



Staff Report

Meeting Date: April 9, 2019

From Jordan Wheeler, City Manager

SUBJECT: Police Department Services and Funding

Background:

As discussed at the March 4 meeting, the Police Department's budget is facing a shortfall for the next biennium. At that meeting, staff presented some options for addressing the deficit and council requested additional information about the shortfall, police staffing, and current level of services.

The report with that information is attached.



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Meeting Date: April 9, 2019
From: Ernie Roberts, Police Chief
Jordan Wheeler, City Manager
Tyler Deems, Finance Director
SUBJECT: Police Department Services and Funding

BACKGROUND

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Sandy Police Department

The Sandy Police Department's mission is to fulfill the law enforcement needs of the people with the highest degree of fairness, professionalism and integrity, and to protect the inherent rights of the people to live in freedom and safety. The department's services include patrol, criminal investigations, traffic control and enforcement, and school resource officer functions. The department also includes the code enforcement officer who handles city code complaints, violations, and dog control. A portion on the code enforcement officer is allocated to the planning department.

Patrol & Traffic

The patrol officers carry out the general public safety and policing services for the department which includes responded to emergencies, following up on cases, assisting the public, and providing traffic enforcement. The department currently has one patrol officer vacancy.

The department's patrol staff work ten hour shifts on the following schedule:

- Day, 7 a.m. - 5 p.m.
- Mid, 2 p.m. - 12 a.m.
- Swing, 5 p.m. - 3 a.m.
- Grave, 10 p.m. - 8 a.m.

Detective

The police department has one officer assigned to detective duties. This is a four year rotational specialty assignment. The detective receives additional training and is part of the Clackamas

County Major Crimes Team. Currently, the detective is responsible for major cases that require additional and or extensive investigation for successful prosecution. These include but are not limited to; adult and child sex abuse and assault cases, major theft and fraud cases, homicide and major person to person crimes. An additional detective position will be needed as the city grows.

School Resource Officers

The police department has two school resource officers that work in the Oregon Trail School District facilities. These officers provide service within the schools and work with students and families. Additionally, these officers are available for patrol services during the summer months, and when school is not in session.

Per the intergovernmental agreement approved by Council in July 2018, the Oregon Trail School District contributes \$43,000 per officer, per year, for the resource officers. This amount is scheduled to increase 3% per year for the duration of the agreement (through June 30, 2022).

Administrative Staff, Records and Evidence Processing

The police department currently has four civilian full-time employees. These include two Records Specialists, one Records Manager and one Code Enforcement Officer. We recently filled the records specialist vacancy and are now fully staffed in this area. The records manager is also in charge of all evidence processing, including transferring all evidence to the appropriate court. With digital evidence becoming more prominent, this task is more time consuming. Eventually, the police department will need a full time evidence technician.

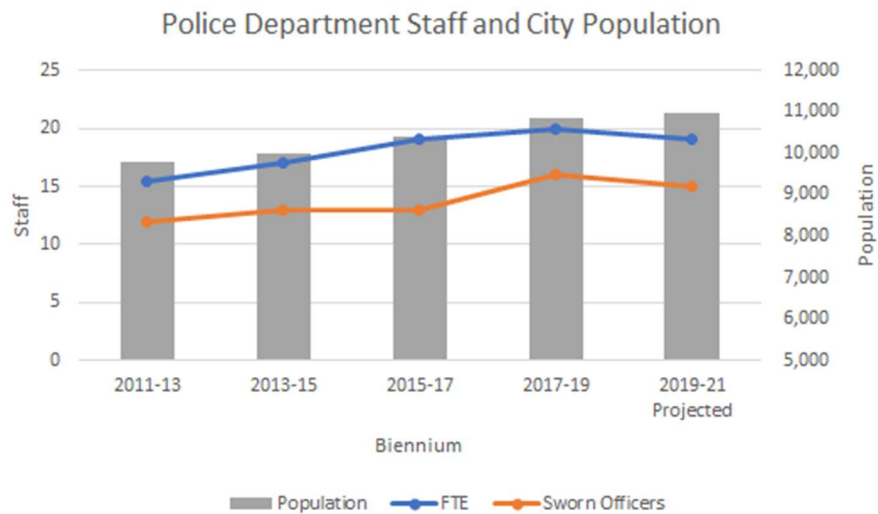
Budgeted, Current, and Projected FTE and Staffing

Position	Budgeted FTE	Currently Filled FTE	Projected 19-21 FTE
Police Chief	1.0	1.0	1.0
Lieutenant	1.0	0	0
Sergeant	2.0	2.0	2.0
Patrol Officer	8.0	8.0	8.0
Traffic Officer	1.0	0	1.0
Detective	1.0	1.0	1.0
School Resource Officer	2.0	2.0	2.0
<i><u>Total Sworn Officers</u></i>	<i><u>16.0</u></i>	<i><u>14.0</u></i>	<i><u>15.0</u></i>
Code Enforcement	0.94	0.94	0.81

Office Manager	1.0	1.0	1.0
Records Specialist	2.0	2.0	2.0
Total FTE	19.94	17.94	18.81

Staffing Trend

The police department’s staffing has slightly increased over the last several bienniums, primarily with the addition of the officers serving Estacada.



Staffing and Budget Comparisons

The Police Department’s budget and staffing level is comparable to other cities of a similar population and budget. Sandy’s general fund departments include internal charges for services to reflect the true total costs for service. We have deducted the internal charges for service for this comparison.

City	Population	Sworn Officers	Total Staff	Total FY18-19 Police Budget (annual)
Sandy	10,990	16	20	\$2,992,009 *
Silverton	10,325	15	19	\$2,879,033
Hood River	7,990	14	16	\$2,336,406
Monmouth	9,890	14	17	\$2,432,769
Independence	9,370	14	19	\$3,065,940

Molalla	9,625	14	16.5	\$2,976,350
Gladstone	11,880	17	21	\$3,810,255 *
St. Helens	13,240	17	19.5	\$3,059,500
The Dalles	14,735	22	26	\$4,258,876

* Denotes biennial budget (total biennial budget divided by two)

POLICE DEPARTMENT PROJECTED BUDGET

The Police Department budget is predominantly supported by general revenues (property taxes, franchise fees, state shared revenues, etc.). Other resources include grants, school district contributions for the school resource officers, and court fines. As previously reported, the expiration of the Estacada contract is a loss of \$1.1 million in revenue to the police department. To make up the loss, we are proposing to increase the department's general revenue allocation by \$1 million in the next biennium.

Another factor in the police department's resources is the decrease in revenue from citations and municipal court fines. This can be attributed to a traffic officer position currently not being assigned due to the need for fully staffing the patrol division.

In the current biennium, we transferred about \$450,000 to the police department from general fund non-departmental (\$102,449) and from an interfund loan from the transit fund (\$356,272). These transfers were made to help make up the difference in resources from the termination of the Estacada contract and to fund the purchases of new computers and radios.

Resources	BN15-17 Actual	BN17-19 Estimate	BN19-21 Projected
Beginning Balance	222,820	(159,780)	(157,012)
Grants	0	50,000	75,000
Estacada Contract	1,014,823	724,381	0
OTSD SRO	31,750	123,750	180,000
Fees, Fines, Miscellaneous	533,205	340,928	412,400
General Revenue	3,831,956	4,580,029	5,510,000
Loan Proceeds	69,225	617,328	0
Total Resources	5,703,779	6,336,127	6,020,388

We're estimating that the department will begin the next biennium with a negative carryover because of the imbalance in the department's resources and expenditures. Our goal and challenge is to make the department's budget balance, with Council input, with a combination of allocating appropriate resources and making adjustments on the expenditure side to achieve a service level that meets the community's needs.

Expenditures	BN15-17 Actual	BN17-19 Estimate	BN19-21 Projected
Salaries & Benefits	4,306,127	4,602,726	4,785,500
Materials & Services	836,966	868,285	798,563
Loan Principal and Interest	161,873	227,376	264,795
Vehicles	69,575	285,631	0
Indirect Support Cost	425,797	509,121	572,084
Contingency	0	0	43,446
Total Expenditures	5,800,338	6,493,139	6,464,388

For the next biennium, the police department is proposing to cut materials and services expenditures and not fund the vacant lieutenant position. As a direct service department, the major expenditure is personnel services at about 74%. Personnel services includes salaries, and benefits: health insurance, employment taxes, and PERS. The city's PERS contributions will again increase this year, impacting the police department's budget by over \$100,000.

Police Department PERS Expenses		
2015-17 Actual	2017-19 Estimated	2019-21 Projected
592,171	739,214	848,000

Police Department Budget Deficit

In sum, the department's projected budget for the 19-21 biennium has a deficit of **\$444,000**. Without additional resources or general revenue allocated to the police department, the department would need to reduce their budget by \$444,000. This would mean not filling the vacant police officer position which would have reinstated the traffic officer assignment. That would save \$216,000 for the biennium in salaries and benefits. But additional cuts would need to be made that would impact service levels.

In March we presented some options for addressing the shortfall, and we are seeking the Council’s input on those options prior to the review of the Proposed Budget at the end of the month.

Other balancing options included:

- Public Safety Fee
- Reduce general revenue allocations to other departments. If taken as an across the board cut to each general fund department, it would mean reducing their projected revenue allocations by about 13%.
- Reduce general fund contingency policy. We would need to reduce the general fund contingency by \$444,000 which would mean that the General Fund would start the biennium with a reserve of only about 2.5% of operations. Our initial policy proposal is for a 5% reserve.

It is important to note that the \$444,000 deficit is after the department has already reduced their planned expenses for the next two years. This means that the department would likely not be funding equipment purchases and replacements - computers and cameras for vehicles and firearms - this biennium.

PUBLIC SAFETY FEE

One of the options was implementing a monthly public safety fee that would be placed on the bills of customers within city limits. If implemented, the public safety fee would balance the department’s budget which would mean that the vacant patrol position would be filled and further cuts to the department’s operations or other general fund departments would be avoided. This would reinstate the traffic position which could increase the department’s citation revenue.

There are several other Oregon cities that have recently implemented a public safety fee.

City	Program	Year Implemented	Amount (Monthly)
Ashland	Public Safety	2017	\$0.50
Baker City	Public Safety	2017	\$3.00 *
Central Point	Public Safety	2015	\$1.00
Creswell	Public Safety	2015	\$6.25
Gresham	Police, Fire, & Parks	2012	\$7.50
Jacksonville	Public Safety	2018	\$20.00 **

Keizer	Public Safety	2017	\$4.00
Medford	Public Safety	2017	\$7.42
Newberg	Public Safety	2016	\$3.00
North Bend	Public Safety	2017	\$5.00
Oregon City	Public Safety Building	2016	\$6.50
Philomath	Public Safety	2017	\$10.00
Stanfield	Public Safety	2014	\$5.00

* \$6.00 for non-residential

** Tiered based on annual income (\$30,001 and above pays the full fee. Reduced for annual income below this threshold)

Fee Options

There are a few different options that a public safety fee could be implemented. In each option, the charges were set with the intent to raise around the amount the minimum amount the police department budget needs to balance.

Flat Fee

Using a total customer base of 3,700, a monthly \$5.00 fee implemented July 1, 2019, would raise the \$222,000 needed to cover the police department's deficit. A flat fee would be mean that the same \$5.00 would appear on a customer's bill regardless of the type of customer or meter size.

Monthly Fee	Annual Revenue	Annual Cost to Household
\$5.00	\$222,000	\$60
\$7.00	\$311,800	\$84

Fee by Customer Class

A different fee could be assessed on different classes of customers. The Council could structure the fee in different ways, but one option is to charge multi-family developments (including duplexes) and commercial and industrial customers a higher monthly fee recognizing the larger impact these uses may have on public safety services.

Customer Class	Accounts	Fee	Proj. Annual Revenue
Single Family	3,382	\$ 4.25	172,482
Multi-Family	89	\$10.25	10,947
Comm/Indust	257	\$13.00	40,092
			\$223,521

Fee by Meter Size

Assessing a fee by meter size is similar to the customer class in that customers that use more water such as commercial, industrial, and multifamily developments would be charged more than a single family home and other buildings with smaller meter sizes. However, the size of a water meter does not necessarily determine the potential demand the customer has on police services.

Meter Size	Accounts	Fee	Proj. Annual Revenue
3/4	3,524	\$ 5.00	211,440
1	94	\$ 5.50	6,204
1 1/2	43	\$ 6.00	3,096
2	57	\$ 6.50	4,446
3	7	\$ 7.50	630
4	1	\$ 8.50	102
6	2	\$10.50	252
			\$226,170

Fee by Class and Dwelling Units

Similar to assessing a fee by customer class, a fee based on dwelling units would charge multifamily developments a fee for each unit in the development. This methodology might be more fair because it accounts for every residential unit and charges the same fee. For example, a multifamily development that has 50 units and receives one utility bill from the city, would be charged \$200 per month. The number of multi-family units in the city is an estimate that we would need to verify.

Class	Units	Fee	Proj. Annual Revenue
Single Family	3,382	\$ 4.00	162,336
Multi-Family*	623	\$ 4.00	29,904
Comm/Indust	257	\$10.00	30,840
			\$223,080

*Current actual unknown. Staff would need to do additional research.

Fee Implementation

To establish a fee by July, staff would return to Council with an ordinance as early as late May. The process would include public notice and 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 currently planned for June.

CONCLUSION & RECOMMENDATION

Staff recommends that the Council provides direction on the police department's budget and services so that we can include your direction in the Proposed Budget. We recommend a decision on the public safety fee, including the structure of the fee. Staff's recommendation on the fee methodology is a fee by class and dwelling units.