



Office of the City Auditor

Committed to increasing government efficiency, effectiveness, accountability and transparency.

CITYWIDE SERVICE EFFORTS and ACCOMPLISHMENTS Report: 2016-04



Issue Date: January 12, 2016

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Umesh Dalal, CPA, CIA, CIG
Richmond City Auditor

Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the City Auditor

Executive Summary

January 12, 2016

The Honorable Members of the Richmond City Council
The Honorable Mayor Dwight C. Jones

Subject: Service Efforts and Accomplishments Report

The City Auditor's Office has completed the Service Efforts and Accomplishments (SEA) report. This report provides the City Council, City Administration, and the public an independent and objective assessment, using the guidelines proposed by the Government Accounting Standards Board (GASB).

The City has continuously struggled with a high poverty rate which has stayed over 25%. In addition, a 2013 Anti-Poverty Commission report found that about one-half of the City of Richmond's population is poor, near-poor, or at risk of falling into poverty. These individuals depend heavily on the City's services. The City residents expect cost effective services that are delivered efficiently. Overall, the City needs more efforts in accomplishing its established objectives to provide cost effective services to its residents.

Community Survey results were not favorable for the most part:

The City of Richmond has consistently experienced population growth over the past five years. The majority of residents are satisfied with the quality of life in the City. They are of the opinion that the City is a good place to raise children and retire. They also think that Richmond is a good place to work and live. During this period, the City's median household income increased slightly.

Overall, the residents' satisfaction with City services declined in 2014 compared to their satisfaction in 2012. Only about a one-third of residents are satisfied with the direction in which the City is heading; overall quality of local governmental services; and the overall value they receive for local taxes and fees. In addition, only 24% of residents are satisfied with the quality of leadership by elected officials. It

appears that the majority of residents are uncertain about the performance of their government. The residents' satisfaction has decreased in the following areas:

- Residents are less satisfied with the overall quality of the City services (Satisfaction dropped from 46% in 2012 to 37% in 2014)
- They feel less safe in Richmond (Satisfaction dropped from 42% in 2012 to 35% in 2014)
- City's efforts to prevent crime (Satisfaction dropped from 50% in 2012 to 43% in 2014)
- Overall quality of public schools (Satisfaction dropped from 21% in 2012 to 11% in 2014)
- Quality of customer service received from the City employees (Satisfaction dropped from 46% in 2012 to 33% in 2014)
- Communication with the public (Satisfaction dropped from 38% in 2012 to 33% in 2014)
- Quality of code enforcement efforts (Satisfaction dropped from 33% in 2012 to 27% in 2014)
- Maintenance of streets, sidewalks, and infrastructure (Satisfaction dropped from 26% in 2012 to 18% in 2014)
- Street sweeping (Satisfaction dropped from 53% in 2012 to 47% in 2014)
- Mowing and trimming along City streets (Satisfaction dropped from 52% in 2012 to 45% in 2014)
- Cleanliness of major City streets/public areas (Satisfaction dropped from 50% in 2012 to 43% in 2014)
- City's services to low income people (Satisfaction dropped from 24% in 2012 to 21% in 2014)
- The city's youth athletic programs (Satisfaction dropped from 36% in 2012 to 31% in 2014)
- Quality of physical and mental health services (Satisfaction dropped from 49% in 2012 to 28% in 2014). *The mental health services are provided by the State.*

The City does not have a good performance measurement system.

Since 2010, the City Administration has been working on a balanced scorecard consisting of performance indicators for all City departments. A review of the indicators revealed that the scorecard is incomplete as it does not cover all areas of the City. In addition, the scorecard consists of mainly workload indicators without relevant benchmarks, which makes the scorecard of limited use. Certainly, this information is not sufficient to evaluate performance of the City government. It is well known that what an organization cannot measure, it cannot manage effectively. Lack of performance measurement in various departments has been pointed out by numerous audits in the past. Without proper performance measurement, the City operations cannot be managed effectively. The City consistently spends substantially more per capita compared to similar localities in Virginia. It is recognized that the City may have some additional burden due to its demographics. However, when the residents are not satisfied with the services they are getting, spending additional resources needs to be evaluated and managed.

Focus Areas for better management

The Mayor has proposed the following four stage, continuous process for governmental accountability:

1. Develop vision and strategy by setting the broad objectives/strategic results that our customers and other stakeholders desire and then identifying the strategies to accomplish those objectives.
2. Align City programs and services to its strategies in such a way that the City is positioned to achieve successful outcomes.
3. Implement budgeting of resources based on desired outcomes.
4. Establish a performance management system that monitors, evaluates, and reports annually on program/service performance results.

The City Administration has established goals for the City government, which are listed in seven focus areas as follows. This report uses these focus areas to determine the performance of the City.

The City Auditor's Office evaluated the City's performance using these objectives. The results are depicted as follows:

Focus Area 1: Unique, Healthy, & Inclusive Neighborhoods & Communities: The City focuses on:

- a. A healthy and well educated population,
- b. Exceptionally designed living spaces, and
- c. A quality and diverse array of continued learning, recreational, cultural and entertainment, retail, and service opportunities.

The majority of the population in Richmond would like more living options. Using guidelines provided by Housing and Urban Development (HUD), housing in Richmond may not be affordable for a significant number of families. The Mayor introduced the Healthy Richmond Campaign in 2011. The Healthy Richmond Campaign is a City initiative designed to promote the improved health of City employees and residents by addressing the disparities affecting access to health care and health resources in the City of Richmond. However, the City needs to quantify the efforts made and accomplishments achieved for improving health awareness in Richmond. The City offers a variety of recreational facilities and services. The majority of residents are satisfied with the City parks and their maintenance. However, they seek improvement in athletic programs offered by the City, access to outdoor pools within the vicinity of their neighborhood, and availability of outdoor athletic fields and community centers near their residences. The City needs additional efforts to accomplish the objectives of this focus area.

Focus Area 2: Economic Growth: The City focuses on:

- a. A sound quality of life for local residents,

- b. Creating and retaining jobs,
- c. Stimulating investment in neighborhoods and businesses,
- d. Generating the revenues necessary to fund vital municipal services.

Currently the City Auditor's Office is performing an audit of the Economic and Community Development Department. This audit will indicate if the City is successful in achieving economic growth. However, less than the majority of residents are satisfied with the business image of the City. These residents would like better jobs in Richmond. The audit currently in progress will determine accomplishments of objectives of this focus area.

Focus Area 3: Community Safety & Wellbeing: The City focuses on public safety.

The City has done well in this area. Violent crime has dropped about 16% since FY2010. Police case closure on property crime, major crimes and violent crime shows an increasing trend since FY2010. Meanwhile, Police expenditures per capita have decreased from \$437 in FY2010 to \$403 in FY2014. During the five year period, the Fire Department's performance has been consistent. They are responding to about 71% of emergency fires within the NFPA standards. The residents had mixed reactions about public safety services. In addition to issues identified above, the residents would like more efforts on elimination of drug trafficking, adequacy of security lighting, better animal control and code enforcement services. Further, they would like better enforcement of local traffic laws. Therefore, the City is generally performing well in accomplishing the objectives of this focus area.

Focus Area 4: Transportation: The City focuses on safe, efficient, equitable, affordable, and accessible multi-modal transportation for the movement of people, goods, and services.

In 2012, the City Auditor's Office pointed out that approximately 66% of the City streets were identified as fair or worse. Significant capital maintenance or reconstruction expenditures estimated at \$265 million are necessary for these streets. Since then the City spent \$6.7 in FY2013 and \$6.6 million in FY2014. This spending represents only a marginal addition to payments made by the City in the past. Only 35% of residents are satisfied with maintenance of major streets. The residents have assigned high priority to street and sidewalk maintenance. Recently, there has been an initiative for positive changes in bus services available to the public. The City needs to make additional efforts to achieve the objectives of this focus area.

Focus Area 5: Education & Workforce Development: A well-educated, well-trained workforce that supports and stimulates a vibrant local economy, which in turn enables all workers to earn a living wage and enjoy a high quality of life.

Per pupil expenditure in Richmond remains significantly higher than that of benchmarks. Similarly, the student drop-out ratio remains high in Richmond compared to benchmark localities. The residents are significantly concerned about the high school graduation rate, although it has gradually increased during the past five years. Richmond residents are concerned about the quality of public education

and availability of vocational and industry-specific training opportunities. Overall, they were not satisfied with the Richmond public schools. The City has initiated a workforce development program and has achieved limited success since FY2013. The City needs to make additional efforts to accomplish the objectives of this focus area.

Focus Area 6: Sustainability and the Natural Environment: Safeguarding the environment, including protection of air and water quality, land preservation, and energy and resource conservation.

Residents are satisfied with several initiatives in this focus area. They showed satisfaction with the fall leaf collection services, curbside garbage collection and recycling services, and combined sewer and waste water treatment facilities. However, there is an opportunity to increase their satisfaction by creating ways to reduce greenhouse gas emissions, provide opportunities to support renewable electric energy, and expand riverfront park acreage.

The City's Department of Public Works manages the maintenance of City facilities. The Department reports that the percentage of City facilities using various energy conservation strategies has increased from 30% to 55%. However, to date, only 2 of 71 facilities are LEED certified energy-efficient facilities. The Sustainability Office in the Department of Public Utilities has indicated that they have generated annual savings of approximately \$600,000 using energy efficient methods. The City's recycling efforts have been consistent over the past five years. The solid waste divergence rate remained consistent at about 12% annually. There may be additional opportunities to improve diverting solid waste with greater recycling efforts. Based on this information, the City has made some progress in this area. However, the City needs to make additional efforts to accomplish the objectives of this focus area.

Well-Managed Government:

A well-managed government that provides effective and efficient City services that are accessible, transparent, responsive, accountable, fair and creative, and maintain a high level of customer satisfaction.

The citizens were generally less satisfied with many of the critical services, especially services to low income families although a significant portion of Richmond's population lives at or below the poverty level. In addition, less than the majority of residents are satisfied with other critical services that impact the quality of their lives such as maintenance of streets and sidewalks. On the other hand, the majority of residents are satisfied with some major categories of City services, including the quality of natural gas and water utility services, solid waste collection system, parks and recreation services, and libraries.

The City's customer service needs significant improvement as only 42% of those who responded to the survey indicated that the City employees helped them resolve their issue and only 39% indicated that the employees actually did what they promised. The City does not have a good mechanism to manage performance of its employees as well as operations. Compared to the other governments, the per capita expenditures for the City appear to be high. This does not indicate cost effective delivery of services. About 70% of residents are not convinced that they receive value for their tax dollar and approximately 65% of the taxpayers are not convinced that they receive

quality City services. The overall residents' satisfaction has reduced in 2014 compared to 2012. Also, the City has witnessed significant turnover in its leadership and staff positions. This may have an impact on the services delivered to the public. Therefore, the City needs to make more efforts to achieve its goal of becoming a well-managed government.

As agreed with the Former DCAO of Finance and Administration, the report is prepared for management information and does not make any recommendations. The information included above should be used to validate the discrepancies and improve City operations.

Sincerely,

Umesh Dalal

Umesh Dalal, CPA, CIA, CIG
City Auditor

cc: Selena Cuffee-Glenn, Chief Administrative Officer
The Richmond City Audit Committee
Lenora Reid, Deputy Chief Administrative Officer of Finance and Administration

Introduction, Objectives, and Methodology

Introduction

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

The purpose of this report is to:

- Improve government transparency and accountability,
- Provide consolidated performance and workload information on City services,
- Allow City officials and staff members to make informed management decisions, and
- Report to the public on the state of certain City departments, programs, and services.

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Citywide

Service Efforts and Accomplishments Report

January 2016

This report presents an unbiased view of City expenditures, efforts made by the City to provide public service and public opinion about the quality and adequacy of services provided.

Methodology

- The City Auditor's Office used the community survey conducted by the City Administration in May 2014. In 2012, the survey instrument was developed jointly by the City Auditor's Office and the City Administration.
- Necessary performance history was either extracted from the City budget documents or was provided by the relevant departments. The City Auditor's Office has not audited or verified the accuracy of the data provided or the data published by other agencies.
- Published data from various other sources were used as needed.

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Service Efforts and Accomplishments Report

January 2016

Community Profile

Population

Richmond has experienced steady growth in population over the past five years as depicted below:

<i>Fiscal Year</i>	<i>Population</i>	<i>% Increase</i>
2010	204,256	-
2011	206,977	1.33%
2012	211,526	2.20%
2013	214,704	1.50%
2014	217,853	1.47%

Source: U.S. Census Bureau

Median Income

The median household income in Richmond has remained at around \$38,000 as presented in the following table:

<i>Year</i>	<i>Median Household Income</i>
2010	\$39,608
2011	\$38,926
2012	\$38,185
2013	\$39,193
2014	\$43,054

Source: U.S. Census Bureau

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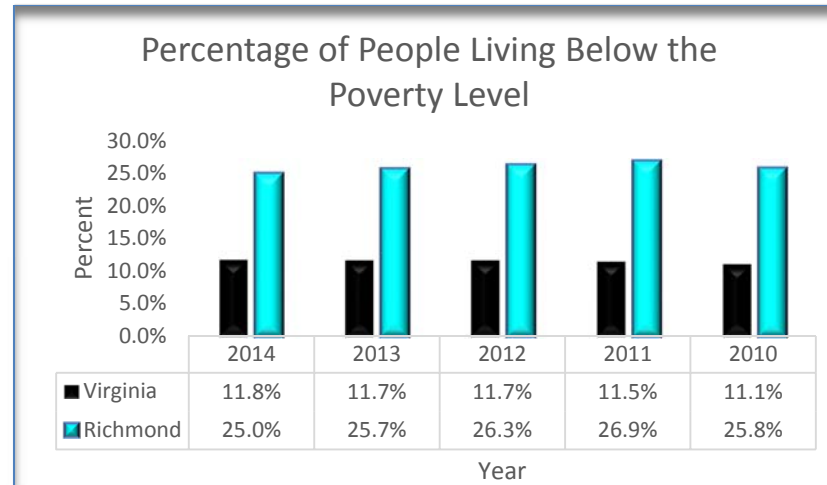
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During the recessionary period beginning 2008, the median household income did not reduce significantly, indicating the economic stability of the area.

Poverty

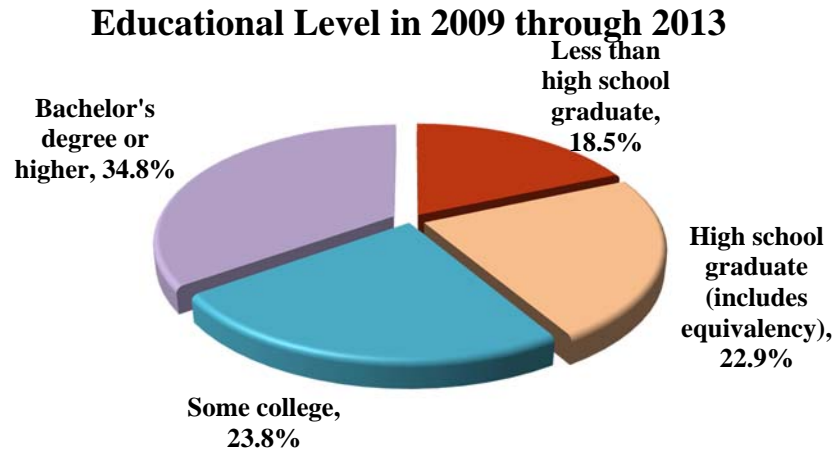
In the past several years, the City of Richmond has been struggling with a high poverty level. The following chart depicts the population living below the poverty level in Richmond compared to the State of Virginia. Richmond's poverty level is twice as much as the State of Virginia. This may create additional burden on services requested by residents.



Source: U.S. Census Bureau

Education

The latest census survey indicated that in Richmond, the majority of the population 25 years or older had some college level education. However, about 41% of the population in this age group has an education level of a high school graduate or lower, as depicted in the following chart:



Source: U.S. Census Bureau

The above data is important because it has implications on the income levels of the population. Over 25% of the population in Richmond lives below the poverty level. Further, nearly 50% of the population lives at or near the poverty level according to the Mayor's Anti-Poverty Commission.

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The following table indicates the earning potential associated with education:

Educational Attainment	Median Earnings
Bachelor's degree or higher	\$49,368
Some college or associate's degree	\$28,895
High school graduate (includes equivalency)	\$23,693
Less than high school graduate	\$17,608

Source: U.S. Census Bureau

This data clearly shows a correlation between educational attainment and the financial wellbeing of citizens.

Income

According to the 2009-2013 American Community Survey, the following is the median income in Richmond compared to similar data gathered for the nation:

	<i>Median Income</i>			
	Households	Families	Married-couple families	Nonfamily households
Richmond	40,496	48,681	81,233	32,069
United States	53,046	64,719	77,963	31,864

Source: U.S. Census Bureau

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Overall, all households and families appear to lag behind in median income levels compared to the national average. However, married couples without children and non-family households are better off compared to the national average.

Housing

Over a five year span from 2009 through 2013, the occupancy of residential units was as follows:

<i>Housing Occupancy</i>	<i>Units</i>	<i>Percent</i>
Owner Occupied	36,547	37%
Renter Occupied	48,286	49%
Vacant	13,746	14%
Total Housing Units	98,579	100%

Source: U.S. Census Bureau

The above data indicates that almost half of residential units are renter occupied.

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

<i>Year Built</i>	<i>Age</i>	<i>Number of Units</i>	<i>Percent</i>
1979 or earlier	30 year +	81,326	82%
1979 - Present	0 - 30 years	17,253	18%
		98,579	100%

Source: U.S. Census Bureau

According to GASB, "SEA reporting communicates information on the results of government programs or services that can be used to help users make decisions. SEA reporting provides citizens and other users with measures, indicators, or metrics of the volume, quality, efficiency, and results of public services. These indicators of performance, when publicly reported, are yardsticks that can be used to assist users in determining if a government is working well, poorly, or somewhere in between."

Community Survey

A 2014 Richmond community survey conducted by the City Administration provides insight into the City residents' perception of the City and how it is managed. A similar survey was conducted in 2012, jointly by the City Auditor's Office and the City Administration. This report compares the results of these two surveys.

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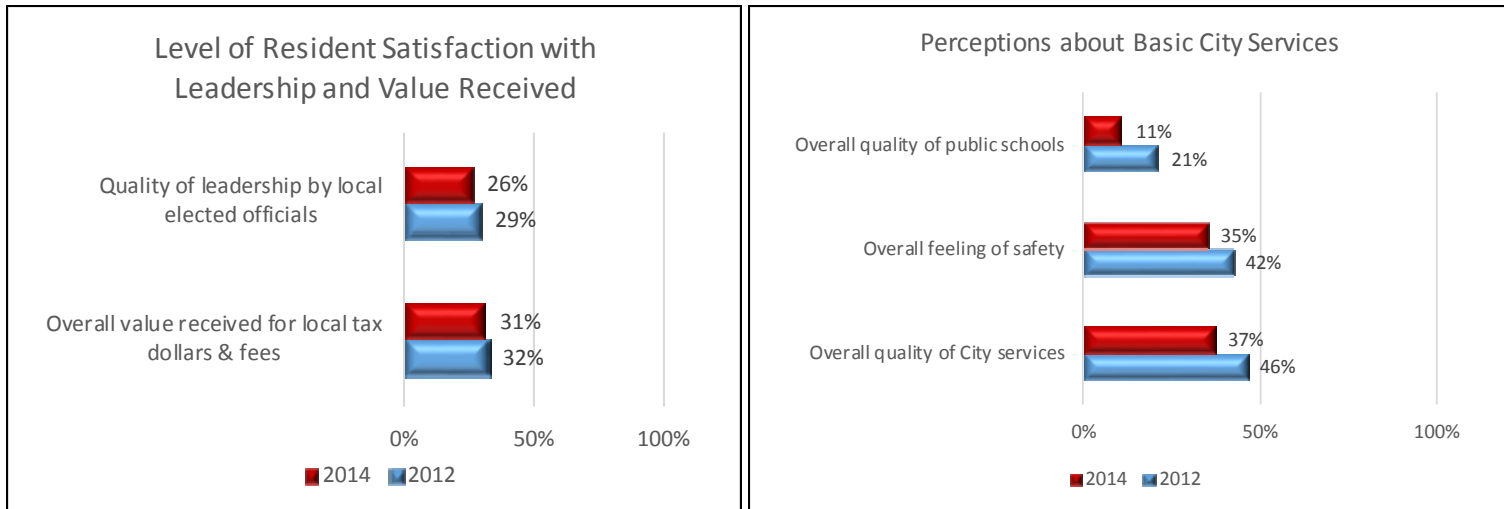
The citizens' perception regarding the progress of the City addressing citizens' needs, remains negative as depicted in the following table:

<i>Direction of the City</i>	<i>2012</i>	<i>2014</i>
Right Direction	37%	34%

Source: 2014 City of Richmond Community Survey

This means that the vast majority of the population perceives that the City is not making progress.

The comparison between the two survey results showed an obvious reduction of residents' satisfaction with the City's services and factors impacting the quality of their lives. They do not see value for their tax dollars. Their dissatisfaction about the quality of leadership in the City and the basic services the City provides, shows lack of confidence in their government as follows:



Source: 2014 City of Richmond Community Survey

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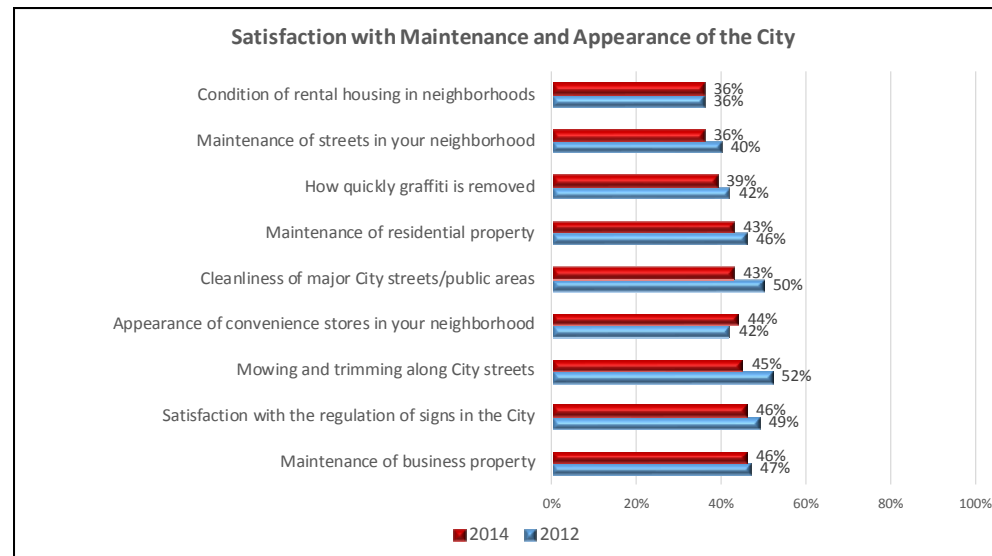
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This dissatisfaction is linked to their opinions related to the quality of City services, feeling safe in the City and the quality of public schools. Residents are very dissatisfied with the public schools and the quality of services they receive from the City. In addition, residents remain dissatisfied with their safety in the City. The City needs to make significant improvements in these areas.

Maintenance and Appearance of the City

In addition, more than half of the residents are not satisfied with how the City appears and is maintained. This may indicate the lack of code enforcement efforts. In addition, basic maintenance like street cleaning appears to need improvement.



Source: 2014 City of Richmond Community Survey

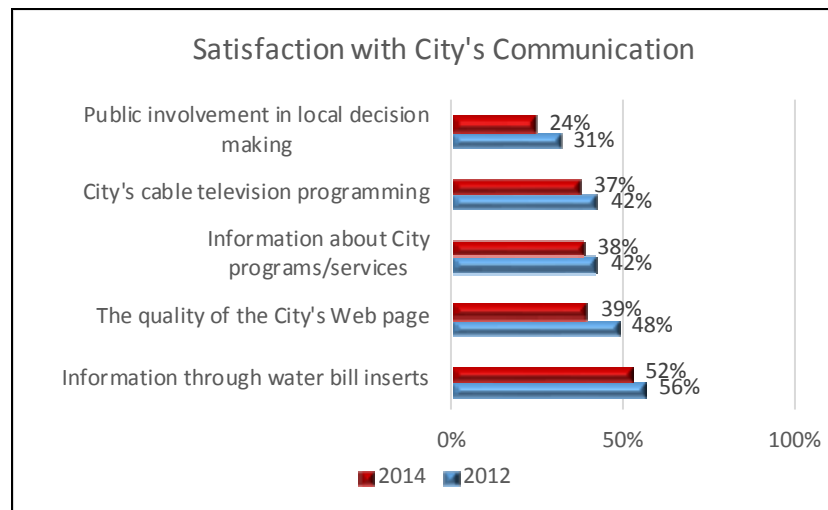
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The residents do not feel “included” in the City government decision making process. In addition, it appears that the City needs to improve upon its communication efforts to keep residents informed. Improved communication may improve citizen participation in government, which in turn, may help enhance trust in government.



Source: 2014 City of Richmond Community Survey

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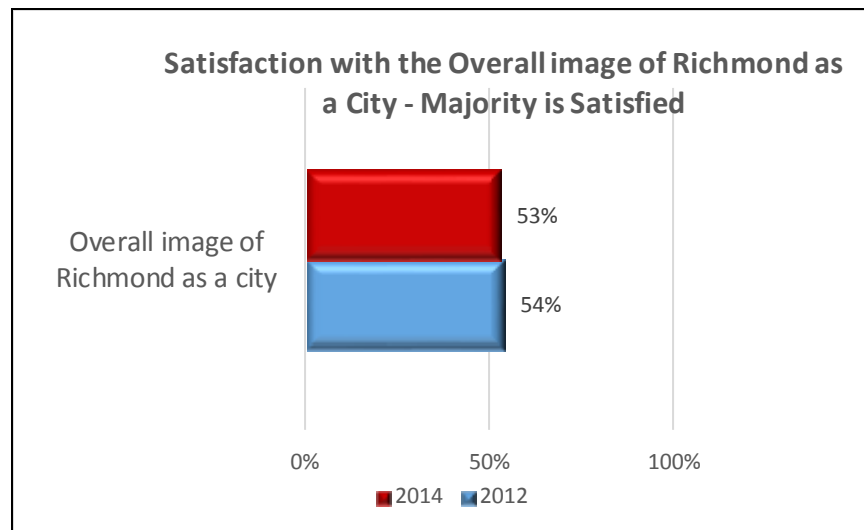
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Richmond's Image as a City

About half of the residents are satisfied with the overall image of Richmond as a City.



Source: 2014 City of Richmond Community Survey

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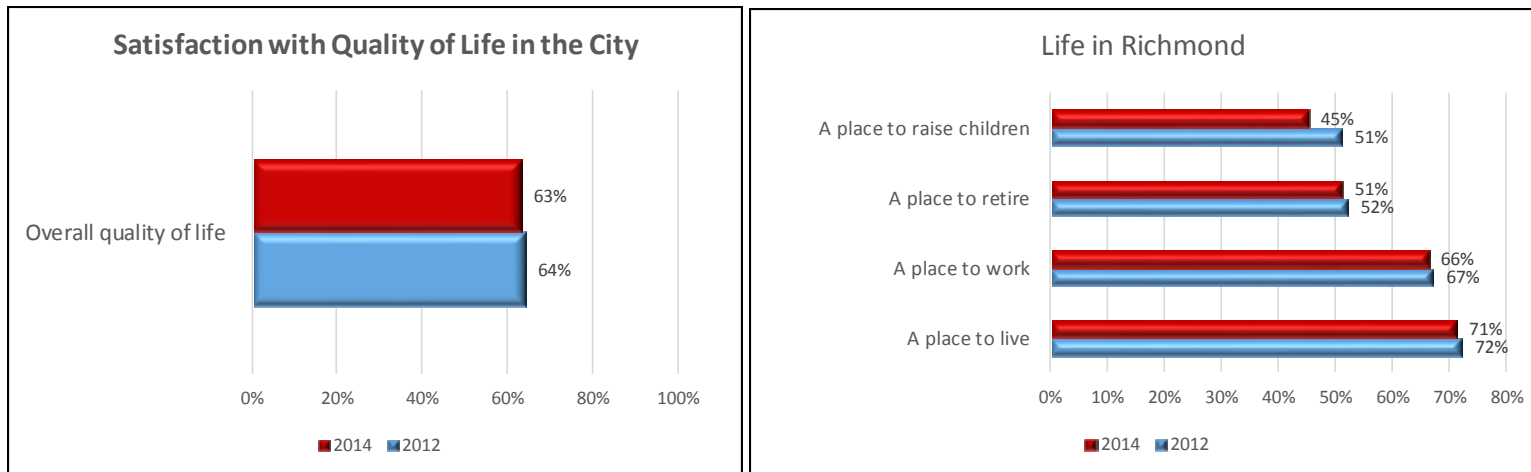
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Quality of Life:

The majority of residents showed satisfaction with the quality of life in the City. It appears that the residents' satisfaction with Richmond as a desirable place to raise children has diminished slightly. However, they still feel that Richmond is good place to work, live and retire.



Source: 2014 City of Richmond Community Survey

Focus Areas

The following is an excerpt from page 49 of the City's Biennial Fiscal Plan for FY2014 and FY2015:

Over the past several years, in keeping with Mayor Dwight C. Jones' pledge to "Build the Best Richmond", we sought ways to change the way we manage our business. Using Mecklenburg County, North Carolina as a model, Richmond decided to focus on changing and improving the key processes for planning, budgeting, and performance management to ensure that we make best use of limited resources to deliver value to our customers and other stakeholders. What has been developed is a four stage, continuous process for governmental accountability.

- 1. Develop Vision & Strategy -set the broad objectives /strategic results that our customers and other stakeholders desire and then identify the strategies to accomplish those objectives*
- 2. Align -align programs and services to carry out the strategies*
- 3. Implement-budget resources based on desired and known outcomes*
- 4. Evaluate-establish a performance management system that monitors, evaluates and reports annually on program/service performance results*

The City Administration has established goals for the City government, which are listed in seven focus areas as follows. This report uses these focus areas to determine performance of the City.

Focus Area 1: Unique, Healthy, & Inclusive Neighborhoods & Communities

The first focus area is described in the Biennial Fiscal Plan as follows:

Vision-*To create vibrant, attractive, and sustainable neighborhoods characterized by a healthy and well educated population of diverse incomes and exceptionally designed living spaces, within a network of interconnected neighborhoods that offer a quality and diverse array of continued learning, recreational, cultural and entertainment, retail, and service opportunities.*

Strategic Results

*The strategic results supporting the Vision Statement and driving the achievement of desired outcomes are focused on the development of a city of **complete neighborhoods**. Complete neighborhoods are those that provide residents and business owners with the essentials that they need on a day-to-day basis.*

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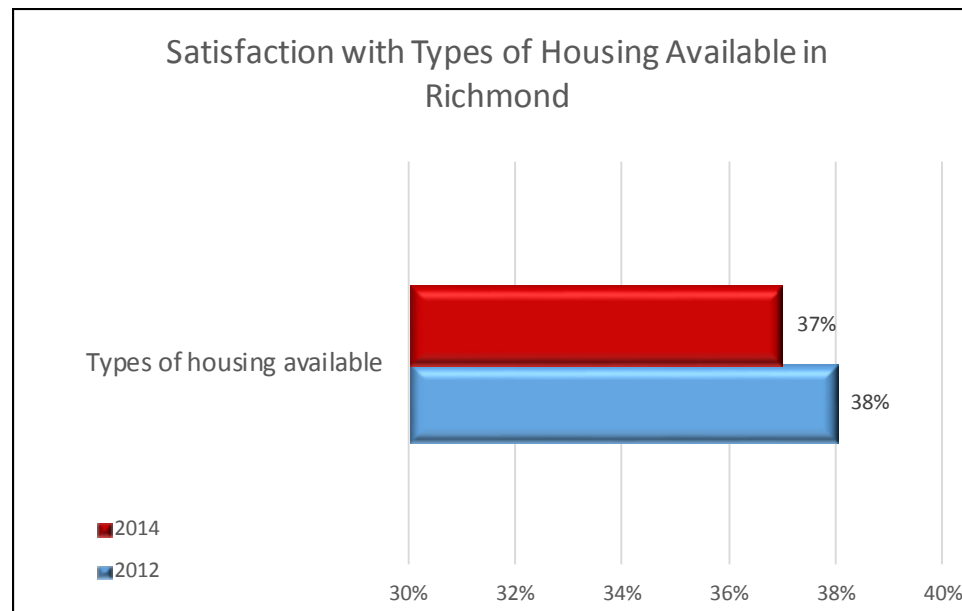
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The City Auditor's Office used the community survey conducted by the City Administration, which indicated:

Accessible Housing Options

Only about one-third of Richmond residents remain satisfied with the available housing options in Richmond.



Source: 2014 City of Richmond Community Survey

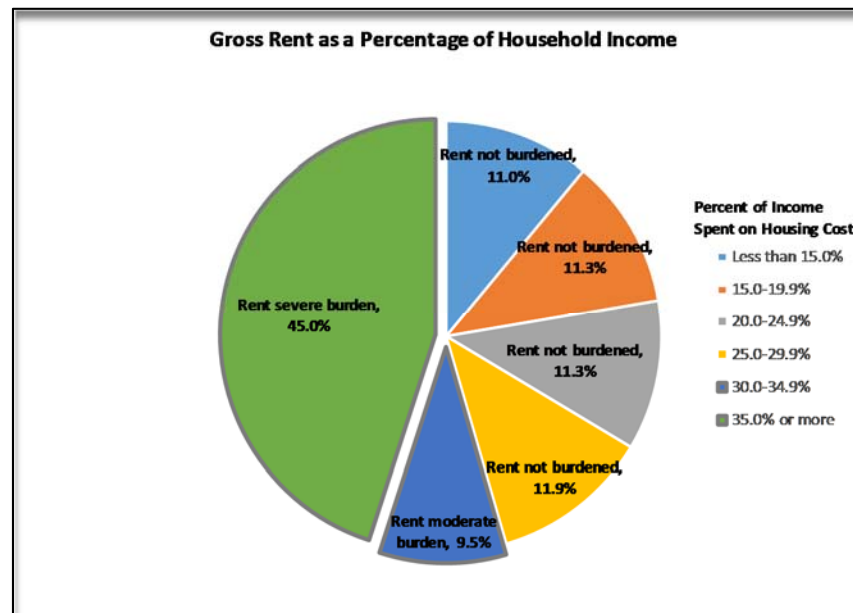
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As described before, the majority of residential units are rented. The rent cost could be excessive for many residents. According to Housing and Urban Development (HUD), "Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care." In Richmond, 55% of families who rent housing units pay more than 30% in rent as depicted below:



Source: U.S. Census Bureau

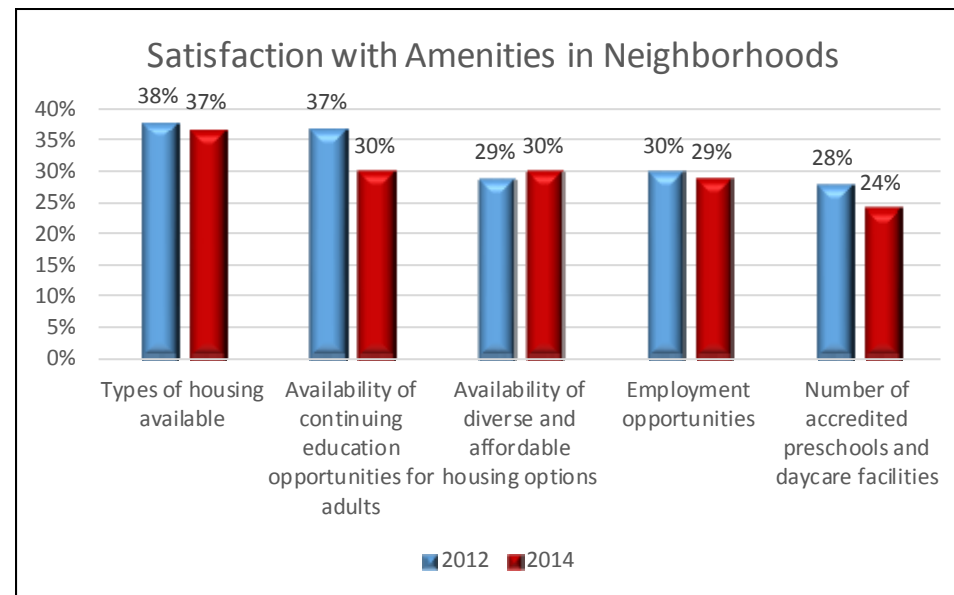
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Almost two thirds of residents were not satisfied with the type of housing available in their neighborhoods. They lack availability of continuing education opportunity for adults and employment opportunities in or near their neighborhood. They also pointed out lack of preschool and daycare facilities. These issues will have a direct impact on the residents' ability to pursue gainful employment, pursue education and quality of life.



Source: 2014 City of Richmond Community Survey

Improving Health in Richmond

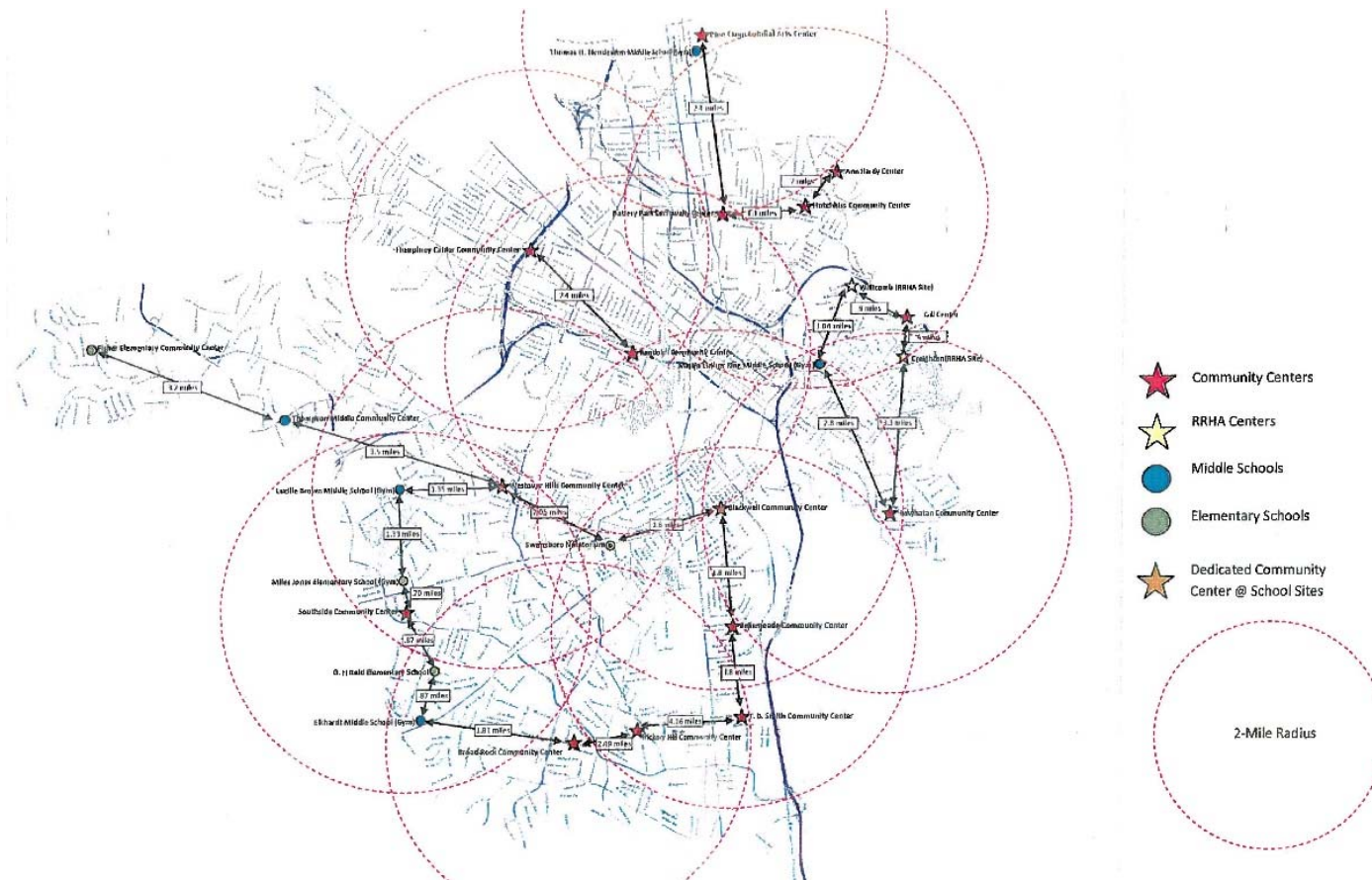
The Mayor introduced the Healthy Richmond Campaign in 2011. The Healthy Richmond Campaign is a City initiative designed to promote the improved health of City employees and residents by addressing the disparities affecting access to health care and health resources in the City of Richmond. However, the City needs to quantify the efforts made and accomplishments achieved for improving health awareness in Richmond.

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Accessibility to Community Centers

There are adequate community centers throughout the City as depicted in the following map.



Source: Department of Parks, Recreation and Community Facilities

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Based on the above information, the residents have access to community centers either in or near their neighborhood.

The majority of residents are satisfied with:

- Quality of the City parks
- Maintenance of the facilities at the City parks

However, the majority of residents are dissatisfied with the:

- City's adult athletic programs
- Access to outdoor pools in the area of users' residence
- Quality of the City's outdoor swimming pools
- City's youth athletic programs
- Quality of outdoor athletic fields
- Availability of community centers in the area of users' residence
- Maintenance and appearance of community centers

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This information is depicted in the following graph:



Source: 2014 City of Richmond Community Survey

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The following are the pertinent performance indicators as prescribed by the International City/County Management Association (ICMA) and annual expenditures by the Parks, Recreation and Community Facilities Department:

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>
Annual expenditures	\$15,136,355	\$15,941,691	\$15,595,309	\$15,684,118	\$15,966,768
Developed park acreage	2,595	2,595	2,595	2,595	2,836
Park maintenance expenditures/acre	\$910.53	\$1,329.51	not available	\$1,496.04	\$1,238.38
Net revenue/capita	\$4.20	\$4.38	\$4.35	\$4.32	\$3.13
Park acres/ 1,000 population	13	13	12	12	13

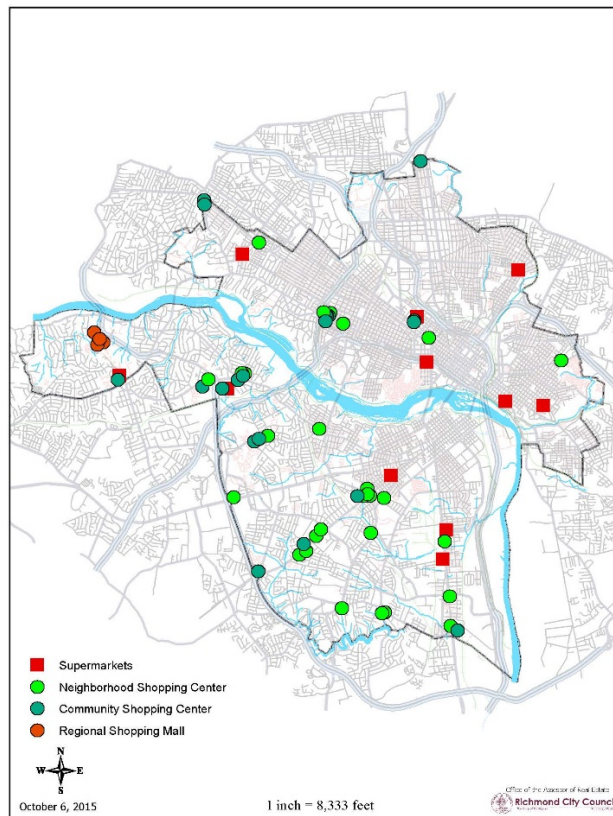
Source: Department of Parks, Recreation and Community Facilities

The residents identified the following as the top three priorities related to Parks and Recreation to enhance:

1. Maintenance of City parks
2. The City's youth athletics programs
3. Quality of facilities at City parks

Accessibility to Retail Outlets

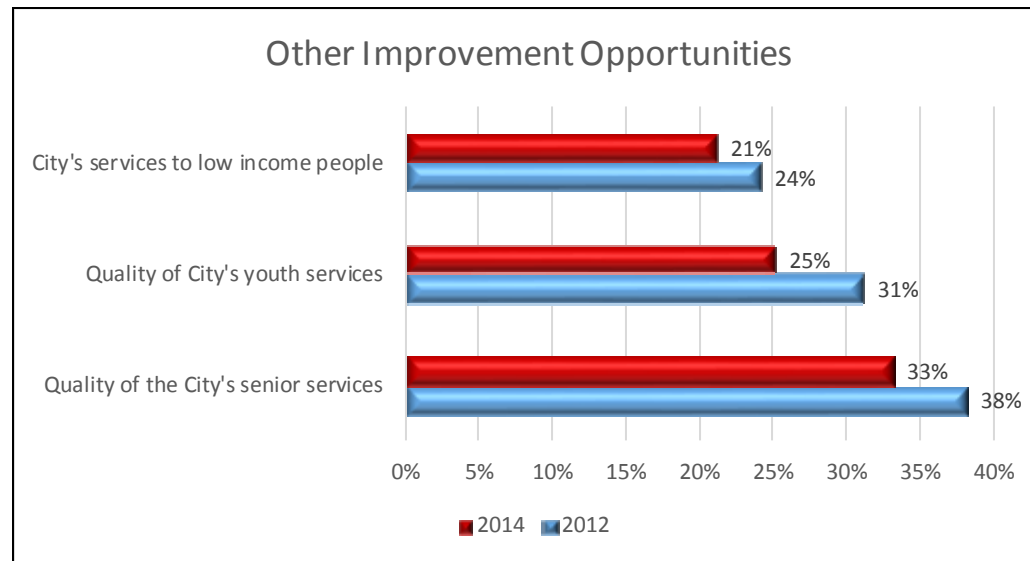
Richmond has a regional shopping mall, several neighborhood and community shopping centers and many supermarkets. As depicted in the following map, these facilities are fairly accessible to residents of Richmond throughout the City.



Source: City of Richmond, VA Geographic Information Systems

Other Improvement Opportunities

The majority of residents are not satisfied with the City's services to senior citizens, youth, and the low income population.



Source: 2014 City of Richmond Community Survey

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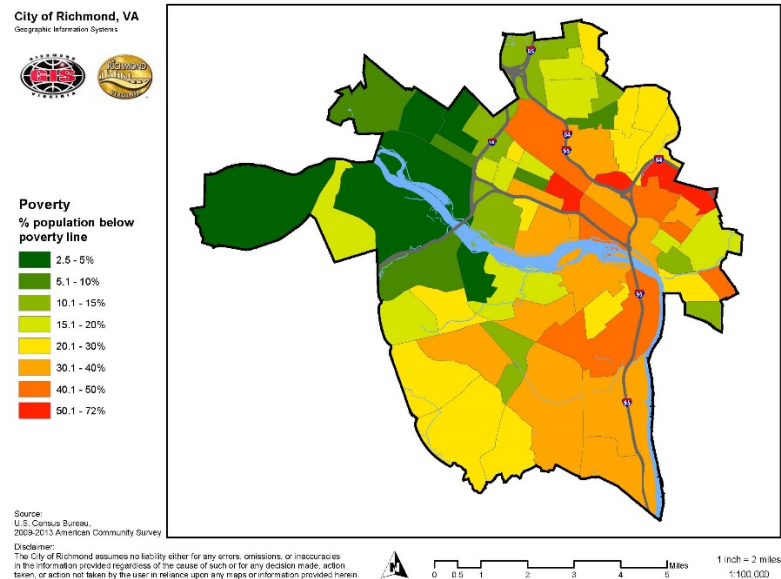
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There are several City neighborhoods where a significant number of residents live under the poverty level. This is the most vulnerable segment of the City's population that need services the most. The following map depicts the income disparity in City population:

Population Below Poverty Line - 2009-2013 ACS



Source: Department of Planning and Development Review website

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The residents ranked the following as high top priority improvements they need:

- City's services to the low income people
- Overall quality of the City's services to youth
- Overall quality of the City's services to seniors

Conclusion:

Based on the above information, the City needs to make additional efforts in this area to accomplish its objectives.

Focus Area 2: Economic Growth

The second focus area is described in the Biennial Fiscal Plan as follows:

Vision - *The City's vision to achieve the goal of making Richmond a Tier One City and fulfill the mission of Building the Best Richmond through a comprehensive economic growth will require a strategy that ensures a sound quality of life for local residents, creates and retains jobs, stimulates investment in neighborhoods and businesses, and generates the revenues necessary to fund vital municipal services.*

Strategic Results

The strategic results supporting the Vision Statement and driving the achievement of desired outcomes include:

- Affords access to opportunity for Richmond residents
- Fosters viable mixed-income neighborhoods
- Develops and supports Richmond tax revenue base, providing funding for municipal services for all residents
- Maximizes the City's assets and advantages
- Promotes the health of local communities and residents
- Attracts long-term investment in real property and development
- Attracts and retains business and industries thereby creating jobs

The City Auditor's Office is currently reviewing the City's Economic Development function. Detailed results are expected to be available in January 2016, which will confirm or deny the adequacy of economic development efforts in the City.

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City's Business Image

Recently, Forbes magazine listed Richmond as 43rd best place to do business. It is home to several Fortune 500 businesses, such as:

- Altria Group – ranked number 169 down from 161, revenues \$18 Billion
- CarMax – ranked number 232 up from 240, revenues \$13 Billion
- Dominion Resources – ranked number 243 down from 212, revenues \$12.4 Billion
- Genworth Financial, ranked 304 down from 291, revenues \$9.6 Billion
- MeadWestvaco, ranked 464 down from 457, revenues \$5.6 Billion

Source: Forbes and Fortune websites

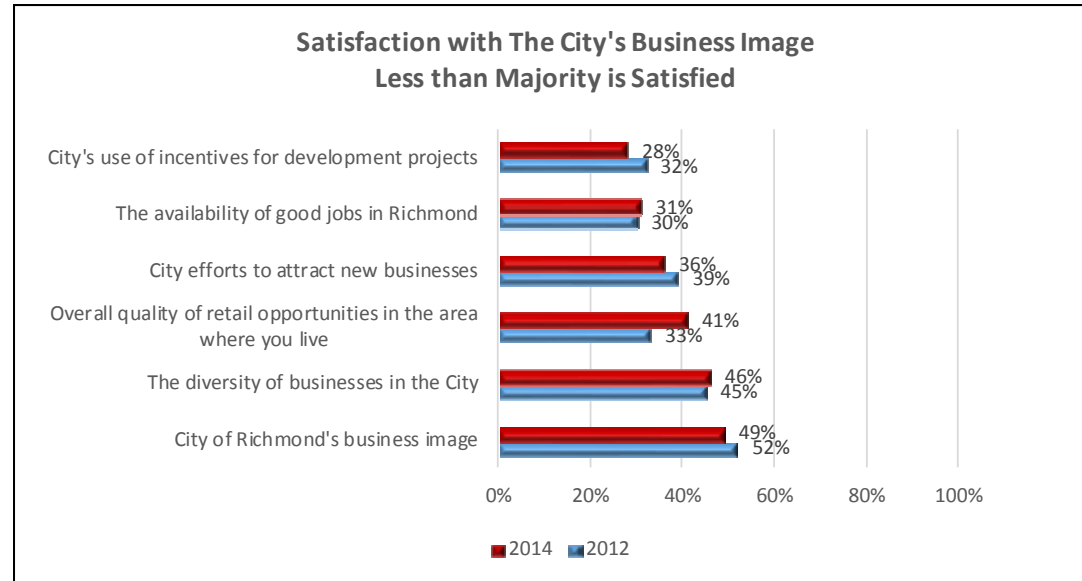
However, the majority of residents in Richmond are not satisfied with the City's business image. Less than the majority of residents are satisfied with the City's use of incentives and efforts made to attract new businesses. They are also not satisfied with the availability of jobs in Richmond and the quality of retail businesses where they live.

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Source: 2014 City of Richmond Community Survey

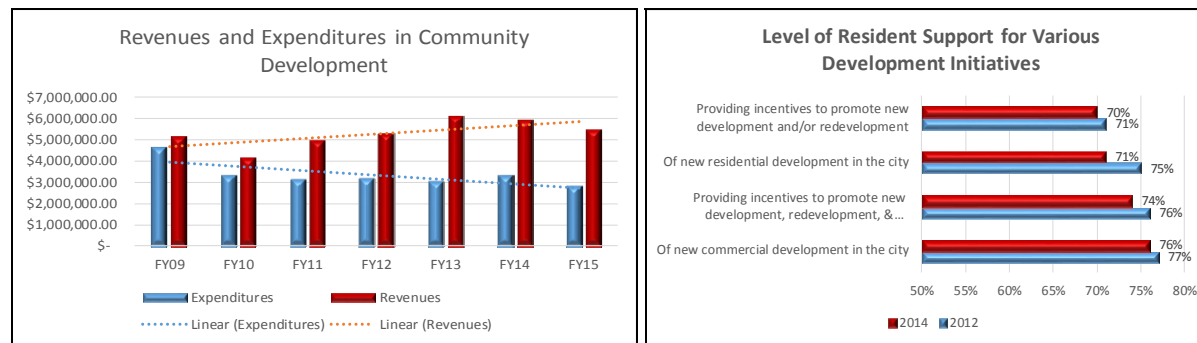
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The City's processes need to be development friendly for increased development activity. This factor could also impact the success of economic development efforts. It appears that the City is collecting substantially more revenues than the cost it incurs in providing community development activities, such as plan reviews and building permits. One of the reasons for collecting extra revenue was to fund a new computer system, which is in its final stages of implementation. However, collecting additional revenues could increase the cost of developers to do business in the City and may discourage them.



Sources: Department of Planning and Development Review - 2014 City of Richmond Community Survey

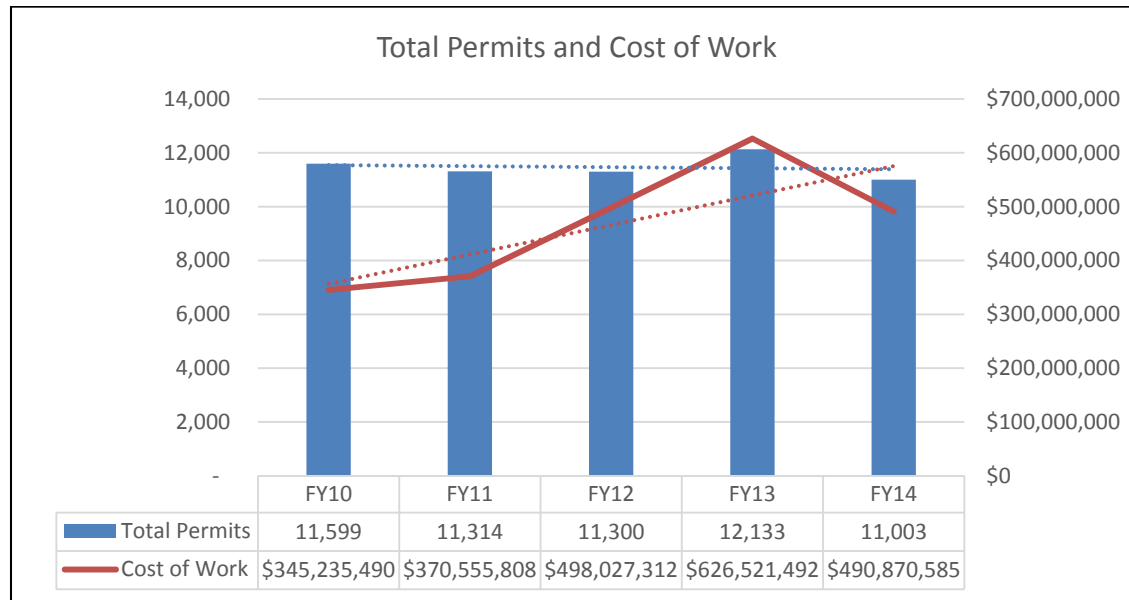
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The building permits issued by the Bureau of Permits and Inspections showed a relatively consistent trend over the past five years. During this period, the cost of work covered by these permits showed an overall increasing trend. This information is presented below:



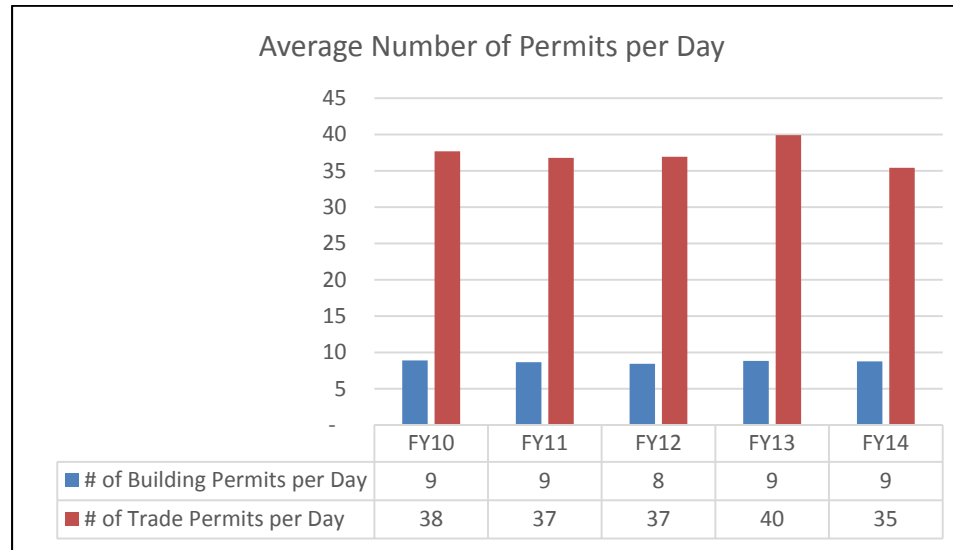
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During the above period, the productivity of the Bureau appeared to be consistent as shown below:



Source: Department of Planning and Development Review

Conclusion: At this time, the success of the City in this area cannot be determined until completion of the audit currently in progress. However, it is a good idea to address the concerns expressed by the residents in the Community Survey.

Focus Area 3: Community Safety & Well Being

The third focus area is described in the Biennial Fiscal Plan as follows:

Vision- *To make Richmond a Tier One City and fulfill the mission of Building the Best Richmond through the implementation of education focused community oriented governance that addresses policing, fire/emergency medical services response & emergency preparedness while providing the infrastructure and services that will ensure all Richmonders have the opportunity to experience an exceptional quality of life.*

Strategic Results

The strategic results supporting the Vision Statement and driving the achievement of desired outcomes include:

- Reduction of major crime and other public safety incidents
- Increased alternatives to incarceration
- Investment in Public Safety/Health Infrastructure
- Enhanced Emergency Management Capability
- Advancement and Promotion of Public Safety Prevention and Education
- Improved citizen perception of safety and increased citizen satisfaction

Some of the above areas, such as increased alternatives to incarceration are fairly new. In 2014, the City made efforts to adopt new policies to seek alternatives to incarceration. This issue will have to be studied at a future date to make any conclusions on its success. This report focused mainly on crime reduction and relevant public safety efforts.

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During fiscal years 2010 through 2014, the violent and property crimes have decreased and the case clearance for these crimes has improved. The Police Department accomplished this with a reduction in per capita expenditures during the periods as depicted below:



Source: Police Department

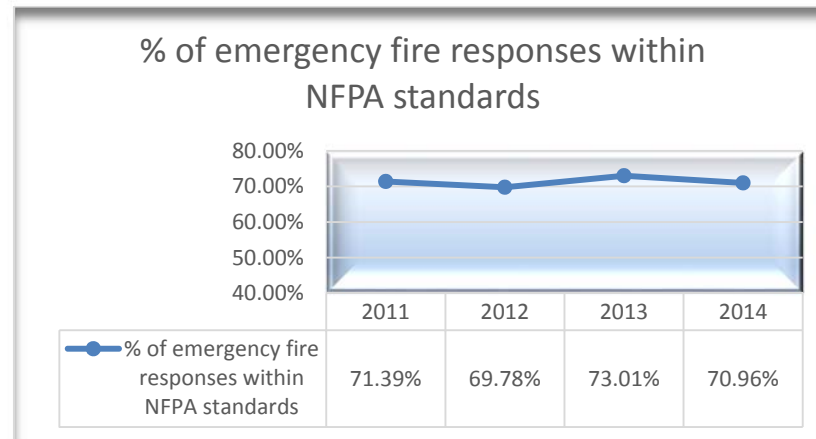
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During the above period, the fire department's performance has been consistent.



	2010	2011	2012	2013	2014
Total fire/EMS expenditures per capita	\$201.14	\$194.23	\$217.46	\$ 210.24	\$203.35
Sworn FTEs per 1,000 population	2	2	2	2	2
% of emergency fire responses within NFPA standards	Not available	71.39%	69.78%	73.01%	70.96%
Total BLS responses per capita	0.07	0.07	0.06	0.07	0.08
Flame spread in residential fires	63%	65%	66%	71%	68%
Total residential fire incidents per 1,000 population	0.99	1.06	0.79	0.96	1.06

Source: Department of Fire and Emergency Services

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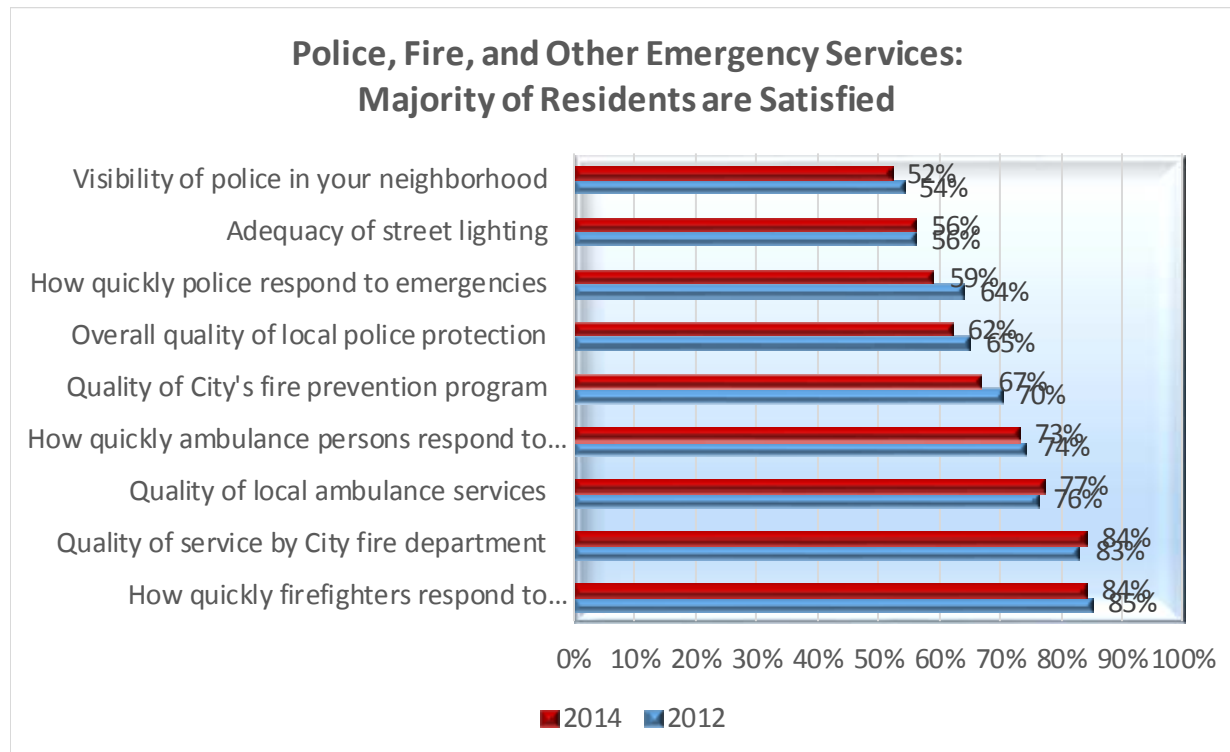
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The residents had a mixed reaction about public safety services. This is an acknowledgement of what is working well and what needs to be improved. The City needs to make additional efforts to improve public safety services as identified by the residents. The results are depicted below:

What is working well?



Source: 2014 City of Richmond Community Survey

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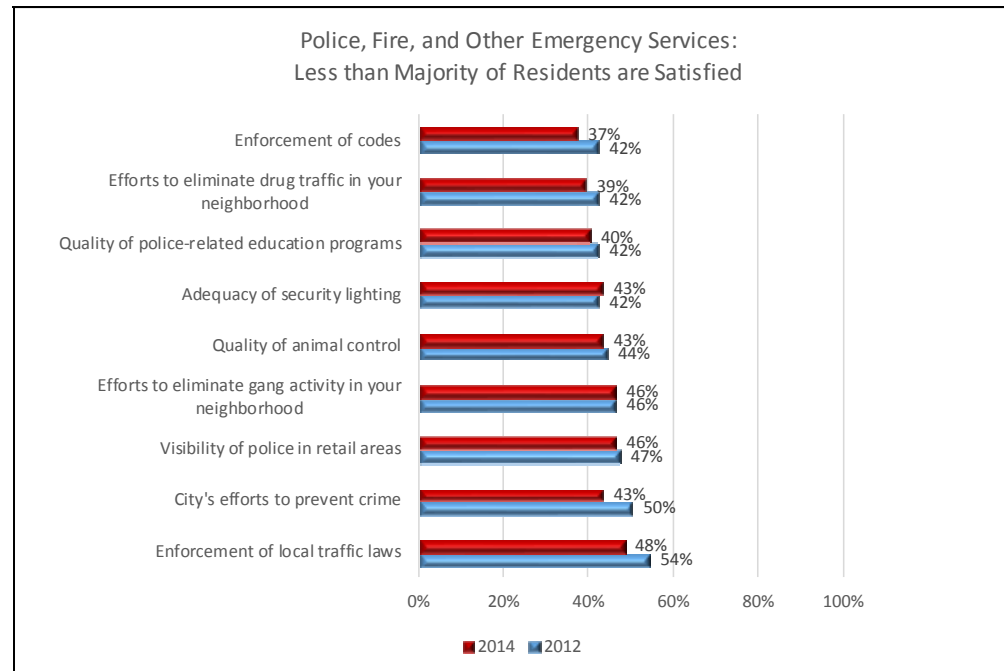
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What needs improvement?

Less than half of the residents were satisfied with the following areas related to the citizen health and safety:



Source: 2014 City of Richmond Community Survey

The following are residents' top three priorities related to safety issues:

1. Quality of local police protection
2. The City's efforts to prevent crime
3. Visibility of police in neighborhoods

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Conclusion:

The Police Department has significant accomplishments, specifically in the reduction of crime in Richmond. This accomplishment is reflected in the residents' satisfaction with the department's services. However, the department could further improve services where the residents have expressed dissatisfaction. The residents are satisfied with the services the Fire Department provides.

Focus Area 4: Transportation

The fourth focus area is described in the Biennial Fiscal Plan as follows:

Vision- *To make Richmond a Tier One City and fulfill the mission of 'Building the Best Richmond' through a transportation system that provides **safe, efficient, affordable and accessible multi-modal** transportation for the movement of people, goods, and services in harmony with existing and future land use and the natural environment."*

Strategic Results

The strategic results supporting the Vision Statement and driving the achievement of desired outcomes are based on the ten guiding principles which were developed for the Richmond Strategic Multimodal Transportation Plan through a collaborative process. Transportation decisions will be guided by the following:

- **Safety:** Operationally, our roadways and all travel modes will be safe for all users.
- **System Preservation:** Well managed and preserved, roadways, bridges and transportation infrastructure
- **Complete Streets:** Streets will be designed, redesigned, and maintained in a way that better serves the needs of all modes
- **Multimodal Linkages:** Neighborhoods and communities throughout the City will be linked by a balanced, multimodal, bikeable, walkable, transit-friendly transportation system.
- **Equity and Accessibility:** Our multimodal system will be more equitable, universally accessible and provide improved access to jobs, attractions and activities.
- **Regional Cooperation:** We will think regionally. Regional transit will be an extensive part of the future transportation system. Access to jobs and housing will be coordinated regionally.
- **Sustainable Transportation:** Transportation will be more sustainable by reducing per capita Vehicle Miles of Travel (VMT) within the City; increasing the use of bicycles, pedestrian facilities, and transit; coordinating transportation decisions with local land-use decisions and redevelopment projects to facilitate greater use of multi-modal options; and encouraging alternatives to the single occupant vehicle.
- **Alternative Mode Support:** More multimodal centers, corridors and land use and parking policies that support alternative modes of transportation, walking and biking.
- **Innovation:** Richmond will embrace transportation innovations in the operations, design and maintenance of transportation facilities and in the incorporation of new modes and technologies.

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In this area, the City Administration has worked with GRTC to provide rapid transit services on Broad Street. In addition, GRTC provides transit system that provides transportation throughout the City and some busses are going to Henrico and Chesterfield counties.

As far as providing complete and well managed streets, the City needs to do more. In 2012, the City Auditor's office identified a \$277 million backlog in about 1,800 lane miles of street maintenance. In the 2012 study, using information provided by the Department of Public Works, the City Auditor estimated the following funding needs based on the conditions of the roadways:

<i>Pavement Condition</i>	<i>Rating Scale</i>	<i>Treatment</i>	<i># of Lane Miles</i>	<i>Total Funding Needed</i>
Excellent	100-91	-	121	-
Good	90-71	Slurry seal	497	\$12,828,564
Fair	70-51	Milling/Overlay	657	\$46,635,831
Poor	50-21	Reconstruction	492	\$190,492,560
Very Poor	20-0	Reconstruction	69	\$26,715,420
Total			1,836	\$276,672,375

Source: Audit Report #2012-04 DPW – Roadways Maintenance

Based on the above data, 66% of the Richmond streets needed major rehabilitation or reconstruction. It is well known that once the integrity of sub road structure is compromised, the deterioration accelerates. Also, preventive maintenance is significantly cheaper than rehabilitation and reconstruction.

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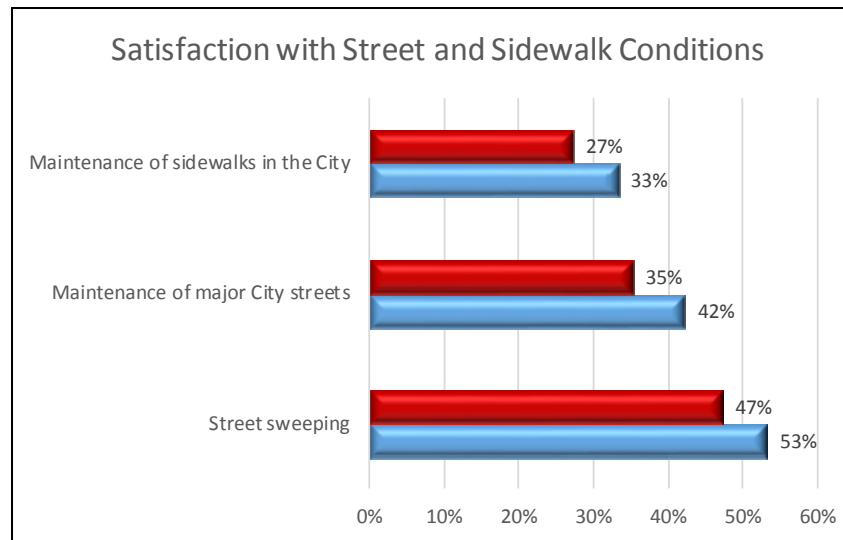
Since then the City has expended the following on roadway maintenance:

	2010	2011	2012	2013	2014
Road rehabilitation expenditures	5,900,000	4,600,000	5,900,000	6,700,000	6,600,000
Total lane miles paved	181.50	117.60	107.70	129.70	92.15

Source: Department of Public Works

Based on the above information, it does not appear that the City has increased its spending on street maintenance significantly. Street and roadway conditions have a direct impact on the residents' quality of life.

The following are the opinions of residents related to sidewalk and street conditions:



Source: 2014 City of Richmond Community Survey

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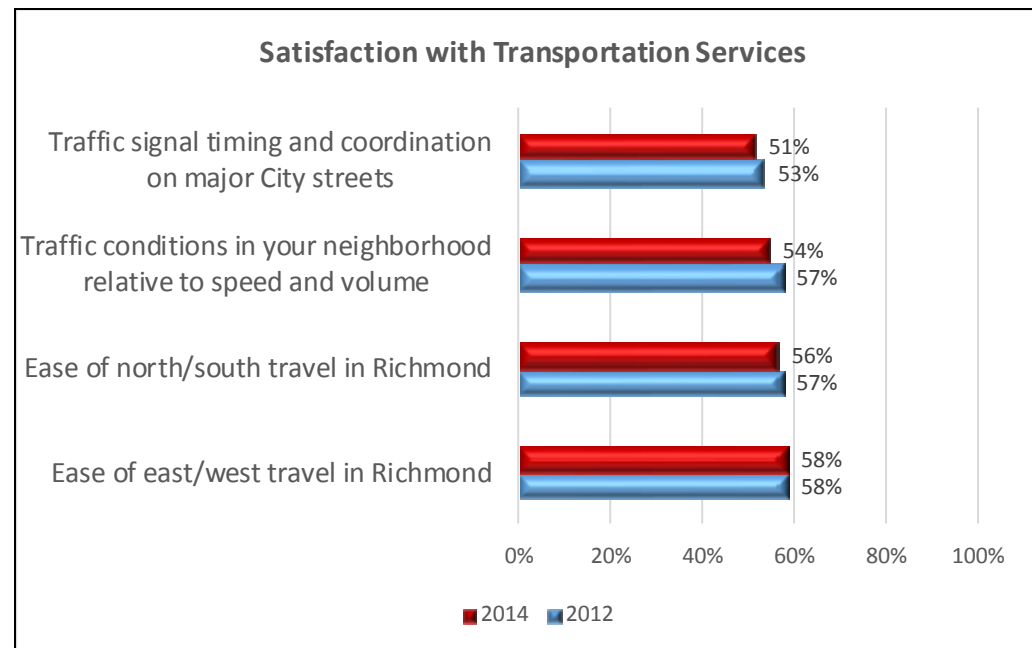
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The residents' satisfaction related to sidewalk and street maintenance as well as street sweeping has decreased since 2012. Only 18% of residents were satisfied in the 2014 survey, compared to 26% of residents in 2012 about maintenance of sidewalks, streets, and infrastructure combined.

The majority of residents are satisfied with the following transportation issues:



Source: 2014 City of Richmond Community Survey

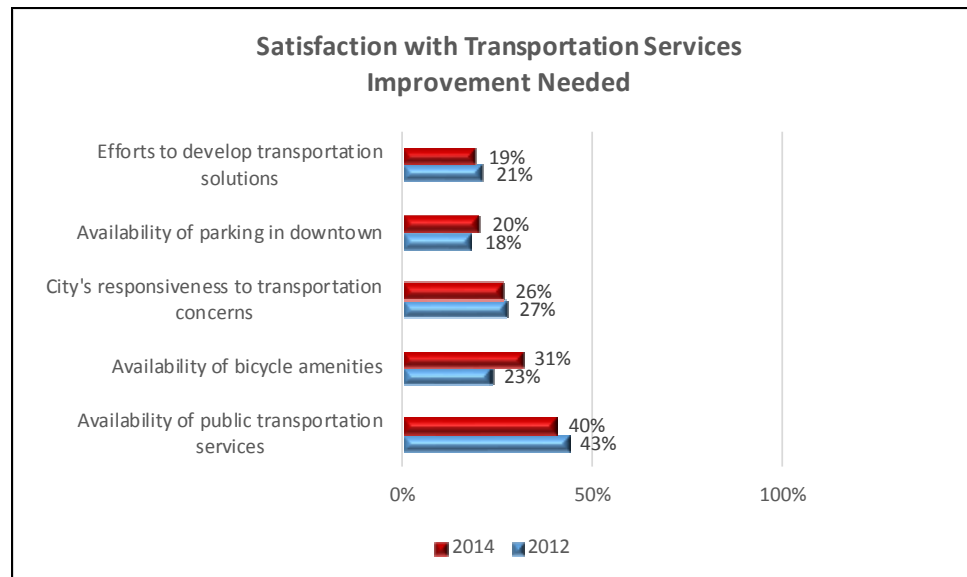
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However, they have identified the following issues where improvement is needed:



Source: 2014 City of Richmond Community Survey

The residents' top priorities in this area were:

1. Maintenance of major streets
2. Maintenance of sidewalks
3. Cleanliness of major City streets and public areas
4. Availability of parking in downtown Richmond
5. Efforts in developing transportation solution
6. Availability of public transportation service

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Conclusion:

The City needs to make significant progress in its road infrastructure maintenance. In addition, despite recent enhancements, the residents are dissatisfied with the City's efforts in addressing transportation needs. Further, the residents' concerns related to availability of parking in downtown need to be addressed as it may have an economic impact on many families.

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Focus Area 5: Education & Workforce Development

The fifth focus area is described in the Biennial Fiscal Plan as follows:

Vision - *To make Richmond a Tier One City and fulfill the mission of Building the Best Richmond through a well-educated, well-trained workforce that supports and stimulates a vibrant local economy, which in turn enables workers to earn a living wage and enjoy a high quality of life.*

Strategic Results

The strategic results supporting the Vision Statement and driving the achievement of desired outcomes include:

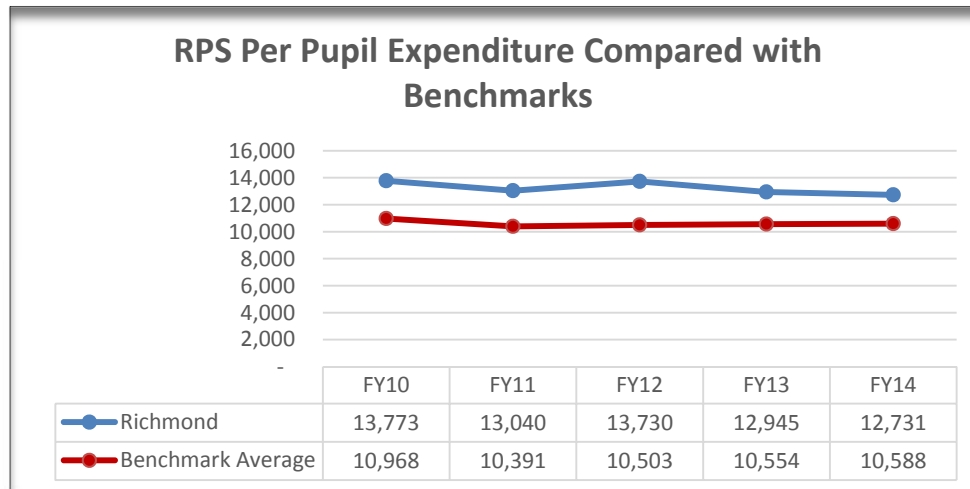
- The City of Richmond is an effective Workforce Intermediary and Supplier of Choice, supported by a robust and highly collaborative education and workforce development system with fully engaged employers
- Children are healthy, well cared for and enter school ready to learn
- High quality child care is available throughout the community, supporting children's school readiness and enhancing parents' ability to work outside the home
- Students experience success at the elementary, middle and high school levels and high percentages of students graduate from high school
- An increasing number of students successfully transition to post-secondary opportunities as appropriate to align with their career aspirations and abilities
- Industry-specific career and technical training programs prepare individuals for jobs that provide family-sustaining wages and fuel a vibrant economy
- Individuals who were not successful navigating the traditional educational pathway have access to gain the needed reading, math, computer, and financial literacy essential to participate in the world of work. These opportunities result in increasing percentages of Richmond residents becoming literate and self-sustaining
- Adult education and life-long learning opportunities promote continuous learning and help Richmond citizens sustain their roles as contributing members of the community

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Source: Virginia Department of Education

As shown above, per pupil expenditures in Richmond are consistently greater than the average of the benchmark localities (Cities of Chesapeake, Hampton, Newport News, and Norfolk). Despite higher spending, Richmond students perform below the benchmark average.

Graduation Rate

RPS' high school graduation rate is lower than the other localities. However, RPS appear to have made substantial progress in this area.

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<i>Year</i>	<i>Richmond</i>	<i>Benchmark Average</i>
FY10	73%	80%
FY11	71%	82%
FY12	74%	84%
FY13	76%	85%
FY14	81%	86%

Source: Virginia Department of Education

Dropout Rate

RPS has significantly high dropout rate as compared to other localities. As presented before, there is a correlation between level of education of an individual and his/her earnings.

	<i>Richmond</i>	<i>Benchmark Average</i>
FY10	11.8%	10.5%
FY11	14.1%	8.2%
FY12	18.2%	6.6%
FY13	17.3%	5.5%
FY14	13.6%	4.7%

Source: Virginia Department of Education

The residents are significantly concerned about the high-school graduation rate, quality of education and the availability of vocational and trade education. This could be useful for individuals unable to perform well

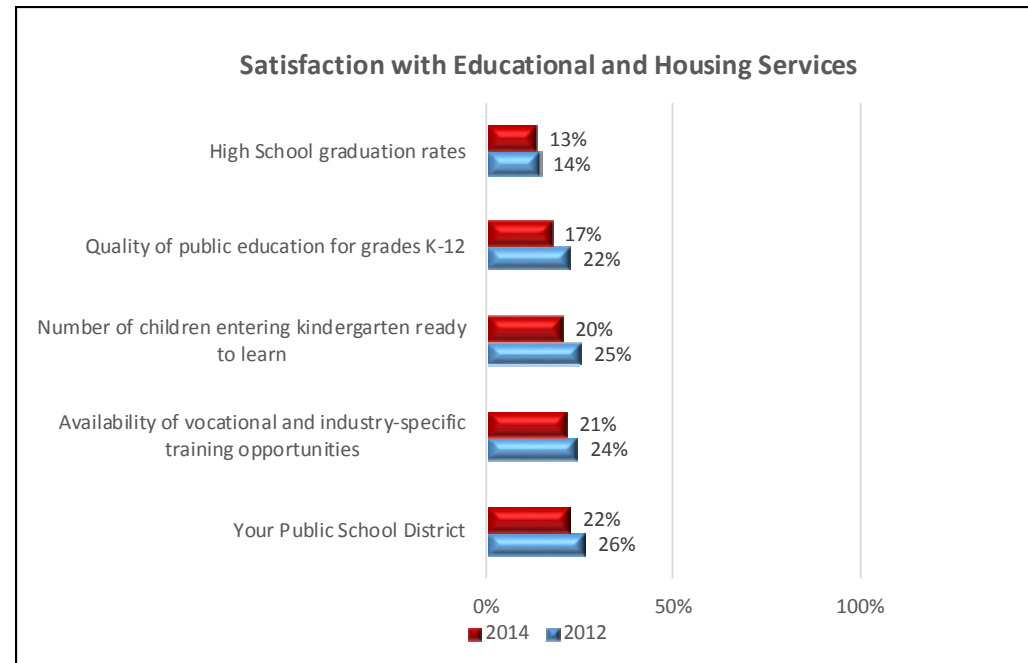
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academically, as trade jobs could pay higher wages compared to other blue-collar jobs. These reasons may have contributed to the residents' low rating of the Schools.



Source: 2014 City of Richmond Community Survey

Workforce Development

In October 2010, the City Administration initiated a workforce development program. The objective of this program is to develop comprehensive viable career pathways for participants to transition towards self-

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sufficiency leveraging technology, social media, and best practices. The City has appropriated approximately \$450,000 for these services.

The following are the results:

<i>Name</i>	<i>Actual FY2013</i>	<i>Actual FY2014</i>	<i>Since Program Inception (October 2010)</i>
Number employers hiring through Workforce Development	50	62	205
Number of individuals hired through workforce activities	85	92 Average Wage - \$9.38/Hour Average Hours - 36/Week	431*
Number of individuals connected to subsidized employment, OJT/PSP placements	5	21	57*

Source: Center for Workforce Innovation

**Some duplicate counting due to individuals obtaining multiple jobs*

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Conclusion:

The City is attempting to help unemployed individuals to find employment. This is a good service for the individuals that may lack skills or otherwise the ability to locate suitable employment. The program appears to have limited success, as the service is not being promoted presently. There appears to be a potential for expanding the program to more effectively assist residents. The residents are not satisfied with the quality of Richmond's public schools. The high school graduation rate lags behind the benchmark cities. The residents are not satisfied with the lower graduation rate. In 2014, per pupil expenditure appears to be 20% higher than the comparable localities. More efforts are needed in this area.

Focus Area 6: Sustainability and the Natural Environment

The sixth focus area is described in the Biennial Fiscal Plan as follows:

Vision - *To make Richmond a Tier One City and fulfill the mission of Building the Best Richmond through safeguarding the environment, including protection of air and water quality, land preservation, and energy and resource conservation.*

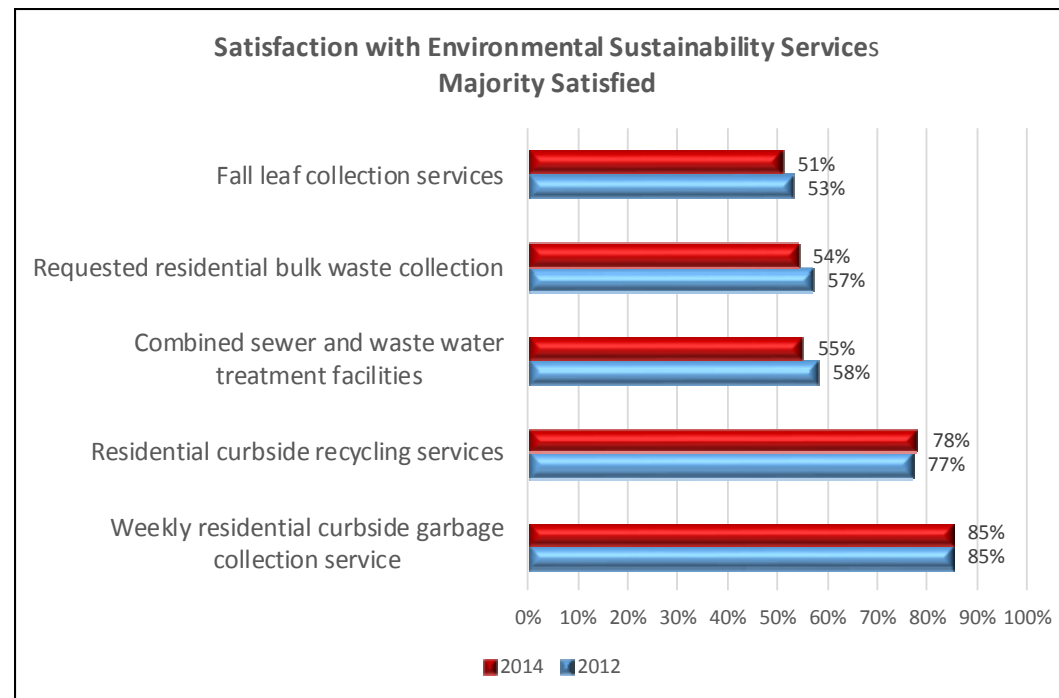
Strategic Results

The strategic results supporting the vision statement and driving the achievement of desired outcomes include:

- Implementation of RVAGreen Sustainability Plan recommendations
- Implementation of Energy Management Plan to guide future energy efficiency efforts
- Reduced greenhouse gas (GHG) emissions from the community and city government operations
- Reduced energy use in City facilities
- Increased adoption of stormwater best management practices (BMPs) that reduce the amount of stormwater entering the CSO and pollution into the watershed
- Increased urban tree canopy
- Compliance rates with permits issued by federal and state regulatory agencies to the natural gas, water, wastewater and stormwater utilities.
- Increased tonnage of recycling

Environmental Sustainability

The residents showed satisfaction with certain environmental sustainability services provided by the Departments of Public Works and Public Utilities as follows:



Source: 2014 City of Richmond Community Survey

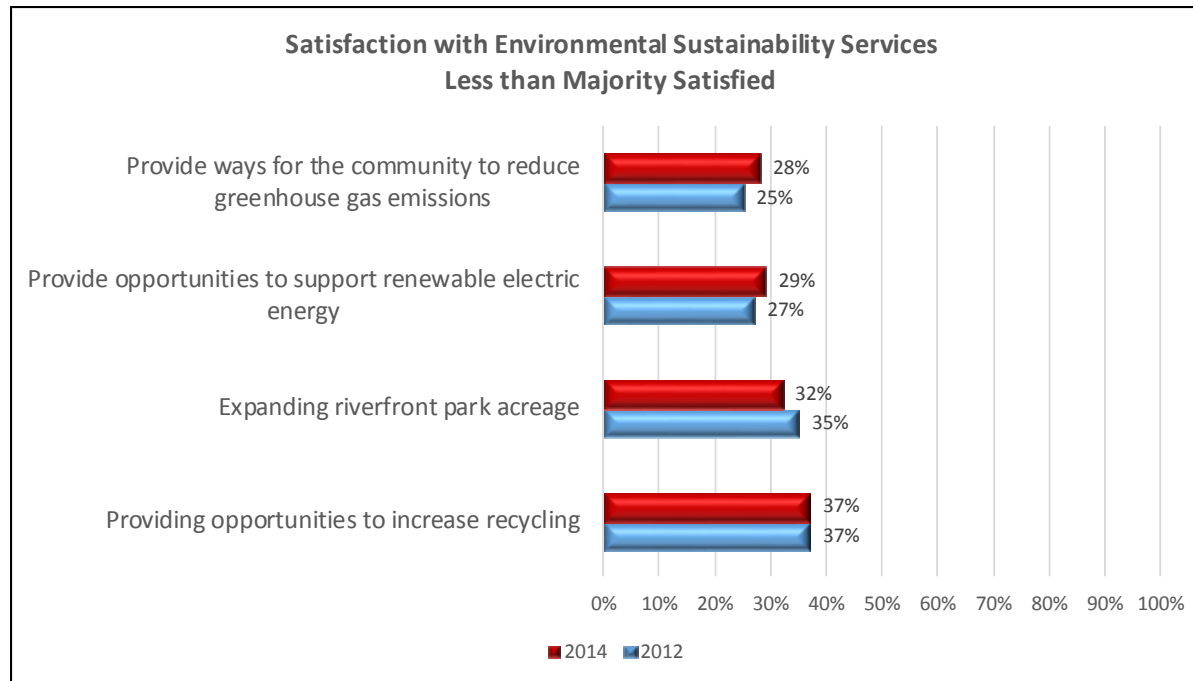
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However, the majority of residents were not satisfied with the following issues related to environmental sustainability:



Source: 2014 City of Richmond Community Survey

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The Departments of Public Works and Public Utilities provided the following operational data:

Department of Public Works:

Energy Efficiencies in City owned buildings

The following data represents the City's accomplishments in becoming more energy efficient:

	2010	2011	2012	2013	2014
% of City Facilities using various energy conservation strategies	30%	30%	35%	50%	55%
Number of energy-efficient, LEED certified City-owned buildings	0	0	1	1	2
Electricity used in kwh	168,372,626	163,037,140	166,288,764	164,416,249	165,296,671
Gas used in MCF	N/A	N/A	163,353	162,795	161,098
City facilities: Percentage of kWh from renewable sources	0%	0%	0%	0%	0%

Source: Departments of Public Works/Public Utilities

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Department of Public Utilities:

The Sustainability Office in the Department of Public Utilities estimated that their efforts have resulted in annual savings. They could not provide information about energy costs before and after the implemented changes. Their estimates are depicted as follows:

<i>Source of Savings</i>	<i>Estimated Savings</i>
LED Traffic Lights	\$215,058
CNG Garbage Trucks	\$144,488
HVAC – City Hall, John Marshall, EDI, Fire Station 6	\$128,055
Variable speed drives installed at Brander Street WWTP	\$57,700
Other	\$65,334
Total Estimate	\$610,635

Source: Office of Sustainability

According to the Sustainability Office, the City has saved 26.1 m kWh of energy and reduced carbon dioxide (CO₂) emissions by 13,444 metric tons since 2008. Due to the City's facilities becoming more energy efficient, the consumption of electric energy has been reduced.

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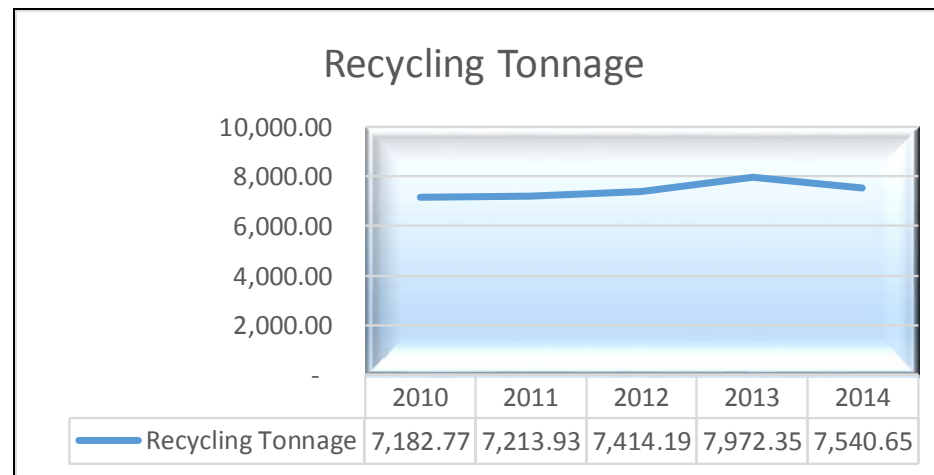
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Recycling Efforts

The City has recently incurred \$350,000 to procure recycling bins for use by residents. The following table presents the recycling of solid waste by the City:

	2010	2011	2012	2013	2014
Drop-Off Recycling (Tons)	644	646	611	674	641
Curbside Recycling (Tons)	6,539	6,568	6,803	7,298	6,899
Total Recycling (Tons)	7,183	7,214	7,414	7,972	7,541



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The solid waste divergence rate over this period is depicted as follows:

<i>Year</i>	<i>Diversion Rate</i>
2010	12%
2011	13%
2012	12%
2013	13%
2014	11%

Source: Department of Public Works

Based on the above information, it does not appear that the City has achieved its objective of increasing recycling in Richmond.

Stormwater Pollution Mitigation

The Chesapeake Bay Act mandates significant reductions in the number of stormwater pollutants flowing into the bay over the next 15 years (3 phases of 5 years each). Over the 15 year period ending 2028, the City is required to eliminate 100% of targeted pollutants from stormwater. The Department of Public Utilities has made efforts to communicate with and educate Richmond residents about illicit discharge detection, elimination, and pollution prevention. The City has not had any compliance infractions since the one remedied in 2009.

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Based on the auditor's research, a significant liability for mitigating pollutants as required by DEQ is anticipated to be incurred. Unless there is dedicated funding for future stormwater costs, there may be a burden on future budgets/projects requiring significant borrowings. It may be prudent to plan for the future liability and set aside a reserve for the funds needed for compliance over the next 15 years.

Conclusion:

The City's initiative to protect the environment is the step in right direction. However, based on the above information, more progress needs to be achieved by the City for updating its own facilities and energy utilization. In addition, unless proper records are maintained, it is not possible to compute and verify savings achieved.

Focus Area 7: Well Managed Government

The seventh focus area is described in the Biennial Fiscal Plan as follows:

Vision - *To make Richmond a Tier One City and fulfill the mission of Building the Best Richmond through a well-managed government that provides effective and efficient City services that are accessible, transparent, responsive, accountable, fair and creative, and maintain a high level of customer satisfaction.*

Strategic Results

The strategic results supporting the Vision Statement and driving the achievement of desired outcomes include: Providing effective and efficient City services that are accessible, transparent, responsive, accountable, fair and creative, to maintain a high level of customer satisfaction.

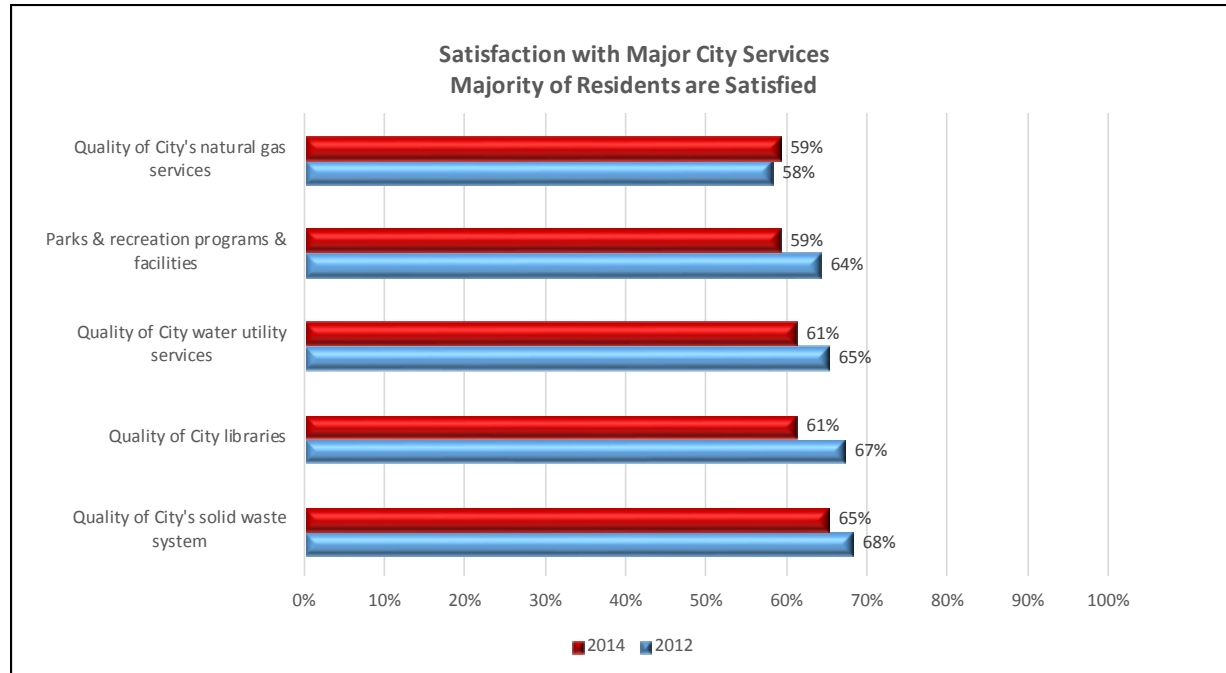
The City residents are one of the most important stakeholders in the City government. They fund the City operations and in return, they expect City services to be delivered in an efficient and cost-effective manner. Based on the following information, residents are satisfied with the quality of natural gas and water utility services. They like parks and recreation services. In addition, they expressed satisfaction with the quality of the libraries and the solid waste collection system.

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Source: 2014 City of Richmond Community Survey

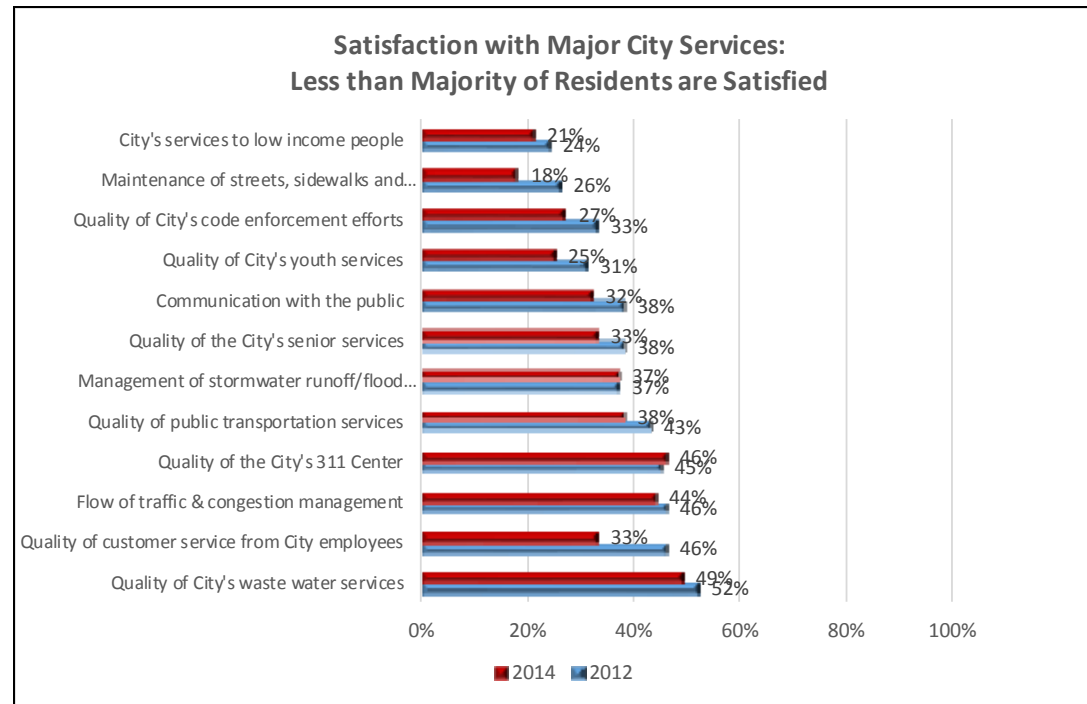
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However, the residents are dissatisfied with several services as depicted in the following bar chart:



Source: 2014 City of Richmond Community Survey

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When asked about the quality of the City's customer services, the residents that had contacted the City for one or more services prior to the survey, indicated the following:



Source: 2014 City of Richmond Community Survey

It should be noted that although the City customer services employees were polite and courteous, more than half of the residents indicated they did not get complete answers or help to resolve their issues. They also indicated, that City staff did not fulfil their promises made to them. This experience by residents contradicts the City's objective in this focus area.

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Balanced Scorecard

Since 2010, The City Administration has been working on a balanced scorecard consisting of performance indicators for all City departments. A review of this report card indicated that the scorecard is incomplete as it does not cover all the areas of the City. In addition, the scorecard consists of mainly workload indicators without relevant benchmarks, which makes the scorecard of limited use. Certainly, this information is not sufficient to evaluate performance of the City government. It is well known that what an organization cannot measure, it cannot manage effectively.

Cost Effectiveness Services

This focus area initiative emphasizes providing services in an efficient and effective manner. This would mean the services need to be provided in a cost effective manner. However, compared to the other localities the cost of Richmond's services exceed the comparable cities as depicted in the following datasets:

Year	General Government: Maintenance and Operation*		
	Richmond	Benchmark	Richmond Higher By
FY2010	\$4,347	\$3,476	25%
FY2011	\$4,003	\$3,403	18%
FY2012	\$4,153	\$3,495	19%
FY2013	\$4,035	\$3,395	19%

Source: Auditor of Public Accounts

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Maintenance and Operation expenditures consist of the following functions: General Government Administration, Judicial Administration, Public Safety, Public Works, Health & Welfare, Education, Parks, Recreation, & Cultural, Community Development, and Non-departmental. Per capita expenditures for activities related to Public Safety, Public Works, Health & Welfare, and Parks, Recreation, & Cultural are presented below.

Core Services

Year	Law Enforcement		Richmond Higher By	Fire		Richmond Higher By	Social Services		Richmond Higher By
	Richmond	Benchmark		Richmond	Benchmark		Richmond	Benchmark	
FY2010	\$481.51	\$241.02	100%	\$246.83	\$170.56	45%	\$416.02	\$238.20	75%
FY2011	\$424.80	\$248.22	71%	\$231.60	\$177.88	30%	\$407.79	\$229.42	78%
FY2012	\$446.40	\$247.87	80%	\$228.52	\$197.44	16%	\$348.61	\$218.12	60%
FY2013	\$451.63	\$249.18	81%	\$231.09	\$196.05	18%	\$303.78	\$202.18	50%

Source: Auditor of Public Accounts

As indicated above, the City of Richmond incurs substantially more costs compared to other localities. It is conceivable that due to demographic factors, the City may incur some additional costs. However, when the City incurs twice as much cost per capita on a service, management efforts may need to be analyzed.

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Investment in Services that Impact Quality of Life

Year	Solid Waste Removal		Richmond Higher/Lower By	Parks and Recreation		Richmond Higher/Lower By	Library		Richmond Higher/Lower By
	Richmond	Benchmark		Richmond	Benchmark		Richmond	Benchmark	
FY2010	\$ 91.28	\$98.25	-7%	\$91.69	\$89.45	3%	\$28.73	\$30.66	-6%
FY2011	\$ 120.14	\$84.46	42%	\$83.16	\$87.19	-5%	\$26.30	\$28.95	-9%
FY2012	\$ 125.32	\$87.18	44%	\$80.46	\$98.44	-18%	\$26.33	\$28.45	-7%
FY2013	\$ 94.36	\$80.29	18%	\$77.61	\$103.33	-25%	\$25.12	\$29.88	-16%

Source: Auditor of Public Accounts

Based on the above information, it appears that the City is incurring more costs on solid waste removal and should consider evaluating efficiencies. Compared to benchmarks, the City is not investing as much in Parks and Recreation and Library services. Parks performance has been described before in this report. The City Library is providing a performance comparable to benchmark localities with limited resources:

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Circulation Per Capita		Library Visits Per Capita	
Richmond	Benchmark Average	Richmond	Benchmark Average
5.16	6.06	5.07	5.42
5.29	6.15	4.69	5.07
5.71	6.07	4.93	4.91
5.16	5.74	4.67	5.07
3.96	5.41	5.02	4.69

Source: Library of Virginia

	FY10	FY11	FY12	FY13	FY14
Number of registered borrowers	116,081	117,094	107,288	109,178	110,564
Patron internet usage per terminal	1389	1052	1115	1098	1046

Source: Richmond Public Library

The above information indicates that Richmond's circulation per capita has been declining. However, library use has been consistent over the four year period as demonstrated by library visits per capita, number of registered borrowers and patron internet usage per terminal. Additional funding could improve this service.

Employee Turnover

Employee turnover may result in loss of institutional knowledge and hinder continuity of operation. The City had an employee turnover rate of 10% in FY13 and 13% in FY14. Recent events, such as a significant delay in issuing the FY14 financial statements was partially due to employee turnover in the Department of Finance. This turnover includes turnover at the executive level. The City has experienced executive turnover in Finance Department, Chief Administrative Position and the Deputy Chief Administrative Officer levels. In addition, the director's position in the Department of Public Works has turned over. In recent past, the Social Services Department had experienced significant employee turnover, including leadership positions. This situation may have had a significant impact on City operations.

Conclusion

The citizens were generally less satisfied with many of the critical services, especially services to low income families although a significant portion of Richmond's population lives at or below the poverty level. In addition, less than the majority of residents are satisfied with other critical services that impact the quality of their lives such as maintenance of streets and sidewalks. On the other hand, the majority of residents are satisfied with some major categories of City services including, the quality of natural gas and water utility services, solid waste collection system, parks and recreation services, and libraries.

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The City's customer service needs significant improvement as only 42% of those who responded to the survey indicated that the City employees helped them resolve their issues and only 39% indicated that the employees actually did what they promised. The City does not have a good mechanism to manage performance of its employees as well as operations. Compared to the other governments, the per capita expenditures for the City appear to be high. This does not indicate cost effective delivery of services. About 70% of residents are not convinced that they receive value for their tax dollars and approximately 65% of the taxpayers are not convinced that they receive quality City services. The overall resident satisfaction declined in 2014 compared to 2012. Also, the City has witnessed significant turnover in its leadership and staff positions. This may have an impact on the services delivered to the public. Therefore, the City needs to make more efforts to achieve its goal of becoming a well-managed government.