



MEMORANDUM

TO: Mayor and City Councilors

FROM: Rich Olson, City Manager
Eddie M. Buffaloe, Jr., Chief of Police

DATE: September 18, 2014

RE: Discussion/Consideration - Proposal to Reduce Police Personnel Salary Expense

In June 2014 after finding a \$200,000 overage in the Personnel Salary line item for police employees, staff completed a cost comparison to determine the budget impact of having all 59 sworn officers remain on an 84-hour bi-weekly schedule. The results of the cost comparison are as follows:

Cost of 80 Hour Police Work Schedule <i>(includes Benefits)</i>	\$4,153,853
Cost of 84 Hour Police Work Schedule <i>(includes Benefits)</i>	\$4,269,795
Projected Cost of 80 Hour Schedule Adding Internal Promotions FY 14-15 <i>(approximately \$32,845 increase)</i>	\$4,186,698
Projected Cost of 84 Hour Schedule Adding Internal Promotions FY 14-15 <i>(approximately \$32,845 increase)</i>	\$4,302,640

The budget impact for FY 2014-15 will be \$150,000, which involves \$120,000 in order to maintain the current 84 hour work schedule, and internal promotions of \$32,845 (this will affect only police officers currently at the rank of Police Recruit, Probationary Police Officer, Police Officer I, and Police Officer II). The General Fund balance is at 8%. Funding this shortfall from Unappropriated Fund Balance is not an option.

Staff has carefully reviewed all variables involved and believes there are two options that would remedy this issue. The following is a list of two proposals, which staff believes would be effective in lowering costs associated with police personnel salaries:

OPTION #1

Decrease bi-weekly hours from 84 to 80 for all sworn personnel. This option causes no impact to budget other than the internal promotions expected to occur within FY 14-15. Projected increase of internal promotions is \$32,845 and will affect only police officers currently at the rank of Police Recruit, Probationary Police Officer, Police Officer I, and Police Officer II. Employees at rank of Police Officer III and above, as well as all civilian staff members, would not be affected, as no increase will occur in FY 14-15. The advantage to this option is that it has the most significant impact on the budget, with a cost savings of \$115,942 in police personnel salaries (including benefits). Logistically, officers would remain on their regular 12-hour permanent day/night shifts and supervisors would give them off the extra 4 hours within the two-week pay cycle. The disadvantage to this option is that morale will decrease because officers view this option as a pay-cut. Historically, patrol officers have received bi-weekly pay based upon 84 hours worked for the past 12 years; all other sworn officers began to receive bi-weekly pay based upon 84 hours in July 2012.

OPTION #2

Reducing the pace of hiring process, the department has slots for 59 sworn positions and currently three of those slots are vacant. The hiring process takes approximately 90 – 120 days to complete. By slowing the hiring process in filling the three vacancies, this would create costs savings in lapsed salaries up to \$118,746 (excluding benefits). The advantage to this option is it will allow police personnel to remain on their regular 84-hour bi-weekly work schedule. Additionally, City residents will still receive adequate police services; with a total of 56 sworn officers on the force, calls for service would still be answered without interruption. The disadvantage to this option is that it would only be a temporary solution. It may also require specialized units such as Community Policing to assist the Patrol Division, causing a slight interruption in their normal duties and assignments.

FINANCE COMMITTEE RECOMMENDATION:

The Finance Committee discussed this matter during their meeting of September 18, 2014; and referred the matter to the City Council for further discussion without recommendation.

STAFF RECOMMENDATION:

It is staff's recommendation that Option #2 be utilized in lowering police personnel salaries. Freezing the three vacant positions temporarily will allow savings of up to \$118,746 (excluding benefits). An additional \$70,000 allotted for building purchase can be transferred to the Salaries line item via budget amendment request. The remaining \$11,254 (to account for the entire \$150,000 overage) can be transferred from the Firing Range line item to the Salaries line item via budget amendment.

Staff is expected to receive notification concerning the additional police officer position sought using COPS grant funding during the month of September 2014. If the additional position were approved, the number of police officer positions would increase from 56 to 57, which would help offset freezing one of the vacant positions.

In addition, Chief Buffaloe has received a request from Chief Manley of ECSU to have Elizabeth City Police officers once again help supplement ECSU's police force. Chief Manley is requesting a total of 2912 hours for the next school year. Officers are paid \$20.00 per hour, which exceeds their hourly rate by several dollars per hour. I have asked Chief Buffaloe to draft a Standard Operating Procedure that restricts the hours an officer can work outside employment. I mention this just to show the Council that there is an offset if the police officer hours are cut.

In closing, staff will continue to find a more permanent solution to remedy the overage in salaries expenditures; but believes Option #2 is the appropriate course of action at the present time.