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REPORT NO. 04-006

ATTENTION: Public Safety and Neighborhood Services Committee
Agenda of January 14, 2004

SUBJECT: Police Department Funding Needs

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR THE CITY COUNCIL.

BACKGROUND

At the direction of the Public Safety and Neighborhood Services Committee (PS&NS), the San Diego Police Department (SDPD) prepared this summary of the department's FY 2004 unmet funding needs. The purpose of this report is to help create a clear perspective on SDPD's budget needs. The Police Department appreciates that it is part of the larger City of San Diego team, and that all of the City's operational requirements need be considered.

The City Council and the City Manager have been supportive of the Police Department's operations and programs. However, given the current fiscal state of the City, sufficient funds are not available to enable the Police Department to carry out many of its basic services and support the department of 2,104 sworn and 644 civilian positions. Additionally, over the last 10 years, new, emerging, and increasing crimes have diverted some of the resources from basic law enforcement activities to specialized enforcement.

Below is a summary of the Police Department’s main areas of funding concerns.

Personnel

- Overtime Academy
- Special Pay
- Civilian Positions

Non-Personnel

- Automotive Fleet
- Facilities Management
- Information Systems
- Use of Force Task Force Recommendations
- Supplies and Services
- Equipment Outlay
- Other Unfunded Needs
- Special Events Revenue

DISCUSSION

Overtime

The Department must maintain minimum staffing levels 24 hours a day, seven days a week, 365 days a year, respond to unplanned critical incidents, and meet court obligations. To maintain this level of staffing and meet all of the department’s public safety responsibilities requires the use of overtime. For FY 2004, the overtime budget is \$6.1 million, of which \$5 million (or 82.2%) is needed to cover holiday overtime requirements. The Department has made great strides in reducing the overtime hours in other areas:

FY 2003 and 2004 Overtime Reductions – July 1 through December 19

Overtime Hours Below Do Not Include Super Bowl XXXVII (FY 2003) or Firestorm 2003 (FY 2004)				
Type	FY 2003	FY 2004	+/-	% Change
All	173,231	153,154	(20,077)	-11.6%
Extended Shift	43,637	26,021	(17,616)	-40.4%
Court	28,377	22,085	(6,292)	-22.2%
Callback	8,370	9,457	1,087	13.0%
Special Events	24,991	24,900	(91)	-0.4%

These reductions will help lessen the gap between budget and expenditures. Additionally, the Department can only control some of the overtime hours, because of public safety issues. For example, the majority of the rise in “Callback” overtime is due to the increase in the number of homicides and the need to reestablish a fifth homicide

team, as well as to respond to additional gang-related activity. In addition, two special pays for Motorcycle Maintenance and Canine Care are awarded as overtime hours, at an annual cost of \$750,000 per year.

Overtime expenditures have historically been underfunded and there have been no significant increases to the overtime budget:

FY 2004 Overtime Expenditure Projection

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Budget	\$5,947,191	\$5,913,012	\$5,970,977	\$7,015,820	\$6,085,981
Actual/Project	\$12,417,784	\$15,632,161	\$13,620,253	\$14,702,662	\$13,000,000
Deficit	(\$6,470,593)	(\$9,719,149)	(\$7,649,276)	(\$7,686,842)	(\$6,914,019)
% Funded	47.9%	37.8%	43.8%	47.7%	46.8%

Note: In FY 2001, actual expenditures were high because of BioTech 2001. The FY 2004 budget and expenditures were higher because of the Super Bowl.

Special Pay

“Special Pay” is given to employees with specified qualifications or assignments based on provisions in the Memoranda of Understanding (MOUs) with the labor organizations representing employees in SDPD. Last year SDPD expended over \$11.3 million in special pays while budgeted for only \$8.5 million. One of the major issues with the budget for special pays and reasons for the over expenditures is that the Police Department’s budget does not include allocations for special pays earned while working overtime hours. A special pay does not end when an employee transitions from regular time to overtime. In fact, it is charged against the overtime budget at one and a half times the rate of regular hours.

Examples of the 49 categories of special pay include: Intermediate and Advanced Police Officers Standards and Training (POST); Bilingual; Detective; Field Training Officer; 2nd and 3rd Watch, SWAT, Emergency Negotiator; etc. Beginning in FY 2004, the majority of these pay categories are now based on a percentage of base salary. SDPD personnel in the Police Officers Association (POA) union, the Municipal Employees Association (MEA) union, and Local 127 union are eligible for one or more of the special pay categories during any particular assignment

The chart below demonstrates the history of SDPD’s special pay budget versus actual expenditures. As shown, the special pay budgets have not kept pace with negotiated increases in salary and special pay rates. As a result, it is anticipated that the deficit in special pay funding will reach \$1.6 million in FY 2004.

Special Pay History – Budget vs. Expenditures

Fiscal Year	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Budget	\$7,568,863	\$8,466,060	\$8,515,516	\$8,884,263	\$11,082,090
Exp/Proj	\$8,247,110	\$10,197,864	\$10,992,353	\$11,437,795	\$12,713,326
Deficit	(\$678,247)	(\$1,731,804)	(\$2,476,837)	(\$2,553,532)	(\$1,631,236)
% Funded	91.8%	83.0%	77.5%	77.7%	87.2%

Automotive Fleet

The Police Department’s vehicle fleet currently consists of 1,632 vehicles, of which 1,436 are considered “mission vehicles”, i.e. cars, trucks, and vans (excludes scooters, motorcycles, electric carts, etc.). These vehicles are under tremendous stress, particularly the patrol cars (black & whites) due to the high number of miles driven each year (the fleet has averaged over 20 million miles annually for the last five years).

The industry standard for law enforcement vehicle replacement is 80,000 miles. San Diego Police Department vehicles are replaced, when possible, at 100,000 miles.

A DMG Maximus study of City-wide motive equipment needs estimated the cost for the Police Department’s fleet replacement at \$16.3 million. The study recommended that an annual budget of approximately \$6 million (to purchase 220 vehicles) is needed for new and replacement vehicles in order to keep pace with the Police Department’s Replacement Schedule.

Expenditures for FY 2001, 2002, and 2003 were \$3,775,552, \$3,047,054, and \$1,520,500, respectively. Expenditures for vehicles in FY 2004 are estimated at \$400,000 (for annual lease payment of 47 vehicles purchased in FY 2003).

Based on a vehicle inspection conducted in December 2003, the following represents the fleet’s current status. Of the 1,436 mission vehicles, **39%** have over 70,000 miles, with 56% of the patrol cars having over 70,000 miles.

100,000 miles +	284 vehicles	(128 Black & Whites)
80,000 - 100,000 miles	154 vehicles	(102 Black & Whites)
70,000 – 80,000 miles	123 vehicles	(51 Black & White)
	561	

If no vehicles are purchased through FY 2004, it is projected that there will be **786** mission vehicles (**55%**) in the fleet that have over 70,000 miles, and **62%** of the patrol fleet that will have over 70,000 miles.

100,000 miles +	386	(185 Black & White)
80,000 – 100,000 miles	253	(96 Black & White)
70,000 – 80,000	147	(58 Black & White)
	786	

Black & White Vehicles Purchased - History

Funding	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
General Fund	61	90	93	0	0	0
Grants	69	22	0	76	0	0
Leased	0	0	0	0	47	0
Total	130	112	93	76	47	0

The impact of purchasing fewer vehicles each year and not keeping up with needed replacements creates an ever-widening gap of reliable vehicles for officers to use.

The downward spiral of reliable vehicles, causes a drain on other resources:

- Officers incur downtime when vehicles need repair
- Increased age of vehicles requires additional unscheduled maintenance.
- Repair costs go up (parts and labor)
- Fuel costs rise (due in part to emissions and catalytic converter repairs)
- Major drive train components start to break down (transmissions and engines start to show up at 90,000 miles)
- Body Repair is deferred due to costs (the paint starts to peel at around 85,000 miles)
- The Police Department's presentation to the community and public starts to deteriorate because of the appearance of older over age/mileage vehicles.
- Suspension systems and overall frame stress may impact high-speed pursuits and put the officers at a higher risk.
- Costs for brakes and tires increase with age and mileage of a vehicle.
- Newer model vehicles have improved safety related options (side impact air bags, brakes, suspension systems as examples)
- Overall life cycle costs increase after 80,000 miles and in the end costs the agency more money than had the vehicles been replaced on time.

Information Systems

Information technology issues have traditionally provided an area of the SDPD's budget whereby large deficits have contributed to the department's overall budget problems. The items below were identified in January 2000. Unfortunately, none of these issues have been resolved. They are becoming increasingly problematic and most will reach a critical stage in FY 2004. The most urgent needs are:

1. The data processing budget shortfall for FY 2004 is \$5.6 million. These unfunded requirements are for hardware and software maintenance contracts, network access charges, telephone charges and support for the network infrastructure. This issue must be resolved, as it has become impossible for the department to absorb these costs.
2. The Department's Mobile Data Terminals (MDTs), purchased in 1989 as part of the citywide communications upgrade, were installed in police vehicles for

dispatch purposes. The MDTs are obsolete and parts have not been available for over six years. The department developed an alternative—laptop computers installed in patrol vehicles, using wireless technology, to function just like the MDTs.

3. The existing patrol officer laptops, which are four to five years old, cannot serve as MDTs. A five-year replacement program that incrementally replaces 20% of the laptops annually (\$1.5 million a year) is needed.
4. Civilian positions must be added to the department's Data Systems Unit. The department embarked upon automation development as grant funds were received between 1995 and 1998. Several systems are already in operation, with others becoming operational in FY 2004. The major system, CRMS (Criminal Records Management System), will increase officer effectiveness by speeding up the processing of criminal cases, will provide more information to clear cases and arrest suspects, and will completely change the way officers handle reports. The system will be "mission critical" and must be operational 24 hours per day.

No civilian positions have been added to Data Systems in eight years, even though systems grew from 200 desktops to over 3000 desktops and laptops, with over 80 servers. To assist in determining appropriate staffing levels, the department engaged the Gartner Group. Their study concluded that 22.00 Information Systems Analysts must be added to maintain the existing patrol and investigative support systems, plus support the new CRMS on a 24-hour, 7 day a week basis. Four additional positions are required to retain the four grant funded positions now in the unit, as grant funds are ending. These positions are critical as all police offices and investigators have become dependent upon automated systems to do their work, and over \$38 million of federal, State and City funds have been invested in the development of automation.

5. Crime Analyst positions were cut from twelve to six during the budget crises of the early 1990s. Grant funded positions helped to preserve crime analysis functions until recently, when grant funds are ending. Crime Analysts are critically needed to sustain the department's role in community policing and to help officers and detectives clear cases and arrest suspects. They are also instrumental in developing automated systems, supporting strategic planning, and developing mapping capabilities. These two professional and one clerical positions are essential to the ongoing operation of this program.

Facilities Management

Deferred maintenance includes the scheduled service and projected repair costs necessary to maintain the operating capability and structural integrity of Police Department facilities. Presently deferred maintenance costs are estimated at \$462,000, and include required work on roofing, parking lots, plumbing, and electrical systems, as well as air conditioning and heating systems at several area stations. Continued deferment will

likely result in a 20 percent increase in repair costs per year, due to further deterioration and escalating costs. Eventually, the inability to adequately maintain these systems will render some facilities uninhabitable under OSHA environmental regulations.

Police facilities are high-use buildings which operate 24-hours each day, seven days a week, and are heavily trafficked by people wearing, carrying, or carting equipment that tends to reduce the projected serviceability of certain furnishings. Because of this, each of the existing Police facilities, including the vehicle repair facilities, should be renovated on a rotational basis, approximately once every ten years. Several facilities are already overdue for these repairs and upgrades. A \$500,000 per year budget would be needed to keep pace with Department needs.

Use of Force Task Force Recommendations

The Use of Force Task Force was created in May 2000, and was comprised of 71 community and 66 department members. After researching the issue for a year, the Task Force made 100 recommendations to address concerns related to the use of force by officers. Thirty-One recommendations have been implemented and 46 are scheduled for implementation by the end of FY 2005. The minimum cost to implement these 46 recommendations is approximately \$2 million, which includes adding additional canine teams and expanding the Homeless Outreach Team (HOT).

Funds were not allocated or budgeted for the implementation of the original 31 recommendations. Although many of the recommendations were implemented at low cost, some were costly. For example, four canine teams were added, diverting money and resources from other needs. The cost to maintain these canine teams is approximately \$210,000 annually, which includes the officer, vehicle, canine, and associated support and maintenance costs. (Initial costs are approximately \$255,000.)

Civilian Staffing

During times of budget constraints, experienced during the last several years and in the early 1990's, the department was required to make a significant number of reductions in its civilian ranks.

In FY 1992 and FY 1993, civilian staff was cut 80.75 positions. By FY 2003, civilian staffing level of 681.81 positions was almost back up to the budgeted level in FY 1992 of 687.25 positions. From FY 1992 to FY 2003, there was a net decrease of 5.44 civilian positions, while the number of sworn officers increased by 182.9 positions.

Then, with the recent fiscal crisis, in FY 2004 civilian staff was cut by 36.75 positions. Another 80 positions remained in the budget, but were to be held vacant; the funds, however, were cut from the budget. In all, a total of \$5,689,000 were cut from the FY 2004 for civilian staff.

There has been a reluctance to cut sworn officer positions, due to public safety concerns.

Hence, the reduction in civilian staff to meet the needed budget reductions. However, cutting a civilian position does not eliminate the workload, and sworn officers have been called upon to perform the duties of the vacant civilian position. A qualified and properly classified civilian, rather than an officer who has been trained in public safety should perform the functions.

In 2002, a study was conducted regarding sworn officers performing in an administrative position. At that time, approximately 80 positions were identified as potential candidates for civilianization. The intent was to have officers return to the field in patrol activities. A few of the positions have transitioned from sworn to civilian, but the classifications were not formally addressed in the budget.

Although this study would need to be updated to reflect the current situation, the original cost estimates to convert these positions to civilians was \$4.6 million. (Note: While the actual cost of the position to perform the function would decrease, there would be no savings. That is because the civilian positions would be added to the budget, and the officer positions would be transferred to other units in the department.)

Total Civilian needs are:

36.75	Restore cut positions
80.00	Restore funds in budget
<u>80.00</u>	Replace sworn with civilian, i.e. civilianization
196.75	\$10,289,000

Civilian positions are in all areas of the department and provide much needed and critical support for the officers. The areas include: dispatch, crime lab, property room, records, fiscal, payroll, supply, auto maintenance, crime analysis, and data services.

Academy

The Police Department has not had an Academy since January 2003 because of budget constraints. With the current rate of attrition for officers (7 a month) it is critical to department operations to conduct Academies for new recruits. The cost for conducting the academies annually is \$2.8 million, for 48 full-time equivalents and associated expenses.

Supplies and Services

The Supplies and Services appropriation is critical to the day-to-day operations of SDPD. Everything from fuel for the vehicles, to tactical equipment for the officers, to cleaning supplies from the facilities, all fall in this budgetary category. The chart below indicates that the Department is operating at a level of less than 84% of the appropriation available in FY 2000.

San Diego Police Department's Supplies and Services (FY 2000 – FY 2004)

Fiscal Year	Appropriation	Change from FY 2000	% Change +/-
FY 2000	\$13,585, 036		
FY 2001	\$12,125,881	(\$1,459,155)	-10.7%
FY 2002	\$14,240,141	\$655,105	4.8%
FY 2003	\$11,793,188	(\$1,791,848)	-13.2%
FY 2004	\$11,399,871	(\$2,185,165)	-16.1%

SDPD has worked to reduce expenditures in the area of Non-Personnel Expense, particularly Supplies and Services category, to absolute minimums. However, the large reductions taken during both FY 2003 and FY 2004, as well as the ability to use State and Federal Block Grants to directly supplement the Department's non-personnel needs has left the Department with many critical needs.

A total of \$3.0 million is needed to cover essential expenditures to carry out day-to-day operations and provide for officer needs. Examples are gasoline, unbudgeted or underfunded contracts, such as for lease costs, evidentiary exams, DNA testing.

Equipment Outlay

The Equipment Outlay funds in the budget are used to purchase safety equipment, including light bars, sirens, security cages for vehicles, and other equipment necessary for officers to perform their job; office furniture, especially to address ergonomic concerns and issues; as well as purchase horses, dogs, and bicycles for the Mounted Enforcement Patrol, Canine Unit, and Beach Teams, respectively. A total of \$1.0 million annually is needed.

Other Unfunded Needs

Some major unfunded needs of the Police Department, include:

- \$5.0 million for 2 helicopters, fully equipped with police equipment, including FLIR systems, to replace the current aged helicopters
- \$1.0 million for 2 fully equipped command vans
- Property Storage facility – Costs have not been determined, but a facility of 50,000 – 60,000 square feet is needed to provide for property and evidence storage. It would eliminate the need to lease storage space.

Special Events - Revenue

The Special Event Operations Unit operates under the authority of the San Diego Municipal Code Division 2, Section 22.4001 through 22.4038. The unit reviews, processes, and approves permit applications for special events and block parties, which

includes coordinating and planning with event promoters, other City departments, and governmental agencies. This may also include developing traffic and security plans as well as staffing the events with police officers and traffic controllers to ensure public safety and a successful outcome of each permitted event. The unit also polices events at Qualcomm Stadium, PETCO Park (next Padre season), San Diego Sports Arena, and oversees commercial filming in public areas and staffs these locations when necessary.

A core issue regarding SDPD’s involvement at special events remains unresolved. That issue is the cost recovery for the time expended by SDPD personnel at special events. As demonstrated in the chart below, the cost recovery for special events is less than a quarter for every dollar spent.

Many of the special events are sponsored by non-profit organizations, and not required to fully reimburse the City. However, the Department often finds itself in similar situations with for-profit organizations that could fully reimburse Department expenditures.

SDPD’s Cost Recovery for Special Events (FY 2003 – FY 2004 Projected)

Fiscal Year	Costs	Recovered	% Recovered
FY 2003	\$4,426,000	\$958,600	21.7%
FY 2004	\$5,635,000	\$1,122,500	19.9%

Respectfully submitted,

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 Approved: P. Lamont Ewell
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LANSDOWNE/WAM