



**A Report to the
Salt Lake County Council**

January 2003

Sheriff's Municipal Services Contracts

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County Auditor

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A Report to the Salt Lake County Council on the Sheriff's Municipal Services Contracts

I. Executive Summary

Background

During recent years, Salt Lake County has experienced population growth at the same time the unincorporated county area decreased due to incorporations and annexations. As a result, areas serviced under inter-local agreements have become an increasingly larger portion of the Sheriff's Office services.

Senate Bill 168, effective April 30th 2001, required the Sheriff's "detective investigation" functions to be budgeted in the Municipal Services Fund and a General Fund revenue reduction of \$9.2 million. The bill resulted in a \$4.7 million General Fund expenditure transfer to the Municipal Services Fund and a June 2001 budget cut of \$4.5 million.

As a result of this changing environment, as well as pricing and level of service concerns, the Salt Lake County Council requested that the Auditor's Office revisit the Sheriff's methodology for contracting to provide law enforcement services to cities.

Findings and Analysis

The following are the primary findings in this report.

Contracting to provide public safety can benefit the unincorporated county, but may also result in unintended consequences. As a larger force due to law enforcement contracts, the Sheriff's Office is better able to offer specialized services and training. In addition, the unincorporated county has the potential for savings that might result with a contribution towards fixed costs and other economies of scale, such as consolidated record keeping and administrative overhead.

It is important to note that contracting policies, such as the degree of cost recovery, may have unintended consequences. For example, if contracts are entered into at less than full cost, areas may be encouraged to incorporate and contract with the County at the lower rate.

The total fixed and variable cost of one Sheriff's Patrol Services Deputy is \$117,341. One of the first tasks facing the contract review working group was to assess the current contract charge. Upon examination of the Sheriff's

2002 Municipal Services budgets (1410 and 1411) it was determined that the County's cost for a Patrol Services line deputy was projected to be \$117,341. The Sheriff's 2001-2002 contract charge, at \$90,863, is less than even the variable portion of the total cost, which we projected to be \$104,813.

The fixed and variable cost of the Sheriff's Pooled Essential Services is \$4,240,102. Pooled Essential Services include: the SWAT, Homicide/Robbery, Sex Crimes, K-9, Crime Scene Investigations (Crime Lab), Neighborhood Drug Squad, Family Crimes, and Criminal Warrants and Fugitives Units. Prior to Senate Bill 168 the majority of these services were deemed by statute to be countywide and housed in the General Fund. The cost of these services was not included in the Sheriff's 2001-2002 contracts, even after being transferred to Municipal Services, partly due to the impracticality of contracting for them on a per deputy basis. However, contract cities continued to have the same access to these services as unincorporated county residents, even though these cities were not paying for these services.

As a result of the working group's effort, the contract cities and Sheriff's Office agreed to allocate the cost of pooled services by each city's relative percentage of population, three-year average calls for service, and residential taxable value for the 2002-2003 contract period. These criteria were considered a fair approach to the allocation of the pooled services each city might consume.

At full cost recovery, the pooled approach to specialized services appears to be cost effective. By contributing to the pool, a small city like Bluffdale is given full access to the County's SWAT team, for instance, for just \$1,285 per year. This amount, in effect, represents payment towards an insurance policy for the city. The city could probably not afford the specialized services on their own, and without access to them one incident involving a hostage situation or homicide may require increased taxes or in a worst case scenario, bankrupt the city if charged for the actual time and concentration of effort.

The contract cities and County Council agreed to phase in any cost increases. An increase in the contract charge that would recover fixed and variable costs, including pooled units, would represent a significant, unplanned expenditure for the contract cities. Because of this, the County Council approved a phased approach for the 2002-2003 contract year, based on a minimum and maximum range. The minimum included one-third of the increase needed to recover variable costs. The maximum also included one-fourth of the increase needed to recover fixed costs, in addition to the one-third recovery of variable costs.

At that time it was also decided that the point between the "floor" and the "ceiling" at which the contract cities would be required to pay would depend on the findings of the newly formed Contract City Advisory Board, composed of members of the Sheriff's Office, Contract Cities, the Council's

Fiscal Analyst and representatives from the Auditor's Office. Initial data regarding actual expenditures during 2002 indicate that, even after cost cutting measures and a significant under expend, the actual cost of services provided exceeded the agreed upon ceiling price. Thus, the contract cities have agreed to pay the ceiling price for their 2002-2003 fiscal year.

Contract cities pay less, on average, than any other city in the valley for law enforcement services. One way to measure the reasonableness of the charges for Sheriff's services is to view the per capita expenditure for police services in surrounding, non-contract cities. Using the police budgets of non-contract cities like Murray, Sandy and Salt Lake, we found that residents there pay \$172, on average, per capita for police services. Contract city residents pay \$106 dollars less, or just \$66 on average.

The contract cities and the unincorporated county have a lower level of officers per 1,000, on average, than the surrounding non-contract cities. On average, contract cities have .87 officers per 1,000 residents. The surrounding non-contract cities have, on average, 1.77 officers per 1,000 residents. Prior to our review, concerns arose that contract cities were opting for minimum levels of service and relying on the unincorporated county when and if their needs exceeded their contracted resources. Historically, no detailed tracking of resources has existed. The Sheriff's Office has indicated that the amount of service they provide is limited to the amount of resources paid for.

The historical disparity between the lower contract cities' officers per 1,000 and the higher unincorporated area officers per 1,000 has been eliminated over the recent months. By September of 2002, the contract cities level of officers per 1,000 residents equaled, on average, .87; the unincorporated area's officers per 1,000 equaled .84. One of the tasks facing the new contract city advisory board will be to assess the level of service consumed by area.

For more information on these and other findings see Section IV of this report.

II. Introduction

Salt Lake County population growth, the development and expansion of city police departments, recent legislation and a shrinking unincorporated county, have combined to dramatically change the way in which the Sheriff delivers services.

According to census data, Salt Lake County population grew 23.8 percent from 1990 to 2000. Some of the Sheriff's contract cities were among the fastest growing in terms of population. Draper, for example, grew by 248 percent over that period, Riverton by 122 percent.

During this period, the incorporation of Taylorsville in 1996, and the subsequent incorporations of Herriman and Holladay in 1999, represented a reduction of the unincorporated county—in today's population—of approximately 22 percent. The Sheriff's Office and other municipal services departments within the County have been able to avoid a corresponding reduction in size by continuing to service the residents of the new cities through inter-local agreements.

Consequently, contracts have become an increasingly larger portion of the Sheriff's Office in terms of population served, budget, and number of deputies. Today the Sheriff's Office contracts to provide law enforcement services to Holladay, Taylorsville, Herriman, Draper, Riverton, and Bluffdale. Contracts account for 38 percent of the total population served by the Sheriff's Office patrol and investigative functions, and fund roughly 39 percent of the Sheriff's municipal sworn officers.

Recent legislation in the form of Senate Bill 168, effective April 30, 2001, was another impetus for change in Sheriff's services. The creation of new cities and growth of existing city police departments resulted in concerns of double taxation. Residents were paying for detectives in their own city in addition to those employed by the County. The bill sought to avert double taxation by requiring "detective investigations" to be budgeted in the Municipal Services Fund, and therefore funded only by unincorporated taxpayers. A second requirement of the bill was a General Fund revenue reduction of \$9.2 million, necessitating equivalent expenditure reductions or transfers.

The County came into compliance with Senate Bill 168 by the County Council's decision to transfer expenditures in the amount of \$4.7 million from General Fund 1430 to Municipal Services Fund 1411. The remaining \$4.5 million General Fund reduction came in the form of a cut made during the June 2001 budget hearings. For more detailed information on Senate Bill 168 see the Salt Lake County Auditor's report of September 2001, "Compliance with Senate Bill 168: 'Detective Investigations' and Related Issues."

Prior to Senate Bill 168, cities contracted with the Sheriff's department for *Patrol Services*, *COPS (Community Oriented Policing) deputies*, *traffic deputies* and *crossing guards*. Since detective investigations would no longer be paid for or provided to residents countywide, contract cities were also required to purchase detectives during the 2001-2002 contract period. These detectives investigated property crimes including burglary and theft. However, many

functions unrelated to property crimes had also been transferred to municipal services, including the *SWAT*, *Sex Crimes and Family Crime units*. These functions were not included in the new contracts, in part because of the impracticality of contracting for these services on a per-deputy basis. Contract cities continued to have the same access to these services as unincorporated county residents, even though not contracting for them.

Today, the Sheriff's Office continues to be the primary source of patrol, detective and specialized public safety services for 38 percent of Salt Lake County residents—more than any other single police department in the valley. In addition, the Sheriff's Office has a leadership role in coordinating the activities of several countywide taskforces. This and other countywide responsibilities, including operation of the Jail and Court Services are budgeted in the General Fund. Patrol, detective investigations and the vast majority of other specialized functions are budgeted in the Municipal Services Fund and provided to both unincorporated area and to contract city residents under contract provisions.

III. Scope and Objectives

Concerns regarding levels of service, the effects of Senate Bill 168, deputy and program costing questions and issues of equity between the unincorporated area and contract cities led the County Council to revisit the Sheriff's contracts. Rough calculations made by a Council member indicated a higher actual cost per-deputy than was being charged in current contracts. In addition, it was determined during the study of Senate Bill 168 that the contract cities had a much lower ratio of officers per 1,000 than the unincorporated county—leading to concerns that the contract cities were being subsidized by relying on mutual aid from non-contract deputies. It was noted that this sort of mutual-aid is largely one-directional and unreciprocated by contract cities.

The Sheriff's contract methodology had been reviewed by the Auditor's Office in 1994, the year it was first used. The Auditor was directed by the Council to revisit the issue and aid the Sheriff's Office in arriving at the full cost of Sheriff's services in the post-Senate Bill 168 environment. The Council's fiscal officer, Darrin Casper, and the Sheriff's fiscal manager, Jared Davis, were actively involved throughout the cost analysis. Representatives of the Mayor's Office were also invited to participate in the working group, and were often in attendance at group meetings.

Our objectives were to:

- Explore the benefits to unincorporated county residents of Sheriff's contracting.
- Assess the appropriateness of the 2001-2002 contract charges and determine whether all relevant costs were being recovered.
- Calculate a "per-deputy" cost for use in contracting patrol deputies.

- Determine costs relevant to services that cannot be contracted for on a per-deputy basis and calculate each contract city's share of these costs.
- Compare the level of service in the contract cities and unincorporated county to each other and to the surrounding non-contract cities.
- Assess the cost of public safety to the citizens of surrounding non-contract cities.

Evaluating the actual use of the Sheriff's Office on the part of the contract cities was beyond the scope of the working group, however updated statistics on the officers per 1,000 residents and relative costs of other police departments have been researched and are provided in Section 5 on page 22.

Independent of this working group, the contract cities had expressed a desire to gain a better understanding of how the Sheriff's Office arrived at the cost of services. Consequently, the contract cities began separate meetings with the Sheriff's Office in January of 2002. A council representative and representatives from the Salt Lake County Mayor's Office were also in attendance. Initial meetings were aimed at helping the contract cities understand the basic calculations involved. Contract methodologies utilized by sheriffs' offices around the country were also explored.

In March of 2002, the cost of municipal police services calculated by the Auditor's Office, in conjunction with the Sheriff's fiscal staff, was presented to the Salt Lake County Council and released to the contract cities' working group. Shortly thereafter, on April 2, 2002, the Salt Lake County Council met to address Sheriff's contracting. In the course of these meetings, the Council directed the formation of a Contract City Advisory Board. Board members consist of representatives from each of the contract cities, the Sheriff's Fiscal Manager Jared Davis, Undersheriff Jeff Carr, and Captain Milan Buehler, the Council's Fiscal Officer Darrin Casper and representatives from the Salt Lake County Auditor's Office, Jim Wightman, Greg Folta and Brenda Nelson.

The Board's purpose was to document costs during the 2002-2003 contract year. This documentation year has a three fold purpose:

- 1) Assess the direct cost of Sheriff's Services.
- 2) Arrive at an understanding of indirect costs, such as overhead allocations.
- 3) Define the level of service.

Step three would involve monitoring the activities of Sheriff's deputies, including the use of SWAT, K-9 deputies and other specialized services in the contract cities, non-contract cities and unincorporated County.

This report details the early efforts of the Auditor's Office and Sheriff's Office in arriving at the cost to provide police services, as well as the initial findings and efforts of the newly formed Contract City Advisory Board.

IV. Findings and Analysis

Findings and analysis are divided into six sections: The Effects of Contracting, Understanding and Recovering Costs, Cost Analysis, Implementing the New Model, Cost and Level of Service Comparisons and Ongoing Efforts.

1.0 The Effects of Contracting

As with all public policy decisions, contracting to provide public safety impacts Salt Lake County residents, especially those residing in the unincorporated area and contract cities. While contracts can benefit both the residents of the providing entity and those receiving the contracted services, the level of cost recovery may result in unintended consequences.

Our findings were that:

- **Contracting to provide public safety potentially benefits citizens of the entity providing the force (unincorporated county), in addition to residents of the contract cities.**
- **Contracting policies have caused unintended consequences.**

1.1 Contracting to provide public safety potentially benefits citizens of the entity providing the force (unincorporated county), in addition to residents of the contract cities.

The Sheriff's Office has a larger police force as a result of contracting. Deputies of larger forces are in a better position to take advantage of training, and have a greater opportunity to specialize and advance. Smaller forces are unable to provide specialized services in most instances, due to staffing and budget constraints. Many mid-sized forces provide these services, but officers participate in them only on a part-time or secondary duty capacity. The majority of the Sheriff's specialized services are carried out by deputies dedicated to just that task.

These general benefits have also been discussed by leading members of the law enforcement community and are addressed in the article, "*Regionalization or Consolidation of Law Enforcement Services in the United States*" by law enforcement expert and Executive Director of the Major City Chiefs, Edward J. Tully.

The benefit of large police forces, like the Sheriff's Office, with highly trained and specialized officers include:

- Improving the chances of convicting criminals through specialized, skilled and technically advanced evidence gathering and investigation.

- Attracting the best officers with the incentive of internal career development opportunities.
- Lowering the risk of civil lawsuits resulting from the negligent actions of poorly trained officers.
- Assisting fellow officers in emergency situations because more officers are available.
- Inter-agency communication problems that could exist with six separate police departments, in addition to the Sheriff's Office, are mitigated.

Potential cost-savings could also be realized. Residents of the contract cities may contribute to the fixed costs incurred by residents of the unincorporated county, resulting in shared economies of scale. Record keeping and administrative overhead are similarly consolidated and performed more cost effectively.

1.2 Contracting policies have caused unintended consequences.

Pricing contracts at a rate that recovers all expenditures becomes more critical in an environment of increasing incorporations. Offering services at less than full cost may encourage areas to incorporate with the expectation of contracting with the County at the lower rate. Moreover, the remaining citizens of the unincorporated area become increasingly burdened.

Closer examination discloses that the newly incorporated cities have done well financially. Taylorsville, which incorporated in 1996, is one example. A study commissioned prior to their incorporation, titled "The Feasibility of Incorporating Taylorsville-Bennion" and dated May 15, 1995, projected that if the newly formed city were to contract for some services they would experience budget surpluses of between \$2.9 and \$2.4 million during 1997 to 1999. Actual results exceeded these expectations during 1998 and 1999—with budget surpluses of \$4.6 and \$4.3 million respectively. This trend of surpluses, before transfers to capital projects or other funds, in the \$4 million range has continued through 2001. Holladay also experienced a surplus, before transfers to other funds, of \$1.7 million during 2001. A recent survey of local governments' 2001 financial statements found that the contract cities' surplus of revenue over expenditures averaged 25 percent, before transfer to capital projects or other funds, while the same average for non-contract cities stood at less than half that amount, or 12 percent. Perhaps, one of the contributing factors for these inordinate surpluses is less than full costing of contracted services.

Recent legislation may preclude the favorable revenue surpluses experienced by newly formed cities in the past. Under *Utah Code* Section 10-2-109 current petitions for incorporation must demonstrate that revenues will not exceed expenditures by more than 5 percent. Failure to meet this litmus test will result in a denial of the petition to incorporate.

In addition, it would be misleading to conclude that potential cities could achieve cost savings, through incorporating, solely due to the benefits of “less-than-full-cost” contracting. Another significant issue to consider is the greater level of service required in certain areas of the County, particularly in public safety. Cities formed in areas like Holladay experience lower crime rates than areas like Magna or Kearns. In addition, areas like Holladay generate greater tax revenue resulting from higher property values and concentration of retail and commercial businesses. Prior to the passage of *Utah Code* Section 10-2-109, by incorporating, citizens of Holladay avoid contributing part of the revenue generated within their city to public safety in less affluent areas of the county.

From a public policy standpoint, it can be argued that all county citizens benefit from crime control throughout the county, regardless of jurisdictional boundaries. Others believe that public safety should be viewed more provincially, where communities of low risk, i.e., low levels of crime, should result in a lowered cost of service.

2.0 Understanding and Recovering Costs

The Sheriff’s Office does not enter into contracts to provide public safety services with an interest in generating a profit. Rather, the purpose of charging to provide services is full cost recovery. In order to make informed decisions regarding cost recovery, a thorough understanding of those costs is necessary.

Our analysis indicated that:

- **The cost of delivering Sheriff’s services is composed of fixed and variable components.**
- **When applied to the total number of Sheriff’s Municipal Services deputies, the 2001-2002 contract price per-deputy did not recover the Sheriff’s 2002 Municipal Services Budgets.**
- **Sheriff’s services can be split into two major categories: Patrol Services and Pooled Essential Services.**

2.1 The cost of delivering Sheriff’s services is composed of fixed and variable components.

To enable more informed policy decisions regarding contracting, the County Council and contract cities were provided with a break down of the cost components of the Sheriff’s services. The following is a general discussion of those components.

- **Variable costs**- increase or decrease as a direct result of the number of deputies. Variable costs include deputy salary and benefits, vehicles and vehicle maintenance, special equipment like light bars, radios and computers, deputy supervision and direct support functions such as dispatch.
- **Fixed costs** - are those remaining constant regardless of the number of deputies. Sheriff's overhead and Countywide overhead have been classified as fixed costs. Portions of the Sheriff's operational expenses have also been classified as fixed costs, and include rent, core physical infrastructure, utilities, facilities maintenance and depreciation.

It is important to note that fixed costs are only fixed over a relevant range. For instance, the Sheriff may be able to close down one of his substations if the number of deputies dropped dramatically. By closing the substation, the relevant fixed costs would no longer be incurred.

- **Sheriff's Office Overhead**- The Sheriff's Office is unique in that it has budgets housed in both the Municipal Services and General Funds. Personnel that support the entire Sheriff's Office, such as accounting, human resources and payroll, are budgeted in the General Fund. The Sheriff's Office fiscal personnel then allocate a portion of these support salaries, benefits and operating expenditures to their municipal services budgets, 1410 and 1411. See Appendix A.
- **County Overhead**- As a county of the first class, Salt Lake County is required to allocate a portion of internal service budgets to all other County department budgets. For example, the District Attorney handles claims management for all county departments, including the Sheriff's Office. Accordingly, the Sheriff and all other department budgets are charged for this service. Also included in the overhead calculation are the County Council, Mayor, Information Services, the Auditor's Office, Purchasing, Personnel and Insurance. See Appendix B.

2.2 When applied to the total number of Sheriff's Municipal Services deputies, the 2001-2002 contract price per-deputy did not recover the Sheriff's 2002 Municipal Services Budgets.

The parties involved in both the Council-created working group, and the independent Contract City Board expressed a strong desire to preserve the contract relationship and to do so with a fair allocation of costs. Even before our review, contract cities paid a significant sum for Sheriff's services. In all, the Sheriff's Office received \$7.2 million in revenue from contract cities during the 2001-2002 contract period, as payment for the equivalent of 76.74 full-time deputies, multiple crossing guards and specialized equipment. This revenue was equal to 23 percent of the Sheriff's 2002 Municipal Services budgets, which

totaled \$31.2 million.

One of the working group’s first tasks was to determine whether this revenue represented an adequate recovery of the cost of providing those services. As one measure of equity, a rough per-deputy cost, based on the 2002 budget, was derived.

To arrive at the amount of the Municipal Services budgets applicable to contracted services, several adjustments were necessary. The amounts budgeted for crossing guards were excluded, along with non-relevant costs relating to the Olympics. In addition, a depreciation charge was substituted for capital purchases. Depreciation more accurately reflects the true cost of capital equipment, as costs are spread out over the useful life of the asset. Depreciation charges help avoid dramatic fluctuations that might result from heavy investments in capital equipment from one year to the next. This initial calculation based on the budgets as they stood prior to June 2002 can be seen in Table 1 below.

Initial Rough Calculation of Applicable Costs	
Total 2002 Municipal Services Budgets (1410 and 1411)	\$31,722,992
Adjustments:	
Crossing Guards*	(\$706,262)
Olympic Commitment	(\$903,926)
O/H Related to Above	(\$96,674)
Depreciation in Excess of Capital Exp.	\$176,767
Total Costs Applicable to Contract Analysis	\$30,192,897

*The cost of crossing guards were not addressed during the course of our work and comprise a minor portion of contract revenue.

Table 1. *The cost applicable to subsequent contract cost analysis amounted to \$30,192,897.*

Thus, the amount applicable to line deputies, in the aggregate, equaled \$30.2 million. At that time the combined Sheriff’s 1410 and 1411 budgets housed a total of 241 line deputies. By dividing the budgeted amount by the number of line deputies, a very rough per-deputy cost of \$125,282 was derived. This led members of the working group to question the validity, in the post Senate Bill 168 Municipal Services environment, of the 2001-2002 per-deputy charge to the contract cities of \$90,863. Viewed another way, the contract price of \$90,863 multiplied by 241 line deputies only recovered \$21.9 million—just 73 percent of the actual budgeted cost for those deputies.

As a result of the efforts of the Contract City Advisory Board, including the Sheriff's and Auditor's Office, the overall costs reflected above did decrease. Further refinement of the per-deputy cost and reductions is discussed in Section 3.1.

2.3 Sheriff's services can be split into two major categories: Patrol Services and Pooled Essential Services.

Although a rough estimate of the actual cost of a line deputy had been achieved, a great deal of work was left to be done. The Sheriff's more specialized services are impractical to contract for on a per-deputy basis; some are simply incompatible with a per-deputy charge; and most are more costly than standard patrol functions. For example:

- It would be impractical for a small or medium sized city to contract for one K-9 deputy, one SWAT deputy, and one Family Crimes deputy, etc. Even if the city could afford to do so, those services would be used on an unpredictable and sporadic basis, and could not be available 24 hours a day.
- The SWAT unit is comprised of deputies for which SWAT is a secondary duty. Costs relating to this function include only deputy overtime, supervision, training and specialized equipment, making this activity incompatible with costing on a per-deputy basis.
- The specialized training, equipment and overtime necessary for all types of specialized units means that these services, on a per-deputy basis, cost more than a patrol deputy.

For these reasons, Sheriff's services have been split into two major areas.

Patrol Services Deputies – This category includes deputies that are logically contracted for on a per-deputy basis. Patrol Services Deputies include patrol deputies and property crimes investigators (burglary, fraud, vandalism and vice). Cities have the option to also contract for COPS deputies, Traffic Enforcement Deputies, and/or additional Property Crimes Investigators. SAY and DARE school program deputies are also costed on a per-deputy basis, but have historically been contracted for by school districts. Patrol Services Deputies are also unique in that the contract cities determine the quantity of Patrol Services Deputies, or the level of service, they desire.

Pooled Essential Services - The other major category of services are those impractical to contract for on a per-deputy basis, for the reasons discussed above. Pooled Essential Services are also functions that the Sheriff considers mandatory for the safe and effective execution of his duties. For instance, the training and specialized equipment used by the SWAT team is critical to handling high-risk hostage situations. Pooled Essential Services include SWAT, Homicide/Robbery, Sex Crimes, K-9, Neighborhood Drug Squad, Family

Crimes, Crime Scene Investigations (Crime Lab), and Warrants and Fugitives Units. Support functions necessary to administer these functions are also included in Pooled Essential Services.

3.0 Cost Analysis

Initial costs calculated by the Auditor's Office, in conjunction with the Sheriff's Office, were presented to the County Council in March of 2002. Subsequent to that presentation the Salt Lake County Council directed the formation of the Contract City Advisory Board. During the course of the Advisory Board meetings, costs applicable to Municipal Services contracting were reduced by approximately 5 percent. The results of these efforts are as follows.

- **A combination of projections, reductions and adjustments reduced the costs from \$30.2 to \$28.65 million.**
- **The fixed and variable cost of one Patrol Service Deputy was reduced to \$117,341.**
- **The fixed and variable cost of the Sheriff's essential pooled municipal services was reduced to \$4,240,102.**
- **Preliminary cost figures for 2002 indicate a greater under expend than originally anticipated.**

3.1 A combination of projections, reductions and adjustments reduced the costs from \$30.2 to \$28.65 million.

Use of projected actual versus budgeted costs – As stated and shown earlier, initial calculations of the costs applicable to contract analysis were done using 2002 budgeted figures. Subsequently, members of the Contract City Advisory Board discussed the questions of when and how to deal with any differences between budgeted and actual expenditures. In an effort to resolve this issue, and, since the Sheriff's municipal expenditures for the first half of 2002 indicated the likelihood of an under-expend, the Board decided to use 2002 projected actual expenditures instead of the 2002 budgeted costs.

An under-expend of three percent was projected – Based on expenditure patterns from January through June, Board members agreed with projections prepared by the Sheriff's Fiscal staff that a three percent under-expend in the Sheriff's 2002 municipal budgets was likely. Since this projection was based on expenditures from the first half of the year, before the Sheriff's reduction efforts as discussed below, were implemented, the savings from the under-expend would be in addition to those resulting from cost-savings identification efforts.

The Sheriff's projected under-expend resulted in a reduction to the costs applicable to contract analysis of \$887,061, of this total \$750,578 applied to Patrol Services and \$136,483 applied to Pooled Services.

Mid-year technical adjustments – As stated earlier, Salt Lake County allocates a portion of internal service function costs to all County budgets through a countywide overhead charge. County budgets also contain a charge for the Employee Service Reserve, a benefits pool made up predominantly of workers compensation and lump-sum vacation/sick pay costs. Calculations to determine these budget charges are completed in May of each year based on actual information from the previous full-year. Consequently, these budget items are adjusted each year, as a part of the June budget re-opening process, to make them reflective of the most current, actual costs available.

During the June 2002 budget re-opening, the Sheriff's 2002 Municipal Services budgets, 1410 and 1411, were adjusted downward in these areas by a total of \$257,706. After applying an appropriate amount of these adjustments to Crossing Guards and the Olympics, the costs applicable to these contracts were reduced by a total of \$248,783 (\$181,444 in pooled services and \$67,339 in Patrol Services).

Sheriff's cost reduction efforts – After formation of the Contract City Advisory Board, the Sheriff's Office undertook a comprehensive review of their Municipal Services operations. The primary goal of this effort was to identify areas where cost savings could be realized through reduction and/or consolidation of personnel and equipment or other efficiency improvement measures. Savings from these efforts, which focused primarily on pooled services functions, would benefit both the unincorporated County and the contract cities.

This effort resulted in the Sheriff's Office taking the following actions that reduced the costs applicable to contract analysis, effective on or around July 1, 2002:

- The reduction of two K-9 deputy positions; the officers performing these duties were transferred to vacant Patrol Services positions.
- The transfer of one Warrants and Fugitives deputy position and one Intelligence/CIU/Gang Unit deputy position to the General Fund.
- The reduction of five SWAT team secondary assignments, the anticipated result of which being a decrease of overtime in the SWAT function.
- The reduction of one civilian radio technician position.

- The consolidation of the use of cars in the Crime Scene Investigations (Crime Lab) unit resulting in the reduction of three vehicles from the Sheriff's Municipal Services fleet.
- The reduction of one additional Municipal Services vehicle from the Communication Services unit.
- The movement of the Sheriff's Human Resources personnel from office space in the County Government Center to the Sheriff's Admin Building resulting in a reduction of rent expense.

A full year's implementation of these reductions would result in a savings of \$399,737 in pooled services and \$20,770 in Patrol Services . Since these actions were not taken until the middle of 2002, the current year's impact would be one-half of those amounts or \$199,869 and \$10,385, respectively.

Assignment of the Major Accident Team as an optional pooled service— Even prior to the formation of the Contract Cities Advisory Board, the Sheriff's Major Accident Team function was considered a non-essential pooled service. Therefore, the cities were given the option to buy and make use of these services or to forego them. None of the contract cities expressed an interest in purchasing these services, thereby effectively eliminating its cost of \$199,820 from the costs applicable to contract analysis.

The changes to the costs applicable to contract analysis, as discussed in this section, are summarized in Table 2 below.

Summary of Changes to Costs Applicable to Contract Analysis	
Initial assessment of costs applicable to contract analysis:	\$30,192,897
Less reductions:	
Projected 3% under-expend	(887,061)
Mid-year technical adjustments	(248,783)
Sheriff's cost reduction efforts	(210,254)
Major Accident Team as Optional	(199,820)
Adjusted total costs applicable to contract analysis	\$28,646,979

Table 2. *The total costs applicable to contract analysis after application of projections, adjustments and reductions is \$28.6 million.*

3.2 The fixed and variable cost of one Patrol Service Deputy was reduced to \$117,341.

Initial efforts at arriving at a cost per-deputy, including removing costs relating to the more expensive specialized services, produced a per-deputy cost of \$122,501. This amount was presented to the Contract City Advisory Board and, after the various adjustments discussed in Section 3.1, the per-deputy cost was

lowered to \$117,341—a reduction of around 4 percent.

In the 2001-2002 contracts, deputies were charged to the contract cities at \$90,863 each. The amount charged was not sufficient to recover even the projected variable component of the current cost, \$104,813. (See Table 3 below.)

Cost for One Sheriff's Patrol Services Line Deputy

Explanation	Variable	Fixed	Total	% of Total
Deputies Salary & Benefits	60,303	-	60,303	51.4%
Deputy & Supervisor Vehicle	9,346	-	9,346	8.0%
Operations Cost	4,661	2,431	7,092	6.0%
Supervisors and Support Staff	30,503	-	30,503	26.0%
Sheriff's Overhead	-	5,504	5,504	4.7%
County Overhead	-	4,593	4,593	3.9%
<i>Cost Per Line Deputy</i>	<i>104,813</i>	<i>12,528</i>	<i>117,341</i>	<i>100.00%</i>

Table 3. The actual cost of a line deputy was not recovered by the 2001-2002 contract charge of \$90,863.

Questions arose regarding the salary and benefits presented in the above model. Contract city members pointed out that, according to published salary surveys, an experienced line officer could be hired for around \$50,000, including salary and benefits. Research into this issue revealed that the Sheriff's Office higher average-deputy salary and benefits were influenced by groups of deputies with more than average seniority, working in administrative and support services as well as some overtime that may not have been accounted for in base salary comparisons. For a more detailed break-down of the cost components comprising one Patrol Services Deputy, see Appendix C.

3.3 The fixed and variable cost of the Sheriff's essential pooled municipal services was reduced to \$4,240,102.

The Sheriff and contract cities reached consensus that pooled services would include SWAT, Homicide/Robbery, Sex Crimes, K-9, Crime Scene Investigations (Crime Lab), Neighborhood Drug Squad, Family Crimes, and Criminal Warrants and Fugitives Units. Over recent years the Sheriff's Office has developed a highly detailed activity-based accounting system. Expenditures are coded according to the type of activity (i.e. Patrol, SWAT, Crime Lab or Support Services) being performed. This system, in combination with percentages of personnel in the Patrol Services and Pooled Services Functions, was used to separate out the cost of pooled units.

Initial efforts at arriving at the cost of pooled services, including separating

those costs from the costs of a Patrol Services Deputy, disclosed that the essential pooled services costs in the aggregate were projected to be \$4,757,898. This amount was presented to the Contract City Advisory Board and, after the various adjustments discussed in Section 3.1, the projected cost of pooled services was lowered to \$4,240,102—a reduction of around 11 percent.

The original cost of the pooled services, prior to cost reduction efforts of the Sheriff’s Office and other adjustments, at \$4,757,898, was roughly equivalent to the amount transferred to Municipal Services as a result of Senate Bill 168. Some representatives of the contract cities expressed surprise at many of the types of services that had been transferred, stating that they did not seem to fit the term “detective investigations” used in the bill. A recent survey of police departments throughout Salt Lake County revealed that most offer services identical, or very similar, to the services transferred by the Sheriff’s Office. By transferring these specialties to Municipal Services it appears that the intent of the bill was satisfied by preventing the double charging of municipal residents for these services.

The pooled services are listed in Table 4 below, along with their corresponding fixed and variable cost.

Pooled Essential Services

	Variable	Fixed	Full
SWAT	120,173	5,076	125,248
Homicide/Robbery	236,092	21,567	257,660
Sex Crimes Unit	296,636	27,097	323,733
K-9	426,793	24,969	451,763
Crime Lab	431,332	41,273	472,605
Neighborhood Narcotics	592,162	54,094	646,256
Family Crimes	664,017	60,658	724,674
Warrants & Fugitives	81,289	14,634	95,923
Dispatch, Records & Evidence	546,126	162,487	708,613
Payroll, Purchasing, Watch Command	150,817	113,070	263,887
Training, PIO, Internal Affairs	159,477	10,262	169,740
Totals	3,704,914	535,188	4,240,102

Table 4. The total cost of Pooled Essential Services to be divided among the contract cities and unincorporated county equals \$4.2 million.

As discussed in Section 3.1, the Major Accident Team has also been pooled, but is not considered essential. The Major Accident Team is not included in the \$4.2 million pool figure. After the impact of the Sheriff’s cost reduction efforts, the Major Accident Team has been separately costed at \$93,144. See Appendix D for more information regarding pooled services costs.

3.4 Preliminary cost figures for 2002 indicate a greater under expend than originally anticipated.

By the first part of January 2003, preliminary data regarding the actual level of under expend achieved in Municipal Budgets 1410 and 1411 were available. The under-expend, mid-year technical adjustments, and the Sheriff's cost reduction efforts in total, represented a 4.5 percent reduction over budgeted cost. Preliminary data for the year revealed a rate of under expend closer to 8.5 percent. Further refinement is needed, but it is anticipated that the actual cost per-deputy will fall around \$113,000 and cost of pooled services will fall around \$4 to \$4.1 million.

4.0 Implementing the New Model

The Salt Lake County Council and Contract City Advisory Board were faced with decisions regarding how recovery of cost should be implemented. Issues included: how the contract cities would share the cost of pooled services, whether to implement full cost recovery during the 2002-2003 contract year, and whether the contract cities should be required to pay a portion of fixed costs.

- **Calls for Service, Population and Property Tax Value were used to allocate each city's share of pooled resources.**
- **The County and contract cities agreed to phase in cost recovery during 2002-2003.**
- **Initial phase-in calculations contained an error that resulted in an under-charge to the contract cities.**

4.1 Calls for Service, Population and Property Tax Value were used to allocate each city's share of pooled resources.

In initial discussions among County working group members and members of the Contract City Advisory Board, several criteria were discussed in relation to a fair allocation of pooled resources. Consensus was reached that the portion of the \$4.2 million cost of Pooled Essential Services that each city bears would be based on their relative share of the characteristics selected. Characteristics considered included: *population, square miles, index crimes, calls for service and taxable value*. Eventually, agreement was reached to weight "calls for service" most heavily, at 60 percent, followed by "population," at 30 percent, and "taxable value" at just 10 percent. The characteristics of index crimes and relative share of square miles were eventually set aside.

A **three-year-average number of calls for service** was selected by the contract cities as a valid allocation criteria for the pooled services each city might consume. By contrast, index crimes, which include homicide, rape, robbery,

burglary, larceny/ theft, motor vehicle theft, aggravated assault, and arson, were also considered. However, in the course of group discussions, index crimes were felt to be less meaningful because many of the pooled services relate to routine calls, not just those resulting from index crimes. For instance, suspicious circumstance calls often do not result from an index level crime, but K-9 deputies often respond. Another example is domestic disturbance calls which are often handled by the Family Crimes Unit, where, again, an index-level crime might not have occurred.

Taxable value was also selected as a valid criteria for allocation. Some argue that ability to pay is an established theory in taxation, specifically in income taxes. Those in higher tax brackets pay a higher percentage of their income than those earning less. An argument against using taxable value as part of the weighting is that a clear bridge between real property tax value and individual levels of income is not available. In addition, as discussed in Section 1.2, areas with higher property tax values often have lower levels of crime, and therefore use less pooled resources. However, all areas, even more affluent ones with lower rates of crime, benefit from crime reduction countywide. Using property tax as a characteristic for allocating costs, the greater value of the property at risk is accounted for. As a compromise, the weighting for taxable value was set at just 10 percent.

Population was also considered a valid measure of the relative use each contract city would make of pooled services. By using more than one criteria in calculating a relative percentage of the pool, contract cities were further insulated against large fluctuations in their share of the pool from one year to the next.

This formula results in the distribution of pooled costs seen in Table 5 below.

Allocation of Pooled Services Costs

60% Average Calls for Service, 30% Population, 10% Prop. Tax Value

	Weighted %	Share of Variable Costs	Share of Fixed Costs	Total Allocation
Bluffdale	1.03%	38,014	5,462	43,476
Draper	6.74%	249,732	35,882	285,614
Herriman	0.43%	16,123	2,317	18,439
Holladay	4.92%	182,227	26,183	208,410
Riverton	5.30%	196,570	28,244	224,813
Taylorsville	17.44%	646,570	92,901	739,471
Unincorporated	64.15%	2,378,176	341,703	2,719,879
Total	100.00%	3,707,411	532,691	4,240,102

Table 5. The contract cities and unincorporated county are each allocated a relative portion of pooled services costs, based on their estimated usage.

Finally, “relative square miles” was rejected as a possible measure due to the lack of legal or other specifically defined boundaries for the canyons. The majority of canyon areas within Salt Lake County are part of the unincorporated

area. Because the canyon areas are not flat, the unincorporated county's relative square mileage results in a distorted allocation of services when viewed in comparison with the relatively flat, more densely populated contract cities. The canyons should also be excluded because the canyon patrol function is already accounted for in the General Fund. Boundaries, square mileage and the population of the canyons might have been estimated and eliminated from the calculation through research and reasonable estimates. However, members of the Sheriff's Office indicated that the link between geography or population density and its impact on crime was ambiguous at best.

4.2 The County and contract cities agreed to phase in cost recovery during 2002-2003.

An increase in the amount charged to the contract cities that would recover both the fixed and variable portion of the Sheriff's cost per-deputy and pooled units, would have represented a significant, unplanned expenditure for the contract cities. Nevertheless, the failure of the County to recover full cost is, dollar for dollar, a subsidy that unincorporated taxpayers must absorb.

The Sheriff had previously proposed that the Salt Lake County Council allow him to offer the contract cities three years to ramp up to variable cost recovery. The Council agreed to a phased-in approach for the 2002-2003 contract period and approved a plan to begin progress toward cost recovery incrementally. The decision whether or not to continue phasing in costs will have to be revisited by the Council in subsequent years.

In addition, contract cities were given a collective range of \$7.6 to \$7.9 million, over which the amount recovered might fall, depending on findings reached during the documentation year. At the minimum ("floor") charge, contract cities would have paid one-third of the increase needed to recover variable costs. Under the maximum ("ceiling") charge, contract cities would have been required to pay the variable increase as well as one-fourth of the increase necessary to recover fixed costs. The contract cities would only pay less than the ceiling charge if the Contract City Advisory Board found that actual expenditures made on their behalf fell below that amount. The contract cities planned to budget for the maximum expenditure, the "ceiling" while the County budgeted for the minimum or "floor" revenue.

Any newly formed cities or existing non-contract cities, that desired to begin contracting with the Sheriff's Office for police services would be required to pay full cost.

The Contract Agreement for 2002-2003

	Current Contract \$ Charged	Minimum or Floor Charge	% Inc.	Maximum or Ceiling Charge	% Inc.
Bluffdale	142,655	146,463	2.7%	151,910	6.5%
Draper	1,546,488	1,666,354	7.8%	1,730,865	11.9%
Herriman	106,310	112,634	5.9%	116,860	9.9%
Holladay	1,238,281	1,342,777	8.4%	1,394,863	12.6%
Riverton	940,929	1,048,654	11.4%	1,092,095	16.1%
Taylorsville	2,998,479	3,286,832	9.6%	3,419,161	14.0%
Average Change			7.6%		11.8%

Table 6. Contract cities will pay only a portion of the increase needed for full cost recovery. Preliminary figures for 2002 actual expenditures indicate that contract cities will pay the ceiling amount.

As discussed in Section 3.4, the actual cost of Sheriff's services did fall below what was originally anticipated. However, the phased-in approach meant that, even at the maximum range, contract cities are paying less than full, actual costs. Therefore, the ceiling amount will be charged for the 2002-2003 contract year.

4.3 Initial phase-in calculations contained an error that resulted in an under-charge to the contract cities.

Pooled Essential Services consist of functions transferred to Municipal Services as a result of Senate Bill 168 "Detective Investigations." After the bill's passage, the Sheriff and contract cities agreed to add detectives to the 2001-2002 contracts. This was intended to ensure that the contract cities spent their Senate Bill 168 revenue windfall on law enforcement in the area of detective investigations. Therefore, during initial calculations of the contract cities increase in costs in the event of full cost recovery of pooled services, only the amount in excess of the cities' 2001-2002 charge for detectives was included. During the April presentation to the Salt Lake County Council, this resulted in a proposed increase to the contract cities in which the cities would continue to receive the detectives they contracted for during the 2001-2002 contract period through their payment for Pooled Essential Services.

However, these detectives, paid for in the 2001-2002 contracts, were actually classified as property crimes detectives that were not part of the services included in the *costing* of Pooled Essential Services. Instead, they were actually Patrol Services Deputies that should have been charged on a per-deputy basis. This meant that the original proposal to the contract cities was understated in the amount of the misclassified property crimes detectives.

The Salt Lake County Council had already determined the maximum or ceiling amount that the contract cities would be required to pay during the 2002-2003 contract period. Costs after restatement of the property crimes detectives exceeded the agreed upon ceiling, despite the cost savings detailed in Section

3.1. Fortunately, the amount of the over-run was less than 2 percent of the total contract costs. In keeping with the Council's original agreement, the ceiling was left in place and the County agreed to absorb the difference during the current year. In addition, as discussed in Section 3.5, preliminary results of the actual under-expend are greater than anticipated, meaning the amount the County agreed to absorb has been largely mitigated. This original ceiling is shown as the "Maximum or Ceiling Charge" in Table 6 on page 21.

5.0 Cost Effectiveness and Level of Service Comparisons

In an effort to test the reasonableness of the cost of Sheriff's services, information regarding the cost of police service incurred by residents of non-contract cities in Salt Lake County was examined. The cost effectiveness of contract city's access to specialized functions through a pooled services approach is also discussed.

Our findings were that:

- **Contract cities, on average, pay less per citizen for law enforcement services than any non-contract city in Salt Lake County.**
- **The contract cities' and unincorporated county's level of officers per 1,000 is significantly lower than that found in the surrounding, non-contract cities.**
- **After adjusting for level of service disparities, contract cities still pay less per resident than any non-contract city within Salt Lake County.**
- **The Sheriff's municipal cost per-deputy appears competitive in comparison with the cost per police officer found in the non-contract cities.**
- **At full cost, participation in the Sheriff's Pooled Essential Services is a cost effective means of receiving highly specialized police services.**
- **The contract cities' independent consultant validated many of the working groups' findings.**

5.1 Contract cities, on average, pay less per citizen for law enforcement services than any non-contract city in Salt Lake County.

Contract city residents pay \$66, on average, for police services. Salt Lake County residents of non-contract cities like Murray, Sandy and Salt Lake City, pay 260 percent more, on average, or \$172 per capita for police services. There

are two important factors to consider when viewing these statistics. First, many non-contract cities do not fully burden their police budgets with overhead and vehicle replacement costs, which may cause the cost differential illustrated to be understated. A second important factor is the higher level of service, or number of officers per 1,000 residents found in the non-contract cities. Level of service statistics partially explain the contract cities' lower cost per citizen (See section 5.3).

Per Capita Police Expenditures

Non-Contract Cities:

City	Population (Per 2000 Census)	Police Budget 2002 2003 (Per State Auditor's Office)	Per Citizen Cost of Police (Police Budget/ Population)
South SLC	22,038	5,233,232	\$ 237
Murray	34,024	7,306,700	\$ 215
Sandy	88,418	10,224,562	\$ 116
South Jordan	29,437	2,861,650	\$ 97
Midvale	27,029	3,833,600	\$142
West Jordan	68,336	9,158,939	\$134
West Valley	108,896	15,090,965	\$139
Salt Lake City	181,743	42,604,364	\$234
Total or Avg.	559,921	96,314,012	\$172

Contract Cities:

City	Population (Per 2000 Census)	Sheriff Contract 2002 2003	Per Citizen Cost of Police (Contract/ Population)
Bluffdale	4,700	202,675	\$43
Draper	25,220	1,771,983	\$70
Herriman	1,523	186,571	\$123
Holladay	14,561	1,610,937	\$111
Riverton	25,011	1,146,984	\$46
Taylorsville	57,439	3,536,047	\$62
Total or Avg.	128,454	8,455,197	\$66

Table 7. Residents of the contract cities pay \$106 less per capita for law enforcement than residents of non-contract cities.

The contract totals listed above include charges for crossing guards and specialized equipment. Non-contract cities also fund for crossing guards in their police budgets. Prior to the contract review, and initial ramp-up, during the 2001-2002 contract year, the cost differential was even greater. The contract city

cost of police per citizen was \$56, on average. Non-contract city residents paid three times more per citizen, on average, or \$167.

Yet another factor that should be considered when viewing these statistics is that the contract cities' payments are based on the County Sheriff's January to December 2002 cost of law enforcement, after the projections, reductions and adjustments discussed in Section 3.1—not the original budgeted cost. The residents of the non-contract cities, in contrast, are currently paying for law enforcement based on their police department's July 2002 to June 2003 *budgeted* figures. The six month lag, due to differing fiscal calendars, in combination with an approximation of actual versus budgeted expenditures, results in a slight, built-in cost advantage for the contract cities.

5.1.1 Non-contract cities do not fully burden their police budgets.

As discussed in Section 2.1, as a County of the first class, Salt Lake County is required to burden the Sheriff's budget, and all other County budgets, with a portion of the cost of internal County services such as Payroll, the County Council, Mayor, Auditor and District Attorney. Also included are costs for space, utilities charges and fleet replacement. A survey of the non-contract cities revealed that none of them included all of these costs in their police budgets.

Cost Elements Not Accounted for in Comparison City Police Budgets

	Fleet Replacement	Fleet Gas and Oil	Rents	Utilities	HR, Accounting, Legal, Payroll	Est. Amt Not Accted
<i>% of Sheriff's Budget</i>	4.0%	3.9%	0.6%	0.4%	3.8%	12.71%
West Jordan	Yes	Yes	Yes	Yes	No	3.79%
South Jordan	Yes	Yes	Yes	No	No	4.19%
Sandy	Yes	Yes	Yes	No	No	4.19%
Murray	Yes	No	No	No	No	8.69%
Midvale	Yes	No	No	No	No	8.69%
West Valley	No	No	No	No	No	12.71%
Salt Lake City	No	No	No	No	No	12.71%
South Salt Lake	No	No	No	No	No	12.71%

Table 8. Comparison city police budgets may be understated by as much as 13% in comparison with the Sheriff's costs.

We attempted to compensate for this disparity by calculating the relative percentage of the Sheriff's budget that these cost items comprise. The charges amounted to between 3.8 and 12.7 percent, as seen in Table 8 above, of the Sheriff's municipal budgets. Depending on the degree of full cost recovery practiced by the individual city, this percentage was then added to the non-contract city budgets. Of course, the real relative cost of these services to the non-contract cities may be greater or less than that experienced by the Sheriff's Office. See Appendix F for a cost break-down of the amount that could be added to each police budget to create a more parallel comparison of costs.

5.2 The contract cities' and unincorporated county's level of officers per 1,000 is significantly lower than that found in the surrounding, non-contract cities.

During the analysis and discussion of Senate Bill 168, information was presented to the County Council regarding the level of officers per 1,000 in the contract cities compared to the non-contract cities and unincorporated county. Recent events have served to largely eliminate the disparity between the contract cities and unincorporated county. By buying into pooled services, each city was allocated a portion of the sworn officers in the pool. This decreased the unincorporated County's officers per 1,000 and increased the contract cities' officers per 1,000. Recent cuts in personnel, made in an effort to make the Sheriff's services less expensive, have also served to decrease the number of officers per 1,000 in the unincorporated County. Some contract cities have also requested additional officers, above that contracted for during the 2001-2002 contract period.

Comparing Levels of Service: Officers Per 1,000 Residents

City	Super- visors	Deputies or Line Officers	Super- visors/ Deputies or Line Officers	2000 Census Population	Total Officers Per 1000
Non Contract Cities (09/2002)					
Midvale	11	32	34%	27,029	1.59
Murray	14	54	26%	34,024	2.00
Salt Lake City	77	311	25%	181,743	2.13
Sandy	22	95	23%	88,418	1.32
South Jordan	7	30	23%	29,437	1.26
South SLC	13	50	26%	22,038	2.86
West Jordan	16	75	21%	68,336	1.33
West Valley	31	146	21%	108,896	1.63
Total or Avg	191	793	25%	559,921	1.77
Contract Cities (8/2002)					
Bluffdale	0.52	2.37	22%	4,700	0.61
Draper	4.14	18.88	22%	25,220	0.91
Herriman	0.40	1.81	22%	1,523	1.45
Holladay	4.09	18.66	22%	14,561	1.56
Riverton	2.73	12.45	22%	25,011	0.61
Taylorsville	8.28	37.76	22%	57,439	0.80
Total or Avg	20.16	91.93	22%	128,454	0.87
Unincorp. Area	31.84	145.09	22%	209,642	0.84

Table 9. The contract cities have opted for a much lower level of officers per 1,000 residents than that found in comparison cities.

On average, contract cities have .87 officers per 1,000 residents. The surrounding non-contract cities have, on average, 1.77 officers per 1,000 residents. In the past, concerns were expressed that contract cities opted for minimum levels of service and then relied on the unincorporated county or other police departments if their needs exceeded their contracted resources. This may have resulted in unreciprocated use of neighboring police forces under “mutual aid” provisions, either expressed or implied. Unfortunately, no detailed tracking of resources has historically existed within the Sheriff’s Office and therefore any differences in resources contracted for and received is unknown. Representatives from the Sheriff’s Office have indicated that the amount of service they provide has always been limited to the amount of resources for which they have contracted. One component of the Contract City Advisory Board’s ongoing efforts, discussed in greater detail in Section 6.0, is detailed tracking of the resources consumed by area.

5.3 After adjusting for level of service disparities, contract cities still pay less per resident than any other non-contract city within Salt Lake County.

Logically, more officers per resident cost more money per resident. However, even after compensating for the level of service, and the budget disparities discussed in Section 5.1.1, non-contract city residents pay between \$12 to \$42 more than residents of contract cities. On average the disparity amounts to \$23 per resident. See Appendix F.

If contract cities have historically received a greater level of service than that for which they have contracted, as described in section 5.2, this gap in costs, relative to service received would, of course, be even greater.

5.4 The Sheriff’s municipal cost per-deputy appears competitive in comparison with the cost per police officer found in the non-contract cities.

Cost per-deputy is one other way to measure the reasonableness of the cost of Sheriff’s services. Using the fiscal year 2002 budgets for each of the non-contract cities, divided by the number of line deputies, a rough per-deputy cost can be derived, seen in Table 10 on page 27.

Cost per Officer Comparisons

	Unadjusted Cost Per- deputy	Adjusted Cost Per-deputy
Murray	\$ 135,309	\$ 141,799
West Valley	\$ 103,363	\$ 112,479
Salt Lake City	\$ 127,177	\$ 138,394
South Salt Lake	\$ 104,665	\$ 117,968
Midvale	\$ 119,800	\$ 125,546
West Jordan	\$ 122,119	\$ 126,746
South Jordan	\$ 95,388	\$ 99,388
Sandy	\$ 107,627	\$ 112,140
<i>Averages</i>	\$ 114,431	\$ 121,808

Table 10. Before and after adjusting for unbudgeted items in non-contract city budgets (such as rent, utilities and fleet), the Sheriff's cost per Patrol Services Deputy of \$117,341 seems reasonable in comparison.

As discussed in Section 3.2, the full cost of one Sheriff's deputy is \$117,341. This cost is slightly higher than the average of the non-contract cities, but seems reasonable in comparison. It is noted in Section 3.4 that the cost per deputy may fall to around \$113,000, taking into account the full under expend for 2002. The second column in Table 10 on page 25 has been adjusted to estimate the impact of non-budgeted items, like fleet, gas and oil, rent and utilities, as discussed in section 5.1.1.

It is also important to note that the Sheriff's Office supervisory structure, at 22 percent of line deputies, appears consistent with that found in the non-contract cities. See Table 9 on page 25.

5.5 At full cost, participation in the Sheriff's Pooled Essential Services is a cost-effective means of receiving highly specialized police services.

The small city of Bluffdale can be used to illustrate the cost-saving benefits of the pooled approach for specialized services. A self-providing city the size of Bluffdale would not have the resources to sustain their own SWAT team. Under the pooling concept, a city like Bluffdale, that would otherwise not have access to these highly specialized services, would receive all the benefits of that unit at a fraction of the cost. For instance, the proposed *full* cost to Bluffdale for access to the County's entire SWAT team is \$1,285 a year. This amount would roughly be consumed with the deployment of six patrol officers for just four hours, not including the extra cost of overtime and specialized equipment normally required for this function. For more information on the allocation of pooled services, see Appendix E.

It has been argued that smaller communities throughout the state provide police services for a relatively modest amount, and that the service meets their needs. They may be required to seek help from larger communities in the area, but for

the most part their police forces are effective. In addition, some of the contract cities argued that non-contract cities such as West Valley, South Jordan and Murray also receive the use of the Sheriff's specialized services during emergencies and are never charged the cost of those services.

It is important to note, however, that West Valley, South Jordan and Murray have the ability to respond in kind, under mutual aid concepts, with their own SWAT team, K-9 deputies, etc. In fact, formal agreements to provide this "mutual aid" exist between entities that have their own law enforcement agencies. If the contract cities decided not to participate in one of the specialized services, but received it in an emergency, they would be unable to respond in kind to other cities, contract or non-contract.

Of course, one other option would be to allow the contract cities to opt out of pooled services, and then pay for them on a real-time, as-needed basis. One significant drawback to this approach is the difficulty of predicting and, therefore, budgeting for such a contingency. One major event may require increased taxes or in a worst case scenario, bankrupt the city.

5.6 The contract cities' independent consultant validated many of the working groups' findings.

Despite best efforts to identify full costs and related cost savings, it became clear to the Advisory Board that a substantial increase in the amount charged for contracted law enforcement services lay ahead. The contract cities have expressed a desire to research and perhaps pursue alternatives to continued contracting with the Sheriff's Office. Riverton, for example, researched the possibility of contracting with the Utah County Sheriff's Office, or the Sandy or West Jordan police departments.

The six contract cities later jointly sent out a request for proposal (RFP) to engage an independent consultant to "conduct a management, operations and cost study of contracted police services..." The consultant was asked to aid the contract cities in understanding the cost model and to review and make recommendations regarding separate budgets for each contract city, or one separate budget for all contract cities. The consultant was also asked to make recommendations regarding possible improvements to the model, whether fixed cost recovery is legally mandated, and a methodology for tracking and reporting actual expenditures.

The consultant was also expected to review the level of service currently being provided, including: level of staffing, workload statistics and possible improvements to the current services model. Alternatives to continued contracting were also researched, including: the creation of a stand alone municipal police department, a multi-jurisdictional police department and other options.

Public Administration Service, based out of Virginia, was awarded the contract and released their report, entitled "*Evaluation of Cost Factors in Purchasing*

Police Services and Recommendations on Provision of Services for Salt Lake Area Contract Cities Bluffdale, Draper, Holladay, Riverton, Herriman and Taylorsville” in January of 2003. The report concluded that, among other things: the contract cities have an extremely low level of officers per 1,000; the methods used to by the County working group to allocate costs resulted in rather favorable treatment to the contract cities under the full costing philosophy; and only Taylorsville could self-provide for less due to excess space available at their newly built city hall. A full copy of the report can be obtained by contacting Taylorsville city.

6.0 Ongoing Efforts

All of the contract cities agreed to continue contracting with the Sheriff’s Office during the 2002-2003 contract period, and have budgeted payments to the County in the amount of the agreed upon ceiling. During that time, the “documentation year,” the contract cities have expressed the intent to continue exploring alternatives to use of the Sheriff’s services. Costs and services will also be thoroughly documented by the Sheriff’s Office.

- **A separate, contract city law enforcement budget was created for 2003.**
- **The contract cities have petitioned the Salt Lake County Council for relief from certain fixed costs.**
- **The contract cities may seek legislative solutions to the consequences of Senate Bill 168.**

6.1 A separate, contract city law enforcement budget was created for 2003.

Currently, the Sheriff’s two municipal budgets, 1410 and 1411, are titled Sheriff’s Patrol and Sheriff’s Municipal Investigations, respectively. For the 2003 budget year, the municipal patrol and investigative (mostly pooled) functions were combined. Now municipal budget 1410 houses both patrol and pooled costs for the unincorporated area only; 1411 contains those costs for the contract cities. The contract city budget has been constructed at the full anticipated cost of providing those services. Because of the decision to charge less than full costs over the 2002-2003 contract period, it is anticipated that the actual revenue received from the contract cities will fall approximately \$2.8 million short of the budgeted expenditures. Any remaining burden will be absorbed by the unincorporated county.

It is expected that the new contract city law enforcement budget will aid in documenting costs associated with providing police services to those areas, and help improve the cities’ understanding of the various budget components.

6.2 The contract cities have petitioned the Salt Lake County Council for relief from certain fixed costs.

As discussed in section 2.1, fixed costs are those remaining constant, over a relevant range, regardless of the number of deputies. Fixed costs include rent, core physical infrastructure, utilities, facilities maintenance and depreciation. Overhead charges have also been categorized as fixed and were the subject of a great deal of debate.

County overhead consists of charges for the Council, Mayor, Auditor, District Attorney, Information Services, Purchasing, Personnel and Insurance. Utah Code Section 17-34-5, states that municipal-type services and functions must be separately accounted for. It also requires that municipal services receive a portion of the costs relating to elected and appointed county officials and employees, the cost of capital facilities, and all other “. . .administrative costs associated, directly or indirectly, with the costs of providing municipal-type services or functions.”

County overhead comprises less than 4 percent of the cost per Patrol Services Deputy. Contract cities argued that they should not be required to pay for County Overhead because the County Mayor, Auditor and Council would continue to operate, and cost the same amount, regardless of whether the Sheriff contracts to provide services. This matter may be solved by the mandating requirement of the law to charge fully for these costs. It was further pointed out, however, that private entities include the cost of their CEO and accounting staff when charging for goods and services, even if the purchasing entity has its own CEO and accounting staff.

It is important to note, however, that over 60 percent of County Overhead for those services consists of charges for *information services* and *insurance*. Both categories of charges fluctuate directly with the Sheriff’s level of usage. For instance, some of the ways in which information services charges are allocated include number of calls for technical assistance and number of network hook ups. Insurance is also allocated based on use, in this case the number of claims filed and paid and the dollar value of the assets insured.

Contract cities argued that their citizens already contribute to the cost of the County Mayor, Auditor and Attorney through their general fund taxes. Therefore, requiring an additional payment through contracting would represent double taxation. This same argument could be made by residents of the unincorporated county, as they pay both general fund and municipal services taxes. However, neither party is being double charged. Overhead charges are simply being spread over different funds. If a portion of County overhead were not allocated to municipal services (in violation of State statute) contract cities would simply experience increased General Fund taxes—an increase that would be shared, and therefore mitigated, by all County residents. Based on the foregoing, accusations that contract cities are doubly taxed are inaccurate.

If contract cities are successful in their petition for relief from County overhead charges, an option would be to burden the unincorporated county with those charges. However, we are advised by the District Attorney that to burden Municipal Services taxpayers with the additional amount of county overhead incurred through an increased use of services, budget and personnel, as a result of contracting, would go against current statute and fly in the face of equitable and fair treatment of County residents.

6.3 The contract cities may seek legislative solutions to the consequences of Senate Bill 168.

Many contract cities have expressed surprise over the types of services included in the Senate Bill 168 transfer. Mayor Janice Auger of Taylorsville in particular has expressed the belief that many legislators voting in favor of Senate Bill 168 did so believing they were shifting detectives and not K-9, SWAT, homicide and sex crimes specialists. Many contract cities and some Salt Lake County Council members have expressed their intention to approach the Utah State Legislature to propose legislation which would allow some of these functions to be budgeted in the General Fund.

Many of the same arguments in favor of contract cities participating in a pool composed of specialized services would also speak in favor of having such services on a countywide basis, budgeted in the general fund. However, as discussed in section 3.3, most of the non-contract cities already have their own identical or similar functions, making it unlikely that the legislature would support any efforts for these services to be provided on a countywide basis.

In the absence of legislative action, it would appear that the relief sought in redefining the nature of detective services is not consistent with the legislative intent of SB 168, or the advise of the District Attorney.

Sheriff's Office Calculation of Internal Overhead

	1410 Patrol	1411 Mun. Invest.	1420 Metro Jail	1425 Court Serv.	1430 Inv. & Sup.	Total
Sheriff / Staff						
Total Salary & Operating	126,441	14,953	218,860	35,226	85,876	481,354
Human Resources						
Total Salary & Operating	81,900	16,740	223,235	35,393	66,435	423,703
Fiscal Division						
Total Salary & Operating	172,042	22,883	327,097	52,453	120,735	695,211
Salary Cost Allocation (Above)	324,803	48,003	672,987	107,588	235,297	1,388,677
Current salary & benefits	237,147	-	249,526	-	902,005	1,388,677
<i>Difference</i>	87,656	48,003	423,462	107,588	(666,708)	-
Operating Cost Allocation (Above)	62,535	8,168	117,169	18,800	43,657	250,329
Current Operating Costs	35,320	-	20,611	-	194,398	250,329
<i>Difference</i>	27,215	8,168	96,558	18,800	(150,741)	-
Total Sheriff/Staff adjustment to Salary & Operating costs	114,870	56,172	520,020	126,387	(817,449)	-
Support Services (by % of employees)						
Total Salary & Operating	220,967	50,688	666,068	105,335	187,703	1,230,761
Information Services (by % of employees)						
Total Salary & Operating	160,258	36,762	483,072	76,395	136,133	892,620
Fleet Management (by % of employees)						
Total Salary & Operating	26,241	6,019	79,099	12,509	22,291	146,160
Property Services (by % of employees)						
Total Salary & Operating	77,166	17,701	232,605	36,785	65,550	429,808
Salary & Benefits Allocation (from above)	371,025	85,110	1,118,395	176,869	315,172	2,066,571
Current Salary & Benefits	95,388	-	538,593	-	1,432,590	2,066,571
<i>Difference</i>	275,637	85,110	579,802	176,869	(1,117,418)	(0)
Operating Cost Allocation	113,607	26,060	342,449	54,157	96,505	632,778
Current Operating Cost	17,660	-	61,832	-	553,285	632,778
<i>Difference</i>	95,947	26,060	280,617	54,157	(456,781)	-
Total Support Services Adjustment	371,584	111,170	860,419	231,025	(1,574,199)	(0)
Total Sheriff/Staff & Support Services Adjustment	486,454	167,342	1,380,439	357,413	(2,391,648)	(0)

Countywide Overhead

Service	Unit of Measurement (How Allocated)	Sheriff's MS Units	Total Units	%	% of County- wide Units	Service Budget, + Overhead	Service Budget \$\$\$ Allocated to 1410 and 1411*
Council	Budget Expenditures	\$ 24,767,857 /	\$ 672,634,245 =	3.68%	x	\$ 1,813,808 =	\$ 66,789
Council	Budget Expenditures	5,980,099 /	\$ 672,634,245 =	0.89%	x	\$ 1,813,808 =	\$ 16,126
Mayor (Elected Off Sup)	Budget Expenditures	\$ 24,767,857 /	\$ 138,271,589 =	17.91%		\$ 292,915 =	\$ 52,509
Mayor (Elected Off Sup)	Budget Expenditures	5,980,099 /	\$ 138,271,589 =	4.32%		\$ 292,915 =	\$ 12,678
Auditor	Multiple Units Used						
Budget and Audit	Budget Expenditures	\$ 24,767,857 /	\$ 670,689,510 =	3.69%	x	\$ 1,737,785 =	\$ 64,207
Budget and Audit	Budget Expenditures	\$ 5,980,099 /	\$ 670,689,510 =	0.89%	x	\$ 1,737,785 =	\$ 15,503
Accounting	No. Pmt Releases	835 /	62,334 =	1.34%	x	\$ 2,317,771 =	\$ 30,850
Accounting	No. Pmt Releases	37 /	62,334 =	0.06%	x	\$ 2,317,772 =	\$ 1,367
Payroll	No. Payroll Warrants	10,593 /	151,176 =	7.01%	x	\$ 249,756 =	\$ 17,185
Payroll	No. Payroll Warrants	1,254 /	151,176 =	0.83%		\$ 244,672 =	\$ 2,034
						\$ 8,605,541 =	\$ 131,146
District Attorney							
Civil Division	No. of Logged Hours	64 /	22,160 =	0.29%	x	\$ 3,004,136 =	\$ 9,645
Info. Services	Multiple Units Used						
Network	No. of Network Hookup	354 /	3,227 =	10.97%	x	\$ 2,267,363 =	\$ 248,946
Network	No. of Network Hookup	52 /	3,227 =	1.61%		\$ 2,267,363 =	\$ 36,569
Computing Services	CPU Batch Processing	456 /	1,946,760 =	0.02%	x	\$ 1,867,528 =	\$ 439
Tech Support	No. of Service Calls	1,274 /	16,513 =	7.72%	x	\$ 321,832 =	\$ 24,838
Tech Support	No. of Service Calls	124 /	16,513 =	0.75%	x	\$ 321,832 =	\$ 2,417
Development	No. of Logged Hours	2,170 /	48,089 =	4.51%	x	\$ 2,560,840 =	\$ 115,780
Development	No. of Logged Hours	122 /	48,089 =	0.25%	x	\$ 2,560,840 =	\$ 6,509
Reports	Lines of Print	4,207 /	4,256,244 =	0.10%	x	\$ 196,779 =	\$ 196
						\$ 12,364,377 =	\$ 435,694
Purchasing	Multiple Units Used						
Small \$ Purchase	No. of Releases	214 /	8,245 =	2.60%	x	\$ 317,742 =	\$ 8,254
Small \$ Purchase	No. of Releases	25 /	8,245 =	0.30%	x	\$ 317,742 =	\$ 964
Large \$ Purchase Orders	No. of Releases	43 /	5,463 =	0.79%	x	\$ 397,130 =	\$ 2,767
Large \$ Purchase Orders	No. of Releases	3 /	6,179 =	0.05%		\$ 397,130 =	\$ 193
VR Payments	No. of VR Payments	162 /	13,637 =	1.19%	x	\$ 93,311 =	\$ 1,109
Contracts	No. of Releases	427 /	23,341 =	1.83%	x	\$ 579,807 =	\$ 10,613
						\$ 2,102,862 =	\$ 23,900
Personnel	Weighted No. of Payro	7,534 /	105,133 =	7.17%	x	\$ 1,571,446 =	\$ 112,665
Personnel	Weighted No. of Payro	1,240 /	\$ 105,133 =	1.18%	x	\$ 1,571,446 =	\$ 18,543

Service	Unit of Measurement (How Allocated)	Sheriff's MS Units	Total Units	% of County- wide Units	Service Budget, + Overhead	Service Budget \$\$\$ Allocated to 1410 and 1411*
Insurance	Multiple Units Used					
Auto Admin	No. of Claims filed	78 /	187 =	41.71% x	\$ 168,574 =	\$ 70,374
General Liability	No. of Claims filed	18 /	110 =	16.36% x	\$ 112,382 =	\$ 18,390
Claims Paid	\$ Paid	187,807 /	\$ 401,686 =	46.75% x	\$ 410,682 =	\$ 192,029
Insurance	Cost of Assets Insured	3,865,149 /	\$ 885,335,028 =	0.44% x	\$ 498,647 =	\$ 2,179
					\$ 1,190,285 =	\$ 282,972
Amount Budgeted					\$ 30,652,455	\$ 1,162,667

* This amount varies slightly from a straight multiplication of Patrol's % of Countywide units times by Service Budget + Overhead. This is due to the use of not one but two allocation cycles.

Detailed per Deputy Cost - Patrol Services Deputy

Explanation	Variable Component	Fixed Component	Total	% of Total
Line Deputies Salary and Benefits				
Salary	39,794	-	39,794	33.91%
Overtime	2,997	-	2,997	2.55%
Benefits	17,512	-	17,512	14.92%
Deputies Salary & Benefits	60,303	-	60,303	51.39%
Deputy Vehicle				
Vehicle Replacement & Rental	5,394	-	5,394	4.60%
Vehicle Maintenance (Fuel, Oil, Etc)	3,952	-	3,952	3.37%
Deputy & Supervisor Vehicle Cost	9,346	-	9,346	7.96%
Operations Cost				
Non-capital comm equip	2,110	-	2,110	1.80%
Maint and rent of mach&eq	149	1,207	1,356	1.16%
Small equipment	613	1	614	0.52%
Shop,crew,& dep sml tools	171	18	190	0.16%
Rent of bldgs and land	450	379	828	0.71%
Bldg maint & services	8	407	416	0.35%
Utilities	102	345	447	0.38%
Off supplies & equipment	121	-	121	0.10%
Non-cap computers & sftwr	148	-	148	0.13%
Printng/postage/ID supplies	10	-	10	0.01%
Other professional fees	156	59	215	0.18%
Sub/memb/books/edu/trang	92	-	92	0.08%
Ammo/explosives/bombs	274	-	274	0.23%
Petty csh/meals/refreshmnt	88	1	89	0.08%
Mil/travl/transp/cntrct haulg	87	14	102	0.09%
Intergovt charges	83	-	83	0.07%
Operations Cost	4,661	2,431	7,092	6.04%
Admin Overhead				
Supervisor's salaries	10,781	-	10,781	9.19%
Supervisor's overtime	795	-	795	0.68%
Supervisor's benefits	5,001	-	5,001	4.26%
Support staff salaries	9,051	-	9,051	7.71%
Support staff overtime	695	-	695	0.59%
Support staff benefits	4,182	-	4,182	3.56%
Supervisors and Support Staff	30,503	-	30,503	26.00%
Sheriff's Overhead				
Sheriff's overhead	-	2,133	2,133	1.82%
Cap equip depreciation	-	3,371	3,371	2.87%
Sheriff's Overhead	-	5,504	5,504	4.69%
County Overhead				
Council	-	328	328	0.28%
Mayor	-	258	258	0.22%
Auditor	-	518	518	0.44%
District Attorney	-	38	38	0.03%
Info. Services	-	1,721	1,721	1.47%
Purchasing	-	94	94	0.08%
Personnel	-	518	518	0.44%
Insurance	-	1,118	1,118	0.95%
County Overhead	-	4,593	4,593	3.91%
<i>Cost Per Line Deputy</i>	<i>\$ 104,813</i>	<i>12,528</i>	<i>117,341</i>	<i>100.00%</i>

Detail of Pooled Services Costs by Program

	Payroll, Purchasing, Watch Command			Homicide/ Robbery			Family Crimes		
	Variable	Fixed Costs	Total	Variable	Fixed Costs	Total	Variable	Fixed Costs	Total
Deputy Salaries	-			133,504		133,504	306,335		306,335
Support Staff salaries	16,072		16,072	2,876		2,876	36,875		36,875
Supervisor salaries	50,258		50,258				55,295		55,295
Benefits	25,665		25,665	63,036		63,036	162,355		162,355
Overtime	10,737		10,737	5,140		5,140	14,457		14,457
Operations Cost	38,443	45,408	83,850	13,182	885	14,067	37,074	2,488	39,562
Vehicle Mtc	4,537		4,537	11,759		11,759	33,071		33,071
Vehicle Replacement & R	5,104		5,104	6,597		6,597	18,554		18,554
Capital Equipment Dep.		40	40						
County overhead		2,915	2,915		9,967	9,967		28,032	28,032
Sheriff overhead		64,707	64,707		10,715	10,715		30,137	30,137
Total	150,816	113,070	263,887	236,093	21,567	257,660	664,017	60,657	724,674

	Sex Crimes Unit			Warrants and Fugitives Unit			Dispatch, Records, Evidence		
	Variable	Fixed Costs	Total	Variable	Fixed Costs	Total	Variable	Fixed Costs	Total
Deputy Salaries	133,504		133,504	44,501		44,501	12,292		12,292
Support Staff salaries	32,781		32,781	990		990	242,836		242,836
Supervisor salaries							16,869		16,869
Benefits	84,267		84,267	23,169		23,169	120,223		120,223
Overtime	6,459		6,459	1,769		1,769	6,393		6,393
Operations Cost	16,562	1112	17,673	4,539	593	5,131	95,812	19,850	115,662
Vehicle Mtc	14,774		14,774	4,049		4,049	26,591		26,591
Vehicle Replacement & R	8,289		8,289	2,271		2,271	25,111		25,111
Capital Equipment Dep.								109,807	109,807
County overhead		12523	12,523		6,734	6,734		25,763	25,763
Sheriff overhead		13463	13,463		7,307	7,307		7,067	7,067
Total	296,635	27,097	323,732	81,289	14,634	95,923	546,127	162,487	708,614

Detail of Pooled Services Costs by Program

	Neighborhood Narcotics Unit			Crime Scene Investigation			K-9		
	Variable	Fixed Costs	Total	Variable	Fixed Costs	Total	Variable	Fixed Costs	Total
Deputy Salaries	306,733		306,733	89,003		89,003	218,507	-	218,507
Support Staff salaries	37,485		37,485	115,657		115,657	6,491	-	6,491
Supervisor salaries				55,295		55,295	30,338	-	30,338
Benefits	155,949		155,949	122,196		122,196	117,231	-	117,231
Overtime	12,893		12,893	9,850		9,850	6,357	-	6,357
Operations Cost	33,062	2,219	35,282	25,261	1,691	26,952	9,020	1,885	10,905
Vehicle Mtc	29,493		29,493	9,014		9,014	18,601	-	18,601
Vehicle Replacement & R	16,546		16,546	5,057		5,057	20,249	-	20,249
Capital Equipment Dep.								11,321	11,321
County overhead		24,999	24,999		19,067	19,067		11,103	11,103
Sheriff overhead		26,875	26,875		20,515	20,515		660	660
Total	592,162	54,094	646,256	431,331	41,273	472,605	426,793	24,970	451,763

	Training, PIO, Internal Affairs			SWAT			Total Pooled Services		
	Variable	Fixed Costs	Total	Variable	Fixed Costs	Total	Variable	Fixed Costs	Total
Deputy Salaries	23,952		23,952	60,354		60,354	1,328,684	-	1,328,684
Support Staff salaries				1,803		1,803	493,867	-	493,867
Supervisor salaries	55,925		55,925	8,429		8,429	272,408	-	272,408
Benefits	37,955		37,955	34,875		34,875	946,921	-	946,921
Overtime	3,000		3,000	1,413		1,413	78,468	-	78,468
Operations Cost	20,445	94	20,538	2,505	383	2,889	295,905	76,608	372,512
Vehicle Mtc	8,937		8,937	5,168		5,168	165,993	-	165,993
Vehicle Replacement & R	9,264		9,264	5,625		5,625	122,668	-	122,668
Capital Equipment Dep.		121	121		2,259	2,259		123,549	123,549
County overhead		8,726	8,726		2,271	2,271		152,100	152,100
Sheriff overhead		1,321	1,321		162	162		182,931	182,931
Total	159,478	10,262	169,740	120,174	5,076	125,249	3,704,915	535,187	4,240,102

Sheriff's "Pool" Allocated to Contract Cities and Municipal Taxpayers by Population, Taxable Value, and Index Crimes

Allocated Based on Relative Population					
	Population	City Pop as % of Total	ProRata Share of Variable	ProRata Share of Fixed Costs	Total Allocation
Bluffdale	4,700	1.39%	51,538	7,405	58,943
Draper	25,220	7.46%	276,551	39,736	316,287
Herriman	1,523	0.45%	16,701	2,400	19,100
Holladay	14,561	4.31%	159,669	22,942	182,611
Riverton	25,011	7.40%	274,260	39,406	313,666
Taylorsville	57,439	16.99%	629,851	90,499	720,349
Unincorporated	209,642	62.01%	2,298,841	330,304	2,629,145
Total	338,096	100.00%	3,707,411	532,691	4,240,102

Pool Allocated Based on Relative Property Tax Value					
	Taxable 2001 Value	City Prop. Tax Value as % of Total	ProRata Share of Budget	ProRata Share of Fixed Costs	Total Allocation
Bluffdale	271,129,188	1.77%	65,605	9,426	75,032
Draper	1,519,771,687	9.92%	367,740	52,838	420,578
Herriman	129,481,726	0.85%	31,331	4,502	35,832
Holladay	1,193,295,986	7.79%	288,742	41,487	330,230
Riverton	828,634,470	5.41%	200,505	28,809	229,314
Taylorsville	1,748,060,784	11.41%	422,979	60,775	483,754
Unincorporated	9,631,382,156	62.86%	2,330,509	334,854	2,665,363
Total	15,321,755,997	100.00%	3,707,411	532,691	4,240,102

Pool Allocated Based on Relative Calls For Service					
	3 Yr Avg Calls for Service	% of Total	ProRata Share of Budget	ProRata Share of Fixed Costs	Total Allocation
Bluffdale	1,142	0.72%	26,653	3,830	30,482
Draper	9,280	5.84%	216,654	31,129	247,784
Herriman	570	0.36%	13,299	1,911	15,210
Holladay	7,528	4.74%	175,753	25,253	201,006
Riverton	6,728	4.24%	157,069	22,568	179,637
Taylorsville	29,650	18.67%	692,195	99,456	791,652
Unincorporated	103,908	65.43%	2,425,788	348,544	2,774,332
Total	158,806	100.00%	3,707,411	532,691	4,240,102

Sheriff's Actual Pool Allocation

30 % Weighting for Population, 60% Weighting for Calls for Service, 10% Taxable Value

	Weighted %	Share of Variable Costs	Share of Fixed Costs	Total Allocation
Bluffdale	1.03%	38,014	5,462	43,476
Draper	6.74%	249,732	35,882	285,614
Herriman	0.43%	16,123	2,317	18,439
Holladay	4.92%	182,227	26,183	208,410
Riverton	5.30%	196,570	28,244	224,813
Taylorsville	17.44%	646,570	92,901	739,471
Unincorporated	64.15%	2,378,176	341,703	2,719,879
Total	100.00%	3,707,411	532,691	4,240,102

	Population:	Property Tax Value:	3 Yr Avg Calls for Service	Total
Weighting:	30%	10%	60%	100%

Pooled items include K-9, SWAT, Investigations, Domestic Violence, Neighborhood Narcotics, Sex Crimes, Warrants and Fugitives, Robbery Homicide, Intelligence, Violent Crimes, Major Accident.

Sources: Population per 2000 Census. Property tax rates per Utah State Tax Commission. Calls for Service per Sheriff's Office

**Non-Contract Cities Police Department
Accounting for Costs**

Cost Accounting Issue	Murray	West Valley	Salt Lake City	South Salt Lake	Midvale	West Jordan	South Jordan	Sandy
Police Budget: (2002-2003)	\$ 7,306,700	\$ 15,090,965	\$ 42,604,364	\$ 5,233,232	\$ 3,833,600	\$ 9,158,939	\$ 2,861,650	\$ 10,224,562
Population of City (2000 Census)	34,024	108,896	181,743	22,038	27,029	68,336	29,437	88,418
Cost of Police Per Citizen (budget/Population)	\$ 215	\$ 139	\$ 234	\$ 237	\$ 142	\$ 134	\$ 97	\$ 116
Number of Line Officers (10/2002)	54	146	335	50	32	75	30	95
Cost Per Sworn Line Officer (budget/ Officers)	\$ 135,309	\$ 103,363	\$ 127,177	\$ 104,665	\$ 119,800	\$ 122,119	\$ 95,388	\$ 107,627
1. Does your city fully allocate overhead charges, e.g., Mayor, Council, Attorney?	No	No	No	No	No	No (Animal Ctrl)	No	No
2. Are fleet charges included: Fuel, light bars, computers, maint., etc.? Fleet replacement?	Yes Yes	Yes No	Yes No	No No	Yes Yes	Yes Yes	Yes Yes	Yes Yes
3. Do you consider your police budget/ accounting system to be full-cost?	No Direct Costing	No Direct Costing	No Direct Costing	No Direct Costing	No Direct Costing	No Direct Costing	No Direct Costing	No Direct Costing
Adjustments for Unallocated Budget Amounts								
-- Fleet Replacement	Is allocated	607,191	1,714,203	210,561	Is allocated	Is allocated	Is allocated	Is allocated
-- Fleet Gas and Oil	Is allocated	Is allocated	Is allocated	203,608	Is allocated	Is allocated	Is allocated	Is allocated
-- Rents	44,041	90,961	256,797	31,543	23,107	Is allocated	Is allocated	Is allocated
-- Utilities	29,556	61,043	172,335	21,169	15,507	Is allocated	11,575	41,359
-- HR, Accounting, Legal, Payroll	276,845	571,784	1,614,244	198,283	145,252	347,025	108,426	387,400
Total Est. of Additional Charges	350,442	1,330,979	3,757,580	665,164	183,866	347,025	120,001	428,759
New Estimated Total Budget	7,657,142	16,421,944	46,361,944	5,898,396	4,017,466	9,505,964	2,981,651	10,653,321
New Cost Per Citizen	\$ 225.05	\$ 150.80	\$ 255.10	\$ 267.65	\$ 148.64	\$ 139.11	\$ 101.29	\$ 120.49
Change in Cost per Citizen	\$ 10.30	\$ 12.22	\$ 20.68	\$ 30.18	\$ 6.80	\$ 5.08	\$ 4.08	\$ 4.85
New Cost per Officer	\$ 141,799	\$ 112,479	\$ 138,394	\$ 117,968	\$ 125,546	\$ 126,746	\$ 99,388	\$ 112,140
Change in Cost per Officer	\$ 6,490	\$ 9,116	\$ 11,217	\$ 13,303	\$ 5,746	\$ 4,627	\$ 4,000	\$ 4,513
Adjusting for Parallel Level of Service								
Officers Per 1,000	2.00	1.63	2.13	2.86	1.59	1.33	1.26	1.32
Avg Officers per 1,000 in Contract Cities	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87
New Number of Officers	24	78	130	16	19	49	21	63
Budget Adjusted Down Avg Contract Level of Service	3,452,772	8,765,834	18,000,483	1,860,569	2,428,521	6,198,606	2,093,817	7,095,969
New Cost Per Citizen	\$ 101.48	\$ 80.50	\$ 99.04	\$ 84.43	\$ 89.85	\$ 90.71	\$ 71.13	\$ 80.25
Average Cost Per Citizen in the Contract Cities	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00
Cost Per Citizen in Excess of Avg Cost Per Citizen in Contract Cities	\$ 42.44	\$ 21.46	\$ 40.00	\$ 25.39	\$ 30.81	\$ 31.67	\$ 12.09	\$ 21.21