

**TOWN OF FAIRFAX
STAFF REPORT**

To: Mayor, Members of the Town Council

**From: Michael Rock, Town Manager
Ken Hughes, Chief of Police**

Date: January 14, 2009

Subject: Shared Services Study and Contract Proposal Update

RECOMMENDATION

Review the various proposed shared service options. Determine if any of the options provide substantial savings while meeting service expectations. Provide staff with direction for proceeding.

DISCUSSION

The Towns of Fairfax and San Anselmo have been engaged in studying the possible benefits of police consolidation since 2006. After receiving a report prepared by the Commission on Peace Officer Standards and Training that addressed total Department consolidation, the Councils jointly formed a sub-committee that recommended examining the limited possibility of consolidating only dispatch services. Ultimately the Towns selected the consulting firm of Lewis-McCrary Partners to conduct a study of the possible costs and advantages, or disadvantages provided by a shared dispatch service. The consultants finalized their report in September 2008 and presented it to the subcommittee in October 2008.

The study results were guided by parameters set forth by both Councils. There were to be no employee layoffs, both communities would keep their Departments front counter open to the public for a period of time specific to the needs of each community, and finally there could be no loss in service levels. The subcommittee wanted only two options presented in the final report, one having San Anselmo serve as the dispatch center and the other having Fairfax as the dispatch center. Both Chiefs recommended that records consolidation not be considered as a part of any option or the use of part time cadets to backfill a full time employee's position.

The finalized study outlined two options as requested as well as an alternative that included part-time cadets. The report revealed a potential joint savings of about \$100,000 shared between both communities if Fairfax were to be used as the dispatch location and a joint savings of about \$8,000 if San Anselmo were used as the dispatch location. As an alternative, a joint savings of about \$82,000 could be achieved if San Anselmo served as the dispatch location after Fairfax augmented its records support staff by using part-time cadets. The study did not identify any formula for splitting dispatch costs or savings. Furthermore, the report made no definitive recommendation on the governance of such a consolidation, although the consultants verbally informed the subcommittee that a JPA probably wouldn't be necessary given the limited number of employees involved in this specific shared service. At the conclusion of the October 2, 2008 meeting the subcommittee asked both Town Managers to report back with a formula for funding. All agreed the consultants' report would be taken back for each Town Council to review prior to proceeding further with the process.

On October 22, 2008, the San Anselmo Police Department presented a detailed staff report to their Town Council that contained a draft contract proposal for San Anselmo to dispatch for Fairfax. While this had not been discussed at the subcommittee level, the report was generated at the direction of San Anselmo's subcommittee

members. The staff report provided four potential dispatch/records options ranging in a cost savings to Fairfax of about \$132,000 per year to one that would cost Fairfax an additional \$54,000 over current costs. To achieve the biggest savings, Fairfax would have to close its police front counter entirely, move police records to the San Anselmo Police Department and have no support administrative staff within the police department. The contract proposal was approved by the San Anselmo Town Council and later presented to the full subcommittee on December 15, 2008.

To summarize the options and savings:

Lewis-McCrary Partners Shared Services Options

Option 1- Dispatch services located at Fairfax Police Department is the most cost effective option under the parameters set by the Sub Committee. This reduces staffing levels to 9.2, which reflects a second year savings jointly of **\$99,995** (split between both Towns at an undetermined formula) and provides for use of Records Clerks to service the front counter at San Anselmo Police Department.

Option 2- Dispatch services located at San Anselmo Police Department reflects a staffing level of 10.3 compared with the current combined staffing level of 10.4, with a second year savings jointly of **\$7,997** (split between both Towns at an undetermined formula). This is utilizing 2.3 Records Clerks to staff the front counter at Fairfax Police Department.

Option 2 Alternative has been included for discussion purposes and has a recommendation staffing level of eleven (11) with a projected second year savings jointly of **\$82,282** (split between both Towns at an undetermined formula). This savings is accomplished with the use of part-time Police Cadets to staff the front counters. Police Cadets are generally students and are historically paid an hourly rate well below the costs for Dispatchers, Community Service Officers and Records Clerks.

Town of San Anselmo Contract Options

Option 1 reflects a savings of **\$132,118** if Fairfax closes its front counter completely, moves all records to San Anselmo and eliminates all administrative support personnel in Fairfax.

Option 2 reflects a savings of **\$34,868** if Fairfax keeps its front counter open 8 hours a day, 5 days a week retaining 1.2 Records Clerks.

Option 3 reflects a deficit of **-\$54,278** if Fairfax keeps its counter open 12 hours a day, 7 days a week, retaining 2.3 Records Clerks.

Option 4 requires the use of 2 Cadets and 1 Clerk in order to achieve a savings of **\$17,704** while still keeping the office open 12/7.

Comparing the various options, one can see a wide range in potential shared savings anywhere from \$8000 up to \$132,000. San Anselmo's contract proposal and subsequent analysis provides the most concrete information because the contract eliminates much of the unknowns not addressed in the Lewis-McCrary Report. Contracts will define formulas for computing cost sharing and often times simplify or minimize employee equity issues by their very design. This contract proposal also illuminates what staff has said for some time and that is the only way to achieve substantial savings is to completely close an office and eliminate all support personnel.

Neither Police Chief has recommended such a closure for either San Anselmo or Fairfax. Staff believes it is vital for the health of both the community and the Police Department to have open door accessibility to its police department. Community policing is based on the premise of being accessible and available to the community. The Fairfax Police Department is currently open 7 days a week, 24 hours per day and has support staff during

that entire period. It appears a reduction of those hours to 5 days a week, 8 hours a day saves the Town less than \$40,000 a year. To proceed with either a contract or consolidation, a decision would need to be made as to whether that amount of savings is worth the service reduction to both the community and the overall efficiency of the police department. My opinion is that it is insufficient, and therefore recommend against such an agreement.

One final consideration for Council is the Measure F tax that is due to expire in June of 2010. The Measure currently provides the Town of Fairfax with about \$460,000, some of which is specifically designated to maintain 24 hour 7 day a week dispatch. Any savings on shared dispatch services must be weighed against whether the tax is renewed or not, and whether office services are able to remain the same or not.

FISCAL IMPACT

Potential for a minimal to somewhat moderate savings with significant service reductions. Savings would not be enough to offset loss of Measure F revenue if the tax is not renewed.

ATTACHMENTS

Shared Service Study, September 2008 - Lewis/McCrary Partners
Shared Service Staff Report, October 28, 2008 – Town of San Anselmo