

Modeling Options for a Consolidated Law Enforcement Agency

City of Jamestown and
Chautauqua County, NY

November, 2012

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Prepared for:
**City of Jamestown and
Chautauqua County**

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SUMMARY

Background

In 2008, the City of Jamestown and Chautauqua County began consideration of a potential law enforcement agency merger that would involve consolidation of the City Police Department within the County Sheriff's Office. As part of that consideration, the City and County engaged the State Division of Criminal Justice Services (DCJS) to analyze and report on the potential viability of such a consolidation. In 2009, DCJS issued a report that concluded merging the Police Department and Sheriff's Office was possible and that an "executive group" should be appointed to develop detailed cost estimates and address implementation challenges.

As part of that next step, the City and County engaged CGR (Center for Governmental Research Inc.) in 2012 to serve as lead consultant in advising an executive group / Steering Committee to develop potential models, cost estimates and implementation approaches. With funding support from the State's Local Government Efficiency (LGE) grant program, CGR analyzed a variety of potential consolidation models, implementation process options and high-level cost implications of a merger.

This report documents the preliminary findings of that analysis. The primary goal of the report is to flesh out financial details not contained in the DCJS study, and in so doing, provide the Steering Committee (and the City and County) information necessary to determine whether and how the two may move forward with the development and implementation of a formal law enforcement consolidation plan.

Models and Assumptions

CGR developed six different consolidation options for the Study Committee to review. The options ranged from (at a low level) shared services to (at a high level) full consolidation. In each case, CGR's team highlighted the merits, drawbacks and key considerations associated with the models. CGR also outlined implementation processes that would likely be associated with each consolidation model. Assuming the City and County desire to move forward, the ultimate choices of 1) which consolidation model and 2) which implementation process will serve as the most critical factors in determining cost savings potential.

It should be noted that no formal decisions have been made by the City or County with regards to the model(s) that will be chosen, if any. However, through discussions with the Steering Committee and key stakeholders in this process, the general assumption of the most likely scenario for consolidation involves the City of Jamestown eliminating its police department and contracting with the County to provide a unique, dedicated "city division" of the Chautauqua County Sheriff's Office (CCSO) within the City of Jamestown. Based upon that assumption, CGR developed several models to provide a range of cost impacts associated with consolidating the two law enforcement agencies under this scenario.

A consolidation process could be implemented in at least two ways: At a specified point in time (*i.e.* a "cutover" date), or over time (*i.e.* a "phase-out" of the Jamestown Police Department) in a manner than allows some or all existing JPD officers to leave the City force through normal course or retirement or separation.

Regarding workforce costs, the two employee groups could be "blended" by leveling salaries up to the highest rates (currently the City's) or leveling them down to the lowest rates. In each model presented in this report, the baseline comparison is made to the *status quo*.

Impact Summaries

If the City of Jamestown decides to maintain current operations at existing levels with existing agreements as the baseline, it will cost approximately \$32.6m in personnel costs over the next five years and \$33.8m overall.

Of all the potential consolidation scenarios, maximum savings potential would be realized under an approach that utilizes a single "cutover" date *and* levels salaries according to the current Sheriff's Office pay scales. Over five years, this would lead to a savings of \$5.2m for the City, assuming it contracted with the CCSO for equivalent service. An additional \$1.8m could be saved over five years through a reduction in force of four officers made possible by switching from the City's 4:2

schedule (*i.e.* four days on, two days off) to the County's 5:2 schedule. In total, \$7.0m represents the high range of cost savings potential over five years in a consolidation of the two law enforcement services.

On the low end, a full consolidation achieved over time through a phase out of existing JPD officers while leveling up salaries to current City police levels yields only \$0.2m in savings over five years. An additional \$0.4m in savings is possible from the switch to a 5:2 schedule, yielding a total potential savings of \$0.6m.

There are potential cost implications for the County to any blending strategy that involves a leveling up of salaries. CGR estimates this would increase County costs by \$3.3m over five years and \$6.7m over ten years, absent any stipulation in an inter-municipal agreement that the City would otherwise pay for those costs.

A key cost consideration for the City involves the lifetime health benefit provided to JPD retirees and their spouses. Absent any changes in current structure or benefit, the costs associated with that benefit will continue to climb, both in gross terms and as a share of budget. To the extent any agency consolidation shifts law enforcement responsibilities to the County Sheriff's Office (*i.e.* the City gets "out of the business" of providing police services on its own), the absence of a similar lifetime health benefit in the County would offer significant cost avoidance potential for the City. Savings would not be realized in the immediate term, but would be substantial over the long term once the pipeline of new beneficiaries was closed.

The Steering Committee, and ultimately the City and County, will need to consider several other factors as they weigh options to move forward. Additional considerations include potential transition costs associated with buying out the current JPD 4:2 benefit in the event a cutover date is chosen. Similarly, a full pension analysis would be required to determine a buyout value for the 20-year pension plan related to the current slate of officers. Other transitional considerations will include costs of blending vehicles, firearms, uniforms and radio equipment, among other items.

Next Steps

The next step for the Steering Committee (and the City and County) is to review the consolidation and implementation considerations and impacts presented in this report and put them in the context of the range of cost savings presented by each of the models. Ultimately, the City and County will need to decide which model (if any) is worth pursuing. If such a model is chosen, a complete implementation planning process would commence to formally negotiate the process between the City, County and affected employee groups.

The analysis presented in this report suggests that a contractual partnership could be established in such a way that costs to the County are *not* increased, but savings could be yielded to City residents while at the same time preserving current service levels.

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INTRODUCTION

The City of Jamestown and Chautauqua County have a long and growing legacy of sharing services. Over the last 30 years, both have sought opportunities to redesign their structures in ways that optimize the quality and cost-effectiveness of their respective services. The current administrations of both the City and County have consistently emphasized opportunities to make government more efficient and maintained an open dialogue with other municipalities to that end.

Several years ago the idea of consolidating the City of Jamestown's Police Department (JPD) with the Chautauqua County Sheriff's Office (CCSO) was raised as one collaborative possibility. Initially viewed as a hurdle too high to overcome, the issue was talked about in theory but not seriously studied. As the Great Recession took hold and local government revenue declined, while personnel benefits such as pension and healthcare costs continued to increase, staff layoffs became inevitable resulting in a smaller police force for both agencies. Particularly in the City, concerns grew that cost projections were unsustainable and future layoffs may be unavoidable, potentially compromising the level and quality of law enforcement services in the community.

In 2009, Chautauqua County Sheriff Joseph Gerace and Jamestown Chief of Police Rexford Rater engaged the New York State Division of Criminal Justice Services (DCJS) Office of Public Safety to conduct a preliminary consolidation study. The study identified potential efficiencies in the staffing¹ and ultimately concluded that a merged operation was possible if several issues were successfully addressed. The issues that were identified included:

- Elected officials' insistence in both jurisdictions that no additional costs be incurred, including during any transition period;
- Disparities in pay and benefits between the sworn workforces, including compensation, retirement plans and retirement benefits;
- The County Executive's concern over the costs of addressing these benefit disparities as they pertain to compensating a combined workforce; and
- The liberal use of part time officers by the Chautauqua County Sheriff's Office, which would need to continue in a combined

¹ JPD officials expressed significant concern that the staffing analysis conducted by the DCJS underestimated the calls for service and other activity of JPD officers. Thus, the staffing efficiencies may be overstated.

workforce absent significant hiring of additional entry level personnel.

The study further recommended that an “executive workgroup” be formed to address these issues with the goal of working towards a full consolidation. Based upon this recommendation, on January 30, 2012 the City of Jamestown, in partnership with Chautauqua County, engaged CGR (Center for Governmental Research Inc.) to serve as lead consultant in advising an executive group / Steering Committee to develop potential models, cost estimates and implementation approaches, and generally build upon the conclusions of the DCJS study.

Given the absence of fiscal analysis in the initial DCJS study, CGR and the Steering Committee determined early in the process that this review should focus primarily on documenting the potential cost implications of merger, as opposed to revisiting the service and staffing analyses. While staffing, service levels and response times are summarily important, the fiscal questions remained the key “uncharted territory” in the consolidation discussion.

As outlined by the DCJS study and confirmed by CGR, there are several key points needed to be addressed by this new study:

- Identification of costs associated with equalizing benefits and compensation;
- Assessment of each jurisdiction’s tolerance for increased costs during a transition period;
- Legal issues that would have to be addressed if full consolidation were to occur; and
- How costs will be borne by the served jurisdictions.

It was also made clear to CGR’s team that neither the City nor County were interested in using this study – or any consolidation effort – to reduce staffing counts in any way that would jeopardize the quality and/or timeliness of law enforcement services in the community. Thus, by focusing this analysis on costs initially, we allow for a significant data element to be added to the discussion that will give community leaders, residents and other stakeholders an opportunity to evaluate whether a consolidation should be pursued further. To be sure, staffing implications would be part of a more formal implementation process analysis if/when any final recommendation for consolidation is decided upon.

This report is presented in five core sections:

- A consideration of community background and key characteristics;

- A baseline review of existing cost structures in the JPD and CCSO;
- A review of potential *organizational* models for consolidation;
- A review of potential *implementation models* for achieving consolidation; and
- A presentation of cost implications associated with the various models.

The Steering Committee (and the City and County) will review and assess the merits and drawbacks of the various models presented in this report, and determine whether there is sufficient support to move forward. If there is, the next step will involve identification of a preferred model and development of a formal implementation plan. That implementation plan would outline the intended goals of the consolidation and would define in detail the overall costs, which municipality would bear those costs, the basis for the consolidation (*e.g.* development of an inter-municipal agreement and payment structure), the legal issues related to the restructuring, and the overall process and timeline.

COMMUNITY BACKGROUND

Chautauqua County



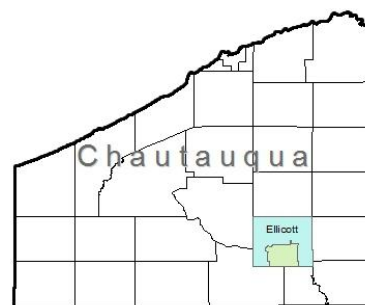
Chautauqua County is located in the southwest corner of New York State along the Pennsylvania border.

As of the 2010 Census there were about 135,000 people residing in the County. The population has been declining since its peak of 147,000 people in 1970. The County has a land area of a little more than 1,000 square miles, and includes two cities, 27 towns, 15 villages, 9 hamlets and one Native American Reservation.

City of Jamestown

The largest city in Chautauqua County is Jamestown. It is located in the southeastern quadrant of the County at the southeast tip of Chautauqua Lake, and is surrounded by the Towns of Ellicott, Busti and Kiantone and Villages of Celoron and Falconer.

As of the 2010 Census there were about 31,000 residents, or roughly one quarter of the total County population



residing in Jamestown. Jamestown has a land area of slightly less than 9 square miles.

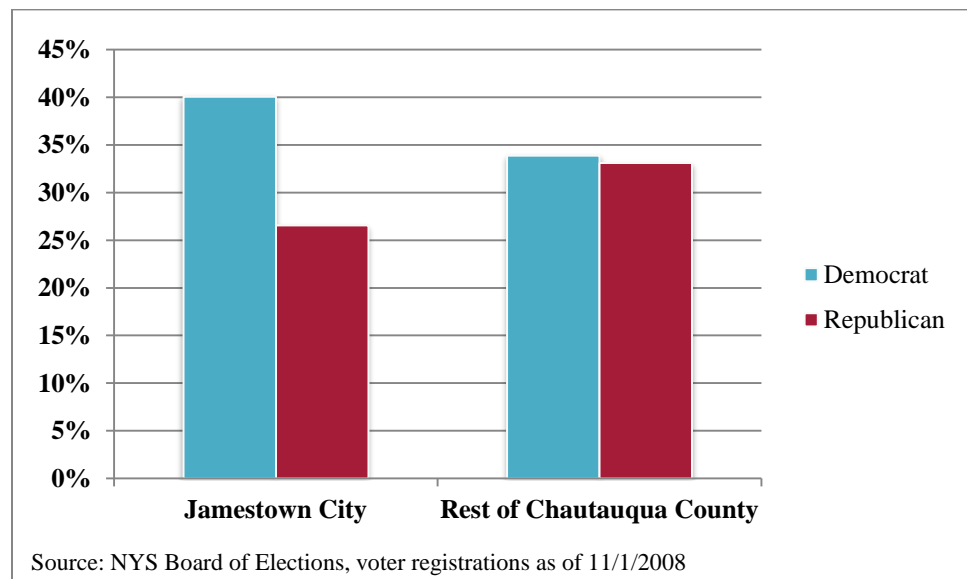
The population of Jamestown is more diverse than the rest of Chautauqua County. As of the 2010 Census, 19 percent of the population identified as something other than non-hispanic white. This compares to 9 percent for the rest of the County.

An estimated 23 percent of Jamestown's population is below the poverty line, significantly higher than the 15 percent rate seen in the rest of Chautauqua County.

Almost half of the housing units in Jamestown are renter occupied, compared to 19 percent for the rest of the County.

The registered voters of Jamestown are plurality Democrat, while the rest of the County is roughly evenly divided between Democrat, Republican and Other.

Figure 1 - Registered Voters by Party Affiliation



Development and density differences are important considerations for discussions of law enforcement, particularly considering that rural and less dense areas (*e.g.* much of the County outside of Jamestown) demand different law enforcement strategies than those required in a more dense urban area. Discussions of manpower, response time, shift schedules and proactive versus reactive police strategies are all dictated in part by the development characteristics of a community. As this process proceeds, it will be essential that the Steering Committee, City and County take into full consideration the different strategies that are employed by each in

order to ensure any potentially consolidated operation would be sensitive to these dynamics.

Additionally, it is likely that residents in the more rural areas of the County will view any potential merger differently than residents in the City of Jamestown. In general, for more rural areas, law enforcement strategies tend to be more reactive in nature, responding in the event of emergencies; by contrast, in denser jurisdictions, more visible and proactive policing is more routinely employed. The City and County will have to account for these different perspectives, approaches and strategies as part of any consolidation model.

Crime Trends

The rural versus urban character of the City and the rest of the County contribute to population density and socio-economic differences that impact law enforcement services. As figures 2 and 3 depict below, both violent crimes and property crimes are higher in Jamestown than in the rest of Chautauqua County.

Figure 2 – Violent Crimes per 1,000 Residents, 2002-2010

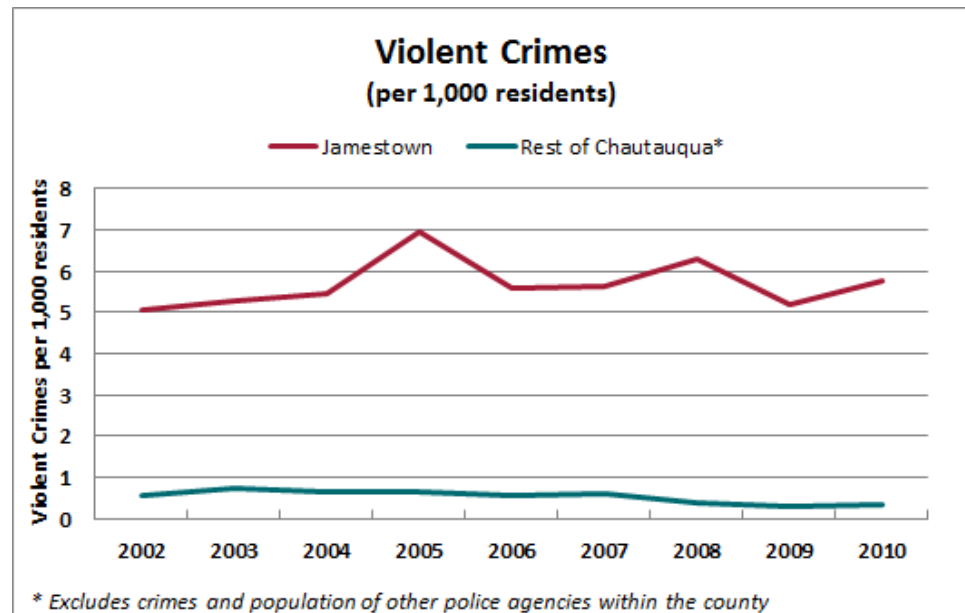
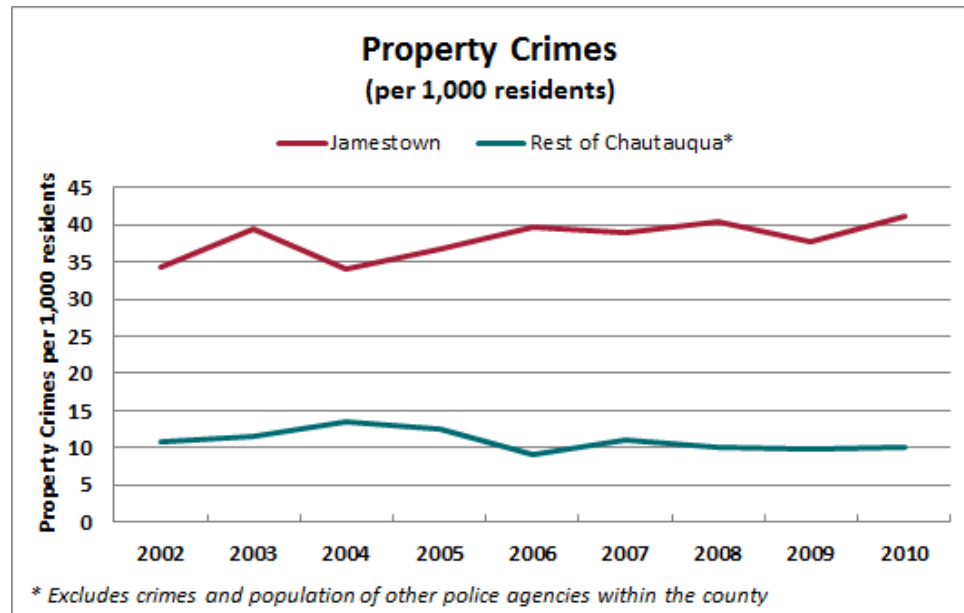


Figure 3 – Property Crimes per 1,000 residents, 2002-2010



It is important to note that both the JPD and CCSO respond to more than calls related to these types of crimes. In general, the service demands on the JPD are both qualitatively and quantitatively different than those in the CCSO. However, both agencies have trained police officers sworn with the same powers to uphold the laws within their respective jurisdictions. In point of fact, Sheriff Deputies have jurisdiction within the City of Jamestown upon request of the JPD, while JPD officers have similar authority in the County outside of the City if formally requested.

Law Enforcement Agencies

Chautauqua County Sheriff's Office

The Chautauqua County Sheriff's Office (CCSO) is a full-service law enforcement agency of 221 full time equivalent employees. Its primary services include jail/civil, road patrol, court security, prisoner transport, 911 dispatch and aviation.² The CCSO provides enhanced (dedicated) contract police services to parts of Chautauqua County on a fee for service basis. While the New York State Retirement and Social Service Law (RSSL) does not recognize sheriff's offices as a "police force," deputies do have the same rights and privileges to enforce the laws of a county as any other police department in New York State, including areas within the boundaries of cities.

² For a complete listing of special services refer to the table in Appendix A

Road Patrol Focus

For the purposes of consolidation, the cost models in this report focus almost exclusively on the road patrol division of the CCSO. This includes approximately 65 personnel. The road patrol is comprised of Sheriff Deputies most similar in job duty and function to the Jamestown Police officers. A merger of the Jamestown Police Department (JPD) with the CCSO would largely coincide with the law enforcement division and would not significantly impact the cost of operating the other divisions under the Sheriff's purview.

Jamestown Police Department

The Jamestown Police Department is a full-service police department. There are 96 total employees, 73 of which may be directly affected by consolidation. There are 60 sworn officers currently on the force, down from 76 just a few years ago. The 60 sworn personnel constitute the focus of the cost analysis presented later in this report, primarily because of their role in providing road patrol and basic law enforcement services that coincide with the road patrol division of the CCSO. The remaining personnel – civilian in nature – will be factored into subsequent analysis.

The Police Chief is appointed by the Mayor and serves also as the Director of Public Safety for the City. The latter title gives the Police Chief authority over fire services for the City. The JPD are widely acknowledged by the community as contributing to a feeling of safety through their presence as well as their specific service mix.³

Other Police Agencies within Chautauqua County

There are six other police agencies within Chautauqua County:

- City of Dunkirk Police Department;
- Ellicott Town Police Department;
- Fredonia Village Police Department;
- Lakewood-Busti Police Department;
- Silver Creek Village Police Department; and
- Westfield Village Police Department.

These agencies represent different opportunities for regional collaboration with the City of Jamestown and Chautauqua County Sheriff. Those broader potential collaborations were outside the scope of this analysis.

³ Ibid.

Law Enforcement Spending

The City and County had a combined \$239m in budgeted spending in fiscal year 2012. Law enforcement services make up about \$31m, or 13 percent, of the combined total.

The CCSO budget is three times larger than the JPD budget. The operation of the County Jail, the 911 Center, the Court Security, Civil Division and other services offered by the CCSO account for the difference in cost. The table below highlights the aggregate cost of providing law enforcement services relative to the overall municipal budgets. Figures represent totals *including* estimates for fringe benefits.

General Fund Spending 2012

<i>Dollars in millions</i>	County	City
Police/Sheriff	\$23.2	\$7.6
All Other	\$182.7	\$25.6
Total	\$205.9	\$33.2

JPD comprises 23 percent of the City budget; CCSO comprises 11 percent of the County budget.

As County taxpayers, Jamestown residents pay a total of \$2.3m (or \$75 per capita) for the CCSO. The six other communities with their own police departments also pay for the CCSO. The table below highlights the per capita contribution for CCSO services of all communities in Chautauqua County.

Table 1: Per Capita Spending

CCSO Spending Per Resident	
County Wide	\$172
City of Jamestown	\$75
Rest of County with Police Dept.	\$188
Rest of County without Police Dept.	\$209

Per capita, Jamestown residents pay \$245 for the JPD. Jamestown residents therefore pay an estimated \$320 per capita for police and sheriff's office services through the two agencies.⁴ This represents a 65% per capita difference to have a dedicated police force in the City of Jamestown.

⁴ As it was not within the scope of this study, CGR did not obtain costs for police services in the other six communities in order to produce a comparative table of total per capita police services cost across the County.

City/County Collaboration

The current examination of potential service consolidation builds on a strong history of cooperation between the City of Jamestown and Chautauqua County. Examples of government services that have already been consolidated include:

- Department of Social Services;
- Department of Health;
- Municipal Landfill;
- Municipal Airport;
- Industrial Development Agency/Economic Development;
- Public Transportation;
- Emergency Dispatching and Records Management;
- Tax Foreclosure/Sale of Foreclosed Properties;
- Ownership and Maintenance of all City Bridges; and
- Elimination of municipal chargeback method of financing Community College operations.

Furthering that cooperative history, both the City and County have expressed an interest and willingness to consider a joint police agency. The Chautauqua County Legislature passed a resolution in support of the consolidation of police services “if the measure would be cost effective in the long run.” The key elements of any such merger would appear to be the maintenance of high quality, responsive police services in the City *and* a financial model that holds the County and taxpayers harmless.

Examples of Consolidation in Other Communities

Jamestown and Chautauqua County are not alone in considering service consolidation, particularly regarding law enforcement. Communities like Cincinnati, Ohio; Saginaw, Michigan; Midvale, Utah; and Fresno, California have entered into discussions or actually begun consolidating police services with their county sheriffs.

Almost universally, the single largest contributing factor to these consolidations and merger discussions is a desire to control costs, and usually personnel costs. As communities struggle to keep up with rising pension and healthcare costs, revenues continue to dwindle and yet leaders must try to meet resident’s demands to maintain the quality of services that make each community unique. Regional collaboration represents a solution that many communities are exploring to deal with this imbalance.

Consolidation of police services at a large scale has already been accomplished in other states. The following cases present a sample of those consolidation experiences.

Las Vegas and Clark County

In 1973 the Las Vegas Police Department combined with the Clark County Sheriff to create the Las Vegas Metropolitan Police Department.

Charlotte-Mecklenburg

The Charlotte-Mecklenburg Police Department (CMPD) formed in 1994 from the City of Charlotte Police Department and Mecklenburg County Sheriff. It provides police services for the City of Charlotte and unincorporated areas of Mecklenburg County, North Carolina. There are over 809,000 people, 438 square miles, and almost 4,000 street miles within CMPD's jurisdiction. The police force is made up of over 1,600 sworn officers and 550 civilian personnel.

Miami-Dade

The Miami-Dade Police Department (formerly City of Miami Police Department and Dade County Sheriff) jurisdiction covers approximately two million citizens who live within a 2,100 square mile area. It utilizes the services of approximately 2,900 sworn officers and 1,700 support personnel.

Indianapolis-Marion

The Indianapolis Metropolitan Police Department is comprised of approximately 1,700 sworn officers and 250 civilian employees. It provides police services to Marion County, Indiana and was established on January 1, 2007 through consolidation of the Indianapolis Police Department and the Marion County Sheriff's Office.

Each of these communities encountered resistance and had to overcome several years of implementation challenges to become the departments they are today. The examples underscore that the City of Jamestown and Chautauqua County are not alone in considering shared police services. However, these communities do not necessarily offer prescriptive roadmaps that if followed will guarantee success. Each community is different, and each must explore its collective willingness to engage in the dialogue and long term negotiations necessary to assure a successful implementation.

BASELINE ANALYSIS OF EXISTING COSTS

A foundational understanding of the existing costs in the JPD and CCSO is essential to understanding the financial implications of merging the two services. In a very real sense, the linchpin of the analysis involves how personnel costs merge together. Including fringe benefits, personnel costs account for 96 percent of the JPD budget, while in the CCSO they represent 82 percent. Complicating the analysis are differences that exist between the salary structures, pension plans and other than pension benefit (OPEB) costs such as healthcare.

In this section we highlight the existing costs that form the baseline for the analysis. We also highlight the options that exist for merging the personnel (salary and benefits) costs of the employee groups. Later in this report we present models that outline the cost implications for merging the two law enforcement agencies.

Existing Salary Overview

Collective Bargaining Units

JPD and CCSO salaries are determined through collective bargaining agreements. Kendall Club Police Benevolent Association represents the JPD while the Deputy Sheriffs' Association of Chautauqua County (DSACC), Chautauqua County Sheriff's Supervisors' Association (CCSSA) and Civil Service Employees' Association (CSEA) are the three unions that represent the majority of employees in the Sheriff's Office.

Salary Comparison

Each of the union contracts has developed a wage schedule that governs pay scales for their members. The JPD has five steps in its wage schedule while the CCSO has eight. It takes seven years to reach the highest step of the JPD scale, compared to 15 years for CCSO. Thus, a seven year employee in the JPD is already making the maximum in the pay scale, while a seven year Sheriff's Deputy has only ascended to less than half of the highest pay level their union offers.

The pay scale differential is further exacerbated by the wage rates. JPD officers are compensated at higher rates than the CCSO deputies. The table below shows the annual salary that would be paid to the officer that has reached the highest step.

Table 2 – Maximum Annual Salary by Rank

	JPD	CCSO
Police Officer/Deputy Sheriff	\$59,834	\$59,405
Detective	\$70,646	\$61,776
Sergeant	\$75,763	\$67,330
Lieutenant	\$79,671	\$75,302
Captain/Undersheriff	\$86,400	\$77,281
Chief/Sheriff	\$102,705	\$82,500

The differential at the highest level is less than one percent for police officers, but again, the highest levels are not reached at the same time. At the detective level JPD officers can earn as much as 14 percent more at the highest rates as detectives in the Sheriff's Office. Sergeants can earn 12.5 percent more in the JPD and Lieutenants can earn nearly 6 percent more at the highest pay level.⁵ Base salaries for the JPD Chief, Captains, County Sheriff and Undersheriff *are not* subject to collective bargaining agreements, but they are included in the table to highlight the differentials that exist between the positions. The difference at the Captain and Undersheriff level is nearly 12% and the largest differential is between the Chief and Sheriff at 24%.

The City's collective bargaining agreement with the Kendall Club provides for 2-year increments averaging 2 percent increases annually for the last three years. The DSACC and CCSSA agreements are for 4 years and have averaged 3.85 percent annual increases over the last three years. The result is that the salary rate gap has been closed somewhat as CCSO salary rates have recently increased faster than the JPD.⁶

Salary Options

There are two basic options available to the City and County for addressing salary compensation differentials.

Option 1: "Level Up" Salaries

One option would be to compensate the CCSO employees at the JPD levels. This "leveling up" option not only involves raising the current CCSO salaries up to the JPD levels, but it would require CCSO to shorten the career ladder so that officers serving the same number of years as their JPD counterparts would be compensated the same amount.

⁵ Lieutenants in the JPD are eligible for overtime and can earn more than the top step. Lieutenants in the Sheriff's Office are not eligible for overtime.

⁶ Pertinent to this discussion is that each of these union agreements is currently expired and they are being renegotiated.

Option 2: “Level Down” Salaries

Another option would be to “level down” the salaries. The JPD officers would be reassigned to the applicable step within the County career path. Their compensation would be “leveled down” in that they would be paid less overall and it could take them more time to reach the top of the pay scale.

Existing Pension Overview

The majority of Chautauqua County Sheriff’s Deputies participate in the Employee Retirement System (ERS) 14-b (551) plan. This is a 25-year retirement plan with eligibility for 50 percent of final average salary (FAS) at retirement.

All City police officers participate in the Police and Firemen Retirement System (PFRS) 384-d plan. The PFRS plan is a 20-year plan with eligibility for 50 percent of FAS at retirement. Neither plan stipulates a minimum age for retirement.

Retirement and Social Security Law (RSSL) stipulates⁷ that only police and firemen are eligible to participate in the Police and Firemen Retirement System (PFRS). Deputy Sheriffs of a county are not considered police officers because sheriff’s offices are not considered a “police force” in a county. This distinction only applies to the eligibility for retirement plans, not in the power or authority of the deputies to enforce laws and carry out police functions.

Under this rationale, police officers transferring to become county deputy sheriffs would no longer be eligible to participate in PFRS. Similarly, current Sheriff’s Deputies are not eligible to transfer into the PFRS system as they are not defined by the RSSL as police officers.

Pension Comparisons

CGR has developed a comparison of the current plans available to either Sheriff’s Deputies (through ERS) or police officers (through PFRS). Maximum age for retirement from PFRS is age 65.

⁷ Section 302(17) and 302(11).

Comparison of PFRS 384-D & ERS 14B (551)	
Special 20-Year Plan (Section 384-d)	County Sheriffs, Undersheriffs and Certain Deputy Sheriffs (Article 14-B, Section 551)
Special 20-Year Plan (Section 384-d): Complete 20+ years, eligible to retire with a benefit of one-half of FAS. No additional benefit for service over 20 years. Under this plan, the member must be separated from service at age 65. (Only uniformed police and fire service may be used in a Section 384-d calculation. Service transferred from the Employees' Retirement System is not considered creditable service.)	County Sheriffs, Undersheriffs and Certain Deputy Sheriffs (Article 14-B, Section 551) (TIER 1 & 2): Available to deputy sheriffs if at least 50 percent of their duties involve criminal law enforcement, and to sheriffs and undersheriffs. Eligible members who elect to participate in the plan will receive a pension equal to one-half of FAS after completing 25 years.

Source: OSC New York State & Local Retirement System, Employer's Guide

The next table provides a comparison of the ERS 14-b (552) plan relative to the PFRS 384-d plan. The primary difference between the ERS plans is that the 552 plan only requires 20 years for full retirement eligibility.

Comparison of PFRS 384-D & ERS 14B (552)	
Special 20-Year Plan (Section 384-d)	County Sheriffs, Undersheriffs and Certain Deputy Sheriffs (Article 14-B, Section 552)
Upon completion of 20 or more years of credited service, the member is eligible to retire with a benefit of one-half of FAS. There is no additional benefit for service over 20 years. Under this plan, the member must be separated from service at age 65. It should also be noted that only uniformed police and fire service may be used in a Section 384-d calculation. Service transferred from the Employees' Retirement System is not considered creditable service.	This is available to deputy sheriffs if at least 50 percent of the duties of their position involve criminal law enforcement, and to sheriffs and undersheriffs. Eligible members who elect this plan will receive a pension equal to one-half of FAS after completing 20 years of creditable service, regardless of age. At age 62, with less than 20 years of creditable service, the retirement benefit may include other service. However, the retirement benefit may not exceed one-half of FAS.

Source: OSC New York State & Local Retirement System, Employer's Guide

Pension Options

There are three primary options available to the City and County for transitioning the pension obligations.

Option 1: Phase Out

If the two agencies merge, both existing plans could remain intact allowing existing staff to “age-out” with their current plan. This would almost certainly require that current City police officers would remain as City police officers and the overall departmental transition would occur via attrition over time. New employees could be entered into the available plan at their time of hire with the Chautauqua County Sheriff.

Option 2: County Adopt Comparable Plan

The County could consider adopting a 14-b plan (552), a 20-year plan comparable to the 384-d in the PFRS. This would allow for leveling up of pension benefits, though it would create additional cost not currently borne by the County. *Note: This would **not** be a shift to PFRS. The 14-b (552) is part of the Employee Retirement System (ERS).*

Option 3: Change RSSL to Include Sheriffs in PFRS

The County and City could pursue special legislation to allow current Sheriff's Deputies be brought into the PFRS. There is no precedent for this. Several accommodations have been made in the RSSL for similar requests, but the accommodations are all variations within the ERS plan rather than switching deputies from ERS into PFRS.

Existing Healthcare Overview

Healthcare costs have been growing over time at a rate viewed by many municipal leaders as unsustainable. Healthcare has also been cited by community leaders as one of the most significant challenges facing a consolidation of the JPD and the CCSO.

Under current contract, Kendall Club members are covered by a Blue Cross/Blue Shield PPO (Preferred Provider Option) plan which is self-administered by the City of Jamestown. CCSO employees are presently under contract coverage from Univera with riders/benefits for dental and vision. The CCSO employees are in the process of optionally transferring from a PPO model to a high deductible health plan (HDHP) model. CGR's analysis focuses on the HDHP cost structure as that is the future of healthcare coverage in the County.

Healthcare Comparison

There are several fundamental differences in the way the City of Jamestown and Chautauqua County provide healthcare benefits to their employees.

City of Jamestown Pays for Healthcare for Life

One fundamental difference between JPD and CCSO is that when a JPD officer retires, the City of Jamestown pays for the healthcare costs for the life of the employee or spouse, whoever lives longer. The CCSO has no such commitment. This creates a significant ongoing cost and long-term financial liability for the City.

Structure and Cost of Healthcare Plans

The CCSO's insurance plan offers three tiers: Single, 2 Person and a 3+ Family. The City only offers single and family plans. Thus, mapping merger cost implications must take into account the differentials in the tiers available for enrollment.

The total premium costs vary greatly between the plans, as illustrated in the table below. The County is in the process of transitioning all of its employees over to a HDHP. While the County presently also offers a PPO plan, the HDHP plan is less expensive and most all employees will be required to make the transition in the next year. The HDHP's 3+ family and single plans are still more costly than the City of Jamestown's self-insured PPO plan, though the 2 person plan is slightly less expensive than the City's family plan.

Table 3 – Health Insurance Premium Cost, 2012

Annual Employer Cost	
City PPO Health Plan	
Family	\$13,308
Single	\$5,424
County HDHP Health Plan	
Family 3+	\$15,273
Family 2	\$11,587
Single	\$5,829

Note: Rates shown for County HDHP are for the DSACC members. Rates for the other labor union members vary at most by -1%/+5%.

City of Jamestown Pays Healthcare Claims

Part of the explanation for why the premiums are different is that the City of Jamestown self-insures for medical expenses. By paying most of the medical claim expenses, it has been able to keep rates lower for longer.

Table 4 – Healthcare Claim Costs per Participant

	2009	2010	Average
Active Employees	\$6,173	\$5,801	\$5,987
Retired Employees	\$16,540	\$11,355	\$13,948

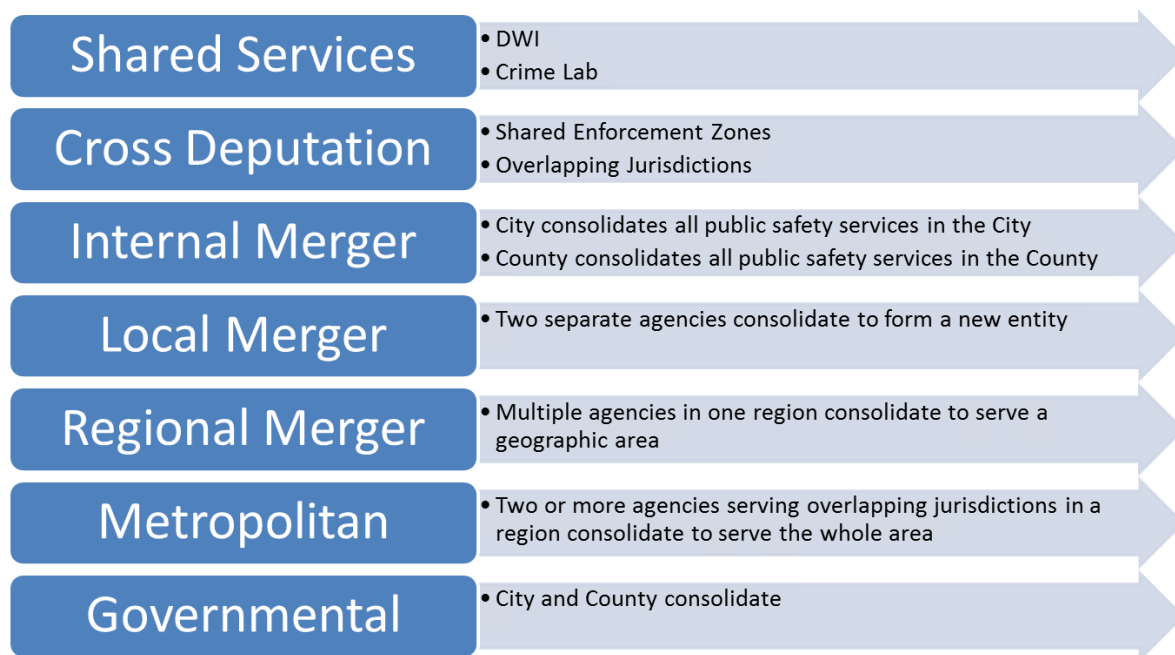
Healthcare Options

There are two primary options for health insurance. The JPD could be merged into the County health plans immediately, or the current JPD officers could be allowed to phase-out under the current City plan while new officers would be added in under the County health plans. Under both scenarios, current JPD retirees would retain their lifetime benefit.

ORGANIZATIONAL CONSOLIDATION MODELS

The lessons learned by other communities are instructive to this process. Yet, they do not provide an exact roadmap since the laws, community context and local government structures present in each are different in key respects. However, the basic models for consolidation are substantially the same.

Options for consolidation reside along a continuum that ranges from less aggressive to more aggressive. The least aggressive option is functional shared services. This involves looking within each operation and determining if certain services could be provided by one or the other entity and then entering into agreement to make it happen, while still retaining two separate agencies. The most aggressive option is a full consolidation that would result in all functions being combined under the leadership of one agency or department.



Based upon the outcome of the DCJS study, the primary options that were determined feasible included

- Shared Services (*i.e.* keeping the JPD and CCSO separate, but pursuing consolidation of certain common “back-office” or support functions), and

- Local Merger (*i.e.* combining into a single law enforcement agency).

Cross deputation was not considered as both agencies have signed mutual aid agreements that allow them to serve the other in case manpower is limited. Additionally, the large geography of the County would limit the ability of the JPD to reliably respond to the more remote locations of the County in case backup was required.

Both the JPD and CCSO have already pursued certain internal consolidations on their own to enhance efficiency and optimize resources. As expected, however, those steps have not produced windfall savings or other benefits.

The other option that is not considered feasible at this time or within the scope of this study is a full consolidation of the County and City *as government units*.

Of the remaining consolidation options in the continuum, CGR identified six for consideration by the Study Committee. The options fall into four overarching models:

- Maintain the *status quo*;
- Implement a local merger whereby the JPD consolidates into the CCSO;
- Implement a metropolitan approach to providing law enforcement services with a single countywide agency; and
- Retain separate operations in JPD and CCSO, but pursue additional shared service opportunities between them.

The first model (*i.e.* maintain status quo) is where the two operations are today. It is presented as the baseline and used to compare and contrast the other models. The second model (*i.e.* consolidate JPD within the CCSO) was cited as possible by DCJS and is the general model used for cost analysis later in this report. The metropolitan police idea is acknowledged by CGR and the Steering Committee as a potential model worthy of longer-term consideration, but outside the purview of the existing discussions between the City and County. Similar to the regional policing strategy, a metropolitan police study would have to include some or all of the other six police agencies in planning discussions. Finally, we also explore shared service alternatives that remain available between the JPD and CCSO, but acknowledge that the most significant potential opportunities have already been explored and/or implemented (*e.g.* 911 dispatch).

The following represents high-level review of each option, along with key questions that were considered for each.

Model 1: Maintain Status Quo

The primary option available is to maintain the *status quo*, with the JPD and CCSO continuing their status as separate law enforcement agencies; funded independently by City and County taxpayers, respectively; and collaborating on an as-needed basis.

Key Considerations for Model 1

- The *status quo* has been cited by the City as potentially unsustainable long term due to the rising costs of employment, particularly with regards to fringe benefits.
- The City's collective bargaining agreement with the Kendall Club and associated impact agreement mandates a minimum force of 60 officers. Any steps taken to go below this level would likely result in renegotiation of impact and, potentially, a larger financial burden on the City.
- The JPD is well-respected by City residents and the current size of the force has been cited as providing a safe and comfortable living environment for Jamestown residents.
- The sworn force has decreased in size over several years, from 76 to the current 60. Further decreases may jeopardize the level of service that Jamestown residents have come to expect.
- Many Jamestown residents like knowing they have dedicated police coverage in the City. Relinquishing police services to the County does open the possibility that levels of expected service may change over time as cost constraints influence County staffing decisions.
 - However, no guarantees exist that similar difficult choices will not be made by the City of Jamestown itself as costs continue to rise.
- The *status quo* may carry weight in the less-populated areas of Chautauqua County. Some residents of the rural areas and other towns and villages may be hesitant about paying for police protection that includes Jamestown, with the fear that it may compromise response times elsewhere.

Key Questions for Model 1

- How long before the City cannot afford 60 officers?
- What commitment does the County Legislature have to maintaining the Sheriff's Office at current staffing levels?
- What impact would a smaller force have on either operation?

Model 2: Local Merger: Integrate Jamestown Police within the Sheriff's Office

Integration of the JPD into the CCSO road patrol and other divisions would involve the City Council voting to eliminate the JPD. Likely through an inter-municipal agreement (IMA), the County would agree to add a predetermined number of Sheriff Deputies in order to assure that adequate police coverage was retained for the City of Jamestown. A likely scenario, and the one our cost estimates are based upon, involves a complete transition of all current JPD officers and most civilian staff into positions with the CCSO.

The transition of the JPD to the CCSO could result in three different organizational models, as presented below. Each of the models shares some of the same considerations.

Key Considerations for Each Option in Model 2

- *Each option* could result in certain cost savings from streamlining administrative structures.
- *Each option* could result in better allocation of resources and deploy staff in a more efficient manner across a larger territory. This could avoid duplication of services and offer better allocation of existing equipment. There may also be future cost avoidance when less equipment and/or vehicles are replaced because of greater efficiencies in the allocation of resources.
- *Ceteris paribus*, the County would be absorbing annual contracts/salaries/benefits as well as certain long term liabilities associated with employees.

Model 2A: No “Unique” City Division/Coverage

Under this model, integration of the JPD into the CCSO results in one unified Sheriff's Office with *no special organizational recognition* of the City of Jamestown. This is *not to say* that the City would receive less coverage than its service demand level warrants. Rather, it means that the CCSO would respond to calls for service in the City the same way it does elsewhere in the County. Under this model, the CCSO would not be contractually required to provide dedicated coverage for the City. The CCSO would be free to deploy the road patrol, detectives and other services at its discretion based upon observable needs/trends throughout the County, of which the City is one part.

Key Considerations for Model 2A

- City taxpayers are already County taxpayers and pay for CCSO road patrol services, without receiving the *primary* benefit.
- The City of Jamestown would lose the control it currently has over the level of service it desires within its borders. The City would have to accept the CCSO decision about what constitutes necessary / acceptable coverage. Service delivery and deployment of officers and resources would be exclusively County-level decisions.
- As with any County service, staffing levels would be subject to decisions of the County Legislature. City officials may have influence on the staffing levels, but ultimate control would rest with the County.

Key Questions for Model 2A

- If the City were treated equally to the rest of the County's coverage area, would the costs of an expanded CCSO simply be borne equally by all County taxpayers?
- Would County residents outside the City of Jamestown bear more cost for services they are not receiving *primary* benefit from?
- How important to the overall outcome of this process is maintaining a *specified* level of service in the City of Jamestown?

Model 2B: City Division

An alternative to there being no required / dedicated coverage for the City of Jamestown is to develop an inter-municipal agreement between the County and City that mandates services to be performed by the CCSO within the borders of the City of Jamestown. There is ample precedent for this in Chautauqua County, as the CCSO currently provides similar dedicated services (via contract) to other municipalities, albeit on much smaller scales than would be required in the City of Jamestown. There is also precedent in other U.S. communities (*e.g.* King County, WA) for “branding” a local division of the regional law enforcement agency with its own vehicles, uniforms and logos, but having all its employees and administration vested under the county.

Key Considerations for Model 2B

- The City would retain some control over the level of service and could provide City residents with assurance that their safety remains a top priority for City officials.
- As part of a contract for dedicated service, the City would likely have to pay the County a contractual fee.

- Overall savings for the City would be reduced, but cost increases to County taxpayers outside the City of Jamestown would be mitigated.

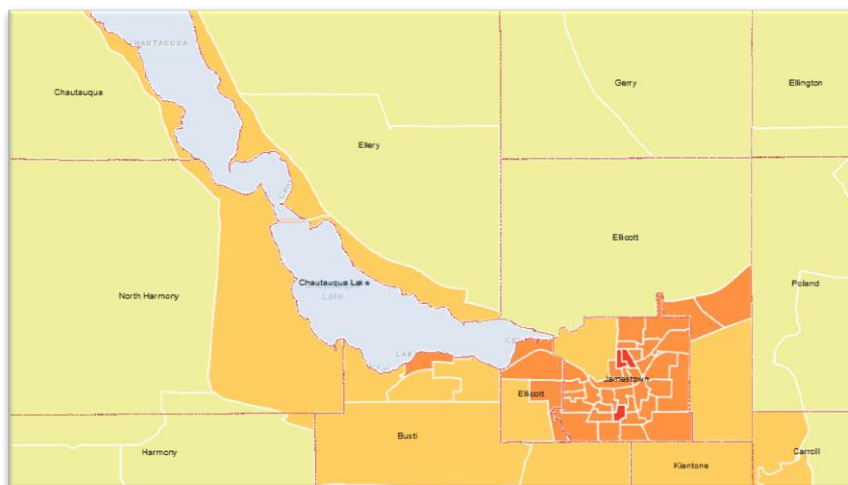
Key Questions for Model 2B

- Is an inter-municipal agreement essential to the outcome of this process?
- Does the resulting impact have to be no worse than cost-neutral for the County?

Model 2C: Urban Precinct

A hybrid of the first two models would be to create an urban precinct for the CCSO, based within the City of Jamestown but serving a larger “urbanized” area that transcends the City’s boundaries. This model recognizes that while the City of Jamestown is unique in terms of population density and service demand (by comparison to the rest of the County), those characteristics do not necessarily stop at the City borders. As figure 4 illustrates below, higher population density levels are shared in the area immediately surrounding the City, as well as the area generally surrounding Chautauqua Lake. Different than model two, the focus would not be limited by the current Jamestown City boundaries. Deployment of manpower and equipment would be based on the population distribution and data analysis of calls for service in *and around* Jamestown.

Figure 4 – Population Density around the City of Jamestown, NY



Key Considerations for Model 2C

- Municipal police departments already exist to provide primary coverage in certain jurisdictions immediately surrounding the City of Jamestown (e.g. Lakewood-Busti, Ellicott).
- Encompassing a larger urbanized area could lead to a better allocation of resources and better deployment of officers to meet the current needs of the entire area in and around the population center.
- To the extent costs for expansion of the CCSO were borne by all County taxpayers, this approach may provide for a larger geographic benefit beyond just the City of Jamestown.
- City officials would not have control over the level service or staffing levels, though a dedicated Sheriff precinct focused on the area in / around the City could mitigate this concern.

Key Questions for Model 2C

- Is there an appetite for an urban precinct among the City, County and other stakeholders in surrounding areas?
- Is there a desire to see enhanced coverage in areas immediately adjacent to the City of Jamestown?

Model 3: Metropolitan: Metro Police

The variation of having a single “metropolitan” police operation serve the entire County has been raised by some as a hypothetical option worthy of consideration. A metro police operation could, if implemented countywide, encompass all current municipal operations and provide primary service coverage / response across the County’s 1,062 square miles. A truly metropolitan approach would involve disbanding the other municipal departments, which would require joint resolution by those affected localities. But it need not disband them – indeed, even in Mecklenburg County, NC, widely studied as an example of metropolitan policing, there exist a handful of other smaller police departments in the County outside of the City of Charlotte and the County’s unincorporated territory.

This alternative in Chautauqua County is likely to face significant implementation obstacles. And because it involves participants beyond the scope of the current study, certain implications would be extremely difficult to assess.

Key Considerations for Model 3

- Metro police would involve streamlining the top management layers across all departments in the County, likely enabling some cost savings. One chief with a narrow command structure presents cost savings potential.
- In theory, a metro police operation could provide better coordination and utilization of limited resources. Having the ability to target resources where activity suggests those resources are warranted also presents opportunities for efficiency.
- Metro police would rely on partnership and cooperation among all communities as they think regionally rather than just locally.
 - Lack of direct control over decisions and individual community goals will raise concerns for residents and municipal officials as all communities would have to delegate their authority to the metropolitan agency.
- Since resources are already limited, there is a possibility that fewer resources would be allocated overall possibly impacting the levels of service currently expected by many communities.

Model 4: Expand Shared Services

The final organizational model does not involve an operational merger, but rather focuses on shared provision of common services within them. Service sharing options include detectives, K-9, DARE programs, DWI, forensics, evidence and property management.

Key Considerations for Model 4

- Significant cost savings are not likely. Efficiencies could be realized only if duplication is eliminated. Since the operations have already experienced significant downsizing, it is not likely that shared services would involve significant elimination of duplicative positions / services.
- There could be better coordination and deployment of these common services.
- Each operation will sacrifice some direct control in a shared services model.
- Different contracts / benefits for each collective bargaining unit may impact working relationships between the employee workgroups.

CONSOLIDATION IMPLEMENTATION MODELS

In order to build the cost models associated with the various consolidation models presented above, implementation issues must be considered. There are several different implementation process options available regardless of the consolidation model that is ultimately chosen. We outline three general options below.

Cutover Date Method

One choice for implementation is to establish a date when the entire transition would take effect. For example, on January 1, 20xx the JPD could cease to exist and all officers and civilians would transition to the CCSO. The transition process would occur ahead of time with all details being worked out in anticipation of the official date.

Key Considerations

- This is the fastest way to achieve a complete merger.
- The transitional costs and pay scale / benefit leveling costs could potentially be high, depending on organizational structure and compensation harmonization decisions made as part of the process. A one-time transition date would likely involve the highest one-time cost.
- The City will have to decide whether to keep a police chief and potentially make amendments to the City charter. This decision would be required sooner in a “cutover” model than in the other models.

Phase Out Method

A second option involves transitioning the JPD into the CCSO through attrition. Under this scenario, JPD officers and civilians remain City employees until they retire. However, the City of Jamestown would not add any *new* police employees after a certain date. New hires to replace retiring / departing JPD personnel would be made by the CCSO as County employees. The JPD workforce would shrink over time until all current employees are gone.

Key Considerations

- This would require close coordination between the JPD and CCSO during the entirety of the transition, especially since remaining JPD personnel would be functioning alongside CCSO personnel throughout. This becomes particularly important as the JPD workforce shrinks.

- The City would likely have to renegotiate impact with the Kendall Club when the number of officers falls below 60.
- During the transition years, City officers and County deputies would be asked to co-labor with different contracts, pay and benefits schedules.
- The County Sheriff and City Chief of Police would be required to coordinate their deployment of resources during the transition years.

Hybrid Method

This model involves transitioning the JPD in “cohorts” at predefined times rather than waiting for each JPD officer to retire. For instance, it could be negotiated that all officers with less than 10 years of experience would be transitioned to the CCSO (becoming deputies) as the first step in the process. All remaining JPD officers would be given the opportunity to retire in their normal course with the final transition occurring no later than 10 years after the initial transfer of officers.

Variations are also possible depending on the timeframes. For instance, rather than 10 years, the number could be five years. Or, the total transition could be required to take five years with negotiation of a buyout at the end of five years for those that have not retired.

Key Considerations

- This model speeds up the phase out method but allows for the protection of certain benefits for those officers with seniority in the JPD.
- The hybrid approach may avoid work conflicts that may occur as CCSO deputies and JPD officers work side by side. Since the average tenure of the CCSO Deputies and the JPD officers trends below 10 years, the blending of the two equivalent workforces may alleviate the work conflicts to some extent.

COST ESTIMATES

Having established the financial factors, organizational models, and implementation methods, the remainder of this report is dedicated to modeling costs. In order to model costs, it is necessary to make several assumptions about the outcome of the process. CGR models five scenarios with the goal of providing a low and high range of cost impacts. We have not modeled every scenario but have chosen some of the most likely based upon our observations and analysis.

The models chosen do not represent conclusions or commitments of the Steering Committee, nor of the City or County. They are intended to inform the study process by providing a range of cost impacts associated with all of the potential consolidation models.

The following section introduces the models in summary form; a full discussion of the models' construction is provided in Appendix B.

Brief Introduction to the Models

CGR created these models based on current data provided by the Jamestown Police Department and Chautauqua County Sheriff's Office. As stated previously, we have chosen to model the cost impact of a merger of the JPD into the CCSO with a contract for unique services to the City of Jamestown (*i.e.* Model 2B).⁸

The primary focus of the analysis is on personnel costs in each operation. As highlighted earlier in the report, personnel costs account for approximately 96 percent of total costs in the JPD, including salary and benefits. The figure is closer to 82 percent for the CCSO. Addressing differences in pay scales and overall benefit levels will constitute the largest total impact on cost should the two law enforcement agencies implement a consolidation.

We examine the cutover date and phase out implementation methods in this analysis. As previously noted, the cutover date implementation

⁸ In the absence of a contract, the costs modeled in this section would be borne entirely by the CCSO and paid for by all County residents with no guarantee of maintaining current service levels. Described as Model 2A in the section on consolidation options, no unique city coverage (*i.e.* no contract) would represent the most significant tax savings to the City of Jamestown tax payers on a net tax impact basis. This occurs because the cost of policing the city shifts to the County. The overall service cost savings is similar to that modeled in the cutover scenario outlined in this section. As the County would likely have to increase its overall budget to account for the additional services, the option is deemed politically infeasible.

method is the fastest way to achieve a complete merger, and will have the largest impact on the cost structure. The phase out method is more gradual and thus the cost impact would be closer to maintaining the *status quo*. The hybrid implementation method is not examined here because the cost estimate would fall somewhere between the other two estimates.

We do *not* assume a change in the number of officers of the JPD throughout the analysis. The costs are based upon the contractually-required level of 60 JPD officers. Only that portion of the CCSO that would be impacted is included in the analysis.⁹

The cost models are constructed on an individual-level basis, meaning that compensation and benefit assumptions are applied on an officer-by-officer and deputy-by-deputy basis, in order to account for different tenure lengths, salaries and benefit offerings by position and year of service. In each model, our analysis aggregates individual-level data to determine total cost estimates.

For each scenario presented below, the report identifies the financial factors and assumptions used in the model for both current JPD officers *and* their replacements upon retirement. Those factors include:

- Salary rates;
- Time horizon for retirement;
- Health plan rates;
- Pension plans; and
- Treatment of health benefits for retirees.

Scenario 1: Maintain Status Quo

The *status quo* represents the baseline and assumes that the JPD continues its current operations into the future. This scenario serves as a basis of comparison for the other scenarios presented later. The financial factors are as follows:

Current JPD Police Officers	New Hires
<ul style="list-style-type: none"> • Current contracted city rates • Retire after 20 years of service • Enrolled in city health plans • PFRS majority tier 2, some tier 5 • Receive healthcare for life 	<ul style="list-style-type: none"> • Current contracted city rates • Retire after 20 years of service • Enroll in city health plans • PFRS tier 5 • Receive healthcare for life

⁹ Not all divisions/bargaining units would be impacted by the merger. Refer to the Staff section in Appendix B for a full discussion.

Table 4 below summarizes the estimated costs under this scenario. Personnel costs total about \$32.6m over five years and \$71.1m over ten years. Salary is the largest cost component, making up about 60 percent of the total. Healthcare costs total \$6.9m over five years and \$19.3m over 10 years, representing 21 percent and 27 percent of the respective totals.

Table 5 – Scenario 1: Five and Ten Year Cost Estimates
Dollars in Millions

	Five Year	Ten Year
Salary	\$20.8	\$42.1
Pension Contributions	\$5.0	\$9.8
Healthcare		
Insurance Premiums		
Active Employees	\$3.2	\$7.6
Retired Employees	\$0.7	\$2.8
Healthcare Claims		
Active Employees	\$2.1	\$4.9
Retired Employees	\$1.0	\$3.9
Total	\$32.6	\$71.1

Scenario 2: JPD Merged into CCSO by Cutover Date Method

Scenarios 2 and 3 are based on consolidation model 2B referenced above. Model 2B represents a unique city division within the CCSO that provides dedicated service to the City of Jamestown, with the City contracting to pay for this service via inter-municipal agreement. Thus, all costs developed in both scenarios are relative to the impact upon the JPD unless otherwise noted.

Scenario 2 models the Jamestown Police Department dissolving at a specified point in time. As described earlier, this option represents the most dramatic change in both culture and cost. The current JPD officers would be given the option to be absorbed by the County and are mapped into the County's pay scale based on their years of service with the JPD. Within this scenario, there are two variations of costs that must be considered: JPD salaries being leveled down or CCSO salaries being leveled up.

Option 1: JPD Salaries Leveled Down

One option that exists within the merging of the JPD into the CCSO using the cutover date method is leveling the JPD salaries down. The financial factors used in this scenario are as follows:

Current JPD Police Officers	New Hires
<ul style="list-style-type: none"> • Current contracted county rates • Retire after 25 years of service • ERS 551 most tier 4, some tier 5 • Enrolled in county health plans • Limited retiree healthcare 	<ul style="list-style-type: none"> • Current contracted county rates • Retire after 25 years of service • ERS 551 tier 6 • Enrolled in county health plans • Limited retiree healthcare

As expected, the costs associated with this scenario are lower than those presented under scenario 1. Under this scenario the JPD personnel expense would drop to \$27.4m over five years and \$57.8m over 10 years. Salary expenses constitute close to 70 percent of the total under this scenario. Healthcare costs total \$4.3m over five years and \$10.6m over 10 years.

Table 6 – Scenario 2: “Leveled Down” Five and Ten Year Cost Estimates
Dollars in Millions

	Five Year	Ten Year
Salary	\$18.9	\$38.7
Pension Contributions	\$4.2	\$8.5
Healthcare		
Insurance Premiums		
Active Employees	\$4.2	\$9.9
Retired Employees	\$0.2	\$0.6
Healthcare Claims		
Active Employees	\$0.0	\$0.0
Retired Employees	\$0.0	\$0.0
Total	\$27.4	\$57.8

Option 2: CCSO Salaries Leveled Up

The alternative is to merge the JPD officers into the CCSO but level up the salaries of the CCSO to the JPD level. The financial factors are similar to those above with the exception of the salary.

Current JPD Police Officers	New Hires
<ul style="list-style-type: none"> • County rates match city rates • Retire after 25 years of service • ERS 551 most tier 4, some tier 5 • Enrolled in county health plans • Limited retiree healthcare 	<ul style="list-style-type: none"> • County rates match city rates • Retire after 25 years of service • ERS 551 tier 6 • Enrolled in county health plans • Limited retiree healthcare

The results are also very similar to those presented above. Salary expenses total \$20.8m over 5 years, pushing the total to \$29.8. Over ten years the salary total bumps up to \$42.5m. The ten year total increases to \$62.4 m.

It important to note that in Table 7 we have not accounted for the cost of the CCSO increases. The table only accounts for the cost of the current 60 JPD sworn officers. Table 8 addresses the separate cost impact to the County of leveling up salaries.

Table 7 – Scenario 2: “Leveled Up” Five and Ten Year Cost Estimates
Dollars in Millions

	Five Year	Ten Year
Salary	\$20.8	\$42.5
Pension Contributions	\$4.7	\$9.3
Healthcare		
Insurance Premiums		
Active Employees	\$4.2	\$9.9
Retired Employees	\$0.2	\$0.6
Healthcare Claims		
Active Employees	\$0.0	\$0.0
Retired Employees	\$0.0	\$0.0
Total	\$29.8	\$62.4

These two options highlight that leveling up salaries would cost \$2.4m more (from salary and pension contributions) than leveling salaries down over 5 years and \$4.6m more over 10 for the current JPD. Beginning with Table 11 in the following pages we offer a complete comparison analysis of the various options relative to the status quo.

If this option is pursued some of the CCSO deputies salaries would also have to be leveled up. CGR estimates this would increase County costs by \$3.3m over five years and \$6.7m over ten years.

Table 8 – Cost Implications of Leveling Up CCSO Deputies
Dollars in Millions

	Not Leveled Up	Leveled Up	Difference
Total Costs over 5 Years	\$31.5	\$34.8	\$3.3
Total Costs over 10 Years	\$65.3	\$72.0	\$6.7

Scenario 3: JPD Merged into CCSO by Phase Out Method

The third scenario estimates the cost impact of the JPD officers retiring with the JPD and the City and County mutually agreeing to replace them with CCSO deputies. As with scenario two, salaries could be leveled down or up for the new deputy positions as they are created.

Option 1: CCSO Salaries Unchanged

One option that exists is to replace the JPD officers with CCSO deputies and leave the CCSO salary rates unchanged. The financial factors used in this scenario are:

Current JPD Police Officers	New Hires
<ul style="list-style-type: none"> • Current contracted city rates • Retire after 20 years of service • Enrolled in city health plans • PFRS majority tier 2, some tier 5 • Receive healthcare for life 	<ul style="list-style-type: none"> • Current contracted county rates • Retire after 25 years of service • ERS 551 tier 6 • Enrolled in county health plans • Limited retiree healthcare

This scenario option results in \$31.9m being spent over 5 years and \$68.9m over 10 years. Healthcare costs total \$6.9m over a 5 year period and \$18.9m over a 10 year period. The estimates are summarized in the following table:

Table 9 – Scenario 3: Unchanged Salaries Five and Ten Year Cost Estimates
Dollars in Millions

	Five Year	Ten Year
Salary	\$20.3	\$41.1
Pension Contributions	\$4.7	\$9.0
Healthcare		
Insurance Premiums		
Active Employees	\$3.4	\$8.6
Retired Employees	\$0.7	\$2.8
Healthcare Claims		
Active Employees	\$1.8	\$3.5
Retired Employees	\$1.0	\$3.9
Total	\$31.9	\$68.9

Option 2: CCSO Salaries Leveled Up

Another variation would be to replace the retired JPD officers with CCSO deputies but compensate them at the higher salary rates of the JPD. The financial factors would be:

Current JPD Police Officers	New Hires
<ul style="list-style-type: none"> • Current contracted city rates • Retire after 20 years of service • Enrolled in city health plans • PFRS majority tier 2, some tier 5 • Receive healthcare for life 	<ul style="list-style-type: none"> • Current contracted county rates • Retire after 25 years of service • ERS 551 tier 6 • Enrolled in county health plans • Limited retiree healthcare

Personnel costs would total \$32.4m over five years and \$70.4m over ten under this scenario. This option is more expensive than the preceding option by about \$0.5m over five years and \$1.5m over ten. Again this is due to differences in salary and pension contribution costs.

Table 10 – Scenario 3: “Leveled Down” Five and Ten Year Cost Estimates
Dollars in millions

	Five Year	Ten Year
Salary	\$20.8	\$42.4
Pension Contributions	\$4.8	\$9.2
Healthcare		
Insurance Premiums		
Active Employees	\$3.4	\$8.6
Retired Employees	\$0.7	\$2.8
Healthcare Claims		
Active Employees	\$1.8	\$3.5
Retired Employees	\$1.0	\$3.9
Total	\$32.4	\$70.4

Scenario Comparisons

Comparing the scenarios over the 5 year time horizon reveals a cost savings range of \$0.2m to \$5.2m relative to the *status quo*. The phase out approach offers the least cost saving potential compared to the *status quo*, while the cutover date offers more cost saving potential.

Table 11 – Five Year Cost Savings Comparisons to the Status Quo

	Status Quo	Cutover Date		Phase Out	
		Level Down	Level Up	Level Down	Level Up
Salary	\$20.8	-\$1.9	\$0.0	-\$0.4	\$0.0
Pension Contributions	\$5.0	-\$0.7	-\$0.3	-\$0.2	-\$0.2
Healthcare					
Insurance Premiums					
Active Employees	\$3.2	\$1.0	\$1.0	\$0.3	\$0.3
Retired Employees	\$0.7	-\$0.5	-\$0.5	\$0.0	\$0.0
Healthcare Claims					
Active Employees	\$2.1	-\$2.1	-\$2.1	-\$0.3	-\$0.3
Retired Employees	\$1.0	-\$1.0	-\$1.0	\$0.0	\$0.0
Total	\$32.6	-\$5.2	-\$2.8	-\$0.7	-\$0.2

Over ten years there could be \$0.7m to \$13.4m in personnel cost savings by merging the JPD into the CCSO. Leveling up the salaries in a phase-out model represents the least cost saving potential relative to the *status quo*.

Table 12 – Ten Year Cost Savings Comparisons to the Status Quo

	Status Quo	Cutover Date		Phase Out	
		Level Down	Level Up	Level Down	Level Up
Salary	\$42.1	-\$3.4	\$0.5	-\$1.0	\$0.3
Pension Contributions	\$9.8	-\$1.3	-\$0.5	-\$0.8	-\$0.6
Healthcare					
Insurance Premiums					
Active Employees	\$7.6	\$2.3	\$2.3	\$1.0	\$1.0
Retired Employees	\$2.8	-\$2.2	-\$2.2	\$0.0	\$0.0
Healthcare Claims					
Active Employees	\$4.9	-\$4.9	-\$4.9	-\$1.4	-\$1.4
Retired Employees	\$3.9	-\$3.9	-\$3.9	\$0.0	\$0.0
Total	\$71.1	-\$13.4	-\$8.7	-\$2.2	-\$0.7

Other Cost Considerations

Personnel costs are the most significant cost driver in a potential consolidation. However, there are other cost factors that need to be taken into consideration.

4:2 vs. 5:2 Schedule

Workweek schedules of the JPD and the CCSO are different. JPD officers work for 4 days and then have 2 days off (4:2). The CCSO deputies work 5 then have 2 off (5:2).

A JPD officer working a 4:2 schedule will be on duty 244 days in a year with 121 days off. A CCSO deputy (5:2) will be on duty for 261 days with 104 days off in a year. If JPD officers were required to shift from a 4:2 schedule to a 5:2 schedule they would “lose” 17 days of paid time off.

Using salary estimates constructed under the *status quo* scenario above, CGR estimates that the value of 17 days of paid time off over the careers of the full roster of current JPD officers is equal to about \$2.4m.¹⁰ This would likely be a one-time negotiable transition cost associated with a consolidation process. The cost is only relative to the current officers and would only be an issue if a cutover date is used to implement the consolidation. If the implementation proceeded in a phase out approach, the current officers would not necessarily be required to switch to a 5:2 schedule and would not lose their paid time off benefit.

A corollary to this analysis is that having a 4:2 schedule necessitates more employees to assure adequate 24/7 shift coverage. CGR estimates that by switching to a 5:2 schedule the City of Jamestown would require the

¹⁰ Refer to Appendix C for a discussion of the 4:2 vs. 5:2 calculations.

equivalent of four less officers to achieve the same number of workdays. This translates into a savings of approximately \$1.8m over 5 years and \$3.5m over 10 years.

The City of Jamestown is free to pursue this transition in work week scheduling independent of consolidation. However, it is important to note that four less police officers may significantly impact scheduling and shift coverage. It may not be possible for the City to implement a reduction in force and maintain current shift coverage. A reduction in force is more likely in a consolidation with the CCSO where the number of officers and deputies more than doubles (from 60 to 125) and new schedules are developed to accommodate potential efficiencies.

Another important note if the City implemented the schedule change independent of consolidation is that a new collective bargaining impact statement would need to be negotiated once the complement of officers in the City goes below 60. This could minimize the total potential savings available to the City.

Assuming the County keeps its 5:2 schedule, this transition represents additional savings in a consolidation model since less than 60 sworn officers could be replaced as the two workforces are blended together.¹¹

Table 13 – Cost Savings by Transitioning from a 4:2 to a 5:2 schedule

	5 Years	10 Years
Status Quo	-\$1.8	-\$3.5
Cutover Date - Leveled Down	-\$1.8	-\$3.7
Cutover Date - Leveled Up	-\$1.9	-\$4.0
Phase Out - Salary Unchanged	-\$0.4	-\$1.5
Phase Out - Leveled Up	-\$0.4	-\$1.5

JPD Legacy Healthcare Costs

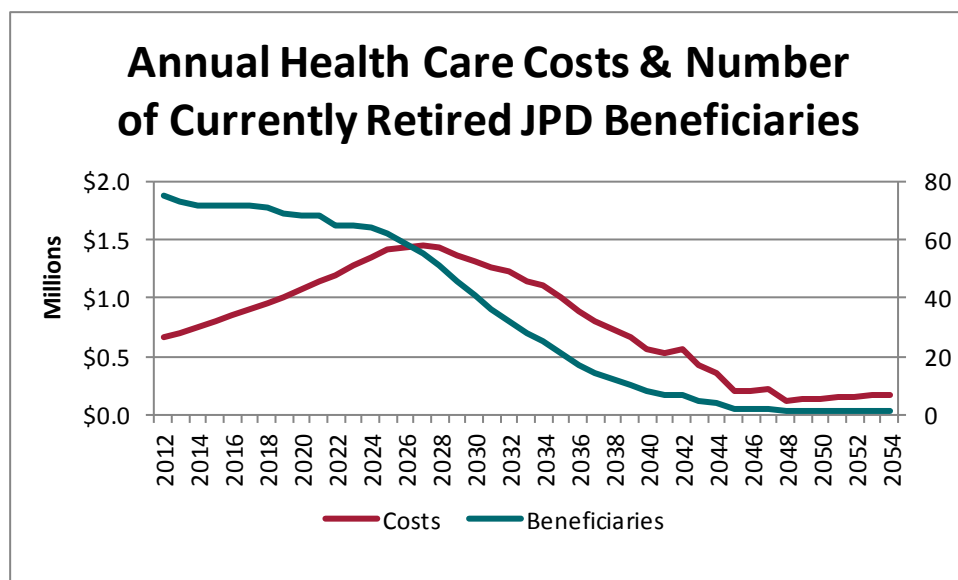
Another important cost consideration involves the legacy healthcare costs associated with the current JPD. There are currently about 60 beneficiaries that receive this benefit. This 60 excludes the active JPD employees.

Figure 5 illustrates the City of Jamestown will likely be providing this benefit for 40+ years based upon the current beneficiaries. If the City of Jamestown ceases to operate a police force and eliminates this benefit for

¹¹ All cost models are built upon an assumption that all 60 sworn officers are transferred to the CCSO. Table 12 represented “additional” savings to the other models.

officers, the cost of providing it to the current beneficiaries will continue to climb for about 10 more years.¹²

Figure 5 – JPD Legacy Healthcare Costs (discounted) and Number of Beneficiaries



However, once existing beneficiaries reach their full life expectancy (and assuming no new beneficiaries are added) the cost curve begins to decline after 10 years. It is estimated that the cost of providing this benefit (health insurance plus payment of healthcare claims) over the next 5 years will total about \$9.6m. Over the next 10 years the total will be about \$22.4m.

Table 14 – JPD Legacy Healthcare Costs
Dollars in Millions

	Insurance Premiums	Insurance Claims	Total
Total over Five Years	\$3.8	\$5.8	\$9.6
Total over Ten Years	\$8.8	\$13.5	\$22.4

From this analysis it is important to understand that eliminating the long term health costs associated with lifetime health insurance for JPD retirees represents the most significant cost saving impact for the City of Jamestown in a consolidation of the JPD and CCSO. Conversely, without consolidation or a corresponding elimination of this benefit, the cost of providing retiree health care is going to continue to rise at a significant rate and consume an increasing portion of the overall City budget.

¹² This assumes an average life expectancy of 80 years and healthcare costs and insurance premiums increase by 10% per year.

CGR recognizes that the current DSACC collective bargaining agreement does offer a limited retiree health option. Cited in section 15.04(b) of the agreement, County employees who have worked a minimum of 15 years are eligible for 1 month of coverage per year of employment. In a consolidation, this language may need to be revised to account for the current JPD officers who would not have been “County employees” but will have the requisite seniority to be considered eligible for the benefit.

Future costs for a contractual relationship with the City of Jamestown would have to account for this retiree health benefit in order to make the cost to the County neutral in future years. As revealed in Table 15 below, the potential annual savings to the City of Jamestown related to current JPD officers would be around \$1.5m over five years if those officers were to retire under the County’s benefit plan versus the City’s lifetime health guarantee.

Table 15 – Annual Lifetime Healthcare Cost Estimates for Current JPD Officers

	JPD	DSACC	Cost Savings
5-Year Total	\$1.6	\$0.2	-\$1.5
10-Year Total	\$6.8	\$0.6	-\$6.1

Non-Personnel Costs

There will be additional capital/equipment and contractual costs that must be factored into the consolidation analysis. The costs to maintain the JPD’s current capital/equipment and contractual level of service are estimated to total \$1.2m over five years and \$2.4m over ten.

Table 16 – Estimated JPD Non-Personnel Costs
Dollars in millions

JPD Non-Personnel Costs in Millions	
Total Costs over 5 Years	\$1.2
Total Costs over 10 Years	\$2.4

These costs are not dependent on a consolidation method but may be influenced by the implementation process that is chosen.

Total Costs

Table 17 highlights the total operating costs of maintaining the *status quo* of the JPD. Over five years, the City of Jamestown could expect to pay \$33.8m to operate its current police department. If it were to implement a switch from a 4:2 to 5:2 schedule, it could expect to save \$1.8m if a reduction in force were achieved equivalent to four FTE.

Tables 17 and 18 highlight the five-year and ten-year cost savings potential of the models that have been reviewed. The cost savings range from \$0.6m to \$7.0m depending on the model and assuming a switch to the 5:2 work schedule.

Table 17 – Five-year Total Cost Savings Estimates
Dollars in millions

	Status Quo	Cutover Date		Phase Out	
		Level Down	Level Up	Unchanged	Level Up
Personnel Costs	\$32.6	\$27.4	\$29.8	\$31.9	\$32.4
Non-Personnel Costs	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2
Total Costs	\$33.8	\$28.6	\$31.0	\$33.1	\$33.6
Cost Savings	\$0.0	-\$5.2	-\$2.8	-\$0.7	-\$0.2
4:2 5:2 Cost Savings	-\$1.8	-\$1.8	-\$1.9	-\$0.4	-\$0.4
Total Costs	\$32.0	\$26.9	\$29.1	\$32.7	\$33.2
Compared to Status Quo	-\$1.8	-\$7.0	-\$4.8	-\$1.1	-\$0.6

Table 18 – Ten-year Total Cost Savings Estimates
Dollars in millions

	Status Quo	Cutover Date		Phase Out	
		Level Down	Level Up	Unchanged	Level Up
Personnel Costs	\$71.1	\$57.8	\$62.4	\$68.9	\$70.4
Non-Personnel Costs	\$2.4	\$2.4	\$2.4	\$2.4	\$2.4
Total Costs	\$73.6	\$60.2	\$64.8	\$71.4	\$72.9
Cost Savings	\$0.0	-\$13.4	-\$8.7	-\$2.2	-\$0.7
4:2 5:2 Cost Savings	-\$3.5	-\$3.7	-\$4.0	-\$1.5	-\$1.5
Total Costs	\$70.0	\$56.5	\$60.8	\$69.9	\$71.4
Compared to Status Quo	-\$3.5	-\$17.1	-\$12.7	-\$3.7	-\$2.2

SUMMARY

If the City of Jamestown decides to maintain current operations at existing levels with existing agreements as the baseline, it will cost approximately \$32.6m in personnel costs over the next five years and \$33.8m overall. The maximum savings potential is available in a consolidation with the CCSO implemented with a cutover date and salaries leveled down to the current CCSO levels. Over five years this would lead to a savings of \$5.2m for the City of Jamestown. An additional \$1.8m could be saved over five years through a reduction in force of four officers made possible by switching from a 4:2 schedule to the County's 5:2 schedule. In total, \$7.0m in savings relative to the status quo represents a high range of cost savings potential over five years in a consolidation of the two law enforcement agencies.

On the low end, a full consolidation achieved over time through phase out of existing officers while leveling up CCSO salaries to current JPD levels yields only \$0.2m in savings over five years. An additional \$0.4m in savings is possible from the switch to a 5:2 schedule, yielding a total potential savings of \$0.6m.

Additional considerations include the transition costs associated with buying out the current JPD 4:2 benefit in the event a cutover date is chosen. Similarly, a full pension analysis would be required to determine a buyout value for the 20 year pension plan related to the current slate of officers. Other transitional cost considerations will have to be reviewed if a full implementation process is analyzed.

Legacy health care costs will continue to climb as a total cost relative to budget and represent a potential for future cost avoidance for the City of Jamestown if the benefit were eliminated or the pool of new beneficiaries was slowed/stopped through a consolidated arrangement with the County. The savings would not be realized in the short term (10 years), but could be realized over the long term once the pipeline of new beneficiaries is stemmed.

As has been demonstrated, the consolidation method and implementation process that are chosen are the most significant factors in determining potential cost savings that could be generated by consolidation. The savings are all relative to the *status quo*, which further assumes that the savings accrue to the City of Jamestown. The underlying expectation is that a contractual relationship would be established with Chautauqua County whereby the City would pay for a specified level of service largely consisting of the existing complement of officers currently in the JPD. The goals would be to not increase costs to the County; lower overall costs for the City; and continue service at the same level and quality as is currently provided.

APPENDIX A – SPECIAL SERVICES

Special Services	Jamestown City Police Department	Chautauqua County Sheriffs Office
Animal Control	x	
Aviation / Starflight		x
Canine Unit	x	x
Civil Division		x
Pistol Permits		x
Court Security	x	x
Crossing Guards	x	
DWI Unit	x	x
Forensics	x	x
Hazardous Materials		x
Investigation	x	x
Crime Scene Investigation/Analysis	x	x
Domestic Violence Intervention Unit	x	
Fire Investigation		x
Juvenile Unit	x	x
Welfare Deputy		x
Jail / Corrections Division	x	x
Administrative Services		x
Jail Kitchen		x
Jail Maintenance		x
Rehabilitation Services		x
Jail Medical		x
Matrons	x	
Mounted Division		x
Municipal Contracts		x
Narcotics / Drug Enforcement Division	x	x
Navigation (Water Patrol / Rescue)		x
Records / Evidence & Property Management	x	x
SRO / D.A.R.E. Program	x	x
SWAT Team	x	x
Tech Services	x	x
Training Division		x
Transport		x

APPENDIX B – COST ESTIMATE ASSUMPTIONS & METHODOLOGY

This section describes the assumptions and methodology used in developing the cost estimates for the consolidation models.

Cost Formula

To determine the total costs we use the following formula:

Total Costs = Personnel Costs + Non-Personnel Costs

We define personnel costs as the base salary, overtime, longevity pay, pension contributions and employer healthcare costs.

The pension contribution is determined by multiplying the applicable salary costs (base salary, overtime, longevity) by the pension rate.

Staff

Since the cost models are driven by the number of staff, determining which staff should be included was a crucial assumption.

Integrated Organizational Chart

CGR compiled a comprehensive organizational chart for the CCSO and the JPD. After reviewing the comprehensive chart, CGR identified the following divisions that would likely not be affected by consolidation.

CCSO

- Training Division (Academy)
- Jail / Corrections
 - Rehabilitation Services
 - Administration Services
- Dispatch (already consolidated function)
- Mounted Division
- Civil Division
- Court Services Division
- Aviation / Starflight Division
- Emergency Response Teams (Hostage Negotiations, Hazardous Devices and CCWET Teams)
- Tech Services Division

JPD

- Animal control (1 employee)
- Crossing Guards (6 employees)
- Court Security (12 employees)
- Matrons (4 employees)

The staff from these divisions is excluded from the cost estimate models.

Staff Included in Models

The following table summarizes the number of people that we used in developing the cost model by their position.

Table 12 – Staff included in the cost estimates by position

Headcount by Position	CCSO	JPD
Sheriff/Chief	1	1
Undersheriff	1	N/A
Captain	1	2
Lieutenant	8	4
Sergeant/Sergeant - Investigator	8	6
Deputy - Investigator / Detective	11	9
Deputy/Police Officer	35	38
Total	65	60

Since we are including salary costs and these are determined by collective bargaining agreements, we included all of the CCSO deputies that are part of the DSACC. We held these positions constant throughout the modeling process.

The 12 JPD civilian positions that are affected by consolidation have been excluded from the models due to limited overall costs and unknowns relative to what employees would be necessary in a formal transition.

Replacing Staff

CGR assumes staff will retire as early as possible (20 years for the City and 25 years for the County). This assumption means 28% of the current JPD will retire over 5 year and 52% over 10 years.

We assume upon their retirement the vacancy will be filled by existing staff, and that resulting vacancies will filled by existing staff (i.e. chief vacancy filled by a captain, captain vacancy filled by lieutenant, lieutenant vacancy filled by sergeant, sergeant vacancy filled by police officer, police officer vacancy filled by new recruit). We assumed the staff with the highest seniority would fill the vacancy. If the salary for the vacancy is

lower than what the officer is making we assumed they would not fill the vacancy. As previously noted we held the number of people in the ranks unchanged over time.

Salary Rates

CGR adjusted wage rates by the average annual increase of the past three years. The city contracts averaged a 2% annual increase from 2009-2011 and the County averaged 3.85% over the same time period. We assumed that any staff eligible for a step increase received one. We assumed that officers will receive longevity and overtime pay that would increase their base salary by an additional 6%.

Pension Contributions Rates

CGR reviewed the three most recent years of pension contribution rates. Based on the growth in the rates and the anticipated future growth of the pension contribution rate, we used the 2013 rate and held it constant as costs were projected for future years. The following table shows the pension contributions rates used in the analysis.

Table 3 – Pension Contribution Rates Used in the Cost Estimates

Plan and Tier	2013 Rate
PFRS Plan 384D Tier 2	25.1%
PFRS Plan 384D Tier 5	20.1%
ERS Plan 89PBE Tier 4	19.9%
ERS Plan 89PBE Tier 5	17.5%
ERS Plan 551 Tier 2	25.2%
ERS Plan 551 Tier 3	22.5%
ERS Plan 551 Tier 4	22.5%
ERS Plan 551 Tier 5	25.2%
ERS Plan 551 Tier 6	14.4%

Healthcare Costs

Health Insurance

We assumed all County employees use the HDHP option. The County employees have two family plan tiers. We mapped the City employees into their respective tier based on the 2012 employee census and held it constant. The following table summarizes the mapping of the current City employees into their tiers and the associated annual premium costs.

Table 21 – JPD Employees Mapped into County Health Plans and Associated Costs

	Participants	Employer Insurance Costs	Total Employer Insurance Expense	Health Claims Expense	Total Health Expense
City Health Plan					
Family	45	\$11,046	\$497,054	\$269,423	\$766,476
Single	13	\$4,556	\$59,230	\$77,833	\$137,063
None	2	\$0	\$0	\$0	\$0
Total	60	N/A	\$556,284	\$347,256	\$903,540
County Health Plan					
Family 3+	35	\$15,273	\$534,543		\$534,543
Family 2	10	\$11,587	\$115,866		\$115,866
Single	13	\$5,829	\$75,783		\$75,783
None	2	\$0	\$0		\$0
Total	60	N/A	\$726,192		\$726,192

We assume that the employer portion of the total premium remains constant in percentage terms. We further assume that new hires will enter the same tier created by the retiring officer (i.e. when a single officer retires they are replaced by another single officer).

City Cost to Cover Health Insurance Claims

CGR calculated that average annual health insurance claims payouts cost \$5,987 per active employee and \$13,948 for retired employees.

Annual Increases

CGR modeled future costs based upon a 10% increase per annum. We assume that health insurance premiums and healthcare costs increase at the same rate.

JPD Healthcare for Life

CGR assumes an average life expectancy of 80 years. We assume that new hires are 26 years old. For existing JPD Officers that are married we base the benefit on the younger of the two.

Time Frame

In creating the estimates CGR faced two competing factors: The fact that short term time horizons (1 year) did not yield any appreciable differences in the models and yet projecting the cost estimates too far in the future can be unreliable. In order to see the effects of a phase out method on the costs we needed enough time for existing staff to retire. However our estimates are based on current conditions and the reliability of the estimates are linked to the likelihood of the future resembling current conditions. CGR chose to present costs over a five and ten year time horizon to accommodate these competing factors.

APPENDIX C – 4:2/5:2 SCHEDULE

Because JPD has a 4:2 schedule and the CCSO has a 5:2 schedule, there are cost impacts. The following explains how CGR estimated the impact of the schedule differences in both of the size of the benefit and in staffing.

Estimating the Cost of Benefit

Suppose an employee has an annual salary of \$50,000. This breaks out to about \$137 a day. If they switched from a 4:2 to a 5:2 schedule, the loss of 17 days of paid time off translates into about \$2,329 ($= \137×17) or about 5% of the total ($5\% = \$2,329/\$50,000$ or $17/365$). It is important to note that regardless of the amount of days worked they would be paid the same amount; the composition of work days vs. paid time off is what changes.

Staffing Impact

Having a 4:2 schedule requires more workers to cover the increased number of days off. To figure out the impact on staffing we calculated it using the following method.

Sixty police officers on a 4:2 schedule work 14,640 days in a year. It would take 56 police officers working a 5:2 schedule to accomplish the same workload.

Number of Jamestown police officers		60
Number of days worked per year (4:2 schedule)	x	244
Total work to perform policing functions (in days)		14,640
Number of days worked per year (5:2 schedule)	÷	261
Number of officers needed		56

Therefore by switching from a 4:2 to a 5:2 schedule, the JPD would require the equivalent of 4 less workers. These 4 workers are spread across the whole department. The following table summarizes the number of staff needed under a 5:2 schedule by rank:

Table 42 – Staffing by Rank and Schedule

	Current Staff	Days "On" Per Year (4:2 Schedule)	Staff Needed (5:2 Schedule)
Chief	1	244	0.9
Captain	2	488	1.9
Lieutenant	4	976	3.7
Detective	9	2,196	8.4
Sergeant	6	1,464	5.6
Police Officer	38	9,272	35.5

The cost savings was estimated by figuring the number of workers needed under each schedule to accomplish the 14,640 work days figure computed above. Using the average total cost per employee (salary + pension + health care) we estimate what the total cost would be under the reduced workforce. The cost savings is the difference between the total estimated by the model and this reduced workforce total.