

Oak Bluffs Police Department
Analysis of Town Budget

The Police Department is the second largest cost center for the Town of Oak Bluffs (after the Oak Bluffs School). The FY12 appropriation for the Police is 7% of overall General Fund spending.¹ Personnel is the largest Police expense in the budget: 94 % in FY10; 89% in FY12.² Two significant department costs are not included in the Police Department appropriation: employee insurance and vehicles.³

The Town voted the Strong Chief model which gives the Police Chief full discretion as to staffing, overtime and assignments.⁴ The Police Personnel Budget was \$1,356,950 (FY10) for 17 Full Time Equivalents (FTE): 4 management; 11 patrol officers and 2 administrative personnel. This does not include a Detective (\$86,161.04) or Overtime (\$154,417.50). The average hourly wage for patrol officers was \$39.18 including Quinn Bill but not including overtime or health insurance. The Quinn Bill expense in FY10 was \$125,635, in FY11 \$184,766 and in FY12 is \$165,620. The State no longer reimburses the Town for Quinn expense.⁵

The major source of revenue is parking ticket receipts (\$73,920 FY10, \$49,465 July-May FY11). A minor source of revenue is firearms licenses (\$550 F10⁶). These revenues revert to the General Fund. Outside details had receipts of \$26,888 (DOR FY10). For private, off duty details, only a 10% administrative fee reverts to the town General Fund.

Compared to benchmark towns, OB spends \$433 per capita on police.⁷ Cape Cod towns spend more with smaller populations (Truro \$680, Wellfleet \$538). Edgartown spends \$541 while Nantucket spends \$340 with a population 2.5 times greater.

A three year contract with the Police union for FY12-14 has been negotiated and signed by the Board of Selectmen. It includes generous compensation: 2% raises each year without performance reviews, 100% Quinn Bill funding with no State reimbursement of cost, payment for unused sick leave at separation (up to 50% after 15 years of service and paid at current year rates although earned at previous salary levels). The current 10 hour shift schedule provides 52 more days off-duty for an employee versus an 8 hour shift. In terms of operating costs the 10 hour shift requires extra full-time equivalent (FTE) personnel, for example 3 added FTEs for 3 person shifts, 24x7. The contract includes one notable reduction: from 33% to 25% of the overtime/shift budget⁸ is mandated to be paid out.

The table on page 2 lists all Police Department functions and activities rated according to the degree that these are essential services or not. The rating scale is:

- 3 Required By law/statute, needed for safety
- 2 Expected service, appropriate in a resort town
- 1 Quality of life enhancement
- 0 Non-police function; community good will; look for alternative providers/sources

There is potential to reduce overall labor hours by replacing police in providing non-essential services (those rated 0 and 1) with more cost-effective or more appropriate providers/resources. During economic hard times some services may be deferred. There is potential to reduce expenses in two ways: if enough hours are cut, one or more full-time-equivalent (FTE) personnel may be reduced from the department budget. Alternatively, if total hours worked are reduced this should reduce the need for some overtime expense.

¹ FY12: \$1,723,220 out of \$24,018,684 (not including Wastewater Enterprise Fund).

² Town of Oak Bluffs *Annual Town Report* 2010 is the latest published data on salary by position for the department. FY10 is also the latest year for which complete MA Department of Revenue and Expense details are available. The percentage excludes costs for the Animal Control officer and assistant.

³ The Police Department appropriation does not include health or dental insurance expense or vehicle expenses. The Town covers 75% of health insurance and 50% of dental insurance. The insurance expenditure is included in the Treasurer's appropriation. The cost of vehicles, maintenance and fuel is paid from the Ambulance Revolving Fund.

⁴ 41 MGL 97A. This results in the Chief, rather than the Board of Selectmen or Town voters, having control over the size and allocation of the majority of the Department appropriation.

⁵ The State reimbursement amounts were: \$15,242 in FY10; \$7,607 proposed in FY11.

⁶ A request has been made to the DOR for # firearms licenses issued in FY10.

⁷ Amounts reported by DOR. DOR does not identify whether insurance or vehicle costs are included for Oak Bluffs or other towns.

⁸ \$158,466 in FY10, \$163,466 in FY12.

Oak Bluffs Police Department
Analysis of Town Budget

Police Department Activities ranked using criteria:

3=Required by law/statute, needed for safety; 2=Expected service, appropriate in resort town; 1=Quality of life enhancement; 0=Not a required police function

Function/Activity	Notes
Statistics: 6256 calls for service; 468 arrests, court summonses, criminal complaint	
Resident parking sticker issuing and tracking	0 Identify alternative assignment to centralized permitting function
Bike Safety Classes	0 Provide through volunteers
Youth task force	0
Roads and byway committee	0 Should not be at Chief level
MVRHS school resource officer	1 Share Regionally across towns
Parking Enforcement-Tickets	1 Substantial revenue potential; provide with least expensive personnel
Motor cycle patrol	1 Provides access flexibility Except as required by law, provide with volunteers. Actual expenses for officers should be reimbursed
Patrol boat- cruise ship security	1
Homeless task force	1
Responsible for policing and protection of; High school, hospital, community services, YMCA, ice arena, elderly housing	1 Cover with PILOT reimbursements Incidents are not reimbursed. Off duty service is billing at \$60 per hour. Hospital should hire security personnel.
Mental health patients security at the hospital	1/ 1 Hospital should hire security personnel.
Security/home alarm response	2 Fines; false alarm fees or subscription service for ACTUAL EXPENSES
Martha's Vineyard Tactical response team, including hostage negotiator. Six members	1/ 2 Potential for substantial expense to the town
Bike patrol	2
Entertainment license enforcement	2
Traffic control - Directing, Ferry arrival	2 SSA provided \$105k in 2010
Drug Task Force. 4 members	2
Patrol boat- search and rescue	2
Animal control	2 Regionalized cost w/Tisbury \$24k; license fees should cover; contract to animal shelter
Responsible for policing and protection of; grade school	2
Lost, found and stolen property	2
Special Events: Fireworks, illumination, July 4, harbor feast, summer solstice, Tivoli day, numerous road races, shark tournament	2 Non-town events should be reimbursed ACTUAL EXPENSES by event owner
Island-wide flu clinic	2
Assistance to other depts - health, harbor, school, highway, fire, ambulance, building inspector	2
Traffic Enforcement	3

Oak Bluffs Police Department
Analysis of Town Budget

Department: **Police** (cont'd.)

Function/Activity	Notes
Court Warrants	3
Court prosecutor, Testifying in court	3
Service of court papers- restraining orders, trespass orders, summonses etc	3
Arrests, court summonses, criminal complaints	3
Domestic violence and elder abuse liaison	3
Firearm licensing	3
Sex offender registration and enforcement	3
First responders to ambulance and fire calls	3
Investigation of traffic and property accidents	3
Moped licenses inspection and enforcement	3/ 1
Child seat technicians- child safety seat inspection	2
Alcohol establishment inspections and violations	3/ 2
Taxi licensing and inspection	3/ 2

Local bylaw; should be reimbursed ACTUAL EXPENSES by businesses using a fully loaded rate

Certification; charge for services

Oak Bluffs Police Department
Analysis of Town Budget

Suggestions for savings, reductions and/or efficiencies

1. Police Department Merger.

The Department of Revenue will be conducting additional analysis of the potential to merge the Tisbury and Oak Bluffs Police Departments. The *Regional Public Safety Services Study of Oak Bluffs and Tisbury*, March 2011, by MMA Consulting Group Inc. concludes that one or more management positions might be reduced by a merger. This offers the largest potential cost savings in light of the fact that personnel account for the majority of expense for the Police Department. Reduction of Oak Bluffs Police management positions would also lower insurance expenses.

Recommendation: If confirmed by DOR, plan the merger to ensure that position and expense reductions benefit Oak Bluffs.

2. Police Details

By law the State limits charges of a municipality for administrative overhead for police services to 10%. The current billing rate of \$40 per hour does not compensate the town fully for required administrative time (request processing, scheduling, billing, collection and customer follow-up) even assuming a four hour minimum for a patrol officer.

Current reimbursement information:

- Details for Town events are covered as official duty and paid at overtime rates ranging from \$48 to \$80 per hour depending on rank.
- Emergency details at the Hospital are reimbursed by the hospital (4 hour minimum) at \$60 per hour for officers and \$40 per hour for specials.
- All other details \$40 per hour with 4 & 8 hour minimums.

Recommendation: Adjust hourly billing rate for “private” off duty police service details in order to recover actual costs for both labor and administrative overhead. Prepare actual cost rates for use by the Board of Selectmen (BOS). Develop specific criteria that the BOS shall use to identify which rates apply: for profit, not-for-profit, town functions, etc. Any reimbursement that is waived shall be publicly explained. Document and streamline both billing and collections procedures. Ensure collection of unpaid bills. Require payment in advance.

Police Officer Salary - FY10				Police Administration			Current Rate	Cost Recovery Rate
Quinn	Salary	Avg Salary	Salary Rate per Hour	Salary	Rate per Hour	Billing Time	4 hour minimum plus 10%	
\$ 8,424	\$ 82,719		2080	\$ 44,531	\$ 21.41	1		
	\$ 78,831							
	\$ 61,743							
	\$ 65,947							
\$ 11,398	\$ 93,317							
\$ 11,398	\$ 92,587							
\$ 8,107	\$ 83,684							
\$ 11,398	\$ 95,024							
\$ 11,398	\$ 95,897							
	\$ 71,630							
	\$ 74,959							
\$ 62,123	\$ 896,338	\$ 81,485.27	\$ 39.18			\$ 21.41		
Health insurance addback as % personnel costs:								
FY09	15%		\$ 45.05			\$ 24.62		
FY11	24%		\$ 48.58			\$ 26.55	\$161 \$ 220.86	

Oak Bluffs Police Department
Analysis of Town Budget

3. Cruise ships – cruise ships may be an untapped source of additional revenue but the town needs to understand the benefits and impacts of the support services required. The current \$3,500 fee is based on not exceeding perceived standard port rates charged to a cruise ship of \$10,000 per stay in port. Officers are currently paid for 7 hours automatically. The harbor fees go into a revolving fund that benefits the harbor; however the costs are to the police department.

Recommendation: Any police detail for cruise ship port security should be for only the actual hours on duty. Full costs to support the cruise ship for the current fee should be calculated, including police overtime and pension, administrative costs, etc. The Town should develop a marketing plan⁹ to increase cruise revenue in line with quality of life impacts. The plan should include analysis of the potential and actual business benefit (if any) from cruise ships. There may be a business opportunity to provide reimbursed ship to shore service to offload passengers. Evaluate the impact of having the Police directly reimbursed for this service.

4. Patrol Boat. The Town has taken on cruise security responsibilities and port security by virtue of acquiring a patrol boat with a homeland security grant.

Recommendation: The costs to operate and maintain the boat should be fully itemized and recovered through appropriate fees and use charges, including personnel costs, fuel and “value” of usage (depreciation), operational maintenance, etc. \$8,500 annual maintenance budget should be validated. Evaluate the “good will” benefits to other towns for fire patrol, drug investigations and/or physical security of cruise ships. Coordinate with Tisbury on findings from patrol boat operations and costs. Evaluate the liability from a boat accident and determine how the Town is covered? Evaluate the future cost of replacement and establish a means to fund.

5. Fines and fees. There is no up-to-date, comprehensive list of fines and fees. Enforcement and follow-up for payment are not consistent.

Recommendation: Document all fines and fees, including amounts and authority (bylaw, issuing office). Standardize charges and revise and make consistent all authorizations. Consolidate issuance and collection of all fines, fees and permits into one operation: residential and commercial parking space permits, licenses, inspections, and all fines. Require fee payment in advance wherever possible. Develop credit card payment options. Increase all fines and fees to reasonable and appropriate levels, compared to other jurisdictions and relative to operating costs. Create effective follow-up procedures to ensure collection.

6. Employee leave management. The annual audit report finds that there is the potential for employees to be awarded leave in excess of what they are owed because there is no tracking system and there is lax administration and approval.

Recommendation: Implement FY11 audit recommendations: automate INDEPENDENT tracking of leave in all departments. Limit and INDEPENDENTLY validate sick and vacation leave carryover and lump sum payments. Ensure that employment contracts include policy on management and administration of all leave.

7. Parking enforcement – Tickets issued in FY11 (1094 for 11 months) were 37% of those issued in FY10 (2921) due to weak enforcement.¹⁰ At \$20 per ticket that is a potential loss of \$50,000 in annual revenue.

Recommendation: Expand enforcement period from mid-May through Columbus Day. Increase out of state collections. Contact Cape Cod Commission and Martha’s Vineyard Commission to pursue reciprocity

⁹ Renee Balter has volunteered to develop this analysis.

¹⁰ The average annual rate over prior 3 years was 3654.

Oak Bluffs Police Department
Analysis of Town Budget

arrangements. Use least expensive personnel for parking enforcement. Incentivize enforcement and collections. Increase fine for parking beyond the permitted time from \$20 to \$50 allowed by State. Communicate top priority to enforcement personnel. Evaluate whether residential parking permits improve residents parking options in the summer. Approve County use of police letterhead to improve collections from out of state drivers.

8. Quinn Bill – this is substantial expense, benefiting only a few personnel who completed educational requirements prior to 1997. The State has eliminated its 50% reimbursement. Several lawsuits are pending to determine if towns may vote to eliminate the Quinn bonus and how the union contract may restrict that elimination. FY10 expense is \$178,966 for which the State reimbursed \$15,242.¹¹ The FY12 cost estimate is \$165,620 with no State reimbursement.

Recommendation: Negotiate a smaller dollar amount to fund outstanding officer performance based on specific criteria and open to all police. The current Board of Selectmen signed a new contract on July 1, 2011 that will make any adjustment difficult:

“The Town accepts responsibility for one hundred percent (100%) of the costs of the annual payment approved by the Board of Higher Education under the Quinn Bill.”

9. Automatic Alarm Systems – The fees for responding to malfunctioning automatic security alarms are not being charged as per the town Bylaw Chapter IX C.1.2. There is no data available on how many malfunctioning automatic security alarms occur.¹² The current charge to be registered with 911 at the County is \$75. Security Alarm companies charge an additional fee (\$10) to register clients with the county.

Recommendation: Enforce the town Bylaw, increase the fine for malfunctioning equipment to \$100 and implement on 3rd false alarm.

10. Animal control – Down island towns have separate services and policies. Oak Bluffs has had difficulty funding this required oversight function. There is no FY12 funding for this activity.

Recommendation: Regionalize with Tisbury or contract out on a case by case basis. The Animal Shelter is interested in doing this on an outsourced basis. Establish fines for repeat escape cases. Coordinate oversight so that an animal deemed no longer suitable for residential areas cannot be moved to another town to avoid penalty.

11. Fire arms permits – Permits are \$25 annually. In FY10 \$550 was received in permit fees. There does not seem to be any comprehensive list kept at the Department of permits issued.

Recommendation: Establish a register of permits issued that is maintained at the police headquarters. Consider raising permit fee. Actual number of permits issued has been requested from DOR.

11. Police Retirement – By law overtime and private duty pay may not be credited to retirement. This would substantially inflate the cost to the town of retirement pensions.

Recommendation – Confirm that FY10 retirement “credits” do not include any overtime or private duty pay. A report has been requested from the Dukes Country Retirement Board.

¹¹ This amount is taken from DOR reports. It does not match the amount reported in the Town Annual Report 2010.

¹² The Fire Department reports 171 false fire alarms in FY10.

Oak Bluffs Police Department
Analysis of Town Budget

The following chart summarizes the areas for potential revenue and expense impact in the Police Department operations.

Category	Scope	Comments	Budget/Spending Impact (e.g. cost recovery, increased income, savings, expense reduction, cost efficiency)	Obstacles
Merger	Police	Merger could reduce number of management positions overall. Ensure that Oak Bluffs eliminates positions to reduce personnel costs. The merger could also facilitate relocation from prime downtown real estate to the town campus in order to co-locate headquarters operations for the two towns. DOR study should validate the MMA findings.	Expense reduction by elimination of one or more Oak Bluffs Department management positions.	Union and town parochialism.
Police Details	Police	Rates should reflect actual operational and administrative costs. Investigate direct client payment to off duty personnel. Ensure that off duty hours are not credited to retirement.	Actual cost recovery for administrative process Potential increased town revenue	May limit Chief and BOS discretion Requires BOS transparency in waiving of charges
Cruise Ship Security	Police, Harbor, Emergency Management	Review operations and charges to validate that \$3,500 fee actually exceeds costs. If not, raise fee. Develop marketing plan to determine if additional ships increase revenue without significant negative impacts. Staff with off duty, lowest cost personnel. Evaluate business potential for passenger transport ship to shore. Confirm that off duty hours are not credited to retirement.	Potential additional revenue from more cruise ships.	
Patrol Boat	Police, Fire, Emergency Mgt.	The benefit from being given a boat is outrun by operating costs. Calculate actual costs (fuel, parts, maintenance) relative to \$8,500 annual budget. Confirm usage and tangible and intangible benefits. Eliminate non-critical use and operating costs. Determine capital asset replacement cost and budget source.	Control future operational expense and asset replacement costs	
Leave Administration	All depts.	Audit reports find this a serious internal control weakness.	Cost efficiency Reduces potential for leave abuse Potential to increase availability of personnel	Software application and business process changes required

Oak Bluffs Police Department
Analysis of Town Budget

Category	Scope	Comments	Budget/Spending Impact (e.g. cost recovery, increased income, savings, expense reduction, cost efficiency)	Obstacles
Parking enforcement	Police, central permit office	Establish longer season. Incentivize active enforcement. Increase parking fine to \$50. Allow County to issue out of state collections on Police letterhead. Pursue possible interstate reciprocal enforcement agreements. Institute residential parking permits Institute off-site parking for employees and long term public transportation customers (e.g. SSA, etc.)	Increased income	Requires information systems and dedicated personnel
Quinn Bill	Police	The signed union contract appears to obviate the potential to eliminate Town obligation of the Quinn Bill. Do not develop separate salary schedules for advanced educational recognition. Consider a reasonably funded performance awards program with monetary rewards. This would be a more equitable way to reward employees. Confirm that Quinn salary is not credited to retirement.	No potential for cost reduction in current Quinn program	Employee Union Contract signed July 2011 commits Town to 100% reimbursement
Fire alarms	Police, Fire, Emergency Medical Service	Increase fine amount to \$100 each on 3 rd false alarm and thereafter	Increased revenue (15% of 171 alarms @ \$100 = \$2,565)	Requires bylaw consolidation and revision Requires tracking Requires timely billing and collections (see Fines, Fees)
Fines, Fees	Police, Ambulance, Fire, Building, Harbor, Clerk, Roads and Parking,	Centralize issuance, billing, tracking and collection for all permits, fines and other fees. Equitable enforcement ensures that all residents, citizens and visitors have equal access to town resources.	Increased revenue; cost recovery. Collections and timely permit renewals will increase revenue.	Requires at least one full-time-equivalent and information systems investments.