

REPORT OF THE POST MANAGEMENT STUDY FOR THE FAIRFAX AND SAN ANSELMO POLICE DEPARTMENTS

ISSUE

Is consolidation of police services, either all or in part, feasible between the towns of Fairfax and San Anselmo?

SUMMARY OF FINDINGS

1. Consolidation or contracting between the departments is feasible, and may be desirable. Cost savings are possible, depending upon the form of consolidation.
2. No “significant event” (e.g., loss of a chief executive, internal turmoil, or political agenda) has taken place that would often stimulate immediate discussion of potential contracts or consolidation. Recent flooding has resulted in financial troubles for both towns and may have prompted discussions, particularly from a cost standpoint.
3. Information and presentation of what consolidation is, its various forms, how it works or can work, and how services can be provided to the community without the loss of local control and input is vital to the success of a possible consolidation. Without an outreach effort, the concept has little chance of approval or success in any form.

SUMMARY OF RECOMMENDATIONS

1. Hold an independently facilitated “consolidation” workshop/seminar/retreat(s) for key decision makers, with the following goals:
 - Inform participants of preliminary information on consolidation to allow them to decide if there is sufficient reason to continue dialogue and to continue to study and evaluate the consolidation option.
 - Identify the issues that need to be resolved to make informed decisions about consolidation.
 - Identify the necessary steps that must be taken to successfully accomplish planning and implementation of consolidation.
2. Determine if there is sufficient support for additional study of consolidation; if so, *what form of consolidation or contract*. If, after sufficient public discussion, it is determined by the agencies to be feasible, pursue a more detailed cost/benefit analysis and other studies of the “*approved*” forms of consolidation/contracts.

BACKGROUND

The towns of Fairfax and San Anselmo are located adjacent to each other in Marin County. Fairfax has a population of 7,207 and San Anselmo, 12,190. The residents of both towns enjoy a bucolic environment, with treed hillsides, narrow streets, chic shops in the downtown areas, small town ambiance, and some of the highest real estate prices in California. San Anselmo, at 2.5 square miles, shares a border with San Rafael, Ross, and Fairfax. Fairfax, at 2.1 square miles, shares a border with San Anselmo and Marin County.

Crime rates are low in both towns, with a 2005 FBI crime index of 887 for San Anselmo and 272 for Fairfax. Serious crimes are infrequent. Calls for service, at 9,896 for San Anselmo and 5,869 for Fairfax, are average or below cities of similar demography.

Traffic is a major issue as the roads and streets of both towns are often narrow with a low capacity. Parking, particularly in the downtown areas, is often difficult.

Both towns enjoy reputations as being extremely desirable places to live or visit.

There are some distinct cultural and social differences between the towns that are apparent but often difficult to categorize.

POST responded to a request for a study of the feasibility of a consolidation between the Fairfax and San Anselmo police departments. Discussions were held with executives and senior staff at both agencies.

It soon became apparent that a great deal of work has already taken place on the topic of consolidation between Fairfax, San Anselmo, and Ross. Several studies have been conducted and the topic has been widely discussed without significant action (see **Appendices 1 and 2**).

In the present situation, initial focus was on the interest and specifications for a consolidation between San Anselmo and Fairfax. Publicly undisclosed was the fiscal nature of the potential consolidation and how money might be saved. An arbitrary figure of \$300,000 has often been cited.

From the beginning, as research and interviews were conducted, there has been an undercurrent of apprehension regarding the potential for approval of consolidation in any form. This generally took the form of *"It's a good idea, and we are already doing some of it, but they will never approve it."*

METHODOLOGY

Preliminary presentations were made to both Town Councils regarding the nature of the study. Interviews were held with all staff members at both police agencies. Documents were received and a literature search conducted.

Approximately 2,500 pages of reports, studies, and associated documents have been reviewed and analyzed.

Personal interviews have been conducted with city managers, police officials, and sheriff's personnel at successful consolidation/contract sites including Brea, Yorba Linda, San Clemente, Whittier, Twin Cities, Santa Fe Springs, Marin LAFCO, Marin County Sheriff, and the Ross Valley Fire Authority.

ANALYSIS

The direction of this study was to provide preliminary figures that would justify a decision to consolidate some or all services between the towns. This is a typical method to justify or discontinue police service or make a change in practice.

Research showed that consolidation, in various forms, had been researched, discussed, re-discussed, rejected, and had arisen again in various forms of discussion for the past three decades. Many staff viewed this study as an exercise in futility as there has never been and would never be the political support for consolidation. Interviews showed that government and the police are viewed with great skepticism. There were overtones of consolidation as a "takeover," or it would be viewed as... "*We don't want 'them' over here.*" There was also the recognition that financial desperation seemed a motivator in the requests for studies and that talk or proposals for consolidation could be a mechanism for creating public apprehension about the future of "*their*" police department.

As research continued, it became apparent that most attempts at consolidation fail, usually in the final decision stage, after detailed analysis and a great deal of work on the part of staff or consultants. Numerous consultants' reports, all well detailed, have been collected. Most failed in the final hours due to the lack of political consensus.

The International Association of Chiefs of Police (IACP) studied the issue and concluded:

"All too often, jurisdictions considering consolidation rush into spending thousands of dollars to hire consultants to conduct a study and recommend for or against consolidation.

The step most often missed is that of gauging existing local city and/or county support for consolidation of any kind. (Italics added)

If no consensus to move toward consolidation exists, consultant recommendations to consolidate are premature and of little value. Jurisdictions must first gauge if law enforcement personnel, local and county officials, and citizens actually want to proceed with consolidation and generally view such a step as feasible politically and financially.”

The use of outside consultants as a first step can make both police agencies and communities feel that others are determining whether or not to consolidate. In contrast, the approach suggested here gives agencies and decision makers a great deal more information and promotes consensus for an eventual decision by all concerned.

No apparent attempt at informational presentation or consensus building has taken place in either Fairfax or San Anselmo. Studies have been submitted ad hoc or requests made for speculative services in a “*We’ll know it when we see it!*” format. Staff has had to speculate on what might be acceptable and what is not acceptable. This existed in some form or another for about 30 years. Additional study of the topic in the absence of at least some attempts at consensus may be futile.

In order to provide the Chiefs of Police with recommendation(s) that would be of benefit to them and their departments, it was apparent this study, as it progressed, might and likely would fall into the “*If you don’t know where you want to go, any road will do*” format. After 30 years it may be time to *decide* on a direction and proceed in that direction.

FINDINGS

1. Consolidation or contracting between the departments is feasible and may be desirable. Cost savings are possible, depending on the form of consolidation.

Previous studies conducted by staff have shown the potential for consolidation of police services in the Ross Valley. POST suggests that the studies may be optimistic when assessing the potential cost savings, but potential organizational structures and service level assessments appear valid. The studies generally suggest total consolidation of several jurisdictions, the most difficult of all solutions.

While cost savings appear to drive the most recent informational requests, research shows it is difficult to make dramatic cost reductions without significant or drastic service and personnel cuts in towns the size of Fairfax and San Anselmo.

A preliminary consolidation scenario analysis with basic costing is attached as **Appendix 3.**

- 2. No “significant event” (e.g., loss of a chief executive, internal turmoil, or political agenda) has taken place that would often stimulate immediate discussion of potential contracts or consolidation. Recent flooding has resulted in financial concerns for both towns.**

In general, serious consideration of contracting or consolidation takes place when there is a situation, such as loss of a chief of police or association activity, that may be alleviated through a different form of policing. The departure of a police chief and looming financial pressures were some of the prime motivators in the single consolidation in California (i.e., Larkspur/Corte Madera-Twin Cities).

While recent flooding has caused financial difficulties, a special tax for police and public works has provided additional funds for the Fairfax Police Department. The tax expires in 2.5 years. Both agencies have had recruitment issues, personnel vacancies and concomitant overtime expenses.

It can be difficult to focus both employee and public opinion on a concept without a motivator. The merits of a “*good idea*” are often insufficient reason for change.

Potential loss of revenue for police service, rising costs, recruitment difficulties, and long-term maintenance of an adequate policing level of service are realities in both towns but may lack the cache of more exigent issues. Development of a public information program may be necessary to focus attention.

Assessment of what is politically and organizationally possible may refocus further efforts in more productive areas and lead to consensus.

- 3. Information and presentation of what consolidation is, its various forms, how it works or can work, and how services can be provided to the community without the loss of local control and input is vital to the success of a possible consolidation. Without an outreach effort, the concept has little chance of approval or success in any form.**

Consolidation can be a volatile issue.

Recently, a California city voted to disband its police department in the face of attacks from dissident members of the department related to labor negotiations. The Chief of Police and his senior staff left the department. Every day brought more and repeated revelations. The Sheriff submitted a thoughtful and reasonable contract to police the city with an excellent service level and greater resources. Layoff of existing personnel loomed and the Sheriff began preparations to assume their duties.

The effort failed. The council rescinded their efforts, a new chief was hired, and the department has returned to a sense of increased effort and normality. Apparently, the view of the public had been underestimated.

If there is to be any possibility of success in a consolidation effort, outreach and input is vital in the initial stages, not the concluding stages.

An example of a completed study (Grover Beach and Arroyo Grande) that ultimately failed is provided in **Appendix 4**.

RECOMMENDATIONS

1. Hold an independently facilitated “consolidation” workshop/seminar/retreat(s) for key decision makers.

Information about consolidation is abundant; particularly its failures. Decisions to proceed with a consolidation or contract should be based on a thorough understanding of the many forms that consolidation may take.

A decision by both councils to continue exploration of consolidation can take place in an informational seminar or retreat that is non-confrontational, offers information on the various forms, and reviews the spectrum of the process. Decisions about proceeding should be made after the seminar. It is important to include both elected officials and key decision makers from the community. Thorough discussion and understanding is important.

Topics at the workshop/seminar could include:

- The forms of consolidation: full, partial, contract, limited contract.
- How consolidation works, what it is, and what it is not.
- How to maintain local control and input over the delivery of services.
- Examples of successful consolidations and contracts.
- Can and will consolidation/contracts really save money? If so, how; and if not, why not?

POST recommends the seminar be independently facilitated to ensure that the informational nature is maintained. Planning assistance from POST may be available.

2. Determine if there is sufficient support for additional study of consolidation; if so, *what form of consolidation or contract*. If, after sufficient public discussion, it is determined by the agencies to be feasible, pursue a more detailed cost/benefit analysis and other studies of the “approved” forms of consolidation/contracts.

The importance of this step cannot be over emphasized. Staff and/or consultants can study the issue (and they have) without any significant knowledge of what or how elected officials and key decision makers will “*buy off*” on the suggested forms of consolidation or contracts. A general idea of the parameters of what is acceptable

and/or or approvable can guide a study, focus the process, and ultimately speed either approval or disapproval.

Research has shown that when this process is followed, it may lead to *disapproval* of a consolidation effort in as many cases as approval.

It is imperative to determine what service level(s) are acceptable as soon as possible in any plan for consolidation or contracting.

Suggested steps for a seminar are attached in the IACP *Consolidating Police Services* guide (see **Appendix 5**).

SUMMARY

The issues affecting the police departments in Fairfax and San Anselmo, including funding, recruitment, retention, and maintenance of essential services, are unlikely to abate in the future. Small departments are under exceptional pressures from the competition with larger departments that often surround them, and this pressure is worse than it has ever been. Survival, in many situations, may depend on the organizational and economic agility of these agencies to combine and reform themselves.

In many ways, both towns have been avoiding the issue of consolidation for many years as a potential mechanism for maintenance of their police service at expected levels.

The present offers an opportunity to confront the issue head-on in a non-controversial educational arena, before a possible crisis reduces the organizational and economic choices.

CONSOLIDATION/CONTRACT SCENARIOS

There are many forms of consolidation. Among the most common are:

1. Total consolidation of two or more departments

There is one example of municipal police consolidation in California: Twin Cities Police Department (Larkspur/Corte Madera). Two or more police departments are merged into one entity.

2. Contract for services

This is the most common form of consolidation in which a city or entity contracts with another for services. The College of Marin contracts with the San Anselmo Police Department for dispatch service. The Town of Ross contracts with the Marin County Sheriff's Department for supervision and communications.

3. Regionalization

In this form of consolidation, several entities combine to create a service entity such as police records or communications centers that will serve all the entities.

CONSIDERATIONS

Any type of consolidation may be organizationally or politically controversial. There are a myriad of potential scenarios, the evaluation of which could take decades (and has taken decades as the first study of "Ross Valley" consolidation took place in 1975).

Possible scenarios are proposed on the basis of cost, value, and efficiency.

| FY 2006/2007 Police Budgets | | |
|------------------------------------|----------------|--------------------|
| | Fairfax | San Anselmo |
| Budget: | \$ 2,403,500 | \$3,633,782 |
| Residents: | 7,207 | 12,190 |
| Per resident: | \$333 | \$298 |
| Per called-for service: | \$409 | \$367 |

It is important to recognize that only about 8-10% of most police budgets are non-personnel related. With about 90% of the budget in personnel, significant cost reductions come in three ways: *reduce salaries, reduce the cost of personnel (e.g., hire part-time personnel), or eliminate personnel!* There are no other alternatives.

SCENARIOS

Consolidation of Fairfax and San Anselmo Police Departments

In 1975, members of the San Anselmo Police Department prepared a detailed analysis of a possible merger of the Fairfax, San Anselmo, and Ross police departments (see Appendix 1).

Sgt Jim Reis of Ross Police Department completed an additional study of consolidation (see Appendix 2).

While the POST study does not include Ross, these studies require serious review and consideration, even without Ross. They articulate the many issues related to total consolidation, and offer serious consideration of alternatives.

From an efficiency standpoint, a consolidation has merit. Duplication of communications, records, and related services would be eliminated. Overtime would be reduced. One chief position could be eliminated, changed, or phased out. Supervisory levels would be increased along with investigative expertise. Service levels would be maintained or improved. Overhead costs would be shared.

Total consolidation of two small departments creates another small department with complex governance, particularly when there are changes in governing bodies, managers, or other key personnel. Management of the consolidated department can be challenging under such conditions.

Total consolidation of police agencies is uncommon in California.

Twin Cities Police Department, the only consolidation of two separate police agencies in California, was formed in 1980 between the towns of Corte Madera and Larkspur. In his study of 1981, Twin Cities Chief of Police Phil Green reports the reasoning of the respective councils of Corte Madera and Larkspur in their consolidation agreement as:

“Since January 1979, the police departments of the agencies have operated under the direction of one police chief with greater co-ordination and co-operation resulting in better quality and less costly police services”....and further in his report.

“The Larkspur/Corte Madera experience with consolidation of existing police agencies has resulted in both communities receiving better and broader police service at an overall reduced cost without sacrificing local control and responsiveness to the individual communities needs.”

Contact with Chief Green several decades later, shows that he believes even more strongly that the consolidation has been a benefit to both communities.

COSTING ANALYSIS

The costs associated with a merger can be difficult to estimate until many political and organizational issues are resolved. There are some factors that by their nature would yield overall saving to the respective cities.

Experience indicates that just the “one time” costs of this merger alone may run about \$45,000 to \$65,000 for required stationary, uniform patches, badges, communication software changes, signage, internal changes necessary to cars and equipment, as well as striping or paint changes to patrol cars.

These are in addition to such issues as facilities overhead, pension and salary adjustments or other capital expense that may be required to accomplish the merger. Parity in salaries and fringe benefits between the departments is quite close thus reducing the impact on the total cost of a merged department.

Immediate cost savings might include a reduction in force of one Chief of Police and several dispatch personnel. Up to \$250,000 would appear reasonable in personnel cost reduction, depending on the model chosen – less if an existing Chief was retained as a ranking command officer, such as a captain or commander. Such savings must, of course, be allocated between the two cities in an equitable manner. Cost allocation of a merger can be done in several ways depending upon what each participant brings to the merger, by population or combination of the two. For illustration purposes, a population cost method is described here.

With about 37% of the combined towns’ population in Fairfax and 63% in San Anselmo such a reduction (in personnel costs) would reduce the cost to the respective towns by about \$92,500 in Fairfax and \$157,500 in San Anselmo.

Based on a budget of \$6,037,282 (total of both budgets), per-resident costs of a merged department would be about \$311¹.

If the merged departments were budgeted on the per-resident cost existing in San Anselmo of \$298, the combined budget would be \$5,780,306². The following calculations are based on this budget.

Based on population percentages alone (Fairfax @ 37% and San Anselmo @ 63% of the total of the two cities), the 37% share of Fairfax would be \$2,138,713 or about \$264,787 less than presently budgeted. San Anselmo, at 63%, would be \$3,641,593 or about \$7,811 more than presently budgeted.

High overtime costs might be brought under control in the merged department due to reduction in duplication and the additional personnel available in patrol. Overtime between the two

¹ \$6,037,282 ÷ 19,397 total population = \$311

² \$298 x 19,397 total population = \$5,780,306

departments is currently budgeted at about \$325,000, with actual experience generally in the \$400,000+ range.

If overtime costs were brought under control to the range of approximately \$150,000 for the merged departments (a savings of \$175,000 from the current overtime budget), the budget would be \$5,605,306³ or about \$289⁴ per resident, with corresponding shares of \$2,073,963 for Fairfax (a decrease of \$329,537) and \$3,531,343 for San Anselmo (a decrease of \$102,439).

It is apparent there is potential to reduce costs and maintain service levels through merging of the departments. These preliminary calculations are merely best-case estimates, and based on a combination of cost sharing concepts for a merged Fairfax/San Anselmo police departments.

The decision to consolidate, the form of governance, and the elements that each town can live with organizationally will decide the path. Once decided, the calculations are easier.

Contract For Services

Police service contracts are the most common form of consolidation in California. The simple reason is they are easier to negotiate, allow a town to maintain control over the level of police service, and it can pick from a menu of services it is willing to pay for.

The contractor town can spread overhead over a greater number of personnel and reduce duplication

Contracts are very common in Southern California, where many cities contract with the major sheriffs' departments, such as Orange, San Bernardino, or Los Angeles. There are some city-to-city contracts, such as Brea and Yorba Linda, a contract that has existed for over 35 years. San Anselmo has a contract with the College of Marin to provide dispatch service.

Consolidation of the towns through contracts could be a shorter and potentially less divisive process. It could be accomplished in stages rather than in totality. A town could, if so inclined, seek other contractors, such as the Marin County Sheriff, in a similar manner to the Town of Ross. Costs of each service can be determined in advance and either negotiated or adjusted as appropriate.

Many small departments contract with larger agencies for communications/dispatch and records service, as the costs of these elements alone are substantial.

In this case, there are several feasible contract scenarios.

Total Policing Contract

In this scenario, one town would contract with another for a predetermined level of policing. Existing personnel could become members of the contracting police department.

³ \$5,780,306 - \$175,000 = \$5,605,306

⁴ \$5,605,306 ÷ 19,397 total population = \$289

The contract would reflect the level of policing and the parameters. In this case, suggested minimums would be one officer and one sergeant, 24-hour communications and dispatch, traffic enforcement on a predetermined basis, investigation/detective service, and other ancillary services as needed. Uniform patches and cars could be specified to reflect the nature of the service such as "Towns of Fairfax & San Anselmo Police" or "Serving the Towns of Fairfax and San Anselmo." This would be a total package for police service similar to existing contracts throughout California. Costing of the contract could be made on a service-level basis or a per-resident basis. If the present cost per resident of \$298 were used as the basis for the cost of a contract between the cities, at least one town would save about \$252,245⁵ annually when considering the present police budget.

Limited Contracts

There is a constant and costly struggle in small departments to maintain personnel staffing levels. Just covering all shifts can necessitate overtime and scheduling dilemmas, particularly so if there are insufficient personnel to begin with (e.g., sergeants or dispatchers).

Many astute departments have realized that they will never be able to staff as needed and have contracted with other departments that can provide services for them. Many of these contracts are successful due to their "transparency" (i.e., they are not particularly visible to the public and do not have the onus of "lack of local control"). Most save money or give greater service.

In this case, one town could contract with another (or Marin County) for dispatch service. The cost in one town alone is currently in excess of \$200,000 for dispatchers (more with overtime) Based on workload alone (i.e., called-for services) either entity could be expected to duplicate the service for a savings of \$50,000 or more. There are additional issues related to recruiting, pensions, etc., that are eliminated but are difficult to cost or quantify. As both towns use similar dispatch software, a consolidation of communications could save significant amounts for either and could spread the overhead. Some personnel could be absorbed by the contracting entity. Records and property and evidence could be contracted for additional savings. A reduction in overtime, elimination of benefit obligations, and recruitment costs would also result.

It might also be possible to review problematic periods in the day, such as graveyard shifts, and the burden placed on the department(s) to man these generally low-volume shifts. A contract for service between the cities might be able to provide graveyard shift coverage of at least one officer and a sergeant for far less than both towns are now spending. One town could relieve communications staffing during that shift, for far less than it presently costs.

There are additional services, such as traffic enforcement or special events, that can be planned formally and costing arrangements made.

⁵ Current per-resident cost of \$333 - \$298 = a cost savings of \$35 per resident; \$35 x 7,207 Fairfax residents = \$252,245

POST suggests that, regardless of the outcome of discussions involving the many variables in this report, both towns should give serious consideration to contracting out several of their more costly functions, particularly communications and records.

Regionalization

The combining of services to meet the needs of departments is particularly common in communications and records. There are many examples of regional communications centers. Many are independent and serve their client agencies by contract. The Sheriff may serve as the coordination point, with agencies having communications service from the sheriff on a cost-sharing basis. Rarely are agencies able to provide the service for less than a contract -- particularly when overtime, recruiting, and supervision are added into the overall cost.

Jail and crime lab services are already regional functions, property and evidence, investigations and even school resource officers could regionalize.

In many smaller agencies the subject of regionalization has been particularly contentious as the issue of local control of the process has proved threatening to authorities and decision makers. With communications costs rising steadily, both towns should consider a regional solution either through a regional center, adjacent agency, or contract with the Sheriff.

Presently both agencies spend approximately \$500,000 for communication service. In general, a savings of \$100,000 to \$200,000 would result immediately through regional consolidation.

Regionalization of police services is not common as the sheriff generally fills the role of regional law enforcement provider for county areas.

SUMMARY

It is apparent that there are many potential paths that can be taken toward consolidation of police services in the Ross Valley. Costs can be reduced and service levels maintained. Local control can be maintained, and the public served. Progress on this issue depends on the ability to explore alternatives and continue dialogue with cost as an issue, but not the only issue.