



# Staff Report

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**Meeting Date:** May 20, 2019  
**From:** Tyler Deems, Finance Director  
**SUBJECT:** Police Budget Funding

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## **Background:**

On May 6th the Budget Committee approved the proposed budget as amended, to include \$370,000 of additional revenue for the Police Department to fund two additional positions. This revenue, as approved by the committee, must come from an outside source, and not be at the expense of other departments or programs within the General Fund. The two positions include a Patrol Officer, to be hired on or after July 1, 2019, and a Lieutenant, to be hired on or after July 1, 2020. By hiring an additional patrol officer, Chief Roberts will be able to fill the traffic officer position, which will be focused primarily on traffic enforcement. The lieutenant will provide additional administrative support and oversight to the department overall. The total cost of the additional staff is estimated to be \$115,000 in FY 19-20, and \$255,000 in FY 20-21.

## **New Revenue Options**

Staff presented with options for addressing the funding issues with the police department at work sessions on [March 4th](#) and [April 9th](#). Options for new revenue such as a public safety fee or a right of way utility fee on the city utilities were among the options. Feedback from the Council included a fair and equitable approach, as well as minimizing the impact to utility customers as much as possible.

- **Public Safety Fee.** There are several options for structuring a public safety fee that would be added to monthly utility bills for city residents. The fee options include a flat fee (all customers pay the same fee), fee by customer class (different charges for residential, multi-family, and commercial/industrial customers), fee by meter size, or fee by customer class and the number of dwelling units for multi-family.
- **Right of Way Fee.** The right of way utility fee would generate additional general revenue that could be allocated to the police department. A 5% fee on the City's own utilities (Water, Wastewater, Stormwater, SandyNet) could generate as much as \$217,000 per year.
- **Local Option Levy.** The Council could refer the funding choice to the voters via a local option levy for Police Services that would increase property taxes for city residents. Local options levies are capped at 5 years but can be renewed. The next opportunity to place a measure on the ballot would be for the November 5, 2019 election which would mean filing the ballot title by mid-August. If the measure is successfully passed, the city would not receive the revenue until the following year.

## Public Safety Fee

Based on the input provided by Council at the work sessions and the Budget Committee's recommendation, staff proposes a phased-in approach for implementing a public safety services fee, which would be based on the customer class and number of dwelling units. An example of how this fee will be structured is below:

FY 19-20	Class	Units	Fee	Proj. Annual Revenue
	Single Family	3,382	\$ 1.98	80,356
	Multi-Family*	700	\$ 1.98	16,632
	Comm/Indust	257	\$ 5.98	18,442
				\$ 115,431

FY 20-21	Class	Units	Fee	Proj. Annual Revenue
	Single Family	3,382	\$ 4.38	177,587
	Multi-Family*	700	\$ 4.38	36,757
	Comm/Indust	257	\$13.22	40,758
				\$ 255,102

Total Projected Revenue \$ 370,532

## Implementation

To establish a fee by July, staff would return to Council with an ordinance as early June 3rd. The process would include holding a public hearing prior to adoption. Following the adoption of an ordinance, the Council would need to set the public safety fee charge via resolution. That could be done in tandem with the adoption of the other city fees and charges updates currently planned for June 17th.

## **Recommendation:**

Provide staff with direction on new revenue for the police department as approved by the Budget Committee.

## **Budgetary Impact:**

The new revenue would generate \$370,000 for the 2019-21 biennium that would be dedicated to the police department to fund the cost of a Patrol Officer and Lieutenant, to be hired on or after July 1, 2019 and July 1, 2020, respectively.