OFFICE OF THE NEW YORK STATE COMPTROLLER



DIVISION OF LOCAL GOVERNMENT & School Accountability

City of Lackawanna Police and Fire Department Work Hours

Report of Examination

Period Covered:

January 1, 2012 — August 13, 2014 2014M-298

Thomas P. DiNapoli

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Division of Local Government and School Accountability

April 2015

Dear City Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and City Council governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the City of Lackawanna, entitled Police and Fire Department Work Hours. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

Office of the State Comptroller Division of Local Government and School Accountability



State of New York Office of the State Comptroller EXECUTIVE SUMMARY

The City of Lackawanna (City) is located in Erie County and has a population of approximately 18,000 residents. The City is governed by an elected Mayor and an elected five-member City Council (Council). The Council consists of a President and four Council members representing the four wards of the City. The City Comptroller reports to the Mayor and is responsible for various accounting functions such as budgeting, monitoring expenditures, payroll and the payment of claims.

The Council requested an audit of the City in 2013. We performed an initial assessment of the City's operations and determined that risk existed with certain aspects of the City's payroll process.

The City provides various services to its residents, including street maintenance, garbage collection, police and fire protection, recreation and general government support. The City's 2014-15 general fund budgeted appropriations total \$23.4 million, which includes \$4.2 million to operate the Police Department and \$3.9 million for the Fire Department. Expenditures are funded by property taxes, sales tax, State aid and miscellaneous departmental income. Compensation to the Police and Fire Departments is governed by collective bargaining agreements (CBA).

Scope and Objective

The objective of our audit was to evaluate the City's management of Police Department work schedules and pay rates and Fire Department work hours and time and attendance records during the period January 1, 2012 through August 13, 2014. Our audit addressed the following related questions:

- Are police officers working the hours required by their CBA and are payments made using the correct hourly rate?
- Are firefighters' leave records accurately maintained and are they working the number of hours required by their CBA?

Audit Results

It is unclear whether all police officers work the correct number of hours as provided by the police CBA. Specifically, the CBA provides that "the standard work week shall consist of 40 hours," which would be equivalent to patrol officers having to work 2,080 hours during a calendar year. The current work schedule used for patrol officers, however, results in these officers working eight days less per year. In that case, the City would have paid patrol officers approximately \$157,000 for 675 days that

they were not required to work in the 2012, 2013 and 2014 calendar years. Annual overtime costs may be reduced by as much as \$85,000 if these officers were to work the eight additional days.

Fire Department time and attendance records were not always accurately maintained. We identified numerous errors due to the incorrect recording of work hours and leave usage. We also found that City officials do not ensure that firefighters work their required annual hours as they did not properly make up all of the hours that they owed to other firefighters due to shift trading. A similar finding was included in our prior audit report.¹

Comments of Local Officials

The results of our audit and recommendations have been discussed with City officials and their comments, which appear in Appendix A, have been considered in preparing this report. Except as noted in Appendix A, City officials generally agreed with our findings and planned to implement corrective action. Appendix B includes our comments on issues raised in the City's response letter.

¹ See audit report 2012M-66 entitled *City of Lackawanna Fire Department Time and Attendance*.

Introduction

Background	The City of Lackawanna (City) is located in Erie County and has a population of approximately 18,000 residents. The City is governed by an elected Mayor and an elected five-member City Council (Council). The Council consists of a President and four Council members representing the four wards of the City. The City Comptroller reports to the Mayor and is responsible for various accounting functions such as budgeting, monitoring expenditures, payroll and the payment of claims.
	The Council requested an audit of the City in 2013. We performed an initial assessment of the City's operations and determined that risk existed with certain aspects of the City's payroll process.
	The City provides various services to its residents, including street maintenance, garbage collection, police and fire protection, recreation and general government support. The City's 2014-15 general fund budgeted appropriations total \$23.4 million, which includes \$4.2 million to operate the Police Department and \$3.9 million for the Fire Department. Expenditures are funded by property taxes, sales tax, State aid and miscellaneous departmental income. Compensation to the Police and Fire Departments is governed by collective bargaining agreements (CBA).
	A Police Chief supervises the operations of the Police Department, which includes 46 full-time police officers, six complaint writers and a full-time clerk. The majority of police officers are classified as patrol officers and are assigned a work schedule where they work five days on and two days off, alternating with working four days on and two days off. This type of schedule provides them with a rotation of their days off. The remainder of the police workforce are assigned to a traditional Monday through Friday work schedule with Saturday and Sunday as their days off.
	A Fire Chief supervises the operations of the Fire Department and has a clerk to assist with recordkeeping functions. The Fire Department includes 46 full-time firefighters, who work out of three fire houses. Firefighters are generally scheduled in 24-hour blocks of time which

is equivalent to three eight-hour shifts. Hours worked are documented by a Fire Department officer on a daily attendance report and a clerk is responsible for accurately tracking work hours and leave accruals

for each firefighter.

Objective	The objective of our audit was to evaluate the City's management of Police Department work schedules and pay rates and the Fire Department's work hours and time and attendance records. Our audit addressed the following related questions:
	• Are police officers working the hours required by their CBA and are payments made using the correct hourly rate?
	• Are firefighters' leave records accurately maintained and are they working the number of hours required by their CBA?
Scope and Methodology	We examined the Police Department's work schedules and pay rates and the Fire Department's time and attendance records for the period January 1, 2012 through August 13, 2014.
	We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is included in Appendix C of this report.
Comments of Local Officials and Corrective Action	The results of our audit and recommendations have been discussed with City officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Except as noted in Appendix A, City officials generally agreed with our findings and planned to implement corrective action. Appendix B includes our comments on issues raised in the City's response letter.
	The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the New York State General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, <i>Responding to an OSC Audit Report</i> , which you received with the draft audit report. We encourage the Council to make this plan available for public review in the City Clerk's office.

Police Department

Payroll and employee benefits are one of the largest costs for most local governments. In order to manage costs, local governments must ensure that employees are paid correctly and compensation is appropriately authorized through policies and CBAs. Collectively, the Mayor, the Council and the Police Chief are responsible for ensuring that police officers work the number of hours required by their CBA and that they are compensated at the correct rates of pay.

Police officer work hours and general working conditions are defined in the police CBA.² The CBA specifies that a police officer's "standard workday shall consist of 8 consecutive hours and the standard work week shall consist of 40 hours, beginning at 11:46 p.m. Saturday and ending at 11:45 p.m. the following Saturday" (basically, Sunday through Saturday). This work requirement is equivalent to 2,080 hours during a calendar year.³

Additionally, the CBA provides that police officers that are classified as patrol officers must have a work schedule that provides for a rotation of the officers'days off. The CBA does not require a specific type of schedule, but it does state that the City or the Police Chief are responsible for establishing the patrol officer work schedule. Patrol officers are assigned to one of three platoons⁴ which, along with a rotating work schedule, allow for police patrol coverage 24 hours per day, seven days per week.

It was unclear if all police officers are working the required number of hours based on language set forth in the CBA. This is because work schedules for police officers do not always result in patrol officers working 40 hours per week. Approximately one third of all police officers⁵ are assigned to a traditional schedule consisting of Monday through Friday work days and Saturday and Sunday days off. These officers are always scheduled for 40 hours per week. The remaining officers are patrol officers⁶ who are assigned to a schedule that rotates between five consecutive working days, followed by two days off alternating with four consecutive working days, followed by two days off (5/2 – 4/2 work schedule). While this schedule meets the

- ⁵ Assigned personnel, detectives and narcotics officers
- ⁶ Approximately 30 police officers are assigned to patrol duties.

² Lackawanna Police Benevolent Association dated August 1, 2009 through July 31, 2017.

³ We did not identify any provisions that allowed an officer to work less hours.

⁴ Platoon A – 11:45 p.m. to 7:45 a.m.; Platoon B – 7:45 a.m. to 3:45 p.m.; Platoon C – 3:45 p.m. to 11:45 p.m.

CBA stipulation of a rotation of days off, it does not always result in the patrol officer working a 40-hour "standard work week."

For a 52 week work year, a patrol officer's 5/2 - 4/2 work schedule results in eight weeks during the year where the officer is only scheduled for 32 hours. Thus, patrol officers work eight days less than what appears to be provided for by the CBA. In that case, we estimate that, by December 31, 2014, the City will have paid patrol officers approximately \$157,000 over the last three calendar years⁷ for 675 days⁸ that they were not required to work. The City acknowledges these officers work eight less days in a calendar year, but is of the opinion that it is a past practice⁹ and, therefore, any work schedule changes would need to be negotiated with the employee organization.

In addition, Police Department overtime costs¹⁰ and overtime hours¹¹ have steadily increased over the last several years. The majority of overtime hours can be attributed to what is referred to as "complement insufficient," or not enough patrol officers available to staff a given shift. Complement insufficient generally occurs when an officer is absent due to sick or personal leave or when officers are unable to work patrol because they are temporarily classified as injured while on duty. If patrol officers worked 40 hours every week, we estimate that an additional 1,800 work hours (approximately 35 hours/week) would be added to the patrol work schedule each year.¹² This could reduce the overtime necessary due to complement insufficient. We estimate that the City could reduce its overtime costs by \$85,000¹³ per year.

⁷ 2012, 2013 and 2014 calendar years. We forecasted payroll costs for August 1, 2014 through December 31, 2014 assuming that work schedules established prior to this date would continue through the end of the year.

⁸ A total of 5,400 hours were not worked during 2012, 2013 and 2014. 5,400 hours divided by eight hours/day = 675 days.

⁹ The courts have held that where a past practice between a public employer and its current employees is established, involving a mandatory subject of negotiation, the Taylor Law (the New York State Civil Service Law Article 14) bars the employer from discontinuing that practice without prior negotiation.

¹⁰ In the 2011-12 fiscal year, police officer overtime costs were \$295,475. Two years later (2013-14), overtime costs had risen to \$469,963.

¹¹ In the 2011-12 fiscal year, police officers worked approximately 7,025 hours of overtime. By 2013-14, total overtime hours worked had risen to approximately 9,795 hours.

¹² Distributed among the three platoons would result in about 12 additional man hours per week for each platoon (35 hours/3)

 ¹³ 1,800 hours multiplied by the average patrol officer overtime rate in 2013-14 (\$47.42/hour) equals \$85,356. The overtime rate is time and a half of the enhanced hourly rate.

Recommendation

1. The Mayor and Council should consult with the City Attorney to consider undertaking discussions with the employee organization of the police officers to clarify language in future CBAs regarding the work hour and work schedule requirements of all police officers.

Fire Department

Firefighter compensation, work hours and fringe benefits are governed by a CBA between the City and the Firefighters Union. Collectively, the Mayor, the Council and Fire Chief are responsible for ensuring that firefighters work the number of hours required by their CBA. The Fire Chief should regularly review the Fire Department's time and attendance records to ensure that firefighters are working the appropriate amount of time and are being properly compensated. Department time and attendance records should accurately reflect hours worked and leave balance usage. The absence of adequate controls over time and attendance records can result in undetected errors or irregularities. In 2012, we conducted an audit¹⁴ of the Fire Department's time and attendance records and found that not all firefighters worked the correct number of hours as required by the CBA. As a follow-up to this prior audit, we reviewed current time and attendance records to evaluate whether officials had corrected the inaccuracies we previously identified. We found that time and attendance records were not always accurately maintained and the Fire Chief did not consistently require all firefighters to work their required annual work hours. While we identified improvements, conditions similar to what we discussed in our prior audit are still in place. **Time and Attendance** Time and attendance records are maintained by a clerk who is responsible for recording time worked¹⁵ and leave accruals¹⁶ for **Records** all firefighters. A Fire Department officer records work activity on a daily attendance report¹⁷ which shows hours worked, leave time used, overtime and any trading of shifts. The Fire Chief reviews the daily attendance reports before providing them to the clerk who enters each day's activity in a spreadsheet (tracker spreadsheet). The tracker spreadsheet determines if the firefighter has properly worked his required number of hours as required by the CBA. In addition, each fire house maintains a separate daily log book that all firefighters must sign at the start and end of their shifts. ¹⁴ See audit report 2012M-66 entitled City of Lackawanna Fire Department Time and Attendance. ¹⁵ Regular work hours, make up hours due the trading of shifts and overtime ¹⁶ Sick, vacation, personal, holiday and Kelly leave (defined later in the report)

¹⁷ There are three daily attendance reports for each day of the year; one for each of three fire houses. Each report consists of three eight-hour shifts (total of 24 hours) beginning with the 8:00 a.m. - 4:00 p.m. first shift, the 4:00 p.m. - midnight second shift and the midnight - 8:00 a.m. third shift. The first two shifts are worked on the actual date listed on the report but the third shift is worked on the following day.

On a quarterly basis, the clerk distributes a copy of the tracker spreadsheet to all firefighters so that they can review their work hours and leave accrual balances for accuracy. If a firefighter believes there is a mistake in the records, he must provide a copy of the log book page as evidence to support his assertion. This is the only check of time and attendance records, so if the firefighter does not carefully review the clerk's entries, errors will not be identified or corrected. The clerk does not document when changes are made, so it is unknown how often a firefighter identifies inaccuracies.

Leave records are not always being accurately maintained by the clerk. We reviewed the daily attendance reports for the 2013 calendar year for 10 firefighters¹⁸ to determine if their attendance and leave records were accurately recorded on the tracker spreadsheet. We identified a total of 107 discrepancies between the tracker spreadsheet maintained by the clerk and what was documented on the daily attendance reports. These discrepancies were also not identified by the firefighters when they reviewed the tracker spreadsheet. For example:

- On October 3, 2013 a firefighter worked part of his shift at one fire house and the remainder of his shift at a different fire house. While he worked a total of 24 hours, the clerk recorded 24 regular hours and mistakenly credited him with four hours of overtime. This occurred even though there was no indication on the daily attendance report that this firefighter worked any overtime.
- On January 17, 2014 another firefighter worked a total of eight hours. However, the clerk mistakenly recorded eight regular hours and eight make up hours for the same day.
- Finally, on March 18, 2013 a firefighter used 16 hours of his sick leave. The clerk incorrectly subtracted 16 days from his sick leave balance rather than two days (each day is equivalent to eight hours).

These errors were not identified by the firefighters during their quarterly review as there was no evidence they were corrected later on in the year.

We also compared leave balances as of December 31, 2013 to what was carried over to the next year's starting balance as of January 1,

¹⁸ See the Work Hours – Trading Shifts section below for the criteria used to select the 10 firefighters.

2014. While vacation and Kelly¹⁹ days were accurately recorded, the sick leave balances for three firefighters²⁰ were incorrectly recorded at the start of 2014. In addition, the work hour balance owed as of January 1, 2014 was different for six of the 10 firefighters than the balance listed as of December 31, 2013. For example, as of December 31, 2013, the tracker spreadsheet showed that a firefighter owed the City 13 hours, but as of January 1, 2014 it showed this same firefighter owed 45 hours. There was no explanation as to why these balances were different.

The CBA allows firefighters to substitute (trade) a scheduled shift²¹ with another firefighter. Each firefighter²² is responsible for ensuring that all required annual hours are properly worked by January 21 of the subsequent calendar year. To ensure proper accountability, the Fire Chief must carefully review time and attendance records to confirm that each firefighter successfully worked his required number of hours by the deadline. If a firefighter does not properly work the required number of hours, officials should reduce his compensation accordingly.

Ideally, the trading of shifts should result in the firefighter who worked another's shift being repaid by the same firefighter within a reasonable period of time. This is generally not the procedure used by the Fire Department. Firefighters are allowed to make up their shifts with any firefighter and there is no process in place to ensure that each firefighter who agreed to work for another is properly reimbursed for his time. This haphazard shift trading practice creates an imbalance of work hours between firefighters and does not provide for proper accountability.

We selected the 10 firefighters with the highest negative work hour balance as of the end of the 2013 calendar year to see if they properly made up all of their required hours by January 21, 2014. Because of the discrepancies identified in the time and attendance accuracy testing section,²³ our year-end balances were sometimes different than

²³ See the prior section, Time and Attendance Records

Work Hours – Trading Shifts

¹⁹ The number of hours a firefighter is accountable for in a year is dependent upon the platoon assignment and varies from 2,184 to 2,200 hours per year. Because the total hours required of a firefighter is greater than the 40-hour work week (2,080 hours per year) required by the CBA, firefighters are allocated "Kelly days." Kelly days can be used similarly to other leave time or they have the option of receiving their unused Kelly days in a lump sum payment at the end of the year.

²⁰ Unused personal leave should be added to the year-end sick leave balance.

²¹ Firefighters can trade an entire 24-hour shift or just part of a shift.

²² According to the CBA, "Each Fire Fighter shall assume the full responsibility of seeing that the total number of hours worked shall constitute a full year of service to the City."

what the clerk recorded in her tracker spreadsheet. For example, as of December 31, 2013, eight firefighters had different hours owed balances than what the clerk originally reported. By the January 21, 2014 make up deadline, nine of the firefighters had different hours owed balance,²⁴ than what the clerk originally reported.²⁵

We found that by the January 21, 2014 deadline, the 10 firefighters had made up some of their hours²⁶ but still had a remaining balance of 241 hours that they had failed to make up. We asked the Fire Chief what he did in response to firefighters that did not fulfill their work hour requirements. He indicated that the normal unwritten practice is to dock leave accruals for any time that was not properly made up.²⁷ For 2013, the Fire Chief docked 32 overtime hours from one firefighter and 24 hours of leave from another. However, based on our calculations and the City's original records, this did not result in a full repayment of time owed by these two firefighters. In addition, the remaining eight firefighters were excused without any administrative consequences even though the City's records showed that they owed a cumulative 143 hours after the make up period ended. As a result, the 10 firefighters failed to work 185 hours in the 2013 calendar year and were subsequently overpaid by approximately \$5,300.

While there is no actual monetary cost to the City for hours that are not made up because of the trading of shifts,²⁸ there is an inequity of services provided among firefighters. When one firefighter fails to fulfill his required work hours, another firefighter ends up working more than required in order to cover the hours that his fellow firefighter failed to work. In addition, the City does not require firefighters to make up work time owed to the same firefighter that worked for them initially. This contributes to the disorganized manner in which shift trades are conducted.

Recommendations

The Fire Chief should periodically review:

2. The attendance and leave records to verify the accuracy of the tracker spreadsheet.

²⁴ The differences between our balances and the clerks' for individual firefighters ranged from one hour to 64 hours.

²⁵ For our report finding purposes, we relied on the results from our work.

²⁶ 147 hours was made up by the 10 firefighters by the January 21, 2014 deadline.

²⁷ Past practice has been that the City forgave negative balances of seven hours or less. However, we could find no reference to this practice in the CBA or any City policy.

²⁸ Per CBA stipulations, the substitution (trading) of shifts cannot result in a monetary cost to the City.

3. Leave balances, including hours owed from shift trades, and take appropriate corrective action for any firefighters that do not make up their shift hour trades by the CBA deadline.

Firefighters should review:

4. Their accrual balances frequently to make sure time charged and credited is correct.

The Fire Chief, Mayor and Council should:

5. Ensure that all firefighters comply with the requirements of the CBA and work their scheduled annual hours.

APPENDIX A

RESPONSE FROM CITY OFFICIALS

The City officials' response to this audit can be found on the following pages.



OFFICE OF THE MAYOR CITY OF LACKAWANNA

Hon. Geoffrey M. Szymanski ~ Mayor



February 5, 2015

Mr. Jeffrey D. Mazula, Chief Examiner NYS Office of the State Comptroller Division of Local Government and School Accountability Buffalo Regional Office 295 Main Street, Suite 1032 Buffalo, NY 14203-2510 Email: <u>Muni-Buffalo@osc.state.ny.us</u>

Dear Mr. Mazula,

Concerning the audit report, City of Lackawanna Police and Fire Department Work Hours Report-2014M-298, the City of Lackawanna disagrees with your findings and recommendations #1 and 2 for the following reasons:

#1 - The 5/2-4/2 contract was agreed upon by the City Attorney at the time this schedule was implemented. The schedule change was done to settle a suit that was filed with the Department of Labor in 1980. The 5/2-4/2 schedule has been part of the CBA for over 24 years. It is the opinion of the Lackawanna City Attorney that the only way a new schedule can be implemented is through contract negotiations and not arbitrarily by the Chief of Police or the City of Lackawanna. Furthermore, the city negotiated a compensation for the members who worked the traditional 5/2 shift by giving them a check for 8 days pay. This was done in the CBA that started in 1985. The city acknowledged that patrol officers work 8 less days in a calendar year. Additionally, this schedule has been in effect for so long that there is an accepted "past practice".

#2 - A review of case law indicates that an employee's hourly rate is to be calculated including longevity, clothing allowances and other such benefits. The eight day payments which are a part of the CBA are based on the officer's hourly rate including the above and therefore would need to be negotiated with the police union. Additionally since these payments have been made for over 30 years, it is likely that any attempt to change them without negotiation would be unsuccessful due to past practice. These issues will be addressed in the next CBA negotiation session and may be corrected at that time.

Concerning the audit report, City of Lackawanna Fire Department Work Hours Report- 2014M-298, the City of Lackawanna agrees with findings #3 through 6 and would like this reply to also serve as our corrective action plan (CAP).

Hon. Geoffrey M. Szymanski ~ Mayor City of Lackawanna, Dew Pork 714 Ridge Road ~ Room 301 ~ Lackawanna, New York 14218 ~ (716) 827-6464 ~ FAX (716) 827-6678 http://www.lackawannany.gov mayor@lackny.com See Note 1 Page 17

See Note 2 Page 17

See Note 3 Page 17 In regards to Recommendation #3 & #4:

The fire department will be using the automated employee time tracking system currently used by City Hall employees. This will include biometric hand readers installed at each fire station to allow firefighters the ability to "punch in" thus electronically keeping track of all hours worked, including hours involved in the trading of shifts. This will also allow us to electronically keep track of leave balances. The Fire Chief will be a 'User' on this system allowing the ability to review time and leave records periodically. We have received the proposal for this system and are currently looking for funding.

A new policy will be established in regards to the trading of shifts. Firefighters will be required to fill out a form specifying the employees involved in the trade, the dates of each trade and the hours worked for each trade. A copy stays with each firefighter for their records and another copy is given to the Fire Chief. This policy will go into effect on February 16, 2015.

In regards to Recommendation #5:

The automated employee time tracking system will allow us to generate periodic reports for firefighters to review their leave accrual balance. With the new policy on the trading of shifts, firefighters will have a record of all trades they are involved in.

In regards to Recommendation #6:

With the installation of the automated employee time tracking system, the fire department and the firefighters will have an electronic record of their time worked eliminating the verification required by checking the current time tracker, the Daily Attendance Reports and the Station Log Books for errors. This will allow the department to accurately know when employees are in arrears with their time or leave balances and be able to take corrective action in a timely fashion.

If you have any questions or concerns please feel free to call me at (716) 827-6464.

Sincerely,

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Mayor Geoffrey Szymanski

CC: Director of Public Safety Police Chief Fire Chief Law Department Comptroller

APPENDIX B

OSC COMMENTS ON THE CITY'S RESPONSE

Note 1

We revised the final report to reflect the additional information provided for and discussed at the exit conference.

Note 2

The letter dated March 5, 1984 from the City Attorney to a police officer references that the City Attorney has recommended replacing the 6/2 work schedule with a 5/2 - 4/2 work schedule. However, the letter did not discuss the impact the new schedule would have on the CBA which, since 1984, has continued to state that the standard work week consists of 40 hours.

However, we revised the final report to acknowledge that the work schedule may be a past practice, in which case the City could not unilaterally discontinue without contract negotiations. If City officials intend to allow patrol officers to work less than a 40-hour work week, it may be advisable for the City to negotiate the inclusion of express language in future CBAs to help clarify this practice.

Note 3

We revised the final report to reflect the additional information provided for and discussed at the exit conference.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

Our overall goal was to determine if City officials provided adequate oversight of Police and Fire Department payroll and time and attendance operations. To accomplish the objective of the audit and obtain valid audit evidence, we interviewed City officials and reviewed payroll and time and attendance records for compliance with the City's CBAs for the period January 1, 2012 through August 13, 2014.

Our procedures included the following steps:

- We interviewed Police and Fire Department officials concerning work hours, scheduling and time and attendance operations and procedures.
- We reviewed the Police and Fire Department CBAs that were in effect during our audit scope period.
- We selected 10 firefighters with the most work hours owed to the City as of December 31, 2013. We reviewed the daily attendance reports for these firefighters for fiscal year 2013 and January 2014 and compared the entries for regular hours, make up hours, overtime hours and leave use on the daily attendance reports to the entries in the tracker spreadsheet the clerk maintains. When we identified differences, we also reviewed the daily log books.
- We examined Police Department work schedules for the 2012, 2013 and 2014 calendar years.
- We calculated the number of hours that each patrol officer did not work as stated by the CBA for the 2012 and 2013 calendar years and through July 31, 2014. Based on each officer's hourly rate, we calculated the approximate cost for the hours that were not worked. For the period August 1, 2014 through December 31, 2014, we estimated the number of hours that will not be worked, based upon the assumption that the work schedule in place for the first half of the year would continue until the end of the year.
- We reviewed the payroll registers for the 2012, 2013 and 2014 calendar years and identified all police officers that received lump sum payments for unused leave time, holidays, eight-day payments and retirement payouts. We reviewed the calculation of the pay rates used for these types of lump sum payments.
- We calculated the portion of the police officer hourly rate that was attributed to the clothing allowance, longevity payment and education incentive payment. We used this information to calculate the amount of payments made to police officers for unused leave payments and eight-day payments made during the year. We also calculated the payments made to three officers for lump sum payments of unused accrued leave time at their retirement.
- We calculated police officers' overtime costs and hours using budget status reports and payroll reports for the 2011-12, 2012-13 and 2013-14 fiscal years.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX D

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APPENDIX E

OFFICE OF THE STATE COMPTROLLER DIVISION OF LOCAL GOVERNMENT AND SCHOOL ACCOUNTABILITY

Andrew A. SanFilippo, Executive Deputy Comptroller Gabriel F. Deyo, Deputy Comptroller Nathaalie N. Carey, Assistant Comptroller

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