



Goodhue County

Minnesota

COMMITTEE OF THE WHOLE AGENDA

COUNTY BOARD ROOM
GOVERNMENT CENTER
RED WING, MN

OCTOBER 24, 2023
10:00 A.M.

Join on your computer, mobile app or room device

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Policing Contract Update #2

Documents:

[Policing Contract Update 2.pdf](#)



Goodhue County

Minnesota

Patrol Deputy Actual Cost & Policing Contract Update #2

Presentation to Goodhue County Board

October 24, 2023

Goals for Today – Establish Board Consensus

1. Fees for Cities without 2024 Contracts
 - A. City of Goodhue
 - B. Potential for Others
2. Overhead Cost Philosophy
 - A. Actual
 - B. 10% Overhead
 - C. 15% Overhead
3. Fee Increase Implementation Timeline
 - A. Entire Amount in One Year (2025)?
 - B. Spread Over Two Years (2025-26)?

Reasons for changing Policing Fee

- Path of sustainability – Cost neutral with some benefits to community
- Hourly Fee consistency between Cities. Hours negotiated between cities & GCSO.
- Disincentivizes closure of additional Police Departments

Services Provided by the Sheriff's Office

City Taxes

- Dedicated patrol in specific location

County Taxes

- Adult Detention Center (ADC)
- Civil Division
- Crime Prevention
- Dive/Rescue Team
- Emergency Communications (Dispatch)
- Emergency Management Division
 - Mobile Command
- Emergency Response Team (SWAT)
- Four Seasons Patrol
 - Snowmobile
 - ATV
 - Water
- Investigations
- K-9 Unit
- Patrol within Townships
 - Road Patrol
 - Recreation Division
 - Civil/Bailiff/Transport
- Back-up for local police
- Regional Training
- Drones

Context - Other Community Comps. (2024 Rates)

City	Pop. (2021)	County	Gross Fee	FTE	Fee/FTE	Hours	Hourly Fee	Notes
Scandia	3,963	Washington	\$ 183,442	1.0	\$ 183,442	2,080	\$ 88.19	Squad Replacement Not Included
Newport	4,328	Washington	\$ 1,067,109	6.0	\$ 177,852	12,480	\$ 85.51	Squad Replacement Not Included
Spring Grove	1,238	Houston	\$ 341,200	2.0	\$ 170,600	3,640	\$ 93.74	Capital Included
Morris	5,206	Stevens	\$ 908,000	6.0	\$ 151,333	14,996	\$ 60.55	Capital Not Included; Purchased for \$1
St. Michael	19,001	Wright	\$ 1,537,200	7.0	\$ 218,400	14,640	\$ 105.00	Add'l \$84,461.54 lump sum for EE retention*
Stewartville	6,759	Olmsted	\$ 737,989	6.0	\$ 122,998	12,480	\$ 59.13	Salary/Benefits Only

**Wright County's EE Retention Bonus works out to be an additional \$12,065 per FTE.*

2024 Costing Detail – 1.0 FTE Patrol Deputy

<u>PATROL DEPUTY PAY</u>	<u>Units</u>	<u>Grade 112-4</u>	<u>Annual Expense</u>
Regular Pay	2,093	\$ 38.50	\$ 80,583
Holiday Pay	96	\$ 38.50	\$ 3,696
Night Differential	52	\$ 38.50	\$ 2,002
Vacation	96	\$ 38.50	\$ 3,696
Sick Leave	96	\$ 38.50	\$ 3,696
Total Patrol Deputy Pay			\$ 93,674
<u>BENEFITS</u>			
PERA		17.70%	\$ 16,580
Employer Liability		4.50%	\$ 4,215
Medicare		1.45%	\$ 1,358
Life Insurance			\$ 55
Health Insurance/HSA Contribution			\$ 13,700
Total Benefits			\$ 35,909

2024 Costing Detail – 1.0 FTE Patrol Deputy

OPERATING EXPENSES

Vehicle Mileage & Maintenance	21,000	\$	0.655	\$	13,755
Ammunition				\$	441
Cell Phone/Data Card				\$	975
Uniforms/Gear				\$	950
Training				\$	1,191
Total Operating Expenses				\$	17,312

CAPITAL REPLACEMENT EXPENSES

	<u>Useful Life</u>		<u>Initial Cost</u>		
Vehicle	4	\$	61,500	\$	15,375
Mobile/Portable Radios	10	\$	12,077	\$	1,208
Mobile Data Terminal	5	\$	4,228	\$	846
Body Camera & Cradlepoint	5	\$	5,134	\$	1,027
Taser	7	\$	1,700	\$	243
Defibrillator	7	\$	1,500	\$	214
Rifle/Glock	10	\$	2,000	\$	200
Total Capital Replacement Expenses				\$	19,112

ANNUAL CREDITS

Police State Aid Credit				\$	(9,725)
Reimbursed thru POST Board Training				\$	(1,000)
Vehicle Trade-In Value	4	\$	6,500	\$	(1,625)
Total Annual Credits				\$	(12,350)

2024 Costing Detail – 1.0 FTE Patrol Deputy

Overhead Options	Option 1 Actual Cost	Option 2 10% Overhead	Option 3 15% Overhead
Total Patrol Deputy Pay	\$ 93,674	\$ 93,674	\$ 93,674
Total Benefits	\$ 35,909	\$ 35,909	\$ 35,909
Total Operating Expenses	\$ 17,312	\$ 17,312	\$ 17,312
Total Capital Replacement Expenses	\$ 19,112	\$ 19,112	\$ 19,112
Total Annual Credits	\$ (12,350)	\$ (12,350)	\$ (12,350)
Total Personnel Overhead	\$ 31,719	\$ 15,366	\$ 23,049
TOTAL	\$ 185,376	\$ 169,023	\$ 176,706
COST PER HOUR	\$ 88.57	\$ 80.76	\$ 84.43
DISCOUNT FROM ACTUAL COST	N/A	8.82%	4.68%

Note: 10% overhead is commonly used in grants and other contracts

Overhead Option 1 Actual Costs

Portion of non-personnel costs	\$ 233,960
Portion of records staff salary & benefits	\$ 171,214
Portion of SO Admin staff salary & benefits	\$ 274,277
Patrol supervision & training salary & benefits	<u>\$ 829,816</u>
Allocable Overhead	\$1,509,267

- Calculated Overhead per FTE of \$31,719 = \$1,509,267 Allocable Overhead / 47,582 County Residents X 1,000 Estimated Residents served per Deputy fulfilling Policing Contract
- Pine Island & Wanamingo provide office space for Patrol Deputies.

Immediate Issue:

Fees for Cities w/o 2024 Contracts

1. Delay Fee increases until 2025 / Charge \$58.55 per hour in 2024

- Pros

1. Consistency - cities charged the same hourly rate (excluding Dennison & Bellechester)
2. Consistency - cities will be on the same contract cycle starting 1/1/25
3. Cities should be able to cover the cost with Preliminary Levy previously set

- Cons

1. Undercharges for service provided
2. Subsidizes certain cities
3. Does not cover costs of hiring Deputies if add'l cities need services

2. Charge increased Fee in 2024 (Overhead Option 1, 2, or 3)

- Pros

1. Charges amount closer to actual costs
2. Eliminates or reduces subsidies

- Cons

1. Cities will not be charged consistent fees in 2024
2. Cities may not have considered increased Fee when setting Preliminary Levy

City of Goodhue Fee Options

2024 Fee Options	Hourly	Hours	Gross Fee	Equipment Purchase*	Net Fee
PI & Wanamingo Rate	58.55	2,184	127,873	(36,250)	91,623
Actual Cost	88.57	2,184	193,437	(36,250)	157,187
10% Overhead	80.76	2,184	176,380	(36,250)	140,130
15% Overhead	84.43	2,184	184,395	(36,250)	148,145

**Note the GCSO and the City of Goodhue have agreed to transfer one squad car, one portable radio, and one Toughbook for the value of \$36,250. \$1 will be paid to the City of Goodhue to transfer the title. The remaining \$36,249 will be "paid" by reducing the 2024 fee.*

Consensus Item: What to charge the City of Goodhue in 2024?

Consensus Item: What to charge other non-contract cities in 2024?

Overhead Cost Philosophy Moving Forward (Option 1, 2, or 3?)

- Option 1 – Actual Cost
 - Charges actual cost of a Patrol Deputy
 - Accounts for future growth in Sheriff's Office
- Option 2 – 10% Overhead
 - Overhead cost is a standard rate consistent with several grants
 - Does not account for future growth in Sheriff's Office
- Option 3 – 15% Overhead
 - Overhead costs is a standard rate closer to actual cost
 - Partially accounts for future growth in Sheriff's Office

Fee Increase Implementation Timeline (One Year or Two Years?)

- One Year (2025)
 - Pros
 - Eliminates or Reduces Subsidies More Quickly
 - Cons
 - City Levy Increases may be large
- Two Years (2025-2026)
 - Pros
 - Spreads City Levy Increases over time
 - Cons
 - Subsidies Continue for extended period of time

Fee Increase Timeline Options

Overhead Option 1 - Actual Costs						
Increase to Actual in 2025	2023	2024	2025	2026		
Pine Island & Wanamingo	\$ 55.83	\$ 58.55	\$ 94.58	\$ 100.89		
Bellechester & Dennison	\$ 36.50	\$ 40.07	\$ 94.58	\$ 100.89		
Goodhue	\$ 55.83	\$ 58.55	\$ 94.58	\$ 100.89		
Increase to Actual over 2 Years (2025-2026)	2023	2024	2025	2026		
Pine Island & Wanamingo	\$ 55.83	\$ 58.55	\$ 75.67	\$ 100.89		
Bellechester & Dennison	\$ 36.50	\$ 40.07	\$ 75.67	\$ 100.89		
Goodhue	\$ 55.83	\$ 58.55	\$ 75.67	\$ 100.89		

Overhead Option 3 - 15% Overhead						
Increase to Actual in 2025	2023	2024	2025	2026		
Pine Island & Wanamingo	\$ 55.83	\$ 58.55	\$ 86.22	\$ 91.95		
Bellechester & Dennison	\$ 36.50	\$ 40.07	\$ 86.22	\$ 91.95		
Goodhue	\$ 55.83	\$ 58.55	\$ 86.22	\$ 91.95		
Increase to Actual over 2 Years (2025-2026)	2023	2024	2025	2026		
Pine Island & Wanamingo	\$ 55.83	\$ 58.55	\$ 72.12	\$ 96.15		
Bellechester & Dennison	\$ 36.50	\$ 40.07	\$ 72.12	\$ 96.15		
Goodhue	\$ 55.83	\$ 58.55	\$ 72.12	\$ 96.15		



Questions / Establish Consensus



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