



**Auditor of State
Betty Montgomery**

**CITY OF WESTLAKE
PERFORMANCE MANAGEMENT PROJECT**

February 9, 2006



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Betty Montgomery**

To the Citizens, Officials, and Project Team of the City of Westlake:

The City of Westlake and six other local governments were invited to participate in a Performance Management Project (the Project) because each was identified as a leader in financial reporting by professional organizations. This project was designed to enhance the City of Westlake's public reporting process by assembling requested information in a user friendly manner. The seven entities participating in the Project include one county, four cities, one library, and one special district.

The mission of the Project is to provide citizens, officials, and employees with comprehensive and easily accessible indicators to assess the performance and enhance the planning process of the affected government entities. The report for the City of Westlake contains socioeconomic indicators, key financial ratios, and a performance measurement exercise for two selected areas.

Reporting of socioeconomic conditions is important in the long-range planning process of an entity because it allows policies to be enacted within the parameters of the quantifiable resources and needs of the community. Reporting of key financial ratios is important to the strategic planning and budgeting processes. By using financial ratios, the entity can develop financial policies that help to define the amount of service available in a given time. Performance measurement allows the entity to determine the efficiency and effectiveness of an activity.

This report includes the following sections: project introduction; socioeconomic indicators; financial ratios; and performance measurement exercises. This report has been provided to, and its contents discussed with, the Project Team of the City of Westlake.

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

Sincerely,

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
AUDITOR OF STATE

February 9, 2006

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Background on Performance Management

Any organization requires reliable data to make informed decisions. Recent advances in information technology have made it possible to efficiently gather, sort and store data on internal and external factors impacting organizations. These repositories of data enable managers to analyze strengths, weaknesses, opportunities and threats to their organization like never before to benefit their consumers.

As citizens continually demand more responsive and competitive government, public officials are increasingly collecting data to assess external socioeconomic indicators for planning services and measure the performance of those services. Other states and national researchers have labeled Ohio a forerunner in collecting elementary and secondary education data through the Educational Management Information System (EMIS), which contains more than 200 data elements. This data is constantly analyzed by educators, researchers, the media, policymakers and citizens to measure the efficiency and effectiveness of education in Ohio.

Nonetheless, there are thousands of other local governments in Ohio that do not have such an effective tool to analyze data for planning and measuring their services. They must use websites of various state, federal and private agencies to search databases on the information they desire on external factors in their communities. In addition, many local governments do not consistently collect and maintain data to measure performance and manage their operations effectively. While the implementation of the Governmental Accounting Standard Board's Statement No. 34 will make government financial data much easier to analyze for policy purposes, many officials may not understand how to use this data to its full potential.

Brief Project Description

The Performance Management Project (PMP) attempts to transfer knowledge and information, enabling local governments in Ohio to better serve citizens in an increasingly efficient and effective manner. It envisions a comprehensive portal system of data-sharing among Ohio's counties, municipalities, townships, libraries and other special districts. This network would offer a broad base of performance measures, both financial and socioeconomic, to help guide operating and policy decisions. It would also present an Internet class designed by academic experts to help local officials establish performance-based organizations. Site information could be tailored to the user profile.

This project takes into account that most organizations, government and non-government, go through cycles of high and low performance. Unlike many performance assessment programs, it does not attempt to institutionalize a methodology of performance management on any one or a group of governments. Rather, it provides a tool for all governments to use as they progress through the cycles.

This project is currently being piloted among several high-performing local governments, as defined by their financial reporting practices, including the cities of Brecksville, Upper Arlington, Westlake and Sydney; the Wayne County library system; Lake Metroparks; and Richland County. Each partner government is financially contributing to develop pilot performance measures in the areas of socioeconomic indicators, financial ratios, and operating performance measures.

Each partner will have a project team. Team members involved with the PMP project for the City of Westlake included:

<u>Name</u>	<u>Title</u>
Anne A. Fritz	Director of Finance, Team Leader
Bonnie Freeh	Deputy Director of Finance
Dennis Clough	Mayor, Chief Operating Officer
Donald Glauner	Service Department Manager

This report concludes Phase I of the PMP project, and details the selection of performance measures and the tools necessary to develop a performance driven organization. Key objectives and action plans for approaching Phase II of the project include:

- 10-15 socioeconomic indicators to assist in high-level, long-term policy analysis.
- 16 financial ratios providing a deeper analysis of government finances to help guide policy in the short-term.
- An exercise to develop objectives, performance measures and a self-assessment for two operational areas.

Background on City of Westlake

The City of Westlake is an outer-ring suburb west of Cleveland, Ohio, comprising 16.5 square miles and 31,535 residents. The City's population increased by 62.8 percent from 1980 to 2000, although the Census Bureau estimates that population has slightly declined as of July 2004.

The City's quality school system, high premium on services and close proximity to downtown Cleveland have made it one of the county's wealthiest communities. Median household income in 1999 was \$64,963 – 66.0 percent higher than the Cuyahoga County average. Further, the median home value in 2000 was \$201,000 – nearly double the county average. However, much of this wealth moved into Westlake in the past two decades. Many long-time residents, particularly seniors, remain in a lower-middle income range.

City leaders have made Westlake a desirable place by prioritizing services, particularly recreation and human services. Westlake opened an 83,000-square foot recreation center in 1998 and recently expanded/renovated its senior center. It has also sought innovative development opportunities, including a pedestrian-oriented, neo-traditional, mixed use, planned unit development on 75 acres projected to become a major regional draw.

Finally, the City's fiscal policies and philosophies have earned it the highest credit ratings possible from all three national rating agencies. Only one other Ohio city maintains a similar rating, which results in reduced interest costs on General Obligation Bonds.

Socioeconomic Indicators

Socioeconomic indicators encompass economic and demographic characteristics of the community, including population, income levels, age distribution, property values, employment, and business activities. They allow a government analyst to focus on external opportunities (e.g., new revenue sources) and threats (e.g., increasing service demands).

For this project section, AOS mined databases from numerous state, federal and private organizations to develop potential socioeconomic indicators. It categorized hundreds of indicators into the following groups:

- Geography and housing,
- Environment,
- Public safety,
- Local business climate,
- Local labor market,
- Personal finance,
- Property taxes,
- Sales taxes,
- Income taxes,
- Other taxes,
- Abatements, and
- Local government fund.

In addition, clients could request analysis of specific socioeconomic indicators. After assessing the options, the Westlake team chose to have the AOS populate the following indicators:

1. Demographic and socioeconomic statistics on the City's senior population;
2. Local business climate indicators; and
3. Local labor market indicators.

A. Senior Population Assessment

The City of Westlake has an entire department dedicated to providing human services support, especially among its senior population. It opened an expanded community services center in 2004, which offers educational, social and recreational activities as well as health screenings and annual immunizations. The social service staff serves as a resource for referrals, information, emergency food and assistance, discount program applications, and for older/disabled adults – a daily safety phone check and transportation.

The Department of Community Services reports the following service outputs in 2004, and percentage increase from 1995:

- Activities/Programs – 1,815 (151.2 percent),
- Social Services – 2,071 (57.6 percent),
- Activity Trips – 52 (477.8 percent),
- Number of Volunteers – 134 (-21.1 percent),
- Newsletters – 13,995 (37.2 percent),
- Transports – 8,807 (36.1 percent),
- Miles Transported – 53,979 (18.3 percent), and
- Donations, Center/Assistance/Prescriptions – \$39,431 (478.0 percent).

In addition, the City serves the senior population through provision of emergency medical services. The City Fire Department reported 3,987 emergency runs in 2004, a 44.7 percent increase from 1995.

Issues to Look For

Studying changes in population helps governments assess how well they have adjusted service levels. The team also stated this demographic data would be useful in planning for required services and for projecting revenue streams.

An aging population will require more specific services, such as retirees looking for recreation opportunities and increasing health care needs. Medical needs and EMS usage will be especially amplified in the oldest age bracket. An aging population can also impact revenue streams as workers retire and begin living on fixed incomes, thereby eliminating or reducing income tax contributions. Demographic trends among senior women living alone should especially be studied, since this population generally requires more services.

Demographic Observations

- Westlake's senior population increased 36.9 percent from 1990 to 2000, compared to an overall population increase of only 17.4 percent (page 7). At the last census, seniors comprised 18.2 percent of the City population (page 7). Given the stagnant total population growth through the early 2000s, the large number of residents over 55, and general increased life expectancies, it is likely that the senior population in Westlake will continue to increase rapidly. For example, assuming the senior population is increasing at just half the rate of the 1990s, the elderly would have comprised 19.8 percent of the population in 2004 (page 7).
- The fastest growing populations are the oldest age cohorts (75-84 and 85 plus), which both increased 68.0 percent from 1990 to 2000. Increasing life expectancies have helped drive this rise. The National Center for Health Statistics reports that the life expectancy for a 65-year-old increased 4.1 percent between 1990 and 2000, and 9.1 percent between 1980 and 2000 (page 8). These eldest cohorts also tend to be the neediest age groups in terms of community and emergency services. For example, the number of seniors reporting a self-care or mobility disability increased 62 percent from 1990 to 2000 (page 7).
- Although the ratio of aging men to women from 1990 to 2000 increased, it continues to decrease considerably as age increases because women have longer life expectancies than men (page 8). The ratio drops from nearly 1-to-1 at the 55-64 age cohort to approximately 1-to-3 for age 85 plus in 2000 (page 7).
- Relocation issues among seniors could also impact population trends. For example, given the relative wealth of the community, many residents may relocate to warmer climates upon retirement. The 55-64 age cohort in 1990 declined 13.2 percent once it reached the 65-74 cohort in 2000. Likewise, the Ohio Department of Development (DOD) projects that 13.6 percent more males and 10.7 percent more females aged 55-79, respectively, will move out of Ohio than into the state from 2005 to 2010 (page 9). On the other hand, the Census Bureau reports an increasing trend of the older senior population (over 80 years old) relocating back from warmer climates as health concerns force them to move closer to, or in with, their families in their native states. The Ohio Department of Development projects that from 2005 to 2010, 20.7 percent more male and 9.4 percent more female seniors over 80 years old will move into Ohio than move out of the state (page 9).
- One of the fastest growing subgroups among seniors is those living alone, especially women. Female householders living alone increased by 65.0 percent from 1990 to 2000. Approximately 1 in 5 Westlake seniors are elderly women living alone. This population group also tends to be a large consumer of City services such as transports (page 9).

Income and Housing Observations

- In 1999, median household income dropped 73.4 percent from the 55-64 age cohort to the 65-74 cohort, and 52.1 percent from the 65-74 cohort to the 75 plus cohort (page 10). In fact, 43.8 percent of all senior households reported 1999 incomes below \$30,000 (page 10), including 132 seniors actually meeting poverty standards (page 11). This reflects the theory that the high median income for younger ages tend to reflect “newer wealth” that has moved into Westlake in recent decades, while the older cohorts may reflect long-time residents who lived at more modest levels. Further, these measurements were taken before the economic downturn of the early 2000s.
- Elderly women living alone are the most economically vulnerable, with a median household income of only \$23,622 in 1999 (page 10). Many of these women may not have worked their entire lives and were subsequently reliant on a spouse’s retirement income/Social Security. This benefit is often reduced when the spouse or former spouse dies.
- One of the largest economic challenges for Westlake’s senior population appears to be the growing burden of housing costs (including taxes, utilities, remaining mortgage, maintenance, etc.) The Census noted the median monthly cost of homes without mortgages was \$470 in 2000 – a 27.7 percent inflation-adjusted increase from 1990. By comparison, median home values increased 20.3 percent, adjusted for inflation (page 11).
- The number of seniors reporting monthly homeowner costs comprising at least 35 percent of household income increased 238.1 percent from 1990 to 2000. Also, seniors reporting gross rent of at least 35 percent of household income increased 116.3 percent. Combining these two measures, 1,003 senior households (31.2 percent) reported housing costs consuming at least 35 percent of income – an indicator of potential fiscal distress for these individuals (page 11).

TOTAL CITY POPULATION

Year	Total	Percent Change	Senior Population	Percent Change ²
1990	27,018	N/A	4,222	N/A
2000	31,719	17.4%	5,779	36.9%
2004 ¹	31,535	-0.6%	6,231	7.8%

Source: U.S. Census

¹ Reflects official Census population estimate

² 2004 senior population estimate was not available via the Census, but was conservatively estimated at half the growth rate of the 1990s.

2000 NEAR-SENIOR AND SENIOR CITIZEN POPULATION

	Total	Male	Female	Males per 100 Females
Persons 55 to 64 years	3,148	1,568	1,580	99.2
Persons 65 to 74 years	2,400	1,072	1,328	80.7
Persons 74 to 84 years	2,254	802	1,452	55.2
Persons 85 years and over	1,125	262	863	30.4
Total persons 65 years +	5,779	2,136	3,643	58.6
Seniors as percent of total population	18.2%	6.7%	11.5%	N/A
Percent change, 65+, 1990-00	36.9%	35.1%	37.9%	-2.1%

Source: U.S. Census

1990 NEAR SENIOR AND SENIOR CITIZEN POPULATION

	Total	Male	Female	Males per 100 Females
Persons 55 to 64 years	2,766	1,168	1,598	73.1
Persons 65 to 74 years	2,211	980	1,314	74.6
Persons 74 to 84 years	1,341	465	1,231	37.8
Persons 85 years and over	670	136	876	15.5
Total persons 65 years +	4,222	1,581	2,641	59.9
Seniors as percent of total population	15.6%	5.8%	9.8%	N/A

Source: U.S. Census

DISABILITY STATUS FOR SENIOR NONINSTITUTIONALIZED POPULATION

2000		1990 ¹	
Self-care disability	451	Self-care disability	241
Go-outside home disability	885	Go-outside home disability	423

Source: U.S. Census Bureau

¹ 1990 also includes 160 responses listing both a self care and go-outside-home disability

Table 28. Life expectancy at birth, at 65 years of age, and at 75 years of age, according to race and sex: United States, selected years 1900–2000

[Data are based on death certificates]

Specified age and year	All races			White			Black ¹		
	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
At birth									
	Remaining life expectancy in years								
1900 ^{2,3}	47.3	46.3	48.3	47.6	46.6	48.7	33.0	32.5	33.5
1950 ³	68.2	65.6	71.1	69.1	66.5	72.2	60.8	59.1	62.9
1960 ³	69.7	66.6	73.1	70.6	67.4	74.1	63.6	61.1	66.3
1970	70.8	67.1	74.7	71.7	68.0	75.6	64.1	60.0	68.3
1980	73.7	70.0	77.4	74.4	70.7	78.1	68.1	63.8	72.5
1985	74.7	71.1	78.2	75.3	71.8	78.7	69.3	65.0	73.4
1990	75.4	71.8	78.8	76.1	72.7	79.4	69.1	64.5	73.6
1991	75.5	72.0	78.9	76.3	72.9	79.6	69.3	64.6	73.8
1992	75.8	72.3	79.1	76.5	73.2	79.8	69.6	65.0	73.9
1993	75.5	72.2	78.8	76.3	73.1	79.5	69.2	64.6	73.7
1994	75.7	72.4	79.0	76.5	73.3	79.6	69.5	64.9	73.9
1995	75.8	72.5	78.9	76.5	73.4	79.6	69.6	65.2	73.9
1996	76.1	73.1	79.1	76.8	73.9	79.7	70.2	66.1	74.2
1997	76.5	73.6	79.4	77.1	74.3	79.9	71.1	67.2	74.7
1998	76.7	73.8	79.5	77.3	74.5	80.0	71.3	67.6	74.8
1999	76.7	73.9	79.4	77.3	74.6	79.9	71.4	67.8	74.7
2000	76.9	74.1	79.5	77.4	74.8	80.0	71.7	68.2	74.9
At 65 years									
1950 ²	13.9	12.8	15.0	---	12.8	15.1	13.9	12.9	14.9
1960 ²	14.3	12.8	15.8	14.4	12.9	15.9	13.9	12.7	15.1
1970	15.2	13.1	17.0	15.2	13.1	17.1	14.2	12.5	15.7
1980	16.4	14.1	18.3	16.5	14.2	18.4	15.1	13.0	16.8
1985	16.7	14.5	18.5	16.8	14.5	18.7	15.2	13.0	16.9
1990	17.2	15.1	18.9	17.3	15.2	19.1	15.4	13.2	17.2
1991	17.4	15.3	19.1	17.5	15.4	19.2	15.5	13.4	17.2
1992	17.5	15.4	19.2	17.6	15.5	19.3	15.7	13.5	17.4
1993	17.3	15.3	18.9	17.4	15.4	19.0	15.5	13.4	17.1
1994	17.4	15.5	19.0	17.5	15.6	19.1	15.7	13.6	17.2
1995	17.4	15.6	18.9	17.6	15.7	19.1	15.6	13.6	17.1
1996	17.5	15.7	19.0	17.6	15.8	19.1	15.8	13.9	17.2
1997	17.7	15.9	19.2	17.8	16.0	19.3	16.1	14.2	17.6
1998	17.8	16.0	19.2	17.8	16.1	19.3	16.1	14.3	17.4
1999	17.7	16.1	19.1	17.8	16.1	19.2	16.0	14.3	17.3
2000	17.9	16.3	19.2	17.9	16.3	19.2	16.2	14.5	17.4
At 75 years									
1980	10.4	8.8	11.5	10.4	8.8	11.5	9.7	8.3	10.7
1985	10.6	9.0	11.7	10.6	9.0	11.7	10.1	8.7	11.1
1990	10.9	9.4	12.0	11.0	9.4	12.0	10.2	8.6	11.2
1991	11.1	9.5	12.1	11.1	9.5	12.1	10.2	8.7	11.2
1992	11.2	9.6	12.2	11.2	9.6	12.2	10.4	8.9	11.4
1993	10.9	9.5	11.9	11.0	9.5	12.0	10.2	8.7	11.1
1994	11.0	9.6	12.0	11.1	9.6	12.0	10.3	8.9	11.2
1995	11.0	9.7	11.9	11.1	9.7	12.0	10.2	8.8	11.1
1996	11.1	9.8	12.0	11.1	9.8	12.0	10.3	9.0	11.2
1997	11.2	9.9	12.1	11.2	9.9	12.1	10.7	9.3	11.5
1998	11.3	10.0	12.2	11.3	10.0	12.2	10.5	9.2	11.3
1999	11.2	10.0	12.1	11.2	10.0	12.1	10.4	9.2	11.1
2000	11.3	10.1	12.1	11.3	10.1	12.1	10.5	9.4	11.2

¹Data shown for 1900–60 are for the nonwhite population.

²Death registration area only. The death registration area increased from 10 States and the District of Columbia in 1900 to the coterminous United States in 1933.

³Includes deaths of persons who were not residents of the 50 States and the District of Columbia.

NOTES: Beginning in 1997 life table methodology was revised to construct complete life tables by single years of age that extend to age 100. (Anderson RN. Method for Constructing Complete Annual U.S. Life Tables. National Center for Health Statistics. Vital Health Stat 2(129). 1999.) Previously abridged life tables were constructed for 5-year age groups ending with the age group 85 years and over. Data for additional years are available (see Appendix III).

SOURCES: Centers for Disease Control and Prevention, National Center for Health Statistics, National Vital Statistics System; Grove RD and Hetzel AM. Vital Statistics Rates in the United States, 1940–1960. DHEW Pub. No. (PHS) 1677. Public Health Service. Washington: U.S. Government Printing Office, 1968; life expectancy trend data available at www.cdc.gov/nchs/about/major/dvs/mortdata.htm; Minino AM, Arias E, Kochanek KD, Murphy SL, Smith BL. Deaths: Final data for 2000. National vital statistics reports. vol 50 no 15. Hyattsville, Maryland: National Center for Health Statistics. 2002.

PROJECTED MIGRATION RATES FOR OHIO, AGES 55 PLUS ¹

Age Cohorts	2000-2005		2005-2010		2010-2015		2015-2020	
	Migration Rate		Migration Rate		Migration Rate		Migration Rate	
	Male	Female	Male	Female	Male	Female	Male	Female
55-59	-2.0%	-2.7%	-1.5%	-2.0%	-1.4%	-1.9%	-1.2%	-1.7%
60-64	-2.2%	-2.8%	-1.5%	-1.9%	-1.3%	-1.7%	-1.1%	-1.4%
65-69	-3.9%	-3.1%	-2.9%	-2.4%	-2.3%	-1.9%	-1.8%	-1.5%
70-74	-5.0%	-2.8%	-4.2%	-2.3%	-3.7%	-2.1%	-2.5%	-1.5%
75-79	-3.7%	-2.3%	-3.5%	-2.1%	-3.5%	-2.1%	-2.7%	-1.7%
80-84	1.6%	1.0%	1.9%	1.3%	2.2%	1.4%	2.4%	1.5%
85+	19.0%	7.8%	18.8%	8.1%	18.1%	7.9%	21.0%	9.1%

Source: Ohio Department of Development, Office of Strategic Research

¹ Rates reflect the difference in people leaving the state versus those moving in. Negative rate reflects greater level of out-migrants, negative reflects increased level of in-migrants.

HOUSEHOLD TYPE BY RELATIONSHIP FOR SENIORS ¹

2000		1990	
Seniors in households	4,652	Seniors in households	3,411
In family households ²	2,961	In family households	2,428
Householder	1,548	Householder	1,266
Male householder	1,283	Male householder	N/A
Female householder	265	Female householder	N/A
Spouse	1,150	Spouse	885
Parent	142	Parent	N/A
Other relatives	112	Other relatives	269
Nonrelatives	9	Nonrelatives	8
Seniors in nonfamily households ³	1,691	Seniors in nonfamily households	983
Male householder	387	Male householder	202
Living alone	372	Living alone	192
Not living alone	15	Not living alone	10
Female householder	1,275	Female householder	768
Living alone	1,252	Living alone	759
Not living alone	23	Not living alone	9
Nonrelatives	29	Nonrelatives	13
Seniors in institutional group quarters ⁴	1,127	Seniors in institutional group quarters	811

Source: U.S. Census Bureau

¹ A household includes all people who occupy a housing unit as their usual place of residence.

² A family includes a householder (person in whose name home is owned or rented) and one or more people living in the same household who are related to the householder by birth, marriage or adoption.

³ A nonfamily household comprises a group of unrelated people or one person living alone.

⁴ Institutional group quarters include nursing homes and similar facilities that are not housing units.

MEDIAN HOUSEHOLD INCOME IN 1999

Total	\$64,963
Householder ¹ under 25 years	\$51,250
Householder 25 to 34 years	\$62,989
Householder 35 to 44 years	\$80,907
Householder 45 to 54 years	\$84,500
Householder 55 to 64 years	\$77,751
Householder 65 to 74 years	\$44,830
Householder 75 years and over	\$29,470
Male householder 65 and older living alone	\$24,750
Female housholder 65 and older living alone	\$23,622

Source: U.S. Census Bureau

¹ A householder is the person, or one of the people, in whose name the home is owned or rented.

MEDIAN INCOME IN 1999 BY SELECTED HOUSEHOLD CHARACTERISTICS

Subject	Number of Households
With Social Security income	3,480
Mean Social Security income	\$12,825
With Supplemental Security income	237
Mean Supplemental Security income	\$6,559
With retirement income	2,370
Mean retirement income	\$18,200

AGE OF HOUSEHOLDER BY HOUSEHOLD INCOME 1999

HOUSEHOLDER 65 TO 74 YEARS

Total Householders	1,496
Less than \$10,000	67
\$10,000 to \$14,999	100
\$15,000 to \$19,999	106
\$20,000 to \$24,999	143
\$25,000 to \$29,999	110
\$30,000 to \$34,999	70
\$35,000 to \$39,999	66
\$40,000 to \$44,999	89
\$45,000 to \$49,999	128
\$50,000 to \$59,999	132
\$60,000 to \$74,999	151
\$75,000 to \$99,999	209
\$100,000 to \$124,999	46
\$125,000 to \$149,999	23
\$150,000 to \$199,999	26
\$200,000 or more	30

Source: U.S. Census Bureau

HOUSEHOLDER 75 YEARS AND OVER

Total Householders	1,755
Less than \$10,000	137
\$10,000 to \$14,999	187
\$15,000 to \$19,999	214
\$20,000 to \$24,999	217
\$25,000 to \$29,999	142
\$30,000 to \$34,999	124
\$35,000 to \$39,999	135
\$40,000 to \$44,999	98
\$45,000 to \$49,999	93
\$50,000 to \$59,999	121
\$60,000 to \$74,999	123
\$75,000 to \$99,999	82
\$100,000 to \$124,999	38
\$125,000 to \$149,999	14
\$150,000 to \$199,999	5
\$200,000 or more	25

Source: U.S. Census Bureau

POVERTY STATUS FOR SENIOR POPULATION

2000		1990	
Total age 65+ in poverty	137	Total age 65+ in poverty	60
Senior men living alone	26	Senior men living alone	N/A
Senior women living alone	55	Senior women living alone	N/A

**MEDIAN MONTHLY OWNER COSTS,
HOMES WITHOUT A MORTGAGE**

Median cost, 2000	\$470
Median cost, 1990 (inflated)	\$368
Percent change	27.7%

Source: U. S. Census Bureau

MEDIAN HOME VALUES

Median value, 2000	\$201,000
Median value, 1990 (inflated)	\$167,115
Percent change	20.30%

**AGE OF HOUSEHOLDER BY SELECTED MONTHLY OWNER
COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME (MORTGAGED AND
UNMORTGAGED)**

HOUSEHOLDER 65+

2000 Total	1,878
Less than 20 percent	1,236
20 to 24 percent	143
25 to 29 percent	80
30 to 34 percent	85
35 percent or more	328
Not computed	6

Source: U. S. Census Bureau

HOUSEHOLDER 65+

1990 Total	1205
Less than 20 percent	876
20 to 24 percent	99
25 to 29 percent	80
30 to 34 percent	53
35 percent or more	97
Not computed	0

**AGE OF HOUSEHOLDER BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD
INCOME**

HOUSEHOLDER 65+

2000 Total	958
Less than 20 percent	94
20 to 24 percent	80
25 to 29 percent	43
30 to 34 percent	66
35 percent or more	675
Not computed	

Source: U. S. Census Bureau

HOUSEHOLDER 65+

1990 Total	499
Less than 20 percent	26
20 to 24 percent	71
25 to 29 percent	50
30 to 34 percent	40
35 percent or more	312
Not computed	24

B. Business Climate

Issues to Look For

The Economic Census provides a detailed portrait of the Nation's economy once every five years, from the national to the local level. The 2002 Economic Census covers nearly all of the U.S. economy in its basic collection of establishment statistics. The 2002 Economic Census publishes data primarily on the basis of the 2002 North American Industry Classification System (NAICS).

Changes in the NAICS between 1997 and 2002 are primarily within construction and wholesale trade and do not affect sector totals. Since 90 percent of all industries are comparable from 1997 to 2002, year to year comparisons are easier to make. Additionally, the state of the national economy could affect the NAICS data – 1997 represented a surging economy while 2002 marked the second year of an economic downturn. Nevertheless, governments can use NAICS data to determine which private business sectors are emerging in their communities and which may be declining. This information is crucial for planning economic development policies, as well as predicting future service demands and revenue sources.

In addition, the Census Bureau annually publishes general data on the number and size of firms according to NAICS code within a ZIP code. Westlake officials noted the City boundaries are contiguous with the 44145 ZIP code. The most recent data available from the Census is 2002.

New and expanding facilities are key indicators of business growth and revenue streams. Data gathered from the Ohio Department of Development includes private projects with at least \$1 million in investment, an addition of 20,000 square feet of space, or 50 new jobs. Projects are restricted to manufacturing, distribution, office, hotel, or research and development.

Finally, tracking rankings in national business magazines of companies headquartered in a particular City is helpful for predicting future revenues and/or service needs that may arise from such large employers.

Observations

- Using comparisons from both the Economic Census and Zip Code Business Pattern reports, the City's economy appears to have weathered the national economic downturn. The number of employees and annual payroll fell 7.0 percent and 3.9 percent, respectively, from 2000 to 2001. However, these statistics increased 7.7 percent and 7.0 percent, respectively, from 2001 to 2002 (pages 14-16).
- The largest growth industries in Westlake appear to be professional, scientific and professional services; health care and social assistance firms; and accommodation and food services. Details for each industry include (page 17):

- Nearly 1,900 jobs related to professional services were added from 1997 to 2002, increasing payroll by 223 percent and revenue by 111 percent. Average wages per employee ranked among the highest of all industries, increasing 15.6 percent.
- Nearly 2,500 jobs in health care and social assistance were added from 1997 to 2002, increasing local payroll by 200 percent and revenues by 222.5 percent. Much of this industry is likely driven by the City's surging senior population. Average wages per employee increased 37.5 percent, and also rank high compared to other industries.
- Approximately 550 jobs were added in accommodation and food services, increasing payroll by 69.0 percent and revenue by 57.3 percent. However, these jobs are the lowest paying per employee among the industries surveyed. This area will continue seeing strong growth with the introduction of Crocker Park in 2005.
- The industry in steepest decline appears to be wholesale trade, which includes merchant wholesalers, manufacturers' sales branches and agents/brokers. Although the number of employees increased 7.8 percent from 1997 to 2002, payroll and revenue decreased 5.1 percent and 27.4 percent, respectively. Based on Census detail reports, sales for durable goods (e.g., machinery) have dropped by approximately 10 percent while sales for nondurable goods (paper, chemicals, etc) fell 774 percent. The City should monitor this trend due to the nature of these higher-paying jobs (page 17).
- Retail trade also declined, losing 14 percent of employees and 3.0 percent of revenue, while payroll remained constant. This loss in lower-paying jobs was likely related to reduced consumer confidence during the recent economic downturn. However, these numbers will increase with the opening of Crocker Park (page 17).
- Westlake has benefited from substantial private investment in diverse industry areas, even during the economic downturn. In 2002 and 2003, these included (page 18):
 - Approximately \$13.5 million in new and expanded office space, resulting in 298 new jobs.
 - Approximately \$2 million in new and expanded manufacturing, resulting in 50 new jobs.
 - Approximately \$2 million in new and expanded distribution facilities.
- Westlake is also headquarters to TravelCenters of America, a Fortune 1000 company in terms of revenue (\$2.4 billion in 2005). The company moved from 666 on the list in 2004 to 657 in 2005. It also increased from 115 on Forbes Magazine list of America's largest private companies in 2003 to 100 in 2004. It is the largest Ohio-headquartered company in terms of revenue and employees (page 18).

2002 BUSINESS PATTERNS
North American Industry Classification System

Total for ZIP Code 44145
Number of establishments: 1,412
First quarter payroll in \$1000: \$197,015
Number of employees: 23,518 ¹
Annual payroll in \$1000: \$788,205

NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS

Industry Code Description	Total Estabs	'1-4'	'5-9'	'10-19'	'20-49'	'50-99'	'100-249'	'250-499'	'500-999'	'1000 or more'
Total	1,412	723	285	190	118	61	23	7	4	1
Forestry, fishing, hunting, and agriculture	1	1	0	0	0	0	0	0	0	0
Mining	1	1	0	0	0	0	0	0	0	0
Utilities	1	0	0	0	1	0	0	0	0	0
Construction	81	47	14	15	3	1	1	0	0	0
Manufacturing	56	23	12	4	8	6	2	1	0	0
Wholesale trade	153	95	23	15	10	6	3	0	1	0
Retail trade	155	63	46	22	13	7	3	1	0	0
Transportation & warehousing	24	16	5	1	1	1	0	0	0	0
Information	33	17	8	3	1	3	1	0	0	0
Finance & insurance	113	59	32	8	6	5	3	0	0	0
Real estate & rental & leasing	66	42	11	8	3	0	0	0	2	0
Professional, scientific & technical services	215	136	36	29	11	3	0	0	0	0
Management of companies & enterprises	12	4	1	3	1	2	0	1	0	0
Admin. support, waste mgt, remediation services	90	50	14	8	11	4	2	1	0	0
Educational services	15	11	0	1	2	1	0	0	0	0
Health care and social assistance	204	94	47	35	16	3	6	2	0	1
Arts, entertainment & recreation	10	6	1	0	1	1	1	0	0	0
Accommodation & food services	84	15	8	21	22	16	1	1	0	0
Other services (except public administration)	92	39	26	17	8	2	0	0	0	0
Auxiliaries (exc corporate, subsidiary)	1	0	0	0	0	0	0	0	1	0
Unclassified establishments ²	5	4	1	0	0	0	0	0	0	0

Source: U.S. Census Bureau

¹ Chart does not include public-sector employment.

² Those employers without a fixed location or with an unknown ZIP Code are included under an "Unclassified" category indicated by ZIP Code 99999.

2001 BUSINESS PATTERNS
North American Industry Classification System

Total for ZIP Code 44145
Number of establishments: 1,435
First quarter payroll in \$1000: \$190,322
Number of employees: 21,841¹
Annual payroll in \$1000: \$736,718

NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS

Industry Code Description	Total Estabs	'1-4'	'5-9'	'10-19'	'20-49'	'50-99'	'100-249'	'250-499'	'500-999'	'1000 or more'
Total	1,435	727	304	186	123	59	27	7	2	0
Forestry, fishing, hunting, and agriculture	1	1	0	0	0	0	0	0	0	0
Mining	1	1	0	0	0	0	0	0	0	0
Utilities	1	0	0	0	1	0	0	0	0	0
Construction	93	54	15	15	7	1	0	1	0	0
Manufacturing	58	19	13	4	9	10	2	1	0	0
Wholesale trade	162	92	32	16	11	8	3	0	0	0
Retail trade	159	65	45	25	13	7	3	1	0	0
Transportation & warehousing	25	16	4	2	2	1	0	0	0	0
Information	25	16	3	2	1	2	1	0	0	0
Finance & insurance	118	63	38	8	5	3	1	0	0	0
Real estate & rental & leasing	70	40	17	6	3	2	0	1	1	0
Professional, scientific & technical services	201	130	36	26	7	1	1	0	0	0
Management of companies & enterprises	9	1	2	1	2	0	2	1	0	0
Admin. support, waste mgt, remediation services	110	62	19	11	10	5	3	0	0	0
Educational services	15	10	0	4	0	1	0	0	0	0
Health care and social assistance	193	88	46	27	18	3	9	2	0	0
Arts, entertainment & recreation	10	5	2	0	1	1	1	0	0	0
Accommodation & food services	87	23	8	19	23	13	1	0	0	0
Other services (except public administration)	87	35	23	19	9	1	0	0	0	0
Auxiliaries (exc corporate, subsidiary)	2	0	0	0	1	0	0	0	1	0
Unclassified establishments ²	8	6	1	1	0	0	0	0	0	0

Source: U.S. Census Bureau

¹ Chart does not include public-sector employment.

² Those employers without a fixed location or with an unknown ZIP Code are included under an "Unclassified" category indicated by ZIP Code 99999.

2000 BUSINESS PATTERNS
North American Industry Classification System

Total for ZIP Code 44145
Number of establishments: 1,408
First quarter payroll in \$1000: \$177,354
Number of employees: 23,477 ¹
Annual payroll in \$1000: \$766,307

NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS

Industry Code Description	Total Estabs	'1-4'	'5-9'	'10-19'	'20-49'	'50-99'	'100-249'	'250-499'	'500-999'	'1000 or more'
Total	1,408	723	308	167	108	69	21	8	3	1
Forestry, fishing, hunting, and agriculture	1	1	0	0	0	0	0	0	0	0
Mining	1	1	0	0	0	0	0	0	0	0
Utilities	1	0	0	0	1	0	0	0	0	0
Construction	99	60	18	9	7	3	0	1	0	1
Manufacturing	57	23	9	5	7	11	1	1	0	0
Wholesale trade	156	82	36	16	12	8	2	0	0	0
Retail trade	156	66	44	23	10	9	3	1	0	0
Transportation & warehousing	20	12	4	1	2	1	0	0	0	0
Information	32	19	4	4	3	1	1	0	0	0
Finance & insurance	117	66	29	11	4	5	1	0	1	0
Real estate & rental & leasing	62	38	14	5	3	1	0	1	0	0
Professional, scientific & technical services	179	109	42	15	10	2	1	0	0	0
Management of companies & enterprises	9	1	1	2	2	0	1	1	1	0
Admin. support, waste mgt, remediation services	107	63	23	7	7	5	2	0	0	0
Educational services	14	8	2	3	0	1	0	0	0	0
Health care and social assistance	188	90	45	22	15	6	7	3	0	0
Arts, entertainment & recreation	16	9	2	2	1	1	1	0	0	0
Accommodation & food services	81	19	7	22	18	14	1	0	0	0
Other services (except public administration)	92	38	27	20	6	1	0	0	0	0
Auxiliaries (exc corporate, subsidiary)	1	0	0	0	0	0	0	0	1	0
Unclassified establishments ²	19	18	1	0	0	0	0	0	0	0

Source: U.S. Census Bureau

¹ Chart does not include public-sector employment.

² Those employers without a fixed location or with an unknown ZIP Code are included under an "Unclassified" category indicated by ZIP Code 99999.

ECONOMIC CENSUS COMPARISON, 2002 TO 1997¹

Industry description	2002 number of businesses	1997 number of businesses	2002 sales, shipments, or receipts, or revenue (\$1,000)	1997 sales, shipments, receipts (\$1,000)	2002 annual payroll (\$1,000)	1997 annual payroll (\$1,000)	2002 number of employees	1997 number of employees	2002 average wage per employee	1997 average wage per employee
Wholesale trade	152	174	\$1,460,260	\$2,050,184	\$117,325	\$123,648	2,676	2,482	\$43,843	\$49,818
Retail trade	151	148	\$388,895	\$400,992	\$41,408	\$41,359	2,174	2,532	\$19,047	\$16,335
Information ²	31	N/A	N/A	N/A	\$28,886	N/A	566	N/A	\$51,035	N/A
Real estate & rental & leasing	63	55	\$121,287	\$76,831	\$23,919	\$15,357	832	592	\$28,749	\$25,941
Professional, scientific, & technical services	220	162	\$180,026	\$85,562	\$120,885	\$37,530	2,915	1,047	\$41,470	\$35,845
Administrative & support & waste management & remediation service	94	81	\$68,871	\$45,234	\$33,434	\$20,437	1,496	1,163	\$22,349	\$17,573
Educational services ³	11	8	N/A	\$746	N/A	\$241	N/A	30	N/A	\$8,033
Health care & social assistance	209	161	\$358,136	\$111,698	\$147,050	\$49,295	4,609	2,122	\$31,905	\$23,230
Arts, entertainment, & recreation	13	14	\$14,114	\$4,272	\$5,749	\$1,302	407	155	\$14,125	\$8,400
Accommodation & food services	82	70	\$96,826	\$61,512	\$28,425	\$16,873	2,469	1,936	\$11,513	\$8,715
Other services (except public administration)	73	58	\$38,104	\$31,051	\$13,938	\$10,294	621	485	\$22,444	\$21,225
Totals	1,099	931	\$2,726,519	\$2,868,082	\$561,019	\$316,336	18,765	12,544	N/A	N/A

Source: U.S. Census Bureau

¹ Census did not collect data on the construction and manufacturing industries, and the information industry for 1997. However, data on the number and relative size of these firms is available in previous tables of this section.

² Data on 2002 revenue for information industry was not available or nor comparable.

³ Data on 2002 revenue, payroll and employees withheld to avoid disclosing data for individual establishments.

RECENT PRIVATE INVESTMENT, CITY OF WESTLAKE ¹

Company	Type	New Jobs	Investment (000's)	Square Feet	New or Expanded
2002					
Carnegie Mgt. & Development Corp.	Distribution		\$1,000	18,000	New
Carny Construction	Office		\$1,000	N/A	New
Fortney Weygandt/Shalimar	Office		\$5,500	68,000	New
Robert L. Stark	Office		N/A	22,000	New
Struers, Inc	Manufacturing		\$2,000	17,600	New
2003					
Hyland Software	Office	298	\$5,800	40,000	Expanded
Omni Realty Co.	Office		\$1,200	15,000	New
Viking Sewing Machine	Distribution		\$1,000	17,500	Expanded
Western DataCom	Manufacturing	50	N/A	N/A	Expanded
2004					
The City reported \$153,000,000 in projects.					

Source: Ohio Department of Development, Office of Strategic Research

¹ Includes projects with at least \$1 million investment, addition of 20,000 square feet, or 50 new jobs.

NATIONAL RANKINGS, TRAVELCENTERS OF AMERICA

	2005	2004	2003
Fortune 1000	657	666	705
Fortune Ohio Ranking	39	42	N/A
Forbes Largest Private Companies	94	100	115
Forbes Ohio Ranking	3	1	1

C. Labor force

Issues to Look For

Equally important to assessing the economic health of resident businesses is assessing the employment prospects of residents themselves. If residents are employed, they are better positioned to contribute to the City tax base, and less likely to require certain services such as social services. Moreover, tracking resident employment trends helps a City market its own labor force to potential businesses considering locating in the City.

The Ohio Department of Job and Family Services tracks the labor force, overall employment and unemployment, and unemployment rates by residents living in Ohio cities. This section will also attempt to merge local labor force trends with trends in Westlake's aging resident population. It will provide observations in the context of a recent report from the Ohio Department of Job and Family Services (ODJFS) – *The Graying of the Ohio Labor Force*.

Observations

- Resident unemployment remained at or below 2 percent in 2000 and 2001. However, Westlake's unemployment rate has risen every year since 2001 to 4.5 percent in 2004, though it has remained steady midway through 2005. While this rising trend is troubling, the City has consistently maintained a lower unemployment rate than the five-county Cleveland Metropolitan Statistical Area (page 20).
- The numerous commercial and retail developments under construction in the City could expand employment opportunities for Westlake residents. For example, a 55,000 square foot medical building was under construction in 2004 that will offer opportunities in the fast-growing health care field discussed in the previous section. Also, once completed, Crocker Park will offer 600,000 square feet of retail, 40,000 square feet of restaurants and 290,000 square feet of office space.
- ODJFS projects the percent of the Ohio workforce aged 55 and older will grow much faster than the younger labor force as the baby-boom generation continues to age. From 2002 to 2012, the labor force in the 35-44 cohort is expected to decline by 90,000, reflecting the decrease in births in the late 1960s and early 1970s (page 20).
- ODJFS also projects the number of workers aged 65 and above to increase by 70,000 from 2002 to 2012, with women comprising the majority of this increase. This could be partially attributed to the Senior Citizens Freedom to Work Act of 2000, which eliminated the earnings penalty, in the form of reduced benefits, for those aged 65 to 70 who continue to work. However, the economic challenges of the senior population described earlier in this report, exacerbated by the poor economy of the early 2000s, could likewise spur a delay in retirement or even return to the workforce for the elderly (page 21).

- If these projections hold true for Westlake’s senior population, the City might consider opportunities to market this growing population to its resident businesses, and vice versa. These residents would be able to earn an income while remaining in the community, fill increasing labor force needs and contribute to the local tax base. If a resident only desires or requires part-time employment to supplement retirement income, retail and support positions associated with the Crocker Park development should provide ample opportunities.

UNEMPLOYMENT RATES AND LABOR FORCE, CITY OF WESTLAKE

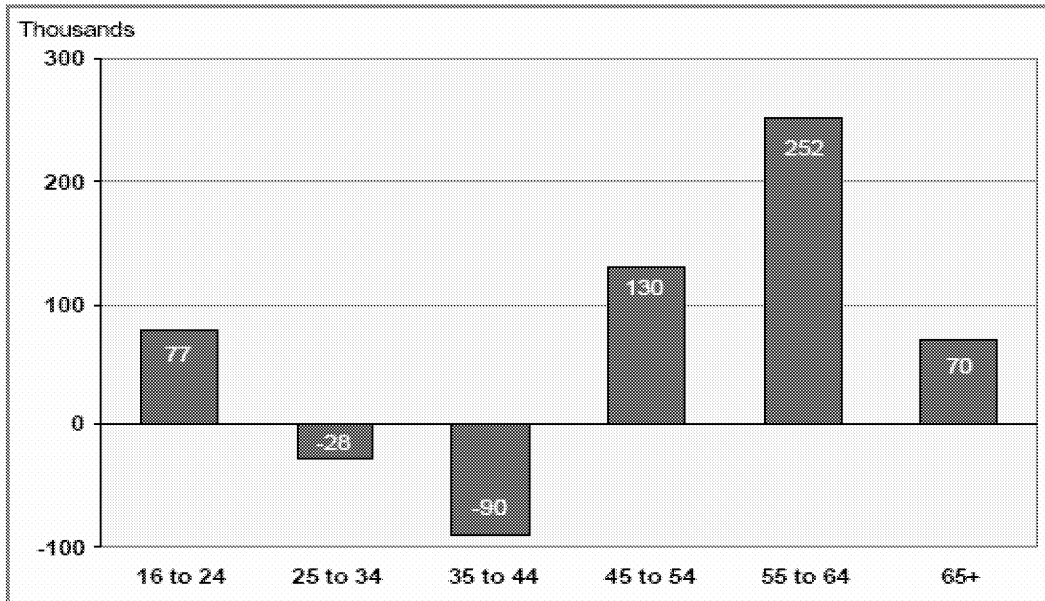
Year	Labor Force	Employment	Unemployment	Unemployment Rate	Cuyahoga MSA Unemployment Rate ²
2005 ¹	16,830	16,080	780	4.6%	6.2%
2004	17,100	16,300	800	4.5%	5.9%
2003	17,200	16,500	700	4.2%	6.0%
2002	16,800	16,400	400	2.6%	5.4%
2001	17,200	16,900	300	2.0%	4.3%
2000	17,200	16,900	300	1.8%	3.8%

Source: Ohio Department of Job and Family Services, Office of Workforce Development

¹ Reflects averages for January through June 2005

² Area defined as Cuyahoga, Geauga, Lake, Lorain and Medina Counties.

CHANGES IN OHIO LABOR FORCE BY AGE, 2002-2012



Source: Ohio Department of Job and Family Services, Office of Workforce Development

Financial Ratios

The new financial reporting model known as GASB Statement No. 34 is the most sweeping accounting reform in the history of government accounting. Under the new standard, anyone with an interest in public finance—citizens, the media, bond raters, creditors, legislators, and others—will have more and easier-to-understand information about their governments.

The PMP complemented this innovation by developing 16 ratios, many of which are based on the new GASB statements, to measure financial performance. These ratios fall under the following general categories:

- Financial performance,
- Liquidity,
- Solvency,
- Fiscal capacity,
- Risk, and
- Operational efficiency.

The following charts demonstrate these 16 ratios for the City of Westlake for 2000-2004.

Recommended Budget Practices: A Framework For Improved State and Local Government Budgeting (1998) published by the Government Finance Officers Association provides a framework for financial management. More specifically, it recommends that an entity adopt financial policies in numerous areas encompassed by the PMP's 16 ratios, including the following:

- Stabilization of funds...**Chart 8**
- Fees and charges...**Chart 15**
- Debt issuance and management...**Charts 6, 7, 9, 10, 11**
- Debt level capacity...**Charts 12, 13**
- One-time revenues and revenue diversification...**Charts 3, 14**
- Balancing the operating budget and contingency planning...**Charts 1, 2, 5**

This publication also recommends that entities monitor, measure, and evaluate their financial condition, as well as evaluate the use of unpredictable revenues. In addition to performing these general activities, the City of Westlake should consider using the ensuing data and charts to help in developing financial policies and practices consistent with the needs of its citizens.

The City of Westlake adopted *Ordinance Number 1976-190* on December 3, 1976. This Ordinance established an Equipment Replacement Fund. **Charts 2, 5, and 8** are used to analyze compliance with this policy/ordinance.

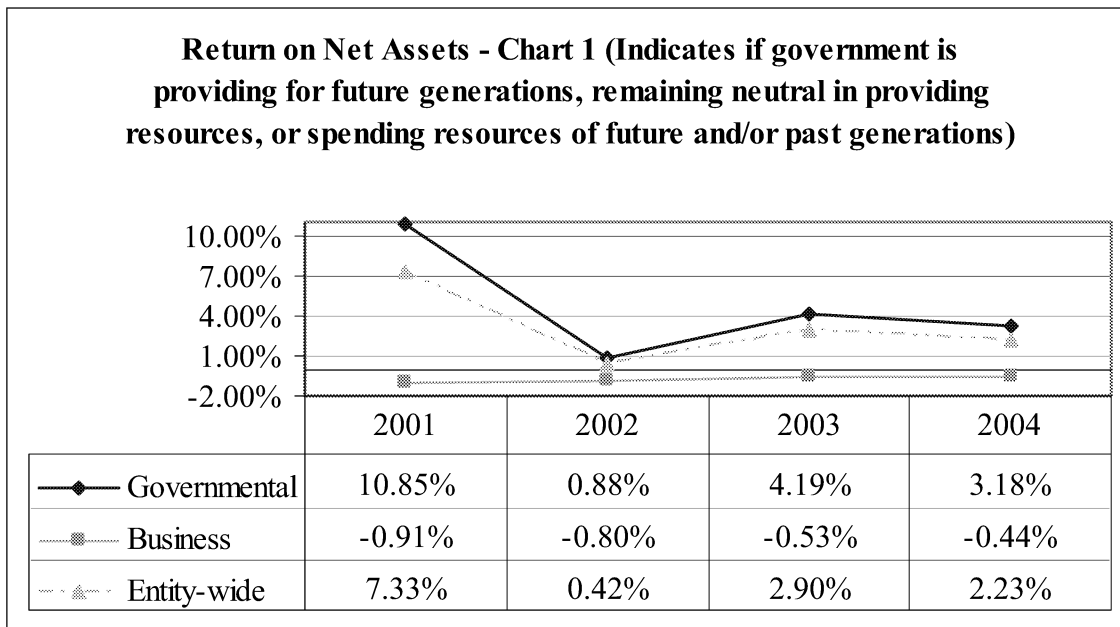
Chart 2 indicates that the City has been replacing governmental assets at the approximate rate of inflation over the past four year period. However, the City should conduct further analysis to determine if these were new assets placed in service or replacement of existing assets. If **Chart 2** includes new assets placed in service, the City may not be replacing existing assets in a timely fashion. Accounting for the useful life of

assets may need to be adjusted or the service requiring the assets may have become obsolete, thereby making the asset obsolete for the City's purposes.

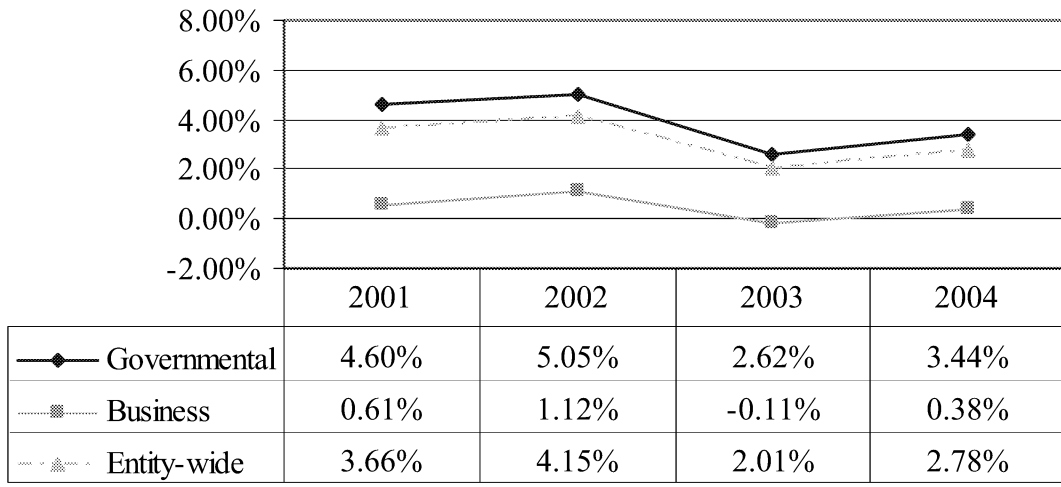
Chart 5 indicates that the City is generating a return on total assets sufficient to replace those assets from the Governmental Funds. From 2001 through 2004, the return has approximated inflation. However, the business activities have not generated a sufficient return to replace assets before considering the effects of inflation.

Chart 8 illustrates the cash balances of the City have been trending lower over the past four years. The General Fund is shown individually and included in the Governmental presentation. In addition to the General Fund and the Governmental Funds, there are several restricted funds such as the Street Construction Fund, the Debt Service Fund, the State Highway Fund and the Reserve for Equipment Replacement Fund. The City should conduct additional prospective analysis on the Capital Improvement Fund and the General Fund. It should ensure that, over the next five year period, periodic appropriations to the funds (Reserve for Equipment Replacement) and replacement of obsolete equipment are accomplished without large expenditures being taken for the General Fund in any one year (See original *Ordinance 1976-90*).

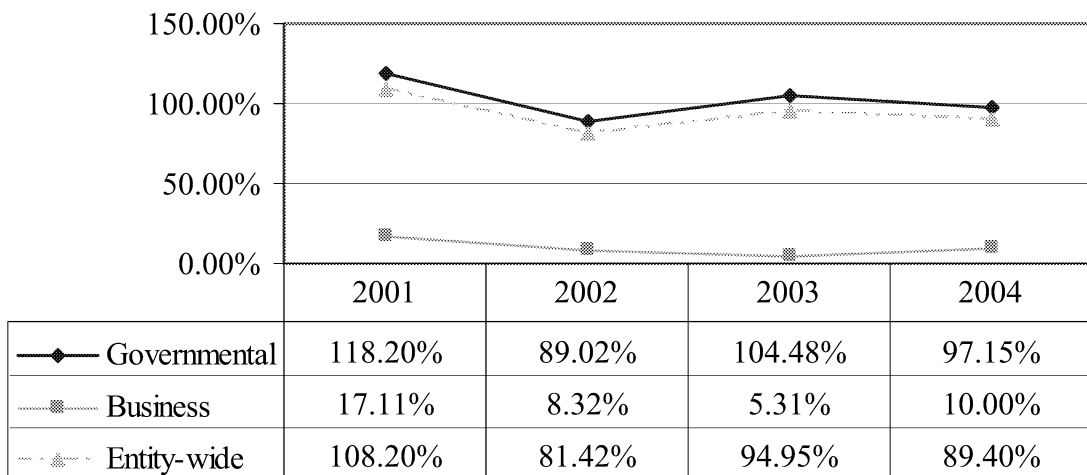
A. Financial Performance



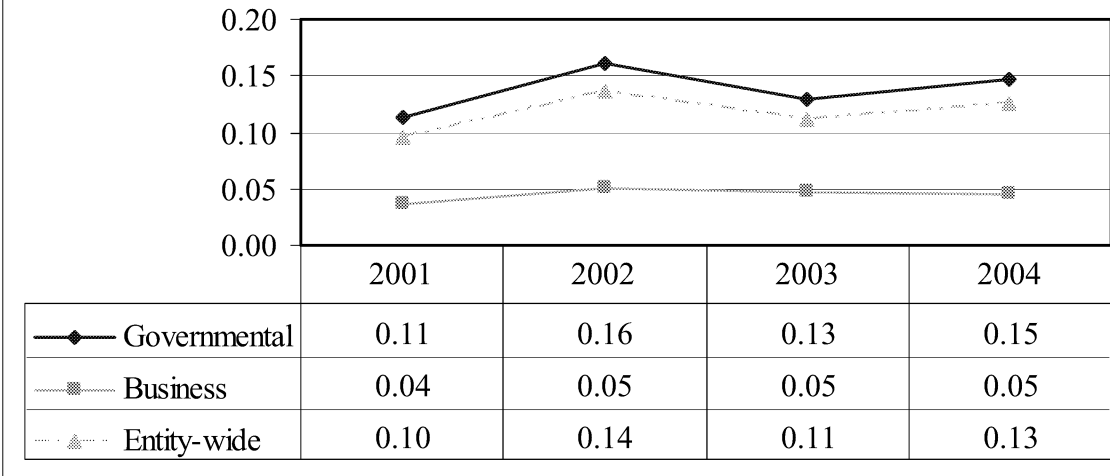
Change in Capital Assets - Chart 2 (Indicates if government is financially maintaining equipment and infrastructure.)



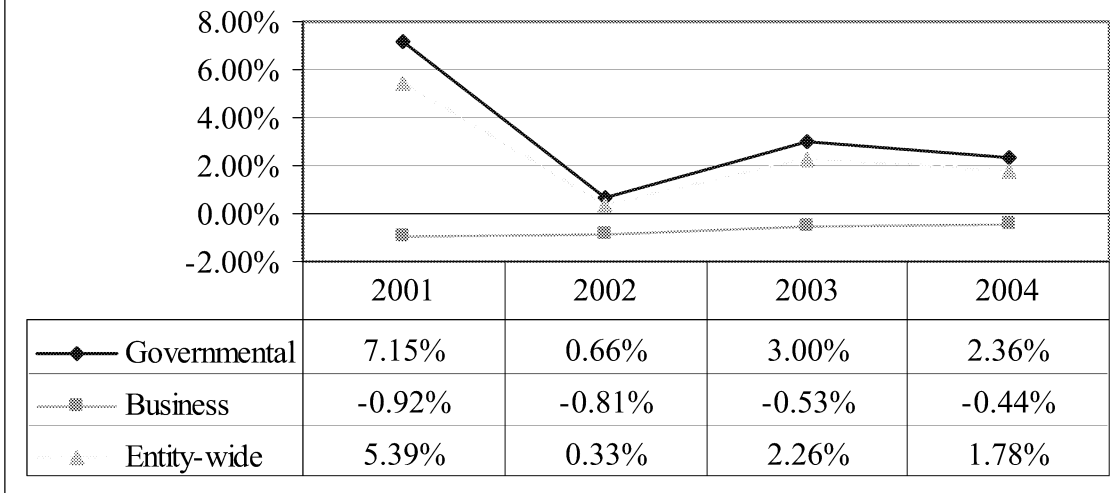
General Support Rate - Chart 3 (Indicates the dependency on state/federal revenues to deliver services. Percentages reflect the amount of local taxes collected divided by expense.)



Asset Turns per Year - Chart 4 (Indicates the time to turn assets into good or services. 100% equals one year.)

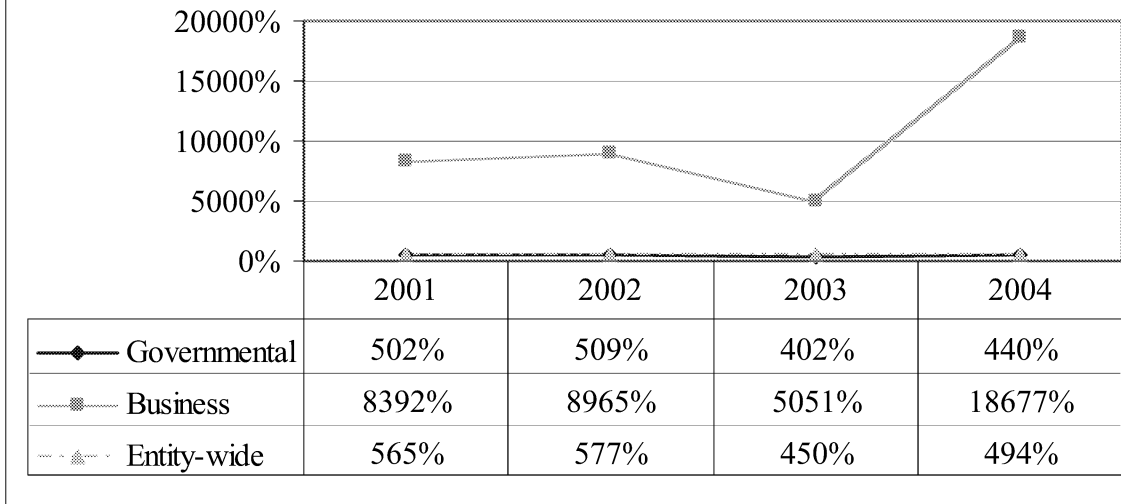


Return On Assets - Chart 5 (Indicates ability of government to replace assets and/or invest back into operations.)

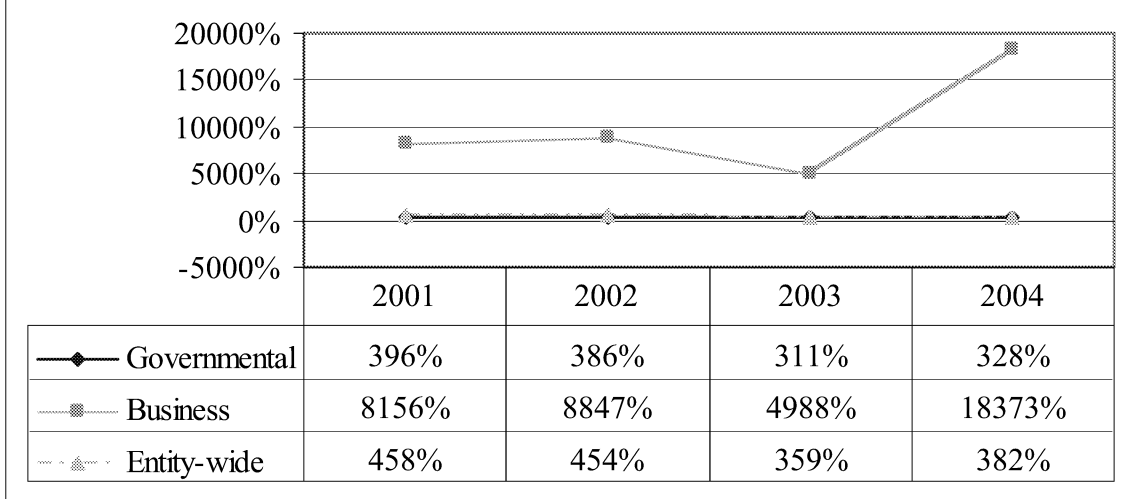


B. Liquidity (includes capital replacement funds)

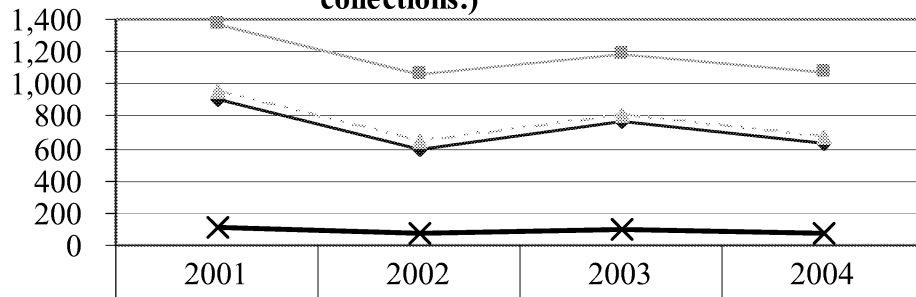
Current Ratio - Chart 6 (Indicates ability of government to pay current liabilities with current assets.)



Quick Ratio - Chart 7 (Indicates ability of government to pay current liabilities with cash and investments.)



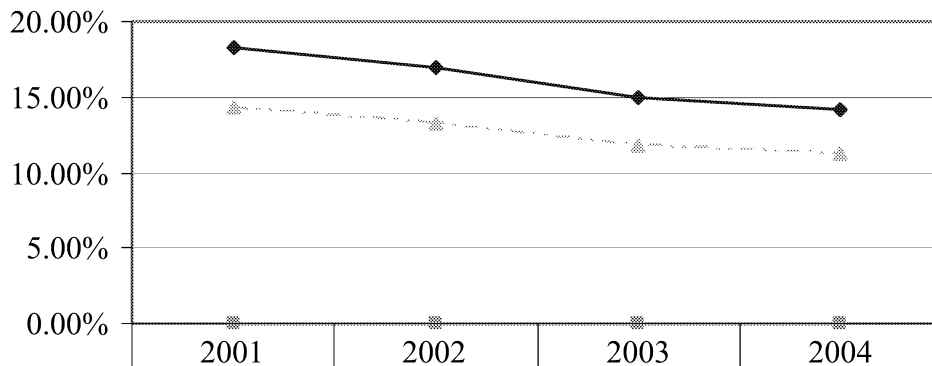
Days Cash and Investments in Reserve - Chart 8 (Indicates number of days a government could operate with no cash collections.)



◆ Governmental	905	596	763	628
■ Business	1,371	1,065	1,191	1,079
▲ Entity-wide	951	641	804	668
× General Fund	117	76	93	69

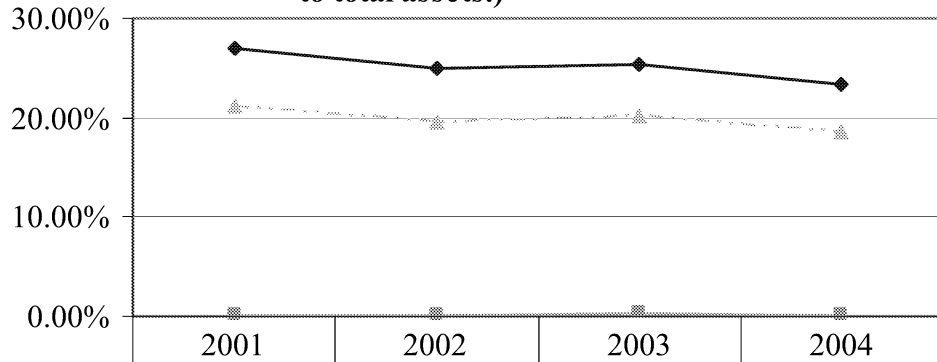
C. Solvency

Debt to Assets - Chart 9 (Indicates the amount of long-term debt compared to total assets.)



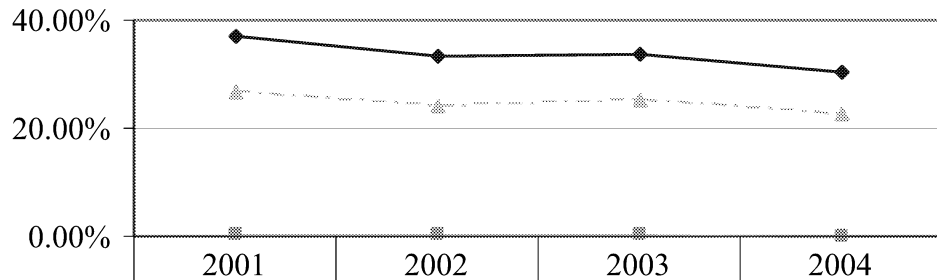
◆ Governmental	18.21%	17.01%	14.99%	14.16%
■ Business	0.00%	0.00%	0.00%	0.00%
▲ Entity-wide	14.24%	13.27%	11.82%	11.21%

Liabilities to Assets - Chart 10 (Indicates the amount of total debt to total assets.)



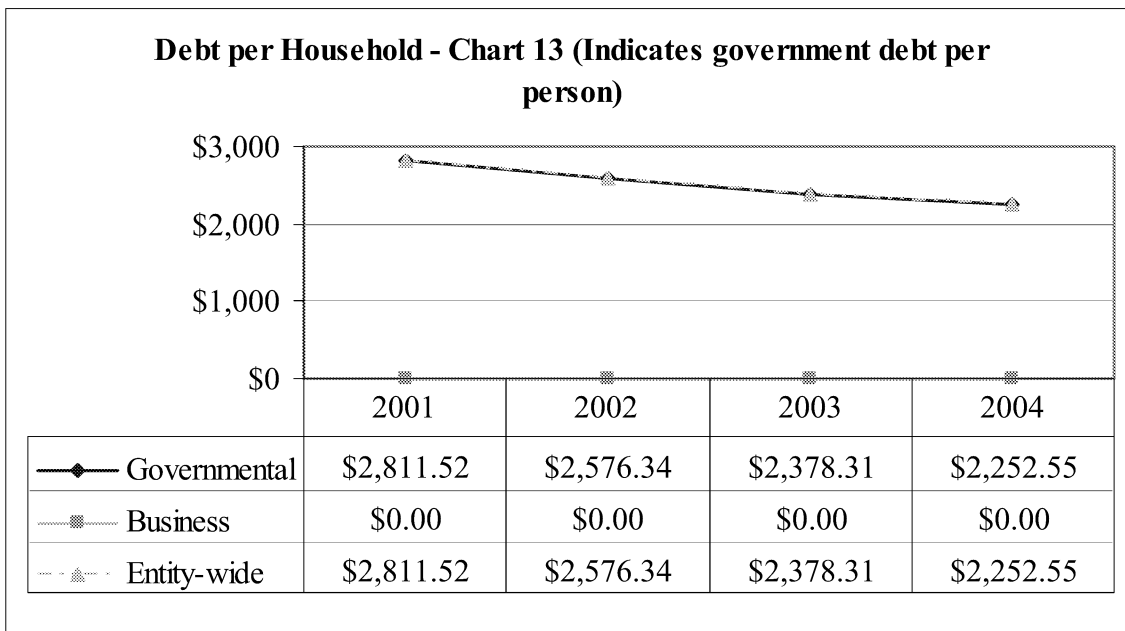
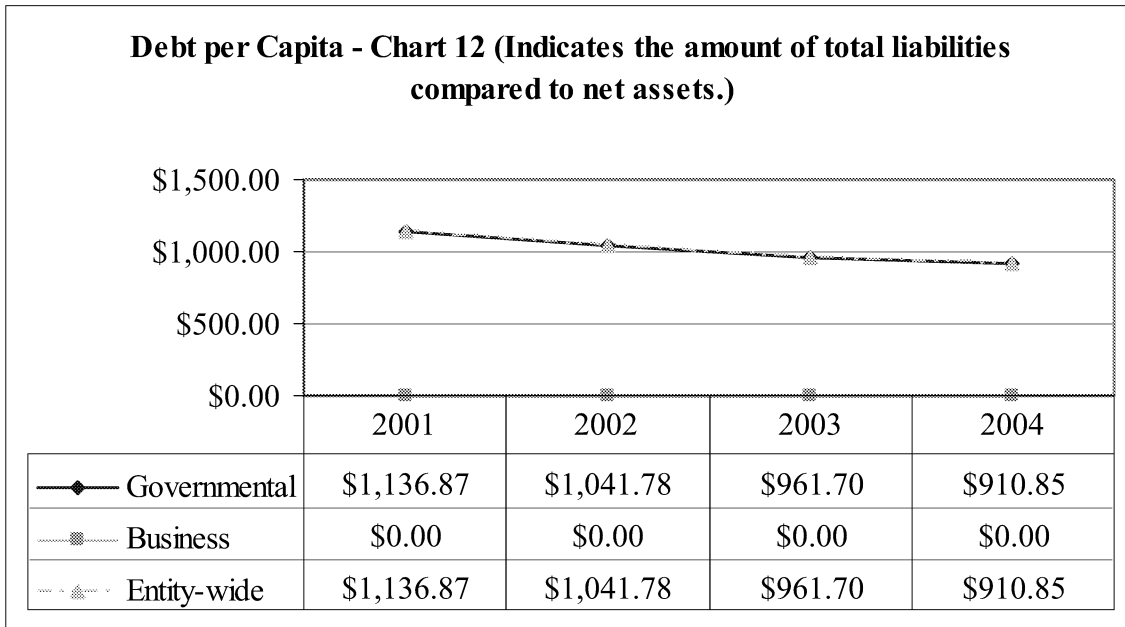
—◆— Governmental	26.97%	24.90%	25.31%	23.39%
—■— Business	0.25%	0.23%	0.40%	0.11%
—▲— Entity-wide	21.14%	19.48%	20.04%	18.54%

Liabilities to Net Assets - Chart 11 (Indicates the amount of total debt to total assets.)



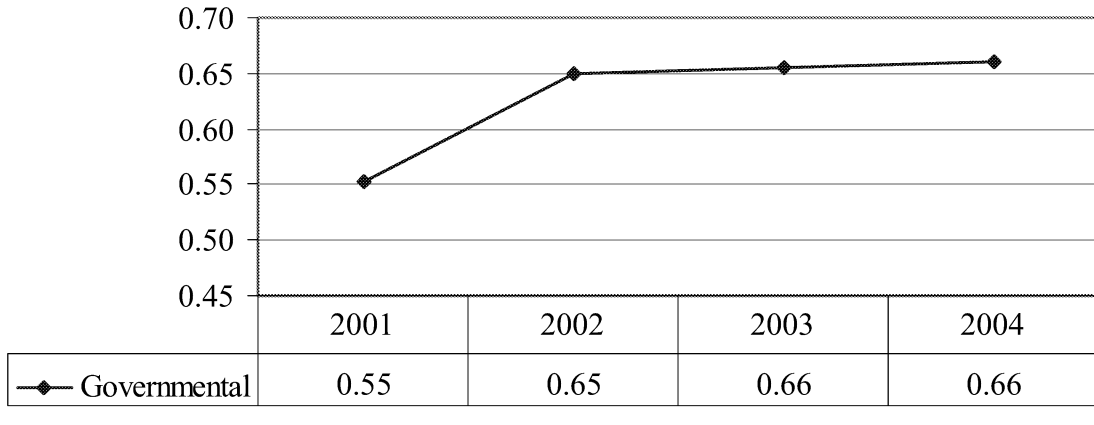
—◆— Governmental	36.93%	33.16%	33.88%	30.52%
—■— Business	0.25%	0.23%	0.40%	0.11%
—▲— Entity-wide	26.81%	24.19%	25.06%	22.76%

D. Fiscal Capacity

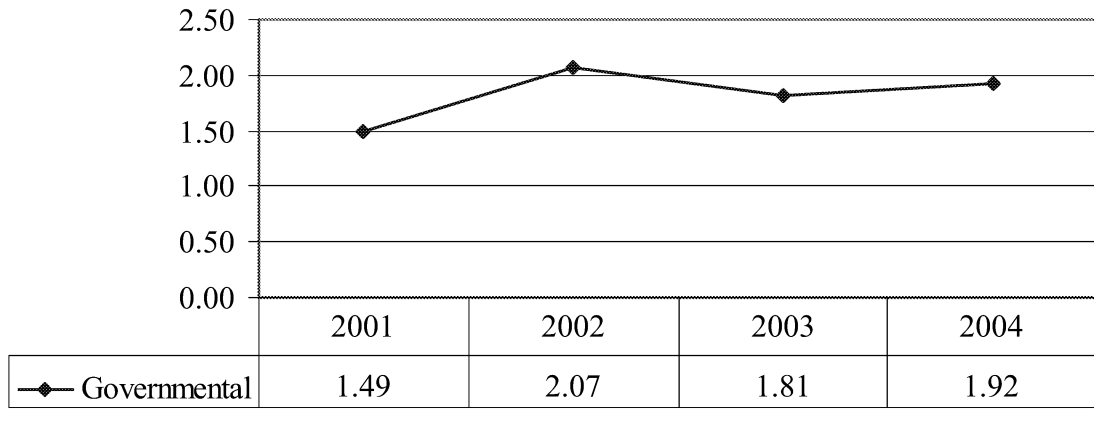


E. Risk

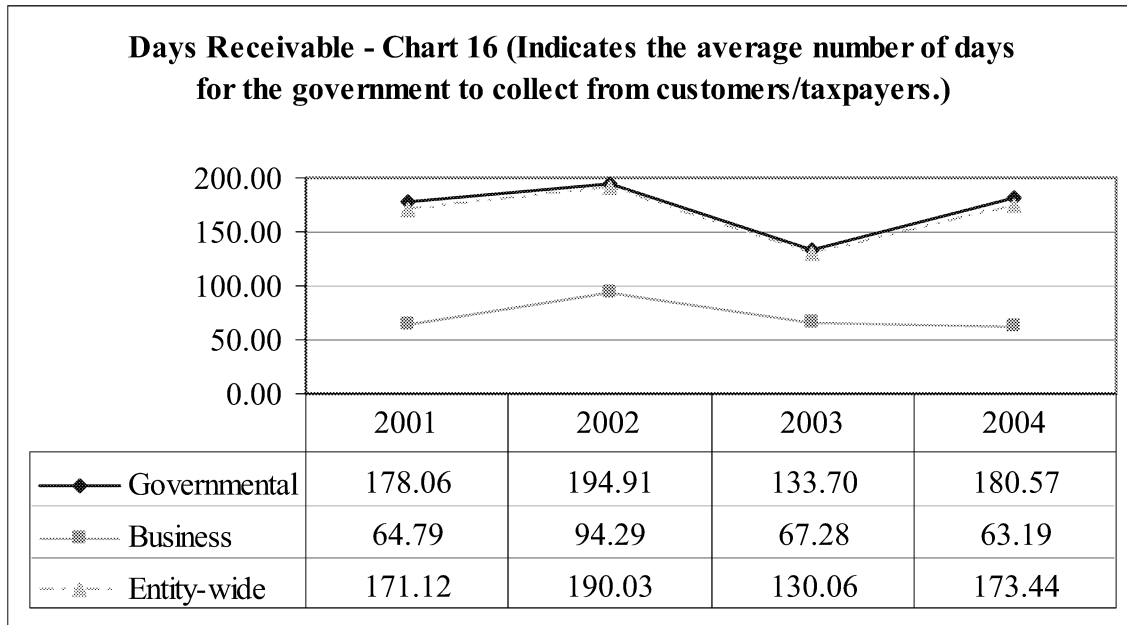
Risk Exposure - Ratio Chart 14 (Indicates the component of income tax in the revenue base of investment income, intergovernmental, and income tax revenue.)



Tax Leverage - Ratio 15 (Indicates for every dollar that is collected in income tax an additional cents per dollar of this amount must be generated to support services.)



F. Operational Efficiency



Performance Measurement Exercise

The final portion of the pilot project involved the development of performance measurement tools for two operational areas of the City. These self-assessment tools can be employed on a regular basis to determine attainment of established goals and objectives.

An understanding of the following performance measurement terms is critical for employing this tool:

- **Inputs:** Resources (i.e., expenditure or employee time) used to produce outputs and outcomes.
- **Outputs:** Products and services delivered. Output refers to the completed products of the internal activity and the amount of work done within the organization or by its contractors (such as number of miles of road repaired or number of calls answered).
- **Outcomes:** An event, occurrence, or conditions that is outside the activity or programs itself and that is of direct importance to customers and the public in general. An outcome indicator is a measure of the amount and/or frequency of occurrences. Service quality is also included under this category.
- **Intermediate Outcome:** An outcome that is expected to lead to a desired end but is not an end in itself (such as service response time, which is of concern to the customer making a call but does not tell anything directly about the success of the call). A service may have multiple intermediate outcomes.
- **End Outcomes:** The end result that is sought (such as the community having clean streets or reduced incidence of crime or fires). A service may have more than one end outcome.
- **Efficiency or Unit-Cost Ratio:** The relationship between the amount of input (usually dollars or employee-years) and the amount of output or outcome of an activity or program. If the indicator uses outputs and not outcomes, a jurisdiction that lowers unit cost may achieve a measured increase in efficiency at the expense of the outcome of the service.
- **Performance Indicator:** A specific numerical measurement for each aspect of performance (e.g., output or outcome) under consideration.

Source: Performance Measurement: Getting Results, Haltry, Harry P. The Urban Institute Press, 2100 M Street, N.W., Washington, DC, 20037.

The Westlake team requested help in developing performance measures for the following operational areas: yard waste management and EMS billing.

Yard Waste Management

Because yard waste is the largest single component of generated municipal solid waste by weight, the state of Ohio prohibits landfills from accepting yard waste separated from other solid wastes at the point of generation. Consequently, most communities rely on either public or private compost facilities.

Westlake operates, as a joint venture with the City of Bay Village, a 12-acre compost site that accepts all leaves collected through the Service Department's curbside leaf collection program. Approximately 58,000 cubic yards of leaves were collected in 2004.

The leaves are put into wind rows and turned with a large machine called a Scarab. This process greatly reduces decomposition time and turns the leaves into leaf humus within a six-month cycle. A machine screens all leaf humus to remove debris. Leaf humus is an excellent soil conditioner to add to gardens and flower beds. However, the processes to quickly arrive at quality humus are very labor intensive and contribute to the cost of the end product.

The City's compost site also grinds all branches, logs and tree stumps from weekly brush collection. A tub grinder turns this material into wood chips, which may be used as ground cover in flower beds and around trees. Given the scope limitations of this project, this template assumes that only leaf collection and creation of humus could be outsourced. Further, given the significant use of wood chips by the City in its park systems, it is currently not reasonable to assume it would outsource this operation.

The City compost site sells leaf humus and wood chips in quantities ranging from a bushel to over 100 yards. For a \$20 fee, the City will directly haul material to the homes of Westlake residents. Nearly 5,850 cubic yards of humus were purchased through the site in 2004. The City also spreads leaf humus and wood chips from its compost site within its public parks and other City projects. Individuals must pre-pay for the materials at City hall during business hours.

The City requested the development of various performance measures for its waste management program, including estimated costs/benefits of outsourcing its composting of leaves. Consequently, AOS and the PMP team developed the following five outcomes:

- **The combined net cost of the leaf pickup/compost site shall not exceed the costs of outsourcing the City compost program (efficiency end outcome).**
- **Revenue from sales of humus shall contribute 50 percent to the compost site operations (efficiency end outcome).**
- **Total leaf pickup labor hours as a percentage of cubic yards picked up shall not exceed 33 percent (efficiency intermediate outcome), which equates to picking up at least an average of 3 cubic yards per one labor hour.**

- **In-kind contributions from Bay Village (including depreciated equipment) as a percentage of total cubic yards added by Bay Village shall remain at or above a to be determined percent (TBD %) (Efficiency intermediate outcome).**
- **Cubic yards of leaf humus recycled through sales to City residents will increase by 4 percent each year (effectiveness end outcome).**

The entire assessment tool is contained within **Table 1**, populated with data for Westlake from 2004.

**TABLE 1
LEAF MANAGEMENT PERFORMANCE ASSESSMENT TOOL**

EFFICIENCY OUTCOME	The combined net cost of the leaf pickup/compost site shall not exceed the costs of outsourcing the city compost program.	
EFFICIENCY OUTCOME	Revenues from sales of leaf humus shall support at least half of compost site costs.	
EFFICIENCY OUTCOME	Total cubic yards of leaves picked up shall be greater than 3.03 per man hour.	
EFFICIENCY OUTCOME	In-kind contributions from Bay Village (including depreciated equipment) as a percentage of total cubic yards added the previous year by Bay Village shall remain at or above TBD%.	
EFFECTIVENESS	Cubic yards of humus recycled through sales to residents will increase by 4% each year.	
OUTPUT	Total cubic yards of leaves picked up	22,831.0
OUTPUT	Total cubic yards of compost delivered	1,659.5
OUTPUT	Total cubic yards of leaves added to the compost site by Bay Village	29,799.0
OUTPUT	Cubic yards of humus recycled through sales 2003	4,938.0
	Cubic yards of humus recycled through sales 2004	5,850.0

	CURRENT PROGRAM	OUTSOURCED
DIRECT INPUT		
LEAF PICKUP MAN-HOURS	6,250	6,850
LABOR -- LEAF PICKUP	\$149,986.44	\$187,171.44
COMPOST SITE MAN HOURS -- OPERATOR	1,678.75	
COMPOST SITE MAN HOURS -- DELIVERY	339.50	0.00
LABOR -- COMPOST SITE	\$54,000.00	\$0.00
TOTAL	\$203,986.44	\$187,171.44
SUPPLIES AND MATERIALS -- LEAF PICKUP	\$12.70	\$12.70
SUPPLIES AND MATERIALS -- COMPOST SITE	\$6,000.00	\$0.00
COST OF COMPOST FOR PUBLIC PARKS	\$0.00	\$7,620.00
TOTAL	\$6,012.70	\$7,632.70
EQUIP MAINTENANCE -- LEAF PICKUP	\$6,411.82	\$7,053.00
EQUIP MAINTENANCE -- COMPOST SITE	\$12,000.00	\$0.00
TOTAL	\$18,411.82	\$7,053.00
DIRECT CAPITAL -- LEAF PICKUP	\$21,796.00	\$23,975.60
DIRECT CAPITAL -- COMPOST SITE	\$7,200.00	\$0.00
TOTAL	\$28,996.00	\$23,975.60
INDIRECT INPUT		
ADMINISTRATIVE OVERHEAD	\$31,875.00	\$0.00
OTHER		
TIPPING FEE @ \$3 PER CUBIC YARD	\$0.00	\$68,493.00
BAY VILLAGE IN-KIND CONTRIBUTION 1	\$30,000.00	
TOTAL COSTS	\$319,281.96	\$301,945.74
REVENUE -- SALES	\$25,000.00	\$0.00
BAY VILLAGE IN-KIND CONTRIBUTION	\$30,000.00	
TOTAL REVENUE	\$55,000.00	
NET COST OF PROGRAM	\$264,281.96	\$301,945.74

Source: City of Westlake Service and Finance departments, interviews with area compost facilities

¹ Only reflects deliveries to residents, and not pickups, due to current data availability.

Inputs

The first step in the assessment involves development of inputs based on the cost and time allocated to different management functions. AOS used 2004 cost data from the City's accounting system, as well as 2004 labor hour and material inputs reported from the City's Service Department. When developing inputs, it is crucial to anticipate any direct or indirect costs that may impact both the current and proposed yard waste management program. To the extent possible, AOS attempted to separate compost site inputs associated with leaf humus from those associated with processing and sales of wood chips. The City estimates that 90 percent of resources at the compost site involve leaf humus processing. These were separated into the following categories:

Labor inputs

- **Current Program.** The City reported 3,737 regular and 2,468 overtime hours involved in its fall leaf pickup program, costing \$149,986 in salary and benefits. The compost site required 2,018 labor hours, including 339.5 for compost deliveries to residents. Labor costs associated with the compost operation (including sales delivery) were \$54,000.
- **Outsourced Program.** Based on the number of truck load of leaves (1,621) reported by the City for the program in 2004 and the City using one employee to haul and unload leaves, outsourcing the compost site would require approximately 1,621 additional labor hours. This also assumes one additional hour of travel for the one employee to unload the leaves, based on the distance to the closest facility. This would add an estimated \$37,185 in labor costs based on the average wages and benefits. If the travel time to the closest facility requires overtime, the additional labor costs would be higher than \$37,185. However, the City would avoid paying the \$54,000 in labor costs for the compost site.

Supplies and Materials inputs

- **Current program.** The City has approximately \$6,000 in costs for this category, almost all associated with the compost site.
- **Outsourced program.** While closing the compost site would eliminate nearly all prior supply/material costs, it would create new cost obligations as the City would have to purchase humus for its park system. Based on the yards of humus used by the park system in 2004 (508) and commercial cost averages for screened humus (\$15 a cubic yard), this would result in approximately \$7,632 in new costs. This template assumes the City will continue operating a weekly brush pickup.

Equipment maintenance

- **Current program.** Maintenance costs were \$6,412 for the leaf pickup program and \$12,000 for the compost site.

- Outsourced program. The City would eliminate maintenance costs associated with the compost site. However, AOS assumes an additional 10 percent increase in leaf pickup maintenance costs from the additional drive time to the private compost facility.

Direct capital

- Current program. Depreciated capital costs were \$21,796 for the leaf pickup program and \$7,200 for the compost site.
- Outsourced program. The City would eliminate capital costs associated with the compost site. However, AOS assumes an additional 10 percent increase in leaf pickup capital costs from the additional drive time to the private compost facility.

Indirect costs

- Current program. The City estimates that clerical staff works an estimated 468 hours annually processing resident orders for compost, equaling approximately \$31,875 annually.
- Outsourced program. The City would no longer incur this cost.

Other inputs

- Current program. The City has no major vendor costs associated with its current program. Also, Bay Village provides in-kind contributions to the site in the form of equipment and personnel, and shares in the rental costs every fall for a grader to prepare the site. Service Department personnel estimate the value of these efforts at \$30,000 in 2004.
- Outsourced program. The City would likely have to pay tipping fees to a private compost facility for each cubic yard of material dumped. Based on an informal survey of nearby private facilities in the Cuyahoga-Lorain area, it should expect tipping fees around \$3 per square foot, or \$68,500 based on cubic yards of leaves picked up within the City. While it may be possible to find some sites that will take leaf humus at a lower cost, the Greater Cleveland Ecological Association noted such opportunities are not always consistent year-to-year. Consequently, a \$3 tipping fee is assumed.

Revenues impacting net costs

- Current program. The City generated approximately \$25,000 from humus sales to residents and others. The in-kind contribution from Bay Village will also be listed as a revenue item offsetting the input number to accurately account for costs.

Outputs

- Total cubic yards of leaves picked up – 22,831,
- Total cubic yards added to the compost site by Bay Village (2003) – 29,799, and
- Cubic yards of humus recycled through sales – 4,938 (2003) and 5,850 (2004).

Efficiency and Effectiveness Tests

End efficiency outcomes

To determine the efficiency of the program, there are two critical end outcomes the City should consider. The first involves comparing the costs of operating an in-house compost facility versus outsourcing the operation. It appears the net cost of the in-house program is approximately 88 percent of the outsourced program and is deemed efficient. Even when excluding the assumption for estimated maintenance and capital costs related to driving yard waste to a private compost site, the net costs of operating an in-house compost facility are approximately 12 percent lower than outsourcing costs. Additionally, even if the City were able to obtain tipping fees at a lower cost, it would have to consider the year-to-year price inconsistency cited by the Greater Cleveland Ecological Association. Further, it would have to factor in the drive-time of City trucks to this site. On the other hand, the City could considerably reduce the costs associated with outsourcing the program by identifying ways to minimize the costs of hauling the leaves to a private facility.

The second end-outcome sets an objective to have revenue from sales of humus support half the cost of operating the compost site. In 2004, revenues comprised approximately 22.5 percent of costs, with sales of wood chips and an earmarked fund balance subsidizing the remainder of costs. This is lower than the stated outcome of 50 percent. The Greater Cleveland Ecological Association (GCEA) reports that screened leaf humus generally sells for at least \$15 per cubic yard in the Cleveland market. Westlake charges \$10 per cubic yard, and lowers this amount to \$5 per unit for purchases of more than 100 cubic yards. The GCEA also reports a strong demand for leaf humus in the Cleveland market by professional landscapers, so it may be possible to minimize adjusting rates charged to Westlake residents.

Intermediate efficiency outcomes

The City can contribute to the efficiency of its overall program by monitoring certain intermediate outcomes, such as total cubic yards of leaves picked up per labor hour. While it will be up to the City to determine the optimum objective ratio, a starting point may be the average ratios of recent years. **Table 2** demonstrates leaf totals, labor hours and resulting ratios since 2001.

Table 2: Ratio of Cubic Yards of Leaves Picked Up to Labor Hours

Year	2001	2002	2003	2004	Average
Cubic Yards Picked Up	22,551	25,211	22,511	22,831	23,251
Labor hours	7,806	9,210	7,425	6,205	7,661
Cubic Yards per Labor Hour	2.89	2.74	3.03	3.68	3.03

Source: City of Westlake Service Department

The City picked up the lowest number of cubic yards per labor hour in 2002 in comparison to prior years, although circumstances such as inclement weather can influence the productivity of this operation. In addition, the City achieved its stated outcome of picking up at least 3 cubic yards per labor hour in 2003 and exceeded its stated outcome in 2004.

Finally, the City should assess the level of in-kind contributions by Bay Village against the compost the neighbor City adds to Westlake’s yard. There is no current standard for determining Bay Village’s contribution, and development of a baseline would ensure fairness to both cities and assist with budgeting. Bay Village’s 2004 in-kind contribution as a percentage of the prior year’s cubic yards was 100.7 percent.

Effectiveness end outcomes

As City officials place a high premium on services to residents, it should attempt to incrementally increase community penetration of this unique program each year. For example, since deliveries are only available to Westlake residents, tracking total cubic yards delivered is one indicator of community usage. **Table 3** tracks cubic yards delivered annually.

Table 3: Cubic Yards Delivered to Residents

Year	2001	2002	2003	2004
Cubic Yards Delivered	2,100	812.5	4,938	5,850

Source: City of Westlake Service Department

Table 3 shows an increasing trend of product purchased with an increase of 18.5 percent from 2003 to 2004 – exceeding the 4 percent benchmark goal. However, Westlake does not track the number of residents making these purchases. The City should also start collecting and tracking data on residents for all types of purchases, and consider program aspects that may influence these statistics. For example, a representative from the Greater Cleveland Ecology Association stated that pre-pay requirements at cities are common as a financial control, but that the inconvenience also dissuades many residents from purchasing compost from their cities. Data on resident penetration can assist Westlake officials in making program adjustments.

EMS Billing Cost Review

Westlake has not developed a billing program to collect user fees for EMS. As the economy has faltered in recent years, more and more cities across the nation have attempted to recoup at least a portion of their EMS costs by billing third-party health insurance and/or patients. Medicaid, Medicare and insurance companies have stated policies that allow reimbursement for transport vehicle services. A 2002 policy paper published by the Ohio State University surveying 15 large cities that bill for EMS services determined that most recouped more than 50 percent of their operating costs.

The Westlake PMP team requested help in developing performance measures to ensure public accountability should it implement a billing program. Subsequently, AOS developed three outcomes. Based on further study, the City should determine the percentage benchmark goals against which it will measure annual performance. However, it should always expect 100 percent willingness to use the EMS service and overall satisfaction with the service.

- 1. To recover (TBD) percent of the direct costs of actual transports (efficiency end outcome) and maintain billing at no more than (TBD) percent of neighboring communities (efficiency end outcome). Average days in receivable shall not exceed (TBD) percent (efficiency end outcome).**
- 2. To achieve a collection rate of (TBD) percent, not including co-pays, while maintaining customer charges at no more than (TBD) percent of neighboring communities' customer charges (effectiveness end outcome).**
- 3. To ensure (TBD) percent of people normally served by Westlake EMS are aware of the billing program (effectiveness intermediate outcome), and that 100 percent of these people would use the EMS service regardless of ability to pay (effectiveness end outcome).**
- 4. To ensure that (TBD) percent of EMS users are satisfied with the billing process (effectiveness intermediate outcome), and that 100 percent are satisfied with the EMS service overall (effectiveness end outcome).**

The entire assessment tool is contained in **Table 4**.

To develop outputs and inputs for the tool, basic EMS functions need to be clearly understood. EMS services are divided into two general support levels: Basic Life Support (BLS) and Advanced Life Support (ALS). As the terms indicate, ALS services are more complex and consequently more costly. In fact, insurers often break ALS services into two billing categories (ALS1 and ALS2) based on complexity.

TABLE 4: EMS BILLING ASSESSMENT ¹

EFFICIENCY OUTCOME	To recover (TBD) percent of the direct costs of actual transports and maintain billing at no more than (TBD) percent of neighboring communities. Average days in receivable shall not exceed (TBD) days.	
EFFECTIVENESS OUTCOME	To achieve a collection rate of (TBD) percent, not including co-pays, while maintaining customer charges at no more than (TBD) percent of neighboring communities' customer charges.	
EFFECTIVENESS OUTCOME	To ensure (TBD) percent of people normally served by Westlake EMS are aware of the billing program, and that 100 percent of those people would use the EMS services regardless of ability to pay.	
EFFECTIVENESS OUTCOME	To ensure TBD percent of EMS users are satisfied with the billing process, and 100 percent are satisfied with the EMS service overall.	
OUTPUT	Annual collection rate, not including co-pays.	
OUTPUT	Number of transports, breaking down Advanced Life Support (ALS) versus Basic Life Support (BLS) services	
OUTPUT²	Average number of days in receivable	
OUTPUT	Billing rate of neighboring communities (by BLS, two levels of ALS and mileage rates)	
OUTPUT	Number of residents responding to community survey.	
OUTPUT	Number of EMS users responding to survey attached to billing statement.	
DIRECT INPUT	LABOR	Personnel costs for EMS runs (by BLS and two levels of ALS runs)
	SUPPLIES AND MATERIALS	Medical equipment and supplies, fuel (by BLS and two levels of ALS)
	OTHER	Third-party billing costs (by BLS and two levels of ALS if applicable)
	DIRECT CAPITAL	Ambulance and major ambulance equipment costs (depreciated)
	SHARED ADMINISTRATION	
INDIRECT INPUT	ADMINISTRATIVE OVERHEAD Not applicable since the outcome involves direct costs	
TOTAL COSTS		
DIRECT PROGRAM REVENUE	Annual revenue from EMS billings, breaking out BLS, two levels of ALS and mileage.	
NET COST OF PROGRAM		
EFFICIENCY	Billing meet or exceed predetermined percentage of transport costs. Days in receivable do not exceed a predetermined number of days, while billing rates do not exceed rates of neighboring communities by a predetermined or listed percentages.	
EFFECTIVENESS	Collection rates meet or exceed predetermined percentage assuming billing rates have not exceeded those of neighboring communities by a predetermined percentage. Customer survey responses meet predetermined or listed percentages.	

¹ Based on further study, the City should determine the proper percentages for populating these percentage outcomes.

² If problems arise with billing timeliness, the city could employ two additional outputs to determine source of problem. First, it could measure process time from call completion to receipt at the third-party billing company. Second, it could measure process time from information received by third-party billing company to sending out the bill.

Inputs

Labor Inputs

All Westlake sworn personnel are certified to provide BLS, while others have the training and certification to provide ALS services. Often, personnel may arrive first on a fire engine and begin administering services before the arrival of a transport vehicle, a process known as first responder. If transport is necessary, paramedic personnel assigned to the engine often ride in the transport vehicle to the hospital providing additional medical assistance. The first responder engine generally follows the transport vehicle to the hospital, where it picks up the paramedic assigned to the engine. Further, each fire engine is equipped with significant ALS equipment and is staffed with at least one paramedic.

Consequently, the department will need to begin tracking all personnel costs involved with EMS transports, including breakouts for ALS and BLS services. This should include all directly involved personnel (not including dispatch) documenting the portion of their workday spent delivering EMS services, from dispatch to call completion. This should include the hours of both the transport vehicle and first responder units.

Supplies and Material Inputs

In addition to labor costs, the department will need to track costs for medical supplies and medications used in delivering EMS services. While hospitals have not historically charged the department to restock transport and engine units, they will begin charging if the department implements an in-house billing program. Hospitals will no longer be allowed to bill insurance companies to restock their supplies and medicine if fire departments are also billing the insurance company for supplies and medicine. Similar to labor hours, these costs should be broken out by BLS and the two levels of ALS runs.

Capital Inputs

The department will also have to capture capital costs in terms of the actual ambulance and major equipment on the ambulance, such as heart monitors. With the implementation of the Governmental Accounting Standards Board Statement No. 34, municipal governments must begin to depreciate costs of such major equipment which should be factored into this equation. The City's finance department would be able to provide data on depreciation costs. However, given the multiple uses of fire engines, it would not be possible to include their capital costs in the calculation.

Other Inputs

Finally, the department will have to capture the costs of administering its billing system for EMS services. According to the Ohio State University policy paper mentioned earlier, most cities have opted for a third-party agency. A company could receive payment based on an agreed-upon percentage of actual collection, or on a per claim basis. The department should also capture any separate billing costs for ALS or BLS billing services, if applicable.

Outputs

Collection Rate

The City will need to track the annual collection rate for its billings. This should not include co-pays unless it intends to pursue collection from these patients. The City should define a total collection rate, and break out collection rates by BLS , ALS1 and ALS2 services.

Transports

The City will need to track the number of annual transports, also breaking out BLS, ALS1 and ALS2 services. This is crucial for determining the average revenue and costs per transport.

Days in Receivable

The City should track the average number of days in receivable to ensure billings are efficiently processed and collected. If the City employs a third-party billing company, it should require in the contract that the company track not only the overall receivable cycle, but also the average process time from call completion to receipt at the billing company; and process time from receipt at the billing company to sending out the bill. Tracking this data could help reduce the City's EMS accounts receivable aging cycle.

Billing Rate of Neighboring Communities

The final fiscal output involves tracking the billing rates of neighboring communities' EMS services. While Westlake can set its own fees, it should ensure that its customer charges are not significantly higher than adjacent communities. Tracking this figure will help maintain a healthy balance between efficiency and effectiveness in the City's EMS services.

Residents Responding to Community Survey

In addition to fiscal outputs, the City will need to measure outputs related to community awareness and satisfaction with the new program. It should query residents in an annual citizen survey on their awareness of the EMS program and their willingness to continue using the EMS service regardless of personal ability to pay.

EMS Users Responding to Billing Statement Survey

The City should attempt to track EMS user satisfaction with both the billing program and EMS services overall. Any contract with a third-party billing company should require billing statements mailed to users to include customer surveys with pre-stamped envelopes addressed directly to the fire department.

Efficiency and Effectiveness Tests

Westlake should establish a policy for annual reviews of the program using this tool. This will help ensure fees truly reflect costs and gauge customer satisfaction. “Incorporating an annual review of changes into the budget process will help reduce pressure for blindly raising fees and charges purely for revenue purposes with insufficient information on service demand, equity, and/or social considerations and cost revenue trends.”¹

To help ensure the efficiency of the program, the City should annually measure the percentage of direct costs of actual transports that it is able to recover through billing. It should also assess whether it is maintaining customer charges at no more than a predetermined percentage of neighboring communities’ customer charges. An intermediate efficiency outcome that may help achieve this goal is tracking the average number of days in receivable. In fact, if payment timeliness is an issue, the City could determine the source of the problem by measuring process time from call completion to receipt at the third-party billing company; and process time from information received by the third-party billing company to sending out the bill.

To measure effectiveness, the City should determine whether the collection rates are meeting percentage outcome goals, assuming customer charges do not exceed those of neighboring communities by a predetermined percentage. The City should also assess whether percentage outcome goals have been achieved on the four customer knowledge and satisfaction issues previously discussed.

Conclusion

This report provides the City of Westlake an opportunity to explore management for results. Its multi-faceted approach allows for high-level, long-term policy analysis through socioeconomic ratios; provides more in-depth financial ratios to assist in shorter-term decisions; and finally, establishes performance measures for the City to annually apply in key operational areas. AOS appreciates the input and cooperation of Westlake officials, employees and community volunteers in assembling this project. These individuals have expressed a true desire to transfer knowledge and information enabling the City to better serve its citizens in an increasingly efficient and effective manner.

¹Source: Glisson, Patrick and Stephen Holley. March 1982. “Developing Local Government User Charges: Technical and Policy Considerations.” Government Finance Review.