



# LATHROP POLICE DEPARTMENT

March 22, 2021

Special City Council Meeting

Item 3.1



# Background

- ▶ The City of Lathrop has contracted with San Joaquin County for Law Enforcement Services since its incorporation.
- ▶ For the last 31 years, Lathrop's law enforcement partnership with the County has provided community-based policing services that have adequately met the needs of the City.
- ▶ In the past, Council has directed police services reviews including possible modifications of the San Joaquin County's contract, contracting with other public agencies for law enforcement services, review of pending development impacts on current law enforcement activities and the feasibility of creating our own Department. Those studies have laid the groundwork from which we propose to launch the formation of a new City of Lathrop Police Department.
- ▶ The FY21/22 SJCSO contact is estimated to be \$9.1 million to fund 28 sworn officers. The estimated cost of the new Lathrop Police Department is \$8.8 million, and includes 33 sworn officers and 13 non-sworn positions.
- ▶ If Council approves CIP GG21-11 – Formation of Lathrop Police Department tonight, Staff anticipates a 12-18 month transition.

# Current Contract

- ▶ The current agreement with the San Joaquin County Sheriff's Office was approved by the City Council on April 17, 2017 and expires on June 30, 2022 however either party may terminate the contract upon 180 day written notice.
- ▶ Cost of police services has continued to increase, with the current year's budget rising to over \$9 million annually to fund 28 Sworn positions.
- ▶ The high cost of county service is attributed in large part to the unusually high pension cost paid for each officer and the ever-increasing officer start-up costs.
  - ▶ The City currently pays approximately \$2.5 million in pension cost for 28 officers to the County.
  - ▶ SJCSO new officer startup costs have gone up substantially over time. In Fiscal Year (FY) 13/14 the cost was \$219,000, in FY17/18 \$294,000 and FY20/21 \$355,000. These start up cost are in addition to the annual officer cost, and while the dollars are amortized over 15 years to lessen the impact, they are owed and become part of the annual contract costs.

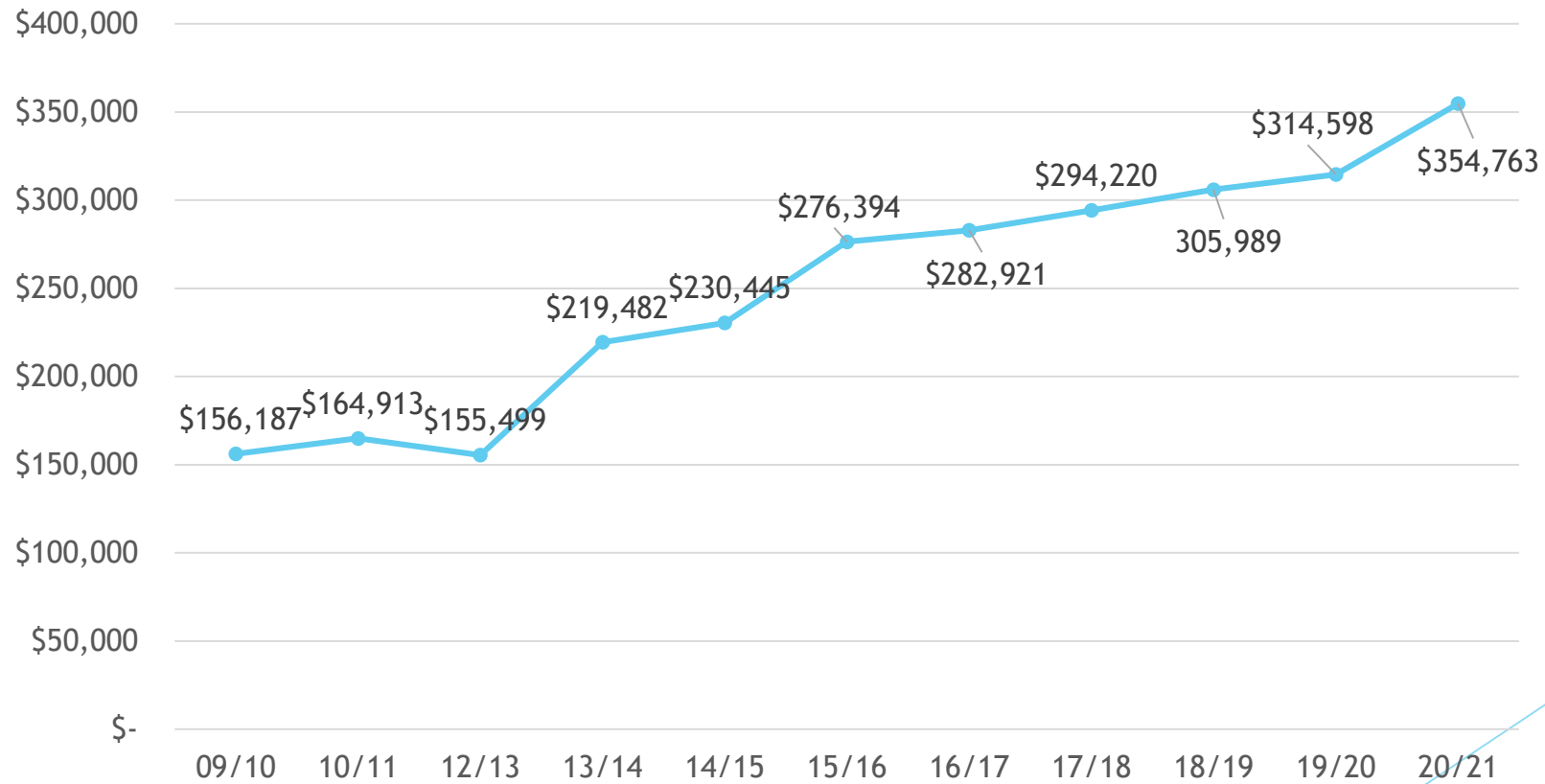
# Pension Snowball

- ▶ Currently, City pays for 5 Officers in Tier II (PEPRA), 10 Officers in Tier I (No Cola) and 13 Officers Tier I (other) (higher than Tier II but lower than Tier I (no Cola)).

	San Joaquin County						New Lathrop Police	Savings Per Officer	
	Tier I (No Cola)+5%			Tier II (PEPRA)+5%			PEPRA	Tier I vs City	Tier II vs City
Fiscal Year	13/14	17/18	20/21	13/14	17/18	20/21			
Percent	67.33%	85.08%	99.15%	51.81%	68.58%	81.74%	13.66%		
Officer	\$59,546	\$75,244	\$87,687	\$45,820	\$60,651	\$72,290	\$14,346	\$73,341	\$57,944
Sergeant	\$98,296	\$124,209	\$144,750				\$17,215	\$127,535	
Lieutenant	\$112,154	\$141,721	\$165,158				\$21,451	\$143,707	
Chief	\$129,090	\$163,121	\$190,097				\$24,730	\$165,367	
Total FY 21/22 County Pension Cost are \$2.5m							Annual City Pension Cost will be \$0.5m.		

# Start-up Increases

## 10 Year Start-up Cost History



# Why now?

- ▶ City Council and Staff have been working diligently for the past decade or so, on achieving financial stability and are confident that today is the ideal time for Lathrop to transition to a City police department.
- ▶ With Lathrop's economy and population continuing to grow, there comes a time when moving forward with our own police department makes economic sense.
  - ▶ more officers
  - ▶ lower budget
  - ▶ personalized services
  - ▶ predictable costs
- ▶ The City's tax base and development activity have become solid indicators that Lathrop is poised for starting its own Police Department to provide the community the high level of service that they have come to expect from City Hall.



# Value Added

- ▶ Establishment of the Lathrop Police Department will also bring other benefits that are of great benefit, but less measurable.
- ▶ For example, staff anticipates improved coordination with code enforcement, animal control, Lathrop-Manteca Fire and other City services.
- ▶ In a similar manner, a municipal police department will also provide the public with better access to police services since there would be a Police Chief reporting directly to the City Manager in the City.
- ▶ The proposed budget contains non-sworn staff that will include multiple community services officers, records personnel and a crime analyst, to name a few.

# Value Added

- ▶ The Lathrop Police Department will aim to produce an organization that would appeal to local applicants and seek to recruit from within the community.
- ▶ Additional advantages will include promotional opportunities within the department that will help to promote longevity within the organization and in turn familiarity within the community.





# Community Benefits

- ▶ Junior Police Academy
- ▶ Mother's Against Drunk Driving
- ▶ Neighborhood Watch Programs
- ▶ National Night Out
- ▶ Blue Santa
- ▶ Bicycle Rodeo
- ▶ Police Explorers (Partnership with School Districts)
- ▶ D.A.R.E (Drug Abuse Resistance Education)
- ▶ Citizens Academy

# By the Numbers

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The text 'By the Numbers' is centered in a clean, sans-serif font, with the 'y' in 'By' being lowercase and the rest of the words in title case.

# Side by Side - Positions

	SJ County 20/21	New City of Lathrop
Chief	1	1
Lieutenants	1	2
Sergeants	2	6
Detectives	2	2
Officers (1)	22	22
<b>Total Sworn</b>	<b>28</b>	<b>33</b>
Non-Sworn PD (2)	3	7
Non-Sworn City (3)	0	6
<b>Total</b>	<b>31</b>	<b>46</b>

(1) Includes Patrol, CIT, CRO, SRO, K9 & Motor.

(2) Includes CSO, Crime Analyst and Records personnel.

(3) Includes IT, Payroll, and HR personnel.

# Estimated Transition Costs

	Estimated Overlap Costs	Equipment	Total Transition Cost
Hiring Costs	\$947,000		
Officer Overlap Costs (1)	\$3,458,322		
Non-Sworn Police Staff	\$436,590		
Non-Sworn Other Department Staff	\$402,221		
Other Costs	\$90,800		
<b>Total</b>	<b>\$5,334,933</b>		
Equipment/Software		\$725,400	
Dispatch Transition		\$400,000	
<b>Total</b>		<b>\$1,125,400</b>	
<b>Total Transition Costs</b>			<b>\$6,460,333</b>

- (1) Officer Cost are estimated at Step 5 and with family health care premiums. Depending on what kind of officer hired (new recruit, academy grad or lateral), number could be lower.

# Side by Side – Annual Budget

	SJ County 20/21 Proposed Budget (1)	New City of Lathrop Estimated Budget	Increase/ (Decrease
Officer Cost	\$7,499,206	\$5,810,097	\$(1,689,109)
Non Sworn PD Staff (2)	\$415,493	\$796,826	\$381,333
Non-Sworn City Staff (3)		\$846,883	\$846,883
Dispatch	\$623,400	\$700,000	\$76,600
Evidence/Records (4)	\$340,190	\$120,000	\$(220,190)
Supplies & Start Up (5)	\$675,866	\$500,000	\$(175,866)
Contract Services (as needed)	\$127,109	\$50,000	\$(77,109)
<b>Total</b>	<b>\$9,681,264</b>	<b>\$8,823,806</b>	<b>\$(857,458)</b>

(1) Budget includes SJ County Budget + City Budget

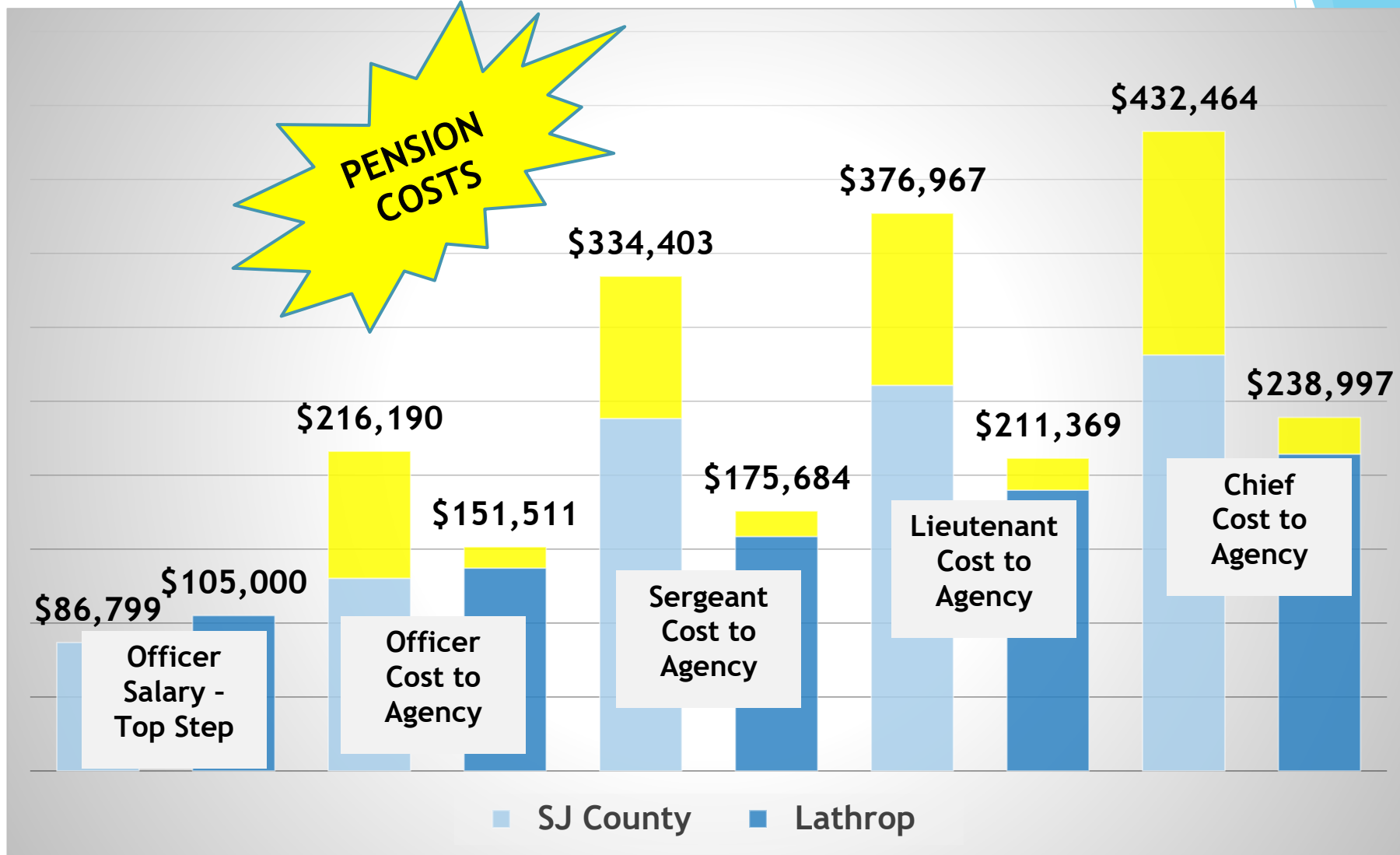
(2) Includes CSO, Records personnel & Crime Analyst

(3) Includes Admin, Payroll, HR & IT personnel

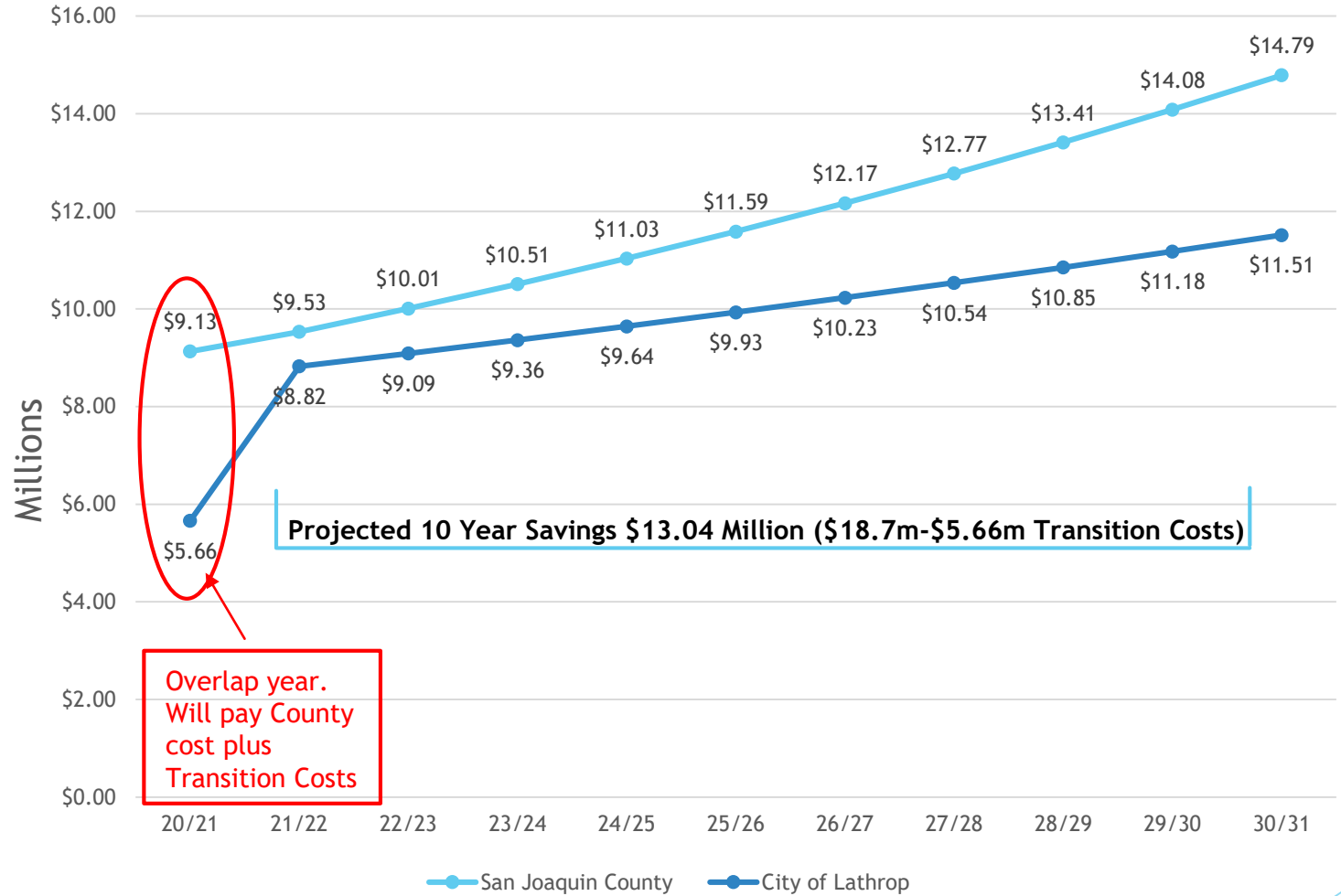
(4) City Records costs included in Non Sworn PD Staff

(5) City is currently paying Start up on 7 Officers amortized over 15 years. Start up Cost for 21/22 is \$354,763.

# Where's the Savings



# Cost Benefit



# Calculated Risk

- ▶ Lathrop is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA)
- ▶ CSJVRMA is a public entity formed on April 1, 1979, by a joint powers agreement in accordance with the California Government Code and currently has 54 members in Central San Joaquin Valley. CSJVRMA provides several self-insured and group purchased programs including work comp and liability insurance.
- ▶ Lathrop has been quoted increases in work comp and liability insurance that are below the amounts contained in the \$8.8 million projected budget .
  - ▶ CSJVRMA has quoted a \$117,000 increase in City liability insurance for adding the Police Department.
    - ▶ Provides \$39 million in coverage with a \$25,000 deductible.
    - ▶ Same coverage as Escalon, Ripon, Oakdale, Turlock for Police Department coverage.



# Funding Identified

- ▶ Transition costs for the Lathrop Police Department are estimated at \$6.5 million.
- ▶ Staff has identified sufficient existing funding sources to seed the proposed project formation.
- ▶ The General Fund funding sources identified include \$3.25 million from development collected police startup costs, fund balance that had previously been committed to public safety reserves and one-time sales tax revenues that have been collected in the current fiscal year.
- ▶ The remaining \$3.25 million will come from the Measure C Fund and will include Measure C public safety reserves and Measure C unassigned fund balance.
- ▶ While the startup costs are significant the ability to control costs in the future will justify the return on the initial investment.

# All In

- ▶ The full funding of the project will allow the City Manager to establish the Police Department. With the project in place, City Staff will be well positioned to implement the City Council's decision to form the Lathrop Police Department.



# Tonight's Action

- ▶ Staff is requesting the City Council authorize the Creation of Capital Improvement Project GG 21-11 - Create the Lathrop Police Department, Implement the Transition of Law Enforcement Services and Authorize the Related Budget Amendment.



# Questions