


2010 NSAA Excellence in
Accountability Award

City of North Canton


Presented by: Betsy Bashore
and Kristi Erlewine

Overview

- The Scope of the Problem
- The Audit Design and Execution
- The Results and Community Outcome

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Ohio Auditor of State  www.auditor.state.oh.us

THE SCOPE OF THE PROBLEM

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City of North Canton

- Stark County (NE Ohio)
- Suburb of Canton
- 16,755 residents, 7.15 sq miles
- Home rule municipal corporation (charter city)

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The Problem

- Loss of major employer results in 12% decrease in General Fund revenue.
- Employer closing has ripple effect
 - Supported services
 - Service levels
 - Resident income

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Tough Decisions

- Service levels reevaluated
 - What can the City afford to provide?
- Tax base
 - What can residents afford to pay?
- City infrastructure and housing stock
 - How to maintain high quality of living with diminished City and resident resources?

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Council' Reaction

- Reduced expenditures
- See outside assistance
 - Auditor of State's Office, Performance Audit Section
- Open discussions with residents about challenges

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Council's Reservations

- Believed staff already lean
 - Did not want to reduce staffing
 - Staff costs about 36% of total expenditures
- Believed services needed to be maintained
 - Perception that drastic cuts in service would harm the City's livability.

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AUDIT DESIGN AND EXECUTION

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Audit Design

- Areas of operation
- Peer cities
- State/National Practices
- Leading and Recommended Practices
- Innovative Approaches

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Audit Findings

- Administration and City Management
- Human Resources
- Public Safety
- Public Works

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Administration and City Management

- Formalization of processes
 - Service fees and service subsidies
- Opportunities for outsourcing
- Limit wage increases

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Administration and City Management

- Collective Bargaining Agreement
 - Key provisions
- Sick Leave Usage
 - Cost and lost productivity

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Public Safety

- Efficient police and fire services
 - Use of part-time and volunteer firefighters
 - Costs below peers in most areas
- Options for service delivery
 - Outsource dispatch
 - Consolidate police and fire positions
 - Outsource functions to third party

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Public Works

- Snow and Ice Control
 - High salt contract costs and inefficient use of salt products
 - Inefficient snow and ice control practices, no formal plan
- Street Sweeping
 - Frequency
- Department Consolidation
 - Narrow span of control

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AUDIT RESULTS AND COMMUNITY OUTCOMES

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Audit Results

- Implementation of audit recommendations would extend solvency
- Reduced deficit in future and deficit spending immediately
- Still left difficult decisions for the City
 - Services levels
 - Pursuing outsourcing
 - Pursuing revenue enhancements

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City Reaction

- Community Forums
- Implementation of recommendations
 - Balanced budget through 2010
- Ongoing discussions about service levels and provision methods

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Continuing Innovations

- Model “taxpayer”
 - Used to evaluate the impact of any tax increases on residents (e.g. ability to pay)
- Council and Administration Collaboration
 - Problem solving and spending adjustments on a continuous basis

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Overall Outcome

- Early identification of impending fiscal problem and immediate action helped mitigate revenue loss and ensure continuity of services
- National economic problems have negatively influenced remaining revenue.

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Ohio Auditor of State Performance Audit Section

88 East Broad Street
Columbus, Ohio 43215

Betsy Bashore and Kristi Erlewine

(800) 282-0370
(614) 466-4490

E-mail: bjbashore@auditor.state.oh.us
kserlewine@auditor.state.oh.us

Mary Taylor, CPA
Ohio Auditor of State



www.auditor.state.oh.us



Mary Taylor, CPA
Auditor of State

88 East Broad Street
Columbus Ohio, 43215

Phone: (800) 282-0370 Fax: (614) 466-4490

E-mail: contactus@auditor.state.oh.us

www.auditor.state.oh.us
