



STAFF REPORT – CITY COUNCIL MEETING

April 19, 2023

TO: Honorable Mayor and City Council Members

FROM: Danette Demello, Assistant City Manager
Brian Ahearn, Chief of Police

PREPARER: Danette Demello, Assistant City Manager

DATE: April 12, 2023

TITLE: **Consider Adopting a Revised Hiring and Recruitment Incentive Program Administrative Policy (increase to Lateral Police Officer Hiring Incentive); Approving a Retention Bonus for Current Police Officers; and Approving Police Department Physical Workplace improvements.**

RECOMMENDATION:

It is recommended that the Council: adopt a revised Hiring and Recruitment Incentive Program Administrative Policy (increase to Lateral Police Officer hiring incentive to \$50,000 paid over 2.5 years); approve a retention bonus for current Police Officers (\$7,500 annually over 3 years); and approve up to \$60,000 for Police Department physical workplace improvements.

INTRODUCTION:

Like many Public Safety Departments throughout the state and nationwide, the Arcata Police Department (APD) is in the midst of a staffing crisis. Since January 2020, when APD deployed the highest number of Officers in its history, 29 [includes 2 overhires], our staffing has decreased 34 percent and is currently at 19 officers.

Hiring bonus programs have become part of the current market conditions for Police Departments. The current cost of supporting a Police Cadet Candidate through the Academy and field training is estimated at \$65,000. While a \$50,000 hiring bonus can appear high on the surface, the overall cost is a savings to the City and provides independently working Officers much sooner for the community.

Public safety is a core service the City provides. To ensure we are able to provide these critical services on a 24/7 basis, APD needs an immediate infusion of sworn personnel to boost our patrol ranks; to restore specialty positions, including Valley West, Downtown, Park Ranger and School Resource Officer positions; and to fill vacant positions in Outreach, Investigations and Emergency Preparedness.

BACKGROUND:

In this same period (2020-2023) we have hired five new Officers. One was a local hire that was sponsored through the Academy, and with out-of-town recruiting campaigns by current APD representatives, we hired four new Officers from out of the area and a fifth candidate just started the background process. The four new Officers completed academies in Shasta County, Roseville, Sacramento and Fresno and all but one completed their field training with APD and are working as APD Officers. The fourth is in their 10th week of APD's 16-week Field Training Program.

Our two most recent academy sponsored cadets have either resigned during the academy or were not able to satisfactorily complete the training requirements. We have job offers accepted from two candidates for the July academy with the hope that we can get 1-2 additional candidates through backgrounds in time to start the July academy. If they all complete the six-month academy and the four-month field training program with no remedial training, they will be independently functioning Officers in April 2024.

APD Patrol works one week of 3, 12-hour shift days and one week of 3, 12-hour shift days and 1, 8-hour shift day. Each shift is staffed with one Sergeant and two Officers; the same staffing we have had for at least the last 20 years despite population and crime growth within the City. At our current staffing level of 19 (soon to be 17, with 2 other Officers in background with other agencies), there are no Officers to provide additional Patrol coverage during peak call volume times or to provide vacation, sick leave and training relief. As needed, we have had to reassign Investigative and Outreach personnel to provide coverage when Officers are on vacation, out sick, on medical leave or at training, which requires changes in priorities and timelines for Investigations and Outreach activities. With the upcoming additional two Officer departures we are going to be required to reduce training time and hire back on overtime just to meet core services.

DISCUSSION:

Increase of Current Hiring Bonus

APD's current hiring bonus of \$15,000.00 for lateral Officer candidates has not resulted in the number of hires needed to keep pace with departures and to restore vacant positions. While our bonus is \$3,000.00 more than the \$12,000.00 hiring bonus offered by the Humboldt County Sheriff's Department, it is \$5,000.00 less than Eureka PD's \$20,000.00 hiring bonus, and lower than many hiring bonuses offered by agencies throughout the state.

Updating the City's hiring bonus temporarily to \$50,000.00 (spread over two and a half years) per candidate may provide the incentive to attract lateral Officers who, after a modified field training/onboarding process, can immediately perform the duties and responsibilities of an Arcata Police Officer, in lieu of the 9-12 months required for Academy Sponsor candidates.

With current demand for services, along with the anticipated future growth of Arcata, it is imperative the City has the ability to incentivize and retain local Officers to work for Arcata PD in this ultra-competitive hiring environment coupled with a historically low pool of applicants interested in becoming Police Officers. To help overcome these challenges it is believed a hiring bonus of \$50,000.00 would be competitive with agencies such as Redding and Chico who each offer \$40,000.00; while still not competitive with Departments such as the City of Alameda who, on March 21, 2023, unanimously approved a \$75,000.00 hiring bonus for lateral Officers. Their staffing is down 30% with 24 Officer vacancies.

<https://www.eastbaytimes.com/2023/04/05/alameda-briefs-council-oks-75k-hiring-bonus-for-new-police-officers/>

Arcata PD will continue to recruit from throughout the state. However, hiring Officers who hail from Humboldt and surrounding counties increases the likelihood of a long-term return on our investment.

In order to be eligible for this \$50,000.00 hiring bonus lateral applicants must:

- Have successfully completed a California POST basic law enforcement academy;
- Be currently employed as a sworn peace officer in the state of California;
- Be performing satisfactorily in their current employment as a peace officer.

The hiring bonus will be paid in the following increments:

- \$10,000.00 the first paycheck upon employment;
- \$10,000.00 after completing the City's Field Training/on-boarding process (usually 3-5 weeks after date of hire);
- \$10,000.00 nine months after date of hire;
- \$10,000.00 eighteen months after date of hire;
- \$10,000.00 two and a half (2.5) years after date of hire.

Retention of Current Officers

Simultaneously with attracting new Officers, the City is strongly incentivized to keep and recognize our current dedicated Officers. A modest retention bonus over the next three years may not only financially incentivize Officers who are being lured with other area hiring bonuses and higher wages but also sends a message to the Officers who have all taken on extra duties and overtime to assist the community during this period of staffing shortage that we recognize and appreciate the efforts they make. The recommended retention bonus is a short term, 3 year retention bonus of \$7,500.00 each fiscal year paid out for those employees who are employed by the City as of May 1, 2023 and is paid out in the final fiscal year payroll check near June 30th of 2024, 2025, 2026. Council approval would also include authorization for the City Manager to administratively implement the details of this program.

Department Work Environment Improvements

In recent exit interviews with Officers leaving our agency for other cities, many have shared the higher quality physical work environment of the Departments they are transferring to based on their tours of those agencies, facilities, cars, equipment, etc. Specific needs in our physical Police Department that could add to the quality of experience our Department staff experience could include improved workstations, locker rooms, floor surface, lighting and equipment. It is recommended that the Council approve \$60,000.00 to prioritize workplace environment enhancements through a staff recommended prioritization process.

BUDGET/FISCAL IMPACT:

Savings from salaries and benefits due to unfilled positions will offset much of these costs. Moreover, if the City can reduce Officer turnover, this will reduce recruiting and training costs, which for Officers are far more expensive than essentially all other positions in the City. The current cost to sponsor a cadet through the College of the Redwoods Academy and field training is approximately \$65,000 and takes nine months, if they are successful, before they are fully performing as a Patrol Officer. A lateral Officer who qualifies for the hiring bonus, will receive

\$30,000 of the \$50,000 bonus in the first nine months, but unlike a new recruit is able to work as a fully performing Officer for eight of those first nine months - which puts a better perspective on the financial value of a lateral police officer hire.

The direct fiscal impact of the hiring and retention bonuses, to a large extent, will depend on the programs' success. The more Officers recruited and retained, the more paid in bonuses. The graph below assumes that eight Officers are successfully recruited under the Hiring Bonus Program and the City is able to retain sixteen current Officers over the next three years.

Program	Year 1	Year 2	Year 3	Total	X	No. of Successful Recruits/ Retentions	Cost of Program
Hiring Bonus							
New Hire Officer	\$ 30,000	\$ 10,000	\$ 10,000	\$ 50,000			
FICA/Medicare Taxes	2,295	765	765	3,825			
Annualized Overtime*	434	434	434	1,302			
Total Cost Per Recruit	\$ 32,729	\$ 11,199	\$ 11,199	\$ 55,127	X	8	\$ 441,016
Retention Bonus							
Retained Officer	\$ 7,500	\$ 7,500	\$ 7,500	\$ 22,500			
FICA/Medicare Taxes	574	574	574	1,722			
Annualized Overtime*	720	720	720	2,160			
Total Cost Per Retained	\$ 8,794	\$ 8,794	\$ 8,794	\$ 26,382	X	16	\$ 422,112
Total	\$ 402,536	\$ 230,296	\$ 230,296	\$ 863,128			\$ 863,128
Potential Savings							
Cadet Academy & Training**	\$ (57,000)	\$ -	\$ -	\$ (57,000)			
Staff Shortages Additional Overtime***	(26,875)	(26,875)	(26,875)	(80,625)			
Less Cost of Higher Hiring Step (5 vs. 1)	16,780	17,620	13,520	47,920			
Total Potential Savings Per Recruit	\$ (67,095)	\$ (9,255)	\$ (13,355)	\$ (89,705)	X	8	\$ (717,640)
Net Cost of Program w/ 8 Recruits	\$ (134,224)	\$ 156,256	\$ 123,456	\$ 145,488			\$ 145,488
*Overtime paid must include a salary allocation from any bonus that would be applied to the full year of service.							
** \$65,000 less cost of 4-week field training program for lateral officer.							
***Based on FY 2022-23 Mid-Year increase of \$215,000 divided by the current 8 Officer vacancies.							

If \$60,000 is added for workplace enhancements, the direct fiscal impact of a successful hiring and retention program is \$923,128 over a three-year period. A little less than half the costs incurred in the first year and the other half spread over year 2 and year 3.

If the program is successful, savings associated with the cost of the academy, field training and overtime will offset a large portion of the \$923,128 expenditures. Estimates as outlined above place the total net cost of the program at \$145,488. However, the larger savings may come from reducing the financial risks associated with continuing to operate the Police Department at a critically low level of sworn officer coverage and providing a higher level of public safety to the community.

Staff recommends that the City Council set aside \$923,128 from the General Fund's available fund balance to fund the programs over the next three years and to incorporate both the costs and the savings into the Fiscal 2024, 2025 and 2026 budgets. Part of the reason the General Fund Balance has increased over the last couple of years is vacant positions within the Police Department.

Additionally, Staff recommends the Council pursue placing a dedicated .25% or 25 cent, sales tax measure on the ballot in FY 2024. The dedicated 25 cents would generate approximately \$850,000 a year in revenue. Which in turn, could provide ongoing funding for the City's Ambassador Program, support Police Department vehicle and equipment upgrades, additional police officers and early payment of the unfunded CalPERS Public Safety Pension Obligation, which saves long-term interests costs and frees up future funds.