



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
3/23/2010	1	City Council	second substitute motion	Pass
3/23/2010	1	City Council	approve substitute motion	Pass

Recommendation to receive a report on funding options for conducting Police Officer academies in Fiscal Year 2010, and receive City Council direction. (Citywide)

On February 2, 2010, the Police Department provided a staffing update and academy cost estimates to the City Council. In response to that update, the City Council requested a report regarding Police and Fire staffing levels and options for convening Police and Fire academies in the current fiscal year. On February 23, 2010, a memo was sent to the City Council highlighting the options to conduct academies in the current fiscal year. On March 9, 2010, the City Council requested the City Manager to begin the recruitment and testing immediately to establish a lateral and new recruit eligibility list to support a full drill Fire academy in January 2011. Therefore, the information below presents cost estimates and funding options for both lateral Police Officer and traditional Police Recruit academies, as requested by the City Council.

Police Staffing

Sworn police staffing is budgeted for FY 10 at 944 positions excluding 17 Police Recruit positions, which are not funded in FY 10. As of February 2010, the Police Department reported 21 sworn vacancies. Two additional vacancies have recently occurred, for a current total of 23 sworn vacancies. As noted during the budget development process, not all sworn vacancies impact front-line public safety services, or "boots on the street." The Police Department indicates that these 23 vacancies are being carried in nonemergency response positions, or are being backfilled with the use of overtime. Therefore, to the Police Department's credit, front-line emergency response has remained unaffected.

The 23 current vacancies translate into a sworn vacancy rate of 2.4 percent for the month of February 2010. To provide some context, the Police Department's average annual vacancy rates for the past few years are shown below.

FY 06 - 4.6%

FY 07 - 2.3%

FY 08 - 3.1 %

FY 09 - 4.1%

As such, the current vacancy rate does not appear to be excessive or extraordinary given historical data.

Cost Estimate for a Full Police Recruit Academy

A traditional Recruit Academy consists of approximately 34 Recruits on a six-month academy schedule (which is equivalent to 17 budgeted positions). Assuming a July 2010 start date, the Academy would span two fiscal years. The cost is estimated at \$1,078,011 in FY 10, which is not budgeted, and \$1,438,139 in FY 11, for a total cost of \$2,517,050. Since a Police Officer eligibility list already exists, no additional recruitment is necessary and, therefore, there are no Civil Service costs to consider.

Cost Estimate for a Lateral Police Officer Academy

As an alternative, the Police Department estimates the salary and equipment cost for a seven-week lateral Police Academy of 10 Police Officers at \$55,010 for FY 10 as follows:

<u>FY 10 Lateral Police Academy</u>	<u>\$55,010</u>
Backgrounds	\$21,410
Uniforms and Equipment	\$22,600
Instructor Overtime	\$11,000

This cost is not budgeted; however, it does present a more affordable option that allows the Police Department to increase staffing, while reducing the fiscal impact of a traditional Recruit Academy.

Civil Service Costs for a Lateral Police Officer Academy

The Civil Service Department estimates the cost to establish a Police Officer Lateral eligible list at \$10,000, plus \$56,583 for the restoration of one Personnel Analyst position that was not funded in the FY 10 budget. Approximately 10 to 12 weeks would be needed to screen and process the applications to establish a lateral eligible list. However, it is recommended that the City Manager work with the Civil Service Department to re-prioritize the planned recruitment schedule for a cost neutral effect.

FUNDING OPTIONS

Option A - General Fund Support

The FY 10 Adopted Budget addressed a \$38.3 million estimated structural deficit. As of this writing, it is anticipated that based on declining revenue trends for Property Tax, Sales Tax, Transient Occupancy Tax, and other economically-sensitive revenues, FY 10 General Fund revenue will be lower than budgeted projections by approximately \$6 million. As the current price of oil is approximately \$74 per barrel, compared to the budgeted price of \$40 per barrel, an increase in the Upland Oil transfer to the General Fund will offset these revenue losses and avoid further cuts to departments and programs. However, if oil prices decline, this will not be a viable option and additional cuts to departments may be required.

At the time of FY 10 budget adoption, structural deficits were projected in the General Fund for FY 11 and FY 12 as costs continue to rise while revenue remains below levels experienced prior to the economic downturn. Current estimates indicate that the structural deficits for FY 11 through FY 13 will likely exceed initial projections. As such, it is critical that we continue to exercise considerable fiscal constraint. We are working closely with all departments, including the Police Department, to ensure that expenditures do not exceed the FY 10 budget on a General Fund and All Funds basis.

Given the challenges facing the General Fund, it does not appear that there is excess revenue to support the cost of a full Police academy in FY 10. While we need to plan for vacancies that will occur through future attrition, we must do so in concert with the considerable fiscal challenges we continue to face.

However, should the City Council wish to conduct a full Police Officer Academy in FY 10, funding could become available by:

- Requiring the Police Department to find savings within its current General Fund budget to support the cost of a full academy;
- Borrowing from the Budget Stabilization Fund in FY 10, and repaying the amount from funding that would otherwise have been budgeted for the FY 11 academy; or
- Implementing cuts to other General Fund departments or General Fund supported Capital Improvement Projects.

Option B - Non-General Fund Support

A possible funding source for an academy is the reduction in general liability charges to the General Fund as a result of securing \$7 million in the Insurance Fund from the City's insurance carrier for the McClure judgment. This revenue infusion is much needed given the Insurance Fund's current short-term and long-term liabilities for outstanding and pending Workers' Compensation and general liability claims totaling \$18 million and \$92 million, respectively. While the City is insured for certain general liability costs exceeding the \$3 million deductible, it is self-insured for its Workers' Compensation costs. The \$7 million settlement for the McClure case would make a considerable dent in reducing the City's outstanding liabilities and a small portion of the settlement could also be applied towards reducing the City's general liability charges to the General Fund for FY 10.

City Council action is requested on March 23, 2010, in order to allow sufficient time for staff to proceed with an academy in FY 10 if directed by the City Council.

The total estimated cost to conduct a full Police recruit academy is \$2,517,050. Assuming a July 2010 start date, the Academy would span two fiscal years. The estimated cost in FY 10 is \$1,078,011, which is not budgeted and would require a funding source to be identified. The remainder of the full academy cost, \$1,438,139, would be incurred in FY 11. The estimated cost for a lateral Police Officer Academy for 10 Officers in July 2010 is \$55,010. It is anticipated this cost can be absorbed within the Police Department's budget from salary savings. Should the City Council wish to conduct a Police academy in July 2010, the staff recommendation is to move forward with a lateral Police Officer Academy, as it would provide for additional staffing in the Police Department within the existing FY 10 General Fund Adopted Budget.

Approve recommendation.

LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER