

Nassau County
Office of the Comptroller



Limited Review of the
Nassau County Police Department Overtime

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OFFICE OF THE COMPTROLLER

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Executive Summary

Purpose:

The purpose of our review was to perform a comparative year to year analysis of NCPD overtime, including the precincts and employees with the largest amount of overtime; determine the reasons for overtime and the validity of the reasons; and analyze NCPD cost savings initiatives to manage overtime.

Key Findings

- Police overtime earnings, net of estimated reimbursements, totaled \$315.2 million for the six years, 2009 -2014 which represents an increase of 93.7%; actual overtime earnings were also over budget by 44%. Overtime hours worked during this same period increased by 55.67%. Further, actual overtime earnings exceeded the estimated reduction in salaries and fringe costs due to attrition during this period by \$173 million.
- The NCPD's claimed future savings from delayed officer hiring were estimated to be 78% less than the \$315.20 million overtime cost incurred from 2009-2014. No cost savings analysis was provided to the auditors to substantiate that future savings would exceed the cost of staffing through overtime while waiting for the completion of police labor negotiations.
- No quantifiable evidence was provided to support that dollar savings actually resulted from the NCPD cost savings initiatives implemented in 2013. These initiatives included: deployment of officers from the Precinct Special Units that were eliminated, limiting federal task force overtime to what is reimbursed by federal agencies, aggressively managing arrest and detail overtime; expediting the graduation of academy classes; etc.
- The need to utilize overtime to meet minimum staffing requirements was not verifiable. Minimum staffing accounted for more than 55% of overtime in 2014. A document that summarized the minimum staffing requirements for each of the eight precincts could not be provided by the NCPD. As a result, the need for officers to work overtime to meet these requirements could not be tested. Currently, the minimum staffing requirements are imbedded in the Collective Bargaining Agreements (CBAs) and arbitration awards executed over the years. It is not acceptable that precinct commanders (or the auditors) have to sift through and interpret the CBAs and arbitration awards to determine the minimum staffing levels at any given time.
- Testing revealed that on average, 33% of officers were on paid leave at any point in time which resulted in higher overtime to meet minimum staffing requirements.
- The auditors' review of the roll call documents found manually altered Police roll call sheets with inconsistent formats that made it difficult to verify the reasons for overtime. The auditors

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noted that when “OT” was written next to an officer’s name, there was no indication of the reason for the overtime. The use of manual records and the lack of consistent formats increases the risk of human error making it difficult for management to review and ascertain the reasons for overtime.

- The contractual privilege to include a portion of overtime in pension benefit calculations is a major incentive for officers nearing retirement to volunteer to work overtime, contributing to larger overtime earnings of senior officers. Pensions are based on the employee’s highest consecutive salary years (three or five years depends on hire date) which includes overtime. For officers hired beginning in 2010, a cap was put on the amount of overtime that qualifies towards pension calculations. The auditors determined that the top 100 earners annually in 2011, 2012, and 2013 came from a pool of 184 officers of which 41 had retired in 2014. Although NCPD’s procedures are designed to distribute overtime equitably on a volunteer basis, our review showed that senior officers made themselves available for overtime more frequently than less senior officers.
- Police Officers did not testify in 57.6% of the cases where the officers were ordered by subpoena to appear in court, costing about \$4.5 million annually in overtime from 2011-2013. Officers are contractually entitled to a minimum of four hours of overtime when ordered by subpoena to appear in court, even when they do not testify, or when the hearing is not rescheduled within the 48 hours timeframe. During 2011-2013, the NCPD paid 65,905 hours of court overtime for which the officers did not testify.
- The NCPD’s CHIEFS timekeeping system is an extremely antiquated system with very limited functionality and is not adequate for recording police overtime. The CHIEFS System prohibits recording multiple work entries on a single day therefore overtime for different shifts and programs must be recorded on different days which do not agree with the manual time records.
- A cost analysis study to evaluate the cost-benefit of Police overtime was budgeted for \$250,000 in 2007, was never completed due to a lack of a decision by the Nassau County Legislature.

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Key Recommendations:

We recommend that the NCPD take steps to:

- control costs with the annual budget and document all assumptions and calculations to support NCPD estimated dollar savings for each cost savings initiative. This includes justifying all claimed 20 year future savings.
- develop and execute more effective initiatives to streamline the efficiency of police activities.
- consolidate and update the minimum staffing requirements from all the Police Unions' CBAs and MOAs into one document and distribute to all Commanding Officers.
- engage an outside professional police consultant to analyze the various CBAs and MOAs, and perform a cost-benefit analysis of NCPD's workforce rules and overtime policies and practices and recommend best practices, for use in future labor negotiations This would include seeking ways to reduce the minimum staffing requirements and the total number of officers in each command who are allowed to take vacation at the same time .
- develop a standard computerized roll call format across all commands, which includes the reason the officer is called in to work overtime.
- make efforts to better distribute overtime, when applicable and practical, among its entire workforce.
- review with the Nassau County District Attorney's Office and the Nassau County Administrative Judge ways to change the existing procedures used to schedule officers subpoenaed to appear in court in order to reduce cancellations within the 48 hour period.
- replace the CHIEFS timekeeping system with the current county wide InTime System that is being transitioned to PeopleSoft.

The matters covered in this report have been discussed with the officials of the Police Department. On August 21, 2015, we submitted a draft report to the Police Department for their response. The Police Department provided preliminary comments on September 28, 2015 and requested an Exit Conference, which was held on November 4, 2015. Based on the Exit Conference and a follow-up meeting on November 10, 2015, on February 4, 2016, we submitted another draft report to the Police Department for their response. The Police Department requested a second exit conference

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which was held on March 15, 2016 and on March 17, 2016 we submitted another draft report to the Police Department and they agreed to provide their response by March 31, 2016. When no response was received, a follow up phone call was placed on April 1, 2016. On April 11, 2016, the Police Department requested another extension to respond until April 18, 2016. A timeline of the review process the report went through prior to being released can be found in Appendix G. The response that was provided on April 18, 2016 can be found in Appendix H.

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Introduction

Background

The Nassau County Police Department (“NCPD” or “the Department”) provides uniformed patrol services in five precincts, which cover approximately 85% of the geographical area of the County. The remaining areas of the County are policed by 18 village and city police departments, and are assisted by security agencies as well. For a full list of all policing agencies in Nassau County, please see Appendix A. In addition, the Department provides investigative services and certain specialized police services to all municipalities within the County in support of the local police departments. These special services include Detective Investigations, Emergency Ambulance, Highway Patrol, Emergency Service, Special Operations, Crisis Negotiation, Police Training, Marine Patrol, and Applicant Investigations.

The NCPD is funded through two separate and distinct budgets. The Police Headquarters Fund (“PDH”) supports investigations and specialized services for all localities in Nassau County. The Police District Fund (“PDD”) supports the uniform patrol force for those residents residing within the five precincts. A portion of overtime earnings are reimbursed to the County through state and federal grants. The Police Department participates in several of these state and federal grants, including grants to reduce aggressive driving, programs specifically geared towards DWI prevention, and others. These grants help to defray some of the payroll costs away from the taxpayers.

According to the Police Commissioner, the prevalent forces driving overtime earnings are the numerous, complex minimum staffing requirements that the NCPD is contractually obligated to maintain. The necessity for overtime is also impacted by the nature of police activities, including investigations, arrests, annual events, special details, court appearances, and extraordinary events like Hurricane Sandy.

In addition, for 2012 only, overtime incurred as a result of the County’s response to Hurricane Sandy was reimbursed through the Federal Emergency Management Agency (“FEMA”). Excluding the FEMA reimbursement for Hurricane Sandy as an extraordinary event, estimated overtime reimbursements from 2009-2014 represented 5.27% of NCPD overtime earnings (\$17.5 million reimbursed out of \$332.7 million of overtime earnings.)

Overtime Costs 2009-2014

Exhibit I shows the amount of overtime earnings and the percentage change in overtime for the NCPD’s employees by union affiliation, each year during the six year period from 2009 to 2014. These employees included sworn officers from three different police unions¹, civilian union

¹ The Sworn Officers in the NCPD belong to one of three police unions, the Police Benevolent Association (“PBA”), the Superior Officers Association (“SOA”), and the Detectives Association, Inc. (“DAI”).

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employees² and ordinance (non-union) employees. The data shows that the PBA employees account for the largest percentage of total police overtime ranging from 52.3% to 64.2% over the six year period, followed by the DAI and SOA.

Exhibit I

Overtime Earnings by Union Affiliation (in millions)¹

<u>Employee Class</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
PBA	\$45.77	\$46.35	\$39.65	\$31.47	\$27.21	\$19.77
SOA	\$10.30	\$10.03	\$10.43	\$6.67	\$6.38	\$5.97
DAI	\$9.33	\$11.07	\$10.85	\$8.25	\$7.76	\$7.03
CSEA	\$5.90	\$6.15	\$5.93	\$5.59	\$4.72	\$4.97
ORDINANCE	\$0.02	\$-	\$0.00	\$0.00	\$0.00	\$0.08
TOTAL	\$71.32	\$73.60	\$66.86	\$51.98	\$46.07	\$37.82

% of Annual Total Overtime

<u>Employee Class</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
PBA	64.2%	63.0%	59.3%	60.5%	59.1%	52.3%
SOA	14.4%	13.6%	15.6%	12.8%	13.8%	15.8%
DAI	13.1%	15.0%	16.2%	15.9%	16.8%	18.6%
CSEA	8.3%	8.4%	8.9%	10.8%	10.3%	13.1%
ORDINANCE	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹Source of data: NCPD W-2 file 2009-2014.

Active Headcount 2009-2014

Exhibit II details the active headcount by NCPD union affiliation as of the end of each fiscal year from 2009-2014, according to NCPD W-2 files.

² The employees working civilian positions for the NCPD belong to the Civil Services Employees Association (“CSEA”)

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Exhibit II

NCPD Employees by Employee Class¹

<u>Employee Class</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
PBA	1,595	1,514	1,560	1,648	1,688	1,777
SOA	318	319	333	358	364	396
DAI	329	355	345	369	371	394
Sworn Officers	2,242	2,188	2,238	2,375	2,423	2,567
CSEA	1,168	1,205	1,196	1,226	1,228	1,183
Ordinance	12	10	11	9	9	9
Non-Sworn Employees	1,180	1,215	1,207	1,235	1,237	1,192
TOTAL	3,422	3,403	3,445	3,610	3,660	3,759

Source of data: NCPD W-2 file 2009-2014.

¹ Employee counts include any active employee of the NCPD based on termination dates found in the W-2 files.

We were told that the majority of the reduction in employees came through attrition, partly the result of retirement incentives and the three year wage freeze (from March 31, 2011 – March 31, 2014). We were informed by the Police Commissioner that hiring new police recruits was deferred until the hiring could be done under contract terms more favorable to the County, a major portion of which was from lower starting salaries and new hires paying 15% of their health benefits. Hiring new recruits resumed in May 2014.

We were also told that, in an effort to reduce payroll costs, the NCPD merged its eight precincts into five precincts³ in 2012. Then in 2015, the 4th and 5th Precincts were unmerged, which according to the Police Commissioner, was a legislative decision.

Causes of Overtime

The NCPD Commands enter information regarding officers' shifts into the NCPD's timekeeping system, known as the Computerized History Information Enforcement Files System ("CHIEFS"). NCPD IT employees generate a CHIEFS report, known as the "NCPD Overtime Report by Overtime Code" which shows the various reasons for overtime and the total overtime hours worked by reason. According to this report, the reasons for police overtime included minimum

³ Precincts merged were the 4th with the 5th, the 2nd with the 8th Precincts, and the 3rd with the 6th.

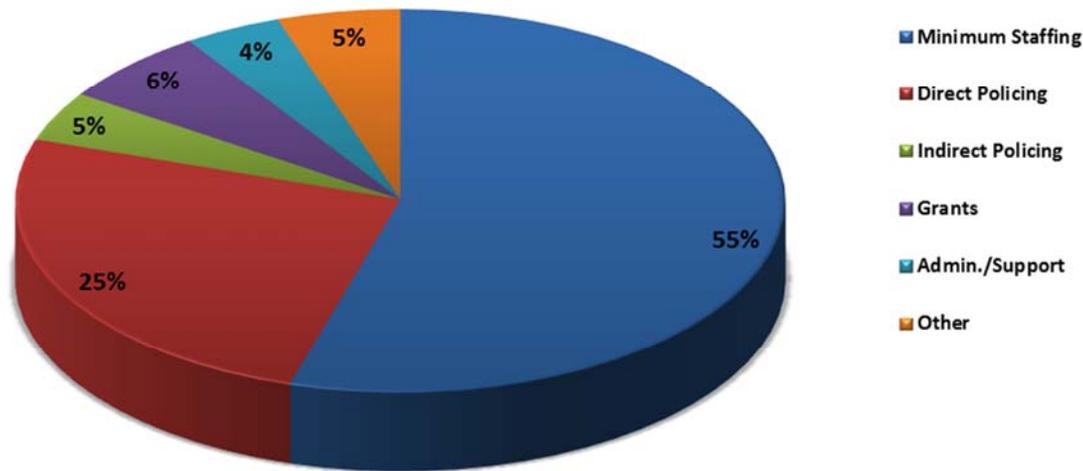
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staffing, direct policing activity⁴, indirect policing activity⁵, grants, administrative support, and other reasons.

Exhibit III below shows how each overtime activity contributed to the total number of overtime hours worked in 2014; minimum staffing accounted for the greatest portion of overtime, more than twice the amount of hours caused by direct policing activity.

Exhibit III

Causes of Police Department Overtime: 2014



Source of Data: Nassau County Police Department Overtime Report by Overtime Code, 2014.

Audit Scope, Objectives, and Methodology

Our review focused on the areas of the NCPD that experienced the highest amount of overtime during the period of January 1, 2009 through December 31, 2014.

The specific objectives were to:

- quantify and perform a comparative year to year analysis of NCPD overtime, including court overtime;

⁴ Direct policing activity includes annual community events, arrests, investigations, aggressive driving detail, radio assignments, training, and weather related overtime.

⁵ Indirect policing activity includes activities such as court duty.

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- identify the precincts, units, and employees with the largest amount of overtime;
- determine the reasons for the overtime and the validity of those reasons; and
- analyze NCPD initiatives to manage overtime.

We reviewed written policies and procedures and interviewed officials at Police Headquarters and select precincts. We reviewed collective bargaining agreements, memorandums of agreement and arbitration rulings related to the police unions. We analyzed overtime data by employee, employee grade, and responsibility center. Additionally, we reviewed internal controls over the assignment and recording of overtime and performed testing of the records for validity, and proper and complete recording. **However, many of the documents and answers to questions that were requested throughout the audit were not provided by the NCPD by the time field work was completed and the draft report was written.** In the absence of this information, reliance was placed on the County's W-2 records and Overtime Reports from the Police Department's CHIEFS System. Estimation and extrapolation techniques were used, where possible and practical, when the actual information or support for claimed savings and other financial data was not made available for audit.

It should also be noted that when the Police Department was asked to respond to the draft report, they first provided a critique of the findings, which did not include the supporting attachments referenced in the critique. This document is a Police memo dated September 25, 2015, discussed at the Exit Conference. The auditors notified the Police Department by email that the attachments were missing and also requested support for other documents and calculations incorporated by reference in the critique. The auditors also attached to the email another copy of the list of the 19 documents and/or responses to questions that were requested several times during the audit, but still had not been provided.

On October 7, 2015, the Police Department delivered a box of documents to the auditors. The auditors listed and reviewed the documents in this box (See Appendix F) and determined that very little support was provided for the documents, calculations and amounts included in the Police Department's critique of the audit. The auditors also noted that there were documents and/or responses to questions on the aforementioned list that were still not provided. At the Exit Conference on November 4, 2015, the Police Department agreed to provide the supporting documents the auditors needed, as well as the Police Department's assumptions and calculations. The auditors met again with the Police Department on November 10, 2015 and focused their review of this post audit information to those findings where the auditors believed the additional information would provide more accurate data and clarity or might change the audit recommendations.

A revised draft report was sent to the Police Department on February 4, 2016 for their response. At the request of the Police Department, a second exit conference was held on March 15, 2016

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which resulted in minor changes to the report. In this meeting, the Police Department agreed to provide the formal written response two weeks after we provided the final draft. The final draft was sent to the Police Department on March 17, 2016, with a response due date of March 31, 2016. The Acting Police Commissioner confirmed in an email to the Comptroller on March 22, 2016 the intention to respond. When no response was received by March 31, 2016, a follow up phone call was placed on April 1, 2016 which was not returned. As per audit protocol, if a formal response is not received within the fifteen (15) days, the report may be issued without a response. On April 8, 2016, 22 days had passed since the third and final draft was sent to the Police Department and we assumed no response would be forthcoming from the Police Department. On April 11, 2016, the report was in the final stages of being released when the Police Department notified the Comptroller that they still intended to respond. A final extension to respond by April 18, 2016 was granted. A timeline of the review process the report went through prior to being released can be found in Appendix G. The response, received from the Police Department on April 18, 2016, can be found in Appendix H.

We believe our review provides a reasonable basis for the findings and recommendations contained herein.

Findings and Recommendations

Review Finding:

(1) Police Overtime Earnings Increased by 93.7% between 2009 and 2014, Exceeded Estimated Savings through Attrition by \$173 Million and Were 44% Over Budget

Our review found that unreimbursed overtime earnings (overtime incurred by the County net of any reimbursements from State and Federal Agencies for special events and hurricane recovery) included in W-2 wages for the employees of the Nassau County Police Department (“NCPD” or “the Department”) totaled \$315.2 million for 2009 -2014 and increased 93.7% from \$35.51 million in 2009 to \$68.78 million in 2014⁶ (see Exhibit IV). Overtime hours worked during this same period also increased by 55.67% (see Exhibit V). Exhibit VI shows that for the six years 2009-2014, actual overtime earnings (after estimated reimbursements) of \$315.2 million surpassed the reduction in salaries and estimated fringe costs due to attrition of \$141.88, by \$173.32 million.

Overtime Earnings

Exhibit IV shows that the unreimbursed actual overtime earnings were consistently over budget each year and the gap between the budgeted and unreimbursed actual overtime earnings widened over the course of the six years from 2009-2014.

⁶ These amounts are net of the overtime earnings reimbursed from federal and state funds as shown in Exhibit I in the reimbursements column. Overtime reimbursements come from grant activities, NCPD assistance with Federal cases (asset forfeiture), and in 2012, a large reimbursement from FEMA for Superstorm Sandy overtime costs.

Findings and Recommendations

Exhibit IV

Police Department Overtime Budget vs. Actual 2009-2014 (In millions)

	A	B	C	D	E	F
Year	Original Budget ¹	Actual Per W-2 Files ²	Less Est. OT \$ Reimbursed ³	Adjusted Actual (B) - (C)	Adjusted Actual % Change	Adjusted Actual Over Budget (D) - (A)
2014	\$ 50.00	\$ 71.32	\$ 2.54	\$ 68.78	-3.30%	\$ 18.78
2013	\$ 44.00	\$ 73.60	\$ 2.47	\$ 71.13	46.69%	\$ 27.13
2012 ⁴	\$ 22.00	\$ 66.86	\$ 18.37	\$ 48.49	0.00%	\$ 26.49
2011	\$ 39.00	\$ 51.98	\$ 3.48	\$ 48.49	13.29%	\$ 9.49
2010	\$ 31.96	\$ 46.07	\$ 3.28	\$ 42.80	20.53%	\$ 10.84
2009	\$ 31.96	\$ 37.82	\$ 2.31	\$ 35.51	-	\$ 3.55
TOTAL	\$ 218.92	\$ 347.65	\$ 32.45	\$ 315.20		\$ 96.28

¹Source of Budget Data: Nassau Integrated Financial System. Only the OT dollars funded by the County are included in the budget numbers shown. OT that is expected to be paid from Grant Funds or by FEMA is not included in the budget amounts shown.

²Source of Data: NCPD W-2 Files 2009-2014. These amounts are the total overtime earnings regardless of the funds used to pay the OT earnings.

³The estimated reimbursements were taken from NIFS and represent overtime amounts paid from Grant Funds or through FEMA for Sandy related overtime.

⁴The reimbursements in 2012 included \$14.9 million from FEMA for Hurricane Sandy expenses.

Overtime Hours Worked

We analyzed the overtime hours reported in the Police Department's CHIEFS System, "NCPD Overtime Report by Overtime Code". As shown in Exhibit V below, annual overtime hours worked increased from 559,057 in 2009 to 870,301 in 2014, a 55.67% increase. As shown in Exhibit V below, according to the reasons for overtime entered in CHIEFS, the percentage of total annual overtime hours worked due to minimum staffing requirements increased from 41% in 2009 to 55% in 2014.

Findings and Recommendations

Exhibit V

Reason for Overtime	Recap of Reasons for Police Department Overtime Hours Worked											
	2014		2013		2012		2011		2010		2009	
	Overtime Hours	% of Total	Overtime Hours	% of Total	Overtime Hours	% of Total	Overtime Hours	% of Total	Overtime Hours	% of Total	Overtime Hours	% of Total
Minimum Staffing	475,247	55%	486,472	54%	364,961	42%	291,640	43%	268,770	42%	227,601	41%
Direct Policing	221,526	25%	248,320	27%	360,048	41%	212,651	32%	212,823	34%	214,932	39%
Indirect Policing	36,692	5%	41,836	5%	37,564	4%	36,945	6%	46,138	7%	35,730	6%
Grants	55,679	6%	73,049	8%	82,607	9%	86,731	13%	61,279	10%	56,702	10%
Admin./Support	35,840	4%	46,563	5%	27,981	3%	26,311	4%	40,258	6%	23,993	4%
Other	45,317	5%	12,850	1%	12,111	1%	17,092	2%	5,240	1%	99	0%
Total	870,301	100%	909,090	100%	885,272	100%	671,370	100%	634,508	100%	559,057	100%

Source of Data: Nassau County Police Department Overtime Report by Overtime Code.

Attrition Analysis

Auditor Methodology

We were informed by the Police Commissioner that it was believed to be more fiscally beneficial to use overtime during the audit period in lieu of hiring. Exhibit VI shows that for the six years 2009-2014, actual overtime earnings (after estimated reimbursements) of \$315.2 million surpassed the reduction in salaries and estimated fringe costs due to attrition of \$141.88, by \$173.32 million. Audit calculations were done as follows:

- The annual reduction in salaries due to attrition for each year was calculated as the annualized salaries of anyone retiring during each calendar year, less the annualized salary of any new hires during that same year.
- The related reduction in fringe costs was estimated by taking actual fringe expenses per the Nassau Integrated Financial System (“NIFS”) as a percentage of regular pay during the audit period, and multiplying the result (69.18%) by the salary reduction through attrition.

Findings and Recommendations

Exhibit VI

Police Department Annual Overtime Costs Compared to Salary Savings Through Attrition 2009 - 2014

Year	Overtime (net of Estimated Reimbursements) ¹	Salary Reduction Through Attrition Estimate ²	Fringe Attrition Estimate ³	Total Annual Attrition Estimate ⁴	Overtime Costs in Excess of Attrition Savings	<u>NCPD Method Attrition Compounded⁵</u>
2014	\$ 68.78	\$ (13.05)	\$ (9.03)	\$ (22.08)	\$ 46.70	\$ (141.88)
2013	\$ 71.13	\$ (9.88)	\$ (6.84)	\$ (16.72)	\$ 54.41	\$ (119.80)
2012	\$ 48.49	\$ (18.78)	\$ (12.99)	\$ (31.77)	\$ 16.72	\$ (103.08)
2011	\$ 48.49	\$ (5.96)	\$ (4.12)	\$ (10.08)	\$ 38.41	\$ (71.31)
2010	\$ 42.80	\$ (20.32)	\$ (14.06)	\$ (34.38)	\$ 8.42	\$ (61.23)
2009	\$ 35.51	\$ (15.87)	\$ (10.98)	\$ (26.85)	\$ 8.66	\$ (26.85)
Total	\$ 315.20	\$ (83.86)	\$ (58.02)	\$ (141.88)	\$ 173.32	\$ (524.15)

¹ Source of Data: NCPD W-2 Files 2009-2014. Overtime is less Estimated Reimbursements from Exhibit I.

² Source of Data: NCPD W-2 Files 2009-2014. Salary Reduction includes annualized salary of retiring employees less annualized salary of new hires.

³ Fringe Attrition Estimate is calculated as the total fringe expenses per NIFS, divided by total Regular Pay reported on the W-2 files. Percentage calculates to 69.18%.

⁴ The total annual amount of savings achieved from salary reductions through attrition is for the one year only because the next year's budget is adjusted to reflect the reduced costs.

⁵ Attrition compounded has no relation to the budget. It represents the cumulative effect of net salary reductions through attrition from year to year, assuming employees who retired or resigned were not replaced.

NCPD Methodology

The last column of Exhibit VI above shows that the NCPD's method of compounding the attrition savings each year results in a total reduction in salaries and estimated fringe costs for the six years of \$524.15 million, which exceeds the auditor calculation of \$141.88 by \$382.27 million. We were advised by the Police Commissioner that the rationale for compounding the attrition savings each year is that the employees who resigned or retired each year were not replaced; therefore, the savings from not having to pay their salaries accumulate from one year to the next until they are replaced. For example, when looking at Exhibit VI for 2009, the first year savings from attrition computed by the auditors totals \$26.85 million. Compounding means that the \$26.85 million is also a savings in future years until the employee is replaced. Thus, for 2010, the \$26.85 is added to the annual savings for 2010 of \$34.38 million and the compounded savings from attrition for 2010 becomes \$61.23 million.

Findings and Recommendations

However, the auditors noted that the NCPD's compounding methodology does not take into consideration the change in the budget each year which reflects the reduction in headcount. Further, as shown in Exhibit VII, total actual Police Department Salaries and Fringe Benefit expenses in NIFS increased by \$121.5 million from 2009-2014 (\$574.36 million in 2009 to \$695.86 in 2014) and for a portion of this time period, from March 2011 – March 2014, wages were frozen. Therefore, while the total compounded attrition savings claimed by the Police Department of \$524.15 million can be rationalized on a conceptual basis, these attrition savings were not apparent when looking at the actual trend of the Police Department's salary and fringe benefit expenses in the County's financial system from 2009-2014.

Exhibit VII

Police Department Annual Expenses 2009-2014

(in millions)

Year	Salaries & Wages	Fringe Benefits	Total
2014	\$458.59	\$237.27	\$695.86
2013	\$435.41	\$228.97	\$664.38
2012	\$444.55	\$213.90	\$658.45
2011	\$433.24	\$205.46	\$638.70
2010	\$421.34	\$185.85	\$607.19
2009	\$386.42	\$187.94	\$574.36

¹Source of Data: Nassau Integrated Financial System

Review Recommendation(s):

We recommend that the NCPD take steps to:

- a) control overtime costs within the annual budget; and
- b) adequately document all assumptions and calculations to support NCPD estimated dollar savings for each cost savings initiative. The documentation should be retained for reference and audit trail purposes.

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Review Finding:

(2) The NCPD's Claimed Future Savings from Delayed Officer Hiring Could Not Be Substantiated – Estimated Savings Are 78% Less Than Projected

The NCPD experienced a reduction of 325 sworn officers from 2009-2014. According to the Police Commissioner, the decline was, in part, the result of the County's decision to refrain from hiring new officers because of ongoing labor negotiations that, once finalized, would permit the hiring of new officers under terms more favorable to the County. The Police Commissioner stated that for every 100 officers hired under the new PBA contract, (after the three year wage freeze from March 31, 2011 – March 31, 2014) the County will save approximately \$30 million over the first eight years and ongoing savings of tens of millions of dollars over the career of the officers. The terms of the new CBA included lower starting salaries, and employee contributions toward the cost of health insurance. No cost savings analysis was provided to the auditors to substantiate this statement, or the current or future cost effectiveness of staffing through overtime while waiting for the completion of labor negotiations.

As shown in Exhibit VIII, the number of sworn officers declined from 2,567 at the end of 2009, to 2,188 at the end of 2013. In 2014, upon signing a new CBA, hiring resumed and the number of sworn officers increased by 54 to a total of 2,242 at the end of fiscal 2014.

Exhibit VIII

NCPD Sworn Officers

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Budget¹	2,270	2,260	2,395	2,433	2,550	2,750
Actual²	2,242	2,188	2,238	2,375	2,423	2,567

Decline in Sworn Officers Over 6 Year Period 325

¹Source of Data: OMB Adopted Budgets.

²Source of Data: NCPD W-2 file 2009-2014. Final count for the fiscal year; includes all active officers based on termination dates found in W-2 files.

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Auditor Analysis of Estimated Future Cost Savings

Estimated Base Pay Savings

In order to analyze the effect of the new CBA terms on costs and estimated future cost savings, the Auditors estimated the change in regular pay and benefits. Exhibit IX below shows the salary steps for a newly hired police officer in both the old and new CBAs between Nassau County and the PBA. Since top pay is the same in both PBA agreements, and both are reached in nine annual “steps”, the only savings in regular pay would be realized in the first eight years of an officer’s career. The savings in regular pay over the course of these eight years is \$79,695 per officer, hired under the new PBA agreement instead of the old agreement.

Exhibit IX

NCPD - Change in PBA Base Pay

<u>Salary Step #</u>	<u>CBA Prior to 04/01/14</u>	<u>CBA Effective 04/01/14</u>
1	\$ 34,000	\$ 35,000
2	45,000	41,000
3	69,861	50,000
4	75,547	60,000
5	81,233	70,000
6	87,810	76,000
7	91,851	80,000
8	94,393	88,000
9	111,075	111,075
Totals	<u>\$ 690,770</u>	<u>\$ 611,075</u>
Net Difference		<u>\$ 79,695</u>

Source of Data: PBA Collective Bargaining Agreement ("CBA"), Amendment 102-14, Salary Appendices A & B.

It should be noted that the salaries prior to April 1, 2014 in Exhibit IX above do not take into account what the NCPD refer to as the “poison pill”. The poison pill is not specifically discussed or addressed in the CBAs; however, in every NCPD contract/arbitration award, (up until the most recent contract amendment dated April 1, 2014) the salary charts that determined the pay of sworn officers had an additional column for salaries that would automatically become effective if a contract was allowed to expire before a new CBA was fully executed. The salary amounts in this

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additional column were referred to as the “poison pill” because they were largely inflated compared to the salaries specified for the contract period. Accordingly, if a contract was allowed to expire before a new CBA was fully executed, all officers’ salaries would revert to the poison pill salary schedule which would greatly increase wages and labor costs. The NCPD believes that the net savings of \$79,695 is underestimated because it does not include the potential costs that were avoided, since the NCPD did not have to revert to the poison pill salary schedule. The auditors did not agree with this because the NCPD contract was still in effect at the time the March 2014 amendment lifting the wage freeze was fully executed, and it was not set to expire until December 31, 2015, over a year later. Thus, the requirement to revert to the poison pill salary chart was neither probable nor likely in March 2014 nor was it even close to the December 31, 2015 deadline. Further, a dollarized budget accrual was not deemed necessary to cover the potentiality either. This further supports the auditors’ conclusion that the PD avoiding the “poison pill” does not represent a true cost savings to the County.

Estimated Health Insurance Savings

Exhibit X shows projected health insurance premiums for 20 years (the time a police officer takes to vest in the pension system). Using an average increase in health insurance premiums of 4.8% annually⁷, the total 20 year health insurance cost estimate for a single officer is \$339,322, and for a married officer is estimated at \$761,652. Under the new CBA terms that the County postponed hiring for, new police officers are responsible for 15% of the cost of health insurance which computes to savings of approximately \$50,898 for a single officer and \$114,248 for a married officer over the 20 year period. According to the terms of the new CBA, officers are only responsible for a portion of health insurance, not optical or dental coverage. Further, the analysis does not include health costs after the 20 year vesting period.

Exhibit X

20 Year Health Cost Savings

Benefit¹	Single	Married
Health Premium	\$ 339,322	\$ 761,652
County Obligation (85%)	\$ 288,424	\$ 647,404
Officer Obligation (15%)	\$ 50,898	\$ 114,248

¹Benefit cost increases are based on most recent 5 year average annual premium increases.

⁷ 4.8% annual increase in health insurance premiums is based on the actual increases in health insurance premiums over the past 5 years (2010-2014).

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Overall Analysis of Overtime Cost Versus Savings Realized from Hiring Under the New CBA

Exhibit XI shows the estimated potential future savings to the County to replace the 325 sworn officers lost over the six year period 2009-2014, using the reduced base pay scale in the new CBA. The future savings consist of regular base pay savings (from Exhibit IX), the related health benefit savings (from Exhibit X), and any additional labor related savings (discussed in Exhibit XI). After 20 years, the County would have saved only \$67.6 million, far less than the \$315.20 million overtime incurred from 2009-2014.

Exhibit XI

NCPD Estimated 20 Year Savings Due to Reduced Base Pay Scale

Cost Components	20 Year Savings Estimates	
	Single	Married
Regular Pay Savings ¹	\$ 79,695	\$ 79,695
Health Benefit Savings ²	\$ 50,898	\$ 114,248
Other - Rollup Savings ³	\$ 31,878	\$ 31,878
Subtotal	\$ 162,471	\$ 225,821
Reduction in Officers⁴	91	234
20 Year Savings	<u>\$ 14,784,861</u>	<u>\$ 52,842,114</u>
	Total Savings	<u>\$ 67,626,975</u>

¹ Regular Pay Savings Projection for 20 Years is from Exhibit IX.

² Health Benefit Cost Projection for 20 Years is from Exhibit X.

³ Rollup Cost Project for 20 Years - 40% of regular pay. NCPD arrived at the 40% to account for additional labor related costs including Employer FICA; shift differential, standby and longevity pay, employer pension costs, but excludes health benefits.

⁴ According to the County's Payroll Department, the average distribution of health insurance coverage is approximately 72% Married, 28% Single.

According to these projections, the average savings per 100 officers calculates to approximately

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\$21 million in the first 20 years of employment, 30% less than the \$30 million claimed in the first eight years by the NCPD. These are basic projections. A full analysis of the cost savings and the appropriate number of sworn officers to fill staffing and scheduling needs would require high levels of actuarial expertise.

Review Recommendation(s):

We recommend that going forward the NCPD:

- a) justify claimed future savings based on delayed hiring; and
- b) justify claimed future savings resulting from the amended Collective Bargaining Agreement.

Review Finding:

(3) No Evidence that Overtime Reduction Initiatives Resulted in Quantifiable Savings

According to the Police Commissioner, the NCPD began undertaking various initiatives in 2013 to manage and reduce overtime costs. We requested clarification of these initiatives (and results) from the Police Commissioner, specifically whether each initiative has produced quantifiable savings, and if so, to provide the savings amounts. After numerous follow-up attempts by the Auditors, no response to these requests was ever received prior to the end of fieldwork.

Included among these initiatives are the following:

- Seventy officers were deployed to patrol (these officers came from the Precinct Special Units that were eliminated and are now assigned to fill minimum staffing positions);
- Expedited the graduation of the (December 2014) academy class with 140 recruits hired. (The class prior to this one (May 2014) was approximately 8.5 months. The December 2014 class was shortened to six months, done by streamlining the class, and having recruits come in on Saturdays, according to the Police Commissioner);
- Two more classes have been scheduled in 2014 with 175 more recruits;
- Limiting federal task force overtime to what is reimbursed by federal agencies;
- The Chief of Patrol is aggressively managing arrest and detail overtime;
- All administrative overtime must be approved by the Division Chief, Chief of Department, or the Police Commissioner;
- Arrests will be processed in the precinct of arrest;
- Some Precinct Special Units will be reassigned to patrol;
- Narcotics Vice Bureau will process arrests at precincts and not transport persons arrested to the Bureau's location in Bethpage; and

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- NCPD Administration met with the Nassau County Administrative Judge and District Attorney's office in order to mitigate court overtime. As result of the meeting, the Commanding Officer of Court Liaison is regularly meeting with the administrative judge and District Attorney's Bureau Chiefs to mitigate court overtime, attempting to minimize instances of overtime pay when officers do not testify.

The PD did not provide enough documentation to perform an assessment of the effectiveness of the above initiatives.

Review Recommendation(s):

We recommend that the NCPD:

- a) quantify the savings actually achieved by each initiative to evaluate their true effectiveness; and
- b) develop and execute more effective initiatives to streamline the efficiency of police activities.

Review Finding:

(4) The Need to Utilize Overtime to Meet Minimum Staffing Requirements Was Not Verifiable

As shown in Exhibit III, minimum staffing accounted for more than 55% of overtime in 2014. We requested a consolidated summary of the written minimum staffing requirements that vary by precinct and command, but it was never provided to the auditors. Therefore, the need for overtime to meet minimum staffing requirements could not verified. The consolidated summary of minimum staffing requirements is necessary to test the need for officers to be added to the daily roll call to work overtime in order to meet these requirements.

Minimum staffing requirements were originally negotiated between the NCPD and the PBA in March, 1995, and have changed over the years with subsequent negotiations. When the auditors requested these requirements, they were told by the NCPD to peruse through volumes of multiple Collective Bargaining Agreements (“CBAs”), Memoranda of Agreements (“MOAs”), and arbitrations conducted over the course of many years. According to the Police Commissioner, the Police legal team has a clear understanding of the minimum staffing requirements and he agreed to put together written procedures for use by the Field Auditor Section of the Comptroller’s Office. Numerous follow-up attempts were made to obtain these procedures, but they were not provided to the auditors prior to the end of fieldwork. Visits by the auditors to two of the five precincts (the 2nd and 4th Precincts) revealed that the precinct commanders also did not have a collective set or

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written summary of all the requirements regarding minimum staffing. However, the two precinct commanders were able to verbally explain minimum staffing to the auditors as follows:

- Officers work what are referred to as “tours”. These tours are 12 hours long (sometimes 10) and usually occur from 0700-1900 (7 a.m.-7 p.m.), known as the day tour, or 1900-0700 (7 p.m.-7 a.m.), known as the night tour.
- Officers that work in specialized sections may work different schedules.
- For each tour, every precinct has a certain number of police cars that must be out on patrol. Cars are preset as either one or two officer cars.
- Each precinct must have a certain number of officers at the actual precinct building during each tour.
- Officers are broken down into squads at each precinct. So for a given tour, a certain number of squads are scheduled to work, and must meet the minimum number required to man cars out on patrol and in the precinct building.
- If the number of officers scheduled to work does not meet this minimum number, then officers must be called in for overtime following the protocol detailed in the Review Finding (7) below.
- Precincts are allowed to reduce the number of patrol cars on each tour by what are called “10-68 cars”⁸ on a limited basis over the course of a year. This effectively lowers the minimum number of officers required to be out on patrol by the one officer that would have been driving that patrol car.
- Precincts use Chart Orange⁹ to schedule tours. This chart specifies which squads are scheduled to work on which tour. Chart Orange can be found in Appendix B to this report. Once it is determined through Chart Orange which squads are assigned to work a tour, and the use of paid leave time is factored in, Commanding Officers will call in (on overtime) the number of officers necessary to meet the minimum staffing requirements for each command.
- Minimum staffing requirements at these two precincts were explained to the auditors verbally as follows:

⁸ 10-68 cars are flexible scheduling patrols cars. For instance, every precinct is able to reduce their minimum cars on patrol by one car for every tour. This is referred to as a non-chargeable 10-68. In addition, every precinct is allowed to reduce their minimum cars on patrol by one additional car for each tour. The second reduction is referred to as chargeable because the precincts are only allowed to perform this 417 times throughout the fiscal year.

⁹ Chart Orange is the main scheduling chart used for precincts, whereas specialized sections, such as the Records Section, use as many as 13 different scheduling charts for the different tours that officers work.

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2nd Precinct¹⁰: The North subdivision is required to have 24 officers for the day tour and 25 officers for the night tour. The South subdivision is required to have 19 officers for the day tour and 20 officers for the night tour.

4th Precinct¹¹: 4 South is required to have 28 officers during both the day and night tours, including 25 officers in 24 patrol cars and 3 officers at the precinct. 4 North is required to have 26 officers during the day tour, and 28 officers during the night tour.

These two precincts are required to meet these requirements in spite of the fact that the number of sworn officers in 4 South declined from 146 in 2011 to 126 in 2014, and the number of sworn officers in 4 North declined from 176 in 2011 to 136 in 2014.

We noted that these shifts are, for the most part, balanced throughout each day, as opposed to having a heightened presence to coincide with peak crime hours (for example, a 3 p.m. - 3 a.m. tour).

Test Results – 2nd and 4th Precincts

We reviewed the 2nd and 4th Precincts' roll call sheets for 39 tours between June 15, 2014 and August 12, 2014, and noted that the total number of officers on patrol as per the roll call sheets agreed with the minimum staffing levels that were verbally described to the auditors by the Commanding Officers of these precincts.

Subsequent to the End of Field Work

At the Exit Conference on November 4, 2015, the auditors again requested a consolidated summary document that provides the minimum staffing levels for each of the eight precincts, similar to the level of information verbally provided by the 2nd and 4th Precinct commanders. Further, the auditors explained that as a matter of practice, it is not adequate for anyone to have to sift through and interpret all the CBAs and arbitration awards that have been executed over the years to determine the minimum staffing levels at any given time.

On November 10, 2015, the Police Department provided the auditors with Exhibit XII, which is a summary listing of minimum staffing levels for each precinct. We compared the minimum staffing levels for the 2nd and 4th Precincts in Exhibit XII to the minimum staffing levels that were verbally provided by the precinct commanders during fieldwork; and, as noted by an asterisk in Exhibit XII, there were five instances where the minimum staffing levels differed. It was not specified if the staffing levels included desk officers as well as patrol officers, which can cause a discrepancy.

¹⁰ The 2nd Precinct in Woodbury was consolidated with the 8th precinct (in Levittown) in 2012. The old 2nd Precinct became the North subdivision; the 8th Precinct became the South subdivision.

¹¹ The 4th Precinct in Hewlett was consolidated with the 5th Precinct (in Elmont) in 2012. The old 4th Precinct became the South subdivision; the 5th Precinct became the North subdivision.

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These discrepancies about the minimum staffing levels for the 2nd and 4th Precincts between Police Headquarters and the precinct commanders clearly illustrates the need for one collective summary listing of minimum staffing levels that indicates the specific minimum staffing requirements and level for each police command, including the number of patrol officers and desk officers, the “10-68” reduction guidelines, and anything else that impacts minimum staffing levels.

Exhibit XII

Minimum Staffing Provided by Headquarters

<u>Precinct</u>	<u>Day Tour</u>		<u>Night Tour</u>	
	<u>Posts¹</u>	<u>Officers</u>	<u>Posts¹</u>	<u>Officers</u>
First Precinct	22	26	22	26
Second Precinct North	22	22*	22	22*
Second Precinct South	18	18*	18	18*
Third Precinct North	24	25	24	25
Third Precinct South	25	26	25	26
Fourth Precinct	24	25	24	25
Fifth Precinct	24	27*	24	28
Seventh Precinct	21	21	21	21

¹Posts represent the number of cars required out on patrol. Example:

The First Precinct day tour requires 26 Officers on patrol in 22 patrol cars.

*Differed from the minimum staffing levels described by Commanding Officers.

Source: Commanding Officer of NCPD Personnel & Accounting Bureau.

Police Staffing Study by the Michigan State University School of Criminal Justice

A study¹² by Jeremy Wilson, PhD at the Michigan State University School of Criminal Justice discusses police staffing methods. In it he states that agencies can have a tendency to determine minimum staffing based on *perceived* need without any factual basis in workload, presence of officers, response time, or other criteria. Often times, agencies carry a minimum staffing level higher than what would be warranted by the agency workload. Many agencies feel that an increase in workload warrants an increase in minimum staffing, even if minimum staffing levels are not based on workload to begin with. Wilson also cites safety concerns, with officers being called back

¹²Jeremy M. Wilson and Alexander Weiss, “Staffing the ‘Small’ Department: Taking Stock of Existing Benchmarks and Promising Approaches,” *The Police Chief* 80 (April 2013): 34-40.

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on overtime often being fatigued, increasing injury risk and risk of misjudgments in the line of duty.

We noted that the points raised by Jeremy Wilson, PhD applied to the NCPD because the County's original minimum staffing requirements were enacted as part of a Pilot Program to determine the effectiveness of a 10 and 12 hour tour system and were not based on crime statistics. Further, as previously mentioned, several high ranking police employees stated during arbitration proceedings that minimum staffing was more of a burden than a help in policing.

As recently as December 2014, the current Acting Police Commissioner stated that minimum staffing requirements are contractual entitlements, and are not based on need.

Review Recommendation(s):

We recommend that:

- a) the existing minimum staffing requirements from all the Police Unions' CBAs and MOAs be consolidated into one document. The consolidated document should be dated and distributed to all Commanding Officers tasked with following minimum staffing guidelines. In addition, this document should be updated whenever changes occur that affect minimum staffing levels, such as arbitration awards, settlements and/or new contracts;
- b) the County and the Police Commissioner review minimum staffing requirements in the various PBA collective bargaining agreements and MOA's with the objective of reducing or eliminating the requirements in future labor negotiations. One suggestion would be to consider negotiating the addition of a third shift that overlaps the other two shifts to better coincide with the peak crime hours in the County. Such changes would help allow Precinct Commanders and Police Headquarters greater flexibility to staff the precincts; and
- c) the County consider hiring an outside consultant to analyze minimum staffing levels. An independent analysis could better determine the appropriate staffing levels based upon security requirements for use in future labor negotiations.

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Review Finding:

(5) Based on Test Results, On Average, 33% of Officers at Any Time Are on Paid Leave Resulting in Higher Overtime Needs

The auditors were told by the 2nd and 4th Precinct Commanders that on most days, the precincts struggle to meet minimum staffing requirements even when all officers are present for the following reasons:

- Minimum staffing levels combined with officers taking vacation or sick leave, or other contractually mandated leave, creates the need to call in additional officers for overtime.
- The Police Unions' CBAs that were in effect prior to May 2014 stated that officers were entitled to take vacation as long as less than 9% of a certain command were given vacation time during any given tour. As per the new CBA (May 2014) between Nassau County and the PBA, precincts now follow a chart to determine how many officers can take vacation, based on the total number of officers assigned to a command. Although this results in a decrease in the maximum number of officers that may take vacation during a certain tour, the new CBA still allows for up to 17 officers to use vacation during a tour.
- The CBAs do not allow for officers to be temporarily reassigned to other precincts.

The Auditors examined Roll Call documents of the 2nd and 4th Precinct from 39 different tours (including both day and night tours), and noted a major usage of paid leave time. Exhibit XIII below shows the average time usage for the sample tested.

Exhibit XIII

Paid Time Off at 2nd and 4th Precincts¹

<u>Type of Leave</u>	<u>Average No. Of Officers Out Per Tour Using Leave Time²</u>
Vacation Time	7
Sick Time	1
Other Paid Time	2
Total	10

¹Time Used is from a sample of 39 tours from June through August, 2014.

²Tours for Police Officers represent 12 hour shifts.

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On average from this sample, 10 officers (7 on vacation, 1 sick, and 2 on other leave) do not report for each tour because they have used paid time off, which, in turn, increases the number of officers that need to be called in on overtime to meet minimum staffing levels. This number represented approximately 33% of the officers scheduled to work the 39 tours according to the roll call documents that were reviewed

Review Recommendation:

We recommend that in the next contract negotiation, the County reduce the total number of officers in each command who are allowed to take vacation simultaneously.

Review Finding:

(6) Inconsistent, Manually Altered Police Roll Call Sheets Made It Difficult to Verify the Reasons for Overtime

A review of the 2nd and 4th Precincts' Roll Call documents for 39 tours revealed that four different formats were being used and any personnel changes for each tour, such as the use of overtime and "10-68" cars, were hand written on the sheets by the Precinct Commanders. Auditors also noted that when "OT" was written next to an officer's name, there was no indication of the reason for the overtime.

The lack of consistency between roll call sheet formats, the practice of handwriting changes and not including the reasons for overtime on the roll call sheets increases the risk of human error and made it difficult for management review and to ascertain the reasons for overtime.

Review Recommendation:

We recommend that the NCPD develop a standard computerized roll call format across all commands, which includes the reason the officer is called in to work overtime. An electronic version will provide better management oversight and review of staffing requirements.

Review Finding:

(7) The Ability to Include A Portion of Overtime in Pension Benefit Calculations Contributes to Senior Officers Making Themselves More Available for Overtime

Pensions paid by the New York State and Local Retirement System are based on an employee's highest consecutive salary years (it may be three or five consecutive years, depending upon when the employee was hired). All earnings qualify for the pension payout calculations, including overtime. For officers hired beginning in 2010, a cap was put on the amount of overtime that

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qualifies towards pension calculations. Since overtime earnings are included in this calculation, there is a major incentive for officers nearing retirement to accumulate as much overtime as possible. This increases pension costs greatly.

Top Individual Overtime Earners

In an analysis of individual officers that earned overtime, we determined that the top 100 earners annually in 2011, 2012, and 2013 came from a pool of 184 officers. From this pool of 184 officers, 41 retired by the end of 2014, with average time on the force of 24.32 years. The overtime earned by these officers had increased their pension payouts. Of these 184 officers, 37 were found to be in the top 100 earners of overtime for all three years and 12 of the 37 or 32% are retirees. Exhibit XIV gives the employment status of the 184 officers as of the end of 2014.

Exhibit XIV

Status of Top 100 Overtime Earners of 2011, 2012, & 2013¹

<u>STATUS</u>	<u>COUNT</u>
Active	141
Retired	41
Deceased	2
Average Years on the Force	20.52

¹Source of data: NCPD W-2 file 2011-2014.

The New York State Retirement system requires 20 years of service for an officer to fully vest in their pensions. The average time on the force of the entire pool of 184 officers was 20.52 years through the end of 2014.

Large overtime earnings as a percentage of regular pay have become an increasing trend. In 2009, of all police department personnel (excluding ordinance employees), 72 out of 4,222 employees were paid overtime in excess of 50% of their regular pay. This number reached 326 (out of 3,586) by the end of fiscal year 2013.

In order to more closely examine overtime earnings as employees near retirement, the auditors analyzed the top 10 earners of 2013 and their employment status in 2014. The auditors found six of the top 10 overtime earners from 2013 retired by the end of 2014, all of whom belong to the PBA union. As mentioned above, officers had increased their pension payouts by working

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overtime. Exhibit XV below shows that overtime earnings for the top 10 earners of 2013 resulted in their total earnings being more than twice their regular pay.

Exhibit XV

Top NCPD Overtime Earners in 2013

Employee	Status ¹ 12/31/14	Overtime	Regular	Other ²	Total	OT as a % of Reg Pay
Employee A	Retired	\$ 145,074	\$ 107,718	\$ 39,709	\$ 292,501	134.68%
Employee B	Active	134,662	106,908	30,303	271,873	125.96%
Employee C	Retired	131,241	107,718	32,007	270,966	121.84%
Employee D	Active	130,030	107,718	30,961	268,709	120.71%
Employee E	Retired	128,856	107,718	41,745	278,319	119.62%
Employee F	Retired	125,230	107,718	32,310	265,258	116.26%
Employee G	Active	115,093	107,718	30,829	253,640	106.85%
Employee H	Active	114,577	113,004	37,800	265,381	101.39%
Employee I	Retired	112,037	113,004	41,616	266,657	99.14%
Employee J	Retired	109,911	107,718	37,089	254,718	102.04%
Totals		\$1,246,711	\$1,086,942	\$354,369	\$2,688,022	
Averages		\$ 124,671	\$ 108,694	\$ 35,437	\$ 268,802	114.70%

Source of data: NCPD W-2 file 2011 - 2013.

¹ Employment Status was obtained from the County's HR System, NUHRS.

² Other Pay includes Holiday Pay, Longevity Pay, Shift Differential, and if retired, Termination Pay.

Process of Scheduling Overtime

Based upon discussions with precinct Commanding Officers, and a Memorandum of Understanding between Nassau County and the PBA dated October 27, 2004, the following is a brief summary of the rules for assigning overtime at the precincts. We were informed by two Precinct Commanders that this protocol is in place to eliminate favoritism in the distribution of overtime:

- Officers in the NCPD are given the opportunity to freely volunteer. There is no limit as to when or how often an officer may volunteer themselves.
- The officer who wishes to work overtime adds his or her name to the Overtime Book.
- Each precinct or command maintains its own Overtime Book.

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- This book is updated daily. The officer numbered one on the list is the officer with **the least number of hours of overtime year to date**. The officer with the next fewest overtime hours is numbered 2nd, and so on.
- If two or more officers have an equal number of hours of overtime year to date, the officer with the most seniority is given preference.
- The most senior officers are also selected at the beginning of the year when all officers have no overtime year to date (an equal number of overtime hours).
- An officer's total overtime hours are updated whenever the officer works overtime, and the list is reordered.
- If the daily list is exhausted and more officers are needed for overtime, **the least senior officers (reverse seniority)** are ordered in.
- The Overtime Book maintained at each command cannot be destroyed and must be made available to PBA representatives for review.

However, although NCPD's procedures are designed to distribute overtime equitably, the average time on the force from Exhibit XV shows that senior officers make themselves available for overtime more frequently than less senior officers. Even though overtime earnings qualifying for pension benefit calculations has been capped, the inclusion of overtime in addition to regular earnings will form an incentive to volunteer for overtime at the end of a NCPD career. Looking at the employees in Exhibit XV above, officers can easily more than double what they would have been receiving as pension benefits by volunteering to work overtime.

Audit Recommendation(s):

We recommend that Nassau County pursue with New York's State's legislative bodies additional changes that would further restrict the amount of overtime that qualifies towards pension calculations.

Review Finding:

(8) When Officers are Paid for Overtime for Court Appearance, in 57.6% of the Cases They Do Not Testify Costing About \$4.5 Million in Overtime.

According to the PBA Collective Bargaining Agreement, when an Officer is scheduled to work an overtime shift, it must be cancelled or rescheduled a minimum of 48 hours beforehand; otherwise, the officer is entitled to a minimum of four hours of overtime for that shift. This includes situations when the officer is ordered by subpoena to appear in court, but does not testify, or the hearing is not rescheduled within the 48 hours timeframe. Exhibit XVI shows that from 2011-2013, the NCPD paid for 65,905 hours of court overtime in which the officer did not testify (57.6% of the court overtime hours).

Findings and Recommendations

Court-related overtime hours (114,365) over the three years 2011 to 2013 represented 4.6% of total overtime hours for all reasons (2,465,732). As shown in Exhibit XVI, at least half of the overtime hours paid to officers for court appearances in the 2011-2013 period was for instances in which the officer did not actually testify.

Exhibit XVI

Court Overtime Hours¹

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>Total</u>
Court O/T Hours	41,319	36,108	36,938	114,365
Non-Testify Hours	23,427	20,701	21,777	65,905
% of Court O/T Hours	56.7%	57.3%	59.0%	57.6%

¹Source of data: NCPD Overtime Reports 2011-2013.

We calculated an average overtime cost per hour for each year, 2011, 2012 and 2013 and estimated that the 65,905 court overtime hours where the officers did not testify cost the County approximately \$4.5 million in overtime.

As mentioned previously, one of the NCPD's initiatives to better manage overtime is to try to have officers paid overtime only when testifying.

Meeting with Commanding Officer of the Records Bureau

The auditors met with the Deputy Commanding Officer at the Records Bureau, which is located at Police Headquarters, in order to analyze a unit of the NCPD that was not a precinct, and because a prior review¹³ by the Comptroller's Office found deficiencies in Records Bureau overtime management. Interviews were conducted with the Commanding Officer and key personnel, and overtime approval procedures were tested. The auditors were provided with a personnel chart that identified all of the personnel in the Records Bureau, and the squad they belonged to, as well as which staffing chart they were required to follow. We noted that a total of 13 different staffing charts, including Chart Orange, were used for the Records Bureau.

Our review noted that the largest percentage portion of overtime at the Records Bureau in 2014 (13.8% or \$412,289) was attributed to the Central Testing Section, staffed by Breath Analysis Operators ("BAO"). BAOs are sworn officers who are also specially trained and certified to calibrate and operate the DUI testing equipment found at the Records Bureau. The results provided

¹³ "Nassau County Police Department Operational Review of Records Bureau, Information Services Bureau, Court Liaison Unit" released October 17, 2002 by the Nassau County Office of the Comptroller: Field Audit Section.

Findings and Recommendations

by this equipment can only be qualified and deemed admissible as evidence if the equipment was operated by a BAO. According to the Deputy Commanding Officer, in many instances, a BAO may be paid for a minimum of four hours of overtime even when the BAO did not have to testify because of defense attorneys' postponements. According to the CBA, this officer will automatically be entitled to the minimum four hours of overtime when the officer is ordered by subpoena to appear in court, and the postponement occurs within 48 hours of the scheduled court appearance, even if the court case is rescheduled. In addition, any officer covering the testifying officer's tour at the Records Bureau is also entitled to overtime if the officer is not informed earlier than 48 hours beforehand. During our meeting, the Deputy Commanding Officer also mentioned that the Records Bureau needed more BAOs to meet their DUI testing and minimum staffing needs.

Review Recommendation(s):

We recommend:

- a) the NCPD review with the Nassau County District Attorney's Office and the Nassau County Administrative Judge possible changes to procedure for scheduling officers for court appearances in order to reduce the instances of officers having appearances cancelled within the 48 hour period; and
- b) the NCPD encourage additional officers to become Breath Analysis Operator certified.

Review Finding:

(9) The NCPD's "CHIEFS" Timekeeping System is Inadequate for Recording Police Overtime

The NCPD did not implement the County purchased InTime system, opting instead to continue with its proprietary Computerized History Information Enforcement Files System ("CHIEFS"). This CHIEFS timekeeping system is an extremely antiquated system with very limited functionality and is not adequate for recording police overtime.

Tracing of manual overtime records to the CHIEFS System revealed that the CHIEFS System prohibits recording multiple work entries on a single day. We noted that officers may work more than one instance of overtime in the same day. Some of the reasons for this include an officer working overtime before and after a regularly scheduled shift, or an officer working overtime for different programs (i.e. DWI Grant, HOV grant, etc.), which must be recorded separately as per grant/program requirements. This forces the use of "dummy dates" for any additional overtime occurrences on the same day. For example, the second overtime event on any one day must be entered using the date before or after the overtime was actually worked. This causes the CHIEFS system to not accurately reflect the correct date for each overtime occurrence. As a result, the overtime work dates in the CHIEFS system will not always agree to the manual time records.

Findings and Recommendations

We also observed other deficiencies in the CHIEFS System, including:

Data Entry:

- No user guide/instruction readily available.
- Poor user functionality. Functions of the system are only available when a user enters a certain “screen” number. The user interface is on par with MS-DOS.

Reporting:

- Report generation is difficult. Overtime reports are generated by IT employees and cannot be run daily by NCPD personnel in charge of assigning and/or approving the overtime.
- Information can only be printed by the page and for a specific day. Reports cannot be run for specific events, (i.e. parade overtime) or for a specific employee (i.e. Officer Smith for the year).

In order for the Police Department to effectively analyze overtime, reports need to be generated on a daily basis. This is a process that can be handled by the existing County InTime System used by other County Departments, as well as, the new HR System, PeopleSoft, which the County is currently in the process of testing and implementing. It did not appear necessary to the auditors for the NCPD to be on a different timekeeping system than the rest of the County.

Review Recommendation(s):

We recommend that the CHIEFS timekeeping system be replaced with the current county wide InTime System that will be transitioning to PeopleSoft.

Review Finding:

(10) Cost Analysis Study of Police Overtime Budgeted in 2007 Was Never Completed

In 2006, an audit¹⁴ of the 8th Precinct (which is now part of the 2nd Precinct) was completed by the Nassau County Comptroller’s Office. The objective was to provide reasonable assurance that the resources of the then 8th Precinct were being used effectively. The audit noted NCPD’s 2007 plan to engage an outside independent consultant to evaluate the cost-benefit of overtime.

Our follow up of the status of the 2007 cost study analysis revealed that a budgeted cost for the study of \$250,000 was approved by the Nassau County Legislature and signed by the County Executive. As per the Acting Police Commissioner, this study was never completed, despite being

¹⁴ “Limited Operational Review of the Nassau County Police Department; 8th Precinct”. Report was released by Nassau County Office of the Comptroller: Field Audit Bureau, January 11th, 2006.

Findings and Recommendations

a fully approved budget item. No reason was provided to us prior to the end of our fieldwork as to why this study was never completed or whether any future analysis from an independent source is to be pursued. In addition, no alternate use of the funds budgeted for the study was provided. However, at the Exit Conference on November 4, 2015, the Acting Police Commissioner informed the Auditors that the reason the study was never completed was due to the lack of a decision by the Nassau County Legislature. At a second Exit Conference on March 15, 2016, the Acting Police Commissioner stated that an RFP¹⁵ was issued to hire a consultant in 2006/2007 and the proposed contract was forwarded to the County Legislature, but the contract was never acted upon by the County Legislature.

Audit Recommendation:

We recommend that the NCPD, in preparation for future labor negotiations (the current labor contracts expire December 31, 2017), engage an outside professional police consultant to perform a cost-benefit analysis of NCPD's workforce rules, including overtime policies and practices, and recommend best practices.

¹⁵ Request for Proposal is evidence that bids were obtained from vendors for work to be done for Nassau County.

Appendix A – Policing Agencies in Nassau County

Policing Agencies In Nassau County	
POLICE DEPARTMENTS	PEACE OFFICERS
Nassau County Police Department	East Hills Department of Public Safety
Floral Park Police Department	Nassau County Fire Marshals
Freeport Police Department	Nassau County Sheriff's Department (Deputy Sheriffs are police officers. Correction Officers are peace officers)
Garden City Police Department	Nassau County SPCA
Glen Cove Police Department	Town of Hempstead Bay Constables
Great Neck Estates Police Department	Town of North Hempstead Bay Constables
Hempstead Village Police Department	Town of North Hempstead Department of Public Safety
Kings Point Police Department	Town of Oyster Bay Bay Constables
Lake Success Police Department	Town of Oyster Bay Department of Public Safety
Long Beach Police Department	
Lynbrook Police Department	
Malverne Police Department	
Muttontown Police Department	
Old Brookville Police Department	
Old Westbury Police Department	
Oyster Bay Cove Police Department	
Port Washington Police Department	
Rockville Centre Police Department	
Sands Point Police Department	

Appendix B – Chart Orange

Below is a brief overview to help explain Appendix B, Chart Orange, on the next page. This is the most utilized scheduling chart; all precincts follow Chart Orange, as well as many of the special units.

Officers at each command are divided into units known as squads.

<i>Example:</i>	<u>Squad 1</u>	<u>Squad 2</u>	<u>Squad 3</u>
	Officer A	Officer D	Officer G
	Officer B	Officer E	Officer H
	Officer C	Officer F	Officer I

Every day of the calendar year is listed by month to the left of the double border lines (on the left side of the chart).

Far Right 3 Columns – The squads that will work each of the three tours are listed to the right of the double border lines.

Example:

July 16th: Squads 1, 2, 7, 8, and 9 are scheduled to work the 0700-1900 (day) tour, per Chart Orange. Every officer in these five squads is to report for the tour unless using paid leave time.

Once an officer is assigned to a squad, their schedule for the entire year can be determined from Chart Orange.

**POLICE DEPARTMENT, COUNTY OF NASSAU, N.Y.
2014
ORANGE CHART**

JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	0700 - 1900	1900 - 0700	1900 - 0500
1-25	18	14	7	1-25	18	12	5-29	22	16	9	3-27	3-4-5-9-10	15-16-17-21-22	25-28
2-26	19	15	8	2-26	19	13	6-30	23	17	10	4-28	4-5-6-10-11	16-17-18-22-23	25-27
3-27	20	16	9	3-27	20	14	7-31	24	18	11	5-29	5-6-7-11-12	17-18-19-23-24	25-27
4-28	21	17	10	4-28	21	15	8	1-25	19	12	6-30	1-6-7-8-12	13-18-19-20-24	26-27
5-29	22	18	11	5-29	22	16	9	2-26	20	13	7-31	1-2-7-8-9	13-14-19-20-21	26-27
6-30	23	19	12	6-30	23	17	10	3-27	21	14	8	2-3-8-9-10	14-15-20-21-22	26-28
7-31	24	20	13	7-31	24	18	11	4-28	22	15	9	3-4-9-10-11	15-16-21-22-23	26-28
8	1-25	21	14	8	1-25	19	12	5-29	23	16	10	4-5-10-11-12	16-17-22-23-24	25-28
9	2-26	22	15	9	2-26	20	13	6-30	24	17	11	1-5-6-11-12	13-17-18-23-24	25-28
10	3-27	23	16	10	3-27	21	14	7	1-25	18	12	1-2-6-7-12	13-14-18-19-24	25-27
11	4-28	24	17	11	4-28	22	15	8	2-26	19	13	1-2-3-7-8	13-14-15-19-20	25-27
12	5	1-25	18	12	5-29	23	16	9	3-27	20	14	2-3-4-8-9	14-15-16-20-21	26-27
13	6	2-26	19	13	6-30	24	17	10	4-28	21	15	3-4-5-9-10	15-16-17-21-22	26-27
14	7	3-27	20	14	7	1-25	18	11	5-29	22	16	4-5-6-10-11	16-17-18-22-23	26-28
15	8	4-28	21	15	8	2-26	19	12	6-30	23	17	5-6-7-11-12	17-18-19-23-24	26-28
16	9	5-29	22	16	9	3-27	20	13	7-31	24	18	1-6-7-8-12	13-18-19-20-24	25-28
17	10	6-30	23	17	10	4-28	21	14	8	1-25	19	1-2-7-8-9	13-14-19-20-21	25-28
18	11	7-31	24	18	11	5-29	22	15	9	2-26	20	2-3-8-9-10	14-15-20-21-22	25-27
19	12	8	1-25	19	12	6-30	23	16	10	3-27	21	3-4-9-10-11	15-16-21-22-23	25-27
20	13	9	2-26	20	13	7-31	24	17	11	4-28	22	4-5-10-11-12	16-17-22-23-24	26-27
21	14	10	3-27	21	14	8	1-25	18	12	5-29	23	1-5-6-11-12	13-17-18-23-24	26-27
22	15	11	4-28	22	15	9	2-26	19	13	6-30	24	1-2-6-7-12	13-14-18-19-24	26-28
23	16	12	5-29	23	16	10	3-27	20	14	7	1-25	1-2-3-7-8	13-14-15-19-20	26-28
24	17	13	6-30	24	17	11	4-28	21	15	8	2-26	2-3-4-8-9	14-15-16-20-21	25-28

Appendix C – History of Minimum Staffing

Minimum staffing began in 1995 as part of the Steady Tours Pilot Program which switched police officers from 8 to 12 hour tours. According to the Police Commissioner's Order issued March 19, 1995, the pilot program was implemented to test the concept of 12 hour tours for the NCPD, and in order to do so, it was "deemed appropriate to pre-establish certain base staffing levels." Commanding Officers were ordered to deploy personnel in accordance with a certain schedule (which has not been provided to the auditors) so that a valid cost and efficiency analysis could be conducted using the pre-established staffing levels. The basis for the schedule mentioned in the Order has not been provided to the auditors. Additionally, the results of the cost benefit analysis were requested, but were also not provided to the auditors. We also noted that the Commissioner's Order states that the Pilot Program was to automatically terminate after 6 months, unless extended, but no agreement or Memorandum of Understanding between the NCPD and the PBA has been provided to the auditors to evidence an extension of the Pilot Program.

The March 19, 1995 Commissioner's Order also references a Memorandum of Agreement ("MOA") between the NCPD and the PBA that originally placed minimum staffing into effect. We requested this MOA from the Police Commissioner as well, but it has not been provided.

Subsequent Arbitrations

Throughout several arbitrations subsequent to the March 19, 1995 order, multiple high ranking Police staff members have been quoted as saying minimum staffing is restrictive on proper policing of the County, as follows:

- In the 1996 Arbitration proceedings, Interest Arbitrator Martin F. Scheinman ruled in favor of making minimum staffing permanent. This supported the PBA's position to make the program permanent, and opposed the position of the County to terminate the program upon its expiration.
- In the 2001 Arbitration proceedings, the then Deputy Commissioner stated that "current restrictions afford the County little or no flexibility to assign Officers efficiently." The arbitration also states that Police Department Officials and the PBA President mutually agreed these staffing levels were to be implemented, but no such agreement has been provided.
- In the 2007 Arbitration proceedings, the then NCPD Chief stated that staffing requirements did not account for changing needs of the localities. This resulted in a wide disparity between crimes reported and sector cars assigned among the precincts. The Chief stated that some release from current staffing protocols was needed by the department.
- Several other arbitrations made minor changes to the minimum staffing levels in place, but none affected the basic principles of the program.

Appendix D – Police Commands

Nassau County is home to 1.3 million citizens, residing in a 285 square mile area. This area, aside from 18 local village police departments, is currently policed by 60 active commands which include five precincts¹⁶. Below is listed the top 10 commands in overtime earnings for 2014, along with their overtime earnings for 2011-2014.

Overtime Earnings (in millions)¹

Commands	2014	2013	2012	2011
4th Precinct²	\$ 10.72	\$ 10.11	\$ 8.84	\$ 6.33
3rd Precinct³	\$ 9.05	\$ 9.92	\$ 7.28	\$ 6.62
2nd Precinct⁴	\$ 8.05	\$ 7.37	\$ 7.20	\$ 5.77
Highway Patrol Bureau	\$ 6.26	\$ 5.78	\$ 5.64	\$ 4.84
1st Precinct	\$ 4.73	\$ 6.34	\$ 5.47	\$ 3.84
7th Precinct	\$ 4.49	\$ 4.44	\$ 3.90	\$ 2.26
Bureau of Special Operations	\$ 3.64	\$ 3.73	\$ 3.22	\$ 1.90
Records Section	\$ 2.99	\$ 2.95	\$ 2.71	\$ 2.33
Communications Bureau	\$ 2.21	\$ 2.45	\$ 2.25	\$ 2.12
Emergency Ambulance Bureau	\$ 2.13	\$ 1.80	\$ 1.72	\$ 1.67
Other Commands⁵	\$ 17.05	\$ 18.71	\$ 18.63	\$ 14.30
Total Overtime	\$ 71.32	\$ 73.60	\$ 66.86	\$ 51.98
Precinct Totals	\$ 37.04	\$ 38.18	\$ 32.69	\$ 24.82
Precincts Percentage of Overtime	51.9%	51.9%	48.9%	47.7%
Top 10 Units Percentage of Overtime	76.1%	74.6%	72.1%	72.5%

¹Source of data: NCPD W-2 file 2011-2014.

²Includes both 4th and 5th precincts to account for 2012 merger.

³Includes both 3rd and 6th precincts to account for 2012 merger.

⁴Includes both 2nd and 8th precincts to account for 2012 merger.

⁵Includes 50 other commands ranging from \$1,607,221 to \$172 in overtime in 2014.

¹⁶ Originally, the County was policed through eight precincts, but in a cost saving measure taken in 2012, the 4th and 5th Precincts, the 3rd and 6th Precincts, and the 2nd and 8th Precincts were merged together, respectively. The 5th, 6th, and 8th Precincts were absorbed, and the old facilities of these precincts were to run as low-cost community policing centers, using minimum staff and resources. According to Newsday and the Police Commissioner, a legislative decision had the 4th and 5th Precincts unmerge in April of 2015.

Appendix E – Overtime Earnings – Top Five Police Titles

The NCPD employs people in various positions. As of 2014, 87 different employment titles earned a portion of overtime. Below is displayed the top five overtime earning titles in the NCPD from 2009-2014 and their corresponding union affiliation.

Overtime Earnings: Top Five Police Titles (in millions)¹

Title	Union	2014	2013	2012	2011	2010	2009
Police Officer	PBA	\$ 45.56	\$ 46.04	\$ 39.37	\$ 31.32	\$ 27.06	\$ 19.67
Police Officer-Detective	DAI	\$ 9.31	\$ 10.99	\$ 10.76	\$ 8.15	\$ 7.73	\$ 7.00
Police Sergeant	SOA	\$ 5.86	\$ 5.73	\$ 5.91	\$ 3.66	\$ 3.40	\$ 3.18
Police Lieutenant	SOA	\$ 2.38	\$ 2.07	\$ 2.18	\$ 1.37	\$ 1.22	\$ 1.18
Ambulance Med Tech	CSEA	\$ 1.90	\$ 1.58	\$ 1.54	\$ 1.51	\$ 1.05	\$ 1.19
Top 5 Titles		\$ 65.01	\$ 66.41	\$ 59.76	\$ 46.01	\$ 40.46	\$ 32.22
Total Annual PD Overtime		\$ 71.32	\$ 73.60	\$ 66.86	\$ 51.98	\$ 46.07	\$ 37.82
Police Officer Percentage		63.88%	62.55%	58.88%	60.25%	58.74%	52.01%
Top 5 Titles Percentage		91.15%	90.23%	89.38%	88.51%	87.82%	85.19%

¹Source of data: NCPD W-2 file 2009-2014.

Appendix F – Documents Received from NCPD before Exit Conference

Documents Received From NCPD

Date Received: 10/7/15

Name of Document	Description of Document	Date Received
Overtime Audit Documentation (Binder)	Binder containing multiple MOA's, MOU's, Commissioner's Orders, etc. The documents included: 1994 MOA between NC and PBA Commissioners Procedural Order 2-95 PBA Arbitration Award 1996-2000 PBA Arbitration Award 2001-2006 PBA Arbitration Award 2013 PBA Arbitration Award 2007-2012 PBA Arbitration Award 2013-2015 MOA 2014-2017	October 7th, 2015
NCPD Personnel Report By Division	Police Department headcount report	October 7th, 2015
NCPD OT Report by Division w/o Grants 1/1/08-12/31/09	Total OT hrs by division, excluding grant reimbursed hrs	October 7th, 2015
NCPD OT Report by Division w/o Grants 1/1/09-12/31/10	Total OT hrs by division, excluding grant reimbursed hrs	October 7th, 2015
NCPD OT Report by Division w/o Grants 1/1/10-12/31/11	Total OT hrs by division, excluding grant reimbursed hrs	October 7th, 2015
NCPD OT Report by Division w/o Grants 1/1/11-12/31/12	Total OT hrs by division, excluding grant reimbursed hrs	October 7th, 2015
NCPD OT Report by Division w/o Grants 1/1/12-12/31/13	Total OT hrs by division, excluding grant reimbursed hrs	October 7th, 2015
NCPD OT Report by Division w/o Grants 1/1/14-06/30/15	Total OT hrs by division, excluding grant reimbursed hrs	October 7th, 2015
NCPD OT Report by Division w/o Grants 1/1/14-01/31/15	Total OT hrs by division, excluding grant reimbursed hrs	October 7th, 2015
NCPD OT Report by OT Code 1/1/09-12/31/09	Total OT hours by the cause of overtime	October 7th, 2015
NCPD OT Report by OT Code 1/1/10-12/31/10	Total OT hours by the cause of overtime	October 7th, 2015
NCPD OT Report by OT Code 1/1/11-12/31/11	Total OT hours by the cause of overtime	October 7th, 2015
NCPD OT Report by OT Code 1/1/12-12/31/12	Total OT hours by the cause of overtime	October 7th, 2015
NCPD OT Report by OT Code 1/1/13-12/31/13	Total OT hours by the cause of overtime	October 7th, 2015
NCPD OT Report by OT Code 1/1/14-12/31/14	Total OT hours by the cause of overtime	October 7th, 2015
NCPD OT Report by OT Code 1/1/15-6/30/15	Total OT hours by the cause of overtime	October 7th, 2015
Minimum Staffing Summary Table	A basic table containing minimum staffing numbers for all of the precincts	November 10th, 2015

Appendix G – Timeline for Review of Report

NCPD OT Report - Timeline for Review of Report

<u>Date</u>	<u>Description</u>	<u>Response Due</u>	<u>Duration</u>
08/21/15	1st Draft of PD OT Report sent to PD	09/08/15	
09/10/15	Comptroller's Office email to PD that the response is late		
09/10/15	Email request from PD for an extension	Ext 1 09/22/15	2 weeks
09/23/15	Email request from PD for an extension	Ext 2 09/25/15	3 days
09/28/15	PD Prelim Response Rec'd with a Request for Exit Conf		
09/29/15	Comptroller's Office request for support for the prelim response and info still due		
10/07/15	PD delivered a box of docs to support its prelim response		
10/13/15	Exit Conference with PD scheduled, cancelled and rescheduled		
10/27/15	Exit Conference with PD scheduled and cancelled		
11/04/15	Exit Conference Held		
11/10/15	Follow-up meeting with PD to review info discussed on 11/4		
02/04/16	2nd Draft of PD OT Report sent to PD - Revised after 11/4 and 11/10 meetings	02/18/16	
02/08/16	PD meeting with Comptroller and Director and Deputy Director of Field Audit	Ext 1 03/21/16	4 wks + 2 days
03/09/16	PD request to set up a meeting with the auditors		
03/15/16	Follow-up meeting with PD		
03/17/16	3rd Draft PD OT Report sent to PD with minor changes. Response due 03/31/16.	Ext 2 03/31/16	10 days
03/22/16	PD email notifying the Comptroller that the PD is preparing the response to the audit.		
03/29/16	E-mail reminder sent to PD that response is due 3/31/16.		
03/31/16	No response received by PD.		
04/01/16	Follow-up phone call made to PD.		
04/11/16	PD notified the Comptroller that the PD intended to respond.		
04/12/16	Email to PD agreeing to await the PD response until April 18, 2016 and the report could not be delayed any further.	Ext 3 04/18/16	18 days
04/18/16	PD Response received and appended to the report.		

Appendix H – Police Department Response

Auditor’s Follow-Up Comment on Police Department’s Response to the Audit

The formal response provided by the Police Department on April 18, 2016 begins on the next page. The identities of the Comptroller’s Office staff members have been redacted from the response as deemed appropriate.

We reviewed the following Police Department’s formal response to the final draft report and believe that the viewpoints expressed in the response were previously discussed and taken into consideration in the final report. We stand by our findings and recommendations. The audit was performed in accordance with internal audit standards.

**COUNTY OF NASSAU
INTER-DEPARTMENTAL MEMO**

DATE: April 18, 2016

TO: Nassau County Comptroller
FROM: Acting Commissioner of Police

SUBJECT: Response to Audit of Nassau County Police Department Overtime

- 1) The Audit of the Nassau County Police Department conducted by the Comptroller’s Office is deeply flawed and only demonstrates that the Comptroller and his staff do not have an understanding of accounting, the legal environment, or police operations. Based on the audit, one can only conclude that the Comptroller is either incompetent, biased, or has a political agenda. It appears the findings in the Audit were pre-determined and the audit was written ignoring the facts. Most disturbing was the fact that the Comptroller was more concerned with issuing a press release rather than ensuring the audit was accurate. This can be supported by the fact that the draft press release was prepared prior to the receipt of the Department’s reply. Additionally, it should be noted at a meeting with the Comptroller and in an email the undersigned informed the Comptroller of the Police Department’s intent to reply to this audit. Despite this knowledge, the Comptroller prepared a draft press release prior to receipt of this reply.

As a threshold matter, Section 1100 of the Standards and Guidance issued by the Institute of Internal Auditors states: “The internal audit activity must be independent, and internal auditors must be objective in performing their work.” In this audit, two of the key members of the team [REDACTED] and [REDACTED], were also members of the CSEA’s negotiating committee shortly before field work was commenced. It goes without saying that contract negotiations are inherently adversarial in nature and the undersigned was a key member of the County’s negotiating committee. In this particular case I was involved in an adversarial relationship with the above listed members, who were then tasked with an audit of the Department that I oversee. Despite raising these concerns with the Comptroller’s Executive staff, no action was taken to mitigate this lack of independence.

The audit alleges that documents requested were not provided. It is deeply concerning that the Comptroller makes these statements, when in fact the audit team was provided with all documents that existed. The audit team, due to their own incompetence, repeatedly requested that the Police Department perform parts of the audit. When the audit work was completed by the Department, the team disregarded the information that was provided to the Comptroller. They also frequently took conversations out of context to further your agenda.

The Comptroller has demonstrated that he has no understanding of the legal environment. While there will be a number of areas that will be discussed below, there are two items that are particularly noteworthy.

Firstly, the audit uses as a baseline overtime for 2009, which is the lowest overtime number. Predictably, the Police Department was at its greatest strength at that time. The audit does not note that in 2009:

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- There was an equivalent of \$6.6 million in overtime charged to the travel time budget line.
 - Approximately \$5 million was actually charged and approximately \$1.6 million avoided.
 - Due to limitations of the County’s financial systems, the overtime was charged to the travel line.
- Sworn members were paid at a straight time rate for the first 48 hours of overtime they worked.
 - In 2010 the overtime paid at straight time section of the unions’ contracts was phased out.

Secondly, during 2009 the unions were required to work ¼ days.

- The ¼ days section of the unions’ contracts resulted in the sworn members having to work additional 12 hour shifts.
- The additional shifts were used to reduce departmental overtime.
- During 2009, the Department avoided approximately \$3.5 million dollars in overtime costs.
- In 2010 the contracts phased out the ¼ days, resulting in the department realizing additional overtime.

These two items alone resulted in an additional \$10 million of overtime each year after 2009 or \$50 million dollars in overtime between 2010 and 2014. There were numerous other contractual changes that resulted in the County realizing additional overtime costs, none of which were mentioned or discussed in the Comptroller’s audit. ***The audit completely fails to appreciate that the driving forces for overtime in the Police Department are the most restrictive labor contracts of any major police department and police operations.***

Based on the contents of this response to the above referenced overtime audit, I would hope that the Comptroller would amend the audit to be reflective of the fact rather than the flawed current audit. Consistent with good audit practices, if there are any changes or additions to the audit it is requested that this Department be given an opportunity to amend our reply. Additionally, if there are comments contained in the audit related to this Department’s reply I further request that we be given an opportunity to reply to the comments made.

- 2) The administration of the Police Department has and will continue to aggressively manage overtime. The following should be considered and will be discussed in greater detail below:
 - a. The Department has reduced the sworn head count by approximately 531 members between January 1, 2009 and January 1, 2014 at a total savings of \$524.15 million, and a savings of \$141.88 million in 2014 alone. While overtime has increased, the County has realized a salary savings of \$524 million.
 - b. The County has aggressively managed expenses and today spends less money than it did in 2010. The Department has implemented a number of initiatives that have resulted in significant savings. The Comptroller, for an unknown reason, has decided not to audit the initiatives consistent with audit practices.

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- c. The Department has provided overwhelming proof that future savings will occur. Additionally, the contracts have been previously reviewed by the Comptroller's Office and they determined there was a value for the concessions obtained from the unions.
 - d. The sworn budgeted head count was reduced from 2,750 in 2009 to the current budgeted headcount of 2,350 (a sworn headcount reduction of 370.) This will avoid future termination liability of \$108 million (current value) and significant future health insurance liability.
 - e. Through aggressive management and reorganization, this Department reduced staffing by 1.1 million hours a year, while overtime increased by approximately 300 thousand hours per year. Additionally, the Department realized a crime reduction of more than 25% in the last five and a half years, while there was an approximate 800 thousand hour reduction in staffing.
 - f. Under the direction of County Executive Mangano, the County negotiated historic labor concessions that significantly reduced the costs of all new hires. It is projected that the Police Department will hire more than 700 Probationary Police Officers between 2014 and 2016, which results in an estimated savings of more than \$300 million over the first 8 years of employment.
 - g. As a result of the labor concessions received, all new Probationary Police Officers (as of March 2014) will contribute to their pensions going forward. The County's contributions to pensions will be reduced by an estimated 9%. (The County's pension contribution for all new hires has been reduced by approximately one third.) In addition, new hires will contribute 15% to their health insurance.
 - h. The Police Department has limited control over when our members testify. This Department aggressively manages court appearances to the extent possible, meeting with the administrative judges and members of the District Attorney's office. Without a comparison to another major agency with similar contract work rules, the finding related to court testimony is without merit.
- 3) *Background:* "The Limited Review of the Nassau County Police Department" (hereinafter "audit") uses the year 2009 as a base line.
- a. While it is true that in 2009 the Department's overtime was \$35.51 million, the Department's total head count on January 1, 2009 was 3,993 with a sworn union headcount of 2,716. As of January 1, 2014 the total headcount was 3,409 members, with a sworn headcount of 2,185.

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(Exhibit A.)

NCPD Employees by Employee Class						
Employee Class	2014	2013	2012	2011	2010	2009
PBA	1514	1561	1649	1686	1777	1889
DAI	355	345	369	371	395	411
SOA	316	332	356	364	396	416
Sub-Total Union Sworn	2185	2238	2374	2421	2568	2716
CSEA	1214	1214	1229	1270	1214	1268
Ordinance	10	10	11	9	10	9
Total	3409	3462	3614	3700	3792	3993

The total attrition in the Nassau County Police Department from January 1, 2009 to January 1, 2014, was approximately 584 members. While overtime has increased, the County has 584 fewer members on the payroll, resulting in a salary and fringe avoidance of more than \$140 million in 2014 alone. In other words, the County realized a net saving of approximately \$110 million in 2014. This can be attributed to aggressive expense management by the Police Department’s administration.

(Exhibit B)

NCPD Cumulative Attrition										
Employee Class	2014		2013		2012		2011		2010	
	Total Attrition	Total Hour Lost	Total Attrition	Total Hour Lost	Total Attrition	Total Hour Lost	Total Attrition	Total Hour Lost	Total Attrition	Total Hour Lost
PBA	375	687,000	328	600,896	240	439,680	203	371,896	112	205,184
DAI	56	102,592	66	120,912	42	76,944	40	73,280	16	29,312
SOA	100	183,200	84	153,888	60	109,920	52	95,264	20	36,640
Sub-Total Union Sworn	531	972,792	478	875,696	342	626,544	295	540,440	148	271,136
CSEA	54	112,320	54	112,320	39	81,120	-2	-4,160	54	112,320
Ordinance	-1	-2,080	-1	-2,080	-2	-4,160	0	0	-1	-2,080
Total	584	1,083,032	531	985,936	379	703,504	293	536,280	201	381,376

Based on Exhibit IV of the audit, the cumulative value of attrition was \$141.89 million. By reducing the headcount, the County realized significant annual savings which far exceeded the increase in overtime that can be attributed to the reduction of the headcount.

Light-Roll Call:

Due to contractually guaranteed staffing levels and contractually guaranteed time off, the Department is required to pay overtime to meet contractual obligations. (Light roll-call overtime.)

As will be discussed below, headcount increases will directly impact light roll-call overtime:

- During 2009, overtime hours totaled 559,057, of which 227,601 hours were due to light roll call.

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- In 2014, overtime hours totaled 819,779, of which 444,124 hours were attributed to light roll-call.

Despite an annual reduction of more than approximately 1.1 million hours of staffing, total overtime increased by 311,244 hours per year, with light roll-call accounting for 247,646 hours of this increase. Additionally, a portion of this increase could be attributed to changes in work rules, which have increased overtime. For example, as a result of a contractual award, the County phased out quarter days and overtime paid at straight time during this period. As discussed above, these two changes resulted in \$50 million of overtime during the audit period. ***It is inconceivable that the Comptroller would not note that anywhere in the audit.***

Overtime Dollars vs. Overtime Hours:

The audit focuses on dollars spent without adjusting for raises, steps, or other increases in compensation that impact overtime rates. By focusing on dollars spent, you are comparing dollars that have different underlying hourly values. The more appropriate comparison would be to use hours, which would be less inflammatory than the use of dollars. ***However, not once in the Background Section are hours discussed.***

Hiring Decision

In the Background section of the audit, there is a statement attributed to the undersigned that the reason the Police Department held off on hiring was to wait for more favorable contractual terms. This, however, is only one of the reasons that the Department held off on hiring. Initially, the Department did not increase staffing due to the fact that the adopted budgeted headcount was reduced from 2,750. Additionally, once the Department was operating under a wage freeze it became extremely difficult to hire and retain police officers. Important to note: During the wage freeze, after investigating approximately 2,000 applicants, nearly 70 people completed and passed their background investigations and were offered employment. Only 35 of these 70 applicants accepted positions as Probationary Police Officers with the Nassau County Police Department. Additionally, had the wage freeze not been lifted, it was anticipated that we could have lost half of the 30 Probationary Police Officers who completed the Police Academy.

Precinct Consolidation:

The last item that is discussed in the Background Section of the audit is the efficiency and effectiveness of the Precinct consolidation. The audit alleges that the savings was requested by your auditors and the Police Department failed to provide the documents. The audit also questions the effectiveness of consolidation due to the reopening of the 5th Precinct. As you are aware, the Precinct consolidation has been the subject of significant debate, and the Comptroller was previously provided with the documents on the savings related to the cost out of the consolidation plan. The Comptroller’s Office and the Office of Legislative Budget Review also prepared a financial analysis of the Precinct consolidation plan. There was a clear consensus by all concerned parties that each precinct consolidation saved at least \$5 million per year. If all Precinct consolidations were completed, there would have been a total of \$20 million saved per year. *To suggest anything else would be disingenuous and supports the Department’s position that the audit is deeply flawed and has little or no value.* Additionally, the 5th Precinct was only re-opened as a Precinct as a result of a 2015 budget agreement between the County Executive and the Majority and Minority caucuses of the Nassau County Legislature. Nonetheless, the consolidation of the 4th and 5th Precincts fulfilled all expectations, saving \$5 million per year while not impacting public safety.

Causes of Overtime:

It is inconceivable that in the background section of the audit the Comptroller did not discuss the impact of contractual work rules on Departmental overtime. It has been well established that light roll call overtime is driven almost exclusively by work rules. What is less known is the secondary impact of contractual work rules, which is where these work rules drive detail, arrest, and other overtime.

Overtime Management

The Police Department has a multi-layered accountability program to ensure that use of overtime is appropriate and not abused. The overtime management was discussed at length with the Comptroller’s Executive Staff and the audit team. All overtime must be approved by the members’ supervisors. Once approved by supervisors it is then reviewed and approved by the Commanding Officer. On a weekly basis, Division Chiefs review all overtime. Overtime is also reviewed by the Commissioner, or designee, with the Division Chiefs on a weekly basis. In 2014, prior to audit field work commencing, the Department formed the Administrative Inspections Unit to regularly conduct audits of time and leave. This includes the use of overtime and other items that drive overtime.

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Audit

The Police Department provided extensive information and documents to the Comptroller however the Comptroller chose not to test the initiatives or other items consistent with audit practices. Additionally, there were items that he requested that are the responsibility of the Comptroller to maintain. The two most notable items that the Comptroller maintains are all information related to health insurance and pension contributions. It is illogical that he would request documents that he is responsible for maintaining.

- 4) *Comptrollers Audit Finding # 1 – Police Overtime Increased by 93.7% between 2009 and 2014 and exceeded estimated savings through attrition by 173.00 million.*

Consistent with the entire audit, the Comptroller and the audit team are ignoring the facts in manufacturing this finding. In other words, the Comptroller only gives credit for attrition in the year in which it occurs. *This finding is nothing more than a work of fiction.*

Additionally, the Comptroller fails to note that two contractual changes alone accounted for \$50 million in overtime during the audit period. Consistent with audit practices, \$50 million is material and should be noted in an audit or, for that matter, any financial document.

(Exhibit C.)

NCPD Overtime Broken Down By Category 2009-2014							
Year	Total OT	Light Roll-Call	Direct Police Activity	Indirect Police Activity	Grants	Admin	
2009	559,057	227,601	214,932	35,730	56,702	24,093	
2010	634,508	268,770	215,538	46,138	63,779	40,282	
2011	671,369	291,640	224,651	36,945	91,820	26,313	
2012	885,271	364,961	233,103	37,564	82,607	28,006	
2013	909,089	486,472	261,125	41,836	73,049	46,607	
2014	870,301	475,247	266,823	36,692	55,679	35,860	

Comparing overtime dollars in 2009 to overtime dollars in 2014 is tantamount to comparing apples to oranges. By not adjusting overtime dollars for increase in compensation (inflation/current value) the Comptroller is artificially inflating the amount of overtime worked. Additionally, it is inconsistent with the methodology and specific objectives articulated on Pages 5 of the audit, wherein the relative objective states “*quantify and perform a comparative year to year analysis of NCPD overtime, including court overtime.*” If there is a comparison of overtime from a year-to-year period, the more appropriate unit of measure would be hours that do not have to be adjusted for increases due to cost of living adjustments, step increases, or other compensation increases that impact the hourly rate of overtime.

The second item of note is the attrition savings (Exhibit 4, Page 7 of the Draft Report) are not compounded. In 2014 the auditors credit a single year of attrition when in reality the County realized the attrition savings not only in 2009, but also in 2010, 2011, 2012, 2013, and 2014.

(Exhibit D)

Appendix H – Police Department Response

Attrition By Year							
Total Attrition By Year							
	2009	2010	2011	2012	2013	2014	Total Attrition 2009-2014
2009	26.85	26.85	26.85	26.85	26.85	26.85	
2010		34.38	34.38	34.38	34.38	34.38	
2011			10.08	10.08	10.08	10.08	
2012				31.77	31.77	31.77	
2013					16.72	16.72	
2014						22.08	
Total Annual Attrition	26.85	61.23	71.31	103.08	119.8	141.88	524.15

**** All amounts above are in millions of dollars.

Using the correct methodology, the total attrition savings is \$524.15 million. This far exceeds the total overtime for the period of the audit. Overtime is not the only consideration when determining the Police Department’s headcount. As a result of headcount reduction pursuant to the County’s adopted budget, the Department has made material adjustments to a significant number of commands. Despite the adjustments to these commands and the substantial reduction in the headcount, the Department has realized a reduction of crime of more than 25% in the last five and a half years.

The third item of note by the audit team is when comparing attrition savings to overtime costs. The audit takes the position that they are measuring total overtime earned during a given year, despite the fact that they are measuring the impact of attrition. It is the undersigned’s opinion that this logic is flawed.

Additionally, it is the undersigned’s belief that the attrition savings should be measured against the increase in “light roll-call overtime” from the baseline year (as determined by the audit, 2009 is the baseline year and is what all comparisons are made against.) Increased staffing would impact light roll-call overtime and detail overtime; it would not impact court overtime, arrest overtime, or, for that matter, any other overtime earned. Arrest and investigative overtime is earned by the officers and detectives who have made the arrest and are processing, investigating, or assisting. Court overtime is incurred when a member is subpoenaed to testify and must appear on a day they are not scheduled to work.

The Comptroller does not take into consideration extraordinary events that occurred during the audit period that have an unanticipated overtime cost, such as a presidential debate, natural disasters, strikes, and major sporting events.

Further, Exhibits B and C outline the number of hours that have been lost due to attrition since 2009 and are measured against the increase of light roll-call overtime hours and total overtime hours. Clearly, based on all of the facts, the reduction of headcount has resulted in a significant savings.

Comptroller’s Audit Recommendations

- a) “Control costs with annual budget” (*The Police Department has and will continue to manage all costs.*)

Appendix H – Police Department Response

b) Adequately document all assumptions and calculations to support NCPD estimated dollar savings for each cost savings initiative. The Documentation should be retained for reference and audit trail purposes. *(The Department has and will continue to adequately document all assumptions and calculations.)*

5) *Comptroller’s Audit Finding # 2 – “The NCPD’s claimed future savings from delayed officer hiring could not be substantiated.”*

This finding demonstrates a total lack of understanding and either incompetence, bias or political motives of this audit. The Department will far exceed projected savings based on delayed hiring. The Comptroller has previously analyzed the 2014 contractual amendments and his current opinion is inconsistent with his earlier analysis.

As a result of attrition, between January 1, 2009 and December 31, 2014 the Department was reduced by 531 sworn members. The historic average of attrition is approximately 116 per year. Additionally, due to the fact that we had not hired since 2009, the Department has hired 524 Probationary Police Officers since March 2014. The Department anticipates hiring a minimum of 150 new officers during May of this year. The Department provided the audit team with all the contractual documents, including the contractual amendments that the County entered into during 2014. However, when calculating savings they nevertheless failed to take into consideration the pension savings, the sunset clause (“poison pill”) of the prior salary chart, roll-up costs on payroll extras, or the change of step increases from January after the second year, to the members’ anniversary dates.

Outlined below is the correct savings relative to the Contractual changes related to new hires:

- When the audit team estimated the chart savings they failed to take into consideration the salary chart sunset clause, changed timing of step increase methodology, or the impact of the new salary chart on payroll extras. For the purposes of this exercise we did not attribute savings to the change from January 1 after the 2-years-of-service to step increase on anniversary. Despite the Comptroller’s opinion if recruits were hired prior to the Contractual amendment the recruits would have been moved to the prior salary chart on December 31, 2015, resulting in millions of dollars of additional costs. The “poison pill” was scheduled to go into effect prior to the contract expiring and has gone into effect on every contract since it was first negotiated in 1992, resulting in millions of dollars in cost. Additionally, the members would not have to contribute to their health insurance nor would they have been placed in Tier VI pension, at a 9% savings per year. **As a result of the contractual amendments to the new hire salary chart, the total salary and payroll extra savings attributable to the 2014 PBA amendment is \$286,784 per probationary police officer hired.** *(Please see Exhibit E.)*

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2008 Contractual Extender Salary Chart Adjusted For Payroll Extras			2014 Contractual Amendment Adjusted For Payroll Extras			Savings	
Step 1		54,000	Step 1		42,000	12,000	
Step 2A		71,730	Step 2		49,200	33072	
Step 2B		92,814					
Step 3		100,289	Step 3		60,000	40,289	
Step 4		107,762	Step 4		72,000	35,762	
Step 5		116,410	Step 5		84,000	32,410	
Step 6		121,721	Step 6		91,200	30,521	
Step 7		125,060	Step 7		96,000	29,060	
Step 8		155,980	Step 8		105,000	50,980	
Step 8		155,980	Step 9		133,290	22,690	
						Total Savings	286,784

- The audit team failed to account for any pension savings. Savings would be garnered in two ways: first, the County successfully negotiated with the PBA that all new members of the PBA would be enrolled in Tier VI contributory. The change in the pension plan that was negotiated resulted in a savings of 9% when compared to Tier VI non-contributory. Additionally, there will be pension savings due to the negotiation of a new salary chart. The County will garner an estimated \$123,299 in the first nine (9) years *per probationary officer hired* as a result of the historical pension concessions achieved during the 2014 contractual amendment.

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(Exhibit F)

Pension Savings	
2014 Contractual Amendment	Pension Savings
Step 1	42,000
Step 2	49,200
Step 3	60,000
Step 4	72,000
Step 5	84,000
Step 6	91,200
Step 7	96,000
Step 8	105,000
Step 9	133,290
	Sub-Total
Chart Savings	286784
	123,299

In sum, taking into consideration the savings that will be garnered from the contractual amendments achieved during the 2014 negotiations, it is estimated that the total savings per probationary police officer will be \$454,381 during the first nine (9) years of employment.

(Exhibit G)

	One Police Officer	100 Police Officers	215 Police Officers	645 Police Officers
Salary Chart Saving	286,784	28,678,400	61,658,560	184,975,680
Health Insurance Savings	44,298	4,429,800	9,524,070	28,572,210
Pension Savings	123,299	12,329,900	26,509,285	79,527,855
Total Savings For 9 Years	454,381	45,438,100	97,691,915	293,075,745
Average Savings Per Year	50,487	5,048,678	10,854,657	32,563,972

As stated above, it is anticipated that the Department will hire more than 700 officers between 2014 and 2016, which will result in a savings of more than \$300 million over the first nine (9) years of employment. Pension and health insurance savings will span the officers’ entire careers, resulting in additional savings.

Audit Recommendations

- a) Justify claimed future savings based on delayed hiring. (*The Police Department did not delay hiring until it went below the budgeted headcount. At that point in time the Department did not hire due to a wage freeze and ongoing contractual negotiations. The wage freeze impaired the Department’s ability to hire and retain members. It was anticipated that the County would realize significant concessions related to new hires. In fact, the County did realize significant concessions that resulted in millions of dollars of savings that far surpassed the marginal increases in overtime.*)
 - b) Justify claimed savings resulting from the amended Collective Bargaining Agreement. (*The Legislative Budget Office, Comptrollers’ Office, and NIFA all reviewed the contract and established values for the concessions. **It is disingenuous to suggest now that the value did not exist.** Additionally, the values of concessions were based on hiring 125 recruits per year. The County has far exceeded the anticipated hiring and thus far exceeded the anticipated savings.*)
- 6) *Comptrollers Audit Finding # 3 – No Evidence that Overtime Reduction Initiatives Resulted in Quantified Savings.*

In the section of the Comptroller’s audit titled “Audit Scope, Objectives and Methodology” (page 3-4) the fourth objective is to “analyze NCPD initiatives to manage overtime.” The objective would suggest that the audit team would have conducted an independent evaluation of the savings initiatives to determine its efficiency. It is the undersigned’s opinion that the audit team has failed to “analyze NCPD initiatives to manage overtime.” That being said, outlined below please find the impact of the cost savings initiatives that have been identified in the Comptroller’s audit:

- a. “Seventy Officers were deployed to patrol.” These officers came from Precinct special units that were eliminated and are now assigned to fill minimum staffing positions. Based on the staffing level of the Department at the time of the redeployment, the savings that would have resulted in the reduction of overtime for each tour they worked. Additionally, the special units were redeployed in May of 2014 and the plainclothes units consisting of 38 officers were returned to their positions in February of 2015. The savings during 2014 was approximately \$8.5 million. (*Assumptions – Overtime rate with payroll extras and fringe = \$115.84. Each officer works an average of 11 tours per month, each tour is 12 hours.*)
- b. Expedited graduation of the May 2014 recruit class of 140 recruits. The recruit class prior to this graduated in eight and a half months however the May 2014 class graduated 10 weeks early. After they graduated they worked approximately 30 12-hour tours, having an estimated impact of 360 hours of overtime savings per graduate. The savings garnered from this initiative was approximately \$5.3 million that was realized during the last six (6) weeks of 2014 and the first six (6) weeks of 2015. (*Assumption: Recruits were paid a total of \$125,000 overtime while attending the Police Academy. They graduated ten weeks early, during which time they each worked an average of 30 12-hour tours. The overtime offset, including fringe and payroll extras, was \$115 per hour.*)

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- c. Since March 2014, the Department has hired approximately 524 recruits. It is anticipated that a recruit class of 150 will begin in May 2016. Additionally, we anticipate hiring a class during the fall of 2016. New hires have an impact on overtime in several ways:
 - i. The hourly overtime rate is significantly lower than officers at top pay. This results in the blended rate of Department overtime being reduced.
 - ii. New hires work more hours for the first three years of employment due to the fact that they have additional make-up time and accrue less leave entitlements than senior officers.
 - iii. Increased headcount in the Department will reduce light roll-call overtime opportunities which result in reductions of overtime.
- d. Limiting federal task force overtime to what is reimbursable by federal agencies. Based on a review of overtime earned by members assigned to taskforces, it was determined that in 2013 there were five (5) members assigned to task forces and they earned a total of \$439,976. In 2014, there were six (6) members assigned to the task forces and they earned a total of \$293,757. This equals a net savings of \$146,219. The average overtime earned per task force member was also reduced by \$39,036.
- e. The Chief of Patrol is aggressively managing detail overtime. Historically, details that would incur overtime were approved by the Precinct Commanding Officer. During 2014, the policy was changed wherein all detail overtime would be approved by a Chief assigned to the Office of Chief of Patrol. During 2012 there was a total of 25,698 hours of overtime (this number excludes the presidential debate) and in 2014 there was a total of 18,188 hours of detail overtime. Through aggressive management, the Department reduced detail overtime by 7,510 hours. Based on the blended overtime rate of **\$106.50** (blended rate is based on hourly overtime rate plus .42% to account for rollups), this aggressive management by the administration saved Nassau County approximately \$800,000.
- f. All administrative overtime must be approved by the Division Chief, Chief of Department, or the Police Commissioner. In 2012, there were 5,906 hours of administrative overtime and 3,268 hours in 2014. The initiative results in a savings of approximately 2,638 hours, or a 45% reduction in administrative overtime, for a cash savings of \$281,000.

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- g. The Department has implemented a number of initiatives that were designed to target arrest overtime. During the first six (6) months of 2013, (January 1-July 31) there were 71,857 hours of arrest overtime, and in the first six (6) months of 2015 (January 1-July 31) there were 53,986 hours of arrest overtime. The initiatives resulted in an approximate 30% reduction in overtime - a half year reduction of 17,871 hours - for an annualized cash savings of \$3.8 million. Not included during the audit period but still worthy of note is that the Department is currently building out a new records management system acquired from Motorola. ***The implementation of the system was significantly delayed because of the Comptroller's failure to approve the Intergraph settlement in a timely fashion.*** It is anticipated that additional savings will be incurred with the roll-out of this Motorola records management system. A second initiative that has occurred outside the period is the Expedited Arrest Processing pilot program, of which early results are proving to be promising. Currently, an arrest takes two officers approximately 4 hours to complete for a total of eight (8) hours of processing time. Arrests that are being processed under the pilot program are taking two officers about one hour to complete for a total of two (2) hours of processing.
- h. The Department has worked with the Nassau County District Attorney's Office and the Supervising Judges in order to curtail court overtime. In the first six months of 2013 there was a total of approximately 25,000 hours of court overtime, with approximately 20,000 hours of court overtime in the first six months of 2015. The collaborative approach has resulted in a 20% reduction of court overtime, or a half-year savings of 5,000 hours, with annualized cash savings of approximately \$1 million. The administration anticipates additional savings moving forward.

The Department has implemented a number of overtime initiatives in order to mitigate County overtime and has provided all necessary information to perform an audit on the initiatives. Additionally, savings have been quantified. The Comptroller's failure to accurately perform an audit is incomprehensible. Thus, the Department's position is that the auditors lack an understanding of accounting and have no appreciation for the legal environment or police operations. The Department does not agree with the findings and accordingly dismisses the recommendations.

Comptroller's Audit Recommendations

- a) Quantify the savings actually achieved by each initiative to evaluate true effectiveness. *(The Department has evaluated the savings and provided the necessary information to the Comptroller so that he may audit the initiatives.)*
- b) Develop and execute more effective initiatives to streamline the efficiency of police activities. *(The Department administration has and will continue to aggressively manage all overtime. **The Department welcomes any real recommendations from the Comptroller that would not endanger public safety or violate the contract.**)*

7) *Comptroller Audit Finding 4 – “The Need to Utilize Overtime to Meet Minimum Staffing Requirements Was Not Verifiable.”*

The Department has provided all source documents to support “The Need to Utilize Overtime to Meet Minimum Staffing Requirements.” The need to utilize overtime to meet contractually obligated staffing levels is well established and has been repeatedly evaluated by multiple labor attorneys and has been the subject of arbitration and grievances. The Department is contractually required to ensure that minimum staffing is met. Despite the Comptroller being provided all documents and multiple meetings with multiple members of this Department, he has no comprehension of these County and Departmental obligations.

In order to assure that staffing is appropriate, the Department has a number of controls in place that the Comptroller has been advised of and did not mention within the audit. The most noteworthy is that each precinct roll-call is designed to prevent staffing above the contractual minimum.

The County and the Department have and will continue to negotiate concessions that will reduce costs while improving policing.

Comptroller’s Audit Recommendations

- a) “The existing minimum staffing requirements from all the Police Unions’ CBAs and MOAs be consolidated into one document.” The Consolidated document should be dated and distributed to all Commanding Officers tasked with following minimum staffing guidelines. In addition, this document should be updated whenever changes occur that affect minimum staffing levels, such as arbitration awards, settlements and/or new contracts.” *(The Department has designed roll calls so that minimum staffing is embedded in roll calls to ensure that officers are not called in on overtime unless the command falls below minimum staffing. The Department will explore the possibility of creating a single document. **It is quite clear based on the finding that the Comptroller does not have an appreciation of the complexity of contractual work rules.**)*
- b) The County and Police Commissioner review minimum staffing requirements in various PBA collective bargaining agreements and MOA’s with the objective of reducing or eliminating the requirements in future labor negotiations. One suggestion would be to consider a third shift that overlaps the other two shifts to better coincide with the peak crime hours of the county. Such changes would help allow Precinct Commanders and Police Headquarters greater flexibility to staff precinct. *(As the Comptroller should be aware, the County has aggressively negotiated with the labor unions obtaining historical concessions and will continue to do so. **The Comptroller’s recommendation related to a third shift clearly oversimplifies police staffing and demonstrates a total lack of understanding of police operations.**)*
- c) The County consider hiring an outside consultant to analyze minimum staffing levels. An independent analysis could better determine appropriate staffing levels based on security requirements for use in future labor negotiations. *(The County will review the recommendation and determine the feasibility of hiring a consult to review staffing and all contract entitlements.)*

Appendix H – Police Department Response

- 8) Comptrollers Audit Finding 5 – “Based on Test Results, On Average, 33% of Officers at Any Time Are on Paid Leave Resulting in High Overtime Needs”

Labor contracts and law strictly dictate all leave policies. Members of the Department have repeatedly testified and made public statements related to the challenges surrounding contractual time off. The County has and will continue to aggressively negotiate concessions to the contractual rights.

- 9) Comptroller’s Audit Finding 6 – “Manually Scribbled Police Roll Call Scheduling Sheets Hinders Effective Management Oversight and Verification of Overtime”

This finding is disingenuous, taking into consideration that upon commencement of the audit the Comptroller’s audit team was advised that the Department, in conjunction with County Information Technology, was developing an automated roll call system. Additionally, the Comptroller’s senior staff was provided a demonstration of the new system. Failure to note the development of the new system in the audit can only be described as unethical.

- 10) *Comptroller’s Audit Finding 7 – “The ability to include a portion of overtime in pension benefit calculations.”*

Pension benefits are defined by New York State Law. Accordingly, in order to reduce and/or diminish pension benefits, an amendment would have to be made to the New York State Constitution. This finding is absurd and once again demonstrates a lack of understanding of the law.

Review Recommendation

We recommend that the NCPD make efforts to better distribute overtime when applicable and practical among its entire workforce. *(The recommendation is absurd and demonstrates a lack of understanding of law, labor contracts and police operations.)*

- 11) *Comptroller’s Audit Finding 8 – “When Officers are paid overtime for court appearance in 57.6% of the cases they do not testify”*

As the audit team was advised, the Police Department has focused on court overtime and will continue to aggressively manage court overtime. The Department meets regularly with the District Attorney’s Office and Nassau County’s Supervising Judges in order to mitigate this overtime. Additionally, the District Attorney’s Early Case Assessment Bureau has been identifying witness testimony during the initial assessment. It is anticipated that this assessment will result in a reduction of court overtime, because only those witnesses that are going to be needed to testify will actually be subpoenaed. As described above in Section 6, the Department realized a 20% savings in court overtime in 2015 compared to 2014. One example of an initiative the Department implemented was the rollout of an arrest processing tracking form that is reviewed by Commanding Officers, Division Chiefs, and the Administrative Inspection Unit. The form provides a timeline for arrest processing and the function that each involved officer completed.

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Additionally, the Comptroller offers no comparison to any other major police department with similar work rules. There are a significant number of legitimate reasons why a member would not end up having to testify after being subpoenaed to court. The Comptroller over-simplifies the issue and has only managed to demonstrate once again that he has a lack of understanding of this issue.

Prior to the commencement of the audit, the Department scheduled regular meetings with the Office of the District Attorney and Administrative Judges. The audit team was advised of these meetings and yet did not mention them in the audit. The failure of the Comptroller to note these meetings and then recommend that we hold them can only be described as **unethical**.

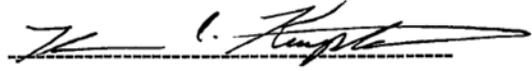
12) *Comptroller's Audit Finding 9 – "The NCPD's Chief timekeeping system is inadequate for recording police overtime."*

Clearly, the Police Department's Chief time keeping system is well past its useful life. The architecture is based on 1980's software. It is hoped that the Department will be able to migrate the time and leave function to People Soft once the system is brought online. With that being said, due to the complex union work rules and the previous unsuccessful attempt to migrate to InTime, it would be inappropriate to consider InTime as a replacement for the Department's Chief timekeeping system. As it has been noted, the Police Department has been working with County Information Technology to automate the current manual roll-call system.

13) *Comptroller's Audit Finding 10 – "Cost Analysis Study of Police Budgeted in 2007 was never completed."*

The Nassau Police Department forwarded a contract to the Nassau County Legislature to complete this study. The Contract was not approved by the Nassau County Legislature.

14) As stated above there are a number of items to be taken into consideration when making the determination to hire or not to hire. In 2014, after almost five years since the last hiring, the Police Department began an aggressive hiring campaign. Taking into consideration police operational necessities and the fiscal environment, the Department's ideal operating strength is between 2,360 and 2,475 sworn members. In order for the Department to address evolving crime trends and reintroduce and strengthen units that have been reduced or eliminated, such as P.O.P. (Problem Oriented Policing), while aggressively managing overtime the Police Department must hire more officers. Additionally, when taking into consideration the historic contractual concessions related to new hires weighed against overtime savings, it is clear that hiring at this point will garner a net savings. Based on all of the above, the undersigned recommends that the Police Department continues to hire at this time.



Thomas C. Krumpert

Acting Commissioner of
Police

Nassau County Police
Department