



SHERIFF
KING COUNTY

COST MODEL REVIEW FOR CONTRACT CITIES

Summary of MGT Consulting's Report on
King County Sheriff's Office
Final Report May 31, 2023





EXECUTIVE SUMMARY

BACKGROUND

Carnation is a Contract City for King County Sheriff's Office (KCSO) that utilizes the Shared Supervision Model.

PROJECT OBJECTIVES

King County partnered with MGT to conduct and provide a detailed assessment of the KCSO practices for allocating costs to its 16 Contract Entities.

SUMMARY OF FINDINGS

MGT met with County and Contract City Representatives, reviewing the Interlocal Agreement (ILA) and the Contract Cities Cost Model.

MGT Findings:

- Contract Cities acknowledge the benefits of having a relationship with KC.
- Generally, Contract Cities are pleased with KCSO services but are concerned with recent cost increases and vacancies of sworn personnel.
- Primary driver of cost increases was the multi-year Collective Bargaining Agreement (CBA) and the recent increase in risk management.
- KCSO Contract has a significant impact on local budgets.
- Current Cost Model reflects the ILA but is too complicated.
- Contract Cities seek transparency and simplification of the Cost Model.

SUMMARY OF MGT RECOMMENDATIONS

MGT provides supporting analyses for these recommendations within the detailed Cost Model Review for Contract Cities Report for King County.

MGT Recommendations:

- KCSO should adopt an Enterprise Fund Model for budgeting and reporting of costs associated with services provided to all 16 Contract Entities in compliance with the Government Accounting Standards Board (GASB).
- The new Model will increase transparency in reporting and simplify the accounting and preparation costs associated with the current Model.
 - Enterprise fund will assist parties in development of multi-year financial plans.
 - Recommends monthly and annual reporting of planned vs. actual expenses.
 - Improves the sharing of information.



SUMMARY OF MGT RECOMMENDATIONS

CONTINUED

MGT recommendations to current Policies and Procedures in addressing issues of transparency and allocation of Costs to Contract City's.

Changes to Current Policies:

- KCSO should post all reports on a shared website so that every Contract Entity can access said reports - improving transparency and customer relations.
- KCSO should estimate the Reconciliation Credits for the prior year and reduce the amount in estimate for Proposed Exhibit B, basing the estimates on Reconciliation Credits from the past 2-3 years of Adjustments.
- KCSO should request the County's HR department designate an analyst to expedite the updates to PeopleSoft system.



EXHIBIT B EX:

KCSO document, established by the ILA which identify the costs charged to each Contract City.

Separate Exhibit Bs are prepared for each city twice annually (Proposed and Adopted), outlining the following:

- Cost of Dedicated Personnel
- Additional Police Services
- Overhead

Carnation	Cost Book: Adopted
Exhibit B	Draft or Final: DRAFT
	Date: 5-May-21
DRAFT 2021 Adopted Cost Book	

Dedicated Police Services	Units	Salary	Benefits	Adjustmt	Total Cost	FTEs
Officers	1.0	\$111,017	\$35,946	\$2,885	\$149,848	1.00
Overtime (optional)					\$0	--
Adjustment					\$8,966	--
Cost of Dedicated Personnel, Subject to Reconciliation					\$158,814	1.00
Uniform, Equipment, and Supplies Vehicles					\$1,672	--
Cell Phones	1			\$998	\$998	--
800MHz					\$2,354	--
Subtotal, Dedicated Police Services					\$178,682	1.00

Additional Police Services	Units	Salary	Benefits	Other Costs	City Cost	FTEs		
Precinct Command Staff	0.55%	\$701,303	\$158,429	0.55%	\$98,078	\$5,238	0.02	
Patrol Supervision		\$1,687,071	\$489,049	1.11%	\$141,110	\$424,169	\$14,220	0.07
Detective Supervision		\$39,939	3.00%	\$111,017	\$35,946	\$25,537	\$2,295	0.01
Shared Patrol		1.11%	\$347,172	\$109,712		\$33,837	\$157,398	0.87
Shared Detectives		2.01	Per Precinct FTE			\$100,457	\$6,193	0.03
Precinct Support Staff		0.23%	\$6,194,661	\$2,639,101	0.00%	\$3,410	\$6,838	0.05
Communications/Dispatch		\$23,468	\$7,041	0.23%	\$3,246,108	-\$109,729	\$20,002	0.18
Hostage Negotiation Team		\$1,041,714	0.00%	\$793,971	\$256,287	\$16,690	\$0	0.00
Major Crimes Investigation		0.00%	\$323,164	\$95,717		\$1,158,651	\$12,359	0.06
MARR Unit						-\$401,588	\$0	0.00
SWAT (TAC-30) Team						\$325,886	\$0	0.00
Fire Investigation Unit							\$1,242	0.01
Subtotal, Additional Police Services					\$225,786	1.30		

Central County Overhead	2.0%	\$9,340
Sheriffs Office Overhead	6.3%	\$29,646
Direct Support Services Overhead	6.4%	\$30,312
Subtotal, Overhead	14.6%	\$69,298
TOTAL CONTRACT COST		\$473,766

Amount 2021 cost	DECREASED due to workload =	-\$6,623
Total Wireless Cards:	Less: 2020 Adopted Exhibit	-\$468,693
	Increase/(Decrease) Over Prior Year	\$5,074 1.1%
	Excluding: Impact of workload	\$6,623
	Increase Over Prior Year (excluding workload)	\$11,697 2.5%

Carnation Overhead Paid by Each Contract City - (2021 Adopted Exhibits)

Central County Overhead	No Charge	Charge	Carnation
Building Occupancy – Downtown Seattle Complex		Y	\$ 815
Building Occupancy – Com Center		Y	135
Building Occupancy – PMU		Y	595
Building Occupancy – Range		Y	571
Building Occupancy – Pacific Raceways		Y	159
Building Occupancy – Photo Lab		Y	82
Subtotal, Building Occupancy – Other		Y	1,542
General Government (County Executive, Deputy Executive, Council, etc.)	N		
Bus Pass Subsidy Program	N		
Budget Services and Office of Performance, Strategy & Budget	N		
Personnel Services (Labor relations, recruitment, education, training, civil rights compliance, etc.)		Y	2,967
Financial Management (Central payroll, accounting systems, data processing, etc.)		Y	634
Fixed Assets/Real Property Management (Central maintenance of fixed asset inventory & leases)		Y	104
Ombudsman & State Auditor	N		
Central County Records Management (Not KCSO Police records)	N		
Business Relations Economic Development	N		
Office of Emergency Management	N		
Officer Insurance		Y	3,278
Subtotal			\$9,340
% of Total Exhibit			2.0%

Sheriff's Office Overhead	No Charge	Charge	Carnation
Sheriff Administration	N		-
Inspectional Services Unit	N		
Budget & Accounting		Y	4,103
Contract Services		Y	685
Internal Investigations		Y	2,913
Information Services Section		Y	6,083
Legal Unit		Y	1,214
Personnel Section		Y	4,002
Public Disclosure Unit		Y	3,134
Research, Planning & Informational Services		Y	2,183
Precinct Facility Charges		Y	462
Precinct Facility Credits		Y	
Patrol Ops Unit		Y	3,598
System Service Messaging		Y	1,201
Major Accident Response & Reconstruction (Officer involved accidents)		Y	169
Misc. Revenue – From HUD, SRO & False Alarm Civil Penalty		Y	(102)
Subtotal			\$29,646
% of Total Exhibit			6.3%

Direct Support Services Overhead	No Charge	Charge	Carnation
Photo Lab		Y	542
Polygraph Unit		Y	418
Property Management Unit & Evidence Storage		Y	3,702
Records (e.g. police reports & criminal history)		Y	3,254
Data Unit (e.g. warrants, orders, DVIU reports and MARK43 RMS system)		Y	4,044
Ravensdale Firing Range		Y	2,314
Training Unit		Y	16,038
Subtotal			\$30,312
% of Total Exhibit			6.4%
TOTAL Overhead			\$ 69,298
% of Total Exhibit			14.6%
Total 2021 Adopted Exhibit			\$ 473,766



MGT REVISIONS TO THE ILA

MGT Recommendations for County and Contract Cities to revise the Interlocal Agreement (ILA):

- Remove services KCSO no longer offers due to budgeting.
- Clarify types of arrangements that Contract Cities can select.
- Provide for the preparation of one Exhibit B for each Contract City 3 months before the start of the Fiscal Calendar Year.
- Reflect the recognition of historical reconciliation adjustments in Exhibit B to reduce the size of Post-Year Adjustments.
- Authorize KCSO to develop materials that better explain the operation of the ILA and Cost Model. (Visual displays, Excel, Flow Charts, Videos)
- KCSO should develop a Succession Plan to ensure smooth transition of responsibilities.
- KCSO and Contract Cities should develop protocols for use of non-sworn personnel for activities where sworn personnel are not necessary (Parades, School Traffic)



MGT REPORT HIGHLIGHTS

POTENTIAL ALTERNATIVES TO COST ASSUMPTIONS FOR SUSTAINABILITY

Discussed more in depth in Section VII of Report:

- Primary driver in increasing costs is the increase in dedicated Full-Time Equivalents (FTEs) and the increase in Salary and Benefits for KCSO personnel.
- MGT recommends KCSO make appropriate adjustments to Salaries and Benefits, along with related Costs, to account for vacancies.

Section VII Highlights:

- Analyses of Exhibit Bs from 2013-2022 of the 12 Contract Cities:
 - Significant Adopted Cost increases were highly correlated with increases in FTEs and Salaries and Benefits for those positions.
 - Total overhead costs as percentage of Total adopted costs increased from 12% to 15%.

REVIEW CALCULATION OF CREDITS FOR VACANCIES AND OVERTIME ASSUMPTIONS

Discussed more in depth in Section VI of Report:

- Overtime amounts are estimated based on comparing Actual overtime chargers for one month annualized and Amounts charged for prior year.
- Current Methodology does not provide Credit for vacancies in Annual Allocation Process.
 - MGT recommends Credits be included in the Annual Reconciliation Process for overhead related to vacancies.

ENTERPRISE FUND MODEL

RECOMMENDATIONS FOR BASES OF ALLOCATION

MGT Recommendations provide a bases for New Costs Allocation Model, including Bases of Allocation:

- Implementation of Contract Cities Enterprise Fund
- Utilization of Actual Expenditures vs. Proposed Budget
- Determine Invoicing Process (Quarterly, Annually)

An enterprise fund is a separate accounting and financial reporting mechanism for which revenues and expenditures are segregated into a fund with financial statements separate from all other governmental activities.

- Identifies the total direct and indirect costs to provide the service and the sources and amounts of revenues that support the service for which a fee is charged in exchange for service.
- Direct costs generally consist of personnel services, expenses and capital outlay, which are budgeted and accounted for in the enterprise fund.
- Indirect costs are expenditures budgeted and accounted for in the general fund on behalf of the enterprise fund, which are allocated to the enterprise fund for funding.



IMPLEMENTATION

MGT can be available to assist in recommending Implementation steps once the County Oversight Committee agrees.

CONTRACT CITIES AND COST UNIT STAFF IDEAS FOR NEW PROGRAMS

Initiatives Mentioned:

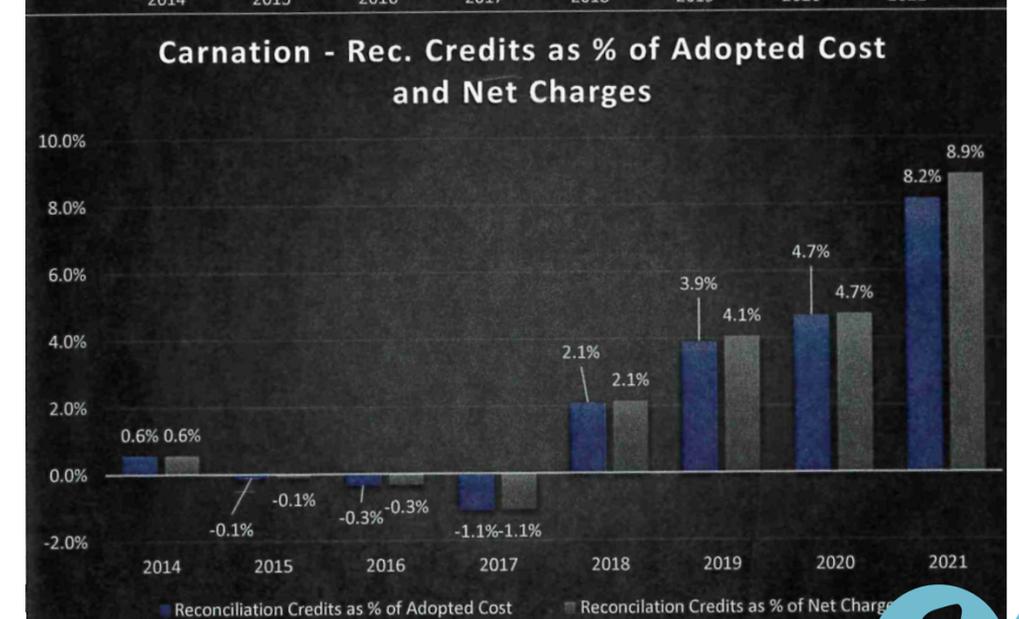
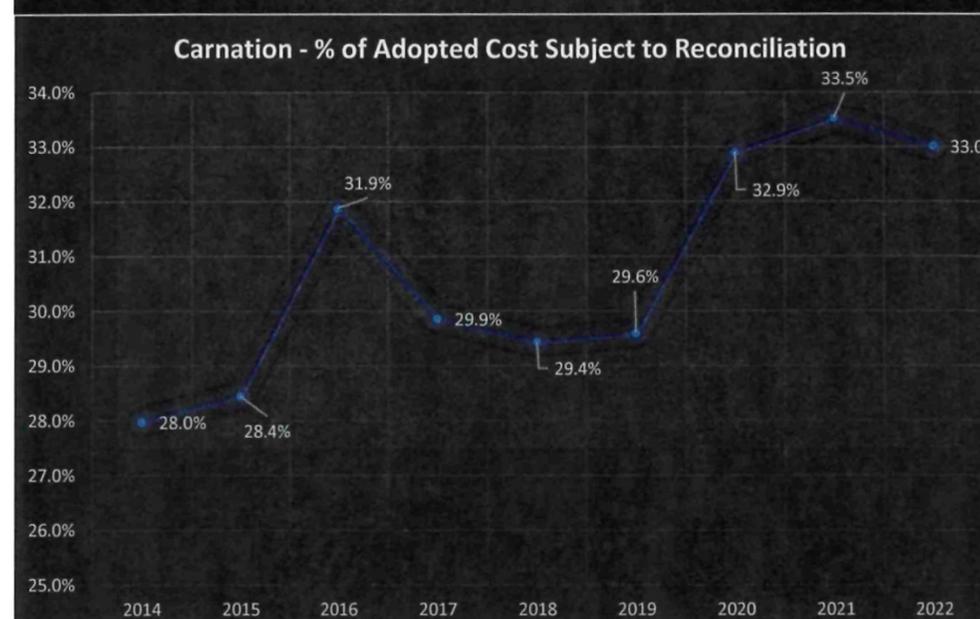
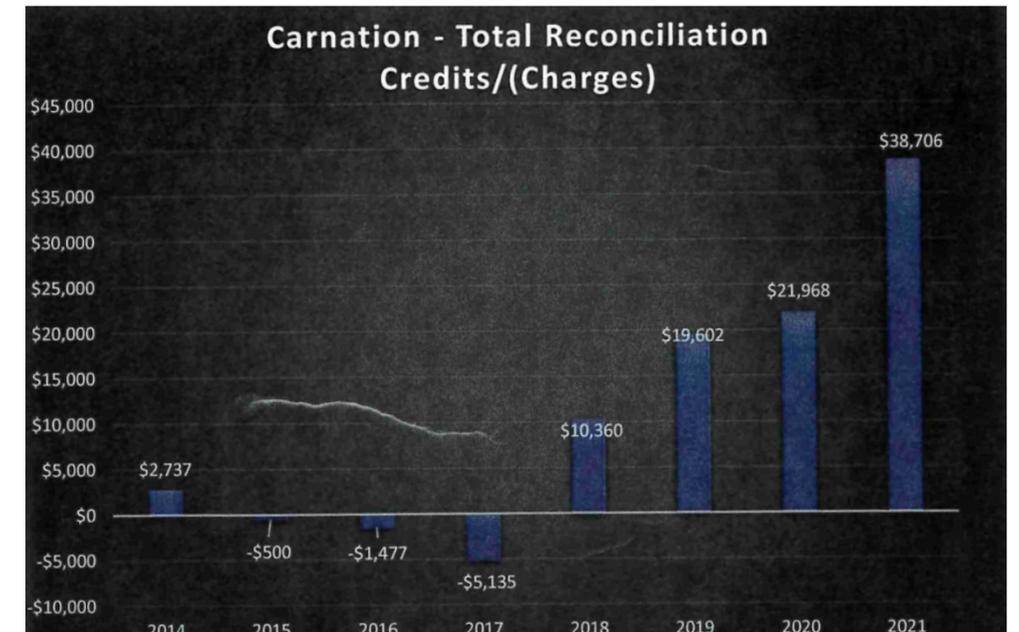
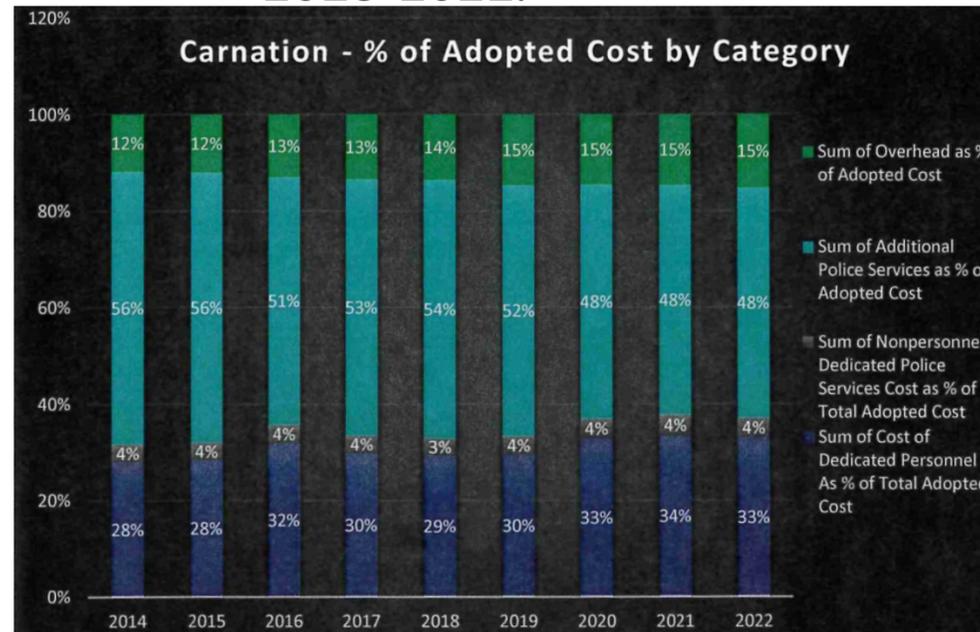
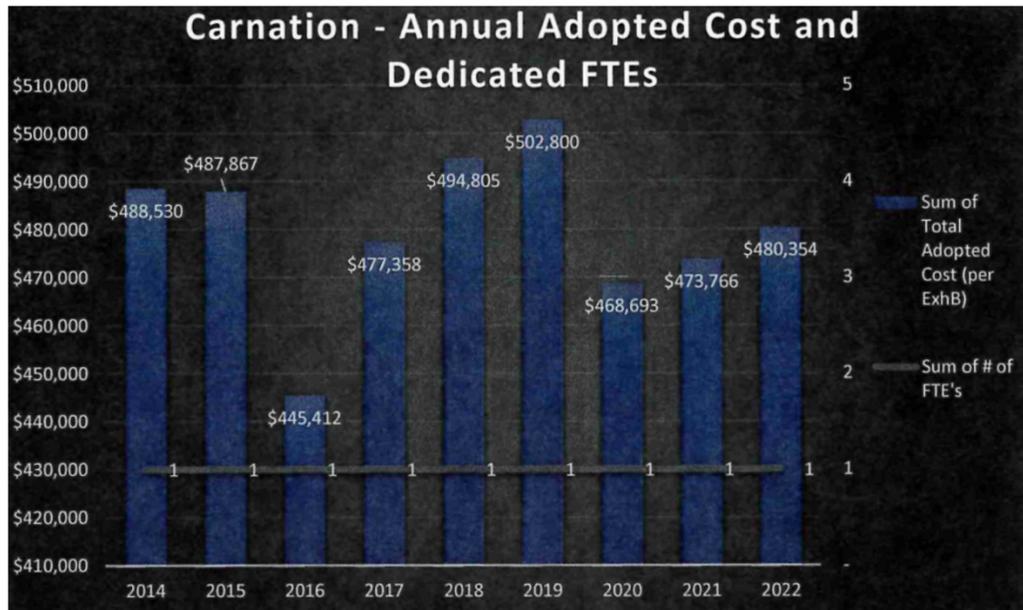
- Body Cameras.
- Training of Officers on engagements and anti-bias issues.
- Improved Crime reporting at the Contract City level.
- Expanded gun buyback program.



COST BOOK AND RECONCILIATION ANALYSIS: CARNATION

Summary for Carnation (Shared Supervision Model):

- 2016 decrease in Adopted Costs of 8.7% due to Patrol Services.
- 2017 increase in Adopted Costs due to Shared Patrol increase of \$20K.
- Overhead as percentage of Adopted Cost increased from 12% to 15% from 2013-2022.
- Reconciliation Credits were between 2.1% to 8.2% of Adopted Cost from 2018-2021.





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THANK YOU

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