



Dave Yost • Auditor of State

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Dave Yost • Auditor of State

To the residents, elected officials, management, and stakeholders of Orange Township,

At the request of the Board of Trustees and Township administration, a performance audit of select areas of the operations of Orange Township (the Township) was initiated on December 13, 2016. The functional areas assessed in the performance audit were: Public Safety, Public Service, Administration, Financial Management, and Governance. These areas were selected and identified with input from Township management and were selected due to strategic and financial importance to the Township. Improvements in these areas can assist in enhancing the efficiency and effectiveness of the Township.

The Township has been encouraged to use the management information and recommendations contained in the performance audit report. However, it is also encouraged to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report.

Township leaders may want to visit [SkinnyOhio.org](http://www.skinnyohio.org) for ideas on becoming more efficient. The website, <http://www.skinnyohio.org/>, is a resource providing links to previous performance audit reports, information on leading practice approaches, news on recent shared services examples, the Shared Services Idea Center, and other useful resources such as the Local Government Toolkit. The site is a great resource, including the Shared Services Idea Center – a searchable database allowing users to quickly sort through shared services examples across Ohio.

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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
December 28, 2017

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Executive Summary

Purpose and Scope of the Audit

On December 13, 2016, the Township signed a letter of engagement (LOE) requesting the Ohio Performance Team (OPT) identify opportunities to improve the economy, efficiency, and effectiveness of the following scope areas: Public Safety (i.e., Fire and EMS), Public Service (i.e., Roads and Maintenance, Parks, and Planning and Zoning), Administration, Financial Management, and Governance. See **Appendix A: Scope and Objectives** for detailed objectives developed to assess operations in each scope area. Audit work was conducted within each scope area to address the detailed objectives and, where warranted, to develop recommendations for improvement.

Performance Audit 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.

The United States Government Accountability Office develops and promulgates Government Auditing Standards that establish a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services. These standards are commonly referred to as Generally Accepted Government Auditing Standards (GAGAS).

OPT conducted this performance audit in accordance with GAGAS. These standards required that OPT plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. OPT believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Audit Methodology

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

- Peer townships;
- Industry standards;
- Leading practices;
- Ordinances; and,
- Policies and procedures.

In consultation with the Township, a set of peers were selected for comparisons contained in this report. This peer set contains a selection of townships based on the following factors:

- **Geographic Proximity** – adjacent or similarly positioned to larger cities;
- **Services** – operate with similar departments and provide similar services; and
- **Population** – have similar populations.

Table 1 shows the peer set selected using the above parameters.

Table 1: Peer Townships

Township	County	Population
Austintown	Mahoning	35,491
Genoa	Delaware	26,481
Hamilton	Warren	22,621
Liberty	Delaware	16,314
Springfield	Lucas	24,434

Source: Peers and Ohio Department of Administrative Services (DAS)

Where reasonable and appropriate, this peer set was used as a basis of comparison. However, in some operational areas, industry standards or leading practices were used for primary comparison. Sources of industry standards or leading practices used include: Government Accountability Office (GAO), Government Finance Officers Association (GFOA), Ohio Department of Commerce (ODC), Ohio Police and Fire Pension Fund (OP&F), and the State Employment Relations Board (SERB).

The performance audit involved information sharing with the Township, including drafts of findings and recommendations related to the identified audit areas. Periodic status meetings throughout the engagement informed the Township of key issues impacting selected areas, and shared proposed recommendations to improve operations. The Township provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process.

AOS and OPT express their appreciation to the management and employees of Orange Township for their cooperation and assistance throughout this audit.

Noteworthy Accomplishments

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The following summarizes a noteworthy accomplishment identified during this audit.

- **Use of Contracted Project Management:** Prior to January 1, 2017, the Township used an outside consultant for construction project management of its larger projects. In doing so, the Township contracted for the full scope of projects simultaneously, as opposed to doing so on a project to project basis. Examples included the North Road Park project, the Orange Road Railroad Trail Crossing project, and the Bale Kenyon/Alum Creek Trail project. The hourly rate charged for these consulting services was \$75 per hour in 2016. On average, the Township spent approximately \$127,400 per year for project management consulting services from 2014 through 2016.

Starting in January 2017, the Township adopted a formal contract with RPO, LLC in which project work is assigned by task orders from a specific scope of duties and responsibilities. Each task order is assigned a dollar amount and approved by the Board of Trustees prior to work being started. As of October 31, 2017, the Township had spent \$62,674 for project management consulting services, an amount on pace to be below its prior average annual expenditure.¹

Issues for Further Study

Issues are sometimes identified by AOS that are not related to the objectives of the audit but could yield economy, efficiency, and/or operational improvements if examined in more detail. The following issues for further study were identified during the course of the audit.

- **Emergency Medical Service (EMS) Shared Services:** Delaware County offers EMS with a dedicated funding mechanism for all Delaware County residents,² including Orange Township. Orange Township operates EMS through funding by the residents from the Special Fire Levy. Orange Township provides fire protection and rescue service in addition to full EMS service, which includes first response and patient transport. Given the presence of one Delaware County ambulance stationed within the Township, exploring shared EMS services could be the most beneficial option. The Township should evaluate options to meet EMS service delivery demands in an optimally efficient and effective manner. An evaluation should consider alternative service delivery models involving EMS first response and patient transport through outsourcing and/or shared services. Currently, the township is utilizing Delaware County EMS in areas where it cannot respond in a more efficient manner.

¹ According to the Administration, the Township is undergoing a comparable amount of construction/project work in 2017 as it did in each year from 2014 through 2016.

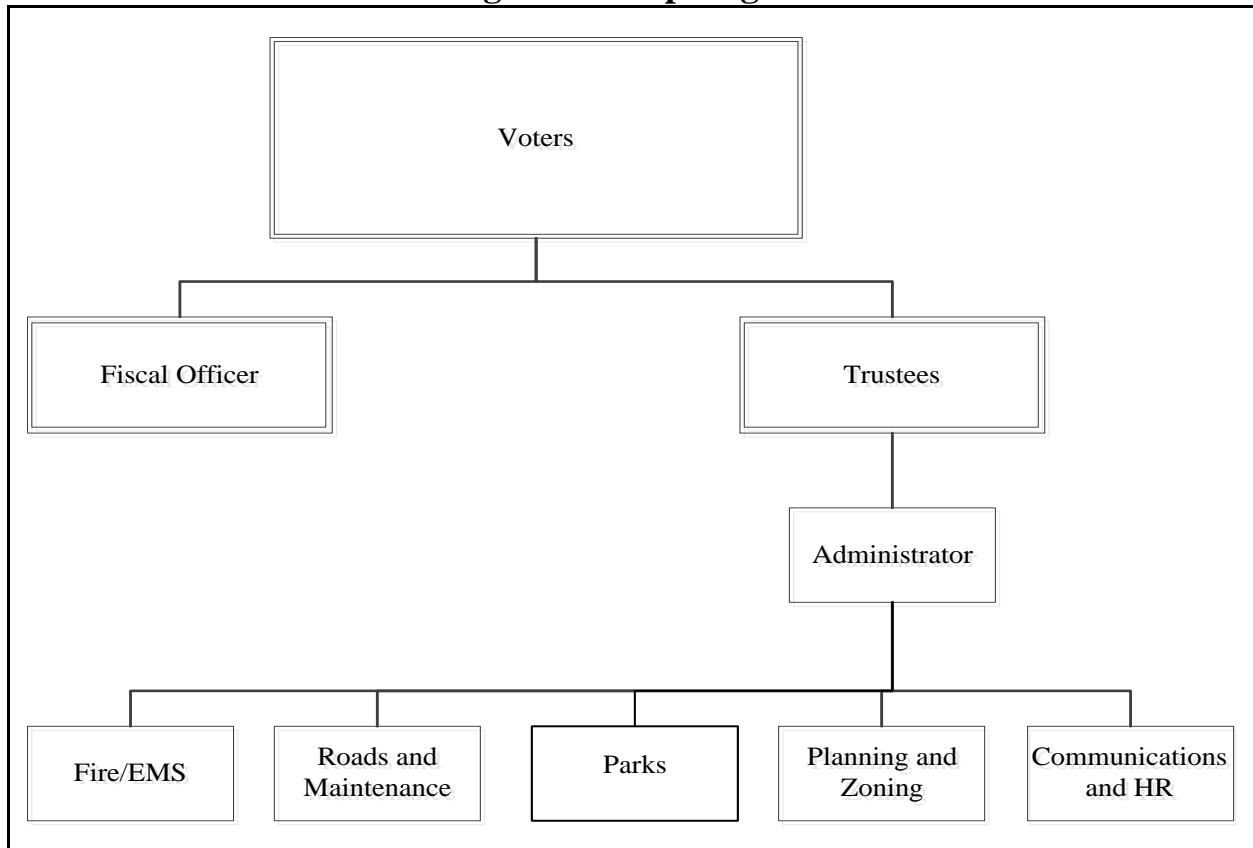
² Delaware County funds EMS services through collection of a 0.5 percent sales tax.

1. Township Overview

Orange Township is located in Delaware County, Ohio and operates as a statutory entity under Ohio Revised Code (ORC) Title V – Townships. The Township is governed by a publicly-elected three-member Board of Trustees (the Board) and a publicly-elected Fiscal Officer who are elected to four-year, staggered terms.³ The Fiscal Officer and Board of Trustees also serve as financial officers of the Township; the Fiscal Officer prepares the annual budget, and the Board of Trustees approves it.

Chart 1-1 shows Orange Township’s organizational structure. This illustrates the relationship between voters, elected officials, and the organization, as well as relationships between the various Township departments and elected officials.

Chart 1-1: Orange Township Organizational Chart



Source: Orange Township

³ One trustee and the fiscal officer are elected in one odd-numbered year and the two remaining trustees are elected two years later.

As shown in **Chart 1-1**, the Township Administrator, who reports directly to the Board, supervises the Fire/EMS, Roads and Maintenance, Parks, Planning and Zoning, and Human Resources (HR), and Communications departments.

In general, the Township is structured to provide the following services:

- **Fire/EMS Department** – Provides 24-hour Fire and EMS service and all hazards response for the Township.
- **Roads and Maintenance Department** - Maintains Township roadways (e.g., mows ditches, patches pavement, plows snow, installs/replaces street signs) and all Township-owned facilities.
- **Parks Department** – Operates and maintains all Township-owned park land and oversees pool operations.⁴
- **Planning and Zoning Department** – Oversees the classification and use of lands and buildings, and permits the Township to regulate the development of territory and the use of land following development.
- **Administration/HR and Communications** – Oversees the hiring and separation of Township employees as well as administering employee benefits and negotiating collective bargaining agreements. Leads planning, development, implementation, and measurement of communications activities for the Township.

In addition, security of persons and property is provided by the Delaware County Sheriff's Office while dispatching services are provided by the Delaware County Emergency Communications 9-1-1 Center (DELCOMM).

Staffing

Table 1-1 shows a breakdown of the Township's full-time equivalent employees (FTEs) by department. This overview provides context regarding the Township's allocation of resources.

Table 1-1: Orange Township FTE Staffing Overview

Department/Functional Area	FTEs	% of Total FTEs
Administration	2.0	2.7%
Fiscal Office	1.5	2.1%
Fire/EMS	52.8	72.3%
Roads and Maintenance	7.0	9.6%
Parks	1.7	2.3%
Roads and Maintenance and Parks Management ¹	4.0	5.5%
Planning and Zoning	3.0	4.1%
HR and Communications	1.0	1.4%
Total FTE Employees	73.0	100.0%

Source: Orange Township

¹ The Roads and Maintenance Department and Parks Department are centrally managed by a shared Director.

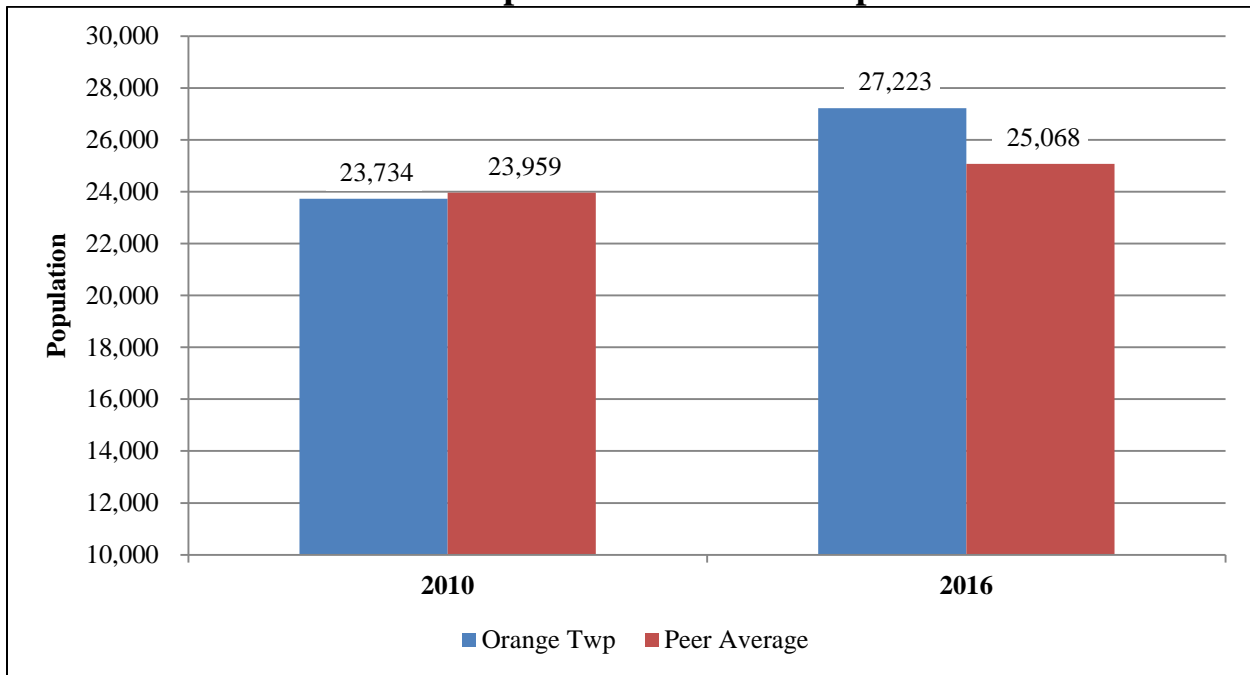
⁴ The pool is managed by an outside contractor but remains under the authority of the Parks Department.

As shown in **Table 1-1**, the majority of Township FTEs are staffed in Fire/EMS, followed by the Roads and Maintenance Department. Specifically, 52.8 FTEs, or 72.3 percent of the workforce, are staffed in the Fire/EMS, while 7.0 FTEs, or 9.6 percent of the workforce, are staffed in Roads and Maintenance.

Population Trends

Chart 1-2 shows the Township’s population from 2010 to 2016 compared to the peer average.⁵ Examining changes in population is important because they have a direct effect on the level of services required.

Chart 1-2: Population Growth Comparison



Source: U.S. Census Bureau

As shown in **Chart 1-2**, the Township experienced an increase in growth during the six-year period shown. In total, population increased by 3,489 residents, or 14.7 percent. In comparison, the peer townships grew by an average of 1,109 residents, or 4.6 percent, during this same period. Large changes in population can present challenges if a township has to drastically expand or contract services in response. Township leadership anticipates continued population growth and an increase in the number of residential homes and commercial properties.

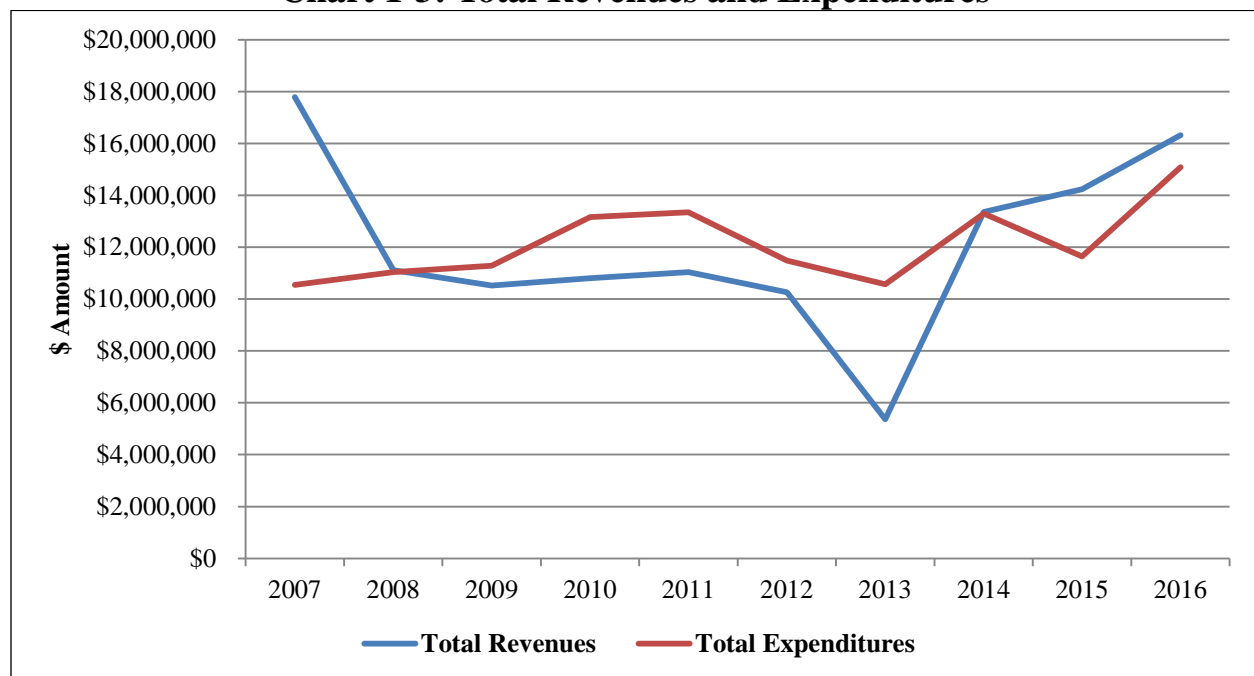
⁵ Data from the US Census Bureau is for 2010 (the most recent census) and 2016 (the most recent annual estimate).

Financial Trends

The Township generates the largest share of its revenue through three tax levies. The first is a 7.0 mill fire levy passed in November 2015 that expires on December 31, 2018; the second is a 1.0 mill parks and recreation levy passed in November 2016 that expires on December 31, 2019; the remaining levy is a 0.5 mill roads levy passed in November of 2016 that expires on December 31, 2019. In addition to these levies, the Township collects fees for services such as zoning permits and parks and recreation activities.

Chart 1-3 shows total revenues and expenditures for the Township from 2007 through 2016. Examining historical financial trends can provide a high level view of major challenges facing the Township from fluctuations in revenues and expenditures.

Chart 1-3: Total Revenues and Expenditures



Source: Orange Township

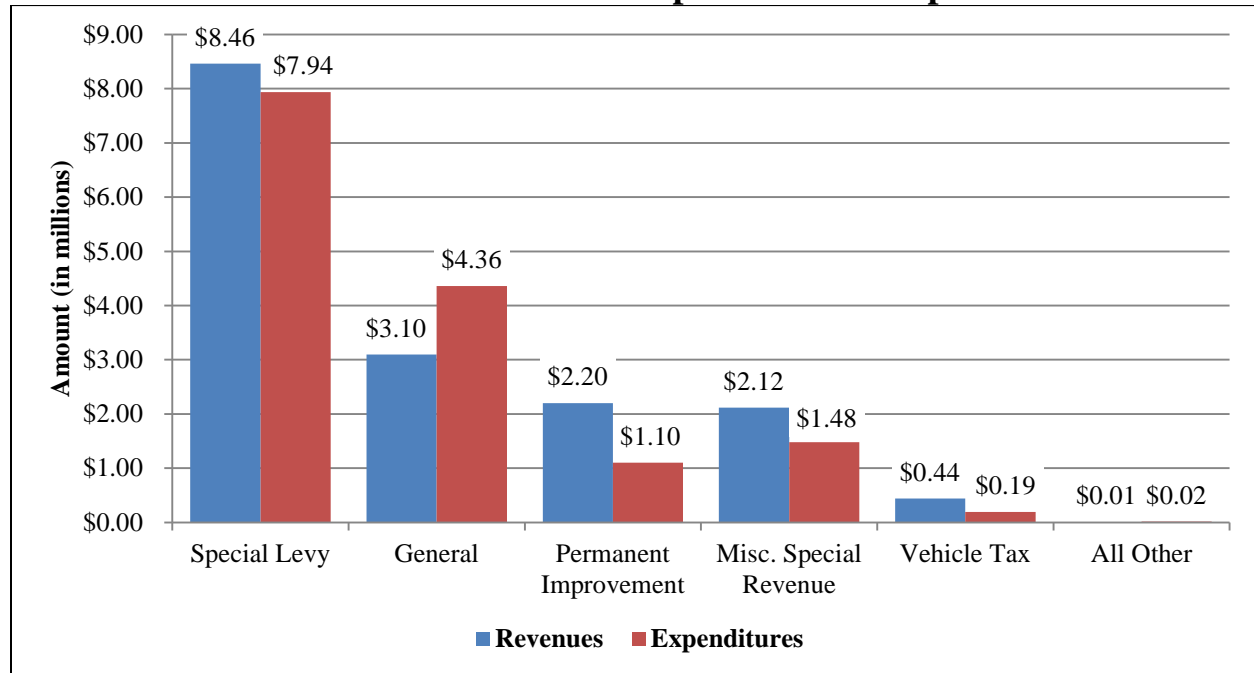
As shown in **Chart 1-3**, total Township expenditures exceeded revenues in five of the 10 years in the period shown.⁶ Specifically, expenditures exceeded revenues from 2008 through 2013. The outpacing of revenue in those years was largely the result of the acquisition of land, property, and equipment. Additionally, in November of 2012, the fire levy renewal failed to pass, resulting in a significant decrease in total revenue in 2013. Revenues began to recover in 2014 and exceeded expenditures through 2016. This largely resulted from the passage of an additional

⁶ According to the Fiscal Officer, the Township received a significant revenue enhancement in 2007 due to a receipt of an inheritance tax. If not for this receipt, expenditures would have exceeded revenues in 2007 as well.

7.5 mill fire levy in February of 2013, coupled with the passage of the aforementioned levies. However, it is important to note that while total revenue was higher in those years, each fund has a particular purpose. Money in a given fund must be used for voter approved purposes. The General Fund is the only fund whose resources may be used for any area of the Township.

Chart 1-4 shows a breakdown of Township revenues and expenditures by fund for 2016. Examining the fund breakdown is helpful in illustrating the specific generation and allocation of resources.

Chart 1-4: Revenues and Expenditures Comparison



Source: Orange Township

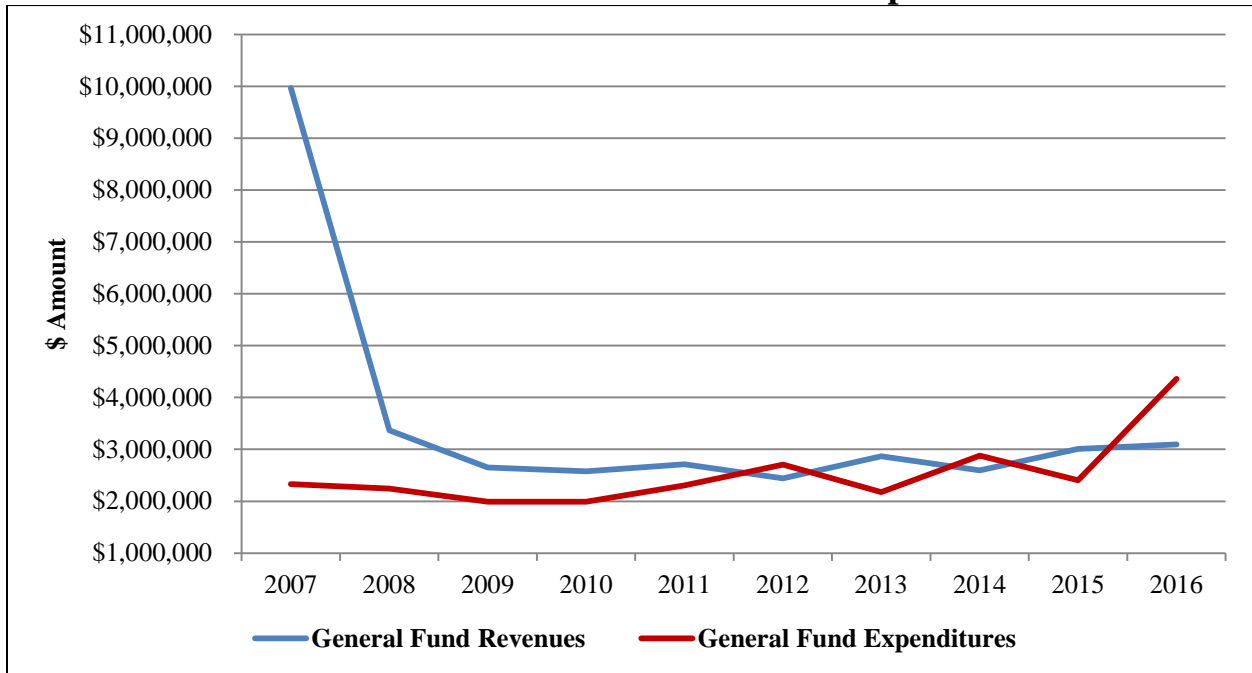
As shown in **Chart 1-4**, revenues exceeded expenditures in the Township’s largest fund, the Special Levy Fund, which consists of the aforementioned special tax levies. While expenditures exceeded revenue in the General Fund at the close of 2016, included was a \$2.2 million transfer to the Permanent Improvement Fund.⁷ This money will fund the Bale Kenyon road improvement project, which will include lane widening, drainage and trail improvements, and the Orange Road/U.S. Route 23 intersection project, which will add turn lanes and a traffic signal upgrade. This transfer was the primary reason the General Fund balance declined from \$4,337,200 to \$3,070,900. If not for this transfer, revenues would have exceeded expenditures in the General Fund.

⁷ There are no revenue streams solely dedicated to the Permanent Improvement Fund; therefore, this transfer was the only revenue received by this fund in 2016.

Various departments and functions are supported by the General Fund. Included is the Planning and Zoning Department, the HR and Communications function, the buildings and grounds function of the Roads and Maintenance Department, the Administration, the Fiscal Office, and the Board of Trustees.

Chart 1-5 shows the Township’s revenues and expenditures for the General Fund for 2007 through 2016. Analyzing the General Fund is important because the Township has discretion over the allocation of these resources.

Chart 1-5: General Fund Revenues and Expenditures



Source: Orange Township

As shown in **Chart 1-5**, General Fund revenues outpaced expenditures from 2007 through 2011.⁸ Beginning in 2012, results of operations fluctuated through 2016. Specifically, General Fund expenditures exceeded revenues in 2014 and again in 2016. Expenditures exceeding revenues in 2014 was primarily due to expenditures for the Delaware County Road Improvement Program,⁹ while 2016 was primarily due to the aforementioned \$2.2 million transfer to the Permanent Improvement Fund.

⁸ As noted (see Chart 1-3), the Township received a significant revenue enhancement in 2007 due to a receipt of an inheritance tax. If not for this receipt, expenditures would have exceeded revenues in 2007.

⁹ This includes annual road improvements that the Township participates in with Delaware County.

2. Fire/EMS Operations

Background

The primary services provided by the Fire/EMS Department are 24 hour fire suppression, all-hazard emergency response, and direct emergency medical service (EMS) to the 27,223 residents and approximately 23 square miles of land, property, and infrastructure within the Township. Fire suppression consists of response to, and neutralization of, all hazardous fires. All-hazard emergency response service includes, in addition to hazardous fire, technical rescue (vehicle extraction, industrial rescue, confined space, trench rescue, and rope rescue), hazmat/WMD operations, and water rescue, primarily for emergencies in Alum Creek and the Olentangy River. The EMS operation is a Full Advanced Life Support (ALS) Transport Service.

In addition to providing service coverage within the jurisdiction of Orange Township, the Fire/EMS Department also participates in mutual aid services with Berlin, Concord, Genoa, and Liberty townships (Delaware County), the cities of Columbus, Delaware, Westerville, and Worthington, and Delaware County EMS.¹⁰ In 2016, Orange Township either provided emergency service assistance to its mutual aid partners or received assistance on approximately 10 percent of its fire calls and approximately 5 percent of its EMS calls.

Non-emergency services provided by the Fire/EMS Department include fire inspections of buildings, plan review of new construction, and consumer safety inspections and education for residents. These services include smoke detector and carbon monoxide assessment and maintenance services, hosting child seat inspections, cardiopulmonary resuscitation (CPR) and automated external defibrillator (AED) education, First-Aid education, and general fire safety education.

Financial

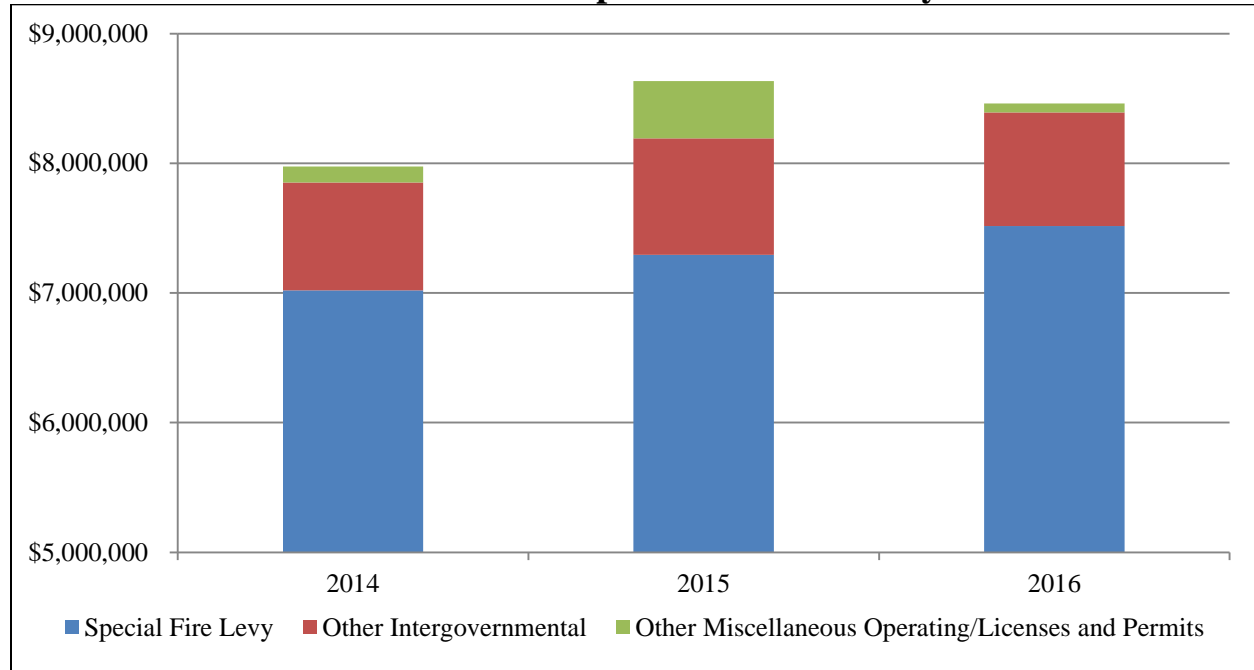
Fire/EMS Department services are primarily paid for through a three-year, 7.0 mill Special Fire levy which expires on December 31, 2018.¹¹ The Department also receives Other Intergovernmental revenue resulting from real property tax rollback reimbursements from the State, in addition to Other Miscellaneous Operating Revenue from insurance and workers compensation receipts. Lastly, Licenses and Permits revenue is generated from fees for various inspections and permits. On average, the Fire/EMS Department received more than \$8.3 million annually from 2014 through 2016.

¹⁰ According to *Ohio Intrastate Mutual Aid Compact (IMAC)*, a mutual aid compact is an agreement through which all political subdivisions can request and receive assistance from any other political subdivisions within the State (Ohio Emergency Management Agency, 2012).

¹¹ The Special Fire levy was first passed in 2013 for 7.5 mills and was effective through 2015. The levy renewal passed in 2015, but at a reduced millage of 7.0 mills, and is effective through 2018.

Chart 2-1 shows the distribution of this revenue and how it has changed over time, by source, from 2014 through 2016.

Chart 2-1: Fire/EMS Department Revenue by Source



Source: Orange Township

As shown in **Chart 2-1**, total Fire/EMS Department revenue increased from approximately \$7.9 million in 2014 to approximately \$8.6 million in 2015, and then decreased to approximately \$8.4 million in 2016. The majority of the revenue from 2014 through 2016 was generated from the Special Fire Levy. On average, this levy generated approximately \$7.3 million per year, accounting for just over 87 percent of the Department’s total revenue over the three-year period, and increased in each of those three years. Other Intergovernmental revenue of approximately \$867,800 accounted for just over 10 percent of the Department’s revenue and remained relatively constant from year to year, while a combined amount of \$211,200 was generated from Miscellaneous Operating revenue and Licenses and Permits revenue, rounding out the remaining 2.5 percent of the departmental total. This revenue source is less defined and predictable as insurance and worker’s compensation reimbursements, as well as the volume of inspections and permits may vary from year to year.

Table 2-1 shows Fire/EMS Department expenditures from 2014 through 2016. Examining changes in expenditures provides an indication of the individual cost drivers associated with Fire/EMS Department services over time.

Table 2-1: Fire/EMS Department Expenditures

	2014	2015	% Change	2016	% Change
Compensation and Benefits	\$5,440,603	\$5,484,831	0.8%	\$5,614,936	2.4%
Purchased Services	\$532,571	\$547,823	2.9%	\$620,745	13.3%
Supplies and Materials	\$214,128	\$379,352	77.2%	\$314,730	(17.0%)
Other Expenditures ¹	\$6,461	\$16,909	161.7%	\$15,497	(8.4%)
Subtotal Operating	\$6,193,763	\$6,428,915	3.8%	\$6,565,908	2.1%
Capital Expenditures ²	\$0	\$0	0.0%	\$88,315	100.0%
Debt Service ³	\$1,365,517	\$1,308,888	(4.1%)	\$1,284,037	(1.9%)
Total Expenditures	\$7,559,280	\$7,737,803	2.4%	\$7,938,260	2.6%
Total Residents	26,094	26,586	1.9%	27,223	2.4%
Operating Cost per Resident	\$237.36	\$241.82	1.9%	\$241.19	(0.3%)
Total Cost per Resident	\$289.69	\$291.05	0.5%	\$291.60	0.2%

Source: Orange Township

¹ Other expenditures include fees for fire association dues, such as for the National Fire Protection Association and Ohio Fire Chief's Association, in addition to employee physicals and new employee background checks.

² The capital expenditures of \$88,315 in 2016 were for the purchase of two sport utility vehicles

³ The debt service expenditures were for repayment of a General Fund loan due to a budget shortfall resulting from a failure of a fire levy in November of 2012 resulting in loss of income in 2013. This was the only failed fire levy over the course of a 10-year span from 2006 through 2016.

As shown in **Table 2-1**, total expenditures increased only modestly over the three year period. Compensation and benefits, which includes salaries, wages, and fringe benefits for leadership, firefighters, and support staff, has historically been the largest operating expenditure category. In 2016, this category represented 85.5 percent of total operating expenditures.

While total expenditures increased slightly from 2014 to 2016, purchased services expenditures increased significantly from 2015 to 2016 primarily due to an increase in costly contracted fire apparatus repairs. Specifically, the Department paid to repair a fire engine pump, transmission, and transfer case. Additionally, the Department began to contract for bumper to bumper inspections of its equipment in 2015. The Department's supplies and materials expenditures also increased significantly from 2014 to 2015. This was primarily the result of the addition of lift cots for the ambulances, new hydrant installations, and computer upgrades.

Staffing and Equipment

In total, the Fire/EMS Department consists of:

- 37 full-time firefighters, 36 of whom are certified paramedics and one of whom is emergency medical technician (EMT) certified;
- 25 part-time firefighters, 17 of whom are certified paramedics and eight of whom are EMT certified;¹²
- Six full-time lieutenants, all of whom are certified paramedics;
- One full-time Fire Prevention Officer who is EMT certified;
- One full-time Fire Inspector who is EMT certified; and
- One full-time Fire Chief who is EMT certified.

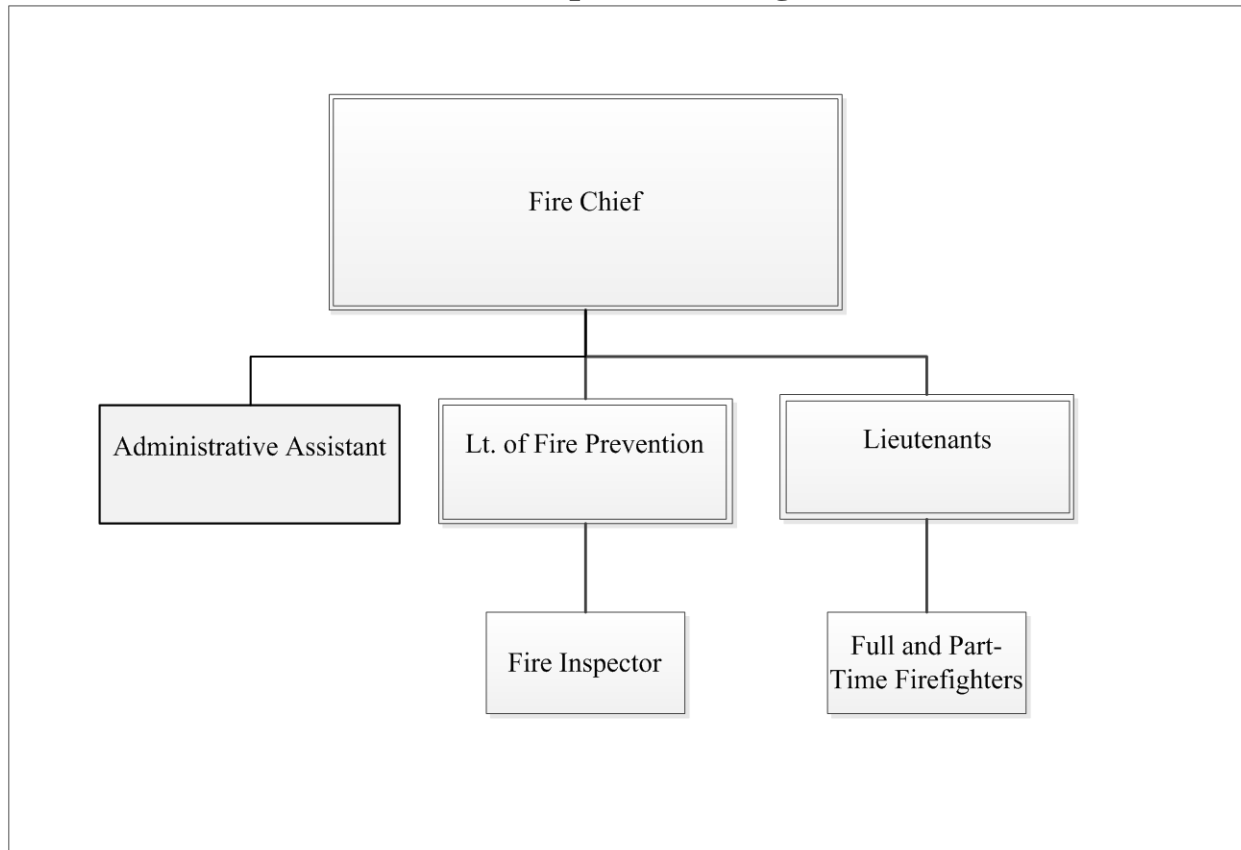
The collective bargaining agreement (CBA) between the Board and the International Association of Firefighters (IAFF) Local 3816 covers all full-time employees of the Fire/EMS Department, except for the Fire Chief and the Administrative Assistant, and expires on December 31, 2018. Staffing level requirements are set forth in the CBA, which states that staffing should consist of a minimum of 42 members, including 34 full-time firefighters, six lieutenants, one lieutenant of fire prevention, and one fire inspector. While the CBA dictates minimum staffing requirements, in practice, the Department typically staffs beyond those minimum expectations.

Each day, the Fire/EMS Department runs three shifts (or units) at each of its two fire stations (Station 361 and Station 362). The CBA requires a minimum of nine employees per shift, including a maximum of two part-time staff. At a minimum, shifts typically include one lieutenant, six firefighters, and two part-time firefighters. In practice, the Fire Chief's preference is to staff shifts with 13 personnel, including 11 full-time staff and two part-time staff with a minimum of one lieutenant overseeing the shift.

In terms of the Fire/EMS Department's equipment, some apparatus requires a minimum level of qualified staff to operate safely and effectively. These requirements can directly affect the overall minimum staffing levels set forth in Fire/EMS Department CBAs. For instance, each fire station has one ambulance and one fire engine, each staffed with three firefighter/paramedics. In addition to an ambulance and a fire engine, Station 361 has one ladder truck staffed with three firefighters. Station 361 also has one utility truck capable of pulling a foam trailer, which is used for hazmat situations. Similarly, Station 362 has a 3,000 gallon tanker, a rescue boat, and a specialty truck used for grass fires. Transient vehicles not assigned to a specific station include five staff vehicles and a trailer used for fire education.

Chart 2-2 shows the organizational structure of the Fire/EMS Department. This helps to illustrate the relationship between the Fire Chief and the Department staff.

¹² Part-time firefighters work up to a maximum of 29 hours per week and are not covered in the CBA.

Chart 2-2: Fire/EMS Department Organizational Chart

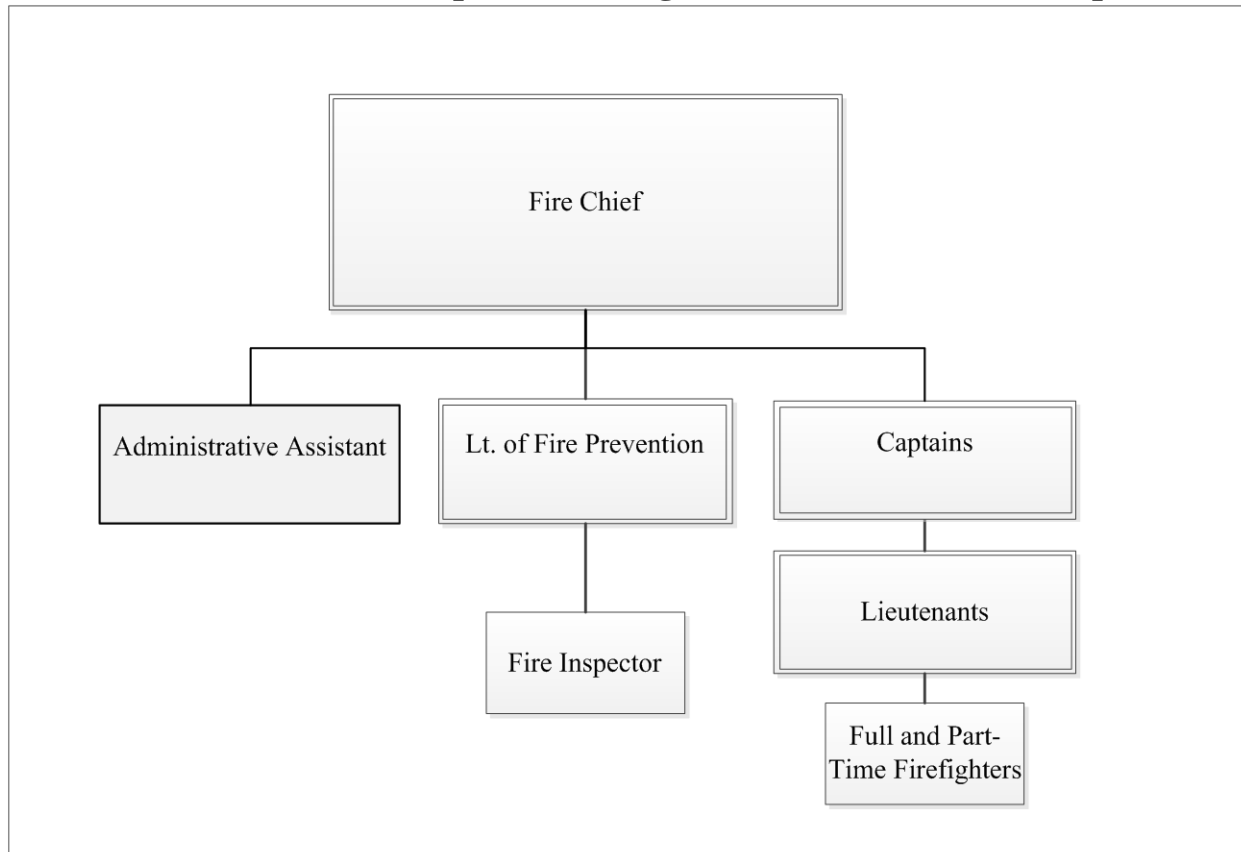
Source: Orange Township

As shown in **Chart 2-2**, the Fire/EMS Department is managed by the Fire Chief who has direct purview over the Administrative Assistant, lieutenants, and firefighters. The Fire Inspector reports directly to the Fire Prevention Officer, and firefighters report directly to the lieutenants.

On February 27, 2017, the Board approved the creation of three captain positions.¹³ **Chart 2-3** shows the Department's organizational structure with those positions included.

¹³ While authorization to hire was effective immediately after Board approval, the Township planned to keep these positions unfilled until the conclusion of the audit.

Chart 2-3: Fire/EMS Department Organizational Chart with Captains



Source: Orange Township

As shown in **Chart 2-3**, lieutenants no longer will report directly to the Fire Chief under the new structure. Instead, lieutenants will report to the captains, who will report to the Fire Chief. According to the Township, the captains will be an improvement from the prior structure because they will provide a command officer presence 24 hours a day, seven days a week, for all three shifts at both stations, essentially allowing for an improved span of control in the Department.

Table 2-2 shows the Fire/EMS Department’s 2016 staffing level in terms of headcount and full-time equivalency. This illustrates how departmental labor resources are allocated.

Table 2-2: Fire/EMS Department Staffing Structure

	Headcount	FTEs	% of Total FTEs
Administration	2.0	2.0	3.8%
Chief	1.0	1.0	1.9%
Administrative Assistant	1.0	1.0	1.9%
Fire/EMS – Full-time ¹	45.0	45.0	85.2%
Lieutenant – Fire Prevention	1.0	1.0	1.9%
Fire Inspector	1.0	1.0	1.9%
Lieutenants – Unit	6.0	6.0	11.4%
Firefighters/Paramedics/EMTs – Full-time	37.0	37.0	70.1%
Fire/EMS – Part-time	25.0	5.8	11.0%
Firefighters/Paramedics/EMTs – Part-time	25.0	5.8	11.0%
Total Staffing	72.0	52.8	100.0%

Source: Orange Township

¹ As noted, the Board approved the creation of three captain positions. However, as of the completion of this analysis, those positions had not yet been filled by the Township and were therefore excluded.

As shown in **Table 2-2**, the 72 members of the Fire/EMS Department equate to 52.8 FTEs with the majority of them being firefighters. Full-time equivalency for all firefighters is based on a 52 hour workweek, as is spelled out in the CBA. Full-time equivalency for the chief, administrative assistant, fire prevention lieutenant, and fire inspector is based on a 40 hour workweek.

Table 2-3 shows the Fire/EMS Department's service coverage and activity levels in relation to its 2016 staffing level. This analysis is important for providing context for the Township's service levels.

Table 2-3: Fire/EMS Department Staffing and Workload

Population	27,223
Square Miles	22.8
Firefighter FTEs ¹	48.8
Staffing Relative to Service Coverage	
Population Density per Sq. Mile	1,194
Firefighter FTEs per 1,000 residents	1.8
Firefighter FTEs per Sq. Mile	2.1
Staffing Relative to Workload	
Total 2016 Fire and EMS Calls	1,861.0
Fire and EMS Calls per Firefighter FTE	38.1
Fire and EMS Calls per 1,000 residents	68.4

Source: Orange Township, Ohio State Fire Marshal, OP&F, and U.S. Census Bureau

¹ The Fire Prevention Officer and Fire Inspector are excluded from this FTE count as well as the workload ratios shown. Although both are firefighters, the current assignments are to fire prevention activities rather than fire suppression, emergency response, and EMS.

As shown in **Table 2-3**, Orange Township employed 1.8 firefighter FTEs per 1,000 residents and 2.1 firefighter FTEs per square mile of service coverage. The Fire/EMS Department handled 38.1 Fire and EMS calls per firefighter FTE and 68.4 calls per 1,000 residents.

Comparative Data

Table 2-4 shows Fire/EMS service coverage and activity levels compared to the peer averages using 2016 data. This analysis provides context for the Township's service levels in relation to similar sized operations.

Table 2-4: Fire/EMS Department Workload Comparisons

	Orange Twp.	Peer Avg. ¹	Difference	% Difference
Population	27,223	21,805	5,418	24.8%
Square Miles	22.8	28.8	(6.0)	(20.8%)
Firefighter FTEs	48.8	34.0	14.8	43.5%
Staffing Relative to Service Coverage				
Population Density per Sq. Mile	1,194	757	437	57.7%
Firefighter FTEs per 1,000 residents	1.8	1.6	0.2	12.5%
Firefighter FTEs per Sq. Mile	2.1	1.2	0.9	75.0%
Staffing Relative to Workload				
Fire and EMS Calls	1,861.0	1,926.3	(65.3)	(3.4%)
Fire and EMS Calls per Firefighter FTE	38.1	56.7	(18.6)	(32.8%)
Fire and EMS Calls per 1,000 residents	68.4	88.3	(19.9)	(22.5%)

Source: Orange Township, Ohio State Fire Marshal, OP&F, U.S. Census Bureau, DELCOMM, and peers

¹ Austintown Township was not included in the peer group because it does not provide EMS service. Springfield Township was not included as data from its dispatch center was determined to be unreliable for comparative analysis due to a substantial number of instances in which duplicate data per incident was present.

As shown in **Table 2-4**, the Township had more firefighter FTEs per 1,000 residents and per square mile than the peer average. The Fire/EMS Department handled 32.8 percent fewer Fire and EMS calls per firefighter FTE and 22.5 percent fewer calls per 1,000 residents than the peer average. While **Table 2-4** indicates that demand for Fire and EMS services was lower than the peer average in 2016, it is important to note that Orange Township experienced significant population growth from 2010 through 2016, (see **Chart 1-2**) and is projecting continued growth through 2030.¹⁴ As population grows, demand for services may increase, which could bring the Fire/EMS Department staffing level, as it relates to workload, in line with the peer average.

It is important to note that every community has unique circumstances, needs, and expectations that influence the size and duties of its public safety forces. There is no one-size-fits-all recipe that can dictate how many firefighters a given community should have. That decision rests with community residents and elected leadership. Every township evolves and therefore should regularly review its public safety staffing levels to ensure that they continue to meet the community's expectations.

¹⁴ According to Township Administration, the Township will reach total build-out at a population of 37,038 by 2030.

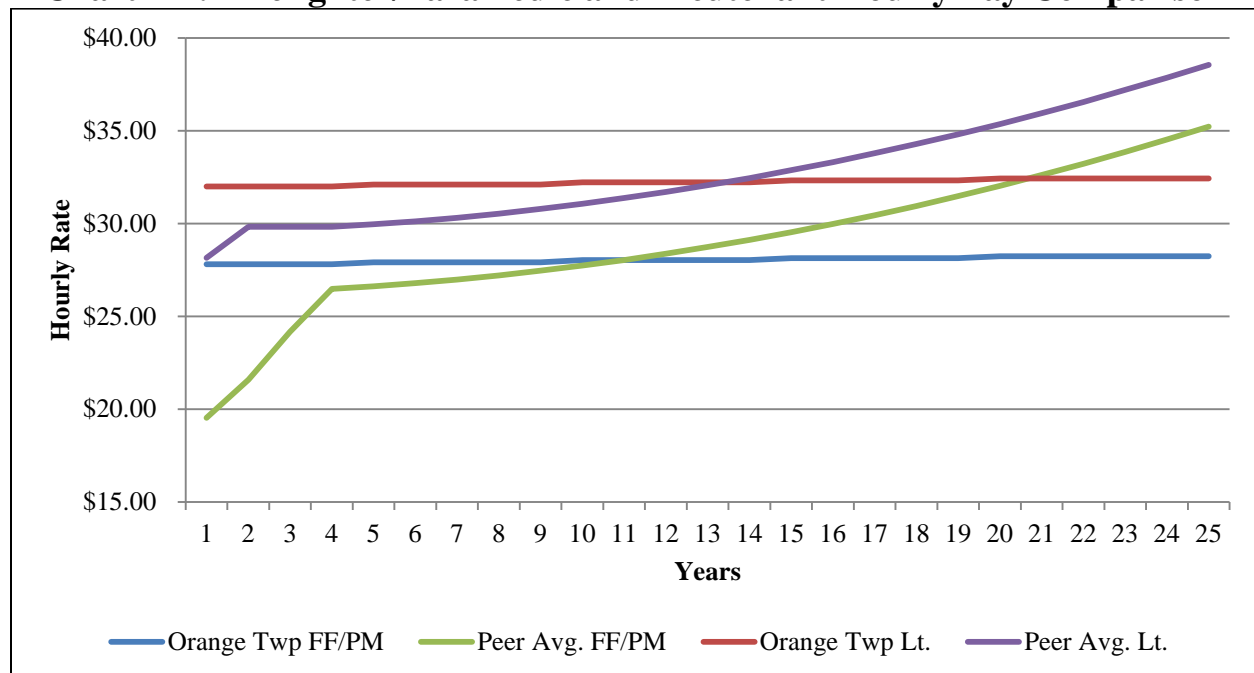
Compensation

The hourly pay schedules for Orange Township’s firefighter/paramedics and lieutenants are established in the collective bargaining agreement (CBA) between the Board of Trustees and the International Association of Firefighters (IAFF) Local 3816. In accordance with the CBA, firefighter/paramedics and lieutenants receive a base hourly rate of \$27.80 and \$31.99 respectively, in their first year of employment and these base rates of pay remain constant in all subsequent years of employment. In addition to base pay, firefighter/paramedics and lieutenants are also eligible to receive an annual longevity bonus starting in the fifth year of service. Specifically, firefighter/paramedics and lieutenants receive annual longevity bonuses as follows:

- Years five through nine- \$300;
- Years 10 through 14- \$600;
- Years 15 through 19- \$900; and
- Year 20 or greater- \$1,200.

Chart 2-4 shows the Township’s firefighter/paramedic and lieutenant total hourly rates in each year over the course of a 25 year career in comparison to the peer average for 2017. Total hourly rates are based on a typical firefighter/paramedic and lieutenant schedule of 2,704 hours worked per year and include both the base rates as well as annual longevity payments, where applicable, according to the current CBAs of the Township and peers. This analysis provides an indicator of the appropriateness of wage levels relative to those of similar sized, regional townships.

Chart 2-4: Firefighter/Paramedic and Lieutenant Hourly Pay Comparison



Source: Orange Township and peer townships of Genoa and Liberty

As shown in **Chart 2-4**, both firefighter/paramedic and lieutenant hourly rates are higher in Orange Township during the first portion of a 25 year career in comparison to the peers, but then fall below the peer average during the tenured portion of a 25 year career. While there is a

significant gap in pay between Orange Township and the peers during the early portion of a career, total pay over the course of a career is ultimately lower than the peers for both employee groups. In total, a firefighter/paramedic in Orange Township can expect to earn \$1,895,480 over the course of a 25 year career compared to the peer average of \$1,954,141, a difference of \$58,661. Similarly, an Orange Township lieutenant can expect to earn \$2,178,724 over the course of a 25 year career compared to the peer average of \$2,213,117, a difference of \$34,393.

Recommendations

R2.1 Renegotiate sick and vacation leave accrual rates for firefighters

Per the CBA, “sick leave shall be defined as an absence with pay that is necessitated by:

- Illness, injury or disability of an employee off of the job;
- Injury of employee on the job per Article 32;
- Exposure to a contagious disease which could be communicated to other employees and would jeopardize their health;
- Absence due to medical, dental, or optical examination or illness, injury, medical condition or treatment of an employee, or of a member of the immediate family (immediate family is defined as only: mother, father, child, stepchild, and spouse);
- Other relatives who reside in the employee's household if, in the case of such illness, injury or condition, the employee's presence is urgently required. Once the initial emergency is over, sick leave will not be granted for continuing care.”

Vacation could be defined as an absence with pay for purposes such as rest, relaxation, and attendance to personal matters. According to the CBA, vacation leave may be taken either as shifts or on an hourly basis.

Table 2-5 shows annual leave accrual rates for full-time firefighters, as outlined in the CBA, in comparison to the peer average. This is helpful for understanding the level of sick and vacation leave available to firefighters relative to those of similar sized operations. It is important to note that, per the Fire CBA, part-time firefighters are not eligible to accrue leave time and so were excluded from the following analysis.

Table 2-5: Annual Leave Accrual Rate Comparison

	Orange Twp.	Peer Avg.	Difference	% Difference
Sick Leave Accrual Hours per FTE ¹	216.0	178.7	37.3	20.9%
Vacation Leave Accrual Hours per FTE ²	224.0	188.8	35.2	18.6%
Total Leave Accrual per Firefighter FTE	440.0	367.5	72.5	19.7%

Source: Orange Township, SERB and peer townships of Genoa, Hamilton, Liberty, and Springfield

¹ Based on the maximum amounts of sick leave accrual available per the respective CBAs. All Orange Township firefighters accrue sick leave at a single rate.

² Based on the average of all accrual rates according to the vacation leave accrual schedules in the respective CBAs.

As shown in **Table 2-5**, total annual leave accrual rates for the Township exceeded the peer average by 72.5 hours per firefighter.

Table 2-6 shows the vacation accrual rate scale for firefighters and the distribution of those firefighters on the scale. This is useful for highlighting both current and future vacation accrual liabilities for firefighters.

Table 2-6: Firefighter Vacation Accrual Rate Scale

Years of Service	24-Hour Unit Days Accrued	Annual Hours Accrued	Hours Accrued per Pay Period	Percent of Employees
1-2	5	120	4.62	4.8%
3-5	6	144	5.54	0.0%
6-10	8	192	7.38	11.9%
11-15	10	240	9.23	42.9%
16-20	12	288	11.08	31.0%
21-25	15	360	13.85	9.5%

Source: Orange Township

As shown in **Table 2-6**, the majority of firefighters fall within the accrual categories of 10 vacation days and 12 vacation days. The table also shows that only a minor portion of firefighters fall within the highest accrual category, which indicates that the total amount of vacation leave accrued per firefighter will significantly increase over time compared to the amount shown in **Table 2-5**.

One important impact of allowing excessive leave accrual is the potential for an excessive amount of leave to then be utilized. **Table 2-7** shows total annual sick leave and vacation leave utilized in 2016 by Orange Township firefighters in comparison to the peer average. This is helpful in determining whether the amount of leave taken is appropriate relative to similar operations within the region.

Table 2-7: Sick and Vacation Leave Comparison

	Orange Twp.	Peer Avg.	Difference	% Difference
Full-time Firefighter FTEs	45.0	31.3	13.7	43.8%
Leave Hours Taken - Sick	8,822.3	3,226.1	5,596.2	173.5%
Leave Hours Taken - Vacation	8,122.9	4,583.4	3,539.5	77.2%
Sick Leave Hours Taken per FTE	196.1	103.1	93.0	90.2%
Vacation Leave Hours Taken per FTE	180.5	146.4	34.1	23.3%

Source: Orange Township, SERB, and peer townships of Genoa, Hamilton, Liberty, and Springfield

As shown in **Table 2-7**, Township firefighters utilized an average of 93.0 hours, or 90.2 percent, more hours of sick leave and 34.1 hours, or 23.3 percent, more hours of vacation leave per FTE than the peer average in 2016.

Table 2-8 shows the annual amount of sick and vacation leave taken by Township firefighters in 2016, equated in FTEs. This is helpful for understanding the impact that the amount of leave taken by firefighters could have on the Fire/EMS Department's daily staff availability.

Table 2-8: Sick and Vacation Leave Taken Equated in FTEs

	Leave Hours Taken	Avg. Daily Leave Hours	Avg. Daily Leave FTEs
Sick Leave	8,822.3	24.1	1.0
Vacation Leave	8,122.9	22.2	0.9
Total Leave	16,945.2	46.3	1.9

Source: Orange Township and SERB

As shown in **Table 2-8**, sick and vacation leave taken equated to an average of 1.9 firefighter FTEs off work per day in 2016. This could reduce productivity, increase overtime, or necessitate hiring additional employees for desired coverage.

Excessive accrual rates can also impact the amount of unused leave that the Township is responsible for paying out at year's end. When accrual rates are high, it may be easier for employees to build accumulations to levels that allow for desired amounts of leave utilization while still preserving excess, unused accumulations that in turn, can be paid out. For instance, even though 180.5 vacation leave hours were utilized per firefighter FTE in 2016 (see **Table 2-7**) the average full-time Fire/EMS employee was still paid out for 43.9 hours of unused vacation leave. In total, the Department paid out 2,062.5 hours of unused vacation leave for a total of \$58,737 in 2016. According to the CBA, 52-hour employees may carry over into a new year 168 hours of vacation, while 40-hour employees may carry over 110 hours. Any unused vacation time not used and not available to be carried over to the following year is eligible to be paid out.

It is important to also note that the CBA does provide a monetary incentive for consistent attendance without sick leave use. Specifically, the CBA states that employees are eligible for a \$200 bonus for each six-month period worked without the use of sick leave, up to a maximum of \$400 per year. However, the Department paid out only \$2,000 in 2016 for this incentive, the equivalent of 10 payments, or one payment for every 4.5 full-time firefighters.

Another important impact of excessive leave accrual rates is the potential for a resulting excessive severance payout liability for retiring or separating employees. Specifically, when leave accrual rates are excessive, maximum leave accumulation limits are more easily achieved and subsequently sustained. This in turn increases the likelihood that the Township will pay severance payouts to employees with leave accumulations at or near maximum allowable amounts, per their respective CBA.

Under the International Association of Firefighters Local-3816 CBA, firefighters are entitled to accumulate up to 2,160 total hours of sick leave. Furthermore, the Township allows firefighters to be paid for 25 percent of unused sick leave up to a maximum of 22.5 days (i.e., 540.0 hours) at retirement. In comparison, the peer firefighter CBAs allow firefighters to be paid for an average of 31 percent of unused sick leave up to an average maximum of 17.6 days (i.e., 422.4 hours) at retirement.

Table 2-9 shows the Township's maximum financial liability for firefighter sick leave severance, by position, in comparison to the projected liability that could result from bringing CBA provisions for sick leave payout in line with the peer average. This analysis provides an important indication of the Township's current maximum sick leave severance exposure compared to the peers.

Table 2-9: Severance Liability Comparison

Position	Count	Final Daily Rate	Max. Severance Days	Max. Payout	Peer Avg. Max. Days	Pay Out at Peer Avg.	Difference per Firefighter	Total Difference
Fire Prevention	1	\$331	22.5	\$7,448	17.6	\$5,826	\$1,622	\$1,622
Fire Inspection	1	\$287	22.5	\$6,458	17.6	\$5,051	\$1,406	\$1,406
Lieutenant	6	\$778	22.5	\$17,505	17.6	\$13,693	\$3,812	\$22,873
Firefighter	37	\$678	22.5	\$15,255	17.6	\$11,933	\$3,322	\$122,921

Source: Orange Township and peer townships of Genoa, Hamilton, Liberty, and Springfield

As shown in **Table 2-9**, Orange Township's firefighters are entitled to receive severance payout for more days at retirement than the peer average. Adjusting payouts to the peer average could decrease the District's future severance liability. It is also important to note that from 2011 through 2016, three firefighters retired and received a combined total of \$14,576 in severance payouts for 328.36 combined hours of sick leave. Of the three firefighters, one retired with the maximum allowable amount of accumulated sick leave, and subsequently received a severance payout of \$11,072.¹⁵ In comparison, the severance payout for that particular retiree would have been \$8,660 based on the peer average minimum pay out rate for a savings of \$2,412.

The Township should consider negotiating decreases in sick leave and vacation leave accrual rates to levels commensurate with the peer average. Excessive leave accrual rates may contribute to excessive rates of leave usage, which ultimately affects the availability of daily staffing resources. This, in turn, could result in higher costs to the Township in terms of excessive overtime needed to cover leave usage. Additionally, the need to cover excessive leave usage could potentially impact staffing levels. Lastly, accrual rates in excess of the peer average could result in higher deferred liability for the Township for retiring employees receiving a severance payout based on accumulated leave.

¹⁵ While the maximum severance payout liability for a firefighter is valued at \$15,255 in **Table 2-9**, this retirement occurred in February of 2014. Due to the natural progression of wage increases over time, the maximum severance payout liability correspondingly increases.

R2.2 Hire an in-house Fire/EMS apparatus mechanic

The Township has a centralized garage next to Fire Station 362, but does not have assigned mechanics on staff. As a result, the Township performs very limited fleet maintenance and repair work in-house and instead contracts all Fire/EMS apparatus¹⁶ maintenance to commercial garages. In contrast, Hamilton Township (Warren County) performs approximately 95 percent of its fire apparatus maintenance and repair services in-house using one full-time emergency vehicle technician (EVT).¹⁷

Table 2-10 shows the difference between the Township's 2016 annual cost of fully contracting this work versus the potential cost of hiring an EVT and adopting a model similar to that of Hamilton Township. Highlighting the difference in the cost of labor is helpful for the Township in determining the most efficient way to provide maintenance service for Fire/EMS Department equipment.

Table 2-10: Fire Apparatus Maintenance Cost Labor Comparison

Total Labor Hours	1,279.3
Average Cost per Hour	\$89.98
Total 2016 Contracted Labor Charges	\$115,111.41
Estimated Annual Salary for an EVT ¹	\$62,566.40
Estimated Annual Benefits Cost per Twp. Employee ²	\$28,313.78
Estimated Annual Cost of Mechanic Certifications ³	\$800.00
Total Estimated Cost for EVT	\$91,680.18
Contracted Labor Hours Still Needed ⁴	64
Cost of Contracted Labor Hours	\$5,758.72
Total Estimated Cost for Apparatus Maintenance	\$97,438.90
Total Cost Savings	\$17,672.52

Source: Orange Township and Hamilton Township

¹ Based on the current EVT mechanic hourly wage from the City of Dublin of \$30.08

² Based on the maximum total benefits expenditure possible for a Township employee in 2016.

³ Based on the maximum annual amount of expenditures for mechanic certifications from a range of cost provided by Hamilton Township

⁴ Based on the average amount of annual contracted maintenance and repair work as a percentage of total annual apparatus maintenance and repair work in Hamilton Township

As shown in **Table 2-10**, the Township paid over \$115,000 for commercial maintenance in 2016. Alternatively, the Township could pay approximately \$17,600 less per year by adopting a hybrid model of employing a full-time, in-house EVT for the majority of work, and contracting out work for which the Township's facility provides inadequate space or equipment. It is important

¹⁶ Fire/EMS apparatus include all Fire/EMS service vehicles (e.g., engines, ladders, tanker, trucks, ambulance, etc.).

¹⁷ Hamilton Twp. outsources major overhauls on larger vehicles/equipment due to the limited size of its maintenance facility.

to note that an in-house EVT might have capacity to assist other departments, as well as adjacent local governments through shared service agreements.

While **Table 2-10** shows that labor cost savings could be achieved by making fire apparatus maintenance mostly an in-house operation, doing so would require some initial capital costs. While the Township owns a central garage, it does not have a lift suitable for fire apparatus. According to the Township, four portable lifts would be needed at an estimated cost of \$8,000 to \$10,000 per lift.

Table 2-11 shows the payback period for purchasing four new portable lifts (at \$10,000 per lift) by applying the annual savings identified in **Table 2-10**.

Table 2-11: Fire Apparatus Operation

	2018	2019	2020	2021	2022
Savings for In-House EVT	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600
Capital Expenditure for Lifts	\$40,000	\$0	\$0	\$0	\$0
Cumulative Savings	(\$22,400)	(\$4,800)	\$12,800	\$30,400	\$48,000

Source: Orange Township and peers

As shown in **Table 2-11**, in-house maintenance could become cost-effective in 2020.

3. Roads and Maintenance and Parks Operations

Background

Roads and Maintenance Department

The Roads and Maintenance Department is primarily responsible for the continuous improvement and maintenance of the Township's 100.5 road miles, in addition to its operational facilities, recreational facilities, and grounds. The Department is also responsible for operating and maintaining the Township's two cemeteries.

Duties include improving intersections, lane additions, widening roads, road resurfacing, repairing storm and drainage structures, repairing concrete curbs, patching pavement, crack-sealing, snow and ice control, mowing ditches, tree trimming, and installing or replacing regulatory street signs. To conduct these duties, Roads and Maintenance primarily operates out of a garage located behind Fire Station 362. The Township also utilizes the Delaware County Engineer's Office for annual material bids for materials such as concrete, berm, and asphalt, and participates in the annual Road Improvement Program.¹⁸ The County also manages the competitive bidding process and the subsequent contracts for services costing more than the ORC § 307.86 threshold of \$50,000.

In an effort to strategically plan road improvement, the Township has established a Board-approved plan that sets priorities for improvements over five years, using a ranking system developed by the Ohio Department of Transportation. The plan is updated annually by the Maintenance and Parks Director and the funding for the plan is approved by the Board.

Regarding buildings and grounds, functional duties of the Roads and Maintenance Department include HVAC maintenance, repair, and installment; structural repair; electrical and lighting repair; plumbing repair and installment; flooring; painting; annual inspections of backflow; security; and fire suppression systems and fire extinguishers. It is also responsible for the landscaping and overall grounds maintenance of the Township's acreage. Internally, this function is referred to broadly as "Buildings and Grounds".

Lastly, Roads and Maintenance is also responsible for operating and maintaining Africa and Williamsville cemeteries. This includes mowing, snow and ice control, and burial openings and closings.

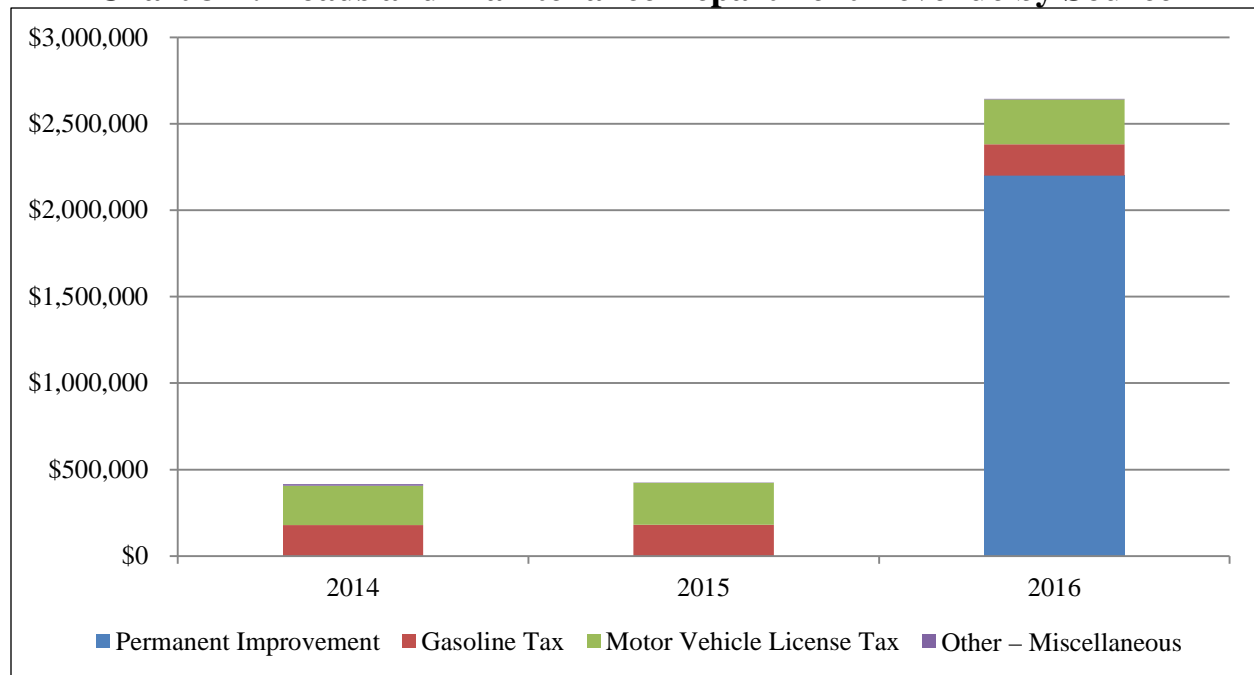
¹⁸ The Road Improvement Program is a formal plan for future road improvements throughout Delaware County developed in cooperation between townships and Delaware County.

Financial

Historically, a majority of Roads and Maintenance services have been paid for with the Motor Vehicle Fuel Tax and the Motor Vehicle License Taxes levied by the State, Delaware County, and the Township.¹⁹ However, these tax collections are mandated for road improvements. In November of 2016, the Township passed a 0.5 mill property tax levy, which is set to expire on December 31, 2019. This is projected to collect approximately \$592,000 annually, from 2017 through 2019, and is also restricted for the improvement and maintenance of roads. Roads and Maintenance also receives a marginal amount of Other Miscellaneous revenue that is dedicated to road improvement, primarily from workers’ compensation refunds.

Chart 3-1 shows the distribution of the Roads and Maintenance revenue that is restricted to road maintenance and improvement, by source, for 2014 through 2016. This illustrates the annual fluctuation of revenue sources.

Chart 3-1: Roads and Maintenance Department Revenue by Source



Source: Orange Township

As shown in **Chart 3-1**, total Roads and Maintenance revenue increased significantly from \$424,000 in 2015 to over \$2.6 million in 2016. This large increase was due to a \$2.2 million

¹⁹ The Motor Vehicle License Tax is levied upon all motor vehicles operating on public roads or highways for the purposes of planning, constructing, improving, maintaining, and repairing public roads, highways, and streets; and maintaining and repairing bridges and viaducts (ORC § 4504.02). The Motor Vehicle Fuel Tax is an excise tax that applies to all motor vehicle fuel dealers on the use, distribution, or sale within Ohio of fuel used to generate power for the operation of motor vehicles. The Ohio Constitution requires that revenue from the tax be used for highway construction, traffic enforcement and certain other activities (Ohio Department of Taxation, 2017).

General Fund transfer to pay for capital improvements (see **Chart 1-5**). Independent of the General Fund transfer, the larger portion of the revenue for the three years was generated from the Motor Vehicle License Tax. On average, it generated \$242,900 annually, accounting for 57 percent of total Roads and Maintenance revenues with a slight increase each year. Gasoline Tax revenue of \$180,300 annually accounted for just over 42 percent of Roads and Maintenance revenues and remained relatively constant from year to year. The remaining revenues of \$3,800 per year were derived from miscellaneous sources.

In addition to the revenue restricted to road improvement, the Department's buildings and grounds operations are funded by General Fund revenue, while cemetery operations are paid for by a combination of revenue received from fees and lot sales,²⁰ and the General Fund.

Table 3-1 shows total Roads and Maintenance Department expenditures from 2014 through 2016, as well as by operational function. Examining changes in expenditures provides an indication of the cost drivers associated with service provision over time.

²⁰ From 2014 through 2016, the Township received an annual average of \$6,147 in cemetery fees and lot sales.

Table 3-1: Roads and Maintenance Expenditures and Ratios

	2014	2015	% Change	2016	% Change
Roads Operation					
Operating Expenditures	\$534,388	\$738,545	38.2%	\$522,303	(29.3%)
Capital Expenditures ¹	\$20,000	\$139,352	596.8%	\$1,144,013	720.9%
Total Expenditures	\$554,387	\$877,898	58.4%	\$1,666,316	89.8%
Buildings and Grounds Operation					
Operating Expenditures	\$133,754	\$147,027	9.9%	\$171,260	16.5%
Total Expenditures	\$133,754	\$147,027	9.9%	\$171,260	16.5%
Cemeteries Operation					
Operating Expenditures	\$16,593	\$14,040	(15.4%)	\$15,078	7.4%
Total Expenditures	\$16,593	\$14,040	(15.4%)	\$15,078	7.4%
Roads and Maintenance Department Total					
Operating Expenditures	\$684,735	\$899,612	31.4%	\$708,641	(21.2%)
Capital Expenditures	\$20,000	\$139,352	596.8%	\$1,144,013	720.9%
Total Expenditures	\$704,735	\$1,038,964	47.4%	\$1,852,654	78.3%
Total Residents	26,094	26,586	1.9%	27,223	2.4%
Department Operating Cost per Resident	\$26.24	\$33.84	29.0%	\$26.03	(23.1%)
Total Department Cost per Resident	\$27.01	\$39.08	44.7%	\$68.05	74.1%
Roadway Miles Maintained	97.1	98.2	1.1%	100.5	2.3%
Total Roads Operation Cost per Mile	\$5,710	\$8,939	56.6%	\$16,579	85.5%
Facilities Square Footage Maintained	52,699	52,699	0%	52,699	0%
Blds. and Grds. Operation Cost per Sq. Ft.	\$2.54	\$2.79	9.9%	\$3.25	16.5%

Source: Orange Township

¹ Capital expenditures in 2016 were primarily for the Bale-Kenyon Road project and the Orange Rd/US23 project. It is important to note that the Township received Ohio Public Works Commission (OPWC) competitive grant money for these two projects, which helped to reduce the cost to the Township. These expenditures do not include project costs funded through this grant money.

As shown in **Table 3-1**, operating expenditures were relatively consistent over the three years with the exception of an increase in 2015 due to higher purchased services. While total expenditures increased significantly from 2014 to 2016, it was primarily the result of the capital costs for new projects.

Parks Department

The Parks Department is primarily responsible for operating the Township's recreational areas, including the aquatic center, 15.8 miles of paved trails, and seven parks.²¹ Within the recreational areas are the following structures/offerings:

- Seven shelters;
- Six playgrounds;
- Four soccer fields;
- Two baseball fields;
- Two basketball courts;
- Six ponds;
- Two sledding hills; and
- One open field.

Daily duties include cleaning of all park restrooms²²; refuse removal at shelters; visual inspections of shelters; and walk-throughs of playgrounds for cleanup, inspection of equipment, damage, vandalism, and graffiti. Additional routine duties include inspection and cleanup of the paved trail system, generally occurring three to four times per week. Seasonally, Parks builds and repairs landscape beds, plants and prunes trees, and mows strips along the trails bi-weekly. During the winter, Parks is responsible for snow and ice control of the trails as needed. Fencing repair and drainage problems are addressed throughout the year as needed.

Financial

Parks services are primarily paid for through a property tax levy passed in November 2016 and expiring on December 31, 2019. Initially, the levy was approved for 1.5 mills and generated revenue accordingly through 2016, but was reduced at renewal to 1.0 mill in January 2017, reducing revenue projected through 2019, compared to historical collections.²³ Additional revenues are generated from pool concession sales, season pass sales, and swim lessons, as well as other intergovernmental revenue resulting from State and federal grants for various projects. Finally, Parks generates other miscellaneous revenues such as those for field use agreements, vending machine sales, and donations.

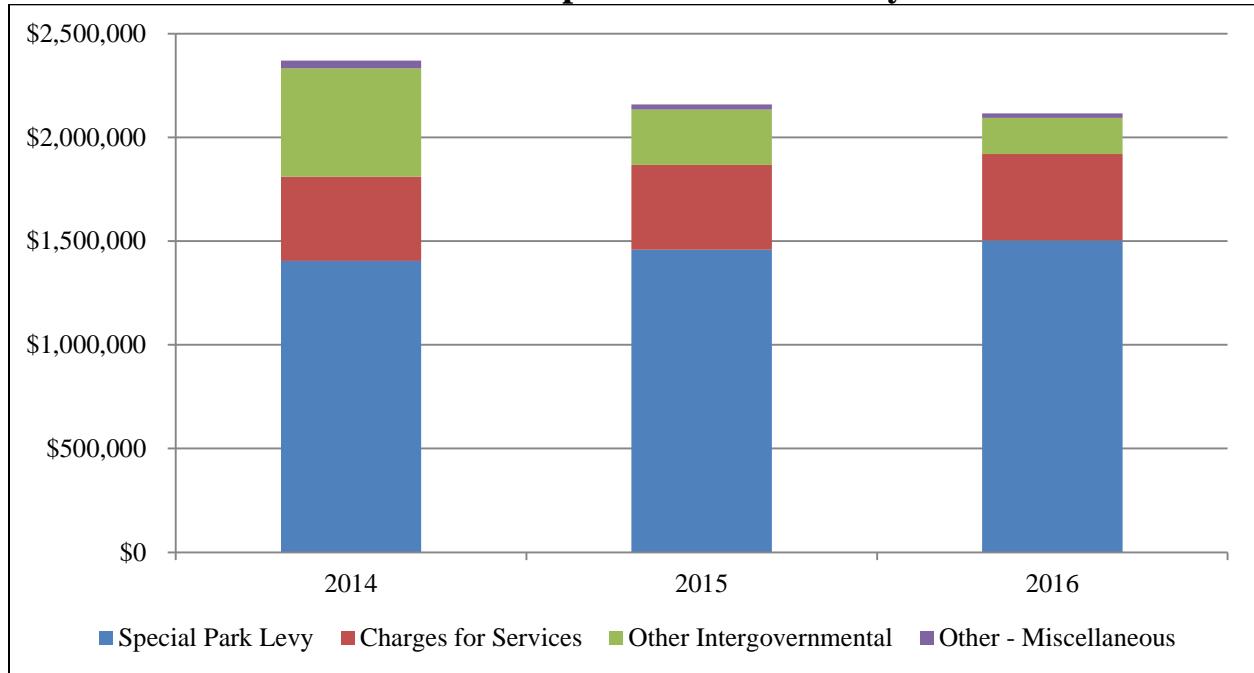
²¹ It is important to note that the Township plans to add an additional 22 acre park in which Phase I is expected to be completed in the Spring of 2018.

²² All parks except for Loveland and Walker Wood have public restrooms.

²³ The increase of 0.5 mills to the Roads levy coupled with the reduction of 0.5 mills to the Parks levy results in the same net amount to the taxpayers. These levy adjustments were a part of the Township's strategy to reallocate resources in order to provide more operational flexibility.

Chart 3-2 shows the distribution of Parks revenues by source for 2014 through 2016. This provides an indication on the annual fluctuation of revenue sources.

Chart 3-2: Parks Department Revenue by Source



Source: Orange Township

As shown in **Chart 3-2**, total Parks revenue decreased in each of the three years shown, from \$2.37 million in 2014 to \$2.12 million in 2016. Over this period an average of \$1.4 million or 66 percent of total revenues, came from the Parks and Recreation Levy. Among the other major sources of revenues were charges for services that accounted for 19 percent of revenues and other intergovernmental revenues that accounted for 15 percent.

Table 3-2 shows Parks expenditures from 2014 through 2016. Examining changes in expenditures provides an indication of the cost drivers associated with the provision of services over time.

Table 3-2: Parks Expenditures

	2014	2015	% Change	2016	% Change
Compensation and Benefits	\$273,099	\$193,689	(29.1%)	\$171,543	(11.4%)
Purchased Services	\$418,704	\$520,636	24.3%	\$610,577	17.3%
Supplies and Materials	\$61,914	\$56,031	(9.5%)	\$58,477	4.4%
Other Expenditures ¹	\$3,220	\$3,618	12.4%	\$5,387	48.9%
Subtotal Operating	\$756,936	\$773,974	2.3%	\$845,984	9.3%
Capital Expenditures ²	\$1,644,398	\$226,947	(86.2%)	\$631,265	178.2%
Total Expenditures	\$2,401,335	\$1,000,921	(58.3%)	\$1,477,248	47.6%
Total Residents	26,094	26,586	1.9%	27,223	2.4%
Operating Cost per Resident	\$29.01	\$29.11	0.4%	\$31.08	6.7%
Total Cost per Resident	\$92.03	\$37.65	(59.1%)	\$54.26	44.1%
Recreational Acres Maintained ³	89.5	89.5	0%	90.5	1.1%
Total Cost per Acre	\$26,831	\$11,183	(58.3%)	\$16,323	46.0%
Trail Miles Maintained	15.0	15.0	0%	15.8	5.3%
Total Cost per Trail Mile	\$160,089	\$66,728	(58.3%)	\$93,497	40.1%

Source: Orange Township

¹ Other expenditures primarily include pool dues and fees for the Delaware General Health District.

² Capital expenditures for 2014 were primarily for the walking/bike path bridge over U.S. Route 23; capital expenditures in 2015 were primarily for the addition of the playground in Walker Wood Park and for trail design consulting services; and capital expenditures in 2016 were primarily for improvements to the North Orange Park Trail and for the construction of Bridge Park. The Township regularly applies for grant money for capital projects, which helps to offset the total cost to the Township. These expenditures do not include project costs funded with this grant money.

³ Excludes the acreage associated with the Phase I of the new park planned for spring 2018.

As shown in **Table 3-2**, capital expenditures have historically been the largest expenditure category. In 2016, this category represented 42.7 percent of total expenditures. Purchased services, primarily for project management services through RPO, LLC (see **Noteworthy Accomplishment**), and compensation and benefits were also significant cost drivers of Parks operations. Compensation and benefits expenditures have decreased over the three years shown primarily because vacant staff positions have not been filled and milder winters required fewer labor hours.

Staffing

Though they are separate and have different functions, the Roads and Maintenance Department and the Parks Department are centrally managed by the Maintenance and Parks Director with support from the Maintenance and Parks Manager. The Facilities and Equipment Supervisor primarily oversees the buildings and grounds operation. While employees of both departments are contractually precluded from performing road maintenance and improvement work, it is important to note that those employees normally assigned to buildings and grounds duties occasionally assist in the Parks Department as needed.

In addition to management personnel, assigned staff typically consists of:

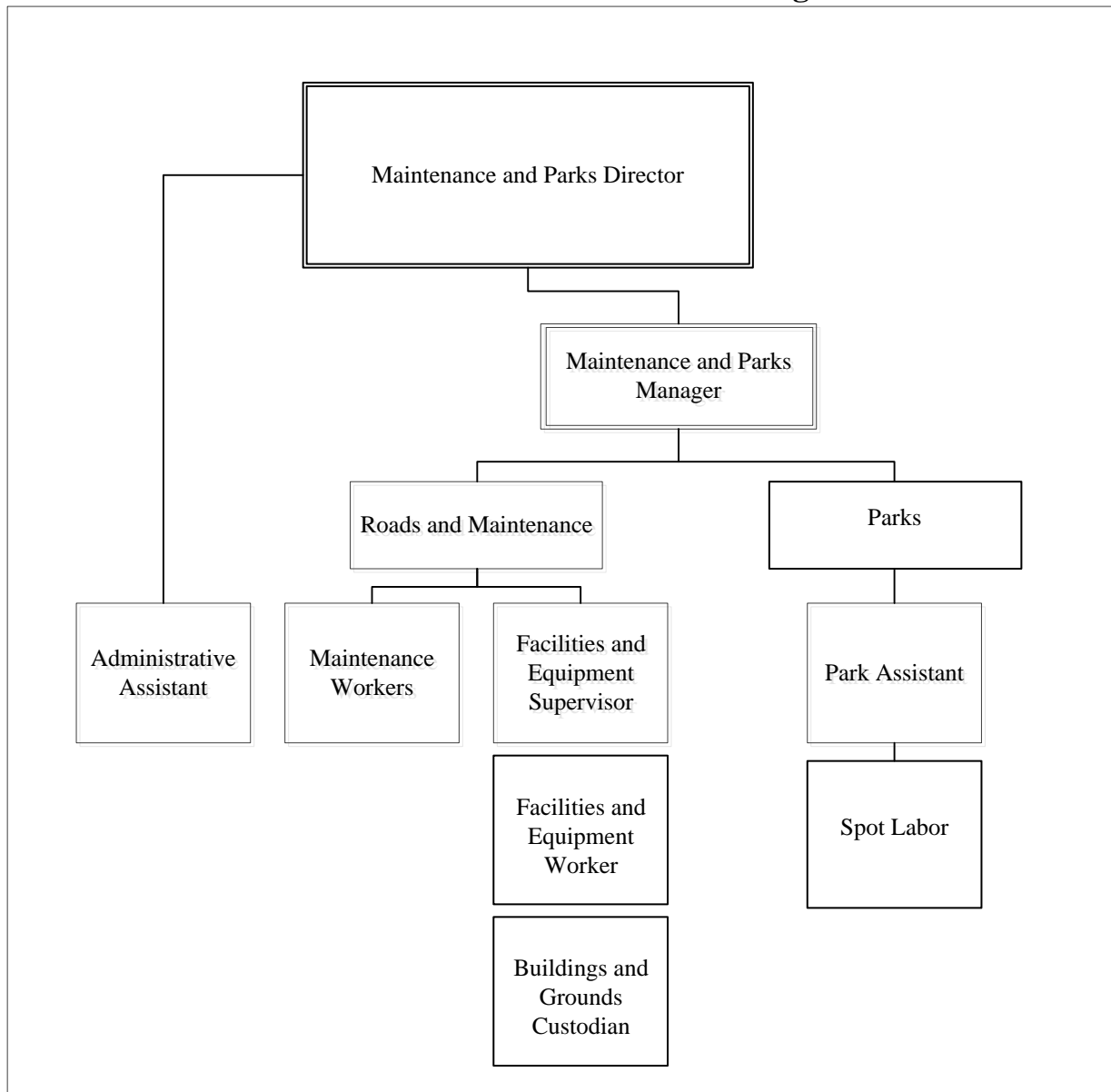
- 5.0 FTE Road Maintenance Employees;²⁴
- 1.0 FTE Facilities and Equipment Worker;
- 1.0 FTE Building and Grounds Custodian;
- 1.0 FTE Park Assistant; and
- 1.0 FTE Administrative Assistant.

In addition, the Township can staff two part-time, “spot labor” employees who assist with the daily parks duties under the direction of the Park Assistant.

Chart 3-3 shows the organizational structure of the Roads and Maintenance and Parks departments. This illustrates the relationship between the departments, the Maintenance and Parks Director, and the departmental staff.

²⁴ These employees are members of the American Federation of State, County, and Municipal Employees (AFSCME) and are covered under its CBA with the Township. These are the only employees in Maintenance and Roads and Parks that collectively bargain, and do not perform tasks outside of their formal job assignments.

Chart 3-3: Roads and Maintenance and Parks Organizational Chart



Source: Orange Township

As shown in **Chart 3-3**, both Roads and Maintenance and Parks are managed by the Maintenance and Parks Director who has direct purview over the Administrative Assistant, Maintenance and Parks Manager, Supervisor, and operations staff.

Table 3-3 shows workload metrics for the Roads and Maintenance and Parks departments compared to the peer average. Comparing workload metrics to the operations of similar entities can assist the Township in better determining the efficiency of staffing levels.

Table 3-3: Roads and Maintenance and Parks Staffing Comparison

Position	Orange Twp.	Peer Avg.	Difference	% Difference
Director/Manager/Supervisor FTEs	3.0	3.2	(0.2)	(6.3)%
Administrative Assistant FTEs	1.0	0.6	0.4	66.7
Total Roads and Maintenance FTEs	7.0	7.5	(0.5)	(6.7%)
Roads Operation FTEs	5.0	6.0	(1.0)	(16.7%)
Road Maintenance Worker FTEs	5.0	6.0	(1.0)	(16.7%)
Buildings and Grounds Operation FTEs	2.0	1.5	0.5	33.3%
Facilities and Equipment Worker and Custodian FTEs	2.0	1.5	0.5	33.3%
Total Parks FTEs	1.7	2.2	(0.5)	(22.7%)
Parks Operation FTEs	1.7	2.2	(0.5)	(22.7%)
Park Assistant FTEs	1.0	1.2	(0.2)	(16.7%)
Spot Labor FTEs	0.7	1.0	(0.3)	(30.0%)
Total Combined Operations FTEs	8.7	9.7	(1.0)	(10.3%)
Centerline Road Miles	100.5	92.7	7.8	8.4%
Facilities Square Footage Maintained	52,699	46,069 ¹	6,630	14.4%
Number of Parks	7.0	5.2	1.8	34.6%
Parks Acreage Maintained	90.5	156.3	(65.9)	(42.1 %)
Paved Trail Miles	15.8	4.3	11.5	267.4%
Number of Pool Complexes	1.0	0.0	1.0	100.0%
FTEs per Director/Manager/Supervisor	2.9	3.0	(0.1)	(3.3%)
Road Miles per Roads Operations FTE	20.1	15.5	4.6	29.7%
Square Footage per B&G Operations FTE	26,350	30,712	(4,362)	(14.2)
Parks Operations FTEs per Park	0.2	0.4	(0.2)	(50.0%)
Park Acreage per Parks Operations FTE	53.2	71.1	(17.8)	(25.1%)
Paved Trail Miles per Parks Operations FTE	9.3	2.0	7.3	365.0%

Source: Orange Township and peers

¹ Excludes Liberty Township as data was not available

As shown in **Table 3-3**, the Township maintains more road miles per Roads FTE and more trail miles per Parks FTE than the peer averages. However, the Township maintains less square footage per B&G FTE, less park acreage per Parks FTE, and operates fewer park areas per Parks FTE than the peer averages.

Recommendations

R3.1 Develop a vehicle preventive maintenance plan and data tracking process

Maintenance on the Township's operational vehicles is not performed according to a formal preventive maintenance plan. Instead, it is primarily dependent on each vehicle operator and is performed on an as needed basis. If further maintenance requiring a mechanic is needed, an outside vendor is used.

The Township's fleet consists of the following vehicles, by Department:

- Fire/EMS
 - Two 2000 GPM CAFS Engines (i.e., fire engines)
 - One SPH-100 Aerial Platform
 - One Trailblazer 3000 Gallon Tanker
 - Three Medic vehicles (i.e., ambulances)
 - Four sport utility vehicles
 - Three full-size pickup trucks
 - One mid-size pickup truck
- Roads and Maintenance
 - Six salt/plow trucks
 - Two One-ton dump trucks
 - Two full-size pickup trucks
- Buildings and Grounds
 - One sport utility vehicle
 - One cargo van
- Parks;
 - Two full-size pickup trucks
 - One mid-size pickup truck
- Zoning
 - One sport utility vehicle

Table 3-4 shows the average age and mileage of the Township's common fleet categories. This is important for providing context for the condition of the fleet and may help to indicate whether vehicle replacement needs are concentrated in specific operational areas or categories.

Table 3-4: Fleet Age and Mileage

Vehicle Category	Average Age	Average Mileage
Fire Engines	14.0	63,264
Ambulances	8.5	81,956
Salt/Plow Trucks	8.7	15,563
Pickup Trucks	8.6	49,162
Sport Utility Vehicles	0.3	10,005

Source: Orange Township

As shown in **Table 3-4**, the average age of the Township's fleet categories ranges from less than a year to as much as 14 years. Average mileage ranges from about 10,000 miles to almost 82,000 miles.

Table 3-5 shows the average age and mileage of the three most common categories of vehicles compared to the peer average. This is important for gauging the relative condition of these fleet categories.

Table 3-5: Vehicle Age and Mileage Comparison

	Orange Twp.	Peer Avg.	Difference	% Difference
Age				
Fire Engines	14.0	14.0	0.0	0.0%
Ambulances	8.5	12.2	(3.7)	(30.3%)
Salt/Plow Trucks	8.7	13.5	(4.8)	(35.6%)
Mileage				
Fire Trucks	63,264	45,865	17,399	37.9%
Ambulances	81,956	75,625	6,331	8.4%
Salt/Plow Trucks	15,563	47,392	(31,829)	(67.2%)

Source: Orange Township and peers

As shown in **Table 3-5**, the average age of the Township's fleet is less than the peer average for all vehicle type categories. However, average vehicle mileage is higher than the peer average, with the exception of the salt/plow vehicles. Older or high mileage vehicles can have a greater risk for major repairs, and having a preventive maintenance plan in place is critical for keeping Township vehicles performing properly.

How to Implement a Fleet Preventive Maintenance Program (Government Fleet, 2006) states that preventive maintenance (PM) consists of scheduled servicing, inspections, and vehicle repairs to prevent potential problems and maximize vehicle availability. Preventive maintenance is used to proactively avoid or reduce vehicle breakdowns and is based on time, mileage, engine hours, or gallons of fuel used. Preventive maintenance actions include vehicle inspection, lubrication, adjustment, cleaning, testing, repair, and worn parts replacement.

An effective PM program should consist of the following:

- A checklist of PM service tasks performed;
- PM service intervals or frequency to perform tasks;
- Driver written-up inspections and complaints;
- An automotive facility with trained professional automotive technicians, either in-house or outsourced; and
- Manual or electronic scheduling and recordkeeping.

Federal Vehicle Fleets: Leading Practices for Managing Fleet Operations (Government Accountability Office (GAO), 2015) identifies the following leading practices to improve fleet management:

- Maintaining a well-designed fleet management information system allows managers to monitor fleet performance and conduct the analysis needed for management decision making. To be comprehensive, a fleet management information system (FMIS) should include data on critical aspects of fleet management, such as costs, utilization, and repair and service history. Costs include direct costs such as fuel, repairs, and vehicle depreciation, as well as indirect costs such as personnel costs, office supplies, building rental, and utility costs. Utilization information would include mileage or other metrics to justify owning or leasing the vehicle.
- Analyzing life-cycle costs to inform procurement decisions captures vehicle costs from the beginning to the end of the vehicle ownership. This can help agencies make cost-effective fleet investment decisions, such as when to replace a vehicle, and whether to purchase or lease that vehicle. When agencies consider life-cycle cost information along with information on costs and benefits of alternatives, they can better evaluate investment options and make choices that cost-effectively meet their mission.
- Optimizing fleet size and composition to ensure that fleets are the right size and composition to meet the mission cost-effectively. GSA's implementing guidance calls for agencies to:
 - Establish specific vehicle utilization criteria;
 - Conduct an assessment of vehicle utilization to determine how and the extent to which vehicles are used and apply the criteria to each vehicle;
 - Identify underutilized vehicles and determine the optimal number and type of vehicles needed in the fleet inventory by considering utilization, mission needs, and other alternatives; and
 - Review and update this study annually or sooner as mission needs change.

The Township should develop a preventive maintenance plan for all vehicles. Implementing scheduled maintenance as opposed to relying on vehicle operators to determine when maintenance is conducted could extend the life of the vehicles. Also, developing a data tracking process will provide context for vehicle maintenance and replacement needs.

4. Planning and Zoning Operations

Background

The Planning and Zoning Department is responsible for plan reviews, permitting, inspections, and zoning to regulate and ensure proper use and development of land within the Township. The Planning and Zoning staff consists of a Planning and Zoning Director, a Zoning Officer, a part-time Zoning Intern, and a part-time Zoning Secretary. Furthermore, staff meets periodically with the Zoning Commission, which provides recommendations for rezoning or development text amendments. The staff also meets monthly with the Board of Zoning Appeals (BZA), which makes decisions on requests for variances, conditional uses, and appeals. During the course of the audit, the Planning and Zoning Director separated from the Township and the Zoning Officer was promoted to Director. As of the completion of this audit, the Township had yet to fill the vacant Zoning Officer position, but intends to do so. It is important to note that in all prior years the Planning and Zoning Department has operated with a full-time Zoning Officer.

Financial

Planning and Zoning revenues and expenditures are accounted for in the General Fund. **Table 4-1** shows the Planning and Zoning revenues and expenditures for 2014 through 2016. Examining changes in the financial results provides an indication of the cost drivers associated with operations over time.

Table 4-1: Planning and Zoning Revenues and Expenditures

	2014	2015	% Change	2016	% Change
Compensation and Benefits	\$182,858	\$241,118	31.9%	\$247,575	2.7%
Purchased Services	\$38,976	\$30,753	(21.1%)	\$31,653	2.9%
Supplies and Materials	\$581	\$482	(17.0%)	\$2,674	454.8%
Capital Expenditures	\$679	\$5,231	670.4%	\$2,443	(53.3%)
Other Expenditures	\$30	\$165	450.0%	\$1,158	601.8%
Total Expenditures	\$223,124	\$277,749	24.5%	\$285,503	2.8%
Total Revenues	\$197,128	\$308,999	56.8%	\$228,649	(26.0%)
Revenues Over/(Under) Expenditures	(\$25,996)	\$31,250	220.2%	(\$56,854)	(281.9%)

Source: Orange Township

As shown in **Table 4-1**, compensation and benefits has historically been the largest expenditure category. In 2016, this represented 86.7 percent of total expenditures. For two of the three years, total expenditures exceeded total revenues.

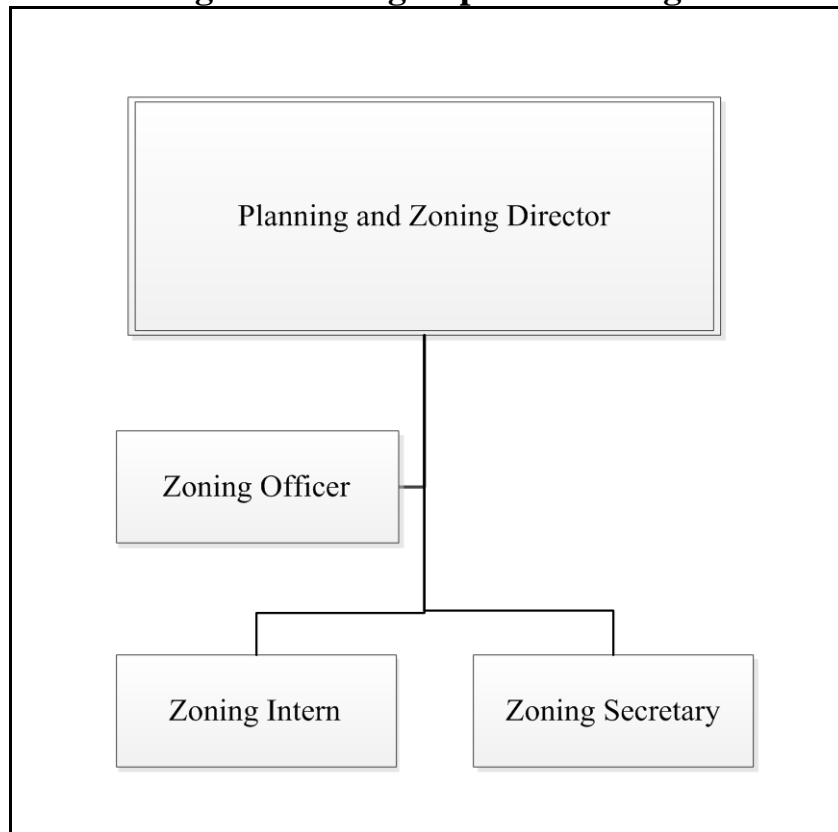
Staffing

Planning and Zoning Department assigned staff typically consists of:

- 1.0 FTE Planning and Zoning Director;
- 1.0 FTE Zoning Officer;²⁵
- 0.5 FTE part-time Zoning Intern; and
- 0.5 FTE part-time Zoning Secretary.

Chart 4-1 shows the organizational structure of the Planning and Zoning Department and illustrates the relationship between the Zoning Director and staff.

Chart 4-1: Planning and Zoning Department Organizational Chart



Source: Orange Township

As shown in **Chart 4-1**, the Planning and Zoning Department is managed by the Planning and Zoning Director who supervises the Zoning Officer, Zoning Intern, and the Zoning Secretary.

Table 4-2 shows a staffing comparison for the Planning and Zoning Department based on its 2016 staffing level and workload, as well as its typical staffing level and workload in 2016,

²⁵ This position was not filled at the time of the audit.

compared to the peer average. Comparing workload metrics to the operations of similar entities can assist the Township in better determining the efficiency of staffing levels.

Table 4-2: Zoning Permits Processed Comparison

Position	Orange Twp.	Peer Avg. ¹	Difference	% Difference
Zoning FTEs	2.0	1.6	0.4	25.0%
Staffing Ratios				
Total Permits Processed in 2016	644	361	283	78.4%
Permits Processed per FTE (2016 Actual Staff)	322.0	225.6	96.4	42.7%
Permits Processed per FTE (Typical Full Staff)²	214.7	225.6	(10.9)	(4.8%)

Source: Orange Township and peers

¹ Excludes Liberty Township as data was not available

² Orange Township ratio is based on its typical staffing level of 3.0 FTEs

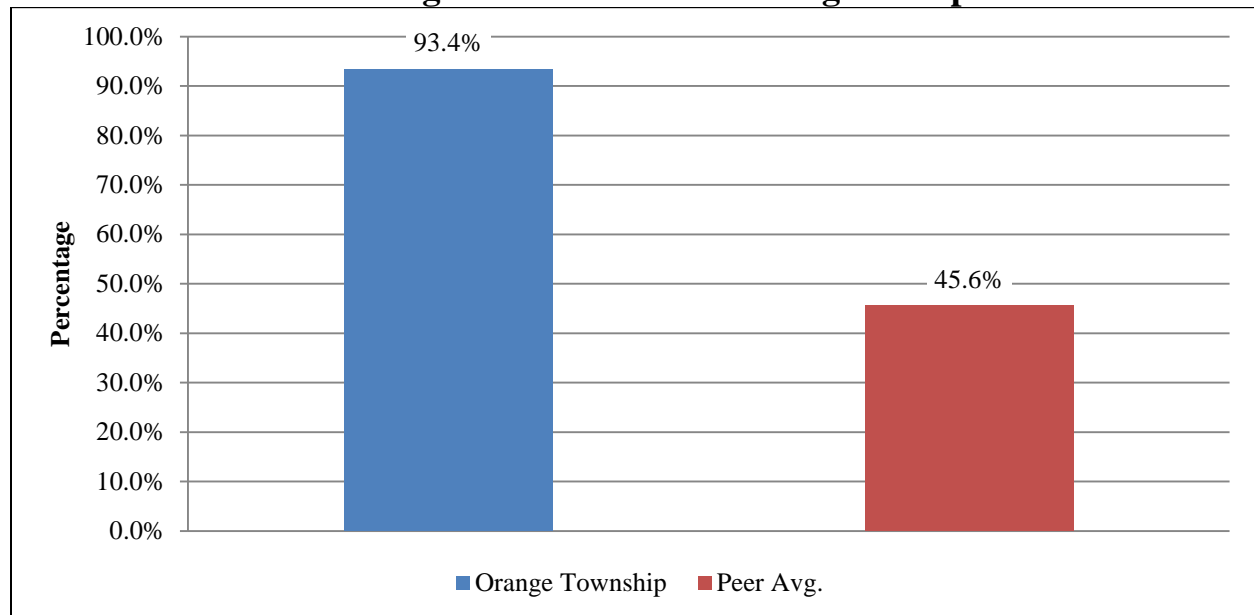
As shown in **Table 4-2**, the Planning and Zoning Department processed significantly more zoning permits than the peer average in 2016, and processed close to 50 percent more permits per FTE than the peers. In terms of its typical staffing level, the number of permits processed per FTE would have been consistent with the peer average.

Recommendations

R4.1 Develop a formal process for setting and updating the zoning fee schedule

Chart 4-2 shows the average Planning and Zoning Department revenues as a percent of expenditures from 2014 through 2016 compared to the peer average for the same period. This is important for assessing relative cost recovery among similar operations.

Chart 4-2: Zoning Revenues as a Percentage of Expenditures



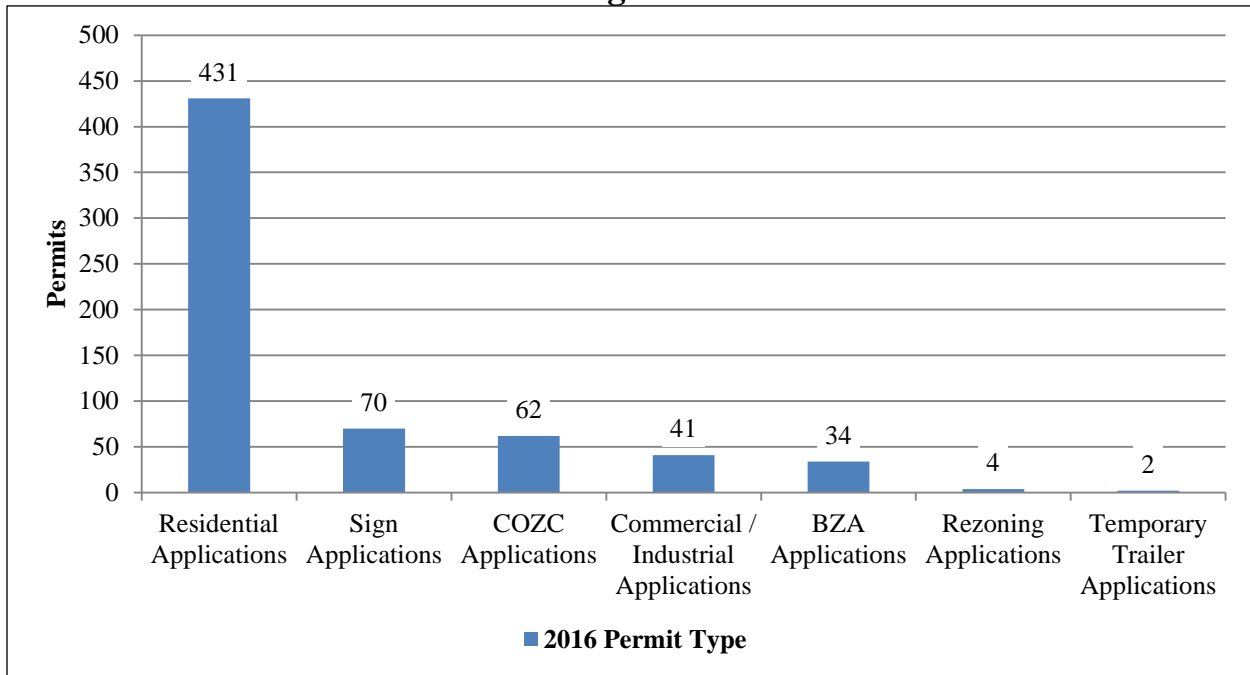
Source: Orange Township and peers

As shown in **Chart 4-2**, Orange Township's revenues covered a significantly higher portion of expenditures than the peer average. In general, the Township's revenue to expenditure ratio indicates a healthy financial condition relative to the peers.

The Planning and Zoning Department issues various types of permits and charges fees for service based on permit application type, however, the fee schedule had not been updated since January 1, 2015. Although approved by the Board of Trustees in 2015, the fee schedule was primarily developed by the former Planning and Zoning Director. Currently, the Township does not have a formal process for assessing and setting the fee schedule.

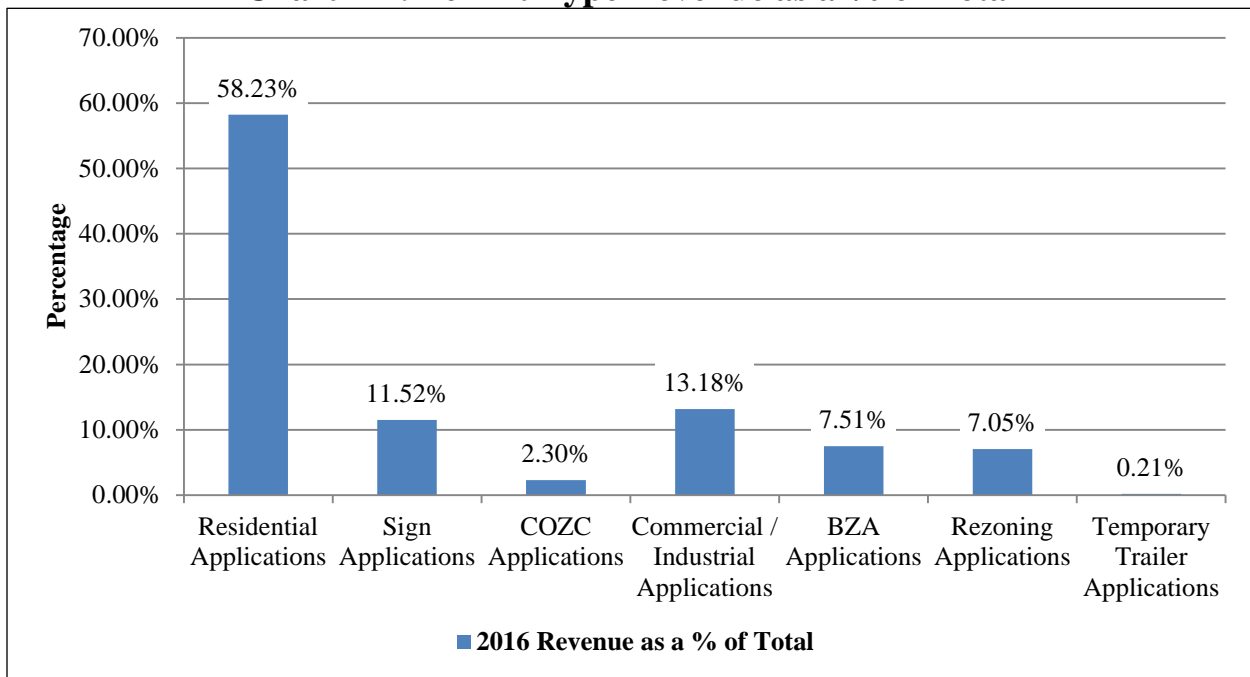
Chart 4-3 shows the number of permit applications processed in 2016 by type and **Chart 4-4** shows the corresponding revenue of each permit type and each type's impact on total revenue. This can help identify areas where changes in permit fees could have the most impact.

Chart 4-3: Zoning Permits Processed



Source: Orange Township

Chart 4-4: Permit Type Revenue as a % of Total



Source: Orange Township

As shown in **Chart 4-3**, residential applications made up the largest category of permits processed, representing 66.9 percent of total permits processed. **Chart 4-4** shows that residential applications made up the largest source of revenue for the Zoning Department, representing 58.2

percent of total revenue received. This signifies that assessing the appropriateness of residential application fees could have the most impact for the Township.

Establishing Government Charges and Fees (Government Finance Officers Association (GFOA), 2014) states that well-designed charges and fees not only reduce the need for additional revenue sources, but promote service efficiency. The following should be considered when developing charges and fees:

- Determine applicable laws and statutes regarding charges and fees;
- Determine the full cost of providing the service (both direct and indirect);
- Ensure that fees and charges are periodically reviewed and updated;
- Ensure that long-term forecasts and plans are consistent with decision-making in the rate setting process; and
- Determine how the public will be involved in the fee setting process, and how the public will be informed.

The Township should review the full cost of providing zoning services and ensure that direct and indirect costs, overhead, and charges for the use of capital facilities are accounted for when determining fees. Examples of direct costs include the time spent on an activity and travel to an inspection site while overhead costs include payroll processing, accounting services, computer usage, and other administrative services.

In addition to determining activity cost, the Township could compare its fees and charges with those of comparable or neighboring townships as a guide to setting rates. However, due to variations in the scope of what individual fees entail across entities, it is important to note that the Township would need to work closely with other zoning departments in determining comparable fees.

Table 4-3 shows a comparison of the fees for the Township's two highest revenue generating application types compared to the peer average. This indicates whether fees are regionally consistent.

Table 4-3: Zoning Base Fee Comparison

Fee Type	Orange Twp.	Peer Avg.	Difference	% Difference
Residential-Single Family Dwelling	\$300	\$388	(\$88)	(22.6%)
Non-Residential Commercial-New Construction ¹	\$200	\$300	(\$100)	(33.3%)

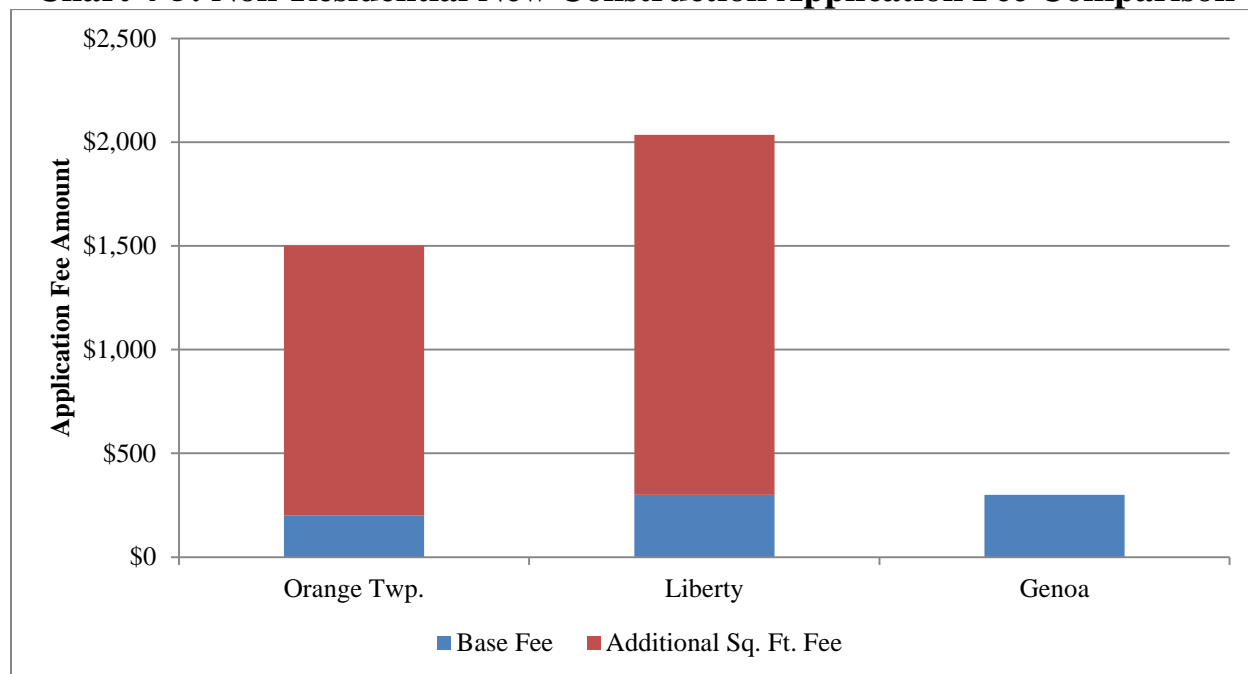
Source: Orange Township and the peers of Liberty Township and Genoa Township

¹ Orange Township's fee consists of a \$200 base fee plus \$15.00 per 100 square feet. Liberty Township's fee consists of a \$300 base fee plus \$20.00 per 100 square feet. Genoa Township's fee consists of a \$300 base fee only.

As shown in **Table 4-3**, the Township fees for the two most popular application types are well below the peer averages.

Chart 4-5 shows a comparison of the average amount of non-residential new construction fee revenue in 2016, per application, that incorporates both the base fee rates and the rates for additional square footage beyond the minimums, among the Township and peers.²⁶

Chart 4-5: Non-Residential New Construction Application Fee Comparison



Source: Orange Township and the peer townships of Genoa and Liberty

As shown in **Chart 4-5**, the Township’s base fee rate is lower than both of the peer townships’ rates. However, while the base fee rate is lower, the total amount of revenue charged by the Township per application was higher than Genoa Township but lower than Liberty Township after accounting for fees charged for additional square footage. Specifically, the Township charged an average of \$1,302 per application, while Genoa Township and Liberty Township charged \$300 and \$1,736, respectively.

Periodic fee-schedule updates should be performed with a review of the service demand to ensure that the quality and price of the service meet actual demand.

The Township should develop a formal process for determining and updating fees. Without this, Township fee revenue might be inadequate to cover Planning and Zoning expenditures.

²⁶ The peer average values are based on the peer application fee rates and the number of applications processed (5) by Orange Township in 2016.

5. Operational Support

Background

Operational support for the Township consists of administrative assistants, contracted legal counsel, and a contracted owner's representative (i.e., project management).²⁷ The primary duties of the administrative assistants are to field inquiries from the public about park and shelter rental, pool passes, zoning, road closures, requests to speak to elected officials, and deliveries. These inquiries are received through walk-ins, by phone, and by email. The administrative assistants report to the Township Administrator and the Maintenance and Parks Director. The primary services offered by the contracted legal counsel include contract, agreement, and application review, and attendance at Board of Trustees, Zoning Commission, and BZA meetings.

Recommendations

R5.1 Review front desk staffing and implement activity tracking

Table 5-1 shows a summary of administrative assistant staffing as compared to the peer average. Comparing staffing levels to similar sized operations can assist the Township in better determining future staffing needs.

Table 5-1: Administrative Assistant Staffing Comparison

Position	Orange Twp.	Peer Avg.	Difference	% Difference
Administrative Assistant FTEs	4.0	2.2	1.8	81.8%
Staffing Ratios				
Population	27,223	25,068	2,155	8.6%
Administrative FTEs per 1,000 Residents	0.15	0.09	0.06	66.7%
Total Township FTEs (excluding Police)	20.2	18.9	1.3	6.8%
Township FTEs per Administrative FTE	5.05	8.60	(3.55)	(41.3%)

Source: Orange Township and peers

As shown in **Table 5-1**, the Township has more administrative assistant FTEs per 1,000 residents and fewer total staff per administrative assistant compared to the peer average.

Of the 4.0 FTE administrative assistants, 2.0 FTEs are specifically assigned to the front desk of the Township Hall, while on average, the peers assign 1.0 FTE to front desk duties. These dedicated administrative assistants share the front desk duties and have other responsibilities assigned to them. However, there is no formal process in place to track front desk activity and

²⁷ Beginning in 2017, the Township developed a formal contract with a construction project management consultant to manage specific tasks involving large projects. Each task has a specific scope of duties and responsibilities.

how much time is spent on specific duties. Collecting and tracking front desk data could help determine appropriate staffing levels as well as provide information to the Township regarding areas of concern expressed by the residents. Types of front desk data to track could include items such as:

- Date of occurrence;
- Type of occurrence (walk-in, phone call, email);
- Reason for occurrence (rental, pool, zoning, signage, complaint, other);
- Time spent on occurrence; and
- Comments regarding the occurrence.

Without a formal process to collect data on front desk activity, the Township risks inefficient use of resources. The Township should consider if both administrative assistants are needed at the front desk or if they have excess capacity to assist other departments.

R5.2 Develop a structured legal procurement plan

The Township primarily uses outside vendors for legal counsel, including reviews of contracts, agreements, applications, and attendance at Board of Trustees, Zoning Commission, and BZA meetings. The hourly rate charged for 2016 was \$144.00 per hour. On average, the Township spent \$189,170 per year for legal services from 2014 through 2016. In contrast, the peers all use their respective local county prosecutor's offices as the primary option for legal counsel.

While select departments within Orange Township use the Delaware County Prosecutor's Office (DCPO) for certain legal services,²⁸ the Township does not have a formal plan for strategically determining when a given provider is best suited for a specific type of legal service. Therefore, the Township should develop a structured legal procurement plan that provides guidelines for selecting a legal service provider based on factors such as qualifications, expertise, timing, availability, and cost. Doing so will allow the Township to maximize its time and to optimally align resources with its legal service needs. By continuing to use a single third party as its primary legal source, the Township runs the risk of paying more than necessary for legal counsel.

R5.3 Develop an overall Township staffing plan

The Township lacks a formal staffing plan that would help it to effectively allocate current staffing and determine future staffing needs. The absence of a formal staffing plan reduces the Township's visibility into whether staffing levels are efficient and, as a result, changes to staffing levels are made on a reactionary basis.

²⁸ The Roads and Maintenance Department and Parks Department both use DCPO for a limited scope of services, such as contracts and easements.

According to *Your Next Move: Strategic Workforce Planning in the Public Sector* (Deloitte, 2006), “strategic workforce planning is an ongoing process for defining and anticipating long-term workforce needs”. Five key stages in developing a strategic workforce plan are as follows:

- Identify critical workforce segments;
- Establish one source of truth (data consistency);
- Analyze labor supply/demand;
- Identify strategies to mitigate future labor gaps; and
- Embed workforce planning as part of the annual planning process.

Workforce Planning Guide and Sample Plan (Ohio Department of Administrative Services (DAS), 2013) provides guidance for developing a comprehensive staffing plan. DAS states that essential components of a workforce plan include analyses of an agency’s:

- Demand and workload;
- Supply and workforce;
- Supervisor span of control;
- Internal and external challenges;
- Gaps between anticipated workloads and qualified personnel; and
- Future planned actions.

The DAS guidance could provide a starting point for the Township to consider when developing a staffing plan. However, the Township should seek out additional resources that would assist in developing a staffing plan that communicates staffing strategies and priorities as well as contingency plans. The staffing plan should incorporate factors such as workload measures, available resources, contractual agreements, and service goals. A comprehensive staffing plan would allow the Township to explain or defend its decisions to hire or reduce personnel based on the objective analysis and clear reasoning that a staffing plan offers.

Appendix A: Scope and Objectives

Generally accepted government auditing standards 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.

In consultation with the Township, OPT identified the following initial scope areas for detailed review: Public Safety, Public Service, Administration, Financial Management, and Governance. During the initial planning process, OPT worked collaboratively with the Township to develop a final scope and audit objectives. The final scope includes: Fire/EMS Operations, Roads and Maintenance and Parks Operations, Planning and Zoning Operations, and Operational Support.

Based on the agreed upon scope, OPT developed five objectives designed to identify improvements to economy, efficiency, and/or effectiveness. **Table A-1** shows the objectives assessed in this performance audit and references the corresponding recommendation(s) when applicable.

Table A-1: Audit Objectives and Recommendations

Objective	Recommendation
Fire/EMS Operations	
What opportunities exist for the Township to improve the efficiency and/or effectiveness of operations of the Fire/EMS Department in relation to peers, industry standards, and/or leading practices?	R2.1 and R2.2
Roads and Maintenance and Parks Operations	
What opportunities exist for the Township to improve the efficiency and/or effectiveness of operations of the Roads and Maintenance and Parks Department in relation to peers, industry standards, and/or leading practices?	R3.1
Planning and Zoning Operations	
What opportunities exist for the Township to improve the efficiency and/or effectiveness of operations of the Planning and Zoning Department in relation to peers, industry standards, and/or leading practices?	R4.1
Operational Support	
What opportunities exist for the Township to improve the efficiency and/or effectiveness of operations of Operational Support in relation to peers, industry standards, and/or leading practices?	R5.1, R5.2, and R5.3

Note: 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.

Client Response

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



Orange Township Administrator

December 15, 2017

Mr. David Yost, State Auditor
Office of the Auditor of the State
88 East Broad Street, 5th Floor
Columbus, OH 43215

Dear Auditor Yost,

Orange Township would like to thank you and the Performance Audit team for the time, effort, and energy in conducting the audit report for our community.

The Township requested the Auditor's Office conduct this audit process to collect hard data, and confirm that the Township has been making sound decisions in areas of operation, and to identify any potential opportunities to reduce costs and improve efficiencies.

The audit report provides several recommendations for the Township to consider. These recommendations include; reviewing the current leave-use and accumulation policy as provided through the Fire Department's collective bargaining agreement, the consideration of employing a mechanic to address Township vehicle needs, the development of a vehicle maintenance data tracking system, formalizing a process to address the zoning fee schedule, develop a structured procurement plan for the use of all legal services, and develop a staffing plan the includes opportunities for activity tracking.

The audit also validates many efforts of the Township leadership in seeking to reduce costs in the areas of contracted project management, and through formalized partnerships with other communities and agencies. The Township was also found to be financially prudent in addressing expenditures in relation to revenues.

The Township will consider the audit recommendations, and continue to deliver desired services within our financial parameters. Thank you for your positive feedback, and this valuable tool that shall serve to assist us in future decision making.

Sincerely,

Lee R. Bodnar, Administrator

Cc: Board of Orange Township Trustees

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Dave Yost • Auditor of State

ORANGE TOWNSHIP

DELAWARE 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
DECEMBER 28, 2017**