



Dave Yost • Auditor of State





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To the Residents and elected officials of the City of Pickerington Police Department:

Based on a request from the City, a performance audit of the City of Pickerington Police Department was initiated on February 2, 2011. The functional areas assessed in the performance audit were compensation and benefits, and operations. These areas were selected because they are important components of the Department's mission of public safety.

The performance audit contains recommendations that identify the potential for cost savings and efficiency improvements. The performance audit also provides an independent assessment of the operations of City of Pickerington Police Department. While the recommendations contained in the audit report are resources intended to assist in decision-making for future operations, the City is also encouraged to assess overall operations and develop other alternatives independent of the performance audit.

An executive summary has been prepared which includes the project history; a Department overview; the scope, objectives and methodology of the performance audit; and a summary of noteworthy accomplishments, recommendations, issues for further study and financial implications. This report has been provided to City of Pickerington Police Department and its contents discussed with the appropriate officials and City management

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

Sincerely,

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost  
Auditor of State

January 19, 2012

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# Executive Summary

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## Background

### *Project History*

In February, 2011, the Auditor of State (AOS) began a performance audit of the City of Pickerington Police Department (PPD) at the request of City Council. This performance audit was initiated to determine the efficiency of PPD's staffing levels and other operations. The audit includes an examination of PPD's salaries, staffing, benefits, collective bargaining agreement, fleet management, and other operational areas.

The overall objective of this project was to identify opportunities for savings and process improvements, and opportunities to implement leading practices within PPD. The audit compares the results of operations and processes used by PPD to the peers and industry benchmarks. Where appropriate, recommendations were made that could reduce costs, improve efficiency, or enhance departmental effectiveness. The resulting recommendations provide options that the City should consider in its continuing efforts to improve and stabilize its long-term financial condition.

## Audit Methodology and Scope

Performance audits are defined as engagements that provide assurance or conclusions based on evaluations of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information 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.

AOS conducted the performance audit of City of Pickerington Police Department (PPD or the Department) in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require that AOS plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. AOS believes that the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report based on the audit objectives.

To complete this report, auditors gathered and assessed data from PPD; conducted interviews with Department personnel; identified applicable benchmarks and leading practices; and developed a composite of five "peer" police departments from across the State. The peer police departments include those from the cities of Athens, Circleville, Marysville, Springboro, and Worthington.

In addition to peer data, AOS used external sources to identify leading and recommended practices for comparisons. Key external sources included the Ohio Department of Administrative Services, the State Employee Relations Board and other industry organizations. Data from peer departments and external sources used as criteria were not tested for reliability but were reviewed for reasonableness.

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

The Auditor of State and staff express their appreciation to the Pickerington Police Department and the City of Pickerington for their cooperation and assistance throughout this audit.

## **Noteworthy Accomplishments**

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The following summarizes City of Pickerington Police Department noteworthy accomplishments identified during the course of the audit.

**Flexible Scheduling and Overtime Management:** PPD has a practice of using flexible scheduling to allow employees who have worked a full 40 hours ahead of schedule to take off time at the end of the work week in lieu of working and incurring costly overtime. As a result, the Department's use of overtime by police officers and dispatchers is significantly lower than the peer average on a per 1,000 residents and a per employee basis. This practice allows PPD to achieve adequate force coverage during times of need, but then avoid incurring additional cost when the need is not as great.

**Operational Efficiency:** PPD's detective / officer staffing and workload ratios indicate a high degree of operational efficiency relative to the peer average. In addition, the City of Pickerington's overall crime statistics indicate a high degree of operational effectiveness relative to the peers (see **Table 1** and **Table 2**). PPD's overall operational efficiency and effectiveness has allowed the Department to provide the City's residents with adequate force protection without requiring additional staff.

## Conclusions and Recommendations

Each section of the audit report contains recommendations that are intended to provide the City with options for enhancing its operational efficiency and improving its long-term financial stability. In order to obtain a full understanding of the assessed areas, the reader is encouraged to review the recommendations in their entirety. The following summarizes the key recommendations from the performance audit report.

### Compensation & Benefits

- Consider bringing PPD's police officer compensation in line with the peer average.
- Renegotiate employee contribution rates towards health care premiums and health savings account (HSA) funding amount provided by the City.
- Seek to renegotiate provisions within collective bargaining agreement that are overly generous when compared to the peers.

### Operations

- Develop a vehicle replacement plan and use the plan to guide budgetary resources for vehicle replacements.



## Summary of Financial Implications

The following table summarizes the performance audit recommendations that contain financial implications. Detailed information concerning the financial implications, including assumptions, is contained within the individual sections of the performance audit.

### Summary of Performance Audit Recommendations

<b>Recommendation</b>	<b>Impact</b>
Renegotiate employee contributions to health insurance and HSA funding provided by the City	\$81,000
<b>Total Cost Savings from Performance Audit Recommendations:</b>	<b>\$81,000</b>

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# Audit Objectives

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The following detailed audit objectives were used to conduct the performance audit of the City of Pickerington Police Department. The 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. In some instances, objectives were modified based on actions taken by the City to address its declining fund balances and the high risk environments identified by the auditors during the course of their work.

## Financial Management

- Financial History – What has been the historical financial trend and financial position of the Department
- Operating Cost Ratios – How do Department costs compare with peer departments?
- Projected Financial Condition – What is the Department’s projected financial position?

## Compensation and Benefits

- Compensation Comparison – How does Department compensation compare with peer departments?
- Insurance Analysis - Are the City’s health benefit premiums, employee contribution rates, and funded Health Savings Accounts (HSAs) in-line with the SERB Columbus region averages?
- Collective Bargaining - Are there provisions in the City’s PD negotiated agreements that are unusual or overly costly?
- Leave Use Analysis - Is the City’s Police Department sick leave usage comparable to State averages?
- Overtime Comparison - How do the City’s overtime expenditures compare to the peers on a per 1,000 residents and per FTE basis?

## Operations

- Staffing and Workload – How do staffing and workload measures compare to peer departments (or industry standards, if applicable)?
- Organizational Structure – How does the Department’s organization compare with peer departments (or industry standards, if applicable)?
- Programs - How do the Department’s program offerings compare with peer departments?
- Communications – How do the Department’s communication practices compare to peer departments (or industry standards, if applicable)?

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# Background

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This performance audit focuses on the financial management, compensation and benefits, and operations of the Pickerington Police Department (PPD or the Department). The performance audit analyzes current and projected finances, compensation, insurances, collective bargaining, leave use, overtime, staffing, fleet management, organizational structure, programs, and communications practices for the purpose of developing recommendations to improve overall Department operations. PPD's operations were evaluated and compared to leading practices, operational standards, and selected peer departments. Peer departments include: City of Athens Police Department, City of Circleville Police Department, City of Marysville Police Department, City of Springboro Police Department, and City of Worthington Police Department. Leading practices and operational standards were obtained from the Ohio Revised Code (ORC), Federal Bureau of Investigations (FBI), Ohio Department of Administrative Services (DAS), State Employment Relations Board (SERB), and the Office of the New York State Comptroller (ONYSC).

## *Structure and Programs:*

According to PPD's *2010 Annual Report*, the mission of the Department is "while demonstrating compassion, provide the highest levels of professional service with integrity, flexibility, and fairness." In order to achieve this mission PPD employs a total of 37 sworn and civilian employees, equating to 36.8 full-time equivalent (FTE) employees in the following divisions: operations (includes criminal investigations), communications, and patrol. Analysis of PPD's organizational structure found it to be similar to the peers. In addition to its core functions of patrol, criminal investigations, and dispatch, PPD also provides a number of programs and services to the community; these service enhancements include the following:

- **Court Liaison Program** - According to the *2010 Annual Report*, "the court liaison officer attends court hearing where officers' appearances are not mandatory. The officer also performs other duties such as transporting lab submissions and serving of court related documents and legal forms. The officer also serves as Pickerington Mayor's Court Bailiff. The Bailiff maintains and enforces court discipline, procedure, and decorum. In 2010 [as reported in the *2010 Annual Report*], the court liaison officer saved the Division and City thousands of dollars in overtime wages."
- **Mentorship Program** - According to the *2010 Annual Report*, "in a cooperative effort between the department and Pickerington Local School District, students are afforded an opportunity to work along with Department personnel in their every day duties. The program allows students to receive academic grades and credits while providing exposure to a field of work they may be interested in. The program remains very popular with the high school's student body and officers of the department. Typically, the school maintains a waiting list of students in participation for the Mentorship Program with the department."

- **New Resident Contacts Program** - According to the *2010 Annual Report*, "new residents establishing residence in Pickerington are visited by officers of the Department as part of the community's Welcome Wagon program. Officers will, upon request, evaluate safety issues and offer to conduct security inspections of their homes. Residents are provided with a new resident information packet with important community information. Over 242 new residents were contacted in 2010."
- **Vacation House Checks Program** - According to the *2010 Annual Report*, "the last thing anyone wants to worry about while on vacation is the security and well being of their home. Officers conduct multiple daily inspections of resident's homes that submitted vacation check applications to the Department. Upon the vacationers' return home, a comprehensive inspection report is provided to them. In 2010, 288 vacation home checks were requested."
- **Walk With A Cop Day** - According to the *2010 Annual Report*, "in 2010 the Department took part in a day of walking children to school. Several officers spent three mornings walking elementary school children to their schools through three different neighborhoods. Many children and parents participated in this community event."

In addition to these broad service enhancements, and fee for service activities such as fingerprinting and background checks, the Department also partners with the City to provide programs such as women's self defense and a DARE-like summer program.<sup>1</sup> Beginning in 2011 the Department will no longer partner with the Pickerington Local School District because the District eliminated its DARE program due to financial issues. However, according to the Chief of Police and the Operations Commander, the DARE officer will remain on staff but refocus his time toward community outreach / resource activities. Analysis of PPD's program offerings and service enhancements found them to be similar to the peer program offerings and service enhancements.

### *Staffing and Workload*

**Table 1** shows PPD's staffing, statistics, and workload ratios in comparison to the peer average.

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<sup>1</sup> PPD charges a fee for fingerprinting and background checks that allows it to recover the cost of these services; PPD recorded \$77,328 in revenue for fingerprinting in 2010. See **Table 6** for further information on the cost of these services.

**Table 1: Staffing and Workload Measures Comparison**

Staffing Information				
Position	PPD	Peer Avg.	Diff.	% Diff.
Police Chief	1.0	1.0	0.0	0.0%
Commander / Lieutenant	2.0	2.4	(0.4)	(16.7%)
Sergeant	5.0	3.2	1.8	56.3%
Detective / Officer	18.0	21.8	(3.8)	(17.4%)
Dispatch <sup>1</sup>	8.8	6.4	2.4	38.0%
Administrative / Support	2.0	3.0	(1.0)	(33.3%)
<b>Total Department FTEs</b>	<b>36.8</b>	<b>36.5</b>	<b>0.3</b>	<b>0.8%</b>
Workload Measures				
<b>City Residents</b>	<b>18,291</b>	<b>18,045</b>	<b>246</b>	<b>1.4%</b>
Command Staff FTEs per 1,000 Residents	0.44	0.38	0.05	14.1%
Detective / Officer FTEs per 1,000 Residents <sup>1</sup>	0.98	1.26	(0.28)	(22.1%)
Dispatch FTEs per 1,000 Residents <sup>1</sup>	0.48	0.40	0.08	21.3%
Administrative / Support FTEs per 1,000 Residents	0.11	0.18	(0.07)	(39.6%)
Total Department FTEs per 1,000 Residents	2.01	2.15	(0.13)	(6.2%)
<b>City Square Miles</b>	<b>9.60</b>	<b>8.99</b>	<b>0.61</b>	<b>6.8%</b>
Detective / Officer FTEs per Square Mile	1.88	2.71	(0.8)	(30.9%)
<b>Calls for Service</b>	<b>31,344</b>	<b>15,122</b>	<b>16,222</b>	<b>107.3%</b>
Calls for Service per Detective / Officer FTE	1,741.3	712.9	1,028.5	144.3%
<b>Calls Dispatched<sup>1</sup></b>	<b>38,827</b>	<b>16,885</b>	<b>21,942</b>	<b>129.9%</b>
Calls Dispatched per Dispatch FTE <sup>1</sup>	4,412.2	2,757.3	1,654.9	60.0%
<b>Arrests</b>	<b>1,360</b>	<b>802</b>	<b>558</b>	<b>69.5%</b>
Arrests per Detective / Officer FTE	75.6	36.8	38.8	105.3%
<b>FBI - Violent Crime (VC) Offenses</b>	<b>23</b>	<b>27</b>	<b>(4)</b>	<b>(14.8%)</b>
VC Offenses per 1,000 Residents	1.26	1.63	(0.37)	(22.8%)
VC Offenses per Detective / Officer FTE	1.28	1.30	(0.02)	(1.6%)
<b>FBI - Property Crime (PC) Offenses</b>	<b>373</b>	<b>593</b>	<b>(220)</b>	<b>(37.1%)</b>
PC Offenses per 1,000 Residents	20.39	36.78	(16.39)	(44.6%)
PC Offenses per Detective / Officer FTE	20.72	29.38	(8.65)	(29.5%)

**Source:** PPD and peer staffing, demographics, 2010 service statistics, and 2009 FBI offenses data.

**Note:** FBI crime data is 2009 information; this was the most recent data available at the time of the audit. The FBI did not publish crime statistics for Springboro PD.

<sup>1</sup>The peer average for dispatch FTEs, statistics, and workload ratios excludes Springboro PD which does not have a dispatch function.

As shown in **Table 1**, PPD's total FTEs are comparable to the peer average. However, PPD's distribution of employees differs from the peer average and these differences are a reflection of the Department's organizational structure and strategic human resource allocation decisions. Specifically, PPD employs 0.4 fewer commander / lieutenant FTEs but 1.8 more sergeant FTEs. These staffing differences are driven, in part, by differences in peer department command structures. For example, Athens PD does not employ sergeants while Circleville PD does not employ commander / lieutenants. Overall, PPD employs 1.4 more FTEs across the classifications of commander / lieutenant and sergeants. In addition, PPD employs 3.8 fewer detective / officer FTEs than the peer average (see **Table 2** for criminal investigations specific staffing and workload comparisons); 2.4 more dispatch FTEs than the peer average; and 1.0 less administrative / support FTEs than the peer average. On a per 1,000 residents basis PPD's total department staffing is slightly lower than the peer average. However, consistent with FTE

staffing comparisons, PPD's command (including: police chief, commander / lieutenant, and sergeant) and dispatch staffing are higher than the peer average, but patrol / detective and administrative support staffing is lower than the peer average.

**Table 1** shows that PPD has fewer FTEs per square mile, more calls for service per FTE, and more arrests per FTE. In addition, dispatch workload measures show that PPD dispatches more calls per FTE than the peer average. Finally, the City of Pickerington has fewer violent crime offenses and property crime offenses per 1,000 residents and per detective / officer FTE than the peer average. Overall, **Table 1** shows that PPD is both efficient and effective when compared to the peer average (see **noteworthy accomplishment**).

**Table 2** shows PPD's Criminal Investigations Unit (CIU) staffing, statistics, and workload ratios in comparison to the peer average.

**Table 2: Criminal Investigation Comparison**

Criminal Investigations Staffing				
	PPD	Peer Avg.	Diff.	% Diff.
Command Staff FTEs	0.5	0.3	0.2	66.7%
Detective / Officer Staff FTEs	2.0	2.9	(0.9)	(31.0%)
<b>Total Criminal Investigations FTEs</b>	<b>2.5</b>	<b>3.2</b>	<b>(0.7)</b>	<b>(21.9%)</b>
Criminal Investigations Statistics				
Cases Assigned	611	449	162	36.2%
Cases Closed	99	274	(175)	(63.9%)
Cases Suspended	87	79	8	10.7%
Cases Pending	174	24	150	613.1%
Cases Open	149	58	91	155.1%
Cases Reclassified	102	13	89	684.6%
<b>Closure Percentage<sup>1</sup></b>	<b>53.6%</b>	<b>64.5%</b>	<b>(10.9%)</b>	<b>(16.9%)</b>
Criminal Investigations Workload				
<b>Cases Assigned per FTE</b>	<b>244.4</b>	<b>170.0</b>	<b>74.4</b>	<b>43.8%</b>
<b>Cases Closed / Pending per FTE</b>	<b>109.2</b>	<b>108.2</b>	<b>1.0</b>	<b>0.9%</b>

**Source:** PPD and peer staffing and 2010 service statistics,

<sup>1</sup>Closure percentage represents the percentage of cases closed and pending divided by the net of cases assigned minus the cases reclassified.

As shown in **Table 2**, PPD's total CIU staffing is 0.7 FTE lower than the peer average. However, PPD's cases assigned per CIU FTE were significantly higher than the peer average and the Department's cases closed / pending per FTE was comparable to the peer average. Consistent with **Table 1**, **Table 2** shows that PPD is both efficient and effective when compared to the peer average (see **noteworthy accomplishment**).

### Financial Information

PPD's operations are supported primarily through a police levy and the City's General Fund.<sup>2</sup> The police levy is a 5.5 mill continuing levy that has been in place since 2000 and generates approximately \$1.4 million in annual revenue for PPD. The purpose of the levy is "providing and maintaining motor vehicles, communications, and other equipment used directly in the operation of a police department or the payment of salaries of permanent police personnel."

**Table 3** shows PPD's three-year financial trend for 2008, 2009, and 2010.

**Table 3: PPD Financial Trend (2008-2010)**

<b>Revenue</b>	<b>2008</b>	<b>2009</b>	<b>% Diff.</b>	<b>2010</b>	<b>% Diff.</b>
Local Taxes	\$1,385,769	\$1,420,188	2.5%	\$1,433,859	1.0%
State Shared Taxes	\$174,785	\$187,798	7.4%	\$184,094	(2.0%)
Grants	\$63,597	\$2,320	(96.4%)	\$41,448	1686.6%
Charges For Services	\$69,918	\$58,660	(16.1%)	\$51,337	(12.5%)
Fees	\$36,169	\$34,848	(3.7%)	\$35,353	1.4%
Miscellaneous Income	\$97,169	\$145,634	49.9%	\$127,244	(12.6%)
Transfers / Reimbursements	\$2,049,033	\$2,285,607	11.5%	\$2,185,591	(4.4%)
* <i>General Fund Transfer</i> <sup>1</sup>	\$2,010,000	\$2,285,000	13.7%	\$2,150,000	(5.9%)
<b>Total Police Fund Revenue</b>	<b>\$3,876,439</b>	<b>\$4,135,055</b>	<b>6.7%</b>	<b>\$4,058,926</b>	<b>(1.8%)</b>
<b>Expenditures</b>	<b>2008</b>	<b>2009</b>	<b>% Diff.</b>	<b>2010</b>	<b>% Diff.</b>
Personal Services	\$3,217,636	\$3,513,123	9.2%	\$3,354,491	(4.5%)
Travel / Transportation / Professional Development	\$636	\$1,168	83.6%	\$480	(58.9%)
Contractual Services	\$308,619	\$309,802	0.4%	\$305,405	(1.4%)
Supplies / Materials	\$108,458	\$109,042	0.5%	\$98,453	(9.7%)
Capital	\$138,689	\$113,345	(18.3%)	\$136,917	20.8%
Transfers / Reimbursements	\$66,021	\$48,327	(26.8%)	\$59,990	24.1%
<b>Total Police Fund Expenditures</b>	<b>\$3,840,059</b>	<b>\$4,094,807</b>	<b>6.6%</b>	<b>\$3,955,736</b>	<b>(3.4%)</b>

**Source:** City of Pickerington year-end financial information for 2008, 2009, and 2010.

**Note 1:** Encumbrances are excluded from expenditures to avoid double counting actual cash basis expenditures.

**Note 2:** LES Fund revenues and expenditures are excluded from **Table 3**.

<sup>1</sup> The City's General Fund transfer to PPD is included in the transfers / reimbursements revenue line-item.

As shown in **Table 3**, PPD's total revenues increased significantly from 2008 to 2009 (6.8 percent) but then decreased from 2009 to 2010 (1.8 percent). The majority of PPD's revenues in each of the three years shown were derived from General Fund transfers and local taxes. General Fund transfers have, on average, comprised 54.3 percent of total revenues while local taxes have, on average, comprised 35.1 percent of total revenues.

**Table 3** also shows that PPD's total expenditures increased significantly from 2008 to 2009 (6.6

<sup>2</sup> According to the Chief of Police, the Department is able to use Law Enforcement Seizure Funds (LES Funds) to supplement its traditional revenue stream and purchase items that it otherwise would have to charge to City funds. According to the City's year-end financial records, in 2009 total LES Fund expenditures were \$18,376.49 and were primarily for supplementing the purchase of a vehicle. In 2010 total LES Fund expenditures were \$18,176.27 and were primarily for the purchase of firearms and vehicle computer equipment.

percent) but then decreased from 2009 to 2010 (3.4 percent). Personal services expenditures increased by 9.2 percent from 2008 to 2009 but then decreased by 4.5 percent from 2009 to 2010. This increase and decline was due to fluctuations that occurred primarily within PPD's FOP wages, pension, and insurance. According to the Director of Finance, the fluctuations within personal services were primarily due to an additional 27th pay that occurred in 2009 and a change in health insurance carriers that occurred in January 2010, with a deposit occurring on the City's financial records for December 2009.

**Table 4** shows PPD's 2010 operating costs by category, on a per 1,000 residents basis, in comparison to the peer average.

**Table 4: Operating Cost Ratio Comparison (2010)**

Expenditures Per 1,000 Residents	PPD	Peer Average	Difference	% Difference
Personal Services	\$183,396	\$180,358	\$3,038	1.7%
Travel / Trans. / Professional Development	\$26	\$144	(\$118)	(81.8%)
Contractual Services	\$16,697	\$8,702	\$7,995	91.9%
Supplies / Materials	\$5,383	\$2,620	\$2,762	105.4%
Capital	\$7,485	\$3,254	\$4,232	130.0%
Transfers / Reimbursements	\$3,280	\$2,962	\$317	10.7%
<b>Total Expenditures</b>	<b>\$216,267</b>	<b>\$197,333</b>	<b>\$18,933</b>	<b>9.6%</b>
<b>Residents</b>	<b>18,291</b>	<b>18,045</b>	<b>246</b>	<b>1.4%</b>

**Source:** PPD and peer year-end financial information for 2010 and US Census Bureau 2010 population data.

**Note:** The peer average per 1,000 residents expenditures are calculated based on the average of each individual peer ratio.

As shown in **Table 4**, PPD's total expenditures per 1,000 residents are 9.6 percent higher than the peer average. For 2010, PPD's personal services represented approximately 84.8 percent of total expenditures while the remainder consisted of contractual services at 7.7 percent, capital at 3.5 percent, supplies / materials at 2.5 percent, transfers / reimbursements at 1.5 percent, and travel / transportation / professional development at 0.1 percent.

**Table 5** shows significant areas of expenditure (5.0 percent or more of total) for PPD's 2010 personal services.

**Table 5: PPD Personal Services (2010)**

Category	Expenditure	Percentage
FOP Wages	\$1,291,922	38.5%
Health Insurance - FOP	\$334,891	10.0%
Dispatchers Fulltime - Wages	\$291,786	8.7%
Pension FOP	\$270,620	8.1%
Salaried Personnel	\$267,179	8.0%

**Source:** PPD year-end financial information for 2010.

**Table 6** shows significant areas of expenditure (5.0 percent or more of total) for PPD's 2010 purchased services.



**Table 6: PPD Purchased Services (2010)**

Category	Expenditure	Percentage
Webcheck / Fingerprinting	\$58,648	19.2%
LEADS 911	\$54,996	18.0%
Vehicle Maintenance / Repair	\$28,068	9.2%
Auditor Treasurer Fee / Real Estate Tax	\$25,187	8.2%
Electricity	\$24,889	8.1%
Insurance General Liability	\$18,325	6.0%
Facility Equipment Maintenance / Repair	\$16,486	5.4%

**Source:** PPD year-end financial information for 2010.

**Table 7** shows significant areas of expenditure (5.0 percent or more of total) for PPD's 2010 supplies / materials.

**Table 7: PPD Supplies / Materials (2010)**

Category	Expenditure	Percentage
Cruiser Miscellaneous Equipment	\$19,059	19.4%
DARE Program	\$11,162	11.3%
Facility Maintenance Supplies	\$10,398	10.6%
Miscellaneous Supplies	\$7,736	7.9%
Investigation	\$7,381	7.5%
Office Supplies	\$6,911	7.0%
Radar Equipment	\$5,238	5.3%

**Source:** PPD year-end financial information for 2010.

Finally, although capital outlay is higher than the peer average, this is an area of expenditure that fluctuates from year to year as PPD and the peer departments complete vehicle replacements (see **R4**). As such, this area of expenditures was not reviewed in detail.

**Table 8** shows PPD's projected financial condition for 2011 through 2015.

**Table 8: PPD Projected Financial Condition (2011-2015)**

No Additional Officers	2011	2012	2013	2014	2015
Police Fund Revenue	\$1,928,110	\$1,932,964	\$1,967,020	\$2,003,162	\$2,041,531
General Fund Transfer	\$2,154,978	\$2,307,288	\$2,410,757	\$2,522,212	\$2,642,601
<i>Transfer Percentage</i>	52.8%	54.4%	55.1%	55.7%	56.4%
<b>Total Revenue</b>	<b>\$4,083,088</b>	<b>\$4,240,252</b>	<b>\$4,377,777</b>	<b>\$4,525,374</b>	<b>\$4,684,132</b>
<b>Total Expenditure</b>	<b>\$4,083,088</b>	<b>\$4,240,252</b>	<b>\$4,377,777</b>	<b>\$4,525,374</b>	<b>\$4,684,132</b>
<b>Unencumbered Balance</b>	<b>\$421,413</b>	<b>\$421,413</b>	<b>\$421,413</b>	<b>\$421,413</b>	<b>\$421,413</b>
Two Additional Officers <sup>1</sup>	2011	2012	2013	2014	2015
Police Fund Revenue	\$1,928,110	\$1,932,964	\$1,967,020	\$2,003,162	\$2,041,531
General Fund Transfer	\$2,154,978	\$2,410,210	\$2,517,476	\$2,743,901	\$2,873,268
<i>Transfer Percentage</i>	52.8%	55.5%	56.1%	57.8%	58.5%
<b>Total Revenue</b>	<b>\$4,083,088</b>	<b>\$4,343,174</b>	<b>\$4,484,496</b>	<b>\$4,747,063</b>	<b>\$4,914,799</b>
<b>Total Expenditure</b>	<b>\$4,083,088</b>	<b>\$4,343,174</b>	<b>\$4,484,496</b>	<b>\$4,747,063</b>	<b>\$4,914,799</b>
<b>Unencumbered Balance</b>	<b>\$421,413</b>	<b>\$421,413</b>	<b>\$421,413</b>	<b>\$421,413</b>	<b>\$421,413</b>
<b>Required Additional Transfer</b>	<b>\$0</b>	<b>\$102,922</b>	<b>\$106,719</b>	<b>\$221,689</b>	<b>\$230,667</b>
<b>Cumulative Additional Transfer</b>	<b>\$0</b>	<b>\$102,922</b>	<b>\$209,641</b>	<b>\$431,330</b>	<b>\$661,997</b>

Source: City of Pickerington Finance Director.

<sup>1</sup>The projected additional officers are in 2012 and 2014.

As shown in **Table 8**, even without any additional officers, the City's General Fund transfer is projected to increase from approximately \$2.2 million in 2011 to approximately \$2.6 million in 2015. However, with two additional officers, the City's General Fund transfer is projected to increase from approximately \$2.2 million in 2011 to approximately \$2.9 million in 2015. Adding one additional officer in 2012 and one additional officer in 2014 is projected to necessitate an additional cumulative General Fund transfer of approximately \$662,000 from 2011 to 2015.

### Compensation and Overtime

**Table 9** shows PPD's command staff compensation for 2011 as compared to the peer average.

**Table 9: Command Staff Compensation Comparison**

	PPD	Peer Avg.	Diff.	% Diff.
Sergeant	\$75,587	\$71,543	\$4,044	5.7%
Lieutenant / Commander	\$81,556	\$75,438	\$6,118	8.1%
Chief of Police	\$93,744	\$83,012	\$10,732	12.9%

Source: PPD and peer compensation for 2011.

**Note 1:** **Table 9** includes longevity and benefit pick-up as compensation where appropriate.

**Note 2:** When excluding peer benefit pick-up, the peer average sergeant compensation decreases to \$67,303. As a result PPD's sergeant compensation increases to 12.3 percent more than the peer average.

**Note 3:** When excluding peer benefit pick-up, the peer average lieutenant / commander compensation decreases to \$72,005. As a result, PPD's lieutenant / commander compensation increases to 13.3 percent more than the peer average.

**Note 4:** When excluding peer benefit pick-up, the peer average chief of police compensation decreases to \$79,830. As a result, PPD's chief of police compensation increases to 17.4 percent more than the peer average.

As shown in **Table 9**, PPD's command staff compensation is higher than the peer average for all areas of comparison. Specifically, relative to the peer average, PPD's; sergeants' compensation is

5.7 percent higher, lieutenants / commanders compensation is 8.1. percent higher, and chief of police compensation is 12.9 percent higher.

**Table 10** shows PPD's police officer compensation in comparison to the peer average. Peer compensation was adjusted, as appropriate, to include pick-up of employee retirement contributions; a practice in which PPD does not engage. In addition, longevity was included, as appropriate, for both PPD and the peer average.

**Table 10: Police Officer Compensation Comparison**

Year	PPD	Peer Avg.	Diff.	% Diff.
1	\$45,011	\$43,189	\$1,822	4.2%
5	\$65,707	\$57,316	\$8,392	14.6%
10	\$66,557	\$59,796	\$6,761	11.3%
15	\$66,807	\$60,126	\$6,681	11.1%
20	\$67,057	\$60,339	\$6,719	11.1%
25	\$67,157	\$60,444	\$6,714	11.1%
30	\$67,157	\$60,514	\$6,644	11.0%
<b>Total Career</b>	<b>\$1,953,159</b>	<b>\$1,755,567</b>	<b>\$197,592</b>	<b>11.3%</b>

**Source:** PPD and peer compensation for 2011.

**Note 1:** When excluding peer benefit pick-up, the peer average total career compensation decreases to \$1,696,272 which leaves PPD's police officer compensation 15.1 percent or \$256,887, in total, higher than the peer average.

**Note 2:** For 2011, PPD provides a shift differential of \$1.05 for both second and third shift. In contrast, Athens PD provides \$0.50 for second shift and \$0.75 for third shift; Circleville PD provides \$0.20 for both second and third shift; Marysville PD provides \$0.30 for second shift and \$0.50 for third shift; and Worthington PD provides \$1.20 for both second and third shift. Springboro PD's negotiated agreement does not provide for any shift differential.

As shown in **Table 10**, PPD's police officer compensation starts at a level 4.2 percent higher than the peer average and ends at a level 11.0 percent higher than the peer average. Over a 30-year career, PPD's police officer compensation is approximately \$198,000 or 11.3 percent higher than the peer average (see **R1**).

**Table 11** shows PPD's dispatch compensation in comparison to the peer average. Peer compensation was adjusted, as appropriate, to include pick-up of employee retirement contributions; a practice in which PPD does not engage. In addition, longevity was included, as appropriate, for both PPD and the peer average.

**Table 11: Dispatch Compensation Comparison**

Year	PPD	Peer Avg.	Diff.	% Diff.
1	\$35,797	\$36,879	(\$1,082)	(2.9%)
5	\$41,870	\$47,949	(\$6,078)	(12.7%)
10	\$44,234	\$48,768	(\$4,533)	(9.3%)
15	\$44,484	\$49,152	(\$4,668)	(9.5%)
20	\$44,734	\$49,404	(\$4,670)	(9.5%)
25	\$44,984	\$49,560	(\$4,576)	(9.2%)
30	\$45,234	\$49,648	(\$4,413)	(8.9%)
<b>Total Career</b>	<b>\$1,309,758</b>	<b>\$1,443,251</b>	<b>(\$133,493)</b>	<b>(9.2%)</b>

**Source:** PPD and peer compensation for 2011.

**Note 1:** **Table 11** includes longevity and benefit pick-up as compensation where appropriate.

**Note 2:** When excluding peer benefit pick-up, the peer average total career compensation decreases to \$1,384,191 which leaves PPD's dispatcher compensation 5.4 percent or \$74,434 in total lower than the peer average.

As shown in **Table 11**, PPD's annual dispatch compensation is lower than the peer average at every point of comparison. In addition, total lifetime compensation is 9.2 percent lower than the peer average.

Although the peer departments are operationally similar to PPD, and the peer cities are demographically similar to the City of Pickerington, there may be regional compensation differences that are not captured by a peer comparison. **Table 12** shows PPD's average compensation by position for 2011 in comparison to a regional average compensation which was calculated based on an inflated 2009 salary survey from the Mid-Ohio Regional Planning Commission (MORC).<sup>3</sup>

**Table 12: PPD Regional Average Salary Comparison**

Position	PPD	Regional Avg.	Diff.	% Diff.
Chief of Police	\$93,744	\$93,769	(\$24)	(0.0%)
Commander / Lieutenant	\$81,556	\$83,709	(\$2,153)	(2.6%)
Sergeant	\$75,587	\$73,930	\$1,658	2.2%
Police Officer	\$62,060	\$59,764	\$2,296	3.8%
Dispatcher	\$40,227	\$43,754	(\$3,527)	(8.1%)

**Source:** PPD 2011 compensation and MORPC 2009 salary survey.

**Note:** The regional average reflects 2.0 percent annual increases for 2010 and 2011 to account for likely conservative base increases since 2009.

As shown in **Table 12**, PPD's Chief of Police is comparable to the regional average, commander/lieutenant compensation is slightly lower than the regional average, and sergeant compensation is slightly higher than the regional average. Overall, PPD's command staff compensation is comparable to the regional average. In addition, **Table 12** shows that PPD's average police officer compensation is 3.8 percent higher than the peer average; this regional comparison confirms the conclusions reached in **Table 10** (see **R1**). Finally, PPD's dispatcher compensation is 8.1 percent lower than the peer average; this regional comparison confirms the conclusions reached in **Table 11**.

**Table 13** shows PPD's overtime for police and administrative staff and for dispatchers on a per-1,000 resident and per-FTE basis as compared to the peer average.

<sup>3</sup> MORPC's law enforcement salary survey data includes the following city police departments: Bexley, Brookville, Chillicothe, Columbus, Delaware, Dublin, Fairborn, Gahanna, Grandview Heights, Grove City, Marysville, North Olmstead, Powell, Upper Arlington, Washington Court House, Westerville, Whitehall, and Worthington. In addition, MORPC's law enforcement salary survey data also includes the Village of Groveport, Village of New Albany, Delaware County Sheriff's Office, and the Fairfield County Sheriff's Office.

**Table 13: Overtime Comparison (2010)**

	PPD	Peer Avg.	Diff.	% Diff.
Residents	18,291	18,045	246	1.4%
Police & Admin. FTEs	28.0	31.4	(3.4)	(10.8%)
Dispatch FTEs	8.8	6.4	2.4	38.0%
Police & Admin. OT	\$76,287	\$111,771	(\$35,484)	(31.7%)
Dispatch OT	\$12,932	\$15,574	(\$2,641)	(17.0%)
<b>Police &amp; Admin. OT per 1,000 Residents</b>	<b>\$4,171</b>	<b>\$6,520</b>	<b>(\$2,350)</b>	<b>(36.0%)</b>
<b>Police &amp; Admin. OT per FTE</b>	<b>\$2,725</b>	<b>\$3,571</b>	<b>(\$846)</b>	<b>(23.7%)</b>
<b>Dispatch OT per 1,000 Residents</b>	<b>\$616</b>	<b>\$1,052</b>	<b>(\$436)</b>	<b>(41.5%)</b>
<b>Dispatch OT per FTE</b>	<b>\$1,280</b>	<b>\$2,213</b>	<b>(\$932)</b>	<b>(42.1%)</b>

Source: PPD and peer staffing and financial data and US Census Bureau 2010 population data.

As shown in **Table 13**, PPD's police and administrative staff overtime was significantly lower than the peer average on a per-1,000 residents and per-FTE basis. In addition, PPD's dispatch overtime was significantly lower on a per-1,000 residents and per-FTE basis than the peer average (see *noteworthy accomplishment*). In addition to comparatively low overtime use, PPD's employees, on average, use fewer sick leave hours per year than the State average.

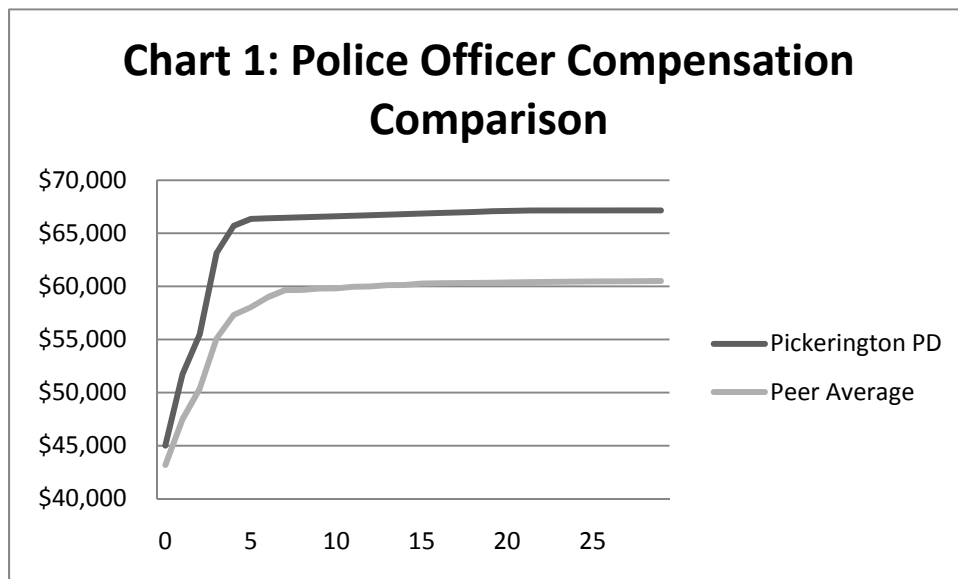
## Compensation and Benefits - Recommendations

### R1 Consider bringing police officer compensation in line with the peer average.

The City should consider adjusting the police officer compensation structure to bring it more in line with the peer average compensation structure. To do so, the City could limit future negotiated wage increases, renegotiate salary schedules for current staff, or develop a dual salary schedule for all new employees that is in line with the peer average. The City should be cognizant of PPD's comparatively high shift differentials if it chooses to adjust the compensation structure.

As shown in **Table 10**, PPD's police officer compensation starts at a level 4.2 percent higher than the peer average and ends at a level 11.0 percent higher than the peer average. Over a 30 year career, PPD's police officer compensation is approximately \$198,000 or 11.3 percent higher than the peer average.<sup>4</sup> Although it is not included in **Table 10** as part of base compensation, shift differentials are also a factor in the Department's overall compensation profile. For 2011, PPD provides a shift differential of \$1.05 for both second and third shift. In contrast, Athens PD provides \$0.50 for second shift and \$0.75 for third shift; Circleville PD provides \$0.20 for both second and third shift; Marysville PD provides \$0.30 for second shift and \$0.50 for third shift; and Worthington PD provides \$1.20 for both second and third shift. Springboro PD's negotiated agreement does not provide for any shift differential.

**Chart 1** is a graphic representation of the police officer compensation comparisons shown in **Table 10**.



Source: PPD and peer compensation for 2011.

<sup>4</sup> The compensation comparisons in **Table 10** includes benefit pick-up of employee retirement contributions; a practice which PPD does not engage in, but some peer departments do. In addition, longevity was included as appropriate for both PPD and the peer average. When excluding peer benefit pick-up, the peer average total career compensation decreases to \$1,696,272.05 which leaves PPD's police officer compensation 15.1 percent or \$256,886.75, in total, higher than the peer average.

In addition to PPD's step schedule that allows for a higher overall rate of compensation than the peer average, PPD's actual average police officer salary for 2011 (approximately \$62,000) was also found to be approximately 3.1 percent higher than a regional average estimate based on salary survey data collected and reported by the Mid-Ohio Regional Planning Commission (MORPC).<sup>5</sup>

PPD's police officer compensation is negotiated as part of the City's negotiated agreement with the FOP. As such, the structure of PPD's compensation as well as any base increases were agreed upon by the City and the bargaining unit.

PPD's comparatively high compensation, and shift differentials, for police officers contributes directly to the higher personal services spending in total and on a per 1,000 residents basis as shown in **Table 4**. In total, the higher wages cost the City approximately \$265,888 in 2010.

## **R2 Increase employee health insurance contributions and reduce City-paid HSA funding.**

**The City should attempt to reduce its expenditures for PPD's health care coverage for single and family plans. When evaluating the options available, the City should consider negotiating higher employee premium contributions and/or reducing the Department's annual contributions to the health savings account (HSA).**

The City of Pickerington offers PPD employees medical, dental, and vision insurance. In addition to paying 92 percent of employee premiums in 2010, the City also funds a portion of employees' HSAs. Because the City's medical insurance is a high deductible plan, \$1,500 and \$3,000 deductible for single and family plans respectively, it is eligible to offer an HSA. An HSA is used to pay health care costs incurred prior to reaching the deductible amount. Unlike the Flexible Spending Accounts, all funds remaining in the HSA at the end of the year roll over and added to the next year's contributions.

**Table 14** shows the City's premiums and employee contribution rates in comparison to the State Employment Relations Board's (SERB) Columbus region average:

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<sup>5</sup> MORPC's salary survey data includes the following city police departments: Bexley, Brookville, Chillicothe, Columbus, Delaware, Dublin, Fairborn, Gahanna, Grandview Heights, Grove City, Marysville, North Olmstead, Powell, Upper Arlington, Washington Court House, Westerville, Whitehall, and Worthington. In addition, MORPC's salary survey data also includes the Village of Groveport, Village of New Albany, Delaware County Sheriff's Office, and the Fairfield County Sheriff's Office. The City of Powell was identified and excluded as an outlier in the salary survey data set and therefore does not factor into regional average police officer compensation.

**Table 14: Monthly Premium and Contribution Rate Comparison**

	Medical Premiums		Employee Contributions	
	Single	Family	Single	Family
City of Pickerington	\$357.26	\$1,165.92	8.0%	8.0%
SERB Columbus Region Average	\$487.00	\$1,253.00	13.3%	15.8%
<b>Difference</b>	<b>(\$129.74)</b>	<b>(\$87.08)</b>	<b>(5.3%)</b>	<b>(7.8%)</b>
	Vision Premiums		Employee Contributions	
	Single	Family	Single	Family
City of Pickerington	\$8.05	\$18.21	8.0%	8.0%
SERB Columbus Region Average	\$11.82	\$22.80	54.7%	41.3%
<b>Difference</b>	<b>(\$3.77)</b>	<b>(\$4.59)</b>	<b>(46.7%)</b>	<b>(33.3%)</b>
	Dental Premiums		Employee Contributions	
	Single	Family	Single	Family
City of Pickerington	\$75.15	\$75.15	8.0%	8.0%
SERB Columbus Region Average	\$11.82	\$22.80	74.7%	67.0%
<b>Difference</b>	<b>\$63.33</b>	<b>\$52.35</b>	<b>(66.7%)</b>	<b>(59.0%)</b>

**Source:** Pickerington Finance Department and 18<sup>th</sup> Annual Report on the Cost of Health Insurance in Ohio's Public Sector (SERB, 2010)

**Table 14** shows that except for individual dental insurance premiums, the City's premiums are below the SERB average. However, the City's employee contribution rates were significantly less than the SERB averages.

**Table 15** shows the City's premiums and the HSA funding impact compared to the SERB average.

**Table 15: Annual Premium and HSA Funding Comparison**

	Total Annual Premium <sup>1</sup>	City Annual Cost	Annual Cost at SERB Avg. <sup>2</sup>	Difference
Medical	\$389,490	\$358,331	\$359,569	(\$1,238)
Dental	\$31,563	\$29,038	\$9,017	\$20,021
Vision	\$6,165	\$5,671	\$4,496	\$1,175
<b>Total Insurance Premiums</b>	N/A	<b>\$393,040</b>	<b>\$373,082</b>	<b>\$19,958</b>
Total HSA Funding	N/A	\$79,800	\$18,660	\$61,140
<b>Total Annual Insurance Expense</b>	N/A	<b>\$472,840</b>	<b>\$391,742</b>	<b>\$81,098</b>

**Source:** Pickerington Finance Department and 18<sup>th</sup> Annual Report on the Cost of Health Insurance in Ohio's Public Sector (SERB, 2010)

<sup>1</sup> City portion of the premium only, does not include employee premium contributions.

<sup>2</sup> Uses the same City enrollment figures; does not include avg. employee premium contributions.

Despite paying premiums that are lower than the SERB average, **Table 15** shows the City's total annual insurance premiums are approximately 5.3 percent above the SERB average. This disparity is caused by employee contribution rates that are lower than the SERB average as shown in **Table 14**. In addition, **Table 15** shows how the City's HSA funding impacts the Police Department's total insurance expense. In 2010, the City's HSA funding was 327.6 percent higher than the SERB average. According to the City's Finance Office, the 2011 funding for the HSA will decrease to \$1,300 and \$2,600 for single and family plans; in 2010 it was \$1,400 and \$2,800.

Insurance offerings, premiums, employee contributions, and HSA funding are an outcome of the collective bargaining agreements. The City would need to renegotiate these items through a



memorandum of understanding or during the next round of collective bargaining in order to make any changes.

While offering health care insurance is a way to attract and retain good employees, loss of management rights in collective bargaining agreements hinder the ability of the City to adapt and make plan changes in response to rising premiums and other fiscal demands. Additionally, the transition to a high deductible plan can result in cost savings for the City; however, the higher than average HSA payments reduce the savings attributable to this plan design.

*Financial Implication:* Renegotiating employee contributions to health insurance and HSA funding provided by the City would save \$81,000 annually.

### **R3. Renegotiate selected provisions in the collective bargaining agreement.**

**The City should seek to renegotiate provisions within collective bargaining agreement that are generous when compared to the peers or may be in excess of recommended practices. These include the following for patrol officers:**

- **Tuition reimbursement;**
- **Sick leave sell-back;**
- **Injury leave; and**
- **Physical fitness testing bonus.**

**In addition, they include the following for dispatchers:**

- **Tuition reimbursement;**
- **Retirement and sick leave compensation;**
- **Sick leave bonus; and**
- **Injury leave.**

**The City should also attempt negotiate a light-duty clause into the agreement requiring patrol officers injured on duty to return to work doing light-duty tasks.**

With the exception of the Chief, all of PPD's sworn officers are covered by a collective bargaining agreement with the Fraternal Order of Police (FOP) Capital City Lodge No. 9. This three-year agreement will expire on December 25, 2012. **Table 16** displays the outstanding or unusual contract provisions that were identified after analyzing the agreement and compares these to the peer city collective bargaining agreements.

**Table 16: Patrol Officer Negotiated Agreement Comparison**

Contract Provision	Pickerington	Worthington	Athens	Springboro	Marysville	Circleville
<b>Tuition reimbursement</b>	Tuition reimbursement granted at the discretion of the Chief for education related to law enforcement.	2011 max = \$2,500 and 2012 = \$3,000	N/A	N/A	\$3000/yr for undergrad; \$6000/yr graduate courses	N/A
<b>Sick Leave sell back</b>	Members who expect to retire within (3) yrs or less may "sell back" accrued sick leave hours over 360 hrs at (1/4) current hourly rate	N/A	N/A	N/A	40 hours - must have 240 hours remaining	N/A
<b>Injury leave</b>	Members unable to perform the duties assigned them due to injury or disease directly attributable to their employment and while in the line of duty shall, without loss of sick leave be allowed up to (1040) hrs with regular rate of pay for each service connected injury. Injury leave may be extended up to another 1040 hrs (up to 1 year) by the City Council.	1440 hours, City Manager can grant an additional 1440 hours.	Up to 480 hours, excess of 480 can request leave without pay, not to exceed a total of 12 months leave	The period in which injury leave is recognized and injury leave wages continue to be paid shall not exceed ninety (90) days. The City may, at its sole discretion, increase this amount on a case by case basis.	13 weeks	6 months
<b>Testing bonus</b>	Physical testing (twice per year). First test, if reach minimum level member earns 3.5 personal days, if reach recommended level, earns 4 personal days and superior level, earns 5 personal days. Second Test - can earn 3.5 additional personal days if reach recommended level	Members are permitted to work exercise up to 3 hrs per week while on duty.	N/A	N/A	N/A	N/A

Source: PPD and peer bargaining agreements

As shown in **Table 16**, there are several provisions in the City's FOP agreement that exceed similar provisions in the peer agreements. Among those provisions that may elevate PPD's expenditures are:

- Tuition reimbursement is granted at the discretion of PPD's Chief of Police while two peer cities with tuition clauses outlined specific levels of reimbursement;
- PPD's officers have the option of selling back all sick hours accrued above 360 hours at 1/4 of the current hourly rate. No peer contract except Marysville offered a sick leave sell-back;
- Injury leave is allowed up to 1,040 hours, a level higher than Athens, Marysville and

Springboro; and

- PPD offers additional personal days for passing physical fitness testing, a provision not offered by the peer departments.

In addition to the above, the PPD's agreement does not contain a light duty provision. This provision would require officers that have been injured in the line-of-duty or as a result of their departmental responsibilities to return to work to perform light duty tasks as opposed to receiving worker's compensation.

**Table 17** shows a comparison between PPD's dispatcher's negotiated agreements and the peer departments' negotiated agreements. It should be noted that Springboro PD does not have a dispatch function and Worthington PD's dispatchers do not operate under a negotiated agreement.

**Table 17: Dispatcher Negotiated Agreement Comparison**

<b>Contract Provision</b>	<b>Pickerington</b>	<b>Athens</b>	<b>Circleville</b>	<b>Marysville</b>
<b>Tuition Reimbursement</b>	Tuition reimbursement granted at the discretion of the Department Head with the concurrence of the City Mgr for education related to current employment.	N/A	N/A	\$3,000-\$6,000 per year
<b>Retirement and sick leave compensation</b>	Employee with (10) or more years of service with the City shall upon retirement be compensated for (1/2) of unused sick leave up to (600) hours	25% up to 30 days	Such payments shall be based on the rate of pay of the employee for up to and including 240 hours. All hours over 240 shall be paid out at the rate of one-fourth (1/4) the value of those hours.	33% up to 480 hours
<b>Sick Leave Bonus</b>	Members who use (16) or fewer hrs of sick leave per yr. shall accrue (1) additional vacation day.	If no sick leave is used during 180 days, will receive 1 paid absence day, with must be taken within one year of the date of earning and is to be deducted from sick leave.	N/A	Bonus is equivalent to payback
<b>Injury Leave</b>	Employees unable to perform the duties assigned them due to injury or disease directly attributable to their employment and while in the line of duty shall, without loss of sick leave be allowed up to 6 months with regular rate of pay for each service connected injury. Injury leave may be extended up to another 6 months by the City Council.	480 hours. Then 12 unpaid hours.	The period in which injury leave is recognized and injury leave wages continue to be paid shall not exceed ninety (90) days. The City may, at its sole discretion, increase this amount on a case by case basis.	13 weeks

Source: PPD dispatch and peer department negotiated agreements

As shown in **Table 17**, there are several provisions in the dispatcher’s collective bargaining agreement that exceed similar provisions in the peer agreements. Among those provisions that may elevate PPD’s expenditures are:

- Tuition reimbursement is granted at the discretion of the Department head while two peer cities had no contract provision regarding tuition reimbursement and one city had a maximum level included;
- PPD dispatchers have the option of selling back up to 600 hours (75 days) of sick leave accrued at 50 percent. No peer contract offered more than 480 hours or higher than 33 percent payout;
- PPD offers on additional vacation day for dispatchers who use less than 16 hours of sick

leave. Two peers offer no specific incentive and one provides a bonus only for those employees who use no sick leave during the year; and

- Injury leave is allowed up to 1,040 hours, a level higher than Athens, Circleville and Marysville.

Provisions in the negotiated agreement have been agreed upon by City administrators, the Fraternal Order of Police and AFSCME. Typically, agreed upon stipulations from prior contracts normally are held over from contract to contract. Over time, this can result in increased costs and diminished management rights.

Including these generous provisions in the contract could result in excess expenditures for the City. However, the cost to the City for these provisions could not be quantified.

## Operations - Recommendations

### R4 Develop a vehicle replacement plan.

**The City of Pickerington should develop a City-wide vehicle replacement plan that includes and governs PPD's vehicle replacement. The vehicle replacement plan should take into account the type and use of vehicle as well as the average lifecycle cost by type, age, and mileage to identify replacements. Finally, the vehicle replacement plan should be used to analyze PPD's current fleet and identify when replacements are needed. This replacement schedule should be taken into account during the budgeting process.**

The City of Pickerington does not have a formal vehicle replacement plan. PPD's vehicle replacements are informally targeted to identify and replace patrol vehicles at approximately 80,000 miles. According to dealer-issued invoices, PPD's most recent vehicle replacements were traded in at 72,044 miles, 80,866 miles, and 96,460 miles (an average of approximately 83,123 miles per vehicle). However, according to PPD, the lower mileage vehicle required costly repairs to remain serviceable. **Table 18** shows PPD's patrol fleet as compared to the peer average.

**Table 18: Patrol Fleet Comparison**

	PPD	Peer Avg.	Diff.	% Diff.
Number of Patrol Vehicles	10	8	2	22.0%
Average Age	2.5	3.4	(0.9)	(25.5%)
Average Mileage	48,826	63,080	(14,254)	(22.6%)

**Source:** PPD and peer 2011 fleet information.

**Note:** One of PPD's vehicles is dedicated to the K-9 unit. Specialized vehicles were also included for the peers.

As shown in **Table 18**, PPD has two more vehicles than the peer average department; however, as shown in **Table 1** PPD has fewer patrol officers than the peer average. In addition, PPD's average patrol vehicle is approximately 1 year newer and has approximately 14,000 fewer miles than the peer average patrol vehicle.

According to the Office of the New York State Comptroller (OSC), "an effective fleet management program should include policies and procedures on acquisition, maintenance, replacement, and disposal of vehicles." Concerning replacement of vehicles OSC states that, "local officials should analyze the cost of owning and maintaining municipal vehicles over the life of those vehicles and establish a vehicle replacement standard. Different replacement standards may be considered depending on the results of the analysis and the different vehicle types and usage patterns."

As with other aspects of fleet management, replacing a vehicle too soon or too late wastes money. A replacement standard can be developed by analyzing the costs associated with a vehicle and identifying the point when, on average, a vehicle is reasonably depreciated but not yet incurring significant maintenance costs. By replacing vehicles at this point, a municipality can usually avoid escalating maintenance costs and optimize vehicle resale value. Two criteria to consider when establishing a vehicle replacement standard are vehicle mileage and age. Pertinent information on use and location that may affect the optimal replacement time should also be

factored in.

Many municipalities pick a specific number of years or rely on staff opinion to determine when to replace a vehicle. A much more cost effective method is to track each vehicle's total life cycle costs from the date of its acquisition to its point of disposition. This information is especially helpful for fleet management, since all too often, vehicle replacement is one of the first items sacrificed when budget cuts occur. With accurate and complete records showing the optimal time to replace a vehicle, budget constraints will be less likely to drive fleet management decisions.

Once it has been determined that it is time to replace a vehicle, the organization should make sure there are no better alternatives than purchasing a replacement. Ensure that the vehicle being taken off the road is used enough to justify a replacement. Periodic review of all comparable vehicles in the fleet will identify those that are under-utilized to allow reassignment to where they are needed more.

In lieu of a formal vehicle replacement plan, the City of Pickerington has a practice of providing a high degree of autonomy to PPD in replacing vehicles. This may reduce the effectiveness of the City's replacement strategy and increase costs.

Replacement of vehicles prior to the most cost optimal point leads to inefficient spending on new vehicles if it occurs too early, or to inefficient spending on maintenance and repairs if it occurs too late. Implementing a formal replacement plan and policy would ensure that the City maximizes the life of its vehicles prior to replacement.

## **Client Response**

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





PICKERINGTON  
ESTABLISHED 1815

October 27, 2011

Mr. Dave Yost  
Office of Auditor of State  
88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, OH 43215

Dear Auditor Yost:

On behalf of the Mayor, City Council, and the City Manager, we would like to thank your staff for their diligent work completing the performance audit of the Pickerington Police Department. The City Council requested the Auditor of State's performance audit division conduct a review of the operations and procedures currently being implemented within the City's Police Department to determine efficiencies and cost saving measures to be gained.

The purpose of focusing the Performance Audit solely on the Police Department at this time is due to the financial reliance the department currently has on the General Fund. Although the Department has a dedicated property tax levy, over half of their budget is supported through the transfer of General Fund (income tax, property tax, etc.) monies.

The results of the performance audit confirm the operational efficiency and overtime management as highlighted in the noteworthy accomplishments. The Pickerington Police Department's Detective/Patrolman staffing and workload ratios indicate a high degree of efficiency relative to the peer average. The City's overall crime statistics also indicate a high degree of operational effectiveness maintaining a safe community for the residents. As noted, the Department minimizes the amount of overtime costs annually by utilizing flexible scheduling resulting in significantly lower average overtime costs per employee compared to similar entities.

The City appreciates the recommendations and comparisons offered within this report, and will thoroughly review and discuss the findings included. During the next fiscal year, the City has committed to addressing staffing issues as well as implementing a vehicle trade-in/fleet management policy.

As the City and community continue to face difficult financial times, the City is committed to maintaining a high level of police service. In an attempt to create a balance between public safety and the costs of these services, the recommendations contained within this report will assist legislators and management to make informed decisions, while not jeopardizing public safety.

Sincerely,

Chris Schornack  
Finance Director





# Dave Yost • Auditor of State

**CITY OF PICKERINGTON POLICE DEPARTMENT**

**FAIRFIELD 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  
JANUARY 19, 2012**