

**RILEY COUNTY LAW ENFORCEMENT AGENCY
SPECIAL LAW BOARD MEETING: BUDGET WORKSHOP
City Commission Meeting Room
1101 Poyntz Avenue
Manhattan, KS
May 10, 2011 12:00 p.m.
Minutes**

Members Present: Karen McCulloh Jim Sherow
Dave Lewis Barry Wilkerson
Loren Pepperd John Matta
Wynn Butler

Absent:

Staff Present: Director Schoen Assistant Director Doehling
Captain Hooper Captain Grubbs
Captain Hegarty Captain Nelson
Lieutenant Fink

I. Swear In Law Board Members: Riley County Clerk Rich Vargo sworn in newly appointed Law Board member Wynn Butler to fill the unexpired City-At-Large term of Jayme Morris-Hardeman, and John Matta to fill the unexpired City-At-Large term of Bruce Snead. Their terms will expire December 31, 2012.

II. Establish Quorum: By Chairman McCulloh at 12:01 p.m.

III. Pledge of Allegiance: Led by Director Schoen.

IV. General Agenda:

A. Public Comment: None.

B. 2012 Budget Workshop: Director Schoen explained that at the April 18, 2011 Law Board Meeting it appeared that the majority of the Board was in favor of budget draft 3a. However, it was determined that a special meeting was needed to give newly seated City representatives on the Board the opportunity to provide input on the budget in a public forum. Schoen noted that if there are requested changes as a result of further budget discussions, RCPD administration will follow-up on the request and bring it back at the May 16, 2011 regularly scheduled Law Board Meeting.

McCulloh said that RCPD is expecting quite a few retirements in 2011. She asked how that will impact the 2012 budget.

Schoen said that there are 7 retirements in 2011 all of which have fairly significant payouts associated with them.

Pepperd inquired about the estimated payouts for those anticipated to retire in 2011. He added that with retirements come promotion opportunities. Employees who are promoted typically enter at a

lower pay grade than the individual retiring. These are factors that he would like to see reflected in the budget.

Schoen responded that those factors have been accounted for and are reflected in the budget drafts provided to the Law Board. Riley County Police Department Accountant Annette Moran has calculated anticipated retirement payouts, and promotions, and budgeted appropriately according to the numbers.

Pepperd inquired about budget account 35A, Reserves and Contingencies and account 35, Emergency Reserve Fund. He wished to know the balance of each account.

Schoen said that neither fund is reflected in the budget because the Department will not be requesting funding for them. Account 35A used to be the Departments Medical Reimbursement Fund which has approximately \$560,000 in it presently. That fund is no longer tracked in that particular account. Account 35 is the Emergency Reserve Fund which is maintained at a funding level of \$700,000. In 2008 Director Schoen recommended RCPD stop transferring available end-of-year savings into the Emergency Reserve Fund as the fund is believed to be at an acceptable level.

Pepperd turned to Assistant City Manager Lauren Palmer for clarification regarding a letter she authored to the City regarding use of the Emergency Reserve and General Fund.

Palmer explained that the letter addressed the matter of delinquent taxes. She went on to state that City has typically levied a delinquency rate above and beyond their 80% share of the budget in order to cover shortfalls from tax collections. In the past, the City has requested that the Law Board cover those shortfalls out of the reserve fund so that they do not have to be impacted by the General Fund to make those up. The Law Board has been unwilling to do that in the past. Now the City levies a delinquency rate to have additional funds to be able to manage those shortfalls. There has been a long history of this discussion, and there is a difference of opinion as to what is deemed an appropriate use of the Emergency Reserve Fund.

Schoen said that RCPD does not have a reserve fund that can be accessed to assist with budgeting shortfalls. The RCPD Emergency Reserve Fund can only be used in the event of an emergency. He directed further questions regarding use of the fund to Attorney Michael Gillespie.

Gillespie stated that the RCPD Emergency Reserve Fund allows for discretionary disbursements only in the event of an emergency. Questions have been raised in the past as to what would constitute an emergency to draw on those resources. An emergency implies that the entity is confronted with an unforeseen situation, and there is little to no choice. For example, if a tornado were to pass by the Department and wipe out communication capabilities. The Department would be faced with significant, immediate expenditures. The Department would have no choice, but to tap into the Emergency Reserve Fund.

Wilkerson noted another example of proper use of the Emergency Reserve Fund. He cited the near financial crisis of 1993 flood. While waiting on reimbursements from FEMA the Department ran in to problems trying to make the December payroll. If assistance from FEMA not been received in time that would have been an appropriate use of the Emergency Reserve Fund.

Lewis asked if the Department set a specific funding level for the Emergency Reserve Fund.

Schoen said that the funding level was previously set at 5% of the RCPD budget. However, as the budget grew so would the Emergency Reserve Fund. That is the reason the decision was made to maintain the fund at the \$700,000 level. The Department may need to add to the fund at some point in the future, but not at this time.

Lewis said there have been discussions at the County regarding the P25 narrowband radio systems that must be in place by January 1, 2013. He asked where RCPD is with respect to transitioning from radio analog to digital systems. He wanted to know what budgetary impact it would have, if any.

Doehling explained that there exists the need to replace or upgrade nearly all of the Department's radios to make the system P25 (narrowband) compliant. An incremental replacement schedule has been adopted in order to comply with federal regulations. The Department has budgeted an additional \$20,000 in account 30, Communications Equipment for this purpose. The intent is to purchase as many radios as possible for 2012, and search for available grants to help subsidize that effort.

Matta addressed what he feels are rather sizeable increases in the RCPD budget over the past few years. Riley County Police Department 2012 draft 3a represents an 8.057% increase from that of the approved 2011 budget. When the carryover is applied the overall increase is around 4%. He cautioned that there will be an expanded increase to the 2013 budget as the carryover will more than likely not be as great in upcoming years.

Matta pointed out that draft 3a allows for a 2% Cost of Living Allowance (COLA) and 4% step increases, which in essence is a 6% pay increase for employees.

Schoen said that is correct. However, there are roughly 25 employees who will not qualify for a step increase in 2012. Those employees are senior employees who have topped out on the salary schedule. Absent a COLA, they will not receive any increase for the year.

McCulloh requested information regarding the Department's future staffing needs.

At the January 18, 2011 Law Board Meeting Captain Hegarty briefed the Board on the RCPD Patrol Staffing Assessment final report conducted by Justice Research Consultants, LLC. The study provided recommended levels of patrol staffing for the next 5 years beginning in 2011. Schoen said in an effort to meet the needs of the anticipated growing population with the arrival of the National Bio and Agro-Defense Facility (NBAF), and return of military personnel, it is projected that an additional 5 officers would be needed for 2011, 2 officers for 2012, 2 officers for 2013, 1 officer for 2014, and 2 officers for 2015.

If the growth projections hold true, the Board will likely receive a recommendation from the Department for 5 additional police officers in 2013. There has been discussions internally about converting 1 police officer position to a non-sworn lab technician position. Right now the lab technician duties are being completed by a sworn officer. Essentially, RCPD would be asking for an additional 4 police officers and 1 non-sworn lab technician. The Department may also request the addition of 1 non-sworn clerical position within the next 2 years.

Pepperd said that he finds it ironic that Commissioners serve on the Board to control the budget, and yet they are presented with a budget from RCPD that they can do very little with. They really have no way to adjust or cut the budget.

Schoen explained that the City and County are in a difficult position as 86% of the RCPD budget is tied to personnel. Should the Board decide that law enforcement in Riley County is costing too much, and they need to cut personnel, the Department will continue to march forward. The control does exist with the Law Board. There are decisions that need to be made, and they need to be made at his level.

Matta challenged RCPD administration to provide a budget draft with an increase around 6%. Such a task may entail recommending only 1 additional police officer instead of 2 for 2012.

Matta addressed the 4% step increases and proposed 2% COLA for RCPD employees. He stated that many employees in private sectors will not receive that kind of increase in pay. In fact, many have not received a merit increase for a couple of years now. To say that RCPD employees are to receive a 6% increase from a public consumption standpoint is very difficult to do.

McCulloh thought it was important to provide a brief history regarding the COLA for RCPD employees. In 2007 a compensation and benefits study for the Department was completed by McGrath Consulting Group to bring employees up to the 50th percentile with respect to wages when compared to similar agencies. The recommendations of the study were implemented shortly thereafter.

She said that in November 2010 the Law Board voted to remove itself from under the provisions of the Public Employer-Employee Relations Act (PEERA). At that time, the Board assured the Fraternal Order of Police (FOP) that they would stand by their side, and ensure employee salaries remain comparable to other agencies. She feels it is important that RCPD employees receive a 2% COLA so that they do not lose ground and continue to attract quality applicants.

Matta said he has received numerous comments from the public voicing their frustration because they have the same cost of living issues as those who are employed by RCPD. The citizens of Manhattan and Riley County have to tighten their belts, and they expect government to do the same.

Butler echoed the comments made by Matta. Everyone wants to pay firemen and police officers as much as they can simply because of the nature of the service they provide, but the Board has to look out for the taxpayers as well. He would be curious to know if the public is receiving a 1%, 2% or negative COLA. Butler agreed that a further reduction to the proposed RCPD budget is necessary.

Wilkerson described some of the changes that have occurred over the last 20 years with respect to the volume and type of criminal cases that are being prosecuted. The County Attorney's Office has seen an increase in violent crime. There are more sexual assault cases filed and being sent to trial. Presently, three homicide cases are with the County Attorney's Office.

Wilkerson went on to state that jury members have a greater expectation from police officers. Defense tactics have changed, and attorneys are going after police officers involved in the investigation. The public wants officers to do more, but there are only so many officers to get the job done. The public wants experienced officers. If that is true, then they have to pay for them. Wilkerson said he was in support of a 2% COLA and does not recommend any further reductions to budget draft 3a.

Sherow concurred with Wilkerson. The Board has seriously reviewed the RCPD budget. The previous Board made some pretty substantial cuts to the budget already. To compare RCPD to the private sector is a disservice given the way the private sector economy is working. The funds that major U.S. corporations have piled in reserves and what chief executive officers of those companies are paid are completely unwarranted. They make a higher percentage than any other CEO's in the world. There are

some great income disparities in the U.S. that do not exist in other countries that make this a difficult proposition for the Board. Those issues need to be handled on another level. However, to bring those issues into this discussion, and to try to pay employees not at the top end of their peers, not at the lower end, but in the middle, the Law Board has some work to make up in that regard. Given those factors, he feels that the Board is providing control over the budget.

Sherow said that Director Schoen has been working hard to reduce costs to the City and County. Part of the reduced insurance rates came from a lot of work with Sunflower Insurance Group over the last year. It is his opinion that Director Schoen has served the interests of the Board. The Director is working hard to make the appropriate reductions to the budget, and at the same time increase the number of officers on the street to provide the kind of public protection that is needed when population increases. The Department cannot do that and cut personnel which are where the serious reductions in the budget will occur.

Butler said he would like to see some hard data on the growth in the area and what impact it has had revenue wise. He was curious if the Department's proposed budget is in excess of the area growth and inflation rate.

Schoen said that he did a brief review of salaries for the past 10 years. Up until the last 2 years, employee salaries were within a percent or less of the inflation rate. Currently the Department is behind by about 1/2%. In 2010 employees received a -0.3% COLA (negative adjustment to pay) and in 2011 they received a 0% COLA. Schoen said he is not alarmed by the 1/2% because those things have a tendency to work out. The Department uses the Consumer Price Index for all Urban (CPI-U) in the Midwest region which is as close of a gauge one can get to the actual rate of inflation locally

Schoen agreed that the increases to the Department budget have been substantial over the past couple of years. Those increases are not a result of increased employee benefits or pay increases. The most notable increase was due to the jail expansion and the addition of 11 correction officers to staff that portion of the jail. They were operational in nature.

Sherow said that option 3a represents the direction he would like to see the Board go. The Board has made adjustments to the budget where they can. They have eliminated 2 of the 4 recommended police officers. There is a consensus that consolidated dispatch is needed and a funding compromise has been reached between the City and the County. There is no question that costs have gone up. The addition of the new pod in the jail was necessitated by the increase in inmate population. Additional personnel were needed to run the jail. Sherow said he wishes human nature were different than it is then the Board would not be faced with these types of problems, but that is simply not the case. He feels budget draft 3a is appropriate.

Butler said that the matter of consolidated dispatch is resolved. The Board agrees that consolidated dispatch is needed. He requested the Department look to the budget to see what can be reduced without causing major, long-term damage. He does not want to see changes made to consolidated dispatch or the reserve funds that are in place. The question then becomes whether the COLA is truly realistic, and is an 8% overall increase really in line with growth and inflation. He asked administration to review the budget for further reductions.

Lewis asked that if the Board were to eliminate the additional 2 police officers included in draft 3a how it would compromise the level of service and public safety.

Schoen recalled the staffing recommendations provided in the study by Justice Research Consultants, LLC. It was thought for some time that the Department needed additional personnel. The study confirmed those suspicions. The study recommended the addition of 5 police officers in 2011 and 2 in 2012. Due to the timing of the study, by the time the information was presented to the Law Board the 2011 budget had already been set. As it is, the Department is 1 year behind the study's recommendation. Recognizing that there is no way to do everything in 2012 the Department came to the Board with the recommendation to hire 4 police officers in 2012. The Board requested the recommendation be reduced from the addition of 4 police officers to 2.

Schoen said he does not recommend that the Board cut the additional police officer positions because the study clearly indicates they are needed. Not adding the police officers in 2012 will place the Department further behind. Next year when preparing the 2013 budget the Department will need to ask for a few more officers than what was projected in the study because they will be 2 years behind.

Schoen said if there are cuts to the budget to be made they are going to come from the personnel side of the budget or COLA. Those are the only places where it will make a significant difference in the bottom line. The non-personnel line items have been thoroughly reviewed and adjusted as best they can. Obviously when there is a reduction in force public safety is impacted. When there are more officers available to respond to calls for service it improves public safety. It has reached the point to where staffing on the patrol side of the Department needs to be addressed. Traditionally that is an area that the public does not have a lot of difficulty with. That does not negate the fact that people have general concerns over property taxes. Bottom line is that there is not much that can be done to the non-personnel lines that will save enough money to make a significant difference in the budget. If the Board is to make any cuts that are meaningful to the bottom line it will have to come from the personnel side.

C. Executive Session: At 1:11 p.m. Lewis moved to go into executive session for the purpose of discussing attorney client privilege not to exceed 10 minutes. Wilkerson seconded the motion. The motion passed 7-0.

At 1:21 p.m. the open meeting reconvened. Lewis moved to resume the open meeting. Sherow seconded the motion. The motion passed 7-0.

D. Adjournment: Sherow moved to adjourn the meeting. Matta seconded the motion. The motion passed 7-0. The May 10, 2011 Special Law Board Meeting/Budget Workshop adjourned at 1:22 p.m.