



Auditor of State
Betty Montgomery

CITY OF ROSSFORD

PERFORMANCE AUDIT

DECEMBER 28, 2006



Auditor of State Betty Montgomery

To the Residents of the City of Rossford:

In 2005, the City of Rossford (City) engaged the Auditor of State's Office (AOS) to conduct a performance audit of City operations. Fieldwork was conducted between March and September 2006. Based on discussions with the City, the areas selected for assessment included collective bargaining agreements, Police Department operations, and City Administration functions for strategic planning, financial systems, staffing, human resource management, income tax, purchasing, technology, and economic development. Using a risk based approach; the performance audit was designed to identify areas of strong performance and areas where efficiency could be improved.

The performance audit contains recommendations for operational changes which could lead to cost savings and efficiency improvements. The performance audit also provides an independent assessment of key City Administration operations and a framework for strategic 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 City 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; a City overview; the scope, objectives and methodology of the performance audit; and a summary of noteworthy accomplishments, recommendations, and issues for further study. This report has been provided to the Mayor, and its contents discussed with the appropriate City officials. The City has been encouraged to use the results of the performance audit as a resource in improving its overall operations, and service delivery.

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 black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

December 28, 2006

Executive Summary

Project History

In December 2005, the City of Rossford (City) engaged the Auditor of State's Office (AOS) to conduct a performance audit of its collective bargaining agreements, police department operations, and City administrative operations. The administrative operations component included a review of strategic and capital planning; performance measurement; and service coordination and centralization for technology, purchasing and human resource management. Likewise, it included an examination of community expectations and opportunities for involvement. In addition, the performance audit included assessments of staffing, reporting relationships, expenditures and service levels for all City departments. The performance audit was designed to identify areas of strong performance and areas where efficiency could be improved. Recommendations were developed to help the City of Rossford optimize operational and service levels, and to assist the City in its efforts to prepare for future events. Comparisons were based on best practices, industry standards, and operations in cities of similar size and demographics.

City of Rossford Overview

The City of Rossford is located in Wood County Ohio, across the Maumee River from Toledo. Interstate 75 and Interstate 80/90 intersect within the City, and State Routes 65 and 795 also serve the City. Rossford is a charter city with a Council-Mayor form of government. It was founded in 1898, incorporated as a village 1939, and became a city in 1971.

In 2000, the City's population was 6,406 and the estimated population in 2005 was 6,387, a decrease of 0.3 percent. The Ohio Department of Development has projected Wood County's population to increase by 2.4 percent between 2000 and 2005 with an estimated 2005 population of 123,960. In addition, the County population projection for 2010 is 127,020 or a 4.9 percent increase. Wood County's population increased by 6.9 percent from 1990 to 2000, while the State of Ohio's population increased by 4.7 percent during this same time.

In July 2006, the unemployment rate for Rossford was 7.4 percent (based on the Toledo metropolitan area) which was higher than the unemployment rate for Wood County (6.4 percent) and the State of Ohio (5.8 percent) for the same time period. Rossford's median household income in 1999 was \$43,776, which is lower than Wood County (\$44,442) but higher than the national average (\$41,994). A majority of the industry base reported in the 2000 Census included education, manufacturing, retail trade, entertainment/recreation, and professional occupations. In

2004, Rossford had a 2.25 percent municipal income tax which accounted for 64.2 percent of the City's General Fund revenue.

Rossford's 2005 total revenues were \$6,488,000 and total expenditures \$5,100,000. Of these totals, \$4,323,000 in revenues and \$3,319,000 in expenditures were drawn from the General Fund. General Fund expenditures decreased by approximately \$315,000 or 8.7 percent from the prior year. This was due to the adoption of a \$9 per month per single family dwelling refuse collection fee, staff reductions, decreased workers compensation rates, decreased legal fees, the retirement of a vehicle capital lease and other City-wide cost cutting measures. In November 2005, City residents approved a 3.5 mill, 5-year operating levy. The refuse collection fee expired at the end of 2005 with the passage of the levy.

Even though Rossford's population increased by 9.4 percent from 1990 to 2000, the U.S. Census Bureau's 2005 population estimate for Rossford shows a slight decrease of 0.3 percent. This decrease in population has caused General Fund revenues, predominantly income tax, to remain stagnant. To counteract this trend, Rossford started acquiring farmland in 1994 around the I-75 and I-80/90 intersection to increase revenues through tourism and convention activities. The City sought to encourage the development of sports, leisure activities, entertainment, and retail establishments. This area is locally known as the "golden triangle" or the "Crossroads of America". Preliminary projections indicated 1,400 jobs would be created with an estimated annual payroll of \$25,000,000 when this area is fully developed. Annual tax revenues for all entities involved were projected to be \$9,000,000. Various economic development programs including joint economic development zones, property tax exemptions, tax increment financing and the non-profit Rossford Arena Amphitheater Authority (RAAA) were used to begin overall development.

In May 1999, the RAAA began construction of an arena and amphitheater. When financing could not be obtained, construction was halted in November 1999. In 2003, the RAAA consented to foreclosure and, in April 2005, the Wood County Treasurer filed for foreclosure of liens for delinquent land taxes for all land owned by the RAAA. This action was completed in August 2006 but litigation continues. Issues with the arena have hampered Rossford's ability to increase revenue and eliminate legal expenses. Because revenues have not increased and a deficit was projected for FY 2006, the City requested a performance audit.

The data gathered during this audit shows that Rossford's expenditures per capita exceed the peer average by 7.7 percent. Renegotiation of several collective bargaining agreement provisions could favorably impact the future financial condition of the City while continuing to benefit City employees. Police department operations were similar to other cities of Rossford's size but were more costly to provide, indicating opportunities for increased efficiency within the Department. The audit noted an opportunity for greater collaboration with Wood County to enhance police and emergency communications. Finally, while Rossford operates in a manner similar to other

cities of its size, there are opportunities to improve administrative efficiency in the areas of planning, financial systems, income tax operations, and technology.

Objectives

A performance audit is defined as a systematic and objective assessment of the performance of an organization, program, function or activity to develop findings, recommendations and conclusions. The overall objective of this performance audit was to review and analyze selected administrative and operational areas for the purpose of developing recommendations for additional study or improvement, where appropriate. The following assessments were conducted in this performance audit for the administrative and operational areas evaluated:

- **Collective Bargaining Agreements** - This assessment included the agreements between the City of Rossford and the Ohio Patrolmen's Benevolent Association (for both command officers and patrol officers); Local No. 2954, Ohio Council #8, American Federation of State, County, and Municipal Employees, AFL-CIO (employees within the public works department); Local 12, UAW, City of Rossford Unit (full-time and regular part-time employees in the parks and maintenance, recreation, janitorial, clerical, crosswalk protection, and technical operations divisions); and the International Brotherhood of Electrical Workers Local Union No. 245 (covering part-time fire fighters). Contractual articles assessed include:
 - Vacation and sick leave accumulation schedule;
 - Length of workday and actual hours worked;
 - Sick and personal leave incentive;
 - Maximum number of sick days paid at retirement;
 - Number of personal days received and whether and the number of days notice required for use;
 - Number of holidays for employees;
 - Number of leave days for association business;
 - PERS or other pension pick ups contribution;
 - Cost of living increases and other guaranteed salary increases;
 - Longevity schedules;
 - Guaranteed hours; and
 - Shift differentials.

- **Police Department** - The assessments completed in this section include staffing, compensation of employees, expenditures, overtime and sick leave use, vehicle fleet size and maintenance costs, and dispatch operations. This section also analyzes data reporting, and grant funding.

- **Administration** - The assessments completed in this section include strategic planning; financial systems, staffing, human resource management, income tax, purchasing, technology, and economic development.

The performance audit was designed to develop benchmark data for the City to compare its performance to like-sized Ohio municipalities and established industry practices. Where warranted, recommendations were developed that could provide cost savings, revenue enhancements, and/or enhanced efficiency. Issues for further study were identified in areas where statistical data indicated a potential for enhanced efficiency but the subject matter was outside of the scope of the audit. The issues for further study and recommendations comprise options that the City can consider in its continuing effort to provide high quality services to residents in a cost efficient and effective manner.

Scope and Methodology

The performance audit was conducted in accordance with Generally Accepted Government Auditing Standards. Audit work was conducted between March 20, 2006 and September 12, 2006, and data was drawn from fiscal years 2004 and 2005. To complete this report, the auditors gathered a significant amount of data pertaining to the City; conducted interviews with numerous individuals associated internally and externally with the various departments; and reviewed and assessed available information.

The performance audit process involved significant information sharing with the City, including preliminary drafts of findings and proposed recommendations related to the identified audit areas. Furthermore, periodic status meetings were held throughout the engagement to inform the City of key issues impacting selected areas, and share proposed recommendations to improve or enhance operations. Throughout the audit process, input from the City was solicited and considered when assessing the selected areas and framing recommendations. Finally, the City provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process. Where warranted, AOS modified the report based on the City's comments.

Three primary cities were selected to provide benchmark comparisons for the areas assessed in the performance audit. These cities were selected based upon demographic and operational data. The cities selected were Napoleon (Henry County), Upper Sandusky (Wyandot County), and Wauseon (Fulton County). In addition, the cities of Broadview Heights, Northwood, Norton, and Streetsboro were used for specific additional assessments in the **collective bargaining agreements** sections. Furthermore, external organizations and resources were used to provide comparative information and benchmarks including: the Government Accounting Standards Board; the Government Finance Officers Association; the Ohio Office of Criminal Justice Services; the American Public Works Association; the United States Department of Justice; the International City Managers Association; the Ohio State Employment Relations Board; the

United States Department of Agriculture; the Carl Vinson Institute of Government; the National Advisory Council for State and Local Budgeting; the National Institute of Governmental Purchasing; Ohio Auditor of State Best Practices; and the National Water and Wastewater Benchmarking Initiative.

The Auditor of State and staff express their appreciation to the cities of Rossford, Napoleon, Upper Sandusky, Wauseon, Broadview Heights, Northwood, Norton and Streetsboro for their cooperation and assistance throughout this audit.

Assessments Not Yielding Recommendations

In addition to the analyses presented in this report, assessments were conducted on a number of areas that did not warrant recommendations because Rossford was performing at a level comparable to the peers or industry standards. Additional detail on these assessments is presented in each section of the report.

- In the area of collective bargaining, several of the provisions in the City’s collective bargaining agreements were found to be inline with peer Cities.
- Police operations were found to be organized in a manner consistent with peer departments, and staffing is slightly higher or consistent with national levels. Also, the Department takes advantage of State purchasing opportunities to purchase its police vehicles.
- In administration, the City’s positions were organized appropriately to eliminate duplication of services.
- In the area of economic development, Rossford’s organization of economic development functions is appropriate for a City of its size when compared to the peers. The City’s permitting process was also found to be consistent with peer cities where the County processes building permits, and the City only issues zoning and other special permits like fencing and signs.

Key Recommendations

The performance audit contains a number of recommendations pertaining to the City of Rossford operations. The following are the key recommendations from the report.

In the area of collective bargaining agreements, the City should consider the following:

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- **Formalize the collective bargaining process and clarify roles of all City administration participants, including the identification of training requirements. In addition, the City should consider interest-based bargaining as an alternative to traditional bargaining, and utilize labor-management committees that regularly meet to resolve major issues.**
 - **Negotiate the removal of the retirement stipend and reduce starting hourly wage rates in the Fire/EMS collective bargaining agreement during the next round of negotiations.**
 - **Negotiate to reduce the following articles in the next round of negotiations for the AFSCME, UAW, and OPBA collective bargaining agreements: sick leave accrual rate to 1.15; the number of personal days to 3 days; vacation weeks provided at 15 years and 25 years of service to 4 and 5 weeks, respectively; call in pay to 2 hours; holiday pay to 1.5 times the regular rate; and bereavement days to 3 days. Also, a maximum sick leave accrual amount and pay-out limit that reduces sick leave payout at retirement should be developed. Additional provisions that should be addressed in the negotiation of the police contract include; eliminating stand-by pay, minimum staffing language, and reducing the uniform allowance by \$100 for patrol officers to the \$525 average of Wauseon and Upper Sandusky.**
 - **Negotiate a reduction in the starting salary rates for patrol officers to rates similar to the peers.**

In the area of police operations, the City should consider the following:

- **Reduce authorized levels by three vacant road patrol officers' positions and one vacant sergeant position to ensure a continuation of the \$255,000 in savings generated by the City. In addition, the City should consider eliminating the 0.5 FTE records clerk position due to the increased efficiencies in the report process and acquire mobile data terminals (MTDs) for the Department's fleet.**
- **Negotiate salary levels which are more comparable to the peers and other local jurisdictions in the region and consider limiting cost of living adjustments (COLAs) to 1 percent in 2007 and 2008, and 2 percent in 2009.**
- **Revise and update the policy and procedures for the use of leave time. In addition, subject to negotiation, the City of Rossford should seek to eliminate the minimum man power (MMP) requirement in the contract.**
- **Adopt policies and formal plans for vehicle and other capital asset acquisition, maintenance, and replacement.**

- **Develop a formal vehicle preventive maintenance (PM) program based on recommended practices to enhance the PM program implemented during the course of the audit.**
- **Process a request for proposals (RFP) for dispatching operations and then solicit responses from knowledgeable service providers.**
- **Assign grant research and proposal writing to an appropriate staff member, and provide training in searching for and developing grant applications. The City should also establish and approve formal guidelines for grant management. In addition, Rossford PD should explore grant opportunities for the purchase of mobile data terminals (MDTs) for the Department's fleet.**

During the course of the audit, the Police Chief obtained MDTs from the Ohio Highway Patrol at no cost to the City. The MDTs were outfitted with wireless cell phone cards and are able to connect to the Ohio Law Enforcement Gateway. Patrol officers also use the Law Enforcement Officer Toolkit which allows them to complete reports without returning to the station.

- **Work with City Council to develop public safety-related performance measures and efficiency outcomes, such as clearance rates, number of incidents, and response times.**
- **Allocate a greater number of patrol officers to traffic enforcement duties to heighten visibility within the community.**

In the area of administration, the City should consider the following:

- **Develop an operational strategic plan that links the activities of City departments and incorporates performance measurements and measurable objectives. In addition, these performance measures should be linked to the budgeting process.**
- **Create a labor pool to efficiently utilize staff.**
- **Establish a formal and consistent financial planning process which includes a methodology for forecasting revenues and expenditures. In addition, the City should develop and adopt policies for financial planning, revenue, and expenditures and these policies should be reviewed during the budget process by financial department staff.**
- **Prepare and adopt comprehensive, multi-year capital plans to ensure effective management of capital assets.**

- **Upgrade its current financial systems software from a character-based system to a client server, windows-based system.**
- **Implement stricter policies to enforce tax collections and consider options to improve collection enforcement which include hiring part-time staff or contracting with a collection agency to collect delinquent accounts. In addition, it should adopt and utilize all strategies available to identify taxpayers.**
- **Improve management of the human resources function by compiling human resources policies in a manual that is available to employees on-line, and updating job descriptions.**
- **Explore creative ways to increase training for employees and administrators, including establishing a training and employee development committee to research and coordinate training resources.**
- **Implement direct deposit for employee paychecks.**
- **Increase the effectiveness of purchasing programs by developing a purchasing manual that includes a credit card policy.**
- **Develop formal processes for assessing employee technology-related needs and replacing equipment.**
- **Develop computer and Internet acceptable use policies. In addition, the City should establish formal procedures for minimizing potential computer disruptions by developing a disaster recovery plan.**
- **Implement e-government solutions to improve access to information and improve customer service to citizens.**
- **Prepare an economic development plan for the City. In addition, the City should maintain up-to-date economic development information on its web site that would be useful to businesses and homebuyers. The City should ensure that the web site is maintained and updated on a regular basis to include current information.**

Issues for 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 did not have the time or the resources to pursue.

- **International Brotherhood of Electrical Workers (IBEW) Local Union No. 245** representing City firefighters: During the course of the audit, auditors noted that the agreement between the City and the volunteer firefighters was unusual in Ohio municipalities. In response to inquiries, the Fire Chief for Rossford indicated that the reason for having a collective bargaining agreement for part-time volunteer firefighters was to establish work rules, foster fairness, and establish compensation levels. Peer cities do not have agreements with their part-time volunteer firefighters, and according to the State Employment Relations Board (SERB), only 10 of 915 (or 1 percent) volunteer fire departments in Ohio have contracts with volunteer firefighters. Because this process is rare in Ohio and represents a cost to both the City and bargaining unit members, the City and bargaining unit may want to discuss the costs and benefits of continued representation.
- **Use of Technical Professionals:** The Ohio Environmental Protection Agency (EPA) cited the City and a private company located in one of the industrial zones located next to the City's closed landfill for not seeking authorization to engage in filling, grading, and excavation activities prior to beginning construction of the private company's railroad spur. The City granted an easement for the railroad spur and both the City and the private company indicated that at the time the easement was granted, they were not aware it would cross the landfill. The citation was settled with the City and private company agreeing to split the \$10,000 cost of doing community service and the \$45,652 cost to develop, implement and submit revised monitoring plans. The City should study the need to use technical professionals at the beginning of all projects to ensure compliance with EPA and other regulations.
- **E-government Solutions:** Rossford, like many small governments, is beginning to offer e-government services to its residents. During the course of the audit, it was noted that the City used its website for a recent candidate search to fill a vacant position. Other areas where the City may wish to examine the cost/benefit of using additional technology include an on-line application system and e-procurement processes. Additional technology use can streamline functions but has an associated implementation cost. See also **R4.18**.

- **Employee Retention Strategies:** The City has enjoyed a stable workforce and, as a result, has not developed employee retention strategies. Using such strategies can be helpful in gauging employee satisfaction, determining if turnover is a problem, and understanding reasons employees leave City employment. Methods including formally tracking employee turnover, conducting exit interviews, and distributing employee satisfaction surveys could help to reduce employee turnover. Retaining qualified employees increases productivity, keeps knowledge and experience in-house, and avoids the cost and time needed for training new employees. Since turnover is not currently an issue, the City may wish to study retention methods to determine the appropriateness of implementation.
- **Use of Purchasing Consortia:** Rossford has used State purchasing programs to purchase police vehicles and has entered into collaborative purchasing agreements with other jurisdictions to purchase rock salt. During the course of the audit, auditors noted that the City may not be using all available consortium programs. By pursuing use of consortia to purchase items in bulk, the City could leverage its buying power and potentially receive better pricing on the items it buys. However, in some cases, consortia or purchasing programs require membership fees. As a result, the City should examine the cost/benefit of using additional purchasing programs to lower procurement costs.

Summary of Financial Implications

The following table summarizes the performance audit recommendations that contain financial implications. These recommendations provide a series of ideas or suggestions that Rossford should consider. Detailed information concerning the financial implications, including assumptions, is contained within the individual sections of the performance audit.

Summary of Financial Implications

Recommendation	Estimated Annual Cost Savings	Estimated Cost Avoidance (One-Time)	Estimated Implementation Costs (One-Time)	Estimated Implementation Costs (Annual)
Items Subject to Negotiation				
R2.2 Eliminate retirement stipend for volunteer part-time firefighters with under 10 years of service		\$10,800		
R2.3 In AFSCME/UAW contracts reduce:				
Personal days	\$4,300			
Vacation days	\$2,200			
Sick-leave pay-out	\$1,700			
Subtotal	\$8,200			
R2.4 In police contracts reduce:				
Vacation days	\$3,600			
Personal days	\$6,500			
Uniform Allowance	\$1,300			
Subtotal	\$11,400			
R3.2 Reduce COLA amounts for 2007-2009	\$70,820			
Sub-Total for Items Subject to Negotiation	\$90,420	\$10,800		
Item Not Subject to Negotiation				
R3.1 Reduce 0.5 clerical FTE position	\$11,000			
R3.9 Install MDTs in police vehicles			\$42,000	
R4.3 Forecasting Training			\$750	
R4.6 Performance Measurement Training			\$1,500	
R4.7 Upgrade technology to windows-based system			\$20,000	
R4.8 Hire 0.5 FTE for tax collection				\$13,680
R4.15 Develop a technology replacement plan.				\$6,000
Sub-Total for Items Not Subject to Negotiation	\$11,000		\$64,250	\$19,680
Sub-Total for Items Subject to Negotiation	\$90,420	\$10,800		
Grand Total	\$101,420	\$10,800	\$64,250	\$19,680

Source: AOS recommendations

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**COLLECTIVE BARGAINING
AGREEMENTS**

Collective Bargaining Agreements

Background

This section of the performance audit focuses on a comparison of the City of Rossford's (the City or Rossford) collective bargaining agreements (agreements) with peer city contracts and ordinances. The purpose of this section of the audit is to assess the City's collective bargaining process and to determine if there are any issues in the City's agreements that appear unique or costly to the City. Contractual tables compare provisions related to staffing requirements, leave, and compensation.

Rossford is a suburb of Toledo and is in a region of the State with a strong collective bargaining tradition. Strikes in the 1930's increased union organizing activities throughout the region. Poor working conditions, an unstable banking system, and high unemployment influenced the rise of the labor movement in this part of the country. Employees organized to improve working conditions, and confrontation with management turned violent in these beginning stages of organized labor, with the National Guard physically engaging picketers in some instances. In the aftermath of these events, better methods were developed to resolve grievances in more peaceful ways, such as using labor-management committees and mediation. Union organizing spread to various sectors of the region's economy, including grocery clerks, taxi drivers, tugboat crewmembers, and mass production industries, including those associated with the automotive industry. The legacy of these events in the 1930's still profoundly affects the region, as evidenced by the fact that Toledo has one of the highest per capita unionization rates in the United States. Similar to other cities in the region, Rossford is impacted by the heavy emphasis placed on collective bargaining.

The City has five separate labor agreements negotiated by four different collective bargaining units: police patrol and command officers, firefighters, public works and parks (this contract also includes other employees such as secretaries, marina guards, and janitors). The City negotiates each contract separately and at different times. Members of the City's negotiating team include the City Administrator, the Law Director, and department heads. City Council has also participated in negotiations. The City has worked with its collective bargaining units to limit base salary increases to an average of 2 percent over the last 3 years. Rossford's employees gave up a 4 percent increase in 2005 and agreed to extend the existing agreements for one year as a means of helping the City balance its budget. However, Rossford has higher starting salaries for Police and Fire operations, which increases the City's personnel costs (see **R2.1** and **R2.5**). Rossford's collective bargaining agreements include the following:

- **International Brotherhood of Electrical Workers (IBEW) Local Union No. 245**, representing City firefighters. The agreement is in effect from January 1, 2003 to December 31, 2006.
- **Ohio Council #8 American Federation of State, County and Municipal Employees (AFSCME) AFL-CIO Ohio Council #8 Local Union No. 2954**, representing Public Works employees. The agreement is in effect from September 1, 2003 to August 31, 2007.
- **United Automobile, Aerospace, and Agricultural Implements Worker's Union (UAW) Local Union No. 12**, representing park maintenance personnel, clerk-typists I and II, marina guards, the parks and recreation building and office manager, school crosswalk guards, pump-station maintenance personnel, janitors; and operations and maintenance technical managers. The agreement is in effect from April 3, 2003 to March 31, 2007.
- **Ohio Patrolmen's Benevolent Association Rossford Ohio Unit**, representing Police Department command officers. The agreement is in effect from January 1, 2003 to December 31, 2006.
- **Ohio Patrolmen's Benevolent Association Rossford Ohio Unit**, representing Police Department patrol officers. The agreement is in effect from January 1, 2003 to December 31, 2006.

Rossford's agreements were compared to similar bargaining unit agreements in Napoleon, Upper Sandusky, and Wauseon. **Table 2-1** contains Fire/EMS collective bargaining agreement provisions for Rossford's contract and compares them to the peers. Because of the number of provisions in the other contracts, tables comparing police and classified contracts include only provisions where the Rossford collective bargaining agreements were unique or substantially different when compared to the peers (see **Table 2.2** and **Table 2.3**). Peers generally had bargaining agreements for police employees, but other employee classifications such as part-time firefighters and public works employees were not unionized. None of the peers had bargaining agreements for part-time volunteer firefighters, so three additional cities were selected to compare with Rossford based on similar demographics and their part-time fire fighters being unionized. The three cities selected were Broadview Heights, Norton, and Streetsboro. For the classified contract comparison, only Napoleon had a collective bargaining agreement, so Wauseon and Upper Sandusky ordinances were used that contained comparable provisions. In addition, Rossford's collective bargaining process was also compared to best practices using the Florida's Office of Program Policy Analysis and Government Accountability (OPPAGA).

Assessments not Yielding Recommendations

The following provisions in Rossford’s contracts did not yield any recommendations.

- **International Brotherhood of Electrical Workers (IBEW) Local Union No. 245-** Probationary Period, Grievance Process, Days to File Grievance, Overtime Pay, Call-in Pay, Rank Differentials, Base Salary Increase, Holidays, Holiday Pay, Educational Assistance, and Fair Share Fee.
- **Ohio Council #8 American Federation of State, County and Municipal Employees (AFSCME) AFL-CIO Ohio Council #8 Local Union No. 2954 --** Grievance Process, Days to File Grievance, Standby Pay, Overtime Pay, Shift Differential, Base Salary Increase, Holidays, Sick Leave Use Penalty, Required Vacation Use, No Strike Clause, Fair Share Fee, Medical Savings Account, and Management Rights.
- **United Automobile, Aerospace, and Agricultural Implements Worker’s Union (UAW) Local Union No. 12 --** Grievance Process, Days to File Grievance, Overtime Pay Rate, Shift Differential, Base Salary Increase, Holidays, Sick Leave Use Penalty, Required Vacation Use, No Strike Clause, Fair Share Fee, and Management Rights.
- **Ohio Patrolmen’s Benevolent Association Rossford Ohio Unit (Command Officers) -** - Probationary Period, Days to File a Grievance, Overtime Pay Rate, Call-in Pay (Regular), Training Compensation, Compensatory Time, Base Salary Increase, Sick Leave Use Penalty, Holidays, Required Vacation Use, Vacation Carry-Over, Educational Assistance, Educational Incentive (By Degree), Residency Requirement, Management Rights and Court Time.
- **Ohio Patrolmen’s Benevolent Association Rossford Ohio Unit (Patrol Officers) --** Probationary Period, Days to File a Grievance, Overtime Pay Rate, Training Compensation, Compensatory Time, Base Salary Increase, Retirement Contribution Pick-up, Sick Leave Use Penalty, Holidays, Educational Assistance, Educational Incentive (By Degree), Residency Requirement, Management Rights, and Court Time.

Issues for Further Study

During the course of the audit, the following issue for further study was identified:

International Brotherhood of Electrical Workers (IBEW) Local Union No. 245 representing City firefighters: During the course of the audit, auditors noted that the agreement between the City and the volunteer firefighters was unusual in Ohio municipalities. Upon inquiries by auditors, the Fire Chief for Rossford indicated that the reason for having a collective bargaining agreement for part-time volunteer firefighters was to establish work rules, foster fairness, and establish compensation levels. Peer cities do not have agreements with their part-time volunteer firefighters, and according to the State Employment Relations Board (SERB), only 10 of 915 (or 1 percent) volunteer fire departments in Ohio have contracts with volunteer firefighters. Because this process is rare in Ohio and represents a cost to both the City and bargaining unit members, the City and bargaining unit may want to discuss the costs and benefits of continued representation.

Recommendations

R2.1 The City should formalize its collective bargaining process and clarify the roles of all City administration participants, including the identification of training requirements for City administration participants. The City should, during the negotiation process, clearly identify the advantages and disadvantages of all proposals including their financial impact, and ensure legal counsel is available to the negotiators. The City should also consider interest-based bargaining as an alternative to traditional bargaining, and use labor-management committees that regularly meet to resolve major issues. Improving the City's negotiation process would mutually benefit the City and its employees. The City would benefit from an effective negotiation process by retaining its management rights, resolving issues quickly, and lowering operating costs. Employees would benefit by realizing a closer working relationship with the City and having more input in decision-making.

The City has not formalized its collective bargaining process and clarified roles of all City administration participants, nor has it identifying training requirements for negotiators. Members of the City Administration and Council have indicated uncertainty about the role of participants in negotiations and expressed concerns about the outcome of the City's contract negotiations. The City has five separate contracts with four different bargaining units while only one of the peer cities has a contract in addition to those covering police and fire employees. Furthermore, the City has included department heads as part of the negotiating team, which could be a conflict of interest if department heads come from the staff ranks or if their pay is based on that of bargaining unit members. Although the City includes the City Administrator and Law Director as part of the negotiating team, it has not included a third-party expert in negotiations.

Because of the informality in Rossford's collective bargaining process, City management has given up some flexibility to employ strategies to reduce costs. An analysis of City contracts revealed that compared to the peers, the City provides a high level of benefits in a number of categories, including sick leave accrual, sick leave payout, and personal and vacation leaves. Provisions in the contracts that limit management flexibility and potentially increase costs include:

- **Caps on Employee Contribution for Health Insurance:** City contracts have maximum contributions for health insurance set at \$100 per month for single coverage and \$300 per month for family coverage. Maximum contributions for health insurance limit management's ability to control health care costs through cost sharing with employees. A percentage, instead of a fixed dollar amount, would more effectively distribute the burden of rate increases between the City and its employees.

- **Minimum Staffing Requirements:** The Patrol Officer's contract has minimum staffing requirements that stipulate the need for two patrol officers or one patrol officer and one command officer for each shift. Minimum staffing requirements limit management's ability to adjust staff based on changes in crime rates, population or City finances. Furthermore, requiring a minimum level of staffing compels the department to use overtime to meet the requirements of the negotiated agreement.
- **Other Staffing Provisions:** Management's flexibility to allocate staff is limited by the AFSCME contract provisions in the following areas:
 - Supervisors can not perform work that would take overtime away from employees;
 - Supervisors must be promoted from the ranks of the bargaining unit; Employees are paid the supervisors' rate of pay if asked to perform supervisory duties; and
 - The City can hire only up to three seasonal employees and cannot use these employees to avoid overtime.

These staffing provisions in the AFSCME contract structure departmental operations in a way that limits management's ability to assign work in an effective manner by restricting the type of work that staff perform to very narrow definitions. This results in overtime accrual that could be avoided through more flexible staffing practices (see **R3.3** in the **police department** section).

Napoleon uses an interest-based bargaining process for negotiations. Teams are formed from labor and management to negotiate contracts. Members of the Napoleon management negotiating team include the City Manager, an appropriate department head, a finance/payroll representative, and a labor consultant. Teams narrow down a list of major issues, discuss them, and develop a consensus about what will mutually benefit management and staff. According to the Napoleon City Manager, the key to interest-based bargaining is establishing labor/management committees that meet regularly during the life of the contract to develop solutions to problems and achieve consensus before actual negotiations take place. Interest-based bargaining fosters better communication and better relationships between labor and management. Achieving consensus results in management and labor reaching an agreement about what provisions are in the best interests of all parties.

Florida's Office of Program Policy Analysis and Government Accountability (OPPAGA), an organization that identifies best practices for local governments, indicates that organizations meeting best practices for contract negotiations typically perform the following functions:

- Clearly identify and train staff responsible for negotiations;
- Clearly identify roles of negotiators;
- Raise and discuss administrative issues;
- Clearly identify fiscal impacts, as well as the advantages and disadvantages of all proposals;
- Ensure legal expertise is available to the negotiating team; and
- Maintain negotiating records.

Using a negotiating team that is properly trained, knowledgeable of the issues and their associated costs, and sufficiently supported by external experts, will help Rossford's administration reach agreements with the City's collective bargaining units that are fair and reasonable to all stakeholders. However, without a formal process, the City may be less prepared to discuss specific negotiated items and may find, over time, that it has limited its management rights through less effective negotiation practices.

R2.2 The City should consider negotiating to remove the retirement stipend and starting hourly wage rates in the Fire/EMS collective bargaining agreement during the next round of negotiations. Current employees with more than 10 years of service should receive the stipend because they have already put in more than half the years required to receive the benefit. Employees who have worked less than 10 years and new employees hired should be considered for a phase out of the stipend because of their limited years of service. Phasing out the retirement stipend would make the structure of the contract more similar to the peers and reduce the City's long-term financial liability for this provision.

The City should also consider reducing the starting wage for probationary Fire Department employees. Rossford's starting wage for part-time volunteer firefighters is 17 percent higher than selected unionized fire departments and 12 percent higher than selected non-unionized peer fire departments. Rossford's hourly wages are higher than the unionized fire departments because their contracts specify probationary periods during which employees earn a lower hourly rate. The rate increases to levels closer to Rossford as employees clear probation and obtain additional training and certifications. The starting wage range for unionized and non-unionized firefighters is between \$9.32 and \$10.50 per hour. Rossford should reduce starting wages for probationary employees to an amount within that range, and increase wages incrementally as employees obtain additional certifications and training.

The City's part-time volunteer fire fighters are represented by a collective bargaining agreement while peer part-time volunteer fire fighters are not. The cities of Broadview Heights, Norton, and Streetsboro were selected for comparison with Rossford based on similar demographics and the fact that their part-time firefighters are unionized. At the

time of reporting, Rossford's firefighter staff comprised 34 employees: 1 Fire Chief, 1 Assistant Fire Chief, 2 Captains, 4 Lieutenants, 18 EMT-Firefighters, and 8 Paramedic Firefighters. All Rossford firefighters are part-time except the Fire Chief. The average years of service for Rossford firefighters is 6.5 years, with 27 employees under 10 years of service, 4 employees with 10 to 20 years of service, and 1 employee with over 20 years of service. **Table 2-1** shows a comparison of contract provisions between the part-time volunteer firefighter contracts in Rossford, Broadview Heights, Norton, and Streetsboro.

Table 2-1: Rossford and Selected City Fire/EMS Collective Bargaining Agreements

	Rossford	Broadview Heights	Norton	Streetsboro
Preamble (Representation)	International Brotherhood of Electrical Workers Union	Broadview Heights Fireman's Association	Norton Part-time Firefighters Association	Streetsboro Part-time Fire Fighters Organization
Recognition	All part-time firefighters in the City	Part-time firefighters and Part-time lieutenants	Part-time firefighters, part-time EMT-Bs, Part-time EMT-Ps, Part-time Lieutenants and Part-time Captains	Part-time firefighter class B, Part-time firefighter class A (Steps 1-3); part-time lieutenants, part-time captains
Grievance process	5 step process	3 step process	4 step process	5 step process
Days to File a Grievance	4 business days	5 calendar days	5 business days	5 business days
Probationary Period	1 year	1 year	1 year	18 months
Holidays	9 holidays	8 holidays	8 holidays	9 holidays
Holiday Pay	1-1/2 times regular rate	1-1/2 times the regular rate. An additional payment of \$48.00 per 12 hour period is provided for New Year's Eve, Easter, Christmas Day, and Christmas Eve.	1-1/2 times regular rate	Employees receive 2 times the regular rate for 5 holidays and 1-½ times the regular rate for 4 other holidays.
Overtime Pay	No additional pay will be added to daily payroll in the event there is an EMS/fire incident.	Overtime is defined as excess of 168 hours during a 23-day work period.	Bargaining Unit employees receive overtime if they work in excess of a 40-hour work week.	Employees working in excess of 212-hour maximum cycle for 28 days receive overtime at a rate equal to 1-½ times their hourly rate.
Call-in pay	1 hour	2 hours	1 hour	2 hours.
Retirement Benefit	All members covered under the agreement that have completed 20 years of service to the Department shall be awarded \$20 per service year as a retirement stipend at the time of their retirement.	N/A	N/A	N/A

Educational Assistance	All training outside of minimum requirements is considered "other" training and the City only pay the course fees; no hourly wages are paid to the employee. Hourly wages are only paid for EMT and Paramedic CE if hours cannot be made on regular drill training sessions.	N/A	The city pays the part-time firefighters tuition costs for all state-certified training programs	The city pays for required state certification programs
Fair Share Fee	All employees in the bargaining unit who currently are not members in good standing of the Union shall pay a fair share fee.	N/A	N/A	Members not in the Organization are required to pay a fair-share fee
Base salary increase ²				
2003	N/A	N/A	N/A	3%
2004	2.5%	N/A	3.5%	3%
2005	0%	3%	2%	3%
Steps/Rate Increases ⁴	\$11.61-\$13.54 per hour (range based on different certifications)	\$9.84-\$16.39 per hour (range 1 to 3 years of service). Employees are also paid additional amounts for different certifications.	\$9.32- \$13.11 per hour (range probation to increases based on different certifications)	\$10.00-\$11.26 per hour (range for 3 steps). Employees are also paid additional amounts for different certifications).
Rank differentials ³	\$14.49 Lieutenant (per hour) \$15.44 Captain (per hour)	Could not quantify the per hour rate increase for Captains and Lieutenants	\$13.65 Lieutenant (per hour) \$14.21 Captain (per hour)	Could not quantify per hour rate increase for Captains and Lieutenants

Source: City of Rossford and selected city Firefighter negotiated agreements.

¹ In Rossford's agreement, if a command officer is not present on a piece of equipment, the firefighter in charge of it will be the employee with the highest training certification. He/she receives the lieutenant rate of pay for that run.

² Bargaining units gave up a 4 percent increase in 2005 and agreed to extend the agreements one year as a means of helping the city balance its budget. The 4 percent increase for firefighters took effect January 1, 2006.

³ Hourly rates for Lieutenants and Captains for Broadview Heights and Streetsboro could not be quantified based on available information. Broadview Heights Lieutenants receive an additional \$2,908 per year. Streetsboro Lieutenants receive 95 cents per hour increase and Captains receive a \$1.45 per hour increase.

⁴ Step increases differ for the cities depending on length of service and certifications/training. A summary of step and wage rate increases follows. **Rossford:** 2005 wage increases for Rossford part-time volunteer firefighters are as follows: firefighter runs: Firefighter 1A (\$11.61), Firefighter 1B (\$12.59), Firefighter 1C (\$13.54). EMS runs: EMT B (\$11.61), EMT ADV (\$12.59), and EMT/Paramedic (\$13.54). **Broadview Heights:** 2005 step increases for Broadview Heights part-time volunteer firefighters is \$9.84 for first-year of service; \$13.11 for second year of service; and \$16.39 for third year of service. Employees who have paramedic certification receive an additional \$1,000 per year; and employees with advanced EMT training receive an additional \$450 per year. **Norton:** 2005 wage increases for Norton part-time volunteer firefighters probationary employees are \$9.32 without firefighter training and without EMT certification; \$10.35 for EMT-B; \$11.13 for EMT-P. For non-probationary employees, wage rates are \$11.39 for EMT-B and \$13.11 for EMT-P. **Streetsboro:** 2005 step increases for Streetsboro are as follows: Class B (\$10.00); Class A – Step 1 (\$10.71); Class A – Step 2 (\$10.98); Class A - Step 3 (\$11.26). Other certification wage increases include \$1.25 for EMT-E or D; \$2.00 for EMT-P; \$.60 for Firefighter/1-B; and \$1.00 for Firefighter I-C or II.

Table 2-1 illustrates that Rossford is comparable to the peers in several areas, including recognition, grievance processes, days to file a grievance, probationary period, holidays, holiday pay, overtime pay, call-in hours, educational assistance, fair share fee, and base salary increases. Rank differential could only be compared to one peer, so this area was not assessed. Three areas that differ substantially include representation, retirement benefits, and step/wage increases. The International Brotherhood of Electrical Workers represents Rossford's part-time firefighters, while local firefighter associations represent the peer part-time firefighters.

The retirement benefit contract provision is unique to Rossford. Rossford offers a retirement stipend in the firefighter contract specifying that all members covered under the agreement who have completed 20 years of service to the Department are awarded \$20 per service year at the time of their retirement. All bargaining unit member firefighters are eligible for the stipend when they have completed 20 years of service, regardless of how many hours worked during the year. For example, a firefighter who retires after 20 years working an average of 2 weeks a year would receive a \$400 stipend. Offering a retirement stipend without eligibility requirements for hours worked in a year could result in financial awards paid by the City to volunteer firefighters who have worked very little for the Fire Department. Additionally, the retirement stipend provides little financial incentive to impact employee retention and recruitment. Negotiating to remove the stipend from the contract would alleviate a modest future financial liability to the City and bring the bargaining agreement more in line with similar cities.

Rossford's starting salaries for part-time volunteer firefighters were higher than the three selected peer cities because the other cities start new employees at lower rates during their first year of service. The selected cities generally have probationary periods during which employees earn a lower starting salary. The hourly rate increases to levels more similar to Rossford as employees clear probation, and obtain additional training and certifications. The average of the three selected cities' starting salaries was \$9.72 per hour, compared to Rossford's starting salary of \$11.61 per hour. To provide an additional comparison, Napoleon, Wauseon and Upper Sandusky have non-unionized volunteer part-time fire departments. They have an average starting wage of \$10.16 per hour that is still lower than Rossford.

Financial Implication: If Rossford negotiated to remove the stipend from the contract for 27 firefighters with less than 10 years of service, the City would realize a future cost-avoidance of approximately \$10,800. Negotiating a lower entry-level wage would result in costs savings but the amount could not be quantified.

R2.3 The City should consider renegotiating the following items in the AFSCME and UAW contracts in the next round of negotiations:

- **Reduce sick leave accrual rate by 1 day per year from 15 days per year to the peer rate of approximately 14 days per year. Rossford's monthly sick leave accrual rate is 1.25 days, compared to the peers 1.15 days;**
- **Establish a maximum sick leave accrual amount and pay-out limit that reduces sick leave payout at retirement;**
- **Reduce the current vacation amount after 15 years of service. To be more in line with the peers, the new vacation amount should be reduced to 4 weeks after 15 years and 5 weeks after 25 years;**
- **Reduce the number of personal days to the peer average of 3 days;**
- **Reduce call-in pay to the peer average of 2 hours;**
- **Increase the probationary period for new employees to 6 months in order to give management more time to assess performance;**
- **Reduce the number of bereavement days to the peer average of 3 days; and**
- **Reduce holiday pay to 1.5 times the regular rate.**

Renegotiating these items will result in cost avoidances for the City, and align the City's employment policies more closely with the negotiated agreements in similar-sized cities.

The City's UAW contract covers park maintenance personnel, clerk-typists I and II, marina guards, the parks and recreation building and office manager, school crosswalk guards, pump-station maintenance personnel, janitors, and operations and maintenance technical managers. The City's AFSCME contract covers Public Works employees. Both contracts contain provisions that are more generous than the peer contracts and peer employee ordinances. This has likely resulted from the absence of a defined and consistent negotiation process (see **R2.1**). The City's AFSCME and UAW contract provisions are similar to Rossford's police contract provisions. Contract provisions are similar because the Police contract is negotiated before the AFSCME and UAW contracts, and sets the pattern for all the other contract negotiations.

Table 2-2 compares Rossford and peer classified employee bargaining unit agreements and ordinances (when no bargaining agreement exists).

Table 2-2: Rossford and Peer Classified Contracts Report Table

	Rossford AFSCME (AFL-CIO)	Rossford UAW	Napoleon AFL-CIO	Upper Sandusky Ordinances	Wauseon Ordinances
Probationary Period	90 calendar days	First 60 working days	All employees serve a probationary period of 1 year except laborer, municipal service worker, meter reader, and parks and recreation worker, who have probationary periods of 6 months.	6-month probationary period for public works employees. Clerical staff and other non-unionized staff do not have probationary periods.	6 month probationary period
Call in Pay	Any employee called into work at a time outside his or her regular shift shall be paid a minimum of 4 hours at the applicable rate.	Any employee called into work at a time outside of his/her regular shift shall be paid a minimum of 4 hours at the applicable rate.	A minimum 2 hours pay.	The City has what is referred to as call-out pay for street and utility employees, compensated at a premium rate at 1 and ½ times the hourly rate of pay with a minimum of 3 hours paid per day.	Any employee called in on a Sunday or Holiday shall be compensated 2 times the employee's regular rate of pay.
Sick Leave Accrual Rate	1.25 workdays for each full month of service	1.25 workdays for each full month of service	4.6 hours for every 80 hours of service (1.15 workdays per month)	4.6 hours for every 80 hours of service (1.15 workdays per month)	4.6 hours for every 80 hours of service (1.15 workdays per month)
Maximum Sick Leave Accrual	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Pay-out Limit	None.	None	None	60 Days	57 Days
Payout Rate for Accumulated but Unused Sick Leave	City employees who are retiring after a minimum of 5 years service may convert ¼ of their total accrued sick leave. City employees who are retiring after a minimum of 10 years service may convert ½ of their total accrued sick leave.	City employees who are retiring after a minimum of 5 years service may convert ¼ of their total accrued sick leave. City employees who are retiring after a minimum of 10 years service may convert ½ of their total accrued sick leave.	Employees retiring can cash out at a rate of ¼ unused and accumulated sick leave up to 120 days; any remaining time after that at a rate of 1/3 of unused and accumulated sick leave.	Employees retiring with more than 10 years of service are paid about 1/3 of their value of accumulated sick leave.	Employees retiring with not less than 10 years of service shall receive a cash payment equal to 1/4 of his accumulated sick leave.
Bereavement Leave	Up to 5 days	Up to 5 days	3 days	3 days	3 days

	Rossford AFSCME (AFL-CIO)	Rossford UAW	Napoleon AFL-CIO	Upper Sandusky Ordinances	Wauseon Ordinances
Holidays	9.5 holidays Note the half-day is for Good Friday.	10 holidays	All employees receive 8 observed holidays. In addition, employees receive personal holidays based on years of service: 3 for 1-5 years of service; 4 for 6-24 years of service; and 5 for over 25 years of service.	10 holidays	10 holidays
Holiday Pay	Employees who are required to work any of eligible holidays shall be compensated at a rate of 2 times the regular rate of pay for all hours actually worked in addition to holiday pay.	Employees who are required to work any of eligible holidays shall be compensated at a rate of 2 times the regular rate of pay for all hours actually worked in addition to holiday pay.	An employee who works on a statutory holiday shall receive 8 hours holiday pay, plus 1-½ times his/her current rate of pay for the hours worked.	The employee shall be paid at the overtime rate of 1-1/2 times the employee's regular hourly rate of pay for the time actually worked on the holiday, and shall be further paid for 8 hours at the straight time rate.	Employees receive their regular rate of pay for working on holidays.
Personal Days	7 days	7 days	An employee can request personal leave without pay and fringe benefits.	3 days	3 days
Vacation Accrual	<1 year = 1.54 hours per pay period 1-5 years: 2 weeks 6-10 years: 3 weeks 11-15 years: 4 weeks 16-20 years=5 weeks 21+ years=6 weeks	<1 year :3.10 hours per each full pay period 1-5 years: 2 weeks 6-10 years: 3 weeks 11-15 years: 4 weeks 16-20 years: 5 weeks 21+ years:6 weeks	1-7 years: 2 weeks 8-14 years: 3 weeks 15 or more years: 4 weeks	After 1 year: 2 weeks After 8 years: 3 weeks After 15 years: 4 weeks After 22 years: 5 weeks	> 1 year: 1 week > 2 years: 2 weeks > 8 years: 3 weeks > 15 years: 4 weeks > 25 years: 5 weeks
Base salary increase²					
2003	N/A	1.50%	N/A	N/A	N/A
2004	Approx. 2.00%	2.00%	2.00%	\$1,000	3.00%
2005	0.00% ¹	0.00%	2.00%	3.00%	3.00%
2006	4.00%	4.00%	2.00%	3.00%	3.00%

Source: Rossford and Napoleon classified collective bargaining agreements, Wauseon and Upper Sandusky municipal ordinances.

¹ Rossford unions agreed to a wage freeze in 2005 and to extend the agreements one year as a means of helping the City balance its budget. The 4 percent increase took effect in April 1, 2006 for the UAW contract and will take effect September 1, 2006 for the AFSCME contract.

² Salary increases were included because of the potential financial impact those items have on the City. Rossford's and Napoleon classified employees are covered by collective bargaining agreements, while Upper Sandusky and Wauseon's classified employees are not under contract, but are covered under city ordinances.

Table 2-2 illustrates differences in several Rossford UAW and AFSCME contractual provisions when compared to the peer cities. Differences include the following:

- **Probationary Period:** Rossford's AFSCME and UAW contracts have probationary periods substantially shorter than Upper Sandusky (for AFSCME only), Napoleon, and Wauseon. Rossford's AFSCME and UAW contracts have probationary periods of 90 days and 60 days respectively. Upper Sandusky has a probationary period of 6 months for AFSCME employees; clerical and other non-unionized staff does not have probationary periods. Napoleon has a probationary period of 1 year and Wauseon has a probationary period of 6 months.
- **Call-in Pay:** Rossford's AFL-CIO contract requires any employee called into work at a time outside his/her regular shift to be paid a minimum of 4 hours at the applicable rate. Napoleon has minimum call-in pay of 2 hours, and Upper Sandusky has a call in pay of 3 hours. Wauseon has a provision to pay employees 2 times their regular rate of pay for coming in on Sundays and holidays but no fixed time is noted.
- **Sick Leave Accrual Rate:** Rossford's sick leave accrual rate is 1.25 days every month, which is approximately 15 days a year. The peers' sick leave accrual rate is 1.15 days per month, which is approximately 14 days per year.
- **Maximum Sick Leave Accrual Limit:** Rossford's contract, like the peers, specifies unlimited sick leave accrual.
- **Payout Rate for Accumulated but Unused Sick Leave:** Rossford's contract allows for employees who are retiring to cash out sick leave after 5 years at a rate of 25 percent of their accrued sick leave. After 10 years, employees retiring and leaving the City can cash out 50 percent of their accumulated sick leave. Napoleon's rate for cashing out sick leave at retirement is 25 percent for employees with less than 120 days of accrued sick leave and 33 percent for accrued sick leave over 120 days. Wauseon's sick leave payout rate at retirement is 25 percent of the accumulated sick leave and Upper Sandusky's is 33 percent of accumulated sick leave. In addition, Upper Sandusky and Wauseon place limits (60 and 57 days, respectively) on the days that can be cashed out.
- **Bereavement Leave:** Rossford's contract allows up to 5 days for bereavement leave while Napoleon, Upper Sandusky and Wauseon allow only 3 days.
- **Holiday Pay:** Rossford's employees who are required to work any eligible holidays are compensated at a rate of 2 times the regular rate of pay for all hours actually worked in addition to holiday pay. Napoleon and Upper Sandusky

employees who work on a statutory holiday receive 8 hours holiday pay, and 1.5 times the current rate of pay for the hours worked. Wauseon employees receive only their regular rate of pay for working on a holiday.

- **Personal Days:** Rossford's employees receive 56 hours (or approximately 7 days) of personal leave. Napoleon's employees can request personal leave without pay and fringe benefits, while Wauseon and Upper Sandusky employees receive 3 days personal leave.
- **Vacation Accrual:** Rossford's vacation accrual is generous when compared to the peers. Rossford employees receive 6 weeks vacation with over 21 years of service. None of the peers provides 6 weeks of vacation and only Upper Sandusky and Wauseon provide 5 weeks after 22 and 25 years service, respectively. The peers also provide 4 weeks after 15 years while Rossford employees are eligible for 4 weeks after 11 years.
- **Base salary increase:** Rossford's classified employees averaged a 2 percent base salary increase for the three-year period (2004-2006), which is comparable to the peers. Napoleon classified employees averaged the same at a 2 percent increase, and Upper Sandusky and Wauseon averaged slightly higher, at approximately 3 percent. Rossford's classified contracts do not include step increases.

By using a properly trained and assembled negotiating team, the City should be able to renegotiate several bargaining unit provisions to levels that are comparable to similar-sized cities and are fair to all parties. Renegotiating these items would also help the City retain a greater degree of financial flexibility to compensate staff in periods of financial affluence but reduce costs in periods of financial constraint.

Financial Implication: The financial implications were only calculated for AFSCME employees. The UAW agreement covers many part-time employees making potential savings difficult to calculate. By reducing the number of personal days to the peer level, altering the number of vacation days after 21 years of service for existing employees and establishing a sick-leave payout limit, the city could achieve annual cost avoidances of approximately \$8,200.¹

¹ By reducing the number of personal days from 7 days to the peer average of 3 days for 10 AFSCME employees, Rossford could save approximately \$4,300 annually in the AFSCME agreement. The cost-savings were calculated by determining the average wages (salaries and overtime) per employee for one day, and multiplying by the 4 personal days eliminated.

R2.4 The City should consider renegotiating the following items for the Police Patrol Officer and Command Officer contracts:

- **Eliminate standby pay;**
- **Eliminate minimum staffing language;**
- **Reduce call-in pay for holidays to 1.5 times the regular rate;**
- **Reduce sick leave accrual rate by 1 day per year from 15 days per year to the peer rate of approximately 14 days per year;**
- **Establish a maximum sick leave accrual amount to reduce sick leave payout at retirement;**
- **Reduce the number of bereavement days to the peer average of 3 days;**
- **Reduce the number of personal days to the peer average of 3 days;**
- **Renegotiate the vacation accrual rate and reduce it to 4 weeks after 15 years and 5 weeks after 25 years of service; and**
- **Reduce the uniform allowance by \$100 for patrol officers to the average of Wauseon and Upper Sandusky of \$525.**

Renegotiating these items to be more in line with the peer cities would reduce the City's financial liability for these contract provisions and increase management flexibility in addressing staffing and financial constraints.

Table 2-3 compares Rossford and peer city police officer contracts. Rossford has one bargaining agreement for Patrol Officers and another contract for Command Officers (Sergeants). Provisions of these contracts were combined for comparison purposes since the contracts generally contain similar information. Napoleon and Upper Sandusky both only have one contract for police, while Wauseon has one contract for Patrol Officers and one contract for Command Officers (Sergeants and Lieutenants). These contract provisions are combined in the table but differentiated where applicable.

There are currently four AFSCME employees with less than twenty years of service. If employee vacations were reduced to 5 weeks instead of 6 weeks for when these employees are eligible for 20 years service, the City could save approximately \$2,200 annually. The cost-savings were calculated by determining the average wages (salaries and overtime) per employee for one day, and multiplying by the 20 vacation days eliminated for 4 employees.

By establishing a sick leave payout limit of 57 days when an employee leaves or retires from the City, similar to Wauseon, Rossford could save approximately \$1,700 per employee for employees with over 10 years experience. The cost-savings were calculated by determining the difference in average sick leave days accrued for Rossford for employees with over 10 years experience (73 days) and Wauseon's 57 days, multiplied by the average wages (salaries and overtime) per employee for one day.

Table 2-3: Rossford and Peer Police Officer Contract Report Table

	Rossford Police Department	Napoleon Police Department	Upper Sandusky Police Department	Wauseon Police Department
Standby Pay	Employees on standby for an off-duty day will be paid a maximum of 4 hours for each 24-hour period or fraction thereof.	None mentioned	None mentioned	None mentioned
Minimum Staffing	2 patrol officers or 1 patrol officer and 1 commanding officer excluding the Chief of Police.	Not mentioned	Not mentioned	Not mentioned
Holidays	9 holidays	9 holidays	12 holidays	10 holidays
Call-in (Holiday Pay)	Employees who are called in on a holiday will be entitled to 2 times their regular rate in addition to holiday pay Employees who work on a holiday are entitled to 1-½ times their regular rate of pay in addition to holiday pay.	Call-in pay for holidays is not mentioned. For working on holidays, employees are paid for 8 hours and an additional 1-½ times the regular rate for time worked.	Employees who work on a holiday or are called in to work on a holiday are paid at the premium overtime rate (1-½ times the regular rate) or credited with compensatory time, with a minimum of 3 hours.	Employees are not entitled to any additional compensation for working on a holiday other than holiday pay at their regular rate.
Sick Leave Accrual Rate	5 hours for every 80 hours service (1.25 workdays for each full month of service)	4.6 hours for every 80 hours of service(1.15 workdays per month)	4.83 hours for every 84 hours of completed services (1.21 workdays per month)	4.6 hours for every 80 hours of completed service (1.15 workdays per month)
Maximum Sick Leave Accrual	Unlimited	Unlimited	Unlimited	Unlimited
Payout Limit	None	None	75 Days	60 Days
Payout Rate for Accumulated but Unused Sick Leave at Retirement	City employees who are retiring after a minimum of 10 years service may convert 50 percent of their total accrued sick leave.	Employees retiring after 10 years service are eligible to be compensated at a rate of 25 percent of unused and accumulated sick leave.	City employees with 10 or more years of continuous employment shall receive a cash payment equal to 33 percent of accumulated sick leave.	City employees who are retiring after a minimum of 10 years service may convert 25 percent of their total accrued sick leave.
Bereavement Leave	Up to 5 days	An employee is eligible for bereavement leave to attend the funeral of an immediate family member, not to exceed 3 calendar days.	Up to 5 days (for a spouse); Up to 3 days for immediate family.	Up to 3 days for each member of the 'immediate' family.
Personal Leave	Patrol Officer: 5 days. Commanders: 7 days	All: An employee can request personal leave without pay and fringe benefits.	All: 3 days	All: 3 days

	Rossford Police Department	Napoleon Police Department	Upper Sandusky Police Department	Wauseon Police Department
Vacation Accrual	<p>Patrol Officers: 1-5 years of service = 10 days 10-15 years = 20 days 16-20 years = 25 days 20+ years = 30 days</p> <p>Sergeants 1-5 years 10 days 6-10 years 15 days 11-15 years 20 days 16-20 years 25 days 21+ years 30 days</p>	<p>1-7 years= 10 days 8-14 years= 15 days 15 or more years = 20 days</p>	<p>1-7 years of service = 8 12-hr shifts 8-14 years = 12 12-hr shifts 15-22 years = 16 12-hr shifts 22+ years = 20 12-hr shifts</p>	<p>Patrol Officers: 1-2 year =5 days 3-8 years = 10 days 9-15 years = 15 days 16-25 years = 20 days 26+ years = 25 days</p> <p>Sergeants/Lieutenants After 1year = 5 days After 2 years= 10 days After 8 years = 15 days After 15 years = 20 days After 25 years = 25 days</p>
Uniform Allowance	<p>\$400 per year. In addition, all employees receive \$225 each year to provide normal maintenance and repair.</p>	<p>The City provides, at its cost, uniforms for patrol officers. Dry cleaning and repair of uniforms is paid for by the City. An additional \$100 footwear allowance is also reimbursable.</p> <p>In addition, A clothing allowance of up to \$500 is available for plain clothes police officers.</p>	<p>Employees receive a \$550 per year clothing allowance, which any unused portion can be carried over to the following year. However, no more than 2 years allowance can be accumulated for each employee.</p>	<p>All newly hired employees shall receive \$600.00. All non-probationary officers shall receive \$500 per year. Sergeants and Lieutenants: \$400 per year.</p>
Base Salary Increase ¹	<p>2004 2.00%</p> <p>2005 0.00% ¹4.00%</p> <p>2006 0.00% ¹4.00%</p>	<p>2.00%</p> <p>2.00%</p> <p>2.00%</p>	<p>N/A</p> <p>3.00%</p> <p>3.00%</p>	<p>N/A</p> <p>3.00%</p> <p>3.00%</p>
Step Average Increase	6.6%	7.2%	5.0%	6.7%.

Source: Rossford and peer Police contracts

¹ The unions gave up the 4 percent increase in 2005 and agreed to extend the agreements one year as a means of helping the city balance its budget. The 4 percent increase for police officers took effect January 1, 2006.

Table 2-3 illustrates the differences in several Rossford Police Department contractual provisions when compared to the peers. An explanation of the differences between contract provisions for Rossford and peers for police negotiated agreements include the following:

- Standby pay:** Rossford police officers on standby for an off-duty day are paid a maximum of 4 hours at their regular rate for each 24-hour period or fraction thereof. Standby pay was not identified in peer contracts. This is an extra expense to the City when compared to the peers.

- **Minimum Staffing:** Rossford's contracts require minimum staffing of two patrol officers, or one patrol officer and one commanding officer (excluding the Chief of Police) for each shift. Peer police contracts do not have minimum staffing requirements. This contract provision limits the City's flexibility to make staffing decisions and increases overtime costs (see the **police department** section).
- **Call-in for Holiday Pay:** Rossford's employees who are called in on a holiday are entitled to 2 times their regular rate in addition to holiday pay. Wauseon employees do not receive any additional pay for working on a holiday other than their regular rate. Napoleon and Upper Sandusky pay employees at 1.5 times the regular rate of pay plus the holiday pay.
- **Sick Leave Accrual Rate:** Rossford's sick leave accrual rate is 1.25 days per month, which is approximately 15 days a year and is just slightly higher than Upper Sandusky's accrual rate of 1.12 workdays per month. Napoleon and Wauseon's sick leave accrual rate is 1.15 days per month, which is approximately 14 days per year.
- **Maximum sick leave accrual/Payout Limit:** Rossford's maximum sick leave accrual is unlimited, as is the peers. However, Upper Sandusky and Wauseon also place limits on the number of days that can be cashed out at retirement. Upper Sandusky's number of days is not to exceed 75 days and Wauseon's number of days is not to exceed 60 days. If Rossford limited the accrued sick leave days cashed out at retirement, its future liability for sick leave payouts would be reduced.
- **Payout Rate for Accumulated but Unused Sick Leave:** Rossford's Police Department employees who are retiring after a minimum of 10 years service may be paid out at a rate of 50 percent of their total accrued sick leave. All of the peers pay out sick leave at a lower rate. Wauseon's and Upper Sandusky's pay out rate is 33 percent of accumulated and unused sick leave, while Napoleon's is 25 percent.
- **Bereavement Leave:** For the loss of an immediate family member, Rossford allows 5 days for bereavement leave and peers allow up to 3 days. Upper Sandusky also allows up to 5 days for a spouse.
- **Personal Days:** Rossford allows five personal days. Peers allow up to three personal days with Napoleon offering personal leave only without pay and benefits.

- **Vacation Accrual:** Rossford's vacation accrual exceeds all of the peers particularly in the category of accrual after 15 years of service. Rossford offers employees with 16 to 20 years of service 5 weeks of vacation and employees with over 20 years of service 6 weeks vacation. None of the peers offer 6 weeks vacation and only Wauseon offers 5 weeks.
- **Uniform Allowance:** Rossford's uniform allowance is \$400 per year plus \$225 for normal maintenance and repair. The uniform allowance for Wauseon and Upper Sandusky averages \$525. Napoleon pays for all uniforms and footwear for patrol officers, as well as normal repair and maintenance of uniforms.
- **Base salary increase:** Rossford's police employees received an average annual base salary increase of 2 percent for the 3-year period (2004-2006), which is comparable to the peers. Napoleon police officers were comparable with a 2 percent increase, while Upper Sandusky and Wauseon averaged higher, with between 3 and 3.5 percent increases.
- **Step increase:** Rossford's step increases, an average of 6.6 percent, are higher than the peer average of 6.3 percent (see **R 2.5**).

By renegotiating these provisions, the City of Rossford would achieve a greater level of flexibility in management decision-making pertaining to staffing and departmental finance. Likewise, modest cost savings would result.

Financial Implication: By renegotiating several contract provisions within the Police Patrol and Command Officers contracts including personal days, vacation days and uniform allowance, the City would realize an annual cost avoidance of approximately \$11,400. This includes approximately \$3,600 by reducing employee vacation by 1 week for 4 employees with over 15 years of service. It also includes \$6,500 for reducing the number of personal days by 2 days for all patrol officers and 4 days for the chief and command officers; and \$1,300 for reducing the uniform allowance by \$100 to be closer to the peer average for 13 sworn employees.

R2.5 Rossford should consider negotiating a reduction in the starting salaries for patrol officers to rates similar to the peers. Reducing starting salaries would help the City control the growth of personnel costs.

Rossford's patrol officer starting hourly rate is higher than the peer average (see **Table 2-4**). The location of a city affects hourly rates. Cities in close proximity to Rossford, including Maumee, Oregon and Perrysburg, offer an average patrol officer starting wage of \$20.21 per hour, which is 21 percent higher than Rossford's patrol officer starting hourly rate. Rossford's patrol officer starting hourly rate, when compared to the peers,

may be the City's attempt to offer comparable rates against surrounding cities. However, According to the 2000 Census, Rossford has a total population of 6,400, a median income of \$44,000, and a median property value of \$113,000, while the average for these surrounding cities is a total population of 17,179, a median income of \$52,000, and a median property value of \$130,000. This indicates these surrounding cities are in a better position to offer higher hourly rates than Rossford. The peers selected for overall comparison purposes provide a better benchmark based on the demographics of the City of Rossford. The peer cities average economic data shows a population of 7,647, median income of \$38,000, and median property value of \$90,000.

Rossford's patrol officer step schedule contains five steps that allow an employee to reach the last step after three years. After receiving the initial probationary rate, an employee receives an increase at 6 months, 1 year, 2 years, and 3 years. **Table 2-4** compares Rossford's police patrol officer step schedules to the peers for FY 2006.

Table 2-4: 2006 Rossford and Peer Police Step Schedules ¹

Step	Rossford	Napoleon	Upper Sandusky	Wauseon	Peer Average
0	\$16.71	\$11.51	\$12.69	\$16.60	\$13.60
6 Month	\$17.94	\$11.51	\$12.69	\$16.60	\$13.60
1 Years	\$19.17	\$15.35	\$13.21	\$16.60	\$15.05
2 Years	\$21.39	\$16.45	\$13.93	\$16.60	\$15.66
3 Years	\$21.60	\$17.64	\$15.00	\$17.52	\$16.72
4 Years	\$21.60	\$18.91	\$15.00	\$17.52	\$17.14
5 Years	\$21.60	\$18.91	\$15.57	\$18.90	\$17.79
6 Years	\$21.60	\$18.91	\$15.57	\$18.90	\$17.79
7 Years	\$21.60	\$18.91	\$16.20	\$18.90	\$18.00
Average Increase	6.6%	7.2%	5.0%	6.7%	6.3%

Source: Rossford and peer Police collective bargaining agreements

¹ A 4 percent COLA increase was added to Rossford's step schedule to make the comparison with peers for 2006. A 3 percent COLA increase for 2005 and 2006 was included for Upper Sandusky's 2004 step schedule to make the comparison for 2006.

As shown in **Table 2-4**, Rossford's starting probationary hourly rate of \$16.71 is 23 percent higher than the peer average, and Rossford's final step is 20 percent higher than the peer average. Rossford's hourly rate of \$19.17 after probation is 27 percent higher than the peer average. **Table 2-4** also indicates that Rossford's average step increase is higher than the peer average. Higher starting hourly rates and higher step amounts increase personnel costs for the City. Reducing the overall step increase to the peer average and reducing future COLAs (see **R3.2** in the **police department** section) will create cost savings for the City. However, since the current average length of service for Rossford patrol officers is 10 years, a new lower hourly rate and step schedule will not affect the City's current employees. Offering new employees a lower hourly rate and step increase will decrease the City's future personnel costs.

Financial Implications Summary

The following table summarizes estimated annual savings and one-time cost avoidances from the recommendations discussed in this section.

Summary of Financial Implications Subject to Negotiations

Recommendation	Annual Cost Savings	Estimated Cost Avoidance (One-Time)
R2.2 Negotiate the elimination of the retirement stipend for volunteer part-time firefighters with less than 10 years of service		\$10,800
R2.3 Negotiate a reduction in the following AFSCME/UAW collective bargaining agreements: Personal days Vacation days Sick-leave pay-out <i>Subtotal</i>	\$4,300 \$2,200 \$1,700 \$8,200	
R2.4 Negotiate a reduction in the following Police Department collective bargaining agreements: Vacation days Personal days Uniform Allowance <i>Subtotal</i>	\$3,600 \$6,500 \$1,300 \$11,400	
Total	\$19,600	\$10,800

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Police Department

Background

This section of the performance audit focuses on the City of Rossford’s Police Department (RPD). Peer cities used for comparisons include Napoleon, Upper Sandusky, and Wauseon. Northwood was added as an additional peer city for specific assessments where data from the original peer cities was not available. Additional comparisons using other benchmarks and best practices are identified throughout the report.

Organizational Function

RPD’s personnel are organized into patrol officers and detectives. According to the City Charter and the *RPD General Policies and Procedures*, the position responsibilities include the following:

Chief of Police: Plans and directs the activities of the RPD in the enforcement of laws and ordinances, the prevention of crime, the protection of life and property, and performs related duties as required.

Sergeant: Coordinates and directs assigned personnel and other allocated resources in achieving the full range of administrative functions, within policy guidelines and legal constraints.

Detective: Conducts investigations to provide evidence relating to the guilt or innocence of any suspect and to recover property. Investigations consist of efforts to interview victims and witnesses; locate, identify, and preserve physical evidence; recover stolen property; identify, locate, interview, and arrest suspects; present the case to the prosecutor; and cooperate in the prosecution of the defendant.

Officer: Maintains the public peace, protects life and property, prevents crime, arrests violators of the law, directs movement of vehicle traffic, and properly enforces all other laws or ordinances as required.

Administrative/Clerical: Facilitates the Department office operations. These duties include, but are not limited to, public requests for records, typing incident reports, answering phones, processing purchasing requests, and updating criminal files.

Table 3-1 illustrates RPD’s staffing levels, by sworn and non-sworn position. Sworn position titles are further compared by rank and non-rank FTE.

Table 3-1: City of Rossford Staffing Ratios

Categories	Positions	Actual FTEs	Vacant
Sworn Personnel			
Rank Officers¹			
Chief/Assistant Chief	1.0	1.0	0.0
Captain/Lieutenant	0.0	0	0.0
Sergeants	4.0	2.0	2.0
Total Rank Officers	5.0	3.0	2.0
Non-Rank Officers²			
Detectives	1.0	1.0	0.0
Road Patrol Officers	12.0	9.0	3.0
Auxiliary Police Officers	0.0	0	0.0
Total Non-Rank	13.0	10.0	3.0
Total Sworn Officers	18.0	13.0	5.0
Non-Sworn Personnel			
Administrative/Clerical	1.5	1.3	0.3
Total Non Sworn Personnel	1.5	1.3	0.3
Total Police Department Personnel	19.5	14.3	5.3

Source: Rossford Police Department.

Note: Total may vary due to rounding

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.

As indicated in **Table 3-1**, RPD has 13.0 sworn FTE's, and 1.3 non-sworn FTE's. **Table 3-1** also indicates that the City has 5.3 FTE vacancies at this time. The City expects to fill one of the Sergeant FTE positions in 2006, when the officer returns from leave. However, according to the City Administrator, the City does not have any plans to fill the other vacant positions. (See **R3.1**.)

Financial Data

Table 3-2 summarizes RPD's actual operating expenditures for 2003-2005.

Table 3-2: Rossford Police Department Operating Expenditures

	2003	2004	Percent Change	2005	Percent Change
Salaries and Wages	\$861,690	\$904,996	5.0%	\$814,608	(10.0%)
Benefits	\$299,833	\$318,529	6.2%	\$324,214	1.8%
Contractual Services	\$170,647	\$198,804	16.5%	\$176,386	(11.3%)
Materials and Supplies	\$30,376	\$31,958	5.2%	\$53,642	67.9%
Capital Outlay	\$7,796	\$635	(91.9%)	\$437	(31.3%)
Other¹	\$30,488	\$30,488	0.0%	\$5,414	(82.2%)
Total	\$1,400,830	\$1,485,410	6.0%	\$1,374,701	(7.5%)

Source: City of Rossford

¹ Includes leases

Table 3-2 shows RPD's total expenditures decreased 7.5 percent from 2004 to 2005. This decrease is primarily due to the decrease in the number of personnel. The following major differences exceeding 10 percent were noted:

- **Salary and Wages:** This line item increased from 2003-2004 due to negotiated cost of living adjustments (COLA), and decreased in 2005 by 10 percent due to voluntary Department staff reductions.
- **Materials and Supplies:** This line item increased by 5.2 percent between 2003 and 2004, and by 67.9 percent from 2004 to 2005 due to the increased cost of gasoline.
- **Contracted Services:** This line item increased by 16.5 percent from 2003 to 2004 due to the increasing cost of the dispatching contract, and decreased by 26.7 percent in 2005 because of efforts to control expenditures including outside contractor services, tools and equipment rental, and travel and training.
- **Capital Outlay:** This line item decreased by 31.3 percent in 2005 due to the efforts of the City to control discretionary expenditures.
- **Other:** This line item decreased significantly in 2005 from previous years, as the interest and principal paid for leases was reduced.

Key Operating Statistics

Table 3-3 shows staffing and expenditure ratios for RPD and the peers.

Table 3-3: 2005 Operational Expenditure by Key Ratios

	Rossford PD	Napoleon PD	Northwood PD	Wauseon PD	Peer Average
Operating Expenditures	\$1,374,701	\$1,274,367	\$2,090,147	\$1,214,881	\$1,526,465
Total FTE	14.3	21.0	22	17.5	18.6
Sworn FTE	13.0	16.0	21	15.5	17.6
Non Sworn FTE	1.25	0	1	2.0	1.0
City Population	6,387	9,173	5,453	7,303	7,309.7
Square miles	4.3	5.6	8.4	4.9	6.3
Expenditure Ratios					
Per FTE	\$96,470	\$78,182	\$95,007	\$69,422	\$80,870
Per Sworn FTE	\$105,746	\$78,182	\$99,531	\$78,379	\$85,364
Per Non Sworn FTE	\$1,099,761	\$0 ¹	\$2,090,147	\$607,440	\$899,196
Per Resident	\$215	\$139	\$386	\$166	\$230
Per Square Mile	\$319,698	\$227,566	\$248,827	\$247,935	\$241,443

Source: Rossford Police Department, peer Departments, and U.S. Census Bureau

¹ Napoleon's total FTEs includes all sworn officers.

As seen in Table 3-3, RPD's 2005 operating expenditure ratios exceed the peer average in nearly every category, despite employing fewer FTEs and serving fewer residents over a smaller jurisdiction. RPD's relatively high level of expenditures can be attributed, in part, to the City's overtime expenditures, and several contract provisions such as COLA increases (see R3.2), the minimum man power (MMP) requirement (see R3.3), and the contract provisions for leave, uniform allowance, and standby pay (see the **collective bargaining agreements** section). In addition, RPD operates older, higher mileage vehicles, (see R3.4, R3.5, and R3.6) which contribute to increased maintenance and repair costs.

Assessment Not Yielding Recommendations

- **Organizational Structure:** The organizational chart accurately reflects the span of control within the Department. There are established provisions within the *Rossford Police General Policies and Procedures* that outline the job responsibilities and organizational structure of the Department. However; the Department does not have formal job descriptions. See the **administration section** of this report for recommendation on job descriptions. The organizational structure of RPD is similar to those of the peers.
- **Staffing and Related Operational Ratios Compared to National Statistics:** According to the *Bureau of Justice Statistics*, RPD's current staffing level is approximately 0.5 sworn FTE's over the national staffing levels; however, RPD is (0.2) FTE's below national staffing levels when comparing officers per 1,000 residents. Although staffing levels differ slightly from the national averages, RPD is within 5 percent of average staffing levels. In addition, if staffing levels were at fully authorized levels, RPD would be over the national average by more then 40 percent (see **R3.1**).
- **State-wide Competitive Bidding:** RPD uses State contracts for pricing vehicles.

Recommendations

R3.1 To ensure continued cost avoidances, the City of Rossford should consider reducing the current authorized staffing levels within the Police Department by removing vacancies from the table of organization and restructuring its organizational relationships accordingly. Specifically, the City should reduce authorized levels by three vacant road patrol officer positions and one vacant sergeant position. In addition, the City should consider eliminating the 0.5 FTE records clerk position due to increased efficiencies in the report process that would occur when mobile data terminals (MTDs) are acquired for the Department's fleet (see R3.10).

Because of recent events affecting the City of Rossford's financial situation, RPD's staffing is below authorized levels. RPD has 3.0 FTE road patrol officers, and 2.0 FTE sergeant positions vacant. During the course of the audit, 1 FTE sergeant position was filled, leaving 4.0 FTE vacant positions. By maintaining the vacancies, Rossford has avoided staffing costs of over \$255,000.¹ **Table 3-4** compares RPD's staffing levels as of August 2006 to peer police departments, by sworn and non-sworn position, rank and non-rank position.

¹ Including benefits calculated at 43 percent of salaries.

Table 3-4: Staffing Levels of Rossford and Peer Departments

Categories	Rossford PD	Napoleon PD	Northwood PD	Wauseon PD	Peer Average
Sworn FTEs					
Rank FTEs¹					
Chief / Assistant Chief	1.0	1.0	1.0	2.0	1.3
Captain/Lieutenant	0.0	4.0	1.0	1.0	2.0
Sergeants	2.0	0.0	5.0	2.0	2.3
Total Ranked FTE	3.0	5.0	7.0	5.0	5.7
Non-Ranked FTEs²					
Detectives	1.0	2.0	0.0	1.0	1.0
Road Patrol Officers	9.0	9.0	14.0	8.0	10.3
Auxiliary Police Officers	0.0	0.3	0.0	1.5	0.6
Total Non-Ranked	10.0	11.3	14.0	10.5	11.9
Total Sworn FTEs	13.0	16.3	21.0	14.0	17.1
Non-Sworn FTEs					
Total Non-Sworn FTEs³	1.3	0.0	1.0	2.0	1.0
Total Department FTEs	14.3	16.3	22.0	16.0	18.1

Source: Rossford Police Department and peer departments.

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 Includes administrative staff.

Note: During the course of the audit, the Police Chief changed the detective position to a road patrol officer. Since then, the staff member has retired. The Police Chief plans to fill the vacant road patrol position.

As shown in **Table 3-4**, RPD employs approximately 21 percent fewer FTEs when compared to the peer average. However, if the Department was at fully authorized staffing levels, RPD would have 18 sworn FTEs, which would be in line with the peer average. Staffing levels are most notably below the peers within the patrol officer classification, with RPD staffing being 13 percent lower than the peers. Overall, sworn staffing levels are 29.0 percent below the peer average.

The staffing difference can be attributed to the vacancy of 2 sergeant positions within the RPD approved ranks. RPD also has 0.3 FTEs (0.3 FTEs vacant) more non-sworn position than the peers. During the course of this performance audit, this vacant position was staffed with 0.5 FTE non-sworn personnel increasing this classification further above the peer average. However, when compared to Northwood and Wauseon, RPD’s authorized positions are in line with the peer average. In the future, the non-sworn clerical position could be eliminated from authorized levels due to technological advances (MTDs) and the patrol officers’ ability to review and write reports in the field (see **R3.9**).

Table 3-5 compares key operational statistics for RDP and the peers.

Table 3-5: Key Operational Ratios

	Rossford PD	Napoleon PD	Northwood PD	Wauseon PD	Peer Average
Calls for Service					
Number of Calls for Service	8,249	12,982	10,601	5,003	9529
Calls Per Patrol Officer	917	1,442	757	625	942
Calls Per 1,000 Citizens	1,292	1,415	1,958	685	1,353
Average Cost Per Call	\$164	\$98	\$197	\$243	\$179
Total Major Crimes					
Total Major Crimes	276	240	537	331	369
Crimes against Persons	45	177	85	38	100
Crimes against Property	231	63	452	293	269
Total Major Crimes Per Sworn Officer	21	15	26	24	21
Total Major Crimes Per 1,000 Residents	43	26	99	45	57
Arrest / Traffic Citations					
Total Arrests	402	1,111	402	232	582
Arrest Per Sworn Officer	31	68	87	17	57
Traffic Citations Per Patrol Officer (Includes Sgt.)	58	148	109	¹ N/A	129

Source: Rossford Police Department and peer departments.

¹Wauseon PD did not provide traffic citation data. The peer average is based on Napoleon and Northwood.

Table 3-5 illustrates that the workload ratios per 1,000 residents and per square mile are slightly lower or comparable to the peers. In addition, **Table 3-5** presents the following workload ratios:

- **Calls for Service:** RPD received approximately 13.5 percent fewer calls for service and 2.7 percent fewer calls per patrol officer than the peer average. In addition, the City of Rossford received approximately 61.4 percent fewer calls per 1,000 citizens.
- **Crimes:** RPD reported 25 percent fewer total major crimes than the peer average. In addition RPD has a comparable number of total major crimes per patrol officer and 24 percent fewer total major crimes per 1,000 residents.
- **Arrests:** RPD completed 31 percent fewer arrests compared to peer cities. Also RPD has 45 and 54 percent fewer arrests per sworn officer and per patrol officer, respectively, than the peer average.

By reducing the recommended vacant positions, RPD will be more in line with the peer average for sworn ranked FTEs. Similarly, by filling one of the vacant sergeant positions, the Department would become more in line with the peer span of control with sworn ranked officers.

Financial Implication: The City could achieve annual savings of approximately \$11,000, including benefits, by reducing a 0.5 clerical FTE with the implementation of MTDs (see **R3.10**).

R3.2 During future negotiations, the City should seek to slow the growth in salaries for the RPD. The City should seek salary levels which are more comparable to the peers and other local jurisdictions in its region and consider limiting cost of living adjustments (COLAs) to 1 percent in 2007 and 2008, and 2 percent in 2009.

If the City was successful in limiting COLAs, RPD would still be approximately 17.7 percent above the peer average salary scale for command officers and road patrol officers. Therefore, the City also should consider restructuring its step schedule for patrol officers hired after the next round of collective bargaining, to make salaries more consistent with the peers. The City should also periodically review all salaries to determine the appropriateness of salary schedules in the future.

RPD offers a higher salary than the peers. However, cities in close proximity to Rossford, such as Perrysburg, Oregon and Maumee, offer an average patrol officer starting salary of \$20.21 per hour. This is 17 percent higher than Rossford's starting hourly rate for patrol officers. RPD's higher patrol officer salaries may exist to compete with surrounding cities.

While offering salaries comparable to surrounding cities is important, factors such as population, median income, and property values, should also be considered. Taking demographic and economic factors into account allows a city to offer salary levels that are within its ability to pay (See the **collective bargaining agreements** section). Rossford's demographics and economic factors are lower than the surrounding cities, but higher than or comparable to the peers. Therefore, offering salaries more comparable to Napoleon, Wauseon and Upper Sandusky would be more appropriate than attempting to match surrounding city salaries.

Table 3-6 compares the RPD command officers and patrol officers' salary schedules to the peers for 2006, excluding overtime.

Table 3-6: 2006 Salary Schedule Comparison

Categories	Rossford PD	Napoleon PD	Upper Sandusky PD	Wauseon PD	Peer Average
Patrol Officers					
First Step	\$16.71	\$11.51	\$12.69	\$16.59	\$13.60
Final Step	\$21.60	\$18.91	\$16.21	\$18.88	\$18.01
No. of Steps	5	4	5	3	4
3 Year Average Step Increase	6.6%	7.2%	5.0%	6.7%	6.3%
3 Year Average COLA Increase	3.0%	2.0%	3.2%	2.9%	2.7%
Command Officers					
First Step	\$22.98	N/A	\$13.73	\$20.52	\$17.12
Final Step	\$24.16	N/A	\$17.54	\$20.52	\$19.03
No. Steps	4	N/A	6	1	3.5
3 Year Average Step Increase	2.0%	N/A	5.0%	N/A	5.0%
3 Year Average COLA Increase	3.0%	2.0%	3.2%	2.9%	2.7%

Source: Rossford Police Department and peer department collective bargaining agreements

¹Napoleon command officers are non-unionized; therefore peer averages for command officers include Upper Sandusky and Wauseon.

As shown in **Table 3-6**, the City of Rossford salary schedule for both patrol officers and command officers is higher at the initial and final steps than the peer police departments (see **R2.5** in the **collective bargaining agreements** section).

In 2004 the City of Rossford and the Ohio Patrolmen's Benevolent Association (OPBA) agreed to extend the 2003 contract by one year to 2006 and change the COLA. The original contract included a 2 percent COLA in 2003 and 2004, and a 4 percent COLA increase in 2005. The revised contract changed the COLA to 0 percent in 2005, and moved the 4 percent COLA to 2006.

As salary schedules are significantly higher than the peers, an additional COLA would make these salary differences even greater. RPD had an average COLA of 3.0 percent between 2004 and 2006. However, if RPD were to reduce the COLA to 1 percent, 1 percent, and 2 percent for the next 3 years, the impact would reduce the difference between RPD and the peers. **Table 3-7** illustrates the new salaries based on this assumption.

Table 3-7: COLA Comparison at 2009

Experience Level	Rossford PD at 1%, 1% and 2%	Rossford PD at 3.2%	Napoleon PD at 2%	Upper Sandusky PD at 3.17%	Wauseon PD at 2.9%	Average
Command Officers						
0 Months to 1 Yr	\$23.91	\$25.12	N/A	\$15.07	\$22.35	\$18.71
1-2 Years	\$24.10	\$25.56	N/A	\$15.70	\$22.35	\$19.03
2-3 Years	\$24.48	\$25.97	N/A	\$16.56	\$22.35	\$19.46
3-4 Years	\$24.89	\$26.40	N/A	\$17.83	\$22.35	\$20.09
4-5 Years	\$24.89	\$26.40	N/A	\$18.51	\$22.35	\$20.43
5-6 Years	\$24.89	\$26.40	N/A	\$19.26	\$22.35	\$20.81
Patrol Officers						
0-6 Months	\$17.38	\$18.25	\$12.21	\$13.93	\$18.07	\$14.74
6 months to 1 Yr	\$18.67	\$19.60	\$12.21	\$13.93	\$18.07	\$14.74
1 Year	\$19.94	\$20.94	\$16.29	\$14.52	\$18.07	\$16.29
2 Year	\$22.22	\$22.29	\$17.46	\$15.31	\$18.07	\$16.95
3 Year	\$22.48	\$23.60	\$18.72	\$16.49	\$19.07	\$18.09
4 Years	\$22.48	\$23.60	\$20.07	\$17.11	\$19.07	\$18.75
5 Year	\$22.48	\$23.60	\$20.07	\$17.80	\$20.57	\$19.48

Source: Rossford and peer departments, AOS assumptions.

As shown in **Table 3-7**, RPD could reduce the amount paid at each step for both patrol officers and commanders by limiting the COLAs to 1, 1, and 2 percent for 2007 through 2009. By reducing the COLA to 1 percent for a command officer with less than 1 year of experience, RPD could reduce the percentage increase by 6 percent compared to the peer average. For a command officer with 5 or more years experience, the percentage decrease would be 7 percent compared to the peer average. In addition, for patrol officers, RPD could reduce the percentage increase for a new patrol officer by 6 percent, while the increase for patrol officers with more that 5 years experience could be reduced by 6 percent.

Financial Implication: If RPD was able to negotiate a 1 percent COLA for 2007 and 2008, and a 2 percent COLA for 2009 versus a 3.0 percent COLA during those respective years, the City could potentially avoid costs of approximately \$2,360 per year, per position by 2009, or approximately \$71,000 in accumulated savings. **Table 3-8** breaks out cost savings for 2007, 2008 and 2009.

Table 3-8: Cost Avoidance Achieved by Limiting COLA's

	2007	2008	2009
Command Officer	\$2,983	\$7,631	\$9,426
Patrol Officer	\$8,985	\$18,331	\$23,464
Total Savings	\$11,968	\$25,962	\$32,890

Source: AOS, based on staffing data supplied by the City of Rossford

R3.3 In order to better control overtime expenditures, RPD should revise and update its policy and procedure for the use of leave time. The Department should also enforce its policies and procedures in an effort to control overtime usage. In addition, subject to negotiation, the City of Rossford should seek to eliminate the minimum man power (MMP) requirement in the contract. This will help RPD to more effectively manage overtime use and minimize related expenditures by allowing the Chief to serve on a shift and eliminate the need to call staff in on an overtime basis.

Table 3-9 shows overtime costs as a percent of salaries and operational expenditures for RPD and the peer departments.

Table 3-9: 2005 Overtime Expenditures for Rossford and Peer Departments

	Rossford PD	Napoleon PD	Upper Sandusky PD	Wauseon PD	Peer Average
Salaries	\$762,736	\$712,304	\$453,708	\$747,970	\$637,994
Overtime	\$51,872	\$13,483	\$43,900	\$7,875	\$21,753
Operating Expenditures	\$1,356,766	\$1,274,367	\$1,053,393	\$1,277,225	\$1,201,662
Overtime as a % of Salaries	6.8%	1.9%	9.7%	1.1%	4.2%
Overtime as a % of Operational Expenditures	3.8%	1.1%	4.2%	0.6%	1.9%

Source: Rossford Police Department and peer departments.

As indicated in Table 3-9, RPD’s 2005 overtime expenditures were twice the peer average. This can be attributed, in part, to the MMP requirement and contractual issues on sick leave and personal days which grant each member 5 personal days per year and 15 days of sick leave with unlimited accrual (see the **collective bargaining agreements** section). Table 3-10 shows the reasons for overtime, the number of occurrences, and efforts of the Department to minimize overtime.

Table 3-10: Overtime Reasons and Number of Occurrences

Reasons	Overtime	Overtime Avoidance	Total
Personal Day	15	2	17
Sick Leave	57	54	111
Vacation	55	25	80
Comp Day	51	14	65
Staff Meeting	0	3	3
Training	3	2	5
Holiday	39	10	49
Court	0	2	2
Total	220	112	332

Source: Rossford Police Department

Table 3-10 shows there was a potential requirement for overtime 332 times during 2005. RPD was able to avoid overtime payouts 112 times, or 33.7 percent of the time, by employing cost saving methods such as shifting schedules and using early call-ins. Of the 220 actual overtime payouts, 80 percent, or 178 occurrences, were associated with leave usage, which can be partially attributed to the City having more generous clauses related to personal leave, sick leave, vacation and compensatory time than the peers. In addition, overtime expenditures are partially the result of RPD not enforcing departmental policies and procedures for the use of leave time, which have not been updated since 1991. These policies consist of personal leave time, request for vacation time, absence without leave (A.W.O.L), illness or injury, and request for compensatory holiday time. Personal leave and request for vacations states that if overtime is needed to cover the shift, the determination will be forwarded to the Chief of Police, along with the supervisor's recommendations for approval or disapproval of the leave request. By better adhering to existing policies, leave requests should not result in excessive overtime costs to the Department.

The MMP requirement of 2 sworn staff members per shift also contributes to scheduling constraints when attempting to control and or reduce overtime expenditures. Excluding the Chief in staffing for the MMP requirement compounds the effects of MMP. None of the peer police departments have minimum manpower requirements in their collective bargaining agreements.

Table 3-11 contains an example schedule showing how shifts can be covered with current staffing levels and no restrictions.

Table 3-11: Sample Shift Schedule Using Current Staff with No Restrictions

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Shift 1	PO7 / PO8 / PO9	Chief / PO8 / PO9	Chief / PO8	Chief / PO7 / PO8	Chief / PO7 / PO9	Chief / PO9 / PO7	PO8 / PO9 / PO7
Shift 2	PO1 / PO4 / Ser1	PO1 / PO4 / Ser1	PO1 / PO4 / PO5	PO1 / PO5	PO1 / Ser1 / PO5	PO4 / Ser1 / PO5	PO4 / Ser1 / PO5
Shift 3	PO2 / PO3 / Ser2	PO2 / PO3 / Ser2	PO2 / PO6 / PO3	PO2 / PO6	PO2 / Ser2 / PO6	PO3 / Ser2 / PO6	PO3 / Ser2 / PO6

Source: AOS

Note: Ser = Sergeant / PO = patrol officers

Table 3-11 shows RPD can meet all shift safety levels noted in the current collective bargaining agreements by including the Chief in shift staffing schedules. Elimination of the MMP requirement and any contract language excluding the Chief in calculating shift coverage would allow RPD to establish a more flexible scheduling process. Also, elimination of MMP would reduce overtime expenditures, although the Department has not tracked the instances in which the MMP clause caused overtime accrual. The elimination of MMP and the reduction of personal days, sick leave days, and vacation could help potentially reduce overtime use and costs to the City.

During the course of the performance audit, the City amended the OPBA Command/Patrol bargaining agreements in order to explore options for the City to decrease overtime costs along with increasing management’s flexibility to schedule command and patrol officers. According to the Police Chief, 12 hour shifts were established for a 90 day trial period starting July 10, 2006, resulting in reduced overtime costs. Although the Department has incurred overtime costs during the trial period, the majority were associated with training expenditures.

R3.4 The Rossford Police Department and the City should adopt policies and formal plans for vehicle and other capital asset acquisition, maintenance, and replacement. These policies should form the basis for formulating long-term plans to address capital needs and ensure that these needs receive appropriate consideration in the budgeting process.

RPD currently maintains an aging fleet and does not have a formal vehicle replacement plan. **Table 3-12** compares RPD’s fleet with the peers.

Table 3-12: Police Vehicle Fleet Age & Mileage Statistics – 2005

	Rossford	Napoleon	Upper Sandusky	Wauseon	Peer Average
Total Vehicles	8.0	7.0	7.0	11.0	8.3
· Marked	6.0	4.0	4.0	8.0	5.3
· Unmarked	2.0	3.0	3.0	3.0	3.0
Jurisdiction (Square Miles)	4.3	5.6	5.2	4.9	5.2
Average Age (Years)	6.4	1.7	4.3	4.4	3.5
Average Mileage (Odometer)	123,640	37,196	84,317	70,815	64,109

Source: Rossford Police Department and Peer Departments.

As shown in **Table 3-12**, RPD currently maintains 8 vehicles in its fleet, including 6 marked and 2 unmarked cars, which is similar to the peer average. RFD has more marked vehicles than 2 of the peers. However, the average age is nearly twice that of the peer average and the average mileage is 93 percent higher.

The higher average age and mileage of RPD police vehicles when compared to the peers is a result of the City not replacing vehicles due to financial constraints in recent years. Prior to this, RPD had an unwritten policy to replace vehicles every 2 to 3 years. With the passage of an operating levy in November 2005, the City budgeted \$90,000 for 2006 to replace 3 RPD cruisers. These cruisers cost approximately \$80,000 through the State vehicle purchase program. RFD will pay a portion of the cost of new equipment installation through drug-related money that was seized in 2005. By purchasing these vehicles, the Department average age will be reduced to 4 years, with an average of approximately 77,000 miles, and it will be more consistent with the peer averages shown in **Table 3-12**.

During the course of this performance audit, the new Chief presented an alternative vehicle replacement plan to City Council which was approved. The plan calls for the purchase of one new vehicle in each of the next four years. In addition, the plan calls for the purchase of 4 used vehicles from the State of Ohio's vehicle surplus in 2006. To date, three used vehicles have been purchased and placed in service. The other vehicles will be purchased before the end of 2006.

Table 3-13 shows the proposed vehicle purchase plan.

Table 3-13: Rossford Police Department's Vehicle Plan

Year	3.5 Mil Operating Funds	Current Vehicles	Proposed Plan For New(er) Vehicles	Projected Fleet
2006	\$70,000	Beginning with 2	1 New 4 Used	7 Vehicles
2007	\$30,000	7	1 New	8 Vehicles
2008	\$30,000	8	1 New	9 Vehicles
2009	\$30,000	9	1 New	10 Vehicles
2010	\$30,000	10	Replace used or broken equipment	10 safe / operating vehicles

Source: Rossford Police Department

Table 3-13 shows that the City will save \$20,000 in 2006 from the original budgeted amount of \$90,000. However, the average mileage of vehicles in the State surplus pool is approximately 98,000 miles with an average age of 4 years. The replacement of existing vehicles that average 124,000 miles with vehicles having close to 100,000 miles results in the potential, after 2 years, that the newly-acquired used vehicles would have more miles than the current fleet. This is based on the current average of 21,000 miles per vehicle per year.

The approved alternate vehicle replacement plan does not take into consideration the replacement of the new and used vehicles purchased in 2006, which would need to be replaced starting in 2008. This action would cost the City an additional \$90,000 over projected costs. In addition, the plan needs to consider the vehicle depreciation cost per year.

Table 3-14 shows the years of service compared to the average vehicle cost per year.

Table 3-14: Years of Service and Cost per Year

Year of Service	Mileage	
	Newly Purchased Used Vehicles	New Vehicles
Year One	118,693	20,976
Year Two	139,669	41,952
Year Three		62,928
Year Four		83,904
Year Five		104,880
Year Six		125,856
Year Seven		146,832
Cost Comparison		
	Newly Purchased Used Vehicles	New Vehicles
Cost of Purchasing Vehicles and Equipment	\$9,820	\$27,781
Cost per Year	\$4,910	\$3,969

Source: Rossford Police Department and Ohio Department of Administrative Services.

As shown in **Table 3-14**, RPD's plan is to replace vehicles after 140,000 miles. RFD would likely need to replace the newly purchased used vehicles after 2 years of service, costing the City \$4,910 per year of ownership. On the other hand, a new vehicle has a higher upfront cost, but would cost the City only \$3,969 ($\$27,781/7$) per year over the life of ownership.

A comparison of the original and alternative plans, shows the alternative plan contains several key factors such as linking funds to cover cost, types of vehicles, and reasons for Departmental needs. However, the plan does not include pertinent information which stakeholders need to make a well-informed decision. For example, with the purchase of older vehicles, the plan should contain the estimated maintenance cost for an older fleet.

The Government Finance Officers Association (GFOA) recommends that government bodies adopt policies and plans for capital asset acquisitions, maintenance, and replacement. These policies help ensure capital assets or improvements receive appropriate consideration in the budgeting process and that older capital assets are considered for retirement or replacement.

If a capital replacement plan is not developed, the City may inadvertently incur large costs in the future to replace RPD equipment and vehicles because of delayed replacement and repair. By evaluating alternatives for capital equipment replacement, stakeholders will be fully informed of available options before any decision is made. This also will help ensure that RPD's future capital needs will be met.

R3.5 RPD should develop a formal vehicle preventative maintenance (PM) program. PM helps ensure effective vehicle maintenance repairs are made before equipment fails. In addition, RPD should implement a fleet management system that will allow the City to increase control over fleet maintenance.

RPD does not have a formal vehicle preventative maintenance program. The City also does not have a maintenance department; therefore, all maintenance is outsourced. Vehicles are taken to a local dealership or a local garage for repairs or maintenance, similar to peer practices. Estimates are obtained depending upon the cost of the service needed. RPD has an informal tracking system to monitor when repairs and maintenance are performed, including items such as replacing fluids, brakes, and engines. During the course of the audit, though, the Police Chief requested that oil changes be performed every 3,000 miles and that a vehicle inspection be conducted in conjunction with the oil change. If any potential problems are noted by the mechanic, repairs are made to the vehicles. An officer has been designated to maintain records on and ensure compliance with the oil change and maintenance schedules.

Because RFD has not purchased a new vehicle in 3 or 4 years, the cost of maintenance is increasing due to the age and mileage on the vehicles. **Table 3-15** compares RFD vehicle maintenance costs to Napoleon and Upper Sandusky.

Table 3-15: Maintenance Cost for Rossford and Peer Departments

	Rossford PD	Napoleon PD	Upper Sandusky PD	Average
Maintenance Costs	\$22,505	\$11,565	\$12,129	\$11,847
Total Vehicles	8	7	7	7
Maintenance Costs Per Vehicle	\$2,813	\$1,652	\$1,733	\$1,692

Source: City of Rossford and peer cities

Note: Wauseon and Northwood police departments were not included in this analysis as they did not report maintenance costs for vehicles alone or did not provide vehicle information.

Table 3-16 shows that RPD’s total maintenance costs were almost 90 percent higher than the peer average. On a per vehicle basis, RPD’s maintenance costs are 66 percent higher than the peer average. The higher maintenance cost can be attributed to the age of the vehicles and the lack of formal PM and vehicle replacement programs (see **R3.4**).

The *Public Works Management Practice Manual*, (American Public Works Association, 2001) recommends that a PM program be developed for an entity’s fleet. The following are key areas that should be considered when developing a PM program:

- **PM Schedule** – A PM schedule should be developed for all equipment. PM schedules are developed for advanced scheduling of work; to provide a system to call in units from operations areas, order parts and plan for breakdowns and emergencies.

- **PM Evaluation** – A routine evaluation of the PM program is performed to ensure timely and effective program administration.
- **Emergency Repairs** – A procedure is developed to respond to emergency repairs and breakdowns.
- **PM and Repair Priorities** – All preventative maintenance and repair activities are prioritized and scheduled for maximum operational use.
- **Repair Program Evaluation** – The maintenance program is evaluated to ensure the program is performed and administrated in an effective manner.

Although the Department tracks maintenance performed on the fleet, RPD should include additional records as recommended by best practice. According to the National Association of Fleet Administrators, tracking systems need to include the following: make, model, vehicle identification number (VIN), price, in-service date, odometer number, repair order number, the cost of the repair, the cause of the problem, the solution, and the name of the mechanic(s) performing the repair.

A well planned PM program will result in a dependable fleet and extended equipment life with lower operation, maintenance, and repair costs. Planning and scheduling PM activities requires providing the right maintenance at the right time at the lowest cost. In addition, the compilation of key data and records will allow fleet managers to obtain vehicle profile reports by the categories selected, and will allow for comparison of historical operating costs between different vehicle makes and models.

R3.6 The City of Rossford should consider processing a request for proposal (RFP) for its dispatching operations, and soliciting responses from reputable service providers such as the Wood County Sheriff's Office (WCSO) (see R3.9). This will allow the City to contract for cost effective dispatching services, improve communications with surrounding governmental entities, and use technology more effectively in its law enforcement operations.

The City of Rossford outsources its dispatching operation to Lake Township, which then contracts with a private contractor for the services. According to City Ordinance 97-030, competitive bidding is not required when the contract is made with another governmental agency, or with a not-for-profit corporation certified as exempt from taxation under federal law. The City Administrator stated that the WCSO was contacted in 2003 to determine if it was interested in performing dispatching operations for the City. However, the WCSO proposal was more costly. In 2006, the Administration did not issue an RFP and renewed the contract with Lake Township for a 3-year period.

Table 3-16 outlines RFD's actual and contracted dispatch costs per month and per year for 2003 through 2008.

Table 3-16: Dispatching Cost, Actual and Contracted

	Actual 2003	Actual 2004	Actual 2005	2006	2007	2008
Contracted Amounts Per Month	\$8,700	\$8,961	\$9,230	\$9,600	\$9,888	\$10,185
Contracted Amounts Per Year	\$104,400	\$107,532	\$110,758	\$115,200	\$118,656	\$122,216
Percent Increase / Decrease	N/A	3.0%	3.0%	4.0%	3.0%	3.0%

Source: City of Rossford

As shown in **Table 3-16**, the City was charged \$104,400 in 2003 with an increase of 3 percent per year in 2004 and 2005. However, the most recent contract calls for a 4 percent increase in 2006, with a 3 percent increase for the remaining contracted period. Dispatching operation costs represent approximately 7.5 percent of total operational expenditures in 2003, 7.3 percent in 2004, and 8.1 percent in 2005, for an average of 7.7 percent for the past 3 years.

Although a City ordinance exists stating that agreements between governments do not have to be competitively bid, it would be in the best interest of the City to seek RFPs and obtain competitive bids, when required, to ensure that it is receiving the best value. The National State Auditors Association (NSAA) recommends that governments develop policies and procedures for the procurement of contracted services. Policies and procedures should include the following:

- **Planning:** Proper planning provides the foundation for contract awarding and monitoring. Planning identifies what services are needed, when and how they should be provided, and what provisions should be in the contract. Planning also helps ensure proper information is collected to effectively structure a request for proposal (RFP). As a public entity, the agency must know the State's bidding and contracting laws, other relevant State laws as well as any procedural guidelines the agency is obligated to follow. Timely planning is crucial in all procurements, but especially in procurements like RFP's that can take a lot of time to execute.
- **Decision to Contract:** The agency needs to determine whether or not to contract for the services. This will determine whether outsourcing or keeping the service in house is the necessary action.
- **Performance Requirements:** Once the decision to contract has been made, the agency should develop performance requirements that will hold contractors accountable for the delivery of quality services.

- **Request for Proposal Process (RFP):** The decision to employ a request for proposal commits an agency to a formal process based on fair and open competition and equal access to information. An RFP allows the agency to systematically define the acquisition process and the basis on which the proposal will be assessed. The RFP itself provides a standardized framework for contractor proposals and highlights the business, technical, and legal issues that must be included in the final contract.
- **Award Process:** Although evaluation methods vary, the contract award process should ensure contractor proposals are responsive to the agency's needs, consistently and objectively evaluated, and that contracts are awarded fairly to responsible contractors. Without proper awarding practices, there is little assurance an agency is selecting the most qualified contractor at the best price.
- **Award Decision:** An agency should include the following when making an award decision:
 - Have appropriate procedures for handling late or incomplete proposals;
 - Ensure that an adequate number of proposals was received;
 - Use an evaluation committee, comprised of individuals who are trained on how to score and evaluate the proposals and who are free of impairments to independence;
 - Use fixed, clearly defined, and consistent scoring scales to measure the proposal against the criteria specified in the RFP;
 - Carefully check contractor references;
 - Document the award decision and keep supporting materials; and
 - Carefully control bids upon receipt to ensure that bids are not opened prematurely to give late confidential pricing information, bids are not accepted after the due date, inferior bids are not given extra opportunities to cure deficiencies, etc.
- **Contract Provision:** A contract for the purchase of services must be formal, and contained in written documentation. The contract should (1) protect the interest of the agency, (2) identify the responsibilities of parties to the contract, (3) define what is to be delivered, and (4) document the mutual agreement, the substance, and parameters of what was agreed upon.
- **Monitoring:** Contract monitoring is an essential part of the contract process. Monitoring should ensure that contractors comply with contract terms, performance expectations are achieved, and any problems are identified and

resolved. Without a sound monitoring process, the contracting agency does not have adequate assurance it receives the services stated in the contracts.

Policies and procedures surrounding contracted services can be a useful tool to help ensure efficient, effective, and accountable contractors are selected. Furthermore; policies and procedures help ensure proper internal controls exist during the procurement process (see the **administration** section for a further discussion on purchasing).

R3.7 On an ongoing basis, RPD should research and pursue all available grant funding opportunities. Sources should include foundations and other local groups, in addition to traditional State and federal sources. To accomplish this task, the Police Chief should assign grant research and proposal writing to an appropriate staff member, and provide training in identifying grants and developing grant applications. The City should also establish and approve formal guidelines for grant management. The Police Chief should work with the City Administrator and City Council to ensure that matching funds are available before accepting grants, and that the City and RPD can maintain the operations funded by the grants after they expire.

In addition, RPD should seek a renewal of its D.A.R.E. grant and identify and pursue other grant sources to implement a D.A.R.E. program in its schools. It should also pursue other prevention programs. The Police Chief should also review grant documents to determine if in-kind contributions (use of buildings, staff time, etc.) can be used to qualify for matching requirements of the D.A.R.E., and other grants. Increasing grant funding will provide the City with non-General Fund resources to support services in tight budget times but may require matching funds from the City.

RPD has not taken advantage of several grant opportunities available to law enforcement agencies to develop crime prevention and other programs. RPD does not have a grant writer. Instead, the most qualified person in the related field is responsible for writing applicable grants. As a result, the Department has not applied for, or received, many grants in the recent years. Peer police departments appear to have greater success in securing grants. **Table 3-17** compares RPD’s grant funding with the peers.

Table 3-17: RPD Grants Received in 2004-2005

	Rossford PD	Napoleon PD	Wauseon PD	Peer Average
Number of Grants	3	2	5	3.5
Amount of Grants	\$40,370	\$24,632	\$132,039	\$78,336

Source: City of Rossford, and peer departments / peer cities

Note: RPD was compared to Napoleon and Wauseon. Data was not available from Upper Sandusky.

As shown in **Table 3-17**, RPD received fewer grants and less grant funding than the peer average. From 2004-2005, RPD received the D.A.R.E. grant and a bullet-proof vest grant, while peers have received additional grants including the COPS in school grant, and the STOP grant (Wauseon PD). These additional grants have been used by Wauseon PD to develop crime prevention programs. According to *Grant Writing* (Ohio Office of Criminal Justice Services (OOCJS), 2005), another example is the City of Sandusky's Police Department regularly obtaining additional funding from community sources. It has several community programs that allow the Department to purchase new equipment and fund crime prevention activities. By increasing the outside sources of revenue for the departments, Sandusky and Wauseon have decreased their reliance on General Fund resources for specialized programs.

Because peer police departments receive additional grants, they also offer more safety and crime prevention programs. **Table 3-18** compares the programs offered by RPD to those of peer cities. These programs may or may not be fully funded by grants. While the dollar amount of grants obtained by Upper Sandusky was not available, the programs in the City of Upper Sandusky have been added in this table.

Table 3-18: Programs/Services of RPD and Peer Departments

	Rossford PD Programs	Northwood PD Programs	Upper Sandusky PD Programs	Wauseon PD Programs
Special Compliance Checks	X			
Response Team	X			
Bike Patrols	X	X		
Community Policing		X	X	
K-9 Unit		X		X
D.A.R.E. / SRO		X		X
Gangs	X			
Finger Prints	X			X
Ohio Reads Program		X		
MADD (Mothers Against Drunk Driving)		X		
Car/Safety Show		X		
Citizens Patrol Academy				X
Drug talks to Community				X
Child Car Seat Inspections				X
Security inspections				X
Public Speaking about Safety Concerns				X
Police Tours				X

Source: Rossford Police Department and peer departments.

Table 3-18 illustrates that RPD has not implemented many of the programs found in peer police departments. The programs implemented by peer police departments are beneficial in combating crime as they help deter criminal activity or address it in its early stages. For example, the D.A.R.E. program and School Resource Officers are used to prevent crimes by educating children. By increasing the level of grant funding for RPD, the Department could potentially redirect one-time expenditures from General Fund revenue sources to grant resources. Obtaining grants would also help the City focus its resources for Departmental operations on critical areas, while one-time costs could be funded by grant receipts. Furthermore, implementing the cost-saving measures identified in this performance audit could help the Department meet grant match requirements, such as those in the D.A.R.E. program.

The D.A.R.E. curriculum is designed to be taught by police officers whose training and experience gave them the background needed to answer the sophisticated questions often posed by students about drugs and crime. D.A.R.E. is an internationally recognized model of community policing, as it gives children the skills needed to recognize and resist the subtle and overt pressures that cause them to experiment with drugs or become involved in gangs or violent activities.

The School Resource Officers program is another prevention program in schools that focuses on the "Triad Model" of crime prevention and consists of law enforcement, student counseling, and law-related education. However, neither of these programs or other programs found in peer police departments has been implemented by the RPD. RPD participated in the D.A.R.E. program until December 2005, but due to financial constraints within the City and the decision of the local school board, the program was terminated.

According to *Grant Writing* (Ohio Office of Criminal Justice Services, 2005), grant applications should establish set guidelines that will allow the grant process to be understood by the entity, and by external grant reviewers. The process needs to be designed to best fit the needs of the City, and it may include the following:

- **Identify the organization's grant needs.** The City should determine the existing public safety-related problems, and how grant money can help to solve them.
- **Determine the program objective.** The objectives should be tangible, specific, concrete, measurable, and achievable in a specific time period. The objectives define the measurable outcomes of the project.
- **Define the method(s) that will achieve the objectives.** Cities should determine the method/programs and provide descriptions of the activities they want to pursue.

- **Determine a method to evaluate the outcomes of the proposed program(s).** Quantifiable measures of input, outcomes, and outputs allow management to assess programs performance and facilities effective management. In addition, they allow results to be communicated to all stakeholders.
- **Illustrate financial need for grant funding.** Detailed cost estimates and program budgets should be prepared to illustrate financial needs in contrast with the Department resources. They should provide a justification of the financial need to all stakeholders involved.
- **Assess and monitor staff qualifications.** Monitoring staff qualifications will help ensure that grant funding is used for the proposed purposes. It will also ensure that the staff has the necessary skills to use the funds to their full potential.

RPD can seek grants to purchase equipment or to develop crime prevention programs from various sources. **Table 3-19** provides a list of grant sources and grant research foundations that can assist in grant-seeking.

Table 3-19: Possible Grant Resource Sites

Resources	Website
Finding Federal Grants	
Catalog of Federal Domestic Assistance (CFDA)	www.cfda.gov
The Foundation Grants Index	www.fdncenter.org
National Directory of Corporative Giving	www.fdncenter.org
Federal Register	www.gpoaccess.gov/nara
Grants.Gov	www.grants.gov
Finding Private Grants	
Foundation Directory	www.fdncenter.org/cleveland
Identifying Federal Sources	
Department of Justice (DOJ)	www.usdoj.gov
National Institute of Justice (NIJ)	www.ojp.usdoj.gov/nij
Office of Juvenile Justice and Delinquency Prevention (OJJDP)	www.ojjdp.ncjrs.org
Bureau of Justice Assistance (BJA)	www.ojp.usdoj.gov/bja
The Office of Victims of Crimes	www.ojp.usdoj.gov/ovc
Identifying State Grants Sources	
The Ohio Office of Criminal Justice Services (OCJS)	www.ocjs.ohio.gov
Ohio Department of Public Safety (ODPS)	www.ohiopublicsafety.com
Ohio Department of Alcohol and Drug Addition Services (ODADAS)	www.odadas.state.oh.us
Ohio Department of Education	www.ode.state.oh.us
Ohio Department of Health	www.odh.ohio.gov
Ohio Department of Jobs and Family Services	www.jfs.ohio.gov
Ohio Department of Mental Health	www.mh.state.oh.us
Ohio Department of Youth Services	www.dys.ohio.gov
Ohio Attorney General	www.ag.state.oh.us/crimevic/

Source: Federal Emergency Management Agency

In addition to grant information published by specific State and federal agencies, information regarding available grants and eligibility requirements can be found in the following sources:

- **Local Government Resources** – a research database within the State Auditor’s Office website that contains links to a variety of grant resources.
- **The Foundation Center** – a comprehensive source about grant writing and the funding process with internal links to private and corporate foundations.

Although grant resources are vital in supporting operations, organizations must be wary of funding core operations with temporary funding sources. Should these funding sources expire, a disruption of services or an increase in direct costs may result. Therefore, one-time expenditures such as the purchase of equipment are especially good uses of grant funding. The expiration of grant funding can be mitigated by effective grant

management and communication with stakeholders. Obtaining additional grants would help the City focus the Department's operational resources on critical areas.

R3.8 The City Administrator and Police Chief should work with City Council to develop public safety-related performance measures and efficiency outcomes, such as crime clearance rates, number of incidents, and response times. By developing formal performance measures, Rossford and its public safety officials can more effectively monitor the achievement of the Department's mission. Moreover, RPD can use performance measures to enhance accountability by providing regular updates to City officials and Rossford residents. The City also will have another means by which to more effectively allocate staff (See R3.1).

The City does not use formal performance measures to monitor the efficiency and effectiveness of its public safety services as recommended by best practices. However, RPD reports a few selected operational statistics such as major crimes, calls for service, arrests, and traffic stops to the City Administration on an annual basis. According to **Table 3-6**, Rossford's statistics indicate they perform at a rate higher than, or comparable to, the peers.

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;
- 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.

Municipal Benchmarks Assessing Local Performance and Establishing Community Standards (David Ammons, 2nd Edition, 2001) recommends the following as examples of police-related performance measures:

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

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. Without a formal system of performance measurement, it will be difficult for Rossford to effectively monitor progress toward achievement of public safety-related goals and objectives.

R3.9 RPD should consider purchasing mobile data terminals (MDTs) for the Department's fleet. Some of the costs of this purchase could potentially be offset using grant funds. The City should also consider working with the Wood County Sheriff's Office and or other surrounding law enforcement agencies to acquire wireless technology for the MDTs.

During the course of the audit, the Police Chief obtained MDTs from the Ohio Highway Patrol at no cost to the City. The MDTs were outfitted with wireless cell phone cards and are able to connect to the Ohio Law Enforcement Gateway. Patrol officers also use the Law Enforcement Officer Toolkit which allows them to complete reports without returning to the station.

RPD's vehicles are not equipped with mobile data terminals (MDTs). Reports are hand written on the road and officers have to return to the station to enter the National Incident-Based Reporting System (NIBRS) section of the report into the database. Since RPD does not have MDTs, officers must request the Ohio Law Enforcement Automated Data System (LEADS) information from dispatch, which is then faxed to the station where officers receive it. RPD had direct access to LEADS at cost of \$9,000 a year but the City eliminated its use in an effort to save money. However, RPD does have access to the Ohio Law Enforcement Gateway (OLEG), which is a system similar to LEADS. OLEG is available free of charge to the Department. If an officer needs LEADS or OLEG information, he or she receives it over the radio, or drives back to the station to retrieve a hard copy.

The Napoleon Police Department (NPD) acquired a “Federal More COPS” grant in 2001 for the purchase and installation of MDTs. Information pertaining to COPS grants can be found at the Office of Community Policing Services web-site at <http://www.cops.usdoj.gov/>. The MDTs allow officers to have a presence in the field while filling out reports instead of returning to the station. Each officer was issued a memory stick so that reports could be downloaded from the MTD and then uploaded to the station server. The reports could then be updated or entered into NIBERS by dispatchers. The total cost per car for NPD’s application started at \$6,000; \$2,000 for the receiver, and \$4,000 for the MDT. In 2002 NPD received an “Industry Ear Mark” grant for the purchase of a 400 megahertz (MHz) wireless tower, with no matching fund requirement. The wireless network links the MTDs to central dispatch and each MTD in the fleet. The wireless connection has the capability of receiving and transmitting information countywide. The technology allows the officers to pass files from one patrol car to another without transmitting sensitive information over the radio, which can be intercepted.

The Wood County Sheriff’s Office (WCSO) is researching options for acquiring MDTs with wireless capabilities to fulfill a component of HB 66, which requires government agencies to submit consolidating plans to increase the efficiency of local government in Ohio. The Sheriff indicated the system would be similar to NPD’s program. WCSO dispatches for approximately 20 cities, villages, and EMS services in the county. Any entities that contract with the WCSO could also take advantage of the wireless capabilities if they acquire MTD technology. In addition, a joint collaboration in an effort to consolidate dispatching (services) resources meets the requirements of HB 66 (see **R3.6**).

MTDs would allow RPD patrol officers to allocate additional time in the field that is currently spent in the station processing reports. In addition, RPD would have a direct link with all law enforcement, fire, and EMS services. Based on a fleet of 8 vehicles, MDTs would cost approximately \$42,000 to install and operate.

Financial Implication: Based on the cost incurred by NPD, RPD could expect to pay about \$42,000 to install MDTs in all its vehicles. However, this cost could be offset with grant funds.

R3.10 RPD should consider allocating a greater number of patrol officers to traffic enforcement duties. Increased visibility within the community through traffic enforcement promotes community safety by greater adherence to traffic laws and increases the public’s awareness of the need to operate vehicles safely.

In 2005, staffing reductions within the Department caused a slight decline in RPDs traffic enforcement efforts. The number traffic citations issued by RPD fell by 15.3 percent from 2004 to 2005, in part due to staff reductions in 2005. **Table 3-20** shows the traffic related statistics for RPD and peer departments.

Table 3-20: Traffic Citations and Collections

	Rossford PD	Napoleon PD	Northwood PD ¹	Wauseon PD	Peer Average
Traffic Citations	521	1,334	17,069	1,479	1,406.5
Traffic Collections	\$31,760	\$43,673	\$279,597	\$53,420	\$48,546
Dollars Collected Per Citation	\$61	\$33	\$16	\$36	\$34
Square Miles	4.3	5.6	8.6	4.9	5.3
Traffic Citations Per Square Mile	121.2	238.2	1,984.8	301.8	270.0
Population	6,387	9,173	5,453	7,303	8,238
Traffic Citations Per 1,000 Citizens	81.6	145.4	3,130.2	202.5	174.0

Source: City of Rossford and peer cities.

¹ Northwood Police Department (NPD) was not included in the peer average. NPD implemented a photo enforcement project at various intersections throughout the City, which increased traffic citations and revenue collections.

According to **Table 3-20**, RPD issued 63 percent fewer traffic citations than the peer average in 2005. Although RPD’s enforcement area is 2 square miles smaller than the peer average, RPD also issued fewer traffic citations than the peer average on a per square mile and per 1,000 citizens basis. RPD’s General Policies and Procedures state that traffic enforcement is one of many tasks performed by RPD.

According to the National Highway Traffic Safety Administration (NHTSA), law enforcement executives and officers, elected officials, highway safety advocates, and civic leaders need to understand the relationship between traffic enforcement, crime, and public safety. Proactive traffic enforcement makes roadways safer, reduces crime and improves the quality of life in neighborhoods.

By emphasizing visibility in the community through heightened traffic enforcement, improving the use of technology (see **R3.9**) and reallocating resources (see **R3.1**) RPD can better ensure the safety of drivers operating motorized vehicles within the City limits.

Financial Implications Summary

The following table summarizes the annual cost savings, cost avoidances, and implementation costs discussed in this section.

Summary of Financial Implications

	Estimated Annual Savings	One-time Implementation Costs
R3.2 Reduce the growth of COLAs for 2007-2009	\$71,000	
R3.1 Reduce 0.5 clerical FTE position	\$11,000	
R3.9 Install MDTs in police vehicles		\$42,000
Total	\$82,000	\$42,000

Source: AOS recommendations

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Administration

Background

This section of the performance audit focuses on City of Rossford (the City) administrative functions and includes performance reviews of the following areas:

- Strategic planning;
- Administrative staffing;
- Financial systems;
- Income tax operations;
- Human resources;
- Purchasing;
- Technology; and
- Economic development.

Peer cities used for comparisons include Napoleon, Upper Sandusky and Wauseon. A brief description of each of the areas is included below.

Strategic Planning

The City does not have an operational strategic plan, but has developed a 5-year levy plan to address the 3.5 mill operating levy passed in November 2005. The development of the levy plan included input from department heads, the City Administrator, Finance Director, and Council members. In most instances, the City Administrator, Finance Director, City Council and Mayor are responsible for planning for the future financial and operational direction of the City.

City departments plan for their specific operational responsibilities. Rossford's departments include Administration, Fire, Police, Public Works and Parks. Additionally, the City operates a marina. The City appoints a Law Director, Clerk of Council, and part-time Zoning Inspector.

The City's departments and their responsibilities are as follows:

- **Administration:** Manages administrative functions that include finance, income tax, human resources, economic development, and permitting.
- **Fire:** Oversees fire suppression and prevention, as well as emergency management services (EMS) for the City. The Fire Department is comprised primarily of part-time volunteer firefighters.

- **Police:** Oversees the enforcement of laws, the prevention of crime, and protection of life and property (see also the **police section**).
- **Public Works:** Maintains public streets, grounds, sidewalks and sewers; removes snow from streets; performs minor building maintenance, and completes seasonal leaf and brush pickup.
- **Parks:** Manages City recreation programs and maintains park facilities and grounds.
- **Other:** The City operates a marina. Public Works prepares the marina for operation; police officers supervise the guards; City administration rents the spaces to boat owners. Rossford City Council also has a committee that oversees the marina.

Administrative Staffing

Rossford's administrative positions include the City Administrator, Finance Director, Administrative Secretary, Account Clerk (Payroll), and Account Clerk (Tax). The primary responsibilities of each position are listed below:

- **City Administrator:** Serves as chief fiscal officer, economic development director, and safety service director for the City. The City Administrator also acts as the purchasing agent for the City, issues permits and licenses, and performs other duties as outlined in the City's municipal code.
- **Finance Director:** Responsible for maintaining the central accounting system, preparing financial statements and budgets, approving payroll, purchasing, and certification of funds. The Finance Director is also the tax administrator and technology coordinator for the City.
- **Administrative Secretary:** Responsible for providing overall administrative support to the City Administrator. Duties include preparing correspondence, setting appointment schedules, maintaining personnel and benefit files, and processing permits.
- **Account Clerk (Payroll):** Responsible for processing paperwork to issue permits, processing applications for the purchase of materials and supplies, documenting receivables, and processing payroll.
- **Account Clerk (Tax):** Responsible for collecting taxes and preparing related financial statements and statistical data.

Table 4-1 shows Rossford's administrative staffing compared to the peers.

Table 4-1: Rossford and Peer Administrative FTE Comparison

	Rossford	Napoleon	Upper Sandusky	Wauseon	Peer Average
Administrator/Manager	1.0	1.0	0.0	0.0	N/A ²
Finance Director	1.0	1.0	1.0	1.0	1.0
Administrative Secretary	1.0	1.0	1.0	0.0	1.0
Taxation	1.0	2.5	1.5	2.0	2.0
Accounts Payable	0.8	1.0	0.5	1.0	0.8
Other Positions¹	0.0	5.0	0.5	1.0	2.8
Total Administrative FTEs	4.8	11.5	4.5	5.0	7.0
Total Per 1,000 Residents	0.8	1.3	0.7	0.7	0.9

Source: Rossford and peer organizational charts and staffing information

¹ Napoleon's other staffing includes the following positions: receptionist, records clerk, assistant finance director, payroll officer, and technology director; Upper Sandusky's other staffing includes the Assistant Auditor (part-time); Wauseon's other staffing includes the assistant finance director.

² Peer average could not be calculated because only one peer had a city manager or city administrator.

Overall, Rossford's administrative staffing per 1,000 residents is slightly lower than the peer average. Napoleon's administrative staff is higher than the other cities because they include full-time professional positions for personnel administration and technology. In addition, both Napoleon and Wauseon have a position for assistant finance director. Rossford is lower in taxation staffing at about half of the peer average (see **R4.8**).

Financial Systems

Rossford's City Administrator and Finance Director work together to prepare the City budget and develop financial recommendations for City Council. The City organizes the budget by fund, department, and expense category with detailed line items established for each department. The City presents the budget to the Council's Budget Committee for review before going to the full Council for approval. By December 31, Council adopts a permanent appropriation measure for the next fiscal year. Throughout the fiscal year, the Finance Director ensures all expenditure records are accurate and accounts not overdrawn. The City uses financial management software to track revenues, appropriations, and expenditures.

Table 4-2 shows 2005 General Fund expenditures for Rossford and the peers.

Table 4-2: 2005 Rossford and Peer Expenditures

Classification	Rossford	Napoleon	Upper Sandusky	Wauseon	Peer Average
Personnel Services	\$2,158,929	\$3,440,119	\$1,959,407	\$2,407,333	\$2,602,286
Contractual Services	\$1,086,761	\$824,287	\$417,693	\$715,208	\$652,396
Materials and Supplies	\$97,512	\$181,254	\$114,466	\$349,835	\$215,185
Capital	\$12,924	\$0	\$13,020	\$23,326	\$18,173
Other	\$20,096	\$119	\$88,722	\$39,602	\$42,814
Transfers	\$354,008	\$266,800	\$1,401,741	\$78,874	\$582,472
Total Expenditures	\$3,730,230	\$4,712,579	\$3,995,048	\$3,614,178	\$4,107,268
Population	6,387	9,173	6,459	7,303	7,645
Expenditures per Capita	\$584	\$514	\$618	\$495	\$542

Source: Rossford and peer expenditure reports

As seen in **Table 4-2**, Rossford's per capita expenditures are 8 percent higher than the peers. Differences in expenditure classifications are explained below. Rossford did not have significant expenditures for capital outlay and other, so explanations are not provided for those categories.

- Personnel Services:** The primary reason Rossford spends less than the peers for personnel services (includes wage and overtime) is that Rossford does not have certain positions in its table of organization. For example, it does not employ an assistant finance director so Finance/Income Tax Department wages are about \$74,000 for Rossford compared to an average of \$157,000 for the peers.
- Contractual Services:** Rossford's higher level of expenditures in this category is attributed to contracted street lighting, contracted legal services, and contracted dispatching services. Rossford spends approximately \$168,000 on streetlights, while peers spent an average of only \$49,000. However, this amount is paid through a special tax assessment. Rossford spend approximately \$149,000 on contracted legal services, while peers spent an average of \$20,000. Rossford also spent approximately \$110,000 for dispatching services (see the **police department section**), while peers do not have expenditures for this line item or incorporated this function in department operations.
- Supplies and Materials:** Peers have more extensive operations than Rossford for public works and utilities (i.e. electric and water). Therefore, supplies and materials expenditures for Rossford are lower than those of the peers.
- Transfers:** Rossford's transfer amount of \$354,008 is 39 percent less than the peer average of \$582,472. Funds receiving transfers in Rossford included Street Construction, Maintenance, and Repair (SCM&R) (\$40,535); Recreation (\$56,408); Recreation Center Debt Service (\$67,488); Landfill Closure (\$90,846); and Capital Improvements

(\$98,731). Peer transfers include transfers to Parks, Capital Improvement, Tax Refunds, and other reimbursements.

Income Tax

The Finance Director is the tax administrator for the City. Rossford also employs an Account Clerk (Tax) who is responsible for tax collection and preparation of tax information. Rossford levies a 2.25 percent income tax on residents and non-residents who work in the City,, businesses located in the City, and non-resident businesses earning net profits in the City. The City uses its financial management software to track income tax information and process billing.

Human Resources

Rossford does not have a human resources department. Instead, the Finance Department is responsible for completing the following human resources functions:

- Providing information on employee benefits;
- Processing payroll;
- Providing orientation to new employees on administrative items (i.e. policies and payroll); and
- Maintaining personnel files.

Human resource policies are contained in ordinances and labor contracts (see the **collective bargaining agreements** section). The Police and Fire Departments have developed specialized training programs for their staff. These training programs are funded through a combination of grants and General Fund monies. Other departments, including Administration, do not regularly participate in formal training programs (see *issues for further study*). Individuals applying for classified City jobs submit applications to the Civil Service Commission and are required to pass a civil service examination. The Civil Service Commission places advertisements for job openings in the Toledo newspaper. For recruitment of non-classified administrative positions, the City uses additional sources, such as the Government Finance Officers Association (GFOA) and the United States Council of Mayors.

Purchasing

Rossford uses a decentralized purchasing process. Departments determine what to purchase to meet their needs. The Finance Department approves department requisitions, processes purchase orders, and ensures the availability of funds for the purchase. The financial management software is used to process and track purchase orders and invoices. The City Administrator is the purchasing agent for the City, and is responsible for monitoring contracts and working with departments to develop requests for proposals (RFPs).

Technology

Rossford out-sources technology support for hardware and software. The contractor assists Rossford with password protection, computer security, and support of personal computers. The contractor provides additional technology support for financial, income tax and police software. The City purchased some new computers in 2006, and all City staff now has access to a computer and e-mail. Rossford's financial management software is character-based and out of date (see **R4.7**). This limits the ability of users to scan and attach documents to emails, and store and convert files. Rossford has a website that describes City services and has links to various forms and ordinances.

Economic Development

The City Administrator is the economic development director for the City. Activities include promoting economic development by meeting with area businesses, advising on zoning and land use, and participating in regional and State programs. In addition, the City works with other organizations, such as the Wood County Economic Development Commission. Rossford's economic development programs and initiatives include the following:

- **Joint Economic Development Zones (JEDZ):** The City has used this strategy with contracts with Toledo and Northwood. Rossford and the cities share income tax generated from development. In the agreement with Toledo, Toledo provides water and Rossford provides municipal services to the joint economic development zones. In the contract with Northwood, Rossford is responsible for water and sanitary sewer, and Northwood provides municipal services in these areas. Both contracts expire in 2008.
- **Joint Economic Development Port Authority (JEDP):** The City has a contract with Perrysburg Township that solidifies the economic development partnership between the communities in the Rossford/Perrysburg Joint Economic Development Authority/Port Authority. The purpose of the JEDP is to engage in activities that a Port Authority is usually created to undertake. These functions may include acquiring, managing, constructing, operating or contracting for facilities through the issuance of bonds or notes. Rossford is working through the JEDP to attract additional retailers.
- **Commercial/Industrial Parks:** The City has a number of sites available for businesses wishing to locate in Rossford, including a commercial site at the intersection of Interstate I-80/90 and I-75 (Crossroads of America), Rossford Technical Industrial Park, Rinker Point Business Research Park, and other development sites. When the Crossroads of America project is fully developed, preliminary projections indicate over 1,400 jobs will be created with an estimated payroll of \$25 million. The benefits of developing sites such as Rossford Technical Industrial Park and Rinker Point Business Research Park are to ensure land is available and infrastructure in place for businesses locating to Rossford.

Developing commercial and industrial parks should increase annual tax revenues for the City.

- **Tax incentives:** Tax incentives available to businesses locating in Rossford include various tax abatements and tax credits. The City has used tax increment financing for the Crossroads of America project and other businesses.
- **Grants:** The City has received grants that it uses to improve the quality of life for residents and taxpayers. Rossford has received State Issue II grants for sewer replacement and road and bridge widening, an Ohio Department of Development Community Housing Improvement Program Grant, the Ohio Department of Public Safety Emergency Medical Services Grant, a COPS Fast Grant, and the Ohio Department of Natural Resources, Division of Watercraft Waterways Safety Fund Grant and Clean Vessel Act Grant.
- **Web Site:** The City's web site has economic development information that includes technical assistance and incentive information, a list of available sites, a list of industries, and the zoning map. The City's website also has information and links to regional initiatives such as the Northwest Ohio Training Consortium (NOTC), and Edison Industrial Systems Center (EISC). NOTC is a coalition of community and technical colleges in the area to provide training for employers at the lowest possible cost. EISC is a regional technology center to provide resources and linkages for various industries that include the tooling industry, food manufacturing, polymers and plastics technologies, and others.
- **Other:** Currently, Rossford is using a consultant to assist with economic development planning for the City's downtown.

Assessments not Yielding Recommendations

During the course of this performance audit, several assessments yielded no recommendations, including:

- **Economic Development Organization Structure:** Rossford's organization of economic development functions is appropriate for a City of its size when compared to the peers. The City Administrator, along with the Mayor and Council, are responsible for economic development activities for the City. The City Administrator indicated that the City promotes economic development by meeting with area businesses and working with the County and other jurisdictions to promote economic development in the region. Peers also work with their county offices and other jurisdictions to promote economic development, and offer tax incentives. The peers use additional methods to organize economic development, that include outsourcing economic development planning, using a Community Improvement Corporation (CIC) to manage the bulk of economic

development activities, and using their Zoning Administrator as their central point of contact to assist businesses in meeting their needs. Rossford has used a CIC, known as the Rossford Economic Growth Corporation in the past. Currently Rossford is using a consultant to assist with economic development planning for the City's downtown area.

- **Permitting Process:** AOS did not examine Rossford's permitting process in depth because the County processes building permits, and the City only issues zoning permits and other special permits for items like fencing and signs. Residents can access the zoning code, zoning map and permitting applications on the City's website.
- **City Department Organizational Structure:** The City's departmental structure, including administration, was reviewed and compared to the peers. No positions or departments were determined to be duplicative and, therefore, no consolidation was recommended. The City is comparable to the peers in overall administrative staffing per 1,000 residents (see **Table 4-1**). In addition, Rossford staffing is similar to the peers including essential public safety staffing in police and fire functions. Rossford's Parks and Public Works staffing generally includes laborers, technicians, maintenance, and custodial staff, which is comparable to the peers.

Issues for Further Study

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

- **Use of Technical Professionals:** The Ohio Environmental Protection Agency (EPA) cited the City and a private company located in one of the industrial zones located adjacent to the City's closed landfill for not seeking authorization from the Ohio EPA's Director to engage in filling, grading, and excavation activities prior to beginning construction of the private company's railroad spur. The City granted an easement for the railroad spur and both the City and the private company indicated that at the time the easement was granted, they were not aware that it would cross the landfill. The citation was settled with the City and private company agreeing to split the \$10,000 cost of doing community service and the \$45,652 cost to develop, implement and submit revised monitoring plans. The City's environmental consultant estimated that the cost to develop the plans is approximately \$45,562, of which the City would pay one-half. In the future, the City should study the need to use technical professionals at the beginning of all projects to ensure compliance with Environmental Protection Agency (EPA) and other regulations.

- **E-government Solutions:** Rossford, like many small governments, is beginning to offer e-government services to its residents. During the course of the audit, it was noted that the City used its website for a recent candidate search to fill a vacant position. Other areas where the City may wish to examine the cost/benefit of using additional technology include an on-line application system and e-procurement processes. Additional technology use can streamline functions but has an associated implementation cost. See also **R4.18**.
- **Employee Retention Strategies:** The City has enjoyed a stable workforce and, as a result, has not developed employee retention strategies. Using such strategies can be helpful in gauging employee satisfaction, determining if turnover is a problem, and understanding reasons employees' leave City employment. Methods including formally tracking employee turnover, conducting exit interviews, and distributing employee satisfaction surveys could help to reduce employee turnover. Retaining qualified employees increases productivity, keeps knowledge and experience in-house, and avoids the cost and time needed for training new employees. Since turnover is not currently an issue, the City may wish to study retention methods to determine the appropriateness of implementation.
- **Use of Purchasing Consortia:** Rossford has used State purchasing programs to purchase police vehicles and has entered into collaborative purchasing agreements with other jurisdictions to purchase rock salt. During the course of the audit, auditors noted that the City may not be using all available consortia. By pursuing use of consortia to purchase items in bulk, the City could leverage its buying power and potentially receive better pricing on the items it buys. However, in some cases, consortia or purchasing programs require membership fees. As a result, the City should examine the cost/benefit of using additional purchasing programs to lower procurement costs.

Recommendations

R4.1 Rossford should develop an operational strategic plan that links the activities of City Departments and incorporates performance measurements and measurable objectives. An operational strategic plan will help the City better manage operations to achieve current and future goals. The Mayor and City Administrator should work with City Council and other elected officials, as well as members of the community, to develop this plan.

The City has not developed an operational strategic plan outlining goals and objectives and containing performance measures, work-steps, costs, and responsible parties. However, the City has developed a 3.5 mill Levy Spending Plan for 2006-2010. The City developed the plan with input from department heads, the City Administrator and Finance Director. Council met to review the plan and formed a consensus on how to spend levy funds. The plan included expenditure items such as storm-water sewer master plan, police fleet replacement, road improvements, deferred wage increases, and public works equipment. However, it does not contain strategic goals for the City or methods for achieving such goals.

In contrast, the City of Napoleon developed a strategic plan with assistance from a consultant. It covers areas such as housing, natural resources, and economic development and articulates goals and objectives for each area. A component of the plan development process was to conduct a community survey to assess community needs and priorities.

According to the Government Finance Officers Association's (GFOA), elements of strategic planning include identifying critical issues, creating an action plan, developing measurable objectives, incorporating performance measures, monitoring progress and reassessing the strategic plan. The GFOA recommends that all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting. The key steps in the strategic planning process include:

- **Initiating the strategic planning process:** The strategic plan should be initiated and conducted with authorization and support from the organization's chief executive.
- **Preparing a mission statement:** The mission statement should be a broad but clear statement of purpose for the organization.
- **Assessing environmental factors:** A thorough analysis of the organization's internal and external environmental factors sets the stage for an effective strategic

plan. A common methodology for assessing environmental factors is a SWOT analysis (strengths, weaknesses, opportunities, threats).

- **Identifying critical issues:** Use the results of the environmental analysis to identify critical issues.
- **Develop broad goals:** These written goals should address the most critical issues facing the organization.
- **Creating an action plan:** The action plan describes how strategies will be implemented and includes activities and services to be performed, associated costs, delegation of responsibilities, priority orders, and timeline for reaching goals.
- **Developing measurable objectives:** These objectives are specific measurable results to be achieved.
- **Incorporating performance measures:** Performance measurement provides an important link between the goals, strategies, actions and objectives to be achieved in the strategic plan and programs and activities funded in the budget.
- **Obtaining approval of the plan:** Policy makers should formally approve the strategic plan so it can provide the context for decisions and budget decisions.
- **Implementing the plan:** Organization stakeholders should work together to implement the plan.
- **Monitoring progress:** Progress toward planned goals should be monitored at regular intervals.
- **Reassessing the strategic plan:** To the extent that external events have long range impacts, goals, strategies, and actions may need to be updated to reflect these goals.

GFOA also states that an important complement of the strategic planning process is the concurrent preparation of a long-term financial plan.

Strategic planning helps organizations assess the current service environment, anticipate and respond appropriately to change, envision the future, increase effectiveness, develop commitment to the organization's mission, and reach consensus on strategies and objectives for achieving that mission. Rossford would benefit from an ongoing,

operational strategic planning process, as it would help the City better understand and focus on community needs and communicate progress toward meeting goals.

Administrative Staffing

R4.2 The City should consider creating a labor pool in order to more efficiently use existing staff. A labor pool would allow the City the flexibility to allocate staffing to areas or projects on a priority basis. The labor pool could be comprised of staff members from public works and parks. Staff members in the labor pool would be cross-trained in different areas, which would enhance their skills and increase their value and productivity as City workers. The City would likely have to negotiate with its bargaining units to implement this staffing strategy.

The City has not created a labor pool, similar to Upper Sandusky. In prior rounds of collective bargaining, City management has given up some of its flexibility to employ strategies for the efficient deployment of staff (see **R2.1**). The City Patrol Officers' contract has minimum staffing requirements that limit management's ability to adjust staff based on changes in crime rates, population or City finances. Similarly, the City's AFSCME contract limits the type of work that staff performs to very narrow definitions that increase opportunities for overtime. Examples of AFSCME contract provision that limit the type of work performed include provisions that disallow supervisors from performing work that would result in reduction of overtime and setting limits on hiring seasonal employees to avoid paying overtime.

The City could more efficiently allocate staffing resources by creating a labor pool. Without a labor pool, job functions are more narrowly defined, which does not give the City the flexibility to allocate staffing to areas and projects where they are needed most. However, the City has one contract for public works employees and another contract for parks, so interchanging responsibilities would have to be negotiated through the collective bargaining process.

In Upper Sandusky, all laborers and operators are members of the City labor pool. The City labor pool is a system that promotes the efficient use of the City's labor force. Each department is part of the labor pool and, at the discretion of the Mayor, the laborer/operator may be moved as necessary from one department or job to another to carry out the day-to-day operations of the City. The City compensates laborers at an hourly rate established by the Service Committee. However, Upper Sandusky's parks and public works employees are not in a union.

Financial Systems

R4.3 The City should establish a formal and consistent financial planning process which includes a methodology for forecasting revenues and expenditures. Elected City officials and key administrators should use the forecast as a management tool to guide the development of the annual budget. Moreover, to improve its financial planning, the City should carefully analyze variances between previous forecasted and actual amounts. The variance analysis should identify factors that influence revenue collections, expenditure levels, and forecast assumptions.

The City has not developed a financial forecast for revenues and expenditures, nor has any administrator or elected official obtained training in financial forecasting or revenue and expenditure projections. After a 5-year General Operating levy passed in 2005, the City created an expenditure plan for the additional revenue. In addition, the Finance Director created a spreadsheet that projected the five year General Operating levy revenues and expenditures for 2006-2010.

GFOA stresses the importance of governmental entities actively engaging in a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions. This process ensures the entity can develop appropriate strategies to achieve its goals. GFOA recommends the following for forecasts:

- Forecasts should extend at least three to five years beyond the budget period and be regularly monitored and periodically updated.
- Methodology and assumptions should be clearly stated.
- Variances between projected and actual amounts should be analyzed.
- Projections should be available to participants in the budget process before budgetary decisions are made.
- One or more updated projections should be available during the budget period to avoid unintended deviations from balanced-budget requirements.

The Auditor of State (AOS) recommends the following steps in developing a financial forecast:

- Establish a base year;
- Assess revenue and expenditure growth trends;

- Clearly specify underlying assumptions;
- Select a forecasting method;
- Assess the reliability and validity of the data used to determine assumptions;
- Monitor actual revenue and expenditure levels against the forecast and explain variances; and
- Update the forecast based on changes.

A Framework for Improved State and Local Government Budgeting and Recommended Budget Practices (The National Advisory Council for State and Local Budgeting (NACSLB), 1998), states that expenditure forecasting provides critical information to decision-makers about whether projected expenditure levels can be sustained, whether new programs are affordable, and whether a program's current and future costs are acceptable compared to program benefits. NACSLB also states that particular attention should be given to major revenue sources. Trend analysis, econometric modeling, and other methods should be used, as appropriate, depending on the type of revenue being projected, the availability of data, and the period covered by the projections.

A financial forecast can be used to analyze historical revenue and expenditure data as well as identify variances from actual amounts and the forecasted projections. Without financial projections, Rossford is unable to plan for and finance long-term goals. In addition, Rossford is unable to evaluate the current spending level and its impact on the City's future financial position, or proactively address future financial problems.

Financial Implication: Attending GFOA training on forecasting could assist Rossford administrators and elected officials in learning strategies to improve forecasting. If the City identifies the need to send staff for training, GFOA seminar information can be used for budget planning and revenue forecasting. GFOA training occurs throughout the year across the country and registration costs would be approximately \$750 per person for GFOA non-members, exclusive of travel expenses.

R4.4 The Finance Director and City Administrator should work together to develop financial policies related to planning, revenue and expenditures. Council should formally adopt the financial policies. To develop the policies, the City should analyze historical expenditures, debt, revenue sources (i.e. fees, grants, taxes, and investments), and internal financial processes, such as annual budgeting and purchasing. Developing revenue policies would allow the City to anticipate funding changes and avoid potential service disruptions caused by revenue shortfalls. Developing financial planning and expenditure policies would ensure accountability for City finances and fiscal stability. Finally, developing policies regulating financial processes would ensure consistent application of appropriate processes across City departments.

The City does not have formal financial management policies. Rossford's Finance Department only has three employees, and it focuses on day-to-day operations. Day-to-day operations do not allow the Department additional time to develop formal policies. Also, with the small size of the Department, formal written policies were not considered essential.

According to GFOA, financial management policies should cover financial planning, revenues and expenditures. GFOA recommends the following policies:

- **Balanced Budget** - A city should adopt a policy(s) that defines a balanced operating budget, encourages commitment to a balanced budget under normal circumstances, and provides for disclosure when a deviation from a balanced operating budget is planned or when it occurs.
- **Long-Range Planning** - A city should adopt a policy(s) that supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions.
- **Asset Inventory** - A city should adopt a policy(s) to inventory and assess the condition of all major capital assets. This information should be used to plan for the on-going financial commitments required to maximize the public's benefit.

Developing revenue policies allows governmental entities to anticipate funding changes and avoid potential service disruptions caused by revenue shortfalls. For revenues, the GFOA recommends the following policies:

- **Revenue Diversification** - A city should adopt a policy(s) that encourages a diversity of revenue sources in order to improve the ability to handle fluctuations in individual sources.
- **Fees and Charges** - A city should adopt policy(s) that identify the manner in which fees and charges are set and the extent to which they cover the cost of the service provided.
- **Use of One-time Revenues** - A city should adopt a policy(s) discouraging the use of one-time revenues for ongoing expenditures.
- **Use of Unpredictable Revenues** - A city should adopt a policy(s) on the collection and use of major revenue sources it considers unpredictable.

Developing financial planning and expenditure policies ensures accountability over a governmental entity's finances and fiscal stability. For expenditures, the GFOA recommends the following policies:

- **Debt Capacity, Issuance, and Management** - A city should adopt a policy(s) that specifies appropriate uses for debt and identifies the maximum amount of debt and debt service that should be outstanding at any time.
- **Reserve or Stabilization Accounts** - A city should adopt a policy(s) to maintain a prudent level of financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures.
- **Operating/Capital Expenditure Accountability** - A city should adopt a policy(s) to compare actual expenditures to budget periodically (e.g., quarterly) and decide on actions to bring the budget into balance, if necessary.

GFOA further recommends that entities review these policies, along with any other policies developed during the budget process, to ensure continued relevance and to identify and address any gaps. The entity's administrators should communicate the results of the review with the governing board during the review of the proposed budget. Rossford, as a member of GFOA, can access best practice examples of financial policies from other cities. GFOA also has publications available on its website related to financial planning and policies for small cities (www.GFOA.org).

The City of Sidney, Ohio has developed financial policies that include a budgeting and financial planning policy, as well as other areas. The major elements of the budgeting and financial planning process for Sidney are a comprehensive strategic plan, five-year financial plan and annual operating and capital budgets. The comprehensive strategic plan establishes a policy framework to guide the expansion and future development of Sidney over a ten to fifteen year period. The five-year financial plan projects operating fund financial performance, estimates funding needs, and identifies funding sources. Sidney updates the financial plan annually and estimates the costs and funding for projects and programs that accomplish the long-term goals of the city. Sidney's budgeting and financial policies' state that the following budget-balancing strategies will be used, in order of priority:

- Reduce expenditures through improved productivity;
- Shift expense to other parties;
- Create new service fees or increase existing fees;
- Seek tax rate increases; and
- Reduce or eliminate services.

In addition, Sidney has financial policies for auditing, internal controls, asset management, risk management, capital improvement program, debt management and financial performance targets.

Creating formal financial policies and procedures would help Rossford better communicate standard procedures and ensure continuity within the Finance Department in the event of turnover. Rossford could develop its own financial policies over time using best practice examples and tailoring them to the City's particular circumstances. This could be accomplished using existing staff.

R4.5 Rossford should prepare and adopt a comprehensive, multi-year capital plan to ensure effective management of capital assets. A multi-year capital plan would help Rossford identify and prioritize expected needs based on the community's strategic plan. The multi-year capital plan would also establish project scope and total cost, detail estimated amounts and sources of funding, and outline future operating and maintenance costs. A capital plan should cover a period of no less than three years.

The City has not developed a formal capital planning process. The small number of staff in the Finance Department and the size of the City have made long-range planning more difficult. However, without a multi-year capital plan, Rossford does not have a clear understanding of its capital and major equipment needs, maintenance requirements, funding options, and operating budget impacts.

According to GFOA, a multi-year capital plan should include the following steps:

- **Identify Needs:** Include capital assets requiring repair, maintenance or replacement as well as infrastructure and other improvements that support economic development.
- **Determine Costs:** Determine scope and timing of projects; identify appropriate funding sources; develop and adjust cost projections based on anticipated inflation; identify ongoing operating costs and non-financial impacts to the community (i.e. environmental).
- **Prioritize Capital Requests:** Anticipate the operating budget impact on projects; incorporate participation of major stakeholders and departments; re-evaluate capital projects; adhere to legal requirements and mandates; apply analytical techniques (i.e., cost-benefit analysis); and use a rating system to facilitate decision making.

- **Develop financing strategies:** Anticipate revenue and expenditure trends; prepare cash flow projections; recognize appropriate legal constraints, consider funding amounts and funding alternatives; evaluate the affordability of the financing strategy, including the impact on debt ratios, taxpayers and others.

The City of Sidney, Ohio prepares a five-year capital plan and updates it annually. Sidney prepares an annual capital budget along with the plan approved by Sidney's City Council. The plan prioritizes all anticipated capital projects and determines the availability of funding. Sidney funds its capital plan through the General Fund, water and sewer use charges, and federal and State grants.

The City could develop the capital plan in-house as a component of the budget review process, so costs would be minimal. To develop a capital plan, the City's Administration should compile and prioritize capital project requests provided by Departments. A multi-year capital plan would help Rossford identify and prioritize expected needs based on the community's strategic plan, as well as establish project scope and cost, detail estimated amounts of funding from various sources, and project future operating and maintenance costs.

R4.6 The City should consider developing a performance-based budgeting process that links performance measurement to the budgeting and strategic planning process. A performance-based budgeting process would allow the City to determine resource allocation in relation to goal accomplishment and Department performance. Performance measures should integrate Department and service goals, resources (inputs), outputs, efficiency and outcome measures and costs with the City's budget. The City should communicate the purpose of the program to City employees and residents by informing them how the process would be used for continuous improvement of City operations.

The City does not use a performance-based budget process because of limited personnel in Finance to implement a performance measurement system and link it to the budget process. The City uses a line-item budget organized by fund, department, and expense category; with detailed line items established for each department. The City presents the budget to the Budget Committee for review before going to Council for approval. The budget does not link funding to performance or goal achievement. Without those links, Rossford cannot measure resource allocation in relation to goal accomplishment and department performance.

According to GFOA, a key responsibility of State and local governments is to develop and manage programs, services, and their resources as efficiently and effectively as possible and communicate results to stakeholders. Performance measurement, when linked to the budget and strategic planning process, can assess accomplishments on an

organization-wide basis. GFOA recommends that governments in the early stages of incorporating performance measures into the budgeting process should do the following:

- Develop goals and objectives that are specific in timeframe and measurable;
- Identify and track performance measures for a manageable number of services within Departments;
- Identify Department and service costs in the budgeting process;
- Identify Department and service outputs in the budgeting process that addresses the amount of service units produced;
- Identify resources (inputs) allocated to each Department and service; and
- Identify the Department and service outcomes in the budgeting process that address the extent to which the city accomplishes goals of the program.

The Governmental Accounting Standards Board (GASB) service efforts and accomplishments (SEA) project's purpose is to encourage experimentation with external reporting of performance information; provide non-authoritative guidance for the communication of performance information; and assess how successful the guidance has been in assisting state and local government organizations to effectively communicate the results of their operations. GASB's SEA website gives samples of performance reports from other cities (www.seagov.org). For example, Lynwood, Washington's performance report provides useful information on city goals and performance measures for all City services. The report includes citizen survey results, benchmarks against other similar cities, and trends.

A performance-based budget would help the City identify financial and program results, evaluate past resource decisions, and determine qualitative improvements in future decisions regarding resource allocation and service delivery. The City could begin implementation of performance-based budgeting using examples from GASB's SEA reports. City administrators should also receive training on performance measurement. City departments could be used to develop initial measures and collect data. Basing the development of measures within the departments would improve buy-in by City employees and managers.

Financial Implications: GFOA training on performance measurement occurs throughout the year. The cost would be approximately \$750 per person for GFOA non-members. If two people attended, the total cost would be \$1,500.

R4.7 The City should upgrade its current financial system software from a character-based system to a client server, windows-based system. Installing a client server, windows version of software should improve the City's ability to arrange data in an easy to read, user-friendly formats, quickly scan, print, and e-mail documents, and convert and store files in a windows-based environment. One approach the City

could use to minimize one-time implementation costs is to phase in the upgrade for each module rather than upgrading all modules at the same time. The existing system allows character-based modules and windows-based modules to interface.

The City's management software is character-based, which is an obsolete system. The City has not viewed upgrading the software as a priority due to limited funding. The City uses management software designed for local governments to maintain City electronic records. These records include financial, payroll, budget, purchasing, police, and income tax. Rossford's Finance Director indicated the current software works well, but should be upgraded to a windows-based system because maintaining the character-based software is costly and applications support could be eliminated in the future.

Technical support for the character-based modules is difficult to obtain because there is a limited number of support personnel with expertise in the outdated UNIX character-based software language. A character-based system requires more data entry and does not have the benefits of a Windows-based system, such as allowing staff to easily scan and e-mail attached documents, convert and store files, and e-mail tax notices. By using an obsolete financial management application, the system for accessing and storing records is cumbersome, and does not provide timely reports and information to staff and residents. In addition, the City has not developed a replacement plan for technology that would incorporate system upgrades (see **R4.15**).

As Rossford is experiencing high costs to maintain the outdated system, long-term cost savings in system maintenance and staff efficiency could result from the recommended upgrade. If the system is not upgraded in the near future, the City may be unable to obtain support for the UNIX system.

Financial Implication: Upgrading to the windows-based system would cost approximately \$20,000. The City would incur additional costs in annual licensure fees and training for employees. The City's service provider did not provide these costs for inclusion in the audit report.

Income Tax

R4.8 Rossford should implement stricter policies to enforce and enhance income tax collections and use proven methods to identify additional taxpayers living within the City.¹ The City should consider using strategies like State taxpayer filing lists, rental reports, new utility orders, the newspaper, and tax withholding reports to

¹ Additional options for identifying additional taxpayers include building and zoning permits, field investigation for contractors, high school graduation records, beauty shop lists, lottery lists, 1099 Miscellaneous forms, directory software, telephone books, election list, W-2s from employer reconciliations, and contractor letters.

identify taxpayers who are not filing City income taxes. Identifying delinquent taxpayers would help to ensure up-to-date, accurate tax information on residents and businesses located in City and should increase tax revenue. The City should consider adding a “withholding clause” to its contracts, requiring contractors to agree to withhold taxes from employees and subcontractors to withhold taxes.

The City should consider sending an initial letter to delinquent taxpayers at least 30 days after they miss the filing deadline. If the City does not receive payment after the first or subsequent letters, court action should be initiated. Informing delinquent taxpayers as soon as possible of the penalties involved should result in a higher level of compliance with City tax laws and improve the collection of delinquent accounts. Finally, Rossford should consider hiring a part-time employee to assist in taxpayer identification and payment enforcement.

The Finance Department has not worked stringently to ensure that all taxpayers residing within the City are paying Rossford income tax. The Finance Director indicated the City periodically checks the Ohio Department of Taxation taxpayer filing lists and sometimes uses a rental report showing names, addresses, telephone numbers, and places of employment (if available) of tenants. The City adopted an ordinance in 2005 to tax gambling earnings. However, Rossford’s Finance Director indicated the City has not been effective in identifying new taxpayers.

Rossford’s difficulty in collecting delinquent taxes can be attributed, in part, to the low number of staff dedicated to tax collections. The Finance Department staff periodically reviews tax records seeking to identify delinquent taxpayers, and separates them from the rest of the files. However, Rossford does not consider taxpayers delinquent until after one year. Based on information provided by the City, there is only a small number of delinquent accounts and the delinquency rate is nominal. If the City identifies a taxpayer as delinquent, the Finance Department sends a series of three letters: a notification letter, a letter mentioning prosecution, and if necessary, a letter specifying a court date.

Rossford’s total taxation staffing is 50 percent lower than the peer average (see **Table 4-2**) and 40 percent lower than the peer average in taxation staffing per 1,000 residents. The Account Clerk (Tax) is the only administrative staff member solely dedicated to tax administration. The Finance Director has tax administration responsibilities, but also manages other financial responsibilities such as budgeting, financial reporting, and purchasing. Low staffing levels make it harder for the Department to effectively enforce collections and identify new taxpayers.

Rossford received a proposal from the Regional Income Tax Agency (RITA) in December 2005 which estimated RITA could increase collections through the identification of additional taxpayers. RITA’s estimated cost for the service was \$61,290

to \$74,790, and additional collections were estimated to be \$34,000, phased in over three years. This option would not be cost effective for the City in its current form.

Table 4-3 shows income tax statistics for Rossford and the peers.

Table 4-3: City of Rossford and Peer Income Tax Statistics ¹

	Rossford	Napoleon	Upper Sandusky	Wauseon	Peer Average
Number of Citizens	6,387	9,173	6,459	7,303	7,645
Number of Individual Accounts	2,524	5,760	1,541	3,620	3,640
Number of Business Accounts	509	785	427	927	713
Number of Withholding Accounts	637	861	527	4,099	1,829
Total Number Accounts	3,670	7,406	2,495	8,646	6,182
Percent of Population with an Account	39.5%	80.1%	38.6%	49.6%	56.3%
Collections Withholding	\$2,123,093	\$2,119,461	\$2,033,461	\$2,422,345	\$2,191,755
Collections Business	\$141,319	\$322,555	\$351,929	\$305,349	\$326,611
Collections Residential	\$427,040	\$404,940	\$168,386	\$331,478	\$301,601
Total Collections	\$2,691,452	\$2,846,956	\$2,553,775	\$3,059,171	\$2,819,967
Percent Collections Withholding	78.9%	74.5%	79.6%	79.2%	77.8%
Percent Collections Business	5.3%	11.3%	14.0%	10.0%	11.8%
Percent Collections Residential	15.9%	14.2%	6.6%	10.8%	10.6%

Source: Rossford and peer tax information

Note: Account information comes from tax year 2004. Collection information is from 2005 because tax collections received in 2005 correspond to taxes due from tax year 2004.

¹ Data on delinquencies was not included in the table because peers and Rossford defined delinquencies differently, making a comparison difficult.

As shown in **Table 4-3**, the City has 30.7 percent less population with an active income tax account than the peer average, indicating that Rossford may not be identifying new taxpayers effectively. Rossford also has 56.7 percent less collections for business accounts than the peer average, but a higher percent of collections for residential. This is attributed to Rossford's lower staffing level in income tax compared to the peers' (see **Table 4-1**).

Napoleon's tax department uses newspaper subscriptions, orders for new utilities, and withholding reports to identify new taxpayers. Wauseon has a withholding clause in all City contracts that requires the contractor and subcontractors to agree to withhold taxes from employees. Rossford could adopt these techniques within current resources.

Napoleon has outlined policies to enforce collection of taxes from delinquent taxpayers. Similar to Rossford, Napoleon employs the primary strategy of sending out a series of letters, with the final letter taking the delinquent taxpayer to court. If taxpayers do not pay taxes after 30 days, the city sends out an initial letter informing the resident or

business that they are delinquent. After three months, the city sends out another letter informing the taxpayer that the account is being sent to the City Prosecutor. The last letter specifies a court date. However, Napoleon considers the taxpayer delinquent if taxes are not paid by the April 15 due date.

Napoleon also uses other methods to enforce collections from delinquent taxpayers including: sending a letter to the post-office requesting previous and current addresses, receiving tips from residents and making telephone calls to family members. Napoleon also recently hired a part-time employee in tax collections to assist in collection enforcement and the identification of new accounts. None of the peers uses a tax collection agency or RITA to collect delinquent taxes.

By increasing the time allotted to identifying taxpayers within the City, Rossford may be able to increase its collection rates. This could be accomplished by allocating a part-time employee to tax collections. Similarly, enforcing prompt payment of tax obligations would help the City better manage collections and allow it to benefit from interest earned on tax collections.

Financial Implication: Hiring a part-time employee for tax collection would cost the City approximately \$13,680 in salaries and benefits. This calculation is based on \$10.97 per hour (Upper Sandusky's rate for a tax clerk), the employee working 1,040 hours per year, and benefits at 20 percent for workers compensation and retirement contribution costs. The additional collections generated could not be determined based on available information.

Human Resources

R4.9 The City should review and update its job descriptions to capture any changes in duties. The job descriptions should continue to reflect relevant knowledge, skills, and abilities required to perform job functions. The City should use accurate and current job descriptions as a basis for evaluating employee performance.

The City does not have up-to-date job descriptions for all positions in the City. Administrative staff job descriptions were updated as part of the collective bargaining process in 2005. The City has not updated other Department job descriptions for over ten years. Without accurate and up to date job descriptions, the City does not have a good basis for evaluating employee performance and employees may not be fully versed in the requirements of their jobs. According to *Writing Job Descriptions for Small Businesses* (Ohio State University, 1995), an organization should use comprehensive job descriptions developed from job analyses in the selection, training, performance appraisal, and compensation for employees.

The Society for Human Resource Management (SHRM) reports that job descriptions have the potential to become subjects of contention, including grievances or litigation. To ensure accuracy, an employer should designate one party (i.e. supervisor) as having the primary responsibility for keeping job descriptions current, and should have a plan for reviewing them regularly. A plan of this type should reflect the personnel resources available to do the review and the characteristics of the job content. Some jobs are dynamic, changing rapidly and extensively (due to technological or organizational considerations), so the employer should review these job descriptions often. Other jobs change very little over time, so the City would not need to review these job descriptions as often.

Depending on the level of detail, the City can use job descriptions directly or indirectly to do the following:

- Assign work and document work assignments;
- Help clarify missions;
- Establish performance requirements;
- Assign occupational codes, titles and/or pay levels to jobs;
- Recruit for vacancies;
- Explore reasonable accommodation;
- Counsel people on career opportunities and their vocational interests;
- Train employees;
- Check for compliance with legal requirements related to equal opportunity, equal pay, overtime eligibility, etc.;
- Make decisions on job restructuring; and
- Suggest ways to enrich work experience.

The City should use the criteria listed above to review and update all employee job descriptions. Once updated, the City should review job descriptions annually and make any changes or amendments that are necessary. The City should maintain updated job descriptions in an electronic format so that they can easily be revised.

R4.10 Rossford should explore creative ways to increase emphasis on training. In light of the current financial constraints and limited resources available for training, the City should take advantage of seminars and/or training materials available through State and local agencies. The City should evaluate training costs, including options for in-house training, external training, and web-based training. In addition, the City should consider establishing a training and employee development committee to research and coordinate training resources, and help prioritize the allocation of training funds as financial resources become available. Enhancing employee skills will help Rossford maximize the talents and expertise of existing City employees.

Rossford does not have formalized training programs for all Departments. Although the Fire Department and Police Department have formalized training programs to maintain required certifications, Administration, Public Works, and positions covered under the UAW contract do not participate in formalized training programs. The City Administrator indicated that if departments identify a specific training need, the Administration works with that department to ensure the employees receive training, depending on available funds. Examining the training needs for all Departments is important to ensure all staff obtains the knowledge and skills needed to perform job functions effectively. A lack of understanding job functions could potentially lead to poor decisions or activities that have a negative impact on constituents. The Ohio Municipal League (OML) is a non-profit organization developed to serve the interests of Ohio municipal governments. OML provides training and a variety of special programs and services to cities. Rossford should take advantage of training and resources offered by OML to enhance knowledge and skills and increase credibility with the public.

According to *Municipal Benchmarks Assessing Local Performance and Establishing Community Standards* (Ammons, 2001), municipalities should consider applying 3 percent of their budget to training. If Rossford applied 3 percent of its budget to training, it would cost the City approximately \$100,000. However, grant funding could pay for a portion of these training costs. This training was not included as a financial implication because of current funding limitations in Rossford.

R4.11 The City should compile human resources policies in a on-line human resources manual that is made available to all employees. A human resources manual helps communicate policies to employees and providing access through an on-line option would allow the City to keep the policies up-to-date without incurring charges for multiple printings. The City should review and update its policies annually to ensure that they reflect recent changes to laws, regulations, and City procedures.

The City does not have an updated human resources manual. Rossford's existing human resource policies and procedures are contained in the Municipal Code, in collective bargaining agreements, and in Civil Service Commission policies. The Fire and Police Departments each have additional manuals specific to their Departments. However, there is not a comprehensive list of personnel policies and procedures for City employees. Communicating human resource policies to employees is often difficult without a consistent, readily available, comprehensive manual. Rossford has not developed a human resources manual because the Finance Department has other responsibilities in addition to human resources, and has not allocated time for this purpose.

According to the Society for Human Resource Management (SHRM), the purpose of an employee handbook is to communicate information that is relevant and important to employees. The goal is to establish a positive image as an employer, responsible citizen,

provider of goods and services, and a contributor of economic benefits to society. Written documentation such as a handbook or manual can provide consistency in administering the organization's policies and procedures. The areas which might be included are:

- Employment policies and procedures;
- Orientation information for new employees;
- Legal obligations of the employer and employee; and
- Responsibilities of the employer and employee to each other.

SHRM states the employee handbook should be the official source of policies and procedures for the employee. Bulletin boards, newsletters, oral directives from management, and training sessions can and should be used to supplement and reinforce the employee handbook information. Employees should be asked to read the employee manual and time should be spent during orientation to explain, clarify, and answer questions about the provisions in the handbook. Employees should be required to sign a statement that they have read and understand the material in the handbook.

Napoleon has an employee policy manual that outlines provisions including compensation, standards of conduct, sexual harassment, employee communication, travel, equipment usage, employee relations, insurance benefits and other policies. The primary purpose of the manual is to answer questions about employee policies, and provide information concerning the responsibilities of the City to the employees and employees to the City. Rossford's Finance Department could develop the manual by compiling existing human resource policies, so costs would be minimal.

R4.12 Rossford should consider implementing direct deposit for employee payroll checks. Direct deposit allows employees to have paychecks deposited directly into banking or checking accounts, which minimizes the risk of lost or stolen checks, and increases timeliness and efficiency of check processing. City employees derive the additional benefit of having access to funds on payday, eliminating bank trips to deposit paychecks. This recommendation may require the consent of the City's collective bargaining units.

Rossford does not have direct deposit capability. Instead, the City processes checks manually, with one staff member in the Finance Department spending approximately three days per pay period processing and reviewing employee information and timecards. Manual check processing increases the risk of lost or stolen checks, and increases paper work processing.

Direct deposit allows funds to be transferred electronically from a company or organization into a checking or savings account. Most employers issue a payment stub that shows the amounts deposited and withheld for taxes, insurance and other purposes. If

an employer does not issue payment stubs, a bank typically will notify an employee within two days of receiving the direct deposit or will provide a telephone number to use to check the deposit status.

According to the Direct Deposit and Direct Payment Coalition, benefits of direct deposit include the following:

- Companies can save up to \$1.25 per payment by using direct deposit instead of checks;
- Direct deposit eliminates the cost of delivering checks to employees at different locations;
- Direct deposit eliminates the chance of lost or stolen checks and the resulting charges for stopping payment and check replacement;
- Direct deposit makes payroll reconciliation easier and can help streamline tax reporting at the end of the year;
- With direct deposit, there is no need for special check handling when employees are on vacation or out of the office;
- Direct deposit reduces time spent storing and securing un-issued checks because check stock is not required for the payroll earnings record;
- Direct deposit gives many people access to their payments one to four days earlier than a check. There is no waiting for a check to clear; and
- Studies show that some employees spend the equivalent of three workdays each year going to the bank to deposit their paychecks.

By not using direct deposit, the City misses an opportunity to use a convenient and efficient method of distributing payroll funds to employees. In addition, lost or stolen checks could potentially cause the City's Finance Department to expend valuable time recreating the checks and issuing stop-payments on lost vouchers. Employees also benefit from direct deposit as funds are available earlier in the day and they do not have to physically deposit their paychecks.

During the course of the performance audit, the City began testing direct deposit, and planned for it to be available to employees in early November, 2006. Direct deposit will not be mandatory for all employees because of grievances filed by the City's bargaining units.

Purchasing

R4.13 The City should develop a purchasing manual containing formal written procedures. All departments should have input in this process. The manual should be updated regularly to reflect current practices and technology. In addition, City departments should be provided copies of the manual and personnel should be trained periodically on the consistent application of purchasing practices. Lastly, the purchasing manual should be available electronically for department staff.

A written purchasing manual should clearly outline the complete purchasing process, and identify who is authorized to make purchasing decisions. The purchasing manual should specify purchasing thresholds and approval paths, statutory requirements for competitive bidding, and additional procedures for emergency and blanket purchases.

Rossford does not have a purchasing manual that outlines purchasing responsibilities and processes. The Finance Department focuses more on daily operations rather than developing policies. Purchasing responsibilities are outlined both in job descriptions and the municipal code. The lack of a purchasing manual increases the chance that departments and finance staff will not fully understand the purchasing function, resulting in increased time to process purchase orders and invoices, as well as variations in the purchasing process. The City may also not receive the best price or quality goods because finance employees and departments are not required to follow a standard, competitive buying process. Following standard purchasing policies and procedures ensures consistency in the purchasing process. The manual would help staff do their jobs more quickly, efficiently, and accurately.

The City of Yakima, Washington has developed a model purchasing procedural manual. Yakima's purchasing manual contains information on many purchasing topics that include, but are not limited to, the following:

- Purchasing department mission statement;
- Purchasing department code of ethics;
- Disadvantaged and minority vendors;
- Blanket purchase orders;
- Dollar limits for bidding and obtaining quotes;
- Emergency purchasing;
- Waivers and exceptions;
- Contract purchases;
- Disposal of surplus property; and
- Purchasing processes for requisitions, purchase orders, and invoices.

A purchasing manual makes it easier to enforce purchasing policies at the department level. The City should be able to develop a purchasing manual at little or no additional cost.

R4.14 Along with the development of a purchasing manual, the City should consider developing policies for the credit cards which were distributed to City departments. The City should institute rigid controls and document purchase approvals/reviews (an audit trail). Establishing policies and procedures for the City's credit cards will provide standards for employees to follow when making small-dollar credit card purchases.

Rossford's departments have credit cards with spending limits of \$1,000. The Finance Director reviews the Department's credit card transactions. However, there are no formalized policies for the use of City credit cards, such as requiring receipts or other documentation. Without formalized policies, there is an increased risk that employees will make inappropriate purchases that are not in line with the City's mission.

A purchasing card (p-card) program enhances a City's ability to establish and enforce purchasing limits and improves reporting capabilities via management information systems. All cards should have spending limits and controls that are defined by the purchasing needs of the departments, developed in accordance with City guidelines. P-card spending limits should be enforced at the point of purchase by transaction, types of suppliers from who purchases can be made, number of transactions that can be made per day, and other factors. P-Card program controls include appropriate supervisor review and approval of transactions. Examples of other p-card programs in Ohio include the City of Troy, the State of Ohio's payment card program, and Maumee Watershed Conservancy District. According to the AOS Winter 2004 *Best Practices*, a purchasing card program is one way governments can acquire small dollar items without the delays associated with the traditional purchasing process. Purchasing cards are designed to streamline the acquisition process by issuing one check to the credit card company instead of multiple checks to a supplier. AOS's website provides more information on p-cards at www.auditor.state.oh.us/Publications/ under AOS Best Practices – Winter 2004.

Technology

R4.15 The Finance Director should work with contracted technology support to develop formal processes for assessing the technology-related needs of the City government and replacing equipment on a planned schedule. A formalized technology needs assessment process would improve the City's technology-related decision-making process while effectively and efficiently addressing the City's long-term technology needs. A formal replacement cycle would help ensure that outdated equipment is

not maintained and that City departments can communicate with internal and external parties and maintain data in a seamless fashion.

The City should link strategic planning to technology through equipment replacement cycles or a technology replacement plan. The technology replacement plan should ensure that hardware and software standards are developed in an effort to reduce repair and support costs. In addition, the City should adequately budget and fund technology replacement.

The City does not have technology replacement plans for software and hardware. Without a formal replacement plan, equipment may become outdated and not be replaced regularly. This, in turn, may limit computing effectiveness. The City has not had funding available to pay for replacement of technology on a regular basis and has not sought grants for technology replacement. The City uses a contracted employee for technology support who could assist the City with assessing hardware and software needs, developing technology standards, and implementing a formal technology replacement plan.

The City uses a computer systems provider for financial and payroll software (see **R4.7**). The City upgraded finance and payroll software modules in 2005 and upgraded the billing, receipts and income tax modules in 2002. The software versions that the City has are character-based, not windows-based, and more difficult to use and maintain. In addition, the City has two central servers, one upgraded in 2005 and the other in 2006.

The majority of City personal computers run on Windows XP, with the exception of two computers that run on Windows 1998. The City's computers include varying brands and models with an average age of 1.44 years due to recent purchases. Rossford has approximately 20 full-time users and 47 part-time users (37 of whom are volunteer firefighters).

GFOA suggests that formal needs assessments are especially valuable in building employee consensus about how and when to proceed with technology-related purchases. Consensus is built by obtaining input from an agency's employees and identifying costs, risks, and benefits of varying courses of action. GFOA offers the following four-step methodology for assessing technology needs:

- **Define the problem:** Obtain direction from management regarding the long-term technology-related goals the agency wants to pursue (e.g., strategic plan), gather ideas from staff about immediate needs, and evaluate the current system to identify gaps.

- **Identify technology alternatives:** Assess the availability and operational feasibility of technology to address identified gaps between the strategic plan and current system. Assess any costs and identify suppliers associated with the implementation of the hardware and software.
- **Establish options and develop recommendations:** Evaluate and refine the alternatives and develop a draft of all recommendations based upon costs, timeframes, advantages and disadvantages.
- **Finalize the decision and take action:** Develop an action-plan that includes timeframes for assigning staff responsible for the project, developing a RFP if necessary, obtaining funds, and implementing the project.

Once Rossford completes a needs assessment, it should develop a formal replacement plan so it does not maintain outmoded equipment. The plan should include adequately budgeting for and funding the replacement plan. Equipment replacement standards vary, but experts generally recommend organizations replace computers about every 4 years. If the City does not make plans to replace new equipment when it is installed, they will end up with buildings full of rapidly aging, if not obsolete, equipment in five or six years. Outdated hardware systems may not have sufficient security because patches and technical support are not available, and outdated workstations are vulnerable to security attacks.

The Agricultural Research Service (ARS) provided technology replacement standards intended to assist in planning and budgeting for replacement of technology. Technology standards along with a technology replacement plan reduce operating costs, improve system security, increase end-user satisfaction, and enhance budget planning. According to ARS, they use minimum system configurations and hardware standards when making information technology purchases for upgrades or new equipment to provide the optimal balance of lowest operating costs and highest user productivity.

Financial Implication: The City's technology inventory showed the City has five computers that are approximately 4 years or older. The cost for a replacement plan, assuming five computers are replaced each year, is estimated to be \$6,000 per year. The cost to replace these computers is based on an estimated cost of \$1,200 per computer.

R4.16 The Finance Director should work with contracted technology support to develop and implement computer and Internet use policies. An acceptable use policy helps protect the organization supplying computer access by restricting the behavior of users. Such a policy also protects the user by establishing use parameters. Finally, a use policy helps to protect against litigation.

Rossford does not have Internet and e-mail use policies. This could create more risk for the City as employees may use information technology resources for personal business or other inappropriate purposes. The City has not developed technology-acceptable usage policies due to other priorities.

According to *Municipal Policies on Internet Usage and E-Mail Document Retention* (Municipal Research and Service Center of Washington (MRSC), April 1997), considerations for e-mail and Internet policies include the following:

E-mail

- Indicate policy is applicable to internal and Internet e-mail;
- Explain e-mail system and all e-mail documents are the property of the municipality and not private employee communications (whether created or received);
- Indicate that the municipality reserves the right to monitor e-mail messages, explain circumstances under which monitoring will occur and for what purpose;
- Prohibit employees from sending discriminatory, harassing, or offensive e-mail messages;
- Prohibit use of e-mail for religious or political activities, personal gain, solicitation, or in support of illegal activities;
- Define the type of e-mails that should be considered public records, or indicate that e-mails are public records;
- Remind employees that e-mails that are public records are subject to disclosure laws and records retention requirements;
- Require that employees print e-mails that are public records and include them in the subject file, or retain them as word processing documents;
- Instruct employees to delete e-mails that are not public records as soon as their administrative purpose has been served;
- Explain that e-mail is subject to discovery in litigation, and that deleting an e-mail does not guarantee it has been erased from the system. Recommend that employees use good judgment when creating e-mail and always assume that it is discoverable;
- Prohibit employees from sending e-mails containing confidential information;
- Remind employees that they should use good judgment when sending e-mail, that they are creating records, and that e-mail should not be used as a substitute for face to face gossip;
- Explain that e-mail is not a good form of communication with legal counsel when seeking legal advice or transmitting information concerning matters in litigation or disputes which are likely to result in litigation. Indicate that inadvertent

disclosure or dissemination of the communication could waive the attorney-client privilege; and

- Indicate procedure for employees to report inappropriate e-mails. For reporting purposes, a specific individual or position title should be named in the policy.

Internet Policy

- Unless all employees will have access to the Internet, detail job qualifications that justify Internet installation;
- Outline appropriate usage of Internet in workplace, or prohibit its use for other than work related purposes;
- Reserve right to occasionally monitor Internet transactions;
- Explain applicability of copyright laws to material downloaded from the Internet. Prohibit excessive downloading and distribution of substantial portions of copyrighted works without the author's permission; and
- Prohibit use of the Internet for unlawful purposes or solicitations.

Napoleon has a computer, software and network use policy. The policy states that staff should use city computers and software exclusively for City business. The City reserves the right to monitor e-mail and computer usage. Napoleon strictly prohibits the following uses:

- Receiving or transmitting pornographic material;
- Hacking into computer and network systems to obtain unauthorized access;
- Accessing or disclosing unauthorized, privileged, or confidential city information;
- Engaging in any commercial activity not amounting to city business;
- Playing non-work related computer games;
- Engaging in political activity; and
- Engaging in any work-place harassment.

The City could develop Internet and e-mail use policies at minimal costs by using templates from other sources such as Municipal Research and Service Center of Washington (MRSC). MRSC has samples of Internet and e-mail use policies on its website (www.mrsc.org).

R4.17 The Finance Director should work with contracted technology support to establish formal procedures for minimizing potential computer disruptions by developing a disaster recovery plan. Disaster recovery procedures should be updated regularly and tested annually. This will ensure that procedures actually work and employees are aware of their roles in the process. The City's disaster recovery plan should provide for the availability of critical computer and communications systems in the

event of a major crisis. Standard procedures for developing, maintaining and updating the recovery plan should be documented and distributed to appropriate personnel.

The City does not have a disaster recovery plan. Instead, it relies on systems providers and contracted technology support. The City has not developed a disaster recovery plan because City administrators have not identified this as a priority and, as a result, have not allocated resources to its development. According to the Finance Director, the City's procedure for backing up information includes an automatic system back-up before midnight each day and off-site storage. A police officer on third shift comes to the municipal building with the tape for the following evening, ejecting the tape that just completed, inserting the tape for the following evening, and taking the tape just completed to secure storage at the Police Department. In the event of system failure, the City contacts the contracted IT support staff who restore the system using the latest back up. If there are no formal plans that assign responsibilities to specific individuals, the City's employees may become confused in an emergency, resulting in further service disruption. For example, if a fire destroyed the City's offices, the disaster recovery plan would help City employees identify specific contacts at the City and their roles in reestablishing services.

State and local governments have a duty to ensure that there are minimal disruptions in the provision of essential services following a disaster. Effective disaster recovery planning must specifically and formally address those policies and procedures that minimize the disruption of government operations should computers fail. According to GFOA, the body of the plan should include the following elements:

- Assign formal disaster recovery coordinators for each agency or department to form a disaster recovery team;
- Require the creation and preservation of back-up data;
- Make provisions for the alternative processing of data, an alternative processing site, and processing priorities should it be necessary to move to an alternative processing site following a disaster;
- Provide detailed instructions for restoring disk files;
- Establish guidelines for the immediate aftermath of a disaster;
- Keep a copy of the government's formal disaster recovery policies and procedures off-site to ensure its availability in the event of a disaster;
- Test the disaster recovery plan periodically and take immediate action to remedy deficiencies identified in testing; and
- Satisfy itself concerning the adequacy of disaster recovery plans for outsourced services.

The Auditor of State's (AOS) Information System Audit (ISA) division provides samples of disaster recovery plans to local governments. The sample disaster recovery plan includes the following sections:

- **Introduction:** describes the purpose and scope of the plan. A disaster recovery plan serves as a guide to manage a timely data processing recovery effort in the event of a disaster.
- **Disaster recovery plan development:** provides steps for a disaster plan, including selecting a project team and developing an action plan.
- **Disaster recovery flow-chart:** charts disaster recovery process.
- **Disaster recovery organizational chart:** charts disaster recovery areas that should be covered (i.e. hardware).
- **Team member responsibilities:** provides a check-list noting who is responsible, what the task is, and timeframe.
- **Disaster recovery plan maintenance:** involves testing and updating the plan.
- **References:** includes emergency phone listing, back-up procedures, reciprocal disaster services agreement, recovery strategies, applications priorities listing, vendor contact list, inventory listing and hardware/network configurations.

Without a formal plan, timely service to citizens could be adversely affected following a crisis. Rossford could develop disaster recovery procedures at a minimal cost using the examples provided above, or examples from other sources.

R4.18 The City should consider implementing e-government solutions to improve access to information and customer service to citizens, and should use technology in innovative ways to communicate information to the public by placing useful information on its website. As the City's finances improve, it should consider implementing e-government solutions to allow citizens to conduct on-line transactions with the City. Implementing e-government solutions can improve customer services to citizens, increase the City's Web presence, and allow new avenues for citizens to interact with City personnel. The City should also integrate e-government goals into its strategic plan and technology replacement plan.

City officials have indicated that some form of e-government, such as allowing citizens to pay taxes electronically, may be beneficial to the City. Rossford's web site includes codified ordinances, fees, basic program and service information, and downloadable

forms. Downloadable forms include permit applications and income tax forms. However, the City has not extensively implemented e-government solutions because of funding limitations. Transactions, such as paying parking tickets or income taxes, cannot be performed online. E-Government improves communication and customer service between citizens and City government. Barriers to implementing these functions include cost and in-house expertise to develop and maintain the technology.

E-government refers to the electronic means (i.e. Internet, e-mail, etc.) of providing information and delivering services 24 hours a day, seven days per week. Rossford has taken the first step in implementing e-government by placing useful information and downloadable forms on the City's Internet site. The next step in implementing e-government would be to allow the public to conduct transactions on-line. E-government in its advanced stages of development allows citizens to use the City's website to process practically every transaction on-line. E-Government capabilities can also be expanded so that purchasing and recruitment functions are conducted on-line (see **issues of further study**). Examples of e-government on-line transactions include the following:

- Payment of taxes, utility bills, licenses, and tickets/fines;
- Requests for service (ex. streetlight repair), or records;
- Interactive maps;
- Registration for programs (ex. parks and recreation);
- Permit and business license applications or renewals;
- Voter registration; and
- Property registration (e.g., animal, bike, etc.).

Electronic Government at the Local Level (Public Performance Management Review, American Society for Public Information, 2003) indicates an analysis of 1,506 websites in the 70 largest US cities found that only 13 percent provide services that are fully executable on-line. The most frequently provided on-line services include paying parking and traffic tickets, complaint filing, and service requests. However, a summary of local e-government literature suggests governments are increasingly adopting e-government solutions.

Tech Check: Is it Worth It (Making E-Government Purchasing Decisions, Vermont League of Cities, 2003) gives governments a starting point to determine individual e-government needs:

- Define why the technology is needed;
- Analyze all costs related to the investment; and
- Analyze all benefits related to the investment.

As a component of the strategic planning process, Rossford should identify what services it wishes to provide through an on-line forum. Expanding e-government options within the City will require additional expenditures and all options should be examined for costs and benefits.

Economic Development

R4.19 The City's Administration (City Administrator, Finance Director and Department Heads) should work with Council and stakeholders to develop a formal strategic economic development plan for the City. An economic development plan provides a blueprint for achieving community objectives by translating a community's broader vision and goals into economic initiatives. Economic development plans provide cities with a tool to determine how economic development needs can be addressed. An economic development plan would allow Rossford to better coordinate economic development projects with other community agencies, more effectively allocate funding to projects, and identify goals and performance measures for economic development.

The administration should work with Council and stakeholders to maintain up-to-date economic development information on the City's website that would be useful to businesses and homebuyers. The City should develop an up-to-date economic development profile along with trend data, business data, revenue data and labor force data. This would allow the City to take advantage of an easy and inexpensive way to market the City to potential investors and homebuyers.

Rossford does not have a strategic economic development plan. The City Administrator promotes economic development for the City by meeting with area businesses, working with the Wood County Economic Development Commission, and participating in other economic development initiatives. The City Administrator indicated that Rossford uses a regional approach to planning for economic development, and can provide assistance for businesses that locate in Rossford. However, the City Administrator indicated that the major barrier to economic development is the Northwest Ohio region, which is in economic decline. Competition with other nearby jurisdictions, such as Toledo and Perrysburg, also affect Rossford's economic development prospects.

The City's website information on economic development is not up-to-date. For example, the Rossford Economic Development Growth Corporation (REDGC) is listed on the City's website, but is no longer in operation. The City's website contains information that could be useful to businesses like available sites, demographics and workforce information, and a zoning map. The City Administrator is the only City employee with designated responsibilities for economic development, and, due to his

numerous other responsibilities, maintaining up-to-date economic development data is not a priority.

In 2006, the City contracted with a consultant to develop a plan for future growth of the downtown area. The City surveyed businesses and residents as part of the plan. The consultant's timeline to complete the plan is in the early part of 2007. A federal grant pays for these planning activities. The City has also been working with the neighboring City of Perrysburg to attract a large outdoor recreation retailer to the area. As of October, 2006, arrangements with the retailer were finalized.

Napoleon has developed and implemented a plan that includes economic development strategies. That city contracted with a consultant to develop a comprehensive plan covering topics such as housing, natural resources, community feedback, and economic development. Although Napoleon's plan is a comprehensive plan covering many different topics, it contains economic development goals and strategies. Napoleon's goal for economic development as stated in the plan is to promote economic vitality through business retention and diversity. The plan prioritized economic development strategies into various types of business development and infrastructure projects. Examples of prioritized projects included a downtown revitalization project, street and sewer projects, a Brownfield redevelopment project, and commercial development projects. The comprehensive plan also contained a checklist specifying the party responsible for implementing each economic development strategy and project. In addition, the comprehensive master plan recommended that Napoleon develop a separate economic development plan to form the basis and the exact suitability for growth and capital improvement projects.

According to Washington State's Department of Community Development *GMA Guidebook, Developing Your Economic Development Strategy*, general principles of the economic development planning process include the following:

- **Identify Stakeholders:** Identify the stakeholders and get them to participate in the planning process: creating a workable economic strategy requires support from the broader public on whose behalf the plan is being prepared.

Among Rossford's stakeholders are area businesses, citizens, investors, consultants and institutions (i.e. colleges), and the Wood County Office of Economic Development (County).

- **Create a Profile:** Determine the community's current condition. This section includes information on community setting, trends, issues and factors affecting economic development.

Rossford's administration could create an economic development profile by compiling and analyzing data from sources such as the United States Census, Ohio Department of Development, the County and area businesses.

- **Create an Inventory:** Identify and map businesses that currently make up the economy. Categorize businesses by industry sector that make up the economic base, and by types of public revenue they generate. Examples of inventory data that can be tracked include labor force, worker skills, government services, incentive programs, infrastructure needs, commercial property, education, and industrial properties. Data on job and economic growth would also be useful in order to measure the success of economic development initiatives.

Rossford could use data from the Ohio Department of Development, community and business surveys, and information already maintained by the City to create a business inventory.

- **Evaluate the Profile and Inventory:** Provides a framework from which to define economic development options and documents the analysis conducted in determining how to manage future economic development efforts.

The City's administration should work with Council and stakeholders to evaluate the economic development profile and inventory.

- **Identify Approach:** Identify community concerns and goals for economic development, and describe how to address those concerns and reach goals. The approach provides the basis for local economic policy and defines the roles of various stakeholders in sustaining and strengthening the local economy. Components include the community vision, the market economy, community values, factors that influence economic development and economic options.

The City's administration should work with Council and stakeholders to identify community concerns, goals and approach for economic development. The City's approach for economic development should be feasible and beneficial to the City and stakeholders.

- **Develop Policies:** Policies translate community concerns and goals into clear statements of public intent. These policies will guide public and private investment in local economic development activities and further refine the roles and expectations of key stakeholders.

The City's administration should work with Council to draft economic development policies.

- **Implement:** Implementation measures convert the goals and policies for the economy into specific actions. These measures also clearly define how public investment will be made in local economic development activities.

The City's administration should work with Council and stakeholders to ensure the strategic economic development plan is implemented by developing phases and timeframes, designating responsible parties, and attaching funding or funding sources, if possible, to strategies.

The strategic economic development plan should be used to establish economic development programs that meet community needs. The economic development planning process should involve stakeholders from the Mayor's Office, administration, City departments and stakeholders outside City government.

An economic development plan would help establish a clear direction for the City, and should make it easier for the City to market its attributes investors and homebuyers. Without an economic development planning process, however, the City may have a more difficult time tracking what economic development programs are working, as well as important benchmark data like trends on job creation, job retention, and new businesses entering the area. Likewise, if the City does not maintain current economic development information on its website, businesses researching the possibility of relocating may elect to bypass Rossford because access to critical information to make their decision is unavailable.

In Rossford, the Mayor's Office and City departments, such as the Public Works and Parks and Recreation departments can provide valuable input on economic development goals for the City. The plan should address regional economic development needs and include external stakeholders such as the City of Toledo and Wood County. Including input from a broad spectrum of internal and external stakeholders in the planning process develops a collaborative and regional approach for economic development in the City. Rossford could develop the strategic economic development plan in-house using administrative and finance staff, so development costs would not be substantial. Planning costs may include community and business surveys, and staff time needed for compiling and analyzing data.

Financial Implications Summary

The following table summarizes estimated annual savings and one-time and annual costs from the recommendations discussed in this section.

Summary of Financial Implications

Recommendation	Estimated Implementation Costs (One-Time)	Estimated Implementation Costs (Annual)
R4.3 Attend forecasting training	\$750	
R4.6 Attend performance measurement training	\$1,500	
R4.7 Upgrade financial management software to a windows-based system	\$20,000	
R4.8 Hire a 0.5 FTE for tax collection		\$13,680
R4.15 Develop a technology replacement plan		\$6,000
Total	\$22,250	\$19,680

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The letter that follows is the City of Rossford's official response to the performance audit. Throughout the audit process, staff met with City officials to ensure substantial agreement on the factual information presented in the report. When the City disagreed with information contained in the report and provided supporting documentation, revisions were made to the audit report.

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**CLIENT RESPONSE
LETTER**

The City of

Rossford, Ohio

at the
Crossroads of America



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December 20, 2006

The Honorable Betty Montgomery
Auditor of State
Cleveland Regional Office
615 Superior Avenue, 12th Floor
Cleveland, OH 44113-1801

Dear Ms. Montgomery:

As Mayor and on behalf of Rossford City Council, I would like to extend my thank you for the professional manner in which the audit team conducted the Performance Audit for our city.

Our primary objective in seeking a performance audit was to engage in a systematic and objective assessment of three areas of our municipal operations: collective bargaining agreements, police operations, and municipal general government.

In reviewing your assessment and recommendations contained in the completed audit, I find that the information and recommendations will be useful in aligning our services to peer group best practice. Recommendations contained in the collective bargaining section will be considered as part of management's proposal at the bargaining table that have now begun and will continue throughout 2007. Our employee groups have pledged their cooperation to improve public service and achieve operational cost savings. The city will share the findings with our collective bargaining groups in the spirit of seeking ways to achieve cost efficiencies.

During the conduct of the review of our police department, the city appointed a new Chief of Police. The department has implemented with cooperation of the collective bargaining groups a revised work schedule as a means to reduce overtime opportunities. Also, a new vehicle replacement plan was implemented with approval of City Council to improve the operating fleet. This plan will be monitored and evaluated to assess its cost effectiveness. The Chief of Police is exploring retaining a retired former police officer with knowledge and skills on grant procurement to improve the department's success in this area.

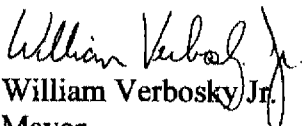
The section on Administration contains a number of recommendations on formal policy development, revenue forecasting and multi-year capital planning. During the course of study, the City's Finance Director and City Council Budget, Ways and Means Committee developed a formal policy on investments which has been approved by the full City

Council. As time allows, the City Administration and City Council will formalize additional policies as outlined in your report.

I agree with the recommendation regarding the need for a formal strategic economic development plan. The City of Rossford embarked on a major expansion of the City's territory as part of an effort to expand its revenue base in the 1990's. A major initiative involved the development of a regional arena and amphitheater, a destination attraction that would lure private development to the City. Unfortunately, that effort was not successful and the City has spent much of its limited resources during the past six years on closing the project. Those efforts have nearly run their course and it is appropriate to formalize a strategic economic development plan for the coming years.

The Performance Report contains other findings and recommendations that will be reviewed and considered by our administrative team and the appropriate City Council committee. I view this report's assessment and findings as a resource to be used to develop an effective and efficient municipal government for the citizens of Rossford, Ohio.

Sincerely,


William Verbosky Jr.
Mayor



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Betty Montgomery**

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