



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Sheriff-Coroner
Department No.: 032
For Agenda Of: September 19, 2023
Placement: Administrative
Estimated Time:
Continued Item:
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Sheriff's Office Bill Brown, Sheriff-Coroner (805-681-4290)
Contact Info: Lt. John Maxwell (805-681-4185)
SUBJECT: Agreement to Provide Law Enforcement Services between the County of Santa Barbara and the Cities of Buellton, Carpinteria, Goleta, and Solvang

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management, CEO Budget

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute four separate agreements between the County of Santa Barbara and the Cities of Buellton, Carpinteria, Goleta, and Solvang for the Sheriff to provide law enforcement services for a term of four (4) years with an aggregate FY 22/23 revenue of \$22,528,192, increasing by an annual escalator thereafter, and three (3) optional one-year extensions;
- b) Approve Budget Journal Entry 0009325 to decrease budgeted revenues of \$890,800 in Sheriff General Fund in Charges for Services offset by an Intrafund Expenditure Transfer (-) from the General County Programs General Fund. Increase appropriations of \$890,800 in General County Programs General Fund for Intrafund Expenditure Transfers (+) funded by release of Restricted Public Safety Prop 172 fund balance (\$479,600) and Committed Litigation fund balance (\$411,200).
- c) Determine that the recommended action is not a "Project" within the meaning of California Environmental Quality Act, pursuant to CEQA Guideline Section 15378(b)(4), since the recommended action is a government fiscal activity which does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

This item is on the agenda to execute four separate Agreements (FY 23-27 Agreements) between the County of Santa Barbara and the Cities of Buellton, Carpinteria, Goleta, and Solvang (“Contract Cities”) for the Sheriff to provide law enforcement services to the Contract Cities. The term is for a period of four (4) years with three (3) optional one-year extensions, with each extension requiring mutual agreement by the parties and subject to the parties’ respective legislative bodies for approval. The contract includes an agreed upon annual cost escalator based on projected budgeted costs.

The contract costs for the first year of the Agreements (FY 23/24) were derived utilizing a new cost model based on actual costs and projected budgeted costs. The following table summarizes the FY 23/24 costs by city:

City	Goleta	Carpinteria	Solvang	Buellton	TOTAL
FY 23/24 Cost	\$10,884,869	\$6,059,014	\$2,856,941	\$2,727,368	\$22,528,192

For the remaining three (3) years of the Agreements, and for any agreed upon extensions, the parties agreed to utilize an annual cost escalator. The escalator is based on Sheriff’s Deputy job class MOU increases, plus an additional 2.78% annual increase in overall contract costs.

Background:

On July 1, 2019, the County entered into four separate Agreements for the Sheriff’s Office to provide law enforcement services to the Contract Cities (FY 19-23 Agreements). Each respective Agreement was set to expire on June 30, 2023.

In November 2022, the County and the Cities entered into negotiations regarding successor agreements. The parties agreed to move away from the Deputy Sheriff Service Unit (DSSU) cost model of the FY 19-23 Agreements, which calculated costs at an hourly rate. This method of cost calculation proved to be burdensome and complicated and resulted in cost disputes among the parties. The County and the Contract Cities agreed that a new cost model would increase transparency and reduce complexity in recovering the costs involved in providing law enforcement services.

The involved stakeholders met regularly over the course of several months to agree upon a new cost model and narrow the issues in dispute. However, additional time was necessary to negotiate agreements to ensure the County achieved full cost recovery for the provision of law enforcement services to the Contract Cities. On June 6, 2023, the parties executed a Third Amendment to the FY 19-23 Agreements, which extended the term for a maximum period of ninety (90) days, up to and including September 29, 2023, to allow the parties to continue negotiations regarding the costs and terms of a successor agreement. During the ninety (90) day extension, each Contract City paid the County a 7.4% increase over the FY 22/23 contract costs. Upon entering into the FY 23-27 Agreements presently before the Board, a reconciliation between this 7.4% increase and the agreed upon FY 23/24 contract rates will be performed to ensure the County achieved full cost recovery during the period of the extension.

Following extensive negotiation, the parties collaboratively agreed to an updated cost model that ensures full cost recovery for the County and stability for the Contract Cities. The FY 23-27 Agreements calculate costs based primarily upon the number of sworn personnel needed to provide the equivalent of 24/7 law enforcement services (defined in the Agreements as a patrol post). The cost model is used to determine the base year contract cost and encompasses both projected budgeted costs and prior year costs. The costs for the remaining three years of the Agreements are based on the initial FY 23/24 calculated cost with an agreed upon annual escalator.

Because the cost of staff is the largest cost driver, the escalator incorporates a base increase for salaries that mirrors any salary-based MOU increase for the Deputy Sheriff job class, including side letters and other adjustments to the MOU. In addition, the escalator includes an additional 2.78% annual increase to account for all other increases – health, pension, insurances, services and supplies, etc. that are anticipated to increase at rates higher than the DSA MOU rate- over the term of the Agreements. The MOU + 2.78% calculation is applied to the full initial contract cost for each city, which then becomes the base computation for the following year. The escalator was derived using a combination of actual costs for the last three years as well as known projected costs to ensure that it accounts for full cost recovery. In sum, the annual cost escalator is determined by (1) salary-based MOU increase for the Deputy Sheriff job class plus (2) an annual 2.78% cost escalator.

Fiscal and Facilities Impacts:

Budgeted: Partial

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$890,800	\$479,600	\$411,200
State			
Federal			
Fees			
Other:			
Total	\$890,800	\$479,600	\$411,200

Narrative: The Sheriff’s Office has analyzed and finalized the cost model and contract for law enforcement services to the Contract Cities. An annual or mid-year escalator was calculated using prior year actual and projected budgeted costs. This calculated and agreed upon escalator anticipates future costs and allows the Sheriff’s Office to maintain full cost recovery for the services provided to the Contract Cities.

During the development of the current budget an estimate for contract city revenues was calculated in order to complete the process. Since that time, the estimates have changed. This budget revision finalizes the city contract revenues for FY 23/24. The CEO’s office anticipated changes to the contract and set aside funding for this during the budget process. This budget revision decreases budgeted revenues of \$890,800 in Sheriff General Fund in Charges for Services offset by an Intrafund Expenditure Transfer (-) from the General County Programs General Fund. Increased appropriations of

\$890,800 in General County Programs General Fund for Intrafund Expenditure Transfers (+) are funded by the release of Restricted Public Safety Prop 172 fund balance (\$479,600) and Committed Litigation fund balance (\$411,200). Ongoing available Prop 172 or General Fund cost funding in the amount of \$479,600 will be incorporated into the Sheriff's Office budget going forward. The funding from the Committed Litigation fund balance is one time and will be absorbed by the Sheriff's Office for future years.

Special Instructions:

Please execute four Agreements to Provide Law Enforcement Services between the County of Santa Barbara and the Cities of Buellton, Carpinteria, Goleta, and Solvang. Please retain one original of each, and forward the remaining originals to the Sheriff's Office, Attn: Lt. John Maxwell. The parties are concurrently taking the Agreements to their respective legislative bodies; upon execution by all parties, a fully executed original of each Agreement will be provided to the Clerk of the Board

Attachments:

- a) Agreements to Provide Law Enforcement Services Between the County of Santa Barbara and the Cities of Buellton, Carpinteria, Goleta, and Solvang.
- b) Budget Journal Entry 0009325

Authored by:

John Maxwell, Sheriff's Lieutenant – Contract Services Bureau (805-681-4185)