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ASSESSING THE IMPACT OF MERGING THE POLICE DEPARTMENTS OF THE VILLAGE OF ANGOLA AND THE TOWN OF EVANS SERVICE AND COST IMPLICATIONS

Prepared for:
Village of Angola and Town of Evans, New York

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SUMMARY

CGR (Center for Governmental Research, Inc) was engaged by the Buffalo Niagara Partnership to conduct an analysis for the Village of Angola and the Town of Evans, to determine whether or not it made sense for the village to merge its police department with the Town. CGR was asked to carry out this project because we had performed a similar analysis for the Village and Town of Lancaster in 2001, which provided an independent assessment of the cost impact of consolidating their separate police departments. This report outlines our findings for Angola and Evans.

By a letter dated October 24, 2001, the Evans Town Supervisor offered to provide a police presence in the village, with the town police force, at an annual cost to the Village of \$130,000, for two years. The assumption behind the offer was that once the town provided police services to the village, the village would no longer have to run its own separate police department, which would reduce costs to the village taxpayers.

Once CGR initiated this study, it became clear that there were some important differences between the Lancaster project and the situation in Angola and Evans. For both the village and town of Lancaster, the primary issue in the community was the fiscal impact of the proposed consolidation. This was because the New York Department of Criminal Justice Services (DCJS) had prepared a study which showed that the two forces could be consolidated and the number of personnel could be reduced while still meeting DCJS service standards. Since the Lancaster village

police force included 22 full time staff with a budget of approximately \$1.5 million, consolidation opportunities could result in savings of about \$675,000.

There are two major differences between Angola/Evans and Lancaster. First, the scale of the consolidation is much smaller, since the Angola police department only employees 3 full time and 11 part-time officers and 2 part-time civilians, at a total net cost of approximately \$275,000. Second, since no DCJS report has been done for the combined communities, some members of the Angola community have raised the question about what would be the impact on police services if the village police force were to be replaced by the town police force. The reason for this question is not hard to understand. The village had previously disbanded its own force in 1986, and contracted with the Erie County sheriff to provide police services, however, the Sheriff's services proved unsatisfactory to the village, which ultimately re-created its own police force again in 1992.

Since the willingness of the village to pursue consolidation with the town hinges on the question of service, CGR designed this study primarily to address that question. CGR analyzed actual village police logs, payroll records and Erie County Central Police Services records (CHARMS data) for the twelve months of 2002, as well as other supporting documentation. From this information, CGR developed several factual measures for the type and level of services that the village police force is currently providing to village taxpayers. These measures could be used as the basis for evaluating police services to the village in the future.

Based on this information, CGR believes the village should request clarification from the town regarding how the town intends to provide a level of service equivalent to what the village presently receives, as demonstrated in performance reports that include the measures indicated in this report. As noted in Section 4, the unit price of the village police personnel is lower than that of the town by at least 10%. Thus, under its current cost structure, the town would not be able to provide a direct one-for-one replacement of manpower hours to the village at lower cost. However, for reasons outlined in the report, CGR believes it is reasonable to assume that the new village/town police force could

achieve efficiencies that would result in a true net reduction of overall costs to the community.

If the town will provide a level of service which is acceptable to the village at the price quoted in the Supervisor's letter, village taxpayers will save the difference between their current costs and the price quoted by the town. This would be a savings of approximately \$140,000 per year, after paying for initial one-time transition costs (buyout of accumulated time, pension differentials, etc.) which CGR estimates at \$100,000 or less. However, if the town revises its offer, the potential cost savings to the village would change accordingly.

Assuming the village and town entered into a cost sharing arrangement similar to Lancaster, there would be no cost impact on town taxpayers outside the village, since the village would be paying for the additional town officers hired to provide service to the village. Thus, the cost impact for the overall community (i.e. both the town and village) would be a true savings, assuming the final negotiated amount per year (in current dollars) is less than current village costs.

Finally, CGR recommends that before the village and town agree to consolidate police forces, a long-term cost sharing agreement should be reached that clearly spells out the financial implications for both parties. The Lancaster agreement, for example, covers payments for the next thirty years. It would be in the best interests of the village to know that its payments would be capped over a long time period, and of the town to know that it has a guaranteed revenue stream to offset the additional costs of providing service to the village.

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Town of Evans: Supervisor Robert Catalino II, Councilwoman Karen Erickson and Councilman Gifford Swyers, and Police Chief Robert Ferguson.

This report was researched and written by Charles Zettek Jr., Director of Government Management Services. Joseph Stefko, Senior Research Associate, assisted with the report.

SECTION 1 – THE TWO DEPARTMENTS TODAY

This section will give a brief descriptive overview of the two departments. More detailed information about the village police department operations are presented in Section 2.

Village of Angola

The Village of Angola Police Department (APD) is comprised of 3 full time sworn officers: one Chief, one Sergeant and one officer. 11 part-time officers provide coverage when the full time officers are not on duty. In addition, 2 part-time clerks provide clerical support and answer the phones in the morning. The police department can be reached by calling the village police phone number, or officers can be requested through 911. The 911 call dispatch center is run by the town of Evans. An annual fee is paid to the town by the village to cover the cost of the 911 dispatch services for the village. Messages left on the police phone are reviewed and returned by officers or the clerks, as appropriate.

The police office is located in a small office area attached to the village garage at 73 Commercial Street. The office area includes a space for officer lockers, a small work space for the clerks, a small inner desk/computer area and a small Chief's office. The APD has 2 marked and 1 unmarked patrol cars and 1 bike for officers to use. Vehicles are maintained by the village garage, however, maintenance costs are low because the primary 24 hour patrol car is leased, therefore the primary vehicle is being replaced every two years.

The APD is shown as a separate expense of the village budget (A3120). However, indirect personnel costs (health and other insurance, pension and FICA) are included in the Employee Benefits section, along with all employees. Therefore, in order to estimate the true total cost of the APD using current year budget figures, CGR had to make estimates for employee benefit costs in these areas where specific bills were not available. It should be noted that a large unknown is the estimate for contributions to the Police Retirement System (pension fund), administered by the State Comptroller. The Comptroller only billed the village \$177 for its contribution in 2002, however, over the last six years bills ranged as high as \$9,865. For estimating purposes, CGR assumed

a current contribution of \$7,500, which is closer to the historical norm, however, the amount could be significantly higher than that, depending on the projections of the pension fund requirements. Revenues for the past few years have fluctuated based on grants the department has received (Traffic Safety-\$2,000, Youth-\$1,000, Stop DWI-\$1,500, and Cops - \$16,000). CGR assumes all the small grants will continue, but not Cops. TABLE 1 shows the current fiscal year (2002-03) Budget Estimates.

TABLE 1

Village Police Budget (2002-2003)

Personnel	\$199,566
Employee Benefits*	\$45,500
Equipment	\$12,000
Supplies	\$18,300
Dispatch Payment To Town	\$6,435
<i>Total Cost</i>	<i>\$281,801</i>
Revenue	(\$4,500)
<i>Net Cost to Taxpayers</i>	<i>\$277,301</i>

* Estimated by CGR

Town of Evans

The Town of Evans Police Department (EPD) is currently comprised of 22 full time sworn officers: one Chief, one Assistant Chief, one detective lieutenant, one police detective, 4 lieutenants, and 14 police officers. 5 part-time officers provide fill-in coverage to meet minimum manning requirements. The EPD also includes the local 911 call center, which employs 4 full-time dispatchers, augmented by part-time dispatchers. The department also employs one full time clerk typist, a part time clerk, and part time police attendants and crossing guards. The police department can be reached by calling the town police phone number, or through the 911 center.

The EPD is located in a wing of the Evans Town Hall at 8787 Erie Road, located just outside the northwest corner of the village. The wing includes the 911 call center, offices, locker space, meeting and working rooms. The EPD has 5 marked patrol cars, 4 unmarked cars, 1 4 wheel drive vehicle and 1 boat for equipment. The town budgets to purchase 4 patrol cars every year, and rotates cars out of patrol service about every 15 months, in order to ensure that primary patrol cars are always in good condition. The vehicles are maintained in the town garage, and maintenance costs are kept low by the town's replacement policy.

The EPD is shown as a separate expense of the town budget (A3120). However, indirect personnel costs (health and other insurance, pension and FICA) are included in the Employee Benefits section, along with all employees. Therefore, in order to estimate the true total cost of the EPD using current year budget figures, CGR had to make estimates for employee benefit costs. CGR used the same assumptions as outlined above for the APD to estimate indirect personnel costs for EPD. Revenues for the EPD are based on the amounts shown in the budget for D.A.R.E., S.T.O.P.-D.W.I. and Traffic Safety grants and fees and call center agreements. TABLE 2 shows the current fiscal year (2003) Budget Estimates.

TABLE 2

Town Police Budget (2003)

Personnel	\$1,457,462
Employee Benefits*	\$327,500
Equipment	\$150,100
Supplies/Contractual Expense	\$125,000
<i>Total Cost</i>	<i>\$2,060,062</i>
Revenue	(\$52,000)
<i>Net Cost to Taxpayers</i>	<i>\$2,008,062</i>

* Estimated by CGR

SECTION 2 – POLICE SERVICE IN THE VILLAGE

In this section, CGR will identify what we believe to be the primary measures that define the services that are provided to village residents by the current village police department. In short, this will describe what current village taxpayers are getting for their money. These measures could provide the framework for defining the services that would be provided by the town if the village decides to merge its department with the town.

Clearly, the demand and need for services within the village will change in the future, as it has in the past. The town police force would need to be flexible to increase or reduce police resources to the village as demand and needs fluctuate. Thus, the performance measures identified in this section should not be considered to be *absolute* benchmarks for performance. Rather, they are intended to indicate the entire *range* of services that the village would want and the *relative* importance of the types of services within the whole range of services provided. Professional police managers recognize these issues and the Evans Chief of Police should be given discretion to exercise his professional judgment about how to identify and allocate resources to meet the demands and needs of the village.

How Officer Time Is Spent In General

Before presenting specific facts about the Angola police department, it is important to understand the context of police services. Police provide two basic functions within any community. They are either taking steps to ensure public safety (i.e. they are taking steps to prevent criminal and/or anti-social behavior, i.e. “crime”, or accidents from happening) or they taking steps in response to a crime or other public safety emergency (i.e. they are responding to a call for service). When police are trying to prevent crime, they are performing “proactive” police work. When they are responding to a specific call for service, or performing follow-up work (such as a criminal investigation) they are performing “reactive” police work.

Proactive police work includes such activities as driving, walking or biking around on patrol, providing school crossing guards, providing a police presence at community events, conducting

training (for example, D.A.R.E. programs), or running D.W.I. or speed enforcement patrols. Reactive police work means responding to calls for assistance, which, in Angola's case, can come in by calls both to the police station as well as to 911, or some self-initiated activities (for example, stopping a speeding vehicle or responding to an incident observed in progress).

Proactive work can be planned and for the most part scheduled and managed. For example, if a community desires that a police car go down every street on a given schedule, the resources to provide that service can be estimated and planned.

Reactive work cannot be anticipated, which makes it very difficult to plan for resources. Over the course of a year, it is possible to predict, on average, what the reactive work demands are likely to be, in general. For example, it is possible to estimate that over a year, there will be "x" number of burglaries. However, because each crime event is a unique set of events, it is not possible to predict when those events will occur or what resources will be required to respond to a specific event.

Response Time Variables In General

Because reactive work cannot be predicted, police departments are designed to provide minimum staffing levels, so that some law enforcement presence is always available. Even in communities without their own police departments, either county sheriff or state police officers can respond to emergencies around the clock. However, the key variable for reactive police work is "response time", i.e. how quickly an officer arrives at the scene.

The time it takes an officer to respond to a scene, once the officer receives the call from a dispatch center, is a function of two variables: what the officer is doing when the call comes in, and how far from the scene the officer is located. For example, if the officer is currently responding to an incident, the officer has to make a determination whether or not to leave the current incident and go to the next one, or call for assistance from another officer. In smaller communities with a relatively small number of incidents per day, officers are usually not engaged in reactive activities, thus, they can respond quickly to incoming calls for service, and the primary factor in the response time is simply the distance the officer has to travel. Since distance is a key factor, this is why, for some communities, average response time can be a minute or two,

whereas for those communities which rely on sheriff or state police responses, if the closest sheriff or state police officer is located several towns over, it may take 15 minutes or more before the officer arrives at the scene.

The Police Service Trade-Offs

When communities have to make budget decisions about what level of police service they are willing to pay for, one of the principle factors they have to consider is how much demand for *reactive* police work exists, and how rapidly the community wants an officer to respond to a call for service. In many communities with very few calls for service at night, these communities make the judgment call to not have their own police officers on duty. Rather, they rely on other law enforcement agencies to provide coverage, even though that might mean that response time is longer during those periods. This is done in order to reduce costs.

In Angola, the budget currently pays for a minimum of one officer to be on duty, 24 hours around the clock, 365 days a year, to be available to respond to calls for service. This ensures that an officer is geographically local to the community, and therefore can give very fast response times.

Community budget decisions also affect the amount of time that officers have to do *proactive* police work. Proactive work can be done any time officers are not responding to calls for service. Thus, if an officer has on average 2-3 calls for service during an 8 hour shift, and if the average call takes half an hour, then the officer has about 6 –7 hours to spend on proactive work, or other non-patrol activities (such as serving warrants, getting training, etc.) Communities identify how much proactive time they can afford, and budget their police staffs accordingly, with a combination of full and/or part-time officers to provide the level of proactive time desired.

In Angola, the police department uses a combination of full-time and part-time officers to ensure there is always one officer on duty, around the clock. As shown below, the majority of the time officers are on duty is available for proactive work. When special community activities occur, additional pro-active officer time is obtained through the use of part-time officers.

Officer Time In Angola

In order to measure the amount of time officers are on duty in the village, and how they spend their time, CGR reviewed time sheets and sign-in sheets for 2002, and specifically reviewed officer log sheets for a randomly selected 10% sample of days in 2002. Three days per month were selected to ensure that seasonal variations were taken into account, and the sample was adjusted so that each day of the week was proportionately counted, to ensure that day-to-day variations were taken into account.

In the village, basic patrol coverage is provided by either a full or part-time officer. Almost all time worked is regular time. Overtime for the three full time police staff amounted to 356 hours in 2002. Although the Chief routinely works normal business hours, he does cover patrol duty when a full or part-time officer is not scheduled, and performs other duties as needed. In 2002, the number of hours worked (i.e. on duty, which does not include vacation, sick, etc.) is shown in TABLE 3.

TABLE 3
HOURS WORKED – ON DUTY
Angola Police Officers – 2002

<i>Officer</i>	<i>Hours Worked</i>
Chief	1823
Two Full Time Officers	4181
Part-Time Officers	4426
<i>TOTAL</i>	10,530

The village pays for 28.8 hours of police coverage per day

Since officers were on duty for 10,530 hours in 2002, this means that police coverage averages to 28.8 hours per day. Thus, Angola is paying for an average of slightly more than one officer around the clock.

CGR used the sample of 36 days to understand how much time officers spent on patrol. Daily sign-in sheets do not provide the detail of what happened on a shift (which will be covered later in this section), but they do indicate whether an officer is on patrol,

or on some other type of non-patrol activity. Taking into account the patrol time logged in by officers and the Chief, an average of 25.8 hours per day were actually spent on patrol. This included special details like foot and bike patrol. 90% of the total time logged in the sample was spent on patrol activities. The remaining 10% of the time was logged into the following categories: training officer, training, court, traffic grant work, and other. Foot and bike patrol were mentioned to CGR as important services that the Angola police provide. During the summer, based on the sample, foot and bike patrol accounted for 7% of the patrol time logged in during the months of June, July and August.

Calls for Service in Angola

As described previously, officers on patrol are either doing proactive police work, or are reacting and responding to calls for service. In Angola, the specific activity that an officer carries out during each shift is recorded on a log sheet, and then subsequently entered into the Erie County Central Police Services information system (CHARMS). Each type of action is broken down into a specific four digit code that is uniform throughout the county, and the time of the action is also recorded.

Using the CHARMS data, it is possible to identify the range of police activity that occurs in Angola, sorted by type of incident, time of day and day of the week. For example, in 2002, there were 60 type 5002 calls (domestic trouble), with the highest number of calls occurring on Friday, Saturday and Sunday and the peak times being between 8 p.m. and 11 p.m. All officer activity where an action code can be assigned is recorded. Thus, some activity that might be considered proactive or is self-initiated by the officer is recorded, such as “premises checks”. The rest of the time a patrol officer is on duty but has not logged in time for a specific activity code, is assumed to be proactive patrol duty.

In Angola in 2002, officers logged 4,995 calls for service into CHARMS. This is consistent with the past few years, where calls for service have been in the range of 4,800 to 5,200. Anecdotal evidence suggests that some part-time officers do not properly log in all activity, thus the CHARMS data may undercount the total activity within the village. However, given the absence of any other factual data, CGR has not adjusted the CHARMS data counts. Using 5,000 calls for service as a reasonable average, this

equates to, on average, 13.7 calls for service per day. Analysis of the actual calls shows that they are not evenly distributed over the course of the day, and there are also some fluctuations among the days of the week.

***The town counts
village police work
differently***

Before illustrating the call for service patterns, however, it is important to recognize that there is a difference between how the village police recognize and record the demands on their time and what the Town of Evans has recorded as the calls for service within the village. Because the town provides dispatch services for the village, whenever a call for service comes into 911 from a village address, that is recorded by the town as a call for service within the village. However, much of the activity carried out by Angola officers comes as a result of either their own self-initiated patrol work, or as a result of a call directly to the village police department which does not go through the 911 system. Therefore, the police activity as measured by the town data that is entered into CHARMS by the town has only counted 2,362 incidents in the village in 2002, compared to the 4,995 reported by the village.

One other difference also exists between the way the village and the town count incidents in the village. Officers and the data entry clerks have some discretion as to how to code a particular type of incident. Therefore, there are discrepancies between the town and village counts for what would appear to be the same type of incidents.

To adjust for these differences, CGR decided to consider the data from both the village and the town. TABLES 4 and 5 below show the differences between what the village and the town count as activities for the village police department. The tables show just the top 20 activities, since these account for of 70% of all the calls.

TABLE 4
Top 20 Activity Types in the Village – 2002
Per Angola Police Logs

Rank	Summary of Incident	Number	Percentage of Total
1	Premises check	1073	21.5%
2	Misc. service call	825	16.5%
3	referral to patrol	363	7.3%
4	Community policing	197	4.0%
5	Assist other police	194	3.9%
6	Notification	144	2.9%
7	Youth activity	133	2.7%
8	Mutual aid	123	2.5%
9	EMS	100	2.0%
10	Money escort	90	1.8%
11	Refer to other police dept	89	1.8%
12	EMS assist	87	1.7%
13	Warrant- serve	68	1.4%
14	Harassment	64	1.3%
15	Disturbance-other	62	1.2%
16	Serve op	62	1.2%
17	Domestic trouble	60	1.2%
18	Suspicious person	56	1.1%
19	Attempt to locate	54	1.1%
20	Lock in/out	49	1.0%

TABLE 5
Top 20 Activity Types in the Village – 2002
Per Evans 911 Logs

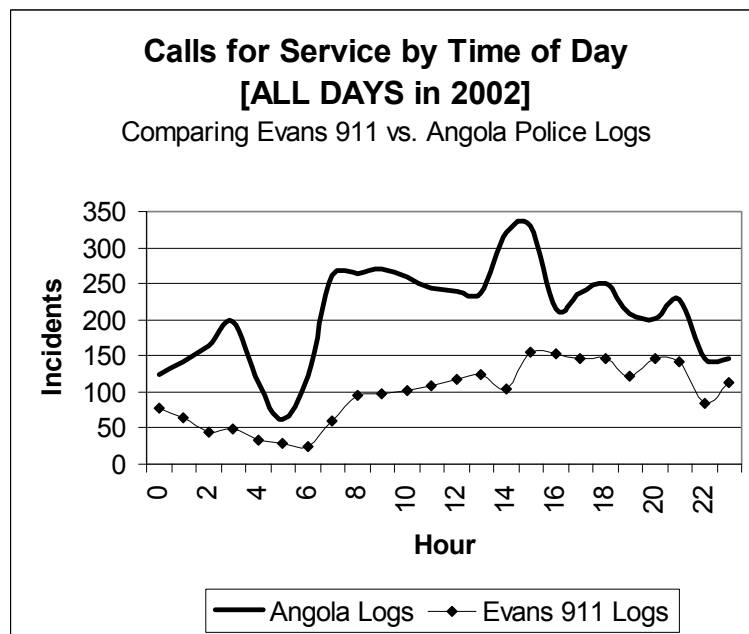
Rank	Summary of Incident	Number	Percentage of Total
1	Traffic stop	334	14.14%
2	EMS	239	10.12%
3	referral to patrol	169	7.15%
4	Money escort	102	4.32%
5	unknown trouble	74	3.13%
6	Mutual aid	69	2.92%
7	Disturbance-other	59	2.50%
8	animal loose	57	2.41%
9	Funeral escort	52	2.20%
10	Youth activity	50	2.12%
11	Lock in/out	46	1.95%
12	Harassment	42	1.78%
13	Misc. service call	42	1.78%
14	Alarm Test	39	1.65%
15	Welfare check	33	1.40%
16	Loud music	31	1.31%
17	Threat	30	1.27%
18	Suspicious person	28	1.19%
19	Animal complaint	28	1.19%
20	Alarm ringing	28	1.19%

An obvious conclusion in comparing TABLES 4 and 5 is that the town count does not measure “Premises checks” as an activity. However, that is the activity with the highest count, and represents 21% of the total activity count logged in by village officers.

Noting that there is this difference in how calls for service are counted, CGR plotted calls for service by time of day and by day of the week using both the village and town CHARMS data, to identify the fluctuations.

GRAPH 1 shows the hourly fluctuations (averaged over the whole year) for calls for service in the village. This shows that demand for service is lowest between roughly 3 a.m. and 6 a.m., peaks in the afternoon, then declines in the evening. This is consistent with the belief that much of the activity involves kids going into and out of school. That is illustrated by the village logs graph, but the town log graph does not show as wide a swing, because the town logs do not count much of the officer initiated proactive activity that occurs around the schools.

GRAPH 1

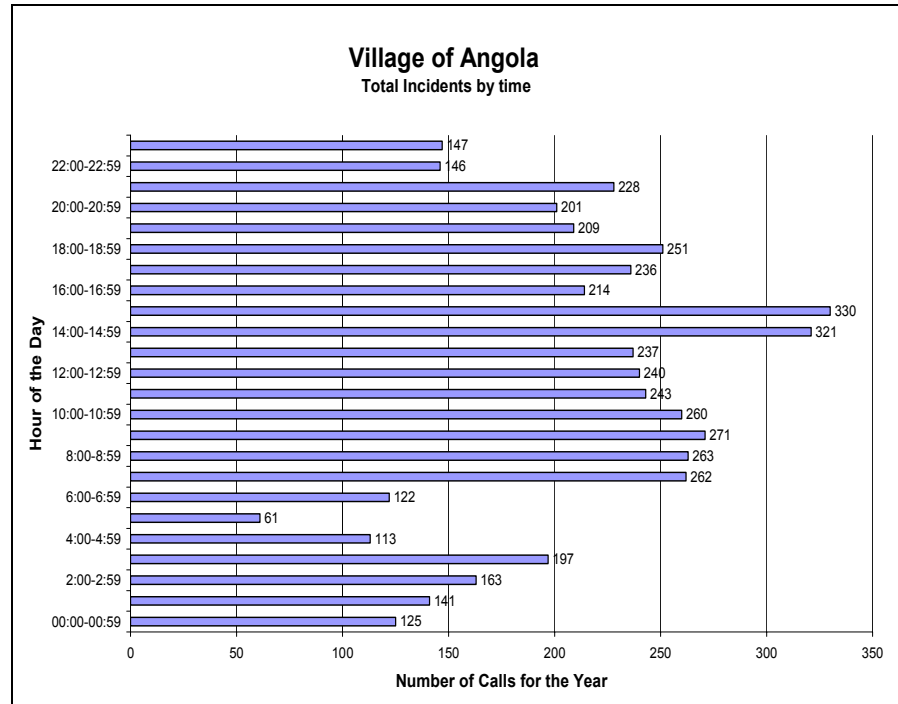


It is important to understand the implications of GRAPH 1. Using the village logs data (which has the highest number of activities), during the hour around 5 a.m., there were only 61 calls for service during the entire year. At the peak, between 3 and 4 p.m., 330 calls for service were recorded.

GRAPH 2 shows the actual breakdown in more detail, based upon the village data. Thus, at the low point of the day, village officers

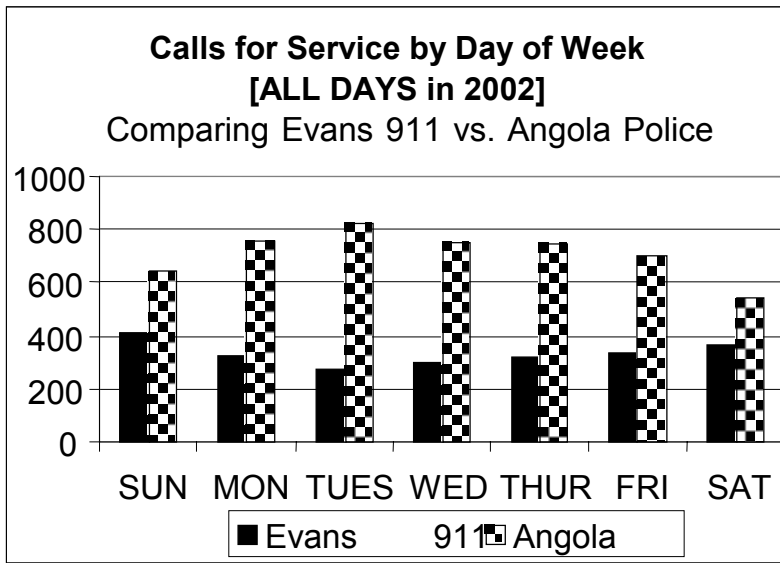
see one call for service every sixth day, on average. At the peak hour, on average, there are still less calls than one per day.

GRAPH 2



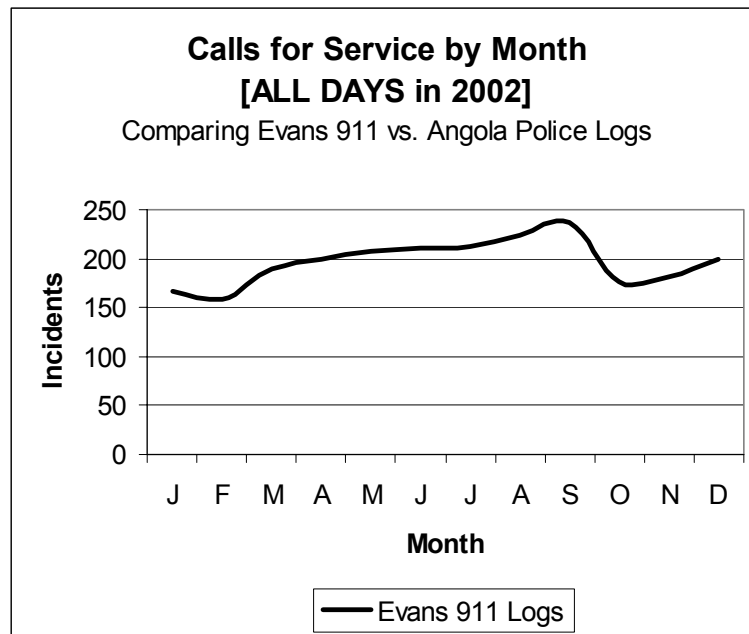
GRAPH 3 shows the variations in the calls for service based upon the day of the week, averaged out over the course of the whole year. Again, slightly different pictures emerge depending on whether or not the village data is used or the town data. The village data indicates that most activity occurs during the mid-week days, whereas town data shows the weekend with the highest activity. Again, this appears to be due to the fact that the town data does not count proactive work done during school days, and patrol services provided during special mid-week activities in the village. One additional reason may be that the village staff on weekends, who tend to be part-time officers, may not be logging in all the incidents properly, which would result in an undercount on the weekends.

GRAPH 3



A third picture of the fluctuation for demand for calls for service is shown in GRAPH 4. Using month by month data from the town, this shows that there is fairly constant demand over the course of the year, although the summer months tend to be higher. This makes sense, and is also consistent with trends CGR has observed in studies of other police departments.

GRAPH 4



Other Angola Activity Indicators

The activity indicators shown above describe the work load in general terms that is provided by the Angola police. CGR also obtained breakdowns of some specific types of work that requires more intense police presence, such as specific types of criminal activity and domestic disputes. However, these are the types of activities recorded on the town database, and the town clearly understands the types of resources required to respond to those types of cases, because the same types of activities occur in the town. CGR recommends that the town report to the village, on a periodic basis, village activity for: arrests, bookings, clearance rates, court appearances, criminal investigations, investigations, traffic tickets, and warrants – village data exists for all of these activities, and town would be able to show the village to what extent the town has continued providing similar levels of service, and where trends change over time.

The last primary service indicator for which data is available is response time. CGR had response time data for two years for the village. According to this, the average response time between the broadcast of a 911 call from dispatch and the officer arriving on the scene was 15 seconds. However, based upon the fact that the lowest response time was 0, this indicates that some of the calls were officer initiated (i.e. the officer was at the scene and called into dispatch, which would result in a 0 second response time, CGR believes that the average response time of 15 seconds is misleading. CGR did not have access to the actual response time database, however, it is reasonable to assume that the average response rate by village officers is one to two minutes.

The highest response time noted in one year was 7 minutes, and in another year 27 minutes. As indicated previously, response time can be affected by both the travel distance and what the officer is doing at the time a call came in. One or both of these factors must have come into play in those situations where the response time was so long.

Given that currently village officers are usually situated within the village borders, and have a high amount of proactive time, they have the ability to quickly respond to calls for service from village residents. However, even within the village, sometimes officers take a number of minutes to respond. Since the town police

department is situated at the edge of the village, and since dividing the town into three zones would result in a town patrol car being located either in or close to the village, it is reasonable to believe that response time from the town will be quite similar to response time from the current village police. Since response time is something that is measured and can be reported, CGR recommends that specific response time reports be prepared for the village by the town to indicate how quickly the town officers arrive on the scene after a call for service.

In conclusion, the indicators noted above are fact-based statistics that will indicate the town's service and response levels to the village. These indicators, in conjunction with citizen feedback about the quality of service, can provide town and village leaders with the means to judge the effectiveness of the merged operations.

SECTION 3 – OPTIONS FOR EVANS TO PROVIDE POLICE SERVICE TO THE VILLAGE

CGR was not engaged to determine if the town could in fact provide services equivalent to what the village is currently receiving from its own police force. The determination of the appropriate design and manning of the consolidated village/town police force should be determined by the town's police chief. What the town's police chief will need to do is use the information provided in this report, along with his own assessment of the needs of the community, to determine the resources needed to provide police service to the village. Once he has identified the needed resources, the cost of those services can be estimated, and that would become the town's offer to the village.

Presumably, the town went through that exercise in order to come up with its proposal of October, 2001. Since that proposal would cost the village about half of the current village costs, that raised the question with some community leaders how the town could provide the same service at half the price. CGR did not examine the details of the town's original proposal. It may be that the town will modify its proposal, given the facts outlined in this report, and the savings may be less. However, based on our review of the

town and village operations and discussions with town and village officials, CGR believes that efficiency opportunities do exist to achieve net cost reductions. These opportunities could come in two areas: 1. more efficient use of town police officers to provide coverage for the village, resulting in the net reduction of one full time officer position, 2. reduction in cars and equipment required.

There are several ways that efficiencies could be achieved by managing town police officers differently in a combined force. At this time, the town is split into two patrol zones, excluding the village. Town officers back up the village officers, as needed (and vice versa) but otherwise do not patrol within the village. The minimum staffing by the town is 2 patrol officers on the road, plus a lieutenant in command. During the day and evening shifts, more officers are available to answer calls for service (for example, the chief and assistant chief as well as the investigators are on duty during the day, and more officers are assigned to cover peak periods). If the town does pick up the village service, the town could easily create three zones during peak periods, with the third zone including the village.

The offer from the town was based on this plan – to add two additional uniformed staff to the town police department, one each for the day and evening shifts. This would provide the same number of officers within the overall community (i.e. the town and the village) as existed on those two shifts at the time the offer was made. From the point of view of the combined forces, the total number of uniformed staff (command and patrol officers) on duty would be the same as occurs in the separate town and village forces, except for the net reduction of one officer during the night shift.

The town's proposal assumed that, for the night shift, the town's existing staff of two officers and a lieutenant could provide satisfactory service to both the village as well as the town. In effect, it assumed that current town staff could pick up the additional workload. As noted in Section 2, the 11 p.m. to 7 a.m. shift has the lowest number of calls for service in the village. In 2002, there were 1,069 calls for service over the whole year during that shift, which works out to an average of 2.9 calls for service during an average 8 hour shift. It is going to be a judgment call

for the town police chief whether or not that additional workload can be handled by his existing staff, however, clearly, the assumption used to prepare the town's initial proposal was that the village's additional workload could be handled by the existing town staff. If this plan were carried out, savings would come from the fact that there would be one less officer on duty within the community (town and village) than currently exists on the night shift.

If the town were to provide to the village dedicated patrol officers during special village events, including bike and foot patrol officers and special school details, so as to provide coverage similar to what is currently found in the village, the town could do that through some combination of full time and part-time officers. Once the service expectations have been set, the town police chief can plan for the personnel costs needed to provide those services.

To summarize, the town plan could achieve savings by reducing the equivalent of one position (i.e. have the town provide coverage during the night, which would result in a net reduction of one officer), and from savings due to the pay differential between a town police patrol officer and the village sergeant and chief.

Under the town plan, assuming the town provided the same coverage as the village currently provides for all special events and patrols, the number of police patrol officer hours would be reduced by the equivalent of one officer (i.e. the night shift officer position would be eliminated).

Under the town proposal, the cost of equipment could be reduced, under the assumption that the police cars currently being used by the village would not be needed by the town. The town's current fleet of 5 marked patrol cars would provide enough vehicles for a 3 zone model. The town might need to accelerate its patrol car replacement program, to take into account the estimated 20,000 to 25,000 additional miles per year added to the fleet as a result of including the village in its routine patrols, however, this cost would be more than offset by the ability to eliminate the village fleet of cars.

To conclude this section, the town's estimate for savings to the village, based upon the assumptions outlined above, appear

reasonable and achievable. However, a key element to that plan is a net reduction of the equivalent of one full-time officer. Additional savings would result from elimination of the salary differentials inherent in combining the two forces, and reducing the size of the fleet. These are the types of savings that are expected to come from a consolidation of two organizations into one.

SECTION 4 – COST IMPLICATIONS FOR A CONSOLIDATED FORCE

A precise calculation of the cost implications of creating a consolidated town/village police operation cannot be determined until the exact details of the final agreement between the village and town have been worked out. In Lancaster, after a hand-shake agreement had been reached, it took about nine months to have an accountant complete a detailed, actuarially accurate determination of the current and future benefit and cost streams that had to be factored into the final written agreement. However, the general cost parameters can be identified at this time, along with reasonable estimates, to allow town and village leaders to understand the cost implications of the proposed merger. The figures given below are CGR's estimates, which can be used for planning purposes.

In order to merge the two departments, village and town leaders need to consider three types of costs: operating costs, transition costs and capital costs, and compare cost projections for a consolidated department to those of the two separate departments. To make its estimates, CGR will use budget 2003 estimates, unless otherwise noted.

Operating Cost Projections

Estimates of operating costs in a consolidated department have to factor in three cost components: personnel, equipment and supplies/contractual.

Personnel Savings Estimates

As described in previous sections, the village police department is managed using a combination of full and part-time officers. Part-time officers made up 42% of the total hours logged in 2002, and were 23% of the total payroll. From the point of view of village

tax-payers, this is a cost effective strategy, since part-time employees do not receive the additional benefits provided to full time employees.

In a consolidated department, the town will need to develop its own strategy for using a combination of full and part-time officers to provide service to the village. Until then, a comparison of current village versus proposed town forces can't be developed. However, as noted in Section 3, the primary cost differences will result from a different mix of full time officers in the new town force. Specifically, assuming the part-time and overtime budgets are kept approximately equal between the village and new town force, the savings will come from eliminating one full time position and eliminating rank differentials. These will be partially offset by the fact that the current town pay scale (including benefits) is higher than the village.

Currently, in Angola, a patrol officer at step 2 has a salary of \$34,417. Additional full time employee benefits which are paid by the village and shown in the combined employee benefits lines of the budget include: FICA - \$2,633; Family Hospital/Dental - \$9,398; Workers Comp (est.) -\$200, Pension Contribution (est. at 5% of salary) - \$1,720. This totals \$48,368. In Evans, a patrol officer at step 2 has a salary of \$40,976. Full time employee benefits add to the base salaries as follows: FICA - \$3,135; Family Hospital/Dental - \$7,723; Workers Comp (est.) - \$200, Pension (at 5%) - \$2,048. This totals \$54,082, which is 10.6% higher than the equivalent position in Angola. Other small differences in the cost of employees exist between the departments for clothing allowances, show-up time, etc., that would be factored into a final negotiated amount for the merger agreement. (Note – the Evans figures are based on the old union contract, and do not take into account the results of the new negotiated contract).

Using the town's offer letter as the basis for building a model for the merged department, the town would add two full time police officers, and the village staff of three full time officers would be eliminated. Using a town patrol officer at step 2 as the base line (i.e. assuming the two new full time officers in the town would average out to be the equivalent of officers coming in at step 2), the town would be adding \$81,952 in base salaries, plus 32% for

benefits, for a total of \$108,176. The current salaries of the three full time Angola officers is \$137,038. Adding 32% as an estimate for benefits, the total is \$180,890. This is a difference of \$72,714.

If the town used part-time and overtime in the same amount as currently shows in the village budget, it would be a wash for those budget lines in the merger. Some savings might come from the town adding some of the clerical work currently performed by the village part time clerks. Assuming the town still has to add some part-time clerical assistance to its budget, at an amount equal to half that budgeted in the village, there would still be a savings of approximately \$3,000.

Adding up the savings identified, net personnel savings would total approximately \$75,000 under this model. NOTE – these projections do not take into account changes in the town’s costs due to the new police union contract or changes in the town’s police force subsequent to the original offer letter.

Equipment Savings Estimates

As noted in Section 3, the town has indicated that, at least initially, it will manage the merged department without increasing the size of its existing fleet or its radio inventory. Thus, the cost shown in the village for police equipment could be eliminated (\$11,000). However, CGR assumes that the town will need to accelerate its current fleet replacement program to account for the additional mileage put on its cars. If new mileage attributed solely to village service in the new third patrol zone adds up to 25,000 miles per year, at 8 cents/mile (the current mileage depreciation rate for leased vehicles), this would add \$2,000 per year to the town costs. Thus, a reasonable estimate under this model is that net equipment savings for cars would be approximately \$9,000.

Supplies/Contractual Savings Estimates

The village currently has \$18,300 budgeted for expenses in this category for various items. It is reasonable to project that the town would budget for some but not all of these expenses. The town would need to budget for additional maintenance and tires for vehicles providing service specifically in the village (est. - \$1,000). Supplies, uniform cleaning, pager rental and other miscellaneous costs will continue in the town, at a lower amount (est. \$1,000). Fuel for 25,000 miles at \$1.25/gallon at 15 m.p.g. would be \$2,000. Uniform allowance expense will depend on the Evans contract – assume \$1,200 for now. The village budget

assumes a payment of \$6,100 to the town for dispatch service to the village. Since the village police force would no longer be a separate entity, but be merged with the town department, the separate dispatch cost would be eliminated. However, since the town budget includes the village payment as a revenue, loss of that revenue would be the equivalent of town costs increasing by the same amount. Thus, assume the town costs would increase by \$6,100. The village budget also includes a \$1,000 estimate for computer and radio equipment and repair in its equipment budget, which CGR assumes would be zero for the town, as town equipment repair is already included in the town budget. Adding up these differences the village total budget amounts to \$19,300, town budget estimates would be increased by \$11,300, which means that net supplies/contractual savings would be approximately \$8,000.

Transition Costs

Whenever two departments are merged, certain transition costs occur when combining the employees of the two entities. This is because, inevitably, there are differences between the pay, benefits and other contractual obligations which need to be levelized, so that employees going from the merged operation into the remaining operation are treated fairly and in accordance with the law. As noted above, until the actual new configuration of employees is agreed upon, if the town and village merge their police forces, it is not possible to accurately calculate the transition costs. However, using the same categories that were considered in the Lancaster merger, there would be transition costs in three areas.

First, retirement plan costs would need to be estimated for paying for employees who would transition into the merged force. Second, upon closing down the village police force, the village would need to buy out accumulated time leave banks. Third, for any employee moving to the town force, the village would need to make a payment into a fund that would pay its fair share of retiree health insurance for the amount accrued during service to the village. Of these three costs, CGR does not believe there would be a cost differential for the retirement pension plan, or if there is, it would be minimal; payment for buyout of accumulated leave time is estimated to be approximately \$30,000; and payment for

retiree insurance benefits is difficult to estimate without an actuarial study.

Since these unknowns exist, CGR believes a ballpark estimate can be assumed based upon the experience in Lancaster. In the final agreement, the village of Lancaster agreed to pay \$990,711 in one-time transition buyout costs. Although the Angola village force is approximately one-fifth the size of the Lancaster village force, Angola has smaller benefits (such as accumulated time), and the length of service profile in Angola is different than Lancaster. Therefore, CGR believes it is reasonable to assume that Angola's one-time costs would be approximately 10% of the cost in Lancaster, or about \$100,000. This is a reasonable figure for planning purposes. Even if Angola's transition costs turn out to have a similar pattern to Lancaster, that means a worst case estimate for Angola would be \$200,000, and CGR believes this to be unlikely.

Capital Costs

CGR did not find any reason to believe that capital costs considerations would be a factor in the merger discussions. The town has a modern, up-to-date police facility which can easily accommodate the addition of several police officers to its current staff. The village police offices are located within the village garage building. If the town elects to continue to use those offices as a satellite office, minor upgrades might be desired, but these could be done at little cost. The cost of heat, light and power for the village offices would continue to be part of the village budget, because those offices are integral to the village garage building. Whether or not there should be a cost sharing arrangement for this space between the town and the village would be left up to the final negotiations for the merger.

Revenue Considerations

It is reasonable to assume that the new merged town police department could qualify for and/or obtain grants in amounts that previously went to the village, in that the town would now be providing equivalent services to the village. Therefore, revenues coming into the community as a result of the merger should be approximately the same as pre-merger. The village does collect revenue from parking and other tickets that are adjudicated in the village court. The merger should not affect the village revenues from these sources as long as tickets issued by the merged force

are separated and tracked administratively by the town police department.

SECTION 5 – NEXT STEPS

CGR believes that a logical series of next steps to move forward with the merger of the two departments would be as follows:

1. Distribute and discuss this report, to ensure that the town and village leaders have the same basic understanding of the issues and facts.
2. Have the town re-confirm its offer to the village, using updated numbers if necessary. CGR recommends that the town, in its confirmation letter, indicate a cost proposal that goes past two years. A final multi-year determination would be subject to negotiations, but at least village leaders would know from the beginning what the potential costs to the village would be in a merger. The confirmation letter should also give an indication of what performance measures the town proposes to use to indicate how it will meet the needs of the village.
3. Once the village has a firm cost and service proposal, village leaders can determine whether or not the cost savings justify proceeding with a merger. Presumably, this will include a public hearing on the proposed merger.
4. If the village expresses the desire to proceed with the merger, a merger committee from the village and town should work out the details. Using Lancaster as a guide, certainly, the two police unions need to participate in the merger implementation discussions, as well as the town finance officer. An accounting firm should be engaged to conduct a detailed analysis of transition costs, which need to be incorporated into the final agreement. A formal cooperation agreement that describes how the transition costs will be paid and how the village will pay for its share of police services going forward will need to be developed by the village and town attorneys, and approved by the village and town.

If and when the merger takes place, the town and village merger committee should formalize an agreement to meet at least once a year for the first two years. Town and village leaders should use this committee to insure that a group of community leaders independently evaluates how the merged department is working, and if the performance and cost expectations are being met. It will be important for village and town leaders to monitor the services of the merged department until the record of the new department speaks for itself. This review mechanism will give citizens of both the village and the town the opportunity to learn how merging the two departments in fact improved their local governments by providing services that are more effective and efficient.