



Richmond City Council
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OFFICE OF THE CITY AUDITOR

REPORT # 2011-02
AUDIT
Of the
Citywide
Service Efforts and Accomplishments Review
September 2011

OFFICIAL GOVERNMENT REPORT

Richmond City Council
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*Committed to increasing government efficiency, effectiveness,
and accountability on behalf of the Citizens of Richmond.*

SERVICE EFFORTS AND ACCOMPLISHMENTS REPORT

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Executive Summary

September 12, 2011

The Honorable Members of the Richmond City Council
The Honorable Mayor of the City of Richmond
Richmond City Audit Committee
City of Richmond, Virginia 23219

The City Auditor's Office has completed the Service Efforts and Accomplishments report for the City. This report provides information needed to assess the accomplishment of established priorities for maintaining or improving the well-being of the citizens by providing services. The report was compiled using guidelines proposed by the Government Accounting Standards Board.

The report was completed using a public opinion survey conducted by the Virginia Commonwealth University's (VCU) Center for Public Policy at the request of the City Auditor's Office and the City Administration. The necessary data was

provided by the City Administration. This effort intended to pull together published information and performance information tracked by the Administration. The City Auditor's Office has not audited or verified the accuracy of the data provided or the data published at other agencies.

The City Administration has established the following priorities in the recent past:

- To provide oversight over the expenditure of taxpayers' dollars;
- To provide continued resources to fight crime and continued investments in public safety;
- To provide focus on human services, education and the needs of our young population;
- To improve the appearance of our City through a comprehensive capital improvement, an aggressive street repair program, and economic development.
- To reduce poverty in the City by 50% on or before February 2012.

The following conclusions are drawn from the available information:

Priority 1: Fiscal Oversight

- The current Administration has exercised fiscal discipline in controlling spending.
- There is an opportunity to improve cash or cash equivalents to meet short term obligations. Richmond has a lower amount of cash and cash equivalents compared to other localities.
- The City has done a good job in setting aside rainy day funds for future needs. The unreserved fund balance as a percentage of the general fund revenues exceeds the requirements established in City policies.
- The City has managed its debt well and within required limits of City Policies adopted by the City Council.
- The City has a superior bond rating awarded by all three credit rating bureaus.

Priority 2: Public Safety

The survey examined four emergency services provided by the City. These include Police, Fire, 9-1-1 Call Center and Ambulance services. Overall, the citizens rated these services positively.

- ***Police Department:***

The Richmond Police Department's crime reduction efforts have received significant recognition.

- Generally, citizens feel safe in their neighborhoods and in the business area during the day. Citizens are concerned about their safety in the business area at night.
- The City has seen a significant reduction in the number of top priority calls dispatched. However, the number of violent and property crimes reported have remained consistent.
- Response time is a critical statistic for Police services since a few minutes can make a difference in the outcome of an incident. The response time for the Police Department has been increasing steadily during the past three years from 3.08 minutes to 6.02 minutes.
- Total arrests declined over this period. However, percentage of property crimes cleared and total crimes cleared per sworn FTE remained consistent over the three year period.
- ***Fire Department:***
 - During the past two years, non-structure and structure fire incidents per 10,000 population have decreased.
 - The Fire Department's response time has declined from 1.41 minutes in FY 2008 to 1.23 minutes in FY 2010.

- The Department has improved the percentage of fires contained in the room of origin. This improvement positively impacts on-the-scene effectiveness.

Priority 3: Focus on human services, education and the needs of our young population

- ***Department of Social Services:***
 - The performance measurement data indicate mixed results about DSS' performance. Improvements are needed to achieve the performance targets established by the State of Virginia.
- ***Richmond Public Schools (RPS)***
 - RPS' per pupil costs are comparable to other jurisdictions in Virginia.
 - RPS has improved its performance in some areas such as percentage of students graduating on time, accreditation of schools and percentage scoring in upper range of PALS assessment.
 - RPS' performance goal is 55% of budget accounts within 5% of actual expenditures. Having a target of only 55% of accounts within reasonable variance from the established budget appears to be low because a government is expected to stay within

budgetary constraints. In FY 2010, RPS had 52% of its budget accounts within 5% of actual expenditures.

- ***Parks and Recreation:***
 - The Parks, Recreation and Community Facilities Department does not have performance measures or outcome measures that can be used to evaluate their performance or results of their efforts.
- ***Library Services***
 - The funding for library services has been consistently lower compared to other Virginia libraries since FY 2005.
 - The number of items in its collection has dropped from 1,102,535 in 2005 to 691,107 in 2010.
 - The Library's circulation per capita and library visits have increased.
 - The number of children's programs has increased.

Priority 4: Comprehensive capital improvement, an aggressive street repair program, and economic development

- The citizens are satisfied with how the issues that improve City appearance such as property cleanliness,

vacant lot or abandoned properties, abandoned or junk vehicles, trash and litter, graffiti and illegal dumping are handled. Currently, meaningful performance measures to evaluate the effectiveness of these services do not exist.

- Currently, the backlog on street repairs is unknown as appropriate data is not available. Thirty-one percent reductions in funding for street repairs in 2010 compared to the previous year is likely to impact this backlog adversely.
- By 2014, the funding is available to address only 17% of the backlogged sidewalk repairs. Any new additions to repair needs will further increase the backlog. Therefore, the City will always be playing catch-up to address this need.
- Citizens are dissatisfied with the overall condition of streets and roads, street maintenance, median and ROW maintenance, condition of neighborhood streets, and the condition of alleys.
- No performance measures were available for the street and sidewalk repairs program.
- Detailed performance measures were not available to evaluate the City's Economic Development Program.

Priority 5: By February 2012, reduce poverty in the City:

- ***By 50% and***
- ***Below state average***
 - The Mayor has established a Poverty Commission consisting of many groups, such as, job creation, workforce development/education, policy/legislation, healthy communities, research/evaluation, and transportation.
 - In 2009, the City's rate of population living under poverty stood at 23% compared to 13.5% nationally and 10.6% for Virginia. Based on available data, the goal established by the City to reduce poverty by 50% appears to be ambitious.

The City Auditor's Office appreciates the cooperation of the City departments and Richmond Public Schools. If you have any questions concerning this report, please contact me at (804) 646-5616.



Umesh Dalal, CPA, CIA, CIG
City Auditor

Service Efforts and Accomplishments Report

Overview

Introduction

This report presents an unbiased view of City expenditures, efforts made by the City to provide public service and the opinion of a representative sample of citizens as to the governance of the City of Richmond. The report is useful for the public, City Council and the City Administration to review outcomes resulting from City expenditures and public perceptions about the services received.

According to the Government Accounting Standards Board (GASB), a government accounting standards promulgating body, "Traditional financial statements provide financial performance information about a government's fiscal and operational accountability, but they do not provide all the information needed to determine the degree to which a government was successful in helping to maintain or improve the well-being of its citizens by providing services. Information

about a government's service efforts and accomplishments helps to fill this void."

Organization of the Report

This report is divided into several sections as follows:

1. Purpose and scope
2. Community profile
3. Discussion and analysis of results: accomplishment of formally established priorities and performance measures, if available
4. Other Priorities

Purpose and Scope

The purpose of this report is to provide the City Council, City Administration and the public an independent objective assessment of the City's efforts and accomplishments using guidelines proposed by GASB.

Methodology

- The City Auditor’s Office contracted the Virginia Commonwealth University’s (VCU) Center for Public Policy to conduct a public opinion survey. The survey instrument developed jointly by the City Auditor’s Office and VCU is used annually to conduct this survey. The instrument was shared with the City Administration.
- Necessary performance history was extracted from the City’s budget documents.
- Published data from various other sources was used as needed.
- Revenues and expenditures information was obtained from the public records of the Commonwealth of Virginia Auditor of Public Accounts.
- Input from the City Council and the City Administration was considered.

Community Profile

Population

Richmond has experienced minimal but steady growth in population over the past five years as depicted in the following table:

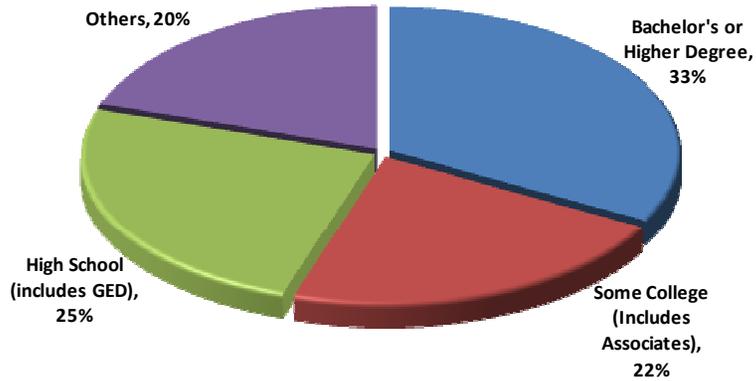
<i>Fiscal Year</i>	<i>Population</i>	<i>% Increase</i>
2005	197,915	-
2006	198,992	0.54%
2007	200,655	0.84%
2008	202,867	1.10%
2009	204,451	0.78%

Data for Fiscal Year 2010 is not yet available.

Source: US Census Bureau

Education

The education level of the population age 25 years or older has improved slightly. There appears to be a higher percentage of this population seeking a degree. However, 45% of the population still has an education level of high school diploma or lower as depicted in the following chart:



Source: www.census.gov

Housing

Over the five year span from 2005 through 2009, the occupancy of residential units was as follows:

Housing Occupancy	Units	Percent
Owner Occupied	38,393	41%
Renter Occupied	42,837	45%
Vacant	12,901	14%
Total Housing Units	94,131	100%

Source: US Census Bureau

A substantial portion of the housing stock in the City is older. The following is the age breakdown of occupied housing units in Richmond:

Year Built	Age	Number of Units	Percent
1979 or earlier	30 year +	79,453	84%
1980- Present	0 - 30 years	14,696	16%
		94,149	100%

Source: US Census Bureau

Citizens' Perceptions about the Direction of the City

The citizens' perception regarding the progress of the City in addressing their needs remains positive as depicted in the following table:

Direction of the City	2010	2009	2008
Right direction	81.7%	83.1%	81.5%

Source: Citizens Survey

What drives the citizens' perception?

The VCU Center for Public Policy evaluated initiatives that were strongly related to the citizens' evaluation. The issues are listed as follows:

1. Pedestrian trails and walkways
2. Bicycle trails and paths
3. Enhancing the arts and culture
4. Developing downtown
5. Improving environmental quality
6. Revitalizing neighborhoods
7. Developing transportation solutions

The public rating for these factors is depicted in the following table:

<i>Community Ratings</i>	<i>% Good or Excellent Ratings</i>			
	2010	2009	2008	Trend
Pedestrian trails, Walkways	51.0%	-	-	-
Bicycle trails and paths	47.8%	-	-	-
Raising profile of arts/culture	66.4%	66.5%	64.9%	-

Developing downtown	51.5%	55.1%	58.8%	↓
Improving environmental quality	48.5%	50.0%	48.6%	
Revitalizing neighborhoods	46.0%	49.5%	53.5%	↓
Developing transportation solutions	35.7%	38.9%	41.8%	↓

Source: Citizen Survey

According to the above results, the citizens' positive perceptions related to most of the above critical factors influencing them have declined compared to last year. Specifically, the citizens appeared to be concerned about transportation, developing downtown and revitalizing neighborhoods as satisfaction ratings for these issues show a declining trend over the past three years.

Citizens' Perception about Quality of Life and Work

The citizens have consistently rated the City as a whole lower than their neighborhoods as a place to live. However, the satisfaction ratings are consistent over the last three years and remain positive.

<i>Community Ratings</i>	<i>% Good or Excellent Ratings</i>		
	2010	2009	2008
City as a place to live	71.2%	68.6%	71.6%
Neighborhood as a place to live	74.7%	75.9%	73.3%

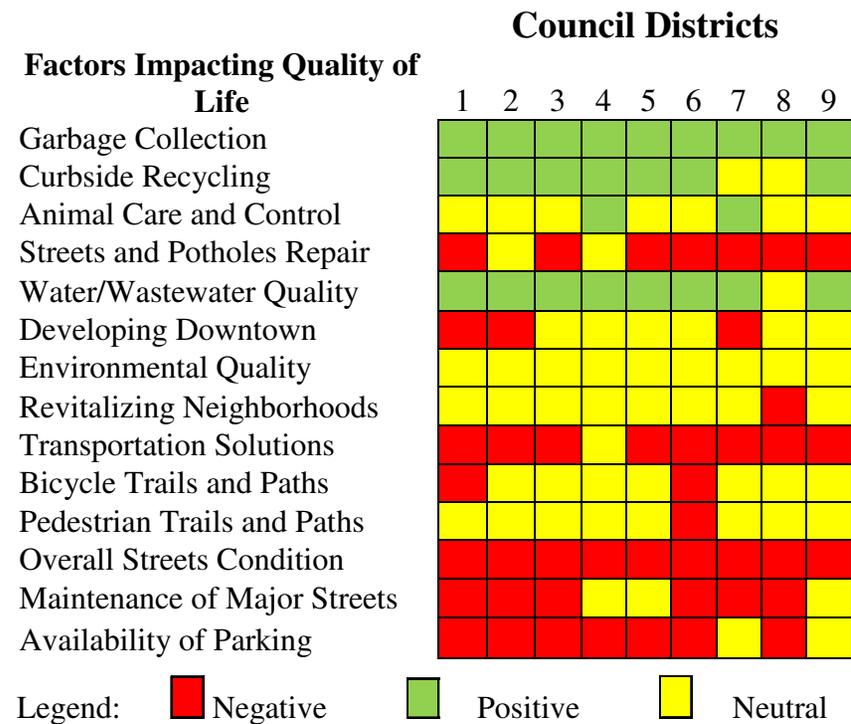
Source: Citizens Survey

The following table depicts the citizens' perceptions about the quality of life in the City for each Council District. This table shows their perception remains positive as a whole. The results of the survey are presented in the following table:

<i>District</i>	<i>Citizen Perception about Citywide quality of life (Ratings of excellent or good)</i>			Trend
	2010	2009	2008	
District 1	85%	84%	86%	-
District 2	79%	78%	77%	↑
District 3	66%	76%	76%	↓
District 4	77%	73%	74%	↑
District 5	79%	63%	78%	-
District 6	59%	65%	64%	↓
District 7	78%	68%	61%	↑
District 8	63%	56%	48%	↑
District 9	64%	64%	63%	-

Source: Citizens Survey

There was significant improvement in citizens' perceptions about the quality of life in their neighborhoods in Districts 7 and 8. Both districts 3 and 6 showed significant decline in the citizens' satisfaction with the quality of lives in their neighborhoods. District 6 was the only district where, compared to the last year, the citizens were less satisfied with quality of life in the city as a whole than their neighborhoods. The survey identified several factors that may have impacted the quality of citizens' lives and their ratings as follows:



The citizens have a positive perception of the garbage collection and recycling services, and the quality and reliability of water and wastewater. However, street conditions, street repairs and maintenance, transportation solutions and parking issues appear to be negative factors impacting citizens' perception.

Do the citizens get their money's worth?

The citizens were asked if they are getting their money's worth for their tax dollars when they consider the services and facilities the City provides. The respondents remain split in their opinions as follows:

<i>Getting Money's Worth?</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
Yes	48.5%	49.7%	45.4%

Source; Citizen Survey

The majority of the citizens are seeking better value for their tax dollars. About 90% of citizens are not receptive to a tax-increase.

<i>Change</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	
Decrease taxes, decrease services	21.5%	26.0%	25.5%	-
Keep taxes and services at present level	69.8%	63.9%	62.8%	
Raise taxes, increase services	8.7%	10.1%	11.7%	

Source: Citizens Survey

Trust in City government?

The citizens are still divided almost evenly in expressing their trust in the City government to manage their tax dollars prudently.

<i>Trust City Government</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
Strongly or somewhat agree	53.8%	51.2%	-
Disagree or somewhat disagree	46.2%	48.8%	-

Source: Citizen Survey

Although the number of citizens trusting the City government has increased slightly, providing assurance to more citizens is critical to better serve them.

Discussion and Analysis

Accomplishment of Priorities

City's Statement of Priorities

The FY 2008 through FY 2011 biennial fiscal plans present the following priorities:

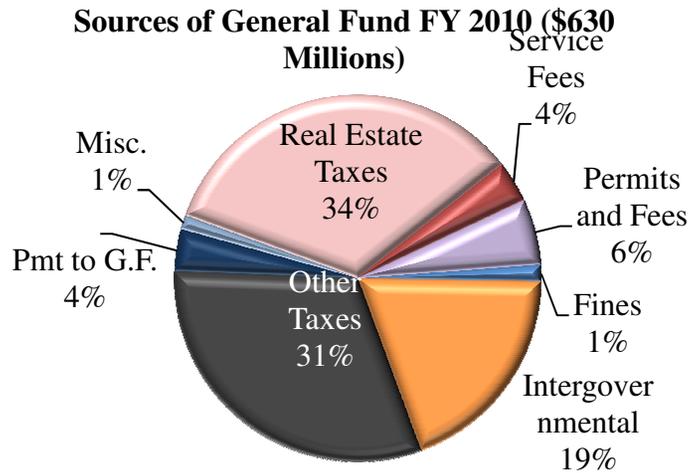
- To provide oversight over the expenditure of taxpayers' dollars;
- To provide continued resources to fight crime and continue investments in public safety;
- To provide focus on human services, education and the needs of our young population;
- To improve the appearance of our City through a comprehensive capital improvement, an aggressive street repair program, and economic development; and
- To reduce poverty in the City by February 2012.

The City's efforts in accomplishing the above priorities are discussed as follows:

Priority 1: To provide oversight over the expenditure of taxpayers' dollars.

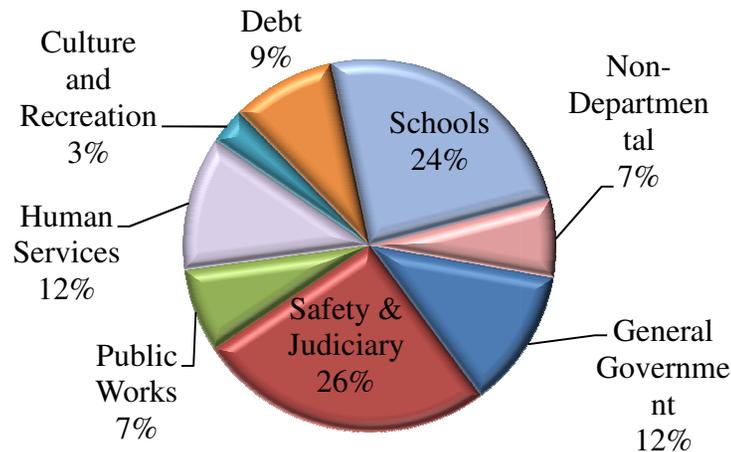
Like many other local governments, the City of Richmond uses fund accounting to record transactions related to receipts, expenditures, debts and assets. Specific funds are established based upon the activity type and revenue source. Many core public services supported by tax dollars are recorded in the City's general fund. The following charts represent the sources and uses of general fund monies. (*Source: Adopted Fiscal Plan for FY 2010-11*):

Overall Spending



Source: Adopted Biennial Fiscal Plan

FY 2010 Uses of General Fund (\$630 Millions)



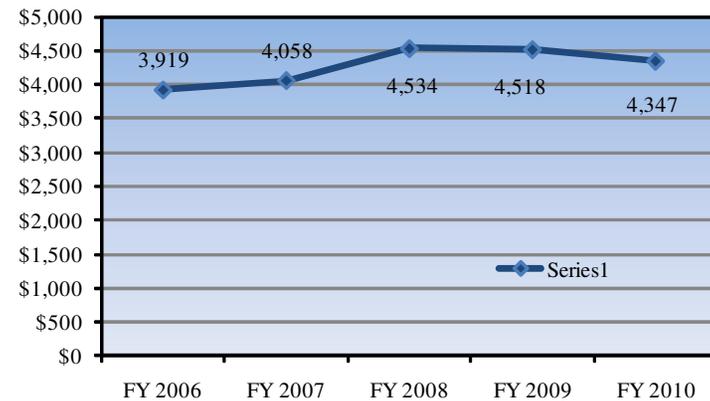
Source: Adopted Biennial Fiscal Plan

As presented in the foregoing charts, Richmond's largest revenue sources remain taxes and intergovernmental revenues. Whereas, half of the general fund City budget is used for public safety and schools.

Trend of General Fund Spending

Over the past five years, the City's general fund expenditures have grown by 11% as shown in the following graph:

Trend of Richmond's per Capita Operations and Maintenance Expenditures



Source: APA Exhibit A

Richmond's spending per capita expenditures have decreased slightly in FY 2010. However, Richmond's operating and maintenance expenditures for general government remain significantly higher than other Virginia governments:

Jurisdiction	FY 2008	FY 2009	FY 2010	% of Average
Richmond	\$ 4,534.21	\$ 4,517.76	\$ 4,347.29	128%
Newport News	\$ 3,589.41	\$ 3,585.14	\$ 3,558.75	104%
Norfolk	\$ 3,745.38	\$ 3,066.06	\$ 3,616.15	106%
Hampton	\$ 3,417.39	\$ 3,508.38	\$ 3,466.48	102%
Virginia Beach	\$ 3,170.08	\$ 3,208.34	\$ 3,136.18	92%
Loudoun	\$ 3,779.56	\$ 3,833.32	\$ 3,762.47	110%
Chesapeake	\$ 3,446.48	\$ 3,420.50	\$ 3,263.17	96%
Prince William	\$ 3,247.25	\$ 3,248.88	\$ 3,207.80	94%
Henrico	\$ 2,910.80	\$ 2,942.52	\$ 2,970.33	87%
Chesterfield	\$ 2,824.11	\$ 2,830.46	\$ 2,757.57	81%
Average	\$ 3,347.83	\$ 3,293.73	\$ 3,408.62	100%

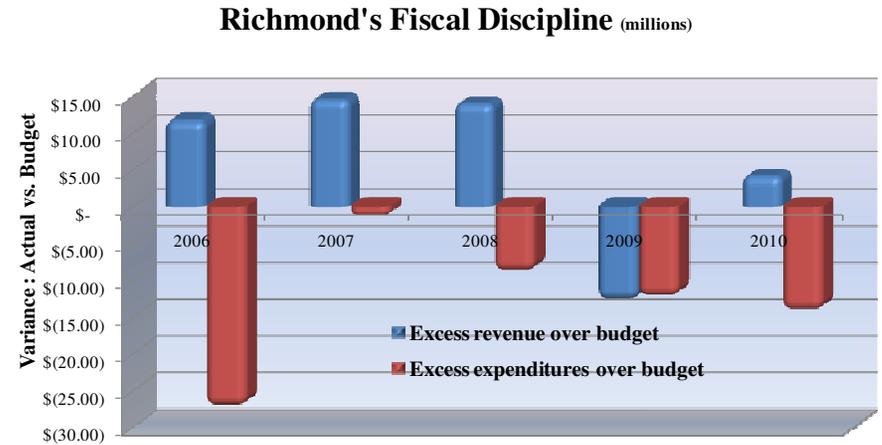
Source: APA Exhibit A

The above information may explain the dissatisfaction of about half of the population concerning the value they receive for their tax dollars and the lack of trust in the City to manage their money prudently.

Fiscal Discipline

The following chart compares variances in budget vs. actual revenues and expenditures:

Source: Adopted Biennial Fiscal Plan

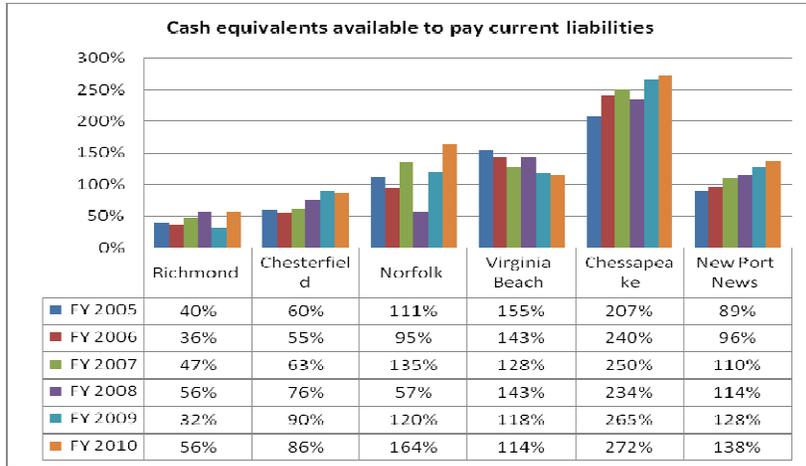


The above chart depicts improved fiscal discipline in the past year. In 2009, the actual revenues lagged the budgeted revenues. The Administration was able to control spending and savings from the budgeted expenditures to address the revenue shortfall. In 2010, the Administration continued to be conservative in spending despite of excess actual revenues over budget.

Liquidity

Liquidity is a measure of sufficiency of available cash and cash equivalents to pay the organization's current liabilities. Higher

liquidity would indicate better ability to meet short term obligations. An analysis indicated that Richmond has a lower amount of cash and cash equivalents compared to other localities as depicted by the following graph:



Source: Various Localities' CAFR Reports

Rainy Day Fund

The purpose of the unreserved funds is to address temporary cash flow shortages, emergencies, unanticipated economic downturns, etc. Generally, higher unrestricted fund balance provides better flexibility to respond to unanticipated events requiring additional funding.

The City has consistently maintained its unreserved general fund balance in excess of 7% of its general fund revenues as depicted in the following table:

<i>Unreserved General Fund Balance as a Percentage of the General Fund Revenues</i>	
	Ratio
FY 2005	8.45%
FY 2006	8.08%
FY 2007	7.61%
FY 2008	7.35%
FY 2009	7.65%
FY 2010	9.36%

Source: City of Richmond CAFR

Although there are no regulatory requirements for maintaining an unreserved general fund balance, a higher balance provides more security.

General Obligation Debt Policy

The City policy indicates that general fund supported debt, including bonds authorized and unissued, will be limited by any one of the following:

- The amount required for general obligation bond debt service will not exceed 10% of the total general fund budget.
- The City will not incur general obligation debt in excess of 7.5% of its total taxable real estate value.
- To the extent that general obligation issued and authorized debt does not exceed 7.5% of the total assessed valuation of the City, the general obligation authority may be used for enterprise fund capital projects. When the general obligation authority is used in lieu of revenue bonds, coverage will be maintained and provisions of capitalized interest will be met as though the bonds are on a parity basis with the outstanding revenue bonds.

Source: CAFR

Debt Management Efforts:

- The general fund supported debt service is below the 10% of general fund budget as required:

<i>Description</i>	<i>FY 2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>
Required Limit	10.00%	10.00%	10.00%	10.00%

<i>Actual Debt Service as % of general fund</i>	<i>8.31%</i>	<i>8.54%</i>	<i>7.75%</i>	<i>7.67%</i>

Source: City Finance Department

The City has done a good job in monitoring these limits.

- The general obligation bond debt has been significantly below the required limit of 7.5% of assessed value of taxable real estate indicating good debt management practices.

<i>Description</i>	<i>FY 2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>
Required Limit	7.5%	7.5%	7.5%	7.5%
Actual Debt	3.3%	2.9%	2.9%	3.0%

Source: City Finance Department

Bond Rating

The City has enjoyed a superior bond rating as follows:

General Obligation Bonds

<i>Rating Agency</i>	<i>Rating</i>
Moody's	Aa2
Standard and Poor's	AA
Fitch	AA+

Utility Revenue Bonds

<i>Rating Agency</i>	<i>Rating</i>
Moody's	Aa2
Standard and Poor's	AA
Fitch	AA

Source: City Finance Department

The above ratings represent very strong ratings. However, improvement is still possible.

Overall, the City's fiscal management appears to be improving. Specifically, improvement in spending control in FY 2010 and increasing the rainy day reserve are the right steps towards improving the financial health of the City.

Priority 2: To provide continued resources to fight crime and continue investments in public safety.

Emergency Services

The survey examined four emergency services provided by the City. Overall, the citizens rated these services positively. The ratings for most of the services improved over time as depicted in the following table:

Department	2008	2009	2010
Police	72.5	78.5	80.8
Fire	91.5	93.3	94.8
9-1-1 Call Center	78.9	86.9	88.4
Ambulance/EMS	88.4	90.1	87.3

Source: 2010 Citizen Survey

The Fire and Police Services are addressed separately in this section.

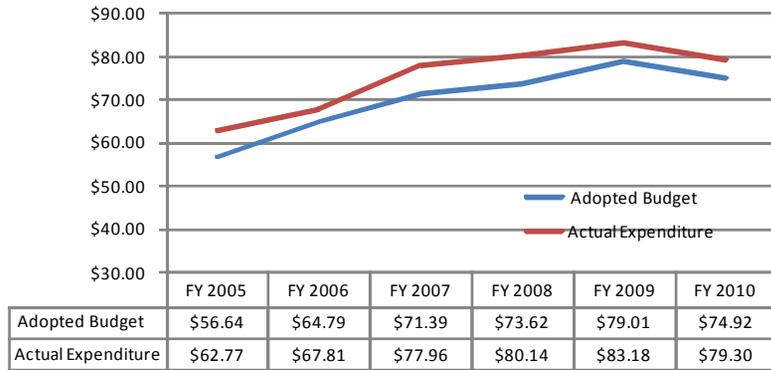
Police Department

The Police Department has four precincts, a special events division and a special investigations division. In addition, the Department is charged with operating an emergency communications center.

In FY 2010, the Department had 754 sworn and 161.50 civilian positions, which represents a reduction of 16 civilian positions. In addition, the emergency center employed 4 sworn and 90 civilian employees.

The Department was allocated a significant amount of funding. The Department's actual expenditures have consistently exceeded the budgeted expenditures as depicted in the following graph:

Budgeted and Actual Expenditures Compared (in millions)



Source: Advantage Financial System

The following table compares the City of Richmond’s law enforcement and traffic control expenditures with six other jurisdictions in Virginia:

Locality	Population	Law Enforcement and Traffic Control*	
		Per Capita	% of Avg.
Richmond	198,102	\$481.51	210%
Norfolk	237,764	\$305.52	133%
Newport News	182,591	\$260.51	114%
Henrico	296,490	\$220.49	96%
Virginia Beach	434,412	\$208.95	91%
Chesterfield	307,594	\$190.67	83%
Chesapeake	219,960	\$190.57	83%
Average	279,802	\$229.45	100%

Source: APA report Exhibit C3

However, in the past three years, Richmond’s per capita law enforcement and traffic control costs have been reduced from \$537.09 to \$481.51.

2010 Accomplishments

- Violent crimes dropped by 9 percent in 2010 compared to 2009 while overall major crimes were down 1 percent.
- The Department was recognized by a national and an international police accrediting agency. Only 10% of law enforcement agencies nationwide have this honor.

Reduction in Crime

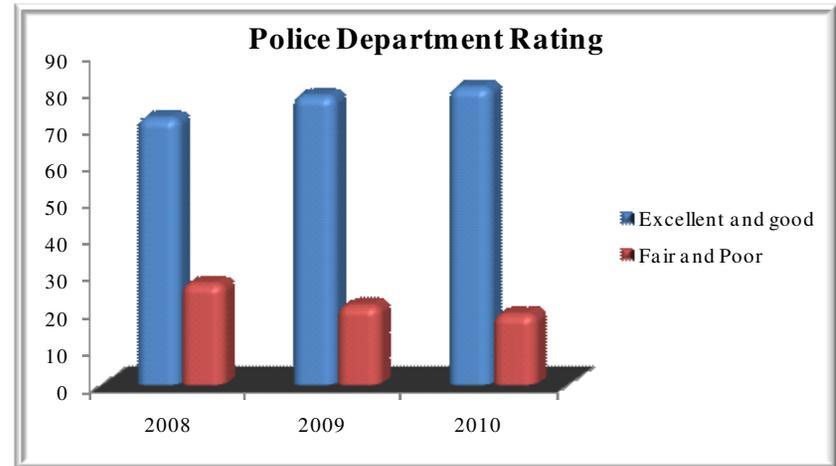
The Richmond Police Department’s crime reduction efforts have received significant recognition. These accomplishments are evident from the drop in various types of crimes as depicted in the following table:

	<i>FY</i> <i>2005</i>	<i>FY</i> <i>2006</i>	<i>FY</i> <i>2007</i>	<i>FY</i> <i>2008</i>	<i>FY</i> <i>2009</i>	<i>FY</i> <i>2010</i>	<i>Overall</i> <i>Trend</i>
Homicide	89	76	56	51	37	33	↓
Sex Offense	289	256	240	226	168	156	↓
Robbery	1171	1139	1009	780	811	868	↓
Assault	5607	5454	5748	5247	5087	5071	↓
Burglary	2451	2510	1952	1864	1655	1644	↓
Theft	7424	6945	5798	5213	5660	5976	↓
Vehicle Theft	1932	1980	1356	1173	1014	936	↓
Vice	2424	2827	2907	2894	2589	2689	↑
Other	14611	17664	21343	21430	20402	20118	↑

Source: Richmond Police Department Crime Statistics

Public Opinion

The citizens' favorable opinion about the Police Department has continued to improve for the past three years. Four out of every five citizens have a positive opinion about the Police Department.



Source: 2010 Citizen Survey

Also, the citizens have a positive perception about the magnitude of other criminal behaviors as depicted in the following table:

	<i>No or small problem</i>			
	2008	2009	2010	Trend
Neighborhood gangs	87%	89%	86%	-
Illegal drug sale	73%	79%	68%	↓
Violent crime	75%	80%	72%	↓
Res. Burglaries	79%	78%	73%	↓
Car Burglaries	77%	76%	76%	-
Car running red lights	62%	56%	56%	-
Speeding in neighborhoods	51%	46%	48%	↓

Source: 2010 Citizen Survey

Feeling Safe?

The following are the citizens' perceptions related to safety:

<i>Feeling Safe when Walking Alone</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	
In neighborhood during day	94%	93%	94%	-
In neighborhood at night	65%	69%	62%	↓
In business area during day	94%	92%	93%	↓
In business area at night	57%	47%	51%	↓

Source: Citizen Survey

Ideally, the citizens should feel safe at any time. The citizens' perception has been consistent when they opine about safety in their neighborhoods during the day. The citizens' positive perception about safety in the business area during the day and in their neighborhoods at night is declining gradually. Citizens are concerned about their safety in the business area at night. The declining citizen confidence about their safety is inconsistent with an environment of declining crime.

Performance Measures

Workload measures

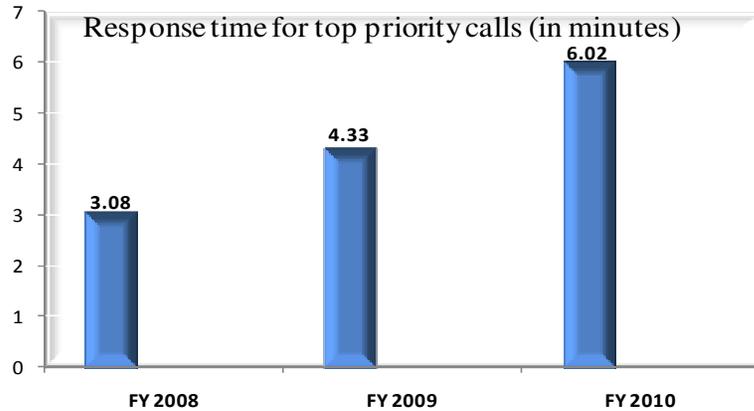
The City has seen a significant reduction in the number of top priority calls dispatched. However, the numbers of violent and property crimes reported have remained consistent.

	<i>Dispatched, top priority calls/ 1,000 population</i>	<i>UCR Part I Violent Crimes Reported/1,000 population</i>	<i>UCR Part I Property Crimes Reported/ 1,000 population</i>
FY 2008	88.1	8.39	43.98
FY 2009	63.2	8.50	42.08
FY 2010	60.9	8.32	42.72

Source: ICMA

Outcome measures

Response time is a critical statistic for Police services since a few minutes can make a difference in the outcome of an incident. The response time for the Police Department has been increasing steadily as depicted in the following chart:



Source: ICMA

A comparison of violent crimes cleared over the last three years showed significant improvement. Total arrests declined over this period. However, percentage of property crimes cleared and total crimes cleared per sworn FTE remained consistent over the three year period.

	% violent crimes cleared	% property crimes cleared	Total crimes cleared per sworn FTE	Total arrests
FY 2008	53.10%	19.80%	3.38%	17,402
FY 2009	52.30%	18.18%	3.01%	17,097
FY 2010	49.00%	16.39%	3.01%	17,096

Source: ICMA & RPD

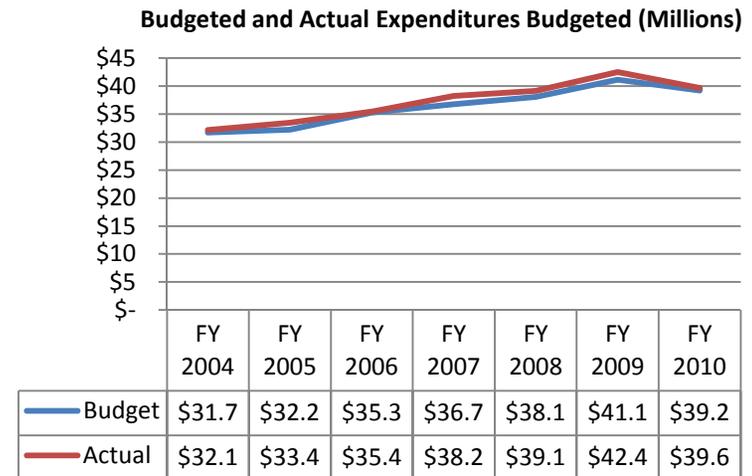
Fire Department

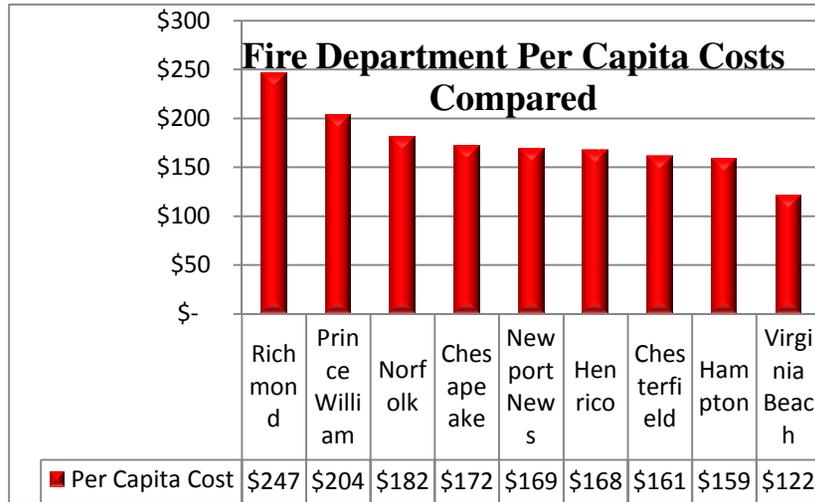
Overall Rating

The Fire Department is another very important public safety department in the City of Richmond. The Fire Department has consistently exceeded its budget over the past seven years as depicted below:

Source: City Department of Budget and Strategic Planning

A comparison with other Fire Departments' costs indicates that the Richmond Fire Department has the highest per capita costs to provide fire services as depicted in the following chart:





Source: APA Data

Accomplishments

Regional High Rise Operations

The Richmond Fire Department was instrumental in coordinating the multi-jurisdictional high-rise training efforts.

National Incident Management College

The program creates an instructor pool of emergency personnel capable of training first responders to operate during catastrophic incidents.

Records Management System

The Fire Department has made significant progress in implementing their records management system upgrade. This system allows the Fire Department to provide important statistical data related to fire and medical incidents.

Performance Measures

Workload measures

The Fire Department served a slightly larger population per fire station compared to the past two years as depicted in the following table:

	FY 2008	FY 2009	FY 2010
Population Served	9,765	9,773	10,223

Source: ICMA

In Richmond, during the past two years, non-structure and structure fire incidents per 10,000 population have decreased.

	Non Structure	Structure
FY 2009	31.00	23.38
FY 2010	26.02	22.84

Source: ICMA data

The Richmond Fire Department’s EMS calls per 10,000 population shows a declining trend as follows:

	EMS calls per 10,000 population
FY 2008	877
FY 2009	826
FY 2010	701

Source: ICMA Data

Resources

As recognized last year, the data for the following performance measures will be used in the future to study the trends and evaluate the critical services that protect the lives and properties of the citizens: The following measures were obtained from the ICMA’s performance measurement center website:

Sworn Fire Personnel per 1,000 population	2.01
Emergency Medical Service Personnel per 1,000 population	2.00
Incident related injuries with time lost per 1,000 incidents	.24
Average response time from call entry (when the fire call taker answers the call) to conclusion of the dispatch	See table below

Source: ICMA

Response Time From Answering the Phone through Arrival on Scene (in minutes)

FY 2008	1.41
FY 2009	1.32
FY 2010	1.23

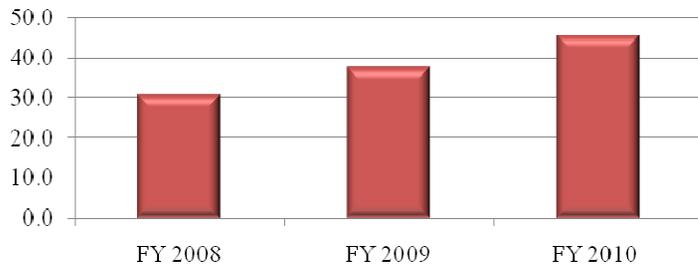
Source: ICMA

The Richmond Fire Department’s response time has steadily decreased.

Percent of Fires Contained to the Room of Origin for Residential Structures:

This measure is significantly important for fire suppression. It is a known fact that a fire spreads exponentially over time. Once the fire spreads beyond the room of origin, it will significantly impact on-the-scene effectiveness of the firefighters. It should be noted that the timeliness of reporting a fire incident to the Fire Department has a significant impact on this calculation as a fire may have already spread beyond the room of origin. Based on the following data, the Richmond Fire Department is making progress in containing fires to the room of origin.

Percent of Fires Contained to the Room of Origin for One or Two Family Residence



Source: ICMA

Priority 3: To provide focus on human services, education and the needs of our young population.

Richmond Department of Social Services (DSS)

Per Capita Budgeted Costs

In Richmond, the per capita budgeted social services costs have declined in FY 2010 compared to the prior years as depicted in the following table:

Description	FY 06	FY07	FY08	FY09	FY10
Per capita costs	\$493	\$476	\$496	\$498	\$416

Source: City budget and APA

Public Perception

Rating	2010	2009	2008	Trend
Excellent or Good	48.8%	54.7%	50.9%	↓

Source: Citizens Survey

The public opinion of this service has decreased. Improvement is needed.

Performance Measures

The following are the performance measures tracked by the Department of Social Services:

Measure	Avg. FY 09	Avg. FY 10	State Target
Timely Processing of:			
TANF Applications	91.00%	94.17%	95.00%
FS Combined Applications	90.86%	96.61%	97.00%
Medicaid Applications	93.59%	83.45%	97.00%
Medicaid Reviews	88.70%	87.64%	97.00%
VIEW Program			
Job Retention	64.38%	69.00%	75.00%
Percent Employed	40.50%	43.00%	50.00%
Federal Work Participation	43.11%	40.00%	50.00%
Average Hourly Wage Rate	\$7.67	\$8.13	\$7.25

Foster Care			
Adoptions Finalized w/in 24 Months of Entering Care	16.53%	N/A	36.60%
Absence of Maltreatment	99.68%	N/A	94.60%
Absence of Abuse	100.00%	N/A	99.68%
% Reunified w/in 12 Months	63.48%	N/A	75.20%
Re-Entry Rate	3.85%	N/A	9.90%
Reduction in Congregate Care	23%	-	Local
Reduction in number on Ongoing CPS Cases	26%	20.4%	Local
Reduction in number of youth in Foster Care	11%	N/A	Local

Source: Department of Social Services

The above table indicates mixed results about DSS' performance. Improvements are needed to achieve the performance targets established by the State of Virginia.

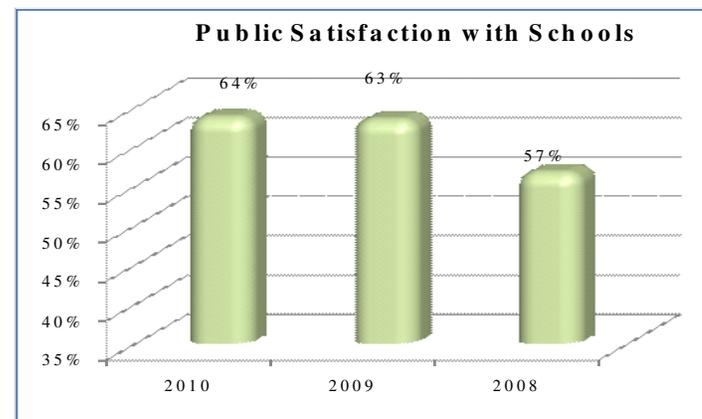
Richmond Public Schools (RPS)

RPS' per pupil costs have increased over the past year and are higher than the other jurisdictions in Virginia as depicted in the following table:

School Division	FY 2006	FY2007	FY 2008	FY 2009	FY 2010
Richmond	\$ 10,995	\$ 12,330	\$12,438	\$ 13,601	\$ 13,773
Norfolk	\$8,543	\$9,808	\$10,391	\$11,034	\$11,324
Chesapeake	\$8,749	\$9,677	\$10,331	\$11,037	\$10,459
Virginia Beach	\$8,741	\$9,969	\$10,269	\$11,020	\$10,706
Prince William	\$8,872	\$9,823	\$10,233	\$10,687	\$10,298
Newport News	\$8,885	\$9,586	\$10,132	\$11,032	\$10,946
Hampton	\$8,501	\$9,505	\$9,998	\$10,873	\$11,141
Chesterfield	\$7,274	\$8,099	\$8,858	\$9,587	\$9,369
Henrico	\$7,690	\$8,168	\$8,781	\$9,369	\$9,138

Source: VDOE

The majority of citizens are satisfied with RPS. However, RPS is facing some challenges as about one third of the population still would like to see further improvements in the schools.



Source: Citizen Survey

Performance Measures

RPS prepares a balanced scorecard listing their accomplishments. The goals included in the scorecard are:

1. Improve student achievement
2. Promote a safe and nurturing environment
3. Provide strong leadership for effective and efficient operations
4. Enhance capacity building through professional development
5. Strengthen collaborations with stakeholders
6. Increase parent & community satisfaction

The following are reported results:

Measure	FY 2010	FY 2009	FY 2008	Target
% students graduating on-time # scoring	72%	68.7%	65.8%	74%
Advanced Proficient on SOL test	6,237	6,488	6,357	6,600

% schools achieving "Adequate Yearly Progress"	62%	79%	85%	75%
% schools accredited	100%	94%	88%	100%
# schools in improvement	-	4	5	2
% scoring in upper range on PALS assessment	86%	83%	83%	88%
% budget accounts within 5% of actual	52%	45%	N.A.	55%

Source: Richmond Public Schools

RPS has improved its performance in some areas. Further improvement is needed to achieve established performance targets. In addition, a government is expected to stay within budgetary constraints. Having a target of only 55% of accounts within reasonable variance from the established budget appears to be low.

Parks and Recreation Programs

Parks and Recreation programs make a significant contribution by improving the quality of life and keeping at-risk youth off the streets. The City of Richmond has made a substantial

investment in these programs by increasing its budgeted cost per capita as depicted in the following table:

	<i>FY</i> <i>2005</i>	<i>FY</i> <i>2006</i>	<i>FY</i> <i>2007</i>	<i>FY</i> <i>2008</i>	<i>FY</i> <i>2009</i>	<i>FY</i> <i>2010</i>
Funding/ Capita	\$35.88	\$57.28	\$65.59	\$98.21	\$111.17	\$91.69

Source: APA

Public Opinion about the Parks Department

<i>Rating</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	
Excellent or Good	74.6%	72.5%	68.7%	

Source: Citizen Survey

Overall Rating for Customer Service

The citizens who had contact with the Parks, Recreation and Community Facilities Department rated various functions excellent or good as follows:

Issue	2010	2009	2008	
Quality of Programs	72.0%	75.9%	78.8%	
Variety of Programs	67.6%	71.0%	75.6%	
Appearance of Facilities	74.9%	73.6%	73.6%	-
Ease of getting to Facilities	81.0%	78.7%	81.0%	-
Safety of Facilities	73.1%	70.8%	66.8%	
Overall Quality of City Parks	78.6%	77.0%	78.2%	-

Source: Citizens Survey

Workload

<i>Measures</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	
Average daily attendance at:				
Community Center	1,834	1,744	1,349	
After school program	332	562	587	
Monthly teen night event	815	922	1,204	
Linwood Robinson Senior Center	27	30	26	-
Participation in athletic programs	6,773	6,346	5,001	
Meals served:				
Summer program	315,049	304,515	308,113	
Summer CACFP	52,539	93,637	129,021	

Source: Parks, Recreation and Community Facilities Department

The Parks, Recreation and Community Facilities Department does not have performance measures or outcome measures that can be used to evaluate the departmental performance or results of their efforts.

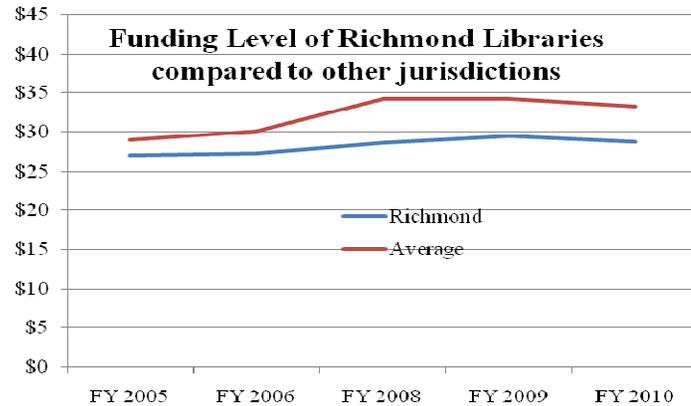
Library Services

Public libraries play a valuable role in enhancing the quality of life of citizens. These facilities provide a venue for children to complete their homework and enhance their vocabulary by

participating in summer reading programs. Increasing funding to the Richmond Public Library System could help the City achieve its priority of filling the educational needs of children and young adults. Adults and children can use the libraries for their leisure and entertainment while improving their knowledge.

Funding

The funding for library services remains at a lower level and has been consistently lower compared to other Virginia libraries since FY 2005 as depicted below:



Source: APA

The impact the lower funding has on core library services is evident. The number of material items in the collection has been dwindling over years.

Year	# of Items in Collection
2005	1,102,535
2006	1,021,612
2007	808,935
2008	809,965
2009	735,987
2010	691,107

Source: Richmond Public Library

Even with lower collection expenditures, the library has been able to improve circulation per capita.

	Collection Expenditures per Capita	Circulation per Capita	Library visits per Capita
FY 2008	2.93	3.72	4.42
FY 2009	2.49	4.67	5.28
FY 2010	2.45	5.20	5.10

Source: Library of Virginia

Enrollment in the Summer Reading Program decreased in 2010 after dramatically increasing in 2009. The number of programs for children has significantly increased.

<i>Year</i>	<i>Summer Reading Program Enrollment</i>	<i># of Children Programs</i>
2005	1,267	2,144
2006	962	1,874
2007	626	1,842
2008	1,452	1,023
2009	4,325	1,136
2010	3,582	2,410

Source: Richmond Public Library

Although the following ratings are slightly different from the previous year, public opinion for the Richmond Public Library remains high:

<i>Issue</i>	2010	2009	2008	Trend
Quality of service	86%	88%	89%	
Quality of Facilities	79%	81%	82%	
Availability of Materials	77%	80%	79%	

Source: Citizen Survey

Priority 4: To improve the appearance of our City through a comprehensive capital improvement, an aggressive street repair program, and economic development.

Community Development Functions

The citizens' satisfaction (rating excellent or good) with the Department's handling of their concerns has improved as depicted in the following table:

<i>Function</i>	2010	2009	2008	Trend
Community Development and Planning	54.2%	47.3%	50.0%	
Building Permit Process	59.6%	50.5%	50.8%	

Source: Citizen Survey

The following are some of the positive public opinions on issues addressed by the Community Development Department:

<i>Community Ratings</i>	<i>% Expressing Satisfaction</i>			<i>Trend</i>
	2010	2009	2008	
Property cleanliness	78.1%	74.9%	74.6%	
Vacant lot or abandoned properties	80.6%	83.1%	81.8%	
Abandoned or junk vehicles	87.9%	91.1%	86.4%	
Trash and litter	71.9%	78.4%	74.2%	
Graffiti	84.7%	92.2%	87.7%	
Illegal dumping	85.8%	94.4%	88.8%	
Developing downtown	51.5%	55.1%	58.8%	

Source: Citizen Survey pg 22

The citizens still have positive perceptions about the services provided by the Community Development department.

Performance Measures

Currently, meaningful performance measures to evaluate the effectiveness of these services do not exist. A recent audit in the Community Development Department has recommended the development of appropriate performance measures.

Capital Improvement

Street and Sidewalk Repairs Program:

The funding for street and sidewalk repairs has substantially declined in FY 2010.

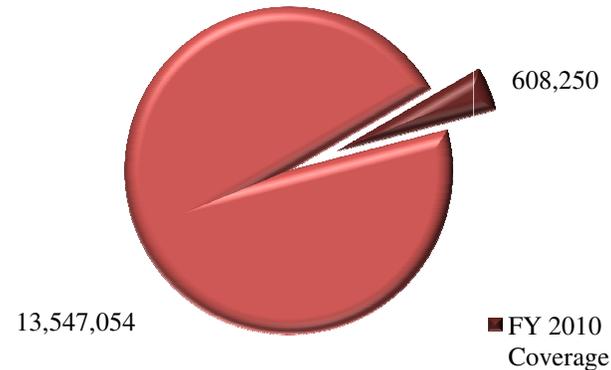
<i>Year</i>	<i>Expenditures</i>
FY 2008	\$5,885,967
FY 2009	\$5,541,832
FY 2010	\$4,034,900

Source: City Department of Public Works

Currently, the backlog on street repairs is unknown as the Street Maintenance Division does not have appropriate data. Reduction in funding is likely to adversely impact this backlog.

During FY 2010, the City spent \$608,250 to repair sidewalks. These expenditures addressed only a small fraction of the total expected backlog as depicted in the following chart:

Sidewalk Repairs Workload (Square Yard)



Source: City Department of Public Works

The budgeted cost for future sidewalk repairs is as follows:

<i>Year</i>	<i>Budget</i>
FY 2011	\$1,000,000
FY 2012	\$500,000
FY 2013	\$500,000
FY 2014	\$250,000
Total Budgeted	\$2,250,000

Source: City Department of Public Works

This shows that by 2014 only 17% of the existing backlog will be repaired. Any new additions to repair needs will further increase the backlog. Therefore, the City will always be playing catch-up to address this need.

Performance Measures

No performance measures were available for the street and sidewalk repairs program.

Major Capital Improvement Projects:

During FY 2010, the City invested about \$12 million in major construction projects as follows:

1	Landmark Theatre Renovations – multiple projects	\$1,426,290
2	Major Park Renovations	\$1,426,300
3	Neighborhood Park Renovations	\$1,933,989
4	Library Technology Upgrades & Renovations – multiple projects	\$937,589
5	Street Repaving Projects	\$3,426,688
6	Sidewalk Repair Projects	\$608,250
8	School Planning & Construction Program – multiple projects	\$2,191,109
9	Total costs provided as of Jan 31, 2010	\$11,950,215

Source: City Department of Public Works

Public Opinion about the Street Division

<i>Rating</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>Trend</i>
Excellent or Good	NA	49.1%	58.1%	

Source: Citizen Survey

The positive perception related to the services provided by the Street Division has been declining over a three-year period. This sentiment may be the result of negative public opinion about the condition of streets as follows:

<i>Community Ratings</i>	<i>% Rating Excellent or Good</i>			<i>Trend</i>
	2010	2009	2008	
Overall condition of streets and roads	30.7%	32.5%	39.6%	↓
Street maintenance	31.3%	32.8%	40.8%	↓
Median and ROW maintenance	47.4%	46.6%	55.5%	↓
Street sweeping	51.3%	56.8%	66.1%	↓
Condition of neighborhood streets	68.1%	82.5%	71.6%	↓
Condition of alleys	72.4%	80.5%	77.2%	↓

Source: Citizens Survey

Citizens' concerns about the condition of street maintenance need to be addressed. This issue will be evaluated in an upcoming audit.

There are no performance measures established for street and sidewalk repairs.

Economic Development

The following are accomplishments of the Department of Economic Development (DED) for FY 2010:

<u>Commercial Area Revitalization Efforts</u>	
Number of CARE rebates	96
Jobs created/Retained	220
Private Investments	\$9,900,000

Source: The Mayor's Annual Report on Economic and Community Development 2010

The following are additional accomplishments:

In January 2010, the new Departments of Economic and Community Development and Planning and Development Review were created. Since then, the agency has been able to retain or attract significant employers to the Richmond area as follows:

- BB&T
- Pfizer
- Williams Mullen
- MeadWestvaco

Source: The Mayor's Annual Report on Economic and Community Development 2010

In addition, the renovation of the old Hippodrome Theater and Taylor Mansion, a \$12.1 million project, is expected to create 42 full time and 40 part-time jobs. Annually, this project is expected to bring in \$300,000 in real estate tax revenues.

Source: The Mayor's Annual Report on Economic and Community Development 2010

The City developed three new loan programs as part of the economic development strategy:

1. Revolving Loan Fund
2. Contractor Assistance Loan Program (CAP)
3. Section 108

Source: The Mayor's Annual Report on Economic and Community Development 2010

Priority 5: By February 2012, reduce poverty in the City:

- **By 50%** (Target 1) **and**
- **Below state average** (Target 2)

Income Level

According to the last available Census data (year 2009), the following is a comparison of the median and mean income in Richmond with similar data gathered for the nation:

	Richmond	USA
Median income	\$37,735	\$51,425
Mean income	\$58,901	\$70,096

Source: US Census Bureau

Further analysis revealed a similar disparity when the population living under the poverty level in Richmond is compared with the national data. According to the Census Bureau during 2005 through 2009, the poverty level for the nation and Richmond compared as follows:

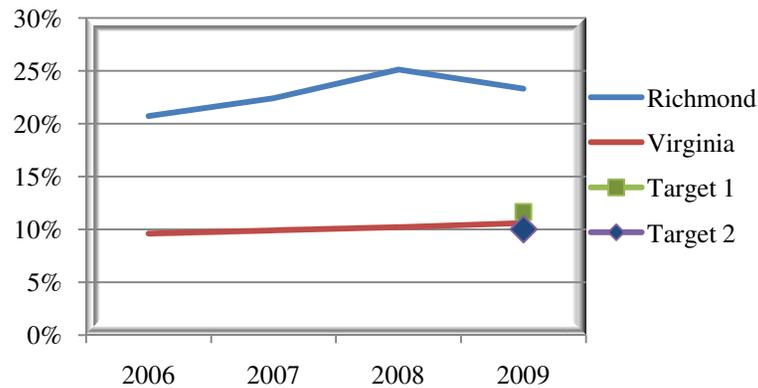
Population Living Under Poverty Level	
Richmond	22.1%
Nationally	13.5%

The trend for the City of Richmond and the State of Virginia population living under the poverty level is depicted in the following table:

	2006	2007	2008	2009
Richmond	20.8%	22.9%	26.7%	23.9%
Virginia	9.6%	9.9%	10.2%	10.5%

This means to meet the established targets, the population living under poverty in the City of Richmond must fall below the rate experienced by the State. This data is presented in the following graph:

Population Living Under Poverty Level



The City’s biennial fiscal plan for FY 2010 and 2011 established a goal to achieve the above targets by February 2012. Based on the history, it appears that the established targets are very ambitious.

To achieve the above targets, the City has appointed an anti-poverty commission. According to the Mayor’s order #2011-3 “The commission will consist of the following work groups: Job Creation, Workforce Development/Education, Policy/Legislation, Healthy Communities, Research/ Evaluation, and Transportation.”

As discussed in the City’s demographic information in this report, 45% of the population age 25 years or older has an education level of high school diploma or less. This data has implications on the income levels of the population. The following table indicates the earning potential associated with education:

Education Attainment	Median Earning
Graduate or Professional Degree	\$51,409
Bachelor's or Higher Degree	\$41,973
Some College (Includes Associates)	\$27,756
High School (includes GED)	\$22,905
Others	\$15,334

Source: U S Census Bureau

This data clearly shows a correlation between educational attainment and the financial well-being of citizens. Therefore, it appears that improvement in the education level of the

population would have a positive impact on reducing the poverty level.

Other Priorities

Transportation

The following table depicts citizens’ perception about traffic as either major or somewhat of a problem:

<i>Issue</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	
Too much traffic on City streets	30.2%	34.0%	28.0%	-
Too much construction	25.8%	28.4%	23.6%	-
Peak hours traffic management on major thoroughfare	55.6%	47.7%	45.3%	↑
Driving in the City compared to a year ago	18.9%	20.9%	23.7%	↓

Source: Citizens Survey

Parking

The citizens’ dissatisfaction related to the available parking facilities is increasing as depicted in the following table:

<i>Issue</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	
Availability of parking	67.4%	64.3%	61.4%	-

Source: Citizens Survey

Based on the survey, about two thirds of the citizens are not satisfied about parking conditions. There appears to be a need for an initiative for resolution.

Public Works Functions

The citizens rated the following functions excellent or good:

<i>Issue</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	
Street Lighting (pg 24)	80.4%	73.8%	71.6%	↓
Stray Animals (pg 22)	80.0%	83.6%	81.6%	↓
Improving Environmental Quality (pg 40)	48.5%	50.0%	48.6%	-
Garbage Collection (pg 30)	85.6%	85.2%	86.0%	-
Curbside Recycling	80.3%	83.9%	80.6%	-
Landfill Services	67.1%	72.2%	73.4%	↓
Animal Services	63.4%	64.3%	59.3%	-
9-1-1 Call Center (pg 31)	88.4%	55.2%	78.9%	↑

Source: Citizens Survey

Water Utility

The Department of Public Utilities was rated as follows:

<i>Rating</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
Excellent or Good	63.8%	62.1%	60.4% 

The respondents to the survey rated the quality and reliability of water and wastewater services supplied by the City of Richmond as follows:

<i>Rating</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
Excellent or Good	73.6%	78.6%	75.6% 

Source: Citizens Survey

However, when asked about the overall rates for water, sewer services and garbage collection, a significant number of customers still think the rates are high or very high:

<i>Rating</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
Rates high or very high	73.4%	68.0%	71.0% 

Source: Citizens Survey

Conclusion

The City of Richmond has some accomplishments, specifically in improving fiscal discipline. In other areas, the City has made progress.

Poverty is one of the major issues for the City. The current City Administration established a Poverty Commission to study this issue and develop recommendations.