



MEMORANDUM

To: St. Anthony Village City Council
From: Charlie Yunker, City Manager and Jeff Spiess, Police Chief
Date: September 24, 2024 City Council Work Session
Request: Potential Renewal of Police Partnership with the City of Falcon Heights

BACKGROUND

At its regular meeting on April 23, 2024 the City Council approved continuing the exploratory process of a renewed police service partnership with the City of Falcon Heights. This moves the process into Phase 3 where a final decision is made based upon a final contract, and agreed-upon timeframe for implementation which is based on many logistical details.

As a part of the discussion Council noted particular items they would like to review as the process continues. Those included:

- Lessons learned from the previous relationship
- A Police Department SWOT Analysis
- Benefits to the City and the Police department on a renewed partnership
- Appropriately sharing/mitigating risk
- Financial plan that would not increase the Saint Anthony tax levy from a renewed partnership
- A staffing plan and timeline to support expansion of the department when hiring is very challenging

At the City Council's Work Session on May 28, 2024 the Council reviewed the three primary lessons learned from the previous relationship, a Police Department SWOT analysis that included benefits to the City and the Police Department, and the staffing plan for fulfilling a contract for service and the approach to expansion of the Police Department in a very challenging hiring market.

At the City Council's Work Session on July 23, 2024 the Council reviewed a draft contract that integrated the comments and concerns from both the City Council as well as the community during feedback sessions. The City of Falcon Heights City Council also reviewed and offered comments, and staff has integrated those thoughts into the attached draft contract for further review.

Staff has also updated future contract price numbers based on how 2025 budget process to reflect the updated personnel and equipment costs that are more in focus now for 2025.

Also, the Police Department has been working through enhancing recruitment efforts and exploring additional strategies to further those efforts.

UPDATE ON THE EXPLORATORY PROCESS

Staff has continued to work through the exploratory process and is offering an update on the following areas:

- Decision timeline
- Staffing plan
- Financial plan
- Draft contract revisions

DECISION TIMELINE

Another aspect of the process has been City of Falcon Heights staff working to secure police services starting January 1, 2025 up until the St. Anthony Police Department would be adequately staffed to begin services. This was ideally to be January 1, 2026, or thereafter based on staffing levels.

City of Falcon Heights staff explored temporary options with neighboring agencies on temporary services with no success and made a request to the Ramsey County Sheriff's Office (RCSO) to extend services through 2025. The RCSO declined and offered no more than two extra months of coverage, through February 28, 2025. As a result, this has shorted the timeline available for the Cities of Saint Anthony Village and Falcon Heights to make a decision on entering into a renewed partnership.

A decision should be made by the Saint Anthony Village City Council on October 22, 2024.

This is the rationale behind the Appendix A added to the draft contract that references adding service level over time beginning on March 1, 2025. This also impacts the approach for adding additional officer and staff to support the City of Falcon Heights, and the financial support needed to do so without impacting the city of Saint Anthony Village tax levy, which is reflected in the staffing section below.

STAFFING PLAN

The department analyzed call data and identified the following additional personnel to support expansion:

Patrol Officers	Additional patrol officers same as previous contract	4
Swing Shift Patrol	Additional officers during high call volume time	2
Investigator	Investigative capacity to adequately address call type needs	1
Community Engagement Officer	Sworn officer to coordinate community engagement for all cities	1
Administrative Support	Additional administrative capacity similar to previous contract	1
Total additional personnel needed		9

CURRENT STATUS

On July 1, 2024, the authorized sworn officer strength of the Police Department increased to 22. The current staffing level is at 19, and there is one candidate in the background process and 1 additional interview scheduled at this time. In order to increase the applicant pool and ability to hire qualified police officers, the Police Department proposes the following approaches:

EXPANSION OF THE CADET PROGRAM

There has been some increased interest in the Cadet program, which has a current authorized strength of two (2). The police department has two cadets, who will complete their college education and the Skills program in 2025. Many police departments are finding most success in a long-term solution, in which potential new officers are identified while still completing their college degrees. The department would pay for part of their education, while also employing them as a Cadet on a part-time basis. Once their education is complete, they would be hired as a full time police officer. Staff is proposing that this authorized strength be increased to six (6), which will increase our ability to promote more cadet candidates to the police officer position when they have finished their required college education. An evaluation of hourly compensation and incentives should also be conducted to ensure that St. Anthony is consistent with industry standards.

HIRING BONUS

Staff proposes offering a one-time hiring bonus for entry level officers and hiring bonus for lateral level officers. Half of the bonus would be paid upon successful completion of the field training program and

the remaining balance at the end of the one-year probationary period. Each officer would be required to repay this amount if their employment ends either voluntarily or involuntarily within two years of the date of hire.

REFERRAL BONUS

Staff proposes the offering of a one-time lump sum referral bonus to any current St. Anthony Police Department employee who refers an eligible police officer who applies, is hired, and successfully completes the field training program.

RETENTION BONUS

The only thing worse than being unable to attract new employees would be to lose any of our current personnel. Hiring a new officer that is self-sufficient takes thousands of dollars and approximately 6-9 months' time. During the building phase of 2025, there will be an increased workload on current personnel, and it is important that they are supported and given additional financial incentive to remain a member of the St. Anthony Police Department. Staff is recommending a retention bonus for all current licensed police officers and office staff who are employed during the entire year of 2025, payable as a percentage of their annual base salary.

UPGRADED FACILITY COMMITMENT

A significant upgrade to the current police facility or a new facility is necessary for the daily operation of a modern 21st century police department. This is due to the need for space for additional personnel, evidence handling and retention, officer wellness, training, emergency operations, and aesthetics. This will make St. Anthony consistent with most other police departments in the metropolitan area. As a recruitment tool, this is vitally important. Staff recommends a stated commitment by the City Council to pursue this goal, consistent with plans set forth by the Oertel Architects, Ltd.

FINANCIAL PLAN

The financial aspects of this exploration can be categorized into three areas:

- Contract price approach and annual charge
- Personnel and operating needs and related costs
- Facility upgrades needs

CONTRACT APPROACH AND PRICE (FULL SERVICE SCOPE)

Determined by allocating costs based on a 50/50 blend of population percentage and call volume percentage, applied to total police costs. Numbers are rounded for clarity:

	POPULATIONS (2020 US CENSUS)			CALLS FOR SERVICE (YEARLY AVERAGES ON SAV METHODOLOGY)			BLENDED COMBINED COST ALLOCATION					
	TOTAL	SAV	FH	LD	TOTAL	SAV	FH	LD	50%	SAV	FH	LD
17,000	9,300	5,400	2,300		12,800	7,900	2,800	2,100	POP	55%	32%	14%
	55%	32%	14%			62%	22%	16%	CALLS	62%	22%	16%
									BLENDED	58%	27%	15%

Based on draft methodology, below is the estimated contract range. This is updated from the previous estimate based on 2025 budgeted costs that include the upward pressure on wages for sworn officers. Numbers are rounded for clarity and accelerated by a 4% inflation assumption for 2026:

Additional personnel, operating and equipment costs	\$1,615,500
Shared Fixed costs and capital contribution	\$263,700
Approximate contract price in 2026	\$1,879,200

CONTRACT APPROACH AND PRICE (FULL SERVICE SCOPE)

Staff has in process of determining a contract price for the phase beginning March 1, 2025 until full staffing is reached. This will be provided for the Council for the partnership decision meeting.

FACILITY UPGRADES NEEDS

Police Department leadership have been able to review the draft concepts that Oertel Architects offered to City staff in the Spring of 2023. To review, the architects discussed the Police Department facility with staff about short term and long-term needs for the department and how that relates to the building and space usage. Staff highlighted a need for a professional work environment to draw recruits to a changing police department, including:

- Repurpose existing spaces to be more useable
- Need for training and meeting space
- Larger secure evidence storage
- Improve daylight access
- Add additional equipment storage
- Rework locker rooms
- Improve reception area
- Larger garage and secured storage

The architect's estimation for renovations/expansion of the existing facility to address all needs would be in the range of \$1,800,000 - \$2,200,000, in 2025 dollars. Staff was not proposing that an entirely new police station be constructed. This review took place before the topic of a renewed partnership was in front of the City to consider, and the direction given to Oertel Architects was to reconfigure to address needs as best as possible without expanding the existing footprint.

Staff re-engaged with Oertel Architects to review how to renovate and expand the department's facility to address current and future needs in the optimal manner as a result of the exploration of a renewed partnership with the City of Falcon Heights, which introduced a possible funding source. Staff also toured other, newer public safety facilities to see current design trends so that any expansion would address needs effectively. From that, the scope asked of Oertel Architects was modified to include the following in addition to the previous stated needs:

- Indoor garage for all department vehicles
- Expansion of evidence processing and storage space beyond previous scope
- Addition of officer workstations and offices
- Dedicated spaces for classroom style training and tactical style training and related storage

These desired attributes expands the scope considerably, and integrating them into the existing footprint of the building without significant concessions is not possible. Oertel Architects engaged with a structural engineer to assess to feasibility of adding a second level to the existing building as an option to consider. From that assessment it was confirmed that adding a second level to the Community Center would require reinforcing each roof truss one by one to accept the greater load. The current structure was designed to utilize all bricked walls as load bearing, thus the smallest roof trusses possible were used. Or, the entire roof structure would need to be removed and replaced with a new structure designed to accept the weight load and allow for more reconfiguration options.

As a result, Oertel Architects proposed two preliminary concepts to add space to the existing building, one to the south and east as single level, and one as a partial two-level. The estimated cost of this in the \$8,000,000 to

\$10,000,000 range. This option would not address any other needs in the Community Center facility, and only address the Police Department itself and staff does not recommend this approach.

Staff continued to discuss and asked Oertel Architects to review if adding to the existing Fire Department building would be feasible. This was due to known space limitations in the Fire Department, and to acknowledge the trend of joint police and fire ‘Public Safety’ facilities being constructed in other cities. This allows for the sharing of spaces such as training, fitness, and emergency operations spaces. This would address space needs for both the Police Department and the Fire Department as well.

Oertel Architects provided a very preliminary concept that indicated that it could be feasible for add the space to the Fire Department with minimal impact to Central Park. However, preliminary cost is estimated at between \$12,000,000 and \$15,000,000. This range of costs will necessitate the City to explore funding options over and above simply issuing general obligation debt, such as State Bonding Bill support.

DRAFT CONTRACT CHANGES FROM THE JULY 23, 2024 WORK SESSION

City Council comments from the first review were considered and the draft contract revised as reflected below:

ANNUAL “TRUE-UP” OF BUDGET VS ACTUAL RESULTS

This section was eliminated. Further staff discussions concluded that extraordinary costs unique to each partner is anticipated to be minimal, but if that changes this can be revisited in the future.

JOINT OPERATIONS COMMITTEE MEETING FREQUENCY AND SERLIVE LEVEL EXPECTATIONS

Staff was comfortable specifying a quarterly meeting schedule for the committee, as this would be expected at least during the initial term of the contract. In future renewals this could be revised to be less prescriptive.

A section was added to specify that service level expectations will be discussed at the staff level as part of the scope of the committee.

SHARING FINANCIAL IMPACT OF CRITICAL INCIDENTS

City staff from Saint Anthony Village and Falcon Heights are coordinating with our respective City Attorneys and the League of Minnesota Cities Insurance Trust to include appropriate language to address this concern. That final language is not solidified, but all parties are in agreement in concept, and draft language is in the contract to reflect that commitment.

APPENDIX A

Added to acknowledge the need for a “ramp-up” to full services over a reasonable amount of time.

NEXT STEPS

Staff from both Saint Anthony Village and Falcon Heights will continue to work through finalizing the contract and refining all other aspects as much as possible before the decision date of October 22, 2024.

DISCUSSION ITEMS FOR COUNCIL FEEDBACK

Below are the specific items for discussion and feedback for the City Council:

- Comments on the information presented and work completed to date.
- Key information needed for an October 22, 2024 decision deadline

ATTACHMENTS:

- Presentation
- DRAFT CONTRACT