

# STAFF REPORT

## CITY OF YORBA LINDA

Administration Department

**DATE:** July 17, 2012

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** STEVEN A. RUDOMETKIN   
CITY MANAGER

**SUBJECT:** AWARD OF CONTRACT TO THE ORANGE COUNTY SHERIFF'S DEPARTMENT FOR THE PROVISION OF LAW ENFORCEMENT SERVICES; AND APPROVAL OF RESOLUTION 2012-5148 AUTHORIZING PARTICIPATION IN THE ORANGE COUNTY SHERIFF'S DEPARTMENT TRAFFIC VIOLATOR APPREHENSION PROGRAM AND ADOPTION OF ADMINISTRATIVE FEES

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### RECOMMENDATION

It is recommended that the City Council approve the contract with the Orange County Sheriff's Department to provide police services to the City of Yorba Linda. In connection therewith, it is also recommended that the Council approve Resolution 2012-5148 authorizing participation in the Orange County Sheriff's Department Traffic Violator Apprehension Program and adoption of Administrative fees.

### BACKGROUND

At the November 1, 2011 City Council meeting the City Council discussed options for the provision of police services to the City. At the conclusion of the discussion, the Council chose one of the alternatives provided in the staff report and directed staff to: 1) create a formal Request for Proposal (RFP) for Police Services for the purpose of distribution by invitation to surrounding agencies, including the Orange County Sheriff's Department and the City of Brea; and 2) to serve notice on the City of Brea of termination of the current police services contract between the cities of Yorba Linda and Brea. The City Manager, on behalf of the Council sent a letter dated November 3, 2011 to the City of Brea Police Chief and City Manager formally serving notice to terminate the police services contract on May 3, 2013, 18 months from receipt of the notice letter.

Staff, with the assistance of the consulting firm Ralph Andersen & Associates, then prepared the RFP for the Provision of Law Enforcement Services. On January 3, 2012 the Request for Proposals was released to the surrounding agencies, including the cities of Anaheim, Brea, Corona, Fullerton, Orange, and Placentia, and the Orange County Sheriff's Department.

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At the March 6, 2012, City Council meeting, the Council directed staff to bring back a report with the number of law enforcement agencies submitting proposals and to provide the Council with various ideas on how to handle a Special Meeting on the matter. At the March 20, 2012 Council Meeting the City Council agreed upon a format for the Special Meeting to be held on April 24, 2012. During this same time period on March 9, 2012, the City of Anaheim requested a two week extension of the March 15 deadline to submit proposals. In response, an extension of one week and one day was granted. The new deadline was Friday, March 23, 2012 at 5:00 p.m. Prior to the new deadline, three agencies submitted proposals, the cities of Anaheim and Brea, and the OC Sheriff's Department.

On April 24, 2012 the City Council held a Special Meeting to consider the three proposals in accordance with the previously approved meeting format. As part of the review process, the City Council was provided with a staff report that included a comparison matrix and corresponding narrative analysis of all three proposals by the consulting firm of Ralph Andersen & Associates. John Goss and George Rawson of Ralph Andersen & Associates then discussed this analysis in a formal presentation. The three agencies that submitted a proposal each made an oral presentation, which included an opportunity for Council questions.

After Public Comments and discussion, the City Council directed staff to *"negotiate a contract with the Orange County Sheriff's Department contingent on three things; 1) a cost sharing agreement as was discussed, 2) a clean bill of health on the audit that is currently in progress, and 3) a letter of understanding from the Orange County Sheriff's Department to pick up any displaced Brea Police Department officers that meet their background requirements."*

On July 3, 2012 staff presented a report to the City Council asking Council to consider the recently received "counter proposal" correspondence from the City of Brea related to Police Services. In consideration of this correspondence from Brea, staff offered two options to the City Council. After discussion and public comments the Council chose option one, which was to receive and file the correspondence with no further action at this time; and staff would continue on the same path as directed on April 24 and bring forth a contract with the OCSD once the contingency factors are met and all components of the contract are satisfied. For some reason, if OCSD and the City are not able to come to terms on a mutually agreeable contract then staff would come back to City Council for further direction, including the possible reconsideration of Brea's most recent "counter proposal" outlined in its correspondence.

### DISCUSSION

Since the April 24, 2012 City Council Meeting staff has been working with the Orange County Sheriff's Department to satisfy the contingency items and solidify all components of a contract. In addition to a finished contract, we can also report that the Orange

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County Sheriff's Department has completed each of the three contingent items. 1) The cost sharing option of the unincorporated areas can be seen in the contract (**Exhibit 1: Section C – 10**) and referenced as a credit in the final Operations Cost FY 12-13 breakdown (**Exhibit 2**); 2) The County audit issue as it relates to the Sheriff's Department can be reviewed in the *Special Request Audit: Sheriff-Coroner Law Enforcement Service Contract Cost Study for FY 2012-13* (**Exhibit 3**); and 3) A Letter of Understanding from Sheriff Hutchens is attached as **Exhibit 4**, confirming that should displaced Brea police officers meet all background requirements they will be hired by the Sheriff's Department. In addition, the process for inter-jurisdictional transfers and the number of Brea personnel that will be considered for such transfers, is outlined in this Letter of Understanding which is attached to the contract.

The Sheriff's Department first submitted contract documents to the City on June 4, 2012. Since then and throughout the process, staff, along with the City Attorney and the City's law enforcement consultant, reviewed the documents for compliance with the proposal.

**Significant components of the contract are summarized below:**

- **Term** – Agreement shall commence May 3, 2013, unless an earlier commencement date is specified by written amendment, and shall terminate June 30, 2018, unless terminated earlier by either party in the manner set forth in the contract. The term will be consistent with the fiscal year calendar starting July 1, 2013 – June 30, 2018 equating to five (5) years, plus the two additional months of May and June 2013.

Furthermore, if the contract commences prior to May 3, 2013, payment of such services is listed in the agreement as follows:

- "If CITY determines that contract law enforcement services are required earlier than May 3, 2013, SHERIFF, on behalf of COUNTY, and CITY's Manager, on behalf of CITY, are authorized to execute a written amendment to this Agreement that provides as follows and does not materially alter other terms of the Agreement: SHERIFF shall provide to CITY all or a designated part of the law enforcement services specified herein, beginning on a specified date and time. CITY shall pay COUNTY the full costs of providing such services. Such full costs may be greater than those listed herein for the period May 3, 2013 through June 30, 2013, but will be based on the same cost factors."

The estimated daily rate is \$23,609 per calendar day. This cost may be modified to reflect cost increases or decreases pursuant to unresolved issues pertaining to potential changes in salaries and benefits for County employees.

An earlier commencement date would require concurrence in writing between the City of Yorba Linda and the current police services provider, the City of Brea.

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- **Termination** – County or City may terminate this Agreement, without cause, upon two years written notice.
- **Staffing** – The contract is for twenty-one (21) patrol deputies, three (3) motor deputies, and four (4) patrol sergeants. There will always be a minimum of four deputies and one sergeant on duty and the intent is to have peak deployment match the hours of peak demand. One sergeant will be provided during the day and another one at night, seven days a week. The contract also includes two (2) non-sworn Community Services Officers (CSO) to handle parking and traffic duties. There are three (3) investigators who will work normal business hours. One School Resource Officer who will work normal school hours when school is in session and vacation relief when it is not. One Crime Prevention Specialist and one Office Specialist are included, along with a .5 Emergency Management Program Coordinator and a .5 Utility Driver. One Community Support Deputy will work normal business hours. One administrative/investigative sergeant who will work normal business hours and one Lieutenant who will serve as the Chief of Police Services and will work normal business hours. The total number of direct employees is equal to 40 full-time equivalents (FTE's).
- **Staff Deployment** – General deployment as established by the Sheriff (with conference with the City Manager when the need arises) may vary, but in most cases will include eight deputies working the day shift (4 on the first half of the week and 4 during the second half). Five deputies will work swing shift (2, 3, or 4 per day depending on the day of the week). Eight deputies will work night shift (4 during the first half and 4 during the second half of the week). The three motor deputies will work during the day and early evening, and will provide traffic enforcement throughout the week. One CSO will work the first half of the week and the other will work the second half.

In the spirit of economic efficiency and good government, the City of Yorba Linda and the County will share the six (6) deputies who currently, and have for forty years, patrolled the unincorporated areas within the sphere of influence of the City of Yorba Linda. These unincorporated areas are best known as the two "islands" at Fairlynn and Esperanza and the area around the Yorba Linda Country Club. The County will share the cost of providing this coverage by crediting Yorba Linda with the cost of three (3) deputy sheriff positions (half of the current unincorporated Yorba Linda deployment). This proposal will save the City of Yorba Linda approximately \$643,000 per year.

- **Police Facility** – All officers will be deployed from a Yorba Linda Police Services Building located currently at the Arroyo Park Annex Building.

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- **Response Times** – It is the goal of each patrol officer to respond to Priority One Calls in 5 minutes, Priority Two Calls in 12 minutes and Priority Three Calls in 20 minutes. The Police Services Chief will report to the City Manager regularly on the success of meeting these response time goals.
- **In Custody Arrests** – There will be no holding cells at the Yorba Linda Police Services Bldg. In-custody arrests made in the City of Yorba Linda will be booked, as appropriate into the Orange County Jail system at the Intake/Release Center in Santa Ana, or at County Juvenile Hall.
- **Price – First full year of OCSD Contract:**
  - Base Service Level Operations \$8,617,227
  - County Related Start Up (year 1 of 5) \$249,974  
(5 year amortization)
  - City Related Approximate Start Up (radios, motorcycles, volunteer uniforms, facility maintenance and furniture/equipment replacement) \$462,062

**TOTAL FIRST YEAR POTENTIAL COSTS RELATED TO CONTRACT \$9,329,263**

Additionally the City of Yorba Linda may have to pay the City of Brea annually for workers' compensation liabilities related to the City of Yorba Linda until all such claims have expired. The City of Brea estimates the current liability to be approximately \$1.7 million with an annual payment of about \$260,000. City staff is currently investigating the City's responsibility to make this payment in the amount thereof.

**Traffic Violator Apprehension Program (TVAP):**

The TVAP is a program offered as part of the OCSD contract that is no cost to the City. This program is designed to reduce vehicle accidents caused by unlicensed drivers and drivers whose licenses are suspended, as well as educate the public about the requirements of the Vehicle Code and related safety issues. The program operates throughout all unincorporated areas of the County, and cities that contract with the County for Sheriff's law enforcement services.

This is a cost recovery program to pay for continued enforcement. Administrative fees collected will be deposited in the TVAP fund for the use of this program exclusively. In order for the City of Yorba Linda to participate, the City will need to adopt fee Resolution 2012-5148 in the amount and under the terms and conditions set forth therein and attached to the contract. The program will begin upon commencement of the contract with the OCSD.

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### **ANALYSIS**

Staff, along with the City Attorney and the City's law enforcement consultant have reviewed all of the documents for substantial compliance as outlined in the OCSD proposal and amended by OCSD at the April 24, 2012 Special City Council Meeting. It has been determined that the provisions addressed in the contract can be approved as to form and the details of implementation described in the Letter of Understanding will provide excellent service levels for the Yorba Linda community.

The contract specifies staffing levels identical to what was outlined in the OCSD proposal with the addition of a .5 Emergency Management Program Coordinator. Start-up, facility and equipment needs are slightly modified from what was outlined in the proposal due to further refinements and the decision to utilize the Arroyo Park building for deployment. The costs associated with the start-up, facility and equipment have actually decreased over the 5 year life of the contract from the original proposal.

The City will also receive an in-kind savings commitment of approximately \$39,364 for equipment that is available to purchase with County asset seizure funds. However, City Council should be aware that the contract as detailed in the Letter of Understanding includes that the City agrees to provide and pay for sufficient office space for the delivery of law enforcement services. This may include design and construction necessary to provide such space. An estimated cost to provide these modifications is \$500,000, which can be brought back to the Council at a later date through the budget process as a Capital Improvement Project.

The OCSD is confident that there will be no interruption of law enforcement services to the City of Yorba Linda. At 0000 hours, on May 3, 2013, or an earlier date if mutually determined, the Sheriff's Department will assume responsibility for police protection and emergency police services in the City of Yorba Linda and for the management of the services and the law enforcement resources.

### **FISCAL IMPACT**

The value of the OCSD contract is expected to be \$9,329,263 in the first full year of operation, including the City's portion of the start-up costs. Each year thereafter the City may realize a slight decrease in the total costs related to law enforcement services with the completion of the City's front loaded first year start-up costs related to radios and other patrol vehicle equipment. The City will however continue to be responsible for the purchase and maintenance of the motorcycles, which is currently included in the City's start up costs. Please note this annual cost does not include any potential changes to salaries and employee benefits that are addressed during OCSD labor negotiations. In addition, staff will be bringing back a more precise estimate of the construction costs needed to remodel the Arroyo Park building to meet the future needs

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of the OCSD as outlined in the Analysis section of this report.

**ALTERNATIVE**

Receive and file this report and provide further direction to staff.

**EXHIBITS**

**EXHIBIT 1** – Orange County Sheriff's Department Contract, including Letter of Understanding

**EXHIBIT 2** – Final Operations Cost FY 12-13 breakdown

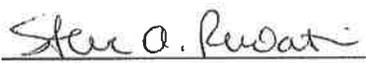
**EXHIBIT 3** – Special Request Audit: Sheriff-Coroner Law Enforcement Service Contract Cost Study for FY 2012-13

**EXHIBIT 4** – Letter of Understanding from Sheriff Hutchens regarding hiring of displaced Brea police officers

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Approved by:

Certified as to Fiscal Impacts:

  
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Steven A. Rudometkin  
City Manager

  
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David J. Christian  
Finance Director



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1 **A. TERM:**

2 This Agreement shall commence May 3, 2013, unless an earlier  
3 commencement date is specified by written amendment, and shall terminate  
4 June 30, 2018, unless terminated earlier by either party in the manner set  
5 forth herein.

6 **B. EARLIER COMMENCEMENT DATE AND OPTIONAL TERMINATION:**

- 7 1. If CITY determines that contract law enforcement services are required  
8 earlier than May 3, 2013, SHERIFF, on behalf of COUNTY, and CITY's  
9 Manager, on behalf of CITY, are authorized to execute a written  
10 amendment to this Agreement that provides as follows and does not  
11 materially alter other terms of the Agreement: SHERIFF shall provide to  
12 CITY all or a designated part of the law enforcement services specified  
13 herein, beginning on a specified date and time prior to May 3, 2013. CITY  
14 shall pay COUNTY the full costs of providing such services for the period  
15 prior to May 3, 2013. Such full costs may be greater than those listed  
16 herein for the period May 3, 2013 through June 30, 2013 but will be based  
17 on the same cost factors. SHERIFF and CITY Manager shall file copies  
18 of any such amendment to this Agreement with the Clerk of COUNTY's  
19 Board of Supervisors and CITY's Clerk.
- 20 2. COUNTY or CITY may terminate this Agreement, without cause, upon two  
21 years written notice given to the other party.

22 **C. REGULAR SERVICES BY COUNTY:**

- 23 1. COUNTY, through its Sheriff-Coroner and deputies, officers and  
24 employees, hereinafter referred to as "SHERIFF," shall render to CITY law  
25 enforcement services as hereinafter provided. Such services shall include  
26 the enforcement of lawful State statutes and lawful municipal ordinances  
27 of CITY other than licensing ordinances. Licensing services by CITY are  
28 detailed in Section F of this Agreement.

1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 2. The night, day and evening patrol and supervisory shifts will be established  
3 by SHERIFF. Personnel of each shift may work varying and different times  
4 and may be deployed to other shifts when, in the opinion of SHERIFF and  
5 CITY Manager, the need arises. Any long-term shift deployment change  
6 will be reported to the CITY Manager.

7 3. Each fiscal year by February 15, COUNTY shall submit to CITY, in writing,  
8 a recommended level of service and estimated cost for the following fiscal  
9 year. CITY shall remit to COUNTY, in writing, its response to the  
10 recommended level of service.

11 Each fiscal year by April 15, COUNTY shall submit to CITY, in writing, a  
12 recommended level of service and final cost for the following fiscal year.

13 CITY shall remit to COUNTY, in writing, its response to the recommended  
14 level of service and final cost. If the parties are unable to agree by June  
15 30 of any fiscal year on the level of service to be provided by COUNTY to  
16 CITY or on the amount to be paid by CITY for services to be provided by  
17 COUNTY for the following fiscal year, COUNTY will provide the level of  
18 service provided in the current fiscal year, and CITY shall be obligated to  
19 pay the costs of such services. The full cost of such services may exceed  
20 the cost of similar services provided in the current fiscal year.

21 4. The level of service, other than for licensing, to be provided by the COUNTY  
22 for the period May 3, 2013 through June 30, 2013, shall be as follows:

23 **Management:**

- 24 • One (1) Lieutenant (Police Services Chief)

25 **Supervision:**

- 26 • Four (4) Sergeants - Patrol (each 80 hours per two-week pay period)  
27 • One half of one (0.50) Sergeant - Administrative (40 hours per two-week  
28 pay period)

1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 **Investigation Services:**

- 3 • One half of one (0.50) Sergeant - Investigative (40 hours per two-week
- 4 pay period)
- 5 • Three (3) Investigators (each 80 hours per two-week pay period)

6 **Patrol Services:**

- 7 • Twenty-one (21) Deputy Sheriff IIs
- 8 (each 80 hours per two-week pay period)
- 9 Deployment to be determined by SHERIFF in cooperation with CITY
- 10 Manager.

11 **Traffic Services:**

- 12 • Three (3) Deputy Sheriff IIs - Motorcycle
- 13 (each 80 hours per two-week pay period)
- 14 Deployment to be determined by SHERIFF in cooperation with CITY
- 15 Manager.

16 **Community Support Unit:**

- 17 • One (1) Deputy Sheriff II – Community Services
- 18 (80 hours per two-week pay period)
- 19 • One (1) Deputy Sheriff II – School Resource Officer
- 20 (80 hours per two-week pay period)
- 21 • One (1) Crime Prevention Specialist
- 22 (80 hours per two-week pay period)
- 23 Deployment to be determined by SHERIFF in cooperation with CITY
- 24 Manager.

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1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 **Records and Other Services:**

- 3 • One half of one (0.50) Utility Driver (40 hours per two-week pay period)
- 4 • One (1) Office Specialist (80 hours per two-week pay period)
- 5 • One half of one (0.50) Emergency Management Program Coordinator
- 6 (40 hours per two-week pay period)

7 **Non-Sworn Parking and Traffic Enforcement:**

- 8 • Two (2) Community Services Officers
- 9 (each 80 hours per two-week pay period)

10 **Regional and Program Support Services:**

- 11 • Regional Traffic Office Services
- 12 • Regional Auto Theft Services
- 13 • In Custody Court Services
- 14 • Motorcycle Program Support by Sergeant

15 5. For any service listed in Subsection C-4 of this Agreement that is  
16 provided to CITY at less than 100% of a full-time SHERIFF position,  
17 COUNTY retains the option to terminate such service in the event the  
18 COUNTY or other city or cities which contract(s) for the balance of the  
19 time of the employee providing the service no longer pay(s) for such  
20 service and CITY does not request the Agreement be amended to pay  
21 100% of the cost of the employee providing such service. The  
22 Maximum Obligation of CITY set forth in Subsection G-3 will be adjusted  
23 accordingly.

24 6. All services contracted for in this Agreement may not be operational on  
25 the precise date specified in this Agreement. In those instances,  
26 SHERIFF shall notify CITY Manager of the date or dates such service or  
27 services are to be implemented. SHERIFF shall reduce the monthly

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1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 charges to CITY, based on the actual date of implementation of the  
3 service or services. Charges shall be reduced on the next monthly billing  
4 tendered in accordance with Subsection G-6 of this Agreement.

5 7. During emergencies, such as a mutual aid situation, SHERIFF will attempt  
6 to leave in CITY the Lieutenant in charge of CITY Police Services. If  
7 SHERIFF determines that the Lieutenant is needed elsewhere, SHERIFF  
8 will notify CITY's Manager within four (4) hours. SHERIFF will return the  
9 Lieutenant to CITY as soon as possible once the emergency situation is  
10 under control.

11 8. With respect to the licensing ordinances of CITY listed in Attachment A  
12 hereto, which is incorporated herein by this reference, SHERIFF shall  
13 receive applications for CITY licenses pursuant to said ordinances and  
14 complete investigations relating to such applications. Said investigations  
15 shall be forwarded to CITY Manager. COUNTY shall not provide any  
16 advisory, administrative, hearing or litigation attorney support or services  
17 related to licensing. COUNTY shall not provide any administrative or  
18 investigatory services related to the licensing ordinances listed in  
19 Attachment A, hereto, except the investigations relating to initial  
20 applications for which this subsection provides.

21 9. COUNTY or CITY, upon thirty (30) days notice and mutual written  
22 agreement, shall increase or decrease the service levels provided herein,  
23 and the obligation of CITY to pay for services shall be concomitantly  
24 adjusted.

25 10. SHERIFF will deploy patrol resources included in this contract to respond  
26 to calls for service in COUNTY unincorporated areas within the sphere of  
27 influence of the CITY. Yorba Linda Police Services deputies will not  
28 handle routine calls for service outside the designated Yorba Linda Police

1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 Services Patrol Zone. The unincorporated areas are identified in  
3 Attachment B hereto, which is incorporated herein by this reference.  
4 Investigative resources included in this contract are intended for the  
5 response to calls for service within the CITY.

6 **D. ENHANCED AND SUPPLEMENTAL SERVICES BY COUNTY:**

- 7 1. Enhanced services for events on CITY property. At the request of CITY,  
8 through its City Manager, SHERIFF may provide enhanced law  
9 enforcement services for functions, such as community events, conducted  
10 on property that is owned, leased or operated by CITY. SHERIFF shall  
11 determine personnel and equipment needed for such enhanced services.  
12 To the extent the services provided at such events are at a level greater  
13 than that specified in Subsection C-4 of this Agreement, CITY shall  
14 reimburse COUNTY for such additional services, at an amount computed  
15 by SHERIFF, based on the current year's COUNTY law enforcement cost  
16 study. The cost of these enhanced services shall be in addition to the  
17 Maximum Obligation of CITY set forth in Subsection G-3 of this Agreement.  
18 SHERIFF shall bill CITY immediately after each such event.
- 19 2. Supplemental services for occasional events operated by private  
20 individuals and entities on non-CITY property. At the request of CITY,  
21 through its City Manager, and within the limitations set forth in this  
22 subsection D-2, SHERIFF may provide supplemental law enforcement  
23 services to preserve the peace at special events or occurrences that occur  
24 on an occasional basis and are operated by private individuals or private  
25 entities on non-CITY property. SHERIFF shall determine personnel and  
26 equipment needed for such supplemental services, and will provide such  
27 supplemental services only if SHERIFF is able to do so without reducing the  
28 normal and regular ongoing services that SHERIFF otherwise would

1 **D. ENHANCED AND SUPPLEMENTAL SERVICES BY COUNTY: (Continued)**

2 provide to CITY pursuant to this Agreement. Such supplemental services  
3 shall be provided only by regularly appointed full-time peace officers, at  
4 rates of pay governed by a Memorandum of Understanding between  
5 COUNTY and the bargaining unit(s) representing the peace officers  
6 providing the services. Such supplemental services shall include only  
7 law enforcement duties and shall not include services authorized to be  
8 provided by a private patrol operator, as defined in Section 7582.1 of the  
9 Business and Professions Code. Law enforcement support functions,  
10 including, but not limited to, clerical functions and forensic science services,  
11 may be performed by non-peace officer personnel if the services do not  
12 involve patrol or keeping the peace and are incidental to the provision of law  
13 enforcement services. CITY shall reimburse COUNTY its full, actual costs  
14 of providing such supplemental services at an amount computed by  
15 SHERIFF, based on the current year's COUNTY law enforcement cost  
16 study. The cost of these supplemental services shall be in addition to the  
17 Maximum Obligation of CITY set forth in Subsection G-3 of this Agreement.  
18 SHERIFF shall bill CITY immediately after each such event.

19 3. Supplemental services for events operated by public entities on non-CITY  
20 property. At the request of CITY, through its City Manager, and within the  
21 limitations set forth in this subsection D-3, SHERIFF may provide  
22 supplemental law enforcement services to preserve the peace at special  
23 events or occurrences that occur on an occasional basis and are operated  
24 by public entities on non-CITY property. SHERIFF shall determine  
25 personnel and equipment needed for such supplemental services, and will  
26 provide such supplemental services only if SHERIFF is able to do so  
27 without reducing services that SHERIFF otherwise would provide to CITY  
28 pursuant to this Agreement. CITY shall reimburse COUNTY its full, actual

1 **D. ENHANCED AND SUPPLEMENTAL SERVICES BY COUNTY: (Continued)**

2 costs of providing such supplemental services at an amount computed by  
3 SHERIFF, based on the current year's COUNTY law enforcement cost  
4 study. The cost of these supplemental services shall be in addition to the  
5 Maximum Obligation of CITY set forth in Subsection G-3 of this  
6 Agreement. SHERIFF shall bill CITY immediately after each such event.

7 4. Notwithstanding the foregoing, CITY, through its permit process, may  
8 utilize the services of the Sheriff at events, for which CITY issues permits,  
9 that are operated by private individuals or entities or public entities.  
10 SHERIFF shall determine personnel and equipment needed for said  
11 events. If said events are in addition to the level of services listed in  
12 Subsection C-4 of this Agreement, CITY shall reimburse COUNTY for such  
13 additional services at an amount computed by SHERIFF, based upon the  
14 current year's COUNTY law enforcement cost study. The cost of these  
15 services shall be in addition to the Maximum Obligation of CITY set forth in  
16 Subsection G-3 of this Agreement. Sheriff shall bill CITY immediately after  
17 said services are rendered.

18 5. In accordance with Government Code 51350, COUNTY has adopted  
19 Board Resolution 89-1160 which identifies Countywide services, including  
20 but not limited to helicopter response. SHERIFF through this contract  
21 provides enhanced helicopter response services. The cost of enhanced  
22 helicopter response services is included in the cost of services set forth in  
23 Subsection G-2 and in the Maximum Obligation of CITY set forth in  
24 Subsection G-3. COUNTY shall not charge any additional amounts for  
25 enhanced helicopter services after the cost of services set forth in  
26 Subsection G-2 and in the Maximum Obligation set forth in Subsection G-3  
27 has been established in any fiscal year without written notification to the  
28 CITY.

1 **E. PATROL VIDEO SYSTEMS:**

2 1. As part of the law enforcement services provided to CITY, COUNTY has  
3 provided, or will provide patrol video systems (hereinafter called "PVS")  
4 that will be mounted in the patrol vehicles designated by COUNTY for  
5 use within CITY service area.

6 2. SHERIFF has the exclusive right to use said PVS for law enforcement  
7 services related to this Agreement.

8 3. CITY shall pay COUNTY the full costs to COUNTY of a) the acquisition  
9 and installation of Patrol Video Systems that are or will be mounted in  
10 patrol vehicles assigned to CITY, and b) recurring costs, as deemed  
11 necessary by COUNTY, including the costs of maintenance and  
12 contributions to a fund for replacement and upgrade of such PVS when  
13 they become functionally or technologically obsolete.

14 The costs to be paid by CITY for acquisition and installation costs are  
15 detailed in the Letter of Understanding which is referenced in Section P.  
16 The costs to be paid by CITY for recurring costs, including maintenance  
17 and replacement/upgrade of PVS, are included in the costs set forth in  
18 Subsection G-2 and the Maximum Obligation of CITY set forth in  
19 Subsection G-3 of this Agreement. CITY shall not be charged additional  
20 amounts for maintenance or replacement/upgrade of said PVS during the  
21 period May 3, 2013 through June 30, 2013.

22 4. If, following the initial acquisition of PVS referenced above, CITY requires  
23 PVS for additional patrol cars designated for use in the CITY service area,  
24 COUNTY will purchase said additional PVS. Upon demand by COUNTY,  
25 CITY will pay to COUNTY a) the full costs of acquisition and installation of  
26 said additional PVS, and b) the full recurring costs for said PVS, as deemed  
27 necessary by COUNTY, including the costs of maintenance, and  
28 contributions to a fund for replacement and upgrade of such PVS when they

1 **E. PATROL VIDEO SYSTEMS: (Continue)**

2 become functionally or technologically obsolete. Said costs related to  
3 additional PVS are not included in, and are in addition to, the costs set forth  
4 in Subsection G-2 and the Maximum Obligation of CITY set forth in  
5 Subsection G-3 of this Agreement.

6 5. County will replace and/or upgrade PVS as needed. The costs of  
7 replacing/upgrade PVS shall be paid by COUNTY from the  
8 replacement/upgrade funds to be paid by CITY in accordance with the  
9 foregoing. CITY shall not be charged any additional charge to replace or  
10 upgrade PVS.

11 **F. LICENSING SERVICES BY CITY:**

12 Upon receipt from SHERIFF of investigations of applications for licenses  
13 referred to in Subsection C-8 of this Agreement, CITY Manager shall  
14 determine whether to grant or deny the licenses and will issue the licenses or  
15 notify the applicants of denial. CITY shall provide all attorney services related  
16 to the granting, denial, revocation and administration of said licenses and the  
17 enforcement of CITY ordinances pertaining to said licenses.

18 **G. PAYMENT:**

19 1. Pursuant to Government Code Section 51350, CITY agrees to pay to  
20 COUNTY the full costs of performing the services mutually agreed upon in  
21 this Agreement. The cost of services includes salaries, wages, benefits,  
22 mileage, services, supplies, equipment, and divisional, departmental and  
23 COUNTY General overhead.

24 2. Unless the level of service described in Subsection C-4 is increased or  
25 decreased, or CITY is required to pay for increases as set forth in  
26 Subsection G-4, the cost of services described in Subsection C-4 of this  
27 Agreement, other than Licensing Services, to be provided by the COUNTY  
28 for the period May 3, 2013 through June 30, 2013, shall be based upon an

1 **G. PAYMENT: (Continued)**

2 annual cost of \$8,617,227 which is prorated as follows:

3 **ALL SERVICE EFFECTIVE MAY 3, 2013** **COST OF SERVICE**

4 **Management:**

- 5 • One (1) Lieutenant (Police Services Chief)  
6 @ \$281,181/each \$ 45,451

7 **Supervision –Patrol and Administrative:**

- 8 • Four (4) Sergeants - Patrol  
9 @ \$256,025/each \$ 165,539  
10 • One half of one (0.50) Sergeant - Administrative  
11 @ \$256,025/each \$ 20,693

12 **Investigation Services:**

- 13 • One half of one (0.50) Sergeant – Investigative  
14 @ \$256,025/each \$ 20,693  
15 • Three (3) Investigators  
16 @ \$254,220/each \$ 123,279

17 **Patrol/Traffic Services:**

- 18 • Twenty-one (21) Deputy Sheriff IIs- Patrol  
19 @ \$214,222/each \$ 727,181  
20 • Three (3) Deputy Sheriff IIs- Motorcycle  
21 @ \$219,189/each \$ 106,292

22 **Community Services Unit:**

- 23 • One (1) Deputy Sheriff II – Community Services  
24 @ \$214,222/each \$ 34,628  
25 • One (1) Deputy Sheriff II – School Resource Officer  
26 @ \$214,222/each \$ 34,628  
27 • One (1) Crime Prevention Specialist  
28 @ \$88,777/each \$ 14,350

1 **G. PAYMENT: (Continued)**

2	<u>SERVICE</u>	<u>COST OF SERVICE</u>
3	<b>Records and Other Services:</b>	
4	• One half of one (0.50) Utility Driver	
5	@ \$70,530/each	\$ 5,701
6	• One (1) Office Specialist	
7	@ \$80,702/each	\$ 13,045
8	• One half of one (0.5) Emergency Management Program Coordinator	
9	@ \$119,639	\$ 9,670
10	<b>Non-Sworn Parking and Traffic Enforcement:</b>	
11	• Two (2) Community Services Officers	
12	@ \$106,085/each	\$ 34,296
13	<b>Regional and Program Support Services:</b>	
14	• Regional Traffic Office Services	\$ 14,289
15	• Regional Auto Theft Services	\$ 4,072
16	• In Custody Court Services	\$ 3,598
17	• Motorcycle Program Support by Sergeant	\$ 2,209
18	<b>Other Charges and Credits:</b>	\$ 13,307
19	<b><u>Charges:</u></b> Premium pay for bilingual staff; contract administration; data	
20	line charges; direct services and supplies; enhanced helicopter	
21	response services; holiday pay, comp and straight time; Integrated	
22	Law & Justice Agency of Orange County; mobile data computer	
23	(MDC) recurring costs; on-call pay; patrol video system (PVS)	
24	recurring costs; training; transportation costs excluding fuel which will	
25	be provided by CITY.	
26	<b><u>Credits:</u></b> Savings for response to unincorporated areas as	
27	defined in Subsection C-10.	
28	<b>TOTAL COST OF SERVICES</b>	<b><u>\$ 1,392,921</u></b>

1 **G. PAYMENT: (Continued)**

2 3. Unless the level of service described in Subsection C-4 is increased or  
3 decreased, or CITY is required to pay for increases as set forth in  
4 Subsection G-4, the Maximum Obligation of CITY for services, other than  
5 Licensing Services, that are referenced in Subsection C-4 of this  
6 Agreement and rendered by COUNTY between May 3, 2013 and June 30,  
7 2013, is \$1,392,921.

8 4-a. At the time this Agreement is executed, there are unresolved issues  
9 pertaining to potential changes in salaries and benefits for COUNTY  
10 employees. The costs of such potential changes are not included in the  
11 FY 2012-13, effective May 3, 2013 through June 30, 2013, cost set forth  
12 in subsection G-2 nor in the FY 2012-13, effective May 3, 2013 through  
13 June 30, 2013, Maximum Obligation of CITY set forth in Subsection G-3  
14 of this Agreement. If the changes result in the COUNTY incurring or  
15 becoming obligated to pay for increased costs for or on account of  
16 personnel whose costs are included in the calculations of costs charged  
17 to CITY hereunder, CITY shall pay COUNTY, in addition to the  
18 Maximum Obligation set forth in Subsection G-3 of this Agreement, the  
19 full costs of said increases to the extent such increases are attributable  
20 to work performed by such personnel during the period May 3, 2013  
21 through June 30, 2013, and CITY's Maximum Obligation hereunder shall  
22 be deemed to have increased accordingly. CITY shall pay COUNTY in  
23 full for such increases on a pro-rata basis over the portion of the period  
24 between May 3, 2013 and June 30, 2013 remaining after COUNTY  
25 notifies CITY that increases are payable. If the changes result in the  
26 COUNTY incurring or becoming obligated to pay for decreased costs  
27 for or on account of personnel whose costs are included in the  
28 calculations of costs charged to CITY hereunder, COUNTY shall reduce

1 **G. PAYMENT: (Continued)**

2 the amount owed by the CITY to the extent such decreases are  
3 attributable to work performed by such personnel during the period May  
4 3, 2013 through June 30, 2013, and CITY's Maximum Obligation  
5 hereunder shall be deemed to have decreased accordingly. COUNTY  
6 shall reduce required payment by CITY in full for such decreases on a  
7 pro-rata basis over the portion of the period between May 3, 2013 and  
8 June 30, 2013 remaining after COUNTY notifies CITY that the Maximum  
9 Obligation has decreased.

10 4-b If CITY is required to pay for increases as set forth in Subsection G-4a  
11 above, COUNTY, at the request of CITY, will thereafter reduce the level  
12 of service to be provided to CITY pursuant to Subsection C-4 of this  
13 Agreement to a level that will make the Maximum Obligation of CITY  
14 hereunder for the period May 3, 2013 through June 30, 2013 an  
15 amount specified by CITY that is equivalent to or higher or lower than  
16 the Maximum Obligation set forth in Subsection G-3 for said period at  
17 the time this Agreement originally was executed. The purpose of such  
18 adjustment of service levels will be to give CITY the option of keeping  
19 its Maximum Obligation hereunder at the pre-increase level or at any  
20 other higher or lower level specified by CITY. In the event of such  
21 reduction in level of service and adjustment of costs, the parties shall  
22 execute an amendment to this Agreement so providing. Decisions  
23 about how to reduce the level of service provided to CITY shall be  
24 made by SHERIFF with the approval of CITY.

25 4-c If COUNTY and CITY agree on an earlier commencement date in  
26 accordance with Subsection B-1, COUNTY shall bill CITY and CITY  
27 shall pay for services as set forth in Subsection C-4 at the daily rate of  
28 \$23,609 per calendar day. In addition, the daily rate may be modified

1 **G. PAYMENT: (Continued)**

2 to reflect cost increases or decreases referred to in Subsection G-4a.

3 5. The Maximum Obligation of CITY for services provided for the 12-  
4 month periods commencing July 1, 2013, 2014, 2015, 2016 and 2017,  
5 will be determined annually by COUNTY and approved by CITY.

6 6. For the period May 3, 2013 to June 30, 2013, COUNTY shall invoice  
7 CITY monthly, one-half (1/2) of the Maximum Obligation of CITY. If a  
8 determination is made that increases or decreases described in  
9 Subsection G-4 must be paid or refunded, COUNTY thereafter shall  
10 include the pro-rata charges or credits for such increases or decreases  
11 in its monthly invoices to CITY for the balance of the period between  
12 May 3, 2013 and June 30, 2013.

13 7. CITY shall pay COUNTY in accordance with COUNTY Board of  
14 Supervisors' approved County Billing Policy, which is attached hereto as  
15 Attachment C, and incorporated herein by this reference.

16 8. COUNTY shall charge CITY late payment penalties in accordance with  
17 County Billing Policy.

18 9. As payment for the Licensing Services described in Subsection C-8 of  
19 this Agreement, COUNTY shall retain all fees paid by applicants for  
20 licenses, pursuant to CITY ordinances listed in Attachment A hereto.  
21 Retention of said fees by COUNTY shall constitute payment in full to  
22 COUNTY for costs incurred by COUNTY in performing the functions  
23 related to licensing described in Subsection C-8; provided, however, that  
24 if any of said fees are waived or reduced by CITY, CITY shall pay to  
25 COUNTY the difference between the amount of fees retained by  
26 COUNTY and the fees that were set forth in the ordinances listed in  
27 Attachment A as of May 3, 2013. Should CITY increase the fee schedule  
28 for the licensing ordinances set forth in Attachment A, either party shall

1 **G. PAYMENT: (Continued)**

2 have the right to seek amendment of this Agreement with respect to  
3 the division of the increased fees between CITY and COUNTY.

4 10. Narcotic asset forfeitures will be handled pursuant to Attachment D  
5 hereto, which is incorporated herein by this reference.

6 **H. NOTICES:**

7 1. Except for the notices provided for in Subsection 2 of this Section, all  
8 notices authorized or required by this Agreement shall be effective when  
9 written and deposited in the United States mail, first class postage  
10 prepaid and addressed as follows:

11 **CITY:** ATTN: CITY MANAGER  
12 4845 CASA LOMA  
13 YORBA LINDA, CA 92886

14  
15 **COUNTY:** ATTN: CONTRACT MANAGER  
16 SHERIFF-CORONER DEPARTMENT  
17 320 NORTH FLOWER ST  
18 SANTA ANA, CA 92703

19 2. Termination notices shall be effective when written and deposited in the  
20 United States mail, certified, return receipt requested and addressed as  
21 above.

22 **I. STATUS OF COUNTY:**

23 COUNTY is, and shall at all times be deemed to be, an independent  
24 contractor. Nothing herein contained shall be construed as creating the  
25 relationship of employer and employee, or principal and agent, between CITY  
26 and COUNTY or any of COUNTY's agents or employees. COUNTY and its  
27 SHERIFF shall retain all authority for rendition of services, standards of  
28 performance, control of personnel, and other matters incident to the

1 **I. STATUS OF COUNTY: (Continued)**

2 performance of services by COUNTY pursuant to this Agreement. COUNTY,  
3 its agents and employees, shall not be entitled to any rights or privileges of  
4 CITY employees and shall not be considered in any manner to be CITY  
5 employees.

6 **J. STATE AUDIT:**

7 Pursuant to Government Code Section 8546.7, CITY and COUNTY shall be  
8 subject to examination and audit by the State Auditor for a period of three (3)  
9 years after final payment by CITY to COUNTY under this Agreement. CITY  
10 and COUNTY shall retain all records relating to the performance of this  
11 Agreement for said three-year period, except that records pertaining to any  
12 audit then in progress, or any claim or litigation shall be retained beyond said  
13 three-year period until final resolution of said audit, claim or litigation.

14 **K. ALTERATION OF TERMS:**

15 This Agreement fully expresses all understanding of CITY and COUNTY with  
16 respect to the subject matter of this Agreement, and shall constitute the total  
17 Agreement between the parties for these purposes. No addition to, or  
18 alteration of, the terms of this Agreement shall be valid unless made in  
19 writing, formally approved and executed by duly authorized agents of both  
20 parties.

21 **L. INDEMNIFICATION:**

22 1. COUNTY, its officers, agents, employees, subcontractors and independent  
23 contractors shall not be deemed to have assumed any liability for the  
24 negligence or any other act or omission of CITY or any of its officers,  
25 agents, employees, subcontractors or independent contractors, or for any  
26 dangerous or defective condition of any public street or work or property of  
27 CITY, or for any illegality or unconstitutionality of CITY's municipal  
28 ordinances. CITY shall indemnify and hold harmless COUNTY and its

1 **L. INDEMNIFICATION: (Continued)**

2 elected and appointed officials, officers, agents, employees, subcontractors  
3 and independent contractors from any claim, demand or liability whatsoever  
4 based or asserted upon the condition of any public street or work property  
5 of CITY, or upon the illegality or unconstitutionality of any municipal  
6 ordinance of CITY that SHERIFF has enforced, or upon any act or omission  
7 of CITY, or its elected and appointed officials, officers, agents, employees,  
8 subcontractors or independent contractors related to this Agreement,  
9 including, but not limited to, any act or omission of CITY related to the  
10 maintenance or condition of any vehicle or motorcycle that is owned or  
11 possessed, and maintained by CITY, and used by COUNTY personnel in  
12 the performance of this Agreement, for property damage, bodily injury or  
13 death or any other element of damage of any kind or nature, and CITY shall  
14 defend, at its expense including attorney fees, and with counsel approved in  
15 writing by COUNTY, COUNTY and its elected and appointed officials,  
16 officers, agents, employees, subcontractors and independent contractors in  
17 any legal action or claim of any kind based or asserted upon such condition  
18 of public street or work or property, or illegality or unconstitutionality of a  
19 municipal ordinance, or alleged acts or omissions. If judgment is entered  
20 against CITY and COUNTY by a court of competent jurisdiction because of  
21 the concurrent active negligence of either party, CITY and COUNTY agree  
22 that liability will be apportioned as determined by the court. Neither party  
23 shall request a jury apportionment.

24 2. COUNTY shall indemnify and hold harmless CITY and its elected and  
25 appointed officials, officers, agents, employees, subcontractors and  
26 independent contractors from any claim, demand or liability whatsoever  
27 based or asserted upon any act or omission of COUNTY or its elected and  
28 appointed officials, officers, agents, employees, subcontractors or

1 **L. INDEMNIFICATION: (Continued)**

2 Independent contractors related to this Agreement, for property damage,  
3 bodily injury or death or any other element of damage of any kind or nature,  
4 and COUNTY shall defend, at its expense, including attorney fees, and with  
5 counsel approved in writing by CITY, CITY and its elected and appointed  
6 officials, officers, agents, employees, subcontractors and independent  
7 contractors in any legal action or claim of any kind based or asserted upon  
8 such alleged acts or omissions.

9 **M. TRAFFIC VIOLATOR APPREHENSION PROGRAM:**

10 1. COUNTY has established a Traffic Violator Apprehension Program ["the  
11 Program"], which is operated by SHERIFF, and is designed to reduce  
12 vehicle accidents caused by unlicensed drivers and drivers whose  
13 licenses are suspended and to educate the public about the requirements  
14 of the Vehicle Code and related safety issues with regard to driver  
15 licensing, vehicle registration, vehicle operation, and vehicle parking. The  
16 Program operates throughout the unincorporated areas of the COUNTY  
17 and in the cities that contract with COUNTY for SHERIFF's law  
18 enforcement services, without regard to jurisdictional boundaries, because  
19 an area-wide approach to reduction of traffic accidents and driver  
20 education is most effective in preventing traffic accidents. In order for  
21 CITY to participate in the Program, CITY will adopt a fee pursuant to  
22 Vehicle Code section 22850.5, in the amount and under the terms and  
23 conditions set forth in the TVAP resolution that will be attached to this  
24 Agreement as Attachment D and will be incorporated into this Agreement  
25 by reference, and will direct that the revenue from such fee be used for  
26 the Program. CITY's participation in the Program may be terminated at  
27 any time by rescission or amendment of the TVAP resolution that will be  
28 attached to this Agreement as Attachment D. In the event CITY 1)

1 **M. TRAFFIC VIOLATOR APPREHENSION PROGRAM: (Continued)**

2 amends said TVAP resolution, or rescinds said TVAP resolution and  
3 adopts a new TVAP resolution pertaining to the above-referenced fee and  
4 the Program, and 2) remains a participant in the Program thereafter,  
5 CITY's Manager, on behalf of CITY, and SHERIFF, on behalf of  
6 COUNTY, have authority to execute an amendment to this Agreement to  
7 substitute CITY's amended or new TVAP resolution for Attachment E to  
8 the Agreement, as long as said amendment to this Agreement does not  
9 materially change any other provision of this Agreement.

10 2. COUNTY will make available for review, at the request of CITY, all  
11 financial data related to the Program as may be requested by CITY.

12 3. Fee revenue generated by COUNTY and participating cities will be used  
13 to fund the following positions, which will be assigned to the Program:

- 14 • One fourth of one (.25) Sergeant  
15 (20 hours per two-week pay period)
- 16 • One (1) Staff Specialist  
17 (80 hours per two-week pay period)
- 18 • One (1) Information Processing Specialist  
19 (80 hours per two-week pay period)
- 20 • One (1) Administrative Manager I, Extra Help  
21 (960 hours per fiscal year)
- 22 • One (1) Investigative Assistant  
23 (80 hours per two-week pay period)
- 24 • One (1) Office Specialist  
25 (80 hours per two-week pay period)

26 4. Fee revenue generated by CITY may be used to reimburse CITY for  
27 expenditures for equipment and/or supplies directly in support of the  
28 Program. In order for an expenditure for equipment and/or supplies to be

1 **M. TRAFFIC VIOLATOR APPREHENSION PROGRAM: (Continued)**

2 eligible for reimbursement, CITY shall submit a request for and obtain pre-  
3 approval of the expenditure by using the form as shown in Attachment F.  
4 The request shall be submitted within the budget schedule established by  
5 SHERIFF. SHERIFF shall approve the expenditure only if both of the  
6 following conditions are satisfied: 1) there are sufficient Program funds,  
7 attributable to revenue generated by CITY's fee, to pay for the requested  
8 purchase, and 2) CITY will use the equipment and/or supplies, during their  
9 entire useful life, only for purposes authorized by its TVAP resolution in  
10 effect at the time of purchase. In the event that CITY terminates its  
11 participation in the Program, CITY agrees that the equipment purchased  
12 by CITY and reimbursed by Program funds will continue to be used,  
13 during the remainder of its useful life, exclusively for the purposes  
14 authorized by CITY's TVAP resolution in effect at the time of purchase. In  
15 the event the fees adopted by COUNTY, CITY and other participating  
16 jurisdictions are not adequate to continue operation of the Program at the  
17 level at which it operated previously, COUNTY, at the option of CITY, will  
18 reduce the level of Program service to be provided to CITY or will continue  
19 to provide the existing level of Program services. COUNTY will charge  
20 CITY the cost of any Program operations that exceed the revenue  
21 generated by fees. Such charges shall be in addition to the Maximum  
22 Obligation of CITY set forth in Subsection G-3 of this Agreement. The  
23 amount of any revenue shortfall charged to CITY will be determined,  
24 at the time the revenue shortfall is experienced, according to CITY's share  
25 of Program services rendered. In the event of a reduction in level of  
26 Program service, termination of Program service or adjustment of costs,  
27 the parties shall execute an amendment to the Agreement so providing.

28 //

1 **M. TRAFFIC VIOLATOR APPREHENSION PROGRAM: (Continued)**

2 Decisions about how to reduce the level of Program service provided to  
3 CITY shall be made by SHERIFF with the approval of CITY.

4 **N. MOBILE DATA COMPUTERS:**

- 5 1. As part of the law enforcement services to be provided to CITY, COUNTY  
6 has provided, or will provide, mobile data computers (hereinafter called  
7 "MDCs") that are or will be mounted in patrol vehicles and motorcycles,  
8 designated by COUNTY for use within CITY limits.
- 9 2. SHERIFF has the exclusive right to use said MDCs for law enforcement  
10 services related to this Agreement.
- 11 3. CITY shall pay COUNTY the full costs to COUNTY of a) the acquisition  
12 and installation of MDCs that are or will be mounted in patrol vehicles and  
13 motorcycles assigned to CITY, and b) recurring costs, as deemed  
14 necessary by COUNTY, including the costs of maintenance and  
15 contributions to a fund for replacement and upgrade of such MDCs when  
16 they become functionally or technologically obsolete. The costs to be paid  
17 by CITY for acquisition and installation costs are detailed in the Letter of  
18 Understanding which is referenced in Section P. The costs to be paid by  
19 CITY for recurring costs, including maintenance and replacement/upgrade  
20 of MDCs, are included in the costs set forth in Subsection G-2 and the  
21 Maximum Obligation of CITY set forth in Subsection G-3 of this  
22 Agreement. CITY shall not be charged additional amounts for  
23 maintenance or replacement/upgrade of said MDCs during the period  
24 May 3, 2013 through June 30, 2013.
- 25 4. If, following the initial acquisition of MDCs referenced above, CITY  
26 requires MDCs for additional patrol cars or motorcycles designated for use  
27 in the CITY, or for CITY's Emergency Operations Center, COUNTY will  
28 purchase said additional MDCs.

1 **N. MOBILE DATA COMPUTERS: (Continued)**

2 Upon demand by COUNTY, CITY will pay to COUNTY a) the full costs of  
3 acquisition and installation of said  
4 additional MDC's, and b) the full recurring costs for said MDCs, as  
5 deemed necessary by COUNTY, including the costs of maintenance, and  
6 contributions to a fund for replacement and upgrade of such MDCs when  
7 they become functionally or technologically obsolete. Said costs related to  
8 additional MDCs are not included in, and are in addition to, the costs  
9 set forth in Subsection G-2 and the Maximum Obligation of CITY set forth  
10 in Subsection G-3 of this Agreement.

11 5. COUNTY will replace and/or upgrade MDCs as needed. The costs of  
12 replacing/upgrading MDCs shall be paid by COUNTY from the replacement/  
13 upgrade funds to be paid by CITY in accordance with the foregoing. CITY  
14 shall not be charged any additional charge to replace or upgrade MDCs.

15 **O. OWNERSHIP OF FACILITY**

16 CITY will retain title to the land and building at Arroyo Park to be used for the  
17 Yorba Linda Police Services Building. CITY and COUNTY shall work together  
18 in good faith regarding subsequent legal arrangements pertaining to the use  
19 of the Yorba Linda Police Services Building after compliance with applicable  
20 rules and procedures, if any, pertaining thereto.

21 **P. LETTER OF UNDERSTANDING:**

22 COUNTY and CITY acknowledge that there are unique circumstances  
23 involved in the implementation of an agreement for law enforcement services  
24 for CITY which are not addressed in this Agreement. Therefore, COUNTY  
25 and CITY have addressed these items in a Letter of Understanding which  
26 is attached hereto as Attachment G and incorporated herein by reference.

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**IN WITNESS WHEREOF**, the parties have executed the **AGREEMENT**  
in the County of Orange, State of California.

DATED: \_\_\_\_\_

CITY OF YORBA LINDA

ATTEST: \_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
City Attorney

DATED: \_\_\_\_\_

COUNTY OF ORANGE

BY: \_\_\_\_\_  
Chair of the Board of  
Supervisors

Signed and certified that a copy of this  
Document has been delivered to the Chair  
of the Board per G.C. Sec. 25103, Reso 79-1535  
Attest:

\_\_\_\_\_  
Susan Novak  
Clerk of the Board of Supervisors  
of Orange County, California

APPROVED AS TO FORM:  
Office of the County Counsel  
Orange County, California

BY: *Nicole A. ...*  
Deputy

DATED: 7/11/12

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**CITY OF YORBA LINDA  
LICENSING**

**MUNICIPAL CODE SECTION 5.02.030**

COMMERCIAL SOLICITATION PERMITS

**MUNICIPAL CODE SECTION 5.04.020**

BUSINESS PERMITS

**MUNICIPAL CODE CHAPTER 5.20**

MASSAGE ESTABLISHMENTS AND TECHNICIANS

(Only to the extent police review required, if any.)

**MUNICIPAL CODE SECTION 10.48.040**

BICYCLE LICENSES



**COUNTY BILLING POLICY  
APPROVED BY BOARD MINUTE ORDER DATED OCTOBER 27, 1992**

I. POLICY

All County agencies/departments/districts (County) governed by the Board of Supervisors shall bill contracting entities for materials and/or services provided under contract in accordance with the following standardized billing and collection policy. Billing frequency is dependent on whether the contract is a fixed price or actual cost contract. Payment due date is designed to be both responsive to the County's cash flow needs and reasonable enough as to not require special processing by the contracting entity. If payments are not received by the required due dates, a late payment fee shall be computed and billed to the contracting entity in accordance with the requirements of this procedure.

Nothing herein shall affect the liability, including pre-judgment interest, of the contracting party for services or materials in as much as this is a policy to enact standard billing practices.

II. DEFINITIONS

- A. Contract for the purposes of this policy - A contract is a formal written agreement, a purchase order from the contracting entity, or any other acceptable mutual understanding between the contracting parties.
- B. Received by the County - The phrase "received by the County", as used in Section VI of this policy, refers to the date a payment is received by the County. It is defined as the date the payment is in the County's possession. It is not the date the payment is posted or deposited by the County.

III. FIXED PRICE CONTRACTS

- A. Fixed Price (One-Time/Non-Recurring Contracts) - Invoices that represent a billing for a one-time, non-recurring provision of materials and/or services shall be issued no later than five (5) working days after delivery by the County of the materials and/or services. Examples of such one-time, non-recurring provision of materials and/or services might be a city contracting with the Sheriff for security service at a parade or sporting event; or, a city purchasing a computer listing containing certain city-requested data. Payment due date shall be invoice date plus 30 days.
- B. Fixed Price (Ongoing/Recurring Contracts) - Invoices that represent a billing for an ongoing, recurring provision of materials and/or services shall be issued according to the following frequency:
  - 1. Annual Billings that total \$10,000 or less per 12-month period shall be billed via one (1) annual invoice. Annual invoices will be issued for each 12-month period of the contract, or portions thereof. Invoices shall be issued no later than five working days after the beginning of each 12-month period. Payment due date shall be invoice date plus 30 days.

2. Quarterly Billings that are greater than \$10,000 but not more than \$200,000 per 12-month period, shall be billed in quarterly installments. Quarterly invoices will be issued representing the contract amount for each 12-month period of the contract, or portions thereof, prorated into four (4) installments. Invoices shall be issued no later than 30 days after the beginning of each quarter. Payment due date shall be 60 days after the beginning of each calendar quarter.
3. Monthly Billings that are greater than \$200,000 per 12-month period shall be billed in monthly installments. Monthly invoices will be issued representing the contract amount for each 12-month period of the contract, or portions thereof, prorated into 12 installments. Invoices shall be issued on or before the first day of each service month. Payment due date shall be 30 days after the beginning of each service month.

An example of a fixed price contract for ongoing, recurring provision of materials and/or services might be a city contracting with the Sheriff for law enforcement services.

#### IV. ACTUAL COST CONTRACTS

- A. Actual Cost (One-Time/Non-Recurring Contracts) - Invoices that represent a billing for a one-time, non-recurring provision of materials and/or services shall be issued after delivery by the County of the materials and/or services and no later than 15 days after actual cost data is available. Payment due date shall be invoice date plus 30 days.
- B. Actual Cost (Ongoing/Recurring Contracts) - Invoices that represent a billing for an ongoing, recurring provision of materials and/or services shall be issued on a monthly basis and shall represent the cost of materials and/or services provided to the contracting entity during the previous calendar month. Such invoices shall be issued no later than 15 days after the close of the monthly billing period. If the County agency/department/district does not utilize a monthly billing cycle, the invoice shall be issued no later than 15 days after actual cost data is available. Payment due date shall be invoice date plus 30 days.

Examples of actual cost contracts for the ongoing, recurring provision of materials and/or services might be a city contracting with the County for communications equipment repair or waste disposal at a County landfill.

#### V. PAYMENT DUE DATES

Notwithstanding the provisions of Sections II and III above, payment due date shall be at least invoice date plus 30 days. If the County is late in issuing an invoice, the contracting entity would always have at least invoice date plus 30 days to pay. If the County is early in issuing an invoice, the contracting entity would still have a payment due date of either 60 days after the beginning of the quarter (quarterly invoices) or 30 days after the beginning of the service month (monthly invoices).

(EXAMPLES: An invoice for October service, dated and issued October 8 (late) would have a payment due date of November 7. An invoice for August service, dated and issued July 20 (early) would have a payment due date of August 30.)

## VI. LATE CHARGES

The late payment of any invoiced amount by a contracting entity will cause the County to incur costs not contemplated by the County/contracting entity agreement, the exact amount of such cost will be extremely difficult to ascertain. Such costs include, but are not limited to, costs such as administrative follow-up and processing of delinquent notices, increased accounting costs, etc.

Late charges will be assessed in the following situations:

- Over-the-counter payments will be assessed a late charge if any payment is not received by the County by the payment due date.
- Payments transmitted to the County via the U.S. Mail that have the payer's postage meter mark will be assessed a late charge if any payment is not received by the County by the payment due date plus one day.
- Payments transmitted to the County via the U.S. Mail that have a U.S. Post Office postmark dated after the payment due date will be assessed a late charge.

The late charge assessed in each of these situations shall be three-quarters of one percent (0.75%) of the payment due and unpaid plus \$100.00 for late payments made within 30 days of the payment due date. An additional charge of three-quarters of one percent (0.75%) of said payment shall be added for each additional 30-day period that the payment remains unpaid. Late charges shall be added to the payment and invoiced to the contracting entity in accordance with this policy.

## VII. COLLECTIONS

Any invoice remaining unpaid 90 days after the invoice date shall be referred to the Auditor-Controller for subsequent collection action, such as deduction from contracting entity moneys on deposit with the County Treasurer in accordance with Government Code Section 907 and any other applicable provision of law. Non-payment of invoices and applicable late charges will constitute a breach of contract for which the County retains all legal remedies including termination of the contract.

## VIII. DISCOUNT FOR EARLY PAYMENT

Any payment received by the County from a contracting entity 20 days or more before the payment due date shall be entitled to a discount of one-quarter of one percent (0.25%). If the contracting entity takes a discount, and the payment is received by the County less than 20 days before the payment due date, County staff shall immediately notify the contracting entity by telephone that the discount should not have been taken and that the balance is due by the original payment due date.

If the balance is not received by the County in accordance with the dates as specified in Section VII, applicable late charges shall be calculated on the balance due.

IX. DEFERRED REVENUE

At fiscal year end, any portion of revenue invoiced (not necessarily received) during the fiscal year being closed out that represents charges or prepayment for materials and/or services for the upcoming fiscal year shall be reclassified from a revenue account to a deferred revenue account (liability). In the new fiscal year the deferred revenue shall be reclassified to a revenue account. (EXAMPLE: On June 1, 19X1, a city is invoiced \$48,000 which represents charges for the 12-month period June 1, 19X1 to May 31, 19X2. The amount to be reclassified to deferred revenue would be \$44,000, representing 11/12ths of the total amount. In July 19X1, the \$44,000 would be reclassified to revenue.) Reclassification entries shall be made by Auditor-Controller Agency Accounting units, or for those agencies/departments/districts without such a unit, the agency/department/district shall notify the Auditor-Controller of the amounts to be reclassified.

X. COST RECOVERY

All County agencies/department/districts shall include all costs of providing contracted services in contract rates. Including all direct costs, allocated indirect costs such as departmental and County (CWCAP) overhead, and cost of capital financing.

XI. EXISTING CONTRACTS

Billing terms and provisions contained in existing contracting entity agreements (existing as of the date this policy is approved by the Board of Supervisors) shall remain in effect for the life of the contract. However, when these existing contracts are renegotiated, they shall contain the billing provisions as set forth in this policy.

XII. DEVIATIONS FROM POLICY

Deviations from this policy shall be approved by the Board of Supervisors. Proposed deviations by agencies/departments/districts shall be submitted to the CEO for concurrence in advance of filing an Agenda Item Transmittal (AIT) with the Clerk of the Board. The CEO, or his/her designee, shall advise the agency/department/district of approval or disapproval of the proposed deviations. If a County agency/department/district submits a contract to the Board of Supervisors for approval, and the billing provisions in the contract deviate from this policy, the agency/department/district shall specifically advise the Board of Supervisors in the AIT of the deviation, the reason for the deviation, and of the CEO's recommendation relative thereto.

**POLICY FOR DISTRIBUTION OF FORFEITED AND SEIZED ASSETS**

**BACKGROUND**

The Orange County Sheriff's Department provides contract law enforcement services to cities in Orange County. Because of the increased likelihood that contracted patrol or investigation personnel may become involved in significant narcotic seizures, which could affect law enforcement services provided by the Sheriff's Department to contract cities, the following policy is in effect.

**1. NON-RNSP CONTRACTED PATROL AND INVESTIGATION OFFICERS**

When assets (cash or property) are seized in CITY by contracted patrol or investigation personnel other than RNSP personnel, and subsequently forfeited to COUNTY, the forfeited assets shall be shared with CITY as set forth below, for the purpose of augmenting law enforcement services in CITY, subject to approval by the forfeiting agency (U.S. Attorney or State) of such sharing and use of forfeited assets. A portion of forfeited assets may be retained by COUNTY's Sheriff Department, hereinafter referred to as "SHERIFF", to pay for departmental expenses not recovered through law enforcement contracts.

In such cases, SHERIFF shall apply to the forfeiting agency for the return of a share of the assets to COUNTY. In his application, SHERIFF shall specify the percentage of shared assets returned to COUNTY that will be used to augment law enforcement services in CITY and the use of said assets by CITY.

In those cases in which assets are seized within CITY by non-RNSP personnel assigned to CITY pursuant to this Agreement, without the involvement of other law enforcement personnel, and in which the seizure is a result solely of activities self-initiated by non-RNSP SHERIFF personnel assigned to CITY or initiated by said personnel in response to calls for service within CITY, SHERIFF shall apply to have all of the assets used to augment CITY law enforcement services.

In those cases in which non-RNSP SHERIFF personnel assigned to CITY pursuant to this Agreement play an ancillary role in a seizure or in which other law enforcement personnel are involved in a seizure, SHERIFF shall determine the percentage of the total forfeited assets for which he will apply to augment CITY's law enforcement services. This determination will be based on the circumstances of the seizure, including the pro-rata involvement of all personnel, including those assigned to CITY.

Each seizure will be evaluated on an individual and independent basis, and said evaluations will be available for review to CITY's manager. Examples of those incidents which would be evaluated as set forth in this section include situations in which a contract patrol deputy provides uniformed backup at a SHERIFF's Narcotic Bureau search warrant location or in which contract investigators participate in the service of a search warrant that was initiated by non-contract law enforcement personnel.

## NON-RNSP CONTRACTED PATROL AND INVESTIGATION OFFICERS (Continued)

Assets (cash or property) that are returned to COUNTY by the forfeiting agency with the understanding that they will be used to augment CITY law enforcement services shall be used by CITY and COUNTY only for such purposes. If the forfeiting agency attaches additional or more specific conditions to the use of said assets, CITY and COUNTY shall also abide by those conditions. SHERIFF and CITY's manager shall determine the specific use of said assets within the conditions imposed by the forfeiting agency.

Subject to conditions imposed by the forfeiting agency and to the requirement that forfeited assets be used to augment law enforcement services, COUNTY shall place forfeited cash, or cash from the sale of forfeited assets in an interest-bearing account for use in CITY in compliance with the forfeiting agency's regulations.

## 2. CONTRACTED REGIONAL NARCOTICS SUPPRESSION PROGRAM (RNSP) OFFICERS

Assets forfeited as a result of activities conducted by contracted RNSP officers will be used to augment CITY's law enforcement services. Because activities of this type result from the efforts of both contracted officers and other RNSP officers, the percentage of sharing will be determined pursuant to the RNSP Memorandum of Understanding in effect at the time of the seizure. Said Memorandum of Understanding provides that assets are distributed according to percentage amounts based on the number of sworn personnel participating in the RNSP at the time of the seizure. The number of personnel in RNSP, as well as the number of participating agencies in RNSP, may fluctuate during the course of a contract year, thereby affecting the percentage amounts distributed to participating agencies. The percentage amounts distributed to participating agencies may also be affected by action taken by the RNSP Executive Board.

CITY will use RNSP forfeited assets only to augment CITY's law enforcement services. If the forfeiting agency or applicable RNSP Memorandum of Understanding attaches any additional or more specific conditions on the use of said assets, CITY shall abide by those conditions. SHERIFF and CITY's manager shall determine the specific use of said assets within the conditions imposed by the forfeiting agency and the RNSP Memorandum of Understanding.

Subject to conditions imposed by the forfeiting agency and the RNSP Memorandum of Understanding and to the requirement that RNSP forfeited assets be used to augment law enforcement services, COUNTY shall place forfeited cash or cash from the sale of forfeited assets in an interest-bearing account for use in CITY in compliance with the forfeiting agency's regulations and the RNSP Memorandum of Understanding.

RESOLUTION NO. 2012-5148

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YORBA LINDA, AUTHORIZING PARTICIPATION IN THE ORANGE COUNTY SHERIFF'S DEPARTMENT TRAFFIC VIOLATOR APPREHENSION PROGRAM, AND ADOPTION OF ADMINISTRATIVE FEES**

**WHEREAS**, the City of Yorba Linda contracts with the Orange County Sheriff's Department for law enforcement services; and

**WHEREAS**, as a contract City, the City of Yorba Linda is eligible to participate in the County's Traffic Violator Apprehension Program (TVAP); and

**WHEREAS**, the goals of the Traffic Violator Apprehension Program are to reduce the number of collisions involving suspended or unlicensed drivers, to reduce the number of hit and run and driving under the influence collisions, to establish a public education program to deter violators, and to establish a cost recovery system to pay for continued enforcement; and

**WHEREAS**, the County Board of Supervisors has established an administrative fee of \$50 for each vehicle towed/stored/impounded as a result of negligent operation of a vehicle and a \$152 fee for each vehicle impounded for 30 days, based on the actual administrative costs for the identification and apprehension of drivers with suspended or revoked licenses or unlicensed motorist; and

**WHEREAS**, all of the administrative fee will be collected by the County and deposited into the Traffic Violator Apprehension Fund for the use by this program exclusively.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Yorba Linda as follows:

**SECTION 1.** Authorize the City of Yorba Linda to participate in the Traffic Violator Apprehension Program; and

**SECTION 2.** An administrative fee of \$50.00 shall be charged and collected for each vehicle towed/stored/impounded as a result of the negligent operation of a vehicle, and a fee of \$152.00 shall be charged and collected for each vehicle impounded for thirty (30) days or more under Vehicle Code section 14602.6 (a).

**SECTION 3.** The City Clerk shall certify to the adoption of this resolution.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Yorba Linda on this 17<sup>th</sup> day of July, 2012.

\_\_\_\_\_  
MARK SCHWING, MAYOR  
CITY OF YORBA LINDA

ATTEST:

\_\_\_\_\_  
MARCIA BROWN, CITY CLERK  
CITY OF YORBA LINDA

APPROVED AS TO FORM:  
RUTAN & TUCKER, LLP

\_\_\_\_\_  
CITY ATTORNEY

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) **ss.**

I, **MARCIA BROWN**, City Clerk of the City of Yorba Linda, California, **DO HEREBY CERTIFY** that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Yorba Linda held on the 17<sup>th</sup> day of July, 2012, and was carried by the following roll call vote:

AYES: COUNCILMEMBERS:  
NOES: COUNCILMEMBERS:  
ABSENT: COUNCILMEMBERS:

\_\_\_\_\_  
MARCIA BROWN, CITY CLERK  
CITY OF YORBA LINDA

**ORANGE COUNTY SHERIFF-CORONER  
TRAFFIC VIOLATOR APPREHENSION PROGRAM**

<b>REQUEST</b>	<b>CONTRACT CITY</b>		
	Participating City Request to Purchase From the TVA in FY _____	Date _____	
	<u>QUANTITY</u>	<u>ITEM DESCRIPTION</u>	<u>APPLICABILITY TO TVA PROGRAM</u> <u>ESTIMATED COST</u>
	<p align="center"><b>THE CITY CERTIFIES THAT THE EQUIPMENT PURCHASED BY CITY AND TO BE REIMBURSED BY PROGRAM FUNDS WILL BE USED FOR ITS ENTIRE USEFUL LIFE EXCLUSIVELY FOR THE PURPOSES OF THE TRAFFIC VIOLATOR APPREHENSION PROGRAM</b></p>		
	<p>CITY MANAGER REQUEST: _____</p> <p>Printed Name _____ DATE _____</p> <p>Signature: _____</p>		
	<b>ORANGE COUNTY SHERIFF-CORONER DEPARTMENT</b>		
	<p align="center"><b>Recommended For Approval</b></p> <p>CITY POLICE SERVICES CHIEF _____</p> <p align="right">MANAGER - TVA PROGRAM _____</p>		

OCSD  
BUDGET  
USE ONLY

**LETTER OF UNDERSTANDING  
COUNTY OF ORANGE  
AND  
CITY OF YORBA LINDA**

This Letter of Understanding ("Letter") constitutes a mutual recommendation to be jointly submitted to the Yorba Linda City Council and the Orange County Board of Supervisors. It is agreed that this Letter of Understanding shall not be binding upon the parties unless and until said City Council and Board formally act, by majority vote, to approve the law enforcement services contract.

The purpose of this Letter is to describe specific issues related to an Agreement between City and County for the delivery of law enforcement services ("Agreement"), and to define the disposition or means of resolution of those issues.

**1. Equal Employment Opportunity**

It is the County's policy to employ, retain, promote, terminate, and otherwise treat any and all employees and job applicants on the basis of merit, qualifications, and competence. This policy shall be applied without regard to any individual's sex, race, color, religion, national origin, ancestry, pregnancy, age, marital status, medical condition, or physical handicap.

**2. Sheriff Employees to be assigned to the Contract Service**

Interested police officers and professional staff from the Brea Police Department will be hired utilizing the County's existing Inter-Jurisdictional Transfer process. This is an approved process within the County of Orange's Merit Selection Rules which allows for transfers between jurisdictions for those persons who have held permanent status within their jurisdiction. Transfer applicants must complete the application process and background check. At the discretion of the Sheriff, former Brea Police Department personnel who completed the Inter-Jurisdictional Transfer application by July 9, 2012 at 5 p.m. and are hired as Sheriff employees will be assigned to patrol in Yorba Linda, pursuant to the contracted level of service. Investigators will be assigned at the discretion of the Sheriff, which includes contracted positions in Yorba Linda. Sergeants will be assigned at the discretion of the Sheriff to a non-patrol assignment outside Yorba Linda.

Contracted personnel for Yorba Linda are:

- o Sergeants – Maximum of five (5)
- o Investigators – Maximum of three (3)
- o Deputy Sheriff II – Patrol - Maximum of twenty-three (23)

If the number of hired personnel exceeds the contracted number of sworn personnel, those personnel will be assigned to non-patrol assignments as a Deputy Sheriff I.

**3. Hours Worked to Provide Contract Service in Yorba Linda**

The Sheriff will provide an annual report of hours worked in support of contract services including supplemental services. A monthly report of overtime hours worked will be provided to the City Manager. The overtime hours worked report will be in the same format as the overtime report currently provided on a monthly basis to existing contract cities. The City and Sheriff will develop the format of an end-of-year report listing actual hours worked by job classification.

**4. Deployment Schedule**

The Sheriff will file a deployment schedule, including Traffic Services and Parking Enforcement, with the City Manager and will confer with the City Manager on changes in the deployment of personnel. The Sheriff retains final decision making authority regarding the deployment of personnel.

The Sheriff will annually file a copy of the Yorba Linda Police Services deployment schedule with the City Manager and confer with the City Manager regarding deployment issues.

**5. Lieutenant – Police Services Chief**

The Police Services Chief, selected by the City Manager from a slate of candidates provided by the Sheriff, will be an on-site department head for the City. The Police Services Chief, at the direction of the City Manager, will attend City Council, staff, and community meetings.

**6. Patrol Performance Goals**

Patrol Performance Goals:

- Response to Priority One Calls: 5 minutes
- Response to Priority Two Calls: 12 minutes
- Response to Priority Three Calls: 20 minutes

Patrol Time Allocation Goal: A performance goal is to maintain 60% Obligated Time and 40% Unobligated Time. The Police Services Chief will report to the City Manager regarding the Yorba Linda Police Services personnel's performance in meeting these goals.

In the event of a major incident outside the boundaries of the City of Yorba Linda, adequate law enforcement personnel will remain in the City to respond to Priority I and Priority II calls for service.

## **7. Start up Costs**

Certain one time start-up costs related to the provision of contracted service, as described in this Letter are to be reimbursed to County by the City and are identified and incorporated in this Letter, Page 8. Start up costs for equipment will be amortized, based on a straightline methodology, over a 60-month period to begin with the month that service commences. County will charge interest based on the Commingled Interest Rate published by the OC Treasurer. The schedule of required payments over a 60-month period is incorporated in this Letter, Page 9. In the event the Agreement is terminated earlier than June 30, 2018, City shall pay County for any incurred and uncollected costs that have been amortized over the 60-month period, and County will transfer the equipment to the City. In the event the Agreement terminates on June 30, 2018, County will transfer the equipment to the City.

Start up and ongoing costs for facilities, radios, and motorcycles, are the responsibility of the City. Estimated start-up costs for facilities and quantities of radios and motorcycles required are identified and incorporated in this Letter, Page 10.

The 'in kind' equipment and value to be provided by the Sheriff are identified and incorporated in this Letter, Page 11.

## **8. City Assets**

The City of Yorba Linda does not have any police vehicles or communications equipment that can be acquired by the County.

The City of Yorba Linda and the Sheriff's Department are recommending that deployment of law enforcement services occur from the Arroyo Park Building currently referred to as the Police Administrative Services Building. The City will maintain ownership of the existing facility, all office furniture and equipment in the Police Administrative Services Building which may also be referred to as the Yorba Linda Police Services Building. The City will provide facility maintenance, janitorial services, and replacement of the office furniture and equipment. Utilities costs are the sole responsibility of the City.

## **9. Motorcycles for Traffic Enforcement**

The City will purchase and retain ownership of the three (3) motorcycles used for traffic enforcement and will provide maintenance for the three (3) motorcycles. City may elect at any time to discontinue motorcycle patrols and instead use patrol vehicles. The transition to the use of patrol vehicles will result in additional cost to the City for the acquisition of vehicles and related equipment. Such costs will be at the rates in effect at the time of the transition. In the event that motorcycles are replaced by patrol vehicles in the future, County procurement procedures, guidelines, and equipment availability will govern the length of time that such a transition will require.

**10. Radio Equipment**

The City will purchase and retain ownership of seventeen (17) 800 MHz in-car radios (Hot Red), two (2) 800 MHz in-car radios (Non Hot Red), three (3) motorcycle radios (Hot Red), thirty-four (34) 800 MHz Pac Set (hand held) radios and one base station radio for the Yorba Linda Police Services Building. The Sheriff will provide specifications for radios, base stations or other equipment necessary for the effective operation of police and emergency communications in support of delivery of services in the City.

The City will be responsible for backbone cost sharing costs as specified in the 800 MHz Countywide Coordinated Communications System Joint Agreement.

**11. Yorba Linda Police Services Building**

Facilities at Arroyo Park located in the City of Yorba Linda will be the point of deployment and operation. The City agrees to provide sufficient office space for the delivery of law enforcement services by the Sheriff. Design and construction necessary to provide sufficient space will be done at City expense. As necessary, City shall follow any required process and provide adequate space for the delivery of law enforcement services described in the Agreement dated July 17, 2012.

There will be no holding cells at the Yorba Linda Police Services Building.

Requests for services such as fingerprinting and providing copies of reports will be referred by the County to the Sheriff's Support Services Division at 320 North Flower, Santa Ana. For cases, previously handled by the City of Brea Police Department, the Sheriff and the City of Yorba Linda will determine whether such requests will be referred to the City of Brea Police Department.

**12. Hours of Public Access to the Yorba Linda Police Services Building**

At the request of the City, the Sheriff's Department agrees to staff the Yorba Linda Police Services Building and remain accessible to the public during normal business hours.

**13. Crossing Guard Services**

City will be responsible for providing crossing guard services at locations determined by the City.

**14. Fuel Delivery**

The City will furnish fuel for law enforcement services. If the County through the contract provides fuel during an emergency, the County will charge the City the actual cost for this service. Vehicular and motorcycle access to fueling locations(s) will be provided by

the City along with any necessary fuel pump use requirements (i.e. access cards, cardlocks, etc.).

**15. Notices**

Any Notice to either party shall be in writing and given by delivering the same to such party in person or by sending the same by certified mail, return receipt requested, with postage prepaid, to the following addresses:

CITY:           City Manager  
                  City of Yorba Linda  
                  4845 Casa Loma  
                  Yorba Linda, CA 92886

COUNTY:    Attn: Law Enforcement Contract Manager  
  
                  Sheriff-Coroner Department  
                  320 N. Flower Street  
                  Santa Ana, CA 92703

Either party may change its mailing address at any time by giving written notice of such change to the other party in the manner provided herein. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

**16. Parking Citation Administration**

The City will be responsible for the parking citation administration program. The Sheriff's Department maintains an agreement with a private contractor to provide parking citation processing and management services. Yorba Linda, at its own expense, will have the option to enter into a subordinate agreement with the same negotiated fees, terms and services. The current contractor is in year two of a five-year contract. The contractor would collect all parking fines for the City, and at the City's discretion, would make either daily or weekly deposits into the City's account at a banking institution. Other services provided by the contractor include mailing "overdue" notices; processing appeals; scheduling and providing an independent hearing officer for administrative hearings; and placing and/or removing vehicle registration hold for unpaid citations. The contractor would provide the City with deposit transmittals and would submit a separate monthly invoice to the City for services. Reports are available to the City through the contractor's secure website on a 24/7 basis.

**17. In-Custody Arrests**

In-custody arrests made in the City of Yorba Linda will be booked, as appropriate into the Orange County Jail system at the Intake/Release Center in Santa Ana, County Juvenile Hall, or at facilities designated by state or federal officials.

**18. Property/Evidence Disposition**

The City of Yorba Linda will arrange for the transfer of all existing property, evidence and related records for all active cases that occurred within the City of Yorba Linda from the Brea Police Department to the County. All Items received by the County will be inventoried. The completed inventory and any discrepancies will be reported to the City of Yorba Linda.

Property and Evidence Lockers will be installed within the Arroyo Park Facility for the ongoing security and safe collection of property and evidence. The Property and Evidence Bureau will schedule routine transports of the items from the lockers in Yorba Linda to the appropriate storage locations.

**19. Record Retention/Microfilming**

The City of Yorba Linda will obtain the records retention policy and list of records from the Brea Police Department. The County will identify the records required and provide a detailed list to the City so that those records can be obtained from the Brea Police Department.

**20. Revenue**

The City of Yorba Linda will adopt administrative fees for the Traffic Violator Apprehension Program to be effective on May 3, 2013 or such earlier date as mutually determined. The administrative fees will be recovered by the Sheriff's Department and may be used to reimburse the City for expenditures for equipment and/or supplies directly in support of the Traffic Violator Apprehension Program pursuant to Section M of the law enforcement services contract.

For parking enforcement, the City of Yorba Linda will adopt the County's current bail schedule and ensure that it has been filed with the County.

For other services and activities, the Sheriff's Department and the City Manager will work cooperatively to evaluate appropriate fees which may be generated by City services and activities. The City Manager will be responsible for submitting recommended fees to the City Council for consideration.

**21. Uniforms and Equipment**

City will be responsible for providing uniforms and equipment for City staff and/or volunteers assigned to support police service activities.

Vehicle Identification: Patrol vehicles in Yorba Linda will have YORBA LINDA in gold lettering on the driver's side and front passenger door with the Yorba Linda city seal centered directly above the lettering.

Uniform Standards: Patrol Deputy Sheriff: Class A uniform includes forest green trousers with forest green short-sleeve or long-sleeve shirt. The insignias on the shirt are the City Seal on the nametag on right side and the Sheriff Badge on left side.

Uniform Standards: Alternative Deputy Sheriff Uniform (worn by School Resource Officers, Special Enforcement Teams, and when appropriate, by Investigative and Administrative personnel): Alternative uniform includes forest green tactical trousers with black short-sleeve or long-sleeve polo. The insignias on the polo include the title/name embroidered on the right side and the Sheriff Badge and city name embroidered above it on the left side. "Orange County Sheriff" and the Sheriff's star are on each sleeve, with "SHERIFF" on the back.

**22. OCSD Dispatch Center**

Sheriff will coordinate with Brea Police Department to transition the Public Safety Answering Point (PSAP) responsibilities to the OCSD dispatch without additional cost to the City of Yorba Linda.

**23. Implementation**

There will be no interruption of law enforcement services to the City.

At 0000 hours, on May 3, 2013, or an earlier date if mutually determined, the Sheriff's Department will assume responsibility for police protection and emergency police services in the City of Yorba Linda and for management of said services and law enforcement resources. Services includes 24/7 emergency communications dispatch for police services.

The effective date of transition of law enforcement responsibility is May 3, 2013 or such earlier date as mutually determined by City Manager and Sheriff.

ATTACHMENT G

ORANGE COUNTY SHERIFF'S DEPARTMENT  
 LAW ENFORCEMENT CONTRACTS - YORBA LINDA  
 START UP / EQUIPMENT TO BE REIMBURSED BY CITY  
 FY 2012-13 FINAL

START UP / EQUIPMENT COSTS	Unit	Unit Cost	Total Cost
Laptop Computer	3	\$ 1,600	\$ 4,800
Desktop Computer	9	1,300	11,700
Network Connection (change to Netmotion Licenses)	3	200	600
Microsoft Licenses	20	700	14,000
Storage	-	10,000	10,000
Mobile Data Computer (MDC) Acquisition:			
Mobile	13	10,181	132,353
Laptop	3	1,685	5,055
MDC Infrastructure (router, switch, etc)	-	29,950	29,950
Digital Recorder	8	350	2,800
Digital Camera	9	200	1,800
Taser, battery, holster	28	862	24,136
Cartridges	84	24	2,016
Hand-held Breathlyzer with Case	12	700	8,400
Hand-held Speed Monitoring Devices	3	3,540	10,620
Office Supplies/Machinery	-	15,000	15,000
Patrol Supplies	-	10,000	10,000
Virtual Briefing System			
TV	1	500	500
Laptop Computer	1	1,600	1,600
AED, Battery, Adult & Child Pads	1	1,800	1,800
Class A - B&W Patrol ( <i>Veh. plus Equip.</i> )	10	38,403	384,026
Class BB - Full Size Sedans ( <i>Veh. plus Equip.</i> )	2	29,728	59,456
Class B - Full Size Sedans ( <i>Veh. plus Equip.</i> )	7	26,841	187,885
Class J - Black & White SUV ( <i>Veh. plus Equip.</i> )	1	51,219	51,219
Patrol Video System (PVS) - Acquisition	13	6,030	78,390
Standalone Substation Server (PVS)	-	113,530	113,530
Uniform	-	5,277	5,277
Bullet Proof Vest (Concealed)	34	445	15,130
Shot Gun	20	1,150	23,000
Department Overhead Startup	-	35,000	35,000
<b>Total Start up / Equipment Cost Provided by County</b>			<b>\$ 1,240,042</b>

INTEREST COST APPLIED TO 5 YRS AMORTIZED START UP EQUIPMENT \* 9,827

**Total Including Interest \$ 1,249,869**

\* Five years amortization based on straightline methodology.

**ATTACHMENT G**

**ORANGE COUNTY SHERIFF CORONER DEPARTMENT  
LAW ENFORCEMENT CONTRACTS - YORBA LINDA  
START UP COST PAYMENT SCHEDULE  
FY 2012-13 FINAL**

<b>5 YEARS PAYMENT SCHEDULE</b>	<b>1st 12 mos</b>	<b>2nd 12 mos</b>	<b>3rd 12 mos</b>	<b>4th 12 mos</b>	<b>5th 12 mos</b>	<b>Total</b>
Start Up / Equipment Cost	\$ 248,008.44	\$ 248,008.44	\$ 248,008.44	\$ 248,008.44	\$ 248,008.44	\$ 1,240,042.18
Interest	1,965.34	1,965.34	1,965.34	1,965.34	1,965.34	\$ 9,826.71
<b>Total</b>	<b>\$ 249,973.78</b>	<b>\$ 1,249,868.88</b>				
Monthly Payment	\$ 20,831.15	\$ 20,831.15	\$ 20,831.15	\$ 20,831.15	\$ 20,831.15	

ATTACHMENT G

ORANGE COUNTY SHERIFF'S DEPARTMENT  
 LAW ENFORCEMENT CONTRACTS - YORBA LINDA  
 START UP EQUIPMENT/FACILITY PROVIDED BY YORBA LINDA  
 FY 2012-13 FINAL

START UP - FACILITY (Arroyo Building)	Unit	Estimated Unit Cost	Estimated Total Cost
<b>Potential Temporary Trailer</b>			
Delivery		\$ 5,000	\$ 5,000
Pick-up		3,250	3,250
Monthly Rent	12 mos	826	9,912
Temporary Electrical		3,600	3,600
<b>Subtotal (if trailer eventually installed)</b>			<b>\$ 21,762</b>
<b>Building Related Costs</b>			
Paint and carpet		\$ 15,000	\$ 15,000
Temporary electric for portable building		4,000	4,000
Access point card readers		4,100	4,100
Temporary armory		5,700	5,700
Security cameras		10,000	10,000
Furniture		15,000	15,000
Audio & video for interview room		5,000	5,000
Micro Bi-Directional Amplifier (BDA)		10,000	10,000
Network drops		10,000	10,000
Climate control in server/equipment room		5,500	5,500
Lockers		10,000	10,000
<b>Subtotal</b>			<b>\$ 94,300</b>
<b>Total Estimated Facility Cost</b>			<b>\$ 116,062</b>

**START UP EQUIPMENT (City Purchased/City Owned)**

800 MHZ (in car - Patrol Hot Red Radio)	17	TBD	TBD
800 MHZ (in car - Non Hot Red Radio - CSO)	2	TBD	TBD
800 MHZ (Hot Red Motorcycle Radio)	3	TBD	TBD
800 MHZ - Pac Set Radio (hand held)	34	TBD	TBD
Base Station Radio for Police Service Building	1	TBD	TBD
Motorcycle	3	TBD	TBD
<b>Total Equipment Cost</b>			<b>TBD</b>

ORANGE COUNTY SHERIFF'S DEPARTMENT  
 LAW ENFORCEMENT CONTRACTS - YORBA LINDA  
 IN KIND EQUIPMENT  
 FY 2012-13 FINAL

IN KIND EQUIPMENT	Unit	Unit Cost	Total Cost
Bullet Proof Vest (Tactical)	32	427	13,664
Digital Video	1	500	500
CIRT Rifle	21	1,200	25,200
<b>Total In Kind Equipment</b>			<b>\$ 39,364</b>

**ATTACHMENT G**

**IN WITNESS WHEREOF**, the parties have executed the LETTER OF UNDERSTANDING in the County of Orange, State of California.

DATED: \_\_\_\_\_

CITY OF YORBA LINDA

ATTEST: \_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
City Attorney

-----  
DATED: \_\_\_\_\_

COUNTY OF ORANGE

BY: \_\_\_\_\_  
Chair of the Board of  
Supervisors

Signed and certified that a copy of this Document has been delivered to the Chair of the Board per G.C. Sec. 25103, Reso 79-1535  
Attest:

\_\_\_\_\_  
Susan Novak  
Clerk of the Board of Supervisors  
of Orange County, California

APPROVED AS TO FORM:  
Office of the County Counsel  
Orange County, California

BY: Nicole A. Davis  
Deputy

DATED: 7/11/12

CITY OF YORBA LINDA  
 FISCAL YEAR 2012 - 2013  
**FINAL**

\* PRO RATED FOR 5-3-13 START DATE  
 \* INCLUDES SAVINGS FOR UNINC COVERAGE (Based on three (3) DS II)  
 \* BASE SERVICE LEVEL OPERATIONS

NO	DIRECT PURCHASE POSITIONS	OVERTIME HOURS/PSN	SALARIES & EMPLOYEE BENEFITS				INDIRECT COSTS						TOTAL	PRO-RATED 5-3-13			
			SALARY	OVERTIME	BENEFITS	POST PAY	SERVICES & SUPPLIES	TRANSP.	DEPARTMENT OVERHEAD	DIVISION OVERHEAD	TRAINING	COUNTY OVERHEAD			OTHER	SAVINGS/REVENUE	
1	Leutenant	0	139,383	0	109,577	0	0	4,634	0	4,750	17,317	2,481	3,039	0	0	281,181	45,451
0.5	Sergeant - Administrative	238	54,381	8,745	44,473	3,747	2,317	2,317	0	2,375	9,275	1,241	1,458	0	0	128,012	20,693
0.5	Sergeant - Investigative	238	54,381	8,745	44,473	3,747	2,317	2,317	0	2,375	9,275	1,241	1,458	0	0	128,012	20,693
4	Sergeant - Patrol	238	435,952	69,964	355,784	29,976	19,586	19,586	0	19,000	74,200	9,924	11,684	0	0	1,024,100	165,539
3	Investigator	115	287,103	23,568	240,600	25,465	13,902	13,902	0	14,250	143,010	7,443	7,329	0	0	762,660	123,279
21	Deputy Sheriff II - Patrol	212	1,841,553	272,664	1,557,108	139,482	97,314	97,314	0	99,750	389,650	52,101	49,140	0	0	4,498,662	727,181
1	Deputy Sheriff II - Community Support	212	87,693	12,984	74,148	6,642	4,634	4,634	0	4,750	18,550	2,481	2,340	0	0	214,222	34,628
3	Deputy Sheriff II - Motorcycle	212	272,079	38,952	228,150	19,926	13,902	13,902	0	14,250	55,650	7,443	7,215	0	0	657,567	106,292
1	Deputy Sheriff II - School Resource Officer (SRO)	212	87,693	12,984	74,148	6,642	4,634	4,634	0	4,750	18,550	2,481	2,340	0	0	214,222	34,628
35.0	Subtotal Safety		\$3,259,318	\$448,606	\$2,728,461	\$235,617	\$152,190	\$152,190	\$0	\$166,250	\$735,377	\$86,838	\$85,963	\$0	\$0	\$7,908,638	\$1,278,384
2	Community Services Officer	128	94,432	8,462	51,164	0	9,266	9,266	0	9,500	37,100	0	2,244	0	0	212,170	34,296
110	Crime Prevention Specialist	110	48,381	3,563	24,235	0	4,634	4,634	0	4,750	2,082	0	1,132	0	0	86,777	14,350
1	Office Specialist	79	43,805	2,319	22,106	0	4,634	4,634	0	4,750	2,082	0	1,006	0	0	80,702	13,045
0.5	Emergency Management Program Coord.	70	36,234	1,307	15,730	0	2,317	2,317	0	2,375	1,041	0	819	0	0	59,823	9,670
0.5	Utility Driver	5	17,587	52	11,511	0	2,317	2,317	0	2,375	1,041	0	865	0	0	35,268	5,701
5	Subtotal Professional		\$240,439	\$15,703	\$124,746	\$0	\$23,170	\$23,170	\$0	\$23,750	\$43,346	\$0	\$5,586	\$0	\$0	\$476,740	\$77,062
40.0	TOTAL STAFF																
	SHARED RESOURCES																
	Traffic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	88,403	14,289
	Auto Theft	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,190	4,072
	In Custody Courts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22,251	3,598
	Motorcycle Program Support by Sergeant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,665	2,209
	Subtotal		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$149,519	\$25,166

CITY OF YORBA LINDA

FISCAL YEAR 2012 - 2013

FINAL

\* PRO RATED FOR 5-3-13 START DATE  
 \* INCLUDES SAVINGS FOR UNINC COVERAGE (Based on three (3) DS II)  
 \* BASE SERVICE LEVEL OPERATIONS

U

NO	ADDITIONAL COSTS/REVENUE	SALARIES & EMPLOYEE BENEFITS					INDIRECT COSTS					SAVINGS/REVENUE	TOTAL	PRO-RATED 5-3-13			
		SALARY	OVERTIME	BENEFITS	POSTPAY	SERVICES & SUPPLIES	TRANSP.	DEPT. OH	DIV. OH	TRAINING	COUNTY OH				OTHER		
	Annual Leave (Pay Downs & Termination Pay)													18,984	3,069	0	
	Bilingual Pay													31,293	5,058	0	
	Contract Administration					2,395								2,395	387	0	
	Data Line/Mo. Charge					27,870								27,870	4,505	0	
	Direct S & S									23,452				23,452	3,791	0	
	Enhanced Helicopter Services													141,254	22,833	0	
	Holiday Pay: Comp & Straight Time													3,119	504	0	
	Integrated Law & Justice Agency of Orange County													56,980	9,210	0	
	MDC - Acquisition Costs (Included in Start Up)													7,059	1,141	0	
14	MDC - Recurring Costs: Mobile													24,041	3,886	0	
3	MDC - Recurring Costs: Laptop													82,294	13,302	0	
	On-Call Pay														0	0	
	Patrol Training Cost Allocation														42,182	6,818	0
	Patrol Video System (PVS) - Acquisition (Included in Start Up)														264,073	42,686	0
14	Patrol Video System (PVS) - Recurring Costs									264,073					264,073	42,686	0
	Transportation - Maintenance, Depreciation, etc. (No Fuel)														(642,666)	(103,883)	0
	Savings related to Unincorporated Coverage																0
	<b>Subtotal</b>	\$0	\$0	\$0	\$0	\$30,265	\$0	\$0	\$0	\$287,525	\$0	\$0	\$0	\$324,912	\$62,330	\$13,307	
	<b>FY 2012-13 TOTAL - FULL YEAR</b>	\$3,498,757	\$484,309	\$2,653,207	\$235,617	\$215,625	\$190,000	\$778,723	\$169,130	\$474,431	\$51,568	\$642,666	\$5,617,227	\$1,392,921			

# SPECIAL REQUEST AUDIT: SHERIFF-CORONER LAW ENFORCEMENT SERVICES CONTRACT COST STUDY FOR FY 2012-13

The Sheriff-Coroner proposes costs of \$112 million for Fiscal Year 2012-13 for contract law enforcement services (approximately 16% of Sheriff-Coroner's operations).

Currently, contract law enforcement services are provided to twelve Orange County cities and the Orange County Transportation Authority.

Sheriff-Coroner began providing contract law enforcement services in 1961.

We conducted an audit of the Sheriff-Coroner (S-C) law enforcement services contract cost study for Fiscal Year 2012-13 at the request of the Audit Oversight Committee.

The scope of the audit was to determine if the proposed law enforcement services contracts with the twelve Orange County cities and Orange County Transportation Authority (OCTA) and the contract proposal with the City of Yorba Linda for Fiscal Year 2012-13 will recover full costs in accordance with County policies and applicable California Government Code.

We found S-C Law Enforcement Services Contract Cost Study will recover full costs in accordance with County policies and applicable California Government Code for Fiscal Year 2012-13. Specifically, we noted retirement costs include the contribution requirements for FY 2012-13 for the Normal Costs and the Unfunded Actuarial Accrued Liability (UAAL). The retirement contribution rate (which includes the UAAL) is adjusted annually based on the results of the actuarial valuation and review that is performed on an annual basis. We identified two (2) Control Findings to enhance policies and procedures for conducting the law enforcement contract cost study and to ensure full cost recovery of enhanced helicopter responses.

AUDIT No: 1158

REPORT DATE: JUNE 29, 2012

**Director:** Dr. Peter Hughes, MBA, CPA, CIA  
**Deputy Director:** Eli Littner, CPA, CIA  
**Senior Audit Manager:** Alan Marcum, CPA, CIA  
**Audit Manager:** Michael Dean, CPA, CIA  
**Audit Manager:** Winnie Keung, CPA, CIA  
**Senior Internal Auditor:** Lisette Free, CPA, CFE  
**Senior Internal Auditor:** Susan Nestor, CPA, CIA

### RISK BASED AUDITING

GAO & IIA Peer Review Compliant – 2001, 2004, 2007, 2010



American Institute of Certified Public Accountants Award to Dr. Peter Hughes as 2010 Outstanding CPA of the Year for Local Government

GRC (Government, Risk & Compliance) Group 2010 Award to IAD as MVP in Risk Management



2009 Association of Certified Fraud Examiners' Hubbard Award to Dr. Peter Hughes for the Most Outstanding Article of the Year – Ethics Pays



2008 Association of Local Government Auditors' Bronze Website Award



2005 Institute of Internal Auditors' Award to IAD for Recognition of Commitment to Professional Excellence, Quality, and Outreach

O C B o a r d o f S u p e r v i s o r s

1<sup>st</sup> District – Janel Nguyen; 2<sup>nd</sup> District – John M. W. Mootach, Chairman; 3<sup>rd</sup> District – Bill Campbell; 4<sup>th</sup> District – Shawn Nelson, Vice Chairman; 5<sup>th</sup> District – Patricia C. Bates

# Internal Audit Department

O R A N G E C O U N T Y  
6<sup>th</sup> Largest County in the USA

**Independence**

**Objectivity**

**Integrity**

 **ORANGE COUNTY BOARD OF SUPERVISORS**  
**Internal Audit Department**

*GAO & IIA Peer Review Compliant - 2001, 2004, 2007, 2010*

*Providing Facts and Perspectives Countywide*

**RISK BASED AUDITING**

**Dr. Peter Hughes** Ph.D., MBA, CPA, CCEP, CITP, CIA, CFE, CFF, CGMA  
Director Certified Compliance & Ethics Professional (CCEP)  
Certified Information Technology Professional (CITP)  
Certified Internal Auditor (CIA)  
Certified Fraud Examiner (CFE)  
Certified in Financial Forensics (CFF)  
Chartered Global Management Accountant (CGMA)  
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**Eli Littner** CPA, CIA, CFE, CFS, CISA  
Deputy Director Certified Fraud Specialist (CFS)  
Certified Information Systems Auditor (CISA)

**Michael Goodwin** CPA, CIA  
Senior Audit Manager

**Alan Marcum** MBA, CPA, CIA, CFE  
Senior Audit Manager

**Autumn McKinney** CPA, CIA, CISA, CGFM  
Senior Audit Manager Certified Government Financial Manager (CGFM)

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OC Internal Audit Department, visit our website: [www.ocgov.com/audit](http://www.ocgov.com/audit)



**OC Fraud Hotline (714) 834-3608**

# Letter from Dr. Peter Hughes, CPA



## Transmittal Letter



**Audit No. 1158 June 29, 2012**

**TO:** Sandra Hutchens  
Sheriff-Coroner

**FROM:** Dr. Peter Hughes, CPA, Director  
Internal Audit Department

**SUBJECT:** Special Request Audit:  
Sheriff-Coroner Law Enforcement Services  
Contract Cost Study for FY 2012-13

We have completed an audit of the Sheriff-Coroner (S-C) Law Enforcement Services Contract Cost Study for Fiscal Year 2012-13. We performed this audit at the request of the Audit Oversight Committee (AOC) at their March 15, 2012 meeting. The scope of the audit was to determine if the proposed law enforcement services contracts with the twelve Orange County cities and Orange County Transportation Authority (OCTA) for Fiscal Year 2012-13 will recover full costs in accordance with County policies and applicable California Government Code. In addition, we included in our scope a review of the Sheriff-Coroner's contract proposal with the City of Yorba Linda for services beginning in Fiscal Year 2012-13 to determine if the contract will recover full costs in accordance with County policies and applicable California Government Code. The AOC is especially interested in knowing that the law enforcement services contracts are recovering retirement costs, which includes the UAAL. Our final report is attached for your review.

Please note we have a structured and rigorous **Follow-Up Audit** process in response to recommendations and suggestions made by the Audit Oversight Committee (AOC) and the Board of Supervisors (BOS). Our **first Follow-Up Audit** will begin at six months from the official release of the report. A copy of all our Follow-Up Audit reports is provided to the BOS as well as to all those individuals indicated on our standard routing distribution list.

The AOC and BOS expect that audit recommendations will typically be implemented within six months and often sooner for significant and higher risk issues. Our **second Follow-Up Audit** will begin at six months from the release of the first Follow-Up Audit report, by which time **all** audit recommendations are expected to be addressed and implemented. At the request of the AOC, we are to bring to their attention any audit recommendations we find still not implemented or mitigated after the second Follow-Up Audit. The AOC requests that such open issues appear on the agenda at their next scheduled meeting for discussion.

We have attached a **Follow-Up Audit Report Form**. Your agency should complete this template as our audit recommendations are implemented. When we perform our first Follow-Up Audit approximately six months from the date of this report, we will need to obtain the completed document to facilitate our review.

Each month I submit an **Audit Status Report** to the BOS where I detail any critical and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

## Letter from Dr. Peter Hughes, CPA



As always, the Internal Audit Department is available to partner with your staff so that they can successfully implement or mitigate difficult audit recommendations. Please feel free to call me should you wish to discuss any aspect of our audit report or recommendations. Additionally, we will request your department complete a **Customer Survey** of Audit Services. You will receive the survey shortly after the distribution of our final report.

### ATTACHMENTS

Other recipients of this report are listed on the **OC Internal Auditor's Report** on page 12.

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Sheriff-Coroner Law Enforcement  
Services Contract Cost Study for FY 2012-13  
Audit No. 1158**

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# OC Internal Auditor's Report



Audit No. 1158

June 29, 2012

## Audit Highlight

We conducted an audit of the Sheriff-Coroner (S-C) law enforcement services contract cost study for Fiscal Year 2012-13 at the request of the Audit Oversight Committee.

The scope of the audit was to determine if the proposed law enforcement services contracts with the twelve Orange County cities and Orange County Transportation Authority (OCTA) and the contract proposal with the City of Yorba Linda for Fiscal Year 2012-13 will recover full costs in accordance with County policies and applicable California Government Code.

We found S-C Law Enforcement Services Contract Cost Study will recover full costs in accordance with County policies and applicable California Government Code for Fiscal Year 2012-13. **Specifically, we noted retirement costs include the contribution requirements for FY 2012-13 for the Normal Costs and the Unfunded Actuarial Accrued Liability (UAAL). The retirement contribution rate (which includes the UAAL) is adjusted annually based on the results of the actuarial valuation and review that is performed on an annual basis. We identified two (2) Control Findings to enhance policies and procedures for conducting the law enforcement contract cost study and to ensure full cost recovery of enhanced helicopter responses.**

TO: Sandra Hutchens  
Sheriff-Coroner

FROM: Dr. Peter Hughes, CPA, Director  
Internal Audit Department

Handwritten signature of Peter Hughes in black ink.

SUBJECT: Special Request Audit:  
Sheriff-Coroner Law Enforcement Services Contract  
Cost Study for FY 2012-13

## OBJECTIVES

At the request of the Audit Oversight Committee (AOC) at their March 15, 2012 meeting, the Internal Audit Department conducted an audit of the Sheriff-Coroner (S-C) Law Enforcement Services Contract Cost Study for FY 2012-13. The purpose of the audit was to determine if the proposed law enforcement services contracts with the twelve Orange County cities and OCTA [contract partners] for Fiscal Year 2012-13 will recover full costs in accordance with County policies and applicable California Government Code.

In addition, we included a review of the Sheriff-Coroner's contract proposal with the City of Yorba Linda for services beginning in Fiscal Year 2012-13 to determine if the contract will recover full costs in accordance with County policies and applicable California Government Code. Our audit was conducted in conformance with professional standards established by the Institute of Internal Auditors.

The objectives of this audit were to determine that:

1. The proposed law enforcement services contracts with the twelve Orange County cities and OCTA for Fiscal Year 2012-13 will recover full costs (e.g., retirement costs including the Unfunded Actuarial Accrued Liability (UAAL)) in accordance with County policies and applicable California Government Code.
2. The Sheriff-Coroner's contract proposal with the City of Yorba Linda for services beginning in Fiscal Year 2012-13 will recover full costs (e.g., retirement costs including the Unfunded Actuarial Accrued Liability (UAAL)) in accordance with County policies and applicable California Government Code.

# OC Internal Auditor's Report



## RESULTS

**Objective #1:** The proposed law enforcement services contracts with the twelve Orange County cities and OCTA for Fiscal Year 2012-13 will recover full costs (e.g., retirement costs including the Unfunded Actuarial Accrued Liability (UAAL)) in accordance with County policies and applicable California Government Code.

**Result #1:** Our audit found the proposed law enforcement services contracts for the twelve Orange County Cities and OCTA for Fiscal Year 2012-13 will recover full costs in accordance with County policies and applicable California Government Code. **Specifically, we noted retirement costs include the contribution requirements for FY 2012-13 for the Normal Costs and the Unfunded Actuarial Accrued Liability (UAAL). The retirement contribution rate (which includes the UAAL) is adjusted annually based on the results of the actuarial valuation and review that is performed on an annual basis.**

We identified **two (2) Control Findings**. 1) The exact nature of the enhanced helicopter responses is not specified in the Law Enforcement Services Contract Agreements for the twelve contracting cities. In addition, the cost allocation amount for enhanced helicopter responses has not been updated for full cost recovery since its establishment in 1996. 2) S-C's policies and procedures over the development of the law enforcement services contract cost study should be enhanced.

**Objective #2:** The Sheriff-Coroner's contract proposal with the City of Yorba Linda for services beginning in Fiscal Year 2012-13 will recover full costs (e.g., retirement costs including the Unfunded Actuarial Accrued Liability (UAAL)) in accordance with County policies and applicable California Government Code.

**Result #2:** Our audit found that the costs proposed with the City of Yorba Linda for services beginning in Fiscal Year 2012-13 will recover full costs in accordance with County policies and applicable California Government Code. **Specifically, we noted retirement costs include the contribution requirements for FY 2012-13 for the Normal Costs and the Unfunded Actuarial Accrued Liability (UAAL). The retirement contribution rate (which includes the UAAL) is adjusted annually based on the results of the actuarial valuation and review that is performed on an annual basis.**

# OC Internal Auditor's Report



## SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS

The following *Summary of Audit Findings and Recommendations* shows our findings and recommendations resulting from our audit. See further discussion in the *Detailed Results, Findings, Recommendations and Management Responses* section of this report. See *Attachment A* for a description of Report Item Classifications.

Finding No.	Report Item Classification	Findings	Recommendations	Concurrence by Management	Page No. in Audit Report
1.	Control Finding	The law enforcement services contract agreements for the twelve contracting cities do not specifically clarify the nature of Enhanced Helicopter Responses (Air Support). The amount and cost allocation method has been reviewed but not updated for full cost recovery since its establishment in 1996.	1a. We recommend that Sheriff-Coroner management revise the law enforcement services contract agreements for the twelve contracting cities to specifically address the nature of the enhanced helicopter responses.	Concur	15
			1b. We recommend that Sheriff-Coroner management review the enhanced helicopter responses rate and cost allocation method to ensure full cost recovery in accordance with County policies and applicable California Government Code.	Concur	15
2.	Control Finding	Policies and Procedures Over the Development of the Law Enforcement Services Contract Cost Study Could Be Enhanced.	We recommend that the Sheriff-Coroner management improve policy and procedures to be followed over the development of the law enforcement services contract cost study. Consideration should be given to hiring a professional (consultant) to assist, if internal resources are not available, in the development and/or revision of the procedures. Documented policies and procedures should be reviewed and approved by management. The most current policies and procedures should be readily accessible for reference by personnel responsible for the development of the law enforcement services contract cost study.	Concur	16

# OC Internal Auditor's Report



## BACKGROUND

### Orange County Sheriff's Department Mission Statement

The men and women of the Orange County Sheriff's Department are dedicated to the protection of all we serve. We provide exceptional law enforcement services free from prejudice or favor, with leadership, integrity, and respect.

### Sheriff-Coroner's Recommended Budget for Fiscal Year 2012-13

The Orange County's Fiscal Year 2012-13 Recommended Budget for appropriations, including augmentation requests, under the control of the Sheriff-Coroner is \$693,244,903 with a total of 3,808 positions. Contract law enforcement services' costs represent approximately 16% of the Sheriff-Coroner's operations for FY 2012-13. Contract law enforcement services' employees represent approximately 13% of the total Sheriff-Coroner's positions and does not include the Yorba Linda contract budget amount.

### Law Enforcement Services Contracts

Sheriff-Coroner currently provides contract law enforcement services to twelve Orange County cities and OCTA and during the course of this audit the Department was in the process of negotiating contracts for Fiscal Year 2012-13. In addition, the Sheriff-Coroner's staff is in the process of negotiating a contract for law enforcement services with the City of Yorba Linda for services beginning in Fiscal Year 2012-13. The following law enforcement services contracts are in the process of being finalized:

City/Agency		Initial Contract Year	FY 2012-13 Direct Full Time Equivalent	FY 2012-13 Proposed Contract Amount
<b>One-Year Agreement</b>				
1	Aliso Viejo	2001	27.97	\$ 6,355,155
2	Dana Point	1989	42.00	9,316,703
3	Laguna Hills	1992	27.97	6,633,168
4	Laguna Niguel	1990	40.00	9,275,931
5	Laguna Woods	1999	5.42	1,331,904
6	Lake Forest	1992	53.00	12,455,023
7	Mission Viejo	1988	67.00	15,471,819
8	Rancho Santa Margarita	2000	31.66	7,289,648
9	San Clemente	1993	55.00	11,931,782
<b>Five-Year Agreement</b>				
10	San Juan Capistrano	1961	30.00	7,350,382
11	Stanton	1988	38.00	8,420,000
12	Villa Park	1962	4.50	1,149,447
	OCTA	1993	24.00	5,688,892
	<b>Sub-Total</b>		<b>446.52</b>	<b>102,669,854</b>
*	Yorba Linda	2012-13	39.50	9,616,067
	<b>Total</b>		<b>486.02</b>	<b>112,285,921</b>
	<b>% of S-C Operations</b>		<b>13%</b>	<b>16%</b>

\* Still in negotiations and is contingent on the Board of Supervisor's approval. Proposed contract amount includes one-time start up costs which are not comparable to other cities' contracts.



## **California Government Code §51350**

The State of California Government Code §51350 authorizes counties to charge cities for costs incurred in providing services that are contracted or authorized by law. "A county which provides services through its appropriate departments, boards, commissions, officers or employees, to any city pursuant to contract or as authorized by law, shall charge the city all those costs which are incurred in providing the services so contracted or authorized. A county shall not charge a city contracting for a particular service, either as a direct or an indirect overhead charge, any portion of those costs which are attributable to services made available to all portions of the county, as determined by resolution of the board of supervisors, or which are general overhead costs of operation of the county government. General overhead costs, for the purpose of this section, are those costs which a county would incur regardless of whether or not it provided a service under contract to a city."

## **Board Resolution No. 89-1160 – Sheriff-Coroner Services Provided to all Orange County Cities at no Cost**

The Board of Supervisors adopted Resolution No. 89-1160 in August 1989 which specifies 23 Sheriff-Coroner services given county-wide to all Orange County cities at no-cost (such as Jail Operations, Coroner, Forensic Science Services, Homicide Detail, Tactical Support Team (SWAT)). In addition, the Resolution **authorizes** the S-C to charge as a direct service to a city, including the contract cities, any of the specified 23 services, to the extent that the level-of-service requested by the city is greater than that given to the other Orange County cities free-of-charge.

The law enforcement services contract cost studies do not include costs related to the specified 23 services other than for enhanced level of helicopter responses provided to all contract cities. See **Section 3C. – Enhanced Helicopter Responses (Air Support)**.

## **County of Orange Accounting Manual**

The County of Orange Accounting Manual, Policy Number B-2, Billing Rates and Indirect Costs and R-3, Revenue Policy, Requirements & Responsibilities establish a Countywide revenue policy and related procedure, including the requirements and responsibilities concerning non-property tax revenues that will aid in the effective management of such revenue and provide basic guidelines for calculating department billing rates and indirect costs. If any provisions of these procedures are in conflict with applicable state/federal regulations those other regulations govern. County policy for charging the costs of County services to outside agencies, businesses, and individuals, and other County funds, is for full cost recovery whenever possible.

## **Law Enforcement Services Contract Model**

The law enforcement contract model for the law enforcement services contracts is based on the legal requirement under government code §51350. The S-C contracts for a specific number of personnel/specific level-of-service (e.g. half (.50) full time equivalent or one (1) full time equivalent). The cost study is structured to calculate a per-position-cost for applicable S-C positions. As such, the necessary number of personnel is provided to ensure that the specified level-of-service is maintained regardless of an employee's annual leave, sick time, etc. The calculation methodology is prepared and updated annually for changes to the S-C's costs such as salaries, employee benefits and the other costs in providing law enforcement services and based on the level-of-service requested by the contract partners. The S-C may contract and charge cities for costs incurred in providing services for any supplemental law enforcement services such as policing special events.

# OC Internal Auditor's Report



The S-C Financial/Administrative Services Revenue/Audit (Revenue & Audit) Unit prepares a cost study annually to ensure full cost recovery for law enforcement services rendered to the contract partners. The cost study is reviewed annually by the Auditor-Controller. Contract partners are billed monthly for services rendered and may be responsible for any salary and benefit increases pertaining to the contract period. If there is such an increase, the contract partner has an option to reduce the level of service at mid-year to maintain the maximum obligation for the contract period.

The contract cost study is comprised of direct and indirect costs. Direct costs include salaries and wages, employee benefits, services and supplies, and other direct charges and credits associated with the level-of-service requested. Indirect costs include division, department, training, countywide cost allocation plan (CWCAP) overhead costs, and regional support costs. The cost methodology used to develop the per-position-cost is a combination of actual usage statistics, actual and budgeted rates, and negotiated agreed upon costs. The annual cost study is broken down into the following components:

## 1. SALARIES AND WAGES

Regular base salaries and wages, overtime, and premium pays associated with each position. Salaries and wages account for approximately 44% of the law enforcement contract services costs.

The majority of county positions (safety and non-safety) are represented by labor unions, e.g. Association of Orange County Deputy Sheriffs (AOCDS) for the Peace Officer Unit and Supervising Peace Officer Unit, and Orange County Employee Association (OCEA). Their employment terms and conditions are stated in the corresponding Memorandum of Understanding (MOU) Agreements. Employment terms and conditions for unrepresented employees are stated in the County's Personnel and Salary Resolution.

Salaries and wages are calculated based on actual costs and rates established by the County of Orange Human Resources Departments' Salary Schedules and Title Schematics.

Overtime costs are calculated at one and one-half (1½) times the regular rate. It is calculated based on actual overtime hours net of any credits and/or adjustments due to vacancies and leave of absences and allocated to applicable positions.

Premium pay is calculated depending on the applicable MOU, job classification, and compliance with eligibility requirements. Specific criteria and rates are stated in the corresponding MOUs. Examples of premium pay include Peace Officer Standards and Training (P.O.S.T.) pay and motorcycle officer assignment pay. P.O.S.T. pay is calculated based on the applicable P.O.S.T. percentage and applied to salary.

## 2. BENEFITS

Retirement (Orange County Employees Retirement System – OCERS; defined contribution – health reimbursement accounts, and Supplemental Targeted Adjustment for Retirees Cost of Living Adjustment – star cola), insurance (medical, worker's compensation, health and welfare, unemployment, dental, accidental death and dismemberment, salary continuance, and life), Medicare taxes, and management optional benefit plan costs associated with each position. Benefits account for approximately 31% of the law enforcement services contract costs.



## A. Retirement – OCERS:

The County of Orange is a participant of the Orange County Employees Retirement System (OCERS), which provides retirement benefits for the employees of OC. This benefit is funded through employer contributions, employee contributions and investment earnings on OCERS assets. The County's (employer) contribution of OCERS retirement costs account for approximately 69% of the law enforcement services total benefits contract costs.

Retirement benefits and costs vary depending on plan type and corresponding benefit formula. The Employer/Plan Sponsor is required to make a contribution to OCERS to fund the retirement plan. The retirement contribution rate for FY 2012-13 is based on the most current actuarial valuation and review (actuarial) performed by The Segal Company, as of December 31, 2010. The retirement contribution rate is adjusted annually based on the results of the annual actuarial valuation and review.

For FY 2012-13, OCERS contracted with The Segal Company for an actuarial valuation and review to summarize the actuarial data used in their valuation, establish the funding requirements for each Fiscal Year, and analyze each preceding year's experience.

The Segal Company prepared an actuarial report to present a valuation of the Orange County Employees Retirement System as of December 31, 2010. The valuation was performed to determine whether the assets and contributions were sufficient to provide the prescribed benefits. The contribution requirements presented in the report were based on these five key and industry standard elements:

- 1) The benefit provisions of the Retirement System, as administered by the Board of Retirement;
- 2) The characteristics of covered active members, inactive vested members, retired members, and beneficiaries as of December 31, 2010, provided by the Retirement System;
- 3) The assets of the Plan as of December 31, 2010, provided by the Retirement System;
- 4) Economic assumptions regarding future salary increases and investment earnings; and
- 5) Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

The report concluded that the contribution requirements are determined as a percentage of payroll. The System's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities for each plan.

### **Unfunded Actuarial Accrued Liability (UAAL)**

The unfunded actuarial accrued liability (UAAL) is defined as the extent to which the actuarial accrued liability of the Plan exceeds the assets of the Plan. There are many approaches to paying off the unfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

# OC Internal Auditor's Report



In the valuation, The Segal Company has continued with the Board's (OCERS') "funding policy to amortize the outstanding balance of the unfunded actuarial accrued liability (UAAL) from the December 31, 2004 valuation over a declining period, currently 24 years. The outstanding balance of the UAAL established in the December 31, 2009 valuation as a result of including additional premium pay items as pensionable salary and the new UAAL established in the December 31, 2010 valuation as a result of reallocating contributions and benefit payments among Rate Groups are also amortized over a 24-year period, in the December 31, 2010 valuation. Any increases or decreases in unfunded actuarial accrued liabilities that arise in future years due to actuarial gains or losses will be amortized over separate 15-year periods. Any increases or decreases in UAAL due to changes in actuarial assumptions are amortized over separate 30-year periods. The rates calculated in the report may be adopted by the Board for the Fiscal Year that extends from July 1, 2012 through June 30, 2013."

The Segal Company issued the most current actuarial valuation and review on July 6, 2011, which was conducted as of December 31, 2010, for establishing the funding requirements for Fiscal Year 2012-13. OCERS Board of Retirement adopts the employer contribution rates based on the valuation and review and notifies OC Board of Supervisors to adopt and adjust the retirement rate Countywide for the period.

Employer/Employee Contribution Rates FY 2012-13				
Plan Types	Formula	MOU	Actuarial Rate	
I & J (General)	2.7% @ 55	OCEA, PSR	Normal	11.55%
			UAAL	16.84%
			<b>Total</b>	<b>28.39%</b>
E & F (Law Enforcement)	3% @ 50	AOCDS	Normal	21.05%
			UAAL	26.40%
			<b>Total</b>	<b>47.45%</b>

The retirement contribution rate (which includes the UAAL) is **adjusted annually** based on the results of the actuarial valuation and review that is performed on an annual basis.

In addition to paying the employer's normal cost and UAAL, the County is required to make additional contributions for employee's normal contributions in accordance with labor union agreements or Board resolutions including retiree medical grant costs. Furthermore, law enforcement employees are required to contribute a percentage of their compensation earnable toward their employee normal retirement contribution and general employees are responsible for the retirement cost (net of other savings) for implementation of the 2.7% at 55 retirement benefit formula. These additional contributions and offsets are included in the retirement contribution rates provided by CEO's FY 2012-13 Countywide Benefit and Billing Rates and are used in the FY 2012-13 cost study to allocate retirement costs.

- B. **Retirement – Defined Contribution (Health Reimbursement Accounts):** Defined contribution costs account for approximately 3% of the law enforcement services total benefits contract costs. Health Reimbursement Account cost is calculated depending on the applicable MOU, job classification, and compliance with eligibility requirements. Specific criteria and rates are stated in the corresponding MOUs.

# OC Internal Auditor's Report



Health reimbursement account rates provided by CEO's FY 2012-13 Countywide Benefit and Billing Rates are used in the FY 2012-13 cost study to allocate health reimbursement account costs.

- C. **Retirement – Star Cola:** Star Cola costs account for less than 1% of the law enforcement services total benefits contract costs. Star Cola is paid to eligible retirees who retired prior to April 1, 1981 and survivors who have lost more than 20% of their original retirement benefit's purchasing power due to inflation. Star Cola rates provided by CEO's FY 2012-13 Countywide Benefit and Billing Rates are used in the FY 2012-13 cost study to allocate Star Cola costs.
- D. **Insurance:** Insurance includes medical, workers' compensation, Medicare, health and welfare, unemployment, dental, accidental death and dismemberment, salary continuance, and life. Insurance costs account for approximately 27% of the law enforcement services total benefits contract costs. Insurance rates provided by CEO's FY 2012-13 Countywide Benefit and Billing Rates are used in the FY 2012-13 cost study to allocate insurance costs.
- E. **Management Optional Benefit Plan:** The County in accordance with applicable MOU's provides optional benefits to specific employees, (e.g. optional benefits include 1. cash (taxable); 2. professional conferences which are job related (employee only) including fees and other expenses while attending; 3. professional memberships, licenses, and certificates which are job related (employee only); 4. professional journals and periodicals (employee only) which are job related). The optional benefit plan costs account for less than 1% of the law enforcement services total benefits contract costs. Management's optional benefit plan cost is calculated depending on the applicable MOU, job classification, and compliance with eligibility requirements. Specific criteria and rates are stated in the corresponding MOUs. Management optional benefit plan costs are allocated based on actual compensated amounts paid. Based on the CEO Budget instructions maximum allowable amount which is currently \$3,500.

### 3. SERVICES AND SUPPLIES

Services and supplies include services and supplies, liability insurance, and enhanced helicopter responses (air support). Services and supplies accounts for approximately 2% of total law enforcement services contract costs.

- A. **Services and supplies:** Actual direct and shared services and supplies expenditures are allocated to law enforcement services contracts.
- B. **Liability Insurance:** The County maintains self-insured Property & Liability Insurance and has established Internal Service Funds to set aside funds to finance all future losses. CEO Risk Management is responsible for preparing a cost allocation plan to charge liability insurance costs to county agencies/departments. The CEO Budget Office calculates the lump sum allocation for each agency/department for the Fiscal Year. In addition to the lump sum allocation provided by CEO's FY 2012-13 Countywide Benefit and Billing Rates used in the FY 2012-13 cost study, S-C calculates S-C's Risk Management's unit costs to allocate liability insurance costs.
- C. **Enhanced Helicopter Responses (Air Support):** Costs are for "enhanced" helicopter responses for contract cities (excludes OCTA) in addition to regular countywide helicopter responses provided to all County cities.

# OC Internal Auditor's Report



The costs are allocated based on the number of Deputy Sheriff II positions for a contract partner times the cost allocation amount of \$902, which was established in 1996. We performed tests to validate that the level of helicopter responses provided to contracting cities is greater than that given to other Orange County cities free-of-charge, and found that it is appropriate to charge the contracting cities for the enhanced helicopter responses. The amount and calculation method for determining the cost allocation has not been updated since it was established in 1996. See **Finding No. 1.**

## 4. OVERHEAD COSTS (INDIRECT COSTS)

Included in overhead costs are Countywide Cost Allocation Plan (CWCAP); Department Overhead; Training Overhead; and Division Overhead. Overhead accounts for approximately 11% of total law enforcement services contract costs.

- A. **Countywide Cost Allocation Plan (CWCAP):** The CWCAP is developed annually by the Auditor-Controller and a consultant. The CWCAP is based on the apportionment of costs to agencies and organizations within an agency. Upon approval from the State of California, Auditor-Controller develops rate studies for the departments. S-C applies the CWCAP rates to the total salaries of the law enforcement services contract partners.
- B. **Department Overhead:** The allocation of administrative and technical support function costs provided from five (5) Sheriff-Coroner Units (1. Financial, 2. Supply Detail, 3. Professional Standards, 4. Administration and 5. Director of Public Affairs). Department overhead costs are calculated based on actual expenditures for the aforementioned units.
- C. **Training Overhead:** The cost of in-services training (Advance Officer) and the salary and benefits of recruits in the academy. Since the Training Center provides training to County and non-County participants, the training cost (net of revenue) is adjusted to exclude the non-County participants then is distributed to each sworn position.
- D. **Division Overhead:** The allocation of managerial and supervisory costs (e.g. costs of captain, shared clerical positions at the substation (patrol and investigation), dispatch, and the Department commander). Division overhead and captain costs are calculated based on actual expenditures for the aforementioned positions.

## 5. REGIONAL SUPPORT COSTS

Regional Support Costs includes direct and indirect costs for shared staff (e.g., Regional Traffic Office). Regional support costs account for approximately 2% of total law enforcement services contract costs.

## 6. OTHER CHARGES AND CREDITS

Other charges and credits account for approximately 10% of total law enforcement services contract costs.

- A. **Other Charges:** Other charges include costs pertaining to an activity rather than specific to a position classification. Other charges include but are not limited to costs such as transportation costs, bilingual pay, holiday compensation pay, patrol video system recurring costs, Megan Law's data line, and patrol training costs.
- B. **Credits:** Includes revenues for fees or charges that the County collected on the city's behalf, e.g. County collects false alarm fees for cities, or reimbursement for POST/Training.



## SCOPE AND METHODOLOGY

Our audit covers the Sheriff-Coroner's law enforcement services contracts cost study for Fiscal Year 2012-13 and includes the following:

1. Determine that the proposed law enforcement services contracts with the twelve Orange County cities and OCTA for Fiscal Year 2012-13 will recover full costs (e.g., retirement costs including the Unfunded Actuarial Accrued Liability (UAAL)) in accordance with County policies and applicable California Government Code.
2. Determine that the Sheriff-Coroner's contract proposal with the City of Yorba Linda for services beginning in Fiscal Year 2012-13 will recover full costs (e.g., retirement costs including the Unfunded Actuarial Accrued Liability (UAAL)) in accordance with County policies and applicable California Government Code.

## SCOPE EXCLUSIONS

Our audit did not include an audit of system controls over the Sheriff-Coroner's information systems used for administering, recording, and reporting transactions for the S-C law enforcement services contracts. In addition, we did not perform an evaluation of internal controls and processes over the administration, including controls over cash receipts and/or disbursements, and compliance of law enforcement services contracts. Furthermore, we did not audit the rates developed by CEO's Budget or other 3<sup>rd</sup> party, departments and/or agencies (e.g., Actuarial).

## Management's Responsibilities for Internal Controls

In accordance with the Auditor-Controller's County Accounting Manual section S-2 *Internal Control Systems*, "All County departments/agencies shall maintain effective internal control systems as an integral part of their management practices. This is because management has primary responsibility for establishing and maintaining the internal control system. All levels of management must be involved in assessing and strengthening internal controls." Control systems shall be continuously evaluated by Management and weaknesses, when detected, must be promptly corrected. The criteria for evaluating an entity's internal control structure is the Committee of Sponsoring Organizations (COSO) control framework. Our audit enhances and complements, but does not substitute for Sheriff-Coroner's continuing emphasis on control activities and self-assessment of control risks.

## Inherent Limitations in Any System of Internal Control

Because of inherent limitations in any system of internal controls, errors or irregularities may nevertheless occur and not be detected. Specific examples of limitations include, but are not limited to, resource constraints, unintentional errors, management override, circumvention by collusion, and poor judgment. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate. Accordingly, our audit would not necessarily disclose all weaknesses in Sheriff-Coroner's operating procedures, accounting practices, and compliance with County policy.

# OC Internal Auditor's Report



## ACKNOWLEDGMENT

We appreciate the courtesy extended to us by the Sheriff-Coroner staff during our audit. If we can be of further assistance, please contact me directly at 834-5475.

## Attachments

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

Members, Board of Supervisors  
Members, Audit Oversight Committee  
Thomas G. Mauk, County Executive Officer  
John Scott, Undersheriff  
Mark Billings, Assistant Sheriff, S-C/Field Operations & Investigative Services Command  
Tim Board, Assistant Sheriff, S-C/Professional Services Command  
Michael James, Assistant Sheriff, S-C/Custody Operations & Court Services Command  
Don Barnes, Commander, S-C/Field Operations & Investigative Services Command  
Rick Dostal, Executive Director, S-C/Administrative Services Command  
Jane Reyes, Senior Director, S-C/Administrative Services Command  
Brian Wayt, Director, S-C/Financial/Administrative Services  
Noma Crook-Williams, Assistant Director, S-C/Financial/Administrative Services  
Patricia Bello, Contracts Manager, S-C/Financial/Administrative Services  
Nasrin Soliman, Audit Manager, S-C/Audit and Revenue  
Foreperson, Grand Jury  
Susan Novak, Clerk of the Board of Supervisors

# Detailed Results, Findings, Recommendations and Management Responses



**OBJECTIVE #1:** Determine that the proposed law enforcement services contracts with the twelve Orange County cities and OCTA for Fiscal Year 2012-13 will recover full costs (e.g., retirement costs including the Unfunded Actuarial Accrued Liability (UAAL)) in accordance with County policies and applicable California Government Code.

## Work Performed

To accomplish this objective, we audited proposed law enforcement services contracts with the twelve Orange County cities and OCTA for Fiscal Year 2012-13 to ensure full cost recovery in accordance with County policies and applicable California Government Code.

We verified that the law enforcement services cost study for FY 2012-2013 agreed to proper supporting documentation (e.g., CEO's FY 2012-13 Countywide Benefit and Billing Rates, most current Actuarial Reports, accounting records, etc). We ensured the costs were mathematically accurate. We reviewed Board Resolution No. 89-1160 that identifies countywide services to be provided at no cost and ensured the cost study did not contain any of these items other than for enhanced level of helicopter responses provided to all contract cities. Furthermore, we reviewed applicable memorandum of understanding agreements, County and S-C's policies and procedures to ensure all applicable costs were included in the contracts.

## Conclusion

Based on our audit, the proposed law enforcement services contracts with the twelve Orange County cities and OCTA for Fiscal Year 2012-13 will ensure full cost recovery in accordance with County policies and applicable California Government Code. Specifically, we noted retirement costs include the contribution requirements for FY 2012-13 for the Normal Costs and the Unfunded Actuarial Accrued Liability (UAAL). The retirement contribution rate (which includes the UAAL) is adjusted annually based on the results of the actuarial valuation and review that is performed on an annual basis.

However, we identified **two (2) Control Findings**. 1) The exact nature of the enhanced helicopter responses is not specified in the Law Enforcement Services Contract Agreement for the twelve contracting cities. In addition, the cost allocation amount for enhanced helicopter responses has not been updated since its establishment in 1996. 2) The S-C policies and procedures over the development of the law enforcement services contract cost study should be enhanced. The findings are discussed below:

**Finding 1 – The law enforcement services contract agreements for the twelve contracting cities do not specifically clarify the nature of Enhanced Helicopter Responses (Air Support). The amount and cost allocation method has been reviewed but not updated for full cost recovery since its establishment in 1996. (Control Finding)**

## Summary

The law enforcement services contract agreements for the twelve contracting cities do not specifically clarify the nature of enhanced helicopter responses. In addition, the helicopter responses rate of \$902 and cost allocation method has not been updated since it was established in 1996.

# Detailed Results, Findings, Recommendations and Management Responses



## Details

Sheriff-Coroner Department (S-C) provides enhanced helicopter responses to twelve contract cities. OCTA does not contract for enhanced helicopter responses. The Law Enforcement Services Contract Agreement (Contract) includes a section for Enhanced and Supplemental Services by County. However, we found that the exact nature of the enhanced helicopter responses was not specified in the section for Enhanced and Supplemental Services in the agreements for the twelve contracting cities. In addition, the amount and cost allocation method for enhanced helicopter responses of \$902 has not been updated since the rate was established in 1996.

*California Government Code Section 51350 requires that "[a] county which provides services through its appropriate departments, boards, commissions, officers or employees, to any city pursuant to contract or as authorized by law, shall charge the city all those costs which are incurred in providing the services as contracted or authorized. A County shall not charge a city contracting for a particular service, either as a direct or an indirect overhead charge, any portion of those costs which are attributable to services made available to all portions of the county, as determined by resolution of the board of supervisors, or which are general overhead cost of operation of the county government."*

The cost of law enforcement services is subject to Government Code Section 51350; therefore, OC Board of Supervisors (BOS) adopted Resolution No. 89-1160 to specify 23 "Sheriff-Coroner services provided county-wide to all Orange County cities at no-cost." In accordance with Government Code Section 51350, the BOS authorized "the S-C to charge as a direct service to a city, including the contract cities, any of the (23 services identified) to the extent that the level-of-service requested by the city is greater than that given to the other Orange County cities free-of-charge."

The law enforcement services contracts do not include costs related to those services, other than for enhanced level of helicopter responses provided to all contract cities. We performed tests to validate the level of helicopter responses provided to contracting cities, and found that on an average it is greater than that given to other Orange County cities.

Sheriff-Coroner informed us that prior to 1996, the S-C department was a member of a Joint Power Agreement. Air Borne Law Enforcement Services (ABLE) provided enhanced helicopter responses to contracting cities. ABLE proposed a substantial cost increase and the cities terminated the contract with ABLE.

Once the Joint Power Agreement was dissolved, the S-C provided the enhanced helicopter responses to the contracting cities. As a result, the cost was calculated based on the average "revenue" the County was receiving from ABLE for the enhanced helicopter responses. The revenue was allocated among all Deputy Sheriff II (DS II) positions for the enhanced helicopter responses. The rationale for using the number of Deputy Sheriff II positions in the calculation is that the DSII's, both in the air and on the ground, respond to calls for law enforcement services. The \$902 cost allocation was calculated as follows:

$$\text{Enhanced Helicopter Responses Rate} = \frac{\text{the average revenue}}{\text{total DS II positions}} \\ \$902 \text{ approx.} = \$173,675 / 193$$

# Detailed Results, Findings, Recommendations and Management Responses



During our review of the FY 2012-13 Law Enforcement Services Cost Study, the total contract cost for enhanced helicopter responses for the twelve cities equals \$252,732 (excluding the City of Yorba Linda). On an average for the twelve cities, this represents an annual cost of \$21,061 and .26% of total law enforcement services contract costs. The amount charged to each of the contracting cities is calculated by taking the number of purchased Deputy Sheriff (DS) II positions times the cost allocation rate of \$902 (280.19 DS II positions x \$902 = \$252,732).

S-C stated that the rate has been mutually agreed upon annually through contract negotiations with contracting cities.

## **Recommendation No. 1a**

We recommend that Sheriff-Coroner management revise the law enforcement services contract agreements for the twelve contracting cities to specifically address the nature of the enhanced helicopter responses.

### **Sheriff-Coroner Management Response:**

Concur. The Law Enforcement Services Contract Agreements for the twelve contracting cities will be updated to address the enhanced helicopter responses. In addition, we have revised our proposed law enforcement services contract agreement with the City of Yorba Linda to specifically address the enhanced helicopter responses.

## **Recommendation No. 1b**

We recommend that Sheriff-Coroner management review the enhanced helicopter responses rate and cost allocation method to ensure full cost recovery in accordance with County policies and applicable California Government Code.

### **Sheriff-Coroner Management Response:**

Concur. We will review the current cost allocation and calculation method to ensure that costs are appropriately recovered for enhanced helicopter responses.

## **Finding 2 – Policies and Procedures Over the Development of the Law Enforcement Services Contract Cost Study Could Be Enhanced (Control Finding)**

### **Summary**

Written policies and procedures over the development of the law enforcement services contract cost study need to be updated.

### **Details**

Written policies and procedures for the development of the law enforcement services contract cost study need to be updated to include the following areas:

# Detailed Results, Findings, Recommendations and Management Responses



- A. The impact of new rates, costs, or charges proposed by the County Budget Office or other department/agencies (i.e. Auditor-Controller).
- B. Identify various cost categories and how they are allocated in the cost study.
- C. Methodology for calculating the costs (e.g. property and liability insurance costs rate is calculated based on annual budget amount provided by CEO's Budget Office plus S-C's Risk Management Bureau total costs divided by the total number of positions in the department. This calculation is not clearly defined in the procedures).
- D. Roles and responsibilities for cost study preparation and supervisory review.

Policy and procedural manuals are a set of written instructions that document a recurring activity. The development and use of policy and procedural manuals are an integral part of a successful quality assurance system as it provides personnel with the information to perform their duties properly, facilitates consistency in the quality and integrity of an end-result, and ensures compliance with governing documentation. The development and use of policy and procedural manuals minimizes variation and promotes quality through consistent implementation of a process, even if there are temporary or permanent personnel changes. Policy and procedural manuals can be used as a part of a personnel training program, since they should provide detailed work instructions.

Policies and procedures minimize opportunities for miscommunication and can address quality control concerns. When historical data are being evaluated for current use, policy and procedural manuals can also be valuable for reconstructing project activities when no other references are available. In addition, policy and procedural manuals can be used as checklists by reviewing management for monitoring quality assurance.

The benefits of policy and procedural manuals reduce work effort, along with improved comparability and credibility.

## **Recommendation No. 2**

We recommend that the Sheriff-Coroner management improve policy and procedures to be followed over the development of the law enforcement services contract cost study. Consideration should be given to hiring a professional (consultant) to assist, if internal resources are not available, in the development and/or revision of the procedures. Documented policies and procedures should be reviewed and approved by management. The most current policies and procedures should be readily accessible for reference by personnel responsible for the development of the law enforcement services contract cost study.

## **Sheriff-Coroner Management Response:**

Concur. We will update the Sheriff-Coroner policy and procedures regarding the development of law enforcement services contract cost study. We will also evaluate if outside resources are necessary.

# Detailed Results, Findings, Recommendations and Management Responses



**OBJECTIVE #2:** Determine that the Sheriff-Coroner's contract proposal with the City of Yorba Linda for services beginning in Fiscal Year 2012-13 will recover full costs (e.g., retirement costs including the Unfunded Actuarial Accrued Liability (UAAL)) in accordance with County policies and applicable California Government Code.

## **Work Performed**

To accomplish this objective, we audited the Sheriff-Coroner's contract proposal with the City of Yorba Linda for services beginning in Fiscal Year 2012-13 to determine if the proposal will recover full costs in accordance with County policies and applicable California Government Code.

We compared the Yorba Linda cost study which was used for the contract proposal to ensure the same cost methodology was utilized as the cost study for the twelve cities and OCTA's law enforcement services contract cost study for FY 2012-13.

## **Conclusion**

Based on our audit, the Sheriff-Coroner's contract proposal with the City of Yorba Linda for services beginning in Fiscal Year 2012-13 will recover full costs in accordance with County policies and applicable California Government Code. Specifically, we noted retirement costs include the contribution requirements for FY 2012-13 for the Normal Costs and the Unfunded Actuarial Accrued Liability (UAAL). The retirement contribution rate (which includes the UAAL) is adjusted annually based on the results of the actuarial valuation and review that is performed on an annual basis.

In addition, we noted the cost study for the City of Yorba Linda's contract proposal utilizes the same cost methodology as the cost study for the twelve cities and OCTA's law enforcement services contract cost study for FY 2012-13.

**No findings and recommendations were identified under this objective.**

# Detailed Results, Findings, Recommendations and Management Responses



## ATTACHMENT A: Report Item Classifications

For purposes of reporting our audit observations and recommendations, we will classify audit report items into three distinct categories:

- ▶ **Critical Control Weaknesses:**  
Audit findings or a combination of Significant Control Weaknesses that represent serious exceptions to the audit objective(s) and/or business goals. Management is expected to address Critical Control Weaknesses brought to their attention immediately.
- ▶ **Significant Control Weaknesses:**  
Audit findings or a combination of Control Findings that represent a significant deficiency in the design or operation of internal controls. Significant Control Weaknesses require prompt corrective actions.
- ▶ **Control Findings:**  
Audit findings concerning internal controls, compliance issues, or efficiency/effectiveness issues that require management's corrective action to implement or enhance processes and internal controls. Control Findings are expected to be addressed within our follow-up process of six months.



# Detailed Results, Findings, Recommendations and Management Responses

## ATTACHMENT B: Sheriff-Coroner Law Enforcement Contract Services Costs for Fiscal Year 2012-13

	Contract Cities & OCTA														Total	%
	Aliso Viejo	Dana Point	Laguna Hills	Laguna Niguel	Laguna Woods	Lake Forest	Mission Viejo	Marguerita	San Clemente	San Capistrano	Stanton	Villa Park	OCTA	Yorba Linda*		
<b>Salaries and Wages</b>	1,389,304	1,969,636	1,407,946	1,937,929	286,360	2,575,720	3,215,547	1,573,241	2,520,163	1,535,702	1,852,000	269,148	1,315,743	4,162,146	48,926,525	44%
<b>Benefits</b>	64,118	92,472	66,769	91,790	14,538	123,602	194,415	74,685	118,601	73,373	88,389	11,960	53,726	1,972,245	23,780,774	
Retirement Defined Contribution	4,819	7,032	4,868	6,817	901	9,010	11,236	5,309	9,119	5,324	6,337	701	3,338	94,581	1,134,049	
Retirement Star Cols	531,120	786,365	540,658	764,454	105,419	1,006,276	1,261,918	607,261	1,014,162	695,406	793,344	89,750	473,381	760,243	8,256,157	
Insurance	3,500	3,500	3,500	3,500	-	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000	
Optional Benefit Plan	1,972,861	2,858,965	2,023,721	2,804,490	407,278	3,718,108	4,646,616	2,264,196	3,665,545	2,203,355	2,697,950	340,649	1,861,748	2,837,463	34,296,665	31%
<b>Services and Supplies</b>	26,180	40,248	26,180	37,440	5,073	49,608	63,234	29,634	122,090	28,080	57,636	10,984	11,376	36,972	545,945	
Liability Insurance	103,433	159,014	103,433	147,920	20,043	195,894	249,828	117,078	203,390	110,340	140,524	18,641	86,732	146,071	1,803,061	
Enhanced Helicopter Responses	16,236	22,560	17,138	23,452	3,833	33,374	42,394	19,691	31,570	17,138	21,646	3,608	23,682	23,682	276,164	
<b>Total Services and Supplies</b>	145,849	221,612	146,751	208,612	29,049	278,976	355,456	165,403	358,050	156,158	220,008	31,243	100,128	206,495	2,625,190	2%
<b>Overhead Costs</b>	62,130	91,137	64,510	90,633	12,286	116,737	147,758	70,432	96,477	70,681	93,054	10,662	21,763	90,750	1,041,070	
Countywide Cost Allocation Plan	132,858	204,250	132,858	190,000	25,745	251,750	320,899	150,386	261,250	142,500	180,500	21,375	114,000	187,625	2,315,396	
Department Overhead	59,661	84,626	62,150	84,626	13,494	114,494	143,118	69,269	109,516	67,203	82,137	11,201	59,736	86,638	1,048,064	
Training Overhead	530,329	796,449	524,002	744,554	139,600	1,014,850	1,261,754	605,629	791,621	559,091	362,184	24,572	35,760	77,682	8,288,257	
Division Overhead + Captain	784,978	1,176,462	783,520	1,109,653	191,122	1,497,871	1,873,629	895,716	1,260,864	839,475	737,875	167,910	231,259	1,142,893	12,693,327	11%
<b>Total Overhead Costs</b>	29,726	174,199	98,359	148,525	29,846	254,600	311,937	126,295	307,965	149,894	146,811	2,947	95,013	149,519	1,931,623	2%
<b>Other Charges and Credits</b>	571,598	704,700	821,590	845,489	111,031	1,350,280	1,506,292	608,559	869,404	759,707	713,615	99,013	855,277	1,117,531	10,612,591	10%
<b>Total Costs</b>	6,355,155	9,316,703	6,633,168	9,275,931	1,331,904	12,455,023	15,471,819	7,289,648	11,931,762	7,350,382	8,420,000	1,149,447	5,698,892	9,616,067	112,285,921	100%

\* Negotiations in progress.

# Detailed Results, Findings, Recommendations and Management Responses



## ATTACHMENT C: Sheriff-Coroner Management Responses



**SHERIFF-CORONER DEPARTMENT  
COUNTY OF ORANGE  
CALIFORNIA**

**SANDRA HUTCHENS  
SHERIFF-CORONER**

June 27, 2012

Dr. Peter Hughes, CPA  
Director of Internal Audit  
Hall of Finance & Records  
12 Civic Center Plaza, Room 232  
Santa Ana, CA 92701

RE: Internal Control Audit: Sheriff-Coroner  
Sheriff-Coroner Law Enforcement Service Cost Study Response

RECEIVED  
INTERNAL AUDIT DEPARTMENT  
2012 JUN 29 AM 10:38

Dear Dr. Peter Hughes:

We are providing this letter in response to the Internal Control Audit No. 1158, Sheriff-Coroner Law Enforcement Service Cost Study for FY 2012-13. The audit resulted in two Control Findings. The findings, recommendations, and Sheriff-Coroner responses are noted below:

**Finding No. 1 – The law enforcement services contract agreements for the twelve contracting cities do not specifically clarify the nature of Enhanced Helicopter Responses (Air Support). The amount and cost allocation method has been reviewed but not updated for full cost recovery since its establishment in 1996. (Control Finding)**

The audit found that:

- a. The law enforcement services contract agreements for the twelve contracting cities do not specifically clarify the nature of Enhanced Helicopter Responses.
- b. The helicopter responses rate of \$902 and cost allocation method has not updated since it was established in 1996.

**Recommendation No. 1:**

- a. Recommends that Sheriff-Coroner management revise the law enforcement services contract agreements for the twelve contracting cities to specifically address the nature of the enhanced helicopter responses.
- b. Recommends that Sheriff-Coroner management review the enhanced helicopter responses rate and cost allocation method to ensure full cost recovery in accordance with County policies and applicable California Government Code.

320 N. FLOWER STREET, SUITE 108, SANTA ANA, CA 92703 (714) 834-6670 FAX (714) 834-8697

*Integrity without compromise. Service above self. Professionalism in the performance of duty.  
Vigilance in safeguarding our community*

# Detailed Results, Findings, Recommendations and Management Responses



## ATTACHMENT C: Sheriff-Coroner Management Responses (continued)

Page 2  
Dr. Peter Hughes, CPA  
Director of Internal Audit  
June 27, 2012

### Sheriff-Coroner's Response:

- a) Concur. The Law Enforcement Services Contract Agreements for the twelve contracting cities will be updated to address the enhanced helicopter responses. In addition, we have revised our proposed law enforcement services contract agreement with the City of Yorba Linda to specifically address the enhanced helicopter responses.
- b) Concur. We will review the current cost allocation and calculation method to ensure that costs are appropriately recovered for enhanced helicopter responses.

### Finding No. 2 – Policies and procedures over the Development of the Law Enforcement Services Contract Cost Study Could Be Enhanced. (Control Finding)

The audit found that:

- a) Written Policies and procedures over the development of the law enforcement contract cost study need to be updated.

### Recommendation No. 2:

- a) Recommends that the Sheriff-Coroner management improve policy and procedures to be followed over the development of the law enforcement services contract cost study. Consideration should be given to hiring a professional (consultant) to assist, if internal resources are not available, in the development and/or revision of the procedures. Documented policies and procedures should be reviewed and approved by management. The most current policies and procedures should be readily accessible for reference by personnel responsible for the development of the law enforcement services contract cost study.

### Sheriff-Coroner's response:

- a) Concur. We will update the Sheriff-Coroner policy and procedures regarding the development of law enforcement services contract cost study. We will also evaluate if outside resources are necessary.

We appreciate the time taken by you and your staff to make recommendations which will help us to improve our process. Thank you for the professionalism of the staff that conducted the audit.

If you have any questions, please contact me or Director Brian Wayt, Financial/Administrative Services at (714) 834-6680.

Sincerely,

Sandra Hutchens  
Sheriff-Coroner

# Detailed Results, Findings, Recommendations and Management Responses



## ATTACHMENT C: Sheriff-Coroner Management Responses (continued)

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Dr. Peter Hughes, CPA  
Director of Internal Audit  
June 27, 2012

c: Undersheriff John Scott  
Assistant Sheriff Mark Billings, Field Operations & Investigative Services Command  
Assistant Sheriff Tim Board, Professional Services Command  
Executive Director Rick Dostal, Administrative Services Command  
Assistant Sheriff Mike James, Custody Operations & Court Services Command  
Commander Don Barnes, Field Operations & Investigative Services Command  
Senior Director Jane Reyes, Administrative Services Command  
Director Brian Wayt, Financial/Administrative Services  
Noma M. Crook-Williams, Assistant Director, Financial/Administrative Services  
Tricia Bello, Contract Manager, Financial/Administrative Services  
Nasrin Soliman, Audit Manager, Financial/Administrative Services  
Alan Marcum, Senior Audit Manager, OC Internal Audit  
Winnie Keung, Audit Manager, OC Internal Audit  
Michael Dean, Audit Manager, OC Internal Audit  
Lisette Free, Senior Internal Auditor, OC Internal Audit



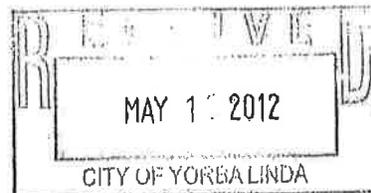


**SHERIFF-CORONER DEPARTMENT  
COUNTY OF ORANGE  
CALIFORNIA**

**SANDRA HUTCHENS  
SHERIFF-CORONER**

OFFICE OF SHERIFF-CORONER

May 15, 2012



Mr. Steve Rudometkin  
City Manager  
City of Yorba Linda  
4845 Casa Loma Avenue  
Yorba Linda, California 92885

Dear Mr. Rudometkin;

The purpose of this letter is to reaffirm my April 24, 2012 commitment to the Yorba Linda City Council regarding my promise to assist displaced Brea Officers with employment at the Orange County Sheriff's Department as a result of the new Police Services contract with the OCSD.

The OCSD is currently accepting lateral transfers from other agencies and will expedite those transfers by Brea Police Officers who are interested in coming over. The only caveat is that they must pass the background and hiring requirements. Further, those officers currently working the city of Yorba Linda would be considered to remain in the city of Yorba Linda, should the city concur.

The OCSD has an on-going recruitment, hiring and training program. On average, we lose 70 sworn personnel a year due to retirement, etc. With the addition of custody responsibilities and other contracts county-wide, we see a continuing need for deputy personnel well into the foreseeable future.

As part of the city's approval of the contract motion, it was requested that a letter of understanding be submitted to confirm that arrangement. This letter is being provided to fulfill that agreement.

The Orange County Sheriff's Department looks forward to providing the highest quality police service to the city of Yorba Linda.

Sincerely,

Sandra Hutchens  
Sheriff-Coroner

550 N. FLOWER STREET, SANTA ANA, CA 92703 (714) 647-1800

*Integrity without compromise, Service above self, Professionalism in the performance of duty,  
Vigilance in safeguarding our community*