



**Jay Ash**  
**City Manager**

## **CITY OF CHELSEA**

Executive Office  
City Hall, Room #302, 500 Broadway  
Chelsea, Massachusetts 02150  
Telephone (617) 466-4100 / Fax (617) 466-4105  
Email: [jash@chelseama.gov](mailto:jash@chelseama.gov)



### MEMORANDUM

TO: City Councillors  
FROM: Jay Ash  
DATE: May 5, 2010  
RE: Take Home Vehicles

Take home vehicles ensure that essential, off-duty emergency personnel can respond directly to a local emergency. The practice, which is covered by various take home policies, assures that responding emergency personnel are not prevented from doing so because their personal vehicle is not available, are capable of listening and contributing to emergency communications while in transit regarding the incident for which they are responding and can show up directly to the scene with the proper equipment instead of first needing to drive to a parking lot or station to pick up a vehicle and equipment.

From time to time for numerous years, officials and residents have questioned the cost of providing take home vehicles for certain public safety officials, suggesting a range of conclusion that include the cost may outweigh the benefit or that the practice is an example of wasteful municipal spending. On occasion, the Council and Administration have formally discussed the practice and have come to various conclusions. Over the last eight months, Council again has expressed a desire to examine the issue closer. With that in mind, and as consistent with our continued efforts to be as transparent as possible while seeking both efficiency in spending and effectiveness in service delivery, I am pleased to provide the following examination of the City's take home car program.

#### **SECTION 1. DEFINITIONS**

1. A "take home vehicle" is a City vehicle which an assigned officer is permitted to utilize for trips between home and work locations. (For the purpose of this discussion, take home vehicle will also refer to vehicles taken to homes out of the city.)
2. "Personal use" of a vehicle means the occupant has the unrestricted use of the vehicle for personal use within a certain distance from the City, typically 75 miles or within Massachusetts only.
3. "Portal to portal use" means the operator cannot use the City vehicle for any personal use other than to travel between home and work.
4. "Off hours" would be those times, other than the regularly assigned shift, upon which an emergency responder may be called into work.

## **SECTION 2. QUICK FACTS**

1. Number of City paid take home vehicles: 24 (there are 2 police take home vehicles paid for through grant funds. Those are not the subject of this review).
2. Four (4) of the take home vehicles can be used for personal use as well. Personnel afforded that use are the police chief, the fire chief, the director of emergency management and the public works director. The remaining 20 vehicles are portal to portal vehicles only.
3. Approximately 782 trips, one-way, occur for emergency or off-hour responses (off-hour response include returns to the City by those officers for emergencies, events, night meetings, non-emergency departmental support, etc.). That works out to an average of 39 trips per vehicle, or roughly three times a month per vehicle.
4. It is estimated that the gross cost of all City paid take home vehicles is in the range of \$23,634 to \$84,410. The Administration believes a fair estimate as to gross cost is \$56,526.
5. If take home vehicles were prohibited from leaving the City, the estimated cost to the City for reimbursements, claims and/or alternative benefits could range from \$11,964 to \$61,464. The Administration believes a fair estimate as to deductions from gross cost to be \$33,964.
6. Based upon the various estimates included in this review, the range of financial impact the City could incur by eliminating the take home vehicles policy is a net savings of \$72,446 (highest cost savings estimate of \$84,410 minus lowest deduction estimate of \$11,964) to an actual net cost of \$37,830 (lowest cost savings estimate of \$23,634 minus the highest deduction estimate of \$61,464.).
7. This study indicates that the net savings to the City by eliminating the take home vehicles policy is \$22,562 (\$56,526 gross cost minus \$33,964 in reasonable deductions).

## **SECTION 3. SUMMARY OF ARGUMENTS**

A summary of the arguments both for and against the take home practice include (please feel free to add to the list):

### Arguments for the Take Home Practice

1. The City has an interest in ensuring that emergency responders can get to those emergencies once notified.
2. The City cannot mandate that employees maintain a personal vehicle that they have access to 24-hours a day, so there may be times when another family member has the emergency responder's vehicle, it may be out of service or could otherwise not be readily available to allow the emergency responder to respond in a time sensitive manner.
3. Emergency responders need to have the enhanced communications contact that City vehicles afford them as they are responding so as to better understand the nature of the emergency and begin their input into the actions at the site.
4. The arrival of emergency responders at a scene will be delayed as those responders must first drive to the location of where their City vehicle is parked to retrieve that vehicle.
5. Take home vehicles contain most, if not all, of the equipment emergency responders need, so that they can respond directly to a scene and be fully equipped to perform their job.
6. Emergency responders should not need to risk damage to their personal vehicles in the event that they respond to an emergency.

7. Take home vehicles are standard industry practice for appropriate personnel, and thus City policy is consistent with generally held municipal standards.
8. The City would need to at least provide compensation for mileage for those utilizing their personal vehicles for “off-hour” trips, and could be required to compensate employees for the loss of the benefit of having a City vehicle for their normal commute.
9. The City lacks the appropriate space to park another dozen police vehicles, thereby either taking spaces away from residents or requiring the City to lease a parking lot.
10. Certain operations and maintenance issues, like flat tires, vandalism, lost keys, snow removal, blocked in vehicles, etc. are better handled or reduced by cars travelling home.
11. Take home vehicles are another form of “insurance,” that which one pays to insure against bad things happening. In that respect, it is no different than having, for example, fire fighters on duty who may not answer a single fire call during their shift. It is an acceptable practice to spend taxpayer dollars to ensure that emergency services are available in a timely manner when most needed, even though those services may rarely or ever be used.
12. The net cost of the take home practice is .0002 percent (two, ten-thousandths of one percent) of the budget, a nominal amount judged against the overall budget and the overriding benefit of ensuring a speedy response at a time of emergency.

#### Argument Against Take Home Vehicles

1. Taxpayers are paying for the normal commute of certain public safety employees to and from work. (City response: True. Taxpayers also pay for employees health insurance, retirement and other overhead costs.)
2. The extra wear and tear on vehicles means the City pays for more to maintain its fleet than it should. (City response: True, in that it is an extra expense. But it is a responsible expense, much the same way taxpayers pay a uniform allowance or for work boots for certain employees, but not others.)
3. There is the potential for abuse of the portal to portal limitation. (City response: True, but I have no such evidence of abuse in the 15 years I’ve been in City government or my memory before that.)
4. The City may have more insurance or claim exposure if a City vehicle is involved in an accident during the operator’s normal commute to or from work. (City response: Perhaps, but we do have insurance that covers that. Our rates would not likely drop if we eliminated the take home policy.)
5. Private passengers injured in an off-duty officer’s vehicle may cost the City more money. (City response: Perhaps, but I don’t recall this ever being an issue before. If it became an issue, that is why we have insurance. We insure all of our vehicles. Our insurance rates would not likely drop if we had a policy that excluded family from being in a vehicle, for example.)
6. Thus, it costs the City in higher insurance premiums. (City response: We do not believe that to be true, and our past experience would indicate that it is not currently true.)
7. Many taxpayers don’t have the advantage of taking home a company car, why should City employees do so? (City response: Perhaps, but we are talking about emergency responders, not general department heads. Many taxpayers do take home cars that are not providing emergency services. We do not allow this at all.)
8. If vehicles were to stay in the city, it might be possible for some public safety officials to share vehicles, thereby potentially reducing the City’s fleet. (City response: We do not believe so.)

It is especially important that emergency responders are not looking for a ride when they need to respond to a scene.)

9. Some take home vehicles are rarely involved in emergency responses, so the cost of allowing a vehicle out of the city is not supported by the frequency of that official responding back on off-hours. (City response: We are cognizant of that and judge the importance of their response, if called upon, against the minimal cost of providing them with a take home vehicle. There is not one example of when a take home vehicle has been awarded to someone for any reason other than because that person is an emergency responder. So, those who have a vehicle so assigned have them so assigned for a specific public safety reason, and nothing more.)
10. Whether it is truly an abuse or not, it is perceived as an abuse and therefore should be addressed. (City response: Like many issues, we need to educate as to why we do something, not eliminate an important part of our services because it is misunderstood or not easily explained. However, we remain open to hearing any and all criticism and are especially eager to hear if we have misrepresented anything regarding this issue or others. The City's transparency has been recognized by many, including, just recently, Common Cause.)
11. We have to make cuts somewhere, and cutting this expense will allow for other expense cuts to be spared, perhaps even saving a job or two. (City response: The Administration carefully weighs each and every expenditure and has a long record of making budget cuts, including to more the 50% of the City departments in the current fiscal year budget. That review includes a cost/benefit consideration, which has been performed numerous times on this issue, with the outcome always indicating that the minimal cost is well worth the substantial service benefit.)
12. Just because it has always been done that way doesn't mean that it should be done that way in the future. (City response: True, but often times things are done a particular way for a reason. This is not the one-time in a hundred that a well functioning City operation should be changed.)

#### **SECTION 4. GROSS COST DISCUSSION**

It may be impossible to say with certainty what the exact cost of the take home vehicle policy may be. In order to be able to make some reliable estimates, though, three approaches are advanced in this study. In short, this discussion reveals that the net financial impact to the City for eliminating all take home cars would range from an additional cost of \$39,366 (yes, under certain scenarios, it could actually cost the City more to keep the vehicles in the city) to a savings of \$72,410.

##### Method 1

If one was to look at just mileage costs, it is reasonable to assume that 24 take home vehicles cost the City \$23,634 a year in gas. That breaks out as follows:

Vehicles miles travelled to 24 homes on a round trip	734 miles
Estimated miles per gallon of vehicles	<u>÷20 mpg</u>
Number of gallons consumed daily	36.7 gal
Cost of gas	<u>x \$2.80 per gal</u>
Cost per day of travel	\$102.76 cost per day
Average days travelled to and from work	<u>x 230 # of days</u>
<b>TOTAL ANNUAL COST</b>	<b>\$23,634</b>

The flaw in this argument is that this amount fails to take into account wear and tear on the vehicle. Some might argue that vehicles left overnight on city streets incur a different type of wear and tear, but this review does not try to quantify the cost to City for that.

Method 2

To attempt to get a cost that includes wear and tear, the IRS Standard Mileage Rate might be the best measure available. That rate is \$0.50, fifty-cents, per mile. That calculation suggests a cost to the City of \$84,410. That breaks out as follows:

Vehicles miles travelled to 24 homes on a round trip	734 miles
IRS Standard Mileage Rate	<u>x \$.050</u>
Cost per day of travel	\$367
Average days travelled to and from work	<u>x 230 # of days</u>
TOTAL ANNUAL COST	\$84,410

The flaw in this argument is that the IRS Standard Mileage Rate is a composite of fixed and variable costs. Fixed costs include acquisition/lease, insurance, registration, licenses and taxes. Variable costs include gas, oil, tires, routine maintenance and repairs. Most, if not all of the fixed costs the City would have to pay anyway, although an argument could be made that we have to acquire vehicles more frequently. Most of the variable costs can be directly attributable to the extra mileage, except we do get a flat rate on maintenance of vehicles, so an argument could be made that some of those costs would have to be paid anyway. After an hour of searching the Internet, a breakdown of how the fixed and variable costs are represented in the components of the \$0.50 rate was not found. So, because the IRS takes into account expenses that should not be assigned to this consideration, it would appear that the cost assigned by this method would be too high.

Method 3

If the \$23,634 for gas only is too low, and the \$84,410 based upon a mileage rate that includes insurance and taxes we do not incur extra costs for is too high, another approach is suggested in Method 3. The total number of miles travelled by the 24 vehicles per year is 168,820 (734 miles a day x 230 days). If one was to assume that 168,820 miles represents the useful life of a single vehicle, it could be said that we go through a car a year by allowing vehicles to go home out of the city. Thus, a look at the cost of that vehicle over its useful life would suggest that the cost to the City may be \$61,534. That cost is broken out as follows:

Cost of acquisition (minus any salvage value)	\$30,000
Cost of 3 sets of tires (4 tires x 3 changes x \$100 per tire)	1,200
Cost of 16 general services (1 per 10,000 miles x \$200 per visit)	3,200
Cost of 3 major services (3 x \$1,500 per service)	4,500
Cost of gas (per Method 1)	<u>23,634</u>
TOTAL ANNUAL COST	\$61,534

The flaw in this method is that much of the general services costs may be covered by our umbrella contract for vehicle maintenance. For example, it could be assumed that 42 oil changes would be necessary for the vehicle travelling 168,820 (every 4k miles) at a cost of \$844 (\$20 per change). However, our contractor changes the oil every 3 months, no matter the mileage, so there may be no savings for the less miles travelled. It might be, therefore, that the amount is too high, although some might argue that this look does not take into account any body work, replaced windows, etc. that might occur from damage.

### Average

It is generally acceptable to take an average of the reasonable methods to arrive at a cost. The average of the three methods in this study is \$56,526. By taking an average, some of the flaws in the particular methods may cancel each other out.

For the purpose of this report, it will be assumed that the cost of 24 take home vehicles is \$56,526. That cost will be referred to as the GROSS SAVINGS, gross meaning total before any deductions from the costs could be reasonably applied.

Gross Savings estimated by keeping take home cars in the city           \$56,526

## **SECTION 5. DEDUCTIONS**

There would be direct and indirect costs to the City if emergency responders had to use their own vehicles to respond. Setting aside the arguments regarding the availability of vehicles for their response, delays in time getting to the scene and a lack of communication as they are travelling to a scene, the following examines some likely costs the City could incur if private vehicles were utilized by emergency responders. These costs would offset the Gross Savings cited above:

### Mileage Reimbursement

It would be reasonable to expect that emergency responders would be eligible for mileage reimbursement for trips to and from the city that were over and above their regular commute. Based upon estimates submitted, reimbursements could be assumed to be \$11,964 as calculated below:

Number of emergency responder trips per year	782
Average mileage per trip (to and from)	<u>x 30.6</u>
Miles per year travelled	23,929
IRS Standard Mileage Rate	<u>x 0.50</u>
Total Reimbursement	\$11,964

Excluded from mileage reimbursement would be any reimbursement for unusual damage caused to a vehicle responding, like a flat tire or accident.

### Union Matters

Like it or not, the use of a take home vehicle may be considered a benefit that might require compensation if it is removed. There exists in labor law the concept of a “past practice.” Generally, because we have regularly done something somehow, we need to negotiate its change. In this case, because police captains, for example, have always had take home vehicles, we may need to provide them with a stipend if we no longer make a vehicle available. Such a matter might need to be bargained, and, if so and no agreement occurred, could be the subject of arbitration.

It is suggested that such a cost could minimally be gas mileage, but could include anything up to and including the IRS Standard Rate. For the purpose of this review, a cost of \$44,000 is being assigned to this potential exposure. The City does not acknowledge this as a liability, but would use the amount for planning purposes as a potential arbiter award.

Cost of stipends	\$44,000
------------------	----------

### Parking

A benefit of allowing vehicles to go home with their operators is that secured, overnight parking is not required for the vehicles. For the purpose of this review, it will be assumed that 10 vehicles would need to be parked in a leased lot, at a cost of \$2 per day. That cost adds up to \$7,300.

Cost for additional parking	\$7,300
-----------------------------	---------

### Deductions Cost

Thus, the cost to the City of keeping vehicles in the city instead of travelling home with their emergency responders could range from \$11,964 to \$61,464. The minimum of \$11,964 would seem to be inescapable. The other two assumptions can certainly be argued as meriting inclusion in deductions or not. Therefore, including them in a calculation could be too conservative, but leaving them out of the discussion could be too liberal. Generally, arbitration is a 50-50 bet, so this study will assume a 50% risk of the \$44,000, or \$22,000 as a likely cost. Because it may be possible, albeit inconvenient or more costly for wear and tear purposes, to find alternative parking, no cost associated with parking will be considered.

For the purpose of determining a net cost to the City, therefore, the cost of gas reimbursement (\$11,964) and half the cost of an arbiter awarded stipend (\$22,000) combine to create deductions of \$33,964. Therefore, the cost to the City of eliminating the take home vehicles program is \$33,964.

Cost of deductions	\$33,964
--------------------	----------

Again, the deductions do not reflect numerous considerations, including extraordinary vehicle costs for accidents, parking costs and other challenges, like how to kennel police dogs which would no longer be able to travel home with their police handlers.

## **SECTION 6. NET SAVINGS**

The Net Savings, which is comprised of the Gross Savings of keeping take home cars local minus the costs the City could reasonably expect to incur in reimbursements and stipends to offset that new policy, equals \$22,562.

Gross Savings	\$56,526
Deductions	<u>-33,964</u>
Net Savings	\$22,562

The savings of \$22,562, not weighed against the potential costs of having emergency responders be unable to respond in a timely fashion to the 782 annual trips they make back to the city, represents 0.0002% (two, ten-thousandths of one percent) of the City's budget.

## **SECTION 7. LIST OF TAKE HOME VEHICLES**

A spreadsheet is attached, with the amount of miles driven on commute (one-way), number of times the operator returns on off-hours, and a justification for the operator having access to a take home vehicle for all take home vehicles. Included on the list are take home vehicles paid for through non-City sources.

*NOTE: This section has been redacted for publishing on the Web in order to maintain the confidentiality of the undercover vehicles used by the Police.*

## **SECTION 8. COMPARISON TO NEIGHBORING COMMUNITIES**

A partial review of neighboring communities indicates the following:

Chelsea PD – 10 vehicles (plus 2 K-9 and 2 task force paid through grants)  
Everett PD – 11 vehicles  
Revere PD – 10 vehicles

Chelsea Fire – 7 vehicles  
Everett Fire – 2 vehicles (no safety, hazmat or arson officers, and mechanic is on DPW staff)  
Revere Fire – 7 vehicles

While the above review is interesting, it fails to take into account numerous nuances, some of which are explained, but all of which would need to be examined before a general statement is made that Chelsea has more than or less than another community.

## **SECTION 9. ADMINISTRATION RECOMMENDATION**

The Administration believes strongly that the arguments cited in Section 3 support the continued practice of authorizing emergency responders to take home their emergency responder vehicles. At a nominal cost of \$22,562 a year, the minor cost ensures that critical public safety services are undertaken in a timely, well equipped and well informed manner. The City spends in excess of \$500,000 a year on various insurances, in case the need arises. Spending another \$22,562 again seems like a nominal amount to ensure that we are able to serve our residents and taxpayers in

their most dire need arises. On a \$120 million budget, the cost is less than two, ten-thousandths of one percent.

There are no substantiated claims of abuse of the take home vehicles policy. (There is one regularly cited occurrence when the Fire mechanic travelled up and back down Route 1 several years ago with his wife in a truck. This was not a take home matter. The incident was reviewed and determined to be a reasonable occurrence in that 1.) the truck in question was just repaired and being road tested for performance, 2.) the mechanic was doing so on his own time, 3.) there was no “end destination” which the mechanic was taking his wife, like a dinner or shopping, 4.) the likelihood of an accident or other insurance related matter was extremely remote, and 5.) vehicle policy does not restrict the ability of a private passenger from travelling in a vehicle, provided that travel relates to City business, which, in this case, was the testing of the work performed on the vehicle).

(While on the subject of correcting misstatements, City employees do not possess “City credit cards.” It is illegal for city employees to charge services through the use of a credit card. “Gas cards” are issued to vehicles operators. The operators of those vehicles can only use the cards at certain gas stations. When filling-up, the operators are required to enter the mileage of that vehicle and that mileage is reported to us. We then get a record of that and can review to see if there is anything unusual about the mileage statements or usage patterns. On the occasional reviews we make, there has not been anything unusual that has turned up in the years that I have been manager.)

The allowance of take home vehicles is a standard operating procedure in many communities. The City has taken action in the past to reduce the number of take home vehicles to this bare minimum. Any additional reduction or complete elimination would have a substantially negative impact on the delivery of emergency services and place an unfair burden on our emergency responders. Our public safety officials assigned to these vehicles perform outstanding work, often at an inconvenience to themselves and their private lives. Their personal property should not be placed in jeopardy in responding to public emergencies (for example, the then fire chief had his personal vehicle destroyed in the 1973 conflagration). They should not have to maintain additional private vehicles at home to ensure that they always have a vehicle available for them to respond in our case of need.

The practice of take home vehicles is easily assailed, as is the question, for comparison purposes, of having police details work instead of flagmen. In that case, and this one, what the public may speculate is a huge waste of money actually turns out to be both cost and operationally effective. While the public has every right to know that their tax dollars are being spent appropriately, this study indicates that is occurring here. The Administration has been thoughtful in the assigning of vehicles and the overseeing of how those vehicles are used. The practice has been woven into the emergency response operations of various departments, and has proven to work effectively as part of an overall plan to address emergency response needs on the local level. The ability of emergency personnel to arrive in a timely, well equipped and well informed manner is central to that emergency response. Attempting to save a nominal amount carries with it too many risks that the efficient and effective response residents need and want cannot be delivered. In the end, residents and taxpayers will judge City services on that delivery question.

Lastly, imagine an actual situation. A call comes in, for example, for the safety & training officer to respond to a two-alarm fire that may soon explode to even more alarms. Instead of going right to his 2005 Silverado that is parked in the same place in his driveway every time - not even giving a thought to where the vehicle is and instead immediately thinking about what he is about to encounter as the chief officer responsible for safety zones and firefighter conditions on the fire ground - he instead needs to immediately think about where his personal car is, hoping that his son didn't block that car in or that his wife's car is back from the shop so she isn't using his car. Hopefully, he is able to get right out, but he's not yet able to get engaged in the active fire. Instead of listening to the emergency communications in his Silverado, complete with an on-board computer, and having the knowledge that all the equipment he needs is in his Silverado, he is instead calling the station to make sure that the Silverado is ready and where it is suppose to be - hoping that there is someone at the station who is still there to do that for him. He's lost valuable time just checking on where things will be, and hopes the vehicle is there and something hasn't happened to it, like a tire is out of air. That time is nothing compared to the time he loses trying to get through traffic in his passenger vehicle that is not equipped with a red light flashing on it. If he's able to get through all the traffic and hasn't lost that much more time doing so, he then has to get his Silverado at Central Fire Station, even though the fire is raging on Burma Road.

Maybe the above does not happen every time, but I do not believe all the bad that can happen because of the above depiction or worse is worth the minimal financial savings that some hope we achieve. Thus, the Administration continues to maintain that the take home vehicles policy is worthy of maintaining and is another in the many ways we do all that we can to protect the public and respond to their emergency needs.