a resident survey rating the quality of City services. The report provides two types of comparisons:

- Five-year historical trends for fiscal years 2000-01 through 2004-05
- Selected comparisons to other cities

There are many ways to look at services and performance. This report looks at services on a department-by-department basis. All City departments are included in our review.

Chapter 1 provides a summary of overall spending and staffing over the last five years. Chapters 2 through 9 present the mission statements, description of services, background data, workload, performance measures, and survey results for:

- Community Services
- Fire
- Library
- Planning and Community Environment
- Police

- Public Works
- Utilities
- Legislative and Support Services

COMMUNITY PROFILE

Incorporated in 1894, Palo Alto is a largely built-out community of about 62,000 residents. The city covers about 26 square miles, stretching from the edges of San Francisco Bay to the ridges of the San Francisco peninsula. Located mid-way between San Francisco and San Jose, Palo Alto is in the heart of the Silicon Valley. Stanford University, adjacent to Palo Alto and one of the top-rated institutions of higher education in the nation, has produced much of the talent that founded successful high-tech companies in Palo Alto and Silicon Valley.

DEMOGRAPHICS

Palo Alto is a highly educated community. According to the 2000 census, of residents aged 25 years and over:

- 74 percent had a bachelor's degree or higher
- 43 percent had a graduate or professional degree

The largest occupation groups are management-professional (76 percent), and sales and office (15 percent).

In 1999, the median household income was \$90,377, with 24 percent of families earning \$200,000 or more, and 10 percent of families earning less than \$35,000.

According to census statistics (2000), 73 percent of Palo Alto residents are white, and 17 percent are of Asian descent:

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Race-ethnicity	Population	Percent
White	42,682	73%
Asian	10,090	17%
Hispanic	2,722	5%
Black or African American	1,184	2%
Other	1,920	3%
Total	58,598	100%

Source: 2000 Census

At the time of the last census (2000), the median age was 40.2 years. The following table shows population by age:

Age	Population	Percent
Under 18	12,406	21%
18 - 34	11,406	19%
35 - 54	19,827	34%
Over 55	14,959	26%
Total	58,598	100%

Source: 2000 Census

The majority of residents own their homes, but a large number of dwellings are renter occupied:

Housing occupancy	Number	Percent
Owner occupied	14,420	55%
Renter occupied	10,796	42%
Vacant	832	3%
Total	26,048	100%

Source: 2000 Census

QUALITY OF LIFE

Residents give high ratings to the local quality of life. When asked to rate the overall quality of life in Palo Alto, 41 percent of residents said “excellent”, 49 percent said “good”, 9 percent said “fair”, and 1 percent said “poor.”

In comparison to other jurisdictions¹, Palo Alto ranks in the 92nd percentile in overall quality of life, and in the 94th percentile as a place to raise children. Palo Alto “as a place to retire”, ranked somewhat lower, in the 53rd percentile.

Quality of life ratings	Percent rating Palo Alto good or excellent	National ranking
Palo Alto as a place to live	94%	95 ^{%ile}
Palo Alto as a place to raise children	92%	94 ^{%ile}
Neighborhood as a place to live	90%	89 ^{%ile}
Palo Alto as a place to work <NEW>	81%	100 ^{%ile}
Palo Alto as a place to retire	60%	53 ^{%ile}
Overall quality of life	90%	92 ^{%ile}

Source: National Citizen SurveyTM 2005 (Palo Alto)

Palo Alto residents give high marks to the City’s overall appearance and opportunities to attend cultural events (96th percentile compared to other jurisdictions). 68 percent of residents rated our sense of community as good or excellent. Job opportunities rated lower at 46 percent (about the same as last year, but higher than the year before), but that was enough to put us in the 82nd percentile compared to other jurisdictions asking that question.

Community characteristics	Percent rating Palo Alto good or excellent	National ranking
Overall appearance of Palo Alto	85%	90 ^{%ile}
Opportunities to attend cultural events	78%	96 ^{%ile}
Shopping opportunities <NEW>	76%	84 ^{%ile}
Openness and acceptance	72%	85 ^{%ile}
Sense of community	68%	80 ^{%ile}
Job opportunities	46%	82 ^{%ile}
Access to affordable quality child care	25%	13 ^{%ile}
Access to affordable quality housing	8%	3 ^{%ile}
Ease of walking in Palo Alto	86%	98 ^{%ile}
Ease of bicycle travel in Palo Alto	78%	94 ^{%ile}
Ease of rail travel in Palo Alto	68%	58 ^{%ile}
Ease of car travel in Palo Alto	60%	70 ^{%ile}

¹ Based on survey results from over 400 jurisdictions collected by the National Research Center, Inc.

Ease of bus travel in Palo Alto 44% 49%^{site}
 Source: National Citizen Survey™ 2005 (Palo Alto)

As shown below, when asked to rate potential problems in Palo Alto, more than 1 out of 5 of residents cite homelessness and/or taxes as major problems.

Potential problems	Percent "major problem"
Homelessness	26%
Taxes	22%
Traffic congestion	17%
Too much growth	16%
Noise	7%
Drugs	5%
Unsupervised youth	4%
Lack of growth	4%
Run down buildings, weed lots, or junk vehicles	4%
Graffiti	2%
Crime	1%

Source: National Citizen Survey™ 2005 (Palo Alto)

In 2005, the rate of population growth in Palo Alto was viewed as "too fast" by 49 percent of survey respondents – while 63 percent of respondents said jobs growth was too slow, and 25 percent said retail growth was too slow.

Residents' perceptions of the local economy are less positive than last year. This year 20 percent said they thought the economy would have a positive impact on their family income in the next 6 months (compared to 27 percent last year), 31 percent said it would have a negative impact (compared to 28 percent last year), and 50 percent were neutral (compared to 45 percent last year).

COMMUNITY PARTICIPATION

Palo Alto residents participate actively in their community. When asked about their participation in various activities in Palo Alto in the last 12 months, 98 percent reported they recycled, 93 percent visited a Palo Alto park, 79 percent reported they voted in the last election, and 79

percent reported they used the library or its services. 30 percent reported they had attended a meeting of local elected officials or other local public meeting.

Palo Alto residents are active on-line. 90 percent of residents said they used the internet, 82 percent said they purchased an item over the internet, and 52 percent said that they had used the internet to conduct business with the City.

Percent engaging in various activities in the past year:	Percent
Recycled used paper, cans or bottles from your home	98%
Visited a Palo Alto park	93%
Used the internet for anything	90%
Purchased an item over the internet	82%
Voted in the last election	79%
Used Palo Alto public library or its services	79%
Used Palo Alto recreation centers	62%
Volunteered your time to some group/activity in Palo Alto	52%
Used the internet to conduct business with Palo Alto	52%
Participated in a recreation program or activity	52%
Ridden a local bus within Palo Alto	34%
Attended a meeting of local elected officials or other local public meeting	30%
Watched a meeting of local elected officials or other local public meeting on cable television	29%

Source: National Citizen Survey™ 2005 (Palo Alto)

GOVERNMENT

Palo Alto is a charter city, operating under a council/manager form of government. There is a 9-member City Council, and a number of Council-appointed boards and commissions.² The City Council's top 5 priorities for FY 2004-05 included:

- Long term finances
- Infrastructure
- Land use planning
- Alternative transportation/traffic calming
- Affordable/attainable housing

These priorities are expected to change in 2006.

² Additional information about the City's boards and commissions can be found at www.cityofpaloalto.org/cityagenda.

SCOPE AND METHODOLOGY

The City Auditor's Office prepared this report in accordance with the FY 2005-06 Annual Audit Plan and government auditing standards. The workload and performance results that are outlined here reflect current City operations. We did not audit those operations as part of this project.

The City Auditor's Office compiled, examined, and reviewed sources of departmental data in order to provide reasonable assurance that the data that we compiled is accurate, however we did not conduct detailed testing of that data. The report is intended to be informational. The report provides insights into service results, but is not intended to thoroughly analyze those results.

SERVICE EFFORTS AND ACCOMPLISHMENTS REPORTING

In 1994, the Governmental Accounting Standards Board (GASB) issued *Concepts Statement No. 2, Service Efforts and Accomplishments Reporting*. The statement broadly describes “*why external reporting of SEA measures is essential to assist users both in assessing accountability and in making informed decisions to improve the efficiency and effectiveness of governmental operations.*” According to the statement, the objective of SEA reporting is to provide more complete information about a governmental entity's performance than can be provided by the traditional financial statements and schedules, and to assist users in assessing the economy, efficiency, and effectiveness of services provided.

Other organizations including the Government Finance Officers Association (GFOA) and International City/County Management Association (ICMA) have long been advocates of performance measurement in the public sector. For example, the ICMA Performance Measurement Program provides local government benchmarking information for a variety of public services.

In 2003, the Association of Government Accountants (AGA) initiated a Certificate of Excellence in Service Efforts and Accomplishments Reporting project, of which Palo Alto was a charter participant. Our FY 2003-04 report received the Association's Certificate of Achievement for outstanding effort in producing a high quality Service Efforts and Accomplishments Report.

The City of Palo Alto has utilized various performance indicators for a number of years. This report builds on existing systems and measurement efforts. In particular, the City's budget document includes “benchmark” measures.³ Benchmarks include input, output, efficiency, and effectiveness measures. Where appropriate in the budget document, they are related to the City Auditor's Service Efforts and Accomplishments Report by a notation. Similarly, where we included budget benchmarking measures in this document, they are noted with the symbol “⊙”.

SELECTION OF INDICATORS

We limited the number and scope of workload and performance measures in this report to items that we thought would be the most useful indicators of City government performance and would be of general interest to the public. This report is not intended to be a complete set of performance measures for all users.

From the outset of this project, we decided to use existing data sources to the extent possible. We reviewed existing benchmarking measures from the City's adopted budget documents⁴, community indicators in the Comprehensive Plan⁵, sustainability indicators from the City's Sustainability Task Force⁶, performance measures from other jurisdictions, and benchmarking information from the ICMA⁷ and other professional organizations. We used audited information from the City's Comprehensive Annual Financial Reports (CAFR).⁸ We cited

³ In FY 2004-05, new “benchmarking” measures replaced the “impact” measures that were formerly in the budget document. The benchmarks were developed by staff and reviewed by the City Council as part of the annual budget process.

⁴ The budget is on-line at www.cityofpaloalto.org/administrative-services/fin-budget.html. The operating budget includes additional performance information.

⁵ The Comprehensive Plan is on-line at www.cityofpaloalto.org/compplan.

⁶ More information about the City's sustainability efforts is available on-line at www.pafd.org/sustainability/index.html.

⁷ International City/County Management Association (ICMA), *Comparative Performance Measurement FY 2004 Data Report*. This report summarizes data from 87 jurisdictions, including several from California.

⁸ The CAFR is on-line at www.cityofpaloalto.org/administrative-services/fin-cafr.html.

departmental mission statements and performance targets that are taken from the City’s annual operating budget where they are subject to public scrutiny and City Council approval as part of the annual budget process. We held numerous discussions with City staff to determine what information was available and reliable, and best summarized the services they provide.

Wherever possible we have included five years of data. Generally speaking, it takes at least three data points to show a trend. In the future, we hope to include as much as ten years of data to show the impacts of changes in service delivery over time.

This fourth annual SEA report incorporates some new performance information, including results of several new questions that were added to the 2005 citizen survey. Consistency of information is important to us. However, to accommodate new information, we occasionally delete some information that was included in a previous report. We will continue to use City Council, public, and staff feedback to ensure that the information items that we include in this report are meaningful and useful. We welcome your input. Please contact us with suggestions at city.auditor@cityofpaloalto.org.

THE NATIONAL CITIZEN SURVEY™

The National Citizen Survey™ is a collaborative effort between the National Research Center, Inc., and the International City/County Management Association (ICMA).⁹ Respondents in each jurisdiction are selected at random. Participation is encouraged with multiple mailings and self-addressed, postage-paid envelopes. Results are statistically re-weighted, if necessary, to reflect the proper demographic composition of the entire community.

Surveys were mailed to a total of 1,200 Palo Alto households in September 2005. Completed surveys were received from 508 residents, for a response rate of 43 percent (down from 51 percent last

year). Typical response rates obtained on citizen surveys range from 25 to 40 percent.

It is customary to describe the precision of estimates made from surveys by a “level of confidence” (or margin of error). The 95 percent confidence level for this survey of 1,200 residents is generally no greater than plus or minus 5 percentage points around any given percent reported for the entire sample.

The scale on which respondents are asked to record their opinions about service and community quality is “excellent”, “good”, “fair”, and “poor”. Unless stated otherwise, the survey data included in this report displays the responses only from respondents who had an opinion about a specific item – “don’t know” answers have been removed.

The National Research Center, Inc., has collected citizen survey data from more than 400 jurisdictions in the United States. Inter-jurisdictional comparisons are available when similar questions are asked in at least five other jurisdictions. When comparisons are available, ranks are expressed as a percentile to indicate the percent of jurisdictions with identical or lower ratings.

POPULATION

Where applicable, we have used the most recent estimates of Palo Alto resident population from the California Department of Finance, as shown in the following table.¹⁰

Year	Population
FY 2000-01	60,268
FY 2001-02	60,329
FY 2002-03	60,350
FY 2003-04	60,569
FY 2004-05	61,674
Percent change over last 5 years:	+2.3%

⁹ The full text of Palo Alto’s survey results can be found in appendices A and B. The full text of previous surveys can be found in the appendices of our previous reports at www.cityofpaloalto.org/auditor/ServiceEffortsandAccomplishments

¹⁰ The Department of Finance periodically revises prior year estimates. Where applicable we used their revised population estimates to recalculate certain indicators in this report.

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We used population figures from sources other than the Department of Finance for some comparisons to other jurisdictions, but only in cases where comparative data was available only on that basis.

Some departments¹¹ serve expanded service areas. For example, the Fire Department serves Palo Alto, Stanford, and Los Altos Hills (seasonally). The Regional Water Quality Control Plan serves Palo Alto, Mountain View, Los Altos, Los Altos Hills, Stanford, and East Palo Alto.

Some departments are heavily impacted by Palo Alto's large daytime population. The Association of Bay Area Governments (ABAG) estimates that the daytime population for the Palo Alto/Stanford area was 139,032 in calendar year 2000.¹²

INFLATION

Financial data has not been adjusted for inflation. In order to account for inflation, readers should keep in mind that the San Francisco Area Consumer Price Index for All Urban Consumers has increased by 12.3 percent over the 5 years of financial data that is included in this report. The index increased as follows:

Date	Index
June 2000	179.1
June 2001	190.9
June 2002	193.2
June 2003	196.3
June 2004	199.0
June 2005	201.2
Percent change over last 5 years:	+12.3%

¹¹ Additional information about the City's departments can be found at www.cityofpaloalto.org/support/departments.

¹² ABAG calculates daytime population as follows: total Palo Alto/Stanford population (71,914) less number of employed residents (43,772) plus total employment (110,890).

COMPARISONS TO OTHER CITIES

Where possible we included comparisons to nearby California cities. However, comparisons to other cities should be used carefully. We tried to include "apples to apples" comparisons, but differences in costing methodologies and program design may account for unexplained variances between cities. For example, the California State Controller's Office gathers and publishes comparative financial information from all California cities.¹³ We used this information where possible, but noted that cities provide different levels of service and categorize expenditures in different ways.

ACKNOWLEDGEMENTS

This report could not have been prepared without the cooperation and assistance of City management and staff from every City department. Our thanks to all of them for their help. We also want to thank the City Council and community members who reviewed last year's report and provided thoughtful comments.

We would also like to acknowledge our debt to the City of Portland Auditor's Office that pioneered local government accountability for performance through its "City of Portland Service Efforts and Accomplishments" report – now in its fifteenth year of publication.

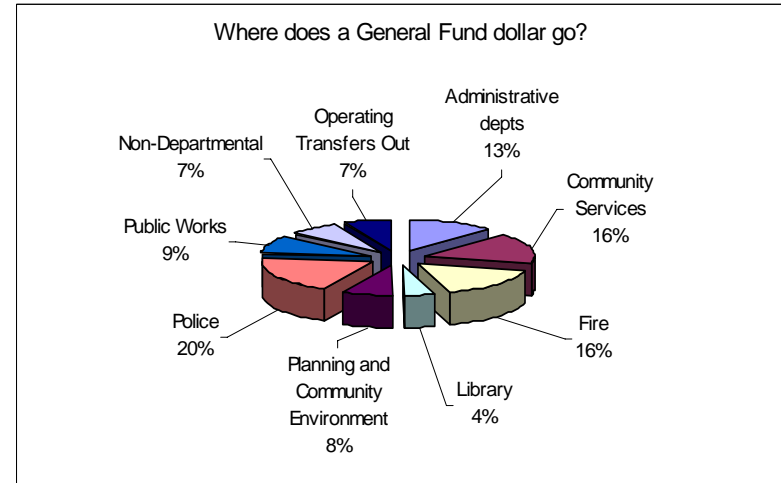
¹³ California State Controller, *Cities Annual Report Fiscal Year 2003-04* (<http://www.sco.ca.gov/ard/local/locprep/index.shtml#publications>).

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CHAPTER 1 – OVERALL SPENDING AND STAFFING

Palo Alto, like other cities, uses various funds to track specific activities. The General Fund is used for all general revenues and governmental functions including parks, fire, libraries, planning, police, public works, legislative, and support services. These services are supported by general City revenues and program fees. Enterprise Funds are used to account for the City's utilities (including water, electricity, gas, wastewater collection and treatment, refuse, and storm drains) and are generally supported by charges paid by users based on the amount of service they use.

The pie chart to the right shows where a General Fund dollar goes. The table below shows more detail. In FY 2004-05, the City's total General Fund expenditures and other uses of funds totaled \$118 million⁵. This included \$8.2 million in transfers to other funds (including \$4.8 million for capital projects and \$0.5 million for storm drains⁵). Total General Fund uses of funds decreased 2 percent from FY 2000-01 to FY 2004-05 (some expenses were transferred to other funds). The consumer price index increased 12.3 percent over the same five-year period.



Source: FY 2004-05 expenditure data

General Fund operating expenditures and other uses of funds (in millions)¹

	Admin. Depts ²	Community Services	Fire	Library	Planning and Community Environment	Police	Public Works	Non-departmental ³	Operating transfers out ⁴	TOTAL ¹	Enterprise Fund operating expenses
FY 2000-01	\$19.2	\$17.2	\$16.8	\$4.6	\$7.0	\$19.5	\$12.5	\$12.9	\$10.2	\$119.9	\$163.5
FY 2001-02	\$19.1	\$18.1	\$17.7	\$5.2	\$7.8	\$20.3	\$13.1	\$6.4	\$11.7	\$119.4	\$182.6
FY 2002-03	\$18.4	\$18.7	\$18.1	\$5.1	\$8.1	\$21.2	\$13.4	\$5.5	\$10.7	\$119.2	\$151.5
FY 2003-04	\$14.9	\$19.1	\$18.8	\$5.3	\$8.5	\$22.0	\$10.6	\$5.9	\$9.2	\$114.4	\$158.2
FY 2004-05	\$15.2	\$19.1	\$19.1	\$5.1	\$9.1	\$22.5	\$11.0	\$8.6	\$8.2⁵	\$118.0⁵	\$162.6
Change over last 5 years ¹	-21%	+11%	+13%	+11%	+31%	+16%	-12%	-33%	-20%	-2%	-1%

¹ Figures are based on actual data, however percentages may not tally due to rounding

² Includes the City Manager, City Attorney, City Clerk, City Council, City Auditor, Administrative Services Department, and Human Resources Department.

³ Includes payments to the Palo Alto Unified School District as part of the Cubberley lease and covenant not to develop (\$5.9 million in FY 2004-05).

⁴ In FY 2004-05 this included \$4.8 million to the Capital Projects Fund, \$0.5 million to the Storm Drain Fund, and \$1.2 million for debt service.

⁵ Does not include the transfer of the Infrastructure Reserve (\$35.9 million) from the General Fund to the Capital Fund.

PER CAPITA SPENDING

There are at least two ways to look at per capita spending: annual spending (shown below) and net cost (shown on the right).

As shown below, in FY 2004-05, General Fund operating expenditures and other uses of funds totaled \$1,913 per Palo Alto resident, including operating transfers to fund the City's Capital Improvement Program (CIP).

However, as shown on the right, General Fund departments generate revenues or are reimbursed for some of their activities by other jurisdictions and/or the enterprise funds. As a result, we estimate the net General Fund cost per resident in FY 2004-05 was about \$1,390.

Enterprise Fund operating expenses totaled \$2,636 per capita. Palo Alto's enterprise funds include Electric, Gas, Water, Wastewater Collection, Wastewater Treatment, Refuse, Storm Drainage, and External Services. Enterprise funds generally work like a business and charge fees to cover the cost of services.

Net General Fund cost per resident²

On a per capita basis, FY 2004-05 net General Fund costs of \$1,390 included:

- \$292 for police services
- \$206 for community services
- \$165 for fire and emergency medical services¹
- \$154 for public works
- \$142 for administrative, legislative, and support services
- \$80 for planning, building, code enforcement
- \$79 for library services
- \$133 in operating transfers out (including \$77 in transfers for capital projects)
- \$139 for non-departmental expenses (including \$96 paid to the school district)

	Per capita General Fund spending and other uses of funds ⁴										Per capita ⁴	Per capita ⁴
	Administrative Departments	Community Services	Fire ¹	Library	Planning and Community Environment	Police	Public Works	Non- departmental	Operating transfers out	TOTAL	Capital outlay (governmental funds)	Enterprise Fund operating expenses (includes capital)
FY 2000-01	\$319	\$285	\$279	\$76	\$115	\$323	\$208	\$214	\$170	\$1,989	\$184	\$2,713
FY 2001-02	\$316	\$301	\$293	\$86	\$129	\$337	\$216	\$107	\$194	\$1,978	\$281	\$3,026
FY 2002-03	\$306	\$308	\$300	\$85	\$135	\$351	\$223	\$91	\$176	\$1,974	\$537	\$2,511
FY 2003-04	\$247	\$316	\$310	\$79	\$141	\$363	\$175	\$98	\$152	\$1,888	\$368	\$2,612
FY 2004-05	\$247	\$310	\$309	\$83	\$148	\$365	\$179	\$139	\$133	\$1,913	\$346	\$2,636
Change over last 5 years: ³	-23%	+9%	+11%	+9%	+28%	+13%	-14%	-35%	-22%	-4%	+88%	-3%

¹ Not adjusted for Fire department's expanded service area.

² Net cost is defined as total program cost less the revenues/ reimbursements generated by the specific activities.

³ Figures are based on actual data, however percentage or total may not tally due to rounding.

⁴ Where applicable, prior year per capita costs have been recalculated based on revised population estimates from the California Department of Finance.

RESIDENT PERCEPTIONS

OVERALL QUALITY OF SERVICES

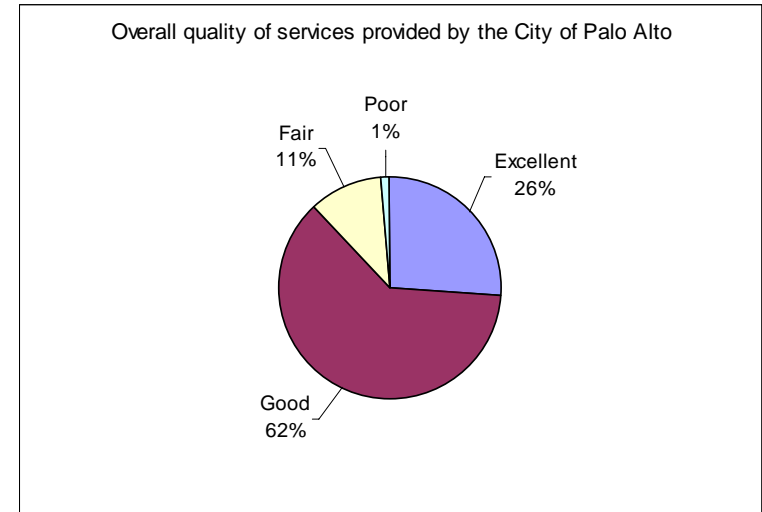
As shown in the chart on the right, 88 percent of Palo Alto residents rate the overall quality of city services good or excellent. Palo Alto ranks in the 90th percentile of nationwide responses to the National Citizen Survey™ on the overall quality of city services. In comparison, 32 percent of Palo Alto residents rate federal and state services good or excellent.

PUBLIC TRUST

When asked to evaluate whether they feel they receive good value for the City taxes they pay, 70 percent of residents agree (down from 75 percent last year), and 54 percent of residents are pleased with the overall direction the city is taking (down from 63 percent last year). The percent who feel the City welcomes citizen involvement and the percent who feel the City listens to citizens are also down from last year.

RATINGS OF CONTACT WITH CITY EMPLOYEES

Fewer survey respondents reported they had contact with a City of Palo Alto employee in the past year (56 percent compared to 64 percent last year). Of those respondents, 80 percent said their overall impression was good or excellent. Ratings for knowledge and courtesy were about the same, but ratings for responsiveness declined from 84 percent to 77 percent good or excellent.¹



Source: National Citizen Survey™ 2005 (Palo Alto)

Citizen Survey

	Overall quality of services			Public trust				Impression of contact with Palo Alto employees				
	Percent rating city services good or excellent	Percent rating Federal Government services good or excellent	Percent rating State Government services good or excellent	Percent agreeing they receive good value for the City taxes they pay	Percent pleased with overall direction of the City	Percent who feel the City welcomes citizen involvement	Percent who feel the City listens to citizens	Percent having contact with a city employee in the last 12 months	Good or excellent impression of knowledge	Good or excellent impression of responsiveness	Good or excellent impression of courtesy	Overall impression good or excellent
FY 2000-01	-	-	-	-	-	-	-	-	-	-	-	-
FY 2001-02	-	-	-	-	-	-	-	-	-	-	-	-
FY 2002-03	87%	32%	31%	69%	54%	64%	55%	62%	84%	74%	83%	78%
FY 2003-04	90%	38%	36%	75%	63%	70%	60%	64%	86%	84%	84%	84%
FY 2004-05	88%	32%	32%	70%	54%	59%	50%	56%	84%	77%	83%	80%
Change over last 5 years:	-	-	-	-	-	-	-	-	-	-	-	-

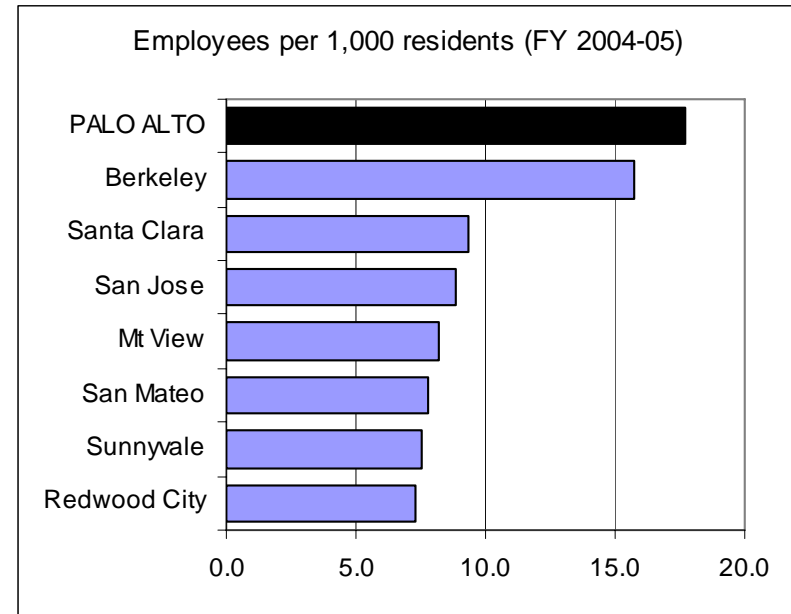
¹ Full results of the National Citizen Survey™ 2005 are included in the appendices.

AUTHORIZED STAFFING

Staffing comparisons between cities are problematic – no other city in California offers a full complement of utility services like Palo Alto, and some Palo Alto employees provide services to other jurisdictions that are reimbursed by those jurisdictions (e.g. fire, dispatch, information technology, water treatment, and animal control). As shown in the graph to the right, Palo Alto had more employees per 1,000 residents than several other local jurisdictions, however those cities offer a different mix of services than Palo Alto.

City staffing is measured in full-time equivalent staff, or FTE. In FY 2005-06, there were a total of 1,189 authorized FTE citywide. This included 759 authorized FTE in General Fund departments, 361 authorized FTE in the Enterprise funds, and 69 authorized FTE in other funds. In FY 2004-05, this included about 1,094 regular employee FTE, and 96 temporary and hourly FTE. As of June 30, 2005, 65 authorized positions were vacant.

Not including temporary and hourly FTE, regular staffing in the General Fund dropped to 672 regular FTE, the lowest point since 1996-97. However, total citywide authorized staffing including temporary and hourly positions increased by 2 percent in the last 5 years – a 5 percent decrease in General Fund staffing was offset by an 18 percent increase in other funds.



Source: Cities' Comprehensive Annual Financial Reports and Operating Budgets

	General Fund authorized staffing (FTE ¹)								Other authorized staffing (FTE ¹)						TOTAL (FTE ¹) ²	Authorized staffing per 1,000 residents ¹
	Admin. Depts.	Community Services	Fire	Library	Planning and Community Environment	Police	Public Works	Subtotal ²	Refuse Fund	Storm Drainage Fund	Wastewater Treatment Fund	Electric, Gas, Water, and Wastewater	Other funds	Subtotal ²		
FY 2000-01	140	148	130	56	60	180	87	801	34	10	68	234	20	365	1,166	19.3
FY 2001-02	148	154	130	57	61	182	89	820	34	10	69	238	24	374	1,194	19.8
FY 2002-03	150	157	133	57	62	183	91	833	34	10	69	236	27	375	1,208	20.0
FY 2003-04	108	152	128	54	61	177	77	757 ³	34	10	69	241	73	416 ³	1,172	19.4
FY 2004-05	108	158	129	56	61	173	75	759	35	10	69	241	75	430	1,189	19.3
Change over last 5 years ³	-23%	+7%	-1%	0%	+1%	-4%	-14%	-5%	+4%	+1%	+2%	+3%	+284%	+18%	+2%	0%

¹ Includes authorized temporary and hourly positions and allocated departmental administration.

² Figures are based on actual data, however total or percentage may not tally due to rounding.

³ In FY 2003-04, authorized positions were reallocated between the General Fund and other funds.

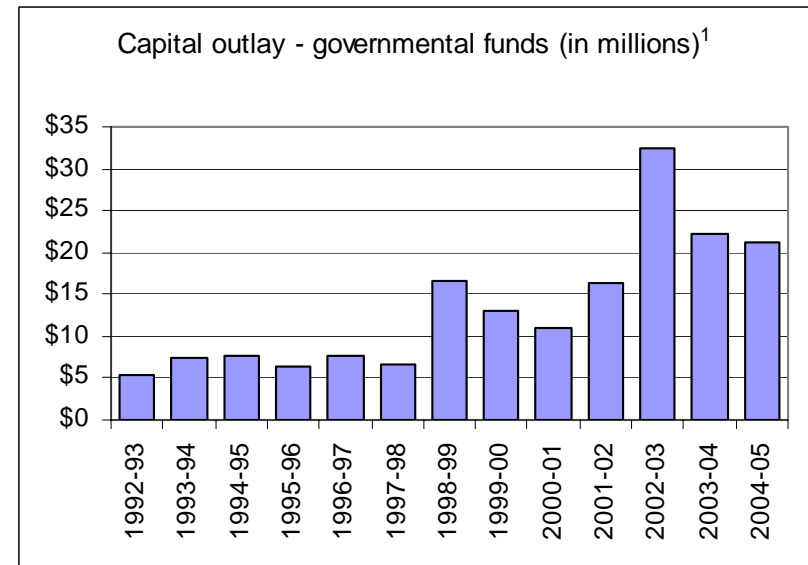
CAPITAL SPENDING

Several years ago the City inventoried, assessed, and prioritized work on its buildings, facilities, streets, sidewalks, medians, bikeways, parks, and open space. This effort resulted in a long-term plan to rehabilitate Palo Alto's General Fund infrastructure (one of the City Council's top 5 priorities in FY 2004-05).

With the implementation of GASB Statement 34 in FY 2001-02, the City has recorded all its capital assets in its citywide financial statements.³ Capital assets are valued at historical cost, net of accumulated depreciation. This includes buildings and structures, vehicles and equipment, roadways, and utility distribution systems.

As shown in the graph on the right, capital outlay by governmental funds¹ has increased dramatically over ten years ago. As of June 30, 2005, net general capital assets totaled \$318.5 million (23 percent more than 5 years ago), and \$25.2 million in reserves had been set aside to fund infrastructure rehabilitation.

The enterprise funds invested \$22.8 million in capital projects in FY 2004-05, for a total of \$118 million over 5 years. As of June 30, 2005, net Enterprise Fund capital assets totaled \$346.9 million.



Source: Comprehensive Annual Financial Reports

	Infrastructure Reserve (in millions)	General governmental funds (in millions)			Enterprise funds (in millions)		
		Net general capital assets	Capital outlay ¹	Depreciation	Net Enterprise Fund capital assets	Capital expense	Depreciation
FY 2000-01	\$18.8	\$258.7	\$11.1	-	\$281.3	\$23.7	-
FY 2001-02	\$30.2	\$266.9	\$16.9	\$6.7	\$301.2	\$25.0	\$10.4
FY 2002-03	\$33.4	\$293.1	\$32.4	\$9.4	\$315.2	\$24.1	\$11.0
FY 2003-04	\$35.9	\$310.0	\$22.3	\$8.8	\$329.1	\$22.8	\$11.4
FY 2004-05	\$25.2	\$318.5	\$21.3	\$9.5	\$346.9	\$22.8	\$11.7
Change over last 5 years ²	+34%	+23%	+92%	-	+23%	-4%	-

¹ Includes capital expenditures in the General Fund, Capital Projects and Special Revenue funds. Does not include capital expense associated with Utility or other enterprise funds. FY 2002-03 and FY 2003-04 outlay included substantial expenditures for two new downtown parking structures, funded by an assessment district.

² Figures are based on actual data, however percentage or total may not tally due to rounding.

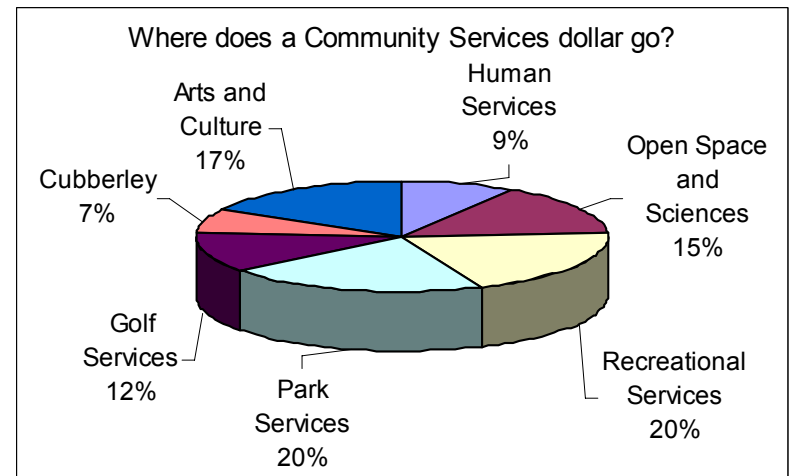
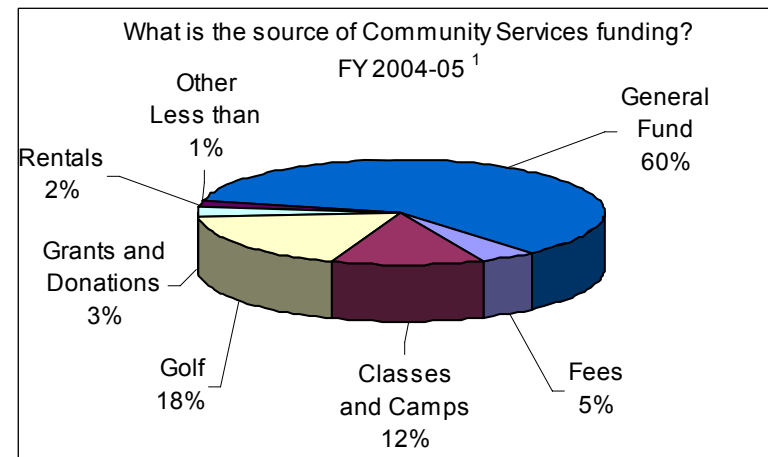
³ The City's financial statements are on-line at www.cityofpaloalto.org/finance/cafr.html.

CHAPTER 2 – COMMUNITY SERVICES

The mission of the Community Services Department is to engage individuals and families to create a strong and healthy community through parks, recreation, social services, arts and sciences.

The Department has seven major functional areas:

- Arts and Culture – visual arts, children’s performing arts, adult performing arts, arts community partnerships, arts facility operations
- Cubberley Community Center – Cubberley Center services and maintenance
- Golf Course – golf course maintenance and business operations
- Park Services – maintenance of City parks and certain facilities, landscapes, and school district athletic fields
- Human Services – human services contract administration, child care services, community partnership/public services, and family resources
- Open Space and Sciences Services – Open space maintenance, park rangers, open space community partnership, wildlife and resource management, and Junior Museum and Zoo
- Recreational Services – adult programs, youth and teen programs, programs for persons with special needs, recreation facilities, and special events These include sports programs, a teen drop-in center, swimming pools and camps.



Source: FY 2004-05 revenue and expenditure data

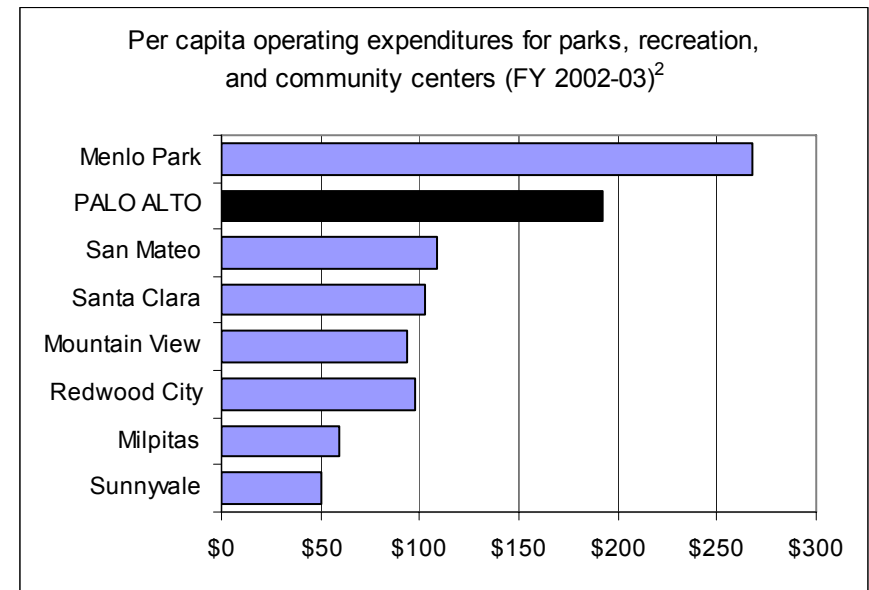
¹ Revenue pie chart does not include Cubberley revenues. For that data, see page 2.9

SPENDING AND REVENUE

Total Community Services spending increased by approximately 11 percent in the last five years:

Palo Alto's expenditures per capita for parks, recreations, and community centers are at the high end of seven other California jurisdictions. It should be noted that each jurisdiction offers different levels of service and budgets for those services differently.

Community Services staffing increased 7 percent over the last five years from 148 to 158. In FY 2004-05, temporary or hourly staffing accounted for about 37 percent of the Department's total staffing.



Source: California State Controller, *Cities Annual Report Fiscal Year 2002-03*

Operating expenditures (in millions)

	Parks	Golf course	Recreation	Arts and Culture	Open Space and Sciences	Cubberley Community Center	Human Services	TOTAL ¹	Operating expenditures per capita ¹	Total revenue (in millions) ³	Total Staffing	Percent of authorized staffing that is temporary/hourly	Authorized staffing per 1,000 population ¹
FY 2000-01	\$3.4	\$2.4	\$3.2	\$2.7	\$2.3	\$1.2	\$1.9	\$17.2	\$285	\$6.3	148	26%	2.5
FY 2001-02	\$3.8	\$2.3	\$3.4	\$2.9	\$2.5	\$1.3	\$2.0	\$18.1	\$300	\$6.7	154	28%	2.5
FY 2002-03	\$3.7	\$2.3	\$3.6	\$2.9	\$2.7	\$1.5	\$2.0	\$18.7	\$308	\$7.0	157	30%	2.6
FY 2003-04	\$3.9	\$2.3	\$3.7	\$3.0	\$2.8	\$1.5	\$2.0	\$19.1	\$318	\$6.8	152	32%	2.5
FY 2004-05	\$4.0	\$2.2	\$3.9	\$3.2	\$2.8	\$1.3	\$1.7	\$19.1	\$310	\$6.5	158	37%	2.6
Change over last 5 years ¹	+15%	-8%	+21%	+18%	+23%	+5%	-7%	+11%	+9%	+3%	+7%	+11%	+4%

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

² Comparison includes operating expenditures for parks, recreation, and community centers only. Data in graph and table may differ because City of Palo Alto and Controller's Office compile data differently.

³ Total revenue does not include Cubberley rental revenue. See page 2.9

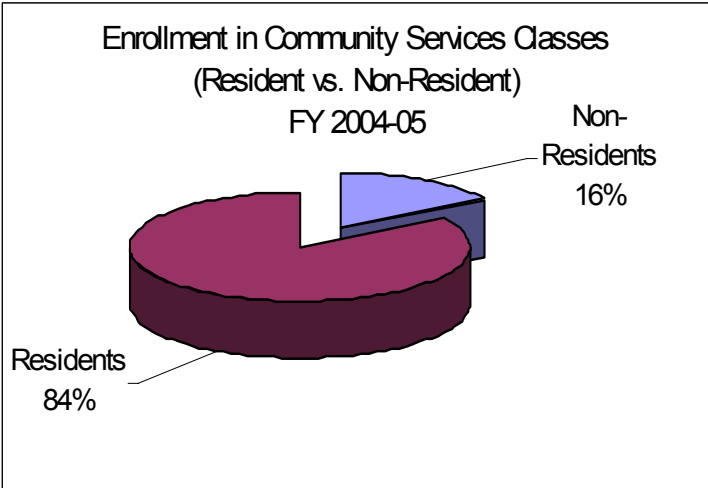
CLASSES

Community Services offers classes to the public on a variety of topics including recreation and sports, arts and culture, nature and the outdoors. Classes for children include aquatics, digital art, animation, music, and dance. Other classes are targeted specifically for adults, senior citizens and pre-schoolers.

In FY 2004-05, 156 camp sessions were offered for kids, about the same number as were offered in FY 2000-01.

While enrollment in camps and kids’ classes has increased in the last five years, the number of camps and kids’ classes offered has decreased. Enrollment in camps increased 13 percent over the last five years. Enrolled in kids’ classes also increased 13 percent. During that same period, the number of camps offered has decreased by 1 percent and the number of kids’ classes offered decreased by 19 percent. Similarly, enrollment in adult classes increased by 14 percent while the number of classes offered for adults increased by only 3 percent.

In FY 2004-05 non-residents accounted for approximately 16 percent of class registrants.



Source: Community Services Department

	Total number of classes offered ¹				Total enrollment ¹					Percent of class registrants who are non-residents
	Camp sessions	Kids (excluding camps)	Adults	Pre-school	Camps	Kids (excluding camps)	Adults	Pre-school	Total	
FY 2000-01	157	341	352	190	5,837	4,302	4,963	3,792	18,894	17%
FY 2001-02	233	339	335	166	6,626	5,131	5,157	3,814	20,728	17%
FY 2002-03	149	322	345	140	7,011	4,681	5,323	3,980	20,995	18%
FY 2003-04	170	352	366	177	7,270	5,165	6,070	4,160	22,665	14%
FY 2004-05	156	276	362	171	6,601	4,862	5,676	3,764	20,903	16%
Change over last 5 years	-1%	-19%	+3%	-10%	+13%	+13%	+14%	-1%	+11%	-1%

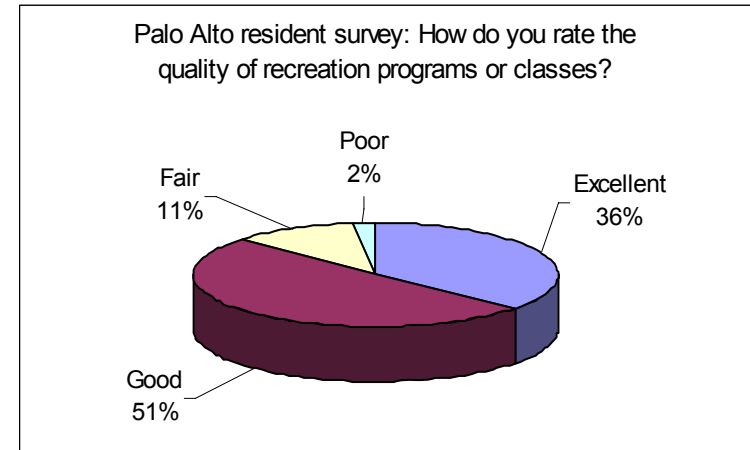
¹ Data shown is in format available from CSD registration system. Types of classes offered include arts, sports, nature and outdoors, and recreation.

RECREATIONAL SERVICES

Recreation sponsors and coordinates a large number of the classes offered by the Department overall (enrollment for which is shown on the prior page) as well as summer camps. In addition, Recreation provides services to youths and teens. Such services include "The Drop," which provides after school activities for middle school students. Recreation also works collaboratively with the Palo Alto Unified School District (PAUSD) to provide middle school athletics at the schools.

Recreation has worked with PAUSD over the last four years to offer camps in conjunction with PAUSD's summer school program in order to provide after school activities for all the participants. Other Recreation programs include facility rentals through which members of the community may rent classroom space, the swimming pool, or gym space for parties and events. In addition to class offerings for adults, Recreation has seasonal adult sports leagues.

Recreation sponsors a number of special events each year such as the May Fete Parade and the Chili Cook-Off. In FY 2004-05, staff coordinated 4 special events. Outside funding for special events totaled about \$90,000 in FY 2004-05. The Department advises that the decrease from FY 2003-04 is because the Black and White Ball now occurs in alternate years and was not held in FY 2004-05.



Source: National Citizen Survey™ 2005 (Palo Alto)

	Enrollment in Recreation Classes ¹							Number of special events	Outside funding for special events	Percent rating recreation centers/facilities good or excellent	Citizen Survey
	Dance	Recreation	Aquatics	Middle school sports	Therapeutic	Private tennis lessons	Camps				Percent rating recreation programs/classes good or excellent
FY 2000-01	-	-	-	-	-	-	-	12	\$0.2	-	-
FY 2001-02	-	-	-	-	-	-	-	10	\$0.3	-	-
FY 2002-03	1,741	5,820	184	1,035	272	218	7,011	4	\$0.1	77%	83%
FY 2003-04	1,570	5,784	269	1,091	223	228	7,270	4	\$0.5	84%	86%
FY 2004-05	1,531	5,055	223	1,242	216	259	6,601	4	\$0.1	78%	87%
Change over last 5 years	-	-	-	-	-	-	-	-67%	-59%	-	-

¹ Enrollment shown here is also reflected in totals on "Classes" page.

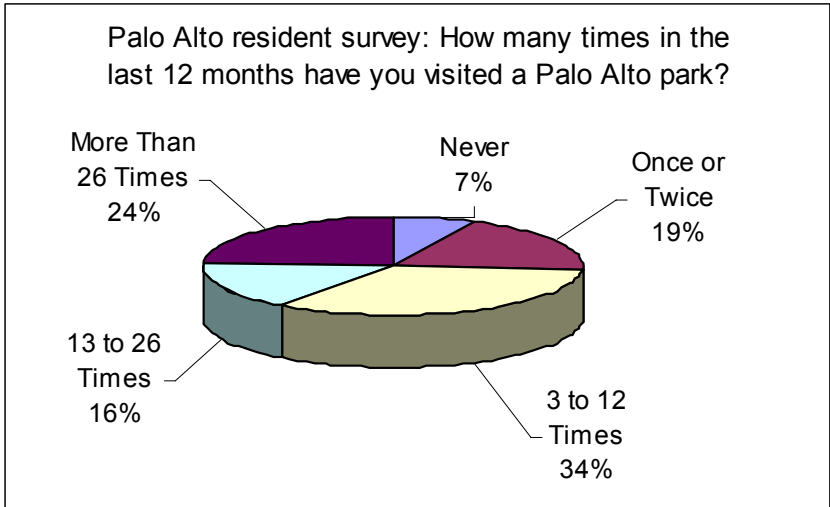
PARKS AND LANDSCAPE MAINTENANCE

The Parks and Golf Division maintains approximately 262 acres of land including:

- Urban/neighborhood parks (151 acres or 58% of total)²
- City facilities (26 acres or 10%)
- School athletic fields (43 acres or 16%)
- Utility sites (11 acres or 4%)
- Median strips (26 acres or 10%)
- Business Districts and parking lots (5 acres or 2%)

In FY 2004-05, maintenance spending on the above acres totaled about \$3.8 million, or approximately \$14,572 per acre maintained. About 16 percent of this maintenance is contracted out.

In response to the 2005 National Citizen SurveyTM, 91 percent of residents rate city parks good or excellent, and 89 percent rate their neighborhood park good or excellent. 93 percent report they visited a neighborhood or city park in the last 12 months.



Source: National Citizen SurveyTM 2005 (Palo Alto)

	Maintenance Expenditures ⁵					Citizen Survey			
	Parks and landscape maintenance (in millions)	Athletic fields in City parks ³ (in millions)	Athletic fields on school district sites ^{1,3} (in millions)	Total maintenance cost per acre ⁴	Percent of park maintenance expenditures contracted out	Total hours of athletic field usage	Urban/ acreage per 1,000 residents ²	Percent rating city parks as good or excellent	Percent rating their neighborhood park good or excellent
FY 2000-01	\$2.0	\$0.8	\$0.6	\$13,144	17%	-	2.4	-	-
FY 2001-02	\$2.5	\$0.7	\$0.6	\$14,396	19%	-	2.4	-	-
FY 2002-03	\$2.5	\$0.7	\$0.5	\$14,308	18%	-	2.4	90%	85%
FY 2003-04	\$2.4	\$0.6	\$0.4	\$13,017	20%	-	2.4	91%	90%
FY 2004-05	\$2.7	\$0.6	\$0.5	\$14,572	16%	65,748	2.4	91%	89%
Change over last 5 years ⁴	+35%	-33%	-10%	+11%	-1%	-	-	-	-

¹ PAUSD reimburses the City for 50 percent of maintenance costs on these school district sites.

² Does not include 3,731 acres of open space (discussed on page 2.6).

³ Estimated

⁴ Figures are based on actual data, however percentage or total may not tally due to rounding.

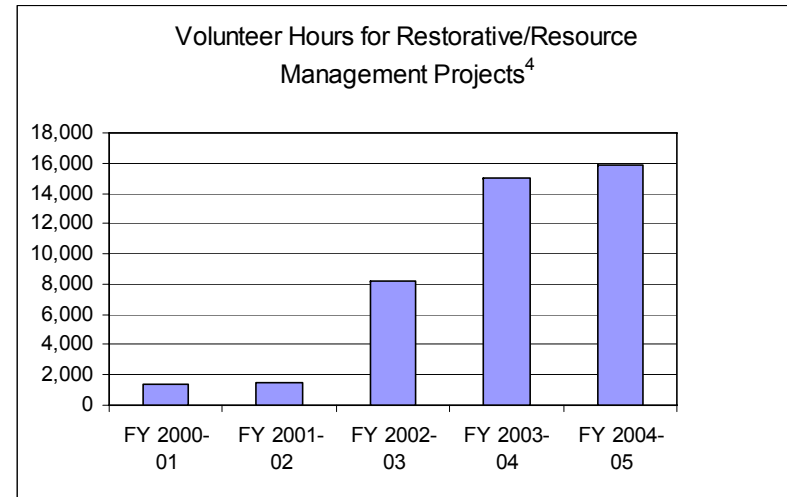
⁵ Includes budgeted operating expenditures. Does not include cost plan charges or capital costs.

OPEN SPACE AND SCIENCES

The City has 3,731 acres² of open space that it maintains, consisting of Foothills Park, Baylands Nature Preserve (including Byxbee Park), Arastradero Preserve, and Esther Clark Nature Preserve. In FY 2004-05 this amounted to about 60 acres per 1,000 residents.

Due to increased population, open space acreage per 1,000 residents decreased during the last five years from 62.0 to 60.0 acres per 1,000 residents. Similarly, total urban parks and open space acreage combined declined from 64.4 to 62.9 acres per 1,000 residents.

The Junior Museum and Zoo provides summer camps and outreach programs for area children. Staff estimates that attendance at the Junior Museum and Zoo was 150,000 and that 2,180 students participated in outreach programs.



Source: Community Services Department

	Junior Museum and Zoo			Open Space						
	Estimated total attendance at Junior Museum and Zoo	Enrollment in Junior Museum classes	Number of students participating in outreach program	Attendance at Foothills Park	Volunteer hours for restorative/resource management projects	Open space acres per Park Ranger [Ⓞ]	Number of Baylands outreach programs for school-age children	Enrollment in open space interpretive classes	Open space acreage per 1,000 residents ²	Total urban/neighborhood parks and open space acreage per 1,000 residents ³
FY 2000-01	150,000	-	-	131,017	1,398	466	-	-	62.0	64.4
FY 2001-02	-	-	-	150,000	1,500	466	61	-	62.0	64.4
FY 2002-03	150,000	-	-	145,000	8,200 ⁴	466	70	403	62.0	64.3
FY 2003-04	150,000	4,562	1,660	139,787	15,055	466	54	1,166	62.0	64.1
FY 2004-05	150,000	3,520	2,180	121,574	15,847	466	48	1,188	60.0	62.9
Change over last 5 years ¹	-	-	-	-7%	+1,034%	-	-	-	-2%	-2%

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

² Does not include the 262 acres of developed parks and land maintained by the Parks and Golf Division (discussed on page 2.5).

³ Based on 3,731 acres of open space and 147 acres of urban and neighborhood parks

⁴ Collaborative partnerships with non-profit groups contributed to the significant increase in volunteer hours in FY 2002-03. Staff attributes the additional increase in FY 2003-04 to more volunteer hours primarily at the Baylands by the non-profit partner Save the Bay.

GOLF COURSE

The City owns and maintains the municipal golf course, and coordinates the golf shop, driving range, and restaurant operations with separate tenants.

According to the Department, the number of rounds of golf has decreased to 78,410 from 88,744 five years ago. The benchmark target for FY 2004-05 was 85,000.



Source: IFAS and SAP reports

	Number of rounds of golf [Ⓞ]	Golf course revenue (in millions)	Golf course operating expenditures (in millions)	Golf course debt service (in millions)	Net revenue/ (cost) (in millions) ¹
FY 2000-01	88,744	\$3.2	\$2.4	\$0.7	\$0.1
FY 2001-02	89,450	\$3.0	\$2.3	\$0.7	(\$0.0)
FY 2002-03	87,892	\$3.0	\$2.3	\$0.7	(\$0.0)
FY 2003-04	83,728	\$2.9	\$2.3	\$0.6	\$0.0
FY 2004-05	78,410	\$2.9	\$2.4	\$0.6	(\$0.1)
Change over last 5 years ¹	-12%	-8%	+2%	-21%	-12%

¹ Figures are based on actual data, however percentage or total may not tally due to rounding. Loss in FY 2001-02 was \$14,052; loss in FY 2002-03 was \$2,156; profit in FY 2003-04 was \$49,006; loss in FY 2004-05 was \$72,031.
[Ⓞ] Budget benchmarking measure

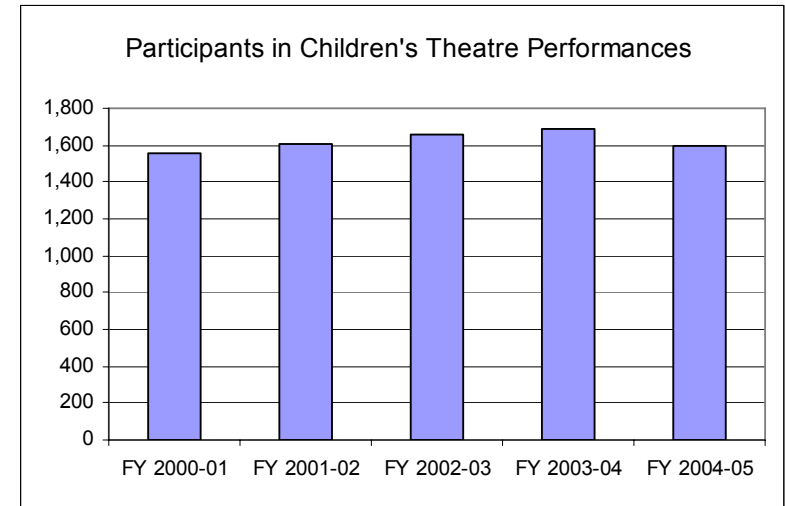
ARTS AND CULTURE

Arts and Culture provides a broad range of arts-related enrichment programs including the Palo Alto Art Center, Children's Theater, Lucie Stern Community Theater, Art in Public Places, and concerts.

Community Theatre attendance at performances has decreased 9 percent over the last five years.¹ The number of participants in Children's Theatre has increased 3 percent over the last five years.

The Art Center had more than 19,000 exhibition visitors in FY 2004-05.

Outside funding for visual arts programs was about 10 percent lower than it was in FY 2000-01. Five new public art works were installed in FY 2004-05.



Source: Community Services Department

	Community Theatre		Children's Theatre				Art Center					
	Number of performances	Attendance at performances	Attendance at performances	Participants in performances	Theatre class registrants	Theatre volunteers	Exhibition visitors	Concerts ¹	Total attendance (users)	Enrollment in art classes	Outside funding for visual arts programs	Number of new public art installations
FY 2000-01	173	55,000	22,411	1,552	700	422	18,644	40	81,063	-	\$308,154	6
FY 2001-02	187	60,886	21,912	1,606	465	357	18,650	36	81,086	-	\$344,389	4
FY 2002-03	173	48,472	21,114	1,660	572	439	18,710	36	81,348	3,450	\$342,094	1
FY 2003-04	175	54,052	22,663	1,692	605	456	19,034	40	79,984	4,406	\$268,473	10
FY 2004-05	172	50,111	22,734	1,592	581	392	19,307	53	76,264	3,559	\$275,909	5
Change over last 5 years	-1%	-9%	+1%	+3%	-17%	-7%	+4%	+33%	-6%	-	-10%	-17%

¹ Includes concerts at the Art Center as well as Brown Bag Concerts and Twilight Concerts.

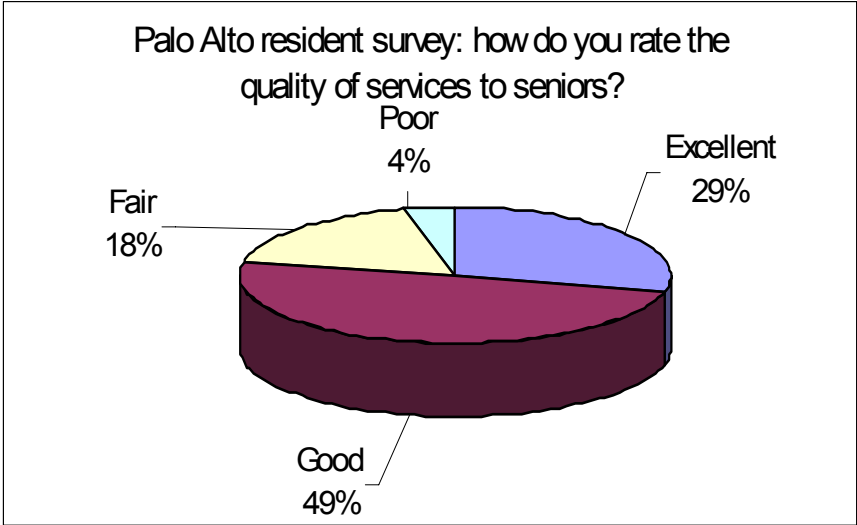
CUBBERLEY COMMUNITY CENTER HUMAN SERVICES

Cubberley Community Center rents space for community meetings, seminars, social events, dances, theater performances, and athletic events. In FY 2004-05, rental revenue totaled about \$822,000 for about 38,000 hours rented. This was about \$210,000 more than in FY 2000-01, or a 34 percent increase.

The Cubberley Community Center also leases former classroom space to artists on a long-term basis. In FY 2004-05, there were a total of 35 leaseholders, and lease revenue totaled about \$1.3 million. The facility was rented for 38,624 hours, exceeding the target of 35,777.

The Human Services Division provides connections to resources for families and grants to local non-profits. Human Services' grants to local non-profits totaled approximately \$1.3 million in FY 2004-05, about the same amount as in FY 2000-01.

Residents give good ratings to senior (78 percent rate services good or excellent) and youth services (68 percent rate services good or excellent). Residents give low marks when rating access to affordable quality child care (only 25 percent good or excellent).



Source: National Citizen Survey™ 2005 (Palo Alto)

	Cubberley Community Center				Human Services		Citizen Survey		
	Hours rented	Hourly rental revenue (in millions)Ⓞ	Number of leaseholders	Lease revenue (in millions)	Human Services' grants to local non-profits (in millions)	Percent of seasonal workers completing Seasonal Employment Opportunity ProgramⓄ ^c	Percent rating access to affordable quality child care good or excellent	Percent rating senior services good or excellent	Percent rating services to youth good or excellent
FY 2000-01	-	\$0.6	32	\$1.3	\$1.3	29%	-	-	-
FY 2001-02	35,500	\$0.7	32	\$1.3	\$1.3	60%	-	-	-
FY 2002-03	38,500	\$0.8	32	\$1.4	\$1.4	63%	25%	77%	66%
FY 2003-04	33,392	\$0.7	37	\$1.3	\$1.3	100%	26%	82%	68%
FY 2004-05	38,624	\$0.8	35	\$1.3	\$1.3	100%	25%	78%	68%
Change over last 5 years ¹	-	+34%	+9%	+1%	+6%	+71%	-	-	-

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

^c Comprehensive plan item

Ⓞ Budget benchmarking measure

CHAPTER 3 – FIRE

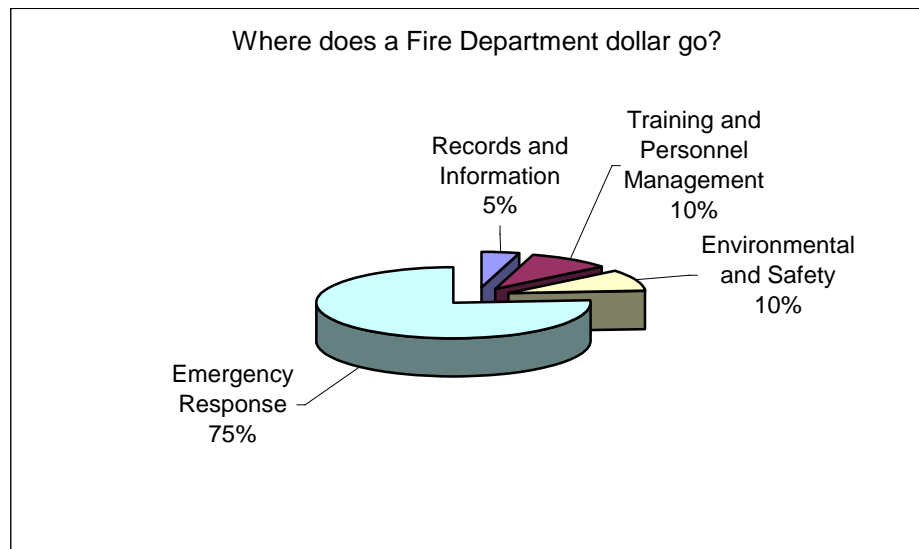
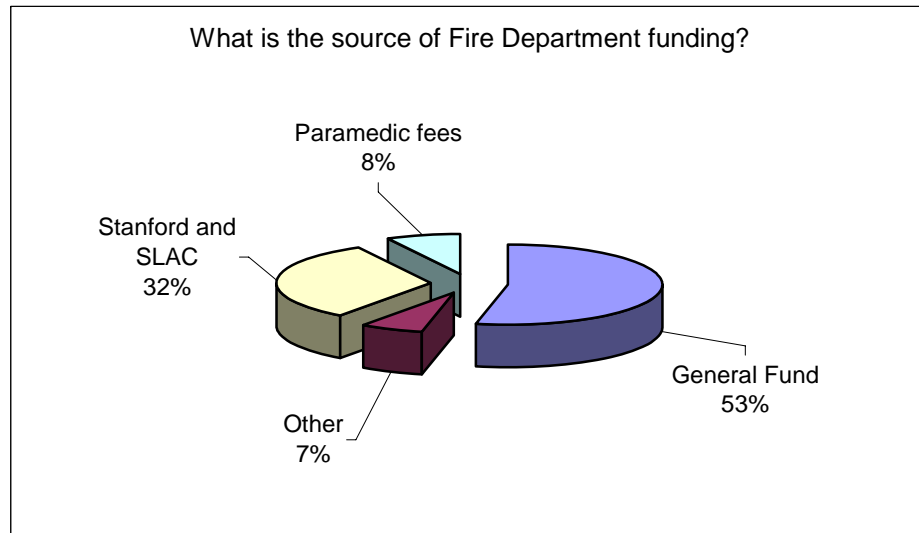
The mission of the Fire Department is to protect life, property and the environment from the perils of fire, hazardous materials, and other disasters through rapid emergency response, proactive code enforcement, modern fire prevention methods, and progressive public safety education for the benefit of the community.

The Department has four major functional areas:

- Emergency response – emergency readiness and medical, fire suppression, and hazardous materials response
- Environmental and safety management – fire and hazardous materials code research, development and enforcement; fire cause investigations; public education; and disaster preparedness
- Training and personnel management
- Records and information management

The Department serves the resident population of Palo Alto and Stanford year-round, and serves Los Altos Hills seasonally.

Fire Department revenue in FY 2004-05 totaled \$8.9 million (or 47 percent of costs), including about \$6.1 million for services to Stanford and the Stanford Linear Accelerator (SLAC), \$1.5 million for paramedic services, \$0.4 million in plan check fees, and \$0.3 million in hazardous materials permits.



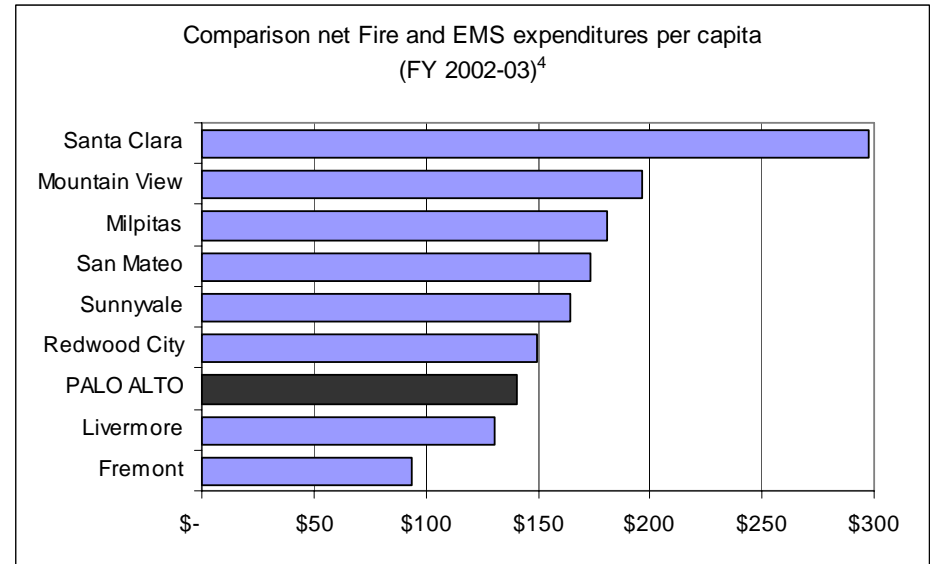
Source: FY 2004-05 revenue and expenditure data

FIRE DEPARTMENT SPENDING

Total Fire Department spending increased from \$16.8 million to \$19.1 million, or 13 percent in the last five years. Total expenditures per resident served increased from \$228 to \$254 over the five year period. Between FY 2000-01 to FY 2004-05, revenue and reimbursements increased from \$7.0 to \$8.9 million, or 26 percent. In FY 2004-05, 47 percent of costs were covered by revenues.

The chart on the right shows that Palo Alto's net Fire and EMS expenditures per capita are lower than many other local jurisdictions.

In the most recent citizen survey, 94 percent of residents rated fire services good or excellent; and 80 percent said they feel very or somewhat safe from fire.



Source: California State Controller, *Cities Annual Report FY 2002-03*

	Operating expenditures (in millions)					Resident population of area served ¹	Expenditures per resident served ³	Revenue (in millions) ²	Citizen Survey	
	Emergency response	Environmental and safety	Training and personnel management	Records and information	TOTAL ²				Percent rating fire services good or excellent	Percent feeling very or somewhat safe from fire
FY 2000-01	\$12.0	\$1.5	\$2.0	\$1.3	\$16.8	73,583	\$229	\$7.0	-	-
FY 2001-02	\$12.1	\$1.4	\$2.5	\$1.6	\$17.7	73,644	\$240	\$8.2	-	-
FY 2002-03	\$12.5	\$1.6	\$2.4	\$1.6	\$18.1	73,665	\$246	\$8.0	96%	78%
FY 2003-04	\$13.7	\$1.8	\$2.1	\$1.2	\$18.8	73,884	\$254	\$7.9	97%	79%
FY 2004-05	\$14.5	\$1.9	\$1.8	\$0.9	\$19.1	74,989	\$254	\$8.9	94%	80%
Change over last 5 years ²	+21%	+23%	-10%	-34%	+13%	+2%	+11%	+26%	-	-

¹ Includes Palo Alto and Stanford. Does not include Los Altos Hills population that is only served seasonally. Prior year population revised per California Department of Finance estimates.

² Figures are based on actual data, however total or percentage may not tally due to rounding.

³ Based on number of residents in the Fire Department's expanded service area (Palo Alto and Stanford).

⁴ Figures are net of functional revenues, and may not reconcile to total spending due to differences in the way the information was compiled. Note that cities categorize their expenditures in different ways.

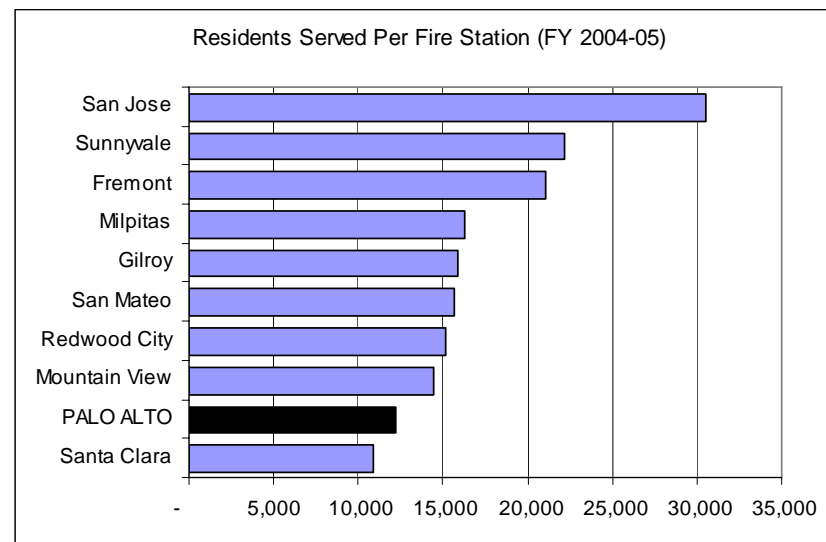
FIRE DEPARTMENT STAFFING AND CALLS FOR SERVICE

During FY 2004-05, the Fire Department handled 6,414 calls for service including:

- 224 fire calls
- 3,633 medical/rescue calls
- 1,300 false alarms
- 358 service calls
- 211 hazardous condition calls

Average on-duty staffing is 31 during the day, and 29 at night.

As shown in the chart on the right, Palo Alto has more fire stations per capita than many other local jurisdictions, and so the number of residents served per fire station is lower than many other local jurisdictions.



Source: Auditor’s Office. Palo Alto calculation excludes Station 7 (dedicated to SLAC) and Station 8 (seasonal).

	Calls for service							Total authorized staffing (FTE)	Staffing per 1,000 residents served	Average on-duty staffing	Fire stations	Residents served per fire station ¹
	Fire	Medical/rescue	False alarms	Service calls	Hazardous condition	Other	TOTAL					
FY 2000-01	215	3,185	999	1,073	259	24	5,755	130	1.76	33 day/31 night	8	12,253
FY 2001-02	285	3,958	1,311	1,152	279	86	7,071	130	1.76	33 day/31 night	8	12,303
FY 2002-03	260	3,721	1,370	382	211	692	6,636	133	1.81	33 day/31 night	8	12,303
FY 2003-04	248	3,796	1,378	373	218	662	6,675	129	1.72	31 day/29 night	8	12,253
FY 2004-05	224	3,633	1,300	358	211	688	6,414	129	1.74	31 day/29 night	8	12,498
Change over last 5 years ²	+4%	+14%	+30%	-67%	-19%	-	+11%	-1%	-3%	-	0%	+2%

¹ Based on number of residents in the Fire Department’s expanded service area (Palo Alto and Stanford). Calculation is based on 6 fire stations, and does not include Station 7 (dedicated to the SLAC complex) or Station 8 (Foothills Park, open seasonally).

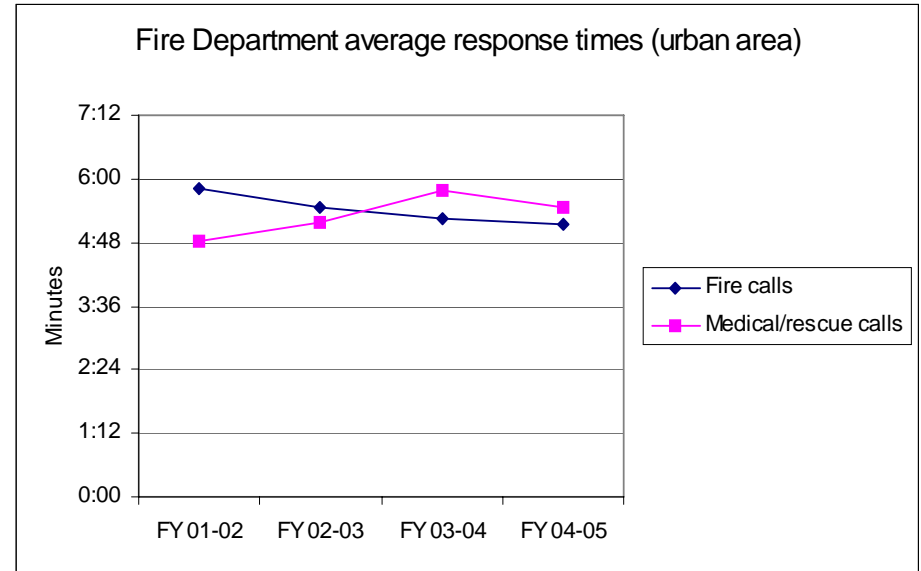
² Figures are based on actual data, however total or percentage may not tally due to rounding.

FIRE SUPPRESSION

There were 224 fire incidents in FY 2004-05 resulting in only \$35,125 in estimated fire loss (over the last 5 years, total estimated fire loss was \$6.4 million, or about \$1.3 million per year). The average response time for fire calls was 5:09 minutes.

As shown in the graph to the right, Palo Alto's average response times for fire calls decreased over the past four years, while the average response times for medical/rescue calls increased. In FY 2004-05, the Fire Department responded to 91 percent of fire emergencies within 8 minutes – beating their target of 90 percent.

According to the Fire Department, 95 percent of fires were confined to the room or area of origin. This is an improvement from the last 2 years, and meets the department's goal of 90 percent. Palo Alto has a higher level of first response to working structure fires (18 staff on the first alarm) than some other local jurisdictions.



Source: Palo Alto Fire Department data

	Number of fire incidents [⊙]	Estimated fire loss	Average response time for fire calls ^{⊙1}	Percent responses to fire emergencies within 8 minutes ^{⊙1}	Percent of fires confined to the room or area of origin [⊙]	Number of residential structure fires	Number of fire deaths	Fire vehicles
FY 2000-01 ²	215	\$2,600,000	-	90% est.	90% est.	-	0	24
FY 2001-02	285	\$600,000	5:50 minutes	90% est.	90% est.	88	0	25
FY 2002-03	260	\$3,100,000	5:27 minutes	89%	63%	78	0	22
FY 2003-04	248	\$43,000	5:15 minutes	90%	62%	51	0	23
FY 2004-05	224	\$35,125	5:09 minutes	91%	95%	58	0	25
Change over last 5 years	+4%	-99%	-	+1%	+5%	-	0%	+4%

⊙ Budget benchmarking measure

¹ Response time is from receipt of 911-call to arrival on scene (urban area). Response times were previously calculated from front ramp of the fire station to scene, and are not comparable. Average response time does not include cancelled in route, not completed incidents, or mutual aid calls.

² In January 2000, the Fire Department implemented a new computer system. Then, in February 2001, the Department implemented a new computer aided dispatch (CAD) system interface. As a result of these changes, some historical data on number of incidents and response times is not available.

EMERGENCY MEDICAL SERVICES

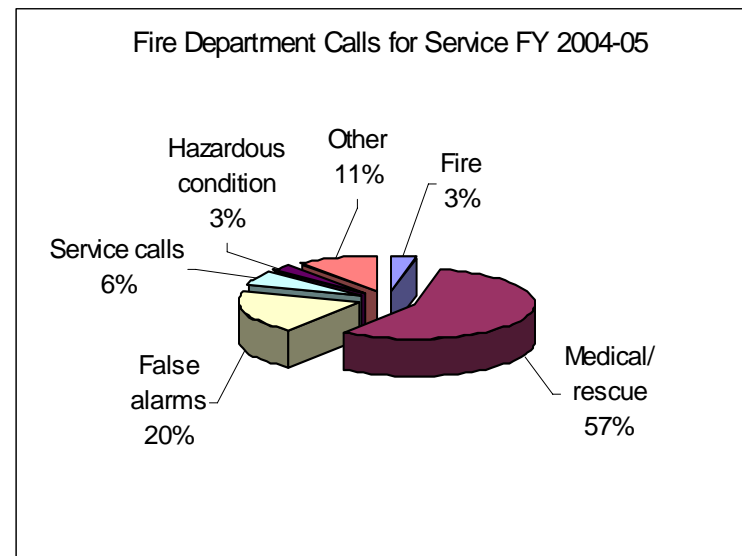
The Department responded to more than 3,600 medical/rescue incidents in FY 2004-05. This was 14 percent more than in FY 2000-01. As shown in the chart on the right, medical/rescue calls represented 57 percent of the Fire Department calls for service in FY 2004-05.

The average response time for medical/rescue calls was 5:28 minutes in FY 2004-05. The Department responded to:

- 95 percent of emergency medical requests for service within 8 minutes (the Department’s goal is 90 percent)
- 98 percent of paramedic calls for service within 12 minutes (the Department’s goal is 90 percent)

In FY 2004-05, the City increased paramedic staffing to provide 4 engine companies with Advance Life Support (ALS) capability. Average on-duty paramedic staffing increased to 8 during the day, and an average of 6 at night.

94 percent of survey respondents rated ambulance/emergency medical service as good or excellent.



Source: Fire Department

	Medical/rescue incidents [⊙]	Average response time for medical/rescue calls ^{⊙1}	Response to emergency medical requests for service within 8 minutes (urban area) ^{⊙1}	Response to paramedic calls for service within 12 minutes (urban area) ^{⊙1}	Average on-duty paramedic staffing	Number of EMS transports	Citizen Survey
							Percent rating ambulance/emergency medical services good or excellent
FY 2000-01 ²	3,185	-	90% est.	90% est.	4 day/2 night	-	-
FY 2001-02	3,958	4:49 minutes	90% est.	90% est.	4 day/2 night	2,200 est.	-
FY 2002-03	3,721	5:11 minutes	93%	99%	4 day/2 night	1,564	95%
FY 2003-04	3,796	5:47 minutes	94%	99%	4 day/2 night	2,141	94%
FY 2004-05	3,633	5:28 minutes	95%	98%	8 day/6 night²	2,744	94%
Change over last 5 years	+14%	-	+5%	+8%	-	-	-

[⊙] Budget benchmarking measure

¹ Response time is from receipt of 911-call to arrival on scene (urban area). Response times were previously calculated from front ramp of the fire station to scene, and are not comparable. Average response time does not include cancelled in route, not completed incidents, or mutual aid calls.

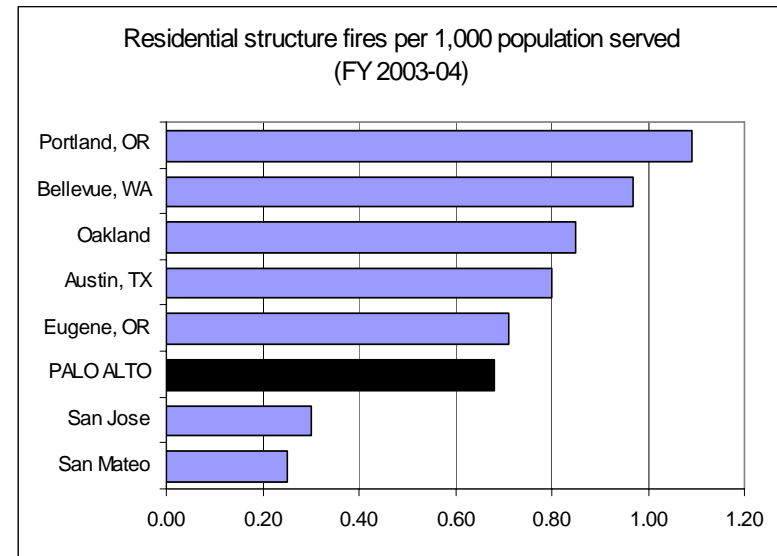
² In January 2000, the Fire Department implemented a new computer system. Then, in February 2001, the Department implemented a new computer aided dispatch (CAD) system interface. As a result of these changes, some historical data on number of incidents and response times is not available

HAZARDOUS MATERIALS AND FIRE SAFETY

In FY 2004-05, the Hazardous Materials Response Team (Rescue 2) responded to 211 hazardous condition calls including auto accidents with fuel spills, downed power lines, natural gas leaks. Of those 211 calls, 19 were designated as hazardous materials incidents.² According to the Department, 79 percent of hazardous materials incidents were confined to the room or area of origin.

Over the past five years, the number of facilities permitted for hazardous materials has increased by 11 percent (from 454 to 503 facilities). Over the last five years, the number of hazardous materials inspections decreased by 21 percent, and the percent of annual inspections performed decreased to 48 percent. In FY 2003-04, the Department eliminated two Fire Inspector positions, and reprioritized its inspection program. According to the Department, underground tanks continue to be inspected annually, but only 47 percent of high hazard sites were inspected during FY 2004-05.

According to the Department, 219 fire safety, bike safety, and disaster preparedness presentations reached a total of 15,678 residents during FY 2004-05. This is 48 percent more than 5 years ago.



Source: Palo Alto Fire Department, and ICMA Comparative Performance Measurement FY 2004

	Number of hazardous materials incidents ²	Percent of hazardous materials incidents ² confined to the room or area of origin [⊙]	Number of facilities permitted for hazardous materials	Number of hazardous materials inspections [⊙]	Percent of annual hazardous materials and underground storage inspections performed [⊙]	Citizen Survey		Percent rating fire prevention and education good or excellent [⊙]	Fire safety, bike safety, and disaster preparedness presentations [⊙]	Average monthly training hours per firefighter [⊙]
						Number of fire inspections [⊙]	Number of plan reviews [⊙]			
FY 2000-01	-	80% est.	454	304	67%	1,637	936	-	148	23
FY 2001-02	10	80% est.	463	306	66%	1,465	738 ¹	-	125	23
FY 2002-03	15	80% est.	488	338	69%	1,349	710 ¹	-	209	21
FY 2003-04	12	80% est.	493	259	53%	793	833 ¹	85%	199	22
FY 2004-05	19	79%	503	241	48%	1,488	982¹	82%	219	26
Change over last 5 years	-	-1%	+11%	-21%	-19%	-9%	+5%	-	+48%	+13%

¹ Does not include over-the-counter building permit reviews.

² Hazardous materials incidents include flammable gas or liquid, chemical release, chemical release reaction or toxic condition, or chemical spill or release.

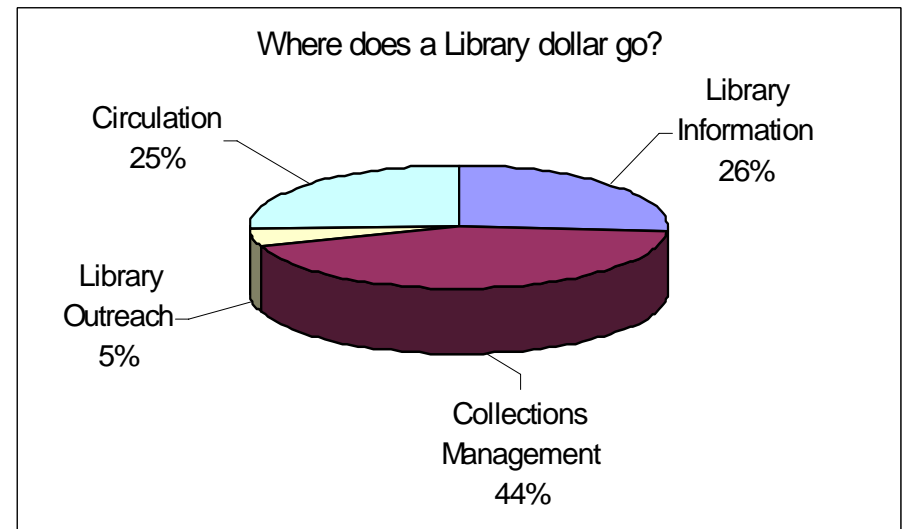
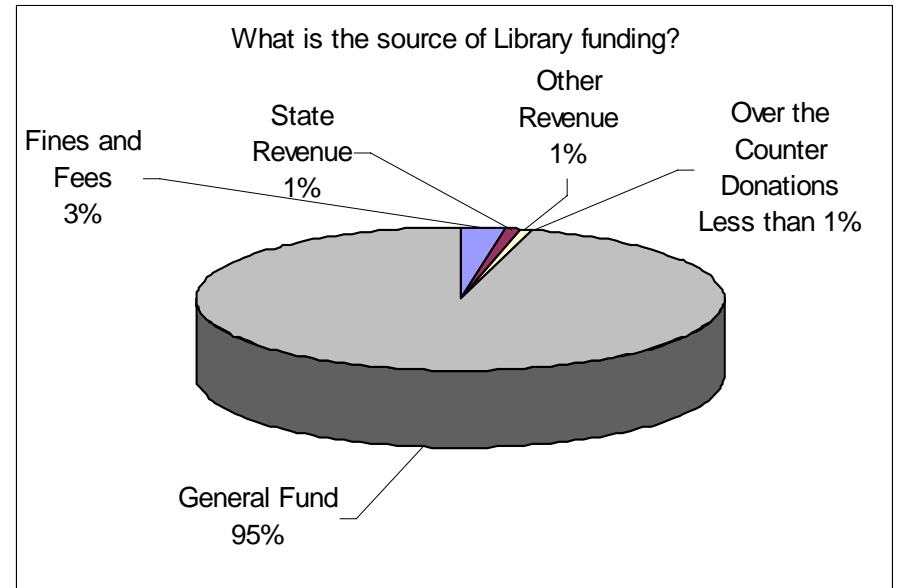
⊙ Budget benchmarking measure

CHAPTER 4 – LIBRARY

The mission of the Library is to enable people to explore library resources to enrich their lives with knowledge, information and enjoyment.

The Library has four major activities:

- Library Information – assisting people in finding information in the library and responding to reference questions
- Collections Management – determining what types of materials customers need and ensuring that the library's collection meets those needs
- Library Outreach – providing enrichment activities and supporting community partnerships which contribute to the accomplishment of the Library's mission
- Circulation – overseeing the lending and return of library materials to and from library users, collecting fines for overdue materials and ensuring the library maintains an appropriate circulation per capita rate



Source: FY 2004-05 revenue and expenditure data

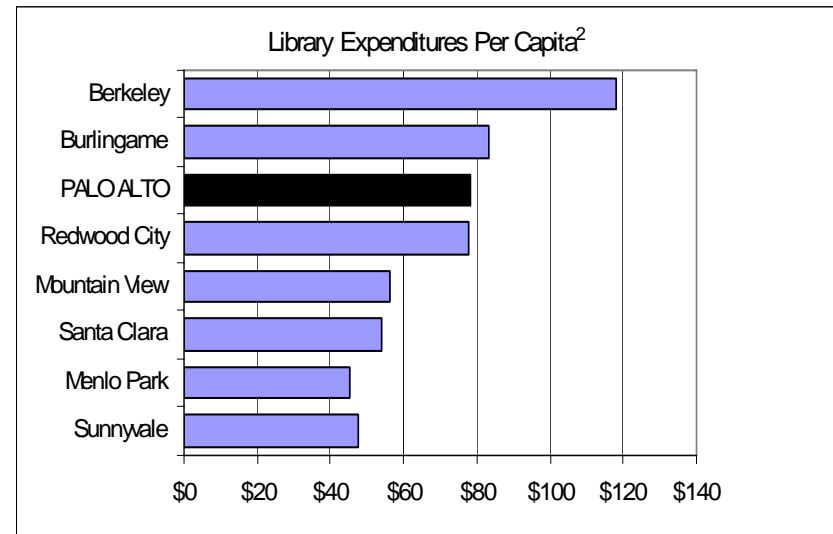
LIBRARY SPENDING

In FY 2004-05, Palo Alto had five libraries:

- Main (open 62 hours per week)
- Mitchell Park (open 58 hours per week)
- Children’s (open 48 hours per week)
- Downtown (open 35 hours per week)¹
- College Terrace (open 35 hours per week)

Palo Alto has more libraries than surrounding communities and more than other communities of its size. In comparison, Redwood City has 3 libraries, Mountain View has 1, Menlo Park has 2, and Sunnyvale has 1. Palo Alto library expenditures per capita were less than those of Berkeley and Burlingame in FY 2003-04 but more than those of other area cities.

Library spending increased 11 percent over the last five years, to \$5.1 million in FY 2004-05. 80 percent of residents rate library services good or excellent; this places Palo Alto in the 62nd percentile compared to other jurisdictions. 78 percent rate the quality of neighborhood branch libraries good or excellent.



Source: *California Library Statistics 2005* (Fiscal Year 2003-04 data) (<http://www.library.ca.gov/html/LibraryStats.cfm>)

	Operating expenditures (in millions)					Library expenditures per capita	Citizen Survey	
	Library information	Collections management	Library outreach	Circulation	TOTAL ³		Percent rating quality of public library services good or excellent [©]	Percent rating quality of neighborhood branch libraries good or excellent
FY 2000-01	\$1.2	\$2.1	\$0.2	\$1.2	\$4.6	\$76	-	-
FY 2001-02	\$1.3	\$2.4	\$0.2	\$1.4	\$5.2	\$86	-	-
FY 2002-03	\$1.2	\$2.4	\$0.1	\$1.4	\$5.1	\$85	81%	74%
FY 2003-04	\$1.4	\$2.3	\$0.2	\$1.4	\$5.3	\$89	81%	76%
FY 2004-05	\$1.4	\$2.2	\$0.3	\$1.3	\$5.1	\$83	80%	78%
Change over last 5 years ³	+17%	+6%	+35%	+12%	+11%	+9%	-	-

¹ As of February 12, 2005; prior to that, Downtown branch was open 28 hours per week

² Data in graph and table may differ because City of Palo Alto and California Library Statistics compile data differently on a different basis. In addition, different jurisdictions offer differing levels of service and budget for those services differently.

³ Figures are based on actual data, however percentage or total may not tally due to rounding.

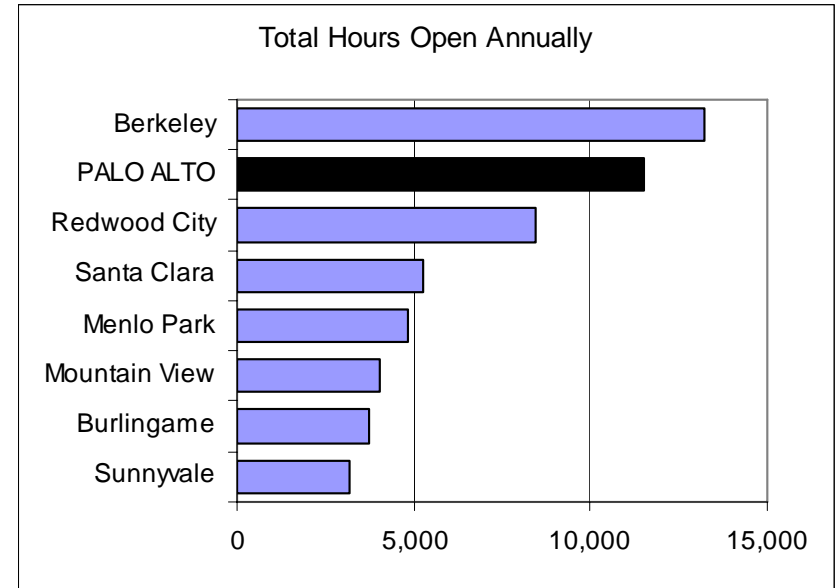
LIBRARY STAFFING

Total authorized Library staffing in FY 2004-05 was 56 FTE, the same as it was in FY 2000-01. Temporary and hourly staff accounts for approximately 21 percent of the Library’s total staff. In FY 2004-05, 12 of 56 FTE staff were temporary or hourly.

Volunteers donated approximately 7,537 hours to the libraries in FY 2004-05.

Palo Alto libraries were open a total of 11,268 hours in FY 2004-05. The total hours open per week was 238 in FY 2004-05.

As shown in the graph on the right, Palo Alto libraries were open more hours than most other local jurisdictions in FY 2003-04 because the City has multiple branches.



Source: *California Library Statistics 2005* (Fiscal Year 2003-04 data) (<http://www.library.ca.gov/html/LibraryStats.cfm>)

	Authorized Staffing (FTE)			Number of residents per library staff FTE	Volunteer hours	Total hours open annually	FTE per 1,000 hours open	FTE per 1,000 residents
	Regular	Temporary/hourly	TOTAL					
FY 2000-01	43	13	56	1,076	3,803	13,934	4.01	0.93
FY 2001-02	44	13	57	1,058	3,999	13,944	4.06	0.94
FY 2002-03	44	13	57	1,059	4,057	13,597	4.16	0.94
FY 2003-04	43	11	54	1,118	6,630	11,540	4.70	0.90
FY 2004-05	44	12	56	1,101	7,537	11,268	4.94	0.90
Change over last 5 years ¹	+3%	-11%	0%	+2%	+98%	-19%	+23%	-3%

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

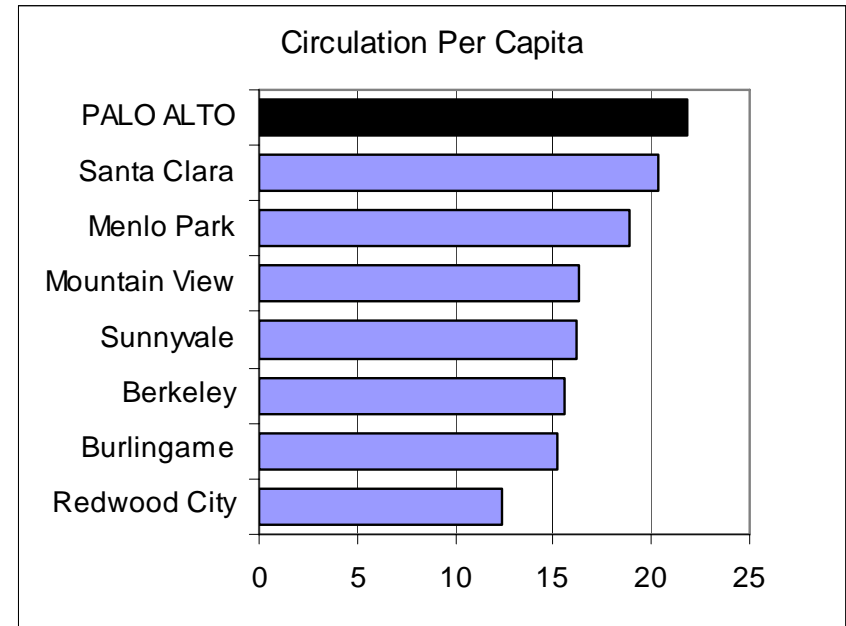
LIBRARY COLLECTION AND CIRCULATION

The total number of items in the library's collection has decreased by 23,436, or approximately 8 percent over the last five years, primarily due to a change in the way the library counts multi-part cassette tapes. The number of titles in the collection has decreased by about 3 percent; the number of book volumes decreased by about 2 percent.

In FY 2004-05, non-resident circulation accounted for approximately 20 percent of the library's total circulation. This percentage was the same as it was five years ago.

Seventy-five percent of survey respondents rate the variety of library materials as good or excellent. This places Palo Alto in the 62nd percentile compared to other jurisdictions.

Of all the libraries, Mitchell Park had the highest circulation in FY 2004-05, with 484,754 items circulating. The Main Library had the second highest circulation at 386,919 followed by Children's (272,130), College Terrace (95,819), Downtown (42,012). An additional 1,254 "check outs" were made from the Library's digital book service.



Source: *California Library Statistics 2005* (Fiscal Year 2003-04 data)
<http://www.library.ca.gov/html/LibraryStats.cfm>

	Total number of items in collection	Total number of titles in collection	Number of book volumes	Number of media items ²	Volumes held per capita	Total circulation ¹	Percent non-resident circulation	Circulation per capita	Average number of checkouts per volume ²	Citizen Survey Percent rating variety of library materials good or excellent
FY 2000-01	287,947	170,195	241,076	46,871	3.99	975,611	20%	16.15	3.37	-
FY 2001-02	284,071	170,862	237,365	46,706	3.93	1,117,795	20%	18.51	3.90	-
FY 2002-03	267,356	164,604	239,584	27,772	3.99	1,240,099	21%	20.63	4.64	76%
FY 2003-04	267,693	165,573	239,089	28,604	3.97	1,314,790	23%	21.84	4.91	74%
FY 2004-05	264,511	164,280	236,575	27,928	3.84	1,282,888	20%	20.80	4.85	75%
Change over last 5 years	-8%	-3%	-2%	-40%	-4%	+31%	-	+28%	+44%	-

¹ It should be noted that the lending period has changed. In FY 2000-01, the lending period was four weeks. In subsequent years, it was shortened to three weeks.

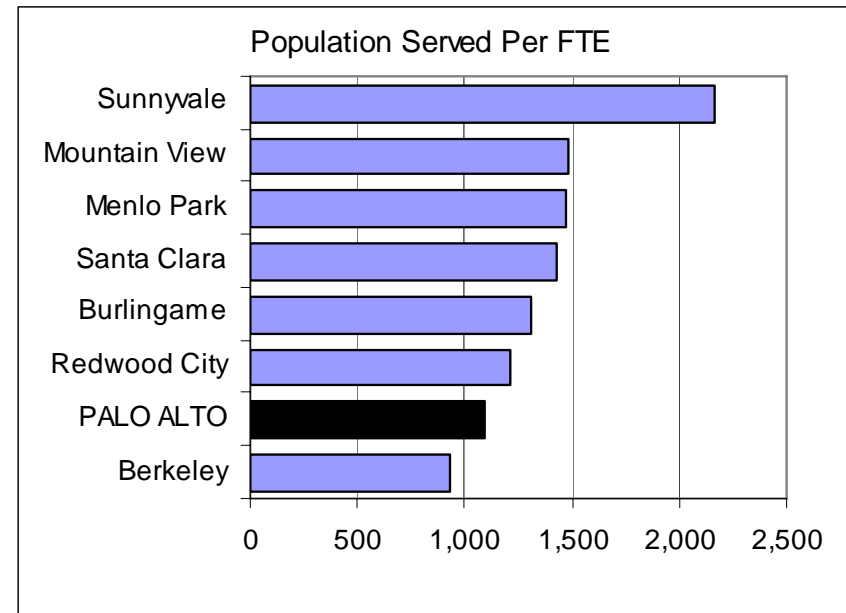
² Change in number of media items and average number of checkouts per volume from FY 2001-02 to FY 2002-03 due in part to change in method for counting multi-part cassette tapes. Each set of tapes is now counted as one unit.

LIBRARY SERVICES

The total number of library cardholders increased 6 percent from 49,284 to 52,001 over the last five years, and the percent of Palo Alto residents who are cardholders increased from 56 to 59 percent. Total library visits increased by 20 percent over the same time frame. In 2005, 25 percent of survey respondents reported they used libraries or their services more than 12 times during the last year.

The total number of items delivered to homebound borrowers decreased by 1,464 items, or 40 percent, and the total number of reference questions received by librarians decreased by 8,029, or 9 percent over the five-year period. However, on-line database searches and internet sessions have increased significantly in the last 3 years.

The number of family programs offered increased from 434 to 519, or approximately 20 percent, and total attendance at family programs was 31,141 (the target was 33,750).



Source: *California Library Statistics 2005* (Fiscal Year 2003-04 data)
<http://www.library.ca.gov/html/LibraryStats.cfm>

	Total number of cardholders ¹	Percent of Palo Alto residents who are cardholders [©]	Library visits	Total items delivered to homebound borrowers	Total number of reference questions	Total number of online database searches	Number of internet sessions	Number of family programs	Total family program attendance	Citizen Survey Percent who used libraries or their services more than 12 times during the last year [©]
FY 2000-01	49,284	56%	728,797	3,681	88,871	16,313	65,362	434	28,592	-
FY 2001-02	45,112	51%	815,630	3,907	92,518	15,499	80,469	483	26,224	-
FY 2002-03	49,448	56%	905,248	2,833	88,759	17,811	98,480	517	33,625	31%
FY 2003-04	50,171	57%	882,918	2,391	86,818	22,845	96,654	451	33,994	30%
FY 2004-05	52,001	59%	873,594	2,217	80,842	39,357	113,980	519	31,141	25%
Change over last 5 years	+6%	+3%	+20%	-40%	-9%	+141%	+74%	+20%	+9%	-

¹ The Library noted a new computer system resulted in a less complete purge of inactive cardholders and contributes to the increased number of cardholders in FY 2004-05.

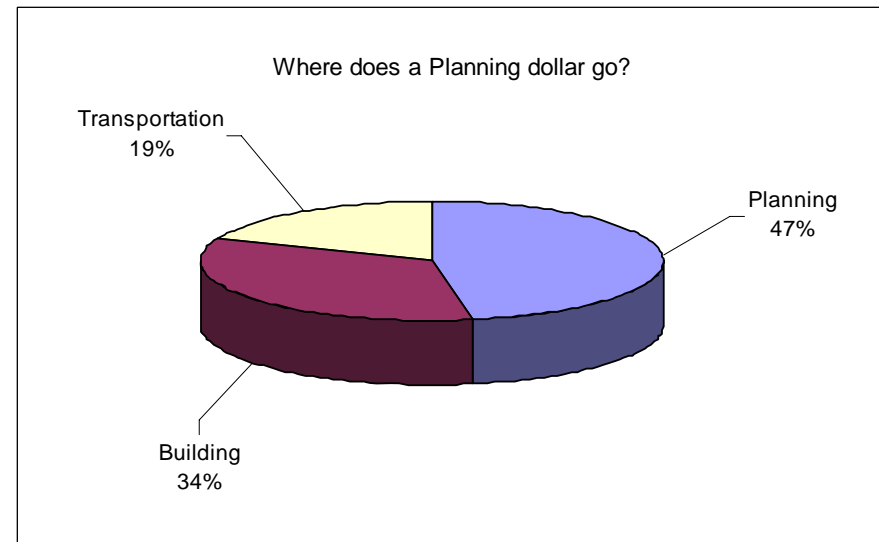
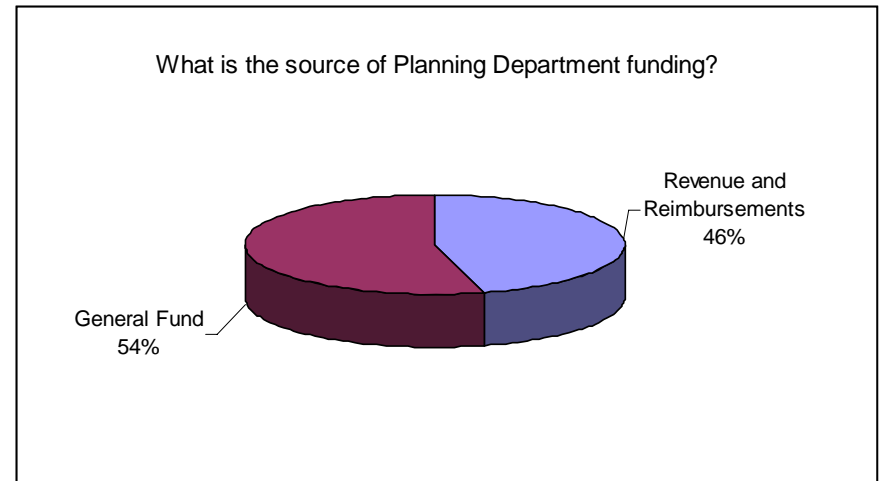
[©] Budget benchmarking measure

CHAPTER 5 – PLANNING AND COMMUNITY ENVIRONMENT

The mission of the Planning and Community Environment Department is to provide the City Council and community with creative guidance on, and effective implementation of, land use development, planning, transportation, housing and environmental policies, plans and programs which maintain and enhance the City as a safe, vital and attractive community.

The Planning Department has three major divisions with the following missions:

- Planning - To provide professional leadership in planning for Palo Alto's future by recommending land use, transportation, environmental, housing and community design objectives that preserve and improve Palo Alto as a vital and highly desirable place to live, work, and visit.
- Building - To review construction projects and improvements for compliance with all applicable codes and ordinances in a professional and efficient manner and to ensure that all developments subject to the development review process achieve the high quality and design specified.
- Transportation - To manage and enhance the City's transportation facilities and programs in order to achieve a safe and efficient multi-modal transportation system to meet the diverse mobility needs of the community.



Source: FY 2004-05 revenue and expenditure data

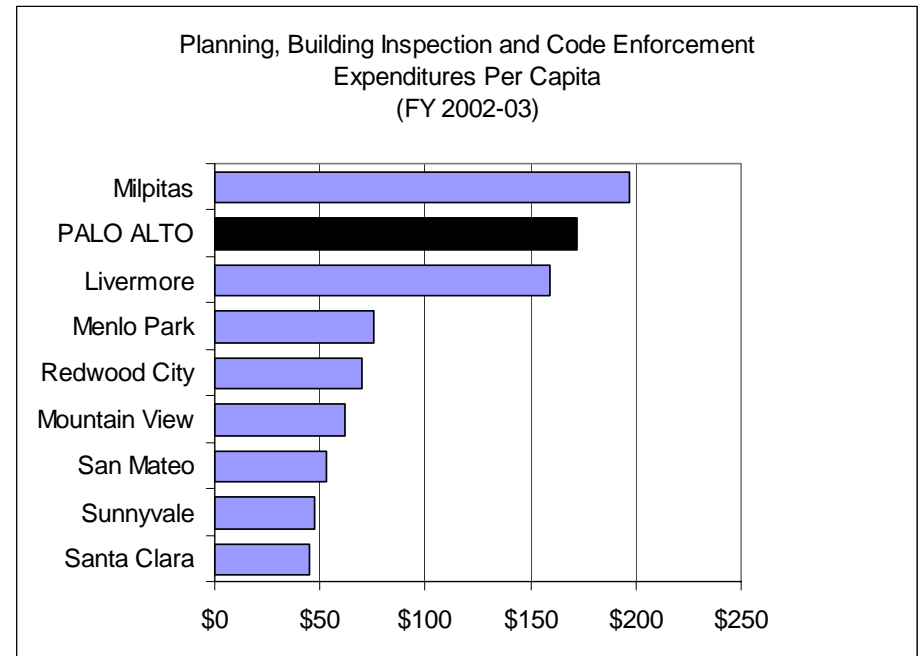
SPENDING AND STAFFING

Spending increased from about \$7 million to \$9.1 million over the last 5 years, or approximately 31 percent. The Department's revenue decreased from \$4.6 to \$4.2 million, or 9 percent, over the same period. However, revenue increased to \$4.2 million in FY 2004-05 from \$3.5 million in FY 2003-04. Authorized staffing for the Department increased from 60 to 61 FTE, or 1 percent over the last five years.

The Department reports that spending increases were due in part to new services and programs including: the Charleston/Arastradero transportation plan (2003); the Zoning Ordinance Update; development of a Citywide transportation strategic plan; additional inspection expense related to Sand Hill Road construction projects (2004).

According to the Department, the Transportation Division was awarded a \$750,000 grant in FY 2003-04 for the Intermodal Transit Center Project.

Data in the graph on the right and table below differ because City of Palo Alto and Controller's office compile data differently. Palo Alto's Planning Department expenditures per capita are higher than those of surrounding jurisdictions. However, it should be noted that different cities budget expenditures in different ways. Palo Alto includes the shuttle services and rent for the Development Center in its costs.



Source: California State Controller, *Cities Annual Report Fiscal Year 2002-03*

	Planning	Building	Transportation	TOTAL ¹	Expenditures per capita	Revenue (in millions)	Authorized staffing (FTE)
FY 2000-01	\$3.3	\$2.4	\$1.2	\$7.0	\$115	\$4.6	60
FY 2001-02	\$3.6	\$2.7	\$1.4	\$7.8	\$129	\$4.6	61
FY 2002-03	\$3.7	\$2.9	\$1.5	\$8.1	\$135	\$5.2	62
FY 2003-04	\$3.6	\$3.0	\$2.0 ²	\$8.5	\$141	\$3.5	61
FY 2004-05	\$4.3	\$3.1	\$1.7	\$9.1	\$148	\$4.2	61
Change over 5 years ¹	+29%	+27%	+44%	+31%	+28%	-9%	+1%

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

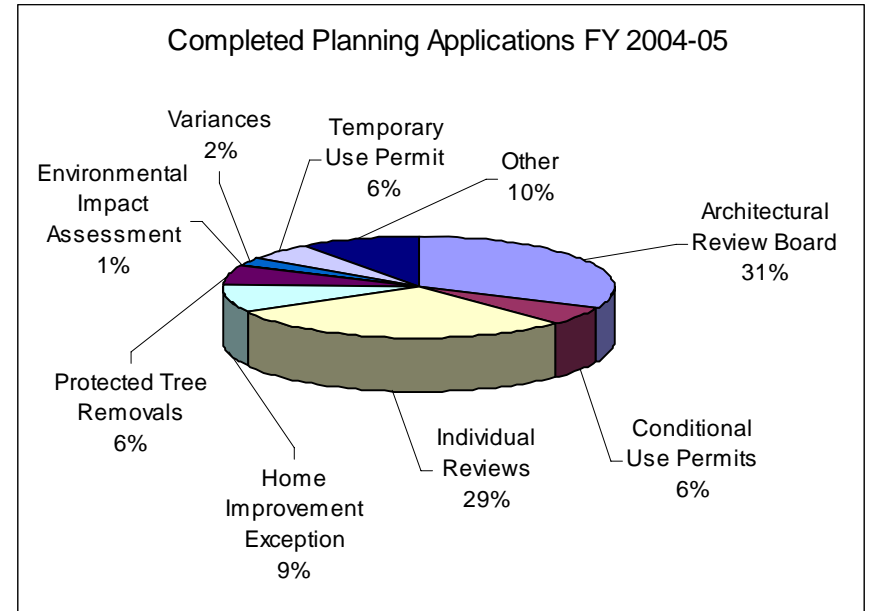
² The Department reports that increases in Transportation spending in FY 2003-04 were due to a number of special studies including: the Charleston/Arastradero Corridor Plan, South Palo Alto School Commute Safety Study, Traffic Impact Fee Nexus Study and Downtown North traffic calming project, as well as a transfer of the annual VTA membership dues expense that was previously shown in Planning.

ADVANCE PLANNING AND DEVELOPMENT REVIEW

A total of 318 planning applications were completed in FY 2004-05. Approximately 2 percent of those applications were considered “major.”¹ The remaining 98 percent of applications were considered minor.

The average time in weeks to complete major applications decreased from 22.5 weeks in FY 2000-01 to 13.8 weeks in FY 2004-05. The average completion time for minor applications in FY 2004-05 was 10.7 weeks.

Land use planning was one of the City Council's Top 5 priorities in FY 2004-05.



Source: Planning and Community Environment Department

	Planning applications completed ² ⊙	Architectural Review Board applications completed ²	Percent of completed applications that are major ¹	Percent of completed applications that are minor ¹	Average time to complete major applications ^{1,2}	Average time to complete minor applications ^{1,2}	Citizen Survey	
							Percent rating quality of land use, planning, and zoning in Palo Alto as good or excellent	Percent rating overall quality of new development in Palo Alto as good or excellent <NEW>
FY 2000-01	283	143	11%	89%	22.5 weeks	8.7 weeks	-	-
FY 2001-02	272	130	11%	89%	31.2 weeks	8.5 weeks	-	-
FY 2002-03	324	99	5%	95%	32.1 weeks	11.7 weeks	40%	-
FY 2003-04	409	149	6%	94%	35.5 weeks	12.1 weeks	48%	-
FY 2004-05	318	108	2%	98%	13.8 weeks	10.7 weeks	46%	56%
Change over 5 years	+12%	-24%	-9%	+9%	-39%	+23%	-	-

¹ The Planning Department advises that Major Projects have traditionally been those that add more than 5,000 square feet and are expected to be a significant modification to an existing site. Major projects almost always go to a Board or Commission for public hearing/review. Some minor projects may also go to a Board or Commission for a public hearing but many are reviewed at the staff level. The Department notes that some aspects of average completion time are beyond its control, such as the period of time during which an application has been returned to an applicant for his further action. Data does not include applications that were withdrawn. In prior years, such data did include withdrawn applications but has been revised here to exclude them.

² In FY 2004-05, the Planning Department adopted a new methodology for calculating general application data and completion times.

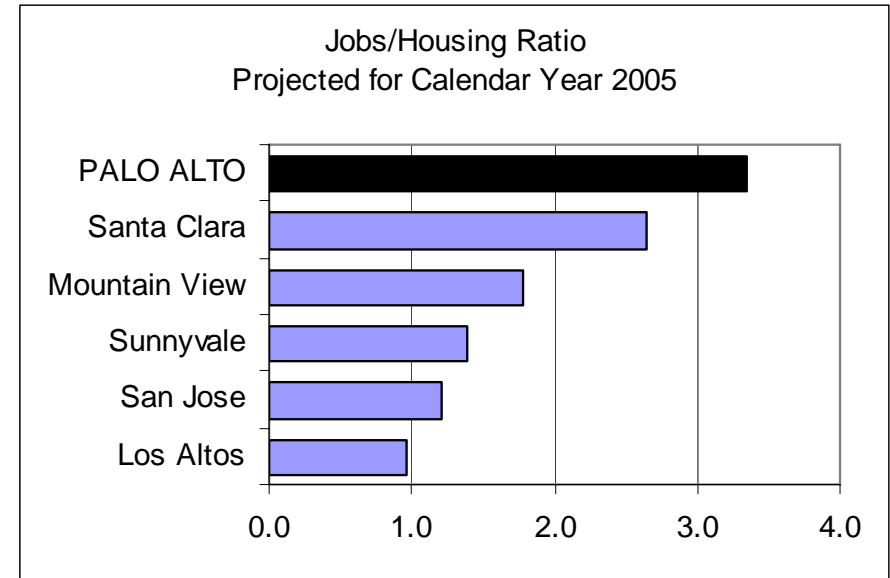
⊙ Budget benchmarking measure

ADVANCE PLANNING (cont.) CODE ENFORCEMENT

Based on data from the Association of Bay Area Governments, Palo Alto's jobs/housing ratio was approximately 3.4 in 2005, higher than five nearby jurisdictions. The number of residential units increased from 26,048 to 27,522, or six percent over the last five years. However, the estimated number of new jobs in Palo Alto resulting from projects approved over the last five years was 1,638, while the number of new housing units approved by the City during those same years was 462.

Affordable/attainable housing was one of the City Council's top 5 priorities in FY 2004-05. The average median home price in 2005 was \$1,373,500. Only 8 percent of survey respondents rated access to affordable quality housing as good or excellent, placing Palo Alto in the third percentile compared to other jurisdictions.

The number of new code enforcement cases decreased from 629 in FY 2000-01 to 473 in FY 2004-05. Fifty-five percent of those surveyed rated code enforcement services good or excellent. This places Palo Alto in the 73rd percentile compared to other jurisdictions. 21 percent consider run-down buildings, weed lots, or junk vehicles to be a major or moderate problem. However, only 4 percent consider them a major problem.



Source: Association of Bay Area Governments (ABAG), *Projections 2005*

Advance Planning (cont.)

	Number of residential units	Average Median home price	Estimated new jobs resulting from projects approved during year ¹	Number of new housing units approved	Cumulative number of below market rate (BMR) units
FY 2000-01	26,048	\$1,001,583	+1,450	12	280
FY 2001-02	26,841	\$885,813	+433	123	280
FY 2002-03	26,934	\$749,500	+80	101	280
FY 2003-04	27,019	\$855,000	+30	145	280
FY 2004-05	27,522	\$1,373,500²	-355	81	322
Change over 5 years	+6%	+37%	-124%	+575%	+15%

Code Enforcement

Number of new cases	Number of reinspections	Percent of cases resolved within 120 days of date received	Citizen Survey	
			Percent rating quality of code enforcement good or excellent	Percent who consider run down buildings, weed lots, or junk vehicles a major or moderate problem
629	1,084	88%	-	-
737	1,552	89%	-	-
764	1,611	90%	56%	19%
630	1,094	94%	59%	17%
473	796	91%	55%	21%
-25%	-27%	+3%	-	-

¹ The Planning Department advises that the loss of jobs in FY 2004-05 was mainly due to the 940 East Meadow project which converts two commercial buildings and a warehouse to 76 condominium units.

² Average median home price data on a calendar year basis. Data for 2005 (FY 2004-05) provided by Jackie Schoelerman, Alain Pinel Realtors.

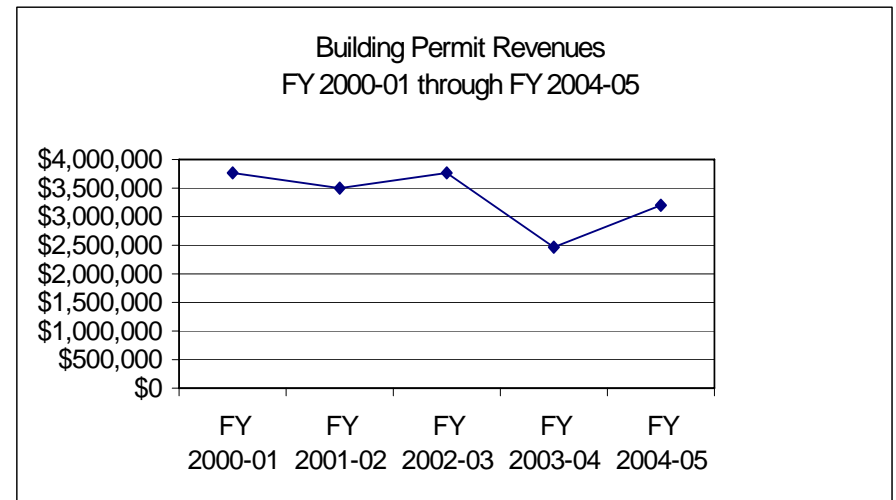
BUILDING INSPECTION

Over the last five years, the number of building permit applications decreased 15 percent to 3,081. During that same period, the valuation of construction for issued permits decreased from about \$240 million to about \$215 million, or 15 percent. Building permit revenue decreased from \$3.8 to \$3.2 million, or 15 percent.

Staff completed 12,186 inspections in FY 2004-05. According to staff, 91 percent of inspection requests were responded to within one working day or within the timeframe of the customer's request.

The average number of days for first response to plan checks was 24 days excluding over-the-counter plan checks. The average was 14 days when over-the-counter plan checks are included.

The average number of days to issue a building permit was 62 days excluding permits issued over the counter. The average was 19 days when over-the-counter permits are included.



Source: Planning and Community Environment Department

	Building permit applications	Building permits issued ☉	Percent of building permits issued over the counter	Valuation of construction for issued permits (in millions)	Building permit revenue (in millions) ²	Average number of days for first response to plan checks ³	Average number of days to issue building permits ³	Number of inspections completed☉	Percent of inspection requests for permitted work responded to within one working day ⁴
FY 2000-01	4,073	3,639	-	\$239.6	\$3.8	-	-	14,422	90%
FY 2001-02	4,006	3,241	-	\$281.1	\$3.5	-	-	13,770	95%
FY 2002-03	3,151	3,151	-	\$263.1	\$3.8	-	-	13,833	92%
FY 2003-04	3,340	3,236	75%	\$129.2	\$2.5	21 days	83 days	13,310	93%
FY 2004-05	3,219	3,081	69%	\$214.9	\$3.2	24 days	62 days	12,186	91%
Change over 5 years ¹	-21%	-15%	-	-15%	-15%	-	-	-16%	+1%

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

² Deposits for building permits are recognized as revenue once the project is completed.

³ Average number of days does not include over the counter plan checks or building permits.

⁴ In some cases, a customer requests a specific day or time as opposed to within one working day; this percentage indicates how often the Department met the one working day deadline or, when applicable, the customer's specific request.

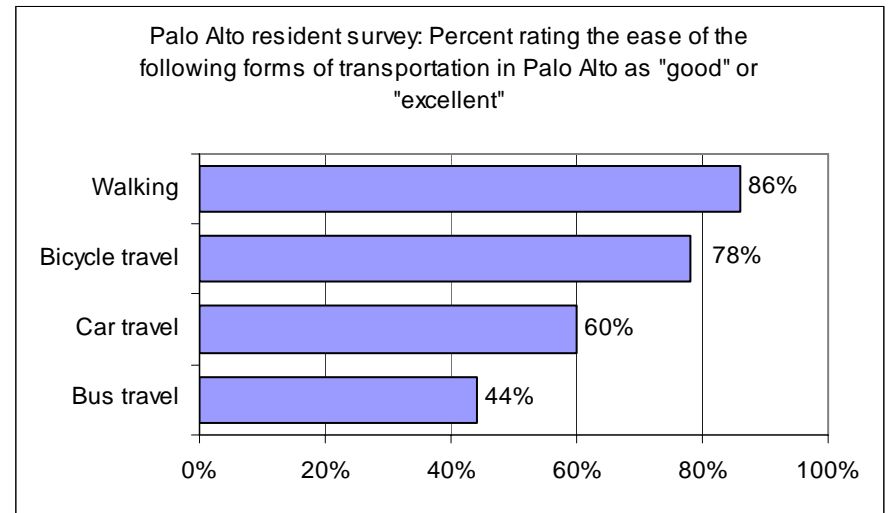
☉ Budget benchmarking measure

TRANSPORTATION PLANNING

In the 2005 Citizen Survey, 58 percent of respondents considered traffic congestion to be a major or moderate problem in Palo Alto, a decrease from the 64 percent who thought so in 2003. Of those who usually drive to work, 9 percent reported that they usually carpool, a decrease from the 14 percent in 2004.

In FY 2004-05, the Department implemented one minor traffic calming project on Pepper Avenue between El Camino and Ash Street. In FY 2004-05, the Department reports there were 169,048 shuttle boardings.

Alternative transportation/traffic calming was one of the City Council's Top 5 priorities in FY 2004-05.



Source: National Citizen Survey™ 2005 (Palo Alto)

	Number of monitored intersections with an unacceptable level of service during evening peak	Number of intersections with 10 or more accidents ^{1S}	City Shuttle boardings ^S	Caltrain average weekday boardings	Number of major/minor traffic calming projects implemented ²	Citizen Survey		
						Percent who consider traffic congestion to be a major or moderate problem in Palo Alto	Of those who usually drive to work, percent who usually carpool	Percent who consider the amount of public parking good or excellent
FY 2000-01	8 of 21	9	76,705	3,625	0/0	-	-	-
FY 2001-02	8 of 21	17	124,957	3,241	0/1	-	-	-
FY 2002-03	2 of 21	11	167,454	2,906	0/5	64%	12%	
FY 2003-04	2 of 21	8	170,719	2,825	2/2	60%	14%	56%
FY 2004-05	2 of 21	11	169,048	3,264	0/1	58%	9%	57%
Change over 5 years	-	+22%	+120%	-10%	-	-	-	-

¹ Accidents within 200 feet of intersection.

² The Department defines "major" traffic calming projects as neighborhood-wide projects. "Minor" projects are defined as ones on one or two Local or Collector streets.

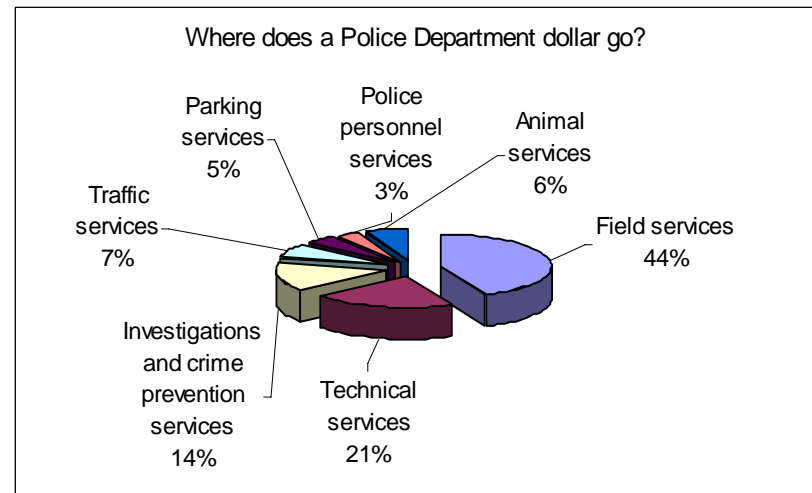
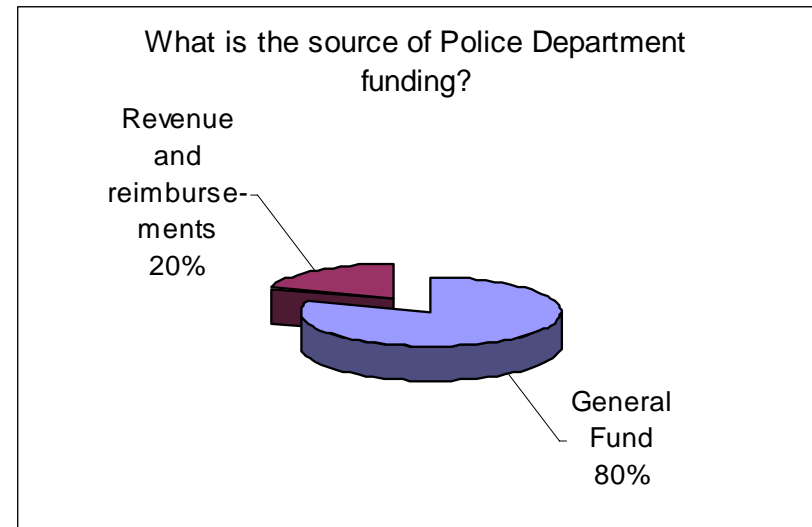
^S Sustainability indicator

CHAPTER 6 – POLICE

The mission of the Police Department is to provide exceptional public safety services and take a leadership role in building community partnerships.

The Department has seven major functional areas:

- Field services – police response, critical incident resolution, regional assistance response, and police services for special events
- Technical services – 911 dispatch services for police, fire, utilities, general fund, and Stanford, and police information management
- Investigations and crime prevention services – police investigations, property and evidence, youth services, and community policing
- Traffic services – traffic enforcement, complaint resolution, and school safety
- Parking services – parking enforcement, parking citations and adjudication, and abandoned vehicle abatement
- Police personnel services – police hiring, retention, personnel records, training, and volunteer programs
- Animal services – animal control, pet recovery/adoption services, animal care, animal health and welfare, and regional animal services



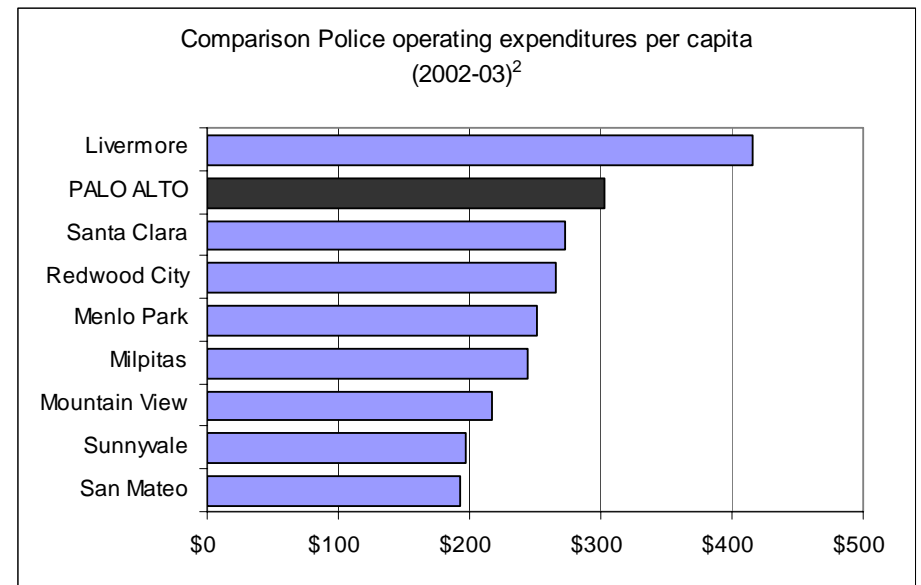
Source: FY 2004-05 revenue and expenditure data

POLICE SPENDING AND REVENUE

Total Police Department spending increased by 16 percent in the last five years. Total spending increased from \$323 to \$366 per resident, or 13 percent over five years. This includes services (e.g. communications and animal services) that the department provides to other jurisdictions. Over the same period, total revenue and reimbursements for those services increased from \$3.8 to \$4.5 million, or 18 percent.

A comparison of police expenditures during FY 2002-03 (the most recent data available from the State Controller) shows Palo Alto spent more per capita than 7 other local jurisdictions. It should be noted that every jurisdiction has different levels of service and categorizes expenditures in different ways.

The most recent survey of resident satisfaction shows 87 percent of residents rate police services good or excellent, including 42 percent excellent, 45 percent good, 10 percent fair, and 3 percent poor – placing Palo Alto in the 91st percentile compared to other jurisdictions.



Source: California State Controller, *Cities Annual Report Fiscal Year 2002-03*

	Operating Expenditures (in millions)								Total spending per resident	Total revenue	Citizen Survey Percent rating police services good or excellent [⊙]
	Field services	Technical services	Investigations and crime prevention	Traffic services	Parking services	Police personnel services	Animal services	TOTAL ¹			
FY 2000-01	\$6.6	\$3.5	\$2.9	\$1.3	\$0.8	\$3.2	\$1.1	\$19.5	\$323	\$3.8	-
FY 2001-02	\$7.3	\$3.9	\$3.0	\$1.3	\$0.8	\$2.8	\$1.3	\$20.3	\$336	\$4.7	-
FY 2002-03	\$7.8	\$4.0	\$2.9	\$2.1	\$0.0	\$2.9	\$1.3	\$21.2	\$350	\$4.3	89%
FY 2003-04	\$9.0 ⁴	\$5.3 ⁴	\$2.7 ⁴	\$1.4 ⁴	\$0.8	\$1.3 ⁴	\$1.4	\$22.0	\$365	\$5.1 ³	90%
FY 2004-05	\$9.8	\$4.8	\$3.2	\$1.5	\$1.1	\$0.8	\$1.4	\$22.5	\$366	\$4.5	87%
Change over last 5 years ¹	+47%	+36%	+11%	+15%	+41%	-76%	+26%	+16%	+13%	+18%	-

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

² Comparison of operating expenditures does not include animal control. Palo Alto figures include dispatch and some animal services expenditures.

³ FY 2003-04 revenues included an unusually high bail forfeiture amount.

⁴ FY 2003-04 expenditures reflect a change in the way that the department accounts for employees' time, not a change in service levels.

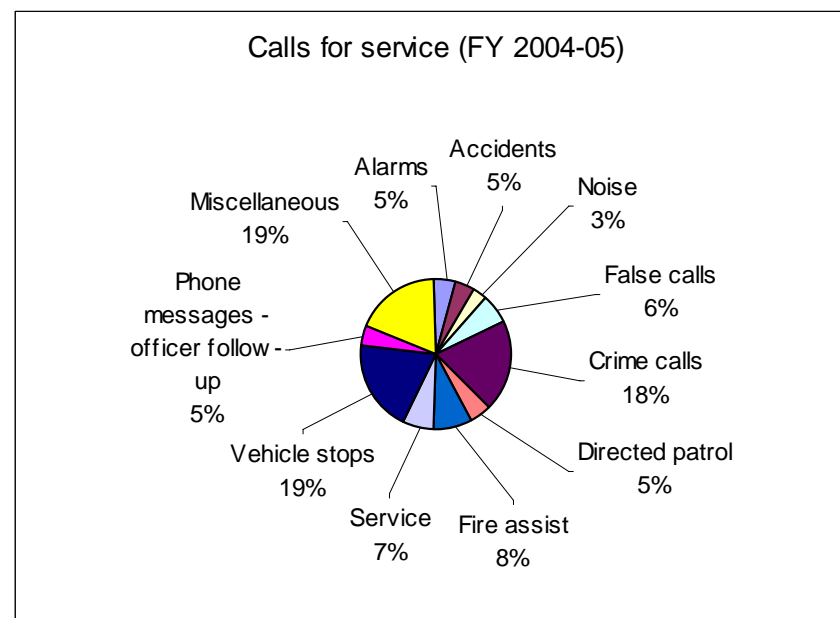
CALLS FOR SERVICE

The Police Department handled over 52,000 calls for service during FY 2004-05, and dispatched 94 percent of emergency calls within 60 seconds of receipt of the call.

Over the last five years, the average response times for emergency calls improved from 6:41 minutes to 5:01 minutes. The average response times for urgent calls improved from 8:21 minutes to 7:50 minutes.

False alarms are down 46 percent over five years due in part to an alarm permit program.

In response to a new question on the 2005 Citizen Survey, 36 percent of respondents reported they had contact with the Police Department, and 78 percent of those respondents rated their contact good or excellent.



Source: Police Department

	Total Police Department calls for service		Percent emergency calls dispatched within 60 seconds of receipt of call	Average emergency response	Average urgent response	Average non-emergency response	Percent emergency calls responded within 6 minutes	Percent urgent calls responded within 10 minutes	Percent non-emergency calls responded within 60 minutes	Citizen Survey	
		False alarms								Percent reported having contact with the Police Dept	Percent rating quality of their contact good or excellent
FY 2000-01	59,134	4,403	99% est.	6:41 minutes	8:21 minutes	-	95% est. ²	95% est. ³	-	-	-
FY 2001-02	57,292	3,409	98%	5:41 minutes	8:19 minutes	-	99% ²	95% ³	-	-	-
FY 2002-03	53,143	3,113	92%	5:53 minutes	8:27 minutes	-	84% ²	95% ³	-	-	-
FY 2003-04	52,489	2,681	88%	4:59 minutes	7:55 minutes	-	72% ²	96% ³	-	-	-
FY 2004-05	52,233	2,385	94%	5:01 minutes	7:50 minutes	18:15 minutes	71%	78%	96%	36%	78%
Change over last 5 years	-12%	-46%	-5%	-25%	-6%	-	-24%	-17%	-	-	-

⊙ Budget benchmarking measure

¹ In FY 2004-05, the Department reclassified priority calls as emergency, urgent, and non-emergency.

² Measured against previous 4 minute target.

³ Measured against previous 30 minute target.

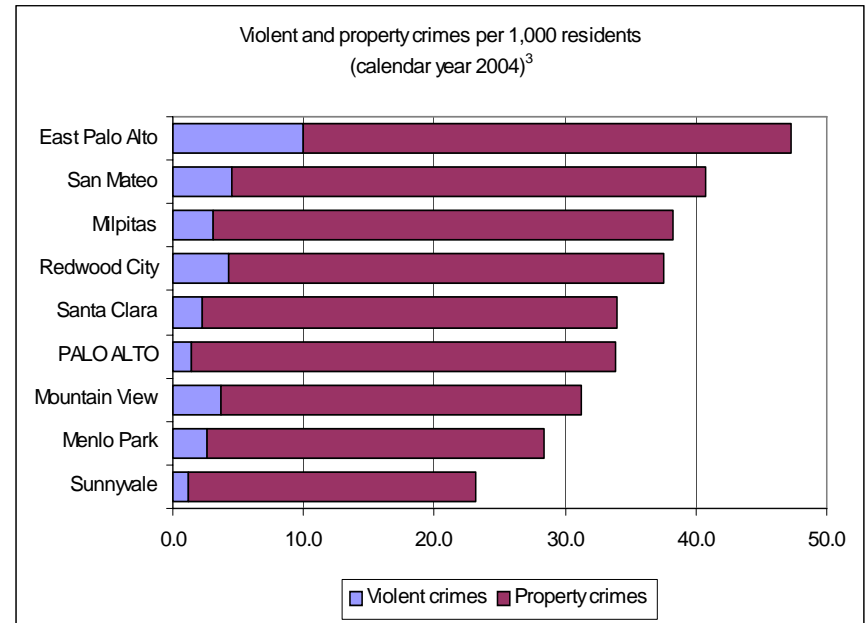
CRIME

The Police Department categorizes crime as Part 1¹ and Part 2.² Over the past five years, the number of reported Part 1 crimes increased by 19 percent, and the number of Part 2 crimes decreased 10 percent.

Although Palo Alto is a relatively affluent community of about 62,000, it has a daytime population estimated at nearly 140,000, a regional shopping center, and a downtown with an active nightlife.

Police Department statistics show 121 reported crimes per 1,000 residents, with 80 reported crimes per officer. FBI statistics show that Palo Alto has fewer crimes per 1,000 residents than several other local jurisdictions.

During FY 2004-05, 10 percent of households reported being the victim of a crime in the last 12 months. Of those households, 64 percent said they reported the crime.



Source: FBI Uniform Crime Reports (www.fbi.gov/ucr/ucr.htm)

	Reported crimes				Citizen Survey		Arrests		Clearance rates for part 1 crimes ¹			
	Part 1 ¹ crimes reported [⊙]	Part 2 ² crimes reported	Reported crimes per 1,000 residents	Reported crimes per officer ⁵	Percent households reported being victim of crime in last 12 months	Percent households that were victim of a crime who reported the crime	Juvenile arrests	Total arrests ⁴	Homicide cases cleared/closed [⊙]	Rape cases cleared/closed [⊙]	Robbery cases cleared/closed [⊙]	Theft cases cleared/closed [⊙]
FY 2000-01	2,075	5,525	126	79	-	-	413	3,151	80%	-	-	-
FY 2001-02	2,208	4,982	119	74	-	-	345	3,153	85%	56%	29%	25%
FY 2002-03	2,205	4,980	119	74	13%	76%	293	2,851	None	43%	34%	28%
FY 2003-04	2,370	4,719	118	76	11%	59%	344	2,577	100%	63%	44%	21%
FY 2004-05	2,466	4,994	121	80	10%	64%	256	2,134	100%	78%	46%	14%
Change over last 5 years	+19%	-10%	-4%	+1%	-	-	-38%	-32%	+20%	-	-	-

⊙ Budget benchmarking measure

¹ Part 1 crimes include assault, burglary, homicide, rape, robbery, larceny/theft, vehicle theft, and arson.

² Part 2 crimes include assaults or attempted assaults where a weapon is not used or where serious injuries did not occur; forgery and counterfeiting; fraud; embezzlement; buying, receiving, and possessing stolen property; vandalism; weapons offenses; prostitution and other vice crimes; sex offenses other than rape; drug offenses; gambling; offenses against family and children; drunk driving; liquor laws; drunk in public; disorderly conduct; and vagrancy.

³ Does not include arson or larceny/theft under \$400.

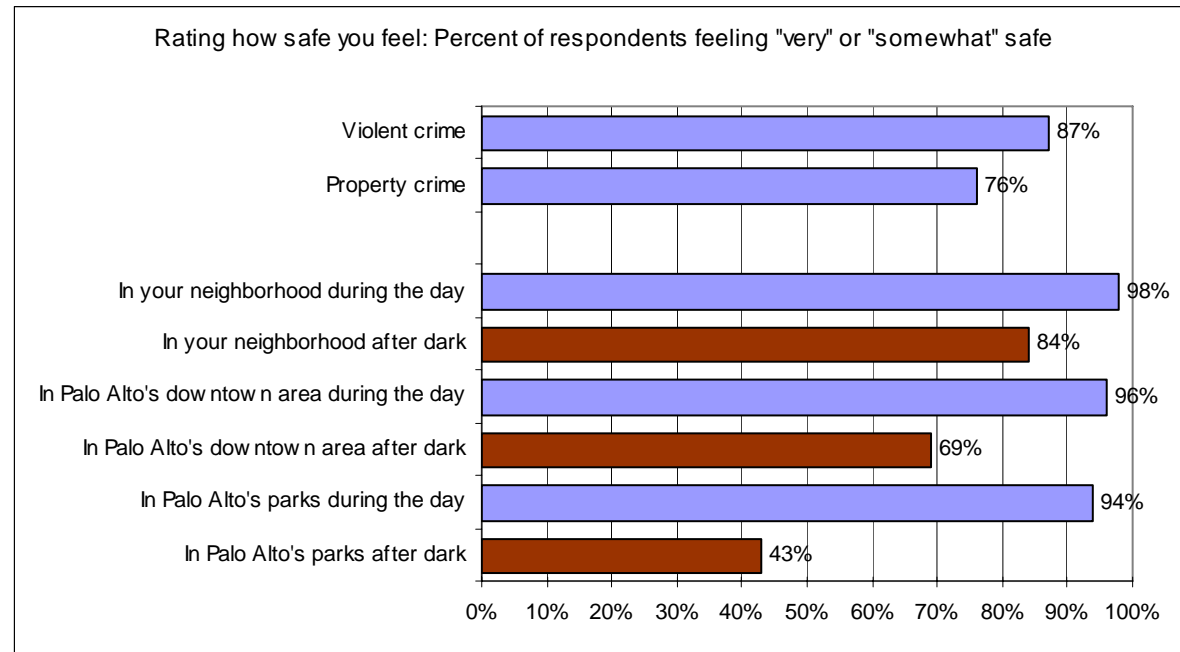
⁴ Total arrests does not include drunk in public where suspects are taken to the sobering station, or traffic warrant arrests.

⁵ Based on authorized sworn staffing.

PERCEPTIONS OF SAFETY

When evaluating safety in the community, 87 percent of residents felt “very” or “somewhat safe” from violent crimes in Palo Alto. In their neighborhood during the day, 98 percent of residents felt “very” or “somewhat safe”. After dark, 84 percent of residents felt “very” or “somewhat safe” in their neighborhoods.

These ratings are above the norm of other jurisdictions surveyed by the National Citizen Survey™, except in our parks after dark, where Palo Alto rates are similar to the norm. For example, Palo Alto was in the 97th percentile compared to other jurisdictions responding to the question “please rate how safe you feel in your neighborhood during the day,” but was in the 54th percentile compared to other jurisdictions in how safe residents feel in their parks after dark.



Source: National Citizen Survey™ 2005 (Palo Alto)

	Citizen Survey: Percent of residents feeling very or somewhat safe								Citizen Survey
	From violent crime [⊙]	From property crime	In your neighborhood during the day	In your neighborhood after dark	In Palo Alto's downtown area during the day	In Palo Alto's downtown area after dark	In Palo Alto's parks during the day	In Palo Alto's parks after dark	Percent rating crime prevention good or excellent
FY 2000-01	-	-	-	-	-	-	-	-	-
FY 2001-02	-	-	-	-	-	-	-	-	-
FY 2002-03	84%	73%	97%	83%	95%	71%	94%	41%	-
FY 2003-04	84%	71%	98%	82%	94%	76%	92%	38%	87%
FY 2004-05	87%	76%	98%	84%	96%	69%	94%	43%	85%
Change over last 5 years	-	-	-	-	-	-	-	-	-

⊙ Budget benchmarking measure

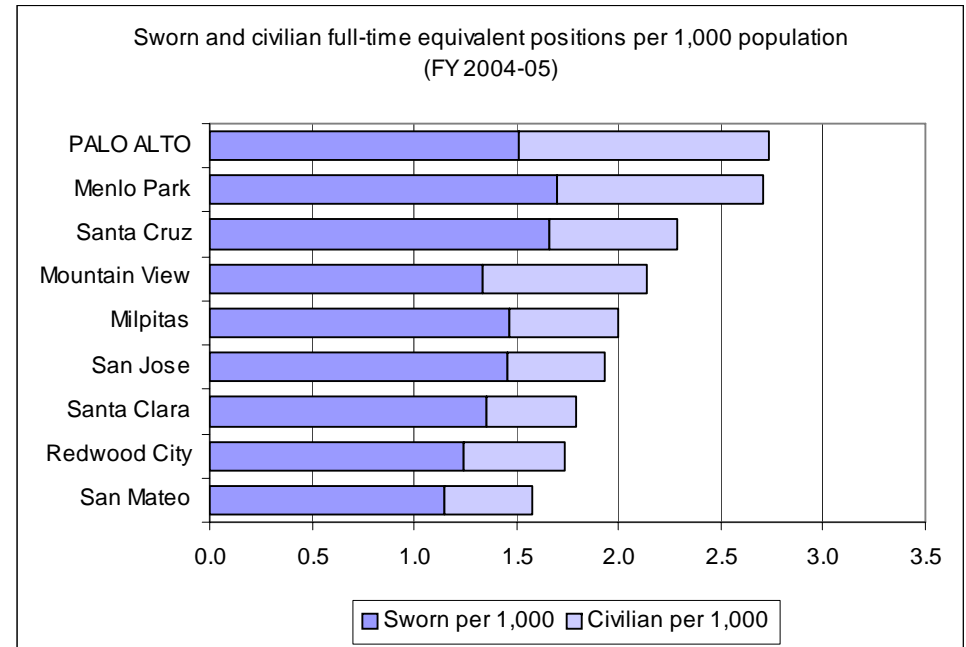
POLICE STAFFING, EQUIPMENT, AND TRAINING

Authorized departmental staffing decreased from 180 to 173 full time equivalents over the last five years, or 4 percent. The number of police officers has decreased from 96 to 93, or 3 percent. There are an average of 8 officers on patrol at all times.

With 1.51 sworn police officers per 1,000 residents, Palo Alto's sworn staffing-to-population ratio is higher than some nearby jurisdictions and lower than others. Palo Alto's total staffing is higher than other local jurisdictions, but it includes full dispatch services and animal services provided to other jurisdictions.

Those comparisons are based on "authorized positions". It should be noted that as of June 30, 2005, the department was down 16 police officers due to vacancies, injuries, training, and other leave situations.

The department increased training hours from 114 to 137 hours per officer, or 20 percent, over five years.



Source: Cities of Menlo Park, Milpitas, Mountain View, Palo Alto, Redwood City, San Jose, San Mateo, Santa Clara, and Santa Cruz

	Authorized staffing (FTE)	Number of police officers	Police officers per 1,000 residents	Average number of officers on duty	Number of patrol vehicles	Number of motor-cycles	Training hours per officer ¹ ⊙
FY 2000-01	180	96	1.59	8	30	8	114
FY 2001-02	182	97	1.60	8	29	10	128
FY 2002-03	183	97	1.60	8	30	10	143
FY 2003-04	177	93	1.54	8	30	10	146
FY 2003-04	173	93	1.51	8	30	10	137
Change over last 5 years	-4%	-3%	-5%	0%	0%	+25%	+20%

⊙ Budget benchmarking measure
¹ Does not include academy.

TRAFFIC AND PARKING CONTROL

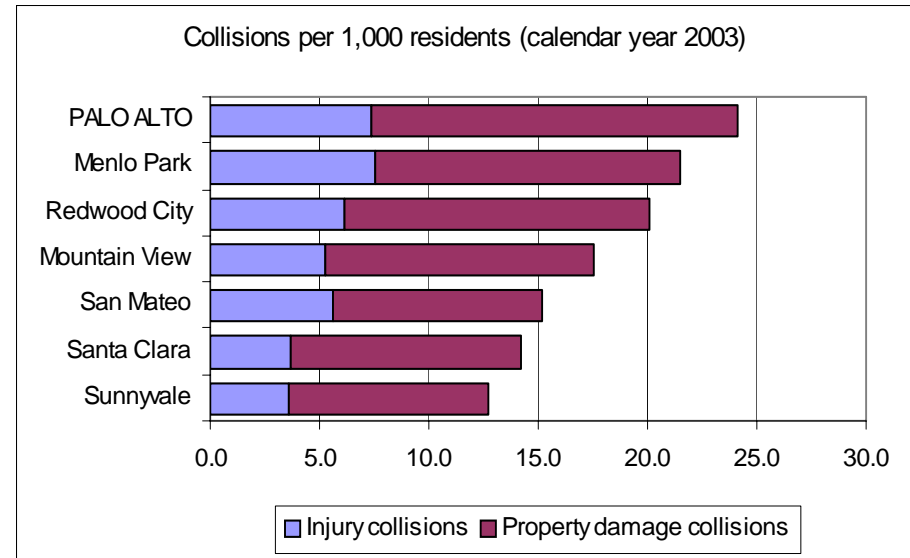
Over the past five years, the total number of

- traffic accidents decreased by 23 percent,
- bicycle/pedestrian accidents decreased by 4 percent,
- alcohol related accidents decreased by 35 percent, and
- total injury accidents stayed about the same.

In FY 2004-05, police personnel made over 8,800 traffic stops, and issued about 5,700 traffic citations and more than 52,000 parking citations.

The percent of traffic accidents with injury increased from 22 percent to 29 percent, but the number of traffic accidents per 1,000 residents decreased from 31 to 23 per 1,000 residents, or 25 percent, over the past 5 years.

Comparison data for calendar year 2003 shows that Palo Alto was higher than several local jurisdictions in number of collisions per 1,000 residents. According to the Police Department, Palo Alto documents minor damage accidents to a much larger extent than other jurisdictions.



Source: California Highway Patrol 2003 Annual Report of Fatal and Injury Motor Vehicle Traffic Collisions, and California Department of Finance

	Traffic Accidents	Bicycle/pedestrian accidents [⊙]	Alcohol related accidents	Total injury accidents [⊙]	Percent of traffic accidents with injury	Traffic accidents per 1000 residents	Number of traffic stops	Traffic citations issued ² ⊙	Parking citations [⊙]	Citizen Survey Percent rating traffic enforcement good or excellent [⊙]
FY 2000-01	1,850	101	49	407	22%	31	15,165	9,828	53,341	-
FY 2001-02	1,567	95	37	412	26%	26	13,670	10,413	55,437	-
FY 2002-03	1,490	81	30	390	26%	25	9,956	8,287	52,422	64%
FY 2003-04	1,429	91	34	400	28%	24	9,731	7,301	47,860	64%
FY 2004-05	1,419	97	32	407	29%	23	8,822	5,671	52,235	63%
Change over last 5 years ¹	-23%	-4%	-35%	0%	+7%	-25%	-42%	-42%	-2%	-

⊙ Budget benchmarking measure

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

² Does not include warnings.

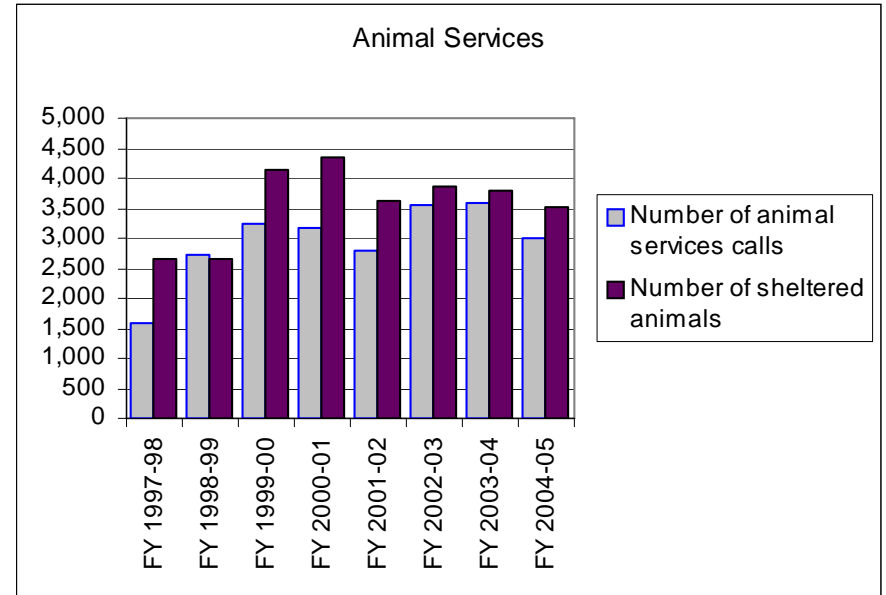
ANIMAL SERVICES

Palo Alto provides regional animal control services to the cities of Palo Alto, Los Altos, Los Altos Hills, Mountain View, and (beginning in 2005) animal sheltering services to Sunnyvale. Animal Services also provides pet recovery and adoption services, animal care, animal health and welfare (including spay and neuter clinics and vaccinations), and other services at the Animal Shelter on East Bayshore Road.

In FY 2004-05, Animal Services responded to 91 percent of Palo Alto live animal calls within 45 minutes. The department successfully returned to their owners 77 percent of dogs and 12 percent of cats received by the shelter during FY 2004-05, exceeding their targets of 65 percent and 8 percent respectively.

Over the five-year period shown, the number of animal services calls decreased by 5 percent, and the number of sheltered animals decreased by 19 percent.

79 percent of survey respondents rated animal control services good or excellent – placing Palo Alto in the 92nd percentile compared to other jurisdictions surveyed.



Source: Police Department

	Animal Services expenditures	Animal Services revenue	Number of animal services calls [⊙]	Percent Palo Alto live animal calls for service responded to within 45 minutes [⊙]	Number of sheltered animals [⊙]	Percent dogs received by shelter returned to owner [⊙]	Percent cats received by shelter returned to owner [⊙]	Citizen Survey Percent rating animal control services good or excellent
FY 2000-01	\$1.1	\$0.6	3,174	85%	4,349	-	-	-
FY 2001-02	\$1.3	\$0.9	2,803	85%	3,614	79%	10%	-
FY 2002-03	\$1.3	\$0.7	3,545	96%	3,849	73%	10%	79%
FY 2003-04	\$1.4	\$0.9	3,575	98%	3,780	80%	11%	79%
FY 2004-05	\$1.4	\$0.9	3,006	91%	3,514	77%	12%	79%
Change over last 5 years	+22%	+45%	-5%	+6%	-19%	-	-	-

⊙ Budget benchmarking measure

CHAPTER 7 – PUBLIC WORKS

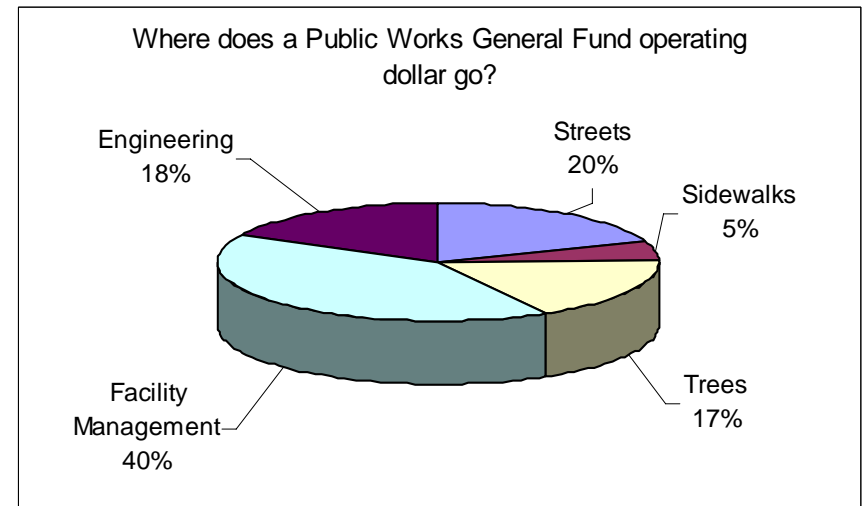
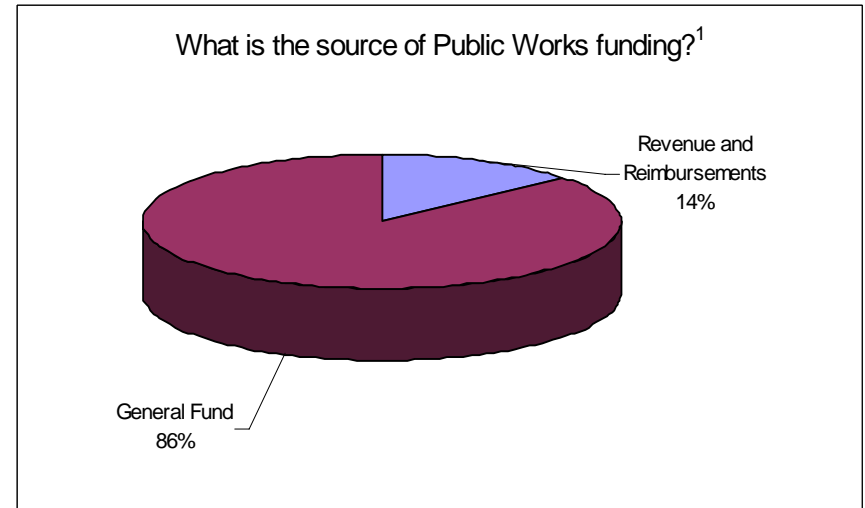
The mission of the Department of Public Works is to provide efficient, cost effective construction, maintenance, and management of Palo Alto streets, sidewalks, parking lots, buildings and other public facilities; to provide appropriate maintenance, replacement and utility line clearing of City trees; and to ensure timely support to other City departments in the area of engineering services.

The General Fund services that the Department provides include:

- Streets – in-house and contract maintenance, street computer mapping, in-house traffic control, emergency response, and capital improvement project support
- Sidewalks – in-house maintenance and capital improvement project support
- Trees – tree inventory management, in-house and contract street tree maintenance, in-house park tree maintenance, and contract utility line clearing
- Structures and Grounds – contract maintenance projects, in-house maintenance, and structures and ground capital improvement project support; includes utility expenses for City facilities
- Private Development - project reviews and Public Works permits and inspections for private development.

The Department is responsible for the following services that are provided through enterprise and internal service funds (non-General Fund):

- Refuse collection and disposal
- Storm Drainage
- Wastewater treatment including the Regional Water Quality Control Plant
- Vehicle Replacement and Maintenance (includes equipment)



Source: FY 2004-05 revenue and expenditure data

¹ Excludes Public Works Enterprise funds

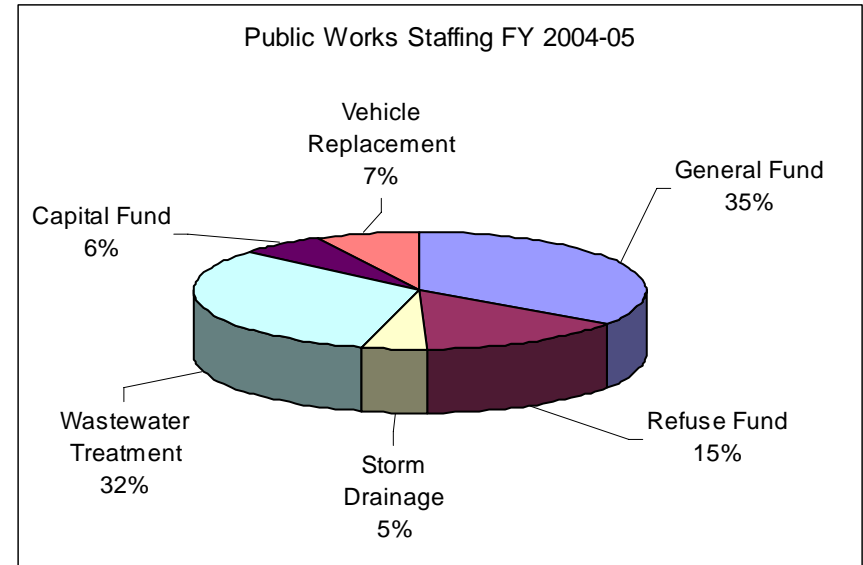
SPENDING AND STAFFING

Public Works General Fund Operating spending increased by 4 percent over the last five years. In addition to the General Fund operating expenditures shown below, spending from the Capital Project Fund included:

- about \$3.3 million for Capital Improvement Program (CIP) Streets-Engineering
- about \$1.9 million for CIP Sidewalks
- about \$8.9 million for CIP Structures and Grounds/Rehabilitation

For FY 2004-05, total authorized staffing was 21 FTE.

Staffing in the Capital Project Fund increased from 10 FTE to 13 FTE. The Department advises that this increase was due to: (1) the transfer from the Community Services Department of 2 FTE to manage public works projects in parks and (2) the transfer of 1 FTE from Public Works Operations for the sidewalk program.



Source: FY 2004-05 budget data

Public Works General Fund – Operating (in millions)

	Public Works General Fund – Operating (in millions)					TOTAL
	Streets	Sidewalks	Trees	Facility Management	Engineering	
FY 2000-01	\$3.8	\$0.7	\$2.7	\$3.4	-	\$10.6
FY 2001-02	\$4.0	\$0.7	\$2.7	\$3.4	-	\$10.9
FY 2002-03	\$3.9	\$0.8	\$2.3	\$3.2	-	\$10.2
FY 2003-04	\$1.9	\$0.8	\$1.9	\$4.2	\$1.8	\$10.6
FY 2004-05	\$2.2	\$0.6	\$1.9	\$4.5	\$1.9	\$11.0
Change over last 5 years	-44%	-19%	-29%	+32%	-	+4%

Authorized Staffing (FTE)

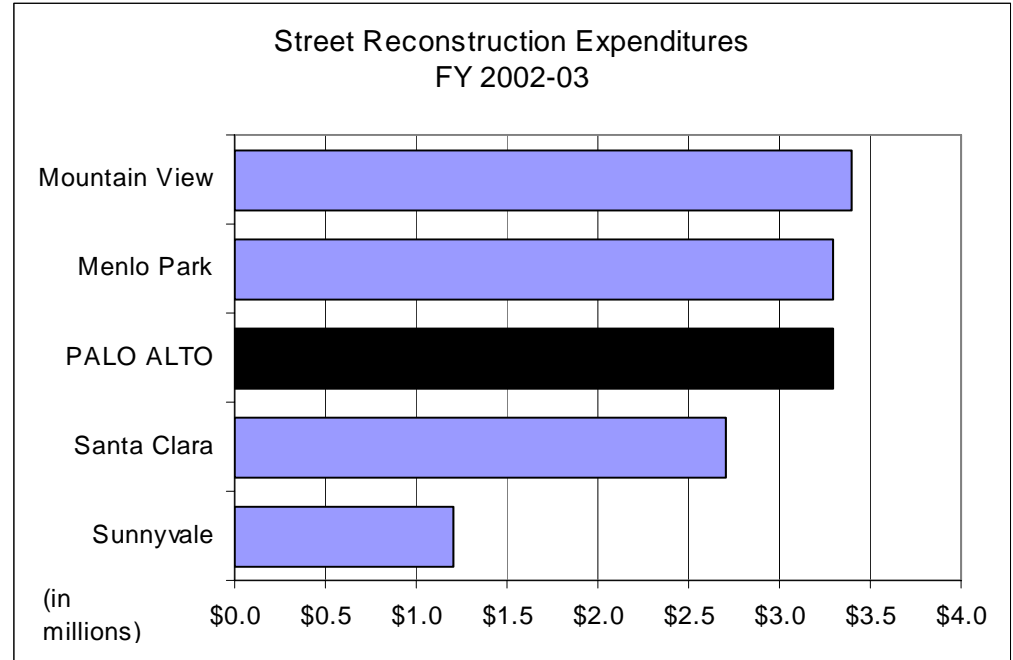
	Authorized Staffing (FTE)						TOTAL
	General Fund	Refuse Fund	Storm Drainage Fund	Wastewater Treatment Fund	Capital Project Fund	Vehicle Replacement Fund	
FY 2000-01	87	34	10	67	-	14	212
FY 2001-02	89	34	10	69	-	15	217
FY 2002-03	91	34	10	69	-	15	219
FY 2003-04	77	34	10	69	10	16	216
FY 2004-05	74	32	10	69	13	16	214
Change over last 5 years	-15%	-6%	-	+3%	-	+14%	0%

STREETS

The City is responsible for maintaining 463 lane miles of streets. In addition, Santa Clara County is responsible for 26 lane miles, and the State of California is responsible for maintaining 24 lane miles within Palo Alto's borders.

48 percent of survey respondents rate street repair good or excellent, compared to 46 percent last year. This places Palo Alto in the 58th percentile compared to other jurisdictions.

In FY 2004-05, 3,221 potholes were repaired, with 76 percent of those repairs within 15 days of notification.



Source: California State Controller's Office, State of California Streets and Roads Annual Report Fiscal Year 2002-03

	Total lane miles maintained	Lane miles resurfaced	Number of potholes repaired [⊙]	Percent of potholes repaired within 15 days of notification ¹ ⊙	Number of signs repaired or replaced <NEW>	Citizen Survey Percent rating street repair good or excellent
FY 2000-01	458	16	1,411	68%	-	-
FY 2001-02	463	17	2,220	81%	-	-
FY 2002-03	463	17	2,943	100%	-	50%
FY 2003-04	463	17	2,907	80%	1,602	46%
FY 2004-05	463	20	3,221	76%	1,620 est.	48%
Change over last 5 years	+1%	+25%	+128%	+8%	-	-

¹ Changed to 15 days in FY 2001-02. In prior years, number represented percent repaired within 10 days of notification.

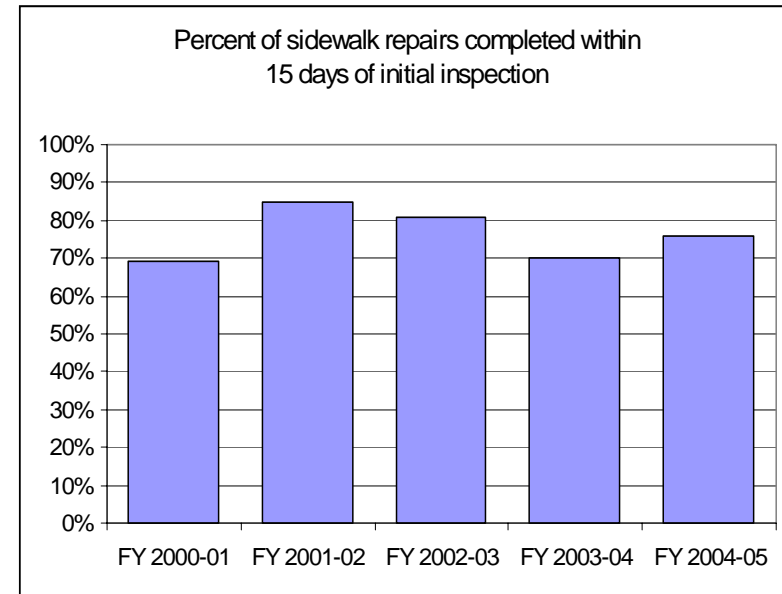
⊙ Budget benchmarking measure

SIDEWALKS

In FY 2004-05, more than 132,000 square feet of sidewalks were replaced or permanently repaired and 46 new ADA ramps were completed. In the past five years, this totals more than one-half million square feet of sidewalk replaced or permanently repaired and nearly 450 ADA ramps completed.

The Department reports that 76 percent of temporary repairs were completed within 15 days of initial inspection. 51 percent of survey respondents rate sidewalk maintenance good or excellent.

Unlike some other local jurisdictions, Palo Alto has no cost sharing arrangement with property owners; the City pays for 100 percent of all sidewalk work.



Source: Public Works Department

	Number of square feet of sidewalks	Square feet of sidewalk replaced or permanently repaired	Number ADA ramps completed	Percent of temporary repairs completed within 15 days of initial inspection	Citizen Survey Percent rating sidewalk maintenance good or excellent
FY 2000-01	-	105,116	143	69%	-
FY 2001-02	6,679,200	94,487	108	85%	-
FY 2002-03	6,679,200	101,410	77	81%	49%
FY 2003-04	6,679,200	115,352	67	70%	50%
FY 2004-05	6,679,200	132,430	46	76%	51%
Change over last 5 years	-	+26%	-68%	+7%	-

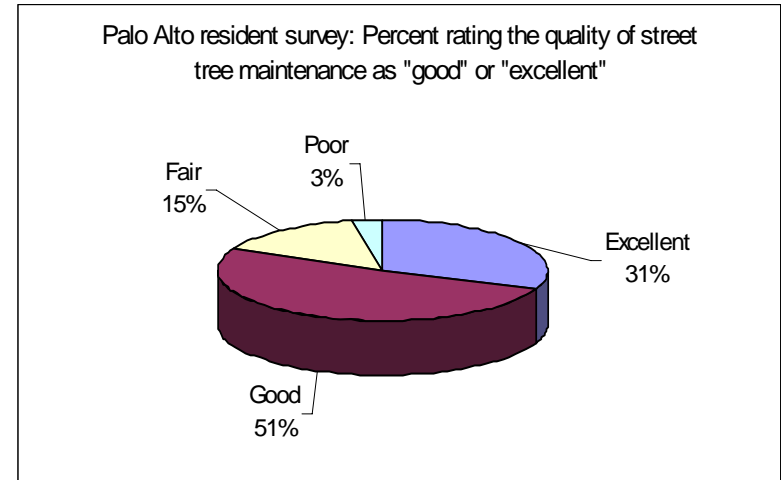
TREES

Public Works maintains all City-owned trees, including street trees, all trees in the parks, and trees in City facilities. This includes planting new trees, trimming/pruning existing trees, removing dead/diseased trees, fertilizing and pest control, line clearing around electrical wires, 24/7 emergency response, and providing Certified Arborist advice to residents regarding care of City trees. Managers in the tree group also oversee several tree-related contracts including stump removal, electrical line clearing, and annual tree maintenance contracts.

In FY 2004-05, City-maintained trees totaled 35,096. In FY 2004-05, the number of trees planted by the City and Canopy, a non-profit organization, totaled 164.

The number of trees trimmed (excluding trees trimmed for utility line clearing) or removed in FY 2004-05 was 4,775, or 13 percent lower than it was in FY 2004-05.

82 percent of survey respondents rated street tree maintenance good or excellent, up from 70 percent last year.



Source: National Citizen Survey™ 2005

	Total number of City-maintained trees ¹	Number of trees planted ²	Number of trees trimmed or removed ³	Citizen Survey Percent rating street tree maintenance good or excellent
FY 2000-01	38,094	269	5,500	-
FY 2001-02	37,941	295	5,986	-
FY 2002-03	34,939	322	5,298	66%
FY 2003-04	35,440	242	5,222	70%
FY 2004-05	35,096	164	4,775	82%
Change over last 5 years ¹	-8%	-39%	-13%	-

¹ Source: City of Palo Alto Comprehensive Annual Financial Plan (CAFR), Fiscal Years 2000-01 through 2004-05

² Includes trees planted by Canopy; data source is Department of Public Works' workload statistics.

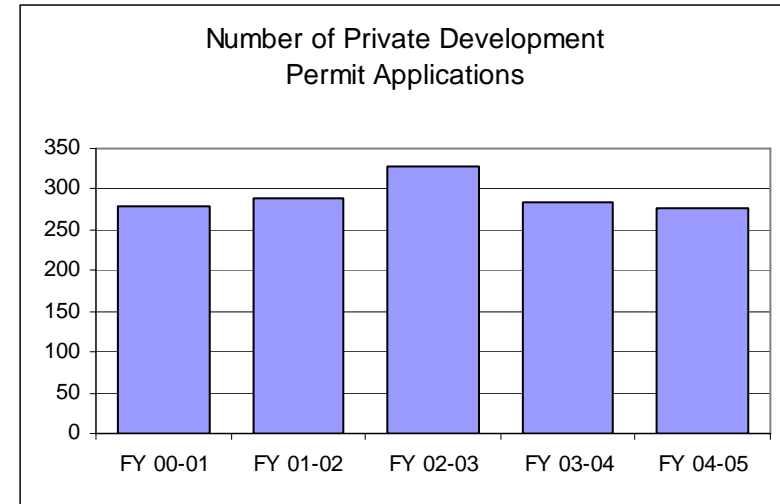
³ Excludes trees trimmed to clear power lines.

STRUCTURES AND GROUNDS PRIVATE DEVELOPMENT

Public Works builds, renovates and operates City-owned and leased structures, parking lots, grounds, parks and open space. The Department also provides citywide capital improvement program (CIP) support including design, engineering, contract management, and project management.

Private development permit applications increased from FY 2000-01, peaking in FY 2002-03, and then dropping off again during the last two years. The overall decrease during the five-year period was 1 percent.

Maintaining and improving infrastructure was one of the City Council's Top 5 Priorities for FY 2004-05.



Source: Public Works Department

	Total square feet of facilities maintained ³	Maintenance cost per square foot ¹	Number of private development permit applications ²
FY 2000-01	1,089,446	\$3.42	279
FY 2001-02	1,319,750	\$2.73	289
FY 2002-03	1,420,721	\$2.78	327
FY 2003-04	1,461,468	\$2.86	285
FY 2004-05	1,402,225	\$3.19	276
Change over last 5 years ¹	+29%	-7%	-1%

¹ Includes certain utility costs for City facilities.

² Includes permits for: street work, encroachment, and certificate of compliance.

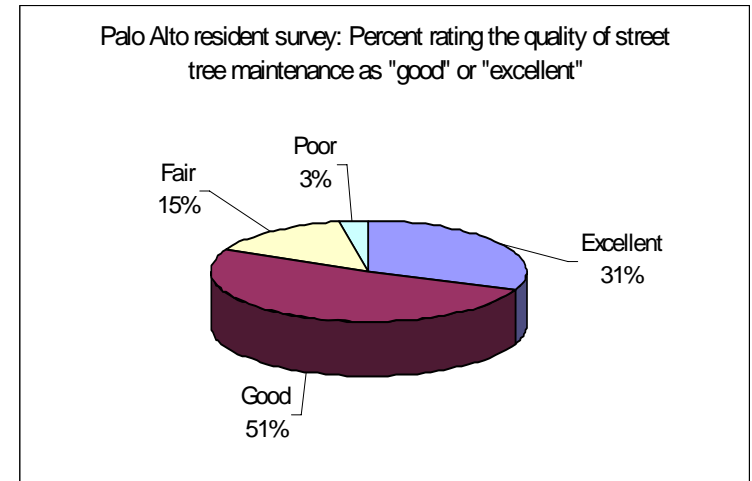
³ The Department advises that the decrease in square footage in FY 2004-05 is due to updated records and a more accurate tally of total square footage than had previously been available

STORM DRAINS

The purpose of the City's storm drain system is to provide adequate drainage, reduce the risk of flooding, and enhance water quality. Storm drain expenses are paid from the Storm Drain Enterprise Fund. Residents pay \$4.25 per month to operate and maintain the storm drainage system. Beginning in June 2005, the monthly fee increased to \$10.00 per month based on a voter-approved increase. The General Fund also contributes to the storm drain fund.

In FY 2004-05, the Department reported it cleaned and inspected 100 percent of catch basins and cleaned 316,024 feet of storm drain pipelines.

In FY 2004-05, 60 percent of residents surveyed rated storm drainage good or excellent



Source: National Citizen Survey™ 2005

Revenues, expenses, transfers and reserves (in millions)

Citizen Survey

	Total operating revenue	Total operating expense	Capital expense ²	Transfer from General Fund to Storm Drain Fund	Reserve balance	Average monthly residential bill	Percent of catch basins cleaned and inspected	Feet of storm drain pipelines cleaned [ⓐ]	Calls for assistance with storm drains ³	Percent rating the quality of storm drainage good or excellent
FY 2000-01	\$2.1	\$2.1	\$0.1	\$1.0	\$1.3	\$4.25	100% est.	77,719	286	-
FY 2001-02	\$2.2	\$2.0	\$0.4	\$0.9	\$1.1	\$4.25	100%est.	139,205	294	-
FY 2002-03	\$2.2	\$2.2	\$0.5	\$0.9	\$0.9	\$4.25	100%	157,335	241	65%
FY 2003-04	\$2.2	\$2.3	\$0.1	\$0.3	\$0.6	\$4.25	100%	219,106	126	57%
FY 2004-05	\$2.5	\$2.5	\$0.1	\$0.5	\$0.6	\$4.25	100%	316,024	50	60%
Change over last 5 years ¹	+17%	+18%	-87%	-54%	-55%	-	-	+307%	-83%	-

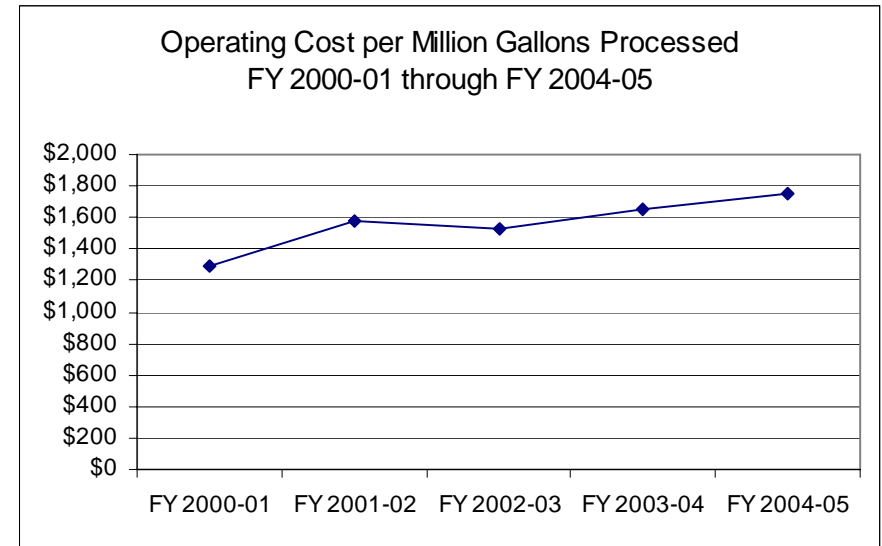
¹ Figures are based on actual data, however percentage or total may not tally due to rounding.
² Includes direct labor, materials, supplies, and contractual services. Does not include overhead.
³ Estimated
[ⓐ] Budget benchmarking measure
[ⓐ] Comprehensive Plan item

WASTEWATER TREATMENT WASTEWATER ENVIRONMENTAL COMPLIANCE

The Wastewater Treatment Fund is an enterprise fund operated by the Public Works Department. Its purpose is two-fold: to maintain and monitor the Regional Water Quality Control Plant (RWQCP) and to ensure compliance with regulations protecting the San Francisco Bay and environment.

In addition to treating Palo Alto's wastewater, the RWQCP treats wastewater from five other areas: Mountain View, Los Altos, Los Altos Hills, Stanford and East Palo Alto.

The Department reports that 81.8 million gallons of reclaimed water were delivered in FY 2004-05.



Source: Public Works Department

	Wastewater Treatment Fund					Regional Water Quality Control Plant			Wastewater Environmental Compliance	
	Total operating revenue (in millions)	Total operating expense (in millions)	Percent of operating expenses reimbursed by other jurisdictions	Capital expense (in millions) ²	Reserve balance (in millions)	Millions of gallons processed	Operating cost per million gallons processed	Fish toxicity test (percent survival)	Number of inspections performed	Percent of industrial discharge tests in compliance
FY 2000-01	\$13.9	\$12.6	64%	\$3.2	\$10.4	9,243	\$1,298	99.66%	208	98.71%
FY 2001-02	\$14.0	\$13.7	63%	\$1.1	\$11.5	8,699	\$1,575	99.78%	192	98.99%
FY 2002-03	\$13.6	\$14.1	63%	\$2.4	\$10.8	8,704	\$1,529	99.75%	182	99.29%
FY 2003-04	\$14.7	\$14.3	64%	\$1.2	\$11.6	8,238	\$1,647	100.00%	182	98.95%
FY 2004-05	\$15.9	\$16.1	63%	\$1.5	\$12.6	8,497	\$1,755	100.00%	191	99.38%
Change over last 5 years ¹	+15%	+27%	-1%	-52%	+21%	-8%	+35%	-0.34%	-8%	+0.67%

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

² Includes direct labor, materials, supplies, and contractual services. Does not include overhead.

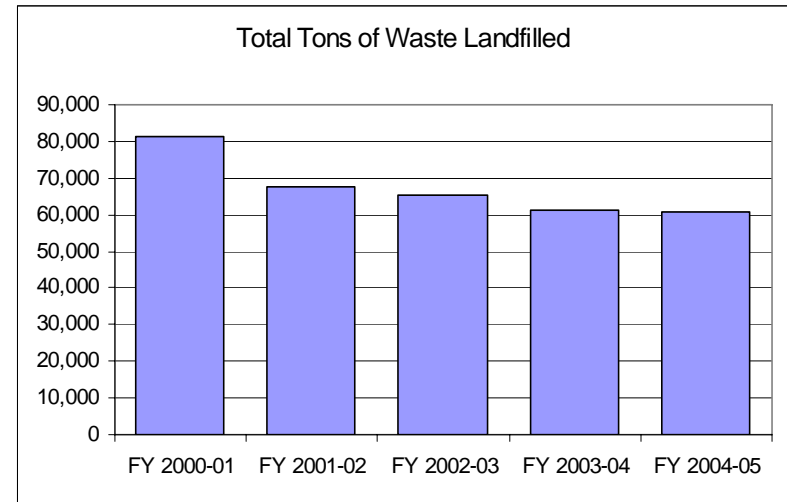
REFUSE

The City coordinates refuse services for Palo Alto residents and businesses. This includes the collection, hauling, processing, recycling and disposal of waste materials.

Operating expenses for refuse services have increased from \$20.5 to \$24.5 million, or approximately 19 percent over the last five years.

The City’s state-approved diversion percentage increased from 59 to 62 percent over five years.

Over the past 5 years, total tons of waste landfilled decreased by 20,721 tons, or 25 percent.⁶ Tons of materials recycled increased by 9,142 tons, or 22 percent. Tons of household hazardous waste collected increased by 58 percent.



Source: Public Works Department

	Refuse Fund (in millions)				Total tons of waste landfilled ⁴	Tons of materials recycled ⁴	State-approved diversion percentage ² ⊙	Tons of household hazardous materials collected	Average monthly residential bill	Number of curb miles swept ³	Citizen Survey		
	Operating revenue	Operating expense	Capital expense ⁵	Reserve balance							Percent rating garbage collection good or excellent	Percent rating recycling services good or excellent	Percent of residents who recycled more than 12 times during the year
FY 2000-01	\$22.2	\$20.5	\$1.3	\$14.0	81,498	41,169	59%	205	\$25.24	23,241	-	-	-
FY 2001-02	\$21.8	\$23.6	\$0.0	\$13.1	67,664	43,311	61%	218	\$25.00	21,447	-	-	-
FY 2002-03	\$21.7	\$23.8	\$0.1	\$11.3	65,170	48,062	55%	240	\$24.21	21,905	94%	90%	89%
FY 2003-04	\$21.9	\$24.1	\$0.0	\$8.5	61,266	49,268	57%	281	\$23.67	21,227	92%	90%	87%
FY 2004-05	\$23.4	\$24.5	\$0.3	\$7.2	60,777	50,311	62%	324	\$25.59	21,697	92%	92%	92%
Change over last 5 years ¹	+6%	+19%	-76%	-48%	-25%	+22%	+3%	+58%	+1%	-7%	-	-	-

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

² Diversion data is calculated on a calendar year basis and reported as the subsequent year (e.g. calendar year 2001 is shown as FY 2001-02).

³ Most streets are swept weekly; business districts are swept three times a week.

⁴ Does not include materials disposed of through privately contracted collection.

⁵ Includes direct labor, materials, supplies, and contractual services. Does not include overhead.

⁶ Data shown here is for FY 2004-05 and, thus, does not include single stream recycling, which began in FY 2005-06.

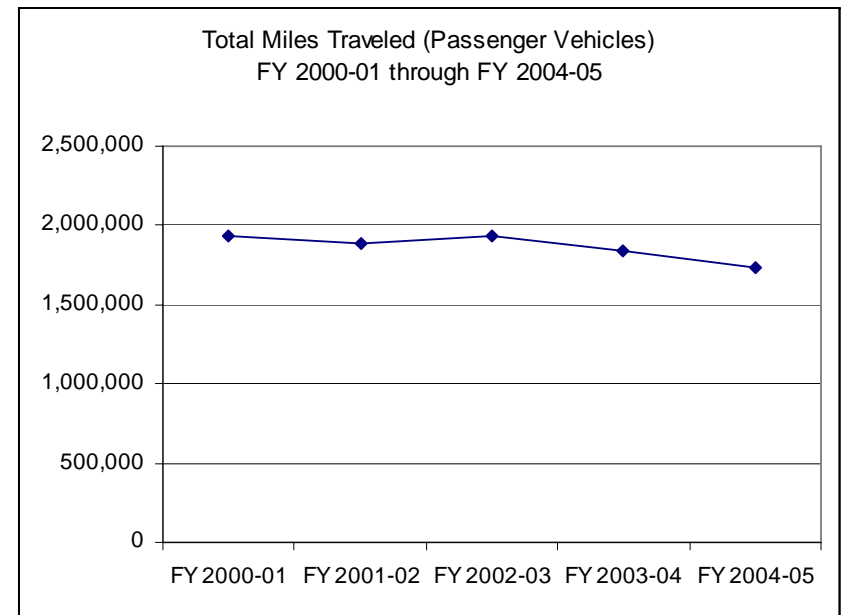
⊙ Budget benchmarking measure

CITY FLEET AND EQUIPMENT

The City accounts for its fleet and equipment in the Vehicle Replacement and Maintenance Fund. The Fund provides for the maintenance and replacement of vehicles and equipment.

The department reports that the City's fleet includes 309 light duty vehicles (including police patrol cars and fire response vehicles), 64 emergency response vehicles and light duty fire response vehicles, 96 heavy equipment items (self-propelled construction equipment such as loaders, backhoes, and motor graders), and 220 other pieces of other equipment (turf equipment, trailers, asphalt rollers, etc.).

Vehicle operations and maintenance costs totaled about \$3.0 million in FY 2004-05. The median age of light duty vehicles has increased to 6.5 years. The maintenance cost per light-duty vehicle decreased to \$1,790.



Source: Public Works Department

	Operating and maintenance expenditures for vehicles and equipment (in millions)	Current value of fleet and equipment (in millions)	Number of alternative fuel vehicles ^s	Total miles traveled (light duty vehicles) ³	Median mileage of light duty vehicles ³	Median age of light duty vehicles ³	Maintenance cost per light duty vehicle ²	Percent of scheduled preventive maintenance performed within five business days of original schedule
FY 2000-01	\$2.8	\$12.1	66	1,933,922	31,200	4.8	\$1,485	95%
FY 2001-02	\$2.7	\$13.2	75	1,886,892	34,600	5.1	\$1,398	92%
FY 2002-03	\$2.8	\$11.4	79	1,937,687	38,200	5.4	\$1,816	97%
FY 2003-04	\$2.7	\$11.5	73	1,845,362	37,700	5.9	\$1,869	95%
FY 2004-05	\$3.0	\$10.9	73	1,731,910	38,897	6.5	\$1,790	96%
Change over last 5 years ¹	+6%	-10%	+11%	-10%	+25%	+35%	+21%	+1%

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

² Includes all maintenance costs except for fuel and accident repairs. Includes 25 police patrol cars.

³ The Public Works Department defines "light duty vehicles" as automobiles and light trucks (less than 10,000 pounds gross vehicle weight).

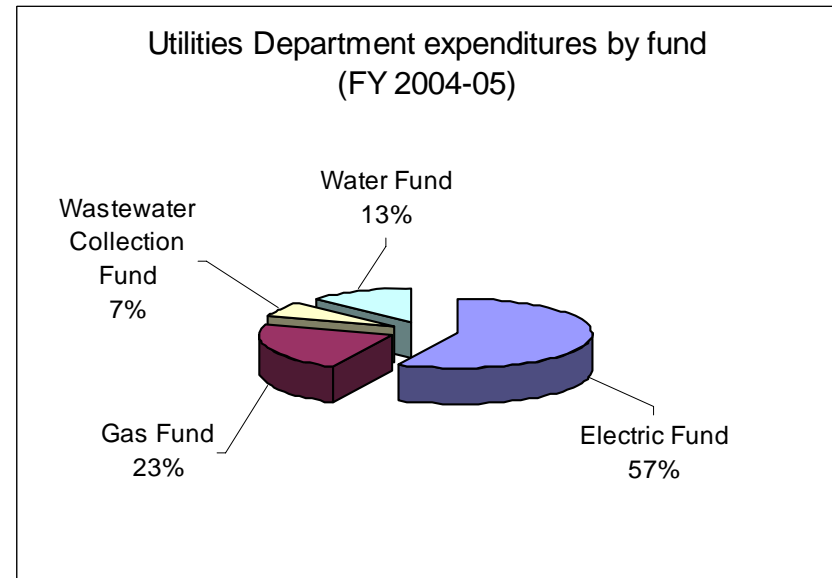
^s Sustainability indicator

CHAPTER 8 – UTILITIES

The mission of the Utilities department is to build value for its citizen owners, to provide dependable returns to the City and citizens of Palo Alto, and to be the preferred full service utility provider while sustaining the environment.

The department is responsible for four of the City's utilities:¹

- Electric – Founded in 1900, the electric utility purchases and delivers over 950,000 megawatt hours per year to more than 28,000 customers.
- Gas – Founded in 1917, the gas utility purchases and delivers over 32 million therms to over 23,000 customers.
- Water – Founded in 1896, the water system purchases and distributes more than 5 million cubic feet per year to more than 19,000 customers.
- Wastewater collection – Founded in 1898, the wastewater collection utility maintains more than 200 miles of sanitary sewer lines, annually transporting over 3 billion gallons of sewage and wastewater to the Regional Water Quality Control Plant.



Source: 2004-05 Comprehensive Annual Financial Report

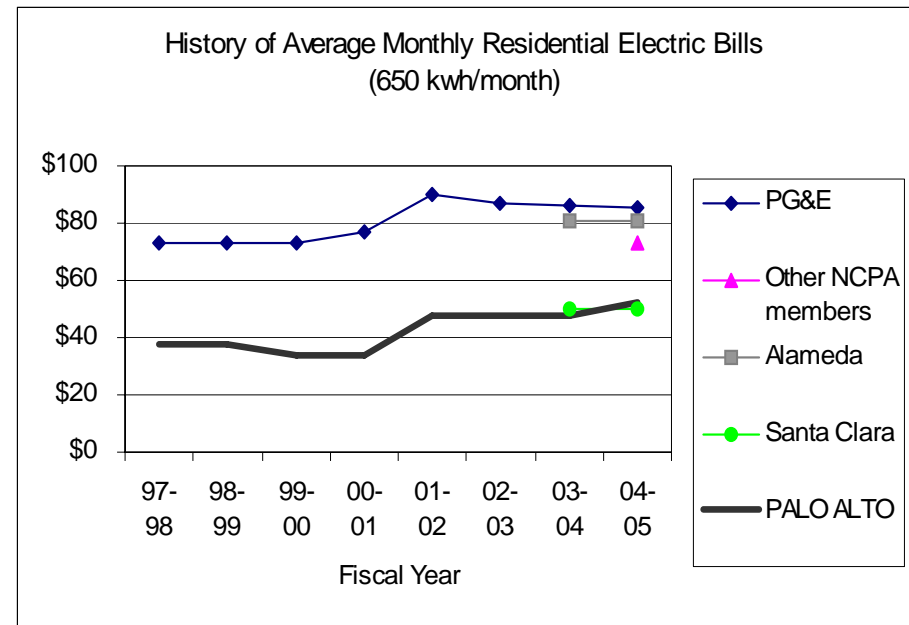
¹ The Public Works department (see Chapter 7) is responsible for refuse, storm drainage, and wastewater treatment.

ELECTRICITY

Electric enterprise operating expense totalled \$68.1 million in FY 2004-05, including \$41 million in electricity purchases. This was down 16 percent from FY 2000-01. Authorized staffing was down 2 percent from 5 years ago.

Although Palo Alto's average residential electric bill has increased by 55 percent over five years (from \$33.56 to \$51.98 per month), it is far lower than comparable Pacific Gas & Electric (PG&E) rates as shown in the graph on the right.

68 percent of respondents to the 2005 Citizen Survey rated electric and gas services good or excellent, compared to 88 percent last year.³



Source: Utilities Department

	Revenues, expenses, and reserves (in millions)					Electricity purchases (in millions)	Average purchase cost (per MWH)	Average monthly residential bill (500 KWH/month)	Fiber system revenue	Authorized staffing (FTE)	Citizen Survey	
	Operating revenue	Operating expense	Capital expense ¹	Equity transfers	Electric Fund reserves						Percent rating electric and gas services good or excellent	Percent rating street lighting good or excellent
FY 2000-01	\$131.6	\$81.4	\$9.3	\$7.3	\$151.5	\$57.8	\$38.86	\$33.56	\$1.7	120	-	-
FY 2001-02	\$93.8	\$92.8	\$12.8	\$7.5	\$138.5	\$61.8	\$49.26	\$47.94	\$1.8	121	-	-
FY 2002-03	\$91.6	\$67.1	\$9.5	\$7.8	\$152.6	\$37.5	\$38.67	\$47.94	\$1.4	127	89%	67%
FY 2003-04	\$92.6	\$68.7	\$10.2	\$8.0	\$158.0	\$41.3	\$38.81	\$47.94	\$1.1	124	88%	65%
FY 2004-05	\$88.7	\$68.1	\$7.3	\$8.2	\$148.0	\$41.0	\$41.25	\$51.98	\$1.4	117	68%	63%
Change over last 5 years ²	-33%	-16%	-22%	+13%	-2%	-29%	+6%	+55%	-20%	-2%	-	-

¹ Includes direct labor, materials, supplies, and contractual services. Does not include overhead.

² Figures based on actual data, however percentage or total may not tally due to rounding.

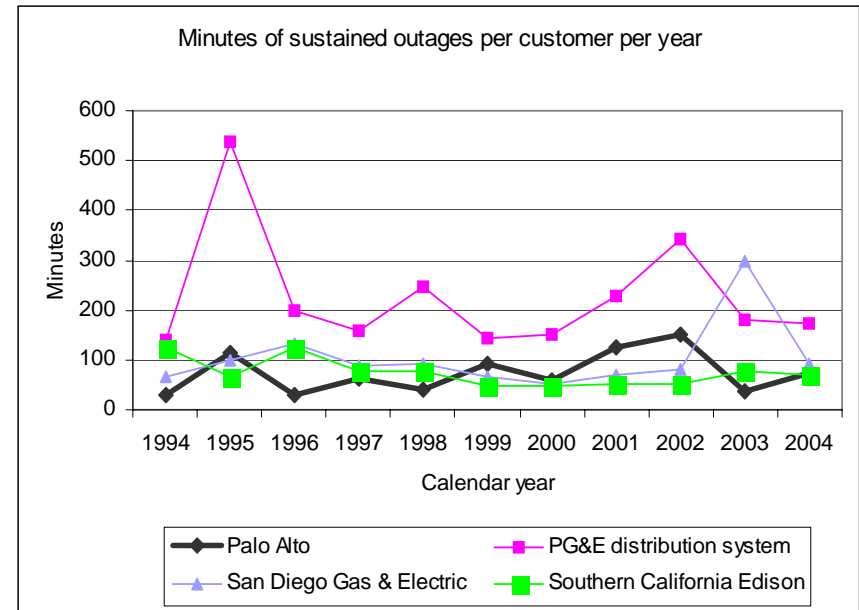
³ See page 8.5 for explanation.

ELECTRICITY (cont.)

Residential electricity consumption increased by 3 percent over the last 5 years, while commercial consumption decreased by 11 percent over the same period.

In calendar year 2004, Palo Altans obtained about 2/3rds of their power from renewable resources, including 57 percent in the large hydro category, 9 percent in the qualifying renewable category, and 2.1 percent from voluntary subscribers to the Palo Alto Green program. In 2004, the City Council established renewable energy targets of 10 percent by 2008 and 20 percent by 2015. By the end of calendar year 2004, 12.6 percent of customers were enrolled in the Palo Alto Green program (the target is 15 percent by June 2006). Palo Alto Green is a voluntary program available to resident and business customers that offers the option of supporting 100 percent renewable energy from the wind at some of the lowest rates in the nation.

The number of electric service interruptions and the average minutes per customer affected are highly variable from year to year. Including storm related outages, there were 28 electric service interruptions over 1 minute in duration during FY 2004-05 (down 3 percent over 5 years). The average minutes per customer affected was 65 (the department's goal is 60 minutes).



Source: California Public Utilities Commission and Utilities department data

	Number of accounts	Residential MWH consumed ^s	Commercial MWH consumed ^s	Demand-side management program expense (in millions)	Percent electricity from qualifying renewables ^{1,3,s}	Percent electricity from non-qualifying renewables (large hydro) ^{s,3}	Percent electricity from voluntary Palo Alto Green program ³	Percent customers enrolled in Palo Alto Green ³	Electric service interruptions over 1 minute in duration	Average minutes per customer affected	Circuit miles underground during the year
FY 2000-01	28,097	157,285	895,977	\$2.8	7%	61%	0.03%	0.4%	29	54	5
FY 2001-02	28,348	150,525	844,876	\$6.8	8%	63%	0.1%	0.6%	52	134	0
FY 2002-03	28,408	153,783	802,589	\$1.7	5%	71%	0.1%	0.7%	49	140	0
FY 2003-04	28,482	158,099	799,927	\$1.4	7%	60%	0.5%	5.1%	30	43	0
FY 2004-05	28,556	161,440	797,132	\$1.5	9%	57%	2.1%	12.6%	28	65	2
Change over last 5 years ²	+2%	+3%	-11%	-47%	+2%	-4%	+2.1%	+12.2%	-3%	+20%	-60%

¹ Qualifying renewables include bio mass, geothermal, small hydro facilities, solar, and wind.

² Figures are based on actual data, however total or percentage may not tally due to rounding.

³ Calendar year data is reported in the subsequent fiscal year (e.g. calendar year 2003 data is shown in FY 2003-04).

^s Sustainability indicator

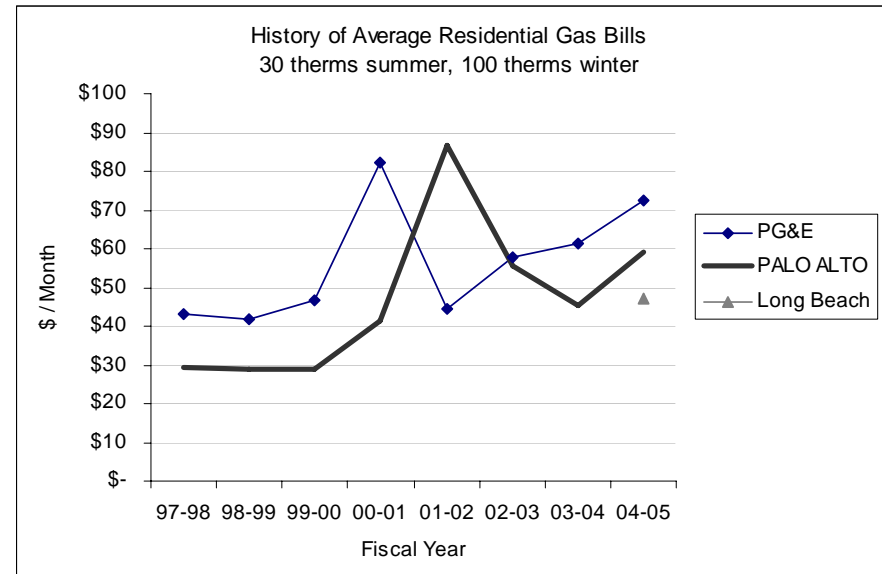
GAS

Operating expense including gas purchase costs increased to \$26.7 million last year, about the same as 5 years ago. This included \$18.8 million in gas purchases, compared to \$20.6 million in gas purchases 5 years ago.

Capital spending doubled over the last 5 years, from \$2.6 million in FY 2000-01 to \$5.3 million in FY 2004-05.

The average residential bill has increased 43 percent in the last five years, from \$41.46 to \$59.24 per month. This is still significantly less than FY 2001-02, when the average residential bill was \$86.73, and is less than a comparable PG&E bill (as shown on the right).

68 percent of respondents to the 2005 Citizen Survey rated gas and electric services good or excellent, compared to 88 percent last year. In our opinion, three major events this year may have contributed to this 20-point decline in satisfaction: (1) gas rates increased 15 percent, and electric rates increased 11.5 percent, (2) it was revealed that several employees in the Utilities Department were disciplined due to irregularities, and (3) the City agreed to a settlement with Enron Corporation.



Source: Utilities Department data (weighted average of rate changes during year)

	Revenues, expenses, and reserves (in millions)					Gas purchases (in millions)	Average purchase cost (per therm)	Average monthly residential bill (30/100 Th/month)	Authorized staffing (FTE)	Citizen Survey
	Operating revenue	Operating expense	Capital expense ²	Equity transfers	Gas Fund reserves					Percent rating electric and gas services good or excellent
FY 2000-01	\$23.7	\$26.7	\$2.6	\$2.5	\$6.9	\$20.6	\$0.55	\$41.46	49	-
FY 2001-02	\$41.7	\$28.9	\$4.0	\$2.5	\$27.0 ¹	\$22.1	\$0.64	\$86.73	50	-
FY 2002-03	\$29.7	\$22.1	\$5.5	\$2.6	\$27.3	\$15.3	\$0.52	\$55.66	44	89%
FY 2003-04	\$24.8	\$23.0	\$5.5	\$2.7	\$20.5	\$15.9	\$0.49	\$45.44	48	88%
FY 2004-05	\$31.2	\$26.7	\$5.3	\$2.8	\$12.8	\$18.8	\$0.57	\$59.24	47	68%
Change over last 5 years ³	+32%	0%	+100%	+13%	+86%	-9%	+4%	+43%	-3%	-

¹ Includes \$6.6 million in bond proceeds to finance improvements to the gas utility system.

² Includes direct labor, materials, supplies, and contractual services. Does not include overhead.

³ Figures are based on actual data, however percentage or total may not tally due to rounding.

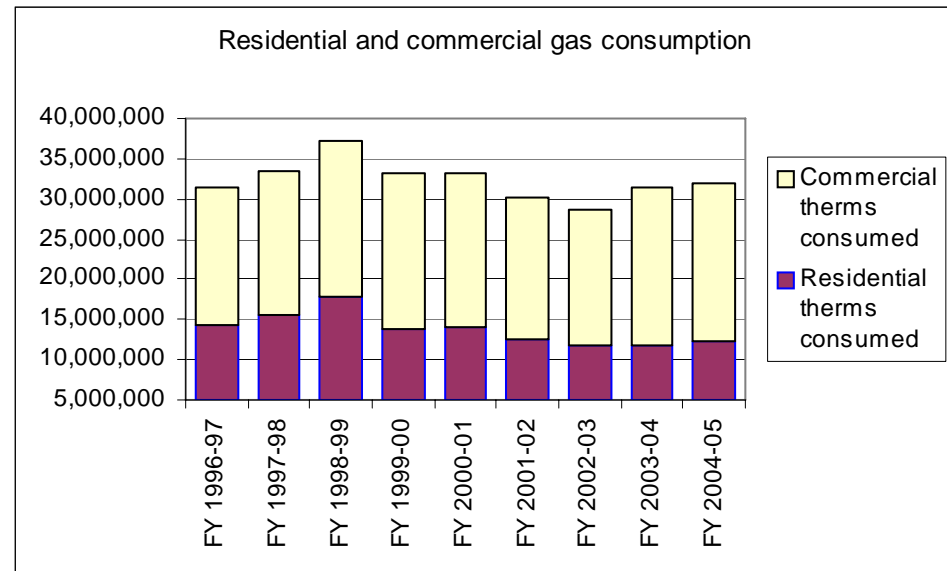
GAS (cont.)

Residents consumed 13 percent less natural gas in FY 2004-05 than 5 years ago, while businesses consumed 4 percent more. According to staff, gas usage is weather dependent.

During FY 2004-05, 207 miles of pipeline were surveyed for leaks, and 2.8 miles of gas mains were replaced.

The number of service disruptions fluctuates from year to year. In FY 2004-05, there were 31 service disruptions affecting 639 customers. The number of service disruptions and customers affected has declined each year since FY 2000-01. In FY 2004-05, the department reports it completed 97 percent of mainline repairs within 4 hours.

According to the department, the implementation of 24/7 customer service response has resulted in response to all gas calls in 30 minutes or less.



Source: Utilities Department data

	Customer accounts	Residential THERMS consumed ^S	Commercial/ industrial THERMS consumed ^S	Number of service disruptions	Total customers affected	Percent gas mainline repairs within 4 hours ¹	Percent response to gas leaks within 30 minutes [⊙]	Miles of gas main	Miles of pipeline surveyed for leaks	Miles of gas main replaced during year
FY 2000-01	23,101	14,109,237	19,046,293	114	2,868	96%	95% est.	201	205	5.8
FY 2001-02	23,116	12,497,401	17,579,004	75	1,859	96%	95% est.	207	207	5.4
FY 2002-03	23,169	11,875,753	16,779,440	45	1,001	100%	95%	207	207	5.7
FY 2003-04	23,216	11,700,335	19,806,752	37	850	100%	100%	207	207	5.7
FY 2004-05	23,301	12,299,158	19,765,077	31	639	97%	98%	207	207	2.8
Change over last 5 years	+1%	-13%	+4%	-73%	-78%	+1%	+3%	+3%	+1%	-52%

¹ Utilities Strategic Plan performance objective

[⊙] Budget impact measure

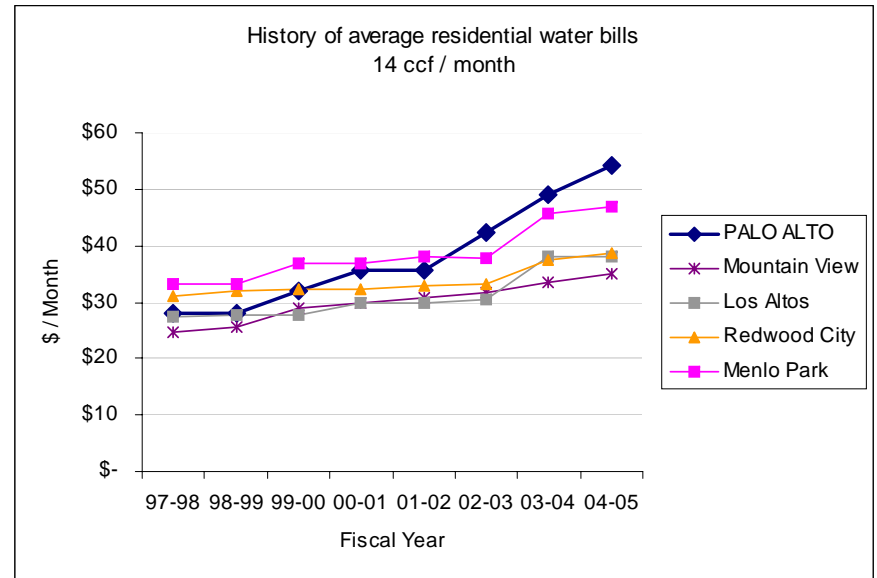
^S Sustainability indicator

WATER

The City of Palo Alto Utilities Department constructs, maintains, and operates the water delivery system. About 85 percent of the water we purchase from the San Francisco Public Utilities Commission originates from high Sierra snowmelt. This water, stored in the Hetch Hetchy Reservoir located in Yosemite National Park, is of such high quality that it is exempt from federal and state filtration requirements. The other 15 percent of our water comes from rainfall and runoff stored in the Calaveras and San Antonio Reservoirs located in Alameda and Santa Clara counties, and supplemented by groundwater in Sunol. The SFPUC treats and filters these local water sources prior to delivery to its consumers.

Over the last 5 years,

- Operating expense increased 26 percent, including a 14 percent increase in the cost of water purchases. Capital spending increased 88 percent.
- The average residential water bill increased 52 percent to \$54.12 per month.



Source: Utilities Department data [It should be noted that cities allocate costs differently and may have different levels of capital investment.]

Revenues, expenses, and reserves (in millions)

	Operating revenue	Operating expense	Capital expense ¹	Equity transfers	Water Fund reserves	Water purchases (in millions)	Average purchase cost (per CCF)	Average residential water bill	Percent service orders processed within 2 working days of scheduled date [⊙]	Authorized staffing (FTE)
FY 2000-01	\$16.0	\$11.9	\$2.5	\$2.1	\$12.7	\$6.0	\$0.89	\$35.52	80% est.	38
FY 2001-02	\$16.0	\$12.7	\$2.2	\$2.2	\$23.3 ²	\$5.9	\$0.97	\$35.52	80% est.	39
FY 2002-03	\$17.7	\$13.1	\$2.5	\$2.2	\$24.1	\$5.7	\$0.95	\$42.45	85% est.	40
FY 2003-04	\$22.0	\$16.0	\$3.0	\$2.3	\$23.9	\$7.5	\$1.16	\$49.07	100%	41
FY 2004-05	\$21.0	\$15.0	\$4.6	\$2.4	\$22.2	\$6.7	\$1.17	\$54.12	99%	41
Change over last 5 years ³	+32%	+26%	+88%	+13%	+75%	+14%	+31%	+52%	+19%	+8%

¹ Includes direct labor, materials, supplies, and contractual services. Does not include overhead.

² Includes \$3.2 million in bond proceeds to finance improvements to the water system.

³ Figures are based on actual data, however percentage or total may not tally due to rounding.

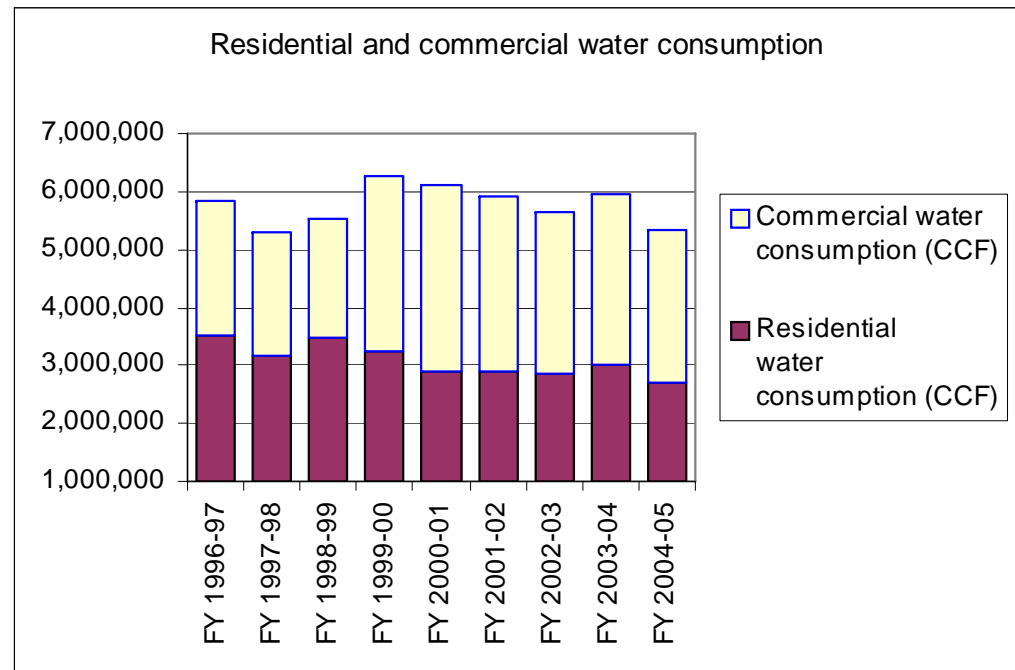
⊙ Budget impact measure

WATER (cont.)

Residential water consumption is down 7 percent from five years ago. On a per capita basis, residents are using 9 percent less water than five years ago. Commercial water consumption is down 18 percent from five years ago. Water consumption, like that of natural gas, is highly weather dependent. Palo Alto's Water Utility revenues are based entirely on consumption (some water agencies bill on a combination of consumption and fixed monthly charges).

The number of service disruptions varies from year to year. The total number of service disruptions decreased by 81 percent over five years, and the number of customers affected decreased by 82 percent. Each year staff replaces about 3 miles of the system's 226 miles of water mains.

In the 2005 citizen survey, 81 percent of respondents rated drinking water service good or excellent.



Source: Utilities Department data

	Water consumption				Number of service disruptions	Total customers affected	Percent water main repairs within 4 hours ^{⊙1}	Miles of water mains	Estimated miles of water mains replaced	Water quality compliance with all required Calif. Department of Health and EPA testing [⊙]	Citizen Survey
	Customer accounts	Residential water consumption (CCF) ^s	Commercial water consumption (CCF) ^{2s}	Average residential water usage per capita (CCF) ^s							Percent rating drinking water service good or excellent
FY 2000-01	19,335	2,877,587	3,242,346	48	52	1,047	95% est.	222	3	100% est.	-
FY 2001-02	19,437	2,915,487	2,990,907	48	44	1,580	85%	226	3	100% est.	-
FY 2002-03	19,487	2,844,916	2,785,893	47	18	242	83%	226	3	100%	82%
FY 2003-04	19,557	3,000,645	2,962,121	50	16	303	95%	226	3	100%	75%
FY 2004-05	19,605	2,686,507	2,644,817	44	10	193	100%	226	3	100%	81%
Change over last 5 years ³	+1%	-7%	-18%	-9%	-81%	-82%	+5%	+2%	0%	0%	-

¹ Utilities Strategic Plan performance objective

² Includes commercial, public, and City facilities

³ Figures are based on actual data, however percentage or total may not tally due to rounding.

[⊙] Budget impact measure

^s Sustainability indicator

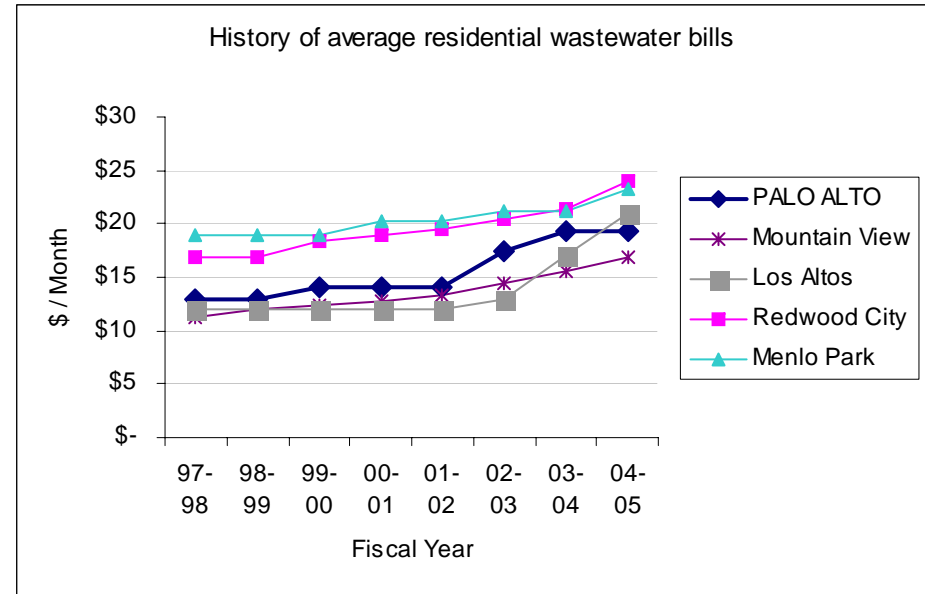
WASTEWATER COLLECTION

The department replaced 5 miles of sewer lines, and cleaned or treated 115 miles of lines of the city's 202 miles of sewer lines in FY 2004-05. The department responded to 99 percent of sewage spills and line blockages within 2 hours. There were 4 reportable sewage releases.

In the 2005 citizen survey, 82 percent of respondents rated sewer services good or excellent.

Over the past 5 years,

- Operating expense increased 9 percent.
- Capital spending declined by 28 percent. After 15 years of major capital improvement projects, the department is now focusing on less expensive rehabilitation work.
- The average residential bill increased from \$14.00 to \$19.25, or 38 percent. As shown on the right, Palo Alto's residential bill is midrange of other cities.



Source: Utilities Department data [It should be noted that cities allocate costs differently and may have different levels of capital investment.]

Revenues, expenses, and reserves (in millions)

	Operating revenue	Operating expense	Capital expense ²	Wastewater Collection Fund reserves	Average residential sewage bill	Authorized staffing (FTE)	Customer accounts	Miles of sewer lines	Miles of mains cleaned/treated	Estimated miles of sewer lines replaced	Percent sewage spills and line blockage responses within 2 hours [⊙]	Number of reportable sewage releases [⊙]	Citizen Survey Percent rating quality of sewer services good or excellent
FY 2000-01	\$9.8	\$8.1	\$5.3	\$15.1	\$14.00	27	21,752	218	132	3	97%	1	-
FY 2001-02	\$9.3	\$8.4	\$5.1	\$12.5	\$14.00	26	21,772	202	110	3	96%	2	-
FY 2002-03	\$10.7	\$8.5	\$3.6	\$12.5	\$17.50	27	21,819	202	98	5	95%	2	83%
FY 2003-04	\$12.6	\$9.1	\$2.8	\$13.6	\$19.25	23	21,830	202	79	3	99%	0	80%
FY 2004-05	\$12.0	\$8.9	\$3.8	\$13.5	\$19.25	24	21,763	202	115	5	99%	4 minor³	82%
Change over last 5 years ¹	+23%	+9%	-28%	-11%	+38%	-9%	0%	-7%	-13%	+67%	+2%	+300%	-

¹ Figures are based on actual data, however percentage or total may not tally due to rounding.

² Includes direct labor, materials, supplies, and contractual services. Does not include overhead.

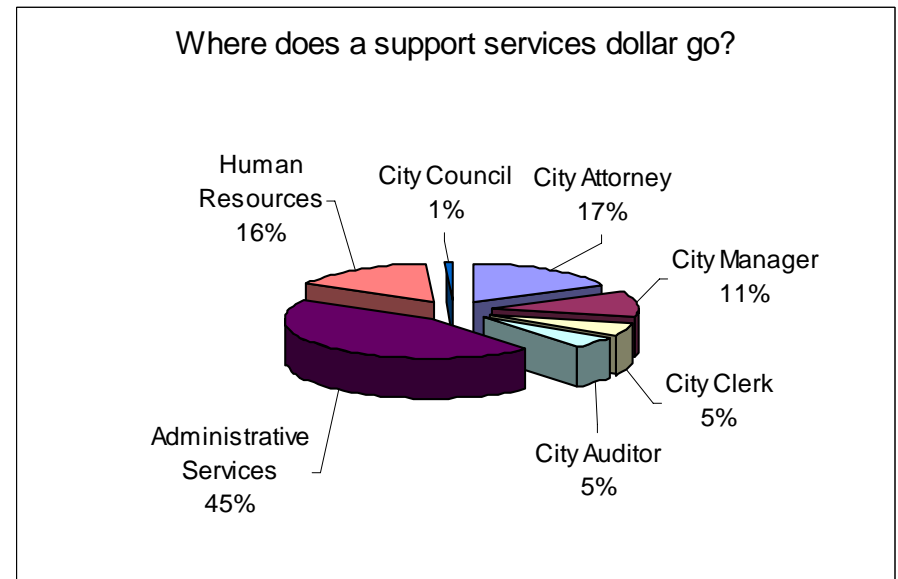
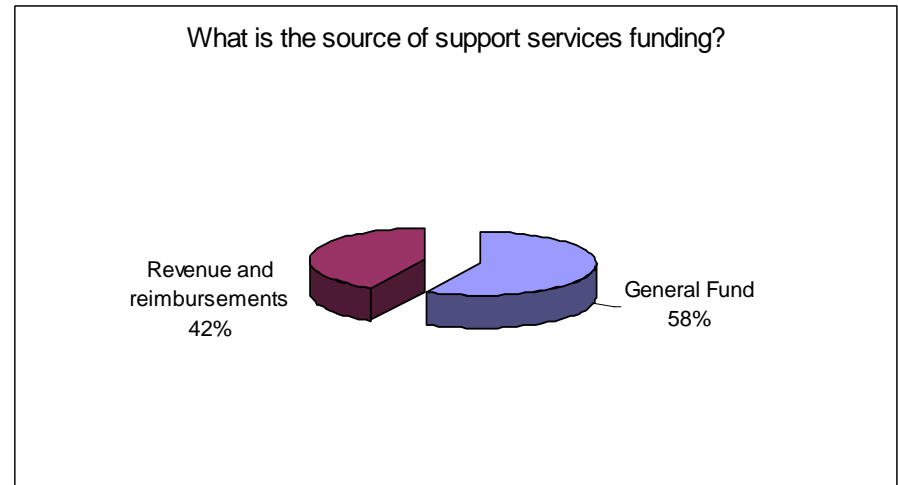
³ Minor sewage releases are more than 100 gallons but less than 1,000 gallons. More than 1,000 gallons is considered a major release.

⊙ Budget impact measure

CHAPTER 9 – LEGISLATIVE AND SUPPORT SERVICES

Legislative and support services include:

- Administrative Services Department – provides financial support services, property management, money management, financial analysis and reporting, purchasing, and information technology services.
- Human Resources – provides employee compensation and benefits, recruitment, employee and labor relations, employee development, and risk management services
- City Manager – provides leadership to the organization in the implementation of City Council policies and the provision of quality services to the community. The Office also coordinates City Council relations, community and intergovernmental relations, and economic resources planning.
- City Attorney – provides legal representation, consultation and advice, and litigation and dispute resolution services.
- City Clerk – provides public information, Council support, administers elections, and preserves the legislative history of the City.
- City Auditor – coordinates performance audits and reviews of City departments, programs, and services; revenue audits; and the annual external financial audit.
- City Council

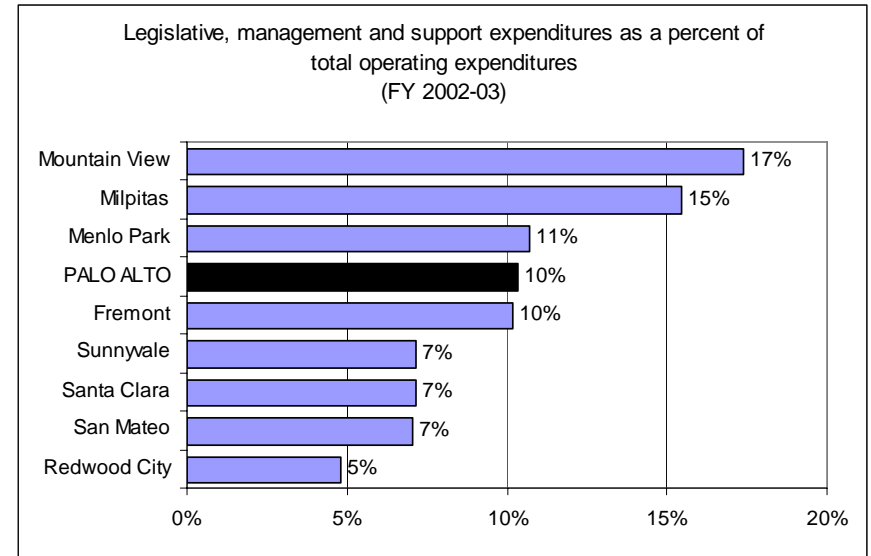


Source: FY 2004-05 revenue and expenditure data

SPENDING AND STAFFING

According to the State of California Cities Annual Report for FY 2003-04, Palo Alto's legislative, management and support expenditures (about 10%) was mid-range of other local jurisdictions. It should be noted that jurisdictions offer different levels of service and classify expenditures in different ways.

- Administrative Services Department expenditures were about \$6.7 million in FY 2004-05. The department had a total of 98 authorized staff.⁴
- Human Resources expenditures were approximately \$2.5 million in FY 2004-05. The department had a total of 15 authorized FTE.
- Spending in the Office of the City Manager was about \$1.7 million in FY 2004-05. The Office has a total of 11 authorized FTE.
- Spending for the Office of the City Attorney, including outside legal fees, was about \$2.6 million. The Attorney's Office has 14 authorized FTE; actual staffing was 13 FTE due to a leave of absence and a reduced work schedule.
- Spending in the City Clerk's Office was about \$0.8 million in FY 2004-05. The Clerk's Office currently has 6 authorized FTE.
- The City Auditor's Office expenditures were about \$0.8 million in FY 2004-05. The Office has 4 authorized FTE.



Source: State of California Cities Annual Report FY 2003-04

	Operating expenditures (in millions) ¹							Authorized staffing (FTE) ¹					
	Administrative Services	Human Resources	City Manager	City Attorney	City Clerk	City Auditor	City Council	Administrative Services ⁴	Human Resources	City Manager	City Attorney	City Clerk	City Auditor
FY 2000-01	\$11.6	\$2.2	\$1.7	\$2.2	\$0.8	\$0.5	\$0.3	89	15	12	12	7	4
FY 2001-02	\$10.9	\$2.4	\$1.8	\$2.4	\$0.7	\$0.6	\$0.2	96	16	12	14	6 ²	4
FY 2002-03	\$10.8	\$2.2	\$1.7	\$2.2	\$0.7	\$0.6	\$0.2	98	16	12	15	6	4
FY 2003-04	\$6.7 ³	\$2.3	\$1.7	\$2.4	\$0.9	\$0.7	\$0.3	103	15	11	15	6	4
FY 2004-05	\$6.7	\$2.5	\$1.7	\$2.6	\$0.8	\$0.8	\$0.1	98	15	11	14	6	4
Change over last 5 years ¹	-42%	+8%	+3%	+21%	-1%	+67%	-52%	+9%	-2%	-8%	+14%	-11%	+16%

¹ Figures are based on actual data, however, total or percentage may not tally due to rounding.

² In FY 2001-02, 0.75 FTE was transferred from the City Clerk to ASD to support the cable administration program.

³ In FY 2003-04, information technology expenditures moved to the Technology Fund (an internal service fund). Allocated IT costs are now shown in each department based on their use of IT services.

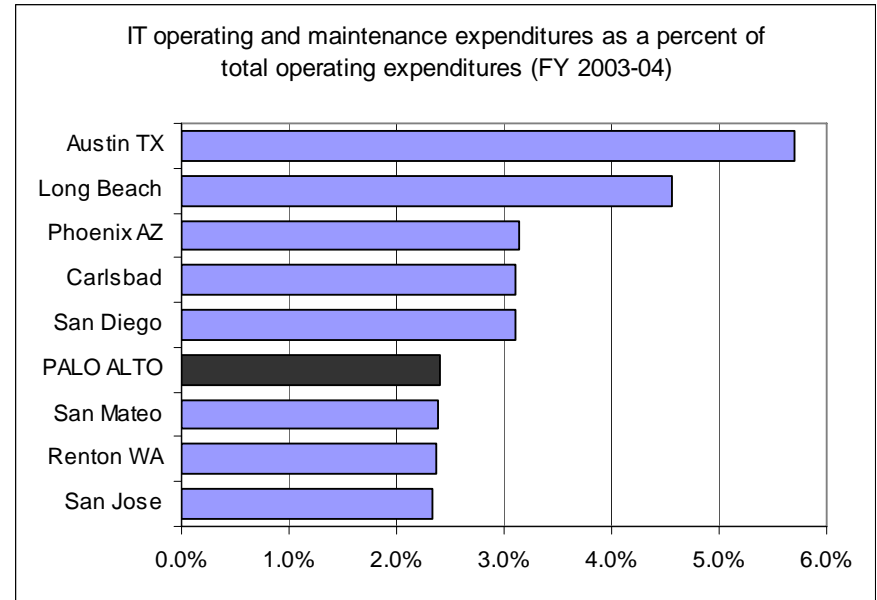
⁴ Includes Administrative Services Department staff charged to other funds.

ADMINISTRATIVE SERVICES

The mission of the Administrative Services Department (ASD) is to provide proactive administrative and technical support to City departments and decision makers, and to safeguard and facilitate the optimal use of City resources. ASD encompasses a variety of services that might well be separate departments in a larger city.³

The department monitors the City's cash and investments. In FY 2004-05, the rate of return was 4.24 percent. The City's overall AAA rating from Standard & Poor's, is the highest general city credit rating possible. General Fund reserves decreased to \$20.5 million in FY 2004-05, largely due to the transfer of the Infrastructure Reserve to the Capital Projects Fund.

The chart on the right compares Palo Alto's spending on information technology (IT) services to some other jurisdictions.³ It should be noted that cities budget for IT expenditures differently, and they each offer different levels of IT and web services to their staffs and to the public.



Source: ICMA Comparative Performance Measurement FY 2003-04, and City of Palo Alto²

	Cash and investments (in millions)	Rate of return on investments	City's bond rating	General Fund reserves (in millions) ¹	Number of accounts payable checks issued [⊙]	Percent invoices paid within 30 days [⊙]	Number of purchasing documents processed [⊙]	Dollar value of goods and services purchased (in millions)	Number computer work-stations [⊙]	Requests for computer help desk services resolved within 5 days [⊙]	IT operating and maintenance expenditures as a percent of total operating expenditures ^{2,⊙}	Citizen Survey	
												Percent who used the internet to conduct business with the City	Percent who watched a public meeting on cable TV
FY 2000-01	\$341.2	5.92%	AAA	\$52.1	25,045	80% est.	7,984	\$57.7	738	91%	2.1%	-	-
FY 2001-02	\$419.8	5.39%	AAA	\$55.7	25,656	80% est.	6,812	\$89.0	833	91%	2.7%	-	-
FY 2002-03	\$413.6	5.03%	AAA	\$58.2	22,314	80% est.	5,618	\$64.0	913	90%	2.8%	47%	28%
FY 2003-04	\$402.7	4.48%	AAA	\$60.1	17,763	80% est.	5,265	\$70.6	978	90%	2.4%	52%	27%
FY 2004-05	\$367.3	4.24%	AAA	\$20.5	16,813	80% est.	3,268	\$70.2	1,000	89%	4.0%	52%	29%
Change over last 5 years	+8%	-0.72%	-	-61%	-33%	0%	-59%	+22%	+36%	-2%	+1.9%	-	-

¹ Includes reserves and designated general fund balances

² Adjusted to exclude IT services provided to the Utilities Department

³ Through the CPA External Services Fund, ASD provides IT services to Los Altos, East Palo Alto, Emeryville, Menlo Park, Atherton, Los Altos Hills, Alameda, Saratoga, and Morgan Hill.

⊙ Budget benchmarking measure

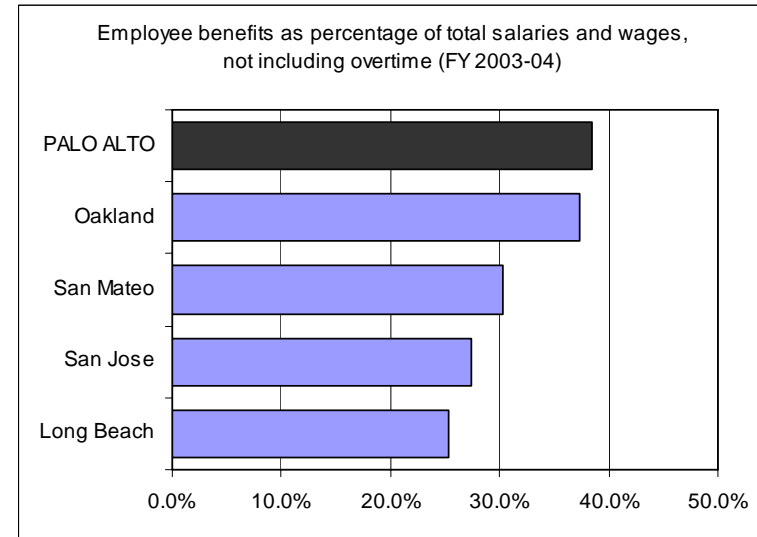
HUMAN RESOURCES

The mission of the Human Resources (HR) department is to attract, develop and retain a diverse, well-qualified and professional workforce that reflects the high standards of the community. Citywide, regular authorized staffing increased 1 percent over the past five years from 1,087 to 1,094 FTE. Authorized temporary and hourly staffing increased from 79 FTE to 96 FTE, citywide. As a result, total authorized staffing citywide increased by 2 percent.

General Fund salaries and wages increased 3 percent over the last five years (staffing reductions in the General Fund were offset by negotiated salary increases). Over the same period, employee benefit expense increased from \$15 million to \$23.7 million, or 58 percent. The increase in benefit costs is expected to continue.

The ratio of HR staff to total City staff is 1 to 79. The department coordinated about 9,500 hours of employee training in FY 2004-05.

The estimated incurred cost for workers' compensation claims has declined, however early estimates of current claim costs will continue to grow as claims develop. The number of days lost to work-related illness or injury increased to 877 days in FY 2004-05.



Source: ICMA Comparative Performance Measurement FY 2003-04, and City of Palo Alto

	Regular authorized staffing citywide (FTE)	Authorized temporary and hourly staffing citywide (FTE)	Total authorized staffing citywide (FTE)	General Fund salaries and wages ² (in millions)	General Fund overtime (in millions)	General Fund employee benefits (in millions)	General Fund employee benefits as a percent of salaries and wages ²	Ratio HR staff to total authorized staffing (FTE)	Citywide training hours provided [⊙]	Worker's Compensation estimated incurred cost (in millions) ¹	Days lost to work-related illness or injury [⊙]
FY 2000-01	1,087	79	1,166	\$50.9	\$3.3	\$15.0	29%	1 to 76	8,789	\$2.7	582
FY 2001-02	1,112	81	1,194	\$55.8	\$3.1	\$13.5	24%	1 to 75	20,049	\$2.1	349
FY 2002-03	1,123	85	1,208	\$54.3	\$3.0	\$19.0	35%	1 to 75	15,127	\$2.6	860
FY 2003-04	1,093	92	1,185	\$49.8	\$3.3	\$19.1	38%	1 to 76	19,080	\$2.7	583
FY 2004-05	1,094	96	1,189	\$52.3	\$3.6	\$23.7	45%	1 to 79	9,537	\$1.7³	877
Change over last 5 years	+1%	+22%	+2%	+3%	+9%	+58%	+16%	+4%	+9%	-38%	+51%

¹ Prior year estimates revised to reflect current estimated costs for claims incurred during that fiscal year.

² Does not include overtime

³ Early estimates of current claim costs will grow as claims develop.

⊙ Budget benchmarking measure

CITY MANAGER, CITY ATTORNEY, CITY CLERK, CITY AUDITOR

The mission of the City Manager's Office is to provide leadership to the organization in the implementation of City Council policies and the provision of quality services to the community. The City Manager's Office coordinated preparation of at least 369 City Manager Reports (CMRs) during FY 2004-05. The City Manager's Office also coordinates public information and economic development services.

The mission of the City Attorney's Office is to serve Palo Alto and its policy makers by providing legal representation of the highest quality. The current ratio of staff attorneys to regular full-time equivalent employees is 1 to 170.

The mission of the City Clerk's Office is to provide public information; to provide Council support; to administer elections; and to preserve the legislative history of the City. In FY 2003-04, the Office reduced the average time to finalize City Council minutes from 5 weeks to 4 weeks – a 20 percent improvement.

The mission of the City Auditor's Office is to promote honest, efficient, effective, and fully accountable City Government. The Office conducts performance audits, revenue audits, and coordinates the annual external audit of the financial statements. In FY 2004-05, revenue audit recoveries totaled \$232,895, and the office made 49 audit recommendations.

	City Manager						City Attorney			City Clerk	City Auditor	
	Number of City Council agenda reports (CMRs) issued	Percent of complaints addressed within 2 days [⊙] ¹	Citizen Survey Percent rating public information services good or excellent [⊙]	Citizen Survey Percent respondents read Palo Alto newsletter in last 12 mos.	Number of business outreach contacts [⊙]	Citizen Survey Percent rating economic development services good or excellent [⊙]	Number of claims handled [⊙]	Number of work assignments processed <NEW>	Ratio staff attorneys to total employees (FTE)	Average time to finalize City Council minutes [⊙]	Number of audit recommendations [⊙]	Revenue audit recoveries [⊙]
FY 2000-01	298	14%	-	-	56	-	136	-	1 to 194	5 weeks	7	\$128.162
FY 2001-02	390	70%	-	-	66	-	146	858	1 to 171	5 weeks	24	\$218.422
FY 2002-03	368	74%	72%	-	70	49%	152	1,013	1 to 161	5 weeks	21	\$355.456
FY 2003-04	381	92%	76%	62%	60	58%	155	1,284	1 to 176	4 weeks	85	\$140.461
FY 2004-05	369	97%	74%	63%	48	55%	144	1,635	1 to 170	4 weeks	49	\$232,895
Change over last 5 years	+24%	+83%	-	-	-14%	-	+6%	-	-12%	-20%	+600%	+82%

¹ The City's complaint policy requires a response within 10 working days.

⊙ Budget benchmarking measure

The City of Palo Alto, California

Report of Results

2005



National Research Center, Inc.

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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 survey and its administration are standardized to assure high quality survey methods and 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 re-weighted to reflect the proper demographic composition of the entire community.

The National Citizen Survey™ customized for this jurisdiction was developed in close cooperation with local jurisdiction staff. The City of Palo Alto staff selected items from a menu of questions about services and community problems; they defined the jurisdiction boundaries NRC used for sampling; and they provided the appropriate letterhead and signatures for mailings. City of Palo Alto staff also determined local interest in a variety of add-on options to The National Citizen Survey™ Basic Service.

UNDERSTANDING THE RESULTS

Survey Administration

Following the mailing of a pre-survey notification postcard to a random sample of 1,200 households, surveys were mailed to the same residences approximately one week later. A reminder letter and a new survey were sent to the same households after two weeks. Of the mailed postcards, 20 were undeliverable due to vacant or “not found” addresses. Completed surveys were received from 508 residents, for a response rate of 43%. Typically, the response rates obtained on citizen surveys range from 25% to 40%.

It is customary to describe the precision of estimates made from surveys by a “level of confidence” (or margin of error). The 95 percent confidence level for this survey of 1,200 residents is generally no greater than plus or minus 5 percentage points around any given percent reported for the entire sample.

The results were weighted to reflect the demographic profile of all residents in the City of Palo Alto. (For more information on the survey methodology, see Appendix B. A copy of the survey materials can be found in Appendix C.)

Survey Validity

The question of survey validity has two parts: 1) how can we be confident that the results from our sample are representative of the results we would have gotten had we administered the survey to the entire population? and 2) how closely do the perspectives recorded on the survey reflect what residents really believe or do?

To answer the first question, we use the best survey research practices for the resources spent to assure that the results from the sample reflect the opinions of residents in the entire jurisdiction. These practices include:

1. Using a mail-out/mail-back methodology, which typically gets a higher response rate than phone for the same dollars spent.
2. Selecting households at random within the jurisdiction.
3. Over-sampling attached units to improve response from hard-to-reach, lower income, or younger apartment dwellers.

4. Selecting the respondent within the household using an unbiased sampling procedure¹.
5. Contacting potential respondents three times to encourage response from people who may have different opinions or habits than those who would respond with only a single prompt.
6. Soliciting response on jurisdiction letterhead signed by the highest ranking elected official or staff member.
7. Providing a self-addressed, postage-paid return envelope.
8. Offering the survey in Spanish when appropriate and requested by City officials.
9. Using the most recent available information about the characteristics of jurisdiction residents to re-weight the data to reflect the demographics of the population.

The answer to the second question about how closely the perspectives recorded on the survey reflect what residents really believe or do is more complex. Resident responses to surveys are influenced by a variety of factors. For questions about service quality, residents' expectations for service quality play a role as well as the "objective" quality of the service provided, the way the resident perceives the entire community (that is, the context in which the service is provided), the scale on which the resident is asked to record her opinion and, of course, the opinion, itself, that a resident holds about the service. Similarly a resident's report of certain behaviors is colored by what he or she believes is the socially desirable response (e.g. reporting tolerant behaviors toward "oppressed groups," likelihood of voting a tax increase for services to poor people, use of alternative modes of travel to work besides the single occupancy vehicle), her memory of the actual behavior (if it is not a question speculating about future actions, like a vote), her confidence that she can be honest without suffering any negative consequences (thus the need for anonymity) as well as the actual behavior itself.

How closely survey results come to recording the way a person really feels or behaves often is measured by the coincidence of reported behavior with observed current behavior (e.g. driving habits), reported intentions to behave with observed future behavior (e.g. voting choices) or reported opinions about current community quality with objective characteristics of the community (e.g. feelings of safety correlated with rates of crime). There is a body of scientific literature that has investigated the relationship between reported behaviors and actual behaviors. Well-conducted surveys, by and large, do capture true respondent behaviors or intentions to act with great accuracy. Predictions of voting outcomes tend to be quite accurate using survey research, as do reported behaviors that are not about highly sensitive issues (e.g. family abuse or other

¹ The birthday method requests that the respondent in the household be the adult (18 years old or older) who most recently had a birthday, irrespective of year of birth.

illegal or morally sanctioned activities). For self-reports about highly sensitive issues, statistical adjustments can be made to correct for the respondents' tendency to report what they think the "correct" response should be.

Research on the correlation of resident opinion about service quality and "objective" ratings of service quality tend to be ambiguous, some showing stronger relationships than others. NRC's own research has demonstrated that residents who report the lowest ratings of street repair live in communities with objectively worse street conditions than those who report high ratings of street repair (based on road quality, delay in street repair, number of road repair employees). Similarly, the lowest rated fire services appear to be "objectively" worse than the highest rated fire services (expenditures per capita, response time, "professional" status of fire fighters, breadth of services and training provided). Whether some research confirms or disconfirms that relationship between what residents think about a community and what can be seen "objectively" in a community, we have argued that resident opinion is a perspective that cannot be ignored by government administrators. Elsewhere we have written, "If you collect trash three times a day but residents think that your trash haul is lousy, you still have a problem."

Use of the "Excellent, Good, Fair, Poor" Response Scale

The scale on which respondents are asked to record their opinions about service and community quality is "excellent," "good," "fair" or "poor" (EGFP). This scale has important advantages over other scale possibilities (very good to very bad; very satisfied to very dissatisfied; strongly agree to strongly disagree, as examples). EGFP is used by the plurality of jurisdictions conducting citizen surveys across the U.S. The advantage of familiarity is one we did not want to dismiss because elected officials, staff and residents already are acquainted with opinion surveys measured this way. EGFP also has the advantage of offering three positive options, rather than only two, over which a resident can offer an opinion. While symmetrical scales often are the right choice in other measurement tasks, we have found that ratings of almost every local government service in almost every jurisdiction tend, on average, to be positive (that is, above the scale midpoint). Therefore, to permit finer distinctions among positively rated services, EGFP offers three options across which to spread those ratings. EGFP is more neutral because it requires no positive statement of service quality to judge (as agree-disagree scales require) and, finally, EGFP intends to measure absolute quality of service delivery or community quality (unlike satisfaction scales which ignore residents' perceptions of quality in favor of their report on the acceptability of the level of service offered).

“Don’t Know” Responses

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 two of the items related to crime victimization and crime reporting, “don’t know” responses were not removed. These questions were not evaluative; rather, respondents were asked if they or any member of their household had been a victim of a crime within the last year. If they were, they were then asked whether the crime had been reported to police.

Putting Evaluations Onto a 100-Point Scale

Although responses to many of the evaluative questions were made on a 4 point scale with 4 representing the best rating and 1 the worst, many of the results in this summary are reported on a common scale where 0 is the worst possible rating and 100 is the best possible rating. If everyone reported “excellent,” then the result would be 100 on the 100-point scale. Likewise, if all respondents gave a “poor” rating, the result would be 0 on the 100-point scale. If the average rating for quality of life was “good,” then the result would be 67 on a 100-point scale; “fair” would be 33 on the 100-point scale. The 95 percent confidence interval around an average score on the 100-point scale is no greater than plus or minus 5 points based on all respondents.

Interpreting Comparisons to Previous Years

This report contains comparisons with prior years’ results; found primarily in the graphic representations of the data. In these graphs, data from 2005 are compared to data from 2003 and 2004. The table following a graph contains 2005 data only, and is titled accordingly. Differences between years can be considered “statistically significant” if they are greater than 5 percentage points or 5 points on a 100 point scale.

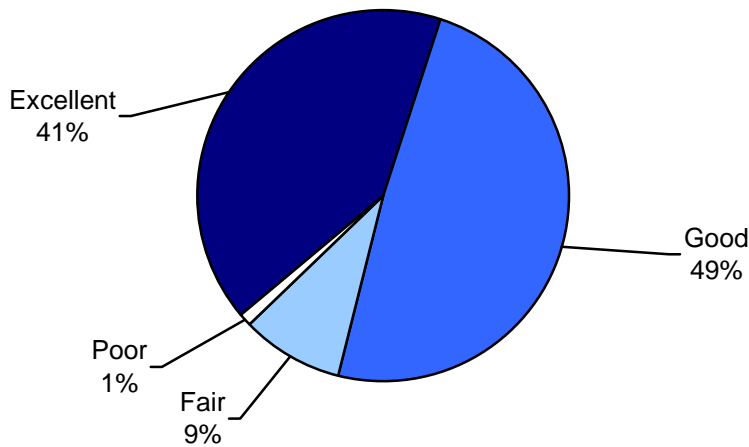
COMMUNITY LIFE

The National Citizen Survey™ contained many questions related to the life of residents in the community. Survey participants were asked to rate their overall quality of life, as well as other aspects of quality of life in Palo Alto. They also evaluated characteristics of the community, and gave their perceptions of safety in the City of Palo Alto. The questionnaire assessed use of the amenities of the community and involvement by respondents in the civic and economic life of Palo Alto.

Quality of Life

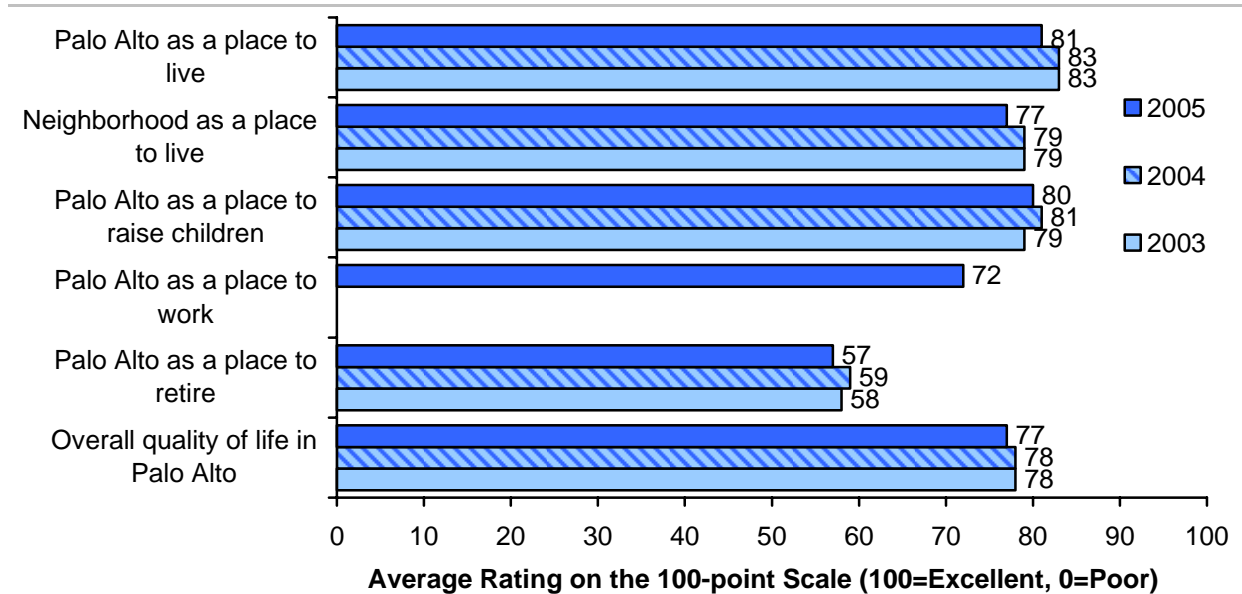
When asked to rate the overall quality of life in Palo Alto, 41% of respondents thought it was “excellent.” Only 1% rated overall quality of life as “poor.”

Figure 1: Overall Quality of Life in Palo Alto



The average rating of overall quality of life on a 100-point scale was 78 in 2003 and 78 in 2004. In 2005, the rating was 77. Palo Alto as a place to raise children received an average rating of 79 on a 100-point scale in 2003 and 81 in 2004, compared to 80 in 2005. Other ratings can be seen in the charts below.

Figure 2: Quality of Life Ratings



2005 Quality of Life Ratings

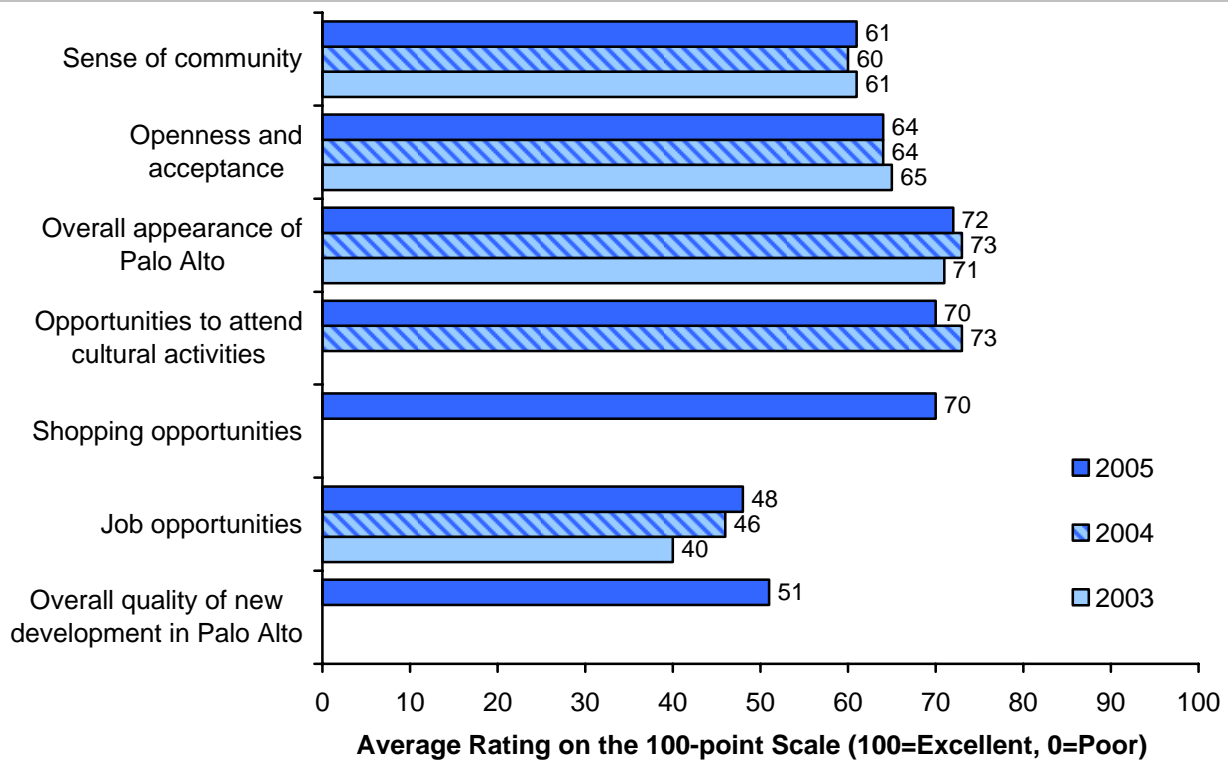
	Excellent	Good	Fair	Poor	Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
How do you rate Palo Alto as a place to live?	52%	42%	6%	1%	100%	81
How do you rate your neighborhood as a place to live?	44%	46%	9%	2%	100%	77
How do you rate Palo Alto as a place to raise children?	49%	43%	7%	1%	100%	80
How do you rate Palo Alto as a place to work?	36%	45%	18%	2%	100%	72
How do you rate Palo Alto as a place to retire?	29%	31%	21%	19%	100%	57
How do you rate the overall quality of life in Palo Alto?	41%	49%	9%	1%	100%	77

Note: "don't know" responses have been removed.

Ratings of Community Characteristics in Palo Alto

In 2005, the highest rated characteristics of Palo Alto were ease of walking and overall appearance of Palo Alto. The average rating on a 100-point scale given to ease of walking in 2005 was 74 compared to 75 in 2003 and 74 in 2004. Average ratings given to all the characteristics are shown in Figures 3, 4 and 5.

Figure 3: Characteristics of the Community: General and Opportunities



2005 Characteristics of the Community: General and Opportunities

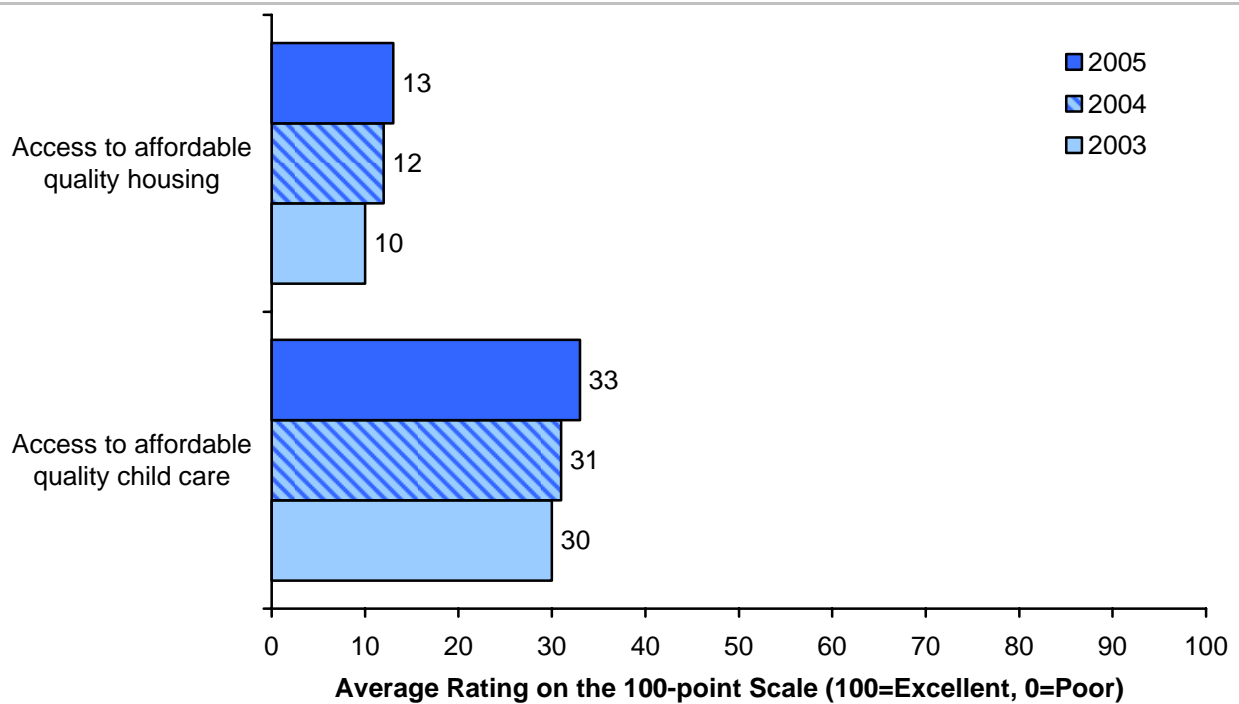
Please rate each of the following characteristics as they relate to Palo Alto as a whole:					Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor		
Sense of community	20%	48%	27%	5%	100%	61
Openness and acceptance of the community towards people of diverse backgrounds	26%	46%	22%	7%	100%	64
Overall appearance of Palo Alto	32%	53%	13%	2%	100%	72
Opportunities to attend cultural activities	35%	43%	21%	1%	100%	70
Shopping opportunities	39%	37%	20%	5%	100%	70

2005 Characteristics of the Community: General and Opportunities

Please rate each of the following characteristics as they relate to Palo Alto as a whole:	Excellent	Good	Fair	Poor	Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
Job opportunities	11%	35%	41%	13%	100%	48
Overall quality of new development in Palo Alto	8%	48%	35%	10%	100%	51

Note: "don't know" responses have been removed.

Figure 4: Characteristics of the Community: Access

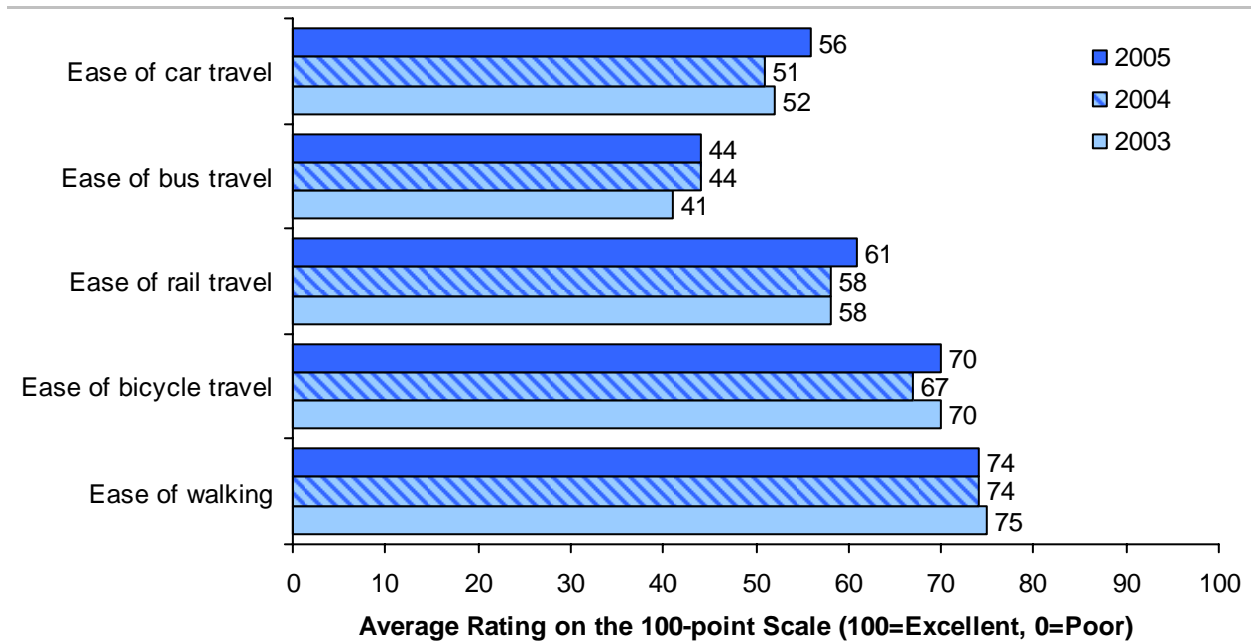


2005 Characteristics of the Community: Access

Please rate each of the following characteristics as they relate to Palo Alto as a whole:						Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor			
Access to affordable quality housing	3%	5%	18%	74%	100%	13	
Access to affordable quality child care	7%	18%	40%	34%	100%	33	

Note: "don't know" responses have been removed.

Figure 5: Characteristics of the Community: Mobility



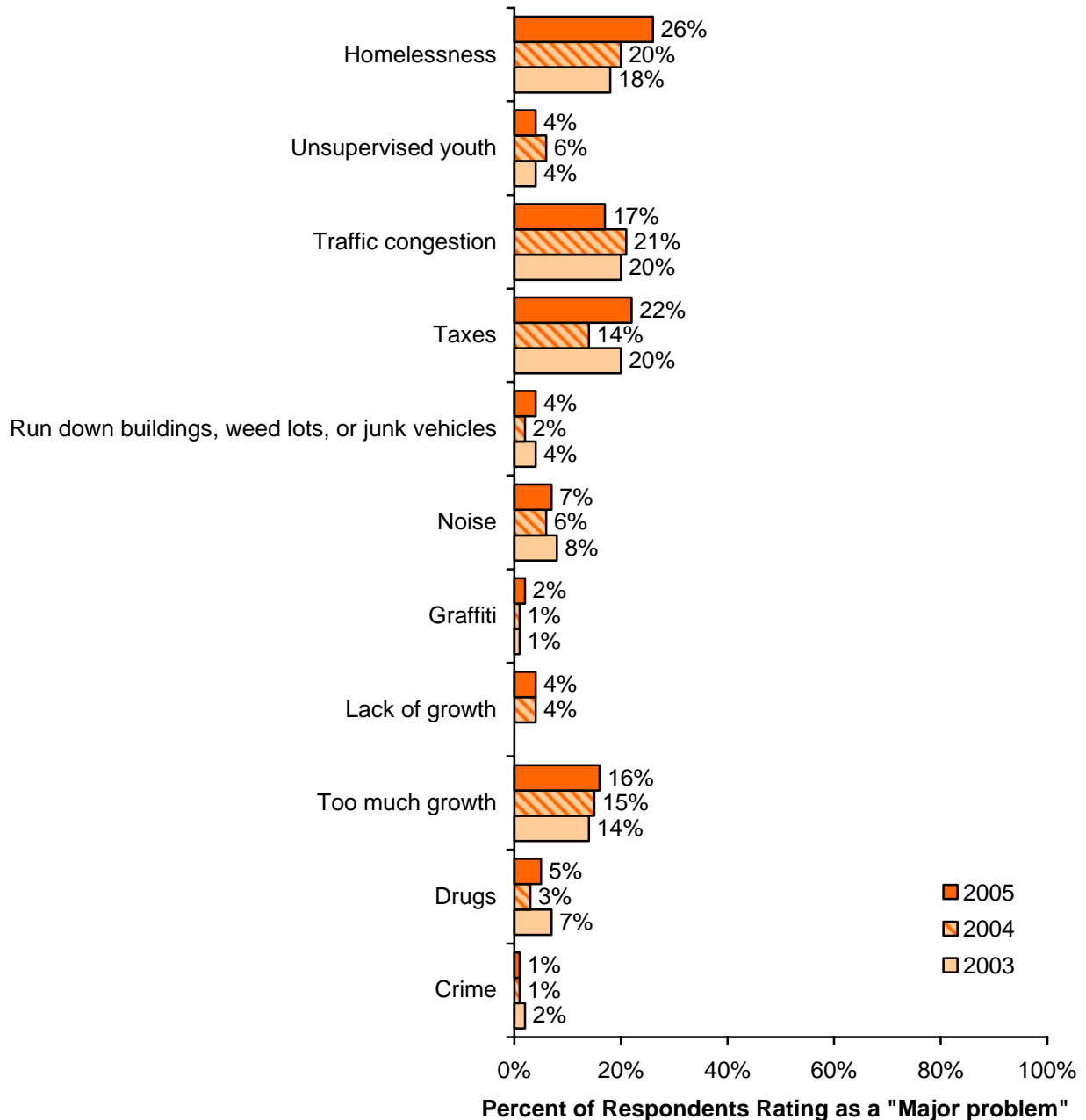
2005 Characteristics of the Community: Mobility

Please rate each of the following characteristics as they relate to Palo Alto as a whole:						Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor			
Ease of car travel in Palo Alto	14%	46%	32%	7%	100%	56	
Ease of bus travel in Palo Alto	9%	35%	35%	22%	100%	44	
Ease of rail travel in Palo Alto	19%	49%	25%	7%	100%	61	
Ease of bicycle travel in Palo Alto	33%	45%	19%	2%	100%	70	
Ease of walking in Palo Alto	40%	46%	12%	2%	100%	74	

Note: "don't know" responses have been removed.

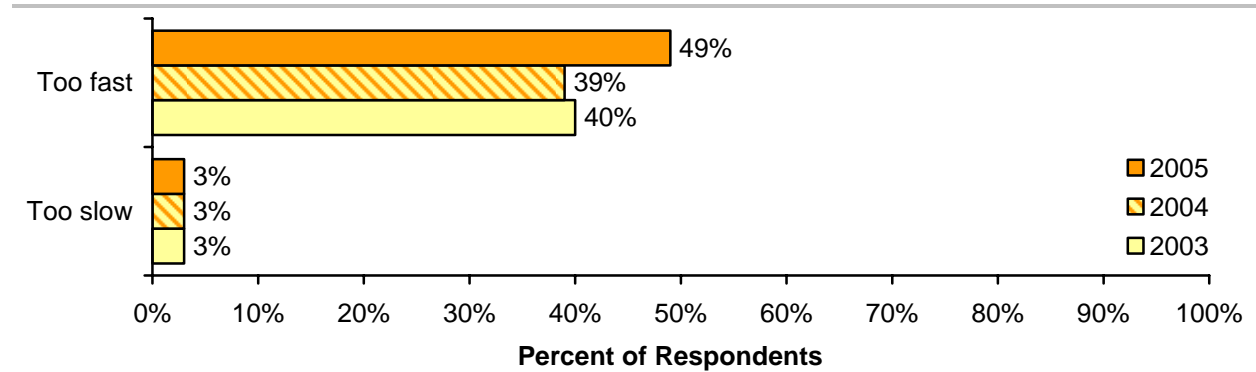
When asked about potential problems in Palo Alto, the three concerns rated by the highest proportion of respondents as a “major problem” in 2005 were homelessness, taxes, and traffic congestion. In 2005 26% rated homelessness as a “major problem” compared to 18% in 2003 and 20% in 2004.

Figure 6: Ratings of Potential Problems in Palo Alto



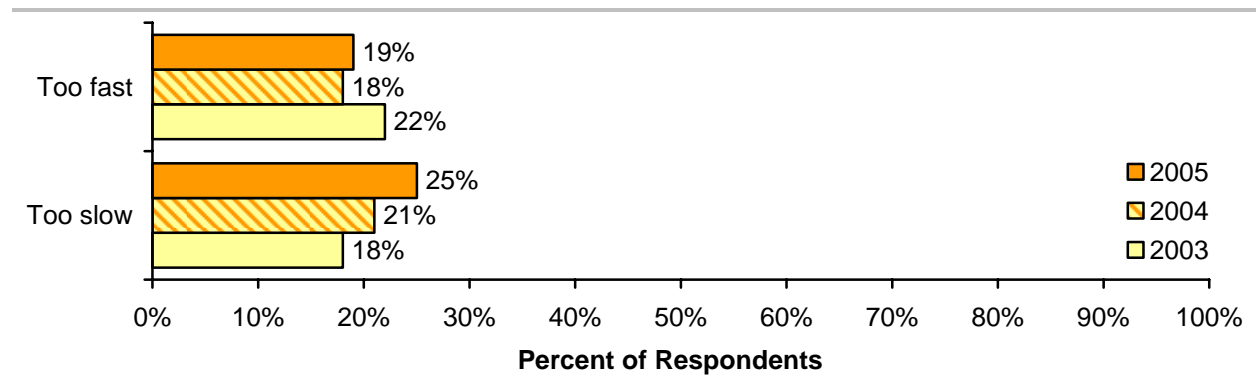
In 2005, the rate of population growth in Palo Alto was viewed as “too fast” by 49% of respondents, while 3% thought it was “too slow.”

Figure 7a: Ratings of Population Growth by Year in Palo Alto



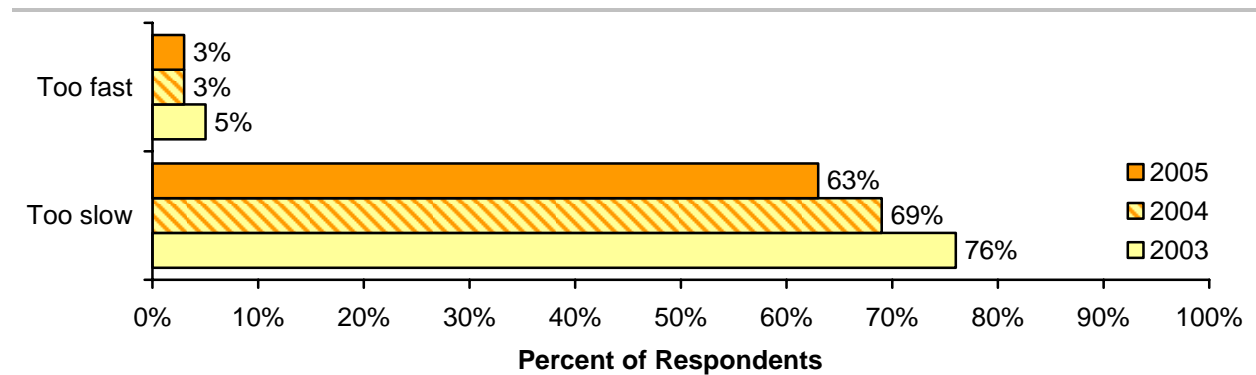
Note: Responses of “right amount” were omitted.

Figure 7b: Ratings of Retail Growth by Year in Palo Alto



Note: Responses of “right amount” were omitted.

Figure 7c: Ratings of Jobs Growth by Year in Palo Alto



Note: Responses of “right amount” were omitted.

In 2005, 20% of respondents felt the impact of the economy would be positive on their family income in the next 12 months, while 31% felt it would be negative. In 2003, 25% of respondents and in 2004, 27% felt the impact of the economy would be positive.

Figure 8a: 2005 Perceptions of Economy

What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be...

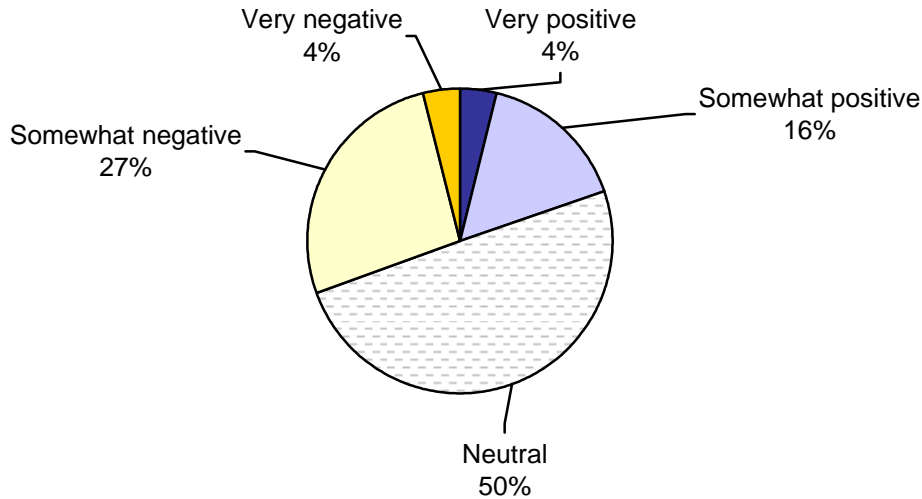
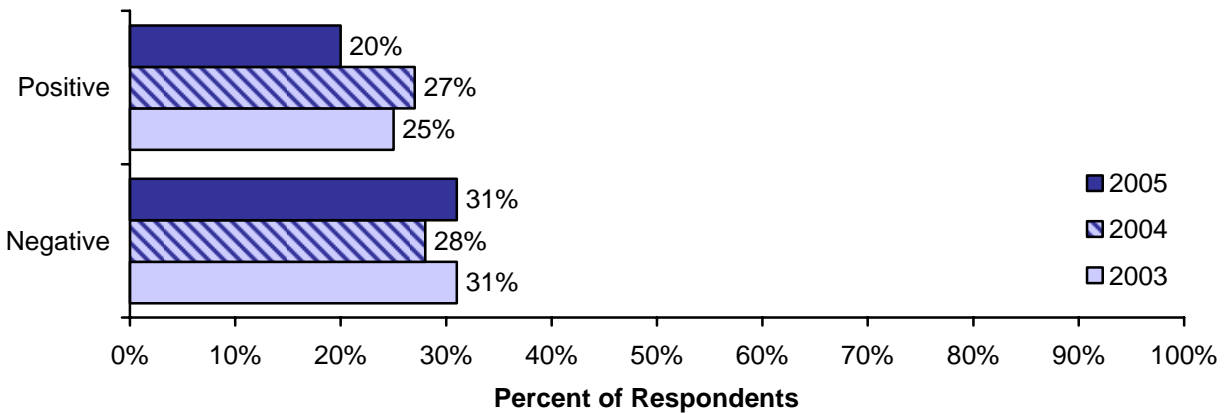


Figure 8b: Comparisons of Perceptions of Economy by Year



Note: Responses of "neutral" were omitted.

Perceptions of Safety

When evaluating safety in the community, 87% of respondents felt “somewhat” or “very safe” from violent crimes in Palo Alto in 2005, compared to 84% in 2003 and 84% in 2004. In their neighborhood after dark, 84% of survey participants felt “somewhat” or “very safe” in 2005, compared to 82% in 2003 and 83% in 2004.

In 2005, as assessed by the survey, 10% of households reported that at least one member had been the victim of one or more crimes in the past year. In 2003, 13% of households had reported that at least one member had been a crime victim, while 11% reported so in 2004. Of those who had been the victim of a crime in 2005, 64% had reported it to police.

Figure 9: Ratings of Safety from Various Problems in Palo Alto by Year

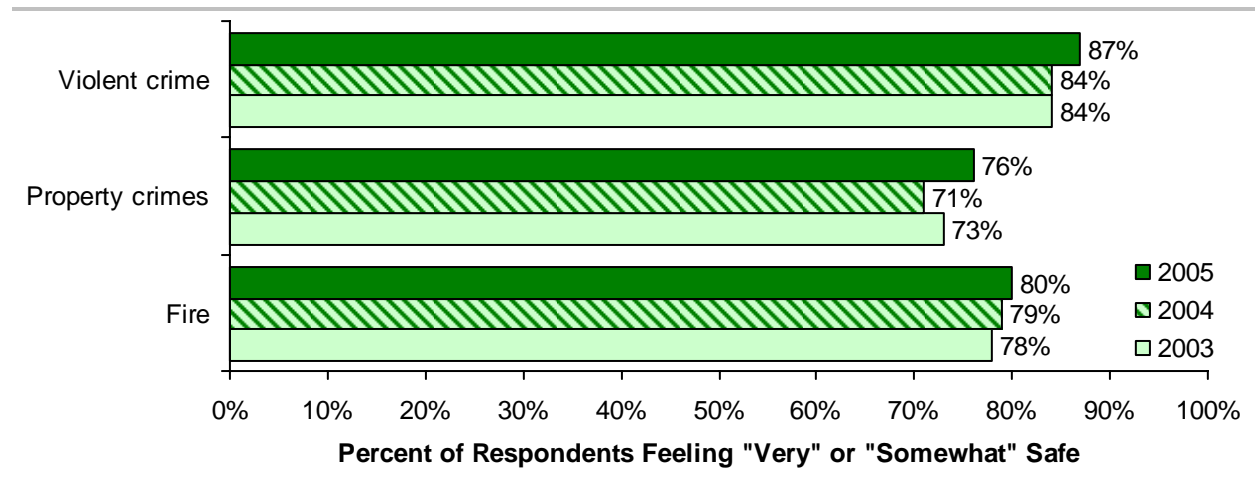


Figure 10: Ratings of Safety in Various Areas in Palo Alto by Year

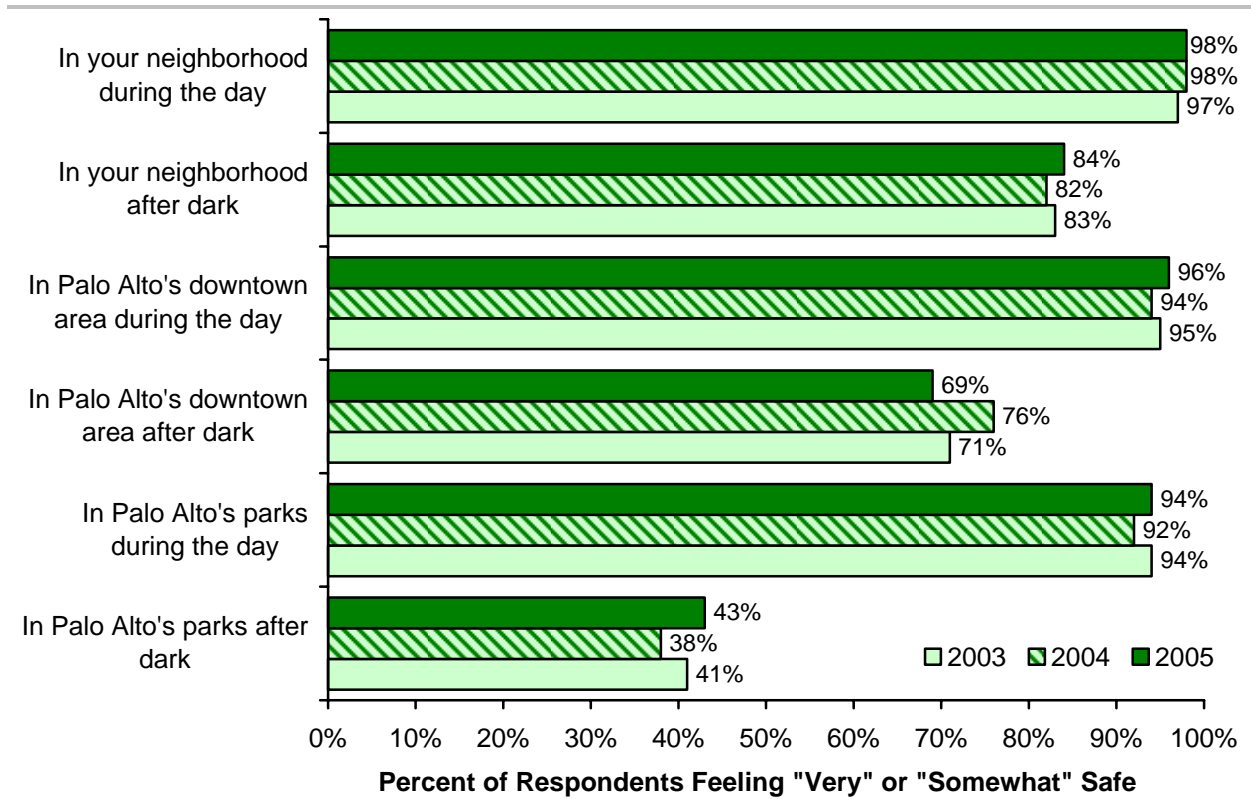


Figure 11: Percent of Respondents' Households That Were Victim of a Crime in the Last 12 Months by Year

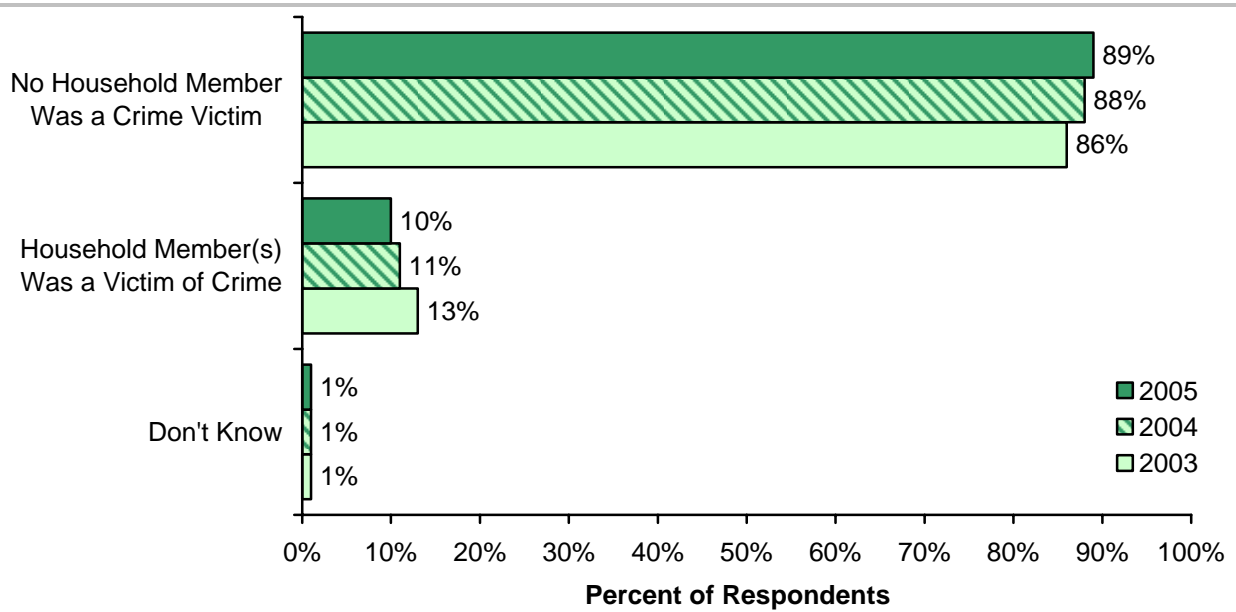
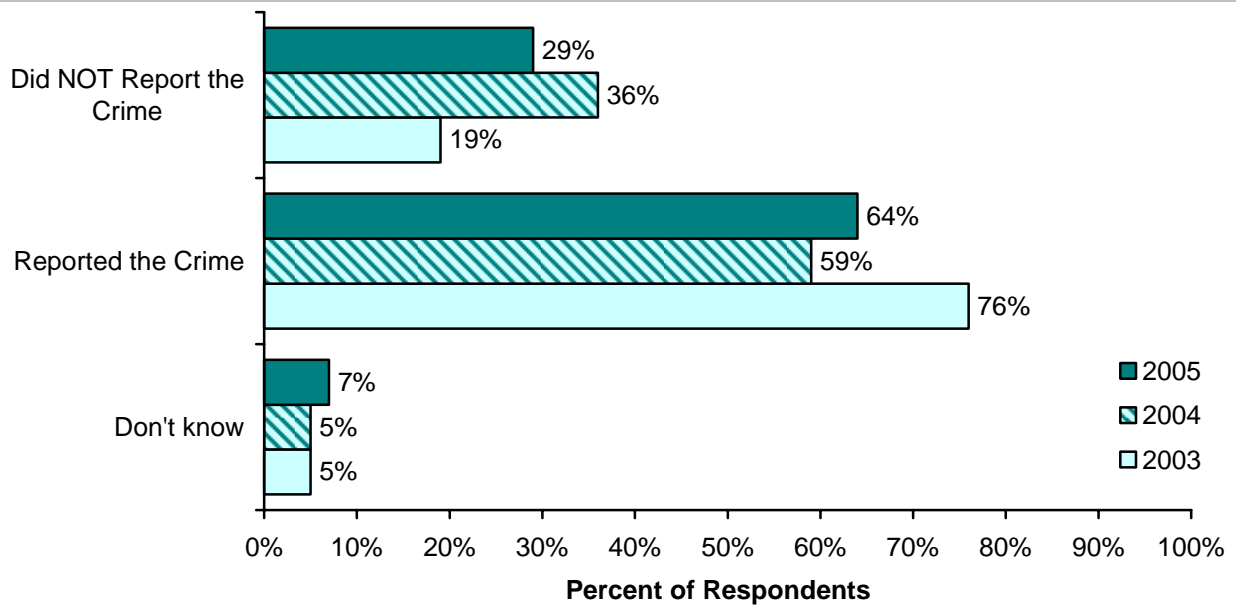


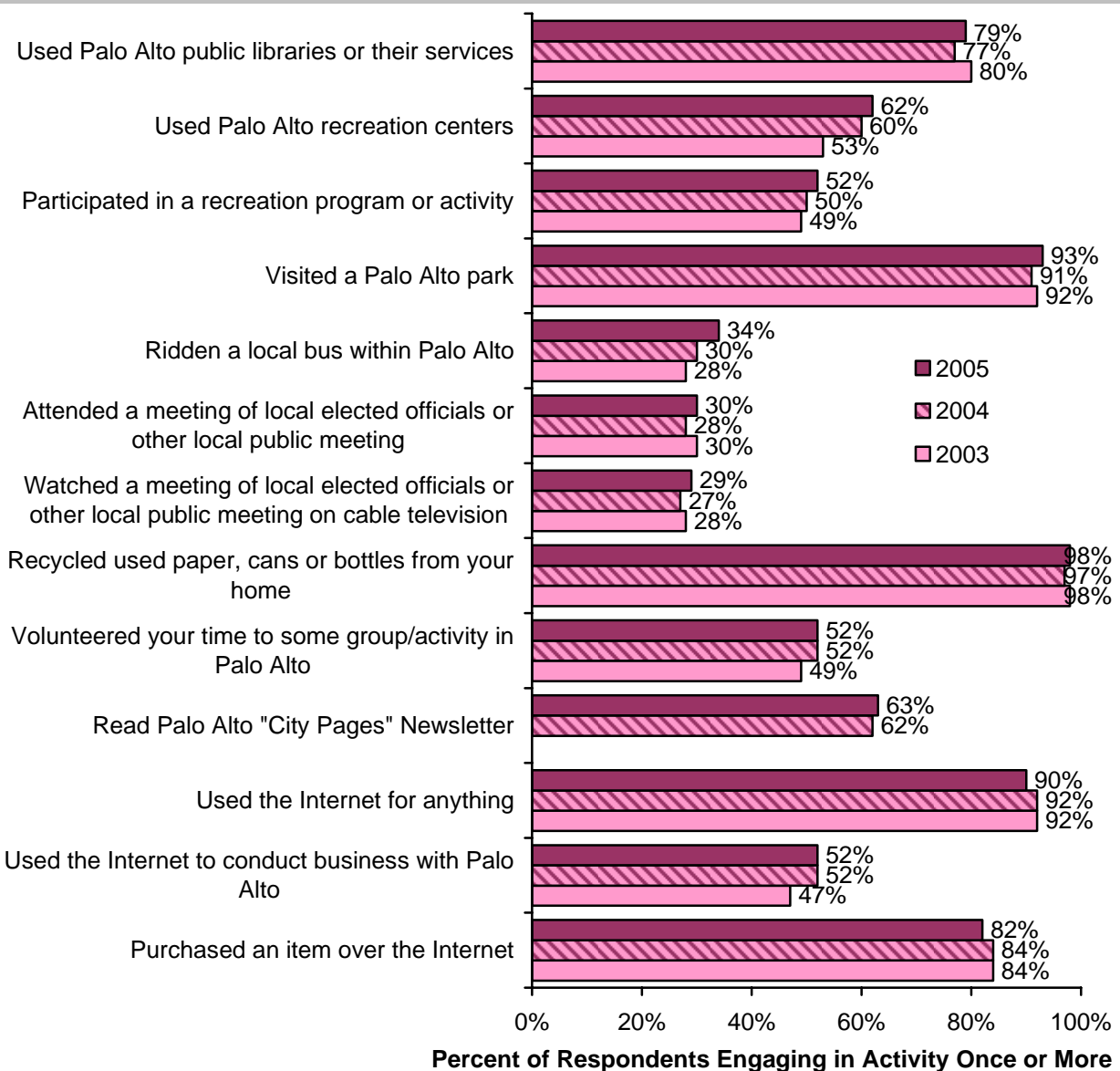
Figure 12: Percent of Respondents' Households That Were Victim of a Crime Who Reported the Crime by Year



Community Participation

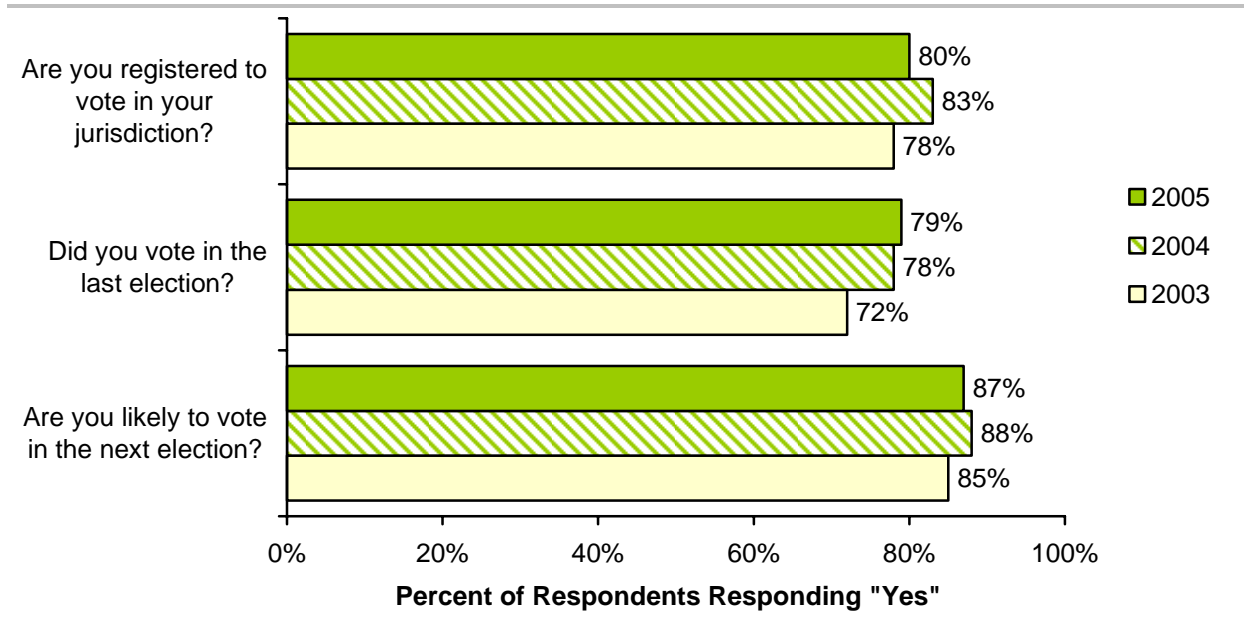
Participation in the civic, social and economic life of Palo Alto during the past year was assessed on the survey. The proportion of respondents engaging in various activities is shown in the chart below, with comparisons made between 2005, 2004 and 2003. Among those completing the questionnaire in 2005, 62% reported using Palo Alto recreation centers in the past year compared to 53% in 2003 and 60% in 2004. Voter status was also estimated, and is shown on the next page.²

Figure 13: Percent of Respondents Engaging in Various Activities in Palo Alto in the Last 12 Months by Year



² In general on a survey, a greater proportion of people will report having voted, than actual voting records verify.

Figure 14: Voter Status and Activity by Year



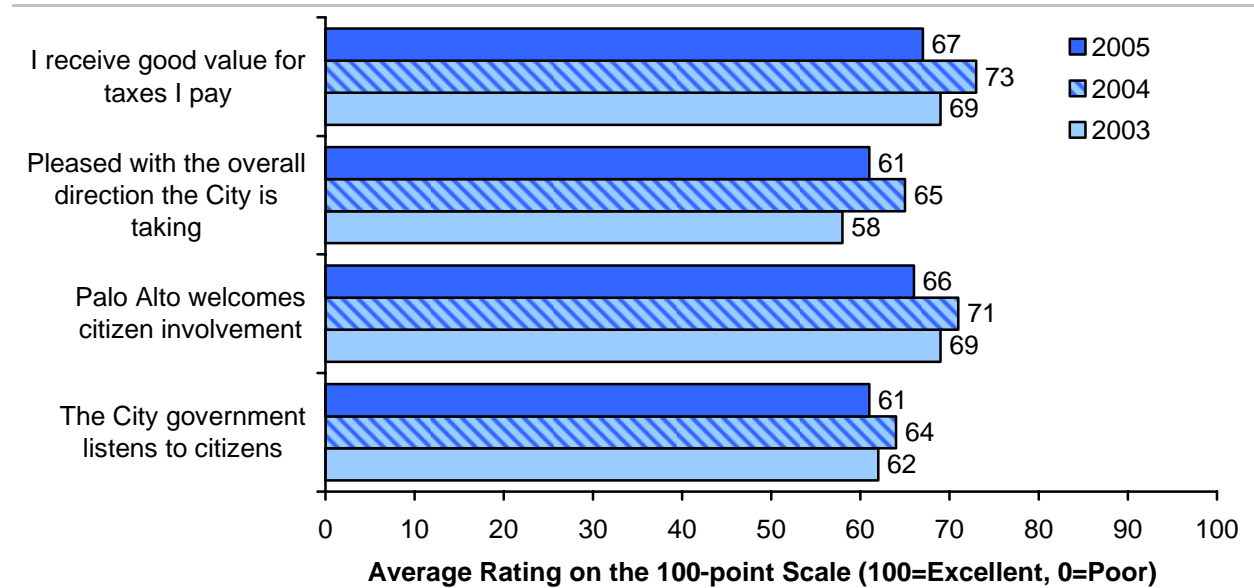
LOCAL GOVERNMENT

Several aspects of the government of the City of Palo Alto were evaluated by residents completing The National Citizen Survey™. They were asked how much trust they placed in their local government, and what they felt about the services they receive from the City of Palo Alto. Those who had any contact with a City of Palo Alto employee in the past year gave their impressions of the most recent encounter.

Public Trust

When asked to evaluate whether they were pleased with the overall direction taken by the City of Palo Alto, residents gave an average rating of 61 on a 100-point scale in 2005, compared to 58 in 2003 and 65 in 2004.

Figure 15: Ratings of Public Trust by Year



2005 Public Trust Ratings

Please rate the following statements:	Average rating on a 100-point scale (100=Strongly agree, 0=Strongly disagree)					Total	Average rating on a 100-point scale (100=Strongly agree, 0=Strongly disagree)
	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree		
I receive good value for the City of Palo Alto taxes I pay	21%	49%	14%	11%	5%	100%	67

The City of Palo Alto Citizen Survey

Local Government

2005 Public Trust Ratings

Please rate the following statements:	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Total	Average rating on a 100-point scale (100=Strongly agree, 0=Strongly disagree)
I am pleased with the overall direction that the City of Palo Alto is taking	15%	39%	25%	16%	5%	100%	61
The City of Palo Alto government welcomes citizen involvement	20%	39%	28%	11%	2%	100%	66
The City of Palo Alto government listens to citizens	15%	35%	31%	16%	3%	100%	61

Note: "don't know" responses have been removed.

Service Provided by Palo Alto

The overall quality of services provided by the City of Palo Alto was rated as 71 on a 100-point scale in 2005, compared to 72 in 2003 and 74 in 2004. Ratings given to specific services are shown on the following pages.

Figure 16: Overall Quality of Services Provided by the City of Palo Alto

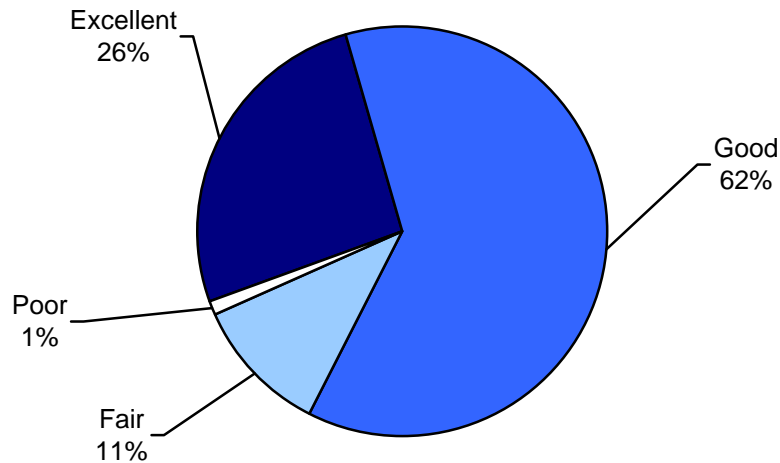
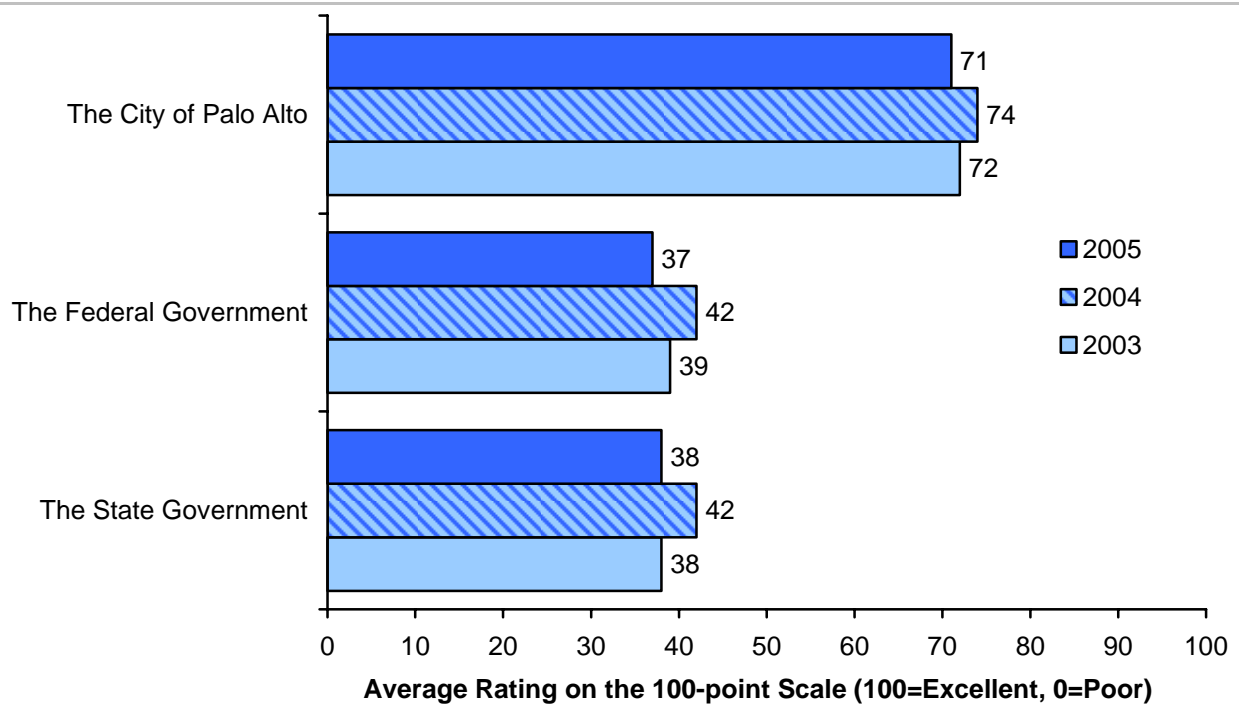


Figure 17: Rating of Overall Quality of Services Provided by Various Levels of Government by Year

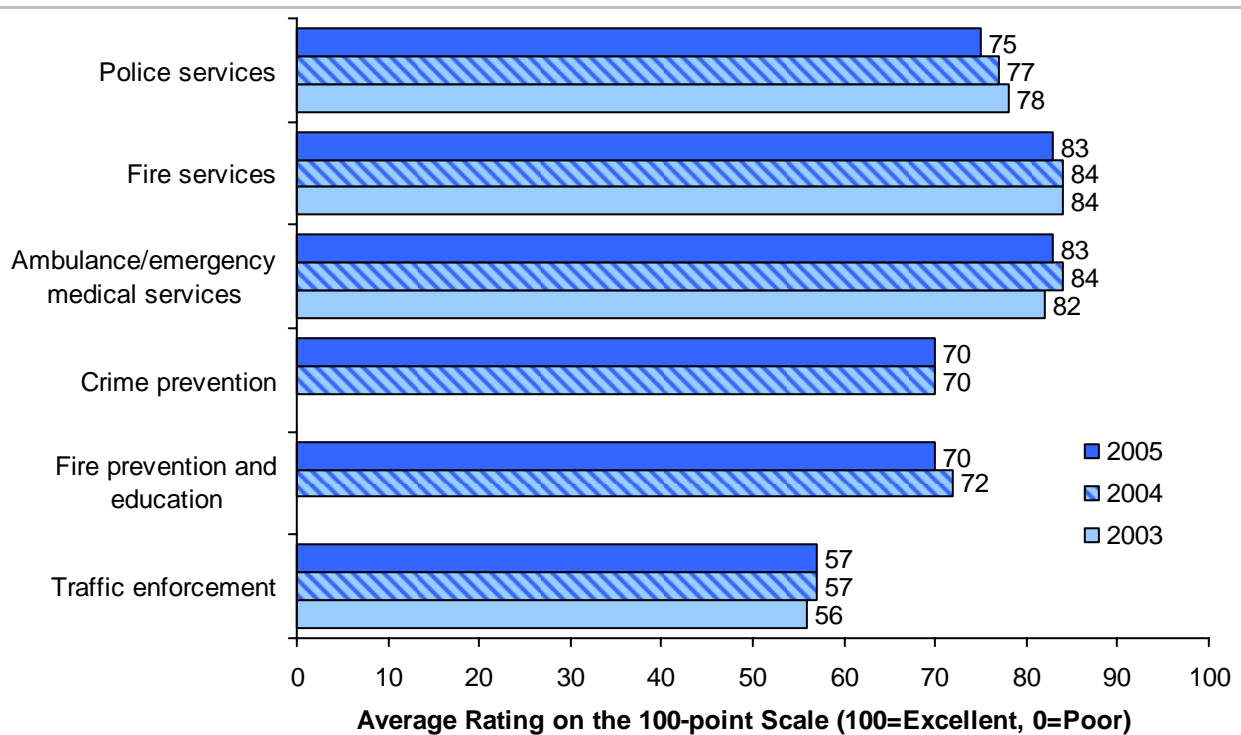


2005 Overall Quality of Services: City of Palo Alto, Federal Government and State Government

Overall, how would you rate the quality of services provided by...						Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor	Total	
The City of Palo Alto	26%	62%	11%	1%	100%	71
The Federal Government	5%	27%	44%	24%	100%	37
The State Government	3%	29%	46%	21%	100%	38

Note: "don't know" responses have been removed.

Figure 18: Quality of Public Safety Services by Year

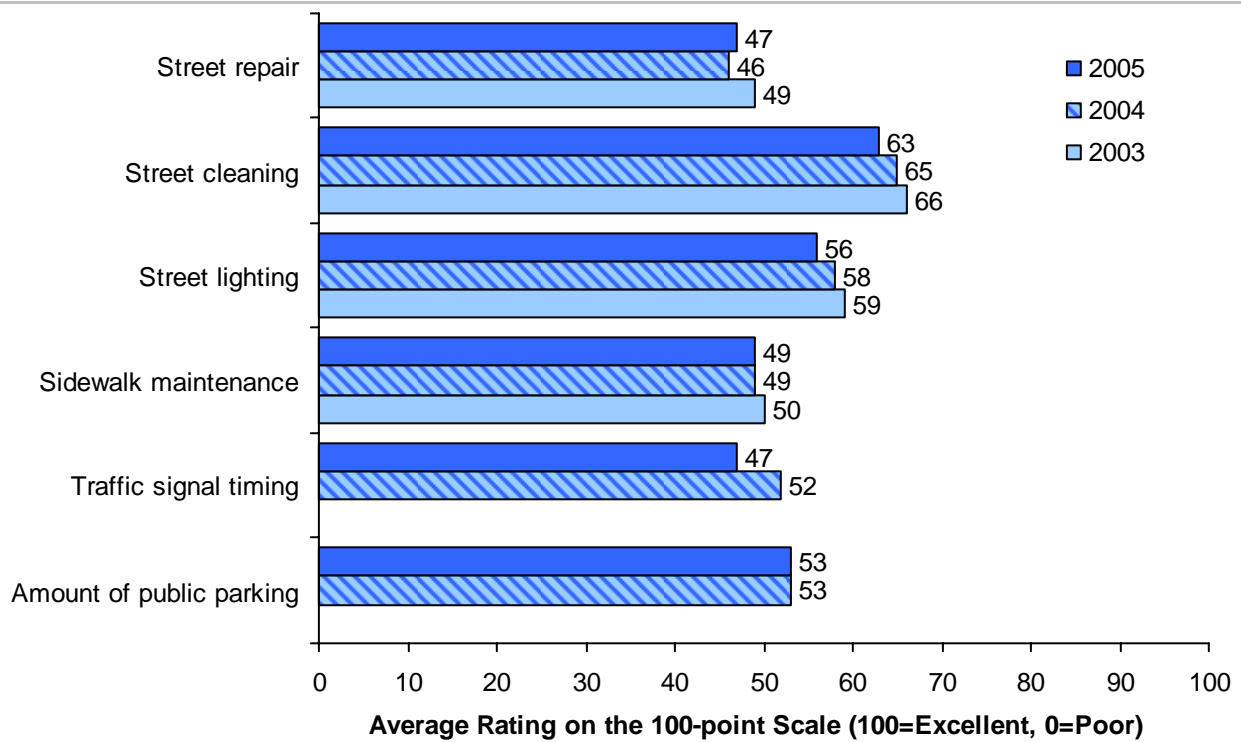


2005 Quality of Public Safety Services

How do you rate the quality of each of the following services?						Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor	Total	
Police services	42%	45%	10%	3%	100%	75
Fire services	55%	39%	5%	0%	100%	83
Ambulance/emergency medical services	53%	41%	5%	0%	100%	83
Crime prevention	26%	59%	12%	2%	100%	70
Fire prevention and education	31%	51%	16%	2%	100%	70
Traffic enforcement	19%	44%	26%	11%	100%	57

Note: "don't know" responses have been removed.

Figure 19: Quality of Transportation Services by Year

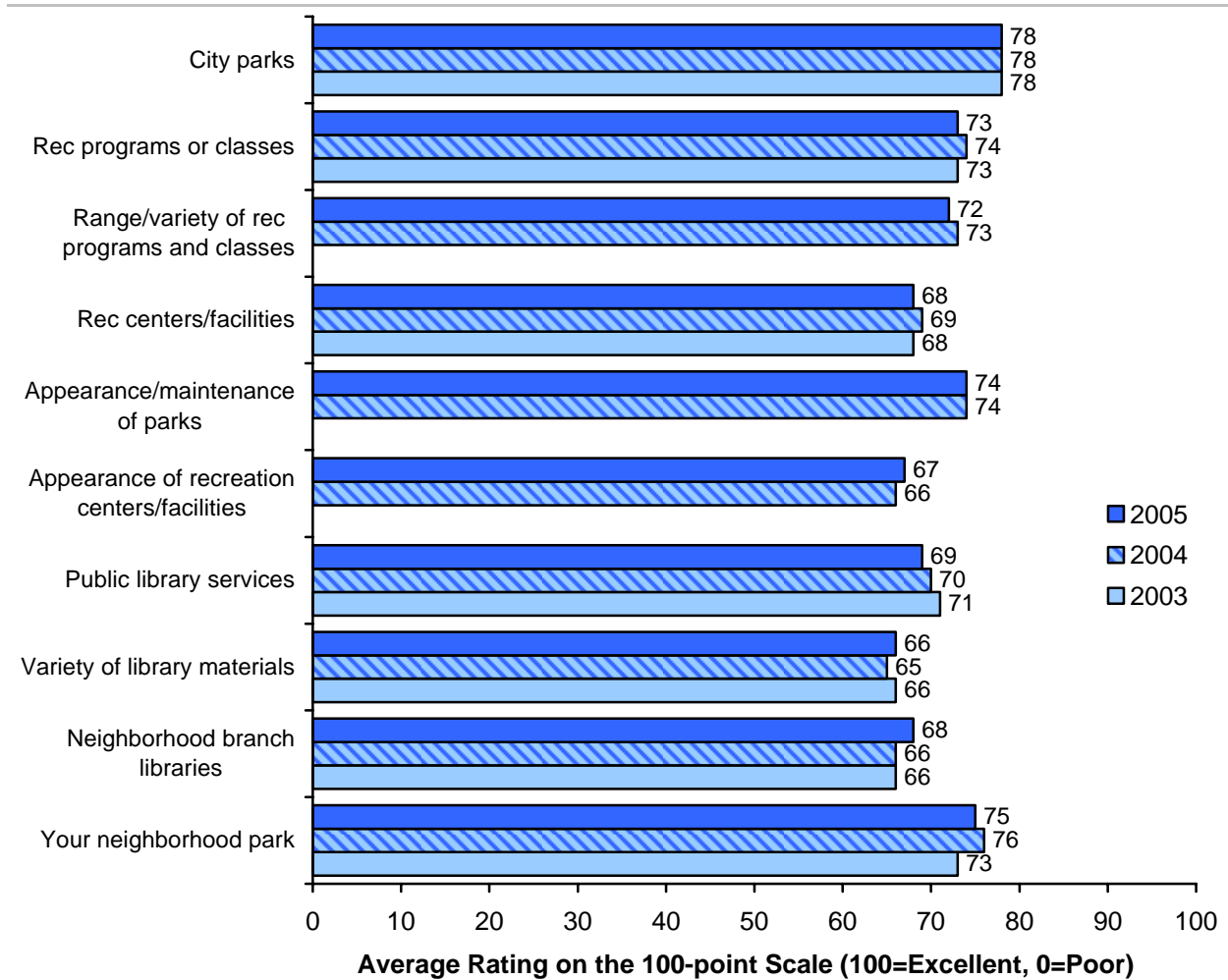


2005 Quality of Transportation Services

How do you rate the quality of each of the following services?					Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor		
Street repair	11%	37%	34%	18%	100%	47
Street cleaning	21%	53%	21%	5%	100%	63
Street lighting	15%	48%	28%	9%	100%	56
Sidewalk maintenance	11%	40%	33%	16%	100%	49
Traffic signal timing	10%	39%	35%	17%	100%	47
Amount of public parking	14%	43%	32%	11%	100%	53

Note: "don't know" responses have been removed.

Figure 20: Quality of Leisure Services by Year



2005 Quality of Leisure Services

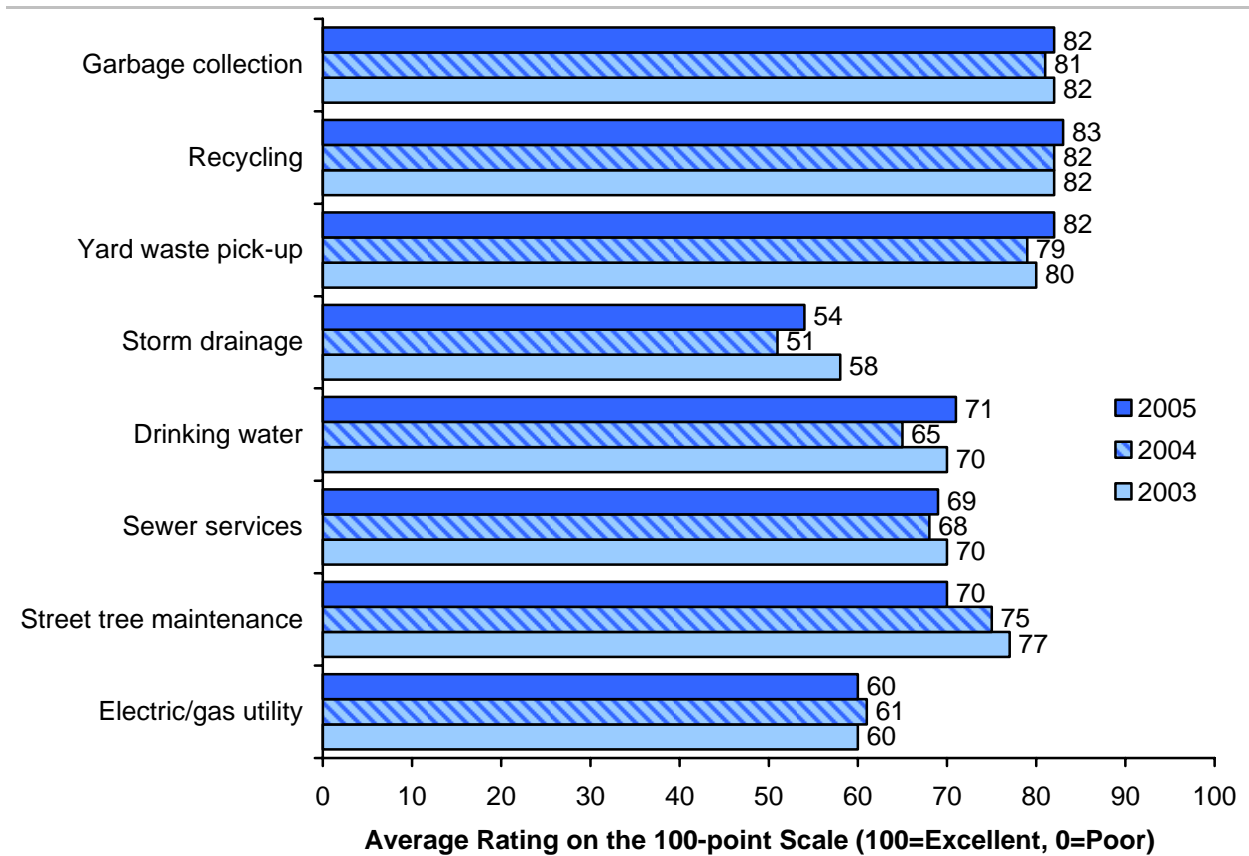
How do you rate the quality of each of the following services?	Average rating on a 100-point scale (100=Excellent, 0=Poor)				Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor		
City parks	43%	48%	8%	0%	100%	78
Recreation programs or classes	36%	51%	11%	2%	100%	73
Range/variety of recreation programs and classes	35%	49%	12%	4%	100%	72
Recreation centers/facilities	27%	51%	19%	2%	100%	68
Appearance/maintenance of parks	33%	56%	9%	2%	100%	74
Appearance of recreation centers/facilities	23%	56%	18%	2%	100%	67

2005 Quality of Leisure Services

How do you rate the quality of each of the following services?	Excellent	Good	Fair	Poor	Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
Public library services	31%	49%	15%	5%	100%	69
Variety of library materials	27%	48%	21%	5%	100%	66
Neighborhood branch libraries	31%	47%	14%	7%	100%	68
Your neighborhood park	36%	53%	9%	2%	100%	75

Note: "don't know" responses have been removed.

Figure 21: Quality of Utility Services by Year

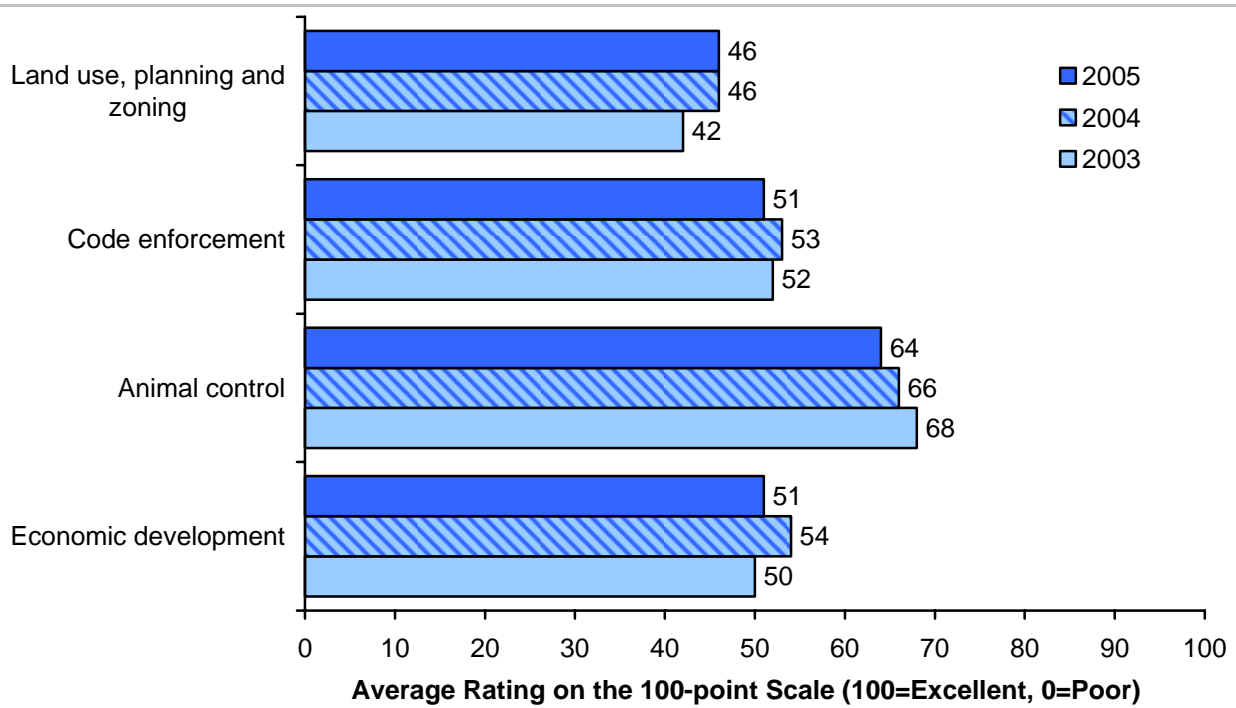


2005 Quality of Utility Services

How do you rate the quality of each of the following services?	Average rating on a 100-point scale (100=Excellent, 0=Poor)				Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor		
Garbage collection	54%	38%	6%	2%	100%	82
Recycling	60%	32%	7%	2%	100%	83
Yard waste pick-up	58%	33%	7%	2%	100%	82
Storm drainage	12%	48%	31%	9%	100%	54
Drinking water	37%	44%	14%	5%	100%	71
Sewer services	29%	53%	16%	2%	100%	69
Street tree maintenance	31%	51%	15%	3%	100%	70
Electric/gas utility	18%	50%	22%	9%	100%	60

Note: "don't know" responses have been removed.

Figure 22: Quality of Planning and Code Enforcement Services by Year

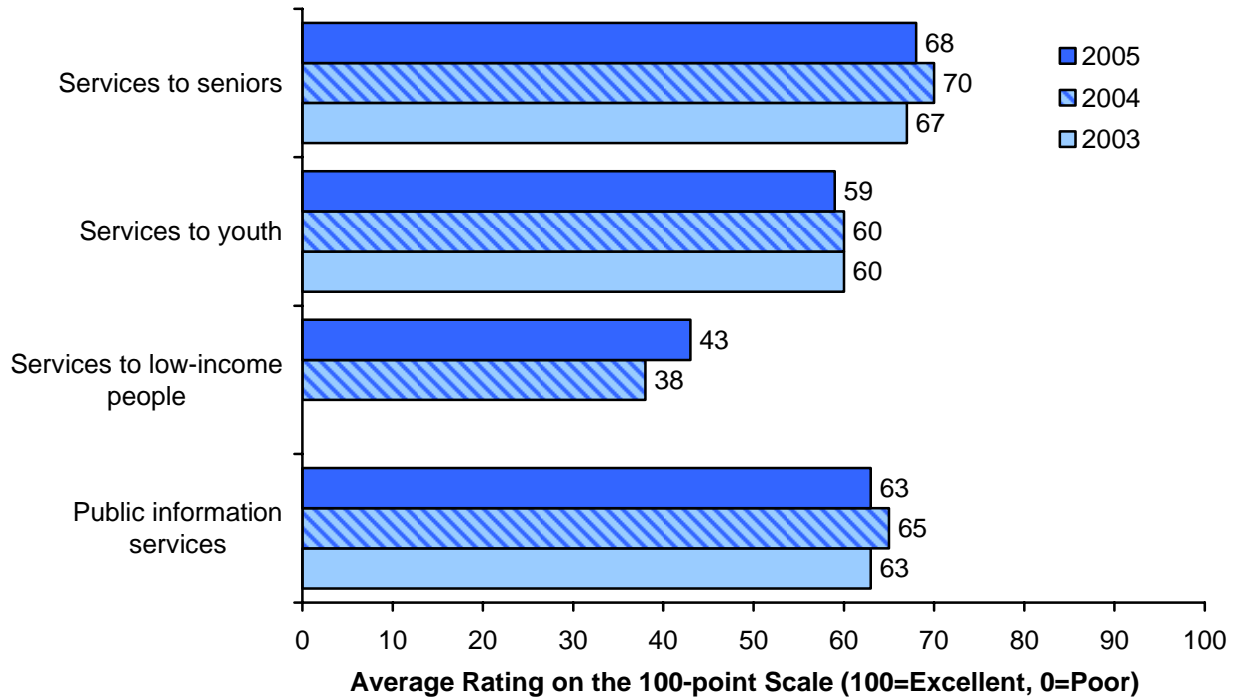


2005 Quality of Planning and Code Enforcement Services

How do you rate the quality of each of the following services?					Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor		
Land use, planning and zoning	10%	36%	36%	18%	100%	46
Code enforcement (weeds, abandoned buildings, etc)	11%	44%	30%	14%	100%	51
Animal control	19%	60%	15%	6%	100%	64
Economic development	11%	44%	31%	14%	100%	51

Note: "don't know" responses have been removed.

Figure 23: Quality of Services to Special Populations and Other Services by Year



2005 Quality of Services to Special Populations and Other Services

How do you rate the quality of each of the following services?	Average rating on a 100-point scale (100=Excellent, 0=Poor)				Total	Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor		
Services to seniors	29%	49%	18%	4%	100%	68
Services to youth	16%	52%	24%	7%	100%	59
Services to low-income people	13%	32%	25%	30%	100%	43
Public information services	19%	55%	23%	3%	100%	63

Note: "don't know" responses have been removed.

The City of Palo Alto Employees

Impressions of the City of Palo Alto employees were assessed on the questionnaire. In 2005, those who had been in contact with a City of Palo Alto employee in the past year (56%) rated their overall impression as 69 on a 100-point scale, compared to an average rating of 72 received in 2003 and in 2004.

Figure 24: Percent of Respondents Who Had Contact with a City of Palo Alto Employee in 2005

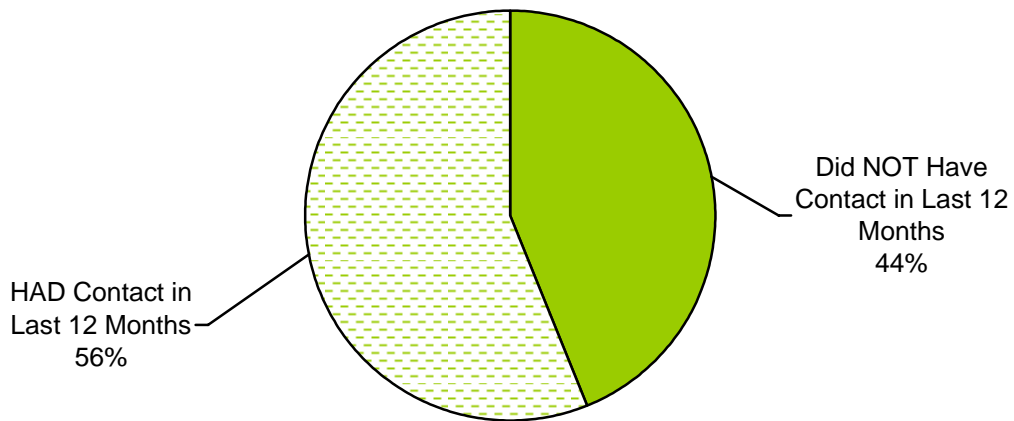
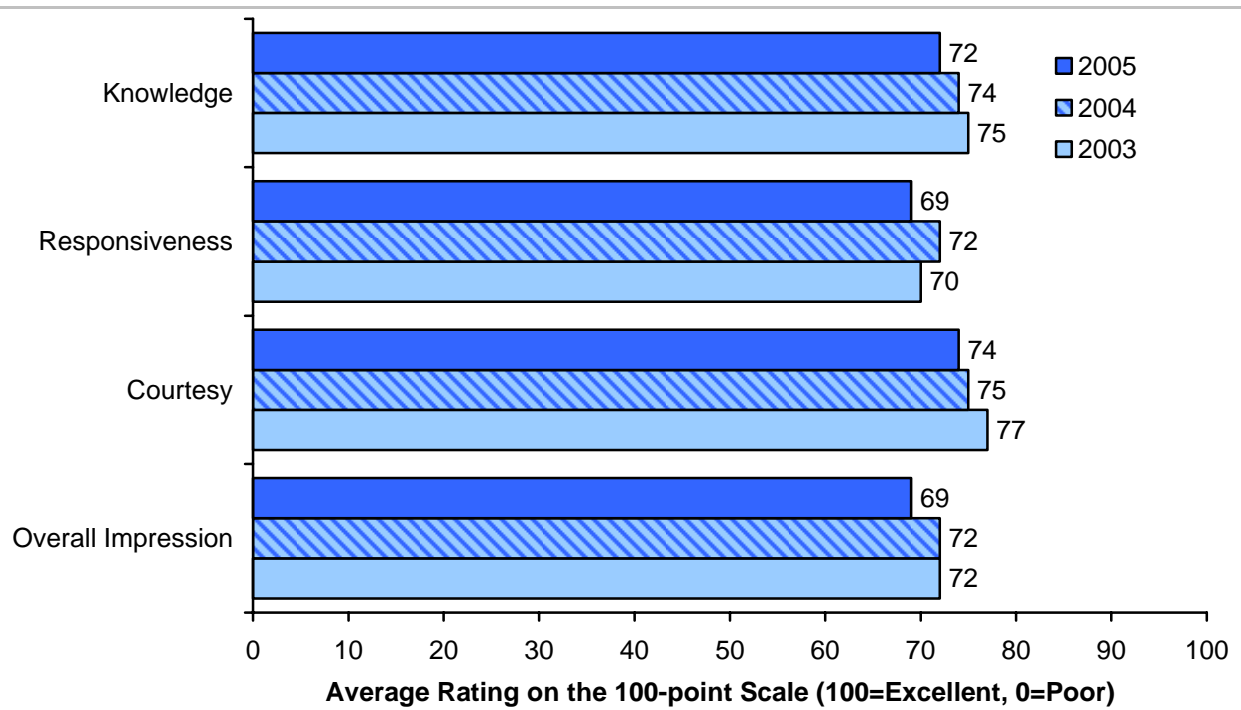


Figure 25: Ratings of Contact with the City of Palo Alto Employees by Year



2005 Ratings of Contact with City of Palo Alto Employees

What was your impression of employees of the City of Palo Alto in your most recent contact?						Average rating on a 100-point scale (100=Excellent, 0=Poor)
	Excellent	Good	Fair	Poor	Total	
Knowledge	35%	49%	14%	2%	100%	72
Responsiveness	36%	41%	17%	6%	100%	69
Courtesy	46%	37%	12%	5%	100%	74
Overall Impression	35%	45%	14%	7%	100%	69

Note: "don't know" responses have been removed.

ADDITIONAL QUESTIONS

Two additional questions were asked by the City of Palo Alto. The results for these questions are displayed below.

Policy Question #1

During the past twelve months, did you or anyone in your household have contact with the Palo Alto Police Department?

No	64%
Yes	36%
Total	100%

Policy Question #2

If yes, how do you rate the quality of your contact with the Palo Alto Police Department?

Excellent	44%
Good	34%
Fair	11%
Poor	11%
Total	100%

Note: "don't know" responses have been removed.

APPENDIX A: FREQUENCY OF RESPONSES TO ALL SURVEY QUESTIONS

This appendix displays the complete distribution of responses to questions in 2005. The “don’t know” responses are shown, where applicable.

Question 1: Quality of Life Ratings						
	Excellent	Good	Fair	Poor	Don't know	Total
How do you rate Palo Alto as a place to live?	52%	42%	6%	1%	0%	100%
How do you rate your neighborhood as a place to live?	44%	46%	9%	2%	0%	100%
How do you rate Palo Alto as a place to raise children?	44%	38%	7%	0%	11%	100%
How do you rate Palo Alto as a place to work?	28%	35%	14%	1%	21%	100%
How do you rate Palo Alto as a place to retire?	24%	26%	18%	16%	17%	100%
How do you rate the overall quality of life in Palo Alto?	41%	49%	9%	1%	0%	100%

Question 2: Please rate each of the following characteristics as they relate to Palo Alto as a whole

	Excellent	Good	Fair	Poor	Don't know	Total
Sense of community	19%	46%	26%	5%	4%	100%
Openness and acceptance of the community towards people of diverse backgrounds	24%	43%	20%	6%	6%	100%
Overall appearance of Palo Alto	32%	52%	13%	2%	0%	100%
Opportunities to attend cultural activities	34%	42%	21%	1%	2%	100%
Shopping opportunities	38%	37%	20%	5%	1%	100%
Job opportunities	7%	25%	29%	9%	29%	100%
Access to affordable quality housing	3%	5%	17%	68%	8%	100%
Access to affordable quality child care	4%	10%	22%	19%	44%	100%
Ease of car travel in Palo Alto	14%	45%	32%	7%	2%	100%
Ease of bus travel in Palo Alto	5%	21%	21%	13%	40%	100%
Ease of rail travel in Palo Alto	16%	41%	20%	5%	18%	100%
Ease of bicycle travel in Palo Alto	29%	40%	17%	2%	12%	100%
Ease of walking in Palo Alto	39%	46%	12%	2%	1%	100%
Overall quality of new development in Palo Alto	6%	39%	28%	8%	19%	100%

Question 3: Please rate the speed of growth in the following categories in Palo Alto over the past two years

	Much too slow	Somewhat too slow	Right amount	Somewhat too fast	Much too fast	Don't know	Total
Population growth	0%	2%	35%	26%	10%	28%	100%
Retail growth (stores, restaurants etc.)	3%	17%	45%	12%	4%	19%	100%
Jobs growth	8%	24%	18%	1%	1%	49%	100%

The City of Palo Alto Citizen Survey

Appendix A: Survey Frequencies

Question 4: To what degree are the following problems in Palo Alto

	Not a problem	Minor problem	Moderate problem	Major problem	Don't know	Total
Crime	21%	52%	21%	1%	6%	100%
Drugs	17%	33%	18%	3%	28%	100%
Too much growth	22%	23%	25%	13%	18%	100%
Lack of growth	50%	14%	12%	3%	21%	100%
Graffiti	38%	45%	7%	2%	8%	100%
Noise	30%	40%	22%	6%	1%	100%
Run down buildings, weed lots, or junk vehicles	34%	42%	17%	4%	4%	100%
Taxes	18%	18%	29%	18%	16%	100%
Traffic congestion	11%	30%	41%	17%	1%	100%
Unsupervised youth	28%	35%	17%	3%	18%	100%
Homelessness	9%	25%	35%	25%	5%	100%

Question 5: Please rate how safe you feel from the following occurring to you in Palo Alto

	Very safe	Somewhat safe	Neither safe nor unsafe	Somewhat unsafe	Very unsafe	Don't know	Total
Violent crime (e.g., rape, assault, robbery)	46%	40%	7%	5%	1%	1%	100%
Property crimes (e.g., burglary, theft)	24%	51%	12%	9%	2%	1%	100%
Fire	44%	34%	15%	4%	0%	3%	100%

The City of Palo Alto Citizen Survey

Appendix A: Survey Frequencies

Question 6: Please rate how safe you feel:

	Very safe	Somewhat safe	Neither safe nor unsafe	Somewhat unsafe	Very unsafe	Don't know	Total
In your neighborhood during the day	82%	16%	1%	1%	0%	0%	100%
In your neighborhood after dark	36%	47%	7%	7%	1%	1%	100%
In Palo Alto's downtown area during the day	71%	23%	2%	2%	0%	2%	100%
In Palo Alto's downtown area after dark	24%	43%	16%	11%	2%	5%	100%
In Palo Alto's parks during the day	66%	24%	4%	2%	0%	4%	100%
In Palo Alto's parks after dark	7%	28%	19%	20%	8%	18%	100%

Question 7: During the past twelve months, were you or anyone in your household the victim of any crime?

	No	Yes	Don't know	Total
During the past twelve months, were you or anyone in your household the victim of any crime?	89%	10%	1%	100%

Question 8: If yes, was this crime (these crimes) reported to the police?

	No	Yes	Don't know	Total
If yes, was this crime (these crimes) reported to the police?	29%	64%	7%	100%

The City of Palo Alto Citizen Survey

Appendix A: Survey Frequencies

Question 9: In the last 12 months, about how many times, if ever, have you or other household members done the following things in the City of Palo Alto?

	Never	Once or twice	3 to 12 times	13 to 26 times	More than 26 times	Total
Used Palo Alto public libraries or their services	21%	21%	32%	11%	14%	100%
Used Palo Alto recreation centers	38%	27%	23%	7%	5%	100%
Participated in a recreation program or activity	48%	25%	20%	3%	4%	100%
Visited a Palo Alto park	7%	19%	34%	16%	24%	100%
Ridden a local bus within Palo Alto	66%	20%	9%	3%	3%	100%
Attended a meeting of local elected officials or other local public meeting	70%	21%	7%	1%	0%	100%
Watched a meeting of local elected officials or other local public meeting on cable television	71%	19%	8%	1%	1%	100%
Recycled used paper, cans or bottles from your home	2%	2%	5%	11%	81%	100%
Volunteered your time to some group/activity in Palo Alto	48%	21%	11%	7%	13%	100%
Read Palo Alto "City Pages" Newsletter	37%	28%	23%	5%	7%	100%
Used the Internet for anything	10%	2%	3%	3%	83%	100%
Used the Internet to conduct business with Palo Alto	48%	21%	15%	3%	13%	100%
Purchased an item over the Internet	18%	10%	27%	12%	33%	100%

Question 10: How do you rate the quality of each of the following services in Palo Alto?

	Excellent	Good	Fair	Poor	Don't know	Total
Police services	37%	39%	9%	3%	12%	100%
Fire services	41%	29%	4%	0%	25%	100%
Ambulance/emergency medical services	33%	25%	3%	0%	39%	100%
Crime prevention	20%	44%	9%	1%	25%	100%
Fire prevention and education	20%	32%	10%	1%	36%	100%
Traffic enforcement	17%	38%	22%	9%	13%	100%
Garbage collection	54%	37%	6%	2%	1%	100%
Recycling	59%	31%	7%	1%	2%	100%
Yard waste pick-up	47%	26%	6%	2%	20%	100%
Street repair	10%	36%	32%	17%	4%	100%
Street cleaning	20%	51%	21%	5%	2%	100%
Street lighting	15%	47%	27%	9%	2%	100%
Sidewalk maintenance	11%	38%	32%	15%	4%	100%
Traffic signal timing	9%	37%	34%	16%	4%	100%
Amount of public parking	13%	41%	31%	11%	4%	100%
Storm drainage	10%	41%	26%	8%	16%	100%
Drinking water	35%	42%	14%	5%	5%	100%
Sewer services	24%	45%	14%	2%	16%	100%
City parks	42%	47%	8%	0%	3%	100%
Recreation programs or classes	25%	35%	8%	2%	30%	100%
Range/variety of recreation programs and classes	25%	35%	8%	3%	28%	100%
Recreation centers/facilities	20%	38%	14%	2%	27%	100%
Appearance/maintenance of parks	32%	55%	8%	2%	3%	100%
Appearance of recreation centers/facilities	18%	44%	14%	2%	23%	100%
Land use, planning and zoning	7%	28%	28%	14%	23%	100%
Code enforcement (weeds, abandoned buildings, etc)	8%	33%	22%	10%	26%	100%
Animal control	14%	43%	11%	4%	28%	100%
Economic development	7%	29%	20%	9%	34%	100%
Services to seniors	13%	23%	8%	2%	54%	100%
Services to youth	8%	27%	13%	4%	49%	100%
Services to low-income people	5%	12%	10%	12%	61%	100%

The City of Palo Alto Citizen Survey

Appendix A: Survey Frequencies

Question 10: How do you rate the quality of each of the following services in Palo Alto?

	Excellent	Good	Fair	Poor	Don't know	Total
Public library services	27%	41%	12%	4%	15%	100%
Variety of library materials	22%	39%	17%	4%	18%	100%
Public information services	15%	42%	17%	2%	24%	100%
Electric/gas utility	17%	47%	21%	8%	7%	100%
Street tree maintenance	30%	49%	15%	3%	3%	100%
Your neighborhood park	35%	51%	9%	2%	4%	100%
Neighborhood branch libraries	25%	38%	12%	6%	19%	100%

Question 11: Overall, how would you rate the quality of the services provided by...

	Excellent	Good	Fair	Poor	Don't know	Total
The City of Palo Alto	25%	60%	11%	1%	3%	100%
The Federal Government	4%	22%	35%	19%	21%	100%
The State Government	2%	23%	37%	17%	20%	100%

Question 12: Have you had any in-person or phone contact with an employee of the City of Palo Alto within the last 12 months?

	No	Yes	Total
Have you had any in-person or phone contact with an employee of the City of Palo Alto within the last 12 months?	44%	56%	100%

Question 13: What was your impression of the employees of the City of Palo Alto in your most recent contact?

	Excellent	Good	Fair	Poor	Don't know	Total
Knowledge	34%	48%	14%	2%	1%	100%
Responsiveness	36%	41%	17%	6%	1%	100%
Courtesy	45%	37%	12%	5%	1%	100%
Overall Impression	35%	44%	14%	7%	0%	100%

The City of Palo Alto Citizen Survey

Appendix A: Survey Frequencies

Question 14: Please rate your agreement or disagreement with the following statements:

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know	Total
I receive good value for the City of Palo Alto taxes I pay	20%	45%	13%	10%	5%	8%	100%
I am pleased with the overall direction that the City of Palo Alto is taking	14%	35%	23%	14%	5%	8%	100%
The City of Palo Alto government welcomes citizen involvement	16%	30%	22%	8%	1%	23%	100%
The City of Palo Alto government listens to citizens	11%	26%	24%	12%	2%	24%	100%

Question 15: What impact, if any, do you think the economy will have on your family income in the next 6 months?

	Very positive	Somewhat positive	Neutral	Somewhat negative	Very negative	Total
What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be:	4%	16%	50%	27%	4%	100%

Question 16a: Policy Question 1

	No	Yes	Don't know	Total
During the past twelve months, did you or anyone in your household have contact with the Palo Alto Police Department?	64%	36%	0%	100%

Question 16b: Policy Question 2

	Excellent	Good	Fair	Poor	Don't know	Total
If yes, how do you rate the quality of your contact with the Palo Alto Police Department?	43%	34%	11%	11%	1%	100%

Question 17: Do you live within the City limits of the City of Palo Alto?

	No	Yes	Total
Do you live within the limits of the City of Palo Alto?	3%	97%	100%

Question 18: Employment Status

	No	Yes	Total
Are you currently employed?	29%	71%	100%

Question 18a: Usual Mode of Transportation to Work

What one method of transportation do you usually use (for the longest distance of your commute) to travel to work?

Motorized vehicle	77%
Bus, Rail, Subway, or other public transportation	4%
Walk	3%
Work at home	6%
Other	9%
Total	100%

Question 18b: Drive Alone or Carpool

	No	Yes	Total
If you checked the motorized vehicle (e.g. car, truck, van, motorcycle, etc.) box in 18a, do other people usually ride with you to or from work?	91%	9%	100%

Usual Mode of Transportation to Work, Including Carpooling

	Usual mode of transportation to work
Motorized vehicle, no others (SOV)	70%
Motorized vehicle, with others (MOV)	7%
Bus, rail, subway, or other public transportation	4%
Walk	3%
Work at home	6%
Other	9%
Total	100%

Question 19: Length of Residency

How many years have you lived in Palo Alto?

Less than 2 years	17%
2 to 5 years	19%
6 to 10 years	14%
11 to 20 years	19%
More than 20 years	31%
Total	100%

Question 20: Type of Housing Unit

Which best describes the building you live in?

One family house detached from any other houses	57%
One family house attached to one or more houses	6%
Building with two or more apartments or condominiums	35%
Mobile home	0%
Other	1%
Total	100%

Question 21: Tenure Status

	Rented for cash or occupied without cash payment?	Owned by you or someone in this house	Total
Is this house, apartment, or mobile home...	43%	57%	100%

Questions 22 to 25: Household Characteristics

	No	Yes	Total
Do any children age 12 or under live in your household?	74%	26%	100%
Do any teenagers ages 13 through 17 live in your household?	84%	16%	100%
Are you or any other members of your household aged 65 or older?	77%	23%	100%
Does any member of your household have a physical handicap or is anyone disabled?	91%	9%	100%

Question 26: Education

What is the highest degree or level of school you have completed?

12th Grade or less, no diploma	1%
High school diploma	3%
Some college, no degree	9%
Associate's degree (e.g. AA, AS)	3%
Bachelor's degree (e.g. BA, AB, BS)	27%
Graduate degree or professional degree	58%
Total	100%

Question 27: Annual Household Income

How much do you anticipate your household's total income before taxes will be for the current year?

Less than \$24,999	7%
\$25,000 to \$49,999	16%
\$50,000 to \$99,999	25%
\$100,000 or more	52%
Total	100%

Question 28: Ethnicity

	No	Yes	Total
Are you Spanish/Hispanic/Latino?	98%	2%	100%

Question 29: Race

What is your race?	Percent of Respondents
American Indian or Alaskan native	1%
Asian or Pacific Islander	19%
Black, African American	1%
White/Caucasian	77%
Other	5%
Total may exceed 100% as respondents could select more than one category.	

The City of Palo Alto Citizen Survey

Appendix A: Survey Frequencies

Question 30: Age

In which category is your age?

18 to 24 years	6%
25 to 34 years	18%
35 to 44 years	18%
45 to 54 years	24%
55 to 64 years	14%
65 to 74 years	8%
75 years or older	12%
Total	100%

Question 31: Gender

	Female	Male	Total
What is your gender?	53%	47%	100%

Questions 32 to 34: Voter Status and Activity

	No	Yes	Don't know	Total
Are you registered to vote in your jurisdiction?	19%	80%	1%	100%
Did you vote in the last election?	20%	79%	1%	100%
Are you likely to vote in the next election?	13%	83%	5%	100%

APPENDIX B: SURVEY METHODOLOGY

The National Citizen Survey™ was developed to provide local jurisdictions an accurate, affordable and easy way to assess and interpret resident opinion about important community issues. While standardization of question wording and survey methods provide the rigor to assure valid results, each jurisdiction has enough flexibility to construct a customized version of The National Citizen Survey™ that asks residents about key local services and important local issues.

Results offer insight into residents' perspectives about local government performance and as such provide important benchmarks for jurisdictions working on performance measurement. The National Citizen Survey™ is designed to help with budget, land use and strategic planning as well as to communicate with local residents. The National Citizen Survey™ permits questions to test support for local policies and answers to its questions also speak to community trust and involvement in community-building activities as well as to resident demographic characteristics.

The methods detailed in the following section are for the 2005 administration of The NCS in the City of Palo Alto. Information about the implementation in previous years can be found in past reports.

Sampling

Approximately 1,200 households were selected to participate in the survey using a stratified systematic sampling method.³ An individual within each household was selected using the birthday method.⁴

Survey Administration

Selected households received three mailings, one week apart, beginning September 12, 2005. The first mailing was a prenotification postcard announcing the upcoming survey. The next mailing contained a letter from the City Auditor inviting the household to participate, a questionnaire and postage-paid return envelope. The final mailing contained a reminder letter and another survey and postage-paid return envelope. Completed surveys were collected over the following five weeks.

³ Systematic sampling is a method that closely approximates random sampling by selecting every Nth address until the desired number of households is chosen.

⁴ The birthday method is a process to remove bias in the selection of a person within the household by asking the "person whose birthday has most recently passed" to complete the questionnaire. The underlying assumption in this method is that day of birth has no relationship to the way people respond to surveys but leaving selection of respondent to household members will lead to bias.

Response Rate and Confidence Intervals

Of the 1,180 eligible households, 508 completed the survey providing a response rate of 43%. Approximately 20 addresses sampled were “vacant” or “not found.”⁵ In general, the response rates obtained on citizen surveys range from 25% to 40%. The sample of households was selected systematically and impartially from a list of residences in the United States maintained by the U.S. postal service and sold to NRC through an independent vendor. For each household, one adult, selected in an unbiased fashion, was asked to complete the survey.

In theory, in 95 cases out of 100, the results based on such samples will differ by no more than 5 percentage points in either direction from what would have been obtained had responses been collected from all Palo Alto adults. This difference is also called a “margin of error.”⁶ This difference from the presumed population finding is referred to as the sampling error. For subgroups of responses, the margin of sampling error is larger. In addition to sampling error, the practical difficulties of conducting any survey of the public may introduce other sources of error. For example, the failure of some of the selected adults to participate in the sample or the difficulty of including all sectors of the population, such as residents of some institutions or group residences, may lead to somewhat different results.

Weighting and Analyzing the Data

The surveys were analyzed using the SPSS statistical package. Frequency distributions and average (mean) ratings are presented in the body of the report.

The demographic characteristics of the sample were compared to those of the City of Palo Alto as reflected in the information sent by staff to National Research Center, Inc. When necessary, survey results were statistically adjusted to reflect the known population profile.

Generally, only two variables are used in a weighting scheme. Known population characteristics are compared to the characteristics of survey respondents. Generally, characteristics chosen as weighting variables are selected because they are not in proportion to what is shown in a jurisdiction’s demographic profile and because differences in opinion are observed between subgroups of these characteristics. The socioeconomic characteristics that were used to weight the survey results were tenure and gender/age. Other discrepancies between the whole population and the sample were also aided by the weighting due to the intercorrelation of many socioeconomic characteristics, although the percentages are not always identical in the sample compared to the

⁵ “Eligible” households refer to addresses that belong to residences that are not vacant within the City of Palo Alto.

⁶ The margin of error was calculated using the following formula: $1.96 * \text{square root}(0.25/400)$. This margin of error is calculated in the most conservative way. The standard error was assumed to be the greatest for a binomial distribution: 50%/50%.

population norms. The results of the weighting scheme are presented in the table on the following page.

Weighting Scheme for the City of Palo Alto Citizen Survey

Respondent Characteristics	Population Norm⁷	Unweighted Survey Data	Weighted Survey Data
Tenure			
Rent Home	43%	30%	43%
Own Home	57%	70%	57%
Type of Housing Unit			
Single-Family Detached	59%	66%	58%
Attached	41%	34%	42%
Ethnicity			
Non-Hispanic	95%	99%	98%
Hispanic	5%	1%	2%
Race			
White/Caucasian	76%	77%	76%
Non-White	24%	23%	24%
Gender			
Female	52%	55%	53%
Male	48%	45%	47%
Age			
18-34	25%	11%	25%
35-54	43%	41%	42%
55+	32%	48%	33%
Gender and Age			
Females 18-34	12%	6%	12%
Females 35-54	22%	22%	22%
Females 55+	18%	28%	19%
Males 18-34	13%	5%	13%
Males 35-54	21%	20%	20%
Males 55+	14%	20%	14%

⁷ Source: 2000 Census

APPENDIX C: SURVEY MATERIALS

The following pages contain copies of the survey materials sent to randomly selected households within the City of Palo Alto. All households selected for inclusion in the study were first sent a prenotification postcard informing them that they would be receiving a questionnaire within the following week. A week later, a cover letter and survey were sent, with a postage paid return envelope. Two weeks later a second cover letter and survey were sent. The second cover letter asked that those who had responded not do so again, while urging those who had not yet returned their surveys to please do so.

THE CITY OF PALO ALTO 2005 CITIZEN SURVEY

Please complete this questionnaire if you are the adult (age 18 or older) in the household who most recently had a birthday. The adult's year of birth does not matter. Please circle the response that most closely represents your opinion for each question. Your responses are anonymous and will be reported in group form only.

1. Please circle the number that comes closest to your opinion for each of the following questions:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
How do you rate Palo Alto as a place to live?	1	2	3	4	5
How do you rate your neighborhood as a place to live?	1	2	3	4	5
How do you rate Palo Alto as a place to raise children?	1	2	3	4	5
How do you rate Palo Alto as a place to work?	1	2	3	4	5
How do you rate Palo Alto as a place to retire?	1	2	3	4	5
How do you rate the overall quality of life in Palo Alto?	1	2	3	4	5

2. Please rate each of the following characteristics as they relate to Palo Alto as a whole:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
Sense of community	1	2	3	4	5
Openness and acceptance of the community towards people of diverse backgrounds	1	2	3	4	5
Overall appearance of Palo Alto	1	2	3	4	5
Opportunities to attend cultural activities	1	2	3	4	5
Shopping opportunities	1	2	3	4	5
Job opportunities	1	2	3	4	5
Access to affordable quality housing	1	2	3	4	5
Access to affordable quality child care	1	2	3	4	5
Ease of car travel in Palo Alto	1	2	3	4	5
Ease of bus travel in Palo Alto	1	2	3	4	5
Ease of rail travel in Palo Alto	1	2	3	4	5
Ease of bicycle travel in Palo Alto	1	2	3	4	5
Ease of walking in Palo Alto	1	2	3	4	5
Overall quality of new development in Palo Alto	1	2	3	4	5

3. Please rate the speed of growth in the following categories in Palo Alto over the past 2 years:

	<u>Much too slow</u>	<u>Somewhat too slow</u>	<u>Right amount</u>	<u>Somewhat too fast</u>	<u>Much too fast</u>	<u>Don't know</u>
Population growth	1	2	3	4	5	6
Retail growth (stores, restaurants etc.)	1	2	3	4	5	6
Jobs growth	1	2	3	4	5	6

4. To what degree, if at all, are the following problems in Palo Alto:

	Not a problem	Minor problem	Moderate problem	Major problem	Don't know
Crime	1	2	3	4	5
Drugs	1	2	3	4	5
Too much growth	1	2	3	4	5
Lack of growth	1	2	3	4	5
Graffiti	1	2	3	4	5
Noise	1	2	3	4	5
Run down buildings, weed lots, or junk vehicles	1	2	3	4	5
Taxes	1	2	3	4	5
Traffic congestion	1	2	3	4	5
Unsupervised youth	1	2	3	4	5
Homelessness	1	2	3	4	5

5. Please rate how safe you feel from the following occurring to you in Palo Alto:

	Very safe	Somewhat safe	Neither safe nor unsafe	Somewhat unsafe	Very unsafe	Don't know
Violent crime (e.g., rape, assault, robbery)	1	2	3	4	5	6
Property crimes (e.g., burglary, theft)	1	2	3	4	5	6
Fire	1	2	3	4	5	6

6. Please rate how safe you feel:

	Very safe	Somewhat safe	Neither safe nor unsafe	Somewhat unsafe	Very unsafe	Don't know
In your neighborhood during the day	1	2	3	4	5	6
In your neighborhood after dark	1	2	3	4	5	6
In Palo Alto's downtown area during the day	1	2	3	4	5	6
In Palo Alto's downtown area after dark	1	2	3	4	5	6
In Palo Alto's parks during the day	1	2	3	4	5	6
In Palo Alto's parks after dark	1	2	3	4	5	6

7. During the past twelve months, were you or anyone in your household the victim of any crime?

- No → Go to question #9 Yes → Go to question #8 Don't know

8. If yes, was this crime (these crimes) reported to the police?

- No Yes Don't know

9. In the last 12 months, about how many times, if ever, have you or other household members participated in the following activities in Palo Alto?

	Never	Once or twice	3 to 12 times	13 to 26 times	More than 26 times
Used Palo Alto public libraries or their services	1	2	3	4	5
Used Palo Alto recreation centers	1	2	3	4	5
Participated in a recreation program or activity	1	2	3	4	5
Visited a neighborhood or City park	1	2	3	4	5
Ridden a local bus within Palo Alto	1	2	3	4	5
Attended a meeting of local elected officials or other local public meeting	1	2	3	4	5
Watched a meeting of local elected officials or other local public meeting on cable television	1	2	3	4	5
Recycled used paper, cans or bottles from your home	1	2	3	4	5
Volunteered your time to some group/activity in Palo Alto	1	2	3	4	5
Read "City Pages" Newsletter	1	2	3	4	5
Used the Internet for anything	1	2	3	4	5
Used the Internet to conduct business with Palo Alto	1	2	3	4	5
Purchased an item over the Internet	1	2	3	4	5

10. How do you rate the quality of each of the following services in Palo Alto?

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
Police services.....	1	2	3	4	5
Fire services	1	2	3	4	5
Ambulance/emergency medical services	1	2	3	4	5
Crime prevention	1	2	3	4	5
Fire prevention and education	1	2	3	4	5
Traffic enforcement.....	1	2	3	4	5
Garbage collection.....	1	2	3	4	5
Recycling	1	2	3	4	5
Yard waste pick-up	1	2	3	4	5
Street repair	1	2	3	4	5
Street cleaning.....	1	2	3	4	5
Street lighting.....	1	2	3	4	5
Sidewalk maintenance.....	1	2	3	4	5
Traffic signal timing.....	1	2	3	4	5
Amount of public parking	1	2	3	4	5
Storm drainage	1	2	3	4	5
Drinking water.....	1	2	3	4	5
Sewer services	1	2	3	4	5
City parks.....	1	2	3	4	5
Recreation programs or classes.....	1	2	3	4	5
Range/variety of recreation programs and classes.....	1	2	3	4	5
Recreation centers/facilities.....	1	2	3	4	5
Appearance/maintenance of parks.....	1	2	3	4	5
Appearance of recreation centers/facilities	1	2	3	4	5
Land use, planning and zoning	1	2	3	4	5
Code enforcement (weeds, abandoned buildings, etc)	1	2	3	4	5
Animal control	1	2	3	4	5
Economic development	1	2	3	4	5
Services to seniors	1	2	3	4	5
Services to youth	1	2	3	4	5
Services to low-income people.....	1	2	3	4	5
Public library services	1	2	3	4	5
Variety of library materials.....	1	2	3	4	5
Public information services.....	1	2	3	4	5
Street tree maintenance	1	2	3	4	5
Electric/gas utility	1	2	3	4	5
Your neighborhood park	1	2	3	4	5
Neighborhood branch libraries	1	2	3	4	5

11. Overall, how would you rate the quality of the services provided by...

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
The City of Palo Alto?	1	2	3	4	5
The Federal Government?	1	2	3	4	5
The State Government?	1	2	3	4	5

12. Have you had any in-person or phone contact with an employee of the City of Palo Alto within the last 12 months (including police, receptionists, planners or any others)?

No → Go to question #14 Yes → Go to question #13

13. What was your impression of employees of the City of Palo Alto in your most recent contact? (Rate each characteristic below.)

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
Knowledge	1	2	3	4	5
Responsiveness.....	1	2	3	4	5
Courtesy	1	2	3	4	5
Overall impression	1	2	3	4	5

14. Please rate the following statements by circling the number that most clearly represents your opinion:

	Strongly <u>agree</u>	Somewhat <u>agree</u>	Neither agree <u>nor disagree</u>	Somewhat <u>disagree</u>	Strongly <u>disagree</u>	Don't <u>know</u>
I receive good value for the City of Palo Alto taxes I pay	1	2	3	4	5	6
I am pleased with the overall direction that the City of Palo Alto is taking.....	1	2	3	4	5	6
The City of Palo Alto government welcomes citizen involvement	1	2	3	4	5	6
The City of Palo Alto government listens to citizens	1	2	3	4	5	6

15. What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be:

- Very positive
 Somewhat positive
 Neutral
 Somewhat negative
 Very negative

16a. During the past twelve months, did you or anyone in your household have contact with the Palo Alto Police Department?

- No → Go to question #17
 Yes → Go to question #16b
 Don't know

16b. If yes, how do you rate the quality of your contact with the Palo Alto Police Department?

- Excellent
 Good
 Fair
 Poor
 Don't know

Our last questions are about you and your household. Again, all of your responses to this survey are completely anonymous and will be reported in group form only.

17. Do you live within the City limits of the City of Palo Alto?

- No Yes

18. Are you currently employed?

- No → Go to question #19
 Yes → Go to question #18a

18a. What one method of transportation do you usually use (for the longest distance of your commute) to travel to work?

- Motorized vehicle (e.g. car, truck, van, motorcycle etc...)
 Bus, Rail, Subway, or other public transportation
 Walk
 Work at home
 Other

18b. If you checked the motorized vehicle (e.g. car, truck, van, motorcycle, etc.) box in 18a, do other people (adults or children) usually ride with you to or from work?

- No Yes

19. How many years have you lived in Palo Alto?

- Less than 2 years 11-20 years
 2-5 years More than 20 years
 6-10 years

20. Which best describes the building you live in?

- One family house detached from any other houses
 House attached to one or more houses (e.g., a duplex or townhome)
 Building with two or more apartments or condominiums
 Mobile home
 Other

21. Is this house, apartment, or mobile home...

- Rented for cash or occupied without cash payment?
 Owned by you or someone in this house with a mortgage or free and clear?

22. Do any children 12 or under live in your household?

- No Yes

23. Do any teenagers aged between 13 and 17 live in your household?

- No Yes

24. Are you or any other members of your household aged 65 or older?

- No Yes

25. Does any member of your household have a physical handicap or is anyone disabled?

- No Yes

26. What is the highest degree or level of school you have completed? (mark one box)

- 12th Grade or less, no diploma
 High school diploma
 Some college, no degree
 Associate's degree (e.g. AA, AS)
 Bachelor's degree (e.g. BA, AB, BS)
 Graduate degree or professional degree

27. How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.)

- Less than \$24,999
 \$25,000 to \$49,999
 \$50,000 to \$99,999
 \$100,000 or more

28. Are you Spanish/Hispanic/Latino?

- No Yes

29. What is your race? (Mark one or more races to indicate what race you consider yourself to be)

- American Indian or Alaskan native
 Asian or Pacific Islander
 Black, African American
 White/Caucasian
 Other

30. In which category is your age?

- 18-24 years 55-64 years
 25-34 years 65-74 years
 35-44 years 75 years or older
 45-54 years

31. What is your sex?

- Female Male

32. Are you registered to vote in your jurisdiction?

- No Yes Don't know

33. Did you vote in the last election?

- No Yes Don't know

34. Are you likely to vote in the next election?

- No Yes Don't know

**Thank you for completing this survey. Please return the completed survey in the postage paid envelope to:
National Research Center, Inc., 3005 30th St., Boulder, CO 80301**

City of Palo Alto

Office of the City Auditor

September 2005

Dear Palo Alto Resident:

The City of Palo Alto wants to know what you think about our community and municipal government. You have been randomly selected to participate in Palo Alto's 2005 Citizen Survey.

Please take a few minutes to fill out the enclosed Citizen Survey. Your answers will help the City Council make decisions that affect our community. You should find the questions interesting and we will definitely find your answers useful. Please participate!

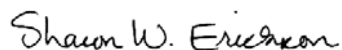
To get a representative sample of Palo Alto residents, the adult (anyone 18 years or older) in your household who most recently had a birthday should complete this survey. Year of birth of the adult does not matter.

Please have the appropriate member of the household spend a few minutes to answer all the questions and return the survey in the enclosed postage-paid envelope. **Your responses will remain completely anonymous.**

Your participation in this survey is very important – especially since your household is one of only a small number of households being surveyed. If you have any questions about the Citizen Survey please call 650.329.2667.

Please help us shape the future of Palo Alto. Thank you for your time and participation.

Sincerely,



Sharon W. Erickson
City Auditor

P.O. Box 10250
Palo Alto, CA 94303
650.329.2667
650.329.2297 fax

City of Palo Alto

Office of the City Auditor

September 2005

Dear Palo Alto Resident:

About one week ago, you should have received a copy of the enclosed survey. **If you completed it and sent it back, we thank you for your time and ask you to discard this survey. Please do not respond twice.** If you have not had a chance to complete the survey, we would appreciate your response. The City of Palo Alto wants to know what you think about our community and municipal government. You have been randomly selected to participate in the City of Palo Alto Citizen Survey.

Please take a few minutes to fill out the enclosed Citizen Survey. Your answers will help the City Council make decisions that affect our community. You should find the questions interesting and we will definitely find your answers useful. Please participate!

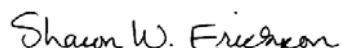
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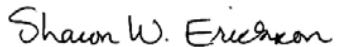
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Palo Alto, CA 94303

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Dear City of Palo Alto Resident,

Your household has been selected at random to participate in an anonymous citizen survey about the City of Palo Alto. You will receive a copy of the survey next week in the mail with instructions for completing and returning it. Thank you in advance for helping us with this important project!

Sincerely,

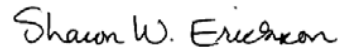


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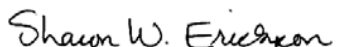


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P.O. Box 10250
Palo Alto, CA 94303

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Boulder, CO
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The City of Palo Alto, California

Report of Normative Comparisons 2005



National Research Center, Inc.

3005 30th St. • Boulder, CO 80301 • T: (303) 444-7863 • F: (303) 444-1145 • www.n-r-c.com

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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 survey and its administration are standardized to assure high quality survey methods and 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 re-weighted to reflect the proper demographic composition of the entire community.

The National Citizen Survey™ customized for this jurisdiction was developed in close cooperation with local jurisdiction staff. The City of Palo Alto staff selected items from a menu of questions about services and community problems; they defined the jurisdiction boundaries NRC used for sampling; and they provided the appropriate letterhead and signatures for mailings. City of Palo Alto staff also determined local interest in a variety of add-on options to The National Citizen Survey™ Basic Service.

UNDERSTANDING THE NORMATIVE COMPARISONS

Comparison Data

National Research Center, Inc. has collected citizen surveys conducted in about 400 jurisdictions in the United States. Responses to thousands of survey questions dealing with resident perceptions about the quality of community life and services provided by local government were recorded, analyzed and stored in an electronic database.

The jurisdictions in the database represent a wide geographic and population range as shown in the table below.

Jurisdiction Characteristic	Percent of Jurisdictions
Region	
West Coast ¹	19%
West ²	21%
North Central West ³	8%
North Central East ⁴	13%
South Central ⁵	10%
South ⁶	22%
Northeast West ⁷	4%
Northeast East ⁸	3%
Population	
Less than 40,000	32%
40,000 to 74,999	21%
75,000 to 149,000	20%
150,000 or more	27%

¹ Alaska, Washington, Oregon, California, Hawaii

² Montana, Idaho, Wyoming, Colorado, Utah, Nevada, Arizona, New Mexico

³ North Dakota, South Dakota, Nebraska, Kansas, Iowa, Missouri, Minnesota

⁴ Illinois, Indiana, Ohio, Michigan, Wisconsin

⁵ Oklahoma, Texas, Louisiana, Arkansas

⁶ West Virginia, Virginia, Kentucky, Tennessee, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Maryland, Delaware, Washington DC

⁷ New York, Pennsylvania, New Jersey

⁸ Connecticut, Rhode Island, Massachusetts, New Hampshire, Vermont, Maine

Use of the “Excellent, Good, Fair, Poor” Response Scale

The scale on which respondents are asked to record their opinions about service and community quality is “excellent,” “good,” “fair” or “poor” (EGFP). This scale has important advantages over other scale possibilities (very good to very bad; very satisfied to very dissatisfied; strongly agree to strongly disagree, as examples). EGFP is used by the plurality of jurisdictions conducting citizen surveys across the U.S. The advantage of familiarity is one we did not want to dismiss because elected officials, staff and residents already are acquainted with opinion surveys measured this way. EGFP also has the advantage of offering three positive options, rather than only two, over which a resident can offer an opinion. While symmetrical scales often are the right choice in other measurement tasks, we have found that ratings of almost every local government service in almost every jurisdiction tend, on average, to be positive (that is, above the scale midpoint). Therefore, to permit finer distinctions among positively rated services, EGFP offers three options across which to spread those ratings. EGFP is more neutral because it requires no positive statement of service quality to judge (as agree-disagree scales require) and, finally, EGFP intends to measure absolute quality of service delivery or community quality (unlike satisfaction scales which ignore residents’ perceptions of quality in favor of their report on the acceptability of the level of service offered).

Putting Evaluations onto a 100-Point Scale

Although responses to many of the evaluative questions were made on a 4 point scale with 4 representing the best rating and 1 the worst, many of the results in this summary are reported on a common scale where 0 is the worst possible rating and 100 is the best possible rating. If everyone reported “excellent,” then the result would be 100 on the 100-point scale. Likewise, if all respondents gave a “poor” rating, the result would be 0 on the 100-point scale. If the average rating for quality of life was “good,” then the result would be 67 on a 100-point scale; “fair” would be 33 on the 100-point scale. The 95 percent confidence interval around an average score on the 100-point scale is no greater than plus or minus 5 points based on all respondents.

Interpreting the Results

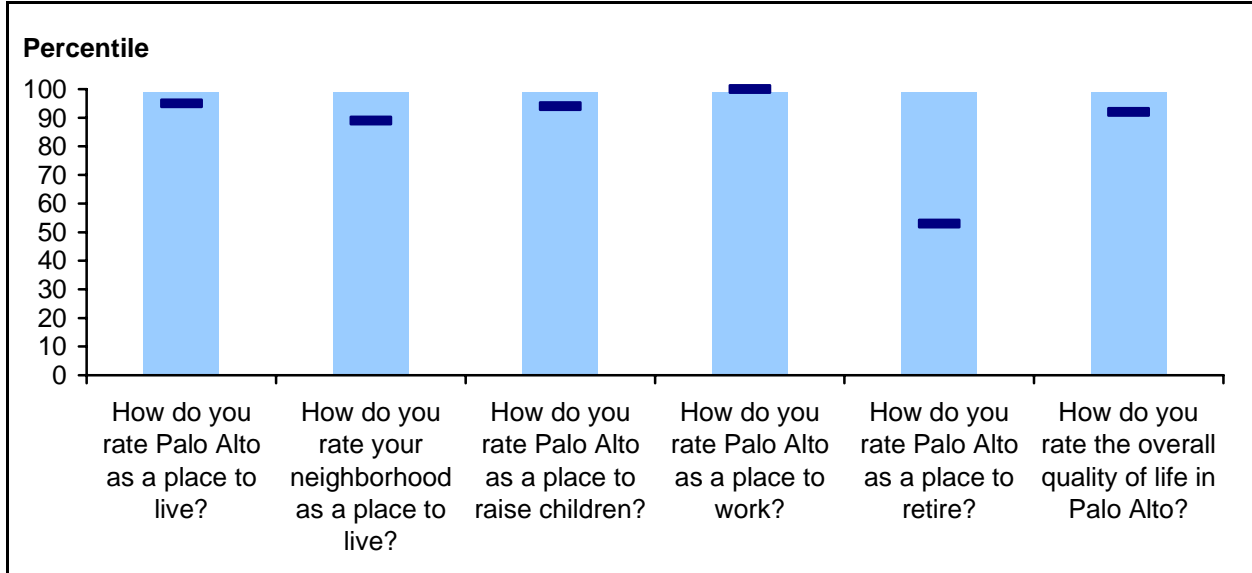
Comparisons are provided when similar questions are included in our database, and there are at least five other jurisdictions in which the question was asked. Where comparisons are available, three numbers are provided in the table. The first is the rank assigned to your jurisdiction's rating among jurisdictions where a similar question was asked. The second is the number of jurisdictions that asked a similar question. Third, the rank is expressed as a percentile to indicate its distance from the top score. This rank (5th highest out of 25 jurisdictions' results, for example) translates to a percentile (the 80th percentile in this example). A percentile indicates the percent of jurisdictions with identical or lower ratings. Therefore, a rating at the 80th percentile would mean that your jurisdiction's rating is equal to or better than 80 percent of the ratings from other jurisdictions. Conversely, 20 percent of the jurisdictions where a similar question was asked had higher ratings.

Alongside the rank and percentile appears a comparison: "above the norm," "below the norm" or "similar to the norm." This evaluation of "above," "below" or "similar to" comes from a statistical comparison of your jurisdiction's rating to the norm (the average rating from all the comparison jurisdictions where a similar question was asked). Differences of 5 or more points on the 100-point scale between your jurisdiction's ratings and the average based on the appropriate comparisons from the database are considered "statistically significant," and thus are marked as "above" or "below" the norm. When differences between your jurisdiction's ratings and the national norms are less than 5 points, they are marked as "similar to" the norm.

The data are represented visually in a chart that accompanies each table. Your jurisdiction's percentile for each compared item is marked with a black line on the chart.

COMPARISONS

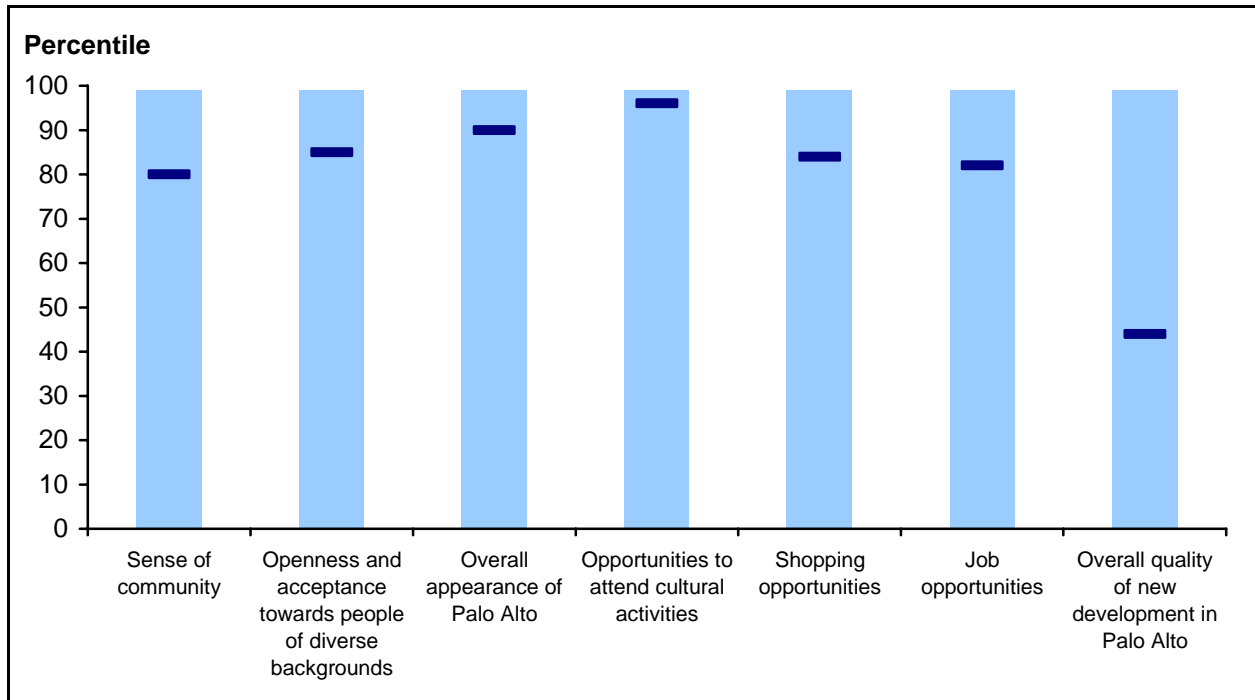
Figure 1: Quality of Life Ratings



Quality of Life Ratings

	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
How do you rate Palo Alto as a place to live?	81	10	176	95%ile	Above the norm
How do you rate your neighborhood as a place to live?	77	11	95	89%ile	Above the norm
How do you rate Palo Alto as a place to raise children?	80	8	116	94%ile	Above the norm
How do you rate Palo Alto as a place to work?	72	1	18	100%ile	Above the norm
How do you rate Palo Alto as a place to retire?	57	48	99	53%ile	Similar to the norm
How do you rate the overall quality of life in Palo Alto?	77	13	154	92%ile	Above the norm

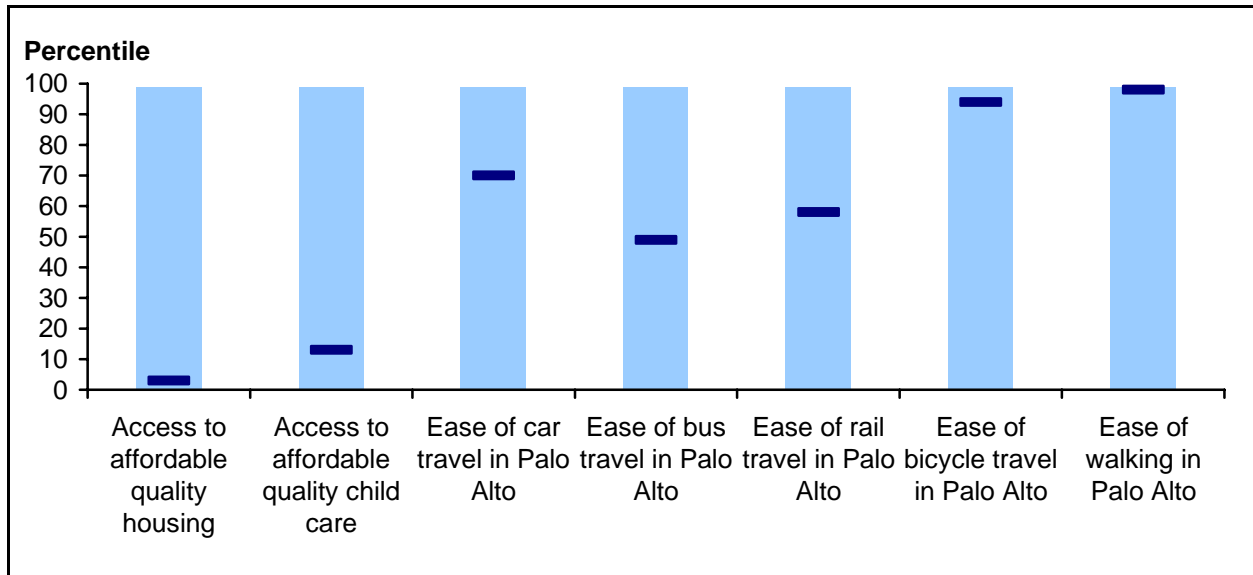
Figure 2: Characteristics of the Community: General and Opportunities



Characteristics of the Community: General and Opportunities

	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Sense of community	61	17	82	80%ile	Above the norm
Openness and acceptance of the community towards people of diverse backgrounds	64	11	67	85%ile	Above the norm
Overall appearance of Palo Alto	72	11	99	90%ile	Above the norm
Opportunities to attend cultural activities	70	5	89	96%ile	Above the norm
Shopping opportunities	70	15	87	84%ile	Above the norm
Job opportunities	48	21	113	82%ile	Above the norm
Overall quality of new development in Palo Alto	51	6	9	44%ile	Similar to the norm

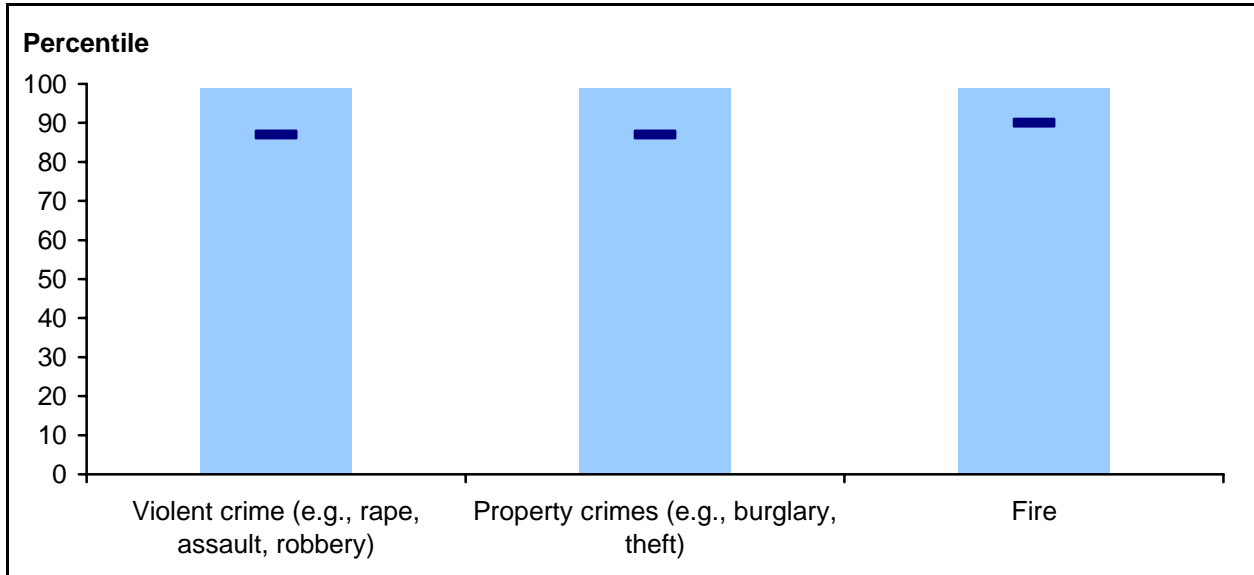
Figure 3: Characteristics of the Community: Access and Mobility



Characteristics of the Community: Access and Mobility

	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Access to affordable quality housing	13	122	125	3%ile	Below the norm
Access to affordable quality child care	33	49	55	13%ile	Below the norm
Ease of car travel in Palo Alto	56	25	80	70%ile	Above the norm
Ease of bus travel in Palo Alto	44	21	39	49%ile	Similar to the norm
Ease of rail travel in Palo Alto	61	6	12	58%ile	Similar to the norm
Ease of bicycle travel in Palo Alto	70	5	71	94%ile	Above the norm
Ease of walking in Palo Alto	74	2	65	98%ile	Above the norm

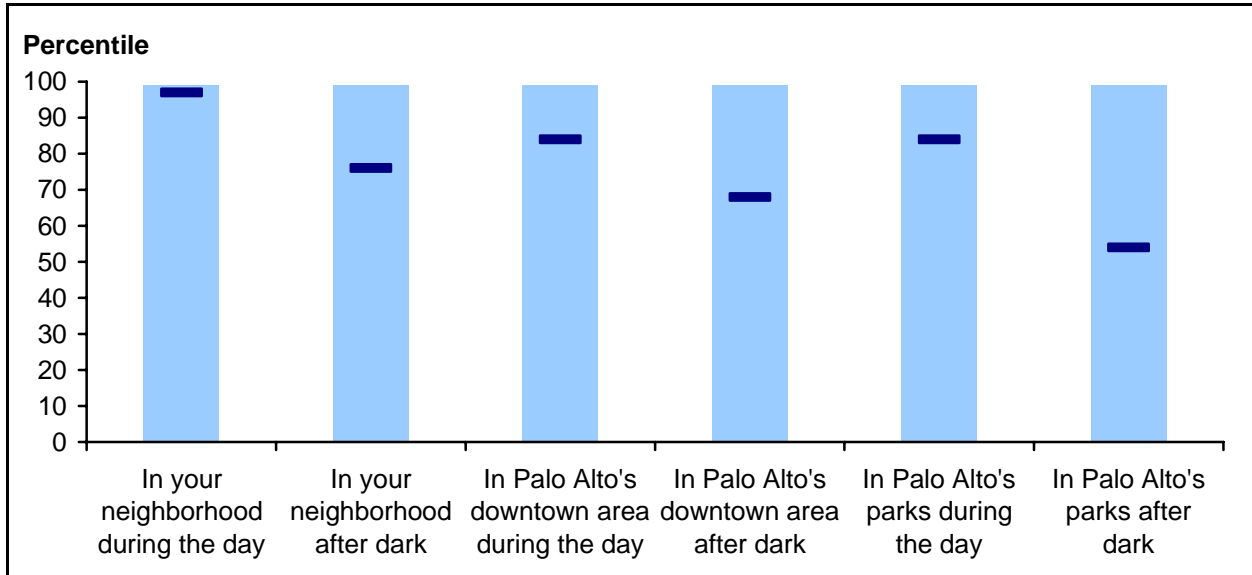
Figure 4: Ratings of Safety from Various Problems



Ratings of Safety From Various Problems

	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Violent crime (e.g., rape, assault, robbery)	82	12	82	87%ile	Above the norm
Property crimes (e.g., burglary, theft)	72	12	83	87%ile	Above the norm
Fire	80	9	81	90%ile	Above the norm

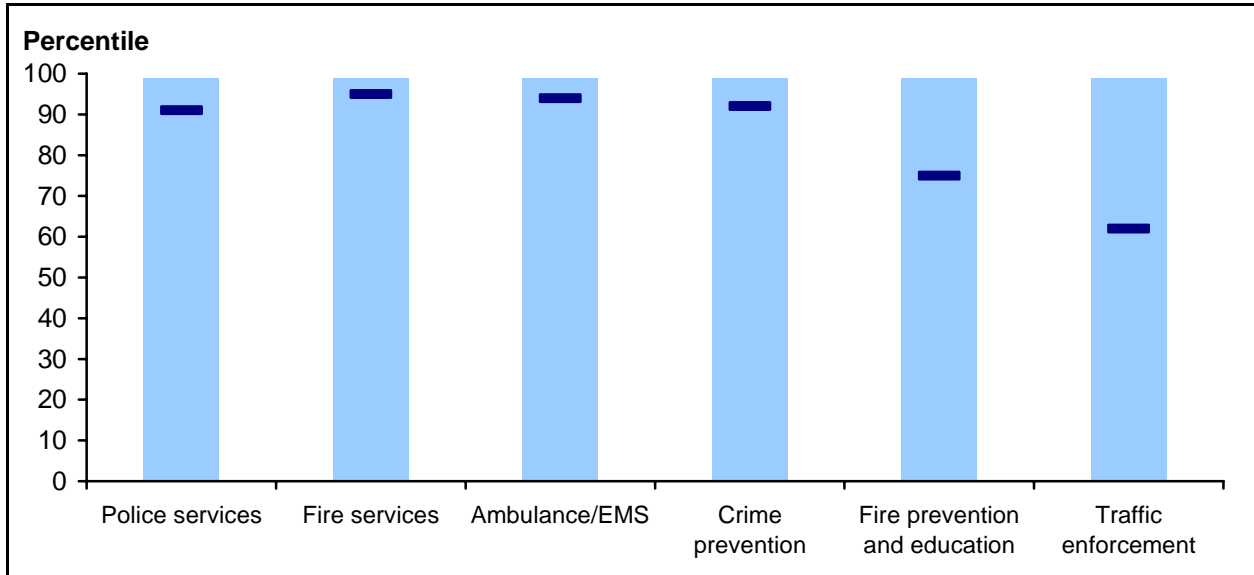
Figure 5: Ratings of Safety in Various Areas



Ratings of Safety in Various Areas

	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
In your neighborhood during the day	95	4	91	97%ile	Above the norm
In your neighborhood after dark	78	30	122	76%ile	Above the norm
In Palo Alto's downtown area during the day	91	14	80	84%ile	Above the norm
In Palo Alto's downtown area after dark	69	33	99	68%ile	Above the norm
In Palo Alto's parks during the day	90	14	82	84%ile	Above the norm
In Palo Alto's parks after dark	52	37	79	54%ile	Similar to the norm

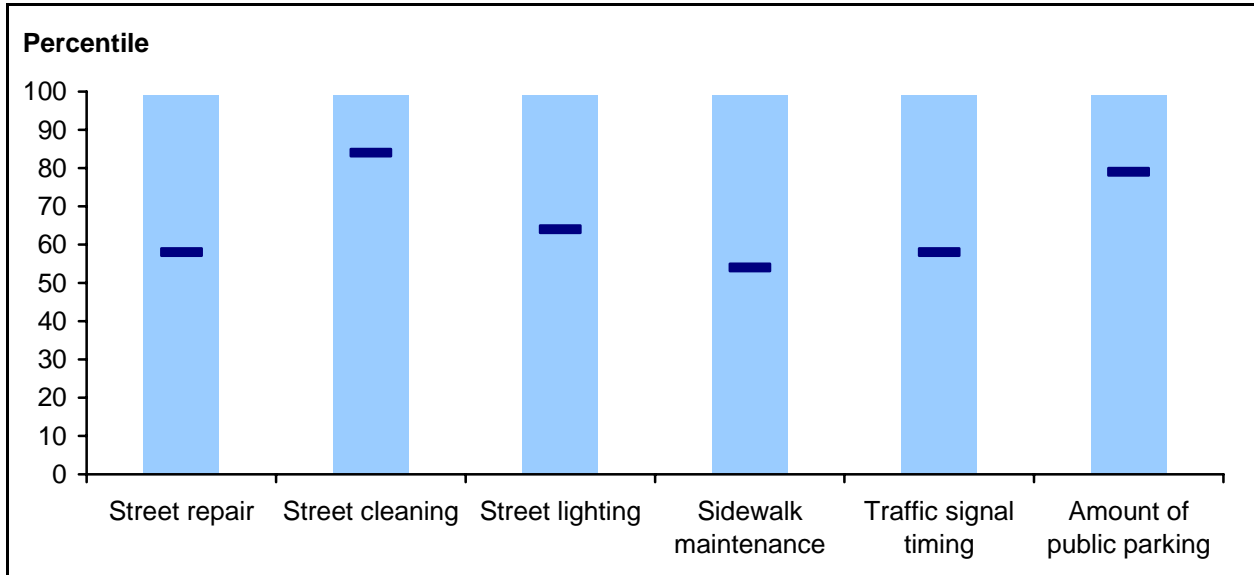
Figure 6: Quality of Public Safety Services



Quality of Public Safety Services

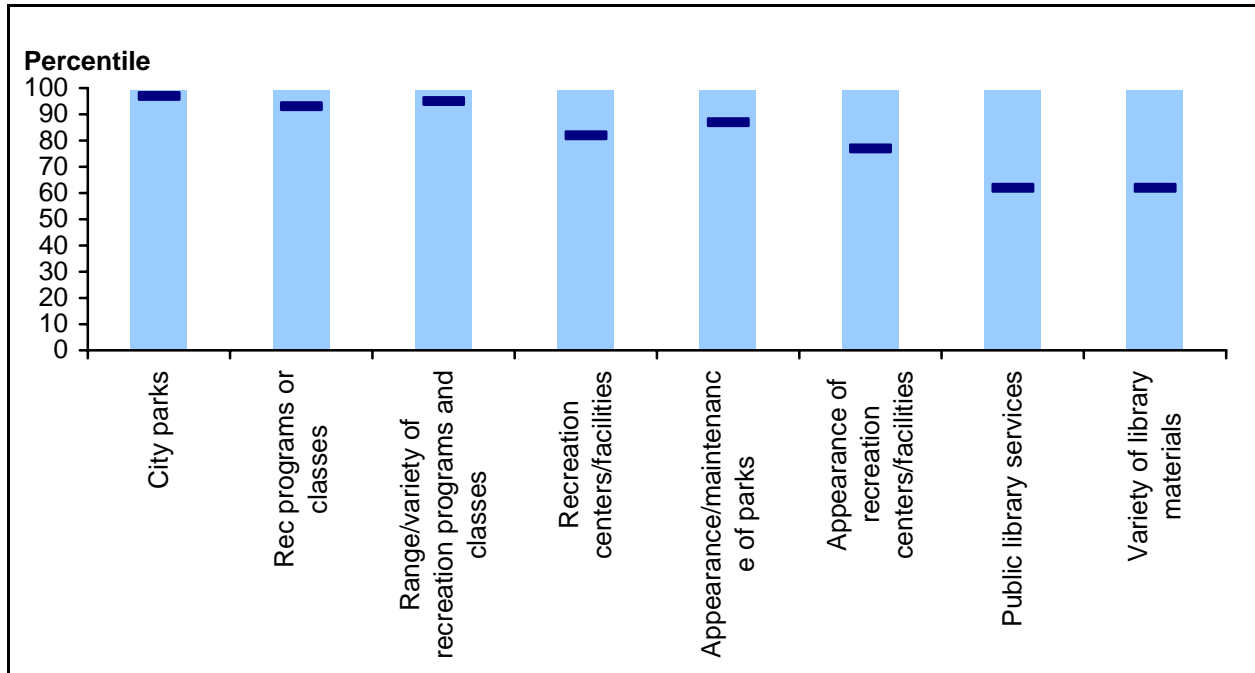
	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Police services	75	24	256	91%ile	Above the norm
Fire services	83	10	192	95%ile	Above the norm
Ambulance/emergency medical services	83	10	151	94%ile	Above the norm
Crime prevention	70	8	89	92%ile	Above the norm
Fire prevention and education	70	20	76	75%ile	Above the norm
Traffic enforcement	57	49	127	62%ile	Similar to the norm

Figure 7: Quality of Transportation Services



Quality of Transportation Services					
	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Street repair	47	80	190	58%ile	Similar to the norm
Street cleaning	63	22	128	84%ile	Above the norm
Street lighting	56	44	119	64%ile	Similar to the norm
Sidewalk maintenance	49	45	95	54%ile	Similar to the norm
Traffic signal timing	47	29	67	58%ile	Similar to the norm
Amount of public parking	53	12	53	79%ile	Above the norm

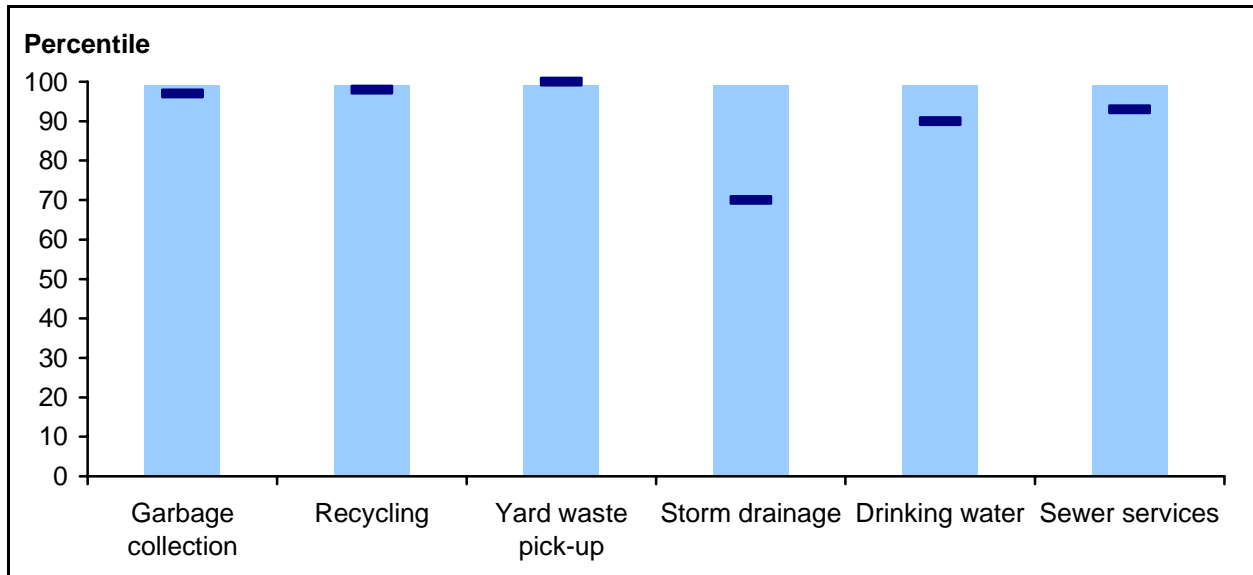
Figure 8: Quality of Leisure Services



Quality of Leisure Services

	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
City parks	78	5	134	97%ile	Above the norm
Recreation programs or classes	73	11	146	93%ile	Above the norm
Range/variety of recreation programs and classes	72	4	57	95%ile	Above the norm
Recreation centers/facilities	68	18	96	82%ile	Above the norm
Appearance/maintenance of parks	74	19	137	87%ile	Above the norm
Appearance of recreation centers/facilities	67	11	44	77%ile	Above the norm
Public library services	69	63	164	62%ile	Similar to the norm
Variety of library materials	66	18	45	62%ile	Similar to the norm

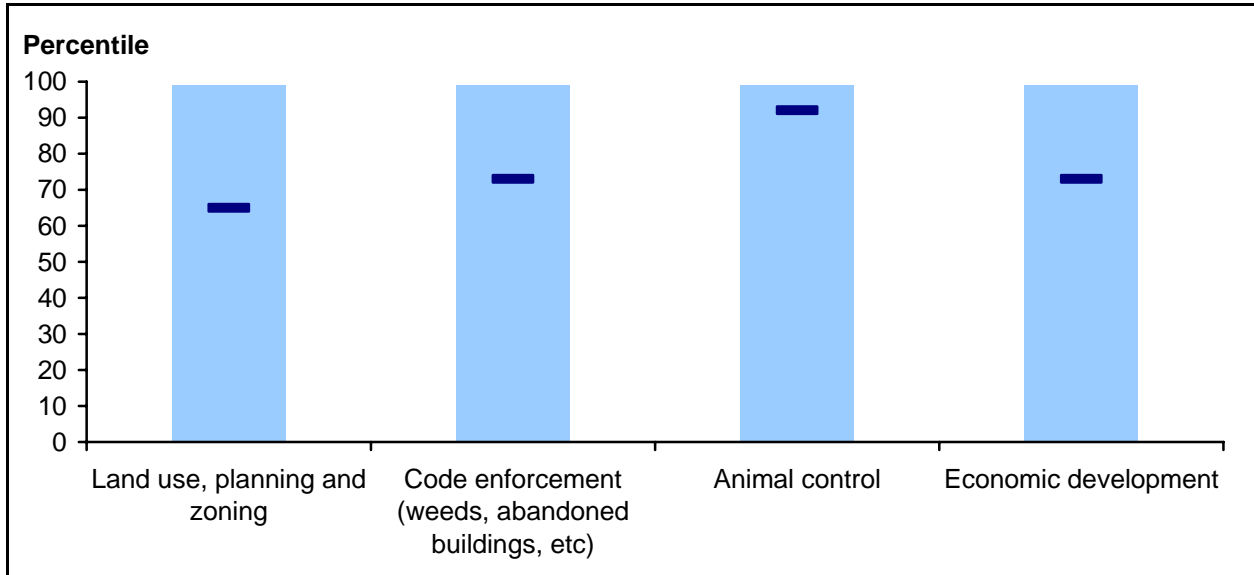
Figure 9: Quality of Utility Services



Quality of Utility Services

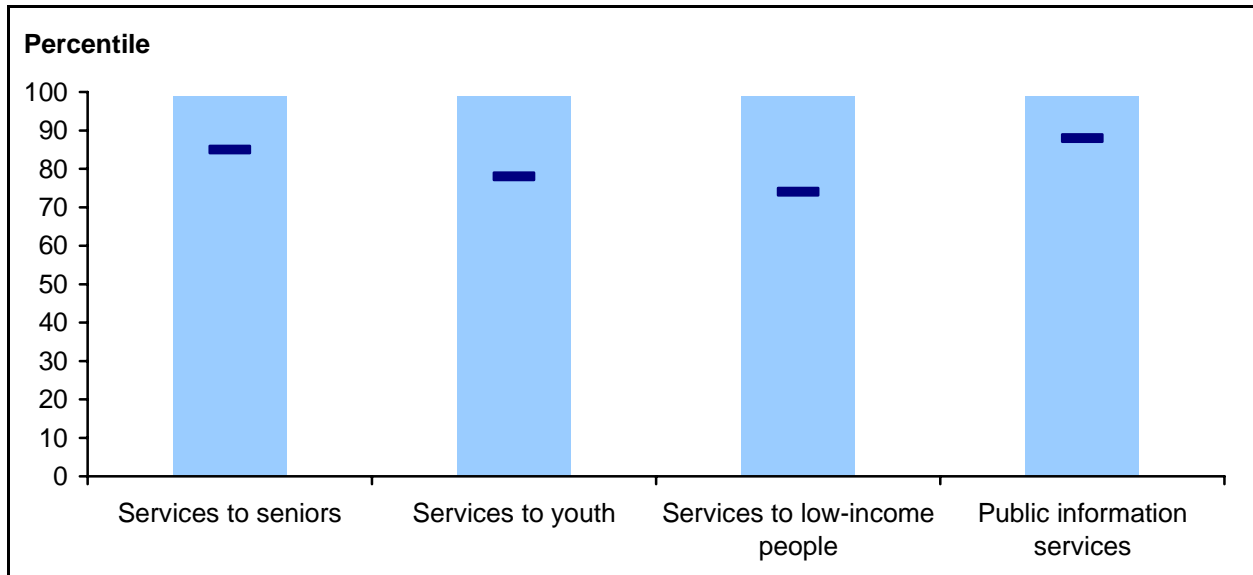
	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Garbage collection	82	6	178	97%ile	Above the norm
Recycling	83	4	139	98%ile	Above the norm
Yard waste pick-up	82	1	68	100%ile	Above the norm
Storm drainage	54	38	123	70%ile	Above the norm
Drinking water	71	12	113	90%ile	Above the norm
Sewer services	69	8	102	93%ile	Above the norm

Figure 10: Quality of Planning and Code Enforcement Services



Quality of Planning and Code Enforcement Services					
	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Land use, planning and zoning	46	36	101	65%ile	Similar to the norm
Code enforcement (weeds, abandoned buildings, etc)	51	38	139	73%ile	Above the norm
Animal control	64	11	121	92%ile	Above the norm
Economic development	51	24	85	73%ile	Above the norm

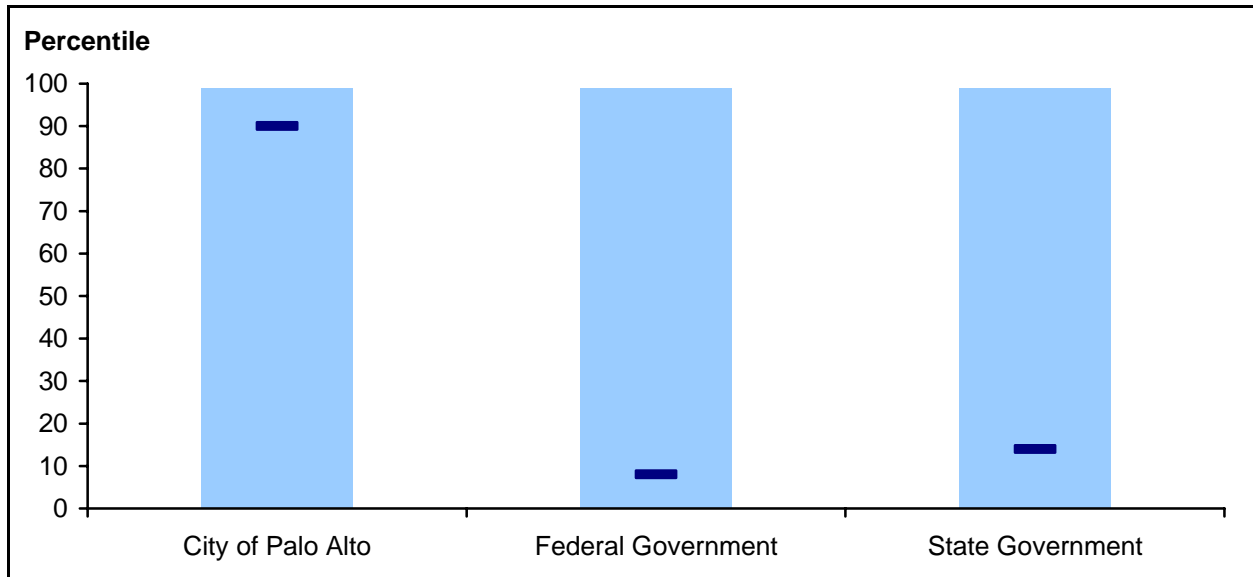
Figure 11: Quality of Services to Special Populations and Other Services



Quality of Services to Special Populations and Other Services

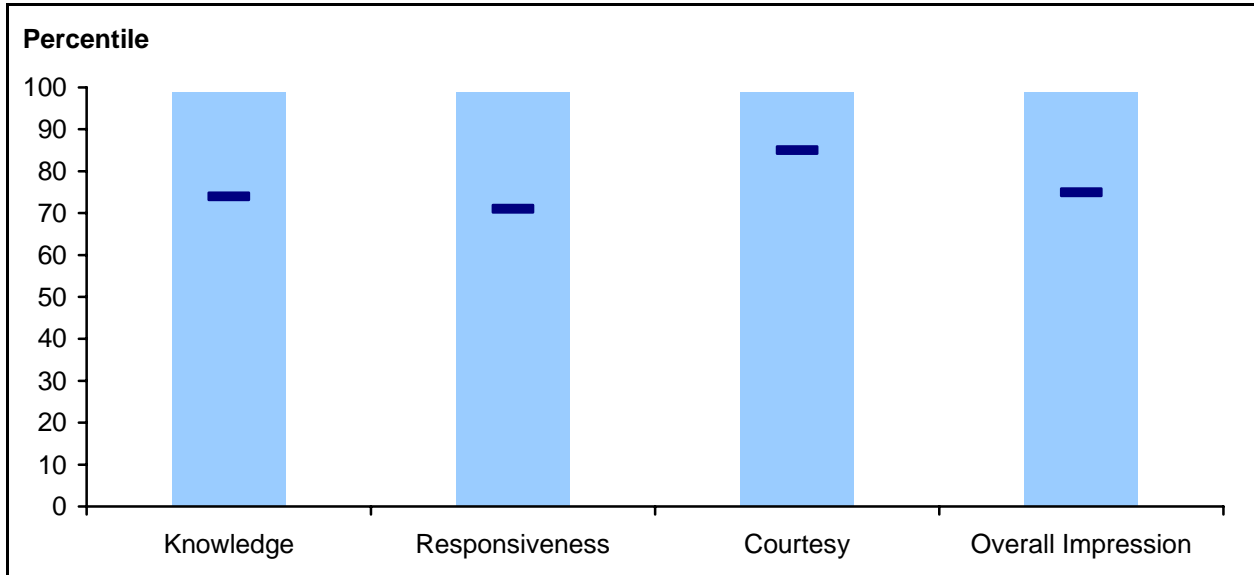
	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Services to seniors	68	17	104	85%ile	Above the norm
Services to youth	59	20	88	78%ile	Above the norm
Services to low-income people	43	16	57	74%ile	Similar to the norm
Public information services	63	13	99	88%ile	Above the norm

Figure 12: Overall Quality of Services



Overall Quality of Services					
	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Services provided by the City of Palo Alto	71	16	148	90%ile	Above the norm
Services provided by the Federal Government	37	66	71	8%ile	Below the norm
Services provided by the State Government	38	62	71	14%ile	Below the norm

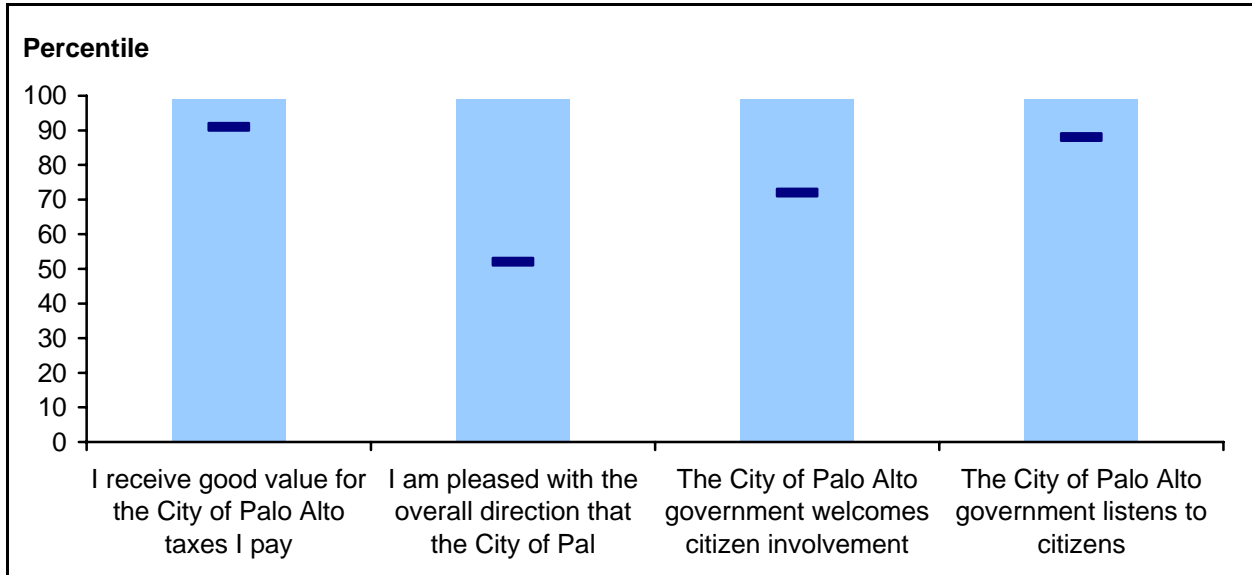
Figure 13: Ratings of Contact with City Employees



Ratings of Contact with the City Employees

	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
Knowledge	72	30	110	74%ile	Similar to the norm
Responsiveness	69	35	117	71%ile	Similar to the norm
Courtesy	74	14	85	85%ile	Above the norm
Overall Impression	69	34	132	75%ile	Above the norm

Figure 14: Ratings of Public Trust



Ratings of Public Trust

	City of Palo Alto Rating	Rank	Number of Jurisdictions for Comparison	City of Palo Alto Percentile	Comparison of Palo Alto Rating to Norm
I receive good value for the City of Palo Alto taxes I pay	67	10	104	91%ile	Above the norm
I am pleased with the overall direction that the City of Pal	61	49	101	52%ile	Similar to the norm
The City of Palo Alto government welcomes citizen involvement	66	26	89	72%ile	Similar to the norm
The City of Palo Alto government listens to citizens	61	11	83	88%ile	Above the norm

APPENDIX A: LIST OF JURISDICTIONS INCLUDED IN NORMATIVE COMPARISONS

Jurisdiction Name	State
Homer	AK
Auburn	AL
Phenix City	AL
Fayetteville	AR
Fort Smith	AR
Hot Springs	AR
Little Rock	AR
Siloam Springs	AR
Chandler	AZ
Gilbert	AZ
Mesa	AZ
Phoenix	AZ
Safford	AZ
Scottsdale	AZ
Sedona	AZ
Tempe	AZ
Tucson	AZ
Antioch	CA
Arcadia	CA
Bakersfield	CA
Berkeley	CA
Claremont	CA
Concord	CA
Coronado	CA
Cypress	CA
El Cerrito	CA
Encinitas	CA
Fremont	CA
Garden Grove	CA

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
Gilroy	CA
Hercules	CA
Highland	CA
La Mesa	CA
Lakewood	CA
Livermore	CA
Lompoc	CA
Long Beach	CA
Los Alamitos	CA
Los Gatos	CA
Menlo Park	CA
Monterey	CA
Mountain View	CA
Novato	CA
Oceanside	CA
Oxnard	CA
Palm Springs	CA
Pasadena	CA
Pleasanton	CA
Pomona	CA
Poway	CA
Redding	CA
Ridgecrest	CA
Riverside	CA
Rosemead	CA
Sacramento County	CA
San Francisco	CA
San Jose	CA
San Luis Obispo County	CA
San Mateo	CA
San Rafael	CA
San Ramon	CA
Santa Clara	CA
Santa Clarita	CA
Santa Monica	CA

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Jurisdictions in Comparisons

Jurisdiction Name	State
Santa Rosa	CA
Simi Valley	CA
Solana Beach	CA
South Gate	CA
Sunnyvale	CA
Temecula	CA
Thousand Oaks	CA
Torrance	CA
Visalia	CA
Walnut Creek	CA
Yuba City	CA
Arvada	CO
Boulder	CO
Boulder County	CO
Broomfield	CO
Castle Rock	CO
Denver (City and County)	CO
Douglas County	CO
Englewood	CO
Fort Collins	CO
Golden	CO
Greeley	CO
Highlands Ranch	CO
Jefferson County	CO
Lafayette	CO
Lakewood	CO
Larimer County	CO
Littleton	CO
Longmont	CO
Louisville	CO
Loveland	CO
North Jeffco Park and Recreation District	CO
Northglenn	CO
Parker	CO
Thornton	CO

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
Vail	CO
West Metro Fire Protection District	CO
Westminster	CO
Wheat Ridge	CO
Hartford	CT
Manchester	CT
New London	CT
Vernon	CT
West Hartford	CT
Wethersfield	CT
Dover	DE
Newark	DE
Altamonte Springs	FL
Boca Raton	FL
Bonita Springs	FL
Bradenton	FL
Brevard County	FL
Broward County	FL
Cape Coral	FL
Collier County	FL
Cooper City	FL
Coral Springs	FL
Coral Springs	FL
Deerfield Beach	FL
Delray Beach	FL
Fort Lauderdale	FL
Jacksonville	FL
Kissimmee	FL
Miami	FL
Miami Beach	FL
Ocoee	FL
Orange County	FL
Orlando	FL
Palm Bay	FL
Palm Beach County	FL

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
Palm Coast	FL
Pinellas County	FL
Pinellas Park	FL
Port Orange	FL
Port St. Lucie	FL
Sarasota	FL
St. Petersburg	FL
Tallahassee	FL
Titusville	FL
Walton County	FL
Atlanta	GA
Cartersville	GA
Columbus	GA
Douglas County	GA
Macon	GA
Milledgeville	GA
Savannah	GA
Adams County	IA
Ames	IA
Ankeny	IA
Cedar Rapids	IA
Clarke County	IA
Des Moines County	IA
Fort Dodge	IA
Fort Madison	IA
Indianola	IA
Iowa County	IA
Louisa County	IA
Marion	IA
Newton	IA
Polk County	IA
Polk County	IA
West Des Moines	IA
Lewiston	ID
Moscow	ID

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
Twin Falls	ID
Addison Village	IL
Decatur	IL
Downers Grove	IL
Elmhurst	IL
Evanston	IL
Highland Park	IL
Homewood	IL
O'Fallon	IL
Park Ridge	IL
Peoria	IL
Skokie	IL
St. Charles	IL
Streamwood	IL
Urbana	IL
Village of Oak Park	IL
Wilmette	IL
Fort Wayne	IN
Gary	IN
Marion County	IN
Lawrence	KS
Overland Park	KS
Shawnee	KS
Wichita	KS
Ashland	KY
Bowling Green	KY
Lexington	KY
Jefferson Parish	LA
Orleans Parish	LA
Andover	MA
Barnstable	MA
Boston	MA
Brookline	MA
Worcester	MA
Greenbelt	MD

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
Rockville	MD
Ann Arbor	MI
Battle Creek	MI
Battle Creek	MI
Delhi Township	MI
Detroit	MI
East Lansing	MI
Grand Rapids	MI
Kentwood	MI
Meridian Charter Township	MI
Muskegon	MI
Novi	MI
Port Huron	MI
Rochester Hills	MI
Troy	MI
Blaine	MN
Burnsville	MN
Carver County	MN
Chanhassen	MN
Dakota County	MN
Duluth	MN
Eagan	MN
Golden Valley	MN
Grand Forks	MN
Mankato	MN
Maplewood	MN
Minneapolis	MN
Minnetonka	MN
Plymouth	MN
Polk County	MN
Richfield	MN
Roseville	MN
Scott County	MN
St. Clair Shores	MN
St. Paul	MN

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
Washington County	MN
Ballwin	MO
Columbia	MO
Ellisville	MO
Kansas City	MO
Kirkwood	MO
Platte City	MO
Platte County	MO
Saint Joseph	MO
Saint Peters	MO
Springfield	MO
Biloxi	MS
Pascagoula	MS
Bozeman	MT
Yellowstone County	MT
Cary	NC
Charlotte	NC
Charlotte	NC
Durham	NC
Greensboro	NC
Hickory	NC
Hudson	NC
Rocky Mount	NC
Wilmington	NC
Wilson	NC
Grand Forks	ND
Kearney	NE
Dover	NH
Merrimack	NH
Salem	NH
Hackensack	NJ
Medford	NJ
Willingboro Township	NJ
Albuquerque	NM
Los Alamos County	NM

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
Rio Rancho	NM
Taos	NM
Henderson	NV
North Las Vegas	NV
Reno	NV
Sparks	NV
Genesee County	NY
New York City	NY
Ontario County	NY
Rochester	NY
Rye	NY
Watertown	NY
Akron	OH
Cincinnati	OH
Columbus	OH
Dayton	OH
Dublin	OH
Fairborn	OH
Huber Heights	OH
Hudson	OH
Kettering	OH
Sandusky	OH
Shaker Heights	OH
Springfield	OH
Westerville	OH
Oklahoma City	OK
Albany	OR
Ashland	OR
Corvallis	OR
Eugene	OR
Gresham	OR
Jackson County	OR
Lake Oswego	OR
Multnomah County	OR
Portland	OR

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
Springfield	OR
Lower Merion Township	PA
Manheim	PA
Philadelphia	PA
State College	PA
Upper Merion Township	PA
Newport	RI
Columbia	SC
Mauldin	SC
Myrtle Beach	SC
Pickens County	SC
Rock Hill	SC
York County	SC
Aberdeen	SD
Cookville	TN
Franklin	TN
Knoxville	TN
Memphis	TN
Oak Ridge	TN
Arlington	TX
Austin	TX
Bedford	TX
Carrollton	TX
College Station	TX
Corpus Christi	TX
Dallas	TX
Denton	TX
DeSoto	TX
Fort Worth	TX
Garland	TX
Grand Prairie	TX
Lewisville	TX
Lubbock	TX
Lufkin	TX
McAllen	TX

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
McKinney	TX
Missouri City	TX
Mount Pleasant	TX
Nacogdoches	TX
Pasadena	TX
Plano	TX
Round Rock	TX
Sugar Land	TX
Temple	TX
Victoria	TX
Bountiful	UT
Ogden	UT
West Valley City	UT
Albemarle County	VA
Bedford County	VA
Blacksburg	VA
Botetourt County	VA
Chesapeake	VA
Chesterfield County	VA
Hampton	VA
Hanover County	VA
Hopewell	VA
James City County	VA
Lynchburg	VA
Norfolk	VA
Northampton County	VA
Prince William County	VA
Richmond	VA
Roanoke County	VA
Stafford County	VA
Virginia Beach	VA
Williamsburg	VA
Bellevue	WA
Bothell	WA
Kent	WA

The City of Palo Alto Citizen Survey

Jurisdictions in Comparisons

Jurisdiction Name	State
Kitsap County	WA
Lynnwood	WA
Marysville	WA
Ocean Shores	WA
Olympia	WA
Redmond	WA
Renton	WA
Richland	WA
Seattle	WA
University Place	WA
Vancouver	WA
Walla Walla	WA
Appleton	WI
Eau Claire	WI
Janesville	WI
Kenosha	WI
Madison	WI
Marquette County	WI
Milton	WI
Superior	WI
Village of Brown Deer	WI
Wausau	WI
Whitewater	WI
Winnebago County	WI
Laramie	WY

APPENDIX B: FREQUENTLY ASKED QUESTIONS ABOUT THE CITIZEN SURVEY DATABASE

What is in the citizen survey database?

NRC's database includes the results from citizen surveys conducted in about 400 jurisdictions in the United States. These are public opinion polls answered by hundreds of thousands of residents around the country. We have recorded, analyzed and stored responses to thousands of survey questions dealing with resident perceptions about the quality of community life and public trust and residents' report of their use of public facilities. Respondents to these surveys are intended to represent over 50 million Americans.

What kinds of questions are included?

Residents' ratings of the quality of virtually every kind of local government service are included – from police, fire and trash haul to animal control, planning and cemeteries. Many dimensions of quality of life are included such as feeling of safety and opportunities for dining, recreation and shopping as well as ratings of the overall quality of community life and community as a place to raise children and retire.

What is so unique about National Research Center's Citizen Survey database?

It is the only database of its size that contains the people's perceptions about government service delivery and quality of life. For example, others use government statistics about crime to deduce the quality of police services or speed of pot hole repair to draw conclusions about the quality of street maintenance. Only National Research Center's database adds the opinion of service recipients themselves to the service quality equation. We believe that conclusions about service or community quality are made prematurely if opinions of the community's residents themselves are missing.

What is the database used for?

Benchmarking. Our clients use the comparative information in the database to help interpret their own citizen survey results, to create or revise community plans, to evaluate the success of policy or budget decisions, to measure local government performance. We don't know what is small or tall without comparing. Taking the pulse of the community has little meaning without knowing what pulse rate is too high and what is too low. So many surveys of service satisfaction turn up at least "good" citizen evaluations that we need to know how others rate their services to understand if "good" is good enough. Furthermore, in the absence of national or peer community comparisons, a jurisdiction is left with comparing its fire protection rating to its street maintenance rating. That comparison is unfair. Streets always lose to fire. We need to

ask more important and harder questions. We need to know how our residents' ratings of fire service compare to opinions about fire service in other communities.

So what if we find that our public opinions are better or – for that matter – worse than opinions in other communities? What does it mean?

A police department that provides the fastest and most efficient service—one that closes most of its cases, solves most of its crimes and keeps the crime rate low—still has a problem to fix if its clients believe services are not very good compared to ratings received by objectively “worse” departments.

National Research Center's database can help that police department – or any city department – to understand how well citizens think it is doing. Without the comparative data from National Research Center's database, it would be like bowling in a tournament without knowing what the other teams are scoring. We recommend that citizen opinion be used in conjunction with other sources of data to help managers know how to respond to comparative results.

Aren't comparisons of questions from different surveys like comparing apples and oranges?

It is true that you can't simply take a given result from one survey and compare it to the result from a different survey. National Research Center, Inc. principals have pioneered and reported their methods for converting all survey responses to the same scale. Because scales responses will differ among types of survey questions, National Research Center, Inc. statisticians have developed statistical algorithms, which adjust question results based on many characteristics of the question, its scale and the survey methods. All results are then converted to the PTM (percent to maximum) scale with a minimum score of 0 (equaling the lowest possible rating) to a maximum score of 100 (equaling the highest possible rating). We then can provide a norm that not only controls for question differences, but also controls for differences in types of survey methods. This way we put all questions on the same scale and a norm can be offered for communities of given sizes or in various regions.

How can managers trust the comparability of results?

Principals of National Research Center, Inc. have submitted their work to peer reviewed scholarly journals where its publication fully describes the rigor of our methods and the quality of our findings. We have published articles in *Public Administration Review*, *Journal of Policy Analysis and Management* and *Governing*, and we wrote a book, *Citizen Surveys: How to do them, how to use them, what they mean*, that describes in detail how survey responses can be adjusted to provide fair comparisons for ratings among many jurisdictions. Our work on calculating national norms for resident opinions about service delivery and quality of life won the Samuel C. May award for research excellence from the Western Governmental Research Association.