



Memorandum

TO: PUBLIC SAFETY, FINANCE &
STRATEGIC SUPPORT COMMITTEE

FROM: Mark Danaj

SUBJECT: 2007-2008 FIRST QUARTER
PERFORMANCE REPORT

DATE: November 15, 2007

Approved

Kay Wines

Date

11/15/07

RECOMMENDATION

Acceptance of the attached first quarter Performance Reports from the Finance, Human Resources, Information Technology, Public Works, and Retirement Departments.

BACKGROUND

In his December 22, 2006 memorandum, Mayor Reed directed Council Committees to integrate a regular review of ten to twenty key performance measures for department and City Service Areas into their work plans to assist committee members in providing informed oversight of Finance, Human Resources, Information Technology, Public Works, and Retirement Services. Management Partners was retained by the City Manager's Office to facilitate the development of a recommended list of performance measures for regular review by the committee.

Selection of key measures was based on:

- Alignment with City Council goals and priorities and Committee mission
- Issues of public interest/concern
- Service delivery outcomes and customer service orientation
- Input from staff and review of documents, including availability of data
- Areas of significant resource investment
- Comparability to performance measures used by other jurisdictions

The attached Performance Reports include those measures that were approved by the Public Safety, Finance and Strategic Support Committee at the June 2007 meeting. Performance data will be provided in four quarterly committee reports each year. Performance Reports will include quarterly measures every quarter, with semiannual, annual, and biennial measures added as data is available. Any highlights or major variances will be explained in the accompanying memo.

ANALYSIS

Overall, first quarter performance is tracking at anticipated levels across departments. Exceptions are noted below along with key performance information by department.

Finance Department

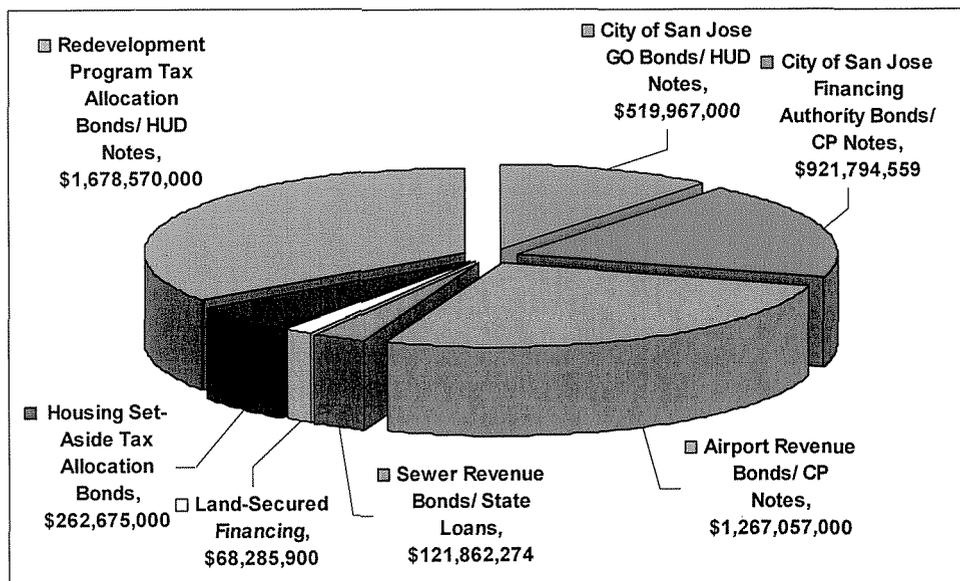
Performance Discussion

Average return on investments 4.701%

The average return on investments for the first quarter of 2007-2008 was 4.701%. The investment portfolio return for the remainder of the fiscal year will probably decline due to decreasing market interest rates, potentially jeopardizing the likelihood of achieving the 2007-2008 target of 4.700%.

Total debt portfolio managed (\$5,368,110,460)

During the first quarter of 2007-2008, the debt portfolio increased by \$740,668,000, primarily through the issuance of \$725,015,000 of Airport revenue bonds for Phase 1 of the Airport’s Terminal Area Improvement Program on September 13, 2007. The pie chart below shows the composition of the City’s debt portfolio, including \$4,840,211,733 of debt issued by the City and related entities, but does not include \$527,898,727 of conduit debt issued on behalf of affordable housing developers.



Human Resources

Performance Discussion

Turnover rates: public safety (1.82%), non-public safety (6.31%), total (4.70%)

During the first quarter, sworn turnover rates are considerably lower than the first quarter of 2006-2007 (4.44%) and the 2007-2008 target (6%). This is likely due to delayed retirements in the Fire Department as sworn personnel wait for the new contract agreement with IAFF (International Association of Fire Fighters) to be settled. Human Resources anticipates turnover to increase after this settlement for a 2007-2008 annual actual rate within the target range.

Average number of days per recruitment: internal (77), external (112)

Human Resources anticipated that the high volume of retirements and internal promotions would continue to impact recruitment times. First quarter results do show better than anticipated times in spite of the large number of new recruitments. This is likely due to two process improvements implemented in 2006-2007: the Human Resources Matrix program which added dedicated Human Resources staff to recruitments in key departments and the reuse of candidate pools for multiple selections whenever appropriate.

% increase in respondents from diversity outreach

Human Resources is developing a tracking system to gather results from diversity outreach for executive-level recruitments. Data should be available next quarter.

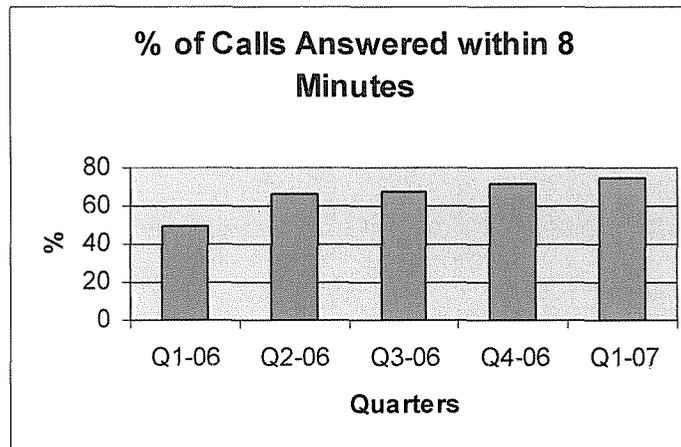
Information Technology

Performance Discussion

% of Customer Contact Center calls answered within 8 minutes (74.9%)

The Integrated Billing System (IBS) system went "live" on July 12, 2006. Although training was provided to Call Center Staff prior to the "go-live" date, higher than anticipated call volumes led to unacceptable caller wait times and high abandonment rates. Oversight of the Call Center was assigned to the CIO and staff implemented many improvements to address these issues beginning in August 2006, including the hire of a Call Center Manager, development of a reference manual for Customer Service Representatives, software enhancements, and development of quality-control processes for call takers. These actions have resulted in significant improvements in call waiting times, as shown in the following chart.

Information Technology (cont'd)



Public Works

Data for the Public Works semi-annual performance measures will be included in the 2007-2008 second quarter report.

Retirement Services

Performance Discussion

Average return on Police and Fire retirement funds' investment portfolio
Average return on Federated City Employees retirement funds' investment portfolio

Both plans have earned double digit returns for four straight years. This percentage gain exceeded both plans actuarial assumed rates of 8.0% for the Police and Fire Plan and 8.25% for the Federated City Employees System. A majority of the returns were derived from asset allocation, indicating that the Trustees' asset allocation decisions were the driving force to the portfolio's outstanding performance. 2007-2008 Quarter 1 data will be available next quarter.

COORDINATION

Preparation of this memorandum was coordinated with the Finance, Human Resources, Information Technology, Public Works, and Retirement Departments and the City Manager's Budget Office.


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Director, Human Resources

For questions, contact:
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PUBLIC SAFETY, FINANCE AND STRATEGIC SUPPORT COMMITTEE

11-15-07

Subject: 2007-2008 First Quarter Performance Measure Report

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Human Resources – Sandra Castellano, Administrative Manager – 975-1440

Information Technology – Sherri Millick, Administrative Manager – 535-3563

Public Works – Barry Ng, Division Manager – 535-8477

Retirement – Tom Webster, Deputy Director – 392-6704



**Performance Report
Public Safety, Finance & Strategic Support Committee
Finance Department**

Reporting Period: July 1, 2007 – September 30, 2007

Prior Annual Actuals		2006-2007 Quarterly Actuals				2007-2008 Performance						
2005-2006 Actual	2006-2007 Actual	2006-2007 (Jul-Sept)	2006-2007 (Oct-Dec)	2006-2007 (Jan-Mar)	2006-2007 (Apr-Jun)	2007-2008 (Jul-Sept)	2007-2008 (Oct-Dec)	2007-2008 (Jan-Mar)	2007-2008 (Apr-Jun)	2007-2008 YTD	2007-2008 Target	Discuss

Quarterly

Goal: Develop, manage and safeguard City's fiscal resources

1. Average return on investments	3.944%	4.702%	4.149%	4.344%	4.671%	4.702%	4.701%				4.701%	4.700%	✓
- Total debt portfolio managed	\$4,555,901,257	\$4,690,489,588	\$4,501,032,590	\$4,595,529,163	\$4,599,021,735	\$4,690,489,588	\$5,368,110,460				\$5,368,110,460	\$5.4 B	✓

Goal: Manage and safeguard City's fiscal resources

2. % of payroll checks processed accurately and on time	New in 2006-2007	76%	87%	81%	63%	72%	92%				92%	90%	
3. % of financial reports that are accurate and on time	99%	99%	99%	99%	99%	100%	99%				99%	98%	
4. % of vendor invoices accurately paid within 30 days	69%	64%	67%	64%	61%	66%	65%				65%	63%	
5. % of City's total balance of miscellaneous accounts receivable that is past due	93%	89%	95%	93%	88%	88%	89%				89%	89%	
6. Average # of days active accounts receivable are past due	80	75	78	77	75	70	60				60	65	

Prior Annual Actuals		2006-2007 Quarterly Actuals				2007-2008 Performance						
2005-2006 Actual	2006-2007 Actual	2006-2007 (Jul-Sept)	2006-2007 (Oct-Dec)	2006-2007 (Jan-Mar)	2006-2007 (Apr-Jun)	2007-2008 (Jul-Sept)	2007-2008 (Oct-Dec)	2007-2008 (Jan-Mar)	2007-2008 (Apr-Jun)	2007-2008 YTD	2007-2008 Target	Discuss

Quarterly (Cont'd.)

Goal: Enhance delivery of quality City services

7. % of purchase orders processed within established time frames													
- 8 business days for POs ≤ \$10,000				Revised in 2006-2007	63%	67%	55%	62%	61%	71%		71%	70%
- 26 business days for POs > \$10,001 and ≤ \$100,000					81%	84%	75%	92%	63%	81%		81%	65%
- 38 business days for POs > \$100,001 and ≤ \$250,000					78%	90%	80%	100%	41%	67%		67%	90%
- 83 business days for POs > \$250,001 and ≤ \$1.0 million					100%	100%	100%	100%	100%	100%		100%	90%
- 108 business day for POs > \$1.0 million					100%	100%	N/A	N/A	100%	100%		100%	90%

Annual

Goal: Develop, manage and safeguard City's fiscal resources

1. City's General Obligation Bond Rating: - Moody's - Standard & Poor's - Fitch	Aa1 AA+	Aa1 AA+	ANNUAL	Aa1 AA+	AA+									
2. Cost of investment services as % of City's total investment portfolio	0.073%	0.112%	ANNUAL	.11%										

Goal: Manage and safeguard City's fiscal resources

3. Cost of revenue collection services as % of City's total revenues actively invoiced	18.369%	28.238%	ANNUAL	33.31%										
4. % of cost savings achieved through the centralized purchasing process	7%	4%	ANNUAL	5%										
- Total cost savings	5,708,695	3,930,410	ANNUAL	\$5.0M										

Prior Annual Actuals		2006-2007 Quarterly Actuals				2007-2008 Performance						
2005-2006 Actual	2006-2007 Actual	2006-2007 (Jul-Sept)	2006-2007 (Oct-Dec)	2006-2007 (Jan-Mar)	2006-2007 (Apr-Jun)	2007-2008 (Jul-Sept)	2007-2008 (Oct-Dec)	2007-2008 (Jan-Mar)	2007-2008 (Apr-Jun)	2007-2008 YTD	2007-2008 Target	2007-2008 Discuss

Annual (Cont'd.)

Goal: Enhance delivery of quality City services

5. % of customers satisfied with parts, supplies, and services obtained through purchasing division	79%	TBD	ANNUAL	79%									
6. % of customers who rate financial reports as good or excellent on a 5-point scale based on accuracy, clarity, timeliness, usefulness and availability in desired format	85%	TBD	ANNUAL	83%									



**Performance Report
Public Safety, Finance & Strategic Support Committee
Human Resources Department**

Reporting Period: July 1, 2007 – September 30, 2007

Prior Annual Actuals		2006-2007 Quarterly Actuals				2007-2008 Performance						
2005-2006 Actual	2006-2007 Actual	2006-2007 (Jul-Sept)	2006-2007 (Oct-Dec)	2006-2007 (Jan-Mar)	2006-2007 (Apr-Jun)	2007-2008 (Jul-Sept)	2007-2008 (Oct-Dec)	2007-2008 (Jan-Mar)	2007-2008 (Apr-Jun)	2007-2008 YTD	2007-2008 Target	Discuss

Semi-Annual

Goal: Develop, manage and safeguard City's human resources

1. Turnover rates:												
- Public Safety	5.2%	3.74%	4.44%	3.37%	5.90%	1.30%	1.82%			1.82%	8.00%	✓
- Non-Public Safety	6.7%	7.62%	6.62%	6.19%	11.66%	6.05%	6.31%			6.31%	7.00%	
- Total	6.1%	6.27%	5.87%	5.23%	9.64%	4.36%	4.70%			4.70%	7.00%	
2. % of hiring managers rating probationary employees as meets standard or above	98.00%	98.13%	98.51%	98.85%	97.52%	97.37%	97.39%			97.39%	95.00%	
3. # of workers' compensation claims per 100 FTEs: ¹												
- Sworn	36.8	35.1	9.5	8.2	9.1	8.3	8.1			8.1	33.3	
- Non-sworn	10.5	9.6	2.8	2.2	2.1	2.5	2.5			2.5	9.1	
- # of new claims filed: ¹												
- Sworn	755	757	209	175	195	178	162			162	770	
- Non-sworn	492	449	128	103	100	118	111			111	430	
- Total # of open claims: ¹												
- Sworn	2,703	2,924	2,676	2,753	2,875	2,924	2,946			2,946	2,900	
- Non-sworn	1,223	1,281	1,196	1,214	1,251	1,281	1,283			1,283	1,300	
4. # of worker days lost per workers' compensation claim: ¹												
- Sworn	21.0	23.8	23.2	23.2	18.8	18.2	13.8			13.8	23.0 ²	
- Non-sworn	18.9	19.3	16.2	16.2	22.6	17.6	5.1			5.1	16.0 ²	

¹ All 2007-2008 workers' compensation claims tracking information included in this report relies on an estimate for incurred but not reported (IBNR) claims. Workers' Compensation claims sometimes take several weeks to register in the City's workers compensation tracking system. This lag time results from the elapsed between the date on which an injury is suffered and the date on which the associated paperwork reaches Human Resources and is entered into the workers' compensation tracking system. Risk Management scientifically estimates IBNR at 7% above and beyond reported claims in a current fiscal year. Asterisked data in this report includes that 7% inflationary figure to most accurately reflect total claims in the current fiscal year. As directed by Council Committee, figures are now reported by sworn and non-sworn employee affiliation and an updated report was produced at Council request as of 10/1/07. Actual reporting of lost time, new and open claims varies dependant upon report generation date.

² The average of the two targets presented in this report is higher than the combined target reported in the 2007-2008 Adopted Budget (17.0) as lost days usage figures are weighted by actual days used by sworn and non-sworn employees. Sworn employees tend to need more lost days on average per claim than non-sworn, however, the large number of non-sworn employees citywide weights the total citywide average down to a final combined target of 17.0.

	Prior Annual Actuals		2006-2007 Quarterly Actuals				2007-2008 Performance					
	2005-2006 Actual	2006-2007 Actual	2006-2007 (Jul-Sept)	2006-2007 (Oct-Dec)	2006-2007 (Jan-Mar)	2006-2007 (Apr-Jun)	2007-2008 (Jul-Sept)	2007-2008 (Oct-Dec)	2007-2008 (Jan-Mar)	2007-2008 (Apr-Jun)	2007-2008 YTD	2007-2008 Target

Semi-Annual (Cont'd.)

Goal: Develop, manage and safeguard City's human resources (cont'd)

5. Expenditures for workers' compensation per \$100 of total jurisdiction salaries and benefits	\$4.47	\$3.91	\$4.00	\$3.62	\$3.81	\$4.26	\$3.74				\$3.74	\$4.20	
- Total claims costs:													
- Sworn	\$10.8M	\$10.3M	\$2.5M	\$2.5M	\$2.7M	\$2.6M	\$2.5M				\$2.5M	\$10.4M	
- Non-sworn	\$6.0M	\$5.0M	\$1.2M	\$1.2M	\$1.7M	\$0.9M	\$1.0M				\$1.0M	\$5.8M	

Goal: Enhance delivery of quality City services

1. Average # of days per recruitment:													
- Internal	66	81	68	81	91	85	77				77	90	✓
- External	95	99	41	96	129	129	112				112	120	
2. # of new job postings:													
- Internal	239	315	86	56	85	88	150				150	300	
- External	132	212	36	46	60	70	44				44	200	

Annual

Goal: Develop, manage and safeguard City's human resources

1. % of hiring managers who believe that candidates (or candidate pools) are "prepared" or "well prepared" to perform successfully in positions they are seeking	New ³	New ³	ANNUAL	TBD									
2. % of supervisory employees who are graduates of the Leadership and Supervision Academy	New	32.4%	ANNUAL	75%									
3. % increase in respondents from diversity outreach	New ⁴	N/A ⁴	ANNUAL	TBD	✓								

³ New measure to be included in the 2008 Employee Survey.

⁴ Human Resources is developing a tracking system to gather results from diversity outreach for executive-level recruitments. Data should be available next quarter.

	Prior Annual Actuals		2006-2007 Quarterly Actuals				2007-2008 Performance					
	2005-2006 Actual	2006-2007 Actual	2006-2007 (Jul-Sept)	2006-2007 (Oct-Dec)	2006-2007 (Jan-Mar)	2006-2007 (Apr-Jun)	2007-2008 (Jul-Sept)	2007-2008 (Oct-Dec)	2007-2008 (Jan-Mar)	2007-2008 (Apr-Jun)	2007-2008 YTD	2007-2008 Target

Biennial

Goal: Develop, manage and safeguard City's human resources

1. % of participants rating benefit program products and services as good to excellent	New ⁵	New ⁵	BIENNIAL	TBD									
- # of non-retirement employee benefit programs administered	New	22	BIENNIAL	TBD									

Biennial (Cont'd.)

Goal: Develop, manage and safeguard City's human resources (Cont'd.)

2. % of employees who rate their overall satisfaction with Human Resources services as satisfied or very satisfied	41%	41%	BIENNIAL	41%									
3. % of employees rating the effectiveness of training classes as "good" or "excellent" in meeting their principal training objective			BIENNIAL										
- Current Job	95%	96%										95%	
- Career Development	93%	93%										95%	
- Personal Growth	New	N/A ⁶										95%	
- # of training classes offered	160	148	BIENNIAL	100									
- # of training attendees	1,222	1,038	BIENNIAL	1,100									
4. % of supervisors rating the effectiveness of training classes as "good" or "excellent"	New ⁵	New ⁵	BIENNIAL	85%									

⁵ New measure to be included in the 2008 Employee Survey.

⁶ Insufficient data to report for 2006-2007. Baseline measures will be determined in 2007-2008.



**Performance Report
Public Safety, Finance & Strategic Support Committee
Information Technology Department**

Reporting Period: July 1, 2007 – September 30, 2007

Prior Annual Actuals		2006-2007 Quarterly Actuals				2007-2008 Performance						
2005-2006 Actual	2006-2007 Actual	2006-2007 (Jul-Sept)	2006-2007 (Oct-Dec)	2006-2007 (Jan-Mar)	2006-2007 (Apr-Jun)	2007-2008 (Jul-Sept)	2007-2008 (Oct-Dec)	2007-2008 (Jan-Mar)	2007-2008 (Apr-Jun)	2007-2008 YTD	2007-2008 Target	Discuss

Quarterly

Goal: Enable and enhance delivery of quality City services

1. % of Customer Contact Center calls answered within 8 minutes	N/A	64%	49%	66%	67%	72%	74.9%				74.9%	75%	✓
- # of Customer Contact Center calls received	N/A	321,294	58,750	78,766	93,629	90,149	92,348				92,348	TBD	
2. % of Customer Contact Center calls resolved within the first call	N/A	79%	76%	77%	83%	81%	76%				76%	75%	

Goal: Develop, manage and safeguard City's technological resources

3. % of time enterprise systems are available during normal business hours:													
- E-mail	99.995%	100%	100%	100%	100%	100%	99.99%				99.99%	99.5%	
- Financial management	98.7%	99.18%	99.15%	99.02%	98.99%	99.57%	100%				100%	99.0%	
- Human Resource/Payroll	99.7%	99.2%	99.97%	96.82%	100%	100%	100%				100%	99.0%	
4. % of time communication services are available during business hours													
- City Hall network	99.96%	99.95%	99.99%	99.99%	99.84%	99.99%	99.98%				99.98%	99.95%	
- Telephones	99.95%	99.91%	100%	99.63%	100%	100%	100%				100%	99.95%	

- # of network outages during business hours ¹	1	7	2	2	2	1	1				1	2	
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Prior Annual Actuals		2006-2007 Quarterly Actuals				2007-2008 Performance						
2005-2006 Actual	2006-2007 Actual	2006-2007 (Jul-Sept)	2006-2007 (Oct-Dec)	2006-2007 (Jan-Mar)	2006-2007 (Apr-Jun)	2007-2008 (Jul-Sept)	2007-2008 (Oct-Dec)	2007-2008 (Jan-Mar)	2007-2008 (Apr-Jun)	2007-2008 YTD	2007-2008 Target	Discuss

Annual

Goal: Enable and enhance delivery of quality City services

1. % of total customer response with good or excellent rating on:													
- Timeliness	70%	80%	ANNUAL	70%									
- Quality of service	73%	68%										70%	
- Availability of network services	64%	67%										80%	

Goal: Develop, manage and safeguard City's technological resources to enable delivery of quality City services²

1. % of managers who say employees have the technology tools they need to support their service delivery functions	73%	70.59%	ANNUAL	75%									
2. % of employees who say they have the technology tools they need to meet their service delivery functions	80%	82.14%	ANNUAL	85%									

¹ Network outage may mean a small group of users. It is not necessarily an outage of the entire network.

² Change to previously accepted frequency.



**Performance Report
Public Safety, Finance & Strategic Support Committee
Public Works Department**

Reporting Period: July 1, 2007 – September 30, 2007

	Prior Annual Actuals		2006-2007 Semi-Annual Actuals		2007-2008 Performance				
	2005-2006 Actual	2006-2007 Actual	July 2006 to December 2006	January 2007 to June 2007	July 2007 to December 2007	January 2008 to June 2008	2007-2008 YTD	2007-2008 Target	Discuss

Semi-Annual

Goal: Infrastructure improvement

1. % of projects completed within the approved baseline budget by operational service	85%	69%	71%	68%					90%	✓
- Total construction cost of projects	\$115M	\$135M	\$47M	\$88M					\$118M	
2. % of projects designed and constructed by Public Works within approved baseline schedule by operational service	89%	77%	78%	76%					85%	
- # of construction projects delivered	82	69	36	33					69	

Annual

Goal: Infrastructure improvement

1. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after the first year of commissioning or use	74%	80%	ANNUAL	80%	✓								
2. % of customers rating design and construction services as good or better based on accuracy, timeliness, and quality of final product	93%	100%	ANNUAL	80%									



**Performance Report
Public Safety, Finance & Strategic Support Committee
Retirement Department**

Reporting Period: July 1, 2007 – September 30, 2007

Prior Annual Actuals		2006-2007 Quarterly Actuals				2007-2008 Performance						
2005-2006 Actual	2006-2007 Actual	2006-2007 (Jul-Sept)	2006-2007 (Oct-Dec)	2006-2007 (Jan-Mar)	2006-2007 (Apr-Jun)	2007-2008 (Jul-Sept)	2007-2008 (Oct-Dec)	2007-2008 (Jan-Mar)	2007-2008 (Apr-Jun)	2007-2008 YTD	2007-2008 Target	Discuss

Quarterly

Goal: Develop, manage and safeguard City's fiscal resources

1. Average return on retirement funds' investment portfolios	P&F: 14.3%	P&F: 19.3%	P&F: 3.9%	P&F: 7.1%	P&F: 2.2%	P&F: 4.9%	N/A				N/A	8.00%	✓
1. Average return on retirement funds' investment portfolios	FED: 10.8%	FED: 16.2%	FED: 3.28%	FED: 5.42%	FED: 2.32%	FED: 4.32%	N/A				N/A	8.25%	✓

Annual

Goal: Safeguard City's human and fiscal resources

1. % of boards and members that rate department services as very good or excellent based on accuracy and usefulness of work	82%	85%	ANNUAL	85%	✓								
- # of members served	1308	1853	ANNUAL	2000	✓								