



**Auditor of State
Betty Montgomery**

**CITY OF FOSTORIA
SAFETY SERVICES
PERFORMANCE AUDIT**

OCTOBER 4, 2005



**Auditor of State
Betty Montgomery**

To the City Council and Residents of the City of Fostoria:

In August of 2004, the City of Fostoria contacted the Auditor of State's Office (AOS) to initiate a performance audit of the operations of its public safety departments. Based on discussions with the Mayor and Director of Public Safety, Police and Fire operations were reviewed to identify areas of strong performance and provide recommendations to optimize operational and service levels in areas where efficiency could be improved. Performance audit fieldwork was conducted between October 2004 and May 2005.

The performance audit contains recommendations which identify the potential for cost savings and efficiency improvements. The performance audit also provides an independent assessment of public safety operations and a framework for strategic and budgetary planning to help continue a high level of public service and safety. While the recommendations contained within the performance audit are resources intended to assist in improving public safety operations and performance, the City is also encouraged to assess overall operations and develop other alternatives independent of the performance audit.

An executive summary has been prepared which includes the project history; an overview of the City; the scope, objectives and methodology of the performance audit; and a summary of noteworthy accomplishments, recommendations, and financial implications. This report has been provided to the City Council and its contents discussed with the appropriate City officials and departmental managers. The City has been encouraged to use the results of the performance audit as a resource in its efforts to improve overall operations, service delivery, and financial stability.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. In addition, this performance audit can be accessed online through the Auditor of State of Ohio website at <http://www.auditor.state.oh.us/> by choosing the "On-Line Audit Search" option.

Sincerely,

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

October 4, 2005

Executive Summary

Project History

The City of Fostoria engaged the Auditor of State's Office (AOS) in August 2004 to conduct a performance audit of the operations of its public safety departments, which include the Police and Fire departments. The performance audit includes assessments of staffing levels, salaries and wages, statistical performance monitoring, technology use, collective bargaining, and fleet maintenance. The performance audit is designed to identify areas of strong performance and, in areas where efficiency could be improved, provide recommendations to optimize operational and service levels.

Overview of City of Fostoria Public Safety

Fostoria is located in Seneca County, approximately 40 miles southeast of Toledo, and encompasses approximately 7.5 square miles. The City operates under a Mayor/Council form of government and provides the following services to approximately 13,900 residents: public safety, public services (including water, wastewater, and street maintenance), recreation, and development. Manufacturing industries drive the local economy and job market, and there is strong employment in areas such as automotive, rubber, plastics, printing, machinery, metals, and building materials production. Other area professions include sales (retail and wholesale), healthcare, education, and government. Over the past few years, however, the City has experienced a slowdown in its overall economy. Decreases in both State and federal funding levels and industrial downsizing have created a challenging economic environment for the City. For example, job loss in the industrial sector has resulted in a 2.2 percent (\$132,100) decrease in revenue collections for the General Fund.

Fostoria's public safety departments fall under the Director of Public Safety. In 2004, the Fostoria Police Department consisted of 19 sworn and 5.8 non-sworn FTEs providing service and protection to the citizens of Fostoria. The Fire Department is manned 24 hours a day seven days a week by three shifts by its 22 FTE firefighters. Because of the economic downturn within the City, the departments have experienced declining staffing levels but increased workloads. Increases in departmental expenditures have been kept to a minimum and, as a result, some infrastructure and capital equipment maintenance has suffered. The performance audit found that based on current workload measures, some additional investment by the City would be needed in both departments to ensure a continued level of service commensurate with current service levels.

Objectives, Scope, and Methodology

A performance audit is defined as a systematic and objective assessment of the performance of an organization, program, function, or activity to develop findings, conclusions, and recommendations. Performance audits are usually classified as either economy and efficiency audits or program audits. While economy and efficiency audits consider whether an entity is using its resources effectively; program audits are designed to determine if the entity's activities or programs are effective, if entity goals are proper, suitable, or relevant, and if goals are being achieved. This audit contains elements of both an economy and efficiency audit and a program audit.

This performance audit was conducted in accordance with Generally Accepted Government Auditing Standards. Audit work was conducted between October 2004 and May 2005. To complete this report, auditors gathered and assessed data from various areas, conducted interviews with Department staff, and compared information with public safety departments in the similar-sized cities of Defiance, Greenville, and Washington Court House. Best practice information was also collected from the Ohio Association of Chiefs of Police (OACP), National Fire Protection Association (NFPA), and a national study of fire departments by the Phoenix Fire Department, as well as from the U.S. Department of Justice (USDOJ) Bureau of Justice Statistics, the Ohio Office of Criminal Justice Services (OCJS), the Government Finance Officers Association (GFOA), the American Public Works Association (APWA), and the International City/County Management Association (ICMA).

Recommendations contained within this report are intended to improve the City's public safety operations. Specifically, these recommendations seek to assist the departments in achieving their missions to serve and protect life and property in the City of Fostoria. Based on discussions with the City, the following areas were assessed in this performance audit:

- The appropriateness of departmental expenditures and staffing levels, including an assessment of compensation, work hours, contractual issues and leave usage.
- Service levels, including an evaluation of services, dispatch operations, response times, and comprehensive operational indicators.
- Equipment maintenance and replacement policies.
- Performance measurement and personnel management, including a review of the use of performance measures in Police and Fire operations and the use of training to improve and maintain the skills of safety personnel.

The performance audit process involved significant information sharing with Police and Fire Department personnel, including preliminary drafts of findings and recommendations as they were developed. Throughout the engagement, regular discussions were held and a formal status meeting was conducted to update City administrators on key issues and recommendations impacting selected areas. Finally, the departments provided written comments in response to various recommendations that were taken into consideration in the reporting process.

The Auditor of State and staff express appreciation to the City of Fostoria Police and Fire Departments, and the peer departments of Defiance, Greenville and Washington Court House for their cooperation and assistance throughout this audit.

Comparative Statistics

In order to gain a general understanding of City's public safety performance in relation to peer departments, information has been gathered for comparison in a variety of areas. Statistical data contained within this performance audit is reported on a calendar year basis. The following table benchmarks the performance of the City's public safety departments against the peers in 2004.

Table 1-1: Public Safety Comparative Statistics

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Police					
Staffing FTEs	24.8	29.0	27.9	27.0	27.8
FTE per 1,000 Residents	1.8	1.8	2.1	2.0	2.0
Department Expenditures per FTE	\$100,800	\$82,800	\$66,700	\$74,100	\$75,500
Department Expenditures per 1,000 Residents	\$179,500	\$145,800	\$135,400	\$147,900	\$145,600
Department Expenditures per Incident	\$1,700	\$3,800	\$2,400	\$4,900	\$3,500
Dispatch					
Staffing FTEs	3.8	NA	5.0	5.0	5.0
Police Incidents	1,502	NA	744	405	575
Per FTE	395		149	81	115
Fire & EMS Runs	1,490	NA	411	759	585
Per FTE	392		82	152	117
Total Workload per FTE	787	NA	231	233	232
Fire & EMS					
Staffing FTEs	22.0	23.5	23	15	18.5
Number of Fires	103	54	104	105	88
FTEs per 1,000 Residents	1.6	1.4	1.7	1.1	1.3
Department Expenditures per FTE	\$90,416	\$73,463	\$65,897	\$96,568	\$78,643
Department Expenditures per 1,000 Residents	\$142,786	\$104,852	\$114,009	\$107,108	\$108,656
Department Expenditures per Incident	\$1,335	\$877	\$3,688	\$3,524	\$2,696

Source: City of Fostoria and peers

Noteworthy Accomplishments

This section of the executive summary highlights specific Public Safety Department accomplishments identified throughout the course of the audit.

Prior to commencement of audit fieldwork, Fostoria Police Department (FPD) conducted a service delivery survey of City residents. Specifically, FPD requested that citizens provide feedback on a variety of areas, including their overall perception of police performance, as well as their perceptions of safety and security, police responsiveness to needs, officer attitudes, and crime prevention efforts. Aggregated results were favorable. While this is a proactive demonstration of FPD's efforts to identify areas for improvement, it should formalize these efforts through strategic and community planning processes (see **R2.2** and **R2.4**).

- **The Fostoria Fire Department (FFD) has received grant funds from outside sources and has used these funds to purchase equipment, such as computers, personal protective gear and portable radios to help provide quality service.** Even though there is no written policy, the City has avoided the use of these funds for ongoing operational costs and the corresponding negative financial impact that could result with the loss of the grant funds.

Key Recommendations

The following is a brief summary of recommendations contained in the performance audit:

Police Department

- **Develop a formal, community-policing plan.** This plan should be developed with input from internal and external stakeholders – including City officials, FPD employees, the public, and neighboring jurisdictions – through regular attendance at open meetings, as well as continued use of citizen surveys. Moreover, a formal community-policing plan may help to reduce Fostoria’s significantly higher number of crime-related incidents.
- **Appoint an independent, full-time chief to manage FPD operations.** While this will help to provide leadership and support over day-to-day responsibilities, it will also minimize any perceived conflicts of interest arising from the acting chief being a representative of the collective bargaining unit. In addition, the City should consider increasing the hourly wage of the chief position to help create a financial incentive for FPD personnel to seek promotions and to offset the economic disincentives associated with the current level of pay for the chief position. Assuming the City approves an hourly wage increase for the Chief of Police to exceed that of the captains by 18 percent, it will incur annual implementation costs of just over \$10,770 (or about \$5.18 per hour). This figure assumes that the Chief of Police serves as a full-time employee – working 2,080 hours per year.
- **Fill 3.0 sworn FTE road patrol officer vacancies.** Specifically, by using cost savings and avoidances identified in this report to increase the number of sworn personnel, FPD can minimize overtime expenditures and bring employee workload ratios more in line with the peer average and USDOJ benchmarks. Assuming FPD fills 3.0 road patrol officer vacancies at the entry-level hourly wage of \$15.97, it will incur annual implementation costs of about \$135,700. This figure includes salaries and wages plus an estimated 36.2 percent for fringe benefits. However, assuming an increase in staffing levels helps to reduce overtime expenditures per sworn FTE to a level commensurate with the peer average (\$5,173), FPD can offset these costs by nearly 50 percent, or \$47,025, for a net annual implementation cost of approximately \$88,675.

- **Reduce, through future contract negotiations, provisions regarding overtime accrual to bring them more in line with the peers.** FPD should also establish a formal plan, policy, or procedure that prioritizes the use of overtime, based on pro-active anticipation of employee workload. This will help FPD to more effectively manage overtime use and potentially minimize related expenditures.
- **Designate the dispatch function as a separate operational entity and develop a cost-sharing plan for its operations between the Police and Fire & EMS departments. In addition, the City should consider filling the current 0.4 FTE dispatcher vacancy.** If the City develops a cost sharing plan for public safety-related dispatching, based on 2004 expenditures and workload levels, both FPD and FFD can expect to pay about 50 percent of total costs (approximately \$97,550 each). Current and future appropriations should be equally divided between the two departments and, until dispatch is organized as a separate cost-center and department, these funds should be allocated to and drawn equally from the departments' budgets. In addition, assuming the City fills the 0.4 FTE dispatcher vacancy at the current entry-level hourly wage, FPD and FFD can expect to share additional annual personnel costs of about \$4,800 each.

Fire & EMS Department

- **Develop formal policies and procedures to ensure that accounts receivable are collected in a timely manner.** To facilitate these procedural changes the City should consider the restoration of the Fire Department administrative secretary position. The status of this position should be based on the condition that salary costs are offset by the collection of overdue receivables.
- **Create policies and plans to guide the design of the EMS program.** Periodically, the City should evaluate service delivery alternatives by performing a competitive analysis. From this analysis, the City should renew or revise existing plans for providing EMS services.
- **Reduce, through contract negotiations, the number of personal days from four to two, to be in line with peers and help address the current financial challenges in the City.** Actual costs of offering a greater incentive than the peers cannot be accurately calculated, as they are dependant on the staff usage of personal leave. However, based on the average rate of \$19.05 per hour, personal leave costs the City approximately \$40,200 per year in potential accumulated retirement payouts per year. If the City reduces the personal days to two, it could avoid costs of about \$20,000 per year.
- **Approve a plan for the replacement and retirement of FFD vehicles and other capital equipment.** This plan should consider specific options for addressing capital needs as well as alternatives for acquiring the use of capital assets. In addition, the City

should develop financial policies specific to capital replacement and allocate funds accordingly. Funds should not be redistributed without an approved adjustment to the plan.

Additional Recommendations

This section of the Executive Summary highlights additional recommendations from each area of the audit report.

Police Department

- Develop formal mission, vision, and value statements with input from both management and staff, and in accordance with the City's strategic public safety planning process (see R2.2). By formalizing its mission, vision, and values and making these available to elected City officials and the public, FPD can more effectively guide its overall decision-making process and affect the decisions of its elected officials.
- Develop and implement a three to five-year strategic plan that formally defines, prioritizes, and reports the City's goals, objectives, and strategies as they pertain to public safety services. A strategic plan will help to facilitate effective communication between City (and county) officials, FPD and FFD, and the public by providing a formal statement on planned public safety-related services and operations.
- Develop public safety-related performance measures and efficiency outcomes. By developing formal performance measures in conjunction with a strategic planning process, Fostoria and its public safety officials can more effectively monitor the achievement of its mission, as well as its goals and objectives. Moreover, both FPD and FFD can use performance measures to enhance accountability by providing regular updates and reports to City officials and the public.
- Develop a formal annual report that complies with established general orders. Specifically, this report should be used to provide stakeholders with regular updates on police-related activities, as well as operational and financial statistics. Additionally, FPD should ensure that the annual report reflects its own mission and vision, as well as the City's strategic, public safety-related goals and objectives, and agreed-upon performance measures.
- Reduce, subject to future contract negotiations, the average step increases that road patrol officers receive to 5.6 percent. This will help to minimize FPD's overall salary and wage expenditures for sworn officers and will help to offset the cost of filling sworn officer vacancies. Moreover, this will bring step increases more in line with the peer average, as

well as with other FPD employees. Assuming FPD negotiates to reduce the average step increases that road patrol officers receive to 5.6 percent, it can expect to pay \$32,200. This represents a total annual cost avoidance of approximately \$29,200, which can be used to partially offset the cost of filling sworn officer vacancies.

- Eliminate, through future contract negotiations, selected contract provisions. Elimination of these contract provisions will help to bring FPD's collective bargaining agreements more in line with peers while minimizing expenditures for which FPD is liable. FPD should use potential savings and cost avoidances created by this recommendation to offset costs associated with filling sworn officer vacancies or obtaining accreditation from a national best practice organization. A total one-time cost avoidance of \$399,000 and an annual cost savings of \$1,900 could be realized, depending on contract negotiations.
- Continue efforts to improve jail operations by minimizing the negative impact of heavy workloads created by sworn officer staffing level shortages. Furthermore, FPD should work with all stakeholders, including City and jurisdictional county officials to develop and implement a community policing plan to help reduce crime-related incidents. In addition, FPD should pro-actively continue to address all action steps identified by ODRC's Bureau of Adult Detention annual jail inspections to ensure 100 percent compliance with minimum standards.
- Develop a formal vehicle replacement plan that is linked directly to the City's recommended strategic public safety planning process. In conjunction with recommended vehicle purchases, FPD should use cost savings and avoidances identified in this report to replace four vehicles per year, rather than two. By developing a formal vehicle replacement plan that combines a shorter replacement cycle with vehicle purchases, FPD will be able to more accurately project the need for replacements and forecast the availability of necessary funds.
- Expand the FPD fleet by three new vehicles. This will help to facilitate a shortened replacement cycle while accommodating three newly hired sworn FTEs. Assuming FPD purchases 3 new vehicles, it will incur \$61,500 in one-time costs for the vehicles alone. In addition, by replacing all 13 vehicles at the increased rate of 4 per year, FPD will incur costs totaling \$266,500 over a new fleet replacement cycle of 3.25 years. When combined with purchase costs and averaged across the new replacement cycle, this represents a total annual cost of about \$100,900 – a net annual implementation cost increase of \$59,900.
- Obtain accreditation/certification from nationally recognized best practice organizations such as the American Correctional Association (ACA) and/or the Commission on Accreditation for Law Enforcement Agencies (CALEA). By obtaining

accreditation/certification from a best practice organization, FPD can more effectively ensure accountability and minimize liability. Assuming FPD obtains accreditation through CALEA and maintains it for 5 years, it will incur approximately \$30,200 in total implementation costs – an average annual implementation cost of \$6,040. Assuming FPD employs an additional administrative FTE at the annual salary of its highest paid clerk (\$18.26 per hour), it will incur additional annual implementation costs of nearly \$51,700 – including an estimated 36.2 percent for fringe benefits. This represents a total annual implementation cost of about \$57,740 to obtain and maintain CALEA accreditation for 5 years.

Fire & EMS Department

- Develop a formal policy on the use of one-time or unpredictable revenues. This policy should limit the reliance on these revenues to meet on-going needs of the department.
- Reduce, through future contract negotiations, the number of vacation days Fire Department staff may accrue. After the seventh year of service, the City should attempt to reduce each tier of the current vacation schedule by 1.0 to 4.3 days in order to offer an incentive that is comparable to the peers.
- Reduce, through future contract negotiations, FFD's uniform purchases allowance from \$600 per year to \$400 per year. Assuming all 20 employees covered by the negotiated agreement expend the entire \$600 allowance each year, reducing the allowance to \$400 will result in a cost savings of \$4,000 per year.

Financial Implications Summary

The following table is a summary of estimated annual revenue enhancements, cost savings, cost avoidances, and implementation costs resulting from performance audit recommendations. Financial implications are divided into two groups: those that are not subject to bargaining unit negotiation, and those that are.

Summary of Financial Implications

Recommendations	Annual Cost Savings		Cost Avoidances		Annual Implementation Costs
			Annual	One-Time	
NOT SUBJECT TO NEGOTIATION					
R2.6 Increase the hourly wage of the chief position to \$33.93 per hour					\$10,770
R2.7 and R2.9 Fill 3.0 FTE road patrol officer vacancies and offset overtime costs per FTE via sufficient staffing and overtime management	\$47,025				\$135,700
R2.13 Divide all dispatch-related appropriations evenly between FPD and FFD, including the filling of a 0.4 FTE dispatcher vacancy					\$4,800
R2.15 Purchase 3 new vehicles and minimize fleet maintenance and repairs expenditures	\$11,500				\$59,900
R2.16 Obtain CALEA accreditation and hire 1.0 FTE accreditation manager					\$57,740
R3.1 Employ administrative secretary to collect past-due EMS receivables		\$44,400			\$15,200
SUBJECT TO NEGOTIATION					
R2.8 Reduce contracted average step increases for road patrol officers			\$29,200		
R2.10 Eliminate contracted retirement bonuses				\$15,000	
R2.11C Reduce sick leave hours paid out upon separation				\$384,200	
R2.11G Reduce contracted uniform allowances for sworn personnel by \$100	\$1,900				
R3.5 Reduce personal days to two days			\$20,000		
R3.6 Reduce uniform allowance	\$4,000				
TOTAL	\$64,425	\$44,400	\$49,200	\$399,200	\$284,110

Source: AOS recommendations

The financial implications summarized above are presented on an individual basis for each recommendation. The magnitude of cost savings associated with some recommendations could be affected or offset by the implementation of other interrelated recommendations. Therefore, the actual cost savings, when compared to estimated cost savings, could vary depending on the implementation of the various recommendations.

Police Department

Background

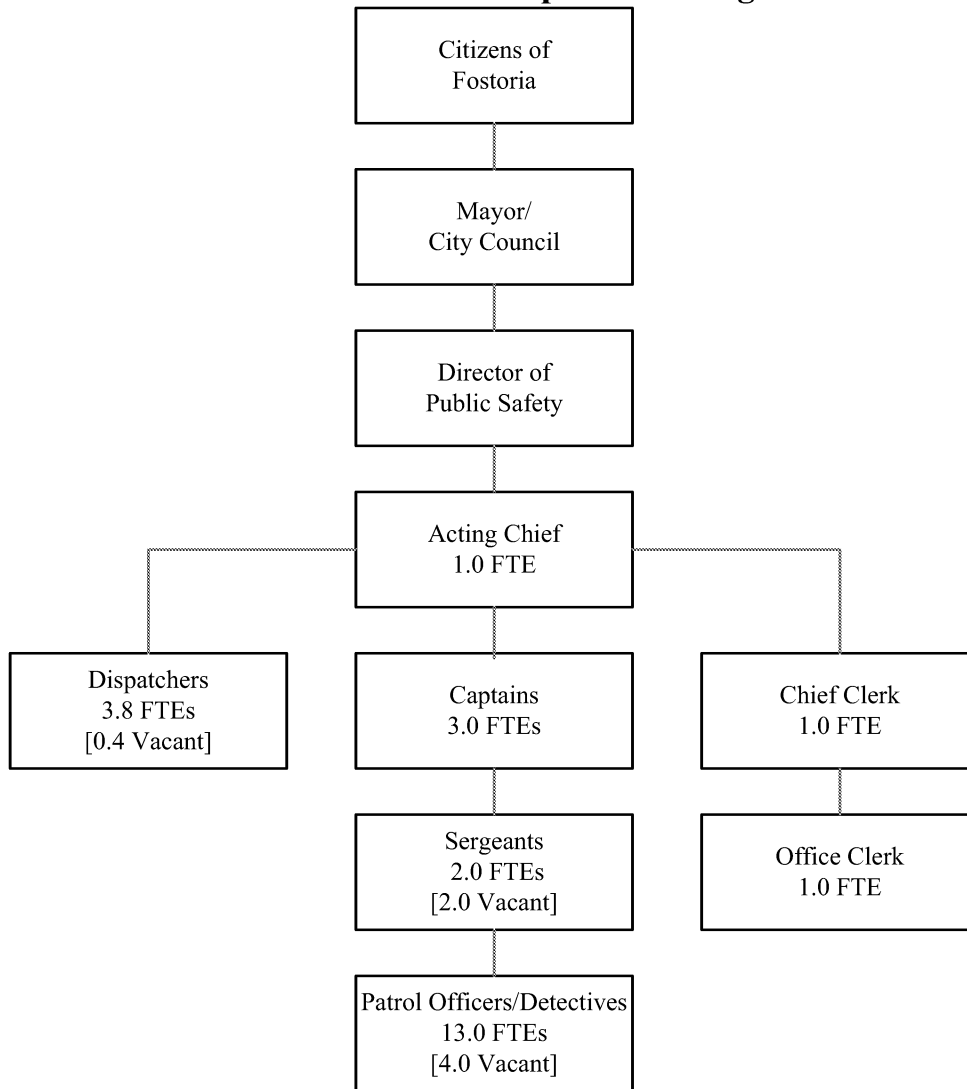
This performance audit provides recommendations to enhance service and reduce costs related to the City of Fostoria's Police Department (FPD). Analyses contained within this report include comparisons with police departments in the following peer cities: Defiance, Greenville, and Washington Court House. Due to the availability of data during audit field work, however, the City of Bellefontaine is included in the collective bargaining analysis. Additional comparisons are made to other best practice resources such as the Ohio Association of Chiefs of Police (OACP), the U.S. Department of Justice's (USDOD) Bureau of Justice Statistics, the Ohio Office of Criminal Justice Services (OCJS), the Government Finance Officers Association (GFOA), as well as the American Public Works Association (APWA) and the International City/County Management Association (ICMA).

Organizational Structure & Staffing

In 2004, FPD employed 24.8 full-time equivalent employees (FTEs), including 19.0 sworn and 5.8 non-sworn employees. Sworn employees typically have general arrest powers, while non-sworn employees do not. The majority of FPD employees are covered under collective bargaining agreements (see **R2.9**, **R2.10**, and **R2.11**) with the Ohio Patrolmen's Benevolent Association (OPBA).

Chart 2-1 illustrates FPD's organizational reporting structure and actual staffing levels, including vacancies.

Chart 2-1: Fostoria Police Department Organization



Source: Fostoria Police Department

Although FPD does not have a formal mission statement (see **R2.1**), its implied mission, pursuant to Ohio Revised Code (ORC) § 737.11, is to serve and protect the citizens of Fostoria by enforcing local, State, and federal laws. This is accomplished primarily by sworn officers who are responsible for patrolling and investigating potential criminal incidents and complaints over a jurisdiction of 7.5 square miles. FPD is unique, compared to peers, because its jurisdiction falls within the geographical borders of three adjacent counties, including Seneca, Hancock, and Wood. While this has an impact on FPD operations, such as jail (see **R2.12**) and dispatch (see

R2.13), it also affects the City's relationships with other local law enforcement agencies, including county sheriffs' offices (see **R2.4**).

Table 2-1 compares FPD's staffing levels, by sworn and non-sworn position, with those of the peers. Sworn position titles are further compared by rank and non-rank FTE; or command personnel and line-staff.

Table 2-1: Police Department Staffing Levels – 2004

Positions	Fostoria		Defiance	Greenville	Washington Court House	Peer Average
	Budget	Actual				
SWORN FTEs						
Rank FTEs ¹	8.0	6.0	9.0	7.0	8.0	7.9
• Chief/Assistant Chief	1.0	1.0	2.0	1.0	1.0	1.3
• Captains/Lieutenants	3.0	3.0	3.0	2.0	2.0	2.3
• Sergeants	4.0	2.0	4.0	4.0	5.0	4.3
Non-Rank FTEs ²	17.0	13.0	17.0	15.0	13.0	15.0
• Detectives	2.0	1.0	2.0	2.0	1.0	1.7
• Road Patrol Officers	15.0	12.0	15.0	13.0	12.0	13.3
<i>Subtotal</i>	25.0	19.0	26.0	22.0	21.0	22.9
NON-SWORN FTEs						
Administrative/Clerical	2.0	2.0	3.0	0.9 ³	1.0	1.6
Dispatch	4.2	3.8	0.0 ⁴	5.0	5.0	3.3
<i>Subtotal</i>	6.2	5.8	3.0	5.9	6.0	4.9
TOTAL FTEs	31.2	24.8	29.0	27.9	27.0	27.8

Source: City of Fostoria and the peers

¹ Rank FTEs typically include command personnel, such as the chief, assistant chief, captains, lieutenants, and sergeants.

² Non-Rank FTEs typically include patrol officers and detectives.

³ Serves part-time as a secretary and as a CALEA accreditation manager.

⁴ Dispatch function performed by the Defiance County Sheriff's Office.

FPD employs approximately 11 percent fewer employees, compared to the peer average. This can be attributed, in part, to 6.0 sworn FTE vacancies (see **R2.7**). Specifically, FPD falls below peer average staffing levels for sergeants, detectives (non-rank), and road patrol officers. Non-sworn staffing levels, however, exceed the peer average by about 18 percent (0.9 FTE). This can be attributed primarily to a seemingly higher level of dispatch personnel, which exceeds the peer average by over 15 percent. It should be noted, however, that Defiance outsources its dispatch function to the Defiance County Sheriff's Office, thereby skewing the peer average. Excluding this peer, Fostoria appears slightly understaffed, especially in consideration of the number of incidents and runs dispatchers handle. See **Tables 2-4** and **2-10** for detailed comparisons of workload and staffing levels.

Financial Data

Table 2-2 summarizes FPD's actual operating expenditures for 2002-2004.

Table 2-2: Fostoria Police Department Three-Year Operating Expenditures

	Actual 2002	Actual 2003	Annual Percent Change	Actual 2004	Annual Percent Change
SALARIES AND BENEFITS					
Salary and Wages ¹	\$1,488,134	\$1,586,594	6.6%	\$1,599,275	0.8%
Overtime	126,916	93,200	(26.6)	145,311	55.9
Ohio Public Employee Retirement System (OPERS)	17,778	26,742	50.4	32,040	19.8
Ohio Police & Fire Pension Fund (OPFPF)	234,882	229,759	(2.2)	217,758	(5.2)
Health & Life Insurance ²	324,292	310,741	(4.2)	313,609	0.9
Workers' Compensation	9,878	18,738	89.7	35,835	91.2
Unemployment Compensation	33,315	53	(99.8)	14,821	+100.0
Medicare	9,024	10,041	11.3	9,432	(6.1)
Clothing Allowance	16,507	17,110	3.7	8,436	(50.7)
Subtotal	\$2,260,726	\$2,292,978	1.4%	\$2,376,517	3.6%
SERVICES AND SUPPLIES					
Training ³	\$3,967	\$3,116	(21.5%)	\$3,796	21.8%
Prisoner Sustenance	9,835	4,932	(49.9)	6,774	37.3
Professional Services ⁴	19,565	20,640	5.5	18,340	(11.1)
Miscellaneous Supplies ⁵	10,685	10,339	(3.2)	9,522	(7.9)
Fuel	21,544	30,394	41.1	40,137	32.1
Subtotal	\$65,596	\$69,421	5.8%	\$78,569	13.2%
CAPITAL OUTLAY					
Vehicles/Equipment ⁶	\$30,481	\$49,365	62.0%	\$53,717	8.8%
TOTAL EXPENDITURES	\$2,356,803	\$2,411,764	2.3%	\$2,508,803	4.0%

Source: City of Fostoria

Note: Dollar figures rounded to nearest \$1.

¹ Includes full-time salary and clerk hire.

² Includes health care contracts, dental, prescriptions, and life insurance.

³ Includes school & travel and crime prevention training.

⁴ Includes drug & alcohol test, services provided, S.W.A.T., legal fees, taxes, and insurance.

⁵ Includes petty cash, forms & office supplies, laboratory supplies, operating supplies, postage, bicycle licenses, canine account, and crime prevention.

⁶ Includes equipment & furniture, radio equipment, computer maintenance, maintenance of equipment, leased equipment, police cruiser, and 9-1-1 service.

FPD expenditures increased \$97,039 (4.0 percent) in 2004, attributable primarily to a \$52,111 (55.9 percent) increase in overtime expenditures. According to Fostoria, the increase in overtime is a direct result of the vacancies identified in **Table 2-1**. Specifically, FPD indicates that the creation of these vacancies in 2003 and 2004 (which have gone unfilled in 2005) are contributing

to heavy workloads, as well as significant increases in salaries and benefits line items, including *workers' compensation* and *unemployment compensation*. FPD's 2004 fringe benefits reflect 36.2 percent of combined *salaries and wages* and *overtime* expenditures. It should also be noted that FPD's 2004 collective bargaining provisions concerning *overtime* significantly exceed those of the peers (see **R2.9**).

Key Operating Statistics

Table 2-3 compares FPD's key 2004 operating statistics and expenditure ratios with those of the peers. Due to reporting requirements for financial audits, statistical data contained within this report is based on a calendar year.

Table 2-3: Police Department Operating Expenditures Comparison

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Operating Expenditures	\$2.5 million	\$2.4 million	\$1.8 million	\$2.0 million ¹	\$2.1 million
Total FTEs	24.8	29.0	27.9	27.0	27.8
• Sworn FTEs	19.0	26.0	22.0	21.0	22.9
• Non-Sworn FTEs	5.8	3.0	5.9	6.0	4.9
City Residents	13,931	16,465	13,294	13,524	14,428
Jurisdiction (Square Miles)	7.5	11.0	6.0	6.5	7.8
Incidents²	1,502	634	744	405	594
Marked & Unmarked Vehicles	10	10	12	17	13
EXPENDITURE RATIOS					
Per FTE	\$100,800	\$82,800	\$66,700	\$74,100	\$75,500
• Sworn	\$131,600	\$92,300	\$81,800	\$95,200	\$91,700
• Non-Sworn	\$431,000	\$800,000	\$305,100	\$333,300	\$428,600
Per 1,000 City Residents	\$179,500	\$145,800	\$135,400	\$147,900	\$145,600
Per Square Mile	\$333,300	\$218,200	\$300,000	\$307,700	\$269,200
Per Incident	\$1,700	\$3,800	\$2,400	\$4,900	\$3,500

Source: City of Fostoria, the peers, and the U.S. Census Bureau

Note 1: Staffing figures exclude vacancies and expenditure ratios are rounded to nearest \$100.

Note 2: See Tables 2-4 and 2-10 for additional workload measures.

¹ Due to data availability, Washington Court House submitted 2004 budgeted appropriations rather than actual expenditures.

² Includes criminal homicide, forcible rape, robbery, assault, burglary, theft, and motor vehicle theft.

FPD's 2004 operating expenditure ratios exceed the peer average in nearly every category, despite employing fewer FTEs who serve fewer residents over a smaller jurisdiction. FPD's relatively high level of expenditure can be attributed, in part, to the City's number of serious incidents, as well as staffing vacancies, which impact employee workload and overtime use (see **R2.7**). FPD also operates its own five-day jail (see **R2.12**), as well as a dispatch center (see **R2.13**) that is also responsible for handling calls to the Fire and EMS Department (FFD). In contrast, the peers outsource jail operations to their respective county sheriffs' offices. Moreover,

FPD's collective bargaining agreements contain incentives and stipulations which appear to be significantly more generous than those of the peers (see **R2.8** through **R2.11**). Finally, FPD operates slightly older, higher mileage vehicles (see **Table 2-11**) without a formal replacement plan, thereby contributing to increased maintenance/repair costs (see **R2.15**).

Another issue affecting FPD operations is a pronounced lack of communication between those internal and external stakeholders whose decisions directly impact Fostoria's public safety services. This is of particular concern because the City allocates more than 70 percent of General Fund expenditures (about \$4.5 million) to its *public safety* line-item, yet has no formal plan that establishes expectations, guides strategic goals and objectives (see **R2.2**), nor tracks the performance (see **R2.3**) of these activities. As a result, FPD's relationships with FFD personnel, as well as with City Council and the Mayor's Office, appear strained and lacking in cooperation. For example, according to FPD, the Chief of Police does not attend City Council meetings on a regular basis, suggesting that he is not included in decision-making processes and his comments are not invited by the Council. Fostoria has also experienced recent turnover in key positions, including the director of public safety and the chief of police (see **R2.6**). Combined with the City's overall economic and financial condition, these issues may negatively impact public perception of its ability to perform public safety services, as well as the morale of FPD employees.

Noteworthy Accomplishments

During the course of the performance audit, the Auditor of State (AOS) identified the following as a noteworthy accomplishment.

- **Prior to commencement of audit field work, FPD conducted a service delivery survey of City residents.**

Specifically, FPD requested that citizens provide feedback on a variety of areas, including their overall perception of police performance, as well as their perceptions of safety and security, police responsiveness to needs, officer attitudes, and crime prevention efforts. Although the response rate was low, aggregated results were favorable. While this is a pro-active demonstration of FPD's efforts to improve, it should formalize and continue these efforts via strategic and community planning processes (see **R2.2** and **R2.4**).

Issues Requiring Further Study

Auditing Standards require the disclosure of significant issues identified during an audit that were not reviewed in depth. These issues may not be directly related to the audit objectives or may be issues that the auditors do not have the time or the resources to pursue.

- **In order to increase police presence within the community, and perhaps facilitate recruiting, the City may consider establishing an auxiliary police unit, under the auspices of the director of public safety.**

As stipulated in ORC § 737.05.1(A):

The legislative authority of a city may establish, by ordinance, an auxiliary police unit within the police department of the city, and provide for the regulation of auxiliary police officers. The director of public safety shall be the executive head of the auxiliary police unit, shall make all appointments and removals of auxiliary police officers, subject to any general rules prescribed by the legislative authority by ordinance, and shall prescribe rules for the organization, training, administration, control, and conduct of the auxiliary police unit. Members of the auxiliary police unit shall not be in the classified service of the city.

According to USDOJ, auxiliary police officers are typically unpaid citizens who are recruited and trained to supplement and support regular police officers in their duties. Specific responsibilities include crime prevention and community-oriented policing (see **R2.4**), including conducting security surveys, organizing Neighborhood Watch programs, providing additional security for the courts and schools, and enforcing curfews.

The City of Canton's Police Auxiliary Corps is made up of 29 participants who contribute approximately 7,000 hours of service per year. According to Canton, the Police Auxiliary Corps helps to increase police coverage and visibility at city events. In addition, the Ohio State Highway Patrol operates a Retired Troopers Reserve Auxiliary (RTRA). Retired troopers may become RTRA members and receive firearms and computer access training, in order to support the Patrol in times of large scale emergencies.

Recommendations

Mission, Vision & Value Statements

R2.1 FPD should develop formal mission, vision, and value statements with input from both management and staff and in accordance with the City’s strategic public safety planning process (see R2.2). Furthermore, FPD should consider publishing these statements online, as well as on documents prepared for public distribution (e.g., websites, strategic plans, annual reports, reports to Council, etc.). By formalizing its mission, vision, and values and making these available to elected City officials and the public, FPD can more effectively guide its overall decision-making process and impact the decisions of its elected officials. In addition, FPD will be better able to communicate its philosophy and expectations regarding the provision of law enforcement services.

FPD has not established formal mission, vision, and value statements. GFOA suggests that one of the critical uses of a mission statement is to help an organization prioritize what it should (and should not) do. For example, organizational goals (see **R2.2**), strategies, programs, and activities should logically cascade from the mission statement.

According to the Ohio Association of Chiefs of Police (OACP), it is critical that all police employees believe in and support their department’s mission, vision, and values. Articulating such by means of formalized statements helps to define departmental purpose and allows employees to view themselves as contributing to the achievement of that purpose.

Greenville’s police department publishes the following mission statement on its website:

“The Mission of the Greenville Police Department is to create a safe and comfortable community in which all people can live, work, and visit. To this end, the Greenville Police Department will provide the highest quality of law enforcement services possible and will hold ourselves accountable to community and national professional standards. The Greenville Police Department also recognizes that our most valuable resource is our people and will strive to create a positive working atmosphere where creativity and participation abound. We will serve all citizens of this community, striving for excellence in all that we do. We will not settle for mediocrity or second best.”

Value statements, according to OACP, are those beliefs that guide an organization and the expected behavior of its employees. A police department should use value statements to clarify its policing philosophy and communicate its expectations to employees and the public. Specifically, a department should consider its values when developing policy and procedures manuals and when evaluating employee performance. This will help lend

significance and meaning to employee responsibilities, while creating predictability in management decisions.

Defiance's police department publishes the following value statements on its website:

"We will proudly remain focused on our community's needs and committed to excellence by demonstration of the following core values:

- **Integrity:** We hold ourselves accountable to the highest level of honesty and ethical conduct at all times.
- **Dedication:** We will serve our community through diligent enforcement of the law to promote the safety and welfare of our citizens.
- **Professionalism:** We hold ourselves to the highest standards through development of highly-trained, knowledgeable, and motivated employees.
- **Citizen/Police Partnership:** We will foster teamwork with our community through relationships designed to promote education, communication, and cooperation between the citizens and members of our department.

Absent formally established mission, vision, and value statements, FPD may have difficulty conveying its overall direction and mission to employees, as well as to City officials and the general public.

Strategic Planning & Performance Measurement

R2.2 Fostoria should develop and implement a three to five-year strategic plan which formally defines, prioritizes, and reports the City's goals, objectives, and strategies as they pertain to public safety services. The strategic planning process should be representative and include input from internal and external stakeholders. Specifically, the City should seek feedback from the mayor and members of Council, the director of public safety, as well as from FPD and FFD personnel and the general public. The City's strategic plan should also provide a link to the mission, vision, and value statements (see R2.1) of its public safety departments, as well as to Fostoria's budgeting process. This will help to ensure that City resources are allocated in a manner consistent with formal expectations and goals. Finally, the strategic plan should contain action steps and specific performance measures (see R2.3) to help monitor the achievement of goals and objectives. A strategic plan will help to facilitate effective communication between City (and county) officials, FPD and FFD, and the public by providing a formal statement on planned public safety-related services and operations.

Although public safety services comprise more than 70 percent of the City’s General Fund expenditures, Fostoria has not established a formal, three to five-year strategic plan to prioritize these activities. This can be attributed, in part, to the fact that strategic planning processes are not prevalent within City operations. Specifically, City officials and FPD supervisors do not currently maintain a collaborative relationship necessary for the prioritization and formalization of public safety-related goals and objectives. Moreover, Fostoria’s recent economic and financial condition has resulted in a relatively reactionary approach to public safety services on the part of City officials.

According to GFOA, a strategic planning process – with sufficient performance measures (see **R2.3**) – is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization’s mission (see **R2.1**), and achieve stakeholder consensus on strategies and objectives for achieving that mission. Strategic planning is about influencing the future rather than simply preparing or adapting to it. The focus is on aligning organizational resources to “bridge the gap” between present conditions and the envisioned future.

ICMA suggests that a strategic plan is a practical, action-oriented guide which is essential for allocating limited resources within smaller communities. A key responsibility within the strategic planning process is the efficient and effective management of services, programs, and resources, and the clear communication of results. In addition, strategic plans should identify various action steps required to manage specific goals and objectives, and include performance measures (see **R2.3**) to gauge progress in attaining goals and objectives.

While it is important to balance the vision of the community with available resources, the resources available should not inhibit an organization’s vision. Rather, organizational objectives should help to determine how available resources can be linked to future goals. An important complement to the strategic planning process is the preparation of a long-term financial plan, prepared concurrently with the strategic plan. A government should have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions. Without a formal strategic plan that is adequately linked to financial resources, the City cannot effectively communicate its public safety-related vision, goals, and objectives, nor can it ensure the availability of resources necessary to meet public demands for these services.

R2.3 City Council should work with the director of public safety and FPD/FFD chiefs to develop public safety-related performance measures and efficiency outcomes. By developing formal performance measures in conjunction with a strategic planning process (see R2.2), Fostoria and its public safety officials can more effectively

monitor the achievement of its mission, as well as its goals and objectives. Moreover, both FPD and FFD can use performance measures to enhance accountability by providing regular updates and reports to City officials and the public.

The City does not use formal performance measures to monitor the efficiency and effectiveness of its public safety services. This can be attributed, in part, to the absence of a City-wide strategic planning process. GFOA indicates that a key responsibility of local governments is to develop and manage programs, services, and their related resources as efficiently and effectively as possible, and to communicate the results of these efforts to internal and external stakeholders. When linked to an organization's budget and strategic planning process, performance measures can be used to assess accomplishments on an organization-wide basis.

GFOA suggests that performance measures should:

- Be based on program goals and objectives that tie to a mission statement or purpose (see **R2.1**);
- Measure program outcomes;
- Provide for resource allocation comparisons over time;
- Measure efficiency and effectiveness for continuous improvement;
- Be verifiable, understandable, and timely;
- Be consistent throughout the life of the strategic plan;
- Be reported internally and externally (e.g., departmental websites, annual reports, reports to Council, etc.);
- Be monitored and used in managerial decision-making processes; and
- Be designed in such a way to motivate staff at all levels to contribute toward organizational improvement.

Some examples of police-related performance measures ²⁻¹ include, but should not be limited to the following:

- Number of incidents (Part-I or otherwise) per sworn/non-sworn officer, per city resident, and per city square mile;
- Expenditures per incident;
- Number of dispatched calls per hour/shift, per dispatcher, and per patrol officer;
- Average response time from dispatch to officer arrival (with five minutes or less as a preferred benchmark);

²⁻¹ David N. Ammons; *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards*, 2nd Edition (2001)

- Number of citizen/employee/inmate grievances or complaints filed; and
- Average time to resolve grievances or complaints.

When used in the long-term planning and goal-setting process and linked to the entity's mission, goals, and objectives, meaningful performance measures can assist government officials and citizens in identifying financial and program results, evaluating past resource decisions, and facilitating qualitative improvements in future decisions regarding resource allocation and service delivery. For example, if FPD's stated goal is to decrease the number of drug-related incidents, the strategic plan should include a process for measuring performance by objective (e.g., the number of drug-related arrests and/or the number of Drug Abuse Resistance Education classes taught). Without a system of formal performance measurement, Fostoria cannot effectively monitor the achievement of public safety-related goals and objectives. Moreover, the City cannot adequately communicate its expectations in this regard to employees or to the general public.

Community Policing

R2.4 In conjunction with the City's strategic, public safety services plan (see R2.2) and accompanying performance measures (see R2.3), FPD should develop a formal, community policing plan. This plan should be developed with input from internal and external stakeholders – including City officials, FPD employees, and the general public – through regular attendance at open meetings, as well as continued use of citizen surveys. In addition, because FPD is responsible for serving portions of three counties, the community policing plan should also include input from Fostoria's neighboring jurisdictions. This will help to facilitate improved communication and cooperation among City officials and between City and county officials by ensuring adequate and consistent communication of police-related activities (see R2.5) and expectations. Moreover, a formal community policing plan may help to reduce Fostoria's significantly higher number of crime-related incidents.

Pursuant to General Order 45.2.1 of its rules and regulations manual, FPD is committed to establishing close ties with, and responding to the needs of, the community as a means of preventing crime. FPD indicates, however, that it has not yet developed a formal community policing philosophy or plan. Regardless, FPD recently issued and is compiling results of a citizen survey, which it developed for the purpose of soliciting community feedback concerning police performance. While this is a pro-active demonstration of FPD's efforts to improve, it should be noted that issues of communication still exist with other primary stakeholders. For example, police personnel do not regularly attend City Council meetings, citing workload and overtime costs as concerns, as well as concerns about their inability to access elected officials or speak on behalf of FPD.

According to OACP, community policing is an organizational philosophy and set of corresponding procedures used by police officials and citizens to identify, diagnose, and resolve problems that require police and community attention. This philosophy has two distinct and important characteristics. First, the police department intentionally relies on and collaborates with citizens to develop a specific style of policing that is unique to the community it serves. Second, the police department uses a mutually reinforcing, neighborhood-oriented approach to identify problems that require solutions. Ensuring that internal and external lines of communication remain open is the responsibility of all police employees and is essential to establishing a long-term, community-based policing partnership based on acceptance, trust, and credibility.

According to USDOJ, a small percentage of local police departments formalize their community policing philosophy via a written plan. Rather, it is more likely that a community policing philosophy is developed informally and in accordance with citizen surveys, similar to FPD. Notwithstanding, police departments nationwide have established a variety of community policing program alternatives. In cities with 10,000 to 24,999 residents, the most popular form (90 percent) of community policing involves small, group meetings with the general public to obtain feedback.

Greenville's Community-Oriented Policing (COP) program is an example of this. Specifically, the Chief of Police assigns officers to serve as COP representatives in select city districts. These officers remain in contact with their respective district residents, businesses, and community groups to receive crime-related tips. COP program officers may also be required to establish and coordinate district prevention groups (e.g., Neighborhood Watch). Another, less common initiative includes the creation of a citizens' academy, similar to those that the Defiance Police Department and the Hancock County Sheriff's Office operate.

Regardless of type, stakeholder communication is the key component of a community policing philosophy. Without a formal community policing plan that includes input from all primary stakeholders, FPD cannot effectively communicate its needs. Moreover, absent a formalized strategy for addressing community concerns, FPD cannot adequately ensure that it is achieving its mission (see **R2.1**) and may, therefore, continue to experience high levels of crime-related incidents.

- R2.5 In conjunction with a community policing plan (see R2.4), FPD should develop a formal annual report that complies with established general orders. Specifically, this report should be used to provide stakeholders with regular updates on police-related activities, as well as operational and financial statistics. Additionally, FPD should ensure that the annual report reflects its own mission and vision (see R2.1), as well as the City's strategic, public safety-related goals and objectives (see R2.2), and agreed-upon performance measures (see R2.3). Moreover, FPD should ensure**

the effective and efficient distribution of this annual report by publishing it online and by making copies available to City officials and the general public. Finally, FPD should ensure that it complies with all established general orders to minimize potential risks of legal and financial liability.

FPD does not publish an annual report that details its operational and financial activities, as required by General Order 13.1.1 of the rules and regulations manual. Specifically, FPD is to develop administrative reports, including annual reports, which shall be distributed to City Council members and shall include information concerning calls for service, arrests, and other police-related data. As with the absence of both strategic (see **R2.2**) and community policing plans (see **R2.4**), this can be attributed to the City's relatively reactionary view of public safety service provision.

Police departments in Defiance and Greenville issue comprehensive annual reports designed to inform and update stakeholders on a variety of police-related topics, including employee training hours, number of service calls, number and types of offenses and arrests, number of cases reported and closed by officers, amount of fines collected, etc. While workload and staffing level issues may be cited as concerns (see **R2.7**), it should be noted that by not following established general orders, FPD increases the risk of exposure to legal and financial liability. Additionally, without an annual report, FPD cannot effectively communicate its accomplishments, nor its needs, goals, and initiatives to primary stakeholders.

Staffing Levels/Personnel Costs

R2.6 The City should appoint an independent, full-time chief to manage FPD operations. While this will help to provide leadership and support over day-to-day responsibilities, it will also minimize any perceived conflicts of interest arising from the acting chief being a representative of the collective bargaining unit. In addition, the City should consider increasing the hourly wage of the chief position to help create a financial incentive for FPD personnel seeking promotions and to offset the economic disincentives associated with the current level of pay for the chief position.

Recently, FPD experienced turnover in the position of police chief. As a result, a captain, who is also a collective bargaining unit representative, has been assigned to serve as acting chief. While this has helped to ensure operational continuity through retained institutional knowledge, it has also created a potential conflict of interest. Specifically, the Chief of Police is responsible for performing numerous, personnel-related tasks that typically remain independent of collective bargaining units. These tasks include authorizing overtime use and leave requests, maintaining personnel files, as well as responding to and overseeing the investigation of complaints and grievances. The Chief

of Police for the City of Washington Court House was a former collective bargaining unit representative, but relinquished that responsibility when appointed as Chief.

FPD's established hourly wage for the chief position (\$28.75) does not exceed that of subordinate personnel (i.e., captains) and, as a result, the Acting Chief is reluctant to accept the full-time position. In contrast, the peer average hourly wage for chiefs exceeds that of captains by approximately 18 percent (see **Table 2-7**). Without an independent, full-time chief, FPD cannot effectively minimize potential conflicts of interest that may arise between management and collective bargaining unit personnel. Moreover, because the Chief of Police cannot expect to earn a higher hourly wage, as is typical, FPD cannot create the financial incentives necessary in promoting and retaining experienced employees.

The City should seek to remedy wage-related discrepancies to ensure qualified, consistent leadership within FPD. Absent sufficient financial incentives for experienced employees to accept higher positions, the City is likely to continue to experience instability within its sworn command structure and FPD operations.

Financial Implication: Assuming the City approves an hourly wage increase for the Chief of Police to exceed that of the captains by 18 percent, it will incur annual implementation costs of just over \$10,770 (or about \$5.18 per hour). This figure also assumes that the Chief of Police serves as a full-time employee – working 2,080 hours per year.

R2.7 FPD should work with the collective bargaining units and members of Council to identify resources with which to fill 3.0 sworn FTE road patrol officer vacancies. Specifically, by using cost savings and avoidances identified in this report to increase the number of sworn personnel, FPD can minimize overtime expenditures and bring employee workload ratios more in line with the peer average and USDOJ benchmarks. Additionally, Fostoria will be in a better position to reduce police-related incidents and reassure the public that FPD is accomplishing its mission.

The decision to employ police officers and accompanying support staff is strategic. Therefore, police staffing levels should coincide with, and reflect, the community's expectations for service, as well as its ability to financially support those expectations. As a corollary, it is logical to assume that a community will not support a police department when its personnel cannot meet service demands or are otherwise unaffordable.

Table 2-4 compares FPD staffing levels and workload ratios with those of the peers.

Table 2-4: Police Department Staffing Comparison – 2004

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Total FTEs	24.8	29.0	27.9	27.0	27.8
• Sworn FTEs	19.0	26.0	22.0	21.0	22.9
• Non-Sworn FTEs	5.8	3.0	5.9	6.0	4.9
Non-Rank FTEs per Rank FTE	2.2	1.9	2.1	1.6	1.9
OVERTIME EXPENDITURES					
	\$145,311	\$153,947	\$100,441	\$100,968	\$118,452
Per Total FTE	\$5,859	\$5,309	\$3,600	\$3,740	\$4,261
Per Sworn FTE	\$7,648	\$5,921	\$4,566	\$4,808	\$5,173
INCIDENTS					
	1,502	634	744	405	594
Per Total FTE	61	22	27	15	21
Per Sworn FTE	79	24	34	19	26
Per Non-Sworn FTE	259	211	126	68	121
CITY RESIDENTS					
	13,931	16,465	13,294	13,524	14,428
Per Total FTE	562	568	477	501	519
Per Sworn FTE	733	633	604	644	630
Per Non-Sworn FTE	2,402	5,488	2,253	2,254	2,945
SQUARE MILES					
	7.5	11.0	6.0	6.5	7.8
Per Total FTE	0.3	0.4	0.2	0.2	0.3
Per Sworn FTE	0.4	0.4	0.3	0.3	0.3
Per Non-Sworn FTE	1.3	3.7	1.0	1.1	1.6

Source: City of Fostoria and peer police departments

Note: Staffing figures exclude vacancies.

As indicated in **Table 2-4**, FPD appears understaffed when compared to the peers particularly in the area of incidents per FTE. Specifically, FPD handles over 50 more incidents per sworn officer, compared to the peer average. Furthermore, according to USDOJ, police departments that serve between 10,000 and 24,999 residents typically employ 2.0 sworn FTEs per 1,000 residents; FPD currently employs 1.4. In addition, FPD has a slightly higher ratio of non-rank to rank officers. This can be attributed to 6.0 sworn officer vacancies (see **Table 2-1**), 4.0 of which are non-rank officers – 1.0 detective and 3.0 road patrol officers.

As a result of being understaffed, FPD's overtime expenditures have increased significantly (see **Table 2-2**), contributing to low employee morale. Moreover, FPD's jail and dispatch operations have been negatively impacted (see **R2.12** and **R2.13**), as has its relationships with FFD and members of Council. Finally, because the number of

incidents is so high when compared to peers, FPD cannot effectively ensure that it is achieving its statutorily-implied mission: to serve and protect the citizens of Fostoria.

During the course of the performance audit, FPD indicated that it has been in contact with Council representatives to discuss staffing-related issues and ideas, including filling road patrol vacancies and allocating additional resources to non-ranked personnel. While neither the City nor FPD has formalized these ideas and incorporated them into a strategic plan (see **R2.2**), this is an indication that FPD is looking to increase its presence within the community with less costly personnel.

Financial Implication: Assuming FPD fills 3.0 road patrol officer vacancies at the entry-level hourly wage of \$15.97, it will incur annual implementation costs of about \$135,700. This figure includes salaries and wages plus an estimated 36.2 percent for fringe benefits (see **Table 2-2**). However, assuming an increase in staffing levels helps to reduce overtime expenditures per sworn FTE to a level commensurate with the peer average (\$5,173), FPD can offset these costs by nearly 50 percent, or \$47,025, for a net annual implementation cost of approximately \$88,675.

R2.8 Subject to negotiations with the collective bargaining unit, FPD should reduce the average step increases that road patrol officers receive to 5.6 percent. This will help to minimize FPD's overall salary and wage expenditures for sworn officers and will also help to offset the cost of filling sworn officer vacancies (see R2.7). Moreover, this will bring step increases more in line with the peer average, as well as with other FPD employees.

Table 2-5 compares FPD's total 2004 salary and wage expenditures with those of the peers.

Table 2-5: Salary & Wage Expenditures – 2004

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Salary & Wage Expenditures	\$1,599,275	\$1,437,096	\$1,345,768	\$1,284,000 ¹	\$1,355,621
Total FTEs	24.8	29.0	27.9	27.0	27.8
• Sworn FTEs	19.0	26.0	22.0	21.0	22.9
• Non-Sworn FTEs	5.8	3.0	5.9	6.0	4.9
SALARY & WAGES EXPENDITURES					
Per Total FTE	\$64,487	\$49,555	\$48,235	\$47,556	\$48,763
• Sworn FTE	\$84,172	\$55,273	\$61,171	\$61,143	\$59,197

Source: City of Fostoria and peer police departments

Note: Staffing figures exclude vacancies.

¹ Due to data availability, Washington Court House submitted 2004 budgeted salary & wages appropriations rather than actual expenditures.

Although FPD employs fewer FTEs, its salary and wage expenditures exceed the peer average by about 18 percent. This can be attributed directly to FPD's higher salary and wage expenditures per sworn FTE, which exceeds the peer average by nearly \$25,000.

Table 2-6 compares FPD's entry-level wages for sworn officers, as well as annual step increases, and average annual cost of living adjustment (COLA) increases with those of the peers.

Table 2-6: Average Entry-Level Wages by Sworn Position – 2004

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average	USDOJ Median
Captain/Lieutenant	\$27.09	\$23.60	NR	NR	\$23.60	NR
<i>Average Step Increase</i>	5.6%	NR	NR	NR	NR	NR
<i>Average COLA</i>	3.0%	0.0%	NR	NR	0.0%	NR
Sergeant	\$24.19	\$21.75	\$19.08	\$17.03	\$19.29	\$21.27
<i>Average Step Increase</i>	5.6%	NR	5.4%	4.8%	5.1% ¹	NR
<i>Average COLA</i>	3.0%	0.0%	3.0%	3.0%	3.0% ¹	NR
Road Patrol Officer	\$15.97	\$14.70	\$14.22	\$14.42	\$14.45	\$15.94
<i>Average Step Increase</i>	10.7%	9.3%	5.3%	4.8%	6.5%	NR
<i>Average COLA</i>	2.5%	0.0%	3.0%	3.0%	3.0% ¹	NR

Source: City of Fostoria and peer police departments

Note: Entry-level hourly salary & wages figures are averaged by sworn position title.

NR: Not reported

¹ Peer average excludes Defiance.

Those factors that contribute to relatively higher expenditures per sworn officer include an average entry-level hourly wage that exceeds both the peer average and USDOJ benchmarks for all positions, as well as significantly higher average step increases for road patrol officers. Not only do these step increases exceed the peer average, but they also significantly exceed those of FPD's other sworn personnel – a disparity that may potentially foster discord among personnel and wage inequality within the organization.

Table 2-7 compares FPD's actual average salary and wages by sworn position with those of the peers.

Table 2-7: Average Actual Salary & Wages by Sworn Position – 2004

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
SWORN RANK POSITIONS					
Chief/Assistant Chief	\$28.75	\$26.31	\$27.66	\$30.00	\$27.99
Captain/Lieutenant	\$28.75	\$23.59	\$23.35	\$24.16	\$23.70
Sergeant	\$26.19	\$21.75	\$23.20	\$20.69	\$21.88
Average Hourly Wage	\$27.90	\$23.88	\$24.74	\$24.95	\$24.52
Average Annual Salary¹	\$58,032	\$49,670	\$51,459	\$51,896	\$51,002
SWORN NON-RANK POSITIONS					
Detective (Non-Sergeant)	\$22.89	\$19.44	\$20.04	\$18.40	\$19.29
Road Patrol Officer	\$23.00	\$18.94	\$19.50	\$17.45	\$18.63
Average Hourly Wage	\$22.95	\$19.19	\$19.77	\$17.93	\$18.96
Average Annual Salary¹	\$47,736	\$39,915	\$41,122	\$37,294	\$39,437
Average Hourly Wage – All Sworn Positions	\$25.92	\$22.01	\$22.75	\$22.14	\$22.30
Average Annual Salary – All Sworn Positions¹	\$53,914	\$45,781	\$47,320	\$46,051	\$46,384

Source: City of Fostoria and peer police departments

Note: Hourly salary & wages figures are averaged by sworn position title.

NR: Not reported

¹ Calculated by multiplying average, actual hourly wage by 2,080 full-time work hours.

According to the City, road patrol officers currently earn \$23.00 per hour, on average. Assuming staffing levels – 12.0 road patrol officer FTEs – remain the same, FPD can expect to spend at least \$61,400 annually in contractually-stipulated step increases.

Financial Implication: Assuming FPD negotiates to reduce the average step increases that road patrol officers receive to 5.6 percent, it can expect to pay \$32,200. This represents a total annual cost avoidance of approximately \$29,200, which can be used to partially offset the cost of filling sworn officer vacancies (see **R2.7**).

Overtime

R2.9 Subject to negotiations, FPD should reduce contractually-stipulated provisions regarding overtime accrual to bring them more in line with the peers. FPD should also establish a formal plan, policy, or procedure that prioritizes the use of overtime, based on pro-active anticipation of employee workload. This will help FPD to more effectively manage overtime use and potentially minimize related expenditures.

As indicated in **Table 2-4**, FPD's 2004 overtime expenditures exceed the peer average by nearly 23 percent (\$26,859). While this can be attributed, in part, to being understaffed (see **R2.7**) and operating with more generous contract provisions, it should also be noted

that FPD does not have a plan or policy/procedure for managing and prioritizing overtime. Specifically, overtime is assigned on an *ad hoc* basis – in reaction to occurring workload, rather than pro-actively, or in anticipation of expected workload.

When analyzing overtime practices and needs, management should identify patterns and circumstances under which overtime is frequently incurred and list specific alternatives that should be considered instead of using overtime. For example, establishing a policy on critical staffing levels, below which staffing may not fall, may show that not every position or post of every shift is critical enough to warrant overtime. However, this decision should be formalized, rather than left to the discretion of immediate supervisors.

FPD's contractual provisions regarding overtime accrual significantly exceed those of the peers. To illustrate, FPD's collective bargaining agreements (as of December 31, 2004) stipulate the following:

“Any employee working in excess of 8 hours on his/her assigned shift will be compensated at the rate of 1.5 times his/her base rate for the first 2 hours and double time for continuously worked hours thereafter. Any employee working on his/her normal scheduled day off will be compensated at the rate of 1.5 times his/her base rate for the first 8 hours and double time for continuously worked hours thereafter.”

This appears somewhat generous when compared to the following, as stipulated in the collective bargaining agreement for police employees serving Washington Court House:

“Overtime at the rate of 1.5 times the employee's regular hourly rate will be paid for any hours in paid status (except sick time, off duty court time, and military time) in excess of 40 hours in a work week, or the appropriate hours in a work day; (either 8 or 10 hours according to the employee's schedule). However, any sick leave time (not previously scheduled), that is taken in the work week when overtime is worked, shall not be considered time worked for calculating overtime and shall void the overtime pay until such time as the “actual hours worked” would apply. Overtime must be authorized in advance by the Police Chief or Supervisor on Duty.”

Bellefontaine's collective bargaining agreement stipulates further:

“Overtime pay is accrued at a rate of 1.5 times the regular rate of pay when the employee works in excess of 40 hours in any week. Overtime shall not be paid for amounts of less than 15 minutes, but will be paid in increments of one-quarter (1/4) hour once the employee works 15 minutes and to the nearest one-quarter (1/4) hour, thereafter.

As indicated in its review of the Rockland County Correctional Center, the New York State Comptroller suggests that sufficient staffing and an effective management plan for overtime coverage are essential to managing overtime costs effectively. Management should consider whether certain non-critical activities may be deferred or suspended in response to temporary staffing shortfalls. Absent sufficient staffing (see **R2.7**), and

without an effective management plan, or policy/procedure, FPD cannot effectively manage overtime-related costs. Moreover, it increases the risks and associated liability created by staff fatigue, such as increased workers' compensation claims (see **Table 2-2**), citizen complaints, etc.

Collective Bargaining

R2.10 Subject to negotiations, FPD should work with the collective bargaining units to eliminate contract provisions that peer police departments do not receive, including the following:

- **Standby duty pay;**
- **Additional uniform allowances for detectives;**
- **Retirement bonuses; and**
- **COLA nullification clause.**

Elimination of these contract provisions will help to bring FPD's collective bargaining agreements more in line with peers while minimizing expenditures for which FPD is liable. FPD should use potential savings and cost avoidances created by this recommendation to offset costs associated with filling sworn officer vacancies (see R2.7) or obtaining accreditation from a national best practice organization (see R2.16).

According to USDOJ, only 40 percent of local police departments nationwide authorize collective bargaining for sworn personnel, while only 20 percent authorize collective bargaining for non-sworn personnel. In cities with 10,000 to 24,999 residents, however, these percentages increase to 72 and 46 percent, respectively.

The majority of FPD employees (22.8 FTEs) are covered under three separate collective bargaining agreements with the Ohio Patrolmen's Benevolent Association (OPBA). Based on a comparison to peer collective bargaining agreements for 2004, and in light of current staffing level and workload issues (see **R2.7**), Fostoria should work with the collective bargaining units to reduce or eliminate those contract provisions that appear to be overly generous or costly. While overtime accrual is a negotiated provision, a more detailed analysis is contained in **R2.9**.

FPD collective bargaining unit employees receive a number of benefits that none of the peers offer in their contracted agreements. These include the following:

- **Standby Duty Pay:** When an employee is called for standby duty by the chief, the employee shall receive one-half time pay, with a minimum of four hours in addition to regular hours actually worked. The employee will remain on standby with pay

until notified otherwise by either the chief or his/her designee. FPD could not provide a breakout of standby duty pay expenditures for 2004.

- **Additional Uniform Allowance for Detectives:** Detectives receive an additional one-time allowance of \$200 for clothing, along with the regular, annual \$700 uniform allowance (see **Table 2-8**).
- **Retirement Bonuses:** Collective bargaining unit employees who retire within 6 months of the time they first become eligible to retire and receive benefits shall receive a retirement bonus of \$5,000. Should employees return to work for the City in any capacity, they shall immediately repay the full bonus amount. Including the active chief (a captain), FPD currently employs 23 collective bargaining unit personnel who may eventually become eligible to receive this contracted bonus, thereby incurring a total financial liability of \$115,000 that peers do not.

Financial Implication: According to the City, no FPD employee is currently eligible to receive a contracted retirement bonus. However, by negotiating to eliminate this language from its collective bargaining agreements for newly hired staff, FPD can achieve a total, one-time cost avoidance of at least \$15,000, for which it would be otherwise liable.

R2.11 Subject to negotiations, FPD should consider the following recommendations as they pertain to its collective bargaining agreements:

- A. **Reduce minimums for call-in and court time pay from 4.5 to 2.0 hours, similar to Washington Court House;**
- B. **Specify a minimum time of service (10 or more years) to become eligible to receive payment of sick leave upon separation from FPD, similar to Bellefontaine;**
- C. **Reduce the maximum number of accrued sick leave hours paid out upon separation from 1,080 hours to the peer average – approximately 300 hours;**
- D. **Reduce the number of paid holidays from 13 to a level commensurate with the peers – 10 or 11 days;**
- E. **Reduce contract language pertaining to holiday pay to include regular pay, rather than double time pay, for eight hours worked, similar to Washington Court House;**
- F. **Reduce the rate at which employees accrue vacation leave, as well as the maximum number of vacation hours employees receive from 240 to 200, similar to Greenville and Washington Court House; and**
- G. **Reduce uniform allowances for sworn personnel to \$600, similar to Bellefontaine and Washington Court House.**

By negotiating to reduce these provisions, FPD can increase productivity and minimize personnel expenditures by bringing its collective bargaining agreements more in line with peers. This will also help to offset the cost of filling sworn officer vacancies (see R2.7).

Table 2-8 compares key differences between FPD and peer collective bargaining provisions. Due to the availability of data, however, the City of Bellefontaine replaces Defiance within the analysis.

Included in the analysis are provisions that appear to exceed, or are more generous, than those of the peers. Because the majority of contractual provisions are identical for all positions, they are combined in the following table, unless otherwise specified.

Table 2-8: Police Department Contract Provisions Exceeding Peers

	Fostoria	Bellefontaine	Greenville	Washington Court House
Call-in Pay	1.5 times the normal rate of pay with a minimum of <u>4.5 hours</u> pay, with 3 of those to be paid at a rate of time and one-half.	1.5 times the normal rate with a minimum of 3 hours work or 3 hours paid at time and one-half, providing that the time worked or paid for does not abut the employee's workday.	Minimum of two (2) hours overtime at the time and one-half rate.	2 hours time paid at the overtime rate of 1.5 times regular hourly rate.
Court Time	1.5 times the normal rate of pay with a minimum of <u>4.5 hours</u> pay, with 3 of those to be paid at a rate of time and one-half.	N/A	Minimum of 3 hours pay or in lieu of pay, compensatory time at the applicable rate.	2 hours time paid at the overtime rate of 1.5 times the regular hourly rate.
Sick Leave upon Separation	<u>Sworn</u> : At the time of retirement or death of any employee covered by this agreement, the employee shall receive pay for any accumulated sick leave up to 135 days (1,080 hours).	Employees with 10+ years of service may receive 1/3 of accumulated leave upon retirement up to a maximum of 40 days (320 hours).	Upon retirement or voluntary separation from service with the Employer, at their last base rate of pay at the rate of 1 hour of pay for every 2 hours of accumulated balance between 240 hours and 960 hours, up to a maximum payment for 360 hours.	Retirement payout: Begin employment prior to March 1, 1992; accruals up to and including 960 hours. After March 1, 1992; accruals up to and including 240 hours.
Holidays Off	13 holidays	9.5 holidays	10 holidays	11 holidays

<p>Holiday Pay</p>	<p>Should any employee be required to work on a holiday, he/she shall be paid <u>double time (2) in addition to his/her regular 8 hours</u> pay, or compensatory time off of eight 8 hours in lieu thereof at a time mutually agreed upon. If an employee works more than 8 hours on a holiday, he/she shall earn double time and one-half (2 1/2) for the hours worked.</p>	<p>1.5 times regular rate of pay for working holiday (not necessarily day observed) in addition to 8 hours of compensatory time (for shift work employees).</p>	<p>Receive pay at a rate equal to two times the employee's regular rate of pay for each of the first 8 hours worked on the holiday. In lieu of pay, the employee may elect to receive up to 8 hours of compensatory time Employees who work more than 8 hours on a holiday shall be compensated at a rate equal to three times the employee's base rate of pay for all hours worked in excess of eight 8 hours.</p>	<p>Shall receive holiday pay plus time and a half for all hours worked on the holiday.</p>
<p>Vacation Accrual</p>	<p>>1 year: 80 hours >5 years: 96 hours >8 years: 120 hours >10 years: 136 hours >12 years: 160 hours >15 years: 176 hours >18 years: 200 hours >20 years: 216 hours >25 years: 240 hours</p>	<p>1-2 years: 40 hours 2-4 years: 80 hours 5-10 years: 120 hours 11-16 years: 160 hours 17-22 years: 200 hours</p>	<p>1 year += 80 hours 7 years +=120 hours 15 years +=160 hours 20 years +=200 hours</p>	<p>1-6 years: 96 hours 6-10 years: 118 hours 10-15 years: 140 hours 15-23 years: 184 hours 23+ years: 228 hours</p>
<p>Uniform Allowance</p>	<p><u>Sworn</u>: \$700 per year <u>Non-Sworn</u>: \$325 per year</p>	<p>\$600 for patrolmen, \$525 for dispatchers, \$250 for new</p>	<p>\$475</p>	<p>\$600 for Patrol officer or Sergeant. For Dispatchers and all other uniformed bargaining unit employees \$450. Cleaning of uniform clothing items, maximum of \$275.</p>

Source: Fostoria and peer police departments

The following contractual provisions were assessed and determined to be more generous than those of the peers:

- Call-in Pay:** Call-in pay is defined as payment for work assigned by the Chief of Police or his/her designee, including mandatory schooling, seminars, and other required in-service training, or for court time, and performed by an employee at a time disconnected from his/her normal and pre-scheduled hours of work. Work performed in this manner shall be compensated at the rate of 1.5 times the normal rate of pay with a minimum of 4.5 hours pay, with 3 of those to be paid at time and a half. Pay out minimums for Greenville and Washington Court House are set at 2 hours, while Bellefontaine permits 3.
- Court Time:** Whenever it is necessary for an off-duty officer to appear in court, or for pre-trial conferences, for the prosecution of a criminal or civil case, such officer shall be compensated in a manner consistent with that of call-in pay. Any witness fees received as a result of court appearances in connection with City employment

shall be turned over to the chief within three days of receipt of such fees. Any travel pay received when an employee uses City-supplied transportation will similarly be turned over to the chief. Bellefontaine does not have a provision for court time and both Greenville and Washington Court House have agreed upon pay out minimums of 3 and 2 hours, respectively.

- **Sick Leave upon Separation:** Upon separation or retirement from FPD, sworn employees covered by a collective bargaining agreement shall receive pay for any accumulated sick leave up to 135 days (1,080 hours). Unlike Bellefontaine, FPD has not established a minimum time of service for employees to become eligible to receive this benefit. Moreover, FPD's maximum pay out significantly exceeds that of the peer average (approximately 300 sick leave hours).

To illustrate, a retiring road patrol officer who earns \$23 per hour (see **Table 2-7**) may be entitled to receive a maximum of \$24,840 upon separation from FPD. An officer earning the same hourly wage at Washington Court House, by contrast, can expect to receive a maximum of 240 sick leave hours upon separation, totaling only \$5,520. With 19 sworn FTEs who earn an average of \$25.92 per hour (see **Table 2-7**), FPD currently incurs a financial liability totaling approximately \$531,900. Assuming its collective bargaining agreements reflected the peer average maximum payout of 300 sick leave hours, FPD would be financially liable for only about \$147,700 under current staffing levels.

- **Holidays Off:** Excluding personal days, FPD employees receive 13 paid holidays off, exceeding each of the peers. Unlike the peers, for example, FPD employees receive a paid holiday off on their birthday. Greenville and Washington Court House, offer only 10 and 11 paid holidays off, respectively.
- **Holiday Pay:** Pursuant to FPD's contract stipulations, sworn employees required to work on a holiday shall be paid double time in addition to their regular 8 hours pay or compensatory time off of 8 hours in lieu, thereof, at a time mutually agreed upon. If a sworn employee works more than 8 hours on a holiday, he/she shall earn double time and one-half for the hours worked. Effective March 1, 1999, sworn employees who work on Martin Luther King Day shall receive time and one-half in addition to 8 hours of holiday pay. Effective March 1, 2000, sworn employees who work on Martin Luther King Day or Veteran's Day shall receive time and one-half in addition to 8 hours of holiday pay. Effective March 1, 2001, sworn employees who work on Martin Luther King Day, Veteran's Day, or the Friday following Thanksgiving Day shall receive time and one-half in addition to 8 hours holiday pay. This appears particularly generous, especially when compared to Washington Court House, where employees simply receive 8 hours of holiday pay plus time and one-half for hours worked.

- **Vacation Accrual:** FPD employees accrue vacation leave at a slightly faster rate than those of the peers. For example, an FPD road patrol officer with more than 15 years of service is entitled to 176 hours of vacation leave. Similarly tenured employees with Bellefontaine and Greenville, on the other hand, are entitled to 160 hours. Furthermore, FPD's accrual maximum for vacation leave (240 hours after 25 years of service) exceeds that of the next highest peer (Washington Court House) by 12 hours.
- **Uniform Allowance:** Excluding additional uniform allowances that detectives receive (see **R2.10**), FPD management shall provide a uniform allowance of \$700 per year to all sworn officers in order to furnish, replace, and maintain required uniforms that need replacement due to normal wear and tear. As a result, FPD employees earn \$100 more in annual uniform allowances when compared to both Bellefontaine and Washington Court House.

As long as select contract provisions remain unchanged, FPD's collective bargaining agreements will exceed those of the peers, thereby contributing to increased personnel costs.

Financial Implication: Assuming FPD negotiates to limit sick leave paid out to sworn employees (19.0 FTEs) upon separation to 300 hours, it can achieve a one-time cost avoidance of approximately \$384,200 for which it would otherwise be liable. Furthermore, assuming FPD negotiates to reduce uniform allowances paid to sworn personnel by \$100, it can achieve annual cost savings of at least \$1,900. Financial implications are not available certain contractual provisions (e.g., call-in pay and court time). According to the City, expenditures specific to these stipulations are rolled into total overtime costs and cannot be broken out individually.

Five-Day Jail Operations

R2.12 FPD should continue efforts to improve jail operations by minimizing the negative impact of heavy workloads created by sworn officer staffing level shortages (see R2.7). Furthermore, FPD should work with all stakeholders, including City and jurisdictional county officials to develop and implement a community policing plan (see R2.4) to help reduce crime-related incidents. In addition, FPD should continue to pro-actively address all action steps identified by ODRC's Bureau of Adult Detention annual jail inspections to ensure 100 percent compliance with minimum standards.

Ohio Revised Code (ORC) § 5121.10 requires the Ohio Department of Rehabilitation and Correction (ODRC) to promulgate *Minimum Standards for Jails in Ohio*²⁻² to serve as criteria for the investigation and supervisory responsibilities vested in ODRC's Bureau of Adult Detention. These standards reflect input received from the Ohio Jail Advisory Board, the Buckeye State Sheriffs' Association (BSSA), the Ohio Association of Chiefs of Police (OACP), the County Commissioners Association of Ohio (CCAO), the Ohio Municipal League (OML), the Ohio Prosecuting Attorneys' Association (OPAA), the Ohio Township Association (OTA), and the Ohio Judicial Conference (OJC). These standards represent a consensus of professional opinion and research of legal requirements and management experience. They are considered to be the minimum conditions necessary to ensure the safe, efficient, effective, and legal operation of a jail. They also serve as the basis for evaluating Ohio jails, both individually and collectively, and for developing action steps to address needed improvements.

FPD operates a five-day jail – an in-house confinement facility used primarily to detain a maximum of 8 adults (6 male and 2 female) for no more than 120 hours. In contrast, the peers outsource jail operations to their respective county sheriffs' offices. According to USDOJ, only 23 percent of cities with 10,000 to 24,999 residents operate jail facilities, while the majority relies on temporary holding facilities. Although there are only 66 five-day jails Statewide, Fostoria is unique in that the FPD handles nearly three times the number of crime-related incidents compared to the peer average (see **Table 2-3**) and is responsible for policing a jurisdiction that falls within the geographical borders of three adjacent counties. While this workload appears to support the need for an in-house facility, recent issues including ranked employee turnover (see **R2.6**) and sworn officer staffing vacancies (see **R2.7**) have negatively impacted FPD's ability to operate efficiently and effectively.

Table 2-9 summarizes key statistical findings as reported by the Bureau of Adult Detention in its annual inspections of the City's five-day jail from 2002-04:

²⁻² Ohio Administrative Code (OAC) 5120: 1-8-01 through 1-12-19

Table 2-9: Fostoria's Five-Day Jail Statistics 2002-04

Jurisdiction (Square Miles)	7.5		
City Residents	13,931		
ODRC-Recommended Capacity	8.0		
Inspection Year	2002	2003	2004
Arrests/Bookings	320	350	321
Average Daily Count (ADC)	< 1.0	< 1.0	2.0
Average Length of Stay (in Days)	< 1.0	1.0	0.3
Major Incidents ¹	0.0	0.0	1.0
COMPLIANCE RATIOS			
Standards Assessed	16	28	21
Standards Passed	16	10	16
Compliance with Minimum Standards	100%	36%	76%

Source: ODRC's Bureau of Adult Detention

¹ Includes escapes, fires, suicides, assaults on inmates, and assaults on staff.

ODRC's Bureau of Adult Detention inspects five-day jails on an annual basis. These inspections assess FPD's compliance with a sample of minimum standards, which may include the following: administrative segregation, classification, communications, discipline, fire drills, food service, grievances, health care, housing conditions, jail administrator training, reception, recreation/programming, sanitation/environment, security, staffing, and visitation.

In 2003, 55 percent of all five-day jails in Ohio achieved 100 percent compliance during Bureau of Adult Detention inspections. Fostoria, on the other hand, was found to be only 36 percent compliant in 2003; improving to 76 percent in 2004. Most recently, the Bureau of Adult Detention recommended that FPD take the following action steps to improve jail operations:

- Amend prisoner rules of conduct to include provisions regarding access to medical care, the availability of jail programming and/or referrals, laundry services, and mail;
- Develop policies/procedures to ensure fire drills are completed by each shift;
- Designate a jail physician to formally approve FPD's medical policies/procedures and whose responsibilities are formalized via contract, written agreement, or job description; and
- Develop a formal job description for the jail administrator that identifies the minimum training or experience required to perform prisoner supervision/control duties and ensure adherence to these minimums.

Recent inspection results represent a significant departure from 2002, when FPD achieved 100 percent compliance. As indicated in **Table 2-9**, however, the Bureau of Adult Detention appears to be testing more standards, which may impact compliance

scores. Moreover, the City's recent economic and financial condition has created sworn officer staffing vacancies and workload issues that negatively impact jail operations. Notwithstanding, FPD indicates it has taken steps to improve jail operations. For example, inmate eating areas have been added and lights are changed more regularly. Without a community policing plan (see **R2.4**), and absent sufficient staffing (see **R2.7**), however, FPD cannot adequately address the high number of incidents and corresponding workloads; thereby inhibiting its ability to efficiently and effectively operate the jail.

Dispatch Operations

R2.13 The City should appoint a director of public safety to work with the FPD/FFD chiefs and develop a cost sharing plan for dispatch operations. Moreover, the City should permit its director of public safety to assume the responsibility for overseeing Fostoria's dispatch function as a separate operational entity. Finally, the City should consider filling the current 0.4 FTE dispatcher vacancy. By developing a cost sharing plan, the City can more effectively (and fairly) distribute dispatch-related resources and allocate costs among its public safety departments, based on service delivery needs.

In addition, by establishing the dispatch function as a separate operational entity, under the auspices of the director of public safety, the City can ensure the fiduciary independence and accountability necessary when implementing an effective cost sharing plan. This will also help to minimize FPD costs and facilitate cross-training; thereby ensuring all public safety-related calls for service – police or otherwise – are handled quickly and with minimal error. Finally, by filling existing vacancies, the City can bring dispatch-related workload ratios more in line with peers.

The primary function of emergency communications (or dispatch) is to receive messages from persons in need and to summon assistance on their behalf. While emergency communications are typically assigned within a single entity, such as a police or fire department, it is not uncommon for the dispatch function to be established as a separate operational entity. According to OACP, dispatching is one of the most critical operations a police department can perform. These employees are often the community's first link to police personnel and they are a vital link to ensuring officer safety by exercising good judgment and disseminating information quickly and accurately.

Similar to Greenville and Washington Court House, FPD is responsible for all of the City's public safety-related emergency communications functions, including dispatching calls for FPD-related incidents and FFD-related runs. Regardless, FPD incurs all associated costs (e.g., salaries and benefits, equipment, training, etc.), and dispatch personnel are represented by the OPBA for collective bargaining purposes. According to

the City, dispatch operations accounted for approximately \$195,100 of FPD's appropriations in 2004.

Table 2-10 compares dispatch-related wages and workload ratios for Fostoria's Police and Fire and EMS departments with those of the peers. Defiance contracts dispatch operations out to the Defiance County Sheriff's Office and is therefore excluded.

Table 2-10: Public Safety Dispatch Comparison – 2004

	Fostoria	Greenville	Washington Court House	Peer Average
Dispatcher FTEs	3.8	5.0	5.0	5.0
Entry-Level Hourly Wage	\$11.58	\$11.37	\$12.75	\$12.06
Police Incidents	1,502	744	405	575
<i>Per Dispatch FTE</i>	395	149	81	115
<i>Percent of Total Workload</i>	50.2%	64.4%	34.8%	49.6%
Fire & EMS Runs ¹	1,490	411 ²	759	585
<i>Per Dispatch FTE</i>	392	82	152	117
<i>Percent of Total Workload</i>	49.8%	35.6%	65.2%	50.4%
Total Workload	2,992	1,155	1,164	1,160
<i>Per Dispatch FTE</i>	787	231	233	232

Source: City of Fostoria and the peers

¹ See the **Fire & EMS Department** section for more information.

² Due to information availability, 2003 data was used.

Fostoria has a significantly higher public safety-related workload per dispatcher FTE compared to peers which can be attributed, in part, to a 0.4 FTE staffing vacancy (see **Table 2-1**). In addition, the City's entry-level dispatchers earn \$0.48 per hour less compared to the peer average. Although FFD runs comprise approximately half of the public safety service workload in Fostoria, similar to the peer average, it is not currently required to contribute financially to dispatch operations nor is the appropriation for dispatch operations divided between the two departments. Furthermore, the City has indicated that FPD dispatchers are not fully-trained in EMS-related procedures. Consequently, FFD-related calls for service may be negatively impacted in terms of error, speed, and accuracy.

By not establishing its dispatch function as a separate operational entity, the City cannot ensure the fiduciary independence required to develop and implement a cost sharing plan. Specifically, under the current organizational structure, the City cannot effectively distribute resources and allocate costs associated with the dispatch function, including sufficient staffing levels and adequate EMS training. As a result, the City may not be able to minimize errors and ensure speed and accuracy for all forms of public safety-related service calls. Lastly, until the City clarifies that dispatch operations are to be shared equally between FPD and FFD, dispatch personnel may continue to emphasize police-related calls for service to the detriment of FFD operations.

Financial Implication: If the City develops a cost sharing plan for public safety-related dispatching, based on 2004 expenditures and workload levels, both FPD and FFD can expect to pay about 50 percent of total costs (approximately \$97,550 each). Current and future appropriations should be equally divided between the two departments and, until dispatch is organized as a separate cost-center and department, these funds should be drawn equally from the departments' budgets. In addition, assuming the City fills the 0.4 FTE dispatcher vacancy at the current entry-level hourly wage, FPD and FFD can expect to share additional annual personnel costs of about \$4,800 each.

Vehicle Replacement & Maintenance/Repairs

R2.14 FPD should develop a formal vehicle replacement plan that is linked directly to the City's recommended strategic public safety planning process (see R2.2). In conjunction with recommended vehicle purchases (see R2.15), FPD should use cost savings and avoidances identified in this report to replace 4 vehicles per year, rather than 2. This will effectively shorten the fleet replacement cycle from 5 years to about 3 years, a recommended benchmark. By developing a formal vehicle replacement plan that combines a shorter replacement cycle with vehicle purchases identified in R2.15, FPD will be able to more accurately project the need for replacements and forecast the availability of necessary funds. Moreover, this will help to facilitate reductions in overall mileage and accompanying maintenance/repairs (see R2.15).

Although a formal vehicle replacement plan has not been developed, FPD tries to replace 1 or 2 cars annually, depending on the availability of resources. **Table 2-11** compares FPD's fleet age and mileage statistics with those of the peers.

Table 2-11: Police Vehicle Fleet Age & Mileage Statistics – 2004

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Total Vehicles	10	10	12	17	13
• Marked	8 ¹	6	6	12	8
• Unmarked	2	4	6	5	5
Jurisdiction (Square Miles)	7.5	11.0	6.0	6.5	7.8
Average Age (Years)	3.8 ¹	3.0	3.4	2.5	3.0
Average Mileage (Odometer)	94,947 ¹	45,828	59,883	40,000	48,570

Source: Fostoria and peer police departments

¹ Excludes a marked, 1983 S.W.A.T vehicle with over 216,000 miles.

FPD currently maintains 10 vehicles in its fleet, including 8 marked and 2 unmarked cars; slightly less than the peer average. FPD vehicles are almost one year older and have traveled nearly 46,400 more miles, compared to peer averages. According to the City, a new, unequipped vehicle typically costs \$20,500, which means that at the current, informal rate of vehicle replacement, FPD must raise up to \$41,000 per year. Based on

this schedule, FPD can expect to replace its entire fleet in about 5 years – 2 years longer than is typically recommended²⁻³ – at a total cost of \$205,000. FPD, however, does not currently link vehicle purchase funds to a formal replacement planning process. Rather, vehicle replacement typically occurs on an *ad hoc* basis, as resources become available. Moreover, because it takes 5 years to replace the entire fleet, FPD’s vehicle odometers significantly exceed recommended replacement benchmarks of 85,000 to 100,000 miles.

Without a formal replacement plan, FPD cannot effectively plan and budget for vehicle replacement. As a result, FPD operates slightly older, higher mileage vehicles which cost more, on a per vehicle basis, to maintain and repair (see **Table 2-12**), compared to the peers. According to ICMA, a formal vehicle replacement plan should stipulate those criteria to be considered when making a replacement decision (e.g., minimum age and mileage requirements). ICMA further suggests that because law enforcement vehicles typically experience more intense use, they should be targeted for replacement sooner rather than later. However, APWA recommends that equipment be replaced at the most economical point in its life-cycle, referring to the length of time over which average total unit cost is lowest. In addition to age and mileage requirements, economical replacement plans also consider total maintenance/repair and fuel costs.

In order to shorten the fleet replacement schedule by 2 years, FPD will be required to replace 2 additional vehicles per year; thereby incurring approximately \$41,000 in annual implementation costs. This figure assumes, however, that FPD continues to maintain a 10-vehicle fleet. FPD can use savings and avoidances identified throughout this report, to partially offset annual replacement costs and increase the size of its fleet (see **R2.15**).

Although replacement criteria cannot account for all factors inherent in the decision-making process, a formal vehicle replacement plan provides organizations with an effective mechanism for linking criteria to projected budgets. Moreover, these plans can be used to more effectively manage associated fuel and maintenance costs. By developing a formal vehicle replacement plan, FPD can more effectively link replacement decisions to available resources and shorten its fleet replacement schedule, thereby minimizing costs associated with maintenance/repairs and fuel.

R2.15 In accordance with a formal replacement plan (see R2.14), FPD should consider expanding its fleet by three new vehicles. This will help to facilitate a shortened replacement cycle while accommodating three newly-hired sworn FTEs (see R2.7). In addition, this will help to increase FPD’s presence in the community by ensuring more vehicles are available to respond to incidents. In addition, by purchasing three new vehicles and replacing those more quickly, FPD will be in a better position to

²⁻³ David N. Ammons; *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards*, 2nd Edition (2001)

reduce the relative age and mileage of its fleet and thereby minimize maintenance/repairs expenditures.

Compared to peers, FPD operates older, higher mileage vehicles (see **R2.14**), which cost more to maintain and repair. **Table 2-12** compares key police vehicle ratios with those of the peers.

Table 2-12: Police Vehicle Ratios – 2004

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Total Vehicles	10	10	12	17	13
• Marked	8 ¹	6	6	12	8
• Unmarked	2	4	6	5	5
Expenditures	\$65,740	\$54,667	\$34,759	\$41,763	\$43,730
• Maintenance/Repairs	\$25,603	\$26,888	NR	\$11,178	\$19,033 ³
• Fuel	\$40,137 ²	\$27,779	NR	\$30,585	\$29,182 ³
Sworn FTEs	19.0	26.0	22.0	21.0	22.9
Incidents	1,502	634	744	405	594
TOTAL VEHICLES					
Expenditures per Vehicle	\$6,574	\$5,467	\$2,897	\$2,457	\$3,607
• Maintenance/Repairs	\$2,560	\$2,689	NR	\$658	\$1,674 ³
• Fuel	\$4,014	\$2,778	NR	\$1,799	\$2,289 ³
Expenditures per Incident	\$44	\$86	\$47	\$103	\$74
Per Sworn FTE	0.5	0.4	0.5	0.8	0.6
MARKED VEHICLES					
Per Sworn FTE	0.4	0.2	0.3	0.6	0.3
Incidents Per Marked Vehicle	188	106	124	34	74
As a Percentage of Total Vehicles	80%	60%	50%	71%	62%
UNMARKED VEHICLES					
Per Sworn FTE	0.1	0.2	0.3	0.2	0.2
As a Percentage of Fleet Size	20%	40%	50%	29%	38%

Source: Fostoria and peer police departments

Note: Expenditure figures are rounded to the nearest dollar.

NR: Not reported because Greenville does not separate out fuel and maintenance/repair expenditures.

¹ Calculations exclude a marked, 1983 S.W.A.T vehicle with over 216,000 miles.

² Includes a City-mandated, one-time transfer of \$9,500 to the service garage.

³ Excludes Greenville Police Department.

Although FPD polices a smaller jurisdiction, compared to the peer average, it is responsible for handling a significantly higher number of incidents with fewer vehicles. As a result, FPD's vehicle-related expenditures (maintenance/repairs and fuel) are higher in total and per vehicle. However, this can also be attributed to the absence of a formal vehicle replacement plan, as well as the relative age and mileage of the fleet (see **Table 2-11**). According to USDOJ, police departments serving 10,000 to 24,999 residents typically operate 0.6 vehicles per sworn FTE. FPD falls slightly below this national

benchmark, further indication that current staffing levels and fleet size do not meet Fostoria's workload demands. It also appears that relatively high numbers of incidents are driving vehicle-related costs upward. Specifically, FPD's maintenance/repairs and fuel costs per vehicle exceed peer averages by 39 and 59 percent, respectively.

Assuming FPD fills 3 sworn FTE vacancies, as recommended in **R2.7**, it will be required to purchase a minimum of 3 additional vehicles, in order to maintain a 0.6 vehicle-to-sworn FTE ratio. Combined with a shortened fleet replacement cycle (see **R2.14**), this will help to minimize maintenance/repairs costs while ensuring more vehicles are on the road to respond to incidents.

Financial Implication: Assuming FPD purchases 3 new vehicles, it will incur \$61,500 in one-time costs for the vehicles alone. In addition, by replacing all 13 vehicles at the increased rate of 4 per year (see **R2.14**), FPD will incur costs totaling \$266,500 over a new fleet replacement cycle of 3.25 years. When combined with purchase costs and averaged across the new replacement cycle, this represents a total annual cost of about \$100,900 – a net annual implementation cost increase of \$59,900.

By maintaining a larger fleet in conjunction with a formal plan and shorter replacement cycle (see **R2.14**), FPD may be able to minimize and offset associated costs. Specifically, assuming FPD can reduce its maintenance/repairs expenditures per vehicle to the peer average, it can achieve nearly \$11,500 in annual savings. These savings do not take into account any additional fuel costs, nor do they account for annual price fluctuations (i.e., inflation/deflation) that may occur throughout the fleet replacement cycle.

Accreditation/Certification

R2.16 Upon implementation of performance audit recommendations and subject to resource availability, FPD should consider obtaining accreditation/certification from nationally recognized best practice organizations such as the American Correctional Association (ACA) and/or the Commission on Accreditation for Law Enforcement Agencies (CALEA). By obtaining accreditation/certification from a best practice organization, FPD can more effectively ensure accountability and minimize liability.

Although cost and workload are often cited as barriers, best practice accreditation/certification programs offer law enforcement agencies the opportunity to evaluate their operations against national standards, remedy deficiencies, and upgrade the quality of their programs and services by developing formal policies and procedures and by undergoing regular, independent audits from peers. In addition to ensuring compliance with established standards, these audits also help to facilitate continuous

improvement through interviews and assessments conducted by independent auditors with related backgrounds in law enforcement.

FPD is not currently recognized by a national best practice organization. According to FPD, this can be directly attributed to costs and workload associated with obtaining and maintaining accreditation/certification. Specifically, candidates for accreditation/certification from a law enforcement best practice organization must adhere to a comprehensive set of standards for various administrative operations that typically include the following: staffing, fiscal controls, training/development, inmate health care, facilities management, communications/dispatch, and corrections. Candidate agencies must also develop formal policies and procedures over such primary functions as safety and emergency protocols, sanitation, and food service. Finally, in order to maintain accreditation/certification, agencies typically undergo periodic compliance audits.

ACA identifies the following benefits to accreditation/certification:

- **Improved staff training and development:** Employee training requirements address pre-service, in-service, and specialized training curricula with clear timelines, and considers the agency's mission, physical characteristics, and inmate populations. The professional growth of employees is systematically developed through training plans that annually identify current job-related training needs in relation to position requirements, current issues, new theories, techniques and technologies.
- **Assessment of program strengths and weaknesses:** Re-accreditation/re-certification audits involve assessments that cover administration and management, physical facilities, institutional operations and services, and programs. These compliance audits also assess issues and concerns that may affect the quality of life at a facility such as staff training, adequacy of medical services, sanitation, incidents of violence, crowding, offender activity levels, programs, and provisions of basic services that may impact the life, safety, and health of inmates, as well as staff.
- **Defense against lawsuits and minimized liability insurance costs:** Nationally recognized agencies have a stronger defense against litigation through enhanced documentation and the demonstration of a "good faith" effort to improve operations. Furthermore, as an incentive to achieve accreditation/certification, some insurance companies offer a reduction on liability insurance premiums [e.g., the County Risk Sharing Authority (CORSA)]. Adherence to nationally recognized standards for fire, health, and safety protocols helps to minimize insurance claims and premium expenses.

- **Establishment of measurable criteria for upgrading operations:** Through comprehensive standards and the accreditation/certification process, agencies are continuously reviewing their policies and procedures. This results in continuous improvement and an enhanced ability to make necessary improvements when deficiencies are recognized.
- **Improved staff morale and professionalism:** Accreditation/certification is awarded to the "best of the best" in the law enforcement field. As a result, employees have a better understanding of policies and procedures, which can contribute to improved working conditions.
- **Safer environment for staff and inmates:** Administrative and line staff, as well as inmates, benefit from increased accountability, attention to facilities-related issues, and security procedures.
- **Performance-based benefits:** The accreditation/certification process facilitates the implementation of agency-specific performance benchmarks, such as Part-I crimes per 1,000 residents and expenditures per FTE. This data can be used to set goals and objectives (see **R2.2**) based on performance measures (see **R2.3**), which can be used to justify funding requests or programmatic changes.

According to CALEA, FPD should expect to pay about \$15,200 over the first three years, with an annual maintenance fee of up to \$7,500 to commence in the fourth year. Of the peers, Greenville has been accredited through CALEA since 1992 and employs a part-time, non-sworn secretary to serve as an accreditation manager (see **Table 2-1**). FPD would likely be required to create a similar position, an *accreditation manger*, who serves full-time (at least initially) and is responsible for delegating and coordinating related duties (i.e., updating policies and procedures and training staff) among FPD leaders. However, in order to minimize the workload associated with achieving compliance, FPD should also consider working with Greenville to update existing policies and procedures. Finally, FPD can use annual cost avoidances and savings identified in this report to partially offset accreditation/certification fees and accompanying personnel costs.

Financial Implication: Assuming FPD obtains accreditation through CALEA and maintains it for 5 years, it will incur approximately \$30,200 in total implementation costs – an average annual implementation cost of \$6,040. While this figure includes a reimbursable application fee of \$250, it does not take into account personnel costs associated with the workload required to obtain accreditation and maintain compliance. Therefore, assuming FPD employs an additional administrative FTE at the annual salary of its highest paid clerk (\$18.26 per hour), it will incur additional annual implementation costs of nearly \$51,700 – including an estimated 36.2 percent for fringe benefits (see

Table 2-2). This represents a total annual implementation cost of about \$57,740 to obtain and maintain CALEA accreditation for 5 years.

Financial Implications Summary

The following table is a summary of estimated annual cost savings, cost avoidances, and implementation costs resulting from performance audit recommendations. Financial implications are divided into two groups: those that are not subject to bargaining unit negotiation, and those that are.

Summary of Financial Implications

Recommendations	Annual Cost Savings	Cost Avoidances		Implementation Costs
		Annual	One-Time	Annual
NOT SUBJECT TO NEGOTIATION				
R2.6 Increase the hourly wage of the chief position to \$33.93 per hour				\$10,770
R2.7 and R2.9 Fill 3.0 FTE road patrol officer vacancies and offset overtime costs per FTE via sufficient staffing and overtime management	\$47,025			\$135,700
R2.13 Divide all dispatch-related appropriations evenly between FPD and FFD, including the filling of a 0.4 FTE dispatcher vacancy				\$4,800
R2.15 Purchase 3 new vehicles and minimize fleet maintenance and repairs expenditures	\$11,500			\$59,900
R2.16 Obtain CALEA accreditation and hire 1.0 FTE accreditation manager				\$57,740
SUBJECT TO NEGOTIATION				
R2.8 Reduce contracted average step increases for road patrol officers		\$29,200		
R2.10 Eliminate contracted retirement bonuses			\$15,000	
R2.11C Reduce sick leave hours paid out upon separation			\$384,200	
R2.11G Reduce contracted uniform allowances for sworn personnel by \$100	\$1,900			
TOTAL	\$60,425	\$29,200	\$399,200	\$268,910

The financial implications summarized above are presented on an individual basis for each recommendation. The magnitude of cost savings associated with some recommendations could be affected or offset by the implementation of other interrelated recommendations. Therefore, the actual cost savings, when compared to estimated cost savings, could vary depending on the implementation of the various recommendations.

Fire & EMS Department

Background

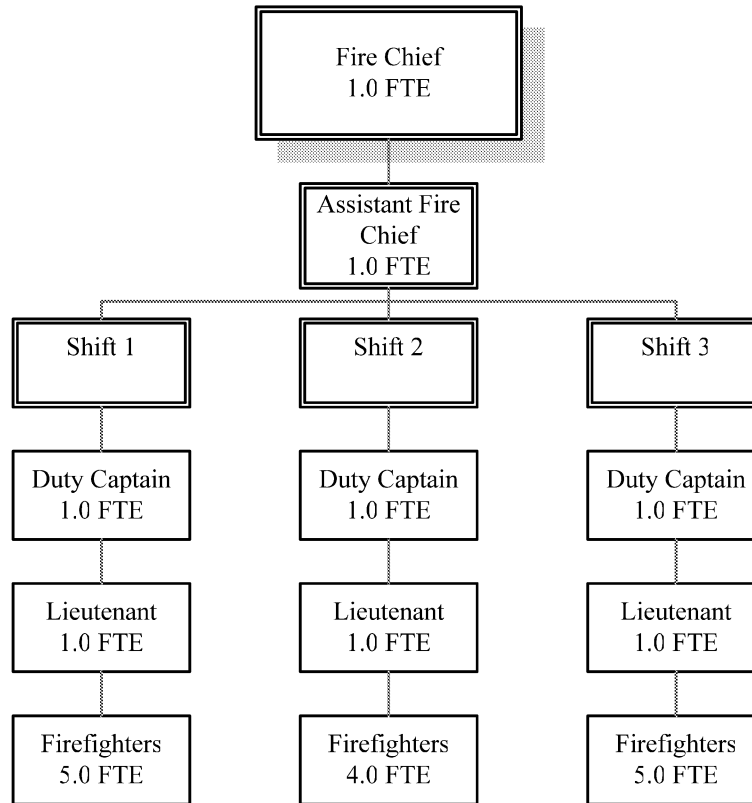
This section assesses the general operations of the City of Fostoria's Fire & EMS Department (FFD) and seeks to provide recommendations to reduce operational costs and improve the level of service provided by the Department. Fire suppression tactics and specific emergency protocols were not reviewed or assessed. Comparisons are made with the cities of Defiance, Greenville, and Washington Court House to illustrate the FFD's current level of performance and opportunities for improvement. Additional comparisons are made using a national study of fire departments by the Phoenix Fire Department and data from national organizations such as the National Fire Protection Association (NFPA).

Organization and Function

Fostoria's Fire Department provides fire suppression, technical rescue, emergency medical services (EMS), and fire prevention services for the City of Fostoria. Through agreement, the Department also provides EMS services to selected portions of the neighboring townships of Jackson, Loudon, and Perry. Prior to 2001, the City's EMS services were provided by Stofcheck EMS, a private contractor. However, due to citizen complaints and rising costs, the City decided to reinstitute its fire department-based EMS service.

Prior to January 2004, FFD operated one station with 26 full-time equivalent (FTE) personnel. Through a number of different actions, the City reduced the size of the Department by 5 FTE during 2004. As a result, FFD currently operates with 22 FTE (including the chief). The Department is organized in a three shift system, with each shift working 24 hours on-duty, followed by 48 hours off-duty. **Chart 3-1** illustrates the organizational structure and staffing levels, by position, for all FFD personnel.

Chart 3-1: Fire Department Organization



Source: City of Fostoria

As shown in **Chart 3-1**, FFD employs 22.0 full-time equivalent (FTE) firefighters. The Department is not supplemented by part-time auxiliary or volunteer personnel. Under the direction of the Fire Chief, the Assistant Chief assists in the day-to-day operations of the Department with a specific emphasis on the City’s fire prevention program.

Each of the three shifts is directly supervised by a duty captain who is responsible for managing all fire suppression and emergency medical services during their assigned shift. The duty captain also completes activity reports, oversees vehicle upkeep, and provides emergency medical treatment for the sick and injured as needed.

Table 3-1 compares 2005 FFD and peer staffing levels, by position.

Table 3-1: Fire/EMS Department Staffing Levels by Function

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Administration:					
Chief	1.0	1.0	1.0	1.0	1.0
Clerical	0.0	0.5	1.0	1.0	0.8
Fire Suppression					
Assistant Fire Chief	1.0	1.0	1.0	0.0	0.7
Captain	3.0	3.0	3.0	3.0	3.0
Lieutenants	3.0	3.0	0.0	0.0	1.0
Firefighters	14.0	15.0 ¹	17.0	9.0	13.7
Fire Prevention	0.0	0.0	0.0	1.0	0.3
Total Department FTE's	22.0	23.5	23.0²	15.0³	20.5
FTEs per 1,000 Residents	1.6	1.4	1.7	1.1	1.3
Calls per FTE	67.7	83.8	26.4	50.6	53.6

Source: Fostoria and peer fire departments

¹ Includes 6.0 currently vacant positions

² Does not include 6.0 call-in auxiliary positions

³ Does not include 14.0 paid by call volunteers

As Shown in **Table 3-1**, FFD has fewer staff than two of the peers, Defiance and Greenville. Washington Court House staffing is significantly lower than Fostoria because it supplements its full-time workforce with 14.0 paid-by-call volunteers. This is possible because Washington Court House only offers first-responder basic life support service and handles approximately 49 percent fewer calls per year (See **Table 3-3**). In comparison, Fostoria provides both basic and advanced life support service. On a ratio basis, FFD has slightly more FTEs per 1,000 residents than the peer average. However, on a calls per FTE basis, FFD is well above the peer average and the second highest of the peers.

Financial Data

Table 3-2 presents the actual expenditures for FY 2002 through FY 2004 for the Fostoria Fire Department.

Table 3-2: Departmental Expenditures, Three-Year History

	FY 2002 Actual	FY 2003 Actual	% Change FY 2002-2003	FY 2004 Actual	% Change FY 2003-2004
Salaries and Wages	\$1,195,840	\$1,135,396	(5.1%)	\$1,154,845	1.7%
Overtime	\$0	\$77,243	NA	\$130,924	69.5%
Fringe Benefits	\$501,076	\$505,100	0.8%	\$538,866	6.7%
Utilities	\$25,386	\$28,571	12.5%	\$27,883	(2.4%)
Purchased Services	\$37,694	\$57,987	53.8%	\$57,917	(0.1%)
Material and Supplies	\$24,496	\$27,320	11.5%	\$30,635	12.1%
Capital Outlay	\$14,955	\$24,677	65.0%	\$18,726	(24.1%)
Other Expenses	\$27,559	\$29,098	5.6%	\$29,358	0.9%
TOTAL EXPENDITURES	\$1,827,006	\$1,885,391	3.2%	\$1,989,155	5.5%

Source: City of Fostoria, Auditor's Office

The FY 2004 Fire Department expenditures of \$1,989,155 represent a 5.5 percent increase from FY 2003. The largest line-item increase is in the category of overtime, which increased by \$53,681 or 69.5 percent. This was primarily a result of the Department losing one full-time firefighter to military leave for the entire year. In order to maintain minimum staffing levels without hiring additional personnel, the City incurred overtime to fill the vacated shifts. Other categories which had significant increases were fringe benefits and materials and supplies. These increases did not result from any significant one-time occurrence but rather were a result of day-to-day operational decisions. These increases were offset by significant decreases to other line-items such as capital outlays.

Table 3-3 compares FFD's FY 2004 expenditures to the peers

Table 3-3: Fire & EMS Service Expenditures FY 2004

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Salaries and Wages ¹	\$1,285,769	\$1,099,637	\$1,112,350	\$808,977	\$1,006,988
Fringe Benefits	\$538,866	\$481,804	\$128,521	\$404,391	\$338,239
Utilities	\$27,883	\$2,366	\$5,543	\$135,485	\$47,798
Purchased Services	\$57,917	\$34,160	\$13,480	\$56,817	\$34,819
Material and Supplies	\$30,635	\$45,378	\$72,206	\$24,657	\$47,413
Capital Outlay	\$18,726	\$52,679	\$183,536	\$6,798	\$81,005
Other Expenses	\$29,358	\$11,178	\$0	\$11,402	\$7,527
Total Expenditures	\$1,989,155	\$1,727,202	\$1,515,636	\$1,448,526	\$1,563,788
Expenditures per Call	\$1,335.00	\$877.20	\$2,492.82	\$1,908.47	\$1,406.28

Source: City of Fostoria Auditor and peers

¹Includes overtime

Table 3-3 shows that, on a cost per call basis, FFD is slightly below the peer average. Although FFD's total expenditures exceeded the peer average by \$425,638 or 27 percent, several significant differences in accounting and other factors not under the control of fire department management have resulted in the peers reporting expenditures which are not reflective of all departmental costs. These factors are noted below:

- **Defiance - Utilities:** According to the Defiance City Auditors Office all utilities are charged to the City's General Fund except telephone service.
- **Greenville - Fringe Benefits:** The City of Greenville provides health insurance through a self-insured program. Health insurance expenditures are allocated to a fund separate from the fire department fund. Greenville also does not offer a dental insurance benefit to its employees. This benefit is negotiated through collective bargaining. Collective bargaining agreements are reviewed in **Table 3-5**.
- **Greenville - Utilities:** The Greenville fire department shares a building with the city administration. According to the Greenville City Auditor's office, the fire department pays for telephone service while all other utilities are charged to administration accounts.
- **Washington Court House - Utilities:** This line item was significantly impacted by a significant renovation project funded through a voted levy. The voted levy fund accounted for \$100,400 or 74 percent of the department's utilities expenditures.

Excluding the categories mentioned above, FFD is higher than the peer average in the categories of salaries and wages, purchased services, and other expenditures. Salaries and wages are higher than the peers primarily due to the previously mentioned loss of one staff member to military leave. Also impacting salaries and wages are several collective bargaining issues which grant employees significantly more leave time (**R3.5-R3.9**). Purchased services were higher than the peers because the City chooses to outsource its EMS billing function (**R3.1**). Finally, other expenditures were higher than the peers because the City had previously incurred debt to obtain an EMS vehicle. This debt was retired in 2004.

Operational Statistics

Table 3-4 presents operational data for FFD and the peers.

Table 3-4: FY 2004 Fire/EMS Department Operating Data

	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Population	13,931	16,465	13,294	13,524	14,428
Square Miles of City	11.0	11.0	6.0	6.5	8
ISO Rating	4.0	5.0	4.0	4.0	4
Number of Fire Stations	1	1	1	2	1
Minimum Staffing-Fire Suppression	4.0	4.0	5.0	4.0	4.0
In Service Companies¹:					
- Engine Companies	0.5	1.0	4.0	N/A	3.0
- Truck Companies	0.5	1.0	1.0	N/A	1.0
Total Runs	1,490	1,969	608	759	1,112
- Fire (or Related)	103	54	104	105	88
- EMS	1147	1557	138	62	586
- Hazmat/Other	231	358	366	514	413
Number of Fires	103	54	104	105	88
Number of Investigations	141	13	14	41	23
Number of Inspections	247	239	965	123	442
Number of False Alarms	62	75	118	78	90
Average Fire Response Time	3.2	4.9	3.6	5.4	4.6
Average EMS Response Time	2.9	N/A	N/A	6.0	6.0
Fire Related Deaths	0	0	0	0	0
Fire Related Injuries	55	2	14	0	5

Source: City of Fostoria and peers

¹One company is defined as 4.0 staff members per vehicle

In general, FFD serves approximately the same population and geographic size as the peers. It also earns a similar ISO rating and has an average number of stations for a City of its size. When compared to the peers, though, FFD's workload is much higher in all categories of runs. Also, FFD's average response time for fire and EMS are below the peers. In contrast, fire-related injuries within FFD are more than ten times the peer average.

With comparable levels of staff, fire stations, and equipment FFD handles 34 percent more runs than the peer average. As a result, the department must handle runs with fewer staff per company than the peers. The National Fire Protection Association (NFPA) recommends that a company consist of four firefighters. While FFD has total staffing levels comparable to the peers, the increased workload has resulted in FFD maintaining two firefighters per company. This presents significant risks for firefighters and could be directly related to FFD having reported substantially more fire related injuries than the peers (see issues for further study in the executive summary). However, despite lower staff per company, the department has managed to maintain higher levels of service compared to the peers as evidenced by the greater number of services offered and response times which were 43 percent and 106 percent faster than the peers respectively.

Collective Bargaining Agreements

Fire Department Staff in the City of Fostoria are governed by a negotiated agreement between City of Fostoria and the International Association of Firefighters (affiliated with the American Federation of Labor and Congress of Industrial Organizations). The Fire Chief and Assistant Fire Chief are excluded from the bargaining unit. During the performance audit, certain contractual and employment issues were analyzed. Because contractual and employment issues directly affect the City's operating budget, several of the issues have been evaluated to show their financial impact. The implementation of recommendations associated with collective bargaining agreements would require negotiation.

Table 3-5 illustrates key contractual issues in the FFD collective bargaining agreement.

Table 3-5: Peer Comparison of Collective Bargaining Agreements

	Fostoria	Defiance	Greenville	Washington Courthouse
Length of Work Day	24 hours	24 hours	24 hours	24 Hours
Number of Holidays	11	12	10	11
Vacation Leave	After 1 year: 6 days After 8 years: 9 days After 12 Years: 12 days After 18 years: 15 days After 25 Years: 18 days	After 1 year: 5 days After 6 years: 8 days After 13 years: 11 days After 19 years: 14 days	0 to 3 years: 5 days 4-6 years: 6 days 7 to 13 years: 8 days 13 to 18 years: 11 days 19 years and up: 14 days	1 to 5 year: 5 days 6 to 9 years: 6 days 10 to 14 years: 8 days 15 to 19 years: 10 days 20 to 25 years: 13 days 26 years and up: 15 days
Paid Personal Leave	4 days	0 days	0 days	2 days
Sick Leave Accrual (Per Year)	168 Hours ¹	120 hours	168 – 240 hours	168 hours
Health Insurance Contributions				
Single Plan	10%	11.3%	11.10%	11.0% - 12.0% ³
Family Plan	10%	3.9% - 5.2%	22.40%	11.0% - 12.0% ³
Cost of Living Increases	6-1-04 to 5-31-04: 0% ² 6-1-04 to 5-31-05: 0% ²	0%	FY 2004: 3.0%	FY 2004: 2.5% FY 2005: 2.0%
Longevity Pay	2% base salary: 5 years 4% base salary: 10 years 6% base salary: 15 years 8% base salary: 20 years	\$500.00 after 5 years \$650.00 after 6 years \$850.00 after 15 years \$1,050.00 after 20 years \$1,200.00 after 25 years No longevity pay if hired after June 1, 1985	None	2.5% increase after 5 Years 3% increase after 6 years 3.5% increase after 7 years 4% increase after 8 years 4.5% increase after 9 years 5% increase after 10 years 7.5% increase after 15 years 10% increase after 20 years
Uniform Allowance	\$600 per year	\$450 per year	\$325 per year	\$400 per year
Other Allowances	Replace personal property	\$50 Replacement of eyeglasses \$25 Replacement of watch	Replacement of Personal Property up to \$150	Replace personal property from the \$400 allowance

Source: Fostoria Fire Department and peer collective bargaining agreements

¹ Employees earn 120 hours of sick leave per year deducted at a rate of 17.1 hours per 24 hours used. The table reflects the total hours for which an employee would receive pay if they used all sick time earned in a year

² The original contract granted raises of 2.5 and 3.0 percent. However, a wage freeze was agreed to at a later date.

³ All Coverages: 11 percent of premium 1st year, 11.5 percent of premium 2nd year, 12percent of premium 3rd year.

Noteworthy Accomplishments

During the course of the audit, the following best or recommended practice was identified within the Department:

- The Fostoria Fire Department has received grant funds from outside sources. FFD has used these funds to purchase equipment, such as computers, personal protective gear and portable radios to help provide quality service. Even though there is no written policy, the City has avoided the use of these funds for ongoing operational costs and the corresponding negative financial impact that could result with the loss of the grant funds.

Assessments not Yielding Recommendations

During the course of this audit, several areas were reviewed that yielded no recommendations. These are highlighted below:

- **Staffing:** FFD has fewer staff than two of the peers. FFD's firefighters per 1,000 population (1.58) is greater than the peer average (1.28) by more than 23 percent. However, the peer average does not reflect the effect part paid or call in staff has on the Washington Court House and Greenville FTEs. In addition, Fostoria experiences the second highest number of incidents of the peers and about 34 percent more than the peer average.
- **Training:** The FFD uses 36 different NFPA standards, 1 OSHA regulation, ISO 580 standards, and monthly videos with follow-up testing. The standards that FFD has adopted were developed by a committee to insure that each member of the Department meets safety requirements and educational standards. Training requirements are also based on State requirements. Based on this assessment, FFD training policies are consistent with the peers and industry standards.

Recommendations

R3.1 The City should develop formal policies and procedures to ensure that accounts receivable are collected in a timely manner. To facilitate these procedural changes the City should consider the restoration of the Fire Department Administrative Secretary. The status of this position should be based on the condition that salary costs are offset by the collection of overdue receivables.

During the course of the performance audit, the city began taking steps to implement this recommendation by hiring a 0.5 FTE clerical staff person to handle billing activities.

Billing for FFD EMS services is performed by a third-party contractor. In 2004, the City's EMS operation billed \$511,130 for services provided, of which only \$217,919 was collected, leaving a difference of \$293,211. Approximately 70 percent of the uncollected amount results from total billed charges exceeding the maximum payments for services covered by Medicare and Medicaid. The remaining \$88,130 was recorded as uncollectible by the City's billing agency because it was not collected within 30 days and the contractor does not collect fees which are delinquent more than 30 days. The Fire Chief is responsible for coordinating any efforts to collect past-due receivables.

In comparison, the peers do not perform EMS billing using a third party contractor. Two peers handle substantially fewer EMS runs than Fostoria and therefore do not have as great a need for billing services. However, the peer with the most comparable number of EMS runs, Defiance, allocates billing responsibilities to an administrative secretary rather than the Fire Chief, Assistant Fire Chief, or any other staff. The impact of having staff dedicated to collection activities could not be quantified from the information available.

During 2004, the Fire Department had attempted to collect overdue receivables by allowing a secretary from the Mayor's Office to perform collections activities for 4 hours per week. However, the City discontinued this practice when other city employees objected. Since then, the Fire Chief has attempted to perform collections activities with the assistance of the Assistant Fire Chief and firefighters. However, due to other job duties, collection activities are not performed consistently.

If the City were to restore the position of administrative secretary at a pay rate of \$10.00 per hour for approximately 20 hours per week, the position would cost the City \$10,400 per year in salary. Assuming benefits at 46.7 percent of salaries (based on FY 2004, benefits) the City would incur an additional cost of \$4,800. Under these conditions in 2004, the administrative secretary would have had to collect approximately 17.3 percent of the \$88,831 declared uncollectible for the position to have a positive net effect on the City's finances.

Financial Implication: To employ an administrative secretary for 20 hours per week, the Fire Department would incur an additional cost of \$15,200. However, if it were to collect half of the outstanding receivables that could be collected, it could collect an additional \$44,400 in revenue. The net increase in revenue to the City would be about \$29,000.

R3.2 The City should develop a formal policy on the use of one-time or unpredictable revenues. This policy should limit the reliance on these revenues to meet on-going needs of the department.

Although the City has not used FFD grants to fund ongoing operations, it does not have a policy concerning the use of one-time or unpredictable revenues such as grants and donations. A review of the grants received during the past three years revealed that the City used grant funding to purchase equipment, such as computers, personal protective equipment, and portable radios. According to the Fire Chief, these items and others would not have been replaced without grant funding.

According to the Government Finance Officers Association (GFOA) *Best Practices in Public Budgeting*, a government should adopt a policy limiting the use of one-time revenues for ongoing expenditures. Examples of one-time revenues include; infrequent sales of government assets, infrequent revenues from development, and grants.

Grant funding should be obtained whenever possible. However, meeting the on-going needs of the Department should not be conditioned on the receipt of grants or donations. By creating a policy that limits the use of one-time revenues for on-going expenditures, the City can ensure that FFD minimizes the disruptive effects on services which could result because of a non-recurrence of unpredictable revenue.

R3.3 The City should create policies and plans to guide the design of the EMS program. Periodically, the City should evaluate service delivery alternatives by performing a competitive analysis. From this analysis, the City should renew or revise existing plans for providing EMS services.

The City does not currently have a formal plan for the delivery of EMS services. The City also does not have formal, programmatic benchmarks and performance measures to evaluate the effectiveness of the operation. According to the Fire Chief, at least one member of City Council has commented that it would be more cost effective for the City to outsource the service. However, this assertion was not based on a cost-benefit analysis or formal competitive analysis.

The Government Finance Officers Association (GFOA) *Best Practices in Public Budgeting* recommends governments develop programs and services that are consistent with policies and plans, and evaluate alternative delivery mechanisms. An evaluation of

delivery alternatives for services and programs ensure that the best approach is selected for delivering a service.

For example, Maricopa County, Arizona has set a countywide competitive analysis policy to ensure that all operations function at a level consistent with the County's strategic goals. The competitive analysis policy provides the basis by which the County calls for quotations, bids, or proposals from the public and private industry to determine the most effective manner of providing services at a reasonable cost. This policy requires the following components be reviewed as part of a competitive analysis:

- Identification of services for analysis,
- Approval authority,
- Compliance with County policies and procedures,
- Employee relations impact,
- Fiscal review and evaluation, and
- Operations.

Prior to 2001, the City's EMS services were provided by Stofcheck EMS, a private contractor. However, due to citizen dissatisfaction and rising costs, the City decided to re-establish its fire department-based EMS service. While the City may be able to procure service at a lower cost, the City may not receive the required service levels, as was the case in 2001. Therefore, it may not serve the City's best interest to outsource EMS service to the lowest bidder.

Implementing a plan to provide service and a policy similar to that of Maricopa County will ensure that the best approach is selected for achieving the City's strategic goals. Implementing a service plan based on competitive analysis will ensure that service delivery is based on tangible factors. In any case, the City should seek the best price for services designed to meet its service delivery requirements and not focus solely on the lowest price available for services.

R3.4 During future negotiations, the City should attempt to negotiate a reduction in the number of vacation days Fire Department staff may accrue. After the seventh year of service the City should attempt to reduce each tier of the current vacation schedule by 1.0 to 4.3 days in order to offer an incentive which is comparable to the peers.

Compared to the peers, FFD staff earns vacation at a higher rate. Beginning in the seventh year of service, FFD's vacation schedule consistently exceeds the peer average by 1.0 to 4.3 days per year. **Table 3-6** compares the vacation earned by FFD to the peers on a yearly basis.

Table 3-6: Peer Comparison of Vacation Accrual

Completed Years of Service	Fostoria	Defiance	Greenville	Washington Court House	Peer Average
Year 0-5	30 days	25 days	28 days	25 days	26.0 days
Years 6-10	39 days	40 days	40 days	32 days	37.3 days
Years 11-15	57 days	49 days	49 days	42 days	46.7 days
Years 16-20	69 days	61 days	61 days	53 days	58.3 days
Years 21-25	78 days	70 days	70 days	65 days	68.3 days
Years 26-30	90 days	70 days	70 days	75 days	71.7 days
Total	363 days	315 days	318 days	292 days	308.3 days

Source: Negotiated Agreements

As shown in **Table 3-6**, FFD employees earn a total of 363 vacation days over a 30 year period. During that same time the peers will earn an average of 308 vacation days. The current vacation accrual schedule does not appear to have caused excessive staffing (see **Table 3-1**). However, an accelerated vacation schedule could negatively impact FFD in several ways. For example, the Department could be forced to incur overtime to meet minimum staffing requirements, or Department staff could face a higher workload by having to perform more activities with fewer staff. The actual costs of offering a greater incentive than the peers cannot be calculated as they are dependant on the staff usage of vacation, a factor which is difficult to predict. However, reducing the current vacation schedule could minimize the future impact of leave usage.

R3.5 During the next round of collective bargaining, the City of Fostoria should seek to reduce the number of personal days from four to two, to be in line with peers and help address the current financial challenges in the City.

FFD employees receive four days of paid personal leave per year. Defiance permits up to 30 days of leave without pay or sick leave benefits, Washington Court House allows employees two personal days (with pay), and Greenville offers no personal leave. In addition, the contract allows unused personal days to be paid out upon retirement at the employee's full rate of pay.

As shown in **Table 3-1**, FFD's staffing levels are comparable to the peers. Based on this comparison, it appears that personal leave usage has not resulted in high staffing. However, granting a higher number of personal days could negatively impact the Department through higher overtime expenditures and a greater workload on firefighters. Also, depending on the number of days accrued, the higher rate of compensation for personal days could have a negative effect on the City's finances when FFD personnel retire.

Financial Implication: Actual costs associated with offering a greater incentive than the peers cannot be calculated as they are dependant on the staff usage of personal leave. However, based on the average rate of \$19.05 per hour, personal leave costs the City approximately \$40,200 per year in potential accumulated retirement payouts. If the City reduces the personal days to two, it could avoid severance costs of about \$20,000 per year.

R3.6 During future contract negotiations the City of Fostoria should seek to negotiate a reduction in its uniform purchase allowance from \$600 to \$400 per year.

As shown in **Table 3-5**, FFD's collective bargaining agreement states that management shall provide a uniform allowance of \$600 for each firefighter per year to furnish or replace required uniforms. Compared to the peers, this amount is disproportionate. Peer contracts have similar clauses granting an allowance for uniform purchase, but the amounts granted do not exceed \$450. The higher rate of compensation for FFD personnel in this area creates a higher financial liability to the City.

Financial Implication: Assuming all 20 employees covered by the negotiated agreement currently expend the entire \$600 allowance each year, reducing the allowance to \$400 will result in a cost savings of \$4,000 per year.

R3.7 The City should formally approve a plan for the replacement and retirement of FFD vehicles and other capital equipment. This plan should consider specific options for addressing capital needs as well as alternatives for acquiring the use of capital assets. In addition, the City should develop financial policies specific to capital replacement and allocate funds accordingly. Funds should not be redistributed without an approved adjustment to the plan.

The City does not have a formal plan to address the replacement of FFD vehicles. The Fire Chief maintains a record of all FFD vehicles which lists the make, model, date acquired, and mileage. Based on this information, the Chief has prepared a five-year capital needs plan but the plan has not been approved or amended by council.

Public Works Management Practices Manual (PWMP), published by the American Public Works Association (APWA), recommends a replacement policy that establishes equipment, parts, and supply replacement cycles that are clearly defined. The policy should be reviewed regularly to verify replacement analysis and economic modeling procedures. An economical replacement policy considers the following criteria:

- Total cost of maintenance and depreciation,
- The environment in which the equipment operates,

- Fuel Cost,
- Condition,
- Suitability,
- Safety,
- Downtime, and
- New technology.

According to the Fire Chief, several years ago the City initiated a plan to replace Fire Department vehicles and capital equipment, but the plan was not formalized. This plan has since been abandoned and the funds redistributed because of the City's reduced revenue levels. Due to an uncertain financial environment, the City has not been willing to commit to a formal plan to replace and repair capital equipment.

Without a formalized equipment and vehicle replacement plan, the procedure for determining the expected life and resources needed yearly for replacement is speculative. Vehicles and equipment should be replaced at the most economical point in its life cycle. This requires the development of a planned, well administered turnover that is consistent from one year to the next. Replacement cycles should be clearly established as policy so that related maintenance support can be planned. As discussed in **R3.2** replacement of capital assets has in some cases been dependant on unpredictable or non-recurring revenue sources. These policies will provide the basis for long-range plans to address the needs of the Department.

Financial Implications Summary

The following table is a summary of estimated annual cost savings, cost avoidances, revenue enhancements and cost increases resulting from performance audit recommendations.

Summary of Financial Implications

Recommendations	Annual Cost Savings	Annual Cost Avoidance	Annual Revenue Enhancement	Annual Cost Increases
R3.1 Employ administrative secretary to collect past-due EMS receivables			\$44,400	\$15,200
R3.5 Reduce personal days to two days.		\$20,000		
R3.6 Reduce uniform allowance	\$4,000			
TOTAL	\$4,000	\$20,000	\$44,400	\$15,200

The financial implications summarized above are presented on an individual basis for each recommendation. The magnitude of cost savings associated with some recommendations could be affected or offset by the implementation of other interrelated recommendations. Therefore, the actual cost savings, when compared to estimated cost savings, could vary depending on the implementation of the various recommendations.



CITY of FOSTORIA

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September 6, 2005

Betty Montgomery, Auditor of State
Columbus Regional Office
88 East Broad St., Fourth Floor
Columbus, OH 43215

Dear Auditor of State Montgomery:

This letter is in response to the Professional Audit conducted on the City of Fostoria Safety Services. First of all I want to thank your staff for listening to our concerns and questions when putting together the audit report. I appreciate your team getting input, not just from folks in charge, but from all the employee as well.

As you know, we have been in some tight economic times throughout the state as well as my city of Fostoria. One of the things I have to preach over and over again to everyone here in Fostoria, is that we have to provide the "best possible service with the funds we have available."

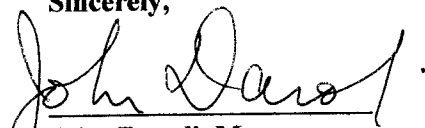
I have asked all my employees to do more and to be as effective as possible. Your report clearly shows that our safety forces are doing a tremendous job of getting the job done with fewer employees. It also shows, as we already knew, that this is placing a heavy burden on them with this increased work load.

Although I don't disagree with your recommendations, I do want to reiterate the fact that we have to provide the best service with the funds that are available. To that end, I appreciate the cost saving measures that are indicated, and I will work with council to implement these cost saving items to increase the safety of our citizens as well as the safety of our safety forces.

Once again I want to thank the State Auditor's team for all their help.

God bless you and God bless Fostoria!

Sincerely,


John Davoli, Mayor
City of Fostoria, Ohio