

Analysis - The Middlefield, MA Police Department

Howard Knickerbocker / March 2022

I analyzed certain financial operations of the Middlefield Police Department (MPD) after a November 17, 2021 special town meeting was called to (1) purchase a new cruiser and (2) purchase land to build a new police station and garage for the cruisers. I initially submitted a letter to the editor (Appendix A) in early December commenting on the proposed expenditures. This is an in-depth review of the MPD finances. The Selectboard is now chaired by the ex-emergency management head with a police officer and a retired police officer as members.

Summary:

1) It appears to me that the town receives little benefit from maintaining the MPD. Contracting with the State Police for coverage would be far more cost effective. The Chief no longer lives in town. Eighty plus percent of police hours are devoted to private outside flagging details that provide no benefit to the town. The cruisers are probably 90% devoted to this private road flagging work.

2) This analysis indicates the possibility of a substantial sum of over \$100k owed the town from flagging work that was never received into town accounts.

Data Basis: I extracted historical accounting data from our archived Annual Town Reports. I requested supplemental information from the town administrator and that information under his purview was mostly provided. I requested basic accounting information and account confirmation from the Town Accountant. That information was mostly **not** provided after 4 months. A FOI complaint is currently progressing.

I did not have access to logs, invoices, vouchers, procedures or historical accounting detail. This report is preliminary and depends on an external audit of the MPD and Town Accountant to confirm these initial observations.

Activity Logs: I can find no record of a report on the quantity or nature of police calls to see what real benefit is accrued from maintaining a town police department. The Fire Department reports their activities annually. Perhaps historic County dispatching records could be obtained to create a call log if none exists. I find no mention of a police activity log or vehicle usage logs. Police time slips were examined for a short period. These were neither approved or time stamped at the time of service. A much longer period must be examined to prove legitimacy.

Governance: The following are the two controlling police bylaws from the 1987 Regular Bylaw listing. The Selectboard acts as the Police Commissioners.

Chapter III (Town Officers),

Paragraph I. Selectmen, SECTION 5.

"The Selectmen shall make suitable regulations governing the police department and the officers thereof."

(and)

Paragraph XIX. Police Chief, SECTION 1. “A Police Chief will be appointed by the Selectmen for a one-year term. The Selectmen *are responsible for the public safety administration* activities. The Police Officers appointed by the Police Chief are subject to the approval of the Selectmen.”

MPD Total Cost: The Town spends about \$68k a year (Appendix B) on police services after vehicle amortization and insurance costs are recognized. I have a sequence of police time sheets from the Fall of 2021 that when adjusted for a full year show that the MPD provides about 270 total hours per year (Appendix C). That makes the cost per police hour provided the town about \$250. Apparently, the State Police would provide coverage with cruiser at \$60/hour.

Road Detail: The MPD provides extensive flagging support to outside entities. This mostly out of town work has nothing to do with the town of Middlefield but is administered as town labor. The town is purported to receive a 10% overhead fee and reimbursement for use of the town cruisers. An exclusion to the overhead charge is made for “State Work” (undefined). The officers are renumarated at \$50/hr. I’ve found nothing in the records of the Selectboard authorizing this out-of-town independent work arrangement using town resources.

Amount of Work: I have a summary sheet from the Administrator (Appendix D) showing the days worked on outside detail between August 1 and September 20, 2021. There was flagging work on 28 days. Extrapolated to a full year gives 204 days worked. At \$400 per day, the total is about \$81,000. That matches well as a test with the actual \$60 plus thousand dollars payroll expenditure - given the normal winter slowdown in road work and partial work days. Flagging is a near full time and very lucrative job. I assume State retirement credits also accrue for this work as Social Security taxes are not paid. The matching 1.45% Medicare tax is paid by the town.

Payment for Flagging: The one unreconciled account listing provided by the accountant (Appendix F) was for account 5520 entitled “Police Outside Work”. This apparently is what is termed a “Revolving Account” for unappropriated funds. The listing was for Outside billings received and the resultant police wages paid for the last six months of calendar 2021. The amount paid to the officers was \$31,820 (\$63,640 yearly, extrapolated). This closely matched the invoiced funds received from the various road work sponsors (\$31,034).

Auditors: Two of the suggestions from the auditors in their wrap up to one audit were:

- 1) Middlefield does not have a current and comprehensive accounting policies and procedure manual. The auditor offered to provide examples. *And*
- 2) Currently, the Town does not perform regular departmental internal audits. Internal audits compliment the independent audit and will provide important oversight over departmental accounting records throughout the year.

It would be impossible for the auditor to catch any shortage in road work deposits unless they were informed that two of the Town Income accounts were for receipts for the town share of the road work. The Road Work revolving account appears self-contained. There were very small dollar amounts deposited in one and no activity in the other of these subsidiary accounts at the time of the audit. They appear as some miscellaneous policing fee.

Subsidiary Accounts: I suspect Account 4320 (Motor Vehicle Flagging Fee) and account 4570 (Police Adm Fees) are the repositories for receiving the cruiser usage charge and 10% town overhead fee.

I reviewed ten years of activities. Account 4320 has always been below \$1,000. Account 4570 wasn't used until FY 2017. I queried the accountant to confirm these were the correct subsidiary accounts by FOI request and never received an answer.

Town charges: The accountant said (Appendix E) that the administrative fee is a 10% surcharge to the direct wages. The Police wage is \$50/hour and the cruiser charge was \$100. The accountant never clarified the \$100 and how it was applied. The accountant also stated that the Police Chief set the rates.

I have a statement from ex Selectboard Chair DiNicola that the accountant indicated to him a \$15/hour charge for the cruiser and confirmed the other numbers. I suspect there is no written procedure. The ex-chair also stated that the accountant complained at a town meeting about the cruiser charges that were apparently not being received.

Overview: Compilation of road detail accounts for 10 years. All police labor is burdened at 10%. Cruiser charges are accrued at \$15 per hour of police labor. FY 20 & 21 subsidiary dollars could not be obtained from the Town.

Middlefield, MA Police Outside Road Flagging Analysis								
FY	Account 5520	5520 x 10%	\$/Hr.	Hours Worked	Hours x \$15	Account 4320	Account 4570	Note
2012	15,598	1,560	50	312	4,679	500		
2013	6,280	628	50	126	1,884	480		
2014	17,451	1,745	50	349	5,235	580		
2015	22,297	2,230	50	446	6,689	820		
2016	47,287	4,729	50	946	14,186	320		
2017	61,580	6,158	50	1232	18,474	20	352	
2018	28,081	2,808	50	562	8,424	560	1,148	
2019	49,249	4,925	50	985	14,775	<u>40</u>	<u>3,225</u>	
2020	56,445	5,644	50	1129	16,933			1
2021	<u>63,640</u>	<u>6,364</u>	50	<u>1273</u>	<u>19,092</u>			2
Total	367,908	36,791		7358	110,372	3,320	4,726	
	10% Fee	36,791						
	\$15 Car	<u>110,372</u>						
	Total	147,163						
	Received	<u>-8,046</u>						
	Shortage	139,117						
	Note 1	Estimated from 2019 & 2021 Average						
	Note 2	Extrapolated from 1st six months						

Accountant: I have been told but could not confirm that the Police Chief not only did much of the road work, but sets the rates, invoiced the outside contractors and then verbally instructed the accountant as to how to disburse the funds. If true, every accounting principal and even common sense has been violated.

The accountant should have immediately stopped disbursing funds from this account and notified the selectman upon any suspicion that vouchers were under invoiced and expected receipts were not included in the received payments. The very fact that the accountant identified overhead and vehicle fees in the email to me proves she knew something was amiss at some point in time.

Upon notification the Selectboard would have instituted an audit and notified the town attorney. The Selectboard would have then had the responsibility of instituting a system of control and reporting.

I make no guess as to what has happened here or if there is a major problem. The very limited data available to me does indicate a professional investigation is warranted and, at a minimum, the operating procedures for the MPD are codified.

Possible System: I suspect a minimum system would consist of a monthly outside voucher register that is approved by the Chief of Police and provided to the accountant at the end of the month.

Included elements would be: Identifying Voucher #, Date of Voucher, billed to, labor total, Town 10% total, Cruiser Fee total, State Exemption, Total \$ This Voucher and date payment received.

A labor sub register would include Voucher #, Hours worked by officer by date and total hours this voucher.

Direct payment by a State Agency or a signed certificate would be required for applying the State exemption of the 10% charge.

Appendixes start next page.

LETTERS TO THE EDITOR

A re-examination of Middlefield's plans

From the Oct. 6 Middlefield Select Board minutes: "Daniele property was discussed next, property on Skyline Trail is for sale and the town has right of first refusal as a portion of it is in Chapter Land. The site is 10.28 acres, has been perked, and is currently being marketed at \$59,000. Board feels this may be a good site for future safety complexes as it has the potential of housing police and fire departments."

The purchase of this property was on the Nov. 17 meeting agenda for approval, but it was removed.

I have been ambivalent about the police department. I thought it would be a better balance to have an extra car available in town with radio connections to outside agencies and personnel trained in first aid and CPR. To me, policing was a secondary consideration.

I have had to reconsider this because a new safety complex might cost up to a million dollars. The proposed property purchase starts the stampede to construction. There has been no review by the finance department, nor to my understanding, has the mysterious town capital spending plan ever seen the light of day for ongoing citizen review and comment.

The police cars are usually out of town on flagging details and they are not readily available for town emergencies. To my knowledge, the amount and nature of police calls have never been publicly enumerated, nor the percentage of those calls covered by the state police.

The Select Board has been completely captured by the police and emergency services. I see ongoing dips into the town's

cookie jar for land purchases, police cars, and possible future acquisitions. The normal checks and reviews are missing.

The police department works many hours a year on out-of-town road details. It uses town cruisers to support this work. The town receives a few thousand dollars in reimbursement for expenses and administration.

I cannot evaluate the intangibles of policing provided by the town versus the state police, or a combination of the two. However, I can estimate the potential annual cost of maintaining the Middlefield police department.

The fixed police costs (less vehicles) is set at the Annual Town Meeting are \$47,400. The estimated total costs for two cruisers are \$9,000 a year. If a new building is erected, I estimate new fixed overhead costs of \$28,000 a year. The total would be \$84,400 a year. Financing costs for the potential new construction cannot be estimated.

The fire department might have 10 emergency calls and an additional 10 medical calls a year. The fire department's fixed expenses are \$18,200 a year of which \$9,400 is for dispatching.

Neighboring Becket, which has five times the population of Middlefield, has a police chief and two constables.

It is never a dull moment up here on the Skyline watching the dynamiting of the ledge to install footings for our new safety complex.

Howard Knickerbocker
Middlefield

Appendix B: MPD Total Costs per Year.

Chief	15,000
Officers	18,000
Expenses	10,200
Training	3,500
Cruiser Maint.	3,000
Constables	100
Lockup	495
FICA Match	950
Insurance, est.	7,000
Cruisers - 10 Yr.	<u>10,000</u>
Total	68,245

Appendix C: MPD Calculated Labor Costs per Hour. Full year extrapolation from reported period. Fair hours added as a onetime event.

Date	Hours	Officer	Fair	Hours	Officer	
7/9/2021	2	Sant	8/13/2021	8	Dion	
7/9/2021	3	Sant	8/13/2021	8	Rad	
7/22/2021	2	Sant	8/13/2021	8	Sant	
7/23/2021	3	Sant	8/14/2021	8	Rad	
8/1/2021	4	Rad	Vandalism	8/14/2021	<u>6</u>	Sant
8/5/2021	3	Dion		38		
8/22/2021	3	Sant				
8/24/2021	3	Sant				
8/30/2021	3	Sant				
8/30/2021	3	Dion				
8/31/2021	3	Dion				
9/1/2021	<u>3</u>	Dion				
	35					
Hours per Yr.	233					
Fair Hours	<u>38</u>					
Total Hours	271					
\$/Hr.	<u>250.61</u>					

Appendix D: Extrapolation of Police Days Worked on Flagging.

Flagging Work Days Extrapolation	
50	Days Covered this Report Period
28	Days Worked this Report
7.3	Periods per Year
204	Days Worked per Year
<u>81,760</u>	Dollars per Year (\$400/day)

MIDDLEFIELD POLICE DEPT.

188 Skyline Trail Middlefield MA 01243

Emergency 911 Business Phone 413-623-0005 Fax 413-623-6108

police@middlefieldma.net

Detail Date/Location from 7/1/21 through 9/20/21

Chief Dion:

7/1/21	Cummington
7/7/21	Blandford
7/13/21	Blandford
7/17/21	Blandford
7/20/21	Worthington
7/21/21	Blandford
7/22/21	Blandford
8/9/21	Blandford
8/5/21	Blandford
8/10/21	Blandford
8/29/21	Middlefield
8/31/21	Becket
9/1/21	Middlefield
9/2/21	Becket
9/8/21	Middlefield
9/9/21	Middlefield
9/13/21	Middlefield
9/15/21	Becket
9/16/21	Becket
9/20/21	Worthington

Officer Tonya Santaniello:

7/7/21	Blandford
7/15/21	Chester
8/2/21	Chester
8/31/21	Becket
9/14/21	Blandford
9/15/21	Middlefield
9/16/21	Becket
9/20/21	Worthington

Appendix E: Email from Accountant concerning setting rates and conditions.

From: coopy@roadrunner.com,

To: howardk758@aol.com,

Subject: FW: OUTSIDE

Date: Mon, Jan 31, 2022 8:25 am

Attachments: GENERAL LEDGER YEAR TO DATE ON 1_30_2022.PDF (11K)

Morning Howard

hope all is well

please see attached: outside detail and adm fee & cruiser usage attached

1. the Town has to pay for the medicare peice of the outside detail payroll .145% example if the outside payroll is \$100.00, the Town is responsible for \$1.45

I believe most small towns charge \$50.00 an hour and 10% adm fee and Chief charges

100.00 for Crusier usage

the Chief sets the rate

the Chief does the invoicing

the current rate is 50.00

if it is a State job they cannot charge an adm fee

I am still posting January receipts

From: "Accountant"

To: coopy@roadrunner.com

Cc:

Sent: Sunday January 30 2022 3:41:48PM

Subject: OUTSIDE

Appendix F: Account 5520 for the Period 1 July – 31 December 2021.

Town of Middlefield

General Ledger Year to Date

From 07/01/2021 to 06/30/2022

Fund 01 GENERAL FUND

5520.00			Police Outside Detail	Debits	Credits	Balance
07/28/2021	PYWAR		TONYA SANTANIELLO	5,075.00	0.00	
07/28/2021	PYWAR		JENNY DION	1,600.00	0.00	
07/28/2021	PYWAR		JENNY DION	4,550.00	0.00	
07/28/2021	PYWAR		TONYA SANTANIELLO	400.00	0.00	
10/20/2021	PYWAR		TONYA SANTANIELLO	800.00	0.00	
10/20/2021	PYWAR		JENNY DION	3,000.00	0.00	
10/20/2021	PYWAR		TONYA SANTANIELLO	150.00	0.00	
10/20/2021	PYWAR		JENNY DION	637.50	0.00	
11/03/2021	PYWAR		JENNY DION	337.50	0.00	
11/03/2021	PYWAR		TONYA SANTANIELLO	412.50	0.00	
11/03/2021	PYWAR		JENNY DION	3,800.00	0.00	
11/03/2021	PYWAR		TONYA SANTANIELLO	2,600.00	0.00	
11/17/2021	PYWAR		JENNY DION	400.00	0.00	
11/17/2021	PYWAR		TONYA SANTANIELLO	400.00	0.00	
12/17/2021	PYWAR		MATTHEW RADWICH	400.00	0.00	
12/17/2021	PYWAR		TONYA SANTINELLO	437.50	0.00	
12/29/2021	PYWAR		JENNY DION	172.00	0.00	
12/29/2021	PYWAR		JENNY DION	114.00	0.00	
12/29/2021	PYWAR		JENNY DION	4,290.00	0.00	
12/29/2021	PYWAR		TONYA SANTANIELLO	2,244.00	0.00	
			Subtotal	31,820.00	0.00	
07/25/2021	ACCRV	5520.00	CT	0.00	9,625.00	
07/27/2021	ACCRV	5520.00	EVERSOURCE	0.00	-2,640.00	
07/27/2021	ACCRV	5520.00	EVERSOURCE	0.00	2,640.00	
07/27/2021	ACCRV	5520.00	EVERSOURCE	0.00	2,000.00	
10/08/2021	ACCRV	5520.00	VERIZON	0.00	400.00	
10/20/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	550.00	
10/20/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	475.00	
10/20/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	375.00	
10/20/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	625.00	
10/20/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	475.00	
10/20/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	200.00	
10/20/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	475.00	
10/20/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	400.00	
10/20/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	512.50	
11/01/2021	ACCRV	5520.00	MORAILS CONCRETE	0.00	200.00	
11/01/2021	ACCRV	5520.00	MORAILS CONCRETE	0.00	550.00	
11/01/2021	ACCRV	5520.00	NORTHERN TREE	0.00	400.00	
11/01/2021	ACCRV	5520.00	MORAILS CONCRETE	0.00	550.00	
11/01/2021	ACCRV	5520.00	MORAILS CONCRETE	0.00	587.50	
11/01/2021	ACCRV	5520.00	EVERSOURCE	0.00	400.00	
11/01/2021	ACCRV	5520.00	MORAILS CONCRETE	0.00	587.50	
11/01/2021	ACCRV	5520.00	ASPLUNDH	0.00	437.50	
11/01/2021	ACCRV	5520.00	NORTHERN TREE	0.00	200.00	
11/01/2021	ACCRV	5520.00	NORTHERN TREE	0.00	400.00	
11/01/2021	ACCRV	5520.00	ASPLUNDH	0.00	400.00	
11/01/2021	ACCRV	5520.00	NORTHERN TREE	0.00	400.00	
11/01/2021	ACCRV	5520.00	EVERSOURCE	0.00	800.00	
11/01/2021	ACCRV	5520.00	NORTHERN TREE	0.00	400.00	
11/01/2021	ACCRV	5520.00	TOWN OF BLANDFORD.	0.00	400.00	
11/01/2021	ACCRV	5520.00	ASPLUNDH	0.00	437.50	

12/09/2021	ACCRV	5520.00	MAXYMILLIAN	0.00	437.50	
12/10/2021	ACCRV	5520.00	TOWN OF BLANDFORD	0.00	400.00	
12/27/2021	ACCRV	5520.00	TOWN OF BECKET	0.00	4,290.00	
12/27/2021	ACCRV	5520.00	TOWN OF BECKET	0.00	2,244.00	
12/27/2021	ACCRV	5520.00	MAXYMILLIAN	0.00	400.00	
5520.00 Subtotal				0.00	31,034.00	
Police Outside Detail Total				31,820.00	31,034.00	786.00
Fund 01 GENERAL FUND Ending Bal				31,820.00	31,034.00	786.00
Report Total				31,820.00	31,034.00	786.00