



City of Twinsburg

# Performance Audit

June 4, 2020

OHIO AUDITOR OF STATE  
**KEITH FABER**



88 E. Broad St.  
Columbus, Ohio 43215  
Phone: (614) 466-4514  
Toll Free: (800) 282-0370  
[www.ohioauditor.gov](http://www.ohioauditor.gov)



**To the City of Twinsburg community,**

The Auditor of State's Office recently completed a performance audit for the City of Twinsburg at the request of the City Council. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas.

This performance audit report contains recommendations, supported by detailed analysis, to enhance the City's overall economy, efficiency, and/or effectiveness. This report has been provided to the City and its contents have been discussed with the appropriate elected officials and City management. The City has been encouraged to use the recommendations contained in the report and to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report.

This data-driven analysis of operations provides the City valuable information which can be used to make important financial decisions. Additional resources related to performance audits are available on the Ohio Auditor of State's website.

This performance audit report can be accessed online through the Auditor of State's website at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
June 4, 2020

# Audit Highlights

The City of Twinsburg requested a performance audit in order to obtain data backed analyses and recommendations so that it could continue to provide quality services to residents in a fiscally responsible manner. The Ohio Performance Team identified five recommendations that could result in improved operational efficiency for the City.

## CITY FINANCES



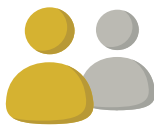
» Twinsburg provides services to residents while collecting minimal property taxes compared to other cities in Summit County.

» The majority of the City's revenues are obtained through an income tax, the rate of which is comparable to other cities within Summit County.

» Unlike other cities in the county, Twinsburg does not charge a fee for trash and recycling services.

---

## HUMAN RESOURCES



» Twinsburg maintains staffing which is comparable to peers based on appropriate metrics such as workload or population. This includes areas within the City's administration as well as the Police, Fire, Public Works, and Parks & Recreation Departments.

» The City has negotiated a new pay scale for all collective bargaining agreements (CBAs). Based on data from 2019, these new pay scales will result in salaries that are lower than or comparable to peer averages as new employees are hired which has reduced costs associated with personnel.

» Twinsburg maintains eight CBAs. We reviewed these contracts, and, in several key areas such as vacation or holiday leave, accumulated sick leave, and severance payouts, The City maintains consistency within the eight agreements and those benefits are similar to peer cities.

---

## POLICE & FIRE DEPT.



» An in depth review of the Police and Fire Departments found that the Departments both handle more calls per full-time equivalent compared to peers.

» We also found that Twinsburg officials have already taken steps to reduce costs by negotiating new salary structures within the City's collective bargaining agreements.

# Audit Summary

**Recommendation 1** Implement a fee for refuse and recycling collection.

**Revenue Generation** Based on fees charged by other Summit County cities, Twinsburg could generate approximately \$1 million annually in new revenue if a fee for refuse and recycling collection is implemented.

**Recommendation 2** Reduce the amount paid for shift differential within specific CBAs.

**Potential Impact** There are several opportunities to reduce costs associated with shift differential based on peer comparisons which would be subject to contract negotiations.

**Recommendation 3** Reduce employer cost of medical, dental, and vision insurance premiums.

**Potential Impact** The City could generate significant cost savings if they are able to reduce costs related to health insurance premiums. They should continue to work with their insurance broker to identify opportunities for potential cost savings.

**Recommendation 4** Renegotiate minimum manning requirement in firefighter CBA.

**Potential Impact** By renegotiating the minimum manning requirement, the City could increase efficiency and potentially reduce overtime costs.

**Recommendation 5** Reduce Parks and Recreation programs and services or increase fees to eliminate General Fund subsidies.

**Potential Impact** Twinsburg should review options related to the Parks and Recreation Department in order to limit the subsidization of programming.

## OVERVIEW

The Ohio Performance team reviewed five areas for operational efficiency:

- ✓ City Finance
- ✓ Human Resources
- ✓ Police Department
- ✓ Fire Department
- ✓ Parks & Recreation

## Operating Efficiency

Our audit found that compared to peers and industry standards, the City operates efficiently in the following areas analyzed:

- ✓ Overall Expenditures
- ✓ Staffing Levels
- ✓ Salary Structure
- ✓ Most CBA Provisions
- ✓ Police Staffing
- ✓ Fire Staffing

**This page intentionally left blank.**

# Table of Contents

Introduction.....	1
City of Twinsburg.....	1
City Finances .....	1
Operations .....	4
Results of the Audit .....	4
Financial Analysis.....	5
Recommendation 1: Implement a refuse/recycling collection fee.....	9
Human Resources .....	11
Recommendation 2: Reduce Shift Differential Payments within Collective Bargaining Agreements .....	14
Recommendation 3: Reduce Employer Cost of Medical, Dental, and Vision Insurance .....	16
Fire Department .....	19
Recommendation 4: Renegotiate Minimum Manning Requirement within Fire CBA .....	20
Police Department.....	21
Parks and Recreation Department.....	23
Recommendation: Reduce Parks and Recreation programs and services or increase fees to eliminate General Fund subsidies .....	23
Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit .....	26
Performance Audit Purpose and Overview.....	26
Audit Scope and Objectives.....	26
Audit Methodology.....	28
Appendix B: Financial Analysis .....	33
Appendix C: Human Resources.....	37
Appendix D: Police Department.....	46
Appendix E: Parks and Recreation .....	48

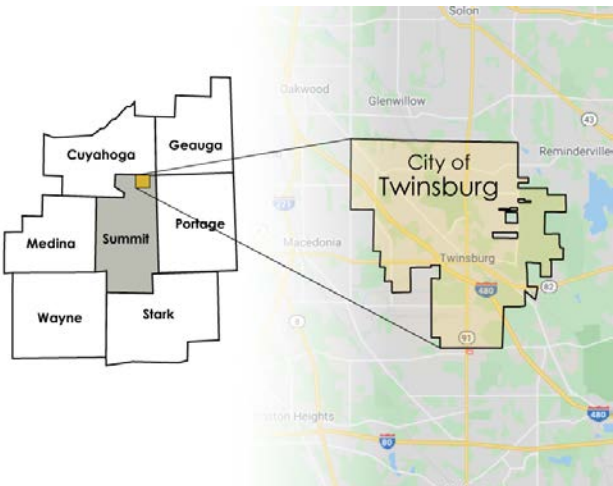
# Introduction

The public expects and deserves government entities to be good stewards of taxpayer dollars. In 2019, officials from the City of Twinsburg (Twinsburg or the City) requested a performance audit from OPT as a proactive measure in order to obtain data backed analyses and recommendations so that it could continue to provide quality services to residents in a fiscally responsible manner. One tool that can assist a city’s leadership in decision making is a performance audit. Performance audits, provided by the Ohio Auditor of State’s Ohio Performance Team (OPT), use data-driven analyses in order to identify opportunities for improved operations and cost reductions.

*Information in this report is based on data available as of September 2019. The State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. While the financial impact of the pandemic and ensuing emergency measures has not been fully realized and cannot be estimated, it may have a significant impact on the City’s revenues and operations. Twinsburg has already reduced 36 full-time employees in various departments in response to an expected decrease in income tax revenue. Our analysis does not take into account reductions that have occurred already or the potential reduction in tax revenues.*

## City of Twinsburg

Twinsburg is a suburban city located in Summit County between Akron and Cleveland. In 2016, Twinsburg had a General Fund balance of approximately \$17 million. Since that time the balance has dropped to just less than \$8 million in 2019.<sup>1</sup> This audit is designed to assist the City in identifying areas where cost savings or increased revenues may be possible in order to slow deficit spending.



The audit includes a city-wide assessment of collective bargaining agreements (CBAs), health insurance, staffing, and fleet management as well as department specific analyses of the Police, Fire, and Parks and Recreation Departments.

## City Finances

A city relies on a variety of revenue sources to provide services to residents including property taxes, income taxes, licensing fees, and charges for services. These revenues

---

<sup>1</sup> The 2016 General Fund balance is based on audited financial statements, the 2019 General Fund balance is based on unaudited cash basis provided by the City.



allow a city to ensure roads are salted in the winter, police respond promptly to calls, and that green spaces are appropriately maintained. Much like an individual may have a checking, savings, and retirement account; cities operate using multiple types of accounts for various activities related to daily operations and long-term planning. Revenues are allocated based on a variety of factors including legal authority, and these accounts allow for the transparent use of public dollars.

## Fund Types

Government entities can maintain three different types of funds: Governmental, Proprietary, and Fiduciary. Governmental and Proprietary funds can be used for operations whereas a Fiduciary fund contains resources held by a government but belonging to other individuals or entities. Twinsburg uses only governmental and proprietary funds.

**Governmental Funds** obtain revenue through various types of taxes and are similar to personal accounts that an individual might maintain such as a checking, savings, or retirement account. These funds are used for a variety of purposes for both the daily operations and long term goals of a City.

Twinsburg uses the **General Fund**, a type of Governmental Fund, for the majority of City-wide operations. The General Fund operates like an individual's primary checking account. The majority of revenues go to the General Fund and can be used for the majority of day to day expenditures such as payroll or office supplies.

Other Governmental Funds are similar to retirement accounts, they are designated for a specific purpose and their use is restricted. Twinsburg has several Governmental Funds which are designated for a specific purposes including the Street Construction, Maintenance and Repair Fund. This fund is required by the Ohio

## Inside Millage

In Ohio, millage is referred to as "inside" millage and "outside" millage. Inside millage is millage provided by the Constitution of the State of Ohio and is levied without a vote of the people. It is called inside millage because it is "inside" the law. Another name would be un-voted millage.

The Constitution allows for 10 mills of inside millage in each political subdivision. Public schools, counties, townships, and other local governments are allocated a portion of the 10 inside mills.

## Charter Millage

Cities can also levy charter millage which is not a part of the 10 inside mills. This millage is a part of the City's charter and is immune to reduction factors.

## Outside Millage

Outside millage is any millage "outside" the 10 mills that is provided by the Constitution of the State of Ohio. This millage is voted in by the public. Another name for outside millage is voted millage. This millage can be used for general purposes or be restricted, it depends on the language of the law which enables it.

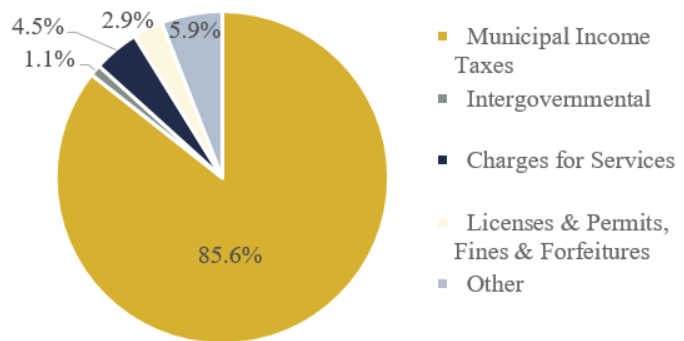
Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees.<sup>2</sup>

**Proprietary Funds** are similar to business accounts. They obtain revenue through fees for services or memberships and that revenue is used to pay for the expenses related to the specific business operations. Twinsburg uses proprietary funds to run the golf course, fitness center, and City sewer services. In each case, individuals are charged to use the service - greens fees, fitness center memberships, or City sewer bills – and those charges are used to provide specific services.

## Revenue

The majority of revenue collected by Twinsburg comes from a municipal income tax of 2.0 percent. In 2018 Twinsburg relied on the municipal income tax for 85.6 percent of General Fund revenue. While the local peers also rely heavily on municipal income taxes for funding, the peer cities collect property taxes which generate approximately 7.6 percent of General Fund revenues. Twinsburg does not collect property taxes for use through the City's General Fund.

2018 Twinsburg General Fund Revenues



Source: City of Twinsburg 2018 Financial Audit

The City previously collected inside millage which was a General Fund revenue source, however in 1997 Twinsburg officials made the determination to stop collecting this tax.<sup>3</sup> According to the Ohio Department of Taxation, Twinsburg could collect 2.83 mills of inside millage which are unallocated to another taxing jurisdiction with approval from the County budget commission. This tax would generate approximately \$1.8 million annually based on an estimate from the Ohio Department of Taxation.<sup>4</sup> Further, the City currently collects 0.6 mills of charter millage, while the Charter allows it collect up to 7 mills, leaving 6.4 mills available to collect. Both sources of revenue – the 2.83 unallocated inside mills and remaining 6.4 charter mills, could be collected without approval from city residents. Since inside millage is allocated by the county budget commission on an annual basis, the City would be required to make a formal request to receive it. The charter mills would also require approval from the county budget commission to collect.

<sup>2</sup> The Ohio Revised Code requires that 92.5 percent of these revenues be used for the maintenance and repair of streets within the City.

<sup>3</sup> One mill is equal to \$1 of property tax for every \$1,000 in assessed property value. Millage is collected at a rate of 35 percent of property value as determined by the routine appraisal of the Summit County Fiscal Office. In 2018, the median home value in the City was \$216,100 and would be subject to an additional \$214.05 in taxes annually if the 2.83 mills were collected.

<sup>4</sup> Estimate created on April 10, 2020 by the Ohio Department of Taxation.

## Operations

In addition to services that are expected from a city government such as police and fire protection or general road maintenance, Twinsburg offers a number of services and programs to residents and often does so at no additional cost including a summer concert series, a senior center, and multiple community parks with a variety of spaces for public use. The City also operates a fitness center, water park, and golf course and banquet center which are available to residents and non-residents on a fee basis.

## Results of the Audit

Our audit considered ten objectives which were analyzed. In several areas our analysis did not result in a recommendation because the City was found to be operating in an efficient and effective manner as compared to peers or industry benchmarks. This included Twinsburg's overall expenditures which are comparable to peer cities. Additionally, the City maintains staffing levels which are similar to peers based on appropriate metrics such as workload or population. Specifically, we determined that the Police and Fire Departments both handle more calls per full-time equivalent compared to peers. We also found that Twinsburg officials have already taken steps to reduce costs by negotiating new salary structures within the City's collective bargaining agreements. For additional information regarding our analyses see Appendix B.

Our audit resulted in five recommendations for City officials to consider based on industry standards and peer comparisons.<sup>5</sup> While only one recommendation has a quantifiable dollar amount associated with it, all recommendations could help the city reduce costs or increase revenues.

- **R.1** – Implement a refuse/recycling collection fee, which could generate approximately \$1,002,300 annually;
- **R.2** – Reduce amount of shift differential for appropriate CBA's;
- **R.3** – Reduce employer cost of medical, dental, and vision insurance premiums;
- **R.4** – Renegotiate minimum manning requirement in firefighter CBA; and
- **R.5** – Reduce Parks and Recreation programs and services or increase fees to eliminate General Fund subsidies

---

<sup>5</sup> A list of all objectives, and resulting recommendations where appropriate, can be found in [Appendix A](#).

# Financial Analysis

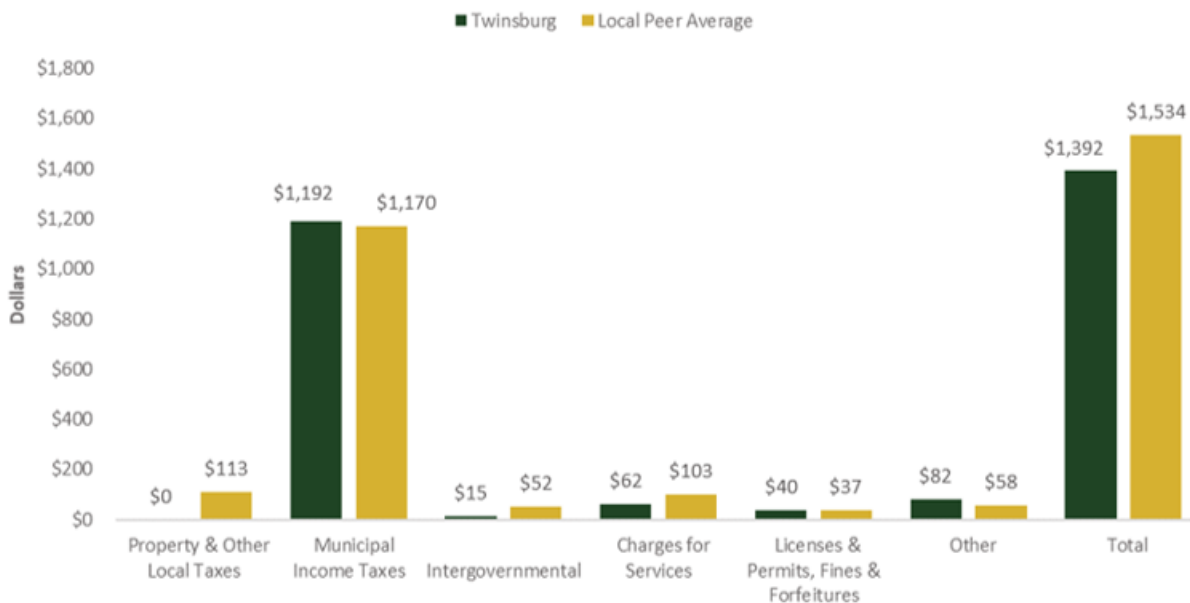
Fiscal responsibility and directing resources to those programs and services which are identified as important or critical to the community is one role of City government. Revenues and expenditures are the building blocks of any organization, including government entities. Operating a city involves a balancing act involving limited revenues and demands for services and programs to ensure the effective and efficient delivery of programs and services.

We used peer comparisons in order to review the City’s financial condition and identify benchmarks.<sup>6</sup> These peer comparisons were used for both revenues and expenditures and were analyzed both on a city-wide level and on a department or service basis.

## Revenue

As previously mentioned, the City relies on municipal income tax for more than 85 percent of General Fund revenues. While Twinsburg’s income tax rate of 2 percent is comparable to the majority of cities within Summit County, we did identify that overall, the local peers collect more General Fund revenues on a per resident basis.

### 2018 General Fund Revenues per Resident



Source: City of Twinsburg and local peers’ 2018 Financial Audits, U.S. Census Bureau

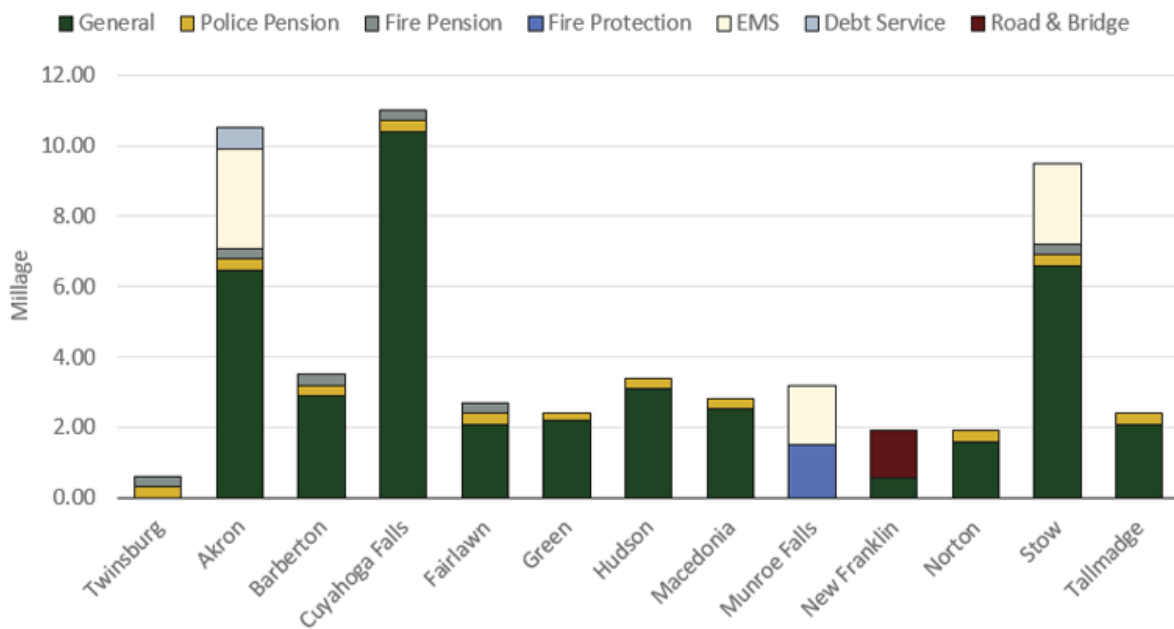
As seen in the chart above, municipal income tax also accounts for the majority of revenues for the peer cities; however, they collect property and other local taxes which help to offset

<sup>6</sup> Peers used for financial analysis include local peers (Aurora, Hudson, Macedonia, Solon, and Streetsboro) and Summit County cities (Akron, Barberton, Cuyahoga Falls, Green, Hudson, Macedonia, Munroe Falls, New Franklin, Stow, and Tallmadge).

expenditures. On average, the peer cities collect \$113 per resident in property and other local taxes for General Fund purposes while Twinsburg does not.

Twinsburg collects only a small amount of property tax which is set aside for specific purposes including 0.3 mills for both fire and police pension funding for a total of 0.6 inside charter mills. The property taxes which other cities collect through inside millage typically provide an additional revenue source for their respective General Funds.

### Tax Year 2018 Summit County Inside Millage



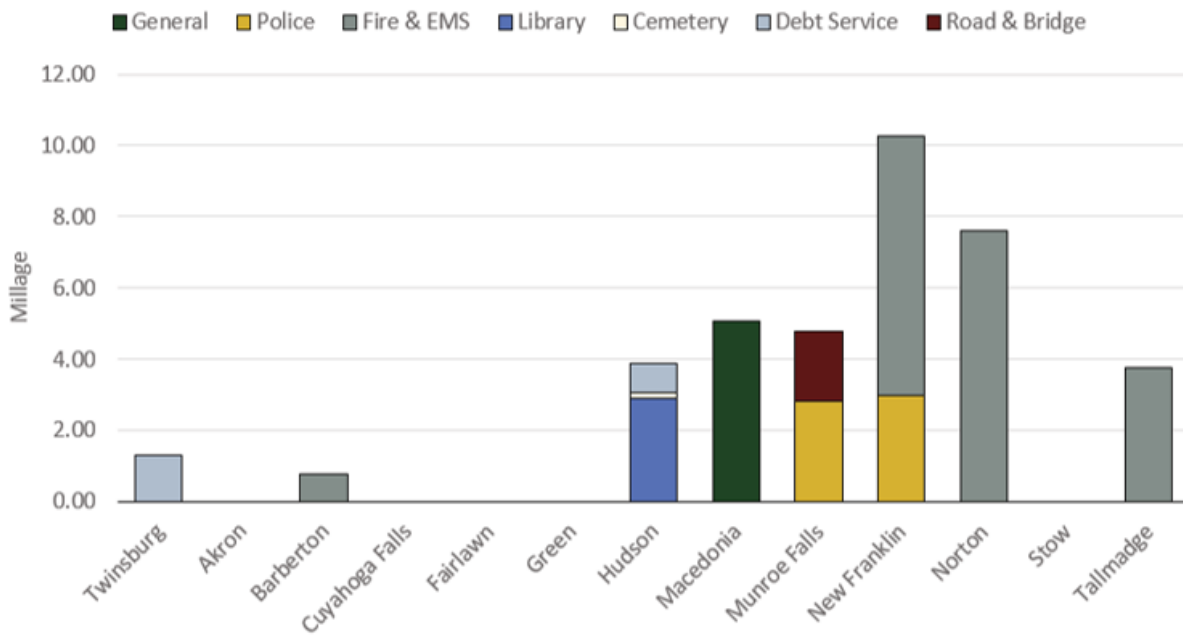
Source: Summit County Fiscal Office

Note: Includes the amount of inside charter millage being collected by those cities allowed to do so.

As seen in the chart above, only one other city in Summit County does not use inside millage for General Fund purposes. However, that city does use available inside millage for fire protection and emergency medical services, both items which Twinsburg pays through the General Fund.

Of the cities which collect outside millage, nearly all – five out of seven – use the funds in part to provide police, fire, and emergency medical services. Having revenue sources specifically allocated to these safety services allows a city to direct General Fund revenues to other aspects of daily operations. The chart on the following page provides additional detail regarding outside millage which is collected by cities in Summit County. Twinsburg collects 1.31 outside mills which was approved by voters in order to service debt on a park bond.

## Tax Year 2018 Summit County Outside Millage



Source: Summit County Fiscal Office

Overall, Twinsburg is collecting less than 2 mills of property tax and relies on its municipal income tax in order to fund expenditures related to the General Fund.

## Expenditures

Twinsburg uses its General Fund for the majority of City operations. Overall, the General Fund spending per resident is fairly similar to local peer cities; as seen in the chart on the following page, Twinsburg spends \$56 less than the peer average on a per resident basis. However, the General Fund comparison is only one aspect of spending.

Cities may choose to use other Governmental Funds in order to pay for particular services which Twinsburg pays for out of the General Fund. Expenditures can also be classified within different categories which may also result in variation by spending area. For example, expenditures related to service departments may be classified as transportation by one city and as general government by another. This can result in noticeable differences within particular spending

## 2018 General Fund Expenditures per Resident

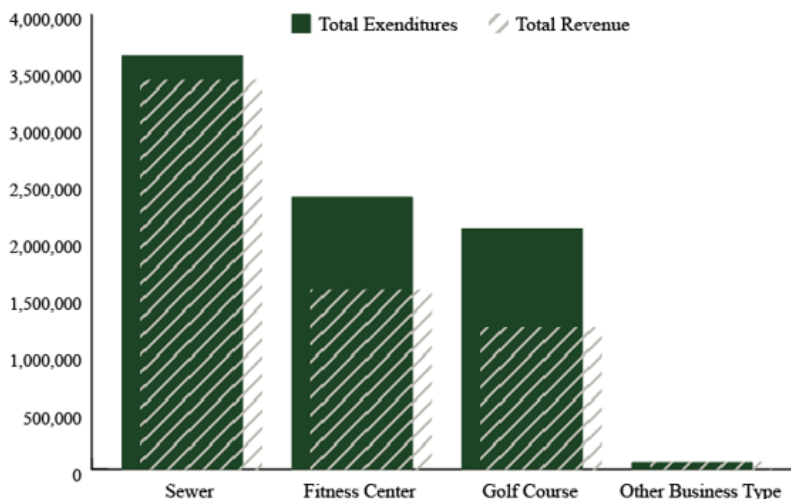


Source: City of Twinsburg and local peers' 2018 Financial Audits, U.S. Census Bureau

areas. The variation in spending by area may also be due to differences in identified needs or priorities between cities.

The enterprise funds maintained by the City can also have an impact on General Fund balances. While services or programs provided through an enterprise fund should be self-funded and paid for by fees, this is not always the case. When an enterprise fund has a negative balance at the end of the fiscal year it is necessary for an entity to transfer resources from the General Fund in order to address the negative balance. Twinsburg's enterprise funds have historically required transfers

### 2018 Twinsburg Enterprise Funds



Source: City of Twinsburg 2018 Financial Audit

from the General Fund. This issue is reviewed further in the **Parks and Recreation Department** analysis. In 2018 all three of the City's enterprise funds had total expenditures which were more than the total revenues, requiring transfers from the General Fund.

Overall, the City's expenses are similar on a per resident basis to other cities within Summit County and Twinsburg's per resident revenue is lower. Also, the

City’s General Fund expenditures are less than the General Fund revenues on a per resident basis. However, Twinsburg’s General Fund balance has been decreasing in every year since 2016. As a result, our audit reviewed areas specific to the General Fund in order to identify select opportunities to increase revenues based on industry benchmarks and peer averages.

## Recommendation 1: Implement a refuse/recycling collection fee

### Financial Implication

Implementing a fee for recycling and refuse collection services could generate more than \$1 million of additional revenue annually.

### Methodology and Analysis

We reviewed Twinsburg’s policies regarding special assessments or fees for services. Specifically we looked at sidewalk repair, tree trimming, leaf collection, and recycling and refuse collection. The City does not charge for these services, which is consistent with other Summit County cities in the case of sidewalk repair, tree trimming, and leaf collection. However, most cities within Summit County do charge a fee to residents for recycling and refuse collection. These fees are assessed as a monthly charge and ranged from \$13.32 to a high of \$20.00 in 2019. Twinsburg contracts with Waste Management for recycling and refuse collection, but instead of passing on this cost to the residents, the City pays for this service out of the General Fund.

Recycling & Refuse Collection 2019 Monthly Service Rates



Source: City of Twinsburg, Summit County peers

Note: Excludes Fairlawn (uses city-wide compactor) & Norton (did not provide data)



In order to provide a conservative estimate of the amount of additional revenue the City could generate if it decided to implement a fee for recycling and refuse collection, and assumed the City could charge a monthly fee of \$13.32 based on the lowest monthly fee charged by another Summit County city in 2019. While the recommended monthly fee would offset a large portion of the City's costs for recycling and refuse collection, it would not fully pay for the service. Based on expenditures in 2019, the City would need to charge a monthly fee of \$15.95 per household in order to fully pay for recycling and refuse collection services.

## Conclusion

If the City were to institute a fee for recycling and refuse collection similar to the peers used for this analysis, and at a level equal to the lowest fee charged by a city in Summit County, it could generate more than \$1 million in additional annual revenue.

# Human Resources

The City provides a range of services to residents from leaf and yard waste pick up to prompt responses fire and police safety calls. In order to operate, a large number of employees are needed. There are more than 493 individuals who worked for Twinsburg in September of 2019. These individuals equaled 245.4 Full Time Equivalents (FTEs).<sup>7</sup> Because of the breadth of services offered and the large number of City employees, it was important to conduct a broad overview of the City's operations specific to human resources.

Expenditures related to personnel are often subject to negotiations which could allow for reduction in costs; particularly if spending exceeds that of comparable peers. We reviewed the staffing levels at each department. We also looked at the existing salary structure Twinsburg uses and key provisions within each CBA. We also reviewed the City's insurance costs and compared them to local peers.

## City Staffing Analysis

We reviewed the city's staffing and salary schedules based on appropriate peers. Additional analyses can be found in Appendix C.



[Click here for our full staffing analysis.](#)

In order to complete the staffing analysis we conducted a multistep process which accounted for differences in how positions were accounted for between cities:

- We first obtained detailed staffing from Twinsburg and peer cities<sup>8</sup>;
- We then identified and excluded departments and corresponding staff from the peers that Twinsburg does not have<sup>9</sup>;
- Based on job function and/or title, we moved, as necessary, peer staff from departments and placed them into the departments where Twinsburg had similar staff.<sup>10</sup>;
- We then calculated FTEs for part-time and seasonal employees based on the total hours worked by those employees; and,
- Lastly we excluded elected, appointed, voluntary, and inactive personnel.

<sup>7</sup> A FTE is based on working 2,080 hours annually for all positions except fire, which is based on 2,496 hours annually.

<sup>8</sup> Due to the variation in programs and services provided by cities, the staffing analysis did not use a consistent peer group. The peer group used for each staffing analysis is identified in the corresponding staffing tables in Appendix C.

<sup>9</sup> For example, Twinsburg does not have a Municipal Court or water or electric distribution utilities.

<sup>10</sup> For example, Solon's Senior Services staff were moved to Parks and Recreation for comparison purposes

This process allowed for staffing comparisons to be made based on actual job functions. Once we identified the actual number of comparable FTEs for peer cities we compared them based on various workload measures including on a per 1,000 resident basis. The staffing analysis was done on a department level, and the table below provides our analysis for Twinsburg’s Finance Department.

### Finance Department Staffing Comparison

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	2.00	2.00	2.75	2.75	(0.75)	(0.75)
FT Support Staff	1.00	1.00	0.25	0.25	0.75	0.75
FT Department Staff	1.00	1.00	1.75	1.75	(0.75)	(0.75)
PT/Seasonal	-	-	1.25	0.55	(1.25)	(0.55)
<b>Totals</b>	<b>4.00</b>	<b>4.00</b>	<b>6.00</b>	<b>5.30</b>	<b>(2.00)</b>	<b>(1.30)</b>
FTEs per 1,000 Residents		0.21		0.29		(0.08)
Employees per FTE		139.25		65.79		73.46
# of Paychecks Processed per FTE		2,276.00		1,640.17		635.83
# of A/P Checks Processed per FTE		1,544.25		846.38		697.87

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Hudson, Macedonia, Solon, and Streetsboro

The Finance Department has slightly fewer FTEs compared to peers on a normalized, per 1,000 resident basis. They also process significantly more payroll checks and more accounts payable (A/P) checks per FTE than the peers used in this analysis.

In general, Twinsburg’s staffing levels are in line with appropriate departmental peer averages. The total number of staff within each department were similar based on a per 1,000 resident basis. We did not issue any recommendations related to the number of staff the City employs.

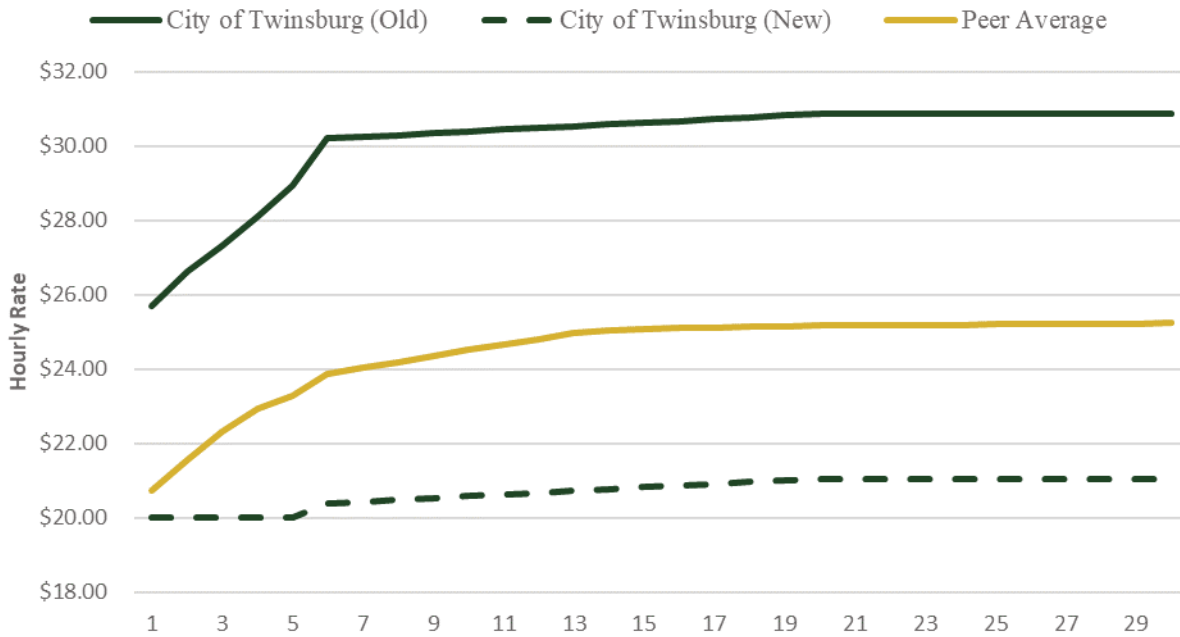
Public employees in Ohio typically have a salary schedule with set step increases based on length of service or other identified milestones. Often these schedules are set through a collective bargaining process. Twinsburg recently restructured their salary schedules to adjust total compensation levels. Salaries for employees now fall under one of two schedules:

- Old, or Grandfathered Schedules – Dates vary based on CBA, but range from 2015 to 2017. Individuals which are on a grandfathered salary schedule will continue to receive scheduled salary increases based on previous CBAs.
- New Schedules – Eliminated or reduced the number of step increases and reduced starting salaries. The new schedule is used for both newly hired employees and those existing employees which move from one classification to another.

As a result of the change in salary schedule, and as seen in the chart below which analyzes the salary schedule for a maintenance person, Twinsburg’s new salary compensation is lower than or

comparable to peer averages over the course of a career.<sup>11</sup> The salary analysis uses 2019 salary schedules, including base hourly wage and applicable longevity, for Twinsburg and the peers.

### Maintenance Person Salary Schedule



Source: City of Twinsburg, peers

Note: Maintenance person include 7 employees on the old schedule as Maintenance II, 3 employees on the old schedule as Maintenance I, and 1 employee on the new schedule as Maintenance I.

Note 2: Peers used for this analysis include Aurora, Hudson, Macedonia, and Streetsboro.

While the grandfathered schedules maintain a higher salary cost for individuals who are employed as maintenance persons, over time salary costs will decrease as employees on the grandfathered schedules retire or switch classifications, thereby moving more employees to the new schedules. The other salary schedules which were reviewed for this audit resulted in similar conclusions.

In reviewing the City’s CBAs, we found that they are generally comparable to their peer cities, particularly in the area of vacation and holiday leave, the amount of sick leave that can be accumulated during a career, and severance payouts. These provisions were also consistent across the CBAs maintained by the City.<sup>12</sup>

The City has already made strategic decisions to reduce costs associated with personnel by creating a new salary schedule for incoming employees. However, there are still areas where the City could continue to improve and negotiate agreements that would continue to reduce costs. As

<sup>11</sup> Peer cities used for salary analysis include: Aurora, Hudson, Macedonia, Solon, and Streetsboro.

<sup>12</sup> The local peers (Aurora, Hudson, Macedonia, Solon, and Streetsboro) were used as appropriate for CBA comparisons. A full list of peers used for each CBA can be found in Appendix C.

a result, we reviewed additional areas which could provide additional opportunities for cost savings including CBA shift differential provisions and City-wide health insurance costs.

## Recommendation 2: Reduce Shift Differential Payments within Collective Bargaining Agreements

### Financial Impact

No specific financial impact is associated with this recommendation. However, reducing shift differential payments for specific CBAs would lead to a reduction in overall personnel costs. The actual amount saved would be dependent on the negotiated reduction.

### Methodology and Analysis

There are eight collective bargaining agreements (CBAs) which Twinsburg maintains with various employee groups:

- AFSCME Ohio Council 8 Local 1313 Service Unit – expires 12/31/21
- AFSCME Ohio Council 8 Local 1313 Office Unit – expires 12/31/21
- International Brotherhood of Teamsters Local 436 – expires 12/31/21
- International Association of Firefighters Local 3630 – expires 12/31/19
- International Association of Firefighters Twinsburg Fire Captains – expires 12/31/19
- Ohio Patrolmen’s Benevolent Association (Patrol) – expires 12/31/19
- Ohio Patrolmen’s Benevolent Association (Sergeants) – expires 12/31/19
- Ohio Patrolmen’s Benevolent Association (Dispatchers/Clerks) – expires 12/31/19

Shift differential is an amount of money paid in addition to base salary for individuals who work outside of what is considered first shift. We reviewed compensation related to shift differential and concluded that Twinsburg maintains provisions which are more generous than local peer cities for six of the City’s eight CBAs. The Firefighter CBAs do not offer shift differential payments.

The information in the table on the following page shows both the dollar amount and percentage difference in shift differential payments between Twinsburg and peer cities. While the actual dollar amount may not be that large of a difference, it is paid hourly and in most cases amounts to more than double the peer average.

## Shift Differential Comparison

	Twinsburg	Peer Average	Difference	% Difference
AFSCME Service Unit Shift Differential 1	\$1.50	\$0.88	\$0.63	71.4%
AFSCME Service Unit Shift Differential 2	\$3.00	\$0.88	\$2.13	242.9%
AFSCME Office Unit Shift Differential 1	\$1.00	\$0.50	\$0.50	100.0%
Teamsters-Wastewater Shift Differential 1	\$1.50	\$0.45	\$1.05	233.3%
Teamsters-Wastewater Shift Differential 2	\$3.00	\$0.55	\$2.45	445.5%
OPBA-Patrol Shift Differential 1	\$1.75	\$0.95	\$0.80	84.2%
OPBA-Patrol Shift Differential 2	\$3.50	\$0.95	\$2.55	268.4%
OPBA-Sergeants Shift Differential 1	\$1.99	\$0.95	\$1.04	109.5%
OPBA-Sergeants Shift Differential 2	\$3.97	\$0.95	\$3.02	317.9%
OPBA-Dispatch Shift Differential 1	\$1.32	\$0.70	\$0.62	88.6%
OPBA-Dispatch Shift Differential 2	\$2.63	\$0.92	\$1.71	186.9%

Source: City of Twinsburg, peers

Typically first shift is considered regular business hours; as shown in the table on the previous page, Twinsburg provides two shift differential payment periods. For the majority of CBAs which offer the benefit, Twinsburg’s shift differential begins at 3 p.m. and runs through 7 a.m., with additional payment being provided between 11 p.m. and 7 a.m. for individuals who work overnight hours. The AFSCME Office Unit CBA has only one shift differential benefit which is available between 5 p.m. and 5 a.m. Police and dispatch employees all work 12 hour shifts meaning that all employees receive some amount of shift differential.

## Conclusion

In general, Twinsburg offers more generous shift differential compensation compared to peers used for this analysis.<sup>13</sup> The City provides a shift differential in five of its CBAs for 16 hours out of each day including a portion of time which is typically considered regular business hours. In addition to offering more opportunity to earn shift differential, the actual amount provided per hour is more than the peer average. The City could work to reduce the number of hours eligible for shift differential, the dollar amount provided, or some combination of both in order to reduce personnel costs in a variety of departments.

<sup>13</sup>The local peers (Aurora, Hudson, Macedonia, Solon, and Streetsboro) were used as appropriate for CBA comparisons, including shift differential. A full list of peers used for each CBA can be found in Appendix C.

# Recommendation 3: Reduce Employer Cost of Medical, Dental, and Vision Insurance

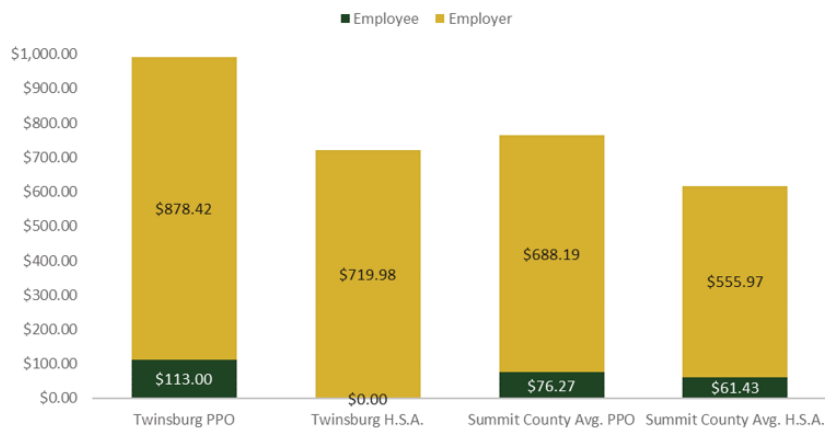
## Financial Implication

No financial implication was identified for this recommendation. However, the City should continue to seek low cost options and opportunities to reduce expenses related to health insurance.

## Methodology and Analysis

The State Employment Relation Board (SERB) provides annual data related to public sector insurance expenses. We reviewed the available data for Summit County and compared

### 2019 Single Medical Insurance Premium Comparison



Source: City of Twinsburg, SERB

### 2019 Family Medical Insurance Premium Comparison



Source: City of Twinsburg, SERB

Twinsburg’s cost for insurance policies to the average of cities within the County.<sup>14</sup> We found that the City’s share of premium cost for medical, dental, and vision are all higher than Summit County cities. This includes both individual and family plans for all insurance types and both the PPO and high-deductible HSA medical insurance options.

Twinsburg has proactively worked with their insurance broker to identify cost savings opportunities and has taken steps to reduce the cost of insurance including offering a Health Savings Account (HSA) plan as an alternative to the Preferred Provider Organization (PPO) medical plan. The HSA is a high-deductible plan which shifts some of the cost burden from the employer to


<sup>14</sup> Summit County cities include: Akron, Barberton, Cuyahoga Falls, Green, Hudson, Macedonia, Munroe Falls, New Franklin, Stow, and Tallmadge.

the employee. Within an HSA the monthly premium is lower than a traditional PPO plan. However, the deductible, or amount the employee pays for medical services, is significantly higher. The majority of Twinsburg’s employees have moved to the HSA plan. While the City’s HSA is closer to the Summit County city average, it is still higher for both the single and family plan. Additionally, Twinsburg pays the entire premium cost for the HSA plan whereas the peers do require an employee contribution.

## City Insurance Benefits

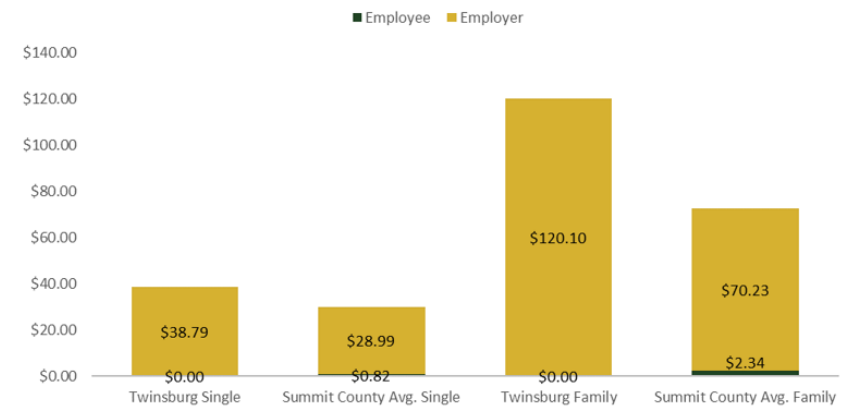
We reviewed the City’s medical insurance plan design to determine what, if any, factors might exist in the coverage that would cause a higher premium.

Additional medical insurance analysis can be found here.



Twinsburg’s vision plan and dental plan premiums are also both more expensive when compared to the average of cities in the County for both the single and family plans. While these insurance premiums are not as expensive as medical insurance, the City could still reduce costs if it were able to move to a plan that was in-line with the County average for cities.

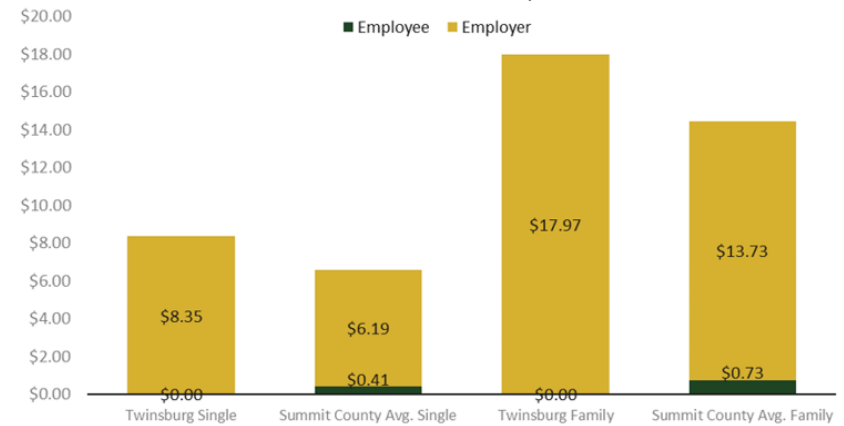
2019 Dental Premium Insurance Premium Comparison



Source: City of Twinsburg, SERB

In addition to having higher overall premium costs, Twinsburg does not require an employee premium contribution for the medical HSA, vision, or dental insurance, which increases the employer cost.

2019 Vision Premium Insurance Premium Comparison



Source: City of Twinsburg, SERB

## Conclusion

The City’s medical plan benefits are similar to those of Summit County cities.



Because of this, we did not attribute the higher premium to the plan design for medical insurance. Other factors that could cause higher premiums include claims history, the size of the insured group, and the average age of the individuals being insured. Twinsburg should continue to work with their insurance broker to seek out potential cost savings. Bringing premium costs in line with Summit County city averages for medical, vision, and dental insurance could result in significant cost savings for the City

# Fire Department

The Twinsburg Fire Department (TFD or Department) operates two fire stations which provide service to both the City and Twinsburg Township. The total area served by the fire department is 20.3 square miles. In addition to fire suppression services the department also provides Emergency Medical Services (EMS), fire safety education in schools, free CPR courses, and fire prevention and investigations.

The Department has approximately 34 FTE employees who work to ensure 24 hour a day, 7 days a week services to residents in the area and represents approximately 14 percent of General Fund expenditures<sup>15</sup>. We reviewed the operations of the Department compared to peers and industry standards to determine if the City could reduce costs and increase efficiencies in relation to fire safety services.

We identified four peer fire departments<sup>16</sup> and reviewed staffing relative to service coverage and workload and found that Twinsburg has fewer staff per square mile and per 1,000 residents when compared to the four peer districts. Further, the Department receives 12 percent more calls per firefighter compared to peers.

## Fire/EMS Workload Comparison

	Twinsburg	Peer Avg.	Difference	% Difference
Population	21,958	22,188	(230)	(1.0%)
Square Miles	20.33	14.43	5.90	41.0%
Firefighter/EMS FTEs	29.50	40.85	(11.35)	(27.9%)
<b>Staffing Relative to Service Coverage</b>				
Population Density per Sq. Mile	1,082	1,541	(459)	(29.8%)
Firefighter/EMS FTEs per 1,000 residents	1.32	1.84	(0.52)	(27.8%)
Firefighter/EMS FTEs per Sq. Mile	1.43	2.83	(1.40)	(46.4%)
<b>Staffing Relative to Workload</b>				
Fire and EMS Calls	2,981	3,692	(711)	(19.3%)
Fire and EMS Calls per Firefighter/EMS FTE	101.1	90.3	10.8	12.0%
Fire and EMS Calls per 1,000 residents	135.8	166.4	(30.6)	(18.4%)

Source: City of Twinsburg, peers

While the overall staffing for the fire department is efficient and in line with peer districts, we did identify one area in relation to staffing that the City could consider to reduce costs.

<sup>15</sup> In 2018 Fire Department expenditures were 13.2 percent of General Fund expenditures and in 2019 the Fire Department represented 14.0 percent of General Fund expenditures

<sup>16</sup> Peer departments include Aurora, Barberton, Solon, and Tallmadge.

## Recommendation 4: Renegotiate Minimum Manning Requirement within Fire CBA

### Financial Impact

The Department should consider renegotiating the minimum manning requirement within the firefighter/lieutenant CBA. This requirement has language which requires 6 full-time employees who have completed field training to be on duty at all times. While no financial impact is identified for this recommendation, allowing part-time firefighters to be used when a full-time firefighter is not available for a regularly scheduled shift could reduce the need for costly overtime expenditures. This recommendation does not reduce the number of personnel on duty or change service levels, but provides the City additional flexibility in staffing options, which may have the added benefit of reducing cost.

### Methodology and Analysis

In addition to assessing staffing levels based on service coverage and workload, we also compared CBA provisions between Twinsburg and the peer fire departments in order to determine if any provisions within the agreement had a potential financial or operational impact.

Twinsburg's firefighter/lieutenant CBA requires a minimum of six full-time personnel on duty. Additionally, there should be at least two full-time fire suppression personnel assigned to any station. Lastly, the number of part-time personnel cannot exceed the number of full-time personnel at any station. The captain's CBA requires a minimum of one officer on duty for each shift. While not clearly stated in either CBA, the Department considers a captain as one of the minimally required six full-time personnel. Part-time employees do not count towards the minimum manning requirement which means full-time personnel must be used to fill shift absences which creates potential increased overtime expenses.

Only one of the four peer departments has a minimum manning requirement within the fire CBAs. Barberton's CBA requires nine personnel to be on duty for any shift, but does not provide specific staffing requirements for those employees.

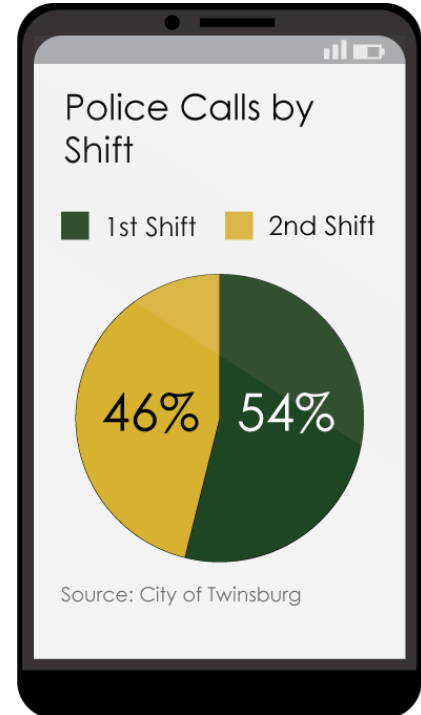
### Conclusion

The minimum staffing provisions reduce the City's discretion in staffing decisions and can lead to potential overtime expenditures. Twinsburg's provisions are particularly limiting because the minimum manning provision is based on full-time employees and does not allow for the efficient usage of part-time employees. As these provisions are not standard among the peer fire departments, the City could consider renegotiating this provision in order to provide more flexibility in relation to staffing and reducing expenses related to overtime.

# Police Department

The Twinsburg Police Department (TPD or Department) provides safety services to the City. As with the Fire Department, the TPD operates on a 24 hour a day, 7 day a week basis and represents a little more than 15 percent of General Fund expenditures. The Department also provides centralized dispatching services for the Twinsburg Fire Department, Twinsburg Township and the Village of Reminderville.

The Department operates with two 12-hour shifts daily for both police and dispatch services. Five dispatchers are assigned to each shift, with an additional communications supervisor assigned to the first shift who answers calls as necessary. TPD has 12 patrol officers scheduled on the first shift and 13 patrol officers on the second shift. The City's calls for police service are relatively evenly split between the two shifts with the first shift receiving 54 percent of all calls. The *CALEA Standards for Law Enforcement Agencies* indicated law enforcement agencies should allocate personnel according to workload; while the first shift does have a higher call volume, those calls tend to be more routine and second shift calls for service tend to require more time to resolve. As such, it appears that the Department is appropriately allocating its patrol staff. TPD also employs administrative and sworn police personnel, including detectives and commanders, during the first shift.



We conducted a comprehensive review of the Department's services and compared them to peer cities<sup>17</sup> in regards to service coverage and workload. We compared the City's police staffing and workload to peer police departments and found that TPD has approximately the same number of sworn FTEs per 1,000 residents and those officers respond to nearly 15 percent more calls per sworn FTE and nearly 20 percent more calls per 1,000 residents. Overall, the Department is staffed appropriately and individual police officers respond to more calls than peer cities. The table on the following page provides additional detail regarding the police sworn officer staffing and workload.

---

<sup>17</sup> Peer cities for police services include Solon, Streetsboro and Hudson; peer cities for dispatch services include Streetsboro and Hudson.

## Police Department Sworn Workload Comparisons

	Twinsburg	Peer Avg.	Difference	% Difference
Population	19,068	20,566	(1,498)	(7.3%)
Square Miles	13.80	23.57	(9.77)	(41.5%)
Department FTEs	34.70	36.00	(1.30)	(3.6%)
<b>Staffing Relative to Service Coverage</b>				
Population Density per Sq. Mile	1,382	873	509	58.4%
Police FTEs per 1,000 Residents	1.82	1.75	0.07	4.0%
Police FTEs per Sq. Mile	2.51	1.53	0.99	64.6%
<b>Staffing Relative to Workload</b>				
Police Calls for Service	29,427	26,603	2,824	10.6%
Police Calls per Police FTE	848.0	739.0	109.1	14.8%
Police Calls per 1,000 Residents	1,543.3	1,293.5	249.7	19.3%

Source: City of Twinsburg, U.S. Census Bureau, U.S. Boundary.com, peers

We compared TPD’s dispatch staffing and workload to peer departments and found that the Department does have more total dispatchers when compared to peer departments.<sup>18</sup> However, when compared on a per 1,000 resident or per square mile basis, the number of dispatchers is similar. Further, TPD’s dispatchers handle more calls per 1,000 residents than peer departments. The table below provides detailed analysis regarding dispatch workload.

## Dispatch Department Workload Comparisons

	Twinsburg	Peer Avg.	Difference	% Difference
Population Served	26,348	20,500	5,849	28.5%
Square Miles	22.54	26.14	(3.60)	(13.8%)
Department FTEs	11.00	7.50	3.50	46.7%
<b>Staffing Relative to Service Coverage</b>				
Population Density per Sq. Mile	1,169	784	385	49.1%
Dispatch FTEs per 1,000 Residents	0.42	0.37	0.05	14.1%
Dispatch FTEs per Sq. Mile	0.49	0.29	0.20	70.1%
<b>Staffing Relative to Workload</b>				
Dispatch Calls for Service	32,408	23,173	9,235	39.9%
Dispatch Calls per Dispatch FTE	2,946.2	3,089.7	(143.6)	(4.6%)
Dispatch Calls per 1,000 Residents	1,230.0	1,130.4	99.6	8.8%

Source: City of Twinsburg, U.S. Census Bureau, U.S. Boundary.com, peers

Our analysis of the Department indicated that it is currently being run in an efficient manner relative to peer police departments.

<sup>18</sup> Peer cities used for Dispatch services were Hudson and Streetsboro.

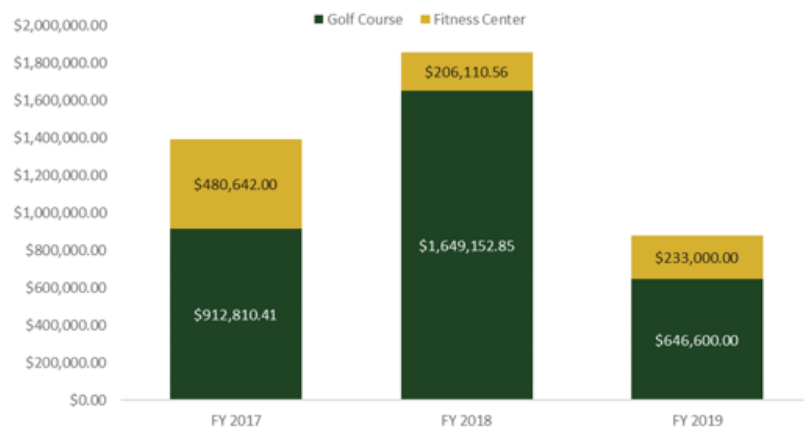
# Parks and Recreation Department

Twinsburg offers a variety of programs and services through the Parks and Recreation Department. These services, including a recreation center, golf course, and public parks, are available to both residents and non-residents. Several of the programs or services are provided on a fee basis including fitness and aquatic centers memberships, golf course access, swim lessons, and summer camps. Other programs, such as concerts in the parks, are provided free of charge.

The Parks and Recreation Department operates with revenue from the City’s General Fund and maintains Enterprise Funds for both the golf course and the fitness center for the operation of these programs. The Enterprise Funds are designed so that programs and services are funded through fees. When there is an operating deficit in an Enterprise Fund it is necessary to transfer assets from the General Fund.

In each of the past three years, The Fitness Center Fund and The Golf Course Fund have had operating deficits. While General Fund transfers for these funds has decreased from approximately \$1.4 million in 2017 to just less than \$900,000 in 2019, it is still a significant issue which the City should address.

Parks & Recreation General Fund Transfers



Source: City of Twinsburg

In order to provide recommendations to the City we compared the Department’s operations to peer cities’ membership rates and program fees. These cities include Brecksville, Fairview Park, and Solon. In addition to peer analysis, we reviewed the City’s historic program participation to identify any trends in attendance that could be used to direct future service provisions.

## Recommendation: Reduce Parks and Recreation programs and services or increase fees to eliminate General Fund subsidies

### Financial Impact

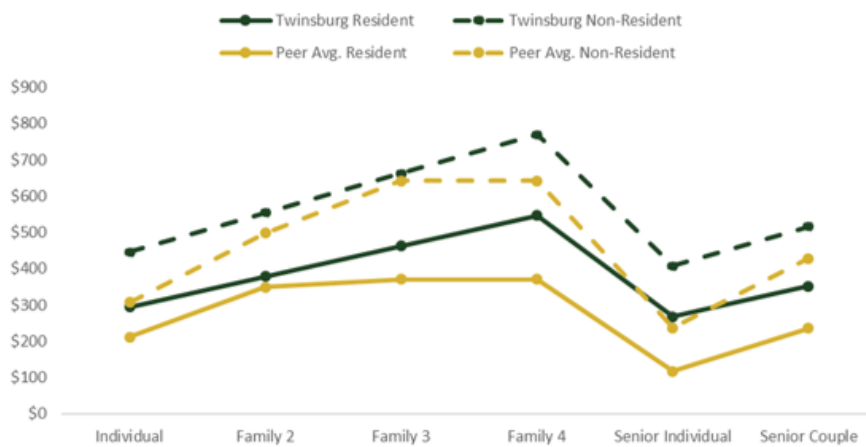
The City could work to eliminate general fund subsidies of Parks and Recreation enterprise funds (The Golf Course Fund and The Fitness Center Fund) by reducing programs or increasing fees. Charging \$5 per class for fitness classes, excluding Silver Sneakers, would generate more than

\$195,000 annually based on 2019 class participation. However, the actual amount of financial impact would depend on a variety of factors.

## Methodology and Analysis

We compared the City’s Parks and Recreation operations to peer cities with similar programs and services<sup>19</sup>. Twinsburg maintains a fitness center and aquatic center. Individuals can obtain a membership to one or the other, or both for a discounted rate. These memberships are open to both residents and non-residents with residents receiving a discounted rate. Our review showed that the membership fees charged by Twinsburg for fitness and aquatic center access is higher than the peer average. The peers limit non-resident memberships to individuals employed by the

### Fitness Center Annual Membership Rates



Source: City of Twinsburg, peers

### Fitness & Aquatic Center Annual Membership Rates



Source: City of Twinsburg, peers

city. Peers also do not offer a separate membership rate for only the aquatic center. However, the membership fee is not the only cost to consider related to these services. While peer cities charge for participation in fitness classes, Twinsburg does not. Programs such as aqua fitness, boot camp, kickboxing, spinning, and yoga are offered to members of the fitness center as a part of their regular membership fee.

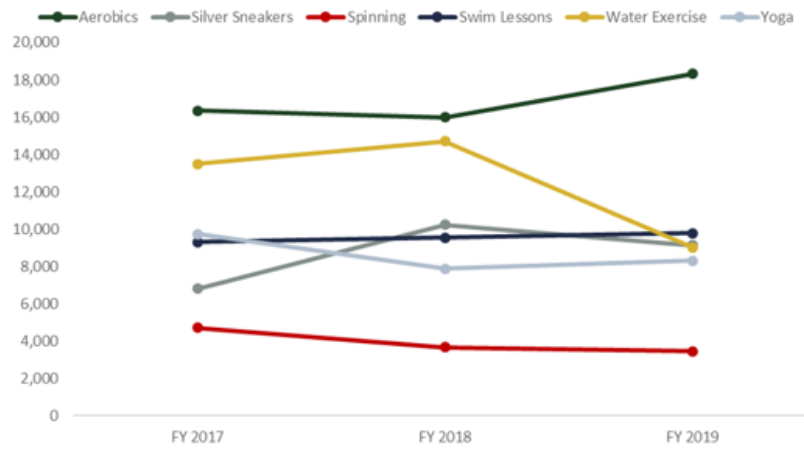
Between 2017 and 2019 the fitness center added approximately 450 memberships based on the average monthly membership, this equals an increase of about 7 percent. At the same time, the number of member visits has decreased by nearly 10

percent; the number of member visits indicates the number of times paying members access the

<sup>19</sup> Peer cities used for Parks and Recreation analysis include Brecksville, Fairview Park, and Solon.

facilities, non-members may visit the facility for a variety of reasons and these individuals are not included. During the same time period, program participation at the Twinsburg fitness center has varied. Some programs, such as aerobics, have seen a significant increase in participation while others, such as water exercise, have seen participation levels decrease over time. The City does make adjustments to class schedules based on demand.

### Historical Program Participation



Source: City of Twinsburg

### Conclusion

The City’s Parks and Recreation Department Fitness Center Fund and Golf Course Fund operate at a deficit and require transfers from the General Fund. Twinsburg officials should monitor membership and participation and develop ways to ensure the funds are self-sufficient. This could be done by limiting services or by increasing, or implementing, fees for programs that are currently offered free of charge.



# Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

## Performance Audit Purpose and Overview

Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Generally accepted government auditing standards (GAGAS) require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Audit Scope and Objectives

In order to provide the City with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

### Summary of Objectives and Conclusions

Objective	Recommendation
<b>Financial Analysis</b>	
How do the City's sources of income, income tax rate, charges for service, special assessments compare to cities in Summit County?	<b>R.1: Implement a fee for refuse and recycling collection.</b>
How do City's expenditures compare to cities in Summit County?	<b>No Recommendation</b>
Are the City's fleet management practices consistent with leading practices and industry standards?	<b>Verbal</b>
<b>Human Resources</b>	
Are the City's staffing levels appropriate in comparison to peers, demand for services, and the City's financial condition?	<b>No Recommendation</b>
Are the City's salaries and wages appropriate in comparison to local peers and the City's financial condition?	<b>No Recommendation</b>

Are the City’s collective bargaining agreement provisions appropriate in comparison to local peers, minimums requirements, and the City’s financial condition?	<b>R.2: Reduce the cost of shift differential in several CBAs.</b>
Are the City’s insurance costs appropriate in comparison to other governmental entities within the local market and the City’s financial condition?	<b>R.3: Reduce the cost of insurance premiums.</b>
<b>Fire Department</b>	
What opportunities exist for the City to improve the efficiency and/or effectiveness of the staffing and operations of the Fire Department in relation to peers, industry standards, and/or leading practices?	<b>R.4: Renegotiate minimum staffing requirement to allow for use of part-time firefighters.</b>
<b>Police Department</b>	
What opportunities exist for the City to improve the efficiency and/or effectiveness of the staffing and operations of the Police Department in relation to peers, industry standards, and/or leading practices?	<b>No Recommendation</b>
<b>Parks &amp; Recreation Department</b>	
What opportunities exist for the City to improve the efficiency and/or effectiveness of the staffing and operations of the Parks & Recreation Department in relation to peers, industry standards, and/or leading practices?	<b>R.5: Reduce programs or increase fees in order to minimize General Fund subsidies.</b>

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives<sup>20</sup>:

- Control environment
  - We assessed the City’s exercise of oversight responsibilities in regards to detecting improper payroll reporting and benefits administration
- Risk Assessment
  - We considered the City’s activities to assess fraud risks
- Information and Communication
  - We considered the City’s use of quality information in relation to its financial, payroll, and staffing data
- Control Activities
  - We considered the City’s compliance with applicable laws and contracts

No internal control deficiencies were identified during the course of the audit.

---

<sup>20</sup> We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G

## Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of City's operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources, including:

- Peer Cities;
- Industry Standards;
- Leading Practices;
- Statutes; and
- Policies and Procedures.

In consultation with the City, peer groups were selected for comparisons contained in this report. These peers are identified as necessary and appropriate within the section where they were used.

## Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following page is the City of Twinsburg's official statement in regards to this performance audit. Throughout the audit process, staff met with City officials to ensure substantial agreement on the factual information presented in the report. When the City disagreed with information contained in the report, and provided supporting documentation, revisions were made to the audit report.



Mr. Keith Faber  
Auditor of State  
88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215

Dear Auditor Faber,

In May of 2019 the City of Twinsburg contracted with the State of Ohio Performance Audit Team to complete a review of City operations. Police, Fire, and Parks and Recreation were reviewed at the Departmental level. The audit team also reviewed staffing, finances, and fleet for the City overall. Please see attached scope of work for details. Throughout the remainder of 2019 and the 1<sup>st</sup> quarter of 2020 the City worked with the auditors to complete this scope of work.

We appreciate the thorough review of the City's operations and all recommendations provided by the Performance Audit Team. The City further appreciates recognition of several achievements noted by the auditors throughout the process. The auditors completed detailed data analysis of comparable communities which will continue to provide useful information.

The Performance Audit provided 5 recommendations for review which are discussed below. Council, Mayor, and the rest of City Leadership recognize that there are opportunities for improvement that were not recognized during the course of this audit. City Leaders monitor operations for efficiencies on a continuous basis. The current global pandemic related to COVID-19 has also had a significant impact on operations.

The following contains the City's response to the data and recommendations provided by this audit.

#### Financial Analysis – Revenue

City revenues were analyzed during the course of the Performance Audit. This includes a detailed review and comparison of property tax rates. Twinsburg is significantly lower in property tax collections for operating expenses. The auditors specifically note regarding peer cities that they "collect property and other local taxes which help to offset expenditures. On average, the peer cities collect \$113 per resident in property and other local taxes for General Fund purposes while Twinsburg does not".

The Performance Audit clearly points out the disparity between Twinsburg and peer cities in their reliance upon municipal income tax. This dependency is concerning as municipal income tax can be more sensitive to changes in the economic climate. Given Twinsburg's significantly lower property tax collections, as found in this audit, this revenue source will be reviewed.



#### Recommendation #1: Implement a Fee for Refuse & Recycling Collection

The City recognizes that no other City in Summit County provides this service for free. Council is currently reviewing all financial information and suggestions as mentioned in the Performance Audit.

#### Recommendation #2: Reduce the amount paid for shift differential within specific CBAs (Collective Bargaining Agreements)

The City recognizes that the shift differential in the CBA's is higher compared to other similarly situated communities. However, six years ago the contracts provided a percentage based shift differential that increased with every incremental wage bump. The City was able to negotiate out the percentage based shift diff and convert it to a flat dollar amount. The Administration is focused on addressing the disparity in future negotiations.

#### Recommendation #3: Reduce employer cost of medical, dental, and vision insurance premiums

In 2020 the City negotiated a no-increase in medical, dental, and vision insurance premiums for the plan year March, 2020 through February, 2021. Many communities in the North East Ohio region experienced increases in premium cost of 10% or more.

The City was also able to negotiate increased coverage levels in the dental and vision plans while taking no cost increase. The Employee Assistance Program is provided to employees at no cost to the employee or City.

#### Recommendation #4: Renegotiate Minimum Manning requirement in firefighter CBA

The City continues to work with the IAFF union to maintain minimum manning while allowing the City to reduce overtime costs. Negotiations for contract years 2020-2022 have been in progress throughout the course of this Performance Audit with a focus on minimum manning requirements.

#### Recommendation #5: Reduce Parks & Recreation programs and services or increase fees to eliminate General Fund subsidies

The City has reduced FT staff in the Parks & Recreation, Fitness Center, and Golf Course Departments to reduce costs. An RFP has been issued for an outside operator of the Restaurant space at the Clubhouse.

Rock the Park Concert Series ticket prices were increased in 2019 and the program generated positive revenues for the City. Summer camp prices were also increased in 2019 to cover the cost of bussing for campers. The summer camp program was self-sufficient in 2019.

# Twinsburg

NATURALLY BEAUTIFUL *Ohio*

Council, Mayor, and City Leadership will continue to use this Performance Audit as we strive to provide the highest level of service possible to the residents of the City of Twinsburg. Operational efficiencies and a balance between revenue and cost are of the utmost importance. We thank the State of Ohio Performance Audit Team for all of their hard work and assistance.

Sincerely,



Mayor Ted Yates

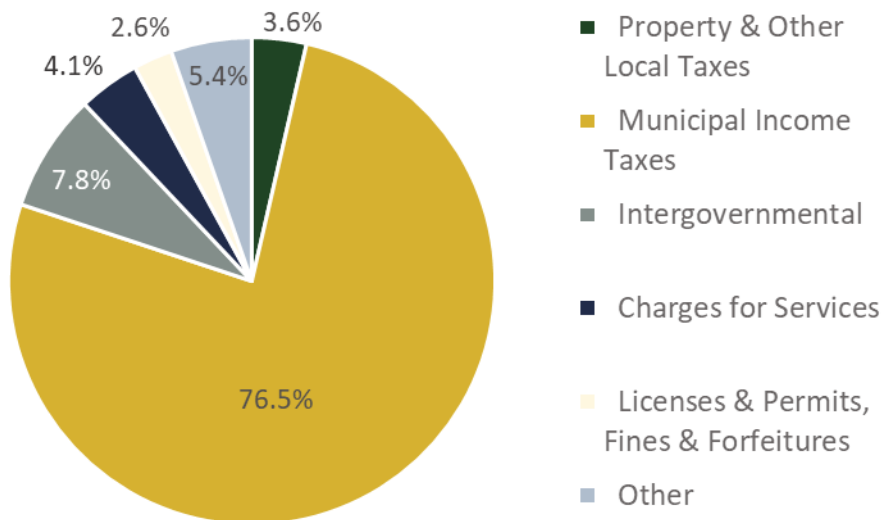


Greg Bellan, Council President

## Appendix B: Financial Analysis

As a part of our financial analysis, we conducted a thorough review of the Twinsburg’s finances in comparison to identified peers. This analysis included a review of revenue sources and expenditures. While the General Fund is used for the majority of City operations, Twinsburg uses other types of Governmental Funds.

### 2018 Twinsburg Governmental Fund Revenues



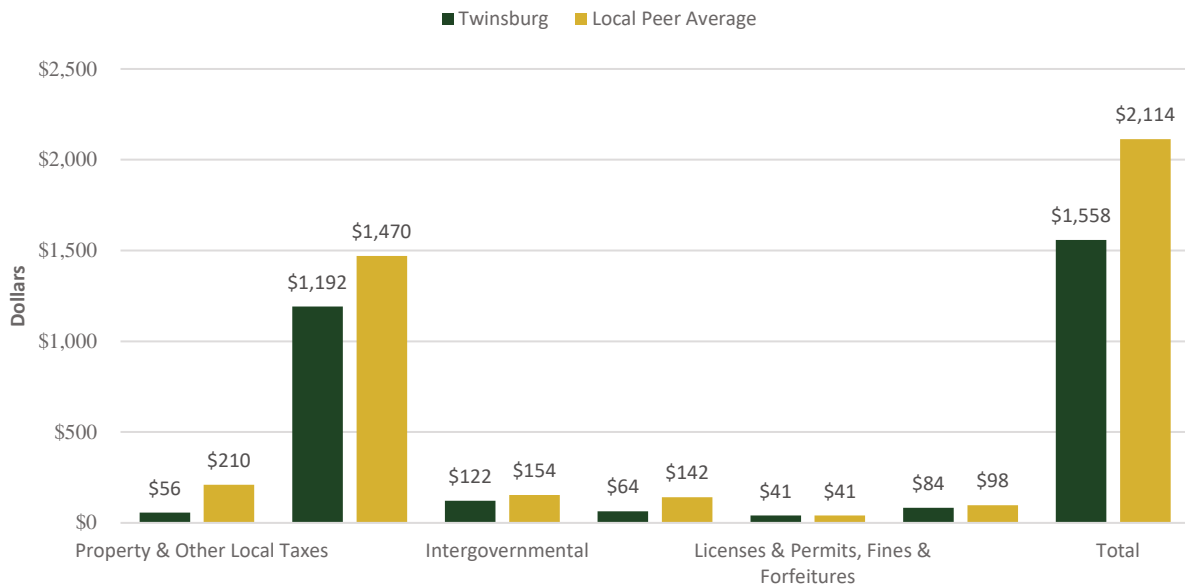
Source: City of Twinsburg 2018 Financial Audit

Governmental Funds include not only the General Fund, but also Street Construction Maintenance and Repair, Park Debt Service, Capital Improvement, and Other. The majority of revenue for all Governmental Funds comes from the municipal income tax.

The revenues per resident for all Governmental Funds are also similar to General Fund revenues per resident. The chart on the following page shows that Twinsburg receives nearly \$600 less revenue per resident than peer cities. This is largely based on lower municipal income tax collections and lower property tax collections.



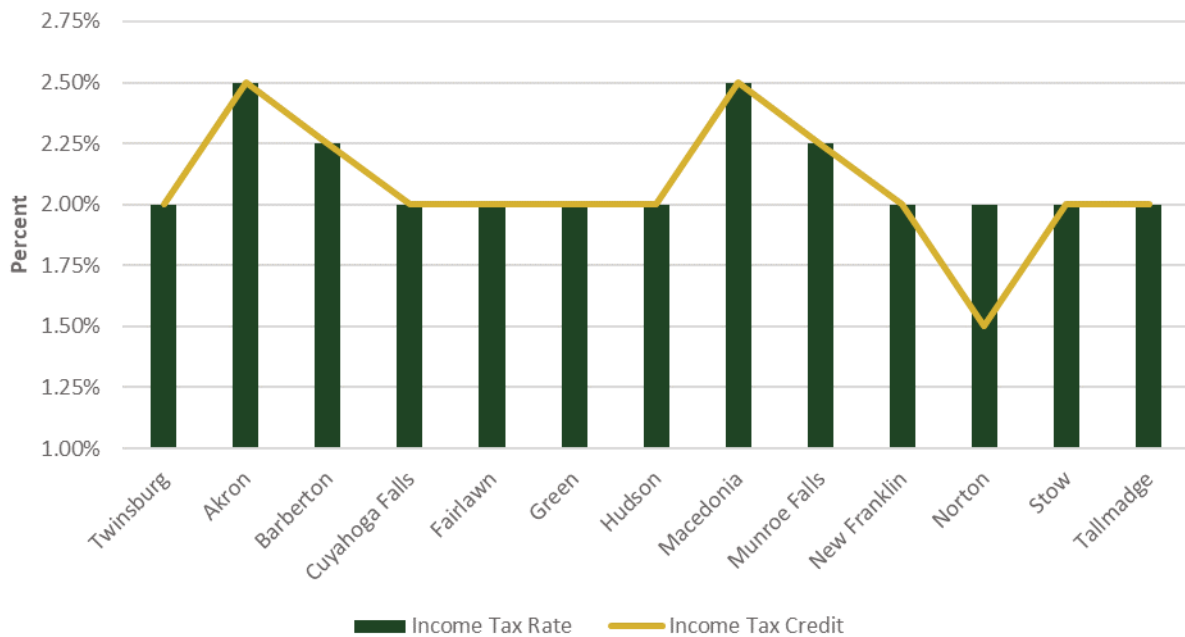
## 2018 Governmental Funds Revenue per Resident



Source: City of Twinsburg and local peers' 2018 Financial Audits, U.S. Census Bureau

All of the cities in Summit County collect some amount of municipal income tax. Twinsburg charges an interest rate of 2.0 percent which is the same as several other cities in the County and is the lowest rate charged by any city.

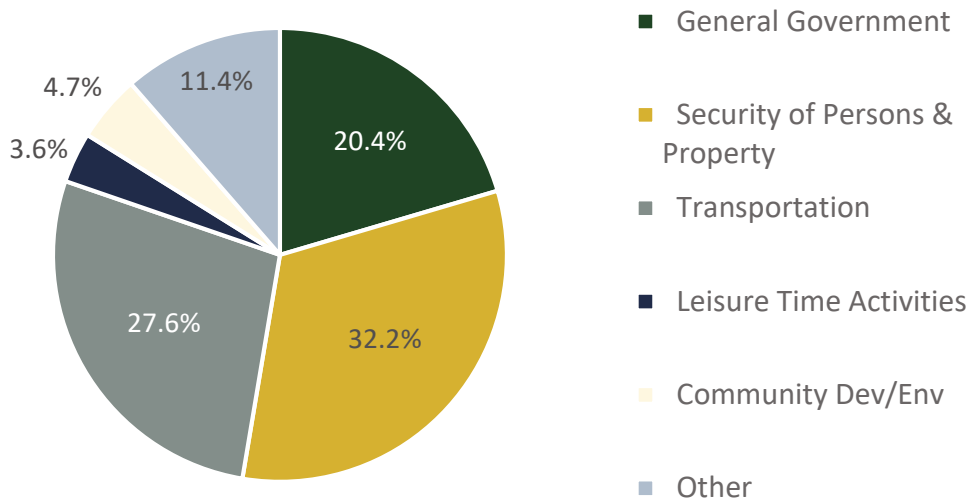
## Summit County Income Tax Rate Comparison



Source: City of Twinsburg, Summit County peers

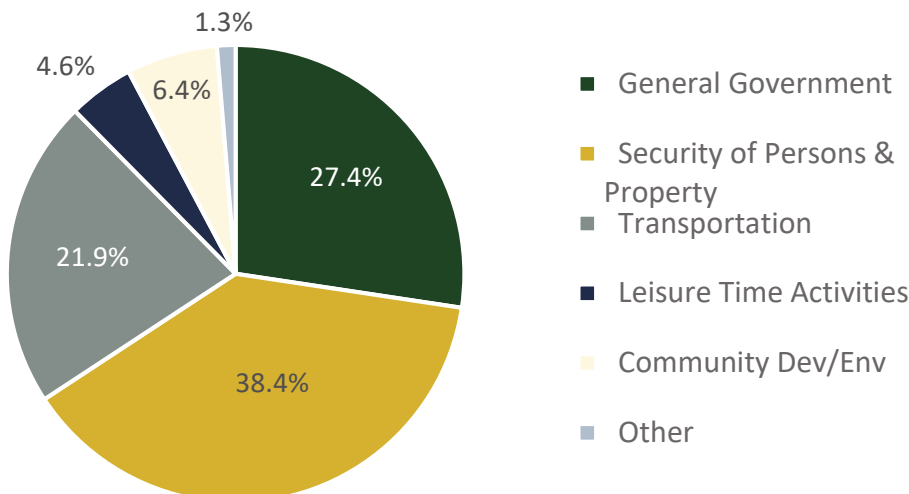
The following two charts show the Governmental Fund and General Fund expenditures by type for Twinsburg. While they are fairly similar, which is to be expected as the General Fund accounts for the majority of all Governmental Fund Revenues, there are slight differences in regards to expenditure type.

### 2018 Twinsburg Governmental Fund Expenditures



Source: City of Twinsburg 2018 Financial Audit

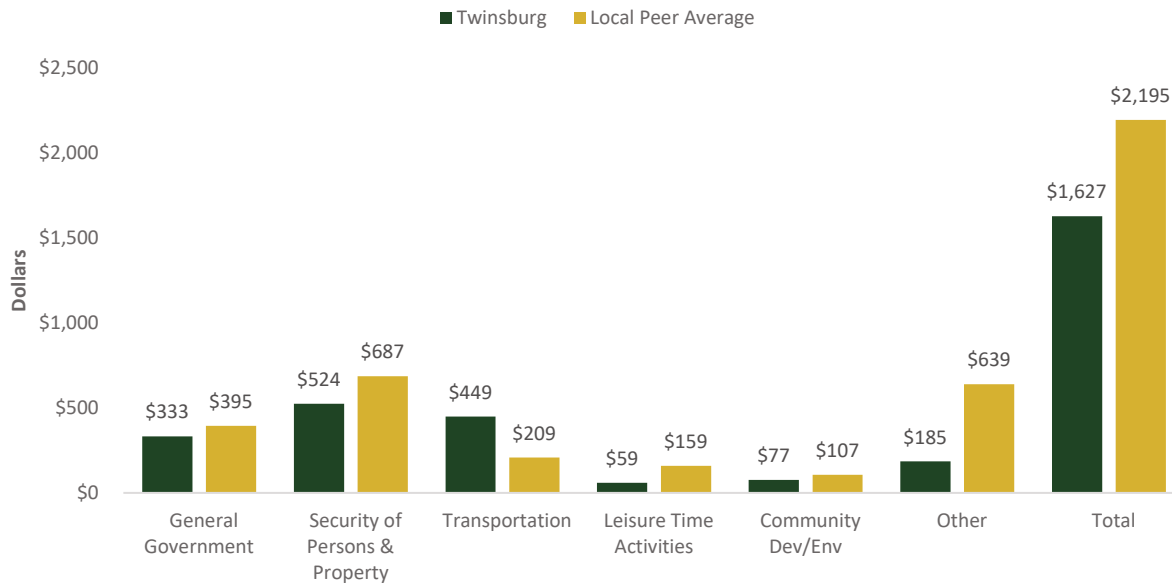
### 2018 Twinsburg General Fund Expenditures



Source: City of Twinsburg 2018 Financial Audit

The City's Governmental Fund expenditures are \$568 less per resident than the peer average. As noted in the report, expenditures can be recorded differently between cities and similar costs may not fall into the same category, so differences within expenditure type can vary greatly.

### 2018 Governmental Fund Expenditures per Resident



Source: City of Twinsburg and local peers' 2018 Financial Audits, U.S. Census Bureau

## Appendix C: Human Resources

In order to conduct critical analyses related to staffing levels at the City we collected data to create an overview of staffing levels city-wide.

### 2019 City of Twinsburg Staffing Overview

	# of Employees	FTEs	% of Total FTEs
Aaron & Moses Restaurant	38.0	12.7	5.2%
Banquet Center	10.0	2.0	0.8%
Building Division	6.0	4.3	1.8%
Council	1.0	1.0	0.4%
Engineering Division	6.0	6.0	2.4%
Finance Department	4.0	4.0	1.6%
Fire Department	43.0	34.1	13.9%
Golf Course	35.0	13.0	5.3%
Human Resources	1.0	1.0	0.4%
Information Technology	3.0	3.0	1.2%
Law Department	3.0	2.0	0.8%
Mayor/Administration	3.0	2.0	0.8%
Parks & Recreation	212.0	46.6	19.0%
Planning/Economic & Community Development	2.0	2.0	0.8%
Police Department	51.0	48.9	19.9%
Public Works - Service	55.0	42.7	17.4%
Public Works - Waste Water	20.0	20.0	8.1%
<b>Total</b>	<b>493.0</b>	<b>245.4</b>	<b>100.0%</b>

Source: City of Twinsburg

For purposes of analysis, the Police Department includes employees who provide Dispatch services. This list excludes appointed, elected, voluntary, and inactive personnel.

Once information was collected on staffing levels within the City, we identified peer groups for each Division or Department within Twinsburg's organizational structure. After conducting a normalization process which is identified in the report, we conducted staffing analyses on each department based on appropriate criteria. The tables on the following pages are the results of our analysis.

## Building Division

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	1.00	1.00	0.25	0.25	0.75	0.75
FT Support Staff	1.00	1.00	1.00	1.00	-	-
FT Department Staff	2.00	2.00	1.75	1.75	0.25	0.25
PT/Seasonal	2.00	0.35	2.25	0.67	(0.25)	(0.32)
<b>Totals</b>	<b>6.00</b>	<b>4.35</b>	<b>5.25</b>	<b>3.67</b>	<b>0.75</b>	<b>0.68</b>
FTEs per 1,000 Residents		0.23		0.16		0.07

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Solon, Streetsboro, Stow, and Tallmadge.

## Council Comparison

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	-	-	-	-	-	-
FT Support Staff	-	-	0.25	0.25	(0.25)	(0.25)
FT Department Staff	1.00	1.00	0.75	0.75	0.25	0.25
PT/Seasonal	-	-	0.50	0.30	(0.50)	(0.30)
<b>Totals</b>	<b>1.00</b>	<b>1.00</b>	<b>1.50</b>	<b>1.30</b>	<b>(0.50)</b>	<b>(0.30)</b>
FTEs per 1,000 Residents		0.05		0.07		(0.02)

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Hudson, Macedonia, Solon, and Streetsboro.

## Engineering Division

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	4.00	3.50	2.25	2.25	1.75	1.25
FT Support Staff	1.00	1.00	1.25	1.25	(0.25)	(0.25)
FT Department Staff	1.00	1.00	3.75	3.75	(2.75)	(2.75)
PT/Seasonal	-	-	3.25	1.33	(3.25)	(1.33)
<b>Totals</b>	<b>6.00</b>	<b>5.50</b>	<b>10.50</b>	<b>8.58</b>	<b>(4.50)</b>	<b>(3.08)</b>
FTEs per 1,000 Residents		0.29		0.32		(0.04)

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Green, Hudson, Solon, and Stow.

## Human Resources

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	1.00	1.00	1.00	1.00	-	-
FT Support Staff	-	-	-	-	-	-
FT Department Staff	-	-	-	-	-	-
PT/Seasonal	-	-	-	-	-	-
<b>Totals</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>-</b>	<b>-</b>
FTEs per 1,000 Residents		0.05		0.06		0.00
Employees per FTE		557.00		326.00		231.00

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Aurora, Hudson, Macedonia, Solon, and Streetsboro.

## Information Technology

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	1.00	1.00	0.80	0.80	0.20	0.20
FT Support Staff	-	-	-	-	-	-
FT Department Staff	2.00	2.00	1.20	1.20	0.80	0.80
PT/Seasonal	-	-	-	-	-	-
<b>Totals</b>	<b>3.00</b>	<b>3.00</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>
FTEs per 1,000 Residents		0.16		0.11		0.05
Employees per FTE		185.67		163.00		22.67

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Aurora, Hudson, Macedonia, Solon, and Streetsboro.

## Law Department

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	1.00	1.00	0.33	0.33	0.67	0.67
FT Support Staff	-	-	0.33	0.33	(0.33)	(0.33)
FT Department Staff	-	-	-	-	-	-
PT/Seasonal	2.00	0.98	2.00	1.13	-	(0.15)
<b>Totals</b>	<b>3.00</b>	<b>1.98</b>	<b>2.67</b>	<b>1.80</b>	<b>0.33</b>	<b>0.18</b>
FTEs per 1,000 Residents		0.10		0.10		0.01

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Aurora, Hudson, and Streetsboro.

## Mayor/Administration

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	-	-	1.75	1.75	(1.75)	(1.75)
FT Support Staff	1.00	1.00	0.75	0.75	0.25	0.25
FT Department Staff	-	-	0.25	0.25	(0.25)	(0.25)
PT/Seasonal	2.00	1.01	0.50	0.04	1.50	0.98
<b>Totals</b>	<b>3.00</b>	<b>2.01</b>	<b>3.25</b>	<b>2.79</b>	<b>(0.25)</b>	<b>(0.77)</b>
FTEs per 1,000 Residents		0.11		0.15		(0.05)

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Aurora, Hudson, Macedonia, Solon, and Streetsboro.

## Planning/Economic & Community Development

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	1.00	1.00	2.33	2.33	(1.33)	(1.33)
FT Support Staff	-	-	0.67	0.67	(0.67)	(0.67)
FT Department Staff	1.00	1.00	1.00	1.00	-	-
PT/Seasonal	-	-	0.33	0.18	(0.33)	(0.18)
<b>Totals</b>	<b>2.00</b>	<b>2.00</b>	<b>4.33</b>	<b>4.18</b>	<b>(2.33)</b>	<b>(2.18)</b>
FTEs per 1,000 Residents		0.10		0.20		(0.10)

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Hudson, Solon, and Tallmadge.

## Public Works - Service

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	6.00	6.00	6.00	6.00	-	-
FT Support Staff	1.00	1.00	2.33	2.33	(1.33)	(1.33)
FT Department Staff	32.00	32.00	34.67	34.67	(2.67)	(2.67)
PT/Seasonal	16.00	3.73	18.67	4.84	(2.67)	(1.11)
<b>Totals</b>	<b>55.00</b>	<b>42.73</b>	<b>61.67</b>	<b>47.84</b>	<b>(6.67)</b>	<b>(5.11)</b>
FTEs per 1,000 Residents		2.24		2.33		(0.09)
# of Lane Miles per FTE		4.54		7.39		(2.84)

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Hudson, Solon, and Streetsboro.

## Public Works - Wastewater

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	5.00	5.00	2.67	2.67	2.33	2.33
FT Support Staff	2.00	2.00	2.33	2.33	(0.33)	(0.33)
FT Department Staff	13.00	13.00	9.33	9.33	3.67	3.67
PT/Seasonal	-	-	0.33	0.21	(0.33)	(0.21)
<b>Totals</b>	<b>20.00</b>	<b>20.00</b>	<b>14.67</b>	<b>14.54</b>	<b>5.33</b>	<b>5.46</b>
FTEs per 1,000 Residents		1.05		0.67		0.38

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Aurora, Barberton, and Solon.

We conducted additional analysis in relation to the Parks and Recreation Department. We first conducted the analysis on the Department as a whole, we then reviewed staffing on only core services and excluded the restaurant, banquet center, and golf course. These analyses are as follows:

## Parks & Recreation Department

	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	13.00	13.00	12.33	12.33	0.67	0.67
FT Support Staff	2.00	2.00	1.33	1.33	0.67	0.67
FT Department Staff	7.00	7.00	2.67	2.67	4.33	4.33
PT/Seasonal	273.00	52.31	193.00	48.67	80.00	3.63
<b>Totals</b>	<b>295.00</b>	<b>74.31</b>	<b>209.33</b>	<b>65.01</b>	<b>85.67</b>	<b>9.30</b>
FTEs per 1,000 Residents		3.90		3.69		0.21

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Brecksville, Fairview Park, and Solon.



## Parks & Recreation Department (Core)

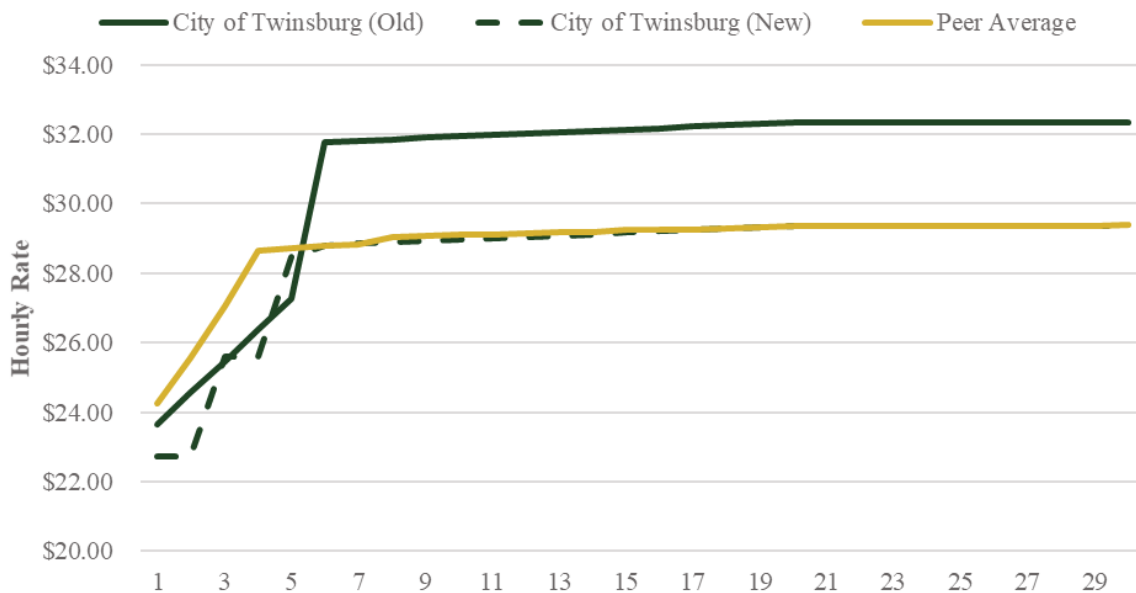
	Twinsburg		Peer Average		Difference	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Department Leadership	8.00	8.00	8.33	8.33	(0.33)	(0.33)
FT Support Staff	2.00	2.00	1.33	1.33	0.67	0.67
FT Department Staff	3.00	3.00	2.00	2.00	1.00	1.00
PT/Seasonal	199.00	33.58	156.33	37.30	42.67	(3.72)
<b>Totals</b>	<b>212.00</b>	<b>46.58</b>	<b>168.00</b>	<b>48.97</b>	<b>44.00</b>	<b>(2.39)</b>
FTEs per 1,000 Residents		2.44		2.78		(0.34)

Source: City of Twinsburg, peers

Note: Peers used for this analysis include Brecksville, Fairview Park, and Solon.

As discussed in the report, the City’s staffing is comparable to the identified peer cities. In addition to comparing staffing levels, we also reviewed salary structure for several key positions. The charts on this and the following pages are the results of our analysis. While the City’s grandfathered salary schedules are more expensive than peers, the new schedules are all comparable to or under the peer averages. The new salary schedules are in place for all new hires as well as individuals who may move positions within City government.

## Firefighter/Paramedic Salary Comparison

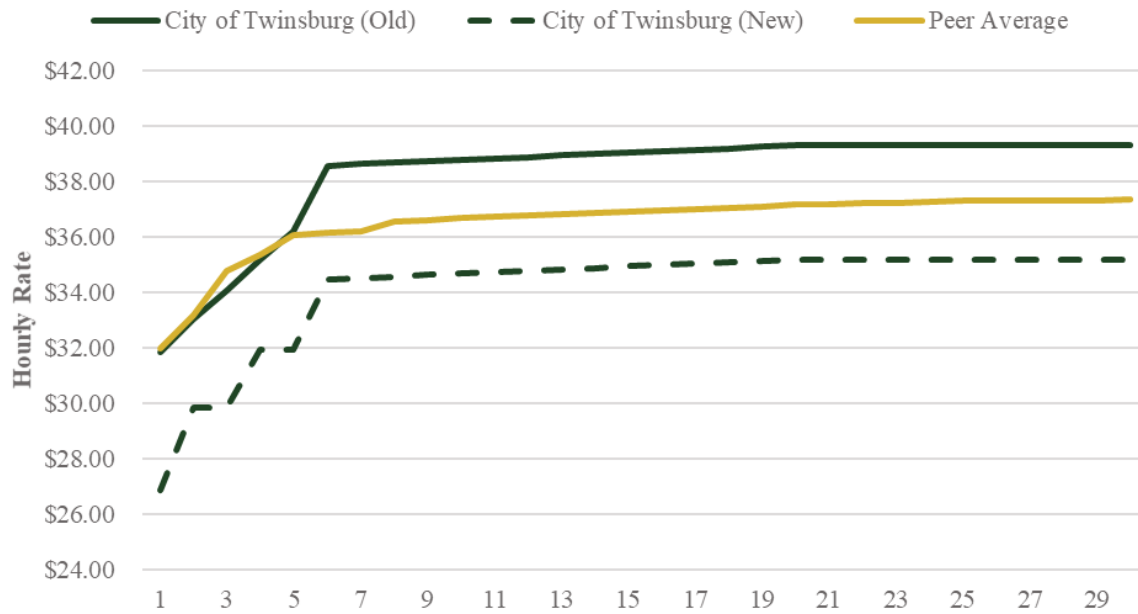


Source: City of Twinsburg, peers

Note: Staffing includes 20 individuals on the old schedule and 2 employees on the new salary schedule.

Note 2: Peers used for this analysis include Aurora, Hudson, Macedonia, Solon, and Streetsboro.

## Police Officer Salary Comparison

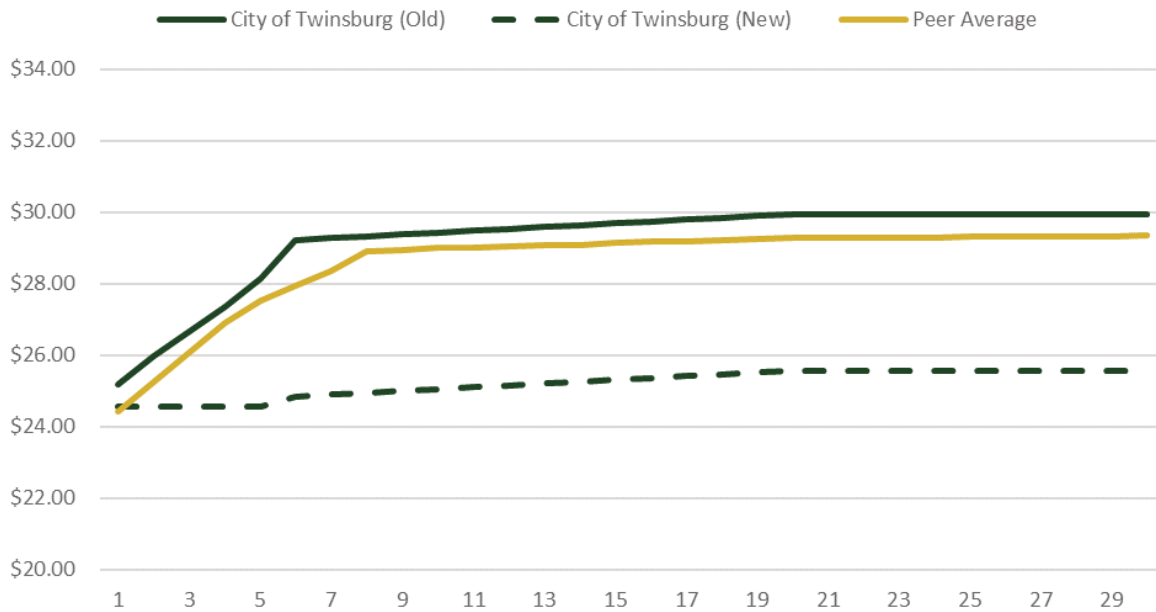


Source: City of Twinsburg, peers

Note: Staffing includes 20 employees on old schedule and 5 employees on the new schedule.

Note 2: Peers used for this analysis include Aurora, Hudson, Macedonia, Solon, and Streetsboro.

## Dispatcher/Clerks Salary Comparison

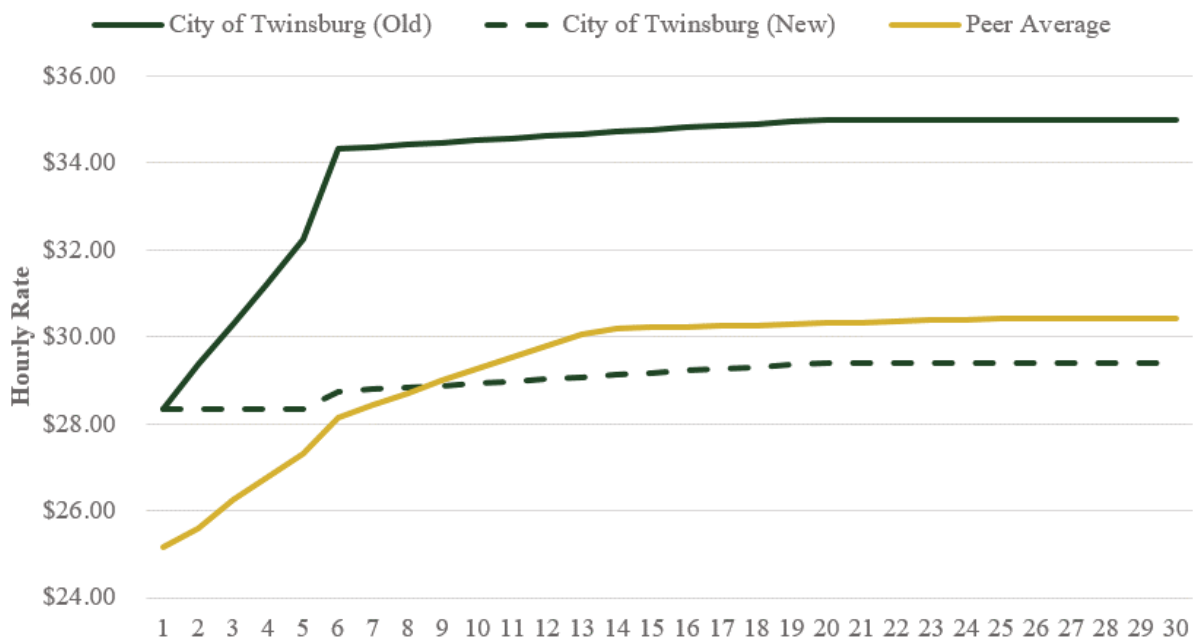


Source: City of Twinsburg, peers

Note: Staffing includes 9 employees on the old schedule and 1 employee on the new schedule.

Note 2: Peers used in this analysis include Aurora, Hudson, Macedonia, and Streetsboro.

## Operator Salary Comparison



Source: City of Twinsburg, peers

Note: Staffing includes 1 employee on old schedule as Chief Operator, 4 employees on old schedule as Operator, and 4 employees on new schedule as Operator.

Note 2: Peers used in this analysis include Hudson, Solon, and Streetsboro.

Various provisions within the City’s CBAs, including shift differential as discussed in Recommendation 2 were analyzed based on local peer cities. While not all cities have CBAs governing the same groups of employee, a combination of Aurora, Hudson, Macedonia, Solon, and Streetsboro were used for all CBA related analysis. The cities used for each CBA analysis are as follows:

- AFSCME Service – Aurora, Hudson, Macedonia, and Streetsboro;
- AFSCME Office – Aurora and Streetsboro;
- Teamsters (Wastewater) – Hudson and Solon;
- IAFF – Aurora, Macedonia, Solon, and Streetsboro (the minimum manning analysis completed in the **Fire Department** section used Aurora, Barberton, Solon, and Tallmadge);
- IAFF Captains – Solon;
- OPBA Patrol – Aurora, Hudson, Macedonia, Solon, and Streetsboro;
- OPBA Sergeants – Aurora, Hudson, Macedonia, Solon, and Streetsboro; and
- OPBA Dispatch – Aurora, Hudson, Macedonia, and Streetsboro.

Finally, we reviewed the City’s medical health insurance design components to other Summit County cities. In reviewing these differences, we determined that there were no aspects of the plan design which inherently led to higher premium costs.

### PPO Plan Design Comparison

	Twinsburg	Summit County City Avg.	Difference
<b>COPAYMENTS</b>			
Office Visit	\$20	\$17	\$3
Urgent Care Visit	\$20	\$38	(\$18)
Employee Coinsurance Emergency Room Visit	20%	16%	4%
<b>DEDUCTIBLE</b>			
Network   Single	\$500	\$266	\$234
Network   Family	\$1,000	\$564	\$436
Non-Network   Single	\$500	\$1,255	(\$755)
Non-Network   Family	\$1,000	\$2,518	(\$1,518)
<b>OUT-OF-POCKET-MAXIMUM</b>			
Network   Single	\$2,000	\$2,630	(\$630)
Network   Family	\$4,000	\$4,728	(\$728)
Non-Network   Single	\$6,600	\$6,320	\$280
Non-Network   Family	\$13,200	\$11,144	\$2,056

Source: City of Twinsburg, SERB

### H.S.A. Plan Design Comparison

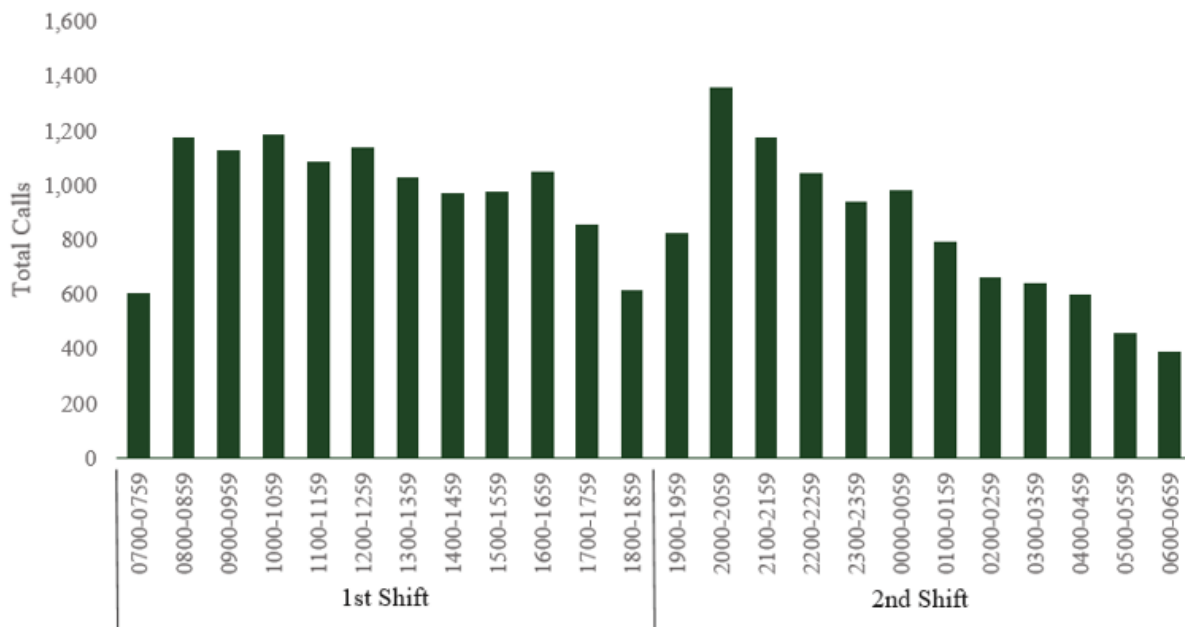
	Twinsburg	Summit County City Avg.	Difference
<b>DEDUCTIBLE</b>			
Network   Single	\$2,700	\$2,570	\$130
Network   Family	\$5,400	\$5,140	\$260
Non-Network   Single	\$5,000	\$4,440	\$560
Non-Network   Family	\$10,000	\$8,880	\$1,120
<b>OUT-OF-POCKET-MAXIMUM</b>			
Network   Single	\$2,700	\$3,690	(\$990)
Network   Family	\$5,400	\$7,380	(\$1,980)
Non-Network   Single	\$10,000	\$9,550	\$450
Non-Network   Family	\$20,000	\$19,100	\$900

Source: City of Twinsburg, SERB

## Appendix D: Police Department

As a part of our analysis we reviewed calls for service on an hourly basis to determine if police and dispatch staffing were appropriate. Based on our analysis, we did not identify any issues which would need to be addressed through staffing changes. Below is a chart which identifies the total number of calls by hour for 2018 for the Twinsburg Police Department.

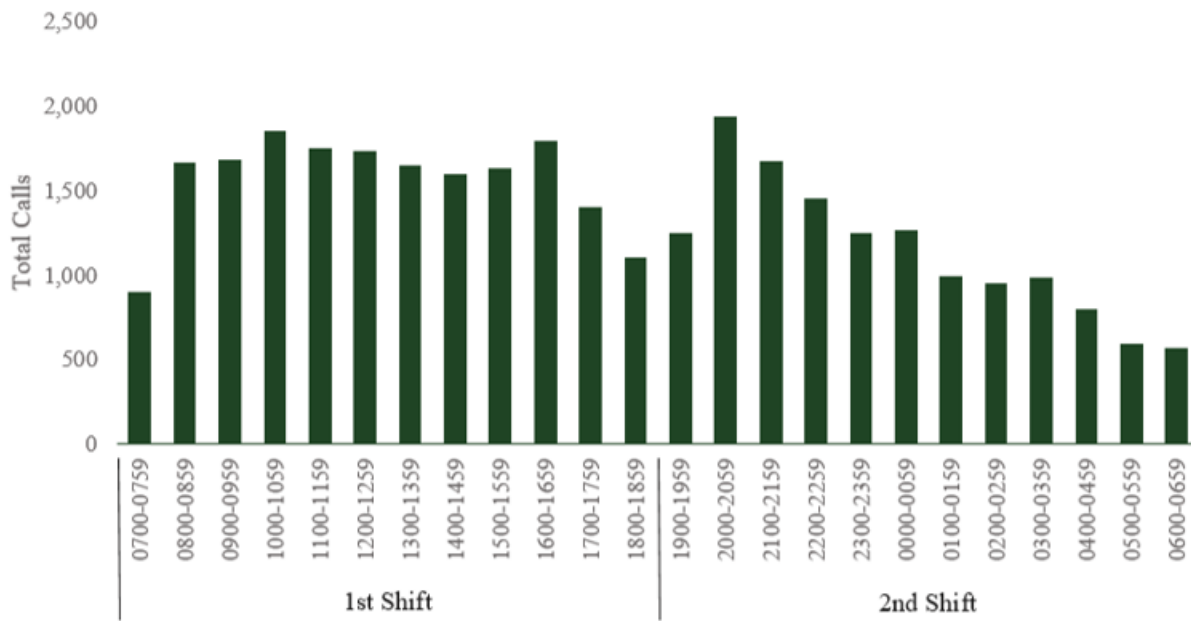
2018 Police Calls for Service



Source: City of Twinsburg

As explained in the report, the Dispatchers within the Twinsburg Police Department handle calls for other safety services agencies, including the Twinsburg Fire Department. The chart on the following page shows the total number of calls received by Dispatch in 2018 broken down by hour.

## 2018 Dispatch Calls for Service



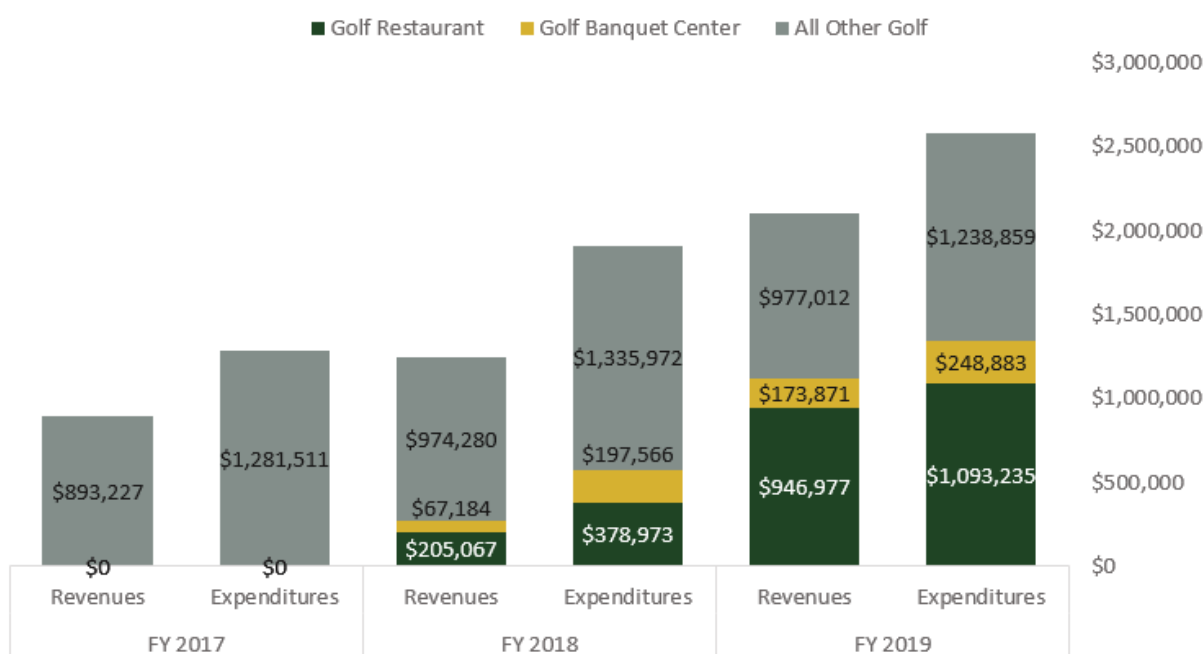
Source: City of Twinsburg

# Appendix E: Parks and Recreation

We reviewed the Parks and Recreation Department’s funds in order to identify any potential areas for cost savings or improved operations. Our recommendation related to this analysis is included in the report. The following information supplements that recommendation.

We reviewed the historical revenues and expenditures related to the City’s Golf Course Fund, and enterprise fund, which includes a restaurant, banquet center, and golf course. In each of the past three years, the expenditures have exceeded revenues.

## Golf Revenues and Expenditures

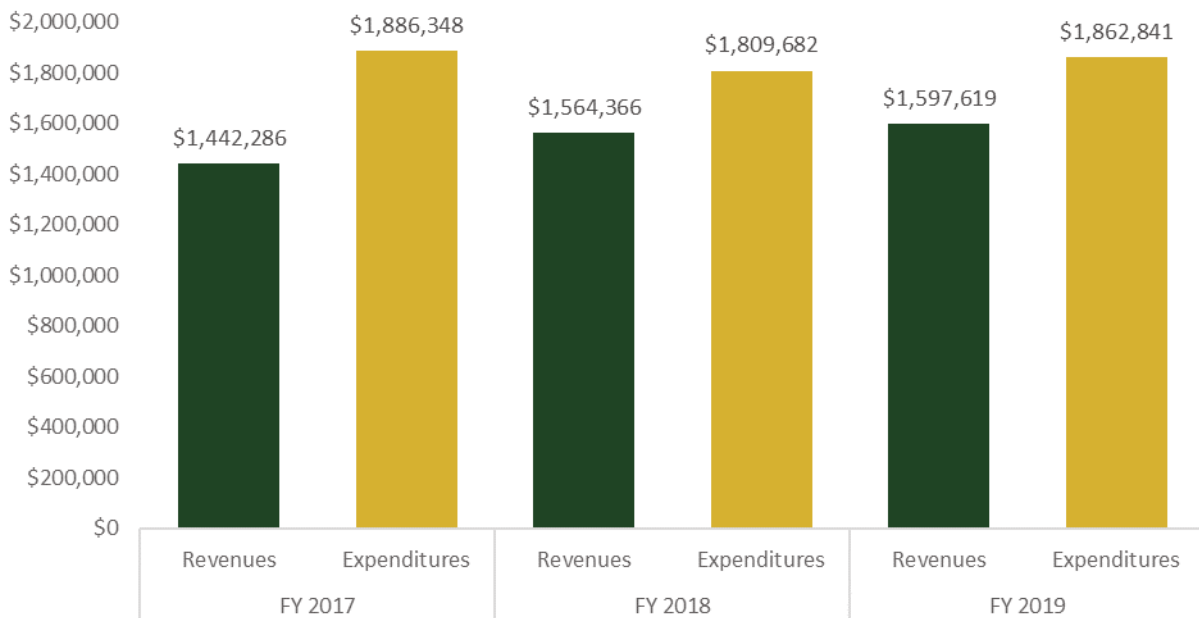


Source: City of Twinsburg

Revenues in this chart excludes the \$6.138 million bond anticipation notes issues on March 1, 2018 to construct, furnish, and equip a new clubhouse at the City’s golf club. Expenditures exclude those associated with the clubhouse project.

Similarly, we reviewed the historical revenues and expenditures for the City’s Fitness Center Fund. The information related to that analysis is seen in the chart on the following page.

## Fitness Center Revenues and Expenditures

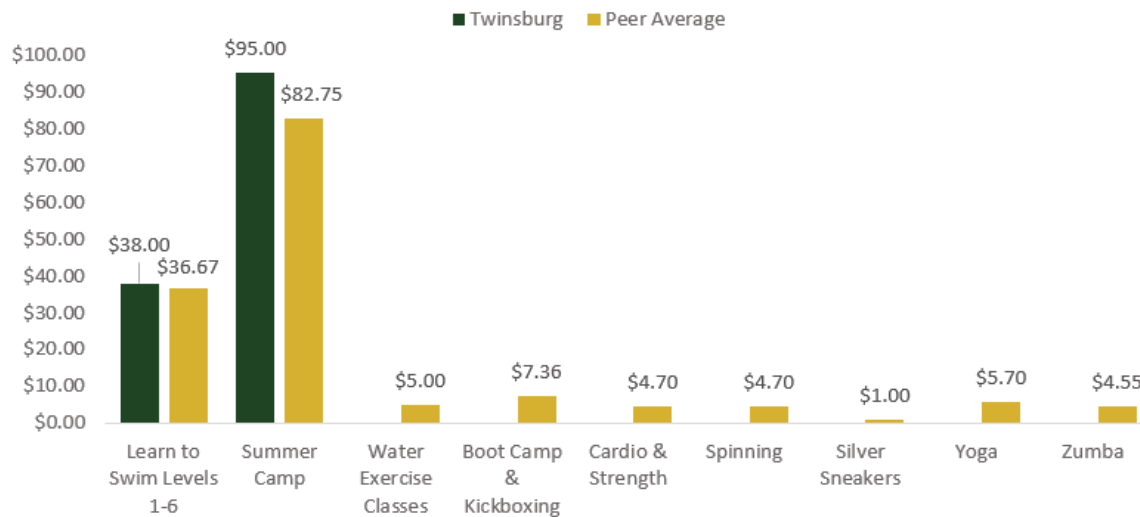


Source: City of Twinsburg

The Fitness Center Fund also had expenditures which exceeded revenues in each of the past three years.

In order to identify opportunities to increase revenues, we reviewed the City’s program costs compared to peer cities. While the City does not charge a fee for individual classes at the fitness center, the overall cost of membership is higher. Our recommendation related to this information is contained in the report.

## Program Cost Comparison



Source: City of Twinsburg, peers



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF TWINSBURG**

**SUMMIT COUNTY**

## **CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 4, 2020**