JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF WARREN
PERFORMANCE AUDIT

OCTOBER 19, 2000

STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

To the Citizens of the City of Warren:

In response to a request from the City of Warren (the City) to complete comprehensive performance audits of all general fund departments, the State Auditor's Office is pleased to provide the completed performance audit report for those departments selected to be included in the first phase of this project. The City requested that the performance audits be conducted to provide a resource in the City's ongoing effort to improve the efficiency of operations, establish internal accountability over the use of tax dollars, maintain an appropriate level of public safety, improve the quality of life and responsiveness of city government to its constituents and to help address the financial difficulties the City is experiencing.

This report assesses several key City departments, including income tax, police and operations. The income tax department was selected for the first phase of this project because it accounts for the majority of the City's revenues. The police and operations departments were also selected because along with the fire department (to be released in the near future), they represent the majority of the City's general fund expenditures and are the departments primarily responsible for ensuring public safety. The State Auditor's Office conducted an independent assessment of these departments with the objective of providing recommendations to the City of Warren in areas where the City can either recognize financial benefits or achieve efficiency improvements in operations and service delivery.

An executive summary has been prepared which includes the project history, City overview, purpose and objective of the performance audit and a summary of findings, commendations, recommendations and financial implications. This report has been provided to the City of Warren and its contents discussed with members of City Council and management. The City has been encouraged to utilize the results of the performance audit as a resource in improving its overall operations, service delivery and financial stability. Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or the toll free number in Columbus, (800) 282-0370. In addition, this performance audit can be accessed on-line through the State Auditor's Office website at http://www.auditor.state.oh.us/ by choosing the "On-Line Audit Search" option.

Sincerely,

JIM PETRO
Auditor of State

October 19, 2000

EXECUTIVE SUMMARY

Project History

In April 2000, the mayor, the city auditor and the director of public service and safety (City Officials) of the City of Warren (the City) contacted the Auditor of State's Office requesting a performance audit be conducted on all of the general fund operations within the City of Warren. The City Officials were seeking assistance on how to improve the efficiency of operations and effectiveness of the delivery of services to the citizens of Warren as well as to help address the financial difficulties the City was experiencing. As a result of this meeting, it was determined that because of the City's current financial and staffing conditions, a prioritization approach would be used whereby those general fund operations determined to have the most significant impact on revenues, expenditures and public safety would be the first departments to be assessed, with the remaining departments being reviewed in subsequent phases. Based on discussions with the City Officials, the following departments were selected for the initial assessment:

- Income Tax Department
- Police Department
- Operations Department
- Fire Department (To be released in near future)

The income tax department was selected because it accounts for approximately 62 percent of the City's total general fund revenues. The police, operations and fire departments were selected because together, they account for approximately 65 percent of the City's total general fund expenditures and are the departments primarily responsible for ensuring public safety.

Planning for the performance audit began in May 2000, and the actual performance audit was conducted primarily during the months of June, 2000 through September, 2000.

City Overview

The City is located in Trumbull County in northeastern Ohio. The City functions as the county seat and encompasses approximately 16.3 square miles. Over the past eight years, the population has steadily decreased. The estimated 1998 population of 46,866 represents an eight percent decrease from the 1990 population of 50,793.

The City is currently experiencing significant financial difficulties. These difficulties began in 1998 when a three month strike at a local steel plant and layoffs at a General Motors plant resulted in an overall decrease in income tax collections by 1.9 percent. Although the City's 1999 income tax collections increased 2.7 percent from 1998, this is somewhat misleading because of the reduced collections in 1998 associated with the strike and layoffs. When the 1999 collections are compared to the non-strike/layoff year of 1997, the income tax revenues increased by less than one percent, indicating stagnant revenues over the last three years. During that same time period, the City's expenditures have been increasing at a rate of approximately two percent annually. The combination of stagnant revenues and increasing operating costs has resulted in the City utilizing its cash reserves and making significant budgetary reductions (laid-off a significant number of staff in police, operations and fire)in order to avoid operating deficits.

Further contributing to the City's financial difficulties is Delphi Packard, a local manufacturing company that has been steadily relocating its operations to satellite areas outside of the City and its future within Warren is uncertain. In 1999, Delphi Packard accounted for 14.5 percent (approximately $2 million) of the City's total income tax revenues. In an attempt to restore financial stability, to offset losses of revenue associated with Delphi Packard, and to reinstate appropriate staffing levels in the Police, Operations and Fire Departments, the City placed income tax levies on the ballot in March (0.75% increase) and August (0.5% increase) of 2000. However, both of these levy proposals failed and departmental staffing remains at reduced levels.

Although income tax revenue accounts for 62 percent of the total revenues recorded in the general fund, minimal action is taken to identify potential taxpayers, to ensure that all required parties are actually filing returns and to enforce existing policies and procedures such as the mandatory filing requirement. Based on 1999 collection statistics, only 32 percent of Warren's population has an active tax account, as compared with a 51 percent average rate realized by the peer cities. Further comparisons with peer cities and an assessment of the individual components that comprise income tax collections indicate the potential to collect an additional $2.2 million in annual income tax revenue. Given the need to collect all available income tax revenues, the Income Tax Department needs to significantly improve its income tax collection process. If the City is unable to make the necessary internal improvements, the City should consider securing the services of an external income tax management agency.

As a result of Police Department layoffs in January, 2000 due to City-wide budgetary reductions, the basic patrol staffing levels in the Police Department (65 sworn officers) remains approximately 19 positions below the Department of Justice's national average (84 sworn officers) for cities with a population ranging between 25,000 and 99,000. Based on a number of comparisons to the first six months of 1999 (prior to staffing cuts when the City employed 75 sworn officers), the reduced staffing levels in 2000 appear to have negatively affected the Police Department's ability to deliver baseline and proactive police services as evidenced by an increase in average response times, a decrease in the number of traffic citations and higher crime rates than peer cities in several violent and property crime categories. To help ensure the safety of the citizens, the City is encouraged to explore all available options that would allow for an increase in the basic patrol police staffing levels.

Detailed management information and planning for the maintenance of police vehicles is lacking. Specifically, the Police Department does not maintain detailed vehicle maintenance and repair histories, formal vehicle replacement plans or vehicle preventive maintenance plans. As a result of the lack of planning as well as budgetary constraints, the Police Department has 21 vehicles which have mileage in excess of 100,000. To address these issues, the City should consider transferring the Police Department's vehicle maintenance responsibilities to the Operations Department as well as developing formal vehicle replacement and preventive maintenance plans.

In general, the Operations Department suffers from a lack of strategic planning. There is no comprehensive planning document to guide departmental operations. As a result, the Department is unable to develop cost estimates for the City's capital and vehicle needs, to create an annual planning schedule identifying necessary projects and to determine how to allocate the workforce to complete these projects. A properly developed capital strategic plan should detail the current status of the infrastructure, identify necessary repairs, replacements, and allocate existing resources.

The overall compensation package for the Operations employees is significantly higher than the peers. To free up resources to begin addressing the City's unmet street and building needs, the City should strive to achieve a compensation package similar to the peers. This can be accomplished by negotiating lower cost of living increases or by implementing various recommendations contained in this report.

The Operations Department has a number of other practices that should also be addressed including a potential overstaffing of supervisors in the streets division, an inefficient night shift during the snow season and a costly street sweeping contract.

Based upon the analyses of the Police and Operations Departments, there are a significant number of unmet needs affecting the City's ability to ensure the safety of the citizens as well as to provide quality of life services to the citizens. Specifically, the staffing levels within the Police and Operations Departments are significantly lower than the peer averages and the national benchmarking standards. As a result, the reduced staffing levels have negatively impacted the safety services provided by the

City as evidenced by the increase in the average response times. The reduced staffing in the Operations Department is impacting the quality of life for the citizens as the majority of the street and building maintenance activities as well as parks and recreation services have been suspended. In addition to the significant number of unmet needs noted throughout this report, the City is also facing an uncertain future in regards to the status of Delphi Packard, the primary business within the City. In FY 1999, Delphi Packard accounted for approximately $2 million of the City's income tax revenues. In order to function in an effective manner and to improve the quality of life for the citizens, the significant number of unmet needs and the Delphi Packard issue will have to be addressed.

This performance audit provides a series of recommendations with possible cost reductions, revenue enhancements and efficiency and operational improvements which if implemented, should allow the City to redirect its existing resources towards beginning to address some of the unmet needs. To address the remaining needs and to offset the uncertainty regarding Delphi Packard, the City is proposing a 24 month 0.5 percent income tax levy on the November, 2000 ballot.

Summary Result

The summary result of this performance audit is contained within pages 1-6 through 1-16. The performance audit focused on four different City departments or areas of operation. A summary of background information, major findings, major commendations, major recommendations and financial implications is provided for each section. However, a thorough analysis of each department or area of operation, including detailed findings and recommendations, is contained within the corresponding section of the report. All interested parties are encouraged to read the entire report.

The results of this report should not be construed as criticisms of the City. The performance audit should be used as a management tool by the City Officials in their attempt to efficiently provide services to the citizens of Warren.

A table representing a summary of financial implications of the recommendations is presented on pages 1-17 through 1-18. However, the performance audit also contains a number of recommendations which may not generate estimable cost savings but will result in enhanced service delivery within City operations. If implemented, these recommendations would improve the operational efficiency of the City of Warren and its effectiveness in providing services to the community.

The performance audit is not a financial audit. Therefore, it was not within the scope of this work to conduct a comprehensive and detailed examination of Warren's fiscal records and past financial transactions. However, copies of the financial audits are available through the Auditor of State's Office.

Income Tax

Background: The City's Income Tax Department is charged with the collection and enforcement of the 1.5 percent municipal income tax rate pursuant to Chapter 171 of the Warren City administrative code. Employers within the City are required to withhold income taxes on employee compensation and remit the taxes to the City either monthly or quarterly. If the employer does not withhold taxes from compensation, the individual taxpayers are required to pay their estimated tax on a quarterly basis. The City has a mandatory filing requirement and allows a credit not to exceed 100 percent of the amount paid to another municipality up to 1.5 percent. The Income Tax Department operated with 8.0 FTEs with an operating budget of $474,448 in FY 1999. Gross income tax collections totaled $14,067,526 in FY 1999.

Findings: Municipal income tax collections are essential to the City's ability to operate, as they represent approximately 62 percent of the total General Fund revenues. However, as indicated by various peer comparisons and in conjunction with the lack of adequate procedures to ensure that all income tax revenue is collected, it appears that the City is not collecting all income tax revenue to which it is entitled. Due to a lack of management information regarding essential aspects of income tax collections, assumptions were made to perform an analysis that suggests the City could potentially collect approximately $2.2 million in additional income tax revenue. To further support the $2.2 million estimate, this performance audit completed additional analyses of individual taxes, employer withholdings and business returns. For each of these income tax components, the analyses identified significant inconsistencies between the number of accounts the City actually maintained in 1999 and the number of accounts the City potentially should have maintained in 1999.

Several factors contribute to the Department's inefficient operations, which subsequently impede on their ability to collect additional income tax revenue. The Income Tax Department does not ensure that all current required individual taxpayers, withholding accounts and businesses are actually filing a return. Activities to identify potential taxpayers are not being performed by the Department, which is evident by the City's significantly lower number of total active tax accounts as compared to the peers. The staff are performing primarily clerical activities, such as opening mail, typing various forms and entering tax information into the computer system. Additionally, the Department does not employ any temporary or seasonal staff.

Effective utilization of all available technology is lacking in the Department even though a new computer system has been purchased and implemented. Critical management reports indicating the effectiveness of income tax collections and monitoring essential collections activity, such as refunds and delinquencies, are not being produced by the Department. Furthermore, existing policies and procedures are not being enforced by the city treasurer, such as the requirement of filing estimated taxes and mandatory filing of all residents over the age of 16, including retirees. Given these factors, the Department cannot effectively manage operations and develop strategies to increase income tax collections.

Other significant findings include the following:

- The Income Tax Department is responsible for prosecuting all delinquent income tax cases
- The current organizational structure of the Income Tax Department appears to be inefficient
- The Income Tax Department employees use a significant amount of vacation and sick time
- The Income Tax Department does not ensure that accounts not subject to the Warren tax are not included in the system
- There are no uniform procedures for handling delinquent accounts

Commendations: The City and the Income Tax Department are commended for minimizing the use of overtime in the Income Tax Department, passing an ordinance requiring apartment complexes to provide the City with a list of renters, placing a high priority on data entry of income tax information and providing the taxpayers with various options for paying the municipal income tax.

Recommendations: If the City intends to maintain income tax operations in-house, it needs to modify current operations to ensure that all potential income tax revenue is collected. Accordingly, the Income Tax Department should begin to develop strategies to maximize the number of returns being filed. To assist in maximizing the number of returns filed, the existing policies and procedures should be enforced by the city treasurer, such as the requirement of filing estimated taxes and mandatory filing of all residents over the age of 16, including retirees. In addition, certain information sources such as Water Department records, Engineering Department records and the State tax file should be analyzed continually to ensure that new taxpayers are being identified.

The Income Tax Department should begin ensuring the accuracy and reliability of the reports generated by the computer system as well as utilizing all of the functions available on the new computer system. This will allow the Department to efficiently monitor and track critical income tax information including refund and delinquent account activity.

Given the extent of the City's operational and financial challenges, they should consider contracting for income tax management services. By utilizing an external provider, the City could realize potential cost savings. In addition, an external provider could potentially provide immediate improvements to the income tax operations and subsequently generate additional net revenues for the City.

Other significant recommendations include the following:

- Hiring two casual employees to provide clerical relief
- Transferring delinquent income tax prosecution responsibilities to the City's Law Department
- Reorganizing the current organizational structure to ease the management burden placed on the city treasurer
- Developing contingency plans to deal with the high number of absences

- Establishing a separate street address file to ensure that only those zip codes subject to the Warren income tax are included in the computer system
- Implementing uniform written procedures for the purposes of handling delinquent accounts

Financial Implications: It is estimated that the implementation of the recommendations in this section could result in potential additional income tax revenue of approximately $2.2 million annually. The employment of two casual labor employees would cost the City approximately $5,700 annually. The cost of obtaining taxpayer information from the Ohio Department of Taxation to help identify non-filers is approximately $750 to $1,500 annually. In addition, the utilization of an external provider could potentially result in cost savings to the City. The magnitude of the costs associated with some recommendations will be affected or offset by the implementation of other interrelated recommendations. For example, utilization of an external provider for income tax management services would eliminate the need for the City to hire two casual labor employees.

Police Department

Background: The Warren Police Department (WPD) is currently comprised of 65 sworn officers and 17 civilian employees. Due to city-wide budgetary constraints, the WPD staffing levels were reduced in January 2000 by 13 positions (10 sworn officers, 3 civilian). The Police Department of the City of Warren is comprised of three primary internal divisions and two secondary external divisions all of which are responsible for serving and protecting the citizens of Warren. The three primary internal divisions within WPD include the Emergency Services Division, the Criminal Investigations Division and the Support Services Division. The two secondary external divisions consist of an agreement with the United States Department of Justice, Drug Enforcement Administration (DEA) for Warren to provide a full-time officer to be used by the Youngstown DEA task force and an agreement with the Trumbull Metropolitan Housing Authority (TMHA) for Warren to provide eight full-time officers (6 patrol officers, 1 sergeant, 1 detective) dedicated strictly to monitoring and protecting the 10 different public housing developments at service levels above baseline levels. The Police Department is also responsible for maintaining its current fleet of 58 police vehicles.

Findings: The staffing reductions in the WPD appear to have affected the Department's ability to deliver baseline and critical proactive police services. This is evidenced by the following indicators:

- It is taking longer for police officers to be dispatched
- It is taking longer for police officers to respond to emergency calls
- Overall constant or slight variations in crime levels and/or increases in the levels of selected violent and property crimes compared with recently reported overall reductions in national crime index totals
- Higher crime levels than peer cities in several violent and property crime categories
- Slightly higher crime index levels in comparison to the national crime index average.

According to the Department of Justice, cities with populations between 25,000 and 99,000 maintain 1.8 sworn police officers per 10,000 population. Based on Warren's population, this equates to a staffing level of 84 sworn officers. In contrast, the City of Warren is currently operating the Police Department with 65 sworn officers. However, an analysis in this report shows that if the vehicle maintenance function was consolidated with the Operations Department, one rank officer could be reallocated to the basic patrol function.

In general, the overall planning and maintenance of the WPD police fleet is limited. For example, the Department does not monitor or track vehicle life-cycle costs that would aid in fleet management decision making and the responsibility for monitoring preventive maintenance activities is decentralized and uncoordinated. In addition, the WPD's current police fleet replacement practice is not linked to specific replacement criteria such as age or miles, but instead has been linked solely to the financial capabilities of the City. As a result, the WPD is maintaining 21 vehicles with mileage in excess of 100,000. These high mileage accrual rates, combined with the City's current challenges to identify the necessary resources to adequately support a consistent fleet replacement cycle, significantly increase WPD's exposure to costly repair expenses.

Other significant findings include the following:

- Warren is maintaining the lowest ratio of rank officers to basic patrol officers in comparison to the peers
- TMHA has requested that the WPD improve the accuracy and completeness of its monthly reports
- The City of Warren does not apply for federal grants from the Department of Justice
- The overall compensation package for the WPD appears to be in-line with the peers
- WPD employees receive four hours minimum call-in pay, which is in excess of the peers

Commendations: The City's use of supplemental payments for members holding a college degree illustrates the value that Warren places on an educated workforce and on higher education. By formally implementing a probationary period of one calendar year in length, the City of Warren has allowed management additional time to assess the potential of the employee. Furthermore, the inclusion of an informal step in the grievance procedure minimizes the administrative time spent in meetings and writing reports, as well as eliminates the need for all grievance procedures to go through a formal process.

Recommendations: The City should identify all options and efforts that would help to maintain and/or increase basic patrol police staffing levels to best ensure the safety and quality of life for its citizens. If the vehicle maintenance sergeant is reallocated to basic patrol functions, the City would need to consider hiring 18 basic patrol officers to achieve the Department of Justice's national average and to also achieve a staffing level similar to the peers.

In terms of fleet maintenance, the City should consider transferring the WPD's fleet maintenance responsibilities to the Operations Department. In addition, the City should develop a formal vehicle replacement plan as well as review and update its total fleet size based on its desired fleet assignment practices. The City should also implement and incorporate preventive maintenance measures and practices employed by proactive fleet managers.

Other significant recommendations contained in this section include the following:

- Reallocate 11 rank officers to basic patrol functions
- Identify the procedures necessary to allow full participation in the FBI's annual, voluntary UCR crime reporting
- Pursue all available formula and discretionary D.O.J. grant funding opportunities
- Schedule vacation time so that it is not disruptive to the work schedule
- Reduce the minimum call-in pay to between two to three hours

Financial Implications: If the City were able to achieve sworn police officer staffing levels commensurate with the national average for similar sized cities, the City could anticipate total estimated annual salary and benefits expenses of approximately $1 million for 18 sworn officers. If the City replaced 21 vehicles and implemented the fuel monitoring system, the City could expect annual expenditures of $93,000 for a five-year period. However, these costs can partially be offset by approximately $309,000 in revenue enhancements associated with the issuance of the appropriate number of tickets ($204,000) and applying for grants ($105,000).

Operations Department

This section focuses on the Operations Department (the Department)of the City of Warren and is divided into five sections: (A) Operations Department Overview, (B) Street Division, (C) Building Maintenance Subdivision, (D) Vehicle Maintenance Subdivision, and (E) Parks Maintenance Subdivision.

Background: The Operations Department includes 44 full-time employees and has an annual budget of approximately $4.2 million. The Operations Department consists of the Street Division and the Maintenance Division, both of which are responsible for the care and upkeep of the City's capital investments. The Street Division is responsible for the maintenance of City streets and parklands. The Maintenance Division is responsible for maintaining approximately 98 vehicles and 23 City-owned buildings.

A. Operations Department Overview

Findings: The Operations Department is below the peer average staffing levels by 30 percent. Since 1995 the Department has had a 45 percent reduction of staff due to lay-offs, transfers and retirements. The Operations Department does not use seasonal or temporary staffing because the AFSCME union contract prohibits the City from hiring temporary or seasonal staff until all laid-off personnel are reinstated.

The Ohio Council 8, American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO; and AFSCME AFL-CIO, Local #74 (AFSCME Local #74) represent Operations Department employees. Several provisions of the current contract have a significant impact on the City including the following:

- The Department staff only complete 7.1 hours of actual work time per day, which includes a paid lunch. The work day is 7.5 hours without a paid lunch in two of the peer cities and 7.2 hours in the third.

- Warren's four hour minimum call-in policy is generous compared to the peer cities. Furthermore, the Operations employees are not required to work the full four hours when called in.

The Operations Department's overall compensation package is the second highest of the peer cities. Factors contributing to the cost of the overall compensation package include the large number of supplementals provided to employees through the union contract, full-time employees are not required to contribute towards the medical premiums and the City pays the employee's portion of the PERS retirement costs.

The Department does not prepare a comprehensive strategic plan to guide departmental operations. Because the Department does not develop planning documents to guide departmental operations, costs, equipment and space needs, fleet reliability and other critical issues are not being adequately addressed. Annual workload estimates are not calculated to determine the number of personnel and amount of resources needed to perform the essential functions of the Department.

The work request system, developed in-house, is limited in its capabilities and does not provide for the ability to track individual project costs or job assignment costs. *Daily work assignment sheets* and *routing forms* are used by the Department to assign daily tasks and record completed work orders. However, employees do not consistently complete the routing forms to be entered into the database. As a result, the Department is unable to account for work performed in some areas.

Recommendations: The City should negotiate with the union to allow for the use of seasonal or temporary staffing for some functions. Other items that should be renegotiated include extending the

work day, the number of hours guaranteed for call-in pay and the probationary period should be lengthened. Also, in future negotiations, the City should strive to achieve overall compensation packages similar to the peer cities. This can be accomplished by negotiating lower cost of living increases or by implementing various recommendations contained in this report including the following:

- Negotiating the removal of the various supplementals
- Negotiating employee healthcare contributions
- Negotiating the removal of the City's responsibility to pay the 8.5 percent employee portion of the PERS retirement contributions
- Negotiating the removal of the 30 minute paid lunch

The Department should develop a comprehensive capital improvement plan and should use goals and objectives to estimate workloads, and justify funding needs. Daily assignment sheets and routing forms should be incorporated into a single document and a job order costing system or cost center tracking system should be implemented to specifically track street maintenance, snow and ice control and building maintenance activities.

Financial Implications: Modifications to the current contract, including eliminating the paid lunch, requiring the union to reimburse salaries, eliminating supplementals, and requiring employee contributions for health care benefits and the 8.5 percent PERS employee contribution, would save the City approximately $305,000 annually. A computerized job order costing system would cost approximately $23,000 to $30,000.

B. Street Division

Findings: Based upon an assessment of three sample months in 1999, the Street Division spent 17.5 to 39.0 percent of its time performing non-street related functions and did not maintain documentation which identified work related activities for half the overall time. Although the Division's staffing levels are slightly below the peer cities, the Division appears to have some non-productive time. In addition, the ratio of supervisors to staff indicate the Department may be over staffed at the supervisory level.

Based on materials used, the pothole patching function appears to be performing at slightly less than half the industry standard. Additionally, street maintenance functions are not well coordinated with the Engineering Department and preventive measures, such as crack sealing and truck weight limit enforcement, are not performed.

A contracted street sweeping service is used by the Division to clean City streets. The current contract stipulates the frequent sweeping of 235.17 curb miles, at an approximate cost of $424 per curb mile swept. Warren's street sweeping cost per curb mile is approximately 29 percent higher than the ICMA average.

Snow and ice control functions also show diminished efficiency as a result of antiquated equipment and outdated plowing routes. Ice control material (ICM) is used to supplement salt usage in a 4:1 ratio because the ICM/salt mixture is less expensive than straight salt. However, there are hidden costs associated with processing ICM through the storm water system and reduced melting capabilities.

Commendations: The City has encouraged cost savings in fuel usage and maintenance costs on snow removal equipment by establishing two salt storage facilities.

Recommendations: The City should consider redistributing a supervisory position to a lower level position to bring the Division in line with the peer average span of control. The productivity of the midnight shift appears to be low based on Department records and the Department should consider eliminating the midnight shift and redistributing personnel to other functions during the winter months.

Under staffing and low productivity in some areas has led to reduced maintenance on City streets. Seasonal staffing should be considered to increase the volume of potholes patched and the Division should use the Patch Mobile more extensively to increase the durability of repairs. A crack sealing program should be implemented to increase the useful life of the roads. The City should also increase enforcement of trucking traffic weight limits to reduce the weight stress on the roads which causes deterioration of road conditions.

The Department should perform a cost benefit analysis of maintaining the current street sweeping contract. The Department should either perform the street sweeping function in-house or re-negotiate a lower cost with the private contractor.

Productivity measures and routing software should be implemented to tailor plow and salt crew staffing levels to ensure that operators complete the standard recommended lane miles within a reasonable time. Salt should be purchased through the ODOT cooperative and the Division should consider discontinuing the use of ICM.

Financial Implications: Changing one supervisory position to a lower classification could save the Department $6,000 annually. An in-house street sweeping program would create net annual savings of approximately $45,000. By enforcing truck weight limits, the City could potentially generate an additional $126,000 in income. In addition, the purchase of routing software would result in a one-time implementation cost of approximately $9,000 with a cost avoidance associated with the reduction of eight trucks of approximately $300,000 and a deployed resources savings associated with the reduction in manning the eight trucks of approximately $409,000. Purchasing the FY 1999 amount of salt through ODOT would save the Department $8,000 each winter. However, completely eliminating the use of ICM and using salt alone would result in a net cost of $78,000 annually.

C. Building Maintenance Subdivision

Findings: The City of Warren Building Maintenance Subdivision has the highest square footage maintained per FTE compared to the peer cities and maintains 14 more buildings than the peer average. As the building maintenance staffing has decreased, the amount of property owned by the City has continued to increase. Building maintenance is responsible for several tasks that appear to be secondary to the functions of building maintenance which reduce the time allocated for direct care and upkeep of the City's buildings.

Building Maintenance has not conducted a building condition audit to determine the repair needs and costs for city owned buildings nor has it developed a comprehensive preventive maintenance plan. As a result, the City may be deferring a substantial portion of maintenance and repair costs. In addition, Warren may have an excess of space or high vacancy rate in several buildings as Warren employees are provided 242 to 662 square feet more space per employee than International Facilities Management Association (IFMA) recommended space utilization amounts.

The City contracts out for custodial service for seven city owned buildings at approximately $0.59 per square foot which is substantially lower than IFMA averages. Some city buildings, though, are maintained by City employees housed within those buildings, which may be much more costly than the outsourced cleaning contract amount per square foot.

Recommendations: The Building Maintenance staffing levels should be increased by reallocating street maintenance personnel to building maintenance functions during the winter months for preventive maintenance and repairs. The City should conduct a building condition audit to identify facility repairs and replacement needs. A space utilization study should also be conducted to determine if excess space or vacancies exist which would allow for a potential consolidation of city buildings. In addition, the custodial contract should be expanded to include an additional 177,515 square feet, which would free up city employees to perform their primary functions.

Financial Implications: By consolidating buildings, the City could save approximately $5,000 annually. The cost to conduct a building audit would be approximately $65,000 and the purchase of preventive maintenance software would require a one-time implementation expenditure of $6,000. Also, adding 177,515 square feet to the current custodial contract would cost approximately $105,000 but would create a deployed resources savings of approximately $206,000.

D. Vehicle Maintenance Subdivision

Findings: The Vehicle Maintenance staffing level is 5.0 FTEs which is 35 percent below the peer average. This is due, in part, to the peer cities operating centralized garages. Vehicle maintenance maintains 852 vehicle unit equivalents which equates to 170.4 vehicle units being maintained per mechanic. When compared to the peers, Warren maintains only 70.7 percent of the peer average indicating less than optimal operating efficiency.

Low operating efficiency may be the result of the aging pool of vehicles. The Department does not have a vehicle replacement plan and may face a potentially large capital investment to upgrade its vehicles. High costs are incurred to operate many of its vehicles and equipment, diverting scarce resources from vehicle replacement. There is also an absence of a formal preventive maintenance schedule and there is a lack of sufficient technology to accurately maintain information on the maintenance and repair of all vehicles and equipment.

Recommendations: Vehicle Maintenance should focus on accurately tracking the labor hours and techniques used for vehicle repairs. An increase in productivity would allow the Department to reallocate 1.5 FTEs from vehicle maintenance to other Operations Department functions. A formal vehicle and equipment replacement plan should be developed, based on priorities and the vehicles and equipment currently incurring the highest operating cost or experiencing the greatest number of breakdowns.

Other recommendations include:

- Hire a consultant to evaluate the feasibility of centralizing vehicle maintenance functions
- Develop a preventive maintenance plan to cover all vehicles maintained according to manufacturer's recommended maintenance and to oversee that the plan is enforced
- Update the Computer Fleet Analysis (CFA) software system

Financial Implications: Reallocating 1.5 FTEs from vehicle maintenance to other Operations activities would create a deployed resources savings of approximately $58,000 while the purchase of computerized fleet maintenance software upgrades and the necessary computer hardware would range from approximately $3,000 to $3,500.

E. Parks Maintenance Subdivision

Findings: The City of Warren spends less per capita on park maintenance than the International City Management Association (ICMA) standards and the peer cities. Warren's Parks Maintenance staffing levels are below peer standards because of the exclusion of seasonal or temporary employees from the staff. Current funding and staffing levels may not provide adequate support for Parks Maintenance employees to complete their job functions. Planning is not conducted to estimate workloads and functions such as urban forest management are not being completed.

Recommendations: The City should evaluate the current level of services provided to residents in relation to the cultural well-being of the City. Competitive contracting of the mowing function should be considered so that parks personnel could be redirected to maintaining parks and recreational functions that are not currently being performed. Parks Maintenance should develop a land management plan, which is important to determining estimated work loads and staffing needs. Cost saving landscaping should be considered to reduce mowing costs and, to increase the cost

effectiveness of landscaping, a yard waste recycling program should be implemented to generate wood chips and mulch. The use of seasonal employees should be considered to augment Parks staff at a lower cost, although union negotiations would be required to implement this recommendation.

Financial Implications: The cost to develop a yard waste recycling program would be approximately $12,000.

Summary of Financial Implications

The following table summarizes the performance audit recommendations which contain financial implications. These recommendations provide a series of ideas or suggestions which the City should consider. Certain of the recommendations are dependent on labor negotiations or community approval. Detailed information concerning the financial implications, including assumptions, is contained within the individual sections of the performance audit report.

Estimated Revenue Enhancements, Cost Savings and Cost Avoidance					
Ref. No.	**Recommendations From All Sections**	**Annual Revenue Enhancements**	**Annual Cost Savings**	**Implementation Cost**	**Cost Avoidance/ Deployed Savings**
	Income Tax				
R2.1	Improving income tax collections by implementing a number of recommendations noted in the Income Tax report	$2,200,000			
R2.4	Hiring two casual labor employees			$6,000 (annual)	
R2.12	Additional interest income through enforcing the income tax ordinance regarding monthly withholdings	$1,000			
R2.20	Obtaining information from the Ohio Department of Taxation to help identify non-filers			$1,000 - $2,000 (annual)	
	Police Department				
R3.2	Hiring 18 additional basic patrol officers			$756,000 (annual)	
R3.2	Issuing appropriate level of traffic citations based on increased staffing level	$102,000			
R3.5	Pursuing available grant opportunities	$105,000			
R3.6	Replacing 21 police cruisers			$93,000 (annual for five years)	
R3.8	Implementing a fuel monitoring system			$6,000 (one-time)	
	Operations Department				
R5.6	Extending the workday 20 minutes for the operations employees by eliminating the paid lunch				$60,000 (deployed savings)
R5.8	Requiring the AFSCME union to reimburse the City for association leave		$2,000		
R5.10	Negotiating the elimination of the operations department supplementals		$58,000		
R5.11	Requiring operations department employees to contribute towards monthly healthcare premiums		$31,000		
R5.12	Requiring employees to pay their portion of the PERS retirement costs		$154,000		
R5.15	Purchasing a job costing computer system			$23,000 - $30,000 (one-time)	
R5.17	Reallocating one supervisory position		$6,000		
R5.21	Implementing an in-house street sweeping program		$45,000 (annual for five years)		
R5.22	Enforcing the truck weight limit violations	$126,000			
R5.23	Purchasing a routing software system which will allow a reduction of eight 2.5 ton trucks			$9,000 (one-time)	$300,000 (avoidance) $409,000 (deployed)

Estimated Revenue Enhancements, Cost Savings and Cost Avoidance					
Ref. No.	**Recommendations From All Sections**	**Annual Revenue Enhancements**	**Annual Cost Savings**	**Implementation Cost**	**Cost Avoidance/ Deployed Savings**
R5.25	Purchasing salt cheaper through ODOT's cooperative purchasing program		$8,000		
R5.25	Discontinuing the use of ICM and use 100 percent salt			$78,000 (annual)	
R5.28	Consolidating two buildings		$5,000		
R5.29	Conducting a space utilization audit			$65,000 (one-time)	
R5.30	Purchasing a preventive maintenance software system			$6,000 (one-time)	
R5.31	Redistributing employees by increasing use of outside janitorial contractor			$105,000 (annual)	$206,000 (deployed)
R5.33	Reallocate 1.5 FTEs from vehicle maintenance by increasing the efficiency of the vehicle maintenance function				$58,000 (deployed)
R5.35	Upgrading the vehicle maintenance software and hardware			$3,000 - $4,000 (one-time)	
R5.41	Developing a yard waste recycling program			$12,000 (one-time)	
	Total Range	**$2,534,000**	**$309,000**	**$1,039,000-$1,040,000 (annual) $124,000 - $132,000 (one-time)**	**$300,000 (avoidance) $733,000 (deployed)**

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

In addition to the financial implications listed in the table above, it is important to note that the City is facing a significant number of unmet building needs. However, due to the lack of a comprehensive capital plan, an estimate of the cost to repair and maintain all of the city's buildings could not be determined. This cost could be significant. Furthermore, the City's rolling stock is antiquated and the City will need to be replaced in the near future. The cost to replace the rolling stock could also be significant. For example, it is estimated that the cost to replace 16 2.5 ton dump trucks will be approximately $800,000 based on FY 1999 prices.

Objectives and Scope

A performance audit is defined as a systematic and objective assessment of the performance of an organization, program, function or activity to develop findings, conclusions and recommendations. Performance audits are usually classified as either economy and efficiency audits or program audits.

Economy and efficiency audits consider whether an entity is using its resources efficiently and effectively. They attempt to determine if management is maximizing output for a given amount of input. If the entity is efficient, it is assumed that it will accomplish its goals with a minimum of resources and with the fewest negative consequences.

Program audits normally are designed to determine if the entity's activities or programs are effective, if they are reaching their goals and if the goals are proper, suitable or relevant. Program audits often focus on the relationship of the program goals with the actual program outputs or outcomes. Program audits attempt to determine if the actual outputs match, exceed or fall short of the intended outputs. This audit was primarily designed as an economy and efficiency audit.

The Auditor of State's Office has designed this performance audit with the objective of reviewing systems, organizational structures, finances and operating procedures to develop recommendations for reducing operating costs, increasing revenues or improving efficiency. Specific objectives of this performance audit are the following:

- Identify opportunities for improving the City's effectiveness, responsiveness and quality of service delivery which is cost beneficial
- Identify opportunities for improving the City's procedures, work methods and capital asset utilization which should result in higher quality and/or reduced costs
- Determine if the City's current organization structure is flexible and effectively structured to meet future demands
- Evaluate management policies and procedures and provide recommendations for enhanced revenue flows, expenditure reductions, delivery of service or employee productivity
- Evaluate contractual provisions and provide recommendations for increasing management's ability to manage employees
- Provide recommendations for the City to use in their attempt to maintain financial stability

The performance audit on the City covers the following areas of operation:

- Income Tax Department
- Police Department
- Operations Department
- Fire Department (To be released in near future)

These particular areas were selected pursuant to discussions with the City Officials. Within the City's operations, these areas are important to assess because they represent the majority of the City's revenues and expenditures.

Methodology

To complete the performance audit, the auditors gathered and assessed a significant amount of data pertaining to the City, conducted interviews with various groups associated with City and conducted interviews and assessed information from the peer cities along with other cities. The methodology is further explained below.

Studies, reports and other data sources

In assessing the various performance audit areas, the City was asked to provide any previous studies or analyses already prepared on the subject areas. In addition to assessing this information, the auditors spent a significant amount of time gathering and assessing other pertinent documents or information. Examples of the studies, reports and other data sources which were studied include the following:

- Income tax ordinances
- Various revenue, payroll, expenditure and budgetary reports from the City's financial systems
- Various management reports generated from systems within the Income Tax, the Police and the Operations Departments
- Negotiated labor contracts
- Various departmental policies and manuals
- Various demographic and statistical reports provided the Ohio Department of Development, the Ohio Department of Taxation and the Ohio Department of Education
- National benchmarking information provided by the United States Department of Justice, the Federal Emergency Management Association, capital plans adopted by the City of San Francisco and the City of Milwaukee, studies prepared by the International Fleet Management Association and street maintenance studies prepared by the University of Georgia.
- Data and reports provided by the peers
- Various sections of the Ohio Revised Code
- Various time and attendance records maintained by the departments

Interviews, Discussions and Surveys

Numerous interviews and discussions were held with many levels and groups of individuals involved internally and externally with the City. These interviews were invaluable in developing an overall understanding of the City's operations and, in some cases, were useful sources in identifying concerns

with the City's operations and in providing recommendations to address these concerns. Examples of the organizations and individuals that were interviewed include the following:

- The mayor, the city auditor, the city treasurer and the director of public safety and service
- The police chief and the director of Operations as well as their staff
- Various state officials as well as representatives from other municipalities
- Private vendors specializing in technology and income tax collections

Benchmark Comparisons with Other Cities

Three other municipalities, Cuyahoga Falls, Mansfield and Middletown, were selected to provide benchmark comparisons with the City of Warren. The aforementioned cities were selected based upon demographic and operational data. Performance indicators were established for the various performance audit areas to develop a mechanism for determining how effectively and efficiently the City of Warren is providing services. The information was gathered primarily through information requests and interviews held with appropriate personnel at each city.

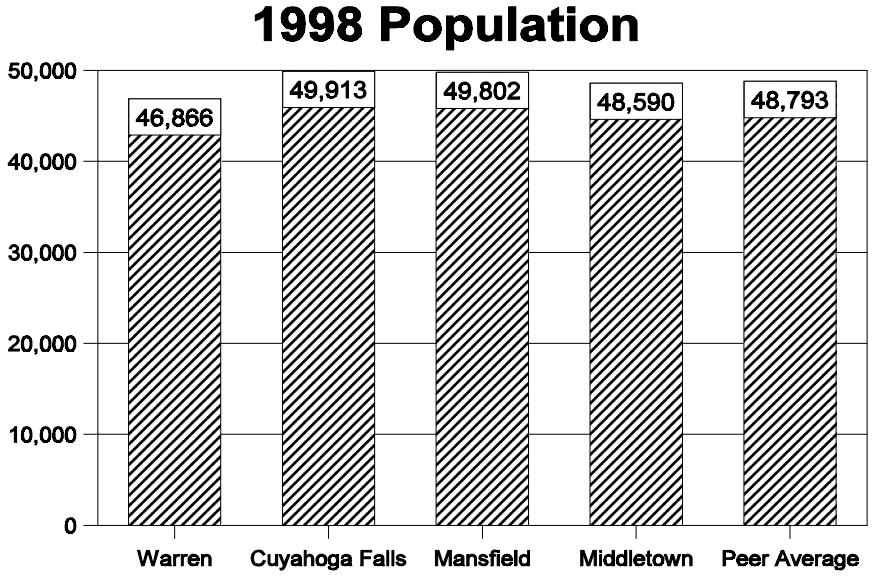
Comparative Cities

One important component of a performance audit is the selection of peer cities. The peer groups provide an ability to compare information and statistics while providing benchmarking data. The peer group selected for this audit includes the Cities of Warren, Cuyahoga Falls, Mansfield and Middletown.

Warren's population in 1998 was estimated to be 46,866 people. This was the lowest among the peer cities and 3.9 percent lower than the peer average for 1998. In addition, Warren's population decrease over the five year period was the highest among the peers.

City Population Estimates						
	1994	**1995**	**1996**	**1997**	**1998**	**% Change 1994 - 1998**
Warren	49,344	48,651	48,092	47,476	46,866	(5.02)%
Cuyahoga Falls	49,614	49,643	49,630	49,682	49,913	0.60%
Mansfield	51,168	50,863	50,650	50,309	49,802	(2.67)%
Middletown	48,744	48,732	48,782	48,605	48,590	(0.32)%
Peer Average	49,718	49,472	49,289	49,018	48,793	(1.86)%

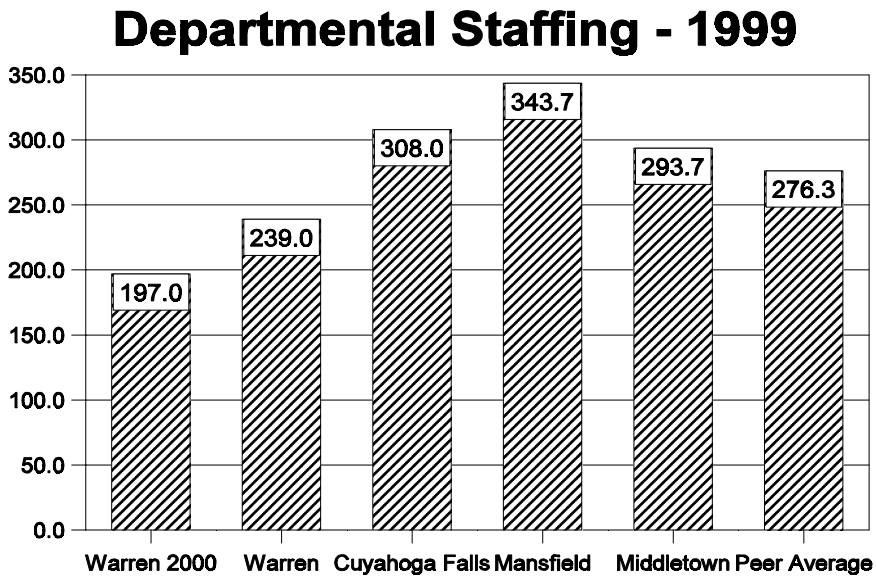
Source: Ohio Department of Development



In areas assessed, Warren's employees in 1999 was the lowest of the peers and 13.5 percent lower than the peer average. Using the current staffing level for 2000, Warren's total staffing is 28.7 percent lower than the peer average for 1999. For 1999 and 2000, the Police, Fire and Operations Departments had staffing levels that were lower than the corresponding peer departments, while the Income Tax Department staffing was comparable.

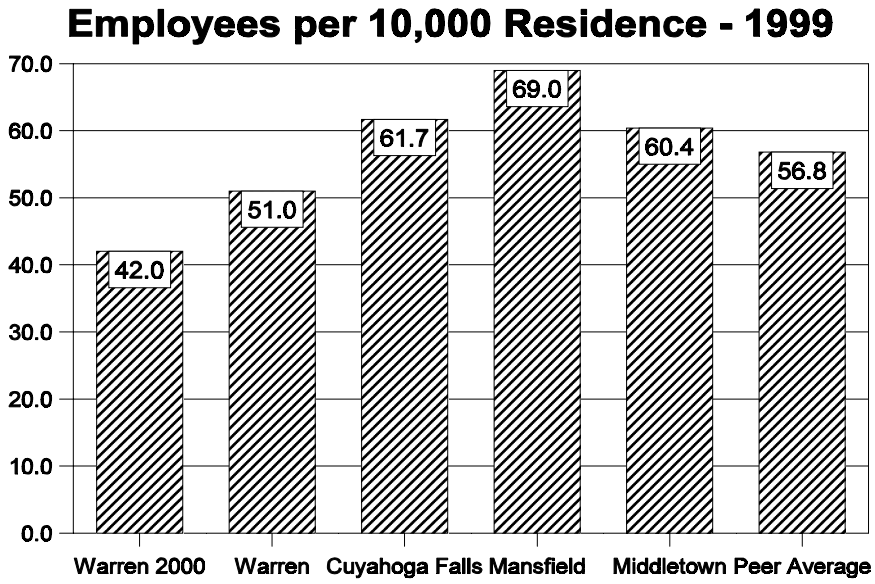
Departmental Staffing - 1999					
	Income Tax Department	**Police Department**	**Fire Department**	**Operations Department**	**Total**
Warren - 2000	7.0	82.0	64.0	44.0	197.0
Warren - 1999	8.0	94.0	77.0	60.0	239.0
Cuyahoga Falls	7.0	119.0	87.0	95.0	308.0
Mansfield	11.7	142.0	108.0	82.0	343.7
Middletown	7.7	125.0	91.0	70.0	293.7
Peer Average	8.3	112.4	85.4	70.2	276.3

Source: City reports and peer cities' information



In areas assessed, Warren had the lowest number of employees per 10,000 residents as compared to the peer cities. In addition, Warren's 42.0 employees per 10,000 populations was 26 percent lower than the peer average.

Departmental Employees per 10,000 Residence - 1999					
	Income Tax Department	**Police Department**	**Fire Department**	**Operations Department**	**Total**
Warren - 2000	1.5	17.5	13.6	9.4	42.0
Warren - 1999	1.7	20.0	16.4	12.8	51.0
Cuyahoga Falls	1.4	23.8	17.4	19.0	61.7
Mansfield	2.3	28.5	21.7	16.5	69.0
Middletown	1.6	25.7	18.7	14.4	60.4
Peer Average	1.7	23.0	17.5	14.4	56.8

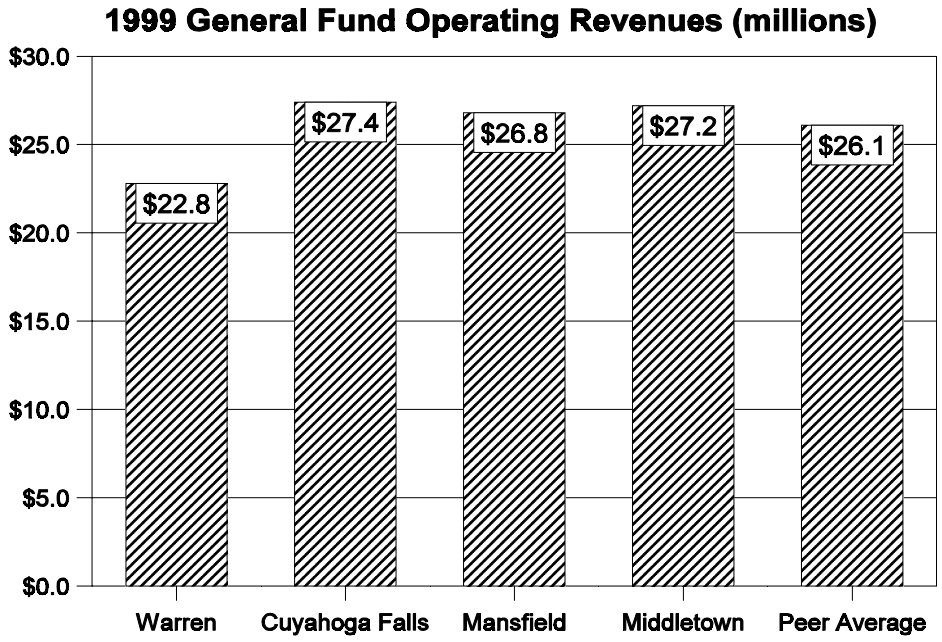


Warren's General Fund operating revenue for 1999 was the lowest among the peers and approximately 12.5 percent less than the peer average. In addition, Warren had the lowest increase in General Fund operating revenue over the past three years as compared to the peers. The Income Tax section of this report indicates that Warren is potentially not collecting all revenue to which it is entitled. See the Income Tax section of this report for additional discussion on potential revenue enhancement possibilities.

Total General Fund Operating Revenues				
	1997	**1998**	**1999**	**% Change 1997 - 1999**
Warren	$21,881,151	$21,984,309	$22,806,068	4.23%
Cuyahoga Falls	$23,792,289	$25,844,547	$27,446,773	15.36%
Mansfield [1]	$25,523,460	$26,597,437	$26,809,193	5.04%
Middletown	$22,920,700	$24,192,813	$27,223,623	18.77%
Peer Average	$23,529,400	$24,654,777	$26,071,414	10.80%

Source: City Financial Statements & Peer City Information

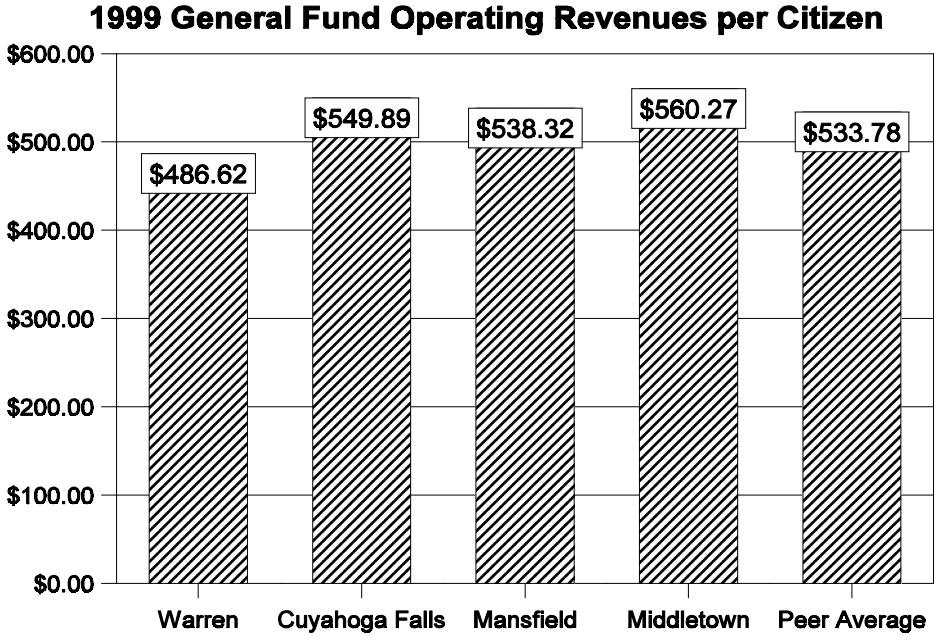
[1] The portion of income tax collections dedicated to a special revenue fund has been included in the total General Fund revenues.



Warren's 1999 General Fund operating revenue per citizen was the lowest of the peer cities in 1999. Warren's increase in General Fund operating revenue over the past three years was also the lowest when compared to the peers and approximately 50 percent lower than the peer average. This is further indication that Warren has not maximized available revenue sources.

Total General Fund Operating Revenues per Citizen				
	1997	**1998**	**1999** [1]	**% Change 1998 - 1999**
Warren	$460.89	$469.09	$486.62	5.58%
Cuyahoga Falls	$478.89	$517.79	$549.89	14.83%
Mansfield	$507.33	$534.06	$538.32	6.11%
Middletown	$471.57	$497.90	$560.27	18.81%
Peer Average	$479.67	$504.71	$533.78	11.28%

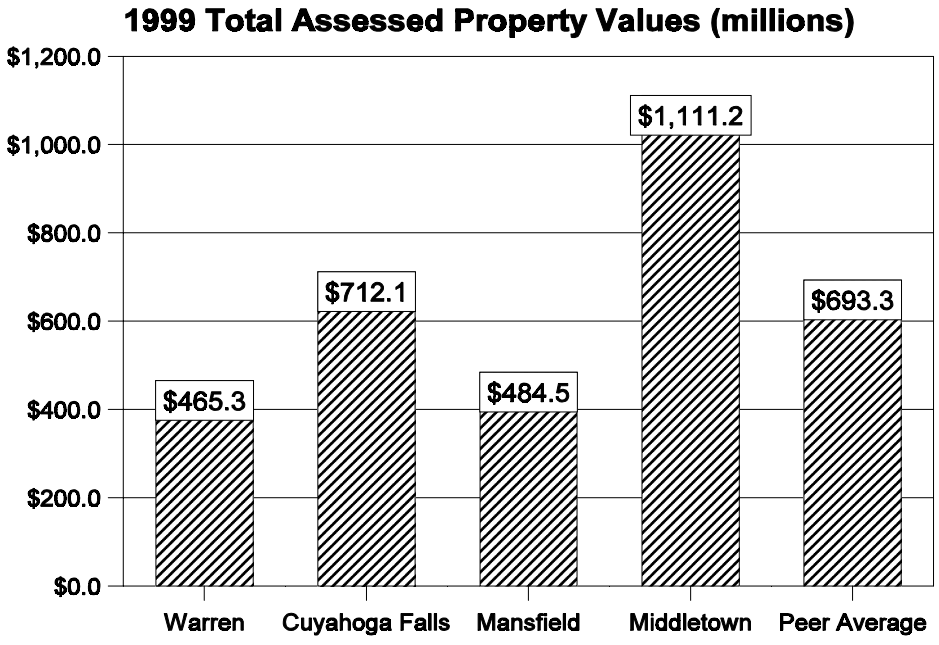
Source: City Financial Statements & Peer City Information
[1] Using 1998's estimated population



Total assessed property values are comprised of real, public utility and tangible personal property. Assessed value is the value at which property is taxed. Warren's total assessed property value was the lowest among the peer cities and approximately 33 percent lower than the peer average in 1999. In addition, the ten percent rate at which the assessed property value increased over the past three years was the lowest of the peers.

Total Assessed Property Values				
	1997	**1998**	**1999**	**% Change 1997 - 1999**
Warren	$422,571,706	$445,243,036	$465,251,089	10.10%
Cuyahoga Falls	$623,086,358	$640,307,043	$712,085,754	14.28%
Mansfield	$400,743,513	$410,348,390	$484,522,400	20.91%
Middletown	$996,645,354	$1,014,671,930	$1,111,302,112	11.50%
Peer Average	$610,761,733	$627,642,600	$693,290,339	13.51%

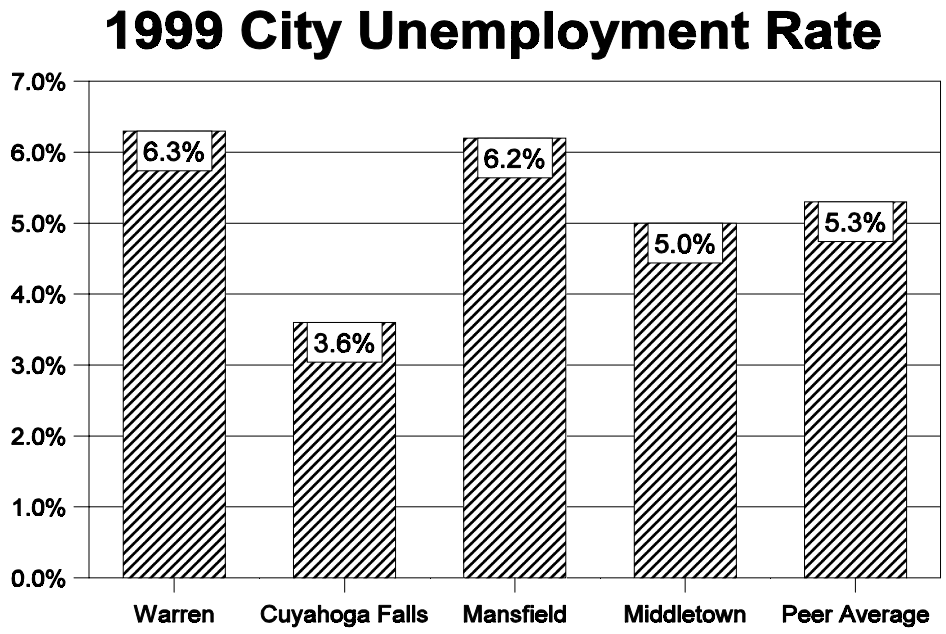
Source: Ohio Department of Taxation



Warren's unemployment rate in 1999 was 6.3%, which was the highest of the peer cities. Warren's unemployment rate over the past three years has increased approximately 8.6 percent. In contrast, the peer average unemployment rate decreased 0.47 percent during the same time frame.

City Unemployment Rates				
	1997	**1998**	**1999**	**% Change 1997 - 1999**
Warren	5.8%	5.9%	6.3%	8.62%
Cuyahoga Falls	4.3%	4.0%	3.6%	(16.28)%
Mansfield	5.9%	5.9%	6.2%	5.08%
Middletown	5.2%	5.0%	5.0%	(3.85)%
Peer Average	5.3%	5.2%	5.3%	(0.47)%

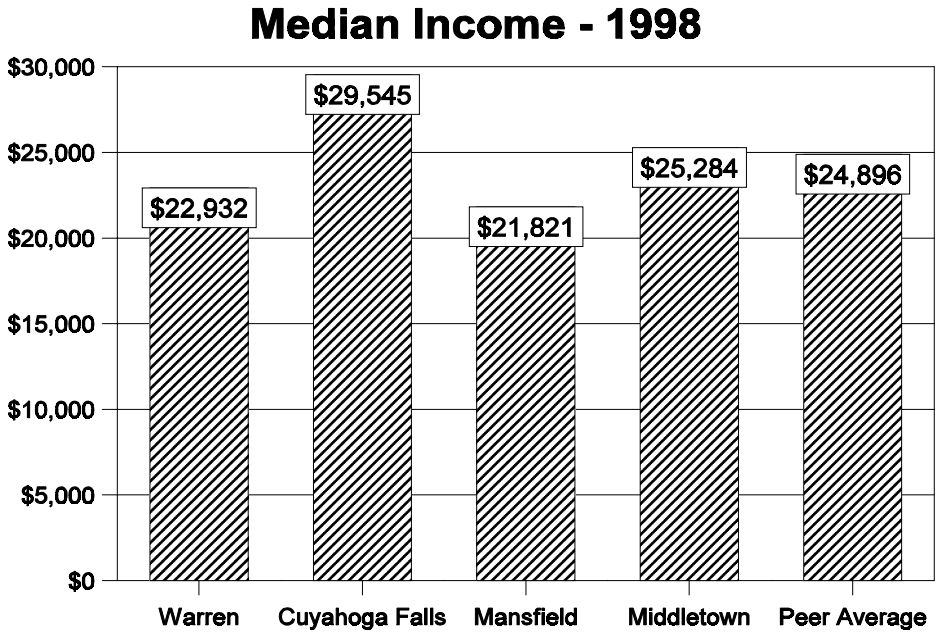
Source: Ohio Bureau of Employment Services, Warren and Peer City information



Warren's median household income was the second lowest of the peers in 1998 and approximately eight percent lower than the peer average. In addition, the percentage increase over the three year trend period was the lowest when compared to the peer cities.

Median Household Income				
	1996	**1997**	**1998**	**% Change 1996 - 1998**
Warren	$21,707	$21,012	$22,932	5.64%
Cuyahoga Falls	$27,535	$26,304	$29,545	7.30%
Mansfield	$20,264	$19,614	$21,821	7.68%
Middletown	$23,340	$22,591	$25,284	8.33%
Peer Average	$23,212	$22,380	$24,896	7.26%

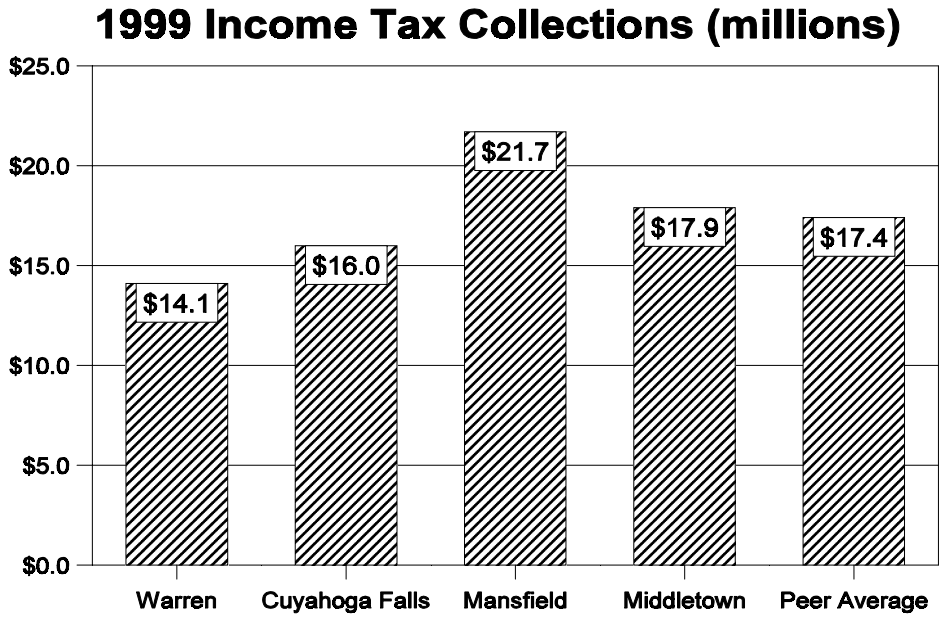
Source: Ohio Department of Taxation and Ohio Department of Education



Warren's gross income tax collections in 1999 was $14.1 million, the lowest of the peers. In addition, Warren's increase in collections over the past three years was the lowest of the peers and approximately 93 percent lower than the peer average over the same time period. However, it should be noted that Warren's tax rate is the lowest of the peers at 1.5 percent, while Cuyahoga Falls, Mansfield and Middletown have tax rates of 2.0, 1.75 and 1.5 percent, respectively. Warren's gross income tax collections was about 27 percent lower than Middletown's, which has the same tax rate as Warren. A detailed analysis of income tax collections is provided in the Income Tax section of this report.

Gross Income Tax Collections				
	1997	**1998**	**1999**	**% Change 1997 - 1999**
Warren	$13,957,126	$13,693,778	$14,067,526	0.79%
Cuyahoga Falls	$13,200,854	$14,449,170	$15,988,871	21.12%
Mansfield	$20,005,383	$20,339,631	$21,743,988	8.69%
Middletown	$15,753,908	$16,212,665	$17,888,870	13.55%
Peer Average	$15,729,318	$16,173,811	$17,422,314	10.76%

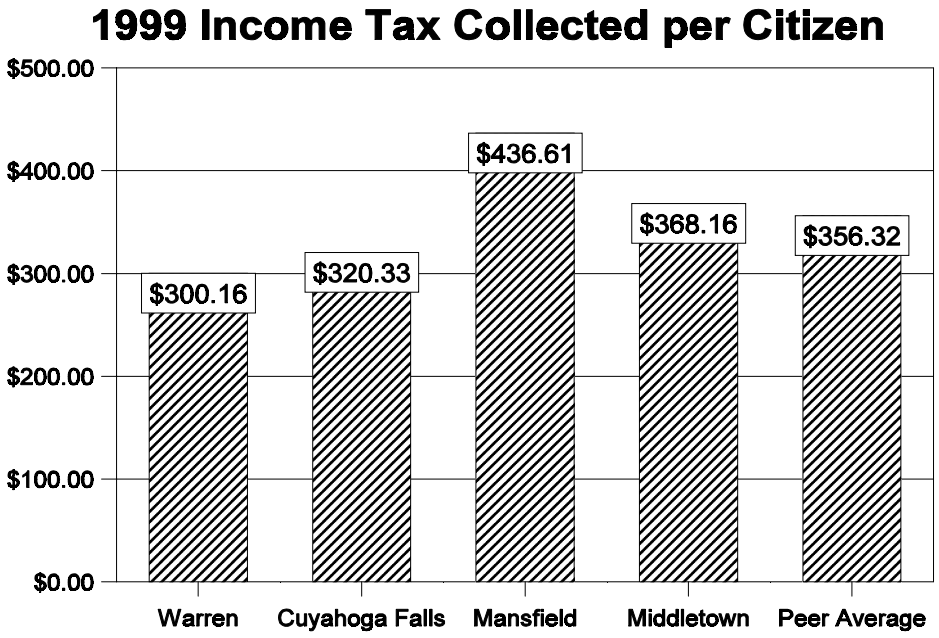
Source: Warren and peer city Income Tax Departments, Ohio Department of Taxation



Warren collected the lowest amount of income tax revenue per citizen in 1999 as compared to the peers. Considering that none of the cities had changes in the tax rates during the last three years, Warren had the lowest increase in collections per citizen from 1997 to 1999. See the Income Tax section for a detailed analysis of income tax collections.

Gross Income Tax Collections per Citizen				
	1997	**1998**	**1999** [1]	**% Change 1997 - 1999**
Warren	$283.98	$292.19	$300.16	2.10%
Cuyahoga Falls	$265.71	$289.49	$320.33	20.56%
Mansfield	$397.65	$408.41	$436.61	9.80%
Middletown	$324.12	$333.66	$368.16	13.59%
Peer Average	$320.37	$330.94	$356.32	11.22%

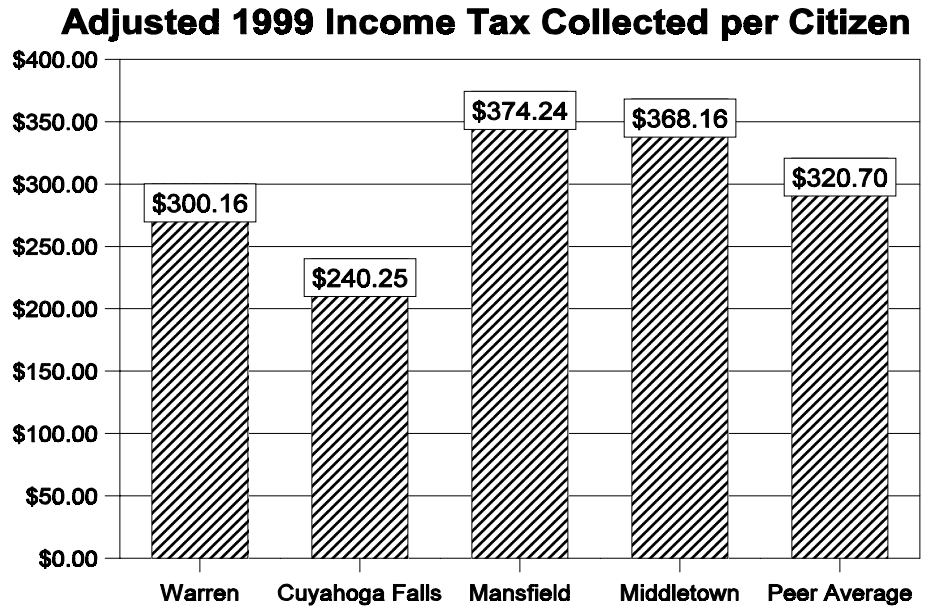
Source: Warren and peer city Income Tax Departments, Ohio Department of Taxation
[1] Using 1998's estimated population



Since Cuyahoga Falls and Mansfield have higher municipal tax rates than Warren, the gross income tax collections per citizen were adjusted to reflect Warren's 1.5 percent income tax rate for those years. With this adjustment, Warren's collections per citizen is the second lowest. However, Warren's amount is significantly lower than Mansfield's and Middletown's collections per citizen in 1999. A detailed analysis of income tax collections is provided in the Income Tax section.

Adjusted Gross Income Tax Collections per Citizen				
	1997	**1998**	**1999** [1]	**% Change 1997 - 1999**
Warren	$283.98	$292.19	$300.16	2.10%
Cuyahoga Falls	$199.28	$217.12	$240.25	20.56%
Mansfield	$340.84	$350.07	$374.24	9.80%
Middletown	$324.12	$333.66	$368.16	13.59%
Peer Average	$289.56	$298.26	$320.70	10.76%

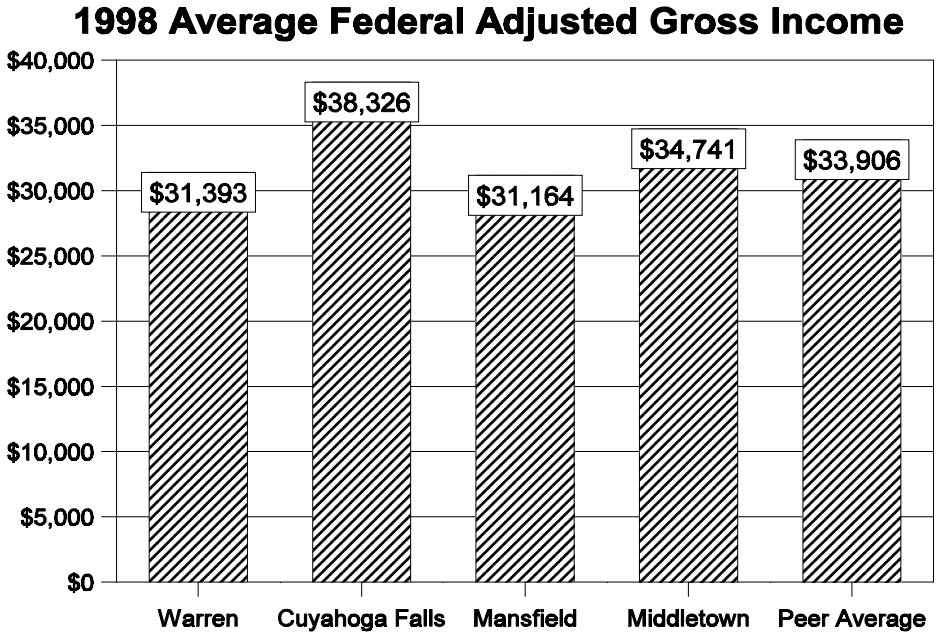
Source: Warren and peer city Income Tax Departments, Ohio Department of Taxation
[1] Using 1998's estimated population



While the State of Ohio does not monitor tax returns filed by municipality, it does track the total returns filed by individual school district. As a city school district's boundaries are similar to those of its city, the data reported for the City school district should be reflective of the entire city population. Warren's average federal adjusted gross income amount reported in 1998 was the second lowest among the peers and about seven percent lower than the peer average. The average federal adjusted gross income amount in Warren has increased at a slightly lower rate over the past three years in relation to the peer average.

Average Federal Adjusted Gross Income Amount				
	1996	**1997**	**1998**	**% Change 1996 - 1998**
Warren	$29,027	$30,191	$31,393	8.15%
Cuyahoga Falls	$34,350	$36,232	$38,326	11.57%
Mansfield	$28,969	$31,344	$31,164	7.58%
Middletown	$31,557	$33,807	$34,741	10.09%
Peer Average	$30,976	$32,894	$33,906	9.46%

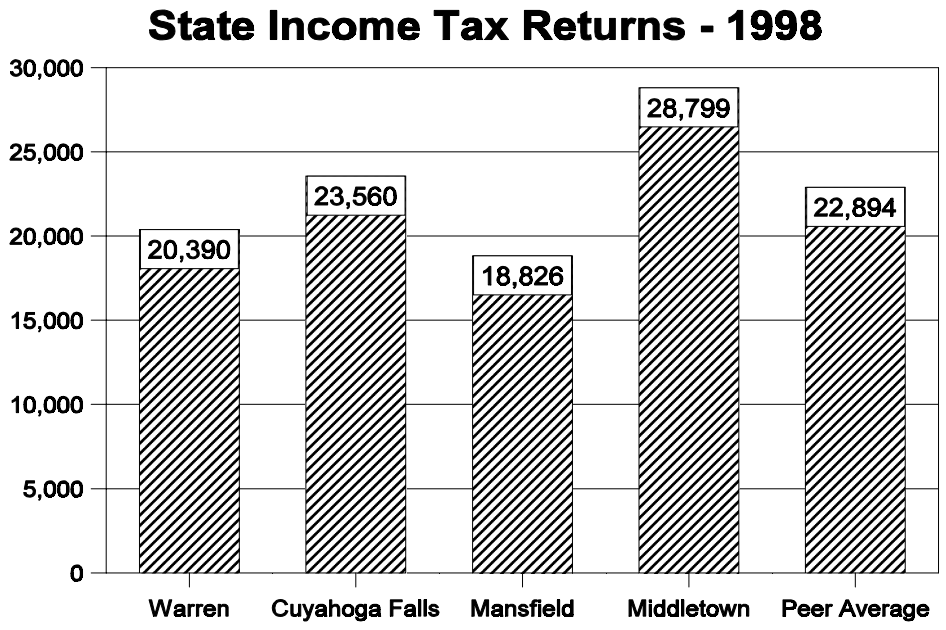
Source: Ohio Department of Taxation



While the State of Ohio does not monitor tax returns filed by municipality, it does track the total returns filed by individual school district. As a city school district's boundaries are similar to those of its city, the data reported for the City school district should be reflective of the entire city population. Warren had the second lowest amount of state income tax returns filed in 1998 as compared to the peer cities. However, as noted in the Income tax section, Warren had a lower number of individual income tax returns filed with the City than were filed with the State. See the Income Tax section for additional analysis concerning income tax collections.

Number of State Income Tax Returns Filed				
	1996	**1997**	**1998**	**% Change 1996 - 1998**
Warren	19,741	19,763	20,390	3.29%
Cuyahoga Falls	22,920	23,054	23,560	2.79%
Mansfield	18,042	18,076	18,826	4.35%
Middletown	27,313	27,637	28,799	5.44%
Peer Average	22,004	22,133	22,894	4.04%

Source: Ohio Department of Taxation



Income Tax

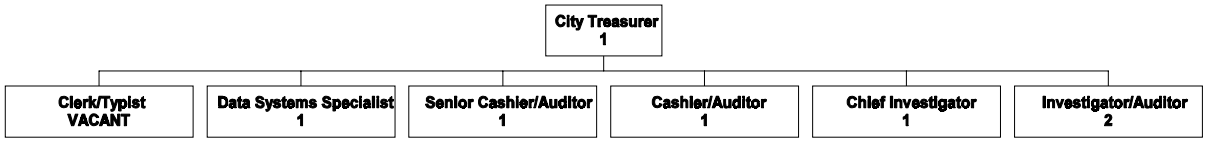
Background

This section of the performance audit focuses on the City of Warren's (the City) income tax operations. For the purposes of illustrating various operational issues, comparisons are made throughout the report with the peer Cities of Cuyahoga Falls, Mansfield and Middletown. The City of Warren is one of the approximately 548 municipalities with a city income tax rate in effect. Income tax rates statewide range from 0.40 percent to 2.85 percent, with the City of Warren having an effective municipal income tax rate of 1.5 percent. The significance of the operations of the Income Tax Department to the City's overall financial status is illustrated in **Table 2-5**, which reflects that annually, income tax collections represent approximately 62 percent of the General Fund revenues.

Organizational Chart

The organizational structure and staffing levels of the City's Income Tax Department, as of June 30, 2000, are depicted by the following chart.

Chart 2-1
Income Tax Department



Organizational Function

The City's Income Tax Department is charged with the collection and enforcement of the 1.5 percent municipal income tax rate pursuant to Chapter 171 of the Warren City administrative code. Section 171.08 of Warren's income tax ordinance also requires the city treasurer to keep accurate tax collection records for a minimum of five years. The City's Income Tax Department is responsible for the following items:

- Collecting income tax revenue from residents and businesses conducting business in the City
- Preparing receipts for deposit
- Reviewing tax returns for accuracy
- Handling income tax delinquencies and processing legal paperwork
- Assessing penalties and interest
- Processing and issuing refunds
- Providing income tax assistance to the public
- Maintaining information on income tax accounts
- Presenting income tax cases in court

Summary of Operations

The City of Warren's tax rate was initially enacted in 1982 at one percent. Effective January 1, 1985, the tax rate increased to 1.5 percent. **Table 2-1** depicts the historical changes in Warren's income tax rate. The City attempted to increase the income tax rate in two different elections in 2000. The attempt in March to pass a 0.75 percent tax rate increase failed as 6,072 (58%) citizens voted against the increase and 4,407 (42%) citizens voted for the increase. The most recent attempt in August to pass a 0.5 percent tax rate increase failed by 14 votes. According to the city treasurer, one percent of the current tax rate is allocated to the General Fund and the remaining 0.5 percent is earmarked for safety and services (police and fire). The entire 1.5 percent tax rate is accounted for in the General Fund.

Table 2-1: Historical Effective Dates and Income Tax Rates

Ordinance #	Effective Dates	Effective Tax Rate
N/A	January 1, 1982 through December 31, 1984	1.00%
9525/84	January 1, 1985 through present	1.50%

Source: City ordinance documents
Note: N/A = Ordinance number not provided by the city

The purpose of a municipal income tax is to provide funds for general municipal operations and other municipal purposes, such as for safety and services. The City's income tax ordinance levies a tax on the following sources of income:

- Salaries, wages, commissions and other compensation earned by the residents of the City.
- Salaries, wages, commissions and other compensation earned by the nonresidents of the City for work done or services performed in the City.
- Net profits earned of all resident unincorporated businesses, professions or other activities and entities, derived from work done or services rendered or performed and business or other activities conducted in the City.
- Net profits earned of a resident partner or owner of a resident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity.
- Net profits earned of all nonresident unincorporated businesses, professions or other activities and entities, derived from work done or services rendered or performed and business or other activities conducted in the City, whether or not such unincorporated business entity has an office or place of business in the City.
- Distributive share of net profits earned of a resident partner or owner of a nonresident, unincorporated business entity not attributable to the City and not levied against such unincorporated business entity.
- Net profits of all corporations derived from work performed or rendered and business or other activities conducted in the City, whether or not such corporations have an office or place of business in the City.

In addition, the municipal income tax ordinance establishes the following with regard to municipal income tax administration:

- Each person who engages in business or whose earnings is subject to the City ordinance must submit a return on or before April 15, whether or not a tax is due.
- All employers who have a place of business in the City are subject to the requirements of withholding, as well as employers who do not maintain a place of business in the City but who are subject to the tax on net profits attributable to the City.
- Provides for the duties of the city treasurer who administers, collects and enforces the municipal income tax.
- Imposes a fine of not more then $500 or imprisonment of not more than six months, or both, on anyone who violates any provision of the municipal income tax ordinance.

All individuals above the age of 16 must file a return whether or not a tax is due. Additionally, retirees and welfare recipients must file a return, even if they have no taxable income. However, in practice, the Income Tax Department does not require retirees with no taxable income to file as long they submit an exemption notice. Monthly withholdings are required if $250 or more is withheld by the employer each month. If the employer does not withhold taxes from their compensation,

individual taxpayers are required to submit a declaration of estimated taxes and pay their estimated taxes quarterly. Warren provides a 100 percent credit for the amount of income taxes paid to another city, not to exceed 1.5 percent.

The City imposes a late filing fee of $15. Penalties for non-payment of taxes or withholdings range from five percent to 15 percent of the amount of unpaid taxes. Interest is to be assessed at 18 percent annually. The City has a Board of Review comprised of the mayor, law director and city treasurer, which is responsible for approving all rules, regulations and changes made to the municipal income tax ordinance. Additionally, if a taxpayer has an issue with their income taxes, the city treasurer will schedule a meeting with the other members of the Board to discuss the issue and provide a resolution. There have not been many complaints filed by taxpayers recently, as the Board of Review only had one meeting in 1999.

Staffing

Table 2-2 displays the Income Tax Department staffing for the City as of June 30, 2000.

Table 2-2: Income Tax Department Staffing

Position	# of Budgeted Staff	Year 2000 # of FTEs	Year 1999 # of FTEs
City Treasurer	1	1.00	1.0
Clerk/Typist	1	0.00	1.0
Data Systems Specialist	1	1.00	1.0
Senior Cashier/Auditor	1	1.00	1.0
Cashier/Auditor	1	1.00	1.0
Investigator/Auditor	2	2.00	2.0
Chief Investigator	1	1.00	1.0
Total	8	7.00	8.0

Source: Income Tax Department
Note: An FTE refers to a full-time equivalent employee

As depicted by **Chart 2-1**, the Income Tax Department is a "flat" organization. The Department is comprised of a total of eight budgeted employees, including the city treasurer, with everyone reporting directly to the city treasurer. All of the employees work Monday through Friday from 8:30 AM to 4:30 PM. Although the Department is budgeted for eight employees, **Table 2-2** indicates that the Department currently consists of seven full-time staff members with the clerk/typist position vacant. The city treasurer is currently performing the clerk/typist functions. The following position

descriptions are based on interviews with the city treasurer. Each employee assists one another and all of the staff members perform several functions.

The city treasurer is an elected official and is responsible for the overall daily operations of the Income Tax Department. The treasurer performs the mail run, picks up the daily deposits of all of the city departments, except for the Water Department, and ensures that they are correct. In addition, the treasurer manages all of the investments, attends required seminars and council meetings, participates in court proceedings involving past-due collections, orders supplies, maintains cancelled checks and contacts local business people about income tax information.

The vacant clerk/typist position is responsible for opening and sorting mail and separating tax returns (checks, money orders, refunds, missing information, no payment). The clerk/typist would also take care of taxpayer address changes, typing letters to taxpayers for the purposes of obtaining necessary tax information, filing and related procedures, typing court charges and answering phones. Additionally, the clerk/typist assists the cashiers during busy time periods, but does not take any money or use the cash drawer.

The data systems specialist's distinct duties include preparing the refund report, organizing the 1099 reports, preparing invoices, establishing new accounts in the computer system and reporting information to the Census, such as quarterly withholdings. The data systems specialist also enters data on all tax returns into the computer system, answers phones and opens mail.

The senior cashier/auditor runs file reports of batches and reconciles the batches. This position is also responsible for handling declarations of estimated taxes, all refunds requested on the tax returns and payroll. The senior cashier/auditor ensures that all businesses on a fiscal year basis different from the calendar year basis file a tax return. In addition, the senior cashier also enters data on all tax returns into the computer system, establishes new accounts in the computer system, performs counter work and answers phone calls.

The cashier/auditor reconciles each day's deposits and prepares a report of the reconciliation for the city treasurer. This staff member also balances the cash drawer, prepares purchase orders, documents and records staff travel expenses, enters data on all tax returns into the computer system, answers phone calls and prepares the payroll when the senior cashier/auditor is absent.

The chief investigator is responsible for monitoring the corporation carry forward loss provision and working with the Engineering Department to produce the contractor lists. This position also oversees the withholdings, investigating new construction facilities and subcontractors, enters data for tax returns and performs the city treasurer's duties when she is absent, such as picking up the daily deposits and being present for court proceedings.

The two investigators/auditors perform the following functions: processing mail, handling delinquent accounts, obtaining rental information, stuffing envelopes and running them through the stamp machine (about 24 hours per month total), entering data into the computer system, following up with taxpayers and new accounts, investigating new construction facilities and subcontractors, assisting with legal proceedings and identifying and establishing new accounts, including new businesses. In addition, each investigator/auditor performs separate functions. One of the investigators is responsible for ensuring that the monthly interest is included on unpaid balances, sending invoices, serving as a back-up cashier, working with rental properties, obtaining information from apartment complexes and assisting with the reconciliation of withholdings. The other investigator/auditor's major responsibility is to reconcile the withholding accounts and assist with mailing invoices.

Financial Data

Table 2-3 presents the Income Tax Department's actual expenditures for 1998 and 1999 and the budgeted expenditures for 2000 as presented in the expenditure/budget reports. The Income Tax Department is appropriated from the General Fund and is coded as Department 150.

Table 2-3: Income Tax Department Financial Data

Appropriation Account	Actual 1998	Actual 1999	Budgeted 2000
Salaries	$278,229	$271,400	$209,375
Fringe Benefits	$98,204	$103,222	$112,963
Contracted Labor & Services	$58,147	$58,689	$70,710
Supplies	$11,925	$13,131	$21,100
Maintenance	$0	$59	$250
Capital Outlay	$15,473	$27,947	$2,960
Total	$461,978	$474,448	$417,358

Source: Expenditure and Budget Reports

Explanations for the significant variances in expenditures are listed below.

- Salaries decreased by approximately 23 percent ($62,000) from 1999 to 200 due to two layoffs in the Department. The clerk/typist was eventually transferred to the Water Department and the other employee was recently reinstated in the Income Tax Department.

- The increase in fringe benefits was the result of a 16% increase in health insurance and a budgeted increase in FY 2000 unemployment expenditures due to the significant layoffs. In addition, the FY 2000 workers' compensation expenditures are budgeted to increase from the FY 1999 levels. However, this increase is due to the City receiving a premium discount in FY 1999 rather than an increase in claims.

- Approximately 95 percent of contracted labor and services is comprised of funds allocated to the data processing unit, which is an internal services fund, and money spent on postage.

- Supplies increased by close to 61 percent ($8,000) from 1999 to 2000 because the Department includes the dollar amount of encumbrances in 1999, in addition to cash purchases for 2000, in the 2000 supplies expenditure line item.

- Capital outlay decreased 89 percent in 2000 due to the purchase of a new computer system (hardware and software) in 1998 and 1999.

Technology

Prior to FY 1999, the Income Tax Department used the New World income tax system. According to the city treasurer, this system was inadequate because it was not tailored to processing Ohio municipal income taxes. As a result, in FY 1998, the City purchased the Computer Planning income tax system. This package rectifies many of the deficiencies of the old system because it is tailored to processing Ohio municipal income taxes. Because FY 1999 was the Department's first full year on the new system, the city treasurer indicated that the staff are still learning the functionality of the system.

Operational Statistics and Ratios

Key statistics and information relating to the operations of the City's Income Tax Department are shown in **Tables 2-4(A)** through **2-4 (E)**. Comparative analysis and assessments performed throughout this section include information on the peer cities from the following tables.

Table 2-4(A): General Operational Statistics and Ratios for FY 1999

Year 1999	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Average
Tax Rate	1.50%	2.0%	1.75%	1.50%	1.69%
Active Tax Accounts					
Population [1]	46,866	49,913	49,802	48,558	48,785
Business Accounts	1,920	2,954	5,412	1,876	3,041
Individual Accounts	15,137 [2]	26,962 [2]	23,779 [3]	33,948 [2]	24,957
Total Tax Accounts	17,057	29,916	29,191	35,824	27,998
Total # FTEs	8.0	7.0	11.7	7.7	8.6
Total Personnel Costs	$374,622	$296,875	$385,235	$342,456 [4]	$349,797
Accounts Processed per Staff Member	2,132	4,274	2,495	4,652	3,388
Personnel Cost per Account	$21.96	$9.92	$13.20	$9.56	$13.66

Source: Income Tax Department, peer cities information

[1] These are estimates for 1998 provided by the U.S. Census Bureau

[2] Filing requirements allows individual taxpayers to file individual or joint returns

[3] The filing requirements in Mansfield do not permit an individual taxpayers to file a joint return

[3] Based on Budgeted Expenditures

Table 2-4(B): Collection Statistics and Ratios

Year 1999	Warren		Cuyahoga Falls		Mansfield		Middletown	
	Collection $ Amount	% of Total Collected	Collection $ Amount	% of Total Collected	Collection $ Amount	% of Total Collected	Collection $ Amount	% of Total Collected
Employers Quarterly W/H	$1,359,473 [1]	9.8%	N/A [2]	N/A [2]	$930,248	4.3%	$3,346,437	18.7%
Employers Monthly W/H	$10,537,020 [1]	74.8%	N/A [2]	N/A [2]	$16,400,100	75.4%	$11,284,427	63.1%
Total W/H	$11,896,493	84.6%	$11,378,940	71.2%	$17,330,348	79.7%	$14,630,864	81.8%
Business	$947,376	6.7%	$1,700,413	10.6%	$3,261,575	15.0%	$1,512,640	8.5%
Individual	$1,223,657	8.7%	$2,909,518	18.2%	$1,152,065	5.3%	$1,745,366	9.7%
Total Collections	$14,067,526	100.0%	$15,988,871	100.0%	$21,743,988	100.0%	$17,888,870	100%

Source: Income Tax Department, peer cities information
[1] Estimate based on total withholdings of $11,896,493
[2] Information not provided

Table 2-4(C): Refund and Penalty Information

Year 1999	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Averages
Refunds	$281,709	$166,943	$361,480	$148,890	$239,756
Refunds as % of Gross Collections	2.0%	1.0%	1.7%	0.8%	1.4%
Interest & Penalty	$42,809	N/A [1]	$219,293	$41,694	$101,265

Source: Income Tax Department, peer cities information
[1] Information not provided

Table 2-4(D): Additional Income Tax Information

Year 1999	Warren	Cuyahoga Falls	Mansfield	Middletown
Tax Rate	1.50%	2.0%	1.75%	1.50%
Credit allowed for taxes paid to another municipality	Full Credit: 100% up to 1.5% paid to others	Full Credit: 100% up to 2% paid to others	Partial Credit: 100% up to 1.0% paid to others	Full Credit: 100% up to 1.5% paid to others
Mandatory filing	Yes	Yes	Yes	Yes
Allow Individual and Joint Returns	Yes	Yes	Only Individual	Yes
Age Limit	16 years old. Individuals over 65 are required to file a return only if they are working.	18 years old. Deductions are given to those taxpayers who turn 65 by the conclusion of the tax year.	18 years old. Individuals who are retired are not required to file a return unless they receive taxable income.	16 years old. Individuals over 65 with no earned income must file every three years.
Late filing penalty	$15	$25 for first instance and $100 each subsequent instance	$25	$10 if filed within 30 days of the due date and $25 if filed more than 30 days after due date
Late payment penalty	5% of unpaid tax if paid during first month after originally due, 10% if paid during second month and 15% thereafter	For failure to pay taxes due, 1.5% per month or fraction thereof, or 15%, whichever is greater. For failure to remit taxes withheld from employees, 5% per month or fraction thereof, or 15%, whichever is greater.	$25 plus 1% of the amount of unpaid balance for each month or fraction of a month. For late payment of wage withholding taxes, $25 plus 3% of the unpaid amount for each month or fraction of a month.	2% of unpaid tax for each month after due date or $25, whichever is greater. For failure to withhold, 6% of unpaid tax for each month after due date or $25, whichever is greater
Additional Penalty	N/A	N/A	N/A	If court charges are filed, a $50 penalty is added to the above penalties.
Interest Charges	1.5% per month	2% per month	1% per month	1% per month

Source: Income Tax Ordinance, peer cities information

Table 2-4(E): Demographic Statistics and Ratios

Year 1999	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Averages
Population [1]	46,866	49,913	49,802	48,558	48,785
% of Population with an Active Individual Tax Account	32.3%	54.0%	47.8%	69.9%	51.0%
Median Household Income [2]	$22,932	$29,545	$21,821	$25,284	$24,896
Unemployment Rate	6.3% [4]	3.6%	6.2% [6]	5.0%	5.3%
Industry % of Workforce [3]					
Manufacturing	33.3%	21.9%	28.7%	29.6%	28.4%
Retail/Wholesale Trade	20.9%	24.8%	21.6%	23.2%	22.6%
Services	29.8%	32.6%	28.7%	29.7%	30.2%
Poverty Status [3]	20.0%	6.6%	17.8%	15.4%	15.0%
Housing Status [3]					
% Owner	58.6%	66.6%	58.0%	60.0%	60.8%
% Renter	41.4%	33.4%	42.0%	40.0%	39.2%
Housing Occupancy Status [3]	93.2%	95.8%	92.2%	94.7%	94.0%

Source: Financial records of the city, Ohio Department of Education, peer cities information, U.S. Census Bureau
[1] These are estimates for 1998 provided by the U.S. Census Bureau
[2] For associated school district, 1998-1999
[3] From the 1990 Census
[4] This was the unemployment rate for November, 1999.
[5] Information not provided
[6] For May, 2000

The Cities of Cuyahoga Falls, Mansfield and Middletown are comparable peers to Warren, which is indicated by the following similarities:

- Total population
- Median household income
- Unemployment rate
- Percent of workforce in major industries
- Poverty status
- Housing status
- Two of the cities are unionized, which has a minimal impact on collections
- Departmental staffing levels
- Municipal income tax rates

Performance Measures

The following is a list of performance measures that were used to review the Income Tax Department:

- Review of income tax revenue
- Appropriate distribution and expenditure of income tax collections
- Adequacy of staffing levels and composition of staff
- Review of salary and overtime wages
- Assessment of leave utilization and retirement eligibility
- Adequacy of procedural manuals, checklists and training
- Review of income tax policies and ordinances
- Effectiveness and efficiency of income tax operations
- Effective identification of income tax receipts
- Adequacy of automated/technology systems
- Effective management of delinquent accounts
- Feasibility of external income tax management services

Findings/Commendations/Recommendations

Income Tax Collections

F2.1 Municipal income tax collections are essential to the City's ability to operate financially. **Table 2-5** illustrates the significance of income tax collections, which in FY 1999 accounted for approximately 62 percent of the total General Fund revenues and 38 percent of all Governmental Funds revenues.

Table 2-5: Income Tax Collections
Years Ending 12/31/90 through 12/31/98

Year of Collections	Total Municipal Income Tax Collections	Income Tax as a Percentage of Governmental Funds Revenues	Income Tax as a Percentage of General Fund Revenues	Percent Change in Collections from Previous Year
1990	$11,084,555	N/A [1]	66.2%	N/A [1]
1991	$11,195,628	N/A [1]	67.1%	1.0%
1992	$11,279,868	43.2%	60.1%	0.8%
1993	$11,724,012	N/A [1]	66.7%	3.9%
1994	$12,210,049	43.1%	65.0%	4.1%
1995	$13,001,180	N/A [1]	65.1%	6.5%
1996	$13,523,445	35.3%	61.5%	4.0%
1997	$13,957,126	39.5%	63.8%	3.2%
1998	$13,693,778	38.6%	62.3%	(1.9%)
1999	$14,067,526	38.2%	61.7%	2.7%

Source: Income Tax Department
[1] Information could not be provided for these years.

As indicated by **Table 2-5**, the City of Warren has experienced steady increases in collections up to 1997. However, in 1998, income tax collections decreased by approximately two percent. The factors contributing to this decline in total income tax collections in FY 1998, according to the city treasurer, include the following.

- A three month strike from approximately 400 employees at WCI Steel, a local steel plant
- Layoffs at the General Motors (GM) plant in Lordstown

According to the Income Tax Department, Delphi Packard, a local manufacturing company, has been moving its operations to satellite areas outside of Warren and the future presence of Delphi in Warren is uncertain. In 1999, approximately 14.5 percent in income tax revenue was attributed to Delphi Packard. Since Delphi Packard is the largest withholder in Warren, the city would be losing a significant portion of their income tax revenues if the company moves its operations out of the City.

F2.2 As shown in **Table 2-4(E)**, only 32.3 percent of the population in the City of Warren had an active individual tax account in 1999, as compared with the significantly higher percentages of 47.8 and 69.9 percent for the Cities of Mansfield and Middletown, respectively. In addition, only 23.6 percent of Warren's population filed a return in 1999. This difference is appreciable, given that all three cities have mandatory filing requirements and that all of the cities have similar population totals. These statistics, in conjunction with the lack of adequate procedures to ensure all income revenue is collected and other operational inefficiencies discussed throughout this report, indicate there is a potential to enhance the City's current income tax collections. According to the city treasurer, these statistics may not be entirely accurate because all of the tax information has not been converted into the new computer system.

However, because the City currently lacks adequate processes explained throughout this report (see **F2.28** through **F2.33**, **F2.35**, **F2.36**, **F2.40**, **F2.41**, **F2.43**, **F2.48** and **F2.49**), it cannot identify potential taxpayers to properly determine the amount of additional revenue that could be collected. In an attempt to quantify the amount of potential tax revenue collectable from taxpayers, an analysis was performed, which is summarized in **Table 2-6**. The analysis was performed using the Cities of Mansfield and Middletown because of their high population filing percentages, which indicate effective income tax operations. Cuyahoga Falls was not included in the analysis because ceratin factors, such as the differences in median household income, unemployment rate and industry workforce, do not allow for an adequate comparison with Warren.

The objective of the analysis was to determine the amount of potential additional income tax revenue that the City of Warren could realize if it operated similarly to the Cities of Mansfield and Middletown.

The following assumptions were utilized:

- The Cities of Mansfield and Middletown have tax bases comparable with the City of Warren based upon similarities in industry workforce and housing status.
- The makeup of the taxpayers in the Cities of Mansfield and Middletown is comparable to that in the City of Warren (see **Table 2-4(E)**). The median household income in Warren is approximately 10.3 percent lower than Middletown's and 4.8 percent

higher than Mansfield's. Warren's unemployment rate is about 20.6 percent higher than in Middletown. In addition, the poverty status in Warren is approximately 23 percent higher than Middletown's and 11 percent higher than Mansfield's.

- The Cities of Mansfield and Middletown have efficient income tax operations and subsequently are effectively collecting revenues based upon key statistics indicated throughout this report:
  - The number of tax accounts processed per staff member (see **Table 2-4(A)** and **F2.10**).
  - The percent of the population filing a return (see **Table 2-4(E)**).
- The City of Mansfield's policy to allow a partial credit of one percent compared to Warren's and Middletown's credit of 100 percent up to the tax rate does not have a significant impact on the amount of total collections.

Based on the above assumptions, the following table shows the range of potential additional income tax revenue that could be generated by the City of Warren. The 1999 collections amount was divided by the applicable tax rate for the Cities to determine the tax base for the selected Cities. Because there is a difference in the population size of the selected cities, the tax base was then adjusted to determine what the tax bases for Mansfield and Middletown would be if their population sizes were 46,866, the same as Warren's. The $1.17 and $1.15 billion adjusted tax bases represent the potential tax bases for the City of Warren, assuming it could collect as effectively as the Cities of Mansfield and Middletown. These adjusted tax bases were multiplied by the 1.5 percent tax rate to determine the amount of estimated taxes collectable by the City of Warren.

Table 2-6: Potential Income Tax Revenues Collectable Based on Peer Comparisons

	Warren	Mansfield	Middletown
Tax Rate	1.50%	1.75%	1.50%
1999 Collections	$14,067,526	$21,743,988	$17,888,870
1999 Tax Base	$937,835,100	$1,242,513,600	$1,192,591,300
Population Size [1]	46,866	49,802	48,558
Tax Base Adjusted for Population Size		$1,169,263,100	$1,151,035,500
Estimated Taxes Collectable for Warren (assuming comparable collection ability)		$17,538,947	$17,265,533
1999 Collections (Warren)		$14,067,526	$14,067,526
Potential Additional Income Tax Revenue Before Adjustments for Certain Demographic Data		**$3,471,421**	**$3,198,007**
Adjustments for Demographic Data			
Unemployment Rate	6.3% [3]	6.2% [4]	5.0%
Effect of Unemployment Rate on Income Tax Collections		($55,543) [5]	($658,789) [5]
Median Income [2]	$22,932	$21,821	$25,284
Effect of Median Income on Income Tax Collections		$166,628 [6]	($329,395) [6]
Potential Additional Income Tax Revenue After Adjustments for Certain Demographic Data		**$3,582,506**	**$2,209,823**

[1] Estimates for 1998 by the U.S. Census Bureau
[2] For 1998-1999 School District Year
[3] This was the unemployment rate for November, 1999.
[4] For May, 2000
[5] Warren's unemployment rate was approximately 1.6 percent higher than Mansfield's and 20.6 percent higher than Middletown's.
[6] Warren's median income was approximately 4.8 percent higher than Mansfield's and 10.3 percent lower than Middletown's.

R2.1 The analysis in **Table 2-6**, in addition to the analysis in **F2.3** through **F2.7**, indicates that there is a significant potential to enhance the City's current income tax collections. However, the collection of this additional revenue will require the City to modify its current operations, as discussed in various recommendations throughout this report. In addition, peer statistics and data presented in **Tables 2-4(A)** through **2-4(E)** support the conclusion that the City of Warren's income tax operations need to be modified to enhance income tax collections. All of the recommendations provided in this report are intended to benefit the income tax operations of the City, which will subsequently impact collections. The key recommendations that directly impact the collection of this additional revenue include the following:

- Develop strategies to maximize the number of returns being filed (see **R2.2**).
- Hire two casual employees (see **R2.4**) to provide clerical relief for the current staff and transfer legal responsibilities to an attorney(s) in the City Law Department (see **R2.5**) so that the staff can devote more of their time and resources to activities directly related to income tax operations. The total cost of hiring casual labor would cost the City approximately $5,700 annually and there would be no extra cost incurred by transferring the legal function to the City Law Department.
- Perform the necessary activities to identify new taxpayers (see **R2.16** through **R2.20**).
- Perform the appropriate activities to collect income tax payments (see **R2.23**).
- Establish the street address file in the computer system to capture all residential taxpayers (see **R2.27**).
- Monitor and track the cause of refunds (see **R2.26**).
- Ensure the accuracy and reliability of reports generated by the system (see **R2.32**) and utilize all of the functions available on the new computer system (see **R2.33**).
- Implement uniform procedures for dealing with delinquent accounts (see **R2.38**).
- Monitor and track delinquent account activity (see **R2.39**).

Given the operational and financial challenges confronting the City, another option for the collection of additional income tax revenue would be the utilization of an external vendor that provides income tax management services. For a detailed assessment of this option, see the *External Income Tax Management Services* subsection of this report.

Financial Implication: The City of Warren is not collecting a significant portion of available income tax revenue. This conclusion is supported by utilizing and applying peer statistics and ratios presented in **Tables 2-4(A)** through **2-4(E)** to the City's income tax operations. In addition, **F2.29** lists key activities currently not being performed by the Department to identify all potential taxpayers, which could result in the establishment of tax liability and significant additional revenue. Based on various analyses performed in this report, it appears that the City of Warren is under-collecting income tax revenue, using a conservative estimate, of approximately $2.2 million annually. Additionally, it is important to note that this estimate

does not include revenue from the City's ability to retroactively collect dollars owed under the 3 year statute of limitations prescribed by City Ordinance.

The $2.2 million estimate was derived by analyzing income tax collections for Warren and two peer cities. The Auditor of State's Office (AOS) attempted to perform further analysis, but management information to perform this analysis was not provided or available. This type of management information is essential to a city's ability to effectively collect income tax revenue. The lack of management information further supports the potential of significant income tax revenue not being collected by the City. The city treasurer indicated that the lack of management information is attributed to the fact that the Department has not had sufficient time to become fully familiar with all of the available technology on the new computer system.

The AOS performed sample tests from Trumbull County employees (see **F2.3** and **Table 2-9**), the 1999 City directory, existing contractors and new contractors registered in 1999. The results of these sample tests indicated that:

- Approximately 70 percent of the County employees did not have an income tax account. Of the County employees that did have an active income tax account, about 44 percent did not pay the individual income tax in 1999.
- Approximately 48 percent of the individuals sampled from the 1999 City directory did not have an income tax account. Of the individuals that did have an active income tax account, about 50 percent did not pay the individual income tax in 1999.
- Approximately 31 percent of the existing contractors did not have an income tax account. Of the existing contractors that did have an active income tax account, approximately 55 percent did not pay the business income tax and 35 percent did not submit withholding payments in 1999.
- Approximately 25 percent of new contractors registered in 1999 did not have an income tax account. Of the new contractors that did have an active income tax account, about 60 percent did not pay the business income tax and 53 percent did not submit withholding payments in 1999.

To further support the $2.2 million estimate, this performance audit focused on specific components that comprise income tax collections and individual analyses were performed on these components. The following table summarizes these individual analyses.

Table 2-7: Summary of Estimated Collectable Revenue

	Methodology	Estimated Collectable Revenue
R2.2	Potential revenue not being collected from known taxpayers: Individual Accounts Withholding Accounts Business Accounts	 $555,000 $754,000 $266,000
R2.2	Potential additional revenue from individual taxpayers not identified by the Income Tax Department	$659,000
R2.39	Delinquencies	$210,000
	Total	**$2,444,000**

F2.3 While **Table 2-6** estimates the amount of additional income tax revenue the City could potentially collect based on peer comparisons, **Tables 2-8**, **2-9** and **2-10** indicate the estimated amount of lost income tax revenue attributed to current taxpayers for Warren in 1999. The estimated lost income tax revenue is assumed to be encompassed in the $2.2 million estimate in **Table 2-6** and **R2.1**. The lost income tax revenue was estimated by taking the average collections amount per filed return, which was computed by dividing the total collections for 1999 by the total returns filed and multiplying this number by the returns not filed. The number of returns not filed was adjusted to reflect the decline of 7.7 percent in the City's population from 1990 to 1998. The total amount of estimated lost income tax revenue attributed to individual, withholding and business returns not filed in 1999 amounts to approximately $1,575,000. **Table 2-8** indicates the estimated lost income tax revenue attributed to individual taxpayer returns not filed.

Table 2-8: Estimated Lost Income Tax Revenue for 1999 From Individual Taxpayer Accounts

	Number of Returns	Estimated Lost Revenue
Total Final Individual Tax Returns Filed on Time	10,351	N/A
Total Final Individual Tax Returns Filed Late	701	N/A
Total Final Individual Tax Returns Not Filed	4,085	$450,000
Total Final Individual Tax Returns Not Filed Adjusted for Population Trend [1]	3,770	$417,000
Total Lost Collections	15,137	**$417,000**
Total Penalties and Interest	N/A	**$138,000**
Total Amount Owed	N/A	**$555,000**

Source: Income Tax Department

[1] The number of returns not filed was adjusted by the 7.7 percent decrease in the City's population from 1990 to 1998.

Based on the above table, the City's estimated lost collections attributed to individual taxpayers amounts to approximately $417,000. In addition, the total penalties and interest based on the lost revenue amounts to $138,000 as of August, 2000. As indicated in **Table 2-4(A)**, the City has 15,137 active individual income tax accounts and of this amount, 4,085 or approximately 27 percent of individual taxpayers did not file a return in 1999. In contrast, in the peer City of Middletown, 13.3 percent of individual active accounts in 1999 did not file a return. However, the Income Tax Department is unable to determine the number of accounts that were not required to file a return due to items such as residential relocations and retirements (see **F2.49**). Due to this, the lost income tax revenue for 1999 may be lower than $555,000.

Table 2-9 indicates the amount of lost income tax revenue from the total amount of individual monthly withholding returns not filed in all 12 months and individual quarterly withholding returns not filed in all four quarters in 1999, which amounts to approximately $619,000. In addition, the total penalties and interest based on the lost revenue amounts to $135,000 as of August, 2000.

Table 2-9: Estimated Lost Income Tax Revenue for 1999 From Withholdings Not Filed by Employers

	Number of Withholdings	Estimated Lost Revenue
Total Monthly Employer Withholdings Filed	4,718	N/A
Total Monthly Employer Withholdings Not Filed	227	$507,000
Total Monthly Employer Withholdings Not Filed Adjusted for Population Trend [1]	210	$469,000
Total Quarterly Employer Withholdings Filed	6,531	N/A
Total Quarterly Employer Withholdings Not Filed	779	$162,000
Total Quarterly Employer Withholdings Not Filed Adjusted for Population Trend [1]	719	$150,000
Total Lost Collections	N/A	**$619,000**
Total Penalties and Interest	N/A	**$135,000**
Total Amount Owed	N/A	**$754,000**

Source: Income Tax Department

[1] The number of returns not filed was adjusted by the 7.7 percent decrease in the City's population from 1990 to 1998.

The City did not receive approximately five percent of the monthly returns and about 12 percent of quarterly returns in 1999. However, the Income Tax Department is unable to determine the number of withholding accounts that may not have filed in one month or quarter but subsequently filed later in the year and submitted withholding payments for the previous time periods in which they did not file a return. As a result, the lost revenues had to be estimated.

To further support the amount of withholding returns not collected, a compliance report produced by the City indicated that a portion of Trumbull County employees either working inside the City limits or residing in the City were not having income taxes withheld, or the taxes due to the City were being under-withheld. Out of approximately 983 Trumbull County employees that work in Warren, there were 97 employees either having taxes under-withheld or were not having any Warren taxes withheld by the County.

Table 2-10 indicates the amount of lost income tax revenue from business returns not filed in 1999, which amounts to approximately $266,000.

Table 2-10: Estimated Lost Income Tax Revenue for 1999 From Business Income Taxes

	Number of Businesses	Estimated Lost Revenue
Total Business Net Profit Returns Filed	1,536	N/A
Total Business Net Profit Returns Not Filed	384	$237,000
Total Businesses Net Profit Returns Not Filed Adjusted for Population Trend [1]	354	$218,000
Total Lost Collections	1,920	**$218,000**
Total Penalties and Interest	N/A	**$48,000**
Total Amount Owed	N/A	**$266,000**

Source: Income Tax Department

[1] The number of returns not filed was adjusted by the 7.7 percent decrease in the City's population from 1990 to 1998.

According to a report provided by the Income Tax Department, approximately 65 percent of businesses that have active tax accounts with the City did not file a return on net profits in 1999. However, this percentage cannot be verified because the Department is unable to determine which businesses were required to submit a return out of the active business accounts. In 1998, approximately 20 percent of the businesses did not file a return. Assuming that 20 percent of the active business accounts do not file a return in 1999, the City would potentially lose approximately $218,000 in income tax revenue from business accounts, in addition to $48,000 in penalties and interest as of August, 2000.

F2.4 According to an external provider of income tax management services, approximately 40 to 50 percent of a municipality's population should file an individual tax return. However, as mentioned in **F2.2**, only 23.6 percent of Warren's population filed a return in 1999. In addition, **Table 2-8** indicates how much revenue the City is losing by not receiving a return from all of the 15,137 current individual tax accounts, which comprise 32.3 percent of the City's population. In contrast, the following table indicates the amount of additional revenue the City could collect if 40, 45, or 50 percent of the population filed a return and assumes that the City is already collecting from 32.3 percent of the population.

Table 2-11: Potential Additional Revenue from Individual Tax Returns

	Number of Returns	Potential Additional Revenue
40% of Population filing a return	18,746	$400,000
45% of Population filing a return	21,090	$659,000
50% of Population filing a return	23,433	$919,000

Source: External Provider of Income Tax Management Services

As indicated by **Table 2-11**, the City could potentially collect an additional $659,000 from individual taxpayers assuming 45 percent of the population filed a return, which is in addition to the estimated lost revenues of $417,000 attributed to individual returns not filed (see **F2.3**).

F2.5 Based on State Department of Taxation information, there were 20,390 individual state returns filed for tax year 1998 by residents of the Warren City School District. Since the boundaries of the Warren City School District are within the City's taxing jurisdiction, it is reasonable to assume that a similar number of City income tax returns should have been filed for the same period. In addition, the 20,390 State returns provides a conservative basis of comparing the number of returns that should be filed by the City's residents considering that Warren has five different school districts, including Warren City Schools, that fall within the City's taxing jurisdiction.

However, there were only 13,014 income tax returns filed with the City in 1998, which represents Warren residents, in addition to individual taxpayers who reside in another municipality but are required to file a return because they work in Warren. The significant differences in these numbers suggests that the City is not identifying all potential taxpayers. If the City would have collected from all of the individual taxpayers that filed a return with the State, the City could have potentially collected approximately $523,000 in additional income tax revenue in 1998.

F2.6 The Income Tax Department does not utilize Water Department records as a source to identify new taxpayers (see **F2.31**). The Water Department has 16,165 active residential water accounts inside the City and 2,031 active business water accounts inside the City. As indicated in **Table 2-4(A)**, the City has 15,137 active individual income tax accounts. The 15,137 accounts includes Warren residents, in addition to individual taxpayers who reside in another municipality but have an active tax account because they work in Warren. However, as mentioned previously, the Income Tax Department is unable to determine the number of residential and nonresidential accounts. In Mansfield and Cuyahoga Falls, nonresidential individual accounts make up approximately 6.4 and 13 percent of active individual tax accounts, respectively (see **F2.51**). Assuming that 5 to 15 percent of Warren's active income tax accounts are comprised of nonresidential accounts and the Department collected income

tax revenue from 16,165 individual accounts and 2,031 business accounts, the City has the potential to collect $197,635 to $365,265 in additional income tax revenue attributed to individual taxpayers and $68,463 in additional income tax revenue attributed to businesses. This revenue is in addition to the estimated lost revenues attributed to individual and business returns not filed (see **F2.3**).

F2.7 As discussed in **F2.30**, Engineering Department records are supposed to be utilized by the Income Tax Department as a source to identify new contractors that would be required to pay the City income tax. According to the Engineering Department, there were 433 contractors that conducted business in the City in 1999 and of this number, 78 were new contractors. However, the Income Tax Department is unable to determine if all of these contractors submitted income tax returns and payments in 1999. Due to this, an analysis of lost revenue based on contractor returns not filed in 1999 could not be performed. However, the AOS did perform a sample test of these accounts and the results are documented in **F2.2**.

R2.2 The Income Tax Department should assess and determine the reasons for returns not being filed, which can be partly accomplished by fully utilizing the computer system to determine the number of retirements and relocations (see **R2.33**). When the Department discovers these reasons, strategies should be developed to deal with returns not being filed, such as conducting a mass mailing to all taxpayers explaining the mandatory filing requirement (see **R2.15**), taking necessary actions to enforce the required filing of monthly and quarterly withholdings (see **R2.12**) and directly contacting businesses to ensure that return are being filed on all net profits (see **R2.23**). In addition, the Department should utilize Water Department records (see **R2.31**), Engineering Department records (see **R2.30**) and the State Department of Taxation files (see **R2.32**) to identify potential taxpayers. By performing these activities, the City should reduce the amount of lost revenue and subsequently increase income tax collections.

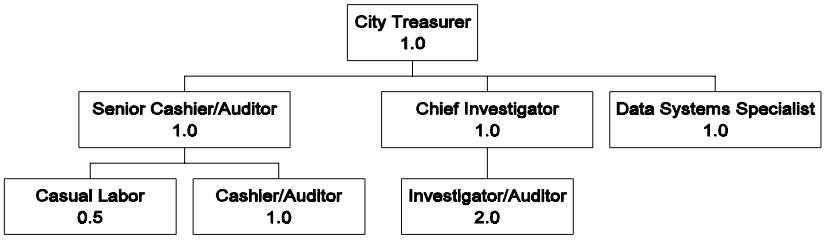
Organizational Issues

F2.8 As previously mentioned in the **Background**, all of the staff members are currently reporting directly to the city treasurer. The chief investigator and senior cashier/auditor do not perform any supervisory or management functions. Certain supervisory functions, such as managing day-to-day activities and answering the daily employee questions and inquiries, may be better suited for the chief investigator and senior cashier/auditor. This would free up more time for the city treasurer to manage the overall operations of the Income Tax Department and develop strategies to increase income tax collections.

R2.3 The Income Tax Department should reorganize their organizational structure to resemble **Chart 2-2**. The city treasurer should be responsible for the overall operations of the Income

Tax Department and leave the day-to-day reporting of the cashier/auditor, casual labor (see **R2.4**) and investigator/auditors to the senior cashier/auditor and chief investigator.

Chart 2-2: Proposed Income Tax Department



Some of the benefits of reorganizing the Income Tax Department include the following:

- Ease some of the management burden placed on the city treasurer
- Enhance collections and other efficiencies by having the staff members reporting to supervisors who have more time to work with the employee
- Create a greater sense of organizational structure

F2.9 The Income Tax Department, as well as the City as a whole, has been experiencing sharp reductions in staffing levels. Prior to 1990, there was a part-time treasurer position and a full-time deputy treasurer position. The part-time treasurer handled the investments while the deputy treasurer ran the operations of the Department. There were seven other staff members. The City eliminated the deputy treasurer position in 1990 and made the part-time treasurer position a full-time city treasurer position, but with no assistant position. With the elimination of the deputy treasurer position, more responsibility and a larger work load has fallen on the city treasurer position. Since 1990, there has been one management position (treasurer) and seven staff positions. The present city treasurer has been in office since 1990.

In the last round of City-wide staff reductions in January 2000, two individuals in the Income Tax Department were initially laid off and three other staff members experienced a decrease

in pay. The Department subsequently lost one FTE position (clerk/typist) as the data systems specialist was eventually reinstated. Despite this reduction, **Table 2-12** indicates that the staffing levels in Warren are comparable to the peers.

Table 2-12: Total 1999 Staffing FTE Employees and Position Descriptions

Position Description	Warren	Warren 2000	Cuyahoga Falls	Mansfield	Middletown	Peer Averages
City Treasurer/Director	1.0	1.0	1.0	1.0	1.0	1.0
Investigator/Auditor	3.0	3.0	1.0	4.0	2.0	2.5
Cashier/Clerk	4.0	3.0	5.0	6.7	4.7	4.9
Total FTEs	8.0	7.0	7.0	11.7	7.7	8.4

Source: City records and peer cities information

F2.10 **Table 2-13** indicates the number of accounts processed per staff member and cost per account for Warren and the peers.

Table 2-13: Tax Accounts Processed Per Staff Member & Cost per Tax Account in 1999

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Average
Total Income Tax FTEs	8	7	11.7	7.7	8.6
Total Personnel Costs	$374,622	$296,875	$385,235	$342,456 [1]	$349,797
Active Tax Accounts	17,057	29,916	29,191	35,824	27,998
Accounts Processed per FTE	2,132	4,274	2,495	4,652	3,388
Personnel Cost per Account	$21.96	$9.92	$13.20	$9.56	$13.66

Source: City reports and peer cities information
[1] Based on Budgeted Expenditures

In 1999, the City of Warren's Income Tax Department processed a significantly lower amount of accounts per staff member, approximately 37 percent less than the peer average. In addition, the City had the highest cost per account when compared to the peers. Applying an additional 0.5 FTE to the peer cities' to take into account that the peer cities' income tax departments report to a finance director, the number of accounts processed per FTE is 3,984, 2,393 and 4,369 for Cuyahoga Falls, Mansfield and Middletown, respectively. When the

Warren 2000 staffing levels are applied to the 1999 tax accounts, the accounts processed per staff member increases to 2,437 and the cost per account decreases to $18.90. Two major factors contributing to these ratios includes the following:

- Lack of technology utilization in Warren's Income Tax Department (see **F2.49** and **R2.33**). Because the City has not historically used all of the available technological resources, they needed more employees to perform tasks that an efficient operation would eliminate. In contrast, the peers are able to achieve more efficient staffing levels by using all of the available technology, which is indicated by the higher number of accounts processed per staff member and lower total cost per account ratios in comparison to Warren.

- Lack of time spent by the Warren Income Tax Department investigating and identifying new taxpayers (see **F2.28** and **R2.16**). In contrast, the peers perform these revenue identification activities on a continuous basis, which is evident by the peers' significantly higher number of active tax accounts compared to Warren.

F2.11 Currently, the city treasurer is handling the clerk/typist function. The union contract stipulates that staff members other than the city treasurer handle the clerk/typist functions and receive overtime compensation for performing these extra duties. However, according to the city treasurer, the other staff members are so busy with their current responsibilities that they are unable to add the clerk/typist functions to their workload. As a result, the city treasurer has taken it upon herself to perform the clerk/typist function, which takes time away from performing critical management and leadership functions within the Department.

F2.12 The Income Tax Department does not use any temporary or seasonal staff. In the past, casual labor was utilized to perform particular functions. These employees worked four to eight hours per day, were paid five dollars per hour and worked all year. Two members of the current staff began as casual labor employees and eventually were upgraded into full time positions. Casual labor did not receive benefits and worked an average of 25 hours per week. In contrast to Warren's current practice, all of the peers utilize temporary/part-time employees. The use of temporary or seasonal staff has the potential to reduce costs, especially overtime costs.

R2.4 The City should consider hiring casual labor during peak seasons, which for income tax purposes usually runs from January to May. These casual labor employees should assist the Department in entering taxpayer information, processing returns and performing other duties previously completed by the clerk/typist. When the casual employees are not working, all of the Department staff should pick up a portion of the clerk/typist duties, so as not to solely rely upon the city treasurer to perform these duties. The city treasurer is an elected management position and should not be handling support functions, such as the clerk/typist functions. This

takes away time from the city treasurer that should be spent on overseeing the Department as a whole and trying to find ways to improve on overall departmental operations.

Financial Implication: If the Income Tax Department would hire two casual employees at the minimum wage rate of $5.15 and assuming they each work 25 hours a week from January through May, it will cost the Income Tax Department approximately $5,700 in salaries. However, the addition of these employees would reduce the use of overtime in the Department, which was $7,820 in 1999 and $15,475 in 1998 (see **F2.14**). In addition, the use of casual employees would assist the Department to increase income tax collections by allowing the other staff members to work more on identifying potential taxpayers and collecting on delinquent accounts.

F2.13 Under the current City-wide organizational structure and according to the city treasurer, the staff in the Income Tax Department are responsible for presenting cases filed against taxpayers who fail to pay the City income tax. Performing this function takes time that could be better spent conducting the necessary activities to identify new taxpayers. In addition, the employees in the Department do not have any legal background and are unaware of all the legal ramifications associated with these court proceedings, such as how to obtain collections after a judgement has been rendered in court. The Department is currently backlogged with hundreds of charges that need to be typed and processed. Due to staffing issues, the Department has been unable to type and process all of the charges. According to the city treasurer, the Income Tax Department presents income tax cases due to a perceived inability of the City Law Department to present these cases in a timely manner. Since 7/7/2000, the Department has presented approximately 50 to 60 cases. On average, the Department presents an estimated 100 to 125 cases annually. According to the city law director, the City would not have to hire another attorney to handle an extra 100 to 125 cases annually.

The Income Tax Departments in the Cities of Middletown and Cuyahoga Falls also file charges against individuals who fail to submit income tax payments. However, it is the responsibility and job function of the City prosecutor's office in Middletown and the City law department in Cuyahoga Falls to file all the necessary paperwork and present the cases. In contrast to the 100 to 125 cases filed annually by Warren, the City of Middletown is able to process approximately 400 tax cases annually. The City Law Department in Warren is better equipped and qualified to process and file these charges.

R2.5 The City should strongly consider transferring the legal activities associated with processing and presenting income tax cases from the Income Tax Department to a qualified attorney(s) in the City Law Department. However, the Income Tax and Law Departments should work together to ensure that income tax cases are processed in a timely manner. The Income Tax Department should provide all of the necessary information and documentation related to these income tax cases to the Law Department. Considering that the Law Department has

the legal qualifications and knowledge necessary to adequately process these cases, they should be responsible for presenting and prosecuting these cases in court. If it is determined that processing delinquent accounts is enough work to keep one attorney busy on a full-time basis, the City should then consider placing the attorney under the Income Tax Department's organizational structure and budget. With this function transferred to a qualified attorney(s), the Income Tax Department will have the opportunity to devote more of their time and resources to activities related to income tax operations, such as identifying new taxpayers and increasing the amount of income tax collections.

F2.14 **Table 2-14** presents salary and overtime wages for the Income Tax Department staff for the past four years. Overtime is paid at a rate of 1.5 times the regular rate of pay. All overtime requests are initiated and approved by the city treasurer. As indicated by the table, the total dollar amount of overtime wages and overtime wages as a percent of total salaries has steadily decreased each year. According to the city treasurer, this is due to the fact that the staff has been using more comp time.

Table 2-14: Salary/Wages Expenditures
1996 through 1999

Year of Payroll Expenditure	Total Salary/Wages [1]	Regular Salary/Wages	Overtime Wages	Overtime as a Percentage Salaries
1996	$232,120	$211,743	$20,377	8.8%
1997	$256,726	$238,769	$17,957	7.0%
1998	$274,946	$258,571	$15,475	5.6%
1999	$267,130	$259,310	$7,820	2.9%

Source: City expenditure reports
[1] Only includes regular and overtime wages

C2.1 The Income Tax Department is commended for minimizing the use of overtime and reducing overtime expenditures. To completely eliminate overtime, the City should consider hiring two casual laborers as noted in **R2.4**.

F2.15 The Income Tax Department appears to be using a high amount of sick and vacation leave, as indicated by **Table 2-15**. Employees averaged 33.9 sick days and 26.1 vacation days in 1999. Assuming a total of 249 working days per year (5 days per week times 52 weeks less 11 holidays) and including sick and vacation leave, Income Tax Department employees were absent 24.1 percent of the total working days in 1999. When one employee is absent, the city treasurer will delegate that employee's functions to another employee.

However, the table indicates that one staff member may be affecting the data. By excluding this employee, the Department averaged 18.4 sick days and 16.7 vacation days in 1999. Assuming a total of 249 working days per year (5 days per week times 52 weeks less 11 holidays) and including sick and vacation leave, the six department employees were absent 14.1 percent of the total working days in 1999. The high number of absences can impede the Department's ability to operate effectively and efficiently on a daily basis. Substitute employees are not used in the Income Tax Department.

Table 2-15: Hours and Cost of Leave Utilization

Position	Hours of Sick Leave Usage		Cost of Sick Leave Usage		Hours of Vacation Leave Usage		Cost of Vacation Leave Usage	
	1998	1999	1998	1999	1998	1999	1998	1999
Investigator/Auditors	1,860	1,580	$29,079	$25,706	1,301	1,226	$20,034	$19,753
Cashier/Auditors [1]	519	316	$6,827	$4,429	282	235	$4,024	$3,442
Total Leave Usage [2]	2,379	1,896	$35,906	$30,135	1,583	1,461	$24,058	$23,195
Average per Position	340	271	$5,129	$4,305	226	209	$3,437	$3,314
Average Leave Days per Position	42.5	33.9			28.3	26.1		
Hours and Cost of Leave Utilization excluding Long-Term Leave								
Total Leave Usage	1,201	880	$16,911	$13,099	983	798	$14,378	$12,090
Average per Position	200	147	$2,819	$2,183	164	133	$2,396	$2,015
Average Leave Days per Position	25.0	18.4			20.5	16.7		

Source: Income Tax Department
[1] Includes the data systems specialist and clerk/typist.
[2] One of the staff members incurred long-term leave due to a medical condition in 1998 and 1999.

R2.6 The Income Tax Department should develop contingency plans to deal with the high number of absences. These plans could involve the use of casual labor (see **R2.4**) and/or the cross training of other City departmental staff, most notably the City auditor's staff, to perform the duties in the Income Tax Department when an employee is absent. As noted in **R2.4**, the hiring of two casual employees should help to alleviate some of the potential disruptions caused by the high level of absences in the Department.

F2.16 The retirement eligibility status of any City department can affect staffing levels and operations. As indicated by **Table 2-16**, retirement eligibility status is not an issue with the Income Tax Department. However, as employees become eligible for retirement, the

Department should take the necessary steps to ensure that operations will not be drastically affected by future retirements.

Table 2-16: Retirement Eligibility Status

Position	Service Years	Eligibility Status
Data Systems Specialist	9	Not Eligible
Senior Cashier/Auditor	15	Not Eligible
Cashier/Auditor	10	Not Eligible
Chief Investigator	24	Not Eligible
Investigator/Auditor	15	Not Eligible
Investigator/Auditor	15	Not Eligible

Source: Income Tax Department and City reports

F2.17 The current job descriptions within the Income Tax Department were created in 1994 and have not been updated since. The Income Tax Department cited two major reasons for the lack of an update in job descriptions:

(1) A court appeal regarding the AFCSME contract, the union that represents the income tax staff.
(2) The work procedures (flow of work) are in the process of being refined with the implementation of the new income tax system.

R2.7 The Income Tax Department should update job descriptions as soon as possible. The city treasurer should be responsible for the revisions. Once completed, the city treasurer should submit them to Human Resources for approval to ensure consistency with the AFSCME contract and other City employees. Input from the staff on the revisions should be welcomed considering that they are currently performing tasks that may not be encompassed in the outdated job descriptions. With up-to-date job descriptions, the Income Tax Department employees will fully understand their job functions and responsibilities. The job descriptions could also be used to reference and assess employee performance and productivity. Furthermore, the updated job descriptions would fully explain employee responsibilities and job functions, which will affect the operations of the Department as a whole.

F2.18 Although the city treasurer indicated that the Department provides training and mentoring on an informal basis, a formal documented training or mentoring program does not exist within the Department. In addition, the City does not offer or sponsor training for City employees. The employees in the Income Tax Department gain the knowledge and experience needed to perform their work functions through on-the-job training and hands-on experience. Without

a mentoring program, there is the potential for employees to learn to complete certain tasks in an inappropriate way, and passing this misinformation on to other employees.

R2.8 The Income Tax Department should develop and implement a formal mentoring/training program for the staff. The new employees should be paired with another employee who can act as a mentor for the first 30 days of employment. This mentor will be able to show the new employee what is expected of them daily. To ensure that the different mentors pass along the same type of information to the new employees, current efficient procedures must be documented by the supervisor and passed along to the other current employees so that inefficient policies do not get passed along to the new employees. A successful mentoring program can lay down the essential framework that a new employee will need to be productive in their new position.

Policy and Legislation Governing Municipal Income Tax

F2.19 The City's municipal income tax ordinance levies a tax on the following sources of income:

- Salaries, wages, commissions and other compensation earned by the residents of the City.
- Salaries, wages, commissions and other compensation earned by the nonresidents for work done or services performed in the City.
- Net profits earned of all resident unincorporated businesses, professions or other activities and entities, derived from work done or services rendered or performed and business or other activities conducted in the City.
- Net profits earned of a resident partner or owner of a resident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity.
- Net profits earned of all nonresident unincorporated businesses, professions or other activities and entities, derived from work done or services rendered or performed and business or other activities conducted in the City, whether or not such unincorporated business entity has an office or place of business in the City.
- Distributive share of net profits earned of a resident partner or owner of a nonresident, unincorporated business entity not attributable to the City and not levied against such unincorporated business entity.
- Net profits of all corporations derived from work performed or rendered and business or other activities conducted in the City, whether or not such corporations have an office or place of business in the City.

Ohio Revised Code Section 718.01 (C) states that no municipal corporation shall levy a tax on income in excess of one percent without the voter approval of the excess by a majority of the electors of the City voting on the question at a general, primary or special election.

F2.20 The Income Tax Department has not updated their income tax ordinance as recommended by the management study completed by the Auditor of State's Office in 1995. Specific recommendations which have not been implemented include the following.

- Providing the ordinance in booklet form.
- Creating a table of contents.
- Developing an index.
- Combining the rules and regulations ordinance and income tax ordinance in one document.

R2.9 The Income Tax Department and City should update the income tax ordinance with the recommendations provided by the previous management study. By updating the ordinance, the Department would provide taxpayers with a more user-friendly document that is easier to understand. In addition, the number of inquiries regarding taxpayers trying to find certain information in the ordinance should be reduced by developing a more user-friendly format.

F2.21 Although the ordinance requires that every taxpayer who does not have income subject to withholding to file estimated taxes, the city treasurer, without the required approval from the Board of Review to amend the ordinance, has established a minimum threshold for filing of estimated taxes at $200 owed in income taxes because she feels that it is a fair amount. The Income Tax Department will research the past history of a taxpayer who owes $200 or more to discover if that taxpayer had previous problems paying their taxes. If they had a history of having problems with paying their taxes, the Department will provide the necessary information to the taxpayer to file estimated taxes. If the taxpayer owes $200 or more and has not had problems paying or filing their taxes, the City will not send any information to the taxpayer regarding filing estimated taxes. The new income tax system has the ability to generate a report listing the required taxpayers that did not file estimated taxes.

R2.10 The Income Tax Department should adhere to and enforce the filing of estimated taxes as stated in the income tax rules and regulations ordinance, which requires every taxpayer whose employer does not withhold taxes to file estimated taxes. Since the income tax system has the ability to generate a listing of taxpayers required to submit estimated taxes, it should be relatively easy to determine these taxpayers and notify them of this requirement through a mass mailing. By adhering to the ordinance, the Department will not have to spend any time researching the past history of taxpayers to determine if estimated taxes should be filed. In addition, by enforcing the requirement of filing estimated taxes, the Department will be able to effectively ensure that the correct amount of taxes are being remitted by a corresponding taxpayer. Furthermore, any proposed changes made to aspects in the ordinance should be approved by the Board of Review, as required by the City's income tax ordinance.

F2.22 The Income Tax Department has the authority to grant taxpayers time extensions for payment of income taxes. However, the Department does not utilize specific criteria to assess whether a taxpayer should be granted a time extension. The Income Tax Department granted 748 time extensions as of July 19, 2000, for 1999 income tax payments, which accounts for approximately 4.5 percent of the total tax accounts. In contrast, the time extensions granted in the peer City of Middletown accounted for only 2.5 percent of the total tax accounts. The time extensions are granted for a period of three or six months after the taxes are due (April 15) and approved extensions are entered into the system. The city treasurer indicated that a local time extension has to be granted if the taxpayer has been approved for a federal time extension. However, if the taxpayer has not been granted a federal time extension, the city treasurer determines whether or not a local time extension will be granted based upon the treasurer's subjective opinion.

R2.11 The Income Tax Department should establish criteria to be used in granting time extensions to individual taxpayers. The Income Tax Department would minimize the instances of granting unneeded time extensions and in turn improve the City's cash flow by establishing criteria to assess whether a time extension should be granted. In addition, the Department would reduce the number of potential delinquent accounts, since individual taxpayers that are granted time extensions are the taxpayers most likely to default on their income tax payments.

F2.23 In accordance with Section 171.06 of the income tax ordinance, any employer who withholds more than $250 per month is required to submit monthly withholdings. As of June 2000, there were 1,883 accounts submitting quarterly withholdings. Approximately three percent of these quarterly accounts should be submitting monthly payments because they averaged more than $250 of employee withholdings per month. This was determined by reviewing a quarterly withholdings report generated in June, 2000.

R2.12 The Income Tax Department should take the necessary actions to bring those employers who are in violation of the income tax ordinance into compliance. The staff should routinely review the withholdings report to verify that all employers are in compliance with the $250 monthly threshold. By requiring these employers to remit the required monthly withholdings, cash flow will be improved and the City will have more monies to invest. The city treasurer indicated that the Department has begun to enforce the $250 monthly withholding threshold due to the new computer system's ability to accurately produce this information (September 2000).

Financial Implication: On average, a total of $16,400 in additional employer withholdings could be collected on a monthly basis, as opposed to the collection of $49,200 on a quarterly basis. Assuming an annual interest rate of six percent and that the interest is compounded at the end of the appropriate period (monthly versus quarterly), the additional interest income that could be realized annually by collecting on a monthly basis is approximately $1,000.

F2.24 The City provides a 100 percent credit for the amount of income taxes paid to another City, not to exceed 1.5 percent. **Table 2-17** provides a breakdown of the amount of credit given by 569 jurisdictions in Ohio with an income tax and 17 municipalities identified by the City as comparable cities to Warren.

Table 2-17: Credit Policy

Amount of Credit	Number of Jurisdictions	Percent of Total	Comparable Cities	Percent of Total
100%	405	71.2%	11	64.7%
75%	13	2.3%	0	0.0%
50%	69	12.1%	3	17.6%
25%	9	1.6%	1	5.9%
Other	20 [1]	3.5%	1 [2]	5.9%
0%	53	9.3%	1	5.9%
Total	569	100%	17	100%

Source: City of Warren Revenue Options
[1] This represents jurisdictions that offer unique credit amounts (63%, 58%, 60%, etc.)
[2] This credit is 58%

Although a 100% credit is the most common policy adopted by municipalities, there are a portion of municipalities that offer reduced income tax credits as noted in **Table 2-17**. A reduction in the credit policy will provide additional revenues to the City. **Table 2-18** indicates the dollar amount of credit the City of Warren provided to its citizens working in neighboring cities for tax year 1999, as of August 4, 2000.

Table 2-18: Income Tax Credit

	Tax Rate	Total # of W-2's	Total W-2 Income	100% Credit
Niles	1.5%	1,178	$11,067,692	$166,015
Lordstown	0.5%	936	$27,871,780	$139,359
Youngstown	2.25%	424	$7,899,794	$118,497
Middlefield	1.0%	412	$5,782,770	$57,828
Newton Falls	1.0%	167	$2,897,155	$28,972
Total		3,117	$55,519,191	**$510,671**

Source: Income Tax Department

As indicated by **Table 2-18**, the City of Warren could potentially collect additional income tax revenue by reducing the 100 percent income tax credit. **Table 2-19** indicates potential revenue increases from reducing the credit policy to 75, 50 and 25 percent up to a maximum of 1.5 percent.

Table 2-19: Revenue Increases from Reducing Credit Policy

	100% Credit	75% Credit	50% Credit	25% Credit
Niles	$166,015	$124,512	$83,008	$41,504
Lordstown	$139,359	$104,519	$69,680	$34,840
Youngstown	$118,497	$88,873	$59,249	$29,624
Middlefield	$57,828	$43,371	$28,914	$14,457
Newton Falls	$28,972	$21,729	$14,486	$7,243
Total	$510,671	$383,004	$255,337	$127,668
Cost Savings	**N/A**	**$127,667**	**$255,334**	**$338,003**

F2.25 Warren is a member of the Tri-County Tax Association (TRICOTA), an association designed to establish and enforce monthly filing of income tax withholdings. A review of the 23 cities in the TRICOTA indicates that 20 of the 23 TRICOTA municipalities include winnings from lotteries and wagering as taxable income in the calculation of income tax due. The City income tax ordinance does not consider winnings from lotteries and wagering as taxable income. As determined in Fisher vs. Neusser, 74 Ohio St.3d 506 (1996), lottery winnings are not "intangible income," and therefore, municipal corporations are not precluded from levying an income tax.

R2.13 The City should reevaluate the practice of not including winnings from lotteries and wagering in the calculation of taxable income for purposes of collecting City income tax. Although it is not possible to calculate the amount of revenue lost as a result of this practice, the fact that 20 of the 23 cities in TRICOTA include such winnings as taxable income indicates that it is common practice among cities and could financially benefit the City.

F2.26 According to the city treasurer, the City only requires retirees to file a return if they earned income during the year. Under current procedures, as mentioned in **F2.51**, the Income Tax Department verifies if a return is required by researching the previous year's returns. In addition, the Department does not know which taxpayers are retirees (see **F2.49**). If a retiree did not file a return the previous year, but earned income the current year, the Income Tax Department would not be able to identify that a return must be filed. By not requiring retirees to file an annual return and following the current procedures, the City has the potential to not collect all available income tax revenue.

R2.14 The city treasurer should enforce the requirement that all residents over the age of 16 file a return, including retirees that may not have taxable income. In addition, the Board of Review should be consulted on matters affecting the income tax ordinance, such as issues concerning the mandatory filing requirement. The City will ensure that all potential income subject to the municipal income tax is collected by requiring all citizens over the age of 16 to file a return.

F2.27 **Table 2-20** indicates the number of annual income tax returns mailed by the City's Income Tax Department for the respective years shown and the population trend over the same time period. While there has been a steady increase in the number of returns mailed for each year except 1999, in which the total number of returns mailed declined by approximately 14 percent, there has been a steady decline in the population for each year after 1990. According to the city treasurer, the decline in the total mail returns in 1999 can be attributed to retirees and individuals moving out of Warren. Since the new system was implemented in November 1998, a report comparing the 1998 mailing list to the 1999 mailing list to determine which individuals moved and retired is not possible.

Table 2-20: Trend Analysis of the Annual Tax Returns Mailed From 1990 through 1999

Year Ending 12/31	Number of Returns Mailed	Percentage of Increase/Decrease	Population	Percentage of Increase/Decrease
1990	12,004	N/A	50,793	N/A
1991	15,166	26.3%	50,616 [1]	(0.3%)
1992	15,553	2.6%	50,420 [1]	(0.4%)
1993	16,276	4.6%	49,976 [1]	(0.9%)
1994	16,777	3.1%	49,344 [1]	(1.3%)
1995	16,823	0.3%	48,651 [1]	(1.4%)
1996	16,901	0.5%	48,092 [1]	(1.1%)
1997	16,948	0.3%	47,476 [1]	(1.3%)
1998	17,448	3.0%	46,866 [1]	(1.3%)
1999	15,047	(13.8%)	N/A [2]	N/A

Source: Income Tax Department & U.S. Census Bureau
[1] These figures are estimates by the U.S. Census Bureau
[2] Estimate not available

According to the city treasurer, the last time that the Income Tax Department conducted a mass mailing to taxpayers informing them of the mandatory filing requirement was approximately 12 years ago, which was before the current city treasurer took office.

R2.15 The City should prepare a mass mailing utilizing the most current master address listings available for individual taxpayers and businesses. Enforcement of the mandatory filing requirement by the City would greatly enhance the potential for increasing the taxpayer base. The financial implication of this recommendation is incorporated in the amount of potential additional income tax revenue noted in **F2.2** and **R2.1**. In addition, the City should comply with the provisions of the income ordinance and ensure that notice is provided to all residents stating that an annual tax return is required, whether or not a tax is due. Furthermore, the Income Tax Department should begin coordinating with the Water Department to determine move-outs and retirees, as discussed in **R2.19**. The city treasurer indicated a desire to pursue this recommendation after the non-filers list is produced and actions developed to receive returns from these non-filers.

Operations Management

F2.28 According to the Income Tax Department, the three investigator/auditor positions perform most of the revenue identification activities on a daily basis by fitting these activities in between other duties. However, currently, the investigators/auditors indicated they are unable to devote the necessary amount of time to investigating and identifying new taxpayers due to having to perform the following clerical functions:

- Performing all typing functions, such as typing up court charges, business questionnaires, names, addresses and letters
- Mailing and stuffing forms
- Filing records
- Answering phone calls
- Opening mail
- Entering basic information into the system such as names and addresses
- Following-up on suspense letters, which are generated when something is missing on the return or it needs amending. If it needs to be amended, it would go to the investigators/auditors.

In addition to performing these clerical functions, the investigators/auditors devote time to the following activities:

- Being involved in court proceedings
- Learning the new computer system
- Covering for absent employees

R2.16 The investigators/auditors should be spending the majority of their time identifying potential taxpayers. The hiring of two casual employees (see **R2.4**) will alleviate the investigators/auditors of performing the clerical functions and should ensure that the

investigators/auditors are able to adequately cover for absent employees and still perform the activities to identify new taxpayers. The transfer of the court proceedings to the Law Department (see **R2.5**) will free up a significant amount of time for the investigators/auditors and the training recommended in **R2.33** will allow the employees to become more familiar with all of the computer functions and speed up the learning process.

F2.29 In the past, the investigators/auditors would conduct a significant amount of their investigative activities during eight months of the year (January through February and July through December). These activities included:

- Utilize Water Department records to identify new residents and homeowners
- Utilize Health Department records to find rental permits
- Review contractor registrations (the Engineering Department will not issue permits unless the contractor has a Warren income tax ID number) to determine if there are new contractors and/or contractors currently not captured in the system
- Utilize the City directory and telephone directory to discover new residents and businesses
- Review newspapers and legal news to identify real estate activity/transfers
- Review the list of renters from rental complexes by sending a letter to rental units about two to three times a year to ask for names and ID numbers to identify new renters and those that relocated
- Check county real estate records through the Internet to identify rental units and property ownership.
- Follow-up with landlords when they contact the City to discover which tenants are moving so that the City can forward the individual a tax return
- Check government subsidized rental housing to identify rental units
- Spend a few days of the month out of the office locating new businesses and verifying that these businesses have tax accounts (this was last done approximately two years ago)
- Comparison of vendor's license reports with taxpayer lists

Currently, the only taxpayer identification activities that the Income Tax Department performs when they have extra time are utilizing the Health Department records, reviewing contractor registrations and using the Internet to verify property ownership. Other activities that can aid in the location of taxpayers includes the following:

- Review of the Ohio Department of Taxation taxpayer filing lists
- Review of City building and occupancy permits issued
- Comparison of post office address corrections and move outs with taxpayer lists
- Review of publications for business, such as the yellow pages, City directory of businesses, better business bureau and so forth

- Use of apartment registration programs (canvassing) to identify new occupants
- Use of business canvassing programs to identify new startups and more difficult taxpayers, such as small businesses and contractors
- Comparison of other utility accounts, such as gas and electric, with taxpayer lists

R2.17 The Income Tax Department should be utilizing all of the activities mentioned above to locate taxpayers. The addition of the other activities to the list of activities that the Department currently performs should help to identify more taxpayers and could subsequently result in additional income tax revenues for the City. The Income Tax Department should work with the other City departments and develop open lines of communication to identify important information that would assist the Income Tax Department in locating potential taxpayers.

In addition, there should be one staff member who's job function is solely dedicated to identifying potential taxpayers. Out of the three investigators/auditors that perform the taxpayer identification activities, one should be specifically assigned to these activities and the other two should assist whenever it is necessary.

F2.30 The Engineering Department will not issue a permit to a contractor unless a Warren income tax ID number is provided on the permit form. If the contractor does not have a tax account, they are instructed to establish an account with the Income Tax Department. However, through errors, there is the potential for the Engineering Department to authorize permits without verifying that the contractor has an established income tax account. Also, there is the potential that the contractor could provide an invalid Warren ID number that the Engineering Department has no way to validate.

In the past, the contractor registration would be printed in the Income Tax Department daily to identify new contractors who came in that day to register for a permit. This ensured that a Warren tax ID number could easily be processed, every contractor was provided a Warren income tax ID number and the validity of the Warren income tax ID number. However, city officials terminated the process because of a perception that the reports were not being utilized by the Income Tax Department. Currently, the Department will receive a contract registration on a quarterly basis from the Engineering Department. This current practice has made it difficult for the Department to find and contact new taxpayers and input the information into the system in a timely fashion because they have much more information to enter and verify.

R2.18 The Income Tax and Engineering Departments should work together and reestablish the practice of printing contractor registrations daily in the Income Tax Department. In addition, the Income Tax Department should document the results of using these reports (see **R2.21**) to indicate that the reports are being utilized and to reflect revenue generation. This will ensure that every new contractor has an income tax account established with the City.

F2.31 In the past, the Income Tax Department would utilize Water Department records as a source to identify new taxpayers. However, according to the Income Tax Department, this practice has ceased due to numerous factors that caused this to become a complex activity. These factors include:

- Vast amount of paperwork generated
- Social security numbers not present on the water records
- Address changes were not consistently noted in the water records
- Great amount of time needed to locate these individuals, which the Department is unable to devote due to the clerk/typist vacancy and employee absences

In addition, the Water Department registration forms do not provide for a Warren income tax ID field and do not inquire as to the income tax account status of their customers. By not utilizing the Water Department records, the Income Tax Department may not be identifying all potential taxpayers.

R2.19 The Income Tax Department should consider working with the Water Department to provide the necessary information, such as social security numbers, that will allow the Department to identify new taxpayers. In addition, the Income Tax Department should inquire as to the feasibility of including a Warren income tax ID field on the Water Department registration forms and require these fields to be completed before water is provided to the residents.

Another option that the City should consider to ensure that water records could be easily compared with income tax accounts is to interface the Water and Income Tax Departments' computer systems. This could provide the investigators/auditors with continued access to water records to identify potential new taxpayers.

Furthermore, the hiring of two casual labor employees (see **R2.4**) and transferring the legal function to the Law Department (see **R2.5**) will free up more time for the two investigators/auditors to devote the necessary amount of time for this activity.

F2.32 The Income Tax Department last used the State Department of Taxation file 1993/1994. It has not been used since then because it was determined to not be a cost-beneficial method. For example, the State file is sorted only by social security number and is a year behind in terms of information. Additionally, Warren has overlapping zip codes in which parts of some zip codes are subject to Warren tax and other areas of the zip code are not, so individuals outside of Warren's jurisdiction would be pulled and retirees who do not have taxable income would be pulled. However, according to the income tax system vendor, an easier way to compare the City tax file to the State tax file is by the taxpayer's street address. By comparing the files in this fashion, the overlapping zip code issue would be resolved as the Department will know which addresses pulled from the State file are not subject to the

Warren tax. As indicated in **F2.5**, the State received 20,390 tax returns from Warren residents in 1998, while the City only received 13,014 individual returns for the same time period.

R2.20 The Income Tax Department should be utilizing the State tax file and comparing it to the City tax file for the purpose of identifying new taxpayers. Considering the fact that the income tax system has the ability to easily compare the two files, the Department should benefit significantly from performing this activity.

Financial Implication: The cost to obtain taxpayer information from the Department of Taxation is between $750 and $1,500, depending on the data format requested. This cost would be offset by the additional income tax revenue generated, which is incorporated in the amount of additional income tax revenue noted in **R2.1**.

F2.33 The Income Tax Department does not document or track how successful their activities to identify potential taxpayers are and how much additional revenue is obtained from these activities. Without tracking or monitoring the success of these activities, the Department does not know which activities should be utilized because they are more effective and vice versa. In addition, since the Income Tax Department does not document these activities, the Department is unable to provide any type of reports concerning the issue of identifying new taxpayers and income tax collections to any of the other City departments. Due to this, the other City departments are unaware of the Income Tax Department's success in identifying new taxpayers and are incapable of determining what city-wide policies and initiatives need to be developed and implemented to assist the Income Tax Department's collections and identification efforts.

The Income Tax Department has the ability to create "customized" fields in the system (see **F2.49**) that would enable the Department to track these activities and create the necessary reports. In addition, the Department could also develop a database tailored specifically for tracking these activities and the dollar amount of income tax revenue generated from these activities.

R2.21 Since the income tax system has the ability to incorporate customized fields and reports, a documenting and tracking program should be immediately instituted in the Income Tax Department. For example, the Department should begin to track how many new accounts they have created in 2000 and which activity was used to locate the new taxpayer. This will provide the Department with information on which activities are most successful and how much extra revenue is generated by performing these activities. Additionally, by monitoring and tracking these activities, the Income Tax Department will be more accountable to the City and its citizens because they will have the necessary information to justify their various activities to identify new taxpayers.

Furthermore, the Income Tax Department should prepare and distribute monthly and quarterly reports to other appropriate City officials, such as the mayor, city auditor and city council, outlining the various outcomes of their efforts to identify potential taxpayers. This information should be shared with the City in an effort to formulate clear policies and initiatives that the City should take to increase income tax collections, considering the fact that over 60 percent of the General Fund is attributed to income tax collections.

F2.34 The City recently passed an ordinance that requires large apartment complexes to provide the City with a list of renters within a specified time period. The intention of this ordinance is to identify potential taxpayers. A drafted notification has been sent with the Health Department billing in September 2000.

C2.2 Obtaining income tax payments from renters can be difficult, considering the increased likelihood of relocation within a smaller time frame. By passing and implementing the above ordinance, the City has a better chance of capturing these taxpayers in their system.

F2.35 The Department can increase the efficiency of the current procedures used for processing and reconciling returns. To process a return, the staff first manually re-calculates the information on the return for accuracy. However, it does not appear that this activity needs to be performed, since the system will automatically calculate the taxes due based on the information entered. If there is a difference of less than one dollar between the taxes due per the system and the amount paid by the taxpayer, the account is considered paid in full. If there is still a balance due (the amount paid is less than the taxes due per the system), the account is marked as having an outstanding balance. The returns are processed in batches. Most of the staff are involved with data entry of return information. Checks are added and balanced to edit reports. All of the checks go to cashier/auditor for depositing. The city treasurer indicated that this process has ceased and that the staff no longer manually re-calculate tax information.

R2.22 The Income Tax Department should always allow the system to perform the necessary calculations and avoid manually re-calculating the tax return information, considering the fact that the computer system automatically calculates the taxes due. This is one of the major benefits of the new system and was provided so that the staff members would not have to manually calculate the taxes.

F2.36 The Income Tax Department does not consistently go through the entire process for obtaining income tax returns and payments from taxpayers. In addition, there are no established time frames that govern the process. According to the city treasurer, the Department usually goes through the following process to obtain this information.

- A letter is sent to the potential taxpayer enclosed with a prepared questionnaire. The letter states the requirement to withhold and/or pay the 1.5 percent income tax, in addition to the requirement of filing a tax return each year. The business questionnaire requires basic information to be provided, such as the location of the business, type of business, number of employees and so forth. Individual taxpayer questionnaires request the same type of basic information as the business questionnaire.
- If the questionnaire and related tax information is not returned, a second notice will be sent out.
- Finally, if the second notice proves to be unsuccessful, the taxpayer will be required to appear in court and charges will be brought against the taxpayer by the city treasurer.

Taking the potential taxpayer to court requires the presence of the city treasurer and compiling all of the necessary paperwork, which requires additional time and money. As mentioned in **F2.13**, the city treasurer has appeared in approximately 60 cases as of July, 2000 and appears in about 100 to 125 court cases annually.

R2.23 The Income Tax Department should be consistently following the procedures when dealing with individual taxpayers and businesses, potential taxpayers and current taxpayers. In addition, the Department should establish time frames for when the questionnaires and notices should be returned and how many days to allow information to be returned by the taxpayer. Standard procedures and time frames should also be established for when the taxpayer will be directly contacted, either by phone call or site visit. The Income Tax Department should consider contacting the potential taxpayer by phone or site visit after they have not responded to the second notice. Filing charges should be used as a last resort after all other attempts have failed. By adopting standard collection procedures, the Department would be more likely to receive the required tax information. Furthermore, the Income Tax Department would reduce the instances of court proceedings and in turn reduce the amount of time and resources required to prepare all of the related paperwork.

F2.37 The data entry of income tax information that is received by the Department is one of the priority activities that all staff complete. By making this a priority, important income tax information will be entered into the system in a timely manner, which reduces the instances of missing taxpayers. Missing taxpayer information has the potential to negatively effect collections. In addition, the staff will put their initials on the return envelope when sending out documentation related to a problem they are trying to resolve. These envelopes are then routed to the appropriate staff upon receipt by the Department. This practice ensures that information does not get lost and arrives to the appropriate person in a timely manner.

C2.3 The Income Tax Department is commended for placing a high priority on data entry of income tax information to make certain that the Department has all of the required information needed to collect income tax payments and for ensuring that information is routed to the appropriate staff member.

F2.38 According to the city treasurer, the Department has encountered various problems with businesses' withholdings. The following are examples of types of problems that can occur with withholdings:

- Small businesses move in and out of the City frequently.
- Incomplete/inaccurate forms submitted by businesses where the business owes taxes but did not submit payment or submitted payment which does not match the form.
- Incomplete/inaccurate forms submitted by the payroll companies (for example, ADP, Ceridian) with a wrong account number for an individual, wrong ID number for an individual, submitted payment which does not match form and so forth.
- Deferred compensation not included in the calculation, so taxes can be under-withheld (The Income Tax Department randomly verifies W-2s to see if deferred compensation was properly included in calculating taxes.)
- Not all payments were sent
- Taxes were improperly calculated using the wrong base
- The business should have filed monthly but filed quarterly (businesses will be billed with penalty and interest added)

R2.24 The City should consider the implementation of a "tax express" file by phone system for filing and paying income tax withholdings. The City of Springfield, Ohio uses such a system and has a participation rate of 47 percent of all withholding accounts. The system would reduce the excessive amount of paperwork for both the City and employers by eliminating the need to produce, complete and mail monthly or quarterly withholding statements. The system could be established through the City's phone system with the addition of a dedicated touch tone phone line. Each user of the system would be assigned a secret and unique identification code, with taxpayers accessing the system by utilizing this number and entering the following information:

- Unique identification number
- Tax payment amount
- Number of employees
- City account number
- Tax period end date
- Effective date for transfer of payment

As soon as a problem is encountered, the Department should contact the business by phone immediately to provide a resolution. In addition, the City should consider developing an automated system to allow taxpayers to enter information on-line (see **R2.37**). The City of Springfield indicated that it costs the city approximately $300 to $400 per month to operate the "tax express" file by phone system.

F2.39 According to the city treasurer, discrepancies with the larger businesses that use payroll companies are time-consuming and difficult to resolve because each record has to be examined manually to find the errors. For the larger companies that use payroll companies, the City requires a list of employees on a quarterly basis that notes the employees' ID numbers. The Department checks the employee and ID number against the City's records. Any discrepancies are noted and corrections are sent to the payroll company so that the payroll company's records match the City's records. Examples of typical problems generated by the payroll companies include the following:

- Not including the federal I.D. number
- Not including a tax I.D. number for the Department's filing code
- Failing to provide the taxpayer name or time period (monthly versus quarterly) which creates an additional amount of paper work

In one specific instance in which a payroll company sent in a quarterly instead of the required monthly payment, the payroll company was required by their client to pay the penalties and interest.

R2.25 The Income Tax Department should routinely communicate with the payroll companies concerning the problems that have been occurring. If a payroll company files a quarterly withholding instead of the required monthly withholding, the Department should continue the process recently implemented of sending the invoice, including penalties and interest, to the business/client as opposed to sending it to the payroll company. It should then be the business's responsibility to resolve the payment of the penalties and interests in whatever way they deem necessary, as long as the City receives the payment. The errors and eventual resolutions should be documented by the Income Tax Department to ensure that the same problems are not continuously occurring. The implementation of the phone filing system (see **R2.24**) or on-line Web site system (see **R2.37**)should make it more convenient for the payroll companies to provide the required information.

F2.40 **Table 2-21** indicates the amount of refunds issued by the Income Tax Department from 1995 up to May 31, 2000, the percent change in refunds issued and refunds as a percent of gross collections.

Table 2-21: Refund Payments Issued

	1995	1996	1997	1998	1999	01/01/2000 to 05/31/2000
Total Refunds Issued	$169,091	$282,166	$305,038	$266,967	$281,709	$187,097
Percent Change	N/A	66.9%	8.1%	(12.5%)	5.5%	N/A
Percent of Gross Collections	1.3%	2.1%	2.2%	1.9%	2.0%	2.8% [1]

Source: Income Tax Department
[1] The total gross collections from 01/01/2000 through 05/31/2000 is $6,747,809.

As indicated by the table, the amount of refunds issued from 1995 to 1996 increased by approximately 67 percent, which the city treasurer attributes to the utilization of payroll companies that process incorrect withholdings for employers due to the overlapping zip code issue (see **F2.41**). However, the Income Tax Department does not monitor or track the causes of refunds, so they are unable to determine the amount of refund payments attributed to the incorrect withholdings. In addition, if an employer requests a copy of the street directory, the city treasurer will direct them to contact the Engineering Department.

R2.26 The Income Tax Department should begin to monitor and track the causes of refunds, including those refunds attributed to the incorrect payroll company withholdings. By documenting and monitoring these causes, the Department will be able to take the necessary actions to reduce the amount of refunds issued, such as directly contacting the payroll companies to resolve the problem of incorrect withholdings. The Income Tax and Engineering Departments should work together to provide all of the payroll companies and employers with a list of the overlapping zip codes to ensure that they are withholding taxes from Warren residents.

F2.41 The Income Tax Department does not ensure that income tax accounts not subject to the Warren tax are not included in the income tax system. Many refunds are due to the overlapping zip codes where parts of some zip codes are subject to the Warren income tax and the rest of the zip code area is not. All of the staff members have a street directory from the Engineering Department for the purposes of checking whether an individual or business is subject to Warren taxes. Some individuals have had income taxes over-withheld by their employer due to the zip code confusion or because they only worked temporarily in the City

R2.27 The Department should identify the overlapping zip codes and then identify which area of the zip code is subject to the Warren income tax, which can be accomplished by setting up the

street address file in the computer system (see **R2.35**) from the Engineering Department's street directory. The Department should input into the income tax system the addresses of only those areas that are subject to the Warren income tax. If an address does not appear in the income tax system, it would alert the user that the return may not be subject to the Warren income tax.

Although every staff member has a street directory, the increase in refunds, as indicated by **Table 2-21**, suggests that the staff have not been fully utilizing the street directory. When processing a tax return consisting of an overlapping zip code, documentation should be kept to indicate that the staff member verified that the address was subject to the Warren tax. In addition, all of the staff members should be provided with a listing of the overlapping zip codes to ensure that every employee knows which addresses need to be verified.

F2.42 The City of Warren provides for a broad range of payment methods by allowing individuals to pay via MasterCard/Visa. The Second National Bank handles these transactions for Warren. The Department has purchased the equipment and has a maintenance agreement on the equipment. To offset credit card charges from the banks, the City charges individuals a fee for payments that is dependent upon the tax amount paid ($1 to $100 = $5 fee).

C2.4 The City gives the taxpayers various options for paying the municipal income tax, which allows for the collection of income tax revenue that may have not been collected had the City not allowed payments of taxes via credit cards.

F2.43 The Income Tax Department does not use checklists to review income tax returns for completeness and appropriateness. The staff members reconcile and audit tax returns based on their own knowledge and experience. Since the staff members have varying backgrounds and experience, errors or mistakes missed on income tax returns potentially increases.

R2.28 The Income Tax Department should create a written procedures manual or checklist form, which would serve as a reference guide for the current staff members and as a training manual for new employees. A written procedures manual or checklist would benefit the City by ensuring that the staff are following the necessary procedures to effectively process returns and ensure the proper review of information on income tax returns.

F2.44 The Income Tax Department does not have in place a procedures manual describing the activities that need to be performed to identify new taxpayers. The Department takes a "common sense" approach to identifying potential taxpayers. Without this type of a procedures manual, employees unfamiliar with theses activities may not be fully trained and understand all of the steps required to adequately perform the revenue identification activities.

R2.29 A procedures manual outlining and explaining the activities associated with identifying potential taxpayers should be developed and utilized by all of the staff in the Income Tax Department. A procedures manual would help new employees and current employees who are not experienced or familiar with the activities to identify new taxpayers become familiar with these activities and gain a basic understanding of what is needed to perform these activities. The investigators/auditors, who primarily perform the current activities related to identifying new taxpayers, should be primarily responsible for developing the procedural manual. The manual should explain and describe where the staff need to go to obtain information needed to identify new taxpayers and what needs to be done with that information.

F2.45 The Income Tax Department does not have a specific and detailed written policy in place to explain what needs to be done with businesses that do not submit withholdings. A "judgement call" is made and the past history of the business is researched to formulate strategies to resolve the issue. With this practice in place, businesses who do not submit holdings are treated differently and it fosters an appearance of favoritism for certain businesses. Also, without a standard procedure in place for all businesses who do not submit withholdings, the Income Tax Department must use their judgement and different staff members may have different judgements about the same situation. This has the potential to create a state of confusion among the staff. In contrast, the City of Middletown does have specific written procedures in place describing actions for businesses that do not submit withholdings, which also applies to all delinquent accounts.

R2.30 The Income Tax Department should develop a written standard and uniform policy to explain what should be done with businesses that do not submit withholdings. All businesses should be treated similarly. The City will increase its accountability with the citizens and businesses by treating all businesses the same. In addition, the Income Tax Department should be more objective in its operations to be able to validate and support the Department's decisions. Creating a written standard policy for all businesses will serve to illustrate the Department's objectivity.

F2.46 The Department does not utilize an income tax calendar. An income tax calendar can be used as an effective planning document and would be beneficial to the Income Tax Department by indicating critical functions and the corresponding date that these functions should be completed on. Important functions that could be included in an income tax calendar include the following.

- Indicate due dates for filing and remitting taxes
- Prepare and mail monthly and quarterly tax returns
- Balance and close month-end
- Prepare and distribute monthly management reports (see **R2.21**)

- Review delinquent account listings
- Run and mail failure to pay notices and failure to file notices
- Obtain informational data from City departments
- Schedule departmental meetings and training sessions

R2.31 An income tax calendar should be established and utilized in the Department. The calendar should consist of all tax related filing remitting, corresponding and reporting dates that are crucial in creating an effective and efficient income tax operation. The calendar functions listed above should also be included. The due dates for critical tasks should be communicated by the city treasurer to all of the departmental staff. The calendar can also be used as a tool for the city treasurer and staff to determine employee leave requests and the need for casual labor during the peak season.

The City should also prioritize the daily work during the tax season (January through May) to maximize efforts and enhance operations. The following list includes examples of the daily tasks that should be prioritized:

- Opening, processing, depositing and entering current mail and payments received
- Auditing of tax returns, including subsequent correspondence with taxpayers.
- Filing all documents

During the off-season (June through December), the Department should focus on the following:

- Collecting delinquent accounts
- Contacting and collecting from non-filers
- Locating new taxpayers

Each month's schedule should include functions and duties specific to that particular month based on the tax return filing, remittance and reporting due dates.

Technology

F2.47 The City implemented a new income tax system provided by Computer Planning at the end of 1998, which replaced New World, the prior system, at a total cost of $45,240 ($21,000 for hardware and $24,240 for software). The system is stand alone with a laser printer. According to the city treasurer, since the previous vendor was located in Michigan, much of the previous system was based on Michigan laws and did not have much functionality in Warren. FY 1999 was the first full year on the new software. The Auditor of State management study completed in 1995 recommended that the City purchase a new income tax system and that the Income Tax Department fully utilize the new system. However, as discussed in **F2.49**, the Department is not fully utilizing all of the functionality provided by

the new computer system. The new income tax system provides the following benefits that are built into the system:

- Automatically calculates taxes due based on the entered information
- Automatically provides for the income tax credit when an individual is required to receive one
- Automatically calculates penalties and interest
- Maintains loss carry forward after it has been entered into the system
- Automatically generates form letters for discrepancies with certain withholdings
- Generates a listing of non-filers by period
- Provides an error message when the reconciliation form does not match with the business records
- Multiple batches can be open at the same time
- Allows for multiple users to enter data into batches at the same time.
- Processes refunds and stores refunds under the pending refunds category. It also keeps historical information of taxpayer refunds and appears in "red" to alert the user.

In addition, through conversations with the vendor, it is possible to interface the income tax and accounting systems. The vendor stated that this could be done at no extra cost to the City and the procedures to interface the two systems could be done relatively easily.

F2.48 The Income Tax Department does not ensure the accuracy and reliability of the reports generated by the new income tax system. As a result, different reports generated from the same system contain unexplained differences. Furthermore, the Income Tax Department staff has not been fully trained on the income tax system (see **F2.49**), so there is the potential that many other essential reports can be generated by the system that are currently unknown to the Department. By not ensuring data integrity and being unaware of the full array of reports and data available on the income tax system, the Department can not effectively manage operations and develop strategies to increase income tax collections.

R2.32 For the Income Tax Department to effectively manage operations and develop strategies to increase collections, the Department should ensure the accuracy and reliability of the reports generated by the income tax system. In addition, the Department should receive training on the income tax system (see **R2.33**) to become aware of all the reports and data that can be generated. The Department should reconcile all of the various reports generated by the system on a monthly basis and determine causes of errors.

F2.49 The Income Tax Department is not fully utilizing all of the various functions available on the computer system, which include the following:

- Generating a report indicating dollar amount of delinquencies
- Generating a report revealing dollar amount of delinquencies collected

- Producing a report depicting the number of retirements
- Creating a report indicating the number of residential relocations
- Generating a report revealing the number of write-offs
- Comparing City tax file to State tax file
- Producing a report indicating residential and nonresidential withholdings
- Utilizing the street address file to determine overlapping zip codes and subsequently determine individual and business taxpayers required to submit a return
- Developing customized coding to produce other appropriate reports, such as measuring the effectiveness of taxpayer identification activities.

Critical reports that are needed to assess factors affecting income tax revenue are not being produced. If fully and continuously utilized, all of the above mentioned reports have the potential to assist the Department in assessing income tax operations and subsequently increasing income tax collections.

The employees have received initial training on the basic functions of the computer system provided by the vendor when the system was implemented. However, according to the Income Tax Department, the staff are not fully aware of all the available functions. The computer vendor will make site visits and provide solutions to problems with the computer system on a periodic basis. In addition, the Department does not have to pay for any corrections or upgrades by the vendor because the cost for these services are included in the contract.

R2.33 The staff of the Income Tax Department should receive the necessary amount of training to utilize all of the available computer functions to generate the necessary reports measuring critical aspects of income tax collections. In addition, these reports should be utilized as a tool to improve the overall management of income tax operations.

F2.50 Although the city treasurer will produce reports upon request, the income tax system is not used to produce an annual report detailing critical aspects of income tax operations for the City. However, Cuyahoga Falls does produce such a report and includes important income tax information, such as the following:

- Listing of the top ten employers, the corresponding amount of collections received from these employers and the percent of each employer's collections of the total collections for the last two fiscal years.
- Refund trend analysis for the last five fiscal years, indicating the amount of refunds to individual taxpayers and businesses.
- Results of recent income tax proposals
- Number of residents working in other Cities and the number of nonresidents working in the City.

- Loss of revenue to the Cities where residents work.
- Detailed listing of collections received from the top twenty employers in the City to determine the amount of additional withholdings received attributed to nonresidents. For example, of the additional $2.5 million received by Cuyahoga Falls through withholdings, 78 percent was attributed to non-Cuyahoga Falls residents.

R2.34 The Income Tax Department should consider creating and making available an annual report detailing similar information provided in the Cuyahoga Falls annual report, in addition to other information deemed necessary by council and City officials, such as the overall economic outlook of the City. All of the information provided in the Cuyahoga Falls annual report can be generated by Warren's income tax system (see **F2.49**). In addition, the city treasurer should conduct a presentation to City council and the finance committee explaining the major findings and issues outlined in the annual report, which can be used as a valuable resource during the formulation of the City's budget. Furthermore, the Income Tax Department will indicate a greater sense of accountability to the citizens of Warren by producing and distributing such a report, considering that income tax revenues are derived from the citizens and are significant to the fiscal operations of the entire City.

F2.51 Currently, the Income Tax Department does not document street addresses for individual and business taxpayers. As a result, the City is unable to determine which taxpayers are required to file a return. This is the major factor contributing to the lack of producing the residential and nonresidential reports (see **F2.49**). In contrast, Mansfield and Cuyahoga Falls track this information and are able to determine the number of taxpayers representing residential and nonresidential accounts. In Mansfield and Cuyahoga Falls, nonresidential individual accounts make up approximately 6.4 and 13 percent of active individual tax accounts, respectively.

The Income Tax Department determines if a taxpayer is required to file a return by verifying that the individual filed a return the previous year. Thus, by not fully and consistently utilizing the Water Department and Engineering Department records (see **F2.30** and **F2.31**), as well as not documenting street addresses, the Department has the potential to miss new residential taxpayers who are required to file a return. Additionally, the Department has the potential to not capture those taxpayers who are now required to file, but for various reasons, had not filed for an extended period of time. Furthermore, the Department is wasting a valuable resource provided in the computer system that could easily be used to resolve this issue.

In contrast, Middletown ensures that a return is sent to every resident in the City. When a resident moves out of Middletown, a tax return is sent to that address to ensure that the new resident receives a return and subsequently submits a return.

R2.35 There are two options available that the Department should implement to determine which taxpayers are required to file a return.

- One option requires the Department to establish the separate street address file to determine which taxpayers are required to file a return. This could be accomplished by utilizing the City street directory, Engineering Department or Health Department records. Additionally, the street address file could be utilized to produce the residential and nonresidential withholdings report. The computer system will alert the user while processing returns if there is a taxpayer whose address is not in the street address file.

- The other option requires the Department to generate a report indicating the addresses received from the current year's returns and manually compare it to the current year's street directory. If the street directory reveals addresses that did not file a return, the Department should investigate and determine if a return is required from that address.

Since the computer system has the ability to capture street addresses required to file a return, it would be preferable that the first option be implemented. The second option is more time consuming due to the fact that the comparison has to be completed manually. However, if the first option is not feasible to implement, the Department should at a minimum adopt the second option to resolve this issue.

F2.52 Although the new income tax system is fully functional, the old system has not yet been discontinued and is still utilized in operations. According to the city treasurer, everything from the old system has been converted into the new system, with the exception of the loss carry forward balances and certain tax returns prior to 1998. By having both systems currently in operations, the staff may be relying on one system for a certain type of information and on another system for other types of information.

R2.36 The Income Tax Department should convert all of the loss carry forward balances from the old system to the new system. In addition, the Department should ensure that all of the balances from the old system reconcile with the new system before the old system is discontinued. This will make certain that all of the information and data has been converted into the new system so that the staff can rely on only one system.

F2.53 Certain information has become easier for the Income Tax Department to collect by having recently been provided with free Internet access. Internet access is used to look up property information maintained by the county. Internet access can also aid in identifying potential taxpayers, such as providing a listing of new businesses residing in Warren. Prior to this, the staff had to go to another department to use that department's Internet access. According to the city treasurer, the Department will be developing a Web site with the vendor who provided them with Internet access, One Communications, in the next couple of years. The site will serve as an information source for taxpayers. In addition, Mansfield and an external

provider of income tax services are in the process of developing an automated Web site, which will enable taxpayers to enter tax information on-line.

R2.37 In addition to the Web site functioning as an information source, the Income Tax Department should also consider the possibility of using the Web site as an option for taxpayers to submit tax information on-line. This would reduce the amount of paperwork needed to process tax returns and could function in the same manner as the phone filing system described in **R2.24**.

Delinquent Accounts Collection Efforts

F2.54 Warren does not use an external collection agency. The Department does its own legal work by filing charges in court, attending court proceedings and handling all of the related paperwork (see **F2.13**). According to the city treasurer, the Department is currently backlogged in its legal work because of the clerk/typist vacancy and have not processed any paperwork since the beginning of the year.

F2.55 The Income Tax Department lacks uniform written procedures for the purposes of dealing with delinquent accounts and the Department's current procedures are not fully effective. Currently, Warren has about 700 to 800 delinquent accounts generated on a monthly basis and according to the Income Tax Department, most of the accounts are the same from month to month. Any amount greater than one dollar is considered delinquent. These accounts are charged 1.5 percent interest compounded monthly. The Income Tax Department researches the past history of the delinquent account to determine which procedures to use for each delinquent taxpayer. According to the city treasurer, the taxpayer should be making a monthly payment and if they are unable to, they need to contact the Income Tax Department directly to explain the reasons for not making a payment. According to the city treasurer, the following are common problems with delinquencies:

- Deferred compensation was not included in the tax base
- Too much credit was taken for taxes paid to other cities
- Too much credit was taken for other taxes
- The individual was an employee for a contractor and owed taxes

The City of Cuyahoga Falls has uniform and standard procedures for dealing with delinquent taxpayers. Upon verifying the alleged delinquent taxpayer's balance owing and last known address, a delinquency letter is sent. After the completion of ten days from the posting of the first delinquency letter and if no further contact has been made by the taxpayer, the Department attempts to make contact with the taxpayer by phone. Should the delinquent account still be unresolved at this stage, a second delinquency letter is sent. Upon no response from the second letter, a third and final notice is posted to the taxpayer stating that the tax administrator has issued an "in-office" subpoena for the taxpayer to appear and explain

the circumstances for the delinquency. If the taxpayer does not appear and there has not been any contact with the City's tax department to this point, the taxpayer's file is turned over to the City's law department for immediate processing. In addition, the City of Middletown has uniform written procedures for dealing with delinquent accounts, which also applies to quarterly withholding accounts.

R2.38 The Income Tax Department should implement uniform written procedures for the purposes of handling delinquent accounts and could model the process implemented in Cuyahoga Falls. To eliminate subjectivity, the Department should utilize a financial affidavit form, which has been successfully utilized in municipal courts, to establish payment plans. The Department will be more accountable and objective by establishing standard payment plan procedures for all delinquent accounts as compared to making a judgement call and treating some delinquent accounts differently than others.

F2.56 The Income Tax Department does not document or monitor the collection rate of delinquent accounts. **Table 2-22** indicates the accumulated dollar amount of delinquent accounts for the past five years.

Table 2-22: Delinquent Account Activity
1995 through 1999

Description	1995	1996	1997	1998	1999	5-year Average
Accumulated Dollar Amount	$268,095	$331,410	$283,436	$320,613	$279,713	$296,653
% Change Previous Year	N/A	23.6%	(14.5%)	13.1%	(12.8%)	N/A

Source: Income Tax Department

The accumulated dollar amount of delinquencies has fluctuated over the last five years, as depicted in **Table 2-22**. However, the Department is unable to determine the amount of delinquencies attributed to one specific year. In addition, the Department is unable to determine the total dollar amount of the accumulated delinquencies that have been collected as well as the delinquency collections for a particular year.

As discussed in **F2.49**, the computer system has the ability to track the dollar amount of delinquent accounts and the amount collected for each year. By not monitoring the collection rate, the Income Tax Department is not ensuring that delinquent accounts are being collected in addition to not assessing the success of internal efforts to collect on these accounts. In contrast, Middletown effectively uses their computer system to track the delinquent collection rate and averaged $87,143 in delinquencies from 1995 to 1999, compared to Warren's delinquency average of $296,653 over the same time period. Furthermore, the relatively low amount of penalties and interest collected in 1999 (see **Table 2-4(C)**) also appears to suggest

that the City is not effectively collecting on delinquencies. For example, Mansfield collected $277,828 in delinquencies in 1999 and the penalties and interest collected was $219,293 for the same year. In contrast, Warren only collected $42,809 in penalties and interest in 1999 and the Income Tax Department, as mentioned previously, is unable to determine the dollar amount of delinquencies that have been collected in 1999.

R2.39 The Department should begin to monitor and track delinquent account activity. The computer system should be utilized to obtain this information. After the Department determines their collection rate for delinquent accounts, strategies should be developed and implemented, such as developing standard procedures for dealing with delinquent accounts (see **R2.38**), to ensure that the collection of these accounts is being maximized. Assuming a delinquency collection rate of 75 percent, the City of Warren could potentially collect approximately $210,000 in delinquencies.

F2.57 The City implemented an amnesty program in 1999 for taxpayers who owed back taxes which had accumulated penalties and interest. The program was publicized only once in the local newspaper and appeared in fine print at the bottom of the monthly water bills. According to city officials, the program proved unsuccessful. However, the Income Tax Department did not maintain any documentation related to the program, such as the number of taxpayers who responded and the dollar amount collected, that would be able to measure the success of the program. Due to this, the actual effectiveness of the amnesty program is unknown. According to the city auditor, an amnesty program that was developed and implemented in 1987 resulted in additional income tax collections of approximately $700,000 to $800,000 for that year.

R2.40 The Income Tax Department should consider developing and implementing another amnesty program. In addition, the Department should track and document the results of the amnesty program. The program should be targeted at those taxpayers who have never paid the municipal income tax in addition to delinquent taxpayers. This information should be easy to gather from the income tax system. The program should be advertised during the entire duration of the program. In addition, the Department should send out a mass mailing to all of the program's targeted population stating that the program has been established and the dates that the program is in effect for. The Income Tax Department should communicate with the City auditor to obtain information on the 1987 program and coordinate efforts with the city officials.

F2.58 In 1999, the Department ran a report of non-filers (those who had not filed a return for 1998). There were approximately 5,000 non-filers on the report and a notice was sent to all individuals on the report. According to the city treasurer, approximately 1,000 non-filers did not respond because these individuals moved or were deceased and 200 non-filers subsequently filed a return as a result of this activity. However, the Department does not

possess any documentation indicating this information and the remaining notices are not accounted for. The old system could not generate non-filers and 1999 was the first year the Department ran a listing. As a result, historical data is not available on non-filers and the 1999 figure would not be an accurate figure to use as an average since it was the first year a report was run.

R2.41 The Department should generate another non-filer list and send notices out to these individuals as soon as possible. If confirmation of the notice is not received, the Department should contact these individuals directly by telephone. In addition, documentation should be maintained conveying the results of this activity, such as the actual number of individuals that subsequently filed a return, to assess the effectiveness of this activity. Furthermore, by tracking this information, the City will be able to take necessary actions if this activity reveals that a significant portion of the Warren population is moving out of the City.

External Income Tax Management Services

F2.59 As discussed throughout this report, there are a number of fundamental weaknesses in the systems, processes and organization of the Income Tax Department. Some significant inefficiencies include the following:

- Existing staff are performing primarily clerical functions, which can be attributed to a number of factors, such as the clerk/typist vacancy, the high number of employee absences and the processing of legal cases.
- Activities to identify potential taxpayers are not being performed.
- Lack of proper monitoring and documenting activities to measure the success of certain activities, such as identifying new taxpayers.
- Inability to produce accurate and reliable reports.
- Lack of uniform and standardized procedures for dealing with time extensions, delinquencies and identification of new taxpayers.
- The staff are not utilizing the full functionality of the computer system.

As a result of these deficiencies, there is a high risk that the City is foregoing potentially significant amounts of income tax revenue. Given the extent of the operational and financial challenges confronting the City, an option for the City is to contract for income tax management services. Through a better managed operation by an independent external provider, the City of Warren could potentially achieve increased income tax revenue.

There are a number of important considerations in assessing opportunities for external contracting of income tax management services. The following table lists some of the issues to be evaluated when determining the feasibility of contracting out income tax functions. The results of applying the assessment factors to the City's income tax operations are noted in italics.

Table 2-23: External Contracting Assessment

Is the volume of work associated with function/activity sufficient to justify external performance?	*Yes*
Are the management, oversight and control requirements associated with external performance of the functions excessive?	*No*
Is the function/activity too complex to be performed by external resources?	*No*
Is the performance of the function/activity regulated?	*Yes*
Are significant capital investments required in association with the internal performance of the function/activity?	*No*
Are high quality, external service providers available to perform the function/activity?	*Yes*
Is there a high probability that external performance of the function/activity would reduce quality and service levels?	*No*
Will the potential benefits of utilizing external resources likely offset/exceed the potential costs?	*Yes*
Potential Privatization Opportunity	**High**

Based on the results indicated above, it appears the City's income tax operations have a high potential to be contracted to an external provider of income tax management services. Several potential external providers are available who have a significant amount of experience in providing income tax management services to governmental units. An increase in income tax collections is one major area of improvement where their expertise and experience could provide positive results. Another major area is in the performance of activities to track and manage income tax collection activities that the City is not currently performing. Some of the services offered by the providers that could provide benefits to the City include the following:

- Review of Ohio Department of Taxation taxpayer filing lists
- Review of City building and occupancy permits issued
- Review of real estate transfers
- Comparison of post office address corrections and move outs with taxpayer lists
- Review of lead source publications for businesses
- Comparison of City directory with taxpayer lists
- Use of apartment registration programs (canvassing) to identify new occupants
- Use of business canvassing programs to identify new startups
- Comparison of contractors required submission of subcontractors with business taxpayer lists
- Review of known out-of-town consultants who conduct business in the City
- Comparison of utility accounts with taxpayer lists

- Comparison of vendors' license reports with taxpayer lists
- Audit of tax returns
- Use of an up-to-date and comprehensive income tax system

F2.60 Based on previous meetings the City had with an external provider in November of 1999, the cost for income tax management services was estimated at 1.65 to 1.85 percent of collections. The percentage charged is based on proprietary formulas that take into consideration the number of transactions processed. Using the income tax collections for 1999 of $14.1 million, it would have cost the City a total of between $233,000 to $261,000 to outsource its income tax operations. However, an analysis of the cost charged to 28 other cities revealed that the average cost in 1999 was 1.45 percent of collections. In addition, the average rate charged to all of the cities using the external provider was 1.1 percent of net collections in 1999. **Table 2-24** compares the cost of providing the income tax services in-house versus externally using 1999 information and a range of 1.45 to 1.85 percent of collections for the external provider.

Table 2-24: Costs to Collect $14.1 million in Income Taxes

	Current Income Tax Department	External Collections Provider
Cost of Operating	$375,000	$204,000 to $261,000
Percent of Collections	2.66%	1.45% to 1.85%
Cost of One to Two Investigator/Auditors	N/A	$45,000 to $90,000
Total Costs	$375,000	$249,000 to $351,000
Total Costs % of Collections	2.66%	1.77% to 2.49%
Number of Active Accounts	17,057	17,057
Cost per Account	$21.96	$14.60 to $20.58

Source: Income Tax Department, External Provider of Income Tax Management Services

As indicated by **Table 2-24**, the cost of an external collections provider appears to be lower than the cost of retaining income tax collections in-house. Included in the cost of the external provider is the cost of retaining two investigator/auditors at their current hourly rate plus benefits in the City Income Tax Department. Most member governmental units retain from one to several staff in the Income Tax Department after contracting for services to perform functions associated with identification of potential additional taxpayers and in-house collection of delinquent accounts. However, there does not appear to be standards on determining the appropriate number of staff to retain in-house. According to the external provider, one city of comparable size to Warren retained two city income tax employees while another city of comparable size did not retain any city income tax employees. Additionally,

there is a one-time fee of approximately $60,000 for start up activities, which was not included in **Table 2-24**.

F2.61 Securing external income tax management services would provide many benefits to the City. However, the following lists several considerations City management should take into account regarding contracting for such services:

- There are no external providers that are currently located in the City of Warren.
- According to the union contract, the City would have to prove the an external provider would operate more efficiently than the internal Income Tax Department.
- The City would most likely need to retain and pay for several individuals in the Income Tax Department in addition to paying the external provider's fee.
- Income tax revenue collected is generally distributed by the external provider on a monthly basis. If the City wanted to negotiate for daily distribution because of cash flow necessities, the City would forego the interest posted to its account by the external provider. However, the potential additional increase in income tax revenue generated may eliminate the need for a daily cash flow.
- Communication links would have to be established and maintained between the City and the external provider.
- The City would need to manage and monitor the contract with the external provider to ensure quality services are being provided to the City and its filers.

If the City of Warren decides to maintain income tax operations in-house, it must implement significant improvements immediately to minimize further loss of valuable income tax revenue. Additional staff would be needed to perform various clerical and administrative duties so that the investigators/auditors have the time necessary to perform activities to identify additional taxpayers. In addition, all of the recommendations in this report should be addressed, especially the key recommendations listed in **R2.1**, to improve income tax operations and subsequently increase collections.

The following table presents a comparative analysis of revenues and expenditures of the City of Warren's income tax operations under these four different scenarios:

- Staffing level and operations of the City Income Tax Department for 1999.
- First year of improved in-house operations, which reflects the hiring of two casual employees and a reduction of the clerk/typist position. If the City implements the various recommendations throughout this report to improve income tax operations, it is assumed that the City could generate a level of additional revenue comparable to the Cities of Mansfield and Middletown (see **R2.1**).
- First year of utilization of an external provider of income tax management services, assuming a rate of 1.45 to 1.85 percent of net collections and that the provider could

generate a level of additional revenue comparable to the Cities of Mansfield and Middletown

- First year of utilization of an external provider of income tax management services, assuming a rate of 1.45 to 1.85 percent of net collections and the provider could generate a revenue level for the City of Warren that is 5 percent greater than the additional revenue comparable to the Cities of Mansfield and Middletown.

Based on an analysis of 24 cities that contract for external management of income tax operations, tax collections increased approximately eight percent from the first full year to the second full year, while Warren's collections increased approximately 2.7 percent from 1998 to 1999. In addition, the increase in collections of 22 cities, excluding the two cities that began before 1995, from the first full year to 1999 was approximately 14.2 percent. In contrast, Warren's increases in collections from 1995 to 1999 was approximately 8.2 percent. However, in an effort to use a conservative estimate, a growth rate of 5.0 percent was applied to scenario 4.

Table 2-25: Comparative Analysis of Various Income Tax Operation Scenarios

	Scenario 1 **Current Situation**	***Scenario 2*** **Improved in-house operations (revenue comparable to Mansfield and Middletown)**	***Scenario 3*** **Use of external provider (revenue comparable to Mansfield and Middletown) 1.45% to 1.85% of Net Collections**	***Scenario 4*** **Use of external provider (5% revenue enhancement) 1.45% to 1.85% of Net Collections**
Revenue				
FY 1999 collections	$14,067,526	$14,067,526	$14,067,526	$14,067,526
Additional revenue generated	N/A	$2,200,000	$2,200,000	$2,310,000
Total gross collections	$14,067,526	$16,267,526	$16,267,526	$16,377,526
Less refunds at 2.0%	$281,709	$325,350	$325,350	$327,550
Total Net Collections	**$13,785,817**	**$15,942,176**	**$15,942,176**	**$16,049,976**
Expenditures				
Current charges to existing department (Table 2-3) [1]	$455,549	$418,549 [6]	N/A	N/A
Additional Salaries for Scenario #2 [2]	N/A	$5,700	N/A	N/A
Cost to use external provider [3]	N/A	N/A	$231,162 - $294,930	$232,725 - $296,925
One-time set up cost	N/A	N/A	$60,000	$60,000
Salary for one to two staff [4]	N/A	N/A	$45,000 - $90,000	$45,000 - $90,000
Total Direct Expenditures [5]	**$455,549**	**$424,249**	**$336,162 - $444,930**	**$337,725 - $446,925**
Available Revenue to City	**$13,330,268**	**$15,517,927**	**$15,497,246 - $15,606,014**	**$15,603,051 - $15,712,251**
Increase from FY 1999	N/A	$2,187,659	$2,166,978- $2,275,746	$2,272,783 - $2,381,983

[1] Current charges include amortization of computer equipment over a five year period.
[2] This is the cost of hiring two casual employees.
[3] This is based on a rate of 1.45 to 1.85 percent of net collections.
[4] This is the salary and benefits cost for maintaining one to two investigators/auditors.
[5] In addition, there will be indirect costs that are currently not quantifiable.
[6] This excludes the salary and benefits of the clerk/typist position.

As indicated by **Table 2-25** and incorporating the assumptions outlined above, the external provider could generate more revenues for the City of Warren. In addition, utilizing an external provider could be more cost effective for the City. It should be noted that the set up

cost of $60,000 is only a one-time cost and would not be an ongoing expenditure, which has the potential to save the City additional costs and subsequently provide more revenues to Warren in future years.

R2.42 The City of Warren should consider contracting with an external provider for income tax management services. An external provider could perform many of the necessary functions that the current Income Tax Department is not performing, such as identifying new taxpayers and monitoring delinquent account activity. Performing these functions could generate a significant amount of additional revenue for the City's operations.

Financial Implication: If the City contracted for income tax management services, the cost of the external provider would be approximately 1.45 to 1.85 percent of net collections. Comparing scenarios 1 and 3, the City could potentially save approximately $10,000 to $120,000 in expenditures by utilizing an external provider. In addition, **F2.60** and **Table 2-24** indicate that the City could potentially realize cost savings by utilizing the external provider. Furthermore, the external provider could potentially provide immediate improvements to the income tax operations and generate additional net revenues for the City, as indicated by **Table 2-25**.

Financial Implications Summary

The following table represents a summary of the revenue enhancements, cost savings and implementation costs discussed in this section. For the purposes of this table, only recommendations with quantifiable financial impacts are listed.

Summary of Financial Implications
For Income Tax

Recommendation		Revenue Enhancement (Annual)	Implementation Cost (Annual)
R2.1	Improve income tax collections, as discussed in various recommendations throughout this report	$2,200,000	
R2.4	Hire two casual labor employees		$5,700
R2.12	Collect required income tax withholdings monthly	$1,000	
R2.20	Obtain taxpayer information from the Ohio Department of Taxation to help identify non-filers		$750 - $1,500
R2.42	Utilize external provider for income tax management services	(1)	(1)
	Totals	**$2,201,000**	**$6,450 - $7,200**

(1) The utilization of an external provider most likely would be associated with an increase in total collections. This increase is reflected in the $2,200,000 million revenue enhancement. In addition, the utilization of an external provider could result in cost savings to the City (see **R2.42**).

The above financial implications are presented on an individual basis for each recommendation. The magnitude of the costs associated with some recommendations will be affected or offset by the implementation of other interrelated recommendations. Therefore, the actual costs versus estimated costs noted above could vary depending on the recommendations the City implements. For example, utilization of an external provider for income tax management services would eliminate the need for the City to hire two casual labor employees.

Conclusion Statement

The Income Tax Department in the City of Warren could be improved in various ways, such as by utilizing all of the functions in the new computer system, hiring two casual labor employees, transferring the function of processing income tax cases to the City Law Department and performing more investigative activities on an on-going basis to identify potential taxpayers. This is supported by numerous peer comparisons throughout this report, including the amount of potential income tax revenues not collected by Warren based on peer comparisons, and the amount of estimated lost revenue attributed to current individual, withholding and business accounts.

The efficiency and effectiveness of the City's income tax operations are affected by numerous factors. The Income Tax Department does not ensure that all current required individual taxpayers, withholding accounts and businesses are actually filing a return. In addition, activities to identify potential taxpayers are not being performed by the Department, which is evident by the City's significantly lower number of total active tax accounts as compared to the peers. Taking these factors into consideration, there is a risk that the City is not collecting all income tax revenue it is entitled to. Furthermore, the City could potentially lose a significant portion of their tax base if Delphi Packard relocates operations outside of Warren, which makes it more imperative for the City to collect from all current taxpayers.

The staff are performing primarily clerical activities, such as opening mail, typing various forms and entering tax information into the computer system. The Department does not utilize temporary or seasonal staff, which has the potential to provide clerical and administrative relief for the current staff and minimize overtime expenditures. In addition, the responsibility placed upon the Income Tax Department to present cases filed against taxpayers who fail to pay the City income tax, which the staff are not legally qualified to perform, has taken time away that could be spent identifying new taxpayers.

Although a new computer system has been implemented in the City's Income Tax Department, effective utilization of all available technology is lacking in the Department. This contributes to the City's lowest number of tax accounts processed per staff member and highest cost per tax account of the peers. Critical management reports indicating the effectiveness of income tax collections and monitoring essential collections activity, such as refunds and delinquencies, are not being produced by the Department. In addition, the Income Tax Department does not ensure the accuracy of the few reports that are produced. Furthermore, existing policies and procedures are not being enforced by the city treasurer, such as the requirement of filing estimated taxes and mandatory filing of all residents over the age of 16, including retirees. Given these factors, the Department can not effectively manage operations and develop strategies to increase income tax collections.

Given the City's need to collect all available income tax revenue, the Income Tax Department will significantly need to improve the income tax collection process. This report provides many

recommendations intended to assist the City's Income Tax Department in improving their current operations in order to provide more revenue for the City of Warren. However, if the City is unable to make the necessary improvements internally, the City should consider outsourcing income tax services to an external provider. The analysis performed in the *External Income Tax Management Services* subsection of this report indicates that utilizing an external provider could potentially be more cost effective and generate more revenue for the City.

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Police Department

Background

This section includes the performance review of the City of Warren's (the City) Police Department (WPD) operations. The analyses contained in this section also include selected operational comparisons with the peer cities police department operations of Cuyahoga Falls, Mansfield and Middletown. The data is based on interviews conducted with and information provided by the respective departments of the City of Warren and the peer cities. Peer averages used throughout this section do not include the City of Warren.

Organizational Chart and Staffing

Chart 3-1 below provides an overview of the organizational structure and staffing levels for the City of Warren Police Department. As of July 7, 2000, the WPD was comprised of 65 sworn officers and 17 civilian employees.

Chart 3-1: Police Department

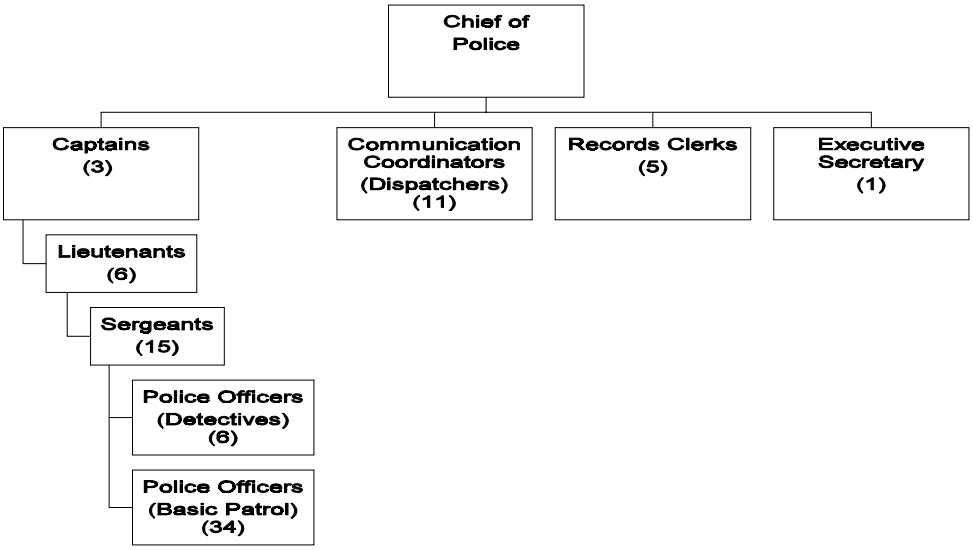
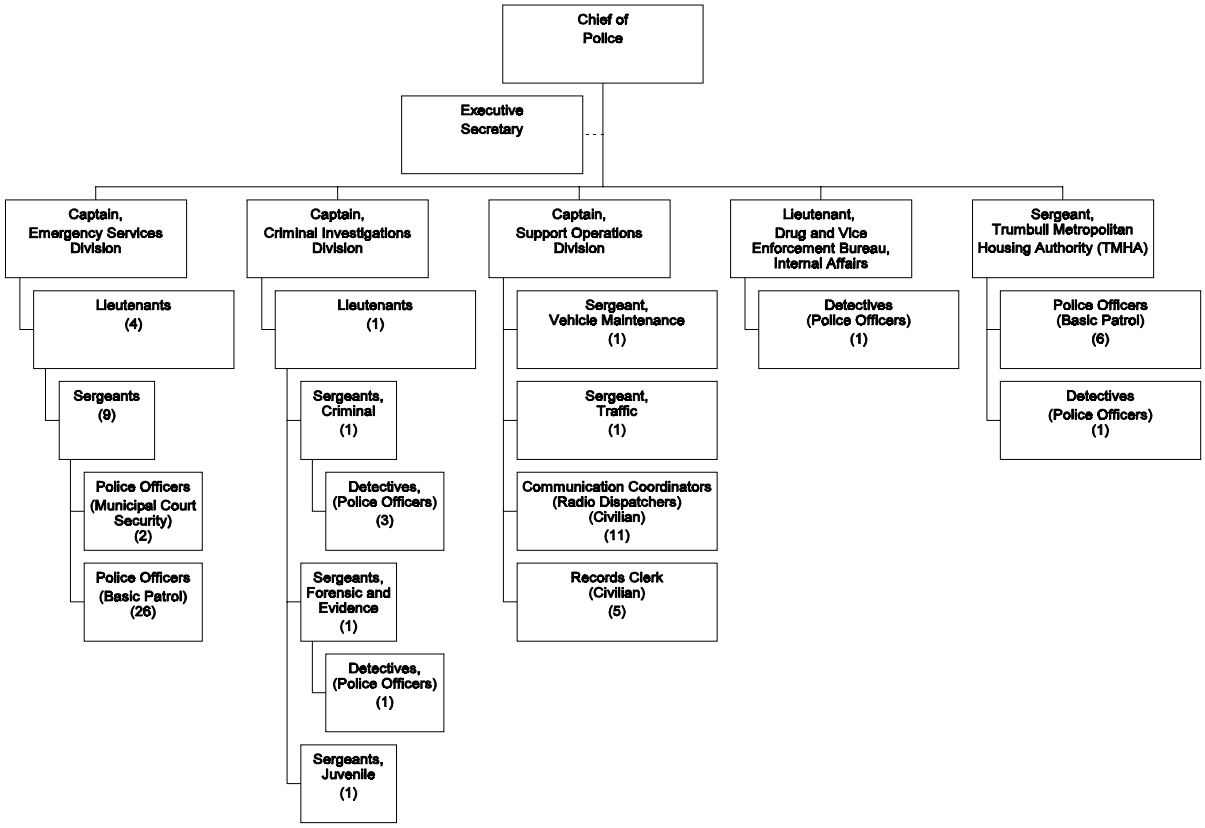


Chart 3-2 below provides a more detailed overview of the organizational structure and staffing levels according to functional areas for all sworn police officers and civilian employees within the Police Department.

Chart 3-2: Police Department



The following table displays current Police Department staffing levels in comparison to the staffing levels found prior to and immediately following the January 1, 2000 lay-offs.

Table 3-1: Warren Police Department Staffing Levels

	Present Staffing (8-1-00)	Post-Lay-Off Staffing (1-1-00)	Pre-Lay-Offs (12-31-99)
Sworn Police Officers			
Chief	1	1	1
Captain	3	3	3
Lieutenant	6	6	6
Sergeant	15	15	15
Police Officer (Detective)	6	6	6
Police Officer (Basic Patrol)	34	30	44
Total Sworn Police Officers	**65**	**61**	**75**
Non-Sworn Personnel (Civilian)			
Dispatchers	10	10	11
Supervisor	1 [2]	1	1
Executive Secretary	1	1	1
Clerk	5	5	6
Dog Warden	0	0	1
Total Non-Sworn Personnel	**17**	**17** [3]	**20**
Total Police Department Positions	**82**	**78**	**95**
Per 1,000 Citizens [1]	**1.8**	**1.7**	**2.0**

Source: Police Department and Human Resources records

[1] Computation based on 1998 population estimate of 46,866 per the Ohio Department of Development, Office of Strategic Research.

[2] The City of Warren employs 11 dispatchers, one of which also performs supervisory dispatch duties.

[3] Reduction from 20 to 17 total non-sworn positions comprised of two lay-offs (one clerk, one dog warden) who bid on other City positions according to bargaining unit seniority bumping, and one vacated position (dispatcher) not filled.

Summary of Operations

The Police Department of the City of Warren is comprised of three primary internal divisions and two secondary external divisions all of which are responsible for serving and protecting the citizens of Warren. The three primary internal divisions within WPD include the Emergency Services Division, the Criminal Investigations Division, and the Support Services Division. The two secondary external divisions consist of an agreement with the United States Department of Justice, Drug Enforcement Administration (DEA) for Warren to provide a full-time officer to be used by the Youngstown DEA task force and an agreement with the Trumbull Metropolitan Housing Authority (TMHA) for Warren to provide eight full-time officers (6 patrol officers, 1 sergeant, 1 detective) dedicated strictly to monitoring and protecting the 10 different public housing developments.

Police Department employees classified as "police officers" are represented by the Ohio Patrolman's Benevolent Association for Police Officers (OPBA) while captains, lieutenants and sergeants are represented by the Fraternal Order of Police/Ohio Labor Council for Rank Officers (FOP). Both agreements have recently been extended and are effective from January 1, 2000 through January 31, 2001.

The Police Department is also responsible for maintaining its current fleet of 58 police vehicles. In 1991, through the purchasing of used vehicles from the State Highway Patrol (which usually had 80,000 to 90,000 miles), the City had built up a fleet of 65 vehicles which enabled it to implement a one-to-one officer per car ratio. This also allowed WPD to implement a take-home vehicle program for eligible officers residing within the City limits, which is currently in place dependent upon vehicle condition and availability. Due to limited funds, the City was unable to replace these vehicles after they were deemed non-operational and consequently, the current fleet has been reduced to 58 cars (37 marked vehicles - including 11 spares, 19 unmarked vehicles - including 2 spares, and 2 other vehicles). With the reduction of operational cars, the City now operates with a ratio just above the one-to-one officer per car ratio of 1.1. This ratio increases to 1.3 when the 10 sworn police officers remaining on lay-off are considered.

In addition to the police chief, the remaining staff consist of one executive secretary assigned to the police chief's office and one lieutenant assigned to drug, vice enforcement and internal affairs duties. The following overview highlights the major duties performed by each department.

Emergency Services: The emergency services division consists of 42 sworn staff members whose primary responsibilities include: responding to emergency (911 calls) and non-emergency (seven digit calls) phone calls, providing various services to the community, enforcing all laws of the State of Ohio and the City of Warren and arresting individuals on outstanding warrants.

Criminal Investigations: The criminal investigations division consists of nine sworn staff members whose primary responsibilities include: investigating and following up on all felonies and serious incidents taking place in the City of Warren, investigating the sale and use of illegal narcotics, collecting and storing all evidence entered by all divisions of the Police Department except illegal narcotics, collecting crime scene evidence including photography and videotaping, and investigating citizen complaints filed against police officers.

Support Services Division: The support services division consists of 19 (3 sworn officers, 16 civilian) staff members whose primary responsibilities include: maintaining the motor vehicles, processing and filing of all police records, enforcing traffic violations, answering all emergency and non-emergency phone calls, responding to all calls relating to animals (strays, abandoned animals, rabid animals, etc.) and functioning as the liaison between the City and the Warren Alternative Sentencing (a private concern that leases the entire former Warren City Jail).

Drug Enforcement Administration: The Warren Police Department provides one police officer to serve full-time on the Youngstown DEA task force. The City of Warren is responsible for bearing the cost of this member's salary and benefits and in return, the City receives the full services of the DEA task force. Services the DEA provides include: disrupting the illicit drug traffic in the Mahoning Valley area by immobilizing targeted violators and trafficking organizations, gathering and reporting intelligence data relating to the trafficking of narcotics and dangerous drugs and conducting undercover operations and investigations in an effort to prosecute individuals suspected of drug trafficking before the District Courts of the United States and the County Courts of the State of Ohio.

Trumbull Metropolitan Housing Authority (TMHA): The Warren Police Department provides eight police officers to provide full-time patrol coverage and staffing to properties and computer training centers owned or managed by TMHA. The salaries and benefits of these officers are paid by TMHA in monthly increments of roughly $33,000. According to the contracts, the assigned officers are required to provide approximately 1,200 hours of patrol coverage a month. The remaining 80 hours in a month are spent answering other calls within the City.

Financial Data

Table 3-2 presents a summary of the actual Police Department operational expenditures for FY 1998 and FY 1999 and the budgeted operational expenditures for FY 2000.

Table 3-2 Warren Police Department Operational Costs

	Actual FY 1998	Actual FY 1999	Percentage Change	Budgeted FY 2000	Percentage Change
Salaries and Wages	$4,320,707	$4,087,924	($232,783) (5.4%)	$3,346,481	($741,443) (18.1%)
Overtime	$368,648	$288,516	($80,132) (21.7%)	$170,339	($118,177) (40.9%)
Fringe Benefits	$1,659,445	$1,686,592	$27,147 1.6%	$1,808,951	$122,359 7.3%
Contractual Services [1]	$422,732	$1,219,495	$796,763 188.5%	$905,341	($314,154) (25.8%)
Materials and Supplies	$95,107	$97,818	$2,711 2.9%	$113,481	$15,663 16.0%
Miscellaneous	$28,851	$8,419	($20,432) (70.8%)	$11,750	$3,331 39.6%
Total Operational Costs	**$6,895,490**	**$7,388,764**	**$493,274 7.2%**	**$6,356,343**	**($1,032,421) (14.0%)**
Capital Outlay [2]	$325,868	$577,106	$251,238 77.1%	$300,766	($276,340) (47.9%)
Total Operational Costs (Including Capital Outlay)	**$7,221,358**	**$7,965,870**	**$744,512 10.3%**	**$6,657,109**	**($1,308,761) (16.4%)**

Source: 1998, 1999 and 2000 City of Warren Budget Finance Reports

[1] According to the Finance Department, Contractual Services includes payments for prisoner services provided by the County Jail (opened October 1, 1997) of $573,971 (October 1, 1997 to May 31, 1999) and $186,662 (April 1, 1999 to September 30, 1999).

[2] Capital Outlay includes 1998, 1999 and 2000 Police Department prorated dept. service expenses for City-wide communications systems upgrades of $233,194, $231,682 and $228,457 respectively. Also includes 1999 police vehicle purchase expense of $309,960, with related annual debt service costs of $72,310 beginning in 2000.

Total FY 1999 expenditures for the Police Department were approximately $7.9 million, which was an increase of roughly 10.3 percent from FY 1998. The budgeted expenditures for FY 2000 are approximately $6.7 million, which is a decrease of 16.4 percent. The decrease in budgeted expenditures for FY 2000 can be attributed to the 12 staff members that have remained laid off since January 1, 2000 (10 patrol officers, 1 clerk and 1 dog warden - the latter 2 employees received assignments in other City departments pursuant to collective bargaining seniority rules, in addition to one dispatcher position vacated after the lay-offs but not filled). Despite the lower staffing levels in FY 2000, the increase in fringe benefits was the result of an increase in health insurance and a budgeted increase in FY 2000 unemployment expenditures due to the significant layoffs. In addition, the FY 2000 workers' compensation expenditures are budgeted to increase from the FY 1999 levels. However, this increase is due to the City receiving a premium discount in FY 1999 rather than an increase in claims.

Table 3-3 below identifies key operating statistics and ratios that are presented in further detail throughout this section of the report.

Table 3-3: City of Warren Police Department Operational Statistics and Ratios

	FY 2000 (Present)	FY 1999
Total Sworn Police Officers	65	75
Per 1,000 Citizens	1.4	1.6
Total Non-Sworn Personnel	17	20
Total Police Department Positions	82	95
Per 1,000 Citizens	1.8	2.0
Operating Expenditures (2000 Budgeted, 1999 Actual)	$6,657,109	$7,965,870
Per 1,000 Citizens	$142,046	$169,971
Per Citizen	$142	$170
Expenditures Per $1,000 Property Value	$14.67	$18.02
Calls For Police Service (First Six Months of Year)	16,825	19,100 [1]
Per 1,000 Citizens	359	408
Part I Crime Statistics (First Six Months of Year)	862	1,001 [1]
Per 1,000 Citizens	18.4	21.4
Traffic Citations Issued (First Six Months of Year)	1,277	2,311[1]

Source: City of Warren Police Department records and 1999, 2000 Budget Summary Reports and Finance Department
[1] Information is for first six months of 1999

Performance Measures

The following is a list of performance measures used to conduct the analyses of the City of Warren Police Department (WPD) operations.

- Assess the current staffing levels
- Review the operating expenditures
- Assess key operational data and statistics
- Assess the collective bargaining and contractual issues
- Assess the salary and overtime costs
- Assess potential areas for revenue generation
- Assess the effectiveness and efficiency police services delivery to the community
- Conduct a cost/benefit analysis of the TMHA contracts
- Assess the efficiency and effectiveness of the police vehicle repair and maintenance operations

Findings/Commendations/Recommendations

Police Operations

F3.1 The following table illustrates the actual Police Department expenditures for FY 1998 and FY 1999 in comparison with the budgeted expenditures for FY 2000. The City-wide lay-offs on January 1, 2000, which resulted in the initial lay-off of 14 sworn police officers (four sworn police officers recalled) and three civilian personnel (two civilian employees assigned to other departments subject to collective bargaining seniority rules, one position left vacant due to attrition), led to a decrease of approximately $1.3 million in budgeted FY 2000 expenditures when compared to FY 1999 actual expenditures.

Table 3-4 Warren Police Department Operational Costs

	Actual FY 1998	Actual FY 1999	Percentage Change	Budgeted FY 2000	Percentage Change
Total Operational Costs [2]	$7,221,358	$7,965,870	$744,512 10.3%	$6,657,109	($1,308,761) (16.4%)
Cost Per 1,000 Citizens [1]	$154,085	$169,971	$15,886 10.3%	$142,046	($27,925) (16.4%)

Source: 1998, 1999 and 2000 City of Warren Budget Finance Reports
[1] Computation based on 1998 population estimate of 46,866 as reported by the Ohio Department of Development, Office of Strategic Research
[2] Costs include includes 1998, 1999 and 2000 Police Department prorated dept service Capital Outlay expenses for City-wide communications systems upgrades of $233,194, $231,682 and $228,457 respectively. 1999 costs also include 1999 police vehicle purchase expense of $309,960, with related annual debt service costs of $72,310 beginning in 2000.

Table 3-5 below presents an overview of FY 1999 Police Department expenditures for the City of Warren in comparison to the selected peer cities.

Table 3-5: Comparison of FY 1999 Police Department Operational Costs

	Warren Actual FY 1999	Warren Budgeted FY 2000	Cuyahoga Falls	Mansfield	Middletown	Peer Average [2]
Total Operational Costs	$7,965,870	$6,657,109	$7,991,547	$8,304,794	$8,736,585	$8,344,319
Population [1]	46,866	46,866	49,913	49,802	48,558	49,424
Cost Per 1,000 Citizens [1]	$169,971	$142,033	$160,110	$166,756	$179,921	$168,831
Square Miles	16.3	16.3	27.8	31.5	25.5	28

Source: 1999 City of Warren Budget Finance Report; Peer City Police Departments
[1] Computation based on 1998 population estimate as reported by the Ohio Department of Development, Office of Strategic Research.
[2] Peer averages do not include the City of Warren.

WPD's FY 1999 operational expenditures are less than the individual peer costs as well as the peer average. The City of Warren's population and land area are also less than that of the peers while WPD's FY 1999 expenditures rank second highest among the group in terms of cost per 1,000 citizens as identified in **Table 3-5** above. In contrast, after the layoffs in January 2000, the FY 2000 budgeted expenditures are significantly lower than all of the peers in terms of cost per 1,000 citizens.

F3.2 The following table identifies current City of Warren Police Department staffing levels in comparison to the staffing levels maintained prior to and immediately following the January 1, 2000 lay-offs.

Table 3-6: Warren Police Department Staffing Levels

	Present Staffing (8-1-00)	Post-Lay-Off Staffing (1-1-00)	Pre-Lay-Offs (12-31-99)
Total Sworn Police Officers	65	61	75
Per 1,000 Citizens [1]	1.4	1.3	1.6
Total Non-Sworn Personnel [1]	17	17	20
Total Police Department Positions	82	78	95
Per 1,000 Citizens	1.8	1.7	2.0

Source: Police Department and Human Resources records
[1] Computation based on 1998 population estimate of 46,866 per the Ohio Department of Development, Office of Strategic Research.

The present total Police Department staffing level consists of 82 employees (65 sworn officers and 17 civilian employees). WPD currently employs a rate of 1.4 sworn police officers per 1,000 citizens. Prior to the January 1, 2000 city-wide lay-offs, WPD employed a rate of 1.6 full-time sworn officers per 1,000 citizens which dropped to 1.3 per 1,000 after the initial lay-offs. For additional comparison, the most recent available United States Department of Justice statistics (October 31, 1998), identify a national average of 2.4 full-time sworn officers for every 1,000 citizens, based on data from 13,865 reporting city, county and state law enforcement agencies of all sizes. In addition, the rate for cities with populations of 25,000 to 99,000 (Warren 1998 population was estimated at 46,866) averaged 1.8 sworn law enforcement employees per 1,000 citizens. Warren's present rate of 1.4 sworn law enforcement officers per 1,000 citizens, as well as the rate prior to the lay-offs of 1.6 sworn officers, is below both of these national and regional rates.

When full-time civilian law enforcement employees are included, the reported national rate for all reporting cities increases to 3.4 full-time law enforcement employees per 1,000 citizens. In addition, for cities of populations of 25,000 to 49,999 located within the same geographic region as Warren, the reported average is 2.1 full-time law enforcement employees per 1,000 citizens. Again, Warren's current rate of 1.8 total law enforcement employees per 1,000 citizens as shown in **Table 3-6** is lower than both of these national and regional rates.

WPD's staffing levels identified in **Table 3-6** represent a mixture of 79 percent sworn law enforcement employees and 21 percent civilian law enforcement employees. This compares favorably with the national average of 21.3 percent civilian law enforcement employees for cities with populations of 25,000 to 49,999 located within the same geographic region as Warren.

F3.3 The following table provides an additional analysis of WPD's staffing levels in comparison with the selected peer cities for FY 2000.

Table 3-7: Comparison of Peer Police Department Staffing Levels - FY 2000

	Warren	Cuyahoga Falls	Mansfield	Middletown
Sworn Police Officers				
Chief	1	1	1	1
Assistant Chief	0	0	1	0
Deputy Chief	0	0	0	3
Captain	3	2	3	0
Lieutenant	6	5	7	4
Sergeant	15	10	15	9
Total Supervisory Sworn Police Officers	**25**	**18**	**27**	**17**
Police Officer (Detective)	6	11	9	17
Police Officer (Basic Patrol)	34	64 [3]	66 [5]	60 [7]
Total Sworn Police Officers (Detective and Basic Patrol)	**40**	**75**	**75**	**77**
Total Sworn Police Officers	**65**	**93**	**102**	**94**
Per 1,000 Citizens [1]	**1.4**	**1.9**	**2.0**	**1.9**
Non-Sworn Personnel (Civilian)				
Dispatcher	10	14	12	17
Executive Secretary	1	0	2	0
Clerk	5	10	13	11
Supervisor	1 [2]	2	5	1
Dog Warden	0	0	0	2
Other	0	0	8	0
Total Non-Sworn Personnel (Civilian)	**17**	**26 [4]**	**40 [6]**	**31 [8]**
Total Police Department Positions	**82**	**119**	**142**	**125**
Per 1,000 Citizens [1]	**1.8**	**2.4**	**2.9**	**2.6**
Population [1]	**46,866**	**49,913**	**49,802**	**48,558**
Square Miles	**16.3**	**27.8**	**31.5**	**25.5**

Source: Police Department and Human Resources records

[1] Computation based on 1998 population estimate as reported by the Ohio Department of Development, Office of Strategic Research.

[2] The City of Warren employs a total of 11 dispatchers, one of which also performs supervisory dispatch duties. Corrections/jail employees are not included in totals for the City of Warren or the peers as the City of Warren contracts with Trumbull County for jail services.

[3] Includes 47 police officers assigned to basic patrol duties, 10 police officers assigned to community policing duties, three police officers assigned to Drug Abuse Resistance Education (D.A.R.E.), one school resource officer, one canine officer, one assigned to the training division and one assigned to radio and computer related duties.

[4] Dispatchers includes 12 full-time and two part-time dispatchers (estimated eight hours per week); Clerks includes four secretaries, two clerk/typists and four part-time records clerks (estimated 30-32 hours per week); Supervisors includes one manager of auxiliary services and one records division office manager.

[5] Includes 54 police officers assigned to basic patrol duties, four assigned to community policing duties, three assigned to the special investigation unit, two assigned to canine duties, two assigned to traffic unit duties and one assigned to D.A.R.E. duties.

[6] Clerks includes 10 record clerks and three incident report transcribers; supervisors includes one records section supervisor and one records supervisor; Other includes three parking control officers, three evidence technicians and two motor vehicle maintenance/cleaning personnel. Civilian totals do not include 15 corrections officers and one chemist. Staffing also includes 16 civilian personnel assigned to dispatching functions within the Public Safety Communications Center (12 dispatchers, three dispatch supervisors).

[7] Includes 51 police officers assigned to basic patrol duties, five assigned to school resource officer duties, two assigned to D.A.R.E. duties and two assigned to canine duties.

[8] Civilian totals do not include 12 civilian correction officers and one supervisor of prisoner trustees.

In comparison to the peer departments above, WPD again falls below the staffing levels for the categories of total sworn police officers per 1,000 citizens and total police department personnel per 1,000 citizens. WPD's rate of 1.4 sworn officers per 1,000 citizens (1.6 per 1,000 citizens prior to lay-offs) is below that of the peers which range from 1.9 to 2.0 sworn officers per 1,000 citizens.

In terms of total Police Department positions, WPD's rate of 1.8 total Police Department positions (sworn and non-sworn positions) is below that of the peers which range from 2.4 to 2.9 total positions per 1,000 citizens. In addition, as stated in **F3.2**, WPD's rate for all positions is below both the national and regional rates of 3.4 and 2.1 total employees per 1,000 citizens.

F3.4 During FY 2000, the Police Department has operated with 10 (present) to 14 (January 1, 2000) less sworn police officers available for responding to calls for service in comparison to FY 1999 staffing levels. Calls for service as documented in the Computer Aided Dispatch (C.A.D.) system, represent individual assignments or incidents which can originate via the 911 system, a request for service at police headquarters or as the direct result of proactive police officer interaction in the community (i.e. traffic stops, city or zone patrol). **Table 3-8** compares total calls for service as recorded in the dispatch C.A.D. system for the first six months of FY 2000 compared with the same time period in FY 1999.

Table 3-8: Comparison of City of Warren Calls For Service (CFS)

	2000 Total (First Six Months)	FY 1999 Total (First Six Months)	Change (Percent)	FY 1999 Total (Annual)
Calls For Service	16,825	19,100	(2,275) (13.5%)	39,229
Rate per 1,000 Citizens [1]	359	408	(49) (13.6%)	837

Source: City of Warren Dispatch Incident Analysis Reports
[1] Computation based on 1998 population estimate of 46,866 per the Ohio Department of Development, Office of Strategic Research.

Table 3-8 illustrates a decrease (13.6 percent) in calls for service as recorded in dispatch records for FY 2000 in comparison to FY 1999 in close proportion to decreases in FY 2000 sworn police officer staffing levels (13.3 percent decrease after summer recalls). According to WPD, the decrease in calls for service can be attributed to the decreased sworn police officer staffing levels in FY 2000, which have required available officers to spend more time responding to calls for service generated primarily through the 911 system rather than through proactive policing practices initiated by patrol officers (i.e. traffic stops, city or zone patrol).

F3.5 The impact of the January 2000 sworn police officer staffing reductions is further manifested in the form of traffic citations issuance. **Table 3-9** illustrates a comparison of traffic citations issued by WPD for the same periods of FY 1999 and FY 2000.

Table 3-9: Comparison of Selected Traffic Violation Citations

	2000 (First Six Months)	FY 1999 (First Six Months)	Number/ Percent Change	FY 1999 (Annual)
Traffic Violations				
All Citations Issued	1,277	2,311	(1,034) (45%)	4,449
Selected Traffic Violations Citations				
Speeding	166	484	(318) (66%)	951
Driving Under the Influence	66	92	(26) (28%)	196
No Operator's License/Under Suspension	255	471	(216) (46%)	863

Source: Police Department records

Statistics tracked by WPD identify an overall reduction of 45 percent in the total number of traffic citations issued in FY 2000 compared with the same time period in FY 1999. The table also highlights reductions in the issuance of selected citations widely considered integral to proactive enforcement activities impacting community safety and quality of life. These include significant reductions in the issuance of citations for speeding (66 percent reduction), driving under the influence (28 percent reduction) and driving without an operator's license/under suspension (46 percent reduction).

The 45 percent reduction in citation issuance during FY 2000 indicates the City should expect a related future decrease in fines and court costs upon full Municipal Court adjudication of those citations issued. According to Warren Municipal Court records, the City of Warren received a total of $227,967 for the 2,311 traffic citations issued during the first six months of FY 1999. This equates to approximately $99 per citation issued in FY 1999. If a similar fine and court costs revenue per citation ratio is applied to the 1,277 citations issued during the first six months of FY 2000, the City could anticipate to receive related fines and court costs of approximately $126,423. This equates to approximately $102,000 less in FY 2000 as a result of the significant decline in traffic citations.

As discussed earlier, city-wide budget cuts commencing on January 1, 2000 affected Police Department staffing levels in the form of lay-offs of 14 sworn police officers (four have since been recalled). According to WPD, these lay-offs have required WPD to suspend its previous practice of assigning officers to traffic enforcement details. In addition, the ability of basic

patrol officers to perform proactive policing practices such as traffic enforcement as part of their daily duties has been severely restricted by the need to the perform basic level police functions of responding to radio dispatched priority assignments.

F3.6 The following table provides an observation of total citations issued by WPD in comparison to levels reported by the selected peer cities during the first six months of FY 2000.

Table 3-10: Peer Comparison of FY 2000 Traffic Violations Citations (First Six Months)

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Avg.
Traffic Violations Citations (First 6 Months 2000)					
All Citations Issued	1,277	3,831	3,376	1,228	2,812
All Total Sworn Police Officers	65	93	102	94	96
Traffic Citations per All Sworn Police Officers	19.6	41.2	33.1	13.1	29.3

Source: Police Departments' records

The number of traffic violations citations issued by the City of Warren is significantly less than the peer cities of Cuyahoga Falls and Mansfield as well as the peer average. The rate of citations issued per all sworn officers is also less when compared to the same peer cities. While all sworn police officers issue traffic citations as warranted, it is typically the rank of basic patrol police officers assigned basic patrol or traffic duties that issue a majority of traffic citations. As shown in **Table 3-7**, WPD currently has 34 police officers assigned to basic patrol (none specifically assigned to traffic duties). Prior to the January 2000 layoffs, WPD had 44 police officers assigned to basic patrol duties (see **Table 3-1**). For comparison, all peer cities currently (see **Table 3-7**) maintain basic patrol police officer staffing levels above current WPD's level comprised of Cuyahoga Falls (64), Mansfield (66) and Middletown (60).

F3.7 The level of police services and service delivery provided by the City of Warren can also be studied by comparing key calls for service response time data. WPD's Aegis Public Safety System, maintained by the City's Data Processing Department, tracks a wide range of data relating to calls for service. **Table 3-11** below identifies how quickly WPD is able to dispatch calls to a patrol officer for service upon receipt of the calls by dispatch intake personnel. The table provides an observation of the cumulative time (first 10 minutes) to dispatch assignments after receiving a call for service.

Table 3-11: Comparison of Cumulative Call to Dispatch Times

	2000 Cumulative Percent Call to Dispatch (% of Calls Dispatched)	FY 1999 Cumulative Percent Call to Dispatch (% of Calls Dispatched)	Change
Call to Dispatch Time Interval			
0-1 minute	51.7%	55.4%	(3.7%)
2 minutes	61.3%	64.4%	(3.1%)
3 minutes	66.9%	69.6%	(2.7%)
4 minutes	70.8%	73.1%	(2.3%)
5 minutes	73.7%	75.9%	(2.2%)
10 minutes	82.5%	84.0%	(1.5%)

Source: City Of Warren Aegis Public Safety System records

Table 3-11 above demonstrates that WPD's cumulative time to dispatch calls during the first 10 minutes time interval has decreased slightly in FY 2000 compared with FY 1999 data. A consistent decreasing trend in times to dispatch calls emerges at each cumulative time increment during the first 10 minutes. The table demonstrates that the percentage of calls dispatched within each of the time intervals shown in the table above has decreased in FY 2000 in comparison with the same FY 1999 time frame. For example, 51.7 percent of calls for service in FY 2000 were dispatched within the first minute of receiving the call as compared with 55.4 percent dispatched during the same FY 1999 time frame.

F3.8 The subsequent response indicator of dispatch to police officer arrival time also demonstrates decreases during FY 2000 as compared to the same period in FY 1999 at each cumulative time interval during the first 10 minutes as identified in **Table 3-12**. **Table 3-12** provides an observation of the cumulative time (first 10 minutes) for police officer arrival times to dispatched calls for service upon receiving a call for service from dispatch.

Table 3-12: Comparison of Cumulative Dispatch to Arrival Times

	2000 Cumulative Percent Dispatch to Arrival (% of Calls Arrived to Upon Dispatch)	FY 1999 Cumulative Percent Dispatch to Arrival (% of Calls Arrived to Upon Dispatch)	Change
Call to Dispatch Time Interval			
0-1 minute	29.2%	40.6%	(11.4%)
2 minutes	37.3%	47.5%	(10.2%)
3 minutes	46.8%	55.2%	(8.4%)
4 minutes	56.4%	62.6%	(6.2%)
5 minutes	64.5%	69.6%	(5.1%)
10 minutes	87.4%	88.2%	(0.8%)

Source: City Of Warren Aegis Public Safety System records

Table 3-12 above demonstrates that WPD's cumulative time for police arrival to dispatched calls for service during the first 10 minutes time interval has also decreased slightly in FY 2000 compared with FY 1999 data. A consistent decreasing trend in times to arrive at dispatched calls for service emerges at each cumulative time increment during the first 10 minutes. For example, police officers arrived at 29.2 percent of dispatched calls for service in FY 2000 within the first minute of receiving the dispatched call compared with 40.6 percent dispatched during the same FY 1999 time frame.

F3.9 The delivery of police services in the City of Warren and the impact of staffing reductions can also be studied by comparing key crime data and statistics. A common format follows the crimes used by the United States Department of Justice (DOJ), Federal Bureau of Investigation (FBI) in its calculation of national crime indexes.

The City of Warren Police Department does not participate in the FBI's voluntary Uniform Crime Reporting (UCR) Program, which classifies offenses into two groups, Part I and Part II. Over 17,000 city, county and state law enforcement agencies voluntarily submit data to this nationwide, cooperative statistical effort. Part I offense data, composed of selected violent crime and property crimes reported by participating law enforcement agencies, is used by the FBI to create its Crime Index of reported offenses. For Part II crime data consisting of other offenses such as misdemeanors, contributors only provide arrest information (See related **R3.1** and **R3.4** which illustrate how the voluntary participation in the UCR program would benefit both the City as well as its partnership with TMHA).

The City of Warren Police Department does, however, track and identify equivalent Part I criminal offense data mirroring the UCR program. This data is aggregated for inclusion in a cumulative annual departmental report and compared to previous annual data. **Table 3-13**

below summarizes annual Part I criminal offense data as compiled by WPD for FY 1998 and FY 1999.

Table 3-13: City of Warren Summary of Crime Statistics

	FY 1999 (Annual)	FY 1998 (Annual)
Part I Crimes [1]		
Criminal Homicide	4	3
Forcible Rape	14	16
Robbery	83	104
Aggravated Assaults	123	142
Burglary	579	578
Thefts	1,191	1,200
Motor Vehicle Theft	197	138
Arson	3	9
Total Number	2,194	2,190
Rate per 1,000 Citizens [2]	46.8	46.7

Source: City of Warren Police Department, Part I Crime Data Reports, 1998, 1999 and 2000
[2] Computation based on 1998 population estimate of 46,866 per the Ohio Department of Development, Office of Strategic Research.

The table demonstrates that from FY 1998 to FY 1999, the City of Warren's overall Part 1 crime statistics for violent and property crimes remained relatively constant, except for decreases in individual violent crime categories such as rape, robbery and aggravated assaults. For an additional comparison, according to the most recently released FBI national statistics, overall Part 1 crimes decreased seven percent nationwide in FY 1999 as compared to FY 1998, and decreased eight percent in the Midwest. In addition, Part 1 crimes registered an eight percent decrease for all reporting cities with populations of 25,000 to 99,999 citizens (Warren's population estimate 46,866).

Table 3-14 below provides an additional comparison of Part I offense data for the first six months of FY 2000, FY 1999 and FY 1998.

Table 3-14: City of Warren Year-to-Date Summary of Crime Statistics

	FY 2000 (First 6 Months)	FY 1999 (First 6 Months)	Percent Change	1998 (First 6 Months)
Part I Crimes [1]				
Criminal Homicide	2	0	200.0%	2
Forcible Rape	15	11	36.4%	13
Robbery	36	34	5.9%	51
Aggravated Assaults	66	64	3.1%	67
Burglary	231	263	(12.1%)	299
Thefts	424	531	(20.2%)	383
Motor Vehicle Theft	84	97	(13.4%)	97
Arson	4	1	300.0%	5
Total Number	**862**	**1,001**	**(14.0%)**	**917**
Rate per 1,000 Citizens [2]	**18.4**	**21.4**	**(14.0%)**	**19.6**

[1] City of Warren Police Department, Part I Crime Data Reports.
[2] Computation based on 1998 population estimate of 46,866 per the Ohio Department of Development, Office of Strategic Research.

The total number of Part I offenses has decreased approximately 14 percent in the first six months of FY 2000 as compared with the same time period of FY 1999. However, a closer analysis of the individual categories as presented in **Table 3-14** reveals that the City of Warren has experienced increases in the individual violent criminal offense categories of homicide, rape, robbery and aggravated assault, as well as arson in FY 2000, while operating with 10 to 14 fewer sworn police officers. The significant decreases in the reported property crime categories of burglary, theft and motor vehicle theft help contribute to the overall Part I offense category decrease. A comparison with FBI national trends as discussed above for FY 1999 is yet not possible as figures are only provided on an annual basis.

F3.10 **Table 3-15** provides an additional overview of WPD's FY 1999 Part I crime statistics in comparison to those of the peer cities.

Table 3-15: FY 1999 Peer Comparison of Crime Statistics

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Average
Part I Crimes [1]					
Criminal Homicide	4	1	4	2	2
Forcible Rape	14	17	36	21	25
Robbery	83	15	76	59	50
Aggravated Assaults	123	101	61	34	65
Burglary	579	187	858	539	528
Thefts	1,191	1,404	2,192	2,367	1,988
Motor Vehicle Theft	197	115	163	100	126
Arson	3	24	29	13	22
Total Number	2,194	1,864	3,419	3,135	2,806
Rate per 1,000 Citizens [2]	46.8	37.3	68.7	64.6	56.8
Population	**46,866**	**49,913**	**49,802**	**48,558**	**49,424**

[1] City of Warren Police Department and Peer Police Departments, FY 1999 Part I Crime Data Reports.
[2] Computation based on 1998 population estimates per the Ohio Department of Development, Office of Strategic Research.

While the table shows that Warren experiences the second lowest overall total and rate per 1,000 citizens of reported Part I crimes in comparison to the peer cities, a closer look reveals that Warren experiences higher levels of selected individual violent crimes in comparison to the peer averages in the categories of criminal homicide, robbery and aggravated assaults. Warren also surpassed the peer averages for the property crimes of burglary and motor vehicle theft.

R3.1 The City of Warren should identify the procedures necessary to allow full participation in the FBI's annual UCR crime reporting statistical effort. Participation will ensure that this data is routinely and uniformly collected by the Department in the prescribed format commensurate with over 17,000 other participating law enforcement agencies nationwide, and will also allow for on-going dissemination to the community and for comparison with regional and national crime statistics. In addition, uniform collection and reporting of crime data according to prescribed FBI data reporting formats will also aid WPD's data reporting needs relating to its contractual partnership with TMHA as described in **F3.15** and **R3.4**.

F3.11 As previously stated (**F3.9**), the FBI's Crime Index is composed of the Part I violent crime and property crime offenses as shown in **Table 3-13** through **Table 3-15**. The FBI uses this data to gauge and report trends in the number of these offenses and the rates of these offenses per 100,000 citizens. The most recent Crime Index trend data reported by the FBI to the

public is for FY 1998. For illustration purposes, the City of Warren Part I offense data is compared with Crime Index rates in **Table 3-16** below.

Table 3-16: Crime Index (Part I Offenses) Trend Comparison Rate per 100,000 Citizens

	City of Warren [1]	FBI National Crime Index [2]
Year		
FY 1998	4,672.9	4,615.5
FY 1999	4,681.4	Not Available

[1] City of Warren Police Department, Part I Crime Data Reports. Based on 1998 population estimate of 46,866 per the Ohio Department of Development, Office of Strategic Research.
[2] Department of Justice, FBI Crime Index.

Table 3-16 demonstrates that the City of Warren's crime index rate in FY 1998 closely matches that of the national average for all reporting agencies. **Table 3-17** below demonstrates City of Warren and peer crime index rates for FY 1999.

Table 3-17: Crime Index (Part I Offenses) Trend Peer Comparison Rate per 100,000 Citizens

	City of Warren	Cuyahoga Falls	Mansfield	Middletown	FBI National Crime Index [2]
Year					
FY 1999 [1]	4,681.4	3,734.5	6,865.2	6,456.2	Not Available
Population	**46,866**	**49,913**	**49,802**	**48,558**	**N/A**

[1] City of Warren Police Department and peer departments Part I Crime Data Reports. Crime Index computation based on 1998 Warren population estimate of 46,866, Cuyahoga Falls estimate of 49,913, Mansfield Estimate of 49,802 and Middletown estimate of 48,558 per the Ohio Department of Development, Office of Strategic Research.
[2] Department of Justice, FBI Crime Index.

The City of Warren's crime index rate is the second lowest as compared to the peer cities. However, it should be noted that as shown in **Table 3-17** above, while Warren reported the second lowest overall total number of Part I crime offenses in comparison to the peers, Warren did exceed the peer averages in the numbers of the key individual violent crimes of criminal homicide, robbery and aggravated assaults and in the property crime categories of burglary and motor vehicle theft.

F3.12 In general, the optimal staffing levels of sworn police officers depends on the desires of the community as well as the consideration of financial, qualitative and quantitative factors unique to the City of Warren. However, national benchmarks exist to assist a community in determining the optimal staffing levels based on population. **Table 3-18** provides a comparison of WPD's present staffing ratio with the D.O.J. national average for cities with a population ranging between 25,000 to 99,000.

Table 3-18: Estimated Sworn Officer Staffing Costs

	Per 1,000 Citizen Sworn Officer Rate	Sworn Officer Equivalent	Staffing Cost Assuming Average Compensation Package of $47,045
WPD Sworn Officer Staffing - Before Layoffs	1.6	75	$3.5 million
WPD Sworn Officer Staffing - Current	1.4	65	$3.1 million
Department of Justice National Average (Cities 25,000 - 99,000)	1.8	84	$4.0 million

Source: Staffing levels provided by the WPD

R3.2 The January 2000 staffing reductions appear to have contributed to declines in WPD's ability to optimally deliver baseline and critical proactive police services in comparison to pre-layoff levels according to key performance indicators and comparisons discussed in previous findings and discussions. These include the apparent decline in proactive policing activities due to less time available for existing police officers to initiate proactive policing and patrol actions manifested in significant decreases in calls for service (**F3.4**) and traffic citations (**F3.5**); decreases in dispatch and officer arrival times for calls for service; overall slight variations in crime levels and/or increases in levels of selected violent and property crimes (**F3.9**); higher crime rates than peer cities in several violent and property crime categories (**F3.10**); slightly higher crime index levels in comparison to the national crime index average; and constant crime rates from 1998 to 1999 when statistics indicate that the national crime rate decreased eight percent during the same time frame (**F3.9**).

Therefore, the City should identify all options and efforts that would help to increase sworn police officer staffing levels to best ensure the safety and quality of life for its citizens. Based on the Department of Justice's national averages, cities with populations between 25,000 and 99,000 maintain 1.8 sworn police officers per 10,000 population. Based on Warren's population, this equates to a staffing level of 84 sworn officers. Accordingly, the City should increase the staffing by 19 sworn police officers. However, an analysis in **R3.9** indicates that it may be possible to consolidate the police's vehicle maintenance function with the Operations Department, which would free up one rank officer to be reassigned to the basic patrol function. Assuming that the vehicle maintenance function is transferred, the City would need to hire an additional 18 basic patrol officers to achieve the Department of Justice's national average.

Financial Implication: Based on an average compensation package of $42,137 per basic patrol officer (**F3.29**) and that benefits constitute 35 percent of the annual salary, hiring 18 additional basic patrol officers would cost the City approximately $1.0 million annually. However, these salary costs will be partially offset by the increase in the issuance of traffic citations associated with the additional staffing. During the layoffs of the first six months of

FY 2000, it is estimated that the City lost approximately $102,000 (estimated to be $204,000 annually) worth of traffic citations.

F3.13 **Table 3-19** shows the administrative to staff ratios of the City of Warren and the peer cities respectively.

Table 3-19: Staffing Ratio Comparison

	Warren - 1999	Warren - 2000	Cuyahoga Falls	Mansfield	Middletown	Peer Avg.
Rank Officers	25	25	18	27	17	21
Police Officers	50	40	75	75	77	76
Span of Control	1 to 2.0	1 to 1.6	1 to 4.2	1 to 2.8	1 to 4.5	1 to 3.6

Source: Staffing levels provided by the WPD

Before the layoffs in January 2000, the WPD maintained a ratio of one supervisor to two police officers, which was the lowest among the peers. Due to laying-off the least senior police officers in January, 2000, the span of control ratio decreased significantly to one supervisor to 1.6 police officers. As a result, many rank officers are required to perform duties that would normally be completed by police officers.

R3.3 Based on **Table 3-19,** the Police Department appears to be overstaffed at the officer level. To rectify this, the City should consider redistributing some of the existing staff from the supervisory level to the police officer role. To achieve the peer average span of control of one rank officer for approximately every 3.6 basic patrol officers, the City could potentially redistribute 11 rank officers.

F3.14 The City of Warren provides police services for Trumbull Metropolitan Housing Authority (TMHA) properties pursuant to three separate annual contractual agreements. These contracts provide for the provision of police services above base-line services normally provided to all City residents. As a result of these contracts, the City currently assigns eight sworn police officers (six basic patrol officers, one detective and one sergeant) exclusively to TMHA duties. The three police service contracts for FY 2000 include the provision of a total minimum of 1,217 monthly hours of patrol and staffing services comprised of the following:

- Provision of six and one-half full-time equivalent police officers with a minimum 958 hours of patrol coverage per month to TMHA properties at an annual contract of $315,000, with payments made in equal monthly installments to the City.

- Provision of two police officers with a minimum of 173 hours of coverage per month to ensure staffing at two TMHA Computer Centers at the Highland Terrace and Fairview Gardens Housing Development during hours of operation at an annual contract of $56,000, with payments made in equal monthly installments to the City.

- Provision of one police officer with a minimum 86 hours per month to ensure staffing at the TMHA Computer Center at the Trumbull Homes Development during hours of operation at an annual contract of $28,000, with payments made in equal monthly installments to the City.

Understanding the need for these officers to occasionally provide emergency assistance for non-TMHA assignments or to provide back-up for other Warren police officers, the contract allows up to 15 percent of total police officer time for such instances. Monthly staffing and crime statistic reports required per the contracts are required to clearly demonstrate how contract deliverables are met each month.

F3.15 Discussions with representatives of TMHA management and of those Warren police officers assigned exclusively to TMHA duties reveal that the contractual relationship has been mutually beneficial to the community-at-large given the significant presence of TMHA properties within the City of Warren. TMHA management estimates that crime has decreased approximately 60 percent on its properties since the beginning of its contractual agreement with the City of Warren in the early 1990's. However, TMHA management stated that discussions have been held recently with the City to identify its need for the City to improve its record keeping, data collection and reporting to help ensure that federal reporting and eligibility requirements are met.

TMHA receives federal grant funding from the Department of Housing and Urban Development (H.U.D.) via the Public Housing Drug Elimination Program (P.H.D.E.P.). TMHA reported that it is currently in a penalty phase as a result of a recent H.U.D. performance review which identified the need for improvement in program data collection and reporting. As a result of TMHA's current status with H.U.D., the amount of funding available for TMHA to contract with the City of Warren decreased from a total of $486,590 for all three contracts in FY 1999 to a total of $339,000 for all contracts in FY 2000.

TMHA management stated its continued partnership with the City and its ability to ensure the continued funding for assigning City of Warren sworn police officers at its properties, could best be assured if the City could improve the accuracy and completeness of its monthly reports to TMHA by detailing crime activity and officer activity on its sites above baseline service levels.

R3.4 The City should collaborate with TMHA management to ensure that all required data collection and reporting pursuant to contract deliverables are met to ensure that this mutually beneficial partnership is able to continue without an interruption or decrease in current service and funding levels. These data reporting needs could be met if the City captured and reported data in the format required for participation in the F.B.I.'s UCR program (see related discussion in **F3.9**), as well as through the use of dispatch reports that could be used to identify and verify times spent by TMHA-assigned police officers to calls for service on and away from TMHA properties.

F3.16 The City of Warren does not currently receive direct federal grant funding awards in the form of formula or discretionary block grants available from the United States Department of Justice (D.O.J.). The City of Warren has not applied for or received such grants in FY 1999 or FY 2000. The most recent D.O.J. grant funding received by the City of Warren was for a total of $105,773 involving two Community Oriented Policing Services (COPS) grants for programs (expired in 1998) which were used for additional hiring of community policing officers to supplement WPD's sworn officer staffing. Given budget and staffing cuts discussed and anticipated in FY 1999, WPD did not apply for similar subsequent grants due to potential grant compliance concerns that WPD would be supplanting staffing levels versus supplementing staffing levels. However, discussions with D.O.J. reveal that the City could be eligible for waiver requests in future grant application periods (current grant appropriations are expired) depending on the nature of the grant.

Additional formula or discretionary D.O.J. grant opportunities are available for the City to pursue that could be used toward activities related to sworn (hiring and school resource officer grants) and civilian (to free up sworn officers for police duties) staff initiatives, community and juvenile programs, as well as for equipment purchases (all examples of past grant initiatives). Although the City does not currently receive any direct D.O.J. grant awards, it should be recognized that the City does benefit from grants awarded to other local partner agencies. According to WPD, the City deferred its grant eligibility for juvenile grants to the Trumbull County Juvenile Court which administers local juvenile programs. In addition, the City also benefits from partnership grants administered by the county for drug program initiatives. Also, other grants WPD has recently applied for were later rejected by the City due to reasons such as prohibitive administrative costs or the inability to meet matching cost requirements.

The following table provides an overall comparison of total federal D.O.J. police grant receipts reported by the peer cities.

Table 3-20: Peer Comparison of FY 1999 Department of Justice Grant Awards

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Average
FY 1999 Total Federal D.O.J. Grant Receipts	$0	$238,232	$462,200	$244,184	$314,872

Source: Grant receipts per City of Warren and peer cities Finance Departments
Note: Grants consist of combination of block grants, program and hiring and salary grants as well as equipment grants.

The table above shows that the peer cities have achieved success in supplementing their police operations and general fund expenditures through the application and the receipt of D.O.J. grant awards.

R3.5 The City of Warren should aggressively pursue all available formula and discretionary D.O.J. grant funding opportunities available following future federal grant appropriations. In these efforts, the City should select and identify the appropriate City employee to assume grants management responsibility and consult with the D.O.J. on an on-going basis to ensure that the City maximizes available police grant funding opportunities and awards. In addition, the City should work with the D.O.J. to help identify administrative and funding solutions to address the concerns cited by WPD over recent grant application withdrawals.

Financial Implication: At a minimum, the WPD should be able to receive grants similar to past levels which totaled approximately $105,000 annually.

Police Fleet Operations

F3.17 The City of Warren Police Department maintains a total fleet of 58 vehicles as shown in **Table 3-21** below. WPD experiences a ratio of 1.1 sworn officers to marked and unmarked vehicles (this ratio increases to approximately 1.3 sworn officers when the pre-layoff total staffing level of 75 total sworn officers is considered). The WPD police fleet has an average age of 5.5 years (range from 1 to 14 years old).

Table 3-21: Vehicle and Staffing Levels and Ratios

	Warren
Total number of sworn officers	65
Total Vehicles [1]	58
Marked Vehicles	37
Unmarked Vehicles	19
Other Vehicles	2
Number of All Categories of Sworn Police Officers per Marked and Unmarked vehicles [2]	1.1
Average Mileage (Odometer) [3]	76,702 Miles
Average Fleet Age	5.5 Years
Average Annual Maintenance Costs per Vehicle [4]	$1,440
Average Annual Operating Costs per Vehicle [5]	$1,483
Average Annual Maintenance and Operating Costs per Vehicle	$2,923

Source: City Police Departments
Note: Peer averages do not include the City of Warren Police Department.
[1] Total vehicles includes 37 marked vehicles (includes 11 spares), 19 unmarked vehicles (includes spares and two confiscated vehicle used for undercover purposes) and two other vehicles (two animal control van and two crime scene van).
[2] The ratio increases to 1.3 sworn officers per marked and unmarked vehicles when computed with the staffing levels of 75 sworn officers prior to the January 1, 2000 lay-offs.
[3] Odometer readings provided by the Warren Police Department based on odometer readings recorded during vehicle fueling from July 1, 2000 to August 3, 2000.
[4] The total FY 1999 annual maintenance and repair costs of $83,508 is comprised of $75,089 of contracted vehicle maintenance and repair costs and $8,419 of maintenance and repair costs for repairs performed by City employees.
[5] Operating costs of $86,007 includes fleet insurance costs of $24,662 and fuel expenses of $61,345.

F3.18 Despite the purchase of 15 new marked police vehicles in FY 1999, WPD currently operates an aging overall fleet with average vehicle mileage of approximately 76,702 miles and average annual repair and maintenance costs of $1,440 per vehicle. However, an in-depth analysis of individual vehicle maintenance and repair data was not possible for this review as WPD does not maintain and track individual vehicle equipment history cost and repair data. For the purposes of this review, the average repair and maintenance data of $1,440, as identified in **Table 3-21**, is based on total expenditures identified in the accounting system for FY 1999 and allocated evenly across the entire fleet. This measure is not ideal, as this general indicator does not help identify low and high maintenance cost vehicles within the fleet. For example, the average repair and maintenance expense of $1,440 per vehicle in FY 1999 includes expected lower repair and maintenance costs associated with the 15 model year FY 1999 vehicles (26 percent of the total fleet), with repairs expected to be limited to lower-cost preventive maintenance inspections and repairs such as brakes and tires, and thereby most likely masks higher per vehicle average annual repair and maintenance costs (unquantifiable without individual cost data) for the remainder of the higher mileage, aging fleet (see **Table 3-22** below).

F3.19 The following table provides a comparison of City of Warren fleet data in comparison with the selected peer cities.

Table 3-22: Vehicle and Staffing Levels and Ratios

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Average
Total number of sworn officers	65	93	102	94	96
Total Vehicles	58 [1]	43 [3]	94 [4]	56 [5]	64
Marked Vehicles	37	26	59	27	37
Unmarked Vehicles	19	11	31	26	23
Other Vehicles	2	6	4	3	4
Number of All Categories of Sworn Police Officers per Marked and Unmarked vehicles [2]	1.1 [2]	2.2	1.1	1.8	1.6

Source: City Police Departments

Note: Peer averages do not include the City of Warren Police Department.

[1] Total vehicles includes 37 marked vehicles (includes 11 spares), 19 unmarked vehicles (includes two spares and two confiscated vehicle used for undercover purposes) and two other vehicles (1 animal control van and 1 crime scene van).

[2] The ratio increases to 1.3 sworn officers per marked and unmarked vehicles when computed with the staffing levels of 75 sworn officers prior to the January 1, 2000 lay-offs.

[3] Total includes 26 marked vehicles (22 basic patrol vehicles, three D.A.R.E. vehicles and one canine vehicle), 11 unmarked vehicles (seven detective vehicles and four supervisory vehicles) and six other vehicles (one corrections officer pick-up truck, one dog warden van, one SWAT van, one surveillance/undercover van, one graffiti abatement/juvenile discretionary grant van and one multi-purpose van.

[4] Total includes 59 marked vehicles (44 assigned to basic patrol duties, four assigned to traffic duties, four assigned to supervisors, four assigned to canine duties, one SWAT van, one prisoner van and one traffic pick-up truck), 31 unmarked vehicles (24 assigned to detective duties and seven assigned to supervisors) and four other vehicles (two D.A.R.E. vehicles, one hostage negotiator van and one Police Athletic League (P.A.L.) Passenger van).

[5] Total includes 27 marked vehicles (22 assigned to basic patrol, four assigned to school resource officers, one assigned to traffic/school duties), 26 unmarked vehicles assigned to detective duties and supervisors) and three other vehicles (one crime scene van, one dog warden van and one river patrol boat).

WPD operates and maintains a total fleet size smaller than the peer average but maintains the second lowest ratio of sworn officers per marked and unmarked vehicles. This low ratio is attributed to the City's practice of allowing take-home vehicles for eligible City residents; however, participation has fallen in recent years as budget restrictions and fleet conditions have restricted full vehicle assignments to all eligible officers.

F3.20 Currently, 18 sworn officers (seven supervisors, six basic patrol officers and five detectives) receive a vehicle for take-home use under WPD's one-to-one car plan for eligible City of Warren residents subject to vehicle availability. These vehicles are comprised of 12 unmarked vehicles assigned to sworn supervisory and detective personnel and six marked vehicles assigned to basic patrol officers. The 18 vehicles represent model years 1991 to 1996. Police Order 90-001 identifies general procedures and individual responsibilities regarding the basic upkeep, repair and maintenance scheduling of police vehicles for those participating in this program. **Table 3-23** below shows the breakdown of these 18 vehicles among participating sworn officers.

Table 3-23: Use of Vehicle Take-Home Policy and Practices

	Warren
Total Number of Sworn Officers Participating in program	18
Command and Supervisory Officers Participating in Program (Unmarked Vehicle)	7
Patrol Police Officers Participating in Program (Marked Police Vehicle)	6
Eligible Detectives participating in program (Unmarked Vehicle)	5

Source: Police Department vehicle maintenance records

The remainder of the vehicles in the fleet are assigned to various single use, pooled use, spare and undercover or surveillance uses.

F3.21 Currently, 32 police vehicles (55 percent of the police fleet) consists of vehicles six years old or higher. In addition, 21 of these vehicles (36 percent of the police fleet, 13 marked vehicles and 8 unmarked vehicles) have mileage in excess of 100,000 miles. WPD's current police fleet replacement practice is not linked to specific replacement criteria such as age or miles, but instead has been linked solely to the financial capabilities of the City. According to WPD and the City's Purchasing Department, financial difficulties have long precluded the City from adopting and following a consistent fleet replacement plan based on standard replacement criteria such as age, miles or condition criteria. **Table 3-24** below provides the number of vehicles in the current fleet by model year, type and average mileage per model year.

Table 3-24: Police Vehicle Fleet Analysis

Model Year	Type			Total	Current Average Mileage July 2000
	Marked	Unmarked	Other		
1986		1		1	63,967
1987			1	1	[1]
1989			1	1	[2]
1990	1			1	91,409
1991		3		3	91,671
1992	7	5		12	125,632
1993		2		2	56,121
1994	9	2		11	105,844
1995	5	3		8	112,367
1996	3			3	95,325
1999	15			15	17,518
Total	**40**	**16**	**2**	**58**	**76,702** [3]

Source: Warren Police Department records.
[1] Crime Scene Van (former ambulance), mileage not provided in sample.
[2] Animal Control Vehicle mileage not provide in sample.
[3] Odometer readings provided by the Warren Police Department for 47 of 58 vehicles based on odometer readings recorded during vehicle fueling from July 1, 2000 to August 3, 2000.

F3.22 In general, when determining fleet replacement criteria, many professional fleet managers balance a wide range of qualitative and quantitative factors including city policies, community desires and values, budgetary considerations, vehicle age, mileage, vehicle life-cycle costs (maintenance, operational and replacement costs and resale value) and manufacturer warranty coverage. As a result, a one-size-fits-all fleet replacement schedule model does not readily exist. Instead, an optimal fleet management plan requires the selection and implementation of a replacement schedule ranked according to city-specific factors, combined with the application of proactive and consistent fleet management skills. In light of these realities which are unique to public safety fleet management, mileage criteria generally followed by other public safety fleet managers for replacement decisions can range from 40,000 to 100,000 miles depending on available funding; expected resale value and market conditions; and fleet age and condition expectations.

Many professional public safety fleet managers replace their fleets according to selected criteria which maximize the application of the manufacturer's warranty coverage period of 3 years/36,000 miles. This practice is centered on the goal of reducing exposure to unpredictable and costly non-warranty coverage component repairs, such as engine or transmission repairs, thereby effectively limiting maintenance and repairs only to those items

not covered by warranty. These primarily consist of lower cost oil changes, tires and brake repairs. Proactive fleet managers attempt to maximize the value of the manufacturer's 3 year/36,000 mile warranty by rotating vehicle assignments among officers as needed, based on criteria such as age, miles, maintenance expenditures and anticipated replacement schedules, as well as by ensuring the existence of an effective and proactive preventive maintenance program.

As stated previously, WPD does not track or maintain vehicle life-cycle costs that would aid in fleet management decision-making as discussed above. However, for discussion purposes related to maximizing the value of the manufacturer's warranty, a general observation of the 15 model year 1999 vehicles (July 1999) can be made based on mileage during the first year of service. These vehicles are assigned to basic patrol officers in the Emergency Services Division and are in operation for two to three shifts a day. A comparison of odometer readings for these vehicles, as recorded on fuel receipts approximately one year later (July 2000), reveals that these vehicles traveled an average of 17,518 miles after the first year of use (ranging from 11,317 miles to 24,659). According to the vehicle maintenance officer, the need to use these vehicles by two to three shifts of officers each day explains the high mileage recorded during the first year. If present usage rates continue, WPD will exhaust the application of the manufacturer's warranty for these newest vehicles well in advance of the desirable three year interval. These high mileage accrual rates, combined with the City's current challenges to identify the necessary resources to adequately support a consistent fleet replacement cycle, significantly increase WPD's exposure to costly repair expenses outside of warranty repairs.

F3.23 As stated above, the last purchase of new vehicles consisted of 15 model year 1999 police vehicles (placed in service July 1999). WPD purchased these 15 new police vehicles via the State of Ohio, Department of Administrative Services (DAS) negotiated contract prices, representing an outlay of $309,960. The total capital outlay by the City for these vehicles is shown in **Table 3-25** below:

Table 3-25: Analyses of Police Vehicle Purchase Costs.

Manufacturer/Model	Description	Manufacturer Standard Warranty	1999 Model DAS Negotiated Contract Price	Cost to Equip 1999 Model Vehicle	Total Cost Per 1999 Model Vehicle
Ford Crown Victoria Police Interceptor	Full Size Police Special, Rear Drive, Four Door, Eight Cylinder	3 Years/ 36,000 Miles	$20,664	$1,549 [1]	$22,213

Source: Police and Purchasing Department records

[1] Does not include installation of mobile data terminals and radios which were previously purchased as part of City-wide radio system upgrade contract with Motorola. According to the City of Warren Purchasing Department, the contract agreement provides for the removal and reinstallation of this equipment. This equipment originally purchased as contract price of $7,617 for the mobile data terminals and $2,448 for the mobile radios and trunk mount.

In addition to the DAS negotiated contract cost, WPD also incurred a cost of approximately $1,549 per vehicle to prepare and properly equip each newly purchased vehicle for service. Installation is performed by local vendors and consists of the following itemized costs as identified by WPD and the Purchasing Department:

- D & M Distributors (purchase of light bars, sirens and boxes) - $931.
- Artcraft Displays (detailing and lettering) - $285.
- Safety Services (speakers) - $147.
- Cross Radio Service (installation light bars, sirens and boxes) - $125.
- R & D Target Service (installation of cages - reused from retired vehicles) - $61.

R3.6 The City should prepare a formal police fleet replacement plan that would allow it to identify and rank replacement needs consistent with generally accepted replacement criteria such as repair and maintenance costs, operating cost, age, miles and condition. As stated in **F3.18**, WPD does not maintain and track individual vehicle equipment cost and repair data that would allow for informed and meaningful fleet use and replacement decision-making. WPD should attempt to quantify individual vehicle maintenance histories and costs for analyses alongside age, mileage and condition criteria.

Concurrent with this fleet assessment, WPD should also review and update its total fleet size needs based on its desired fleet assignment practices. As stated in **F3.20**, current fleet assignment practices consist of a mixture of take-home single use practices and pooled use practices. In light of the City's current financial difficulties and fleet age and condition, this would be an appropriate time to reassess current practices, including but not limited to the potential suspension of take-home practices for those officers not subject to 24-hour emergency call.

While the City formulates its desired formal fleet replacement plan, it should minimally be planning on a near-future need to replace 21 vehicles (13 marked vehicles, 8 unmarked vehicles) which currently have mileage in excess of 100,000 miles. In order to maximize the efficiency and flexibility of the entire fleet, the City should consider the purchase of marked vehicles which could be more easily rotated among functions within WPD.

Financial Implication: Assuming the City implements a plan to replace the 21 vehicles over a five-year period (approximately four vehicles a year) and based on the costs associated with the City's purchase of new vehicles in FY 1999, the City should anticipate yearly expenditures of approximately $93,000 or a total outlay of approximately $467,000 over the five-year period.

F3.24 The WPD follows a practice of assigning vehicle maintenance and fleet management duties to a full-time sworn officer. The current police officer (Sergeant) assigned to vehicle

maintenance duties in January 2000 previously performed homicide detective duties prior to assuming these duties. This police officer was preceded by an officer (Sergeant) who performed vehicle maintenance duties for approximately three years prior to retirement.

F3.25 The duties of the police vehicle maintenance and fleet officer include the coordination and approval of vehicle maintenance and repairs with three local vendors. One vendor performs basic preventive maintenance inspections (Dipsticks), one vendor handles repairs for the 15 new vehicles under manufacturer warranty (Warren Crown Ford) and one vendor handles repairs for the remainder of the fleet (R & D Target Service). WPD's vehicle maintenance manager recently selected a new vendor to perform basic interval preventive maintenance inspections in an effort to obtain more favorable rates and customer service. Given the sizable investment in 15 new vehicles in FY 1999, WPD has elected to have maintenance and repairs for these vehicles performed by the local vehicle model dealer in an effort to ensure maintenance and repairs according to manufacturer suggested intervals specifications. The City of Warren Operations Department also provides limited emergency minor repairs and maintenance for police vehicles as needed. The accounting system captured a total of $8,419 for such repairs for the police fleet during FY 1999. It should be noted, however, that Operations Department mechanics are not required to receive or maintain advanced repair certifications such as A.S.E. (Automotive Service Excellence) certification (see the **Operations Department** section of this report).

F3.26 WPD requires each individual officer to track and schedule basic preventive maintenance inspections at 3,000 mile intervals (aided by vendor reminder sticker placed on windshield after each 3,000 mile interval inspection). Other than general reminders and follow-up by the vehicle maintenance officer, WPD has not implemented a centralized or coordinated maintenance scheduling system, either manual or aided by vehicle maintenance software applications, that would assist and best assure the City that scheduled and preventive maintenance and repairs are performed timely. Other than for the scheduling of maintenance and repairs for the 15 model year 1999 vehicles according to manufacturer suggested intervals as discussed above, other vehicle repairs generally occur as the result of reactive maintenance practices rather than proactive practices.

R3.7 The City of Warren Police Department should implement and incorporate preventive maintenance measures and practices employed by proactive fleet managers in both the public and private sector into its existing preventive maintenance practices. These suggestions will enhance the efficiency and effectiveness of its operations whether vehicle maintenance continues through the use of outside vendors or even if potentially performed in the future by certified City mechanics. The suggestions include the following:

- Implement an additional preventive maintenance component involving a chemical analysis of fluid specimens (lubricant, coolant and fuel analysis) at scheduled intervals

of 3,000 to 6,000 miles. For a nominal fee of approximately $10 per specimen sample, this analysis is an effective management tool providing trend analysis, troubleshooting and suggested preventive maintenance scheduling. The analysis provides suggested service during maintenance inspections, helps minimize costly component repairs or failures through early detection, increases the value and application of manufacturer warranties, minimizes or eliminates fleet downtime, as well as provides an additional safety measure for passengers. According to a leading vendor, customers include the fleet managers of Ohio police fleets of various sizes such as Cleveland, Columbus, Dayton, Toledo, Rocky River, Independence and Cardington, among others in Ohio and nationwide.

- Incorporate the monitoring of hours of vehicle use to determine preventive maintenance scheduling in addition to the traditional miles driven factor. Given the heavy wear experienced by police vehicles caused by constant stop-and-go engine idling on a daily basis, many professional fleet managers consider hours of use in addition to the traditional miles driven criteria for scheduling purposes. WPD's fleet assignment practices result in daily vehicle use range from one shift per day to as much as round-the-clock use. Considerable time and hours of use could pass and potential excessive component wear or failure could occur prior to a miles-only based preventive maintenance schedule. Currently, WPD schedules and performs routine preventive maintenance at intervals of 3,000 miles. WPD should also include hours of use as an additional factor in determining service intervals. Discussions with professional fleet managers suggest an appropriate interval of at least 250 hours of use. This could be determined through the installation of individual hour meters or as simply as manual monitoring.

- The Police Department, through active participation by its designated fleet manager, should align itself through membership and take full advantage of the benefits and services associated with leading professional fleet management associations such as the National Association of Fleet Administrators (NAFA), in particular, its Law Enforcement Group (LEG). Services available to members include articles and publications; access to NAFA's Fleet Information Resource Center, member business and services directory; local and national conferences and seminars; surveys; as well as peer networking. A key feature includes access to electronic bulletins from more than 400 law enforcement fleet managers, including advance notification of potential parts, equipment failures or safety defects from members that have detected high incidents of repairs, replacement or failure, and the ability to query members for assistance.

F3.27 As discussed in the **Operations Department** section of this report, the Vehicle Maintenance Subdivision of the Operations Department operates the Computerized Fleet Analysis (CFA)

software fleet management system in the oversight and management of its fleet. The CFA system operates on a stand-alone minicomputer in the Operations garage which contains many of the same features desired by public safety fleet managers including: vehicle equipment histories; preventive maintenance scheduling and tracking; the generation of standard and custom reports to aid management decision-making; and the ability to interface with fuel monitoring systems which monitor and track fuel transactions and electronically update equipment history and preventive maintenance schedules via modem. Once the Operations Department upgrades from the outdated DOS version to a new Windows upgrade (as discussed in **F5.80 and R5.40** in the **Operations Department** section), an additional site license should allow the City the ability to network the Police Department to this system. Another alternative would be for the City to explore the possibility of adding a vehicle maintenance module to the Aegis Public Safety System maintained on the mainframe by City of Warren's Data Processing Department.

F3.28 The City maintains a 12,000 gallon underground gas fuel tank accessible at the rear of the property of the Police Department headquarters. The tank is equipped with a Veeder Root storage tank monitoring system which performs electronic water and leak tests. Fuel dispensing and control is not aided by a computerized controlled access fuel monitoring system (card or chip-key access), but instead relies on manual controls and procedures. Current control practices require the employee to sign a control log and obtain the fuel pump key at the dispatcher window in the basement of the police headquarters building. In addition to completion of the fuel log, an individual fuel receipt ticket must also be completed by the employee. Each month, the vehicle maintenance officer completes a gas usage and cost sheet used by the City for charging associated costs to the appropriate departments, such as the Administration, Fire, Health, Law, Municipal Court, Sanitation and Operations Departments.

R3.8 The City should consider the improved use of technology to aid and increase the efficiency and effectiveness of the Police Department's vehicle maintenance operation. The City should explore the costs associated with obtaining an additional site license that would allow the Police Department to network with the Operations Department's existing CFA vehicle maintenance software system. Alternatively, the City could also pursue the possibility of adding a vehicle maintenance module to the Aegis Public Safety System maintained on the mainframe by City of Warren's Data Processing Department. Also, the City should explore the purchase and installation of a fuel monitoring system to better manage and safeguard its fuel inventory.

Financial Implications: A discussion with a leading fuel monitoring system vendor, Gasboy, identified costs associated with its Series 1000/Fleetkey Fuel management System to be in the range $5,000 to $7,000, which includes hardware, a dumb terminal and printer.

R3.9 The City of Warren should consider short-term and long-term options related to the optimal oversight and management of the Police Department's vehicle maintenance operation. In the short-term, the City should explore the possibility of assigning all current police fleet oversight and management duties to a professional fleet administrator who is not a sworn police officer. This would allow the Police Department and City to transfer this current officer (Sergeant) to basic patrol duties within the Police Department as noted in **R3.2**. The City should determine if existing professional fleet managers currently employed within the Operations Department could readily assume these duties.

In the long-term, the City should explore the possibility of having additional repair and maintenance duties performed by existing City mechanics. However, this should not be pursued until the city is assured that all mechanics receive and maintain professional advanced repair certifications such as A.S.E. (Automotive Service Excellence) certification (see related discussion in **F5.82** and **R3.41** in the **Operations Department** section of this report).

Compensation Analysis:

F3.29 **Table 3-26** shows the overall compensation package for Warren in comparison to the peers. The analysis is based on W-2 wages, which includes all supplemental and overtime earnings. The analysis also takes into account the value of retirement costs paid by the peer cities as well as any employee related healthcare contribution required by the peer cities. To take into account regional economic factors, the total of the W-2 wages, the retirement benefits and employee healthcare contributions are then adjusted for a cost of doing business factor to yield an estimated adjusted average employee compensation package.

Table 3-26: Peer Comparison of Average 1999 W-2 Earnings by City and Rank

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Average
CAPTAIN					
W-2 Salaries (Excluding City Pickup of Employee PFPF Share)	$66,803	$63,850	$62,616	$70,817 [1]	$65,761
Value of City Pickup of Employee PFPF Share	N/A	N/A	$4,622	N/A	$1,541
Estimated Value of Employee Healthcare Contributions	N/A	($21)	($353)	($330)	($235)
Total Average Employee Compensation Package	**$66,803**	**$63,829**	**$66,885**	**$70,487**	**$67,067**
Cost of Doing Business Factor	1.0782	1.1133	1.0377	1.1196	1.0902
Adjusted Total Average Employee Compensation Package	**$61,958**	**$57,333**	**$64,455**	**$62,957**	**$61,518**

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Average
LIEUTENANT					
W-2 Salaries (Excluding City Pickup of Employee PFPF Share)	$59,945	$61,916	$55,145	$67,663	$61,575
Value of City Pickup of Employee PFPF Share	N/A	N/A	$4,029	N/A	$1,343
Value of Employee Healthcare Contributions	N/A	($21)	($353)	($330)	($235)
Total Average Employee Compensation Package	**$59,945**	**$61,895**	**$58,821**	**$67,333**	**$62,683**
Cost of Doing Business Factor	1.0782	1.1133	1.0377	1.1196	1.0902
Adjusted Total Average Employee Compensation Package	**$55,597**	**$55,596**	**$56,684**	**$60,140**	**$57,497**
SERGEANT					
W-2 Salaries (Excluding City Pickup of Employee PFPF Share)	$50,724	$54,843	$54,147	$54,831	$54,607
Value of City Pickup of Employee PFPF Share	N/A	N/A	$3,970	N/A	$1,323
Value of Employee Healthcare Contributions	N/A	($21)	($353)	($330)	($235)
Total Average Employee Compensation Package	**$50,724**	**$54,822**	**$57,764**	**$54,501**	**$55,695**
Cost of Doing Business Factor	1.0782	1.1133	1.0377	1.1196	1.0902
Adjusted Total Average Employee Compensation Package	**$47,045**	**$49,243**	**$55,665**	**$48,679**	**$51,087**
POLICE OFFICER					
W-2 Salaries (Excluding City Pickup of Employee PFPF Share)	$45,432	$43,882	$41,624	$46,249	$43,918
Value of City Pickup of Employee PFPF Share	N/A	N/A	$3,066	N/A	$1,022
Value of Employee Healthcare Contributions	N/A	($21)	($353)	($330)	($235)
Total Average Employee Compensation Package	**$45,432**	**$43,861**	**$44,337**	**$45,919**	**$44,705**
Cost of Doing Business Factor	1.0782	1.1133	1.0377	1.1196	1.0902
Adjusted Total Average Employee Compensation Package	**$42,137**	**$39,397**	**$42,726**	**$41,014**	**$41,006**

Source: W-2 reports; EMIS SF-3 Reports
Note: Peer average does not include the City of Warren.
[1] The City of Middletown employs three deputy chief's in lieu of the captain classification.

As **Table 3-26** illustrates, when comparing the City of Warren's overall compensation package for the Police Department employees to the more comparable peers of Mansfield and Middletown, Warren's adjusted total compensation package is the lowest for the ranks of

captain, lieutenant and sergeant. In the rank of police officer, Warren is approximately three percent higher than Middletown and one percent lower than Mansfield. Based on **Table 3-26**, it appears that Warren's overall compensation package for the Police Department is in line with the peers. The overall compensation package is a function of the base salaries, the negotiated supplementals, overtime costs and other negotiated benefits. As a result, any adjustments to the compensation package would have to be negotiated with the union.

F3.30 **Table 3-27** shows the comparison between the employees' average base pay and the average 1999 W-2 earnings. The difference between the two averages can be attributed to supplemental contractual payments and overtime payments made during the course of the year.

Table 3-27: Average Base Salaries Compared to Average W-2 Earnings

	Base Salary	Average W-2 Wages	Difference	% Difference
Police Chief	$65,971	$81,880	$15,909	24.1%
Captain	$56,784	$66,803	$10,019	17.6%
Lieutenant	$49,379	$59,945	$10,565	21.4%
Sergeant	$42,931	$50,724	$7,793	18.2%
Patrolman	$37,170	$45,432	$8,262	22.2%

Source: Warren Police Department W-2 reports and negotiated agreements

Contractual supplementals and overtime increased the average base salary of the employees between 17.6 percent to 22.2 percent. Supplemental payments per rank ranged between $8,262 to $10,565.

F3.31 **Table 3-28** illustrates the additional types of payments received by employees at the City of Warren as well as the peer cities.

Table 3-28: Additional Payment Schedule

Payment Types	Warren	Cuyahoga Falls	Mansfield	Middletown
Shift Differential Afternoon Shift Evening Shift	Patrol: $.45 per hour $.50 per hour Supervisors (Rank): $.35 per hour $.40 per hour	Nothing stated	$.75 per hour $.75 per hour	$.60 per hour $.45 per hour
Court Time	2 hour minimum or actual time, whichever is greater, at 1 ½ the rate of pay	2 hour minimum or actual time, whichever is greater, at 1 ½ the rate of pay	3 hour minimum or actual time, whichever is greater, at 1 ½ the rate of pay	3 hour minimum or actual time, whichever is greater, at 1 ½ the rate of pay
Meal Allowance	Employees receive ½ hour pay for meal allowance for working more than 4 hours of overtime. This item is used infrequently	No additional compensation received	No additional compensation received	No additional compensation received
Election Day	4 hours of leave received which equates to $66 per person annually	No time off work received	No time off work received	No time off work received
Longevity Pay	After 5 years of service, receive $72 for each year completed thereafter.	None	$100 for each completed year of employment with the City of Mansfield	10+ years: 1% 15+ years: 2% 20+ years: 3% [1]
Roll Call Pay	1 ½ times the rate of pay for the 15 minutes before the shift. In 1999, this benefit averaged $1,365 per person.	Nothing Stated	Nothing Stated	Nothing Stated
Health Care Benefits	No employee contributions	Family plan: $2.50/month Single Plan: $1.00/month	Employees must contribute 5.9% for a single or family traditional plan to a max. of $22.50/month for the traditional single plan and $50/month for the traditional family plan, 2.7% for a single P.O. plan to a max of $9/month, and 4.5% for a family P.O. plan to a max. of $36/month	Employees will pay any increase above 9% to a max. of $25/month for a single plan and $30/month for a family plan
PERS Retirement	Employees pay their respective contributions	Employees pay their respective contributions	City picks up 7% of the required 10% employee contributions	Nothing stated
Uniform Allowance	$900 annually for allowance and maintenance	$900 annually for allowance and maintenance	$800 annually for allowance and maintenance	Uniformed: Unlimited based on need Non-uniformed: $400 annually $175 annually for maintenance, unformed and non-uniformed
Field Training Pay	½ the difference between	Nothing stated	1 ½ rate of pay for all	Nothing stated

Payment Types	Warren	Cuyahoga Falls	Mansfield	Middletown
	the top officer's pay and sergeants pay ($1.39) + regular rate of pay		training hours	
Hazard Pay	$15.39/biweekly pay or $400 per person annually	Nothing stated	Nothing stated	Nothing stated
Degree Pay	Patrol: Associate Degree $16.16/pay BA/MA $39.24/pay Command: Associate Degree $11.34/pay BA $34.62/pay MA $46.15/pay	Nothing stated	Nothing stated	Nothing stated
Off-Duty Pay	Minimum 3 hours felony, 1 hour misdemeanor at 1 ½ rate of pay	Nothing stated	Minimum 3 hours at 1 ½ rate of pay	Nothing stated

Source: Collective bargaining agreements for the City of Warren and peer cities

[1] In addition to the payments based on percentages of the yearly salary, employees also receive additional vacation days as follows: 5+years, 2 days; 10+ years, 3 days; 15+ years, 4 days; 20+ years, 5 days.

F3.32 The City currently offers supplemental payments to members who hold a college degree. These payments vary by the level of the degree and the employee's respective rank and are made as supplements to each eligible member's biweekly pay. This provision is not included in any of the peers' negotiated agreements.

C3.1 The City's use of supplemental payments for members holding a college degree illustrates the value that Warren places on an educated workforce. Such efforts serve as a means not only to encourage current employees to obtain a college education but also to entice officers in other cities to consider Warren. By enhancing its current tuition reimbursement program with these payments, Warren is demonstrating that it places a value on higher education.

F3.33 The City pays each member of the Police Department bargaining units $500 annually as a uniform allowance. In addition to the uniform allowance, the City pays each member $400 annually as a uniform maintenance allowance. Comparison with the peer data show that these amounts appear reasonable. However, there are no provisions stipulated in the current collective bargaining agreement that requires employees to document the expenditure of their uniform allowance or maintenance allowance.

R3.10 The City should consider requiring members of the Department who receive a uniform allowance or a maintenance allowance to substantiate their expenditures with receipts or report the amount on the employee W-2 form. Another alternative would be for the City to implement a competitive bidding process and a purchasing credit policy for the uniform allowance allotment while continuing to disburse the maintenance allowance annually.

F3.34 In FY 1999, the State Employee Relations Board (SERB) conducted a study entitled *Cost of Health Insurance in Ohio's Public Sector*. According to the SERB study, approximately 65 percent of employers required their employees to pay a portion of the costs of a family premium. Fifty-two percent of employers required their employees to share the cost of the single plan. The average monthly employee contribution is $22.17 for single and $63.33 for family. These rates amount to 11.3 percent of the single plan and 12.6 percent of the family premium. The study also indicates that, on average, city employees are required to contribute 10.9 percent to the monthly premiums of a single plan and 10.0 percent to the monthly premiums of a family plan.

The City pays all monthly health care benefit costs for Police Department employees. In comparison, all of the peers require some level of employee share, from the nominal charges at Cuyahoga Falls to the larger contributions required by Mansfield and Middletown.

R3.11 If in future negotiations, the City increases the value of any component of the overall compensation package, another option that should be considered to keep the compensation package in line with the peers would be to require the employees to contribute towards the monthly premium costs. During FY 1999, medical premium costs for employees of the Police Department were approximately $445,000. If the City were to require a similar contribution percentage as that noted in the SERB study of 10 percent, the overall insurance expenses would be reduced by $44,500.

F3.35 As indicated in **Table 3-28**, the negotiated agreements between the cities and their respective bargaining units contain various supplemental wage benefits. Several issues regarding wages and compensation for the City of Warren Police Department are related to these supplemental benefits. These key issues are as follows:

- City Police Department employees are entitled to receive four hours of paid leave on Election Day. However, as indicated in **Table 3-28**, employees of peer police departments do not receive this type of leave. This benefit costs the City approximately $6,300 annually.

- The City pays time and one-half for the fifteen minutes prior to the beginning of the employees shift for the purposes of roll call. This provision is not included in any of the peers' negotiated agreements. This benefit costs the City approximately $54,000 annually.

- The City pays approximately $400 per person annually to all sworn police officers for hazard pay. In contrast, none of the peer cities offer this type of supplemental pay. In 1999, it is estimated that this supplemental cost the City approximately $30,000.

R3.12 Although these supplementals are in excess of the peers, an analysis of the total compensation package in **Table 3-26** indicates that the overall compensation package appears to be in line with the peers. Accordingly, to keep the overall compensation package comparable with the peers, prior to negotiating future union agreements, the City should perform assessments similar to **Table 3-26.** Based on **Table 3-26**, if in the future, the City increases any of the components of the overall compensation package, one option the City could pursue to keep the compensation package comparable to the peers would be to negotiate the removal of the supplementals noted above. In total, these supplementals cost the City approximately $90,000 in FY 1999.

Overtime and Leave Analysis:

F3.36 According to the negotiated agreements, the use of vacation time is subject to the approval of the police chief (See **Table 3-31** for related discussion of vacation accrual rates). The following table provides an overview of sworn police officer vacation usage rates during FY 1999 presented by month.

Table 3-29: FY 1999 City of Warren Police Department Vacation Hours (By Month)

Month	Number of Employees	Total Vacation Hours Used	Eight-Hour Day Equivalent
January	32	614.5	76.8
February	17	271.4	33.9
March	15	200.0	25.0
April	35	878.8	109.8
May	34	863.6	107.9
June	42	826.6	103.3
July	50	1,785.9	223.2
August	47	1,401.1	175.1
September	53	917.9	114.7
October	37	698.2	87.2
November	33	599.7	74.9
December	48	1,283.3	160.4
		10,341.0	1,292.2

Source: City of Warren Data Processing payroll records for all sworn police officers

The table illustrates that use of vacation within the Police Department varies significantly from month to month. This could potentially impose operational and staffing challenges to the City during the scheduling of shifts and may contribute to higher overtime and compensatory time accrual as staff must be found to fill shifts. Furthermore, this practice challenges the City's

ability to assure adequate staffing levels are in place consistently throughout the year without incurring overtime expenses in order to meet desired minimum staffing levels during periods of higher vacation usage as demonstrated in the table.

F3.37 City of Warren Police Department overtime accrual is primarily comprised of extended tours of duty, call-in situations, and holidays; court time is listed separately within the accounting system. Employees can elect to receive overtime either as a payment or as compensatory time. According to Data Processing, current payroll coding procedures do not allow for a breakdown of overtime hours earned by the categories discussed above.

R3.13 The City should develop the necessary procedures that would allow WPD to better track overtime accrual by each overtime category in order to better aid management in its decision-making. One option would be for Data Processing to create certain pay codes within the existing accounting system for all potential overtime categories. This modification of the current system would allow the City to readily identify how overtime is being accrued. By more accurately tracking the data by specific overtime categories, the City would be able to better track, review and modify its overtime usage, operations, policies, and procedures as needed.

F3.38 **Table 3-30** shows an analysis of overtime costs for the Warren Police Department in FY 1999. While over $350,000 in total overtime value was experienced by the City in FY 1999, approximately 73 percent of all overtime is in the form of time coming for compensatory time off.

Table 3-30: Analysis of FY 1999 Police Department Overtime (Paid and Time Coming Earned)

Month	Paid Overtime (Hours)	Paid Overtime (Dollar Value)	Time Coming Earned Overtime (Hours)	Time Coming Earned Overtime (Dollar Value)	Total Overtime Hours	Total Overtime (Dollar Value)
January	564.7	$10,623	1,386.8	$24,403	1,951.5	$35,026
February	219.4	$4,446	716.6	$13,384	936.0	$17,830
March	320.7	$5,831	746.0	$13,021	1,066.6	$18,852
April	174.0	$3,439	3,488.9	$76,081	3,662.9	$79,520
May	416.6	$7,559	852.6	$15,159	1,269.2	$22,718
June	273.1	$5,287	918.8	$16,965	1,191.9	$22,252
July	416.0	$8,154	1,242.3	$22,666	1,658.3	$30,820
August	138.4	$2,493	489.5	$8,765	138.4	$11,259
September	348.9	$6,918	1,003.5	$18,349	1,352.4	$25,268
October	508.4	$9,991	1,083.2	$19,844	1,591.6	$29,835
November	583.5	$11,218	1,067.3	$19,954	1,650.8	$31,172
December	957.2	$18,473	898.7	$16,849	1,856.0	$35,322
Total	**4,920.8**	**$94,432**	**13,893.9**	**$265,440**	**18,325.2**	**$359,872**

Source: City of Warren Data Processing payroll records for all sworn police officers

R3.14 In general, it appears that a significant amount of overtime is incurred in the WPD in response to the use of leave time. Although management's ability to control overtime associated with sick time, FMLA and workers' compensation leave is limited, overtime associated with the use of compensatory time and vacation leave can be managed. Therefore, the police chief should continually monitor the reasons for overtime and where possible, exercise his authority to limit the amount of overtime being incurred.

Contractual Issues:

There are currently four contracts under which the Police Department operates; however, this section of the report will focus on those which govern the majority of the employees. While there are some variations between the contracts, those governing the police dispatchers are very similar to those governing the patrol officers. The provisions of the contract between the Ohio Council 8, American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO; and AFSCME AFL-CIO, Local #74 (AFSCME Local #74) and the

City, which governs the clerical employees in WPD, is discussed in the **Operations** section of this report. These contracts are discussed in further detail as found below.

Certain contractual issues that have been assessed and compared to the peer cities are illustrated on the following pages. Because contractual issues directly affect the City of Warren's (City) operating budget, some of the contractual issues have only been assessed to show the financial implication to the City. The implementation of any of the following contractual recommendations would require union negotiations.

F3.39 On January 1, 2000, an agreement was entered into between the City of Warren; the Ohio Patrolman's Benevolent Association (OPBA) for police officers; and the Warren Fraternal Order of Police, Ohio Labor Council (FOP/OLC) for rank officers. This contract is in effect from January 1, 2000 until December 31, 2000. Under the new agreement, all employees received no cost-of-living increase for FY 2000. The only salary increases received by Police Department employees in FY 2000 were the step increases included in the pay scales.

F3.40 **Table 3-31** compares some key contractual issues between the union agreements for the Police Department and the union agreements for the peer cities.

Table 3-31: Contractual Issues

Description	Warren	Cuyahoga Falls	Mansfield	Middletown
Probationary Period	1 calendar year	None stated	Either 6 months or 1 year depending upon the rank of the officer [1]	None stated
Length of Work Day	8 hours per day (plus 15 minutes roll-call pay)	8 hours per day	8 hours per day	8 hours per day
Minimum call-in hours paid for emergencies	The greater of 4 hours or the actual time worked at 1 ½ times the rate of pay	The greater of 2 hours or actual hours worked at 1 ½ times the rate of pay	Minimum of 3 hours at 1 ½ times the rate of pay	Minimum of 3 hours at 1 ½ times the rate of pay
Maximum number of sick days accrued	Unlimited	None stated	Unlimited	Unlimited
Sick leave incentive	If no sick days are taken: 1st year, 2 addnl. days off 2nd year, 3 addnl. days off 3rd year and all consecutive years, 4 addnl. days off	None stated	0 days: $500 bonus 1 day: $400 bonus 2 days: $300 bonus	None stated
Number of years required for severance pay	5 years	10 years	5 years	None required
Vacation time accumulation [2]	1-4 years: 10 days 5-10 years: 15 days 11-16 years: 20 days 17-22 years: 25 days 23+ years: 30 days	1 - 4 years: 10 days 5-9 years: 15 days 10-14 years: 20 days 15-24 years: 25 days 25+ years: 30 days	1-7 years: 12 days 8-14 years: 18 days 15-19 years: 24 days 20+ years: 30 days	1-6 years: 10 days max. 7-14 years: 15 days max 15+years: 20 days max. Longevity Vacation: 5-9 years: 2 days 10-14 years: 3 days 15-19 years: 4 days 20+ years: 5 days
Number of personal days received	3 days [3]	2 days	3 days	1 day
Number of holidays	11 holidays	12 holidays	11 holidays	11 holidays
Number of leave days to conduct union business	5 days	None state	29 days	50 days
Number of days to file a grievance	10 calendar days	5 calendar days	10 calendar days	7 calendar days

Source: Collective bargaining agreements for the City of Warren and peer cities

[1] Patrol officers have a probation of one year; rank officers have a probationary period of six months.

[2] An employee does not receive vacation until after having completed one year of service for any of these entities.

[3] An employee only receives three personal days after having completed one year of service. During the first year of employment, an employee will receive two personal days if hired between January 1 and June 30; if hired between July 1 and December 31, an employee will receive one personal day.

F3.41 The Police Department employees receive a minimum of four hours at the applicable overtime rate when called out to work at a time "disconnected from regular and pre-scheduled hours of work." Therefore, if an employee is called in to work, then they are entitled to one and one-half their normal rate of pay for the greater of four hours or the actual time worked. Four hours minimum for call-in payment is higher than the minimum hours paid for call-in situation in the peer cities.

R3.15 The City should collaborate with the bargaining units to renegotiate the number of minimum hours to be paid for call-in situations. While providing a minimum number of hours for call-in pay is consistent among the City of Warren and the peers, the number of guaranteed hours is higher than those found in the peer districts. The City should work with the bargaining units to provide only two to three hours of minimum call-in pay.

F3.42 The City of Warren currently offers a sick leave policy that rewards two additional days of leave if no sick leave is taken for a year, three additional days of leave if no sick leave is taken for two consecutive years, and four additional days of leave if no sick leave is taken for three or more consecutive years. The only peer that offers a sick leave incentive policy is the City of Mansfield, which provides a $500 lump sum payment to employees who use no sick days, $400 to employees who use only one sick day, and $300 to employees who use only two sick days through the course of a year.

R3.16 Given the importance of the need to maintain adequate police officer staffing levels on a daily basis, the City should reconsider the current practice of providing this incentive in the form of additional days off. Instead, the City should collaborate with the bargaining units to study potential alternatives to the current incentive policy such as an incentive in the form of a cash payment in lieu of providing additional days off. This would allow the City to better ensure that this proactive incentive concept does not create the unintended consequence of negatively impacting the City's staffing levels.

F3.43 According to the negotiated agreement between the OPBA and the City of Warren, overtime is calculated in intervals of one-tenth (1/10) of an hour with no pay for the first five minutes and with a full hour being paid for 24 minutes or more. This provision was recently added as an attempt by the City to implement a Kronos system due to its failure in the arbitration of the previous contract. This system of overtime calculations appears cumbersome and it is not utilized by any of the peers.

R3.17 The City should attempt to renegotiate the implementation of the Kronos system with the OPBA for the next contract period. Punitive language in the previous contract gave cause for the provision to be struck during the arbitration process. The City should avoid such language in the future and should work in a collaborative effort with the union in an effort to

implement a more cost effective system. Implementing the Kronos system would allow the City to calculate overtime at the actual time worked as is done by the peers.

Another alternative to the implementation of a Kronos system would be to calculate overtime in fifteen minute increments. Implementing this alternative, would allow the City to better manage and reduce overtime costs. For example, under this method, if an employee worked 24 minutes, the City would only be liable for 30 minutes worth of overtime costs rather than the hour fostered by the current system.

F3.44 In addition to the above findings, the negotiated agreements between the City of Warren and the bargaining units also contain several other notable contractual provisions. Examples include the following:

- A probationary period of one calendar year, which allows management to determine whether a newly hired employee conforms to the requirements of the position and which is a longer period than any of the peers.

- 30 days of vacation granted in employees' 23rd year of employment. In comparison, the City of Cuyahoga Falls employees do not receive 30 days of vacation until the 25th year of employment. Furthermore, employees at the City of Middletown are only eligible to receive a maximum of 25 days of vacation (including the maximum allotment of longevity vacation days) through the course of their careers.

- A grievance process that includes an informal step before the formal grievance process is started in an effort to arrive at an informal solution to the problem. The contracts also require a grievance to be filed within ten calendar days of the date of occurrence or the knowledge thereof, the highest of any of the peers.

C3.2 By formally implementing a probationary period of one calendar year in length, the City of Warren has allowed management additional time to assess the potential of the employee, as well as to ensure that only qualified, dedicated and hard-working personnel are employed. Furthermore, the inclusion of an informal step in the grievance procedure minimizes the administrative time spent in meetings and writing reports, as well as eliminates the need for all grievance procedures to go through a formal process.

Financial Implications Summary

The following table represents a summary of revenue enhancements, the annual cost savings and implementation costs for the recommendations in this section of the report. For the purpose of this table, only recommendations with quantifiable financial impacts are listed.

Summary of Financial Implications

Recommendations	Revenue Enhancements	Implementation Costs
R3.2 Hire 18 additional basic patrol officers to achieve national standards		$1,000,000 (annual)
R3.2 Issuing appropriate level of traffic citations based on increased staffing	$204,000 (annual)	
R3.5 Pursuing available grant opportunities	$105,000 (annual)	
R3.6 Replacing four vehicles per year over a five-year period		$93,000 (annual for five years)
R3.8 Implementing a fuel monitoring system		$6,000 (one-time)
Total	**$309,000 (annual)**	**$1,093,000 (annual) $6,000 (one-time)**

Conclusion Statement

The City of Warren Police Department currently experiences significant challenges in its ability to deliver baseline and proactive police services to the community. This challenge is directly linked to the City-wide lay-offs that resulted in the initial lay-off of 14 sworn officers (basic patrol officers), with 10 sworn officers currently remaining on lay-off status. The significant reduction in the number of basic patrol officers performing critical front-line policing duties appears to have contributed to a lowered level of service delivery quality manifested in a variety of key operational indicators as discussed in this section of the report. In addition to low staffing levels, this section of the report suggests the need to focus in the future on the areas of police vehicle management and on certain contractual employee agreement provisions that could positively impact the efficiency and effectiveness of the Department.

While the ultimate level of police services depends on standards unique to the community combined with the City's ability to allocate the resources necessary to achieve this desired service level, an analysis of key operational statistics and indicators help measure departmental outputs and accomplishments. Throughout this section, several findings indicate that the City's efforts or outputs in several performance categories have declined and/or are below historical (prior to lay-offs of sworn police officers) and peer levels. These include the apparent decline in proactive policing activities due to less time available for existing police officers to initiate proactive policing and patrol actions manifested in significant decreases in calls for service and traffic citations; decreases in dispatch and officer arrival times for calls for service; overall slight variations in crime levels and/or increases in levels of selected violent and property crimes; higher crime levels than peer cities in several violent and property crime categories; and slightly higher crime index levels in comparison to the national crime index average. If the City and community determine and are able to identify additional resources to increase staffing levels, the City should review national staffing levels identified in this section for guidance, as well as reassess the Department's present span of control to determine if supervisory level positions require adjustment in favor of proportional increases in the number of basic patrol sworn officers from existing levels.

There are also areas within the police fleet management function that should be reviewed by the City that could result in improved efficiency and effectiveness. These include suggested improvements or practice modifications in the area police fleet management and oversight duties, fleet size and replacement decision-making and the implementation of proactive preventive maintenance measures, all of which could be aided by the improved use of technology.

In the area of total base and supplemental wages, the Department compared favorably to those provided by the selected peer cities. However, the comparison to the peer practices presented here did identify several best practices that should be considered in future contract negotiations. Also, the City should identify the necessary procedures and practices that would best ensure that the mutually beneficial partnership with TMHA continues without interruption as discussed in this section.

Operations

Introduction

The City of Warren, Operations Department or (the Department) is composed of two divisions responsible for the care and upkeep of the City's capital investments. The Department is made up of the Street Maintenance Division, consisting of Street and Parks Maintenance; and the Maintenance Division, consisting of Building and Vehicle Maintenance. This audit report is divided into five sections: (A) Operations Department, (B) Street Division, (C) Building Maintenance, (D)Vehicle Maintenance, and (E) Parks Maintenance. The objective is to analyze each functional area and to develop recommendations for potential improvements and cost savings.

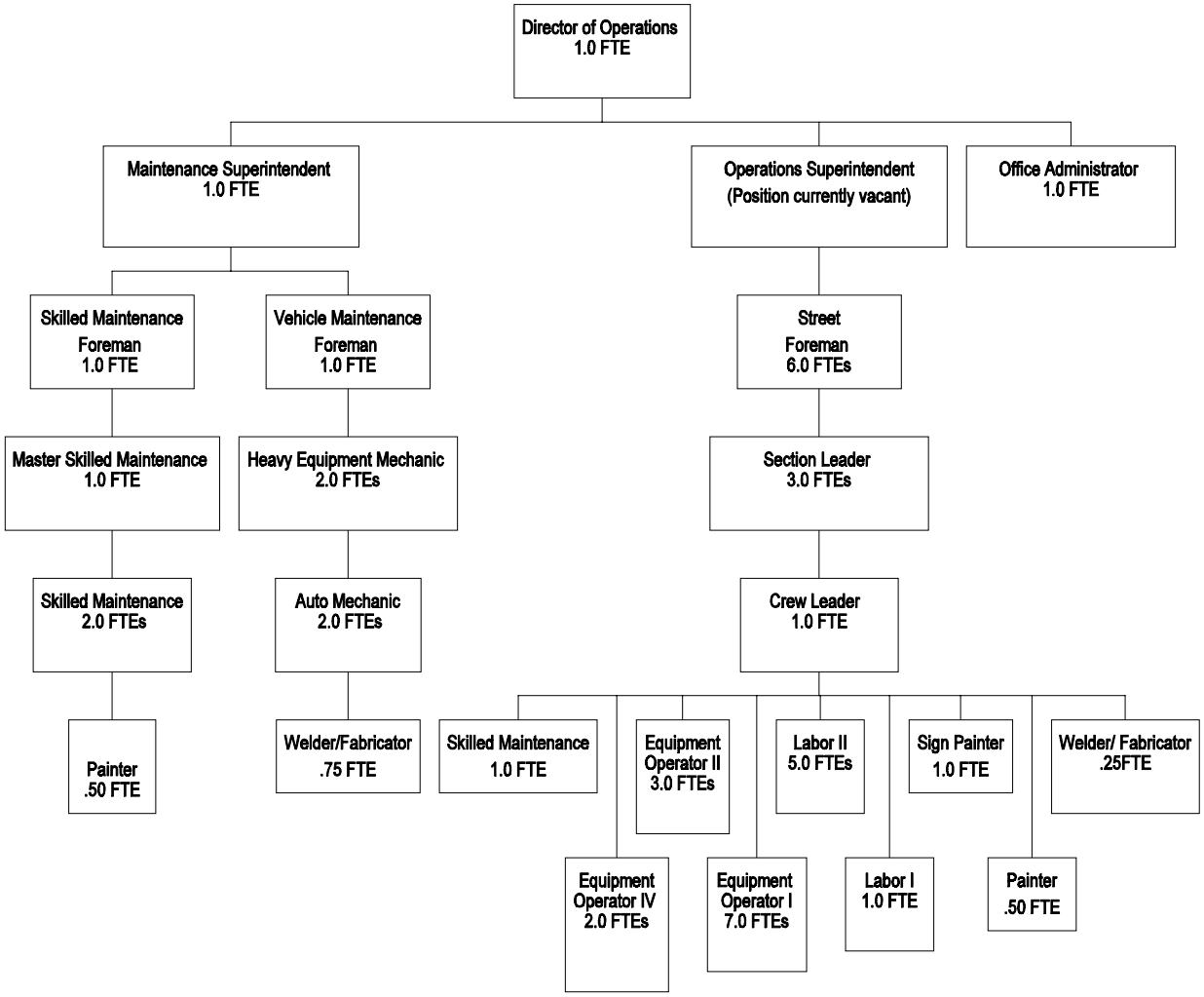
Background

Over the past five years, the City has reduced the Operations Department from four distinct areas of service to two service areas or divisions; Street and Maintenance. The Street Maintenance Division and Park Maintenance Division were combined in January 2000. The Storm Sewer Subdivision was transferred to the Wastewater Department in June 2000. In 1995 the Operations Department had approximately 67 full-time equivalent employees (FTEs). Currently, the staffing level is at 44. This amounts to a 34 percent decrease in operations personnel over the five-year period. An additional six employees were transferred to the Wastewater Department as a component of the Storm Sewer operations. Prior to 1995, the City utilized 20 to 30 Private Industry Council (PIC) employees, as well as temporary help, to assist in the day-to-day functions of the Department. However, as lay-offs became eminent, the City was obligated to abide by the American Federation of State, County and Municipal Employees (AFSCME), Local 74 contract, which forbids the City from hiring temporary or voluntary workers until all laid-off employees have been reinstated.

Organizational Chart

Chart 4-1 provides an overview of the Department's organizational structure and staffing levels. All positions are shown as full-time equivalents (FTEs).

Chart 4-1: Operations Department



Organizational Function

The primary responsibility of the Operations Department is to maintain the City's infrastructure in a manner which ensures quality services and prevents loss of useful value. The majority of the Department's work is reactive as opposed to proactive. The Department addresses snow and ice conditions, repairs guardrails, roads, sidewalks and curbs and performs building and vehicle repairs. Due to the increasing age of the City's capital investments such as; streets, buildings and vehicles/equipment, the reactive nature of the Department's efforts has led to more costly emergency repairs.

Under the current organizational structure, all divisions report directly to the director of operations. The director has the responsibility for the management and direction of the day-to-day operations of the Department. He is assisted by the superintendents of operations and maintenance. The foremen of each subdivision are in charge of the day-to-day operations of their subdivisions and they are assisted by section and crew leaders. Authority to supervise the division and subdivision units is passed down through the chain-of-command. The Department staff also includes one administrative assistant who is responsible for payroll, purchasing, maintaining financial records for the Department and customer service.

Summary of Operations

The Operations Department serves the City of Warren, which is comprised of 16.3 square miles and is located in the eastern part of Trumbull County. The Department currently consists of the Street Division (including Parks) and the Maintenance Division (including Vehicles and Buildings). While each division has specific duties, personnel overlap is prevalent when assisting other divisions in the completion of their duties, when time permits. The Operations Department manages all operations relating to public right-of-ways and public property, including contracted services. The Department determines where to focus its resources through routine, visual inspections of City streets, parks and buildings by the Department's foremen and superintendent. In addition, the Department is made aware of potential problems by receiving calls from citizens and other City departments. The current duties housed within the Operations Department appear to have evolved over several years. Each division performs other duties not necessarily integral to the maintenance of the City's infrastructure.

The Street Division is required to maintain 384 lane miles of roads within the City of Warren. A lane mile is defined as the number of lanes times the number of miles it comprises. The Street Division is responsible for snow removal and ice control, guardrail, sidewalk and curb maintenance and repair, patching and striping roads and city parking lots and street sign installation. The Street Division contracts out for street sweeping services every five years.

The Parks Maintenance function, currently housed within the Street Division, is responsible for the care and upkeep of 18 City parks. In January 2000, 14 parks were closed due to expenditure reductions and only four parks currently remain open to the public during the summer months. Parks Maintenance is still required to mow all 18 City park lands. Parks Maintenance is responsible for grass cutting and weed control; cemetery grounds maintenance and burial preparation; and maintaining and cleaning all park restrooms and pavilions. In the winter months, the Parks Maintenance crew assists in snow and ice control operations. The Parks Maintenance staff consists of two foremen, a crew leader, an equipment operator IV, an equipment operator I and a laborer II. All parks personnel are used for both Street and Parks maintenance tasks.

Building Maintenance is required to repair and upkeep 23 buildings and approximately 101 structures within the City. The average age of all City buildings is approximately 63 years old. Building Maintenance's responsibilities include maintaining and repairing city-owned buildings (exterior and interior) and unoccupied structures (park pavilions, playground equipment, tennis courts, baseball lighting, baseball dugouts, basketball courts, baseball scoreboards, park benches and public restrooms). Occasionally, Building Maintenance is called upon by the Police or Building Departments to board-up drug houses. Building Maintenance contracts out for janitorial services, roof and gutter maintenance, and major repairs on certain city-owned buildings.

Vehicle Maintenance performs routine and emergency repairs on vehicles for the Operations, Health and Engineering Departments, as well as City Hall administrator's vehicles. The Operation Department's fleet consists of 98 vehicles at an average age of 19 years. Vehicle Maintenance is responsible for the general repair and maintenance of 150 various vehicles and equipment; snow removal from alleys, dead end streets, parking lots, sidewalks and cul-de-sacs and emergency road call services. Vehicle Maintenance personnel assists other subdivisions in emergency road repairs and sign post removals when needed.

Staffing

The Street Division is comprised of 32 employees (30.75 FTEs) consisting of 1 skilled maintenance employee, 6 foremen, 3 section leaders, 1 crew leader, 2 equipment operators IV's, 3 equipment operator II's, 7 equipment operator I's, 5 labor IIs, 1 labor I, 1 sign painter, 1 painter (50 percent of time) and 1 welder/fabricator (25 percent of time). In addition, one painter is used in Building Maintenance 50 percent of the time and a welder/fabricator is used in Vehicle Maintenance 75 percent of the time. The Parks Division became consolidated with the Street Division in January 2000, to reduce expenditures and increase Street operations staffing when needed. No employees were laid-off as a result of the consolidation. In June 2000, storm sewer operations became a part of the Wastewater Department and funding for the six storm sewer employees was shifted to the Water Department's Enterprise Fund.

The operations superintendent, who is responsible for the management and direction of the Street Division, retired at the end of May 2000. The position is vacant and the results of the upcoming income tax levy (November 2000) will determine if the position will be filled.
The Maintenance Division is comprised of 11.25 FTEs: 5.0 FTEs in Building Maintenance and 6.25 FTEs in Vehicle Maintenance. The Building Maintenance staff consists of 1 skilled maintenance foreman, 1 master skilled maintenance employee and 2 skilled maintenance employees. In addition, the Street Division's painter is used 50 percent of the time. The Vehicle Maintenance staff includes a foreman and four mechanics. In addition, the Street Division's welder/fabricator is used 75 percent of the time for maintaining older equipment and vehicles. The maintenance superintendent divides his time between the Building and Vehicle Maintenance activities. The maintenance superintendent has the responsibility for the management and direction of the Maintenance Division and has assumed the responsibilities of the vacant operations superintendent's position.

Table 4-1 shows the FTE levels of the Department as of June 2000. All employees, except for the director of operations, are unionized under AFSCME local 74. The Department has only one unfilled position.

Table 4-1: Number of Full -Time Employees as of June 2000

Classification	2000 FTEs
Director of Operations	1.00
Superintendent of Operations [1]	0.00
Superintendent of Maintenance	1.00
Office Administration/Secretaries	1.00
Total Administration	**3.00**
Street Foremen [2]	6.00
Section Leader	3.00
Crew Leader [3]	1.00
Skilled Maintenance	1.00
Equipment Operator IV	2.00
Equipment Operator II	3.00
Equipment Operator I [4]	7.00
Labor II	5.00
Labor I [5]	1.00
Sign Painter	1.00
Painter	0.50
Welder/Fabricator	0.25
Total Streets [6]	**30.75**
Skilled Maintenance Foreman	1.00
Master Skilled Maintenance	1.00
Skilled Maintenance	2.00
Painter	0.50
Total Building Maintenance	**4.50**
Vehicle Maintenance Foreman	1.00
Heavy Equipment Mechanic	2.00
Auto Mechanic	2.00
Welder/Fabricator	0.75
Total Vehicle Maintenance	**5.75**
Total	**44.00**

Source: Operations Department; Human Resource Department

[1] The Operations superintendent retired May 1999

[2] Includes two park Maintenance foremen.

[3] The crew leader is assigned to Park Maintenance.

[4] Two of the equipment operator 1 positions are assigned to Park Maintenance

[5] The laborer I works in Parks Maintenance.

[6] Includes both Street Maintenance and Parks Maintenance employees as shown in **Tables 4-4, 4-15** and **4-35**.

Table 4-2 shows the decrease in full-time equivalent (FTE) and part-time equivalent (PTE) personnel from FY 1995 to June 30, 2000.

Table 4-2: Personnel Changes [1]

Year	FTEs	PTEs	Percent Change
1995	67	1	0.00
1996	61	1	(8.80)
1997	61	1	0.00
1998	60	1	(1.60)
1999	60	1	0.00
2000 [2]	44	0	(27.90)
Total Reduction	**23**	**1**	**(45.50)**

Source: Personnel Department
[1] Includes lay-offs, transfers and retirements
[2] Reflects Storm Sewer operations moving to Wastewater Department

Financial Data

Table 4-3 presents the actual expenditures for FY 1998 and FY 1999 for the Operations Department and the budgeted amounts for FY 2000. The financial data includes the following funds under the Operations Department:

- General Fund
- Motor Vehicle Levy Fund
- Highway Construction Fund
- Street Maintenance Fund

Total FY 1999 expenditures for the Department were $4.2 million, a 3.1 percent increase over the prior year. Budgeted amounts for FY 2000 are $3.9 million, a decrease of 6.4 percent from FY 1999 levels.

The Packard Park Fund is a discretionary fund that was set up to receive donations, in addition to park water fountain money and Packard Park Trust Fund money. The Packard Park Fund is not included under Operations Department General Funds. The total Packard Park Fund for the FY 2000 budget was $101,445.

According to the city auditor, the continued operation of Packard Park is dependent on donations to the Packard Park Fund. If the donated funds cease, the City will be unable to support the operation of the parks. However, certain Packard Park buildings, such as the greenhouse and the enclosed pavilion, would stay open as a requirement of the Packard Park Trust.

Table 4-3: Operations Department Expenditures, Three Year History[1]

Organizational Code Description	1998 Actual	1999 Actual	Percent Change	2000 Budgeted	Percent Change
Salaries/Wages	$1,984,708	$2,022,885	1.92%	$1,587,784	(21.51%)
Fringe Benefits	$782,429	$826,485	5.63%	$929,489	12.45%
Purchased Services	$772,177	$761,800	(1.34%)	$875,169	14.88%
Capital Outlay[2]	$1,850	$3,058	65.29%	$0	(100.00%)
Materials and Supplies	$242,661	$279,168	15.04%	$246,294	(11.77%)
Labor	$71,721	$124,923	7.42%	$120,371	(3.64%)
Other (transfers)	$198,892	$160,118	(19.49%)	$153,600	(4.07%)
Total Operational Costs	**$4,054,438**	**$4,178,437**	**3.06%**	**$3,912,707**	**(6.35%)**

Source: City of Warren

[1] Includes general, motor vehicle levy, highway construction and street maintenance funds within the operations code

[2] Does not include capital expenditures under the capital projects fund

Explanations for some of the significant changes in the operating budget include the following:

A decrease in Salaries and Wages for FY 2000 budget: The decrease in salaries and wages for the FY 2000 budget was the result of layoffs and the elimination of temporary employees. Also, the decrease in salaries and wages can be attributed to the transfer of four parks staff from the General Fund to the Packard Park Fund which is not included in the Operations Department funds.

An increase in Fringe Benefits for FY 2000 budget: The increase in fringe benefits was the result of a 16 percent increase in health insurance and a budgeted increase in FY 2000 unemployment expenditures due to the significant layoffs. In addition, the FY 2000 workers' compensation expenditures are budgeted to increase from the FY 1999 levels. However, this increase is due to the City receiving a premium discount in FY 1999 rather than an increase in claims.

An increase in Purchased Services for FY 2000 budget: The FY 2000 budget for purchased services increased 14.88 percent over the FY 1999 actual expenditures due to the continued deterioration of City buildings. City Hall, built in 1871 and registered as a historical landmark, requires specialized care to maintain the historical integrity of the building. The City's recent additional purchases of historical properties incur increased costs for maintenance and repair as a result of both the complexity of the repairs and the necessity of contracting for specialized repair services.

A decrease in Capital Outlay, Materials and Supplies, Labor and Other for the FY 2000 budget: The FY 2000 budget shows a decrease in capital outlay, materials and supplies, labor and other due to the transfer of four parks staff from the General Fund to the Packard Park Fund and an overall effort to reduce operating expenses.

Performance Measures

The following is a list of performance measures that were used to conduct the review of the City of Warren, Operations Department:

General Performance

- Assess the staffing levels and mix within the Department
- Assess salary and overtime costs for the Department
- Analyze contract administration and contractual issues within the Department
- Review the current duties which comprise the functions of the Department
- Assess the efficiency of the current work hours
- Evaluate the level of planning for capital and equipment replacement needs

Street Division

- Review the adequacy of technology and the techniques used for pothole repair
- Assess the adequacy of level, mix and productivity of staff assigned to pothole repair
- Review the city's policy on street sweeping
- Assess the efficiency and cost effectiveness of the street sweeping contract
- Assess the effectiveness and efficiency of the snow and ice removal function
- Evaluate the effectiveness of the use of technology and snow removal equipment
- Assess the effectiveness of salt utilization and storage
- Assess the potential for outsourcing

Building Maintenance

- Assess the adequacy of the building maintenance service levels and costs

Vehicle Maintenance

- Assess the adequacy and efficiency of vehicle maintenance programs

Park Maintenance

- Analyze park maintenance service levels and costs
- Review the use of fees to offset division costs

A. Operations Department Overview

Findings/Commendations/Recommendations

Staffing and Compensation

F4.1 **Table 4-4** presents the staffing levels of full-time equivalents (FTEs) as reported by the City of Warren and peer cities. The Operations Department (the Department) is comprised of 44.0 FTEs: 3.0 in administration, 30.75 FTEs in the Street Division and 10.25 in the Maintenance Division.

Table 4-4: Peer City Staffing Patterns (FTEs)

Classification	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer City Average
Total Administration Employees [1]	3.00	6.00	3.00	7.00	5.00
Total Streets Maintenance Employees	24.75	33.00	45.00	18.00	34.00
Total Building Maintenance Employees	4.50 [3]	10.00	4.00	6.00	7.00
Total Vehicle Maintenance Employees	5.75 [3]	7.00	11.00	10.00	9.00
Total Parks/Grounds Maintenance Employees	6.00 [2]	6.00 [4]	13.0 [4]	9.00	9.00
Total	**44.00**	**62.00**	**76.00**	**50.00**	**64.00**

Source: Operations Department; Human Resource Department and peer cities
Note: Does not inlcude seasonals
[1] Includes directors, assistant directors, superintendents and administrative assistants for all divisions listed
[2] Warren's Parks Maintenance employees are a part of the Streets Division. However, they are separated on this table
[3] Vehicle and Building Maintenance are all under the Maintenance Division. However, they are separated on this table
[4] Parks and Recreation Department is separate from the Operations Department (Public Service Department) and regulated by the Parks Boards and Commissions

As **Table 4-4** illustrates, the Operations Department's total staffing level (44 employees) is the lowest among the peers and approximately 30 percent lower than the peer average of 63 employees. In addition, the Operations Department's staffing is lower than the peer average for all classifications shown.

F4.2 **Table 4-5** represents seasonal staffing levels between the City of Warren and the peer cities.

Table 4-5: Peer City Seasonal Staffing Patterns (FTEs)

Classification	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer City Average
Total Streets Maintenance Employees	0.00	19.00 [1]	0.00	10.00 [4]	9.60
Total Parks Maintenance Employees	0.00	2.00 [2]	20.00 [3]	10.00 [4]	10.00
Total	**0.00**	**21.00**	**20.00**	**20.00**	**20.00**

Source: Operations Department; Human Resource Department and peer cities

[1] Use an average of 38 seasonal workers for various street summer and fall activities for 6 months

[2] Use an average of 4 seasonal workers for 6 months

[3] Use an average of 40 seasonal workers for parks activities for 6 months

[4] Use an average of 20 seasonal workers for parks and street activities for 6 months

In the past, the City used seasonal workers as well as private industry council workers (PIC workers). However, because the City currently has full-time employees on lay-off status, the Operations Department is unable to use seasonal staff for streets and parks functions (per the AFSCME contract). In contrast, as the **Table 4-5** illustrates, all the peer cities use seasonal or temporary help during the year for at least one division. The City of Middletown increases its normal street staffing size by 50 percent (10 FTEs) for fall season leaf pick-up. The City of Cuyahoga Falls uses two FTE seasonal staffing to help maintain all city property grounds and medians.

Article 12 of AFSCME local 74 contract states that "the City agrees that work normally performed by employees in the bargaining unit shall not be contracted to another individual or independent contractor; provided that employees in the bargaining unit are available and there is available the required equipment, and the task to be performed may be performed efficiently within the required time to complete such task or project. The City shall not contract work normally done by bargaining unit employees on layoff status."

R4.1 Based upon the nature of services provided by the Operations Department, much of the work is seasonal in nature and can place significant demands on the existing workforce. To meet these demands, the City should have the authority to establish staffing at an appropriate level by hiring seasonal staff for streets and park maintenance. Accordingly, the City of Warren should negotiate with AFSCME local 74 to add language to the contract that allows the City to use seasonal or temporary workers for certain Operations functions. The Operations Department maintains seasonal functions such as parks mowing, weeding and fall leaf pick-up that could greatly benefit from the use of seasonal staffing. As a result, key staff could be

used in other areas where high level skills could be put to more efficient use and the Department could have more control over staffing needs that help maintain the public assets.

F4.3 The Operations Department operates under one shift during the spring, summer and fall from 7 a.m. to 3 p.m., Monday through Friday. Work performed after this shift or on the weekend is considered overtime, which employees are compensated at time and one-half. During the winter months, from approximately November 24 through April 15, the Department operates in two shifts. The 1999-2000 winter schedule consisted of 2 foremen, 8 drivers, 1 mechanic and 3 laborers that worked the midnight shift from 11 p.m. to 7 a.m. (See **Table 4-22** in **Street** section). Using two shifts is an attempt to more efficiently manage snow and ice control activities and overtime costs. When the weather becomes severe, the shifts are extended to 12 hours. The day shift works over four hours until 7 p.m., while the midnight shift comes in four hours early at 7 p.m.

F4.4 **Table 4-6** shows the difference between work assignments recorded in the computerized work request system (from *routing forms*) that was developed in-house and the actual handwritten accounts of work performed for certain months (January, June and October).

Table 4-6: Work Accountability, Computer Entry Versus Actual Work Performed

Subdivision and Month	Handwritten Daily Work Assignments [1]	Computer Recorded Routing Sheets [2]	Percentage Difference
Street Maintenance [3]			
January	89	222	(149.4)%
June	130	137	(5.4)%
October	119	136	(14.3)%
Building and Vehicle Maintenance [4]			
January	122	9	92.6%
June	128	20	84.3%
October	120	8	93.3%
Parks Maintenance			
January	66	9	86.4%
June	94	20	78.7%
October	87	8	90.8%
Total	**955**	**569**	**40.4%**

Source: Data Processing Department and Operations Department daily work assignments
[1] Reflects work completed as noted on the daily assignment sheets filled-out by the foreman
[2] Reflects work completed as noted on the daily routing sheets that are entered into the work request system
[3] FY 1999, the Streets Division included Storm water. Figures shown exclude Storm water work requests
[4] Maintenance Division includes both vehicle and building

As can be seen in the table above, in all months tested, there was a significant difference between what was noted on the handwritten work assignments and what was recorded in the computer system. The hand-written daily work assignment sheets are used by the Department to track project status and employee productivity. All work completed by crews are required to be written on both a *daily work assignment sheet*, filled-out by the foremen, and a *routing form* that is filled-out by the crew members. Only the data on the routing forms are entered into the work request system. However, a sample of hand-written daily work assignment sheets was compared to the routing forms and revealed that data was not consistently and accurately being entered into the work request system.

R4.2 In order to accurately measure budgetary and staffing needs, the Department should maintain records that reflect the work performed by its employees. The Operations Department should ensure that all job tasks are recorded for all departmental functions. The Department should combine both the *daily assignment sheets* and *routing forms* into one document to reduce

redundancy. The work request system should be used to demonstrate the Department's productivity and document service levels when consistently maintained.

Documented service levels would provide the Department with an avenue to demonstrate accomplishment of objectives and when necessary, adjust its procedures or practices to better meet the needs of the City. Concentrating on results will also help the Department be more responsive to the needs of the citizens, and may help the City communicate accomplishments and needs to the taxpayers.

F4.5 **Table 4-7** shows overtime as a percentage of personal services. The Operation Department expends a limited amount for overtime each year. **Table 4-7** indicates a significant increase (62 percent) in overtime between FY 1998 and FY 1999 which may be attributed to staffing cuts and heavy snowfall in January 1999.

Table 4-7: Overtime by Division, FY 1998 and FY 1999

Fiscal Year	Total Salaries and Wages	Annual Overtime Costs	Overtime as a Percent of Salaries
Streets			
1998	$1,638,439	$50,278	3.05%
1999	$1,685,086	$87,147	5.16%
Maintenance [1]			
1998	$589,365	$11,836	2.00%
1999	$600,566	$15,435	2.52%
Parks			
1998	$439,051	$16,161	3.65%
1999	$460,678	$24,284	5.25%

Source: City of Warren financial reports for FY 1998 and FY 1999
[1] Includes Building and Vehicle Maintenance

The greatest overtime increase in FY 1999 occurred in the Street Division with an overall increase of 73 percent. In January 1999, the Youngstown area experienced several snow events that accumulated over four inches. The overtime used in January 1999 amounted to $72,500 or 57 percent of the total overtime for FY 1999. The high percentage of overtime was a direct result of the Department's snow and ice control standby policy. **Table 4-8** compares the percentage of overtime incurred for snow and ice control versus all other functions.

Table 4-8: Cost of Overtime by Function, FY 1999

Function	Estimated Overtime Cost	Hours Spent on Overtime	Percentage of Total Overtime Cost
Snow and Ice Control [1]	$99,263	7,230.0	78.2%
Other	$27,603	1,695.0	21.8%
Total	**$126,866**	**8,925.0**	**N/A**

Source: Operations Department financial records
[1] January through March and November, December months are considered snow and ice control season

As shown in **Table 4-8**, other functions consumed far less overtime. Overtime for other functions includes call-outs for sewer maintenance (flooding) and building maintenance emergencies.

F4.6 **Table 4-9** shows the ratio of overtime to salaries and wages in Warren and the peer cities.

Table 4-9: Peer Comparison Overtime as a Percentage of Personal Services

City	Total FY 1999 Salaries and Wages	Overtime	Overtime as a Percentage of Salaries
Warren	$2,022,882	$126,866	6.20%
Cuyahoga Falls	$3,388,190	$241,566	7.10%
Mansfield[1]	$2,189,680	$228,472	10.40%
Middletown[2]	$1,437,118	$82,150	5.70%

Source: Warren Finance Department FY 1999 budget report and peer cities
[1] Includes building, vehicle and street divisions only. Parks Department does not fall under Public Works
[2] Includes building, vehicle, street and grounds divisions only

Table 4-9 indicates that the City of Warren has the second lowest overtime as a percentage of salaries figure when compared to the peers. This can be partially attributed to the City's implementation of a reduction of overtime directive for all departments in the City of Warren. Each department was required to eliminate discretionary overtime. Discretionary overtime affected all functions of the Operations Department except snow and ice control, which is considered emergency overtime.

R4.3 Although 78 percent of all overtime in FY 1999 was accrued during an emergency snow event (**Table 4-8**), the Department should monitor all overtime used by the Operations Department employees as a policy. The Department should generate reports indicating overtime charged by project for each employee. The reports should be generated on a monthly basis and can be used by Department management to troubleshoot potential areas

needing additional preventive maintenance. With the implementation of an effective preventive maintenance program, overtime should be reduced because emergency repair situations would be minimized.

F4.7 The job descriptions for the Operations Department staff do not appear to accurately describe the job responsibilities of the positions. Most of the job descriptions have not been updated since 1985 and are lacking detail. Since the lay-offs started in FY 1995, many employees have been required to take on the additional responsibilities of those workers that were laid-off. Furthermore, it is unclear where responsibilities for some jobs, such as the duties of the vacant superintendent of operations position, now reside.

R4.4 The job descriptions for the Operations Department should be reviewed and updated. An updated set of job descriptions would provide the Operations Department with the foundation for establishing internal equity and developing a comprehensive evaluation system (see **R4.5**). The following issues should be included in the updated job descriptions: basic pay policies and adjustments per AFSCME Local 74 contract stipulations; level of decision making; knowledge, skills and ability requirements; and qualifying education and training. In addition to updating job descriptions, the Operations Department should be cognizant of the required compliance with Americans with Disabilities Act (ADA) requirements and should reflect this in the departmental job descriptions.

Updated job descriptions are critical in helping the Department and the City complete the following:

- Articulate job content to employees and supervisors
- Establish individual performance expectations
- Provide criteria for recruitment and selection
- Minimize legal liability

F4.8 Operations Department employees do not receive performance evaluations on a regular basis. The City of Warren's contract with AFSCME local 74 is silent on the issue of performance evaluations and the Department does not have plans to institute annual evaluations.

R4.5 The Operations Department should provide performance evaluations for all employees on an annual basis. Evaluations provide employees with feedback on areas to bring about professional improvement. The Department may want to consider having evaluations for personnel conducted, in part, by the Operations and Maintenance superintendents, which would reduce the burden on the director of operations while retaining the valuable input of the superintendents and their foremen. Regular evaluations are important to:

- Ensure employees receive clear feedback on areas for improvement and to identify and document disciplinary problems
- Provide evidence about the quality of the employee's performance
- Improve efficiency and effectiveness of the employees in carrying out the tasks found in the job description
- Improve employee morale
- Monitor an employee's success and progress

Contractual Issues

On January 1, 1997, an agreement was entered into between the City of Warren; the Ohio Council 8, American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO; and AFSCME AFL-CIO, Local #74 (AFSCME Local #74). This contract was in effect from January 1, 1997 until December 31, 1999.

A new agreement was signed and is effective from January 1, 2000 until December 31, 2002. However, a provision is included in the agreement which opens negotiations on August 1, 2000 for the purpose of discussing the following subjects: wages, shift differential pay, hazardous pay, longevity and CDL licenses. Under the new agreement dated January 1, 2000, all employees received no cost-of-living increase for FY 2000. The only salary increases which were received by Operations Department employees in FY 2000 were the step increases included in the pay scales.

Contractual issues in the AFSCME AFL-CIO contract are compared to the peer cities on the following pages. Because contractual issues directly affect the City of Warren's (City) operating budget, some contractual issues have been assessed to show the financial implications of current and recommended contractual issues to the City. The implementation of any of the contractual recommendations would require union negotiations.

F4.9 **Table 4-10** compares some key contractual issues of the union agreement for the Operations Department and the union agreements for the peer cities.

Table 4-10: Contractual Issues

Description	Warren	Cuyahoga Falls	Mansfield	Middletown
Probationary Period	4 months	1 year	Either 6 months or 1 year depending upon the pay grade of the position	6 months
Length of Work Day	8 hours per day (includes a 20 minute paid lunch and two 15 minute breaks)	8.5 hours per day (excludes a 30 minute lunch and includes two 15 minute breaks)	8.5 hours per day (excludes a 30 minute lunch and includes two 15 minute breaks)	8 hours per day (includes a 20 minute paid lunch and two 15 minute breaks)
Actual Time Worked	7.1 hours	7.5 hours	7.5 hours	7.2 hours
Minimum Call-in Hours Paid for Emergencies	The greater of 4 hours or the actual time worked at 1 ½ pay [1]	1 to 1.5 hours at 2 hours pay. The greater of 1.5 hours at 1 ½ pay	Minimum of 4 hours at 1 ½ pay	Minimum of 3 hours at 1½ pay
Maximum Number of Sick Days Accrued	Unlimited	Unlimited	Unlimited	Unlimited
Sick Leave Incentive	None stated	None stated	0 days: $500 bonus 1 day: $400 bonus 2 days: $300 bonus	None stated
Number of Years Required for Severance Pay	Eligibility requirements under PERS	Eligibility requirements under PERS	Eligibility requirements under PERS	Eligibility requirements under PERS
Vacation Time Accumulation [2]	1-4 years: 10 days 5-10 years: 15 days 11-16 years: 20 days 17-22 years: 25 days 23+ years: 30 days	1 - 4 years: 10 days 5-9 years: 15 days 10-14 years: 20 days 15-24 years: 25 days 25+ years: 30 days	1-7 years: 12 days 8-14 years: 18 days 15-19 years: 24 days 20+ years: 30 days	1-4 years: 10 days 5-9 years: 12 days 10 years: 13 days 11-14 years: 18 days 15-19 years: 19 days 20 years: 20 days 21-24 years: 25 days 25-29 years: 26 days 30-34 years: 27 days 35-39 years: 28 days
Number of Personal Days Received	3 days [3]	1 day	3 days [4]	1 day
Number of Holidays	11 holidays	12 holidays	11 holidays	11 holiday
Number of Leave Days to Conduct Union Business	14 days total each fiscal year for the operations departments	A reasonable amount of time to conduct the duties of the office	None stated	Any time which is needed with the approval of the Director
Number of Days to File a Grievance	10 working days	5 working days	7 working days	Within 1 working day of knowledge of the occurrence of the facts and three days of the date of occurrence of the facts

Source: Collective bargaining agreements for the City of Warren and peer cities

[1] This policy is effective for those employees who have worked a full workday and have left for the day. If an employee is called back to work, the employee will receive time and one-half the rate of pay for the greater of four hours or the actual time worked.

[2] An employee does not receive vacation until after having completed one year of service for any of these entities.

[3] An employee only receives three personal days after having completed one year of service. During the first year of employment, an employee will receive two personal days if hired between January 1 and June 30; if hired between July 1 and December 31, an employee will receive one personal day.

[4] If an employee is hired before May 1, then three personal days are earned. An employee hired from May 1 to August 31, then two personal days are received. If an employee is hired after August 31, then 1 personal day is received

F4.10 Currently, the length of the workday for Operations employees is eight hours beginning at 7:00 AM and ending at 3:00 PM. During the workday, the employees take a 20 minute paid lunch and two 15 minute breaks, which equates to 7.1 hours of actual work time. In contrast, Cuyahoga Falls and Middletown both schedule their employees for an 8.5 hour workday and require them to take 30 minute unpaid lunch and two 15 minute breaks, which equates to 7.5 hours of actual work time. Allowing the employees to take a paid lunch decreases the amount of time work is being performed which has a significant affect on overall productivity.

R4.6 The City should consider negotiating to eliminate the 20 minute paid lunch and extend the scheduled workday by 20 minutes. Assuming a staffing level of 44 employees (**Table 4-1**) who receive a 20 minute paid lunch and the average salary in FY 1999 was $32,655 (**Table 4-11**), the City paid approximately $60,000 for approximately 3,813 total hours of lunch pay in FY 1999. By eliminating the paid lunch and extending the work day by 20 minutes, the City could better allocate its resources towards other projects such as road and park maintenance.

Financial Implication: If the City was able to negotiate an elimination of the paid lunch, thereby saving approximately $60,000 based on FY 1999 rates, the Department should be able to redirect financial resources to other critical projects, such as road, building and park maintenance.

F4.11 Currently, the City call-in policy states that if an employee works a full eight-hour workday and is then called into work, the employee is entitled to one and one-half the rate of pay for the greater of four hours or the actual time worked. Employees are not required to work the full four hours when called in and no provisions are made to plan work activities for employees after the initial call-in activities have been completed. In addition, overtime is accrued after eight hours per day as opposed to 40 hours per week.

R4.7 The City should consider revising the call-in policy for the Operations Department. While providing a number of hours for call-in pay is consistent among the peers, the City of Warren's call-in policy is among the most generous of the peers. The following are two conditions that should be considered when revising the call-in policy:

- The City should ensure that an employee performs at least four hours of work in order to receive the guaranteed four hours of payment.

- The City and union should negotiate to reduce the minimum call-in time to be more in line with the peers or eliminate guaranteed call-in pay and only compensate employees for the actual hours worked.

F4.12 As can be seen in **Table 4-10**, the City of Warren's AFSCME contract differs from the peers on various provisions. Those provisions which impact the City's ability to manage its employees are noted below:

- The probationary period for a full-time employee in Warren's Operations Department is four months. In comparison, the peer cities use probationary periods varying between six months and one year with an average of approximately 7.5 months. A longer probationary period allows a department to ensure that newly hired employees are qualified, dedicated and hard working.

- The contract provides a total of 14 days of paid leave for the officers of the bargaining unit to attend meetings and conventions in conjunction with the union at the regional, state or local level. The union does not compensate the Department for salaries paid to union members who are performing union business.

R4.8 The City should consider negotiating the removal of these provisions. Not only would this lower the operating costs of the Operations Department, but it would also enhance the City's ability to better manage its employees, which would translate into improvements in efficiency.

In addition, the City should negotiate an extension to the probationary period. The City should consider lengthening the probationary period to between six months and one year.

Financial Implication: Assuming the City requires AFSCME Local #74 to pay the daily salaries of the members utilizing association leave, the City could save approximately $2,100 annually (assuming 14 days of association leave, an estimated hourly rate of $14.48 per operations employee and benefits equal to 30 percent of salaries).

Compensation Analysis

F4.13 **Table 4-11** shows the overall compensation package for Warren in comparison to the peers. The analysis is based on W-2 wages, which includes all supplemental and overtime earnings. The analysis also takes into account the value of retirement costs paid by the City, any employee related healthcare contributions required by the peer cities and actual time worked during the day. To take into account regional economic factors, the total of the W-2 wages, the retirement benefits and employee healthcare contributions are then adjusted for a cost of doing business factor to yield an estimated adjusted average employee compensation package.

Table 4-11: Comparison of Employee Compensation Packages

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Average
Average W-2 Salaries (Excluding PERS Pickup Paid by City)	$32,655	$43,058	$27,880	$35,317	$34,728
Value of PERS Pickup Paid by City	$3,033	$4,000	3% [1]	N/A	$2,632
Employee Healthcare Contributions	N/A	N/A	($708)	N/A	(177)
Total Average Employee Compensation Package	$35,688	$47,058	$28,034	$35,317	$37,183
Actual Time Worked During Work Day	7.1 hours per day (1,846 hours per year)	7.5 hours per day (1,950 hours per year)	7.5 hours per day (1,950 hours per year)	7.2 hours per day (1,872 hours per year)	7.3 hours per day (1,898 hours per year)
Adjusted Compensation Package for the Hourly Rate Based on the Actual Time Worked	$19.33 per hour	$24.13 per hour	$14.38 per hour	$18.87 per hour	$19.59 per hour
Cost of Doing Business Factor	1.0782	1.1133	1.0377	1.1196	1.0872
Adjusted Average Hourly Employee Compensation Package	$17.93 per hour	$21.67 per hour	$13.86 per hour	$16.85 per hour	$18.02 per hour

Source: Warren Finance Department and peer cities

[1] The 3 percent amount is equal to approximately $862 for FY 2000-01

As **Table 4-11** illustrates, when comparing the City of Warren's overall compensation package for the operations employees to the more comparable peers of Mansfield and Middletown, Warren's adjusted total compensation package ($17.93 per hour) is approximately 29 percent higher than Mansfield ($13.86 per hour) and approximately six percent higher than Middletown ($16.85 per hour). The overall compensation package is a function of the base salaries, the actual time worked, the negotiated supplementals, overtime costs and other contractual benefits. As a result, any adjustment to the overall compensation package will need to be incorporated through union negotiations.

R4.9 Due to a lack of staffing and funds, the Operations Department is not performing a number of services and is deferring significant capital needs. To begin dealing with these issues, the City will have to free up existing resources. One potential option for freeing up existing resources is to achieve compensation packages similar to the peers. This can be accomplished by negotiating lower cost of living increases or by implementing various recommendations contained in this report including the following:

- Negotiating the removal of the 20 minute paid lunch to extend the scheduled workday by 20 minutes. (**R4.6**)
- Negotiating the removal of the various supplementals (**R4.10**)

- Negotiating employee healthcare contributions (**R4.11**)
- Negotiating the removal of the City's responsibility to pay the 8.5 percent employee portion of the PERS retirement contributions. (**R4.12**)

If the City successfully negotiated the removal of the supplementals ($.71 per hour) and the PERS benefits ($1.92 per hour) as well as began requiring employees to contribute towards healthcare costs ($.39 per hour), the adjusted hourly salary would become $14.91 per hour, which is more comparable to Mansfield ($13.86) and Middletown ($16.85).

In addition, prior to negotiating future union agreements, the City should perform assessments similar to **Table 4-11** to ensure that the overall compensation package is reasonable. By reducing the overall compensation package to a level similar to the peers, the City should be able to free up some resources which can be used to hire staffing for areas such as parks, streets and building maintenance.

F4.14 **Table 4-12** shows the average base salary for each position within the Operations Department as of December 31, 1999. **Table 4-12** also indicates the average 1999 W-2 amount within each position.

Table 4-12: Base Salary vs. W-2 Comparison

Position Title	Average 1999 W-2 Amount	Average Estimated Base Salary	Difference
Supervisors	$67,607	$59,800	$7,807
Equipment Operator I & II	$31,377	$27,583	$3,794
Skilled Maintenance	$32,283	$30,212	$2,071
Painter/Sign Painter	$33,924	$29,765	$4,159
Laborer I & II	$26,059	$23,324	$2,735
Foreman Operations	$42,188	$34,596	$7,592
Equipment Operator IV Operations	$35,623	$30,992	$4,631
Section/Crew Leader Operations	$35,471	$31,273	$4,198
Heavy Equipment Mechanic	$29,926	$31,553	($1,627) [1]
Automotive Mechanic	$27,362	$28,278	($916) [1]
Other	$30,747	$29,162	$1,585
Total Weighted (Averages)	**$32,366**	**$30,878**	**$1,488**

Source: Personnel report from human resources Department and 1999 W-2 amounts from finance Department
[1] Hired during FY 1999

Of the 11 position classifications in the Operations Department, nine classifications received average yearly salaries in excess of base salaries. Furthermore, the average base salary for the entire Operations Department in FY 1999 was $30,878 compared to the FY 1999 W-2 amount of $32,366, a difference of approximately $1,488. The amounts which were paid in excess of the base salary can be attributable to overtime costs as well as numerous supplementals provided to employees under the union agreement.

F4.15 The City of Warren provides employees with several additional benefits including health benefits, retirement benefits, a shift differential, a construction projects "differential", a meal allowance, and other various benefits. **Table 4-13** illustrates the additional types of payments received by employees at the City of Warren and the peer cities.

Table 4-13: Additional Payment Schedule

Payment Types	Warren	Cuyahoga Falls	Mansfield	Middletown
Shift Differential Afternoon Shift Evening Shift	 $.35 per hour $.40 per hour	 $.25 per hour $.30 per hour	 $.75 per hour $.75 per hour	 $.30 per hour $.35 per hour
Meal Allowance	Employees receive ½ hour pay for meal allowance for working more than 4 hours of overtime which equates to $10.34 annually per person (assuming 44 employees). This item is used infrequently.	No additional compensation received	No additional compensation received	No additional compensation received
Election Day	4 hours of leave received which equates to approximately $60 per person annually (assuming 44 employees)	No time off work received	No time off work received	No time off work received
Standby Pay	2 hours per week at 1½ times rate of pay if required to carry a beeper which equates to approximately $637 per person annually (assuming 9 employees)	2 hours of pay on the weekdays and 8 hours of pay on the weekends [1]	1-16 hours: 2 hours [2] 16-24 hours: 4 hours [2] 48+ hours: 8 hours [2]	No additional compensation received
Longevity Pay	$54 for each completed year of employment which equates to $1,080 annually after 20 years	5 years: $230 10 years: $355 15 years: $480 20 years: $605	$100 for each completed year of employment with the City of Mansfield 20 years: $2,000	10+ years: 1% 15+ years: 2% 20+ years: 3% which equates to $1,117 annually after 20 years [3]
Health Care Benefits	No employee contributions	No employee contributions	Employees must contribute 4.5% of the total cost of the health care benefits	Employees must contribute those amounts which are greater than the City's portion of $50.25 per month
PERS Retirement	City pays employees portion of retirement costs (8.5% of employee's salary)	City pays employees portion of retirement costs (8.5% of employee's salary)	Employee contributions are staggered until 5/1/02 when no employee contributions will be required. In 2000, the City is paying 3% of employee's retirement costs	Employees pay their own retirement contributions

Source: Collective bargaining agreements for the City of Warren and peer cities

[1] This policy is for those employees who work in the City of Cuyahoga Falls Street Department.

[2] This policy is if you are on standby for the time periods on a consecutive basis. The compensation received is on a pay period basis.

[3] Based upon an annual average salary of $37,250 for those Public Works employees with over 20 years service for FY 2000.

F4.16 As indicated in **Table 4-13**, the agreement between the City of Warren and AFSCME Local #74 permits Operations Department employees to receive several supplementals which increase the annual income of departmental employees. The supplementals with major financial implications are shown below:

- A shift differential of $0.40 is provided to employees who work the midnight shift. Based on the number of FTEs allocated to the midnight shift in FY 1999 and the FY 1999 winter work schedule, the shift differential cost the Department approximately $5,800.

- Stand-by pay is also compensated at a cost to the City of $5,734 annually.

- The agreements also states that Operations Department employees receive a meal allowance equal to ½ of their hourly rate of pay if an employee works more than four hours of overtime. Based on FY 1999 base salaries and overtime used, the City paid approximately $455 in meal allowances.

- City Operations Department employees are entitled to receive four hours of paid leave on election day. Based upon the hourly rates of the Operations Department employees and benefits equal to 30 percent of salaries, the four hours of election day leave per employee costs approximately $3,400 per year.

- Operations Department employees are also eligible for longevity pay at a rate of $54 per year for each continuous year worked. In FY 1999, the total cost to the City for longevity pay was approximately $42,685.

- **Table 4-10** indicates that Operations Department employees receive 30 days of vacation in the 23rd year of employment. In comparison, Cuyahoga Falls employees do not receive 30 days of vacation until the 25th year of employment.

R4.10 Based on the higher overall compensation package provided to Operations employees in comparison to the peers, the City should consider negotiating the removal of the supplementals. In FY 1999, these supplementals cost the City approximately $58,000 or approximately $1,300 per employee ($.71 per hour). When this amount is removed from the overall compensation figure shown in **Table 4-11** ($17.93 per hour), Warren's overall compensation is reduced to approximately $17.22 per hour.

Financial Implication: If the City is able to negotiate an elimination of the supplementals, the annual savings would be approximately $58,000.

F4.17 A report on the *Cost of Health Insurance in Ohio's Public Sector* was completed by the State Employee Relations Board (SERB). Based on the 1999 study, approximately 65 percent of employers required their employees to pay a portion of the costs of a family premium. Fifty-two percent of employers required their employees to share the cost of the single plan. The average monthly employee contribution is $22.17 for single and $63.33 for family. These rates amount to 11.3 percent of the single plan and 12.6 percent of the family premium. The study

also indicates that, on average, city employees are required to contribute 10.9 percent towards monthly premiums of a single plan and 10.0 percent towards the monthly premiums of a family plan.

The City pays all monthly health care benefit costs for Operations Department employees. In comparison, the City of Mansfield requires its employees to contribute 4.5 percent of health care costs while the City of Middletown requires the employee to contribute all costs above $50.25 per month on the family medical plan.

R4.11 The City should consider negotiating to have the employees contribute towards the monthly premium costs. During FY 1999, medical premium costs for employees in the Operations Department cost the City approximately $308,800. If the City were to require a similar contribution percentage as that noted in the SERB study of 10 percent, the overall insurance expenses would be reduced by $30,880 or approximately $702 per employee ($.39 per hour). When this amount is removed from the overall compensation figure shown in **Table 4-11** ($17.93 per hour), Warren's overall compensation is reduced to approximately $17.54 per hour.

Financial Implication: Requiring employees in the Operations Department to contribute 10 percent of the monthly premiums would save the City annual costs of approximately $30,880 annually.

F4.18 Under the current agreement, the City is required to pickup the 8.5 percent employee contribution to the Public Employee Retirement System (PERS). In addition, the City must also contribute the 13.55 percent employer's portion. Total expenditures to PERS during 1999 for the Operations Department employees was $400,000. The City of Middletown does not offer to pickup any portion of the employees PERS contribution.

R4.12 The City should consider negotiating to eliminate the pickup of the 8.5 percent employee contribution to PERS. In FY 1999, the PERS pickup cost the City approximately $154,000 or $3,500 per employee ($1.92 per hour). Eliminating this fringe benefit will decrease employee benefit expenditures while increasing additional funds available for other uses. When this amount is removed from the overall compensation figure shown in **Table 4-11** ($17.93 per hour), Warren's overall compensation is reduced to approximately $16.01 per hour.

Financial Implication: If the employees in the Operations Department were required to pay the employee portion of PERS, the City would save 38.5 percent of the yearly PERS retirement cost, approximately $154,000 annually.

Planning and Technology Usage

F4.19 The Operations Department does not have a comprehensive strategic plan to guide departmental operations. Since staffing and budget cuts began in FY 1995, the Department has not undertaken any planning or budgeting or incorporated cost plans into their annual budget. Repairs are performed only if funds are available for the repair and some potential grave health and safety issues are postponed due to budget constraints.

Although past assessments of City capital needs have anticipated project costs, sources of funds were not noted and departmental plans were not encompassed in one centralized document. Past planning documents have not been updated and have become obsolete. Because the Department has not developed planning documents to guide departmental operations, costs, equipment and space needs, fleet reliability and other critical issues can not be adequately addressed. The Department has stated that they perform only superficial preventive maintenance work on vehicles and preventive maintenance has not been implemented for the City's buildings under their care.

R4.13 The City should develop a comprehensive capital improvement plan in an effort to centralize planning. The plan should include a street maintenance plan, a building maintenance plan, snow removal policies and costs, and a vehicle maintenance and replacement plan. The plan could adopt elements from San Francisco's Pothole Repair and Resurfacing Plan, the City of Milwaukee's capital improvement's plan, the Ohio Department of Transportation's vehicle replacement plan and the International Fleet Management planning and preventive maintenance recommendations. A comprehensive plan should contain the following elements:

- An overview of critical investments that are planned during the life of the plan
- Projects differentiated into **preservation** (capital improvement projects whose major objective is to reconstruct, rehabilitate, or otherwise restore existing infrastructure or capital investments), **expansion** (capital improvement projects whose major objective is to construct or expand infrastructure or capital holdings to meet increased demands or to enhance development) and **replacement** (new purchases whose major objective is to replace infrastructure or capital investments that have outlived their useful life span)
- Projects that the City intends to fund over the next 6 to 10 years with a detailed explanation of how it will finance these projects. In addition, the plan should contain an overview of critical investments projected during the life of the plan
- Sources of funding, such as tax levy supported debt, cash revenues, tax levies and grants

- Links to long-term street, facilities and vehicle replacement plans, as well as to preventive maintenance plans

- ADA compliance funding measures on public walkways and buildings to ensure the construction of ADA appropriate ramps, walkways and other entrances

F4.20 The Operations Department does not create goals and objectives to estimate the workload for the upcoming year. In addition, the Department does not estimate the potential amount of available man-hours in total or the time required to perform the various job functions for the year. The lack of time spent planning manpower needs for services reduces the Department's ability to justify funding or plan for the future Department needs.

The Ohio Department of Transportation (ODOT) prepares goals and objectives or work plans which estimates available staff hours, prioritizes ODOT job functions and allocates the available staff-hours to job functions to determine the volume of work that can be performed in the upcoming year. The work plan is flexible enough to allow for the reactive services provided by ODOT. The annual work plan is tracked monthly through focus reports which sets goals for minimum, average and outstanding standards.

The work plan determines the number of available staff hours by multiplying the number of staff members in each position by 2,080 hours which represents total hours worked in one year. From the total available hours, direct productive time and indirect productive time are then calculated. Indirect productive time is calculated using a percentage of total available hours to allocate hours to items such as training, meetings, holidays, leave time, disability time and supervisory and clerical work. The remaining available hours are then allocated to direct productive time. Direct productive time allocates hours to the main job functions of ODOT based on prioritization of functions.

R4.14 The Department should develop a planning schedule that addresses the functions and responsibilities of the Department for the upcoming year. The objectives should prioritize departmental functions and determine what needs to be accomplished given total productive staff hours for the year.

Total productive staff-hours should encompass the total number of hours employees will be working in the year, less holidays, estimated leave time and other downtime. Once a total has been estimated, the Department can allocate staff hours by job function to meet its predetermined, prioritized needs.

The goals and objectives should also detail how and when various functions will be assigned and completed. An annual plan could allow the Department to monitor more closely the progress of each job function. Also, on a monthly basis, actual financial information and

current project progress could be projected and compared to the planning schedule. By creating a planning schedule based on manpower hours available, the Department will be able to better estimate the time frames and staffing needs for various departmental functions.

F4.21 The work request system used by the Operations Department is limited in its capabilities and does not have the ability to track individual project costs or job assignment costs. The data processing coordinator created a database to track all work performed in the Operations Department. However, the program does not include fields for the assignment, materials or time used, or staff assigned to the project. Because of the limited information contained in the database, the Department is unable to easily quantify costs and staffing needs for several key functions including the following:

- Work requests for pothole filling are not logged into the computerized database until they are completed. Although the database tracks the date the obstruction was reported, the total amount of materials used, the number of crew and the location of the work performed, information such as the total number of potholes in need of repair, the time it takes to start and complete the job or the number of lane miles that have been serviced is not maintained within the database.

- Adequate records for labor costs or for man-hours spent on snow and ice control are also not maintained within the database. The Department is unable to easily estimate the time and costs associated with snow removal, perform snow removal efficiency analyses, or estimate the cost and manpower necessary to complete this function.

- No formal work request policy and procedures have been developed for the Building Maintenance Subdivision as it relates to other departments in the City and, as a result, the level of personnel accountability for work performed is diminished. The database does not accurately capture the time and materials used by the maintenance crews or all jobs performed.

The director of operations indicated that although not computerized, the Department is able to track some of this information through the manual records.

R4.15 The Operations Department should consider the implementation of a job order costing system or cost center tracking system to specifically track street maintenance, snow and ice control and building maintenance activities. The Operations Department, in conjunction with the Data Processing Department, should review the current technology available to them to select and implement appropriate systems.

Direct and indirect costs should be captured and used to plan annual projects and preventive maintenance within the constraints of the Department's budget. By using full costs for

projects, the Department will be better able to project and justify costs. The Operations Department should maintain adequate documentation to enable a determination of the following areas:

- Actual job functions performed by each employee each day
- The number of hours each employee worked on each assignment
- Daily job function
- Total project costs

The Department should consider purchasing and implementing the Winter Road Management System (WRMS), a software planning tool for winter road maintenance activities, and Work Director, a facilities maintenance program. Both automated systems would provide the appropriate data for quantitative decision making. Also, through the use of automated snow and ice control systems and facilities maintenance systems, the Department may be able to reduce costs through more efficient routing and salting, and a reduction of emergency repairs in its buildings. WRMS would cost approximately $17,000 to $27,000 to purchase with additional costs for implementation. Work Director software costs approximately $6,000 with additional costs for implementation.

Financial Implication: Software to manage snow and ice control and building maintenance would cost the Department approximately $23,000 to $33,000 with additional costs incurred for implementation.

F4.22 The Department does not charge back end users for services rendered by Operations Department employees for building and vehicle maintenance. The IFMA reports that 55 percent of government facility management departments charge users for expenses in some manner. Typically, 27 percent of government facility management departments charged rates for fixed and special projects, 9 percent charged a fixed rent based rate, 15 percent charged by special project and 3 percent charged by another method. Charge back systems are most often used for facility and vehicle maintenance.

R4.16 The Department should consider charging back end-users for services rendered by Building and Vehicle Maintenance. Several methods of charging back end users exist:

- Marion County, Indiana has established internal building rental agreements within the county. The Department using the facility is charged a fixed square footage rate on a monthly basis for maintenance and custodial services.

- Phoenix, Arizona has implemented a work order system where the Department requesting the service is billed for the services performed. The City of Phoenix Facility Maintenance Department is fully funded through the work order charges.

- Santa Clara County, California has established a standard internal service fund where the facilities management Department is self supported through charges billed to end user departments.

The Department should establish fixed rate charges for services provided to other departments and special projects charges for services which the City and Department consider beyond the normal functions of the Department. The charges for services should include compensation for staff and travel time, in addition to supplies, materials and capital outlay used to complete the projects. The funds received should be accounted for in an internal service fund and be used to help fund the Department and lessen the Department's reliance on the General Fund. As the Department becomes more sophisticated in tracking costs, the City should consider funding the Building and Vehicle Maintenance subdivisions through end user payments.

B. Street Division

Findings / Commendations / Recommendations

Staffing/Scheduling

F4.23 The peer cities perform similar functions within their respective street departments. **Table 4-14** shows a comparison of Street Division (the Division) functions in the City of Warren and the peer cities.

Table 4-14: Peer Comparison of Services Performed by Street Division

Type of Service/Job Function	Warren	Cuyahoga Falls	Mansfield	Middletown
Staffing	24.75	52.00	45.00	28.00
Street Lane Miles	384	290	295	557
Snow and Ice Control	yes	yes	yes	yes
Street Rehabilitation	no (Engineering Department)	yes (minimal)	yes (minimal)	yes (minimal)
Street Sweeping	contracted	yes	yes	yes
Guardrail Repair	yes	yes	yes (minor)	yes
Sidewalk and Curb Repair	no (Engineering Department)	contracted	yes	contracted
Pothole Patching (cold/hot)	yes	yes	yes	yes
Sign Making	yes	yes	yes	yes
Street Marking	yes	yes	no (Engineering Department)	yes
Composting	no (Solid Waste Department)	yes	yes	no (Solid Waste Department
Litter Control and Recycling	no (Solid Waste Department)	yes	no (Solid Waste Department)	no (Solid Waste Department)
Ditching	yes	yes	yes	yes
Leaf Removal	no (Solid Waste Department)	yes	yes	yes
Traffic Signal Maintenance	(contracted) Engineering Department	yes	yes	no (Police Department)
Catch Basin Repair	no (Sewer Department)	yes	no (Sewer Department)	no(Sewer Department)
Tree Maintenance	no (Parks Subdivision) [1]	yes (small trees)	yes	no(Parks Department)

Source: Warren Operations Department and peer information

[1] Tree maintenance functions are performed by the Parks Maintenance staff under the Street Division

An analysis of **Table 4-14** indicates that the City of Warren's Street Division maintains six out of the fifteen functions and has the lowest staffing level compared to the peer cities at 24.75 FTEs and the peer average of 44 FTEs (see **Tables 4-14** and **4-15**). In contrast, the City of Middletown maintains nine functions with a staffing size of 28 FTEs.

F4.24 **Table 4-15** presents the current staffing levels of Warren Street Division and the peer cities street departments by job classification. Job classification titles reflect those utilized by the Warren Street Division. The Street Division employees equate to 30.75 full-time equivalents (FTEs) which includes Parks personnel. However, for purposes of this analysis, Warren's Parks personnel are not included in Street Division peer staffing analysis.

Table 4-15: Street Maintenance Staffing Level

Staffing Classification	Warren FTEs [4]	Cuyahoga Falls FTEs	Mansfield FTEs	Middletown FTEs
Superintendent/Commissioner	0.00	1.00	1.00	0.00
Secretary/Clerical	0.00	2.00	1.00	1.00
Supervisor	0.00	0.00	2.00	1.00
Foremen/ Assistant Foremen	4.00	3.00	2.00	0.00
Total Administration	**4.00**	**6.00**	**6.00**	**2.00**
Section Leaders	3.00	0.00	0.00	2.00
Crew Leader	0.00	0.00	0.00	0.00
Skilled Maintenance	1.00	0.00	0.00	0.00
Equipment Operator IV	2.00	0.00	0.00	0.00
Equipment Operator II, III	3.00	11.00	0.00	8.00
Equipment Operator I	5.00	8.00	21.00	3.00
Labor II	5.00	0.00	0.00	2.00
Labor I	0.00	5.00 [1]	12.00	1.00
Painter	0.50	3.00	0.00	0.00
Sign Painter	1.00	0.00	0.00	0.00
Welder/Fabricator	0.25	0.00	0.00	0.00
Traffic Technician	0.00	0.00	4.00	0.00
Utility Maintenance	0.00	0.00	2.00	0.00
Total Construction	**20.75**	**27.00**	**39.00**	**16.00**
FTE Seasonals	0.00	19.00 [2]	0.00	10.00 [3]
Total	**24.75**	**52.00**	**45.00**	**28.00**

Source: Warren street maintenance and peer district organizational charts
[1] Consists of four laborers and one street maintenance employee.
[2] City of Cuyahoga Falls used an average of 40 seasonal employees for a 6 month period .
[3] City of Middletown used an average of 20 seasonal employees for a 6 month period . In addition, Middletown uses other Department's personnel for snow and ice control activities.
[4] The parks maintenance personnel is normally included in the Street Division. However for purposes of this table, the parks maintenance personnel are eliminated from the street staffing analysis.

As illustrated in **Table 4-15**, the City of Warren has the second lowest street maintenance staffing when compared to the peers, at 24.75 FTEs. However, when compared to the peer cities that use seasonal staffing in the summer months, the City of Warren rates below the total peer average of 41.6 FTEs (includes seasonal employees).

F4.25 **Table 4-16** shows the administrative to staff ratios of the City of Warren and the peer cities respectively.

Table 4-16: Staffing Ratio Comparison

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Avg.
Supervisors	4.0	6.0	6.0	2.0	4.7
Staff	20.8	27.0	39.0	16.0	27.0
Span of Control	**1:5.0**	**1:4.5**	**1:6.5**	**1:8.0**	**1:5.7**

The City of Warren, Street Division shares with the City of Cuyahoga Falls in maintaining the highest staffing ratio of one supervisor for approximately every five lower level employees. During the last five years due to layoffs, transfers and retirements, there has been a significant impact on both administrative roles and lower level staffing roles. Crew and section leaders are working without a crew because the laborers were laid-off or transferred and the general foreman is answering phones and performing data entry functions.

R4.17 The City of Warren, Street Division appears to be overstaffed at the supervisory level which has led to some unmet needs at the labor level. To rectify this, the City should consider redistributing some of the existing staff from the supervisory positions to the worker roles. To achieve the peer average span of control of one supervisor for approximately every six staff members, the City could potentially redistribute between 0.5 FTE to 1 FTE.

Financial Implication: Through a transfer of a supervisory general foreman position to a lower level staffing position, the City could realize an annual cost savings of $6,000 in salary and benefits.

F4.26 **Table 4-17** shows the activities performed within the Street Division during the months of January, June and October in FY 1999 to get an idea of winter, summer and fall seasonal activities based upon hand written work requests that were turned in at the end of each day.

Table 4-17: Type of Work Performed in FY 1999 by Function

Function	January	June	October
NON-STREET RELATED FUNCTIONS			
Desk duty/phones/radio	20.00%	25.00%	12.00%
Data processing	2.00%	6.00%	3.00%
Office, garage, bathroom Maintenance	0.00%	0.00%	2.50%
Total	**22.00%**	**31.00%**	**17.50%**
STREET RELATED FUNCTIONS			
Snow and Ice Control Activities	33.00%	0.00%	0.00%
Supervise crews	2.00%	5.00%	19.00%
Inspect jobs/streets	0.00%	0.00%	3.00%
Paint	0.00%	9.50%	2.00%
Hot patch	0.00%	15.50%	10.00%
Cold patch	24.00%	0.00%	3.50%
Signs	3.00%	14.00%	10.00%
Clean sidewalks	0.00%	3.00%	0.00%
Repair top soil	0.00%	1.50%	0.00%
Cut grass	0.00%	0.00%	3.50%
Mechanical work	14.00%	2.00%	0.00%
Fence Repairs/Installations	0.00%	4.00%	0.00%
Storm sewers [1]	0.00%	10.00%	14.00%
Miscellaneous	2.00%	4.50%	7.50%
Total	**78.00%**	**69.00%**	**82.50%**

Source: Street Division's 1999 daily work requests for January, June and October
Note: The results from this table were generated by hand counting each written assignment sheet and each function performed
[1] Storm water transferred to the wastewater department in January 2000

An analysis of **Table 4-17** indicates that the Street Division spends between 17.5 percent to 31 percent of their time performing non-street related functions. Of the non-street related functions, completing paperwork, answering phones and monitoring the communication radios were the most prevalent activities completed during the months tested.

F4.27 **Table 4-18** shows the different duties performed during the midnight shift when employees were not combating ice or snow.

Table 4-18: Type of Work Performed, January 1999

Functions	January (Midnight Shift)
NON-STREET RELATED FUNCTIONS	
Desk duty/phones/radio	12.00%
Office, garage, bathroom maintenance	27.00%
Total	**39.00%**
STREET RELATED FUNCTIONS	
Snow and Ice Control Activities	43.50%
Mechanical work	7.50%
Preventive Maintenance	5.00%
Miscellaneous	5.00%
Total	**61.00%**

Source: Street Division's 1999 daily work requests for January, June and October
Note: The results from this table were generated by hand counting each written assignment sheet and each function performed

An analysis of **Table 4-18** indicates that the midnight shift spent 39 percent of their time performing non-street related functions such as answering phones and cleaning offices. Furthermore, only 43.5 percent of the midnight shift's time was spent performing snow and ice control activities.

F4.28 The Operations Department does not maintain records on work assignments for all employees working the midnight shift. Personnel was unaccounted for over 50 percent of the time. Although the first priority of the midnight shift is to prepare the equipment for snow events, alternate work assignments are not planned. The midnight shift job assignments are determined by the foreman on an as needed basis. According to the work reported for the midnight shift during January 1999, 27 percent of the functions were used for cleaning the Department's office, garage and bathrooms even though a custodial service cleans the restrooms three times a week in the operations facility.

R4.18 The Operations Department's midnight shift appears to be non-productive while awaiting winter weather, as evident by the high percentages of non-street related functions being performed on the midnight shift and the lack of written work requests to match the number of people assigned to the shift. The City should look into eliminating the midnight shift with the goal of utilizing personnel in a more effective manner when most needed during working

hours. By eliminating the midnight shift, personnel could be used for building maintenance repairs, minor vehicle maintenance and cleaning and street maintenance functions.

However, if the Department decides to stay with a midnight shift, they should closely monitor employees' time usage and determine if efforts are focused appropriately. The Operations Department should track hour usage and employ trend data to modify existing work habits. Through using quantitative data to determine where time is focused, the Department may be able to improve productivity or determine, in the future, if the midnight shift should be eliminated. The Department should ensure that midnight shift employees maintain a high level of productivity and accountability, similar to what is expected in the day shift.

Pothole Patching

F4.29 The Auditor of State's office (AOS) took a sample of work requests from January, June and October of FY 1999 which indicated that for those particular months, the Street Division dedicated approximately 53 percent of the total work performed to filling potholes (see **Table 4-17**). Three types of materials, hot patch, cold patch and high performance mix (HPM), can be used to complete pothole repairs. Hot patch, ranked as the most durable, costs approximately $27 a ton and is available from April to November. Cold patch, used when hot patch is unavailable, is more expensive costs approximately $35 a ton and contains more chemical additives which allow it to remain pliable at colder temperatures. High performance mix is an asphaltic material designed to withstand cold temperatures that costs approximately $50 a ton. Repairs completed with HMP last longer than cold patch and can be completed when moisture is present in the pothole.

The Department does not perform crack sealing, a process integral to preventing and retarding the formation of potholes. The City of Warren, Engineering Department stated that crack sealing could add 3 to 4 years (approximately 20 percent) to the useful life of a street. The average cost per lane mile for crack sealing, according to the Transportation Research Board, is $108.50.

F4.30 **Table 4-19** shows three different pothole patching methods and which methods are used by each peer city. All of the cities compared use the traditional method to repair potholes by hand filling with a shovel and tamping down the mixture. The City of Cuyahoga Falls is the only peer city to use a paver machine to pave long lengths of street, often times requiring a crew of eight to ten personnel. All peer cities compared use crack sealing techniques to prolong the useful life of the streets.

Table 4-19: Comparison of Pothole Patching Methods Used by the Peer Cities

	Warren	Cuyahoga Falls	Mansfield	Middletown
Traditional method of filling by hand	yes	yes	yes	yes
-Size of Crew	2	2-3	2-3	2
-Vehicle(s)/equipment	dump truck, shovel & tamper	dump truck, shovel, tamper & roller	dump truck & shovel	dump truck, shovel & tamper
Material used				
-Hot patch	yes	yes	no	yes
-Cold patch-other	no	no	no	no
-Cold patch-HPM	yes	yes	yes	yes
Directly dispense hot patch (Patch Mobile)	yes	yes	no	no
-Size of crew	2	2		
-Vehicle(s)/equipment	dump truck, shovel & tamper	dump truck, shovel, roller	N/A	N/A
Patch Paver Machine	no	yes	no	no
- Size crew		8-10		
Crack Sealing	no	yes	yes	yes

Source: Warren Operations Department; peer city Public Works street superintendents

F4.31 The vast majority of the City of Warren's pot hole repairs are completed by two-person crews using the traditional method. The Street Division also uses two mobile, self-contained pothole filler mixing machines known as Patch Mobiles. The Patch Mobile mixes the filler at the job site by heating the tar. After the mixture is prepared, the Patch Mobile blows the filler into the hole. This method requires a minimum of two workers, with additional personnel needed in heavy traffic areas. The Patch Mobile process has several advantages: it does not require tamping, it uses a slightly thicker mixture, and it has a longer repair duration. However, the patch mobile method is more time consuming than the traditional method and is used infrequently. Staffing cuts have forced Warren's Street Division to rely on patching as opposed to a more permanent hot paving for larger street repairs because the patching requires less time to apply than paving a section of street with a paver machine.

Municipal bench marking standards from the University of Georgia, dictate that it should take a two-man crew one hour to lay 1.92 tons or 1.2 cubic yards of patching material. The City of Warren used 223.18 tons of cold patching material in FY 1999. Based on the amount of material used by the Department (223.18 tons or 357,088 cubic yards) and assuming an average size pothole is 2 feet by 2 feet across by 4 inches deep (.054 cubic yards in volume), the City of Warren filled approximately 6,613 potholes in FY 1999. Further assuming that the Operations employees spent 24 percent of their time during the winter months completing

cold patches (**Table 4-17**), the rate of patching for the 6,613 potholes equates to 9.4 potholes being patched every hour. Based on the benchmark standards and assuming an average size pothole 0.054 cubic yards in volume, the standard for patching is approximately 22.2 potholes per hour. This indicates that Warren is patching potholes at a rate of less than half the municipal bench marking standard. However, it should be noted that Warren's rate of 9.4 of pothole per hour is based on cold patch used during the winter months only. The Operations Department was unable to provide accurate material usage figures for hot patch or for the remainder of the year.

R4.19 To increase the efficiency of the pothole repair function, the City should redistribute the staffing as noted in **R4.17** and use seasonal staff (**R4.1**) to complete non-street related duties so that the remaining staff can complete the majority of the patching during the summer months using the Patch Mobile. Repairs made with the Patch Mobile are more economical and more durable than repairs made using the traditional hand tamp method. Increasing the use of the Patch Mobile could lead to reductions in labor and material costs, due to its durability, while increasing the amount of time available for preventive measures, such as crack sealing and street sweeping. Finally, the costs of patch material for the Patch Mobiles (hot patch) is slightly less than the cost for cold patch.

The Street Division should also start crack sealing on a continual basis to extend the useful life of the roads. Benefits of crack sealing include increased life span of roadways, reduced frequency of resurfacing, and a 25 percent reduction in labor and materials for pothole patching which would also correspond to reduction in the occurrence of potholes.

F4.32 The Engineering Department inspects the streets annually to develop a condition report for inclusion in the Engineering Department's five year capital improvement plan. The capital improvement plan is discussed with the Operations Department prior to the construction season so that pothole patching and other minor repairs can be avoided in the those areas. The Operations Department is responsible for minor street repairs, while the Engineering Department's responsibility lies in the development of reconstruction projects.

Streets to be resurfaced and rehabilitated are determined by the Mayor, Director of Public Service and Safety and the Engineering Department along with the approval of Council. The Engineering Department performs an annual inspection on all city streets to determine the best from the worst. In addition, streets are chosen to be resurfaced and rehabilitated based upon the funding such as Issue 2 funds for State routes and Community Development Block Grant Funds used for those streets that are in low/moderate income neighborhoods.

According to the Engineering Department, the major objectives in maintaining city street surfaces include:

- Providing a smooth, safe, riding surface free from defects
- Eliminating hazards to vehicular and pedestrian traffic
- Protecting the City's investment in the street surface

R4.20 The Street Division should use the Engineering Department's street inspection information in order to develop a comprehensive city-wide street maintenance plan. The Street Division should also communicate and coordinate all preventive maintenance activities (pothole patching and crack sealing) with the Engineering Department so that the Division is not patching a street that is about to be resurfaced. Using the Engineering Department's street maintenance plan will facilitate the reduction of costs to the Operations Department and an increase in road safety as pavement condition inventories help in planning routine roadway maintenance.

Street Sweeping

F4.33 Street sweeping can extend the life of a road and can help prevent the formation of potholes by removing debris and tiny stones. When these materials are not removed, they have the potential for working their way into existing cracks and potholes and can cause further deterioration. The Street Division has contracted for street sweeping services for over ten years. The bidding for street sweeping services is handled by the City of Warren, Department of Engineering. However, the verification of work performed is conducted by the Operations Department on a daily basis. Street sweeping activities begin on March 1st and end on December 15 (weather permitting). The current FY 1998-2003 contract is with Mahoning Lighting and Maintenance Company at a cost of $99,832 for the maintenance of 235.17 curb miles, which equates to approximately $424 per curb mile swept. The ICMA average for streets sweeping costs per curb mile is approximately $327, $97 less than the Warren cost per curb mile.

Under the current contract, the streets in the central business district are swept twice a month, the arterial roadways are swept six times a year and residential streets are swept once every six weeks. Contracted street sweeping activities are performed by one street sweeper machine and an operator.

The City of Middletown, Ohio sweeps 453 curb miles weekly with two sweeper machines, one dump truck and an operator per machine. The dump truck and operator pick-up sweeper dumps from both sweepers (about 75 percent of the time) and responds to other miscellaneous street cleaning complaints throughout the day (approximately 25 percent of the time). The total cost for street sweeping activities in FY 1999 amounted to $177,900 annually, which equates to $392 per curb mile swept.

The City of Mansfield uses one sweeper and maintains the central business district once per week and the rest of the City once every six months. The City of Cuyahoga Falls uses two sweepers and sweeps the whole city every month. All peer cities perform in-house street sweeping functions.

R4.21 The Operations Department should perform a cost benefit analysis of the current street sweeping contract. As the current contract is approximately 29 percent higher than the IFMA average, the Department should seek alternatives such as those described below.

Option A

The Street Division should consider bringing the street sweeping function back in-house. Municipal bench marking standards indicate that worker-day averages for street sweeping ranged from 17 to 35 curb miles. Assuming an average worker-day rate of 26 curb miles, the Operations Department should be able to sweep all improved roads in the City within approximately nine days with one street sweeper operator.

The Street Division could purchase a four-wheeled street sweeper that could travel at speeds of 55 mph, at an estimated cost of $140,000 with a life span of 10 years. One full-time equipment operator II, hired to operate the sweeper, would cost $37,125 annually, including 30 percent benefits. A driver for dump truck operations could be pulled from the current pool of drivers to perform the limited function of retrieving and disposing of the debris from the sweeper. The superintendent of Water Pollution Control stated that the City has the capacity to receive and eliminate debris from the sweeper through the Water Pollution Control Department. By bringing the street sweeping function in house at an annual cost of $54,418 after the first year, the Department could lower the curb mile cost to $225.90 per mile, a savings of $198 per curb mile. **Table 4-20** reviews the cost savings for providing street sweeping services in-house.

Table 4-20: Street Sweeping In-House Cost Savings

	2001	2002	2003	2004	2005
1 FTE - Equipment Operator II [1]	$38,238	$39,385	$40,566	$41,782	$43,035
Sweeper Equipment Depreciation [3]	$14,000	$14,000	$14,000	$14,000	$14,000
Operations & Maintenance Costs [4]	$6,180	$6,365	$6,555	$6,751	$6,953
Total	**$58,418**	**$59,750**	**$61,121**	**$62,533**	**$63,988**
Current Contract [2]	$101,828	$103,864	$105,941	$108,059	$110,220
Total Cost Savings	**$43,410**	**$44,114**	**$44,820**	**$45,526**	**$46,232**

Source: Elgin Sweeper Company; Operations Department's FY 1998-2003 street sweeping contract
[1] Includes annual salary cost of living increases of three percent and benefits
[2] Increases are based upon the average of consumer price index for the past seven years of two percent
[3] Based on a ten year life-cycle
[4] Includes cost of living increases of three percent annually

Option B

The City of Warren could negotiate a lower contract price with Mahoning Lighting and Maintenance Company at the current service level upon expiration of the current contract. However, if this option is selected, the City should ensure that the contract price is cost efficient when compared to the expense of completing these duties in-house.

Financial Implication (Option A): Based on **Table 4-20**, the City would be able to achieve an average annual savings of approximately $44,800 or approximately $224,000 over a five-year period.

Traffic Citations

F4.34 The City of Warren is in the center of the steel and automotive industry. Semi trucks use Warren's four State routes to haul their loads from one city to another. The rise in gas prices has forced the major trucking companies to double up on their loads. As a consequence, the City receives a great amount of heavy trucking traffic flowing through it on a continual basis. The increased weight of the trucks is both unsafe and costly to the City of Warren. The Ohio Revised Code § 5577 identifies trucking weight, length and width limits on highways.

Overweight trucks cause the majority of road damage in the City. State routes that were resurfaced last year are already experiencing ruts and grooves from heavy trucks and buses. The Warren Police Department stated that they have not enforced ORC § 5577 or Warren's Codified Ordinance 339.01 because of the under staffing of patrol officers.

F4.35 The Ohio Revised Code states that whoever violates the weight provisions of section 5577.04 shall be fined for the following:

- First 2,000 lbs: $80
- 2,000 - 5,000 lbs: $100 + $1 per one hundred pounds of overload
- 5,000 - 10,000 lbs: $130 + $2 per one hundred pounds of overload
- over 10,000 lbs: $160 + $3 per one hundred pounds of overload

The City of Shaker Heights Police Department enforces the ORC § 5577 by issuing fines based upon the amount the truck is over the weight, length and width requirements. According to the Shaker Heights police chief and the corporal, in 1999 the City issued 55 citations totaling $19,000 for an average fine of $345. The Shaker Heights Police Department uses their Public Works Department permanent scale to weigh all trucks. Warren's superintendent of the Water Pollution Control Department recommended that the Police Department use their permanent scale to weigh semi trucks.

In addition to Shaker Heights, the City of Toledo, Police Department issues truck weight citations. The City issued 525 truck weight citations in FY 1999 with revenues totaling $251,155.

R4.22 Contingent upon staffing levels in the Police Department, the City of Warren should increase its focus on trucking traffic violations. Trucking companies that consistently violate the ORC § 5577.04 reduce the life span of the roads within the City and therefore, increase the cost to maintain them. Safety also plays an integral role to enforcing trucking traffic violations.

Financial Implication: Assuming the Police Department enforces weight limits on one truck per day traveling through its municipal corporation limits and the average fine amounts to $345, the City could increase traffic citation revenues to approximately $126,000 per year and thereby increase the life span of the roads.

Snow and Ice Control

F4.36 **Table 4-21** shows snow and ice control indicators for Warren and the peers. Snow and ice control is performed by 24 city-owned multi-purpose and single-purpose vehicles. The drivers of the vehicles are assigned a route and vehicle each day and are responsible for making sure that the roads on the route are in operational condition. There are eight routes consisting of main streets and numerous alleys, dead-ends, courts and secondary streets totaling 368 lane miles. Each of the eight routes is approximately 46 lane miles.

Table 4-21: Snow and Ice Control Indicators

	Warren	Cuyahoga Falls	Mansfield	Middletown
Number of Trucks	24	31	23	23
Number of Routes [1]	8	8	10	18
Lane Miles	368 [2]	290	295	550
Average Miles per Route	46	36.25	29.5	30.5
Average Inches of Snowfall	57.2	40.28	41.5	23.9
Square Milage of City	16.3	27.8	31.5	25.5

Source: Peer city Street Departments and local climatological data from the National Oceanic and Atmospheric Administration
Note: The City of Warren, Operations Department maintains 184 linear miles of street. An estimation of approximately 368 lane miles was determined by the AOS based upon an average two lane street. In addition to four State streets equaling four lanes and totaling one mile in length each.
[1] One route includes plowing and salting functions
[2] An estimate based upon linear miles

Table 4-21 shows that the City of Warren, Street Division maintains the second highest number of lane miles among the peers. The average miles maintained per route is 30 percent higher than the peer average of 32 miles per route. The City of Warren, Street Division plows and salts all City streets within twenty-four hours of a heavy snowfall. The City of Middletown also maintains a twenty-four hour time frame for plowing and salting of City streets after the snow event. Warren's fire chief indicated that given the few number of employees in the Operations Department and the age of the equipment, the Department maintains the streets in the winter fairly well.

According to University of Georgia municipal benchmark standards for snow plowing, a one man crew should be able to plow 4.97 lane miles per hour in normal snow fall. Since the City of Warren's routes are approximately 45.6 miles in length and the Operations Department typically uses two seven hour shifts to plow all routes, a multi-use truck can complete approximately 3.3 miles per hour. However, in many cases, due to the age of certain trucks, the City of Warren must use two trucks per shift per route (one plowing and one salting), which reduces the miles per hour to 1.6 for these vehicles.

The City has not updated snow plowing routes in over ten years. According to the Snow Fighter's Handbook, effective route planning ensures that the Street Division provides service as rapidly as possible and clears the highest priority routes first. In the Snow Fighter's Handbook, the majority of time operators spend on their routes should be time spent plowing and salting.

R4.23 Based on 46 average lane miles per route, the Street Division should be able to plow and salt the whole City in 9 to 10 hours, for a normal snow. The Street Division should tailor its plow

and salt crew staffing levels to ensure that operators complete the standard recommended lane miles (3.39) within a reasonable time frame. In addition to increasing plowing and salting lane miles per hour, the Street Division would be able to eliminate overtime associated with snow removal by placing multi-use vehicles on the streets for snow and ice control. Productivity measures should be established for snow and ice control operators to maintain standards for snow and ice control operations.

Because the streets that are classified as mains and secondaries may have changed in the past ten years, given the increase of vacant lots within the City, the Operations Department should update its snow and ice routes. The City may benefit from the use of computerized routing software. Routing software attempts to improve routing effectiveness by controlling the efficiency of each pass by a snowplow. Furthermore, the software can assess the efficiencies for types of vehicles, the locations of facilities, and the use of materials along priority routes. Routing software can also be used for other functions such as street cleaning and sweeping. Both the Pennsylvania and Michigan Departments of Transportation use a Winter Road Management Software system. Statistics show that by using the routing software system, transportation segments were reduced to 30 percent of the total route and the number of vehicles required to maintain the routes decreased by 30 percent.

With the reduction in the amount of time it takes to plow and salt the whole city in a normal snow, in addition to making the routes more efficient with routing software, the Department should be able to reduce the number of vehicles per route to two resulting in an overall reduction of vehicles from 24 to 16.

Financial Implication: The cost to implement a routing software system would depend on hardware and software requirements. One routing software package costs approximately $9,200 but does not include the cost of entering a grid map of the City into the system. However, costs would be offset by reducing eight snow and ice control vehicles at an total cost avoidance of approximately $300,000 (based on truck manufacturer's list pricing). In addition, the Department could realize a deployed savings as eight plow drivers or approximately $409,000 (based on average compensation package of $18.19 per hour as noted in **Table 4-11** and assuming benefits constitute 35 percent of annual salaries) worth of labor hours could be redistributed to other functions in the Operations Department (see **Tables 4-17** and **4-18. R4.18**).

F4.37 **Table 4-22** compares various staffing policies of the peer cities to Warren. The Operations Department uses the midnight shift to ensure clear roads for the morning rush hour. In order for the Street Division to clear the roads for evening rush hour, the Street Division must occasionally use overtime and keep employees on a 12 hour shift.

Table 4-22: Peer Comparison of Snow & Ice Control Staffing Policies

	Warren [1]	Cuyahoga Falls	Mansfield	Middletown [1]
Shifts Utilized	1st and 3rd	1st, 2nd, 3rd	1st	1st
First Shift Staffing	10.75	10	45	23
Second Shift Staffing	N/A	9	On Call	On Call
Third Shift Staffing	14	9	On Call	On Call
Total Staff [3]	24.75 [2]	29	45	23
Winter Schedule	November 24 to April 15	December 4 to April 20	On Call	On Call
Weekend Assigned Employees	No	No	No	No
Use of Outside Contractors	No	No	No	No

Source: Peer city street departments
[1] Uses personnel from other Departments
[2] Street Division employees only
[3] Seasonals are not included in snow and ice control functions because they are generally used for fall season leaf pick-up

The City of Warren and the City of Cuyahoga Falls use split shifts during the snow season. The City of Middletown receives, on average, less snowfall per year and therefore requires all street personnel to be on call by using a beeper calling system. None of the cities have a weekend shift due to the high cost and the lack of enthusiasm for working weekends without a major snow event. As reviewed in **R4.18** and shown in **Table 4-18**, the Operations Department shows a great deal of non-productivity on the midnight shift. In addition, the lay-offs and transfers renders the midnight shift unable to sustain itself because of lack of personnel and the urgency of maintaining a full staff during the first shift (during working hours).

R4.24 The Operations Department should re-evaluate shift needs during the snow season. Factors which should be considered include local climatological data and productive work time. According to local climatological data supplied by the National Oceanic and Atmospheric Administration, there were 10 days with snowfall greater than or equal to 1.0 inch during the 1999 calendar year.

In the past few years, the normal number of days of snowfall greater than or equal to 1.0 inch was 18.5 days for the Youngstown area. The Department should compare the City's average snowfall with the snowfall of surrounding areas and evaluate its staffing schedule and levels based on a combination of snowfall amounts and lane miles maintained. In addition, considerable nonproductive time is accrued on the midnight shift when salting and snow removal is not necessary, as shown in **Table 4-18**. The Department should either discontinue

the midnight shift (third shift) or develop an activity program to ensure all paid time is efficiently used.

If the City decides to discontinue the midnight shift and go to an emergency call-in system they will need to develop two teams, "A" and "B" with each team being assigned after each eight hour plowing event. Each team would consist of a plow crew and a salt crew. Each member of the team would be assigned a particular district or route and a particular truck. There should be a coordinator or crew leader for each team. When additional personnel are needed, those people on the opposite team shall be called first. Employees trained as "extra" drivers shall be called-in next. With this team method, policies and procedures would have to be developed to determine what the call-in priorities would be and to develop disciplines for those who do not respond when called-in. Beepers would have to be distributed to all members of the team at the beginning of the season and collected at the end of the season. Having two teams is essential for an emergency call-in system, especially during heavy storms, to keep the drivers from being on the road for more than 12 hours at a time. After 12 hours of driving in blinding snow, fatigue sets in and becomes not only a dangerous situation for the driver but also for everyone else. The City of Shaker Heights has an emergency call-in system with the "A" and "B" team method with four salt personnel and eight plow personnel on each crew for four routes.

F4.38 The Street Division uses de-icing salt and ice control material (ICM) to keep the roads safe for drivers. Salt prevents the bonding of ice and snow to pavement surfaces, permitting more efficient removal of snow and ice. In 1991, the Transportation Research Board (TRB) concluded that de-icing salt is the fastest, cheapest and most effective method of managing ice and snow. TRB also concluded that there were no reliable or economical substitutes for salt in the foreseeable future. ICM is an ash material used by the City as a filler to the rock salt for added traction on the roads. By purchasing the ICM, the City reduces the tonnage of salt purchased, therefore reducing the cost of snow and ice control activities. ICM and salt are purchased from two separate companies.

Table 4-23 shows a five year history on the amount of salt purchased by Warren. The de-icing salt is purchased frequently throughout the winter season to allow the City to keep a minimal amount of salt in storage on site.

Table 4-23: Amount of Salt Purchased, 1995 through 1999

Year	Amount Paid (per ton)	Total Cost of Salt	Amount of Salt Purchased (in tons)	Contractor
1999	28.20	$79,843	2,823	Morton
1998	37.95	$41,074	1,084	Morton
1997	36.97	$85,752	2,218	Morton
1996	34.28	$74,528	2,174	Morton
1995	34.28	$97,621	2,847	Morton

Source: Operations Department salt purchasing records

F4.39 The Operations Department has two salt storage facilities with a combined storage capacity of 900 tons. One salt storage facility, located at Main Street, is a 20 by 80 foot structure that has four bins, two for straight salt and two for salt/ICM. The second salt storage facility is located at Summit Street and is a 20 by 60 foot structure with three bins. The Summit Street complex is strictly used for the west side routes so that time is not lost traveling to refill trucks. The maintenance superintendent stated that the City seldom runs out of salt because they constantly monitor the piles.

C4.1 By establishing two storage locations, the Operations Department saves money through fuel usage and maintenance costs on the vehicles, therefore, increasing the life of the vehicles. In addition, covered storage facilities are important to maintaining the integrity of the salt against the elements.

F4.40 **Table 4-24** shows City of Warren and peer practices for snow and ice control, specifically the types of agents and amounts used.

Table 4-24: Peer Comparison Salt Usage FY 1999

	Warren	Cuyahoga Falls	Mansfield	Middletown
Tons of Salt Used	8,823 [1]	12,500	10,000	2,000
Pre-wetting Agent Used	No	No	No	Yes [2]
Substitute Ice Control Materials (ICM)	Yes	No	No	No
Average Snowfall (Inches)	57.2	40.2	41.5	23.9
Tons of Salt per Inch of Snowfall	154	310	241	83
Storage Capacity (tons)	900	3,500	2,400	3,500
Number of Covered Storage Facilities	2	2	2	1

Source: Peer City Public Works Departments
[1] Includes salt/ICM mixture
[2] Uses a salt brine additive

The table above indicates that the City of Warren has the largest annual average snowfall compared to the peers and expends the least amount of straight salt per inch of snow at 49. The reason is due to the increased amount of ICM that is mixed in with the salt to add better surface traction, in addition to keeping the high cost of salt at a minimum. The City of Warren purchased 6,000 tons of ICM in 1999, together with 2,823 tons of salt purchased, equates to a total of 154 tons of salt/ICM mix distributed per average 57 inches of snow.

F4.41 The Operations Department uses sodium chloride (salt) and Ice Control Material (ICM) in a 4:1 mixture: four parts ash to one part salt on the secondary routes, which are residential streets. Straight salt is used on the central business district. The Department seeks bids each year for materials and delivery of salt and ash.

For the 2000-2001 snow season, the City awarded Cargill, Inc./Salt Division the salt contract for 2,000 tons at a price of $26.00 per ton dumped. In addition, the City awarded Lafarge Corporation the ICM contract for 6,000 tons at a price of $8.25 per ton. The City of Warren is on a stand-alone contract and as a result, pays higher prices in salt than they would if they were on a cooperative purchasing contract. ODOT bids out 140,000 tons of salt per year to supply ODOT and members of the ODOT Cooperative Purchasing Program. Municipalities can join the ODOT Cooperative Purchasing Program and receive the same price per ton that ODOT receives. ODOT's 1999 contract price for salt was $23.00 per ton. ODOT was not able to provide salt pricing for 2000 because contract bidding has not yet taken place.

ICM is a product of grit or slag generated by the material facility by scraping loose road material and dirt and reselling to area cities to place down on snow covered streets in the winter season. The ICM is used to provide better tire traction only on snow and is rendered usless on ice covered streets. ICM mixed with salt at 4:1 ratio dilutes the salt so that the

chemical reaction needed to melt both snow and ice becomes less and the salt ultimately rolls off into the street gutter along with the ICM. The cities that use ICM are the cities that have ditches in place of storm mains because of the high cost associated with cleaning and processing grit in the storm mains. The City of Warren has both storm mains and ditches. The Water Pollution Control Department superintendent stated that they are spending $2,000 to $20,000 per year on equipment for the processing of grit (ICM) from the storm ater system.

A salt study conducted in Ontario Canada in conjunction with the Salt Institute showed that during the winter season, the number of vehicle crashes on poorly maintained roads is 20 percent higher than on well maintained salted roads. In addition, the use of road salt creates safer driving conditions for motorists and reduces the number of injuries in winter storms by 88 percent.

R4.25 The Operations Department, Street Division should look into purchasing salt from the Ohio Department of Transportation. By joining ODOT's cooperative purchasing program, the City of Warren could see a cost reduction of $8,469 based on FY 1999 2,823 tons of salt used.

In addition, the City of Warren should look into possibly eliminating ICM from snow and ice control activities. Although, the ICM is more cost effective than other ice control materials, the cost associated with processing ICM through the storm water system incurs additional costs not readily apparent in the annual salt cost. Furthermore, salt is a better melting agent and, by using salt alone, the City would heighten public safety for drivers using the roadways during the winter. Therefore, the City of Warren should investigate using 100 percent salt; the total annual cost for approximately 6,000 additional tons of salt per year would be about $138,000 based on FY 1999 ODOT salt prices. A cost reduction of $49,000 could be realized for 6,000 tons of ICM, and an additional cost reduction of approximately $11,000 could be realized through reduced equipment costs at the storm water processing plant.

Financial Implication: The City could save approximately $8,000 annually by entering into ODOT's cooperative purchasing program for 2,000 tons of rock salt. If the City decided to use 100 percent rock salt for their deicing material, the net cost increase would be $78,000 annually based on ODOT FY 1999 salt prices.

C. Building Maintenance

Findings / Commendations / Recommendations

Building Maintenance Operations

F4.42 The Building Maintenance Subdivision (Building Maintenance) maintains 23 city-owned buildings and 69 unoccupied structures, as well as 101 additional structures such as drinking fountains, tennis courts, fences and basketball courts. Building Maintenance's major responsibilities include carpentry work, electrical work, plumbing work and heating and air-conditioning maintenance and repairs. Minor responsibilities include the following: repairing of public stoves, refrigerators, washers, dryers, microwaves, and boarding-up vacant properties, as well as repairing damages to private properties caused by employees during the course of their public duty. Most Building Maintenance service requests are phoned into the maintenance superintendent or the administrative assistant. The maintenance superintendent determines whether the work request is a priority or routine maintenance and repair, and assigns the request based on his assessment of its priority.

Building maintenance departments within the peer cities generally concentrate repair efforts on preventive maintenance and repairs. The additional small appliance repair responsibilities fulfilled by Warren's Building Maintenance Subdivision detract from the Subdivision's primary responsibilities.

R4.26 The Department should track building maintenance repair requests to determine the percentage of time directed to secondary duties. The Department should consider restricting Building Maintenance responsibilities and redirecting resources to primary functions: repair and preventive maintenance. Requests for service to small appliances and other nonessential repairs should be completed through outsourced services at the expense of each City department.

Building Maintenance Subdivision employees must accurately complete all work order request documentation and ensure that the information is accurately entered into the Department's work order database. Through accurate documentation of work performed, the Subdivision will be able to determine areas where staffing and resources may not be sufficient.

F4.43 The City of Warren, Building Maintenance employs 5.0 full-time equivalents (FTE's) which includes a superintendent, foreman, master skilled maintenance employee, two skilled maintenance employees and a painter. The staffing levels for the City of Warren and the peers are shown in **Table 4-25.**

Table 4-25: Building Maintenance Staffing Level Peer Comparison (FTEs)

Staffing (FTE)	Warren	Cuyahoga Falls [3]	Mansfield	Middletown
Administration	0.50 [1]	1.00	1.00	1.00
Foreman	1.00	0.00	0.00	0.00
Secretary/Clerk	0.00	2.00	0.00	0.00
Inspector	0.00	3.00	0.00	0.00
Skilled Maintenance	3.00	0.00	0.00	1.00
Painter	0.50 [2]	0.00	0.00	0.00
Worker/Laborer	0.00	0.00	3.00	1.00
Custodian	0.00	4.00	0.00	3.00
Seasonal Employees	0.00	14.00 [3]	20.00 [4]	0.00
Total	**5.00** [5]	**24.00**	**24.00**	**6.00**

Source: Warren building maintenance and peer organizational charts
Note: Cuyahoga Falls includes grounds and building maintenance in the same Department. For purposes of this analysis, grounds personnel are not included.
[1] The building maintenance superintendent supervises both Building Maintenance and Vehicle Maintenance operations
[2] The painter is used by both Maintenance and Street operations
[3] Cuyahoga Falls uses 28 seasonal employees for six months, which equate to 14 FTEs
[4] Mansfield uses 40 seasonal employees for six months, which equate to 20 FTEs
[5] FTE totals are different from totals at the beginning of the report by .50 FTEs because the superintendent was counted in administrative staffing levels

Although the City of Warren's Building Maintenance staffing levels are similar to staffing levels in Middletown, Warren employs 19 fewer FTEs than Cuyahoga Falls and Mansfield. The low staffing levels in Warren are a result of the City's financial condition but may indicate a high degree of deferred maintenance occurring within the City.

F4.44 **Table 4-26** compares staffing in the City of Warren's Building Maintenance Department and the peer cities based on the number of buildings and square footage maintained.

Table 4-26: Building Maintenance Workload Indicators

	Warren	Cuyahoga Falls	Mansfield	Middletown	Peer Average
FTEs	5.0	24.0	24.0	6.0	18
Number of Buildings Maintained	23	11	12	3	9
Total Number of Square Feet	317,839	130,198	311,100	127,074	189,457
Square Feet per FTE	63,567	5,424	12,962	31,768	40,459

Source: Trumbull County Auditors Office; Warren's maintenance superintendent; peer cities

F4.45 As indicated by **Table 4-26**, the City of Warren maintains the highest square footage per FTE when compared to the peers which is 42.8 percent above the peer average. In addition, the City of Warren, Building Maintenance is above the International Facility Management Association standard average of 20,551 by 309.2 percent. The City of Warren owns 14 more buildings than the peer average of 9 buildings.

F4.46 The City of Warren owns and maintains 23 buildings. The City often receives properties from a trust or purchases properties with Community Development Block Grant funds. As Operation Department staffing has been decreasing, the amount of property ownership by the City has been increasing. **Table 4-27** shows the number of City-owned buildings and their condition.

Table 4-27: City-Owned Buildings, Size and Condition

Buildings	Number of Buildings Maintained	Total Square Feet	Condition [1]
Fire Stations	4	16,730	Good
City Offices	13	275,459	Fair
Non-profits/Rental/Other	6	25,650	Fair
Total Buildings and Average Condition	**23**	**317,839**	**Fair**

Source: Cuyahoga County Auditors Office, Operations Department records

[1] Condition rating was provided by the maintenance superintendent and includes interior and exterior building condition.

Recent purchases and donations of historic buildings have increased the overall age of City structures. Historic buildings have proved to be inherently problematic for City building maintenance and have increased building maintenance costs. High maintenance costs have been incurred as a result of the following conditions:

- Structural and architectural integrity problems including settling, deflection beams, and cuts through structural members for mechanical pipes and ducts

- Material damage due to poor design, poor quality materials, and severe environmental or moisture problems

- Rehabilitation damage, such as removed or lost ornamentation and inappropriate coatings

The acquisition of historic building has increased the workload of the Building Maintenance Subdivision but funding has not increased at a corresponding rate. Several buildings have extensive maintenance needs that have not been addressed as a result of inadequate staffing and funding constraints.

R4.27 The City of Warren should increase staffing levels within the Building Maintenance Subdivision to a level that will ensure adequate maintenance of City capital investments. The current staffing levels do not appear to be sufficient for the large number of properties and high square footage currently held by the City. The Department should consider reallocating street maintenance FTEs to building maintenance functions during the winter months to assist building maintenance in completing routine repairs. See also **Table 4-18** and **R4.18**

F4.47 As shown in **Table 4-27**, City offices comprise 275,459 square feet of space which is occupied by approximately 238 employees. This equates to an average square footage per employee of 1,162. The International Facilities Management Association reported that the FY 1999 the average square feet per employee in an office environment was approximately 500 square feet while the square footage per employee in multi-use facilities was approximately 920 square feet. The City of Warren currently allocates between 242 square feet and 662 square feet more space per employee, possibly indicating an excess of workspace or a high vacancy rate in some buildings.

The City also maintains an inordinately high number of buildings. While many of the buildings are rented to other government units, the City continues to incur maintenance costs for these buildings. The City has not approached renters regarding purchase of rented facilities. Furthermore, the City has not recently conducted an analysis of costs for rented facilities to determine if lease rates adequately cover all expenditures.

R4.28 The City should conduct a space utilization analysis to determine if excess space or high vacancies exist in City buildings. The City should also develop formal written standards outlining space allocation and include the standards as part of the long term strategic facilities plan.

Also, the City should approach government units who are currently renting City facilities to determine if certain rented facilities could be sold to leaseholders. By selling buildings to current leaseholders, the Department and City would be able to avoid substantial future

maintenance costs. An analysis of rented facility costs should be conducted to determine if current lease rates adequately cover all aspects of building maintenance including: repair costs, preventive maintenance costs, utility and custodial costs and other facility operating costs.

The City could immediately close two buildings and assign workspace within other City buildings. By consolidating office space, the City could potentially save approximately $5,000 annually in utility and maintenance costs.

Financial Implication: By consolidating two buildings, the City could save approximately $5,000 annually in utility and maintenance costs. Although the sale of buildings to leaseholders would result in a cost avoidance, the amount cannot be quantified as the City has not conducted a building condition audit.

F4.48 The Building Maintenance Subdivision has not conducted a building condition audit to determine the future repair needs and costs for City owned buildings. A building condition survey assesses the structural integrity and physical plant of an entity's facility holdings to quantify the future repair and renovation costs. Without a comprehensive audit of the condition of its facilities, the City is unable to identify high cost buildings or plan for future building repair and replacement needs. As stated in **F4.46**, the City may be deferring a substantial portion of maintenance and repair costs.

R4.29 The City and Department should contract an engineering or architectural consultant to conduct a building condition audit. Through a building condition audit, the City and Department would be able to identify facility repair and replacement needs. Although the cost of a building condition audit varies based on the number of facilities and extent of data collected, the City should anticipate a cost of $30,000 to $100,000 for the audit. Initially, the audit should focus on the buildings requiring the highest levels of upkeep and the audit should include considerations of building replacement for high cost structures.

The findings of the building condition audit should be included in the Department's strategic plan. Repairs, upgrades and replacements may be distributed over several years, depending on the priority of repairs. All health and safety issues should be addressed as soon as possible, though, as the City is liable for any injuries that may result from unaddressed health and safety issues. Through a comprehensive building condition audit, the City will be able to quantify deferred building maintenance costs and plan to fund deferred maintenance needs.

Financial Implication: Assuming an average of the above cost range for a comprehensive building condition audit, the City should anticipate paying a one-time cost of approximately $65,000 for the audit.

F4.49 Building Maintenance does not have a comprehensive preventive maintenance plan. Currently, the Subdivision predominantly responds to emergency calls. The City relies on contracted service providers to complete major repairs on the buildings, but planned repair projects are limited by available financing. Building Maintenance repairs are made as quickly as possible, usually on a temporary basis. As the Department does not use a long term plan to identify potential areas in need of repair and continued maintenance, preventive maintenance is virtually nonexistent.

R4.30 The City should implement a planned preventive maintenance program. Recent health and safety issues highlighted in some City buildings indicate that the City is not addressing preventive maintenance, which has lead to higher overall repair costs. An effective preventive maintenance program can help improve worker productivity by proactively maintaining equipment rather than responding to breakdowns and emergencies. A preventive maintenance program can decrease energy consumption because equipment will run more efficiently, and can result in reduced maintenance and capital expenditures since equipment should last longer. Finally, a preventive maintenance program will improve customer satisfaction since there should be fewer interruptions to City services from faulty or inoperable equipment.

The Operations Department has several options regarding the development of a preventive maintenance program. Any program developed, though, should be automated and tied to a comprehensive work order tracking system. A preventive maintenance program generally encompasses the following areas:

- Temperature controls
- Electrical maintenance
- Plumbing maintenance
- Roof maintenance
- Elevator maintenance
- Fire control apparatus

Preventive maintenance should also be accompanied by an annual inspection. Annual inspections of all City structures can be used to determine areas needing additional maintenance attention.

Financial Implication: Stand-alone preventive maintenance software would cost the Department approximately $6,000. Additional costs may be incurred for technology upgrades required to operate the software. The Department would need to reallocate staffing to effectively implement a preventive maintenance program. This could be accomplished without additional costs by shifting unproductive time to preventive maintenance (see **Table 4-18** and **R4.18**).

Custodial Operations

F4.50 **Table 4-28** shows the custodial costs for Warren and IFMA averages. The City contracts out for custodial services for seven City buildings: City Hall, the Law Building, Data Processing, the Municipal Building, the Skorman Building, the Engineering Building and the Operations Complex. The buildings cleaned under contract were designated over ten years ago and the reason only seven buildings are included in the contract is unknown. Custodial services on the seven city buildings are contracted out at a cost of $60,916 annually. The area maintained by contracted custodial workers is approximately 103,934 square feet. The square foot cost for contracted custodial services is $0.59, approximately $0.57 per square feet lower than the IFMA average.

Several facilities are not covered under the custodial contract and are cleaned by the following employees:

- The Central Fire Station is maintained by fire employees while the two other fire stations are closed and do not require custodial services
- The Sanitation building is cleaned by sanitation employees
- The Operation's Garage and Carpenter House are maintained by Operations employees who work within those areas.
- All entities renting space from the City are required to clean their own facilities

Table 4-28: Contracted Custodial Services

Provider	Gross Square Footage Cleaned	Average Number of FTEs	Average Square Footage Cleaned Per FTE	Amount Paid by City for Services	Custodial Costs per Square Foot
WJ Service Company	103,934	10	10,393	$60,916	$0.59
City Offices	171,525	N/A	N/A	N/A	N/A
Central Fire Station	5,990		5,990		
Total	**281,449**				
IFMA	N/A	N/A	14,126	N/A	$1.16

Source: Trumbull County Auditors office, janitorial services contract

Table 4-28 shows that the City's contracted janitorial service staff is cleaning approximately 4,000 square feet per custodian less than the average reported in IFMA Research Report #16. However, the contracted service cost per square foot is below IFMA's average custodial costs per square foot by 50.8 percent. Further, there are a number of City buildings that are currently being cleaned by City employees, which reduces the amount of time they are performing their primary job functions (for example, the midnight shift for snow and ice

control). Using the IFMA custodial rate of $1.16 per square foot, having City employees clean 177,515 square feet could cost as much as approximately $206,000 in salaries and benefits. In contrast, if the contractor cleaned the same area at the current rate of $0.59 per square foot, the total cost would be approximately $105,000.

R4.31 Because the City has negotiated favorable custodial rates ($0.59 versus IFMA average of $1.16 per square foot) the City should consider expanding the custodial contract to clean the buildings that are currently being cleaned by City employees. This would free up approximately $101,000 of labor resources that could be reallocated to more critical tasks such as building, street, vehicle and park maintenance.

Financial Implication: Having the contracted janitorial service clean the buildings that are currently being cleaned by City employees would cost the City approximately $105,000. However, the City would realize a deployed cost savings of approximately $206,000 in City employee salaries and benefits.

D. Vehicle Maintenance

Findings / Commendations / Recommendations

Staffing and Scheduling

F4.51 The Vehicle Maintenance Subdivision (Vehicle Maintenance) provides maintenance services to all Operations Department vehicles and equipment. The Vehicle Maintenance Subdivision also provides repair services to Health Department, Engineering Department and City Hall vehicles on a limited basis. The Vehicle Maintenance Subdivision maintains 98 operating vehicles that range from tractor mowers to 2.5 ton dump trucks. Several City departments maintain their own vehicles through in-house mechanics or outsourced services. The City does not have a centralized vehicle maintenance program and does not require centralized purchasing or tracking of parts and supplies.

F4.52 Vehicle Maintenance consists of six FTEs which include the maintenance superintendent; the foreman; two heavy equipment mechanics, who are responsible for the repair and upkeep of the backhoe, loaders, grader and other heavy specialized equipment; two mechanics who are responsible for maintaining cars, vans, pickups and dump trucks; and a part-time welder whose services are shared with the Street Division.

F4.53 **Table 4-29** shows staffing levels for vehicle maintenance for Warren and the peers.

Table 4-29: Vehicle Maintenance Staff (FTEs)

	Warren	Cuyahoga Falls [2]	Mansfield	Middletown [2]	Peer Average
Administrators and Supervisors	1.00	2.00	3.00	2.00	2.33
Mechanics	4.00	6.00	5.00	6.00	5.67
Other [1]	0.75	1.00	3.00	1.00	1.67
Total	**5.75**	**9.00**	**11.00**	**9.00**	**9.67**
Ratio of Administrators to Staff	**1:3.0**	**1:3.5**	**1:2.7**	**1:3.5**	**1:3.1**

Source: Warren vehicle maintenance and peer city organizational charts
[1] Includes welder/fabricators, laborers and parts.
[2] Some vehicle maintenance services are contracted out

The City of Warren has lower vehicle maintenance staffing levels which are 38.1 percent below the peer average of 9.7 FTEs. However, all of the peer cities operate a centralized vehicle maintenance program and use clerical or secretarial support for the data processing and maintenance of vehicle records. The City of Warren does not operate a centralized garage and does not use clerical support, but depends on the mechanics to perform data entry and records filing functions.

F4.54 **Table 4-30** compares the number of vehicles maintained per FTE in Warren to the peer cities.

Table 4-30: Vehicle/Equipment Maintenance Indicators

	Warren		Cuyahoga Falls	Mansfield	Middletown	Peer Average
	Ops. Dept.	City-Wide [1]	Ops. Dept.[1]	Ops. Dept.[1]	Ops. Dept.[1]	Ops. Dept.
Centralized	No	No	Yes	Yes	Yes	Yes
Current Staffing Level [2]	5	8	6	8	7	7
Number of Vehicles and Equipment Maintained	98	237	372	500	450	440
Average Number of Vehicles and Equipment Maintained per FTE	19.6	29.6	62.0	62.5	64.0	62.8

Source: Operations, Police, Water and Sewer Departments & peer garage superintendents
[1] Excluding Fire Department
[2] Mechanics only

Table 4-30 shows that the City of Warren's Vehicle Maintenance maintains less vehicles and equipment than the peer average by 68.8 percent. Although the peer cities operate centralized garages and may, as a result, experience economies of scale, Warren's low vehicles maintained per FTE is more likely a result of the extreme age of the Department's vehicles. The Operations Department in Warren also maintains approximately 77.7 percent fewer vehicles that the peer average as a result of centralized vehicle maintenance in the peer cities as well as potential inefficiencies the Warren Vehicle Maintenance Subdivision.

F 5.55 In the City of Warren, maintenance and repair responsibilities remain with each Department. Individual departments are responsible for ordering vehicle and equipment parts, thereby reducing opportunities for bulk purchase discounts which could be directed to separate departments once received by the City. Most departments only have a limited number of vehicles and equipment and use outside contractors to perform the repairs. In emergencies, the Operations Department will repair other Department's vehicles and charge-back the cost of the parts, minus the labor. However, actual charge-backs to other departments have not been consistently applied and do not include total costs to the Operations Department.

Lack of coordination between departments on issues of maintenance and vehicle purchases increases the City's costs for maintenance and repair. Larger inventories of parts are necessary and mechanic time per vehicle is increased due to the variability in vehicle types. Based on the peer averages for vehicle maintenance functions, a centralized garage for vehicle maintenance performing at levels similar to the peer cities would increase current efficiency by approximately 300 percent.

R4.32 The City of Warren should hire a consultant to evaluate the efficiency of centralizing vehicle maintenance functions. Having a centralized system for vehicle maintenance would decrease the number of garage facilities and decrease insurance costs, garage staff, tools, equipment and part costs. In addition, an effective centralized vehicle and equipment management program would also extend the life of equipment and support multiple-use operations, thereby providing the City with a higher degree of flexibility.

The City of Shaker Heights maintains a centralized garage which repairs all city vehicles except for large fire ladder trucks. The City of Shaker Heights' prioritizes vehicles to ensure that public safety vehicles receive top priority. The prioritized list for vehicle maintenance is shown below:

- Police patrol cars
- Public Works refuse vehicles
- Public Works equipment and vehicles involved in specific operations (snow and ice control or leaf and brush pick-up equipment)

If the City of Warren implemented a centralized garage, the Department should develop a prioritized list of vehicles and ensure that public safety vehicles receive top priority for repairs.

F4.56 The efficiency of vehicle maintenance functions can be determined through tracking the labor hours necessary to maintain a vehicle fleet.

- Vehicle Maintenance maintains 16 light size vehicles which required an average of 62.5 maintenance hours annually.

- The fleet also contains 16 mid-size vehicles which required an average of 143 maintenance hours each year.

- Vehicle Maintenance also maintains 67 pieces of heavy equipment and heavy vehicles, which make up 69 percent of the fleet inventory. The labor hours used to maintain heavy equipment and vehicles averaged a total of 736 hours per vehicle annually.

F4.57 **Table 4-31** shows the classes of vehicles, the unit equivalent, and the labor hours needed to maintain each vehicle class. Vehicle units take into account the size, complexity and use of varying vehicle types based on the labor hours required to maintain specific vehicle types.

Table 4-31: Vehicles Units by Class and Mechanic Hours

Vehicle Size	Vehicle Equivalent Units	Warren Vehicle Equivalents	Cuyahoga Falls Vehicle Equivalents	Mansfield Vehicle Equivalents [1]	Middletown Vehicle Equivalents	Peer Average [2]
Light Sized Vehicles	1.0	16.0	183.0	N/A	280.0	159.7
Mid-Sized Vehicles	2.0	32.0	174.0	N/A	168.0	124.7
Heavy Vehicles/ Equipment	12.0	804.0	816.0	N/A	2,052.0	1,224.0
Total Vehicle Equivalents		**852.0**	**1,173.0**	**N/A**	**2,500.0**	**1,508.3**
Vehicle Equivalents per FTE		**170.4**	**195.5**	**N/A**	**357.1**	**241.0**

Source: Vehicle maintenance foreman
[1] Mansfield was unable to provide this information.
[2] Peer average includes Warren.

As shown in **Table 4-31,** the total vehicle equivalency of the Operations Department fleet is 852 vehicle equivalents and the Department has five mechanics, which equates to 170.4 vehicle equivalents being maintained per mechanic. Cuyahoga Falls maintain 195.5 vehicle units per mechanic while Middletown maintains approximately 357.1 vehicle units per mechanic. Warren's Vehicle Maintenance Subdivision is the lowest of the peers and operates at only 70.7 percent of the peer average and 47.7 percent of Middletown's vehicle units per mechanic rate. Although the Department's aging equipment may require additional labor hours for extensive repairs, the Subdivision maintains substantially fewer vehicle units per mechanic when compared to the peers and may not be achieving a vehicle unit rate commensurate with the needs of the Department.

R4.33 The Vehicle Maintenance Subdivision should immediately begin tracking the labor hours and techniques used for vehicle repairs by type of vehicle to determine how to increase operational efficiency. Based on the peer average for vehicle units maintained per mechanic, the Vehicle Maintenance Subdivision's rate of efficiency is 70.7 percent of the peer average, showing a less than optimal level of efficiency. The Subdivision and Department should also assess the current equipment used by the Vehicle Maintenance Subdivision to determine if repair equipment is sufficient for the current vehicle load. Also, the parts inventory should be evaluated to determine if valuable labor hours are wasted while waiting for parts. The Subdivision should endeavor to increase its efficiency to peer average levels. If the Subdivision maintained the peer average of 241.0 units per mechanic, the Department could reallocate approximately 1.5 FTEs to other Operations Department functions. Assuming an average mechanics salary of $28,644 and benefits constitute 35 percent of the average salary,

the lost productivity amounts to approximately $58,000 of labor resources which could be directed to other departmental functions.

Financial Implication: Assuming an average mechanics salary of $28,644 and benefits constitute 35 percent of the average salary, the Department could realize a deployed cost savings of approximately $58,000.

F4.58 The Department does not have a long term plan which addresses the replacement of its vehicles and equipment. The lack of a replacement plan has left the Department with an aging pool of vehicles and a potentially large capital investment to upgrade its vehicles. The Department has several vehicles and pieces of equipment that are not operational or require constant repair. These equipment failures are directly attributable to the average age of the equipment, which is 15.5 years. A review of vehicle records shows the Department last purchased a new piece of equipment in 1997. The high mileage and age of some Department vehicles has led to increased expenses for maintenance and repair, lost productivity, safety risks and parts failures.

In contrast, the average U.S. commercial/corporate fleet responding to NAFA's 1996 Used Vehicle Marketing Survey retains automobiles about 37 months or 68,000 miles. The Ohio Department of Transportation's replacement policy is 250,000 miles or 15 years for diesel dump trucks and ten years or 100,000 miles for single axle/tandem axle trucks.

F4.59 **Table 4-32** shows the more significant costs associated with the upkeep of some classes of Department equipment. Vehicle Maintenance started collecting data on vehicles in FY 1991 but costs on vehicles older than 19 years of age, approximately 34 percent of the Department's vehicles and equipment, do not have complete cost data records. Only five classes of vehicles (eight vehicles total) had costs per hour or costs per mile under $1.00: ½ ton pickup trucks, 4 wheel drive pickup trucks, 1 ton utility trucks, and the paint machine. These classes are not included in **Table 4-32**.

Table 4-32: Vehicle Maintenance & Operating Costs by Class

Model	Total Number in Fleet	Average Mileage/ Hours	Average Age [1]	CFA Recorded Maintenance & Operational Costs FY 1991-FY 1999 [2]	CFA Recorded Cost per Hour [3]	CFA Recorded Cost per Mile [4]
Car (Mid and Full-size)	9	118,680/m	10.0	$47,963	N/A	$2.36
Vans (Mini, Full, Cargo)	7	65,042/m	10.0	$30,121	N/A	$1.29
Pickup 3/4 Ton	10	72,660/m	11.0	$122,724	N/A	$4.32
Dump Truck- 1 Ton	12	70,995/m	14.0	$127,803	N/A	$4.60
Dump truck 2.5 ton	18	130,763/m	19.0	$244,413	N/A	$17.65
Salt Spreader	5	117,010/m	17.0	$173,200	N/A	$7.40
Tractor	10	30,753/h	26.0	$107,130	108.90	N/A
Bucket Truck	1	1,586/h	5.0	$1,833	1.15	N/A
Backhoe	1	1,174/h	24.0	$8,845	7.50	N/A
Loader	2	23,201/h	18.0	$39,845	5.50	N/A
Grader (Road & Diamond)	1	954/h	23.0	$4,334	4.54	N/A
Miscellaneous [5]	10	118,134/h	17.0	$126,550	380.99	N/A

Source: Vehicle maintenance foreman, CFA reports
[1] Average age figures are rounded-up
[2] Price includes fuel, parts, labor, and preventive maintenance
[3] Based on usage hours divided by repair detail and fuel, parts and labor
[4] Based on usage miles divided by repair detail and fuel, parts and labor
[5] Includes roller, patch machine, chipper, air compressor, and grad-all

Table 4-32 shows that the Department is incurring high costs to operate the majority of its vehicles and equipment. The high operating costs for vehicles, such as the 2.5 ton dump trucks and tractors, are the result of antiquated, fragile equipment, as well as the high cost for replacement parts for older vehicles. According to the vehicle maintenance foreman and operations director, several dump trucks and other vehicles are rarely operable and require frequent, substantial repairs to keep them running.

Although financial constraints were cited as the reason the Department does not have a vehicle replacement policy, the high cost to operate some vehicles diverts resources away from replacement needs. For example, a 2.5 ton dump truck costs approximately $50,000 if purchased through the state purchasing cooperative but this amount is consumed by repair costs for a Department dump truck after only 2,832 miles of operation. Tractors cost approximately $13,200 through the state cooperative but the cost of a new tractor is consumed by repair costs for a Department tractor after only 121 hours or 17 days of operation. Since the Department uses resources on repair rather than replacement, the cost to operate vehicles and equipment will continue to increase.

R4.34 The Operations Department, with the assistance of the vehicle maintenance foreman, should develop a formal vehicle and equipment replacement policy and prioritize replacements based on vehicles currently incurring the highest costs or experiencing the greatest number of breakdowns. Currently, the Department is facing significant replacement costs to bring its vehicle fleet up to International Fleet Maintenance Association safety and operational standards. The Department should establish criteria governing when vehicles are due for replacement. Also, the Department should begin to set aside funds to purchase new equipment. The City should allocate additional funding to the Department's vehicle replacement fund in order to ensure that the most critical vehicle and equipment needs of the Department are met in a timely manner.

The vehicle replacement policy should indicate the useful life of each vehicle and piece of equipment and should develop attributes or characteristics that would indicate that an item is due for replacement. As the Department gradually updates vehicles, the Department will experience a corresponding decrease in the percentage of repairs related to breakdowns and service interruptions.

The Department should plan to first replace vehicles with the highest operating costs or the greatest impact on public safety. In the first wave of replacements, the Department should replace snow and ice control vehicles, which should be replaced with multi-use 2.5 ton dump trucks and removable salt spreaders. The cost to the City to replace the sixteen 2.5 ton dump trucks that are needed for the remaining plowing routes, would be approximately $800,000. The City would also realize a cost avoidance in repair costs and mechanic labor hours.

F4.60 A preventive maintenance program can be used to extend the life of a vehicle. Although the vehicle maintenance superintendent stated that the Operations Department has a preventive maintenance schedule, there is an absence of a formal schedule or data supporting the preventive maintenance record for each vehicle. In addition, the high mileage and ages of the vehicles precludes a reduction in repairs through preventive maintenance. Most vehicles have preventive maintenance work performed only while larger repairs are being completed.

R4.35 Vehicle Maintenance should establish a preventive maintenance plan. The plan should cover all vehicles maintained by Vehicle Maintenance and be adhered to by all Department personnel. If preventive maintenance is not performed on a periodic basis, the life-span of the vehicles will be reduced, requiring the replacement of components or the entire vehicle at a date earlier than should be expected.

F4.61 Vehicle Maintenance operates a computerized fleet analysis (CFA) software system to manage information on the maintenance and repair of all equipment. Vehicle Maintenance is not able to use the CFA system to its full capacity because of outdated technology. Upgrades for the program have not been purchased since its installation in 1991. CFA has an

updated Windows version of the software, but Vehicle Maintenance does not have the proper computer operating system or adequate memory to support the CFA upgrade.

R4.36 The Operations Department should purchase the updated CFA Windows version 6.03.15 upgrade. CFA would help the vehicle maintenance foreman make cost-effective decisions concerning equipment procurement, utilization, maintenance and replacement. The Department would also need to upgrade Vehicle Maintenance's PC to a model containing a Pentium 3 processor to accommodate the expanded memory needs of the updated software package. The average cost for a desktop PC is approximately $1,000 to $1,500 depending on the model purchased while the CFA software costs $1,495 and includes a conversion module.

Financial Implication: The software upgrade, technical support and a new computer system would cost the City approximately $2,990 to $3,490.

E. Parks Maintenance

Findings / Commendations / Recommendations

Service Levels

F4.62 The Parks Maintenance Subdivision's (Parks Maintenance) major responsibilities include mowing, weed control and cleaning of all public properties. Parks Maintenance is responsible for 18 parks, varying in size from 0.13 acres to 47.83 acres; 36 islands; 23 public lands; 2 cemeteries (one operational); 13 restroom facilities; and 10 shelters and pavilions. The Subdivision is also responsible for tree and limb removal on public right-of-ways, baseball diamond maintenance, hanging Christmas lights and flags around the central business district, and digging graves in the one operational cemetery. Parks Maintenance Division was merged with the Streets Division in January 2000. During snow and ice control season, Parks Maintenance clears 16 parking lots, 37 alleys and cul-de-sacs, 105 dead-end streets and some City sidewalks.

F4.63 **Table 4-33** shows the types of services provided through Parks Maintenance in FY 1995 in comparison to FY 2000, as well as the types of services provided in the peer park maintenance departments.

Table 4-33: Park and Recreational Services

Services	Warren, FY 1995	Warren, FY 2000	Cuyahoga Falls	Mansfield	Middletown
Parks	18	4	26	34	29
Swimming Pools	1	0	6	4	
Golf Courses	0	0	0	0	1
Other	2	1	0	0	1

As shown in **Table 4-33**, the services provided by the City through Parks Maintenance have been highly curtailed. In FY 1998, the City closed the community pool due to high maintenance costs and, in FY 2000, the City closed 14 developed parks. Mowing and trimming is conducted with six employees and weeding is performed when high weeds may pose a health hazard but tree trimming is no longer performed. Closed parks are mowed once per month while the four open parks are mowed every 10 to 12 days.

F4.64 The National Recreation and Park Association (NAPA) recommends that a city park system be composed of core parklands with a total of 6.25 to 10.5 acres of developed open space per 1,000 residents. The City of Warren has 231 acres of developed parklands, which equates to

4.60 acres of open space per 1,000 residents which is under the recommended acreage by 26.4 percent.

R4.37 The City of Warren should evaluate the current level of services provided to residents in relation to the cultural well-being of the City. Current park and recreation opportunities limit the City's ability to provide enrichment programs and naturalized space use opportunities to its citizens. The reduced park lands may affect resettlement within the City and may deter potential future residents. The City should consider using cost saving landscaping to reduce mowing costs and should explore the implementation of user fees for some activities. In addition, contractual changes discussed in **R4.1**, which would require negotiation, would allow the City to use seasonal and volunteer help to increase operational park acreage.

F4.65 Parks Maintenance' s expenditures totaled $557,691 in FY 1999, which included salaries and benefits for nine employees, contracted services, supplies and maintenance. Revenue that was collected in FY 1999 for the adult softball league totaled $12,000, for net operating and maintenance expenditures for parks and recreation services of $545,691. Expenditures, costs per acre and expenditures per capita are shown in **Table 4-34**.

Table 4-34: Parks Expenditures

Year	Net O & M Expenditures	Population	Expenditures per Capita	Total Acres of Park and Public Lands	Cost per Acre
FY 1999	$545,691[1]	46,884	$11.89	257.8	$2,116
ICMA Average	N/A	N/A	$32.05	N/A	$6,315

Source: City of Warren, FY 1999 budget financial reports, FY 2000 budget financial reports, Park Maintenance Subdivision inventory

[1] Includes salaries, benefits for nine employees and contracted services for the repair of parks facilities and supplies

The average net operating and maintenance expenditures for parks and recreation services, as determined by International City Management Association (ICMA) Center for Performance Measurement Standards, are $32.05 per capita. The City of Warren spends only $11.62 per capita. The ICMA also reported expenditures of $6,315 per acre for cities with populations between 21,000 and 60,000. In contrast, the City of Warren spends only $2,116 per acre or 66 percent less per acre on its parks and public lands than the national average.

F4.66 **Table 4-35** compares the peer cities' parks maintenance staffing levels to those of the City of Warren. The City of Warren Parks Maintenance Subdivision employs six full-time equivalents (FTEs) including two foremen, a crew leader, an equipment operator IV, and equipment operator I and a laborer. Parks Maintenance crews maintain 257 acres of parkland, which equates to 43 acres per FTE.

Table 4-35: Parks Maintenance Staffing Levels (in FTEs)

	Warren	Cuyahoga Falls	Mansfield	Middletown [2]	Peer Average
Administrators and Supervisors	2.0	1.0	2.0	2.0	1.7
Equipment Operators and Laborers	4.0	5.0	11.0	7.0	7.7
Seasonal Employees	0.0	2.0 [1]	20.0 [3]	10.0	10.7
Total	**6.0**	**8.0**	**33.0**	**19.0**	**20.0**

Source: Warren Operations Department; peer cities
[1] Cuyahoga Falls uses 4 seasonal employees for a 6 month period
[2] Middletown contracts mowing and trimming services and uses 20 seasonal employees for a 6 month period
[3] Mansfield uses 40 seasonal employees for a 6-month period

Although the City of Warren's staffing levels are comparable to Cuyahoga Falls, The City of Cuyahoga Falls has a separate Parks Commission that is responsible for the operation of city parks. Employees in Cuyahoga falls are only responsible for mowing, weeding and trimming medians and city property. Warren's staffing levels are approximately one-third the peer average. The City of Mansfield has a separate parks commission while the City of Middletown contracts mowing services for the parks but parks personnel perform litter control functions in addition to other park maintenance duties.

Based on the current park acreage of 257.8, and the FY 2000 staffing levels, the Park Maintenance Subdivision may not have sufficient staffing to mow the acreage under its care. International Facilities Management Standards recommend one groundskeeper for every 35 acres of grounds. Parks employees are currently responsible for approximately 43 acres per employee. The Subdivision would need 1.5 additional FTEs to bring the mowing function acreage per employee to within industry standards. The increased demand on staff to complete mowing of City grounds has diverted resources away from other essential activities such as trimming and removing hazardous city trees.

R4.38 As the City of Warren may not have adequate staffing levels to maintain all the City's park and right-of-way grounds, the City should examine the current mowing methods in relation to the high acreage maintained by the Subdivision. One possibility to reduce the high acreage is to contract out the mowing and trimming of the City parks. This would allow the Parks Maintenance staff's time to be redistributed to neglected functions, such as maintaining recreational activities, trimming and removing hazardous city trees, and manicuring the landscaping throughout the City. The Parks Subdivision currently does not have sufficient staffing resources to complete these activities, which are integral functions of parks and grounds maintenance.

In addition, the City should consider the potential of combining the mowing functions for parks and vacant lots. Vacant lots are mowed by Health Department staff, which may create an overlap of mowing activities between Operations and the Health Department. By combining the mowing functions for parks, right-of-ways and City property, as well as vacant lots, the City may be able to reduce overall mowing costs. Any changes to the current staffing and job duties would require union negotiations.

F4.67 Warren's Parks Maintenance Subdivision does not have a comprehensive land management plan to estimate the workload for the upcoming year. Parks Maintenance does not maintain accurate acreage measurements for cemeteries, islands and building acreage. No determination is made regarding the amount of time that should be allocated to each land area in order to meet the estimated workload or staffing level for the year. The lack of planning for Parks Maintenance services reduces the Subdivision's ability to justify funding or future staffing needs.

R4.39 Parks Maintenance should develop a comprehensive land management plan to estimate the Subdivision's annual workload. The plan should be updated each year and should include the following:

- Type of property (buildings, medians, parks, islands)
- Location and acreage amount
- Anticipated frequency of mowing, weeding, mulching and trimming bushes

The land management plan should be divided by zones depending on the type of equipment needed. The plan should include all costs for fuel, equipment maintenance and repair, and chemical treatments. Capital needs should also be outlined in the plan. The land management plan should be tied to the Department's comprehensive strategic plan.

F4.68 Parks Maintenance paid Grace Service $1,700 in FY 1999 for weed control in parks and around guardrails throughout the City. In FY 2000, Parks Maintenance conducted weed control in-house to avoid purchased services costs. Weed control includes the use of fungicides, pesticides and herbicides; however, the Parks Maintenance staff is not licensed to use such chemicals. In addition, the Operations Department does not keep accurate records of areas in the City that are receiving chemical applications and does not mark areas that have received chemical treatments to alert citizens to the chemical hazard.

R4.40 Parks Maintenance should obtain proper licensing to apply chemicals. The Ohio Department of Agriculture, Division of Plant Industry requires a public operators license per Ohio Revised Code section 921.08 for the application of chemicals. Safe application of fungicides, pesticides or herbicides in the City is a critical factor in ensuring the safety of the citizens and

occupational health of the Operations Department employees. In addition, proper licensure of employees will minimize City liability for chemical application.

Parks Maintenance should also develop a program to track those areas of the City that receive chemical applications. The program should include the type of land, the location and acreage, the date that the chemical was applied, the product applied, the rate of application, wind direction and wind velocity. The City should designate some areas as pesticide free, such as some parks and all playgrounds. A placard should always be placed on treated areas to notify the public of the chemical hazard.

F4.69 From April 15 through September 1, Parks Maintenance prepares 25 baseball diamonds for use by City residents. A two-man crew is used to grade and stripe the diamonds which require approximately 45 minutes each to prepare. Annual ball diamond preparation and maintenance costs are approximately $52,000 and include salaries, benefits, materials and equipment.

The City of Warren contracted with Warren Recreation Association (WRA) to coordinate and direct summer baseball and softball programs. WRA retains the first $9,000 generated by the programs. Amounts above $9,000 are divided equally between WRA and the City. The City maintains all baseball diamond facilities including lighting, dugouts and bleachers at no cost to the teams or WRA.

During FY 1999, teams paid rates between $469 and $775 per team to participate in the softball programs. The program brought in $56,094 for FY 1999 but paid out $49,483, which included $16,072 in umpire wages, $6,034 for storekeepers and approximately $8,602 in equipment and soft ball costs. Because the net income of the program was only reported at $6,611, WRA did not pay any of the income generated by the program to the City.

According to officials at Northeast Ohio Umpires Association, it is customary for leagues to pay $300 to $400 in registration fees per season. The charges do not include umpires' fees, which are paid directly by the teams or leagues. The City of Cuyahoga Falls charges a $295 registration fee per team for the fall leagues and $310 per team for the summer leagues.

R4.41 The City should examine the WRA contract to determine if it may have over extended its financial role and legal liability in the current contract. The WRA's income and expense statements should be examined by the City auditor to determine if all costs and income have been properly reported.

The Operations Department should also develop a fee schedule for recreational facility use to cover most maintenance and operation costs associated with the use of facilities. The schedule should include fees to cover overhead and salary costs as well as fees for special services.

F4.70 Prior to recent lay-offs, Parks Maintenance had an established program to manage the planting, trimming and replacement of trees. A drive-by inspection program was also developed and used to determine which trees required trimming or removal to reduce hazards. Currently, the only trees that are removed are those that appear to be dead and may pose an extreme hazard to pedestrians and personal property. The Operations Department does not recycle tree trimmings or cut trees.

The City of Perrysburg conducts an aggressive tree pruning program and recycles trimmings into mulch. In addition, spring and fall leaf and brush waste is recycled, as are Christmas trees. The mulch created through chipping and recycling leaves and brush is then used by the City of Perrysburg to minimize grass trimming around obstacles and beautify park areas and median strips. The mulch is also provided free to citizens, although neighboring Toledo sells mulch to citizens and uses funds to offset the collection and chipping of tree and lawn waste. Finally, through developing its own recycling program, the City of Perrysburg avoids additional disposal costs for yard waste.

R4.42 Parks Maintenance should consistently inspect the urban forest for dying and diseased trees and branches that may overhang wires, roadways or other public areas. Such hazards are a liability to the City and should their removal should be considered a priority. Park Maintenance should also begin pruning. All trimmings should be chipped and recycled by the City for use by Park Maintenance workers. The City should also consider providing excess mulch to residents for a nominal fee.

Financial Implication: The cost to develop a yard waste recycling program is approximately $12,000 for a chipper and undetermined costs for collection, but these costs could be offset by decreased yard waste disposal costs and funds from the sale of recycled yard waste mulch.

Financial Implication Summary

The following table represents a summary of the annual revenue, annual savings, implementation costs and cost avoidances/deployed costs for the recommendations in this section of the report. For the purpose of this table, only recommendations with quantifiable financial impacts are listed.

Summary of Financial Implication for the Operations Department

Recommendation	Annual Revenue Enhancements	Annual Cost Savings	Cost Avoidance/ Deployed Savings	Implementation Costs
R4.6 Extend the workday for operations employees by 30 minutes			$60,000 (deployed savings)	
R4.8 Negotiate with union to have salaries reimbursed to City for members utilizing association leave		$2,000		
R4.10 Negotiate to potentially reduce supplemental pay to level comparable to peers		$58,000		
R4.11 Negotiate to potentially increase employee health care contributions		$31,000		
R4.12 Negotiate to potentially have employees pay their portion of PERS		$154,000		
R4.15 Purchase a job costing computer system				$23,000 - $30,000 (one-time)
R4.17 Redistribute a supervisory position to a worker role		$6,000		
R4.21 Implement an in-house street sweeping program		$45,000 (annual for five years)		
R4.22 Enforce ORC §5577 regarding truck weight limits	$126,000			
R4.23 Purchase a routing software system to determine the optimal snow plowing routes			$300,000 (avoidance) $409,000 (deployed savings)	$9,000 (one-time)
R4.25 Join ODOT's cooperative purchasing program for salt		$8,000		
R4.25 Discontinue use of ICM and use 100 percent salt				$78,000 (annual)
R4.28 Eliminate excess building space by consolidating two buildings		$5,000		
R4.29 Conduct a building space utilization audit				$65,000 (one-time)
R4.30 Purchase a vehicle preventive maintenance software system				$6,000 (one-time)

R4.31 Contract with the existing custodial service company to clean various other buildings			$206,000 (deployed savings)	$105,000 (annual)
R4.33 Reallocate 1.5 FTEs from vehicle maintenance by increasing the efficiency of the vehicle maintenance function			$58,000 (deployed savings)	
R4.36 Purchase a vehicle maintenance computer software and hardware upgrade				$3,000 - $3,500 (one-time)
R4.42 Develop a yard waste recycling program				$12,000 (one-time)
Totals	**$126,000**	**$309,000**	**$300,000 (avoidance) $733,000 (deployed savings)**	**$183,000 (annual) $118,000 - $121,000 (one-time)**

In addition, the City is facing a significant number of unmet building and vehicle needs. However, due to the lack of a comprehensive capital plan, an estimate of the cost to repair and maintain all of the city's buildings could not be determined. This cost could be significant. Furthermore, it is estimated that the total cost to replace sixteen 2.5 ton dump trucks will be $800,000 based on FY 1999 prices. However, the yearly impact will be affected by the vehicle replacement schedule adopted by the City.

Conclusion Statement

The City of Warren, Operations Department is represented by two unions, however all but one person is a member of AFSCME local #74. The City has negotiated several provisions which limit the City's ability to efficiently and effectively manage the Operations Department staff. Such provisions include a minimum of four hours for call-out pay, stand-by-pay and election day pay. In addition, the union agreement is silent as to employee evaluations. Annual evaluations are a key component in improving the efficiency and effectiveness of employees and providing administrators with a valuable tool to assist with managing.

The City of Warren, Operations Department needs to improve its record keeping. As the Department does not track or document labor and material resource use, measuring the actual efforts and completed projects is not possible. To maintain and track information, the Department needs to make significant improvements in its use of technology. It is also important that the staff are adequately trained in all technology advancements.

The Department does not prepare an annual work plan or goals and objectives for any of its Divisions, nor does it prioritize the various functions under its sphere of responsibilities. In order to prepare an annual plan and account for expenditures to the mayor and community, the Department should develop performance standards and through an annual assessment of resource needs, determine the appropriations necessary to accomplish the Department's goals.

Overall staffing in the Operations Department is low. The Department is attempting to provide the same functions and maintain the same level of services as performed prior to the lay-offs and transfers without the use of seasonal or temporary staffing, as commonly used by peer cities. Only through accurate monitoring and straightforward accounting of employee activities to ensure maximum productivity can the Department justify the need for additional staffing. The Department is reactive in performing maintenance functions as opposed to proactive and that is due to the low staffing as well as a lack of a preventive maintenance planning in maintaining streets, buildings, vehicles and parks.

The City should periodically conduct a cost benefit analysis on their private contract services such as the street sweeping and janitorial contracts to determine if the service could be performed more economically and more efficiently in-house. In addition, the City should consider having building capacity and utilization examined.

The Department has not developed a vehicle or equipment replacement plan in over five years. An optimal fleet management plan requires a replacement schedule be developed according to city specific factors, combined with proactive and consistent preventive maintenance. The lapses in annual fleet replacement purchases contribute to the City of Warren's older fleet. The operations of

an older fleet has led the Operations Department to experience higher annual maintenance expenditures.

Finally, the City of Warren closed 14 parks in FY 2000, leaving only four that are open to the public. Staffing is below peer averages and national standards for acreage maintained per FTE. The City of Warren should attempt to redistribute its resources in an effort to maintain a core system of parklands to remain a healthy established City.

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