

An Action Plan for Sustainable Police Services for the Village of Upper Brookville

The Trustees of the Village Of Upper Brookville

March 31, 2011

Outline

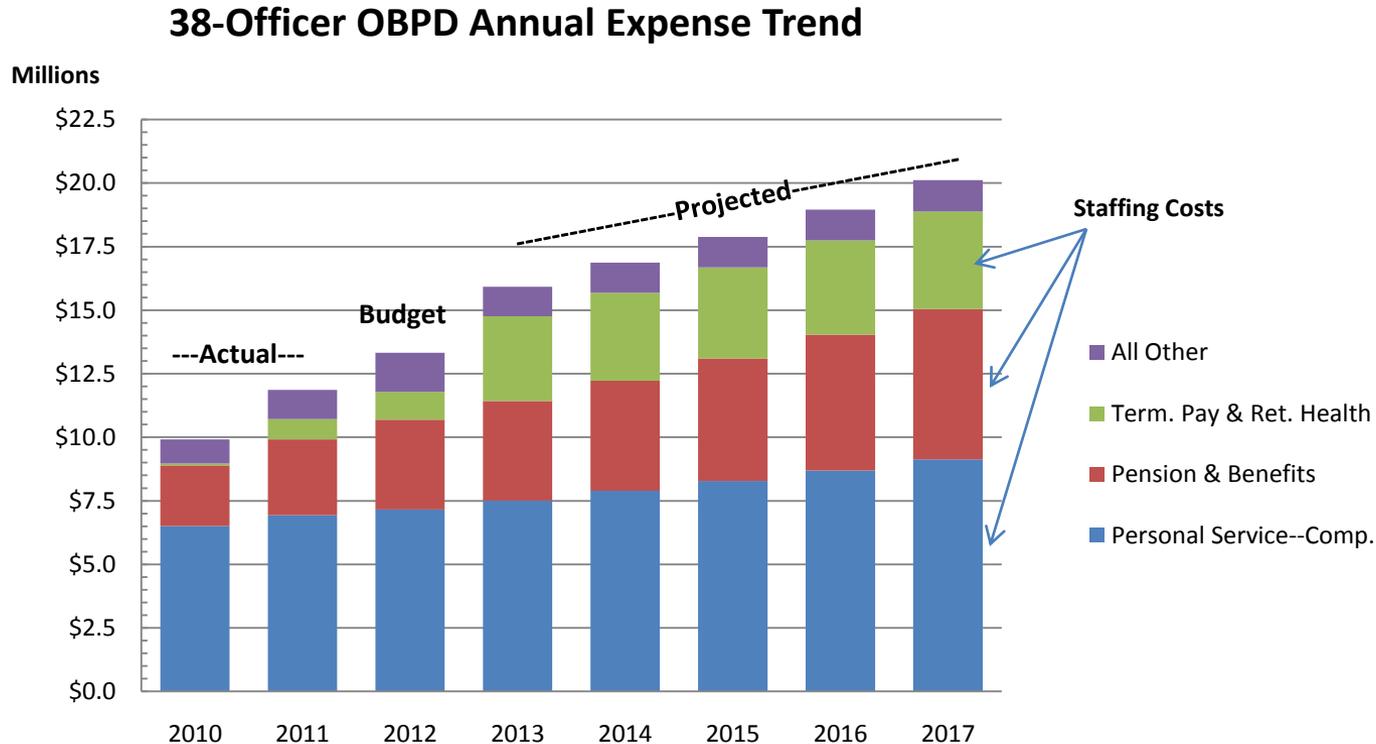
- **The Seven Village OBPD—History, the Partnership Structure, and VUB’s Participation**
- **OBPD Costs and Trends--Challenges to Sustainability**
- **Drivers of OBPD Costs—Staffing, Commitments, and the Growth of Unfunded Liabilities**
- **Where We Are—OPBD Costs and Our Village Budget**
- **Where Costs Are Going—Projected OPBD Costs and Our Village Budget**
- **Village Conflicts Over OBPD Budgets and Direction—Business-as-Usual vs. Fiscal Responsibility**
- **Muttontown Leaves the Seven Village OBPD: The Tipping Point for a Sustainable Alternative**
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The OBPD provides police services to seven North Shore villages under a Joint Protection Agreement (JPA)

- **Original “Partnership” was organized 60+ years ago to “share” the OBPD**
- **Now a seven village “consortium”—Old Brookville, Brookville, Upper Brookville, Muttontown, Matinecock, Mill Neck, Cove Neck**
- **Original rationale—remote, rural villages, isolated by sparse roads and pre-WW II technology sought cost-effective, locally based police protection**
- **Current reality—villages now part of a populous, trafficked metro suburb, contain three universities, a medical research center, a corporate headquarters, a conference center, nine country clubs, and the Tilles Center**
- **OBPD now a 38-officer force networked to the public safety “grid”—NCPD, adjacent PDs, FDs, etc.**
- **OBPD provides patrol services—no “HQ services” (Nassau), no EMS (Fire Depts.)**
- **Department Governance Structure—OBPD (“owned” by VOB) reports to a 7 village Board of Commissioners**
- **One vote per village**
- **Villages’ share costs based on County assessed property valuations (excludes tax exempt)**
- **Police Headquarters building leased to OBPD by VUB, lease expires May 31, 2011**
- **JPA expires May 31, 2011**

OBPD Costs and Trends--Challenges to Sustainability

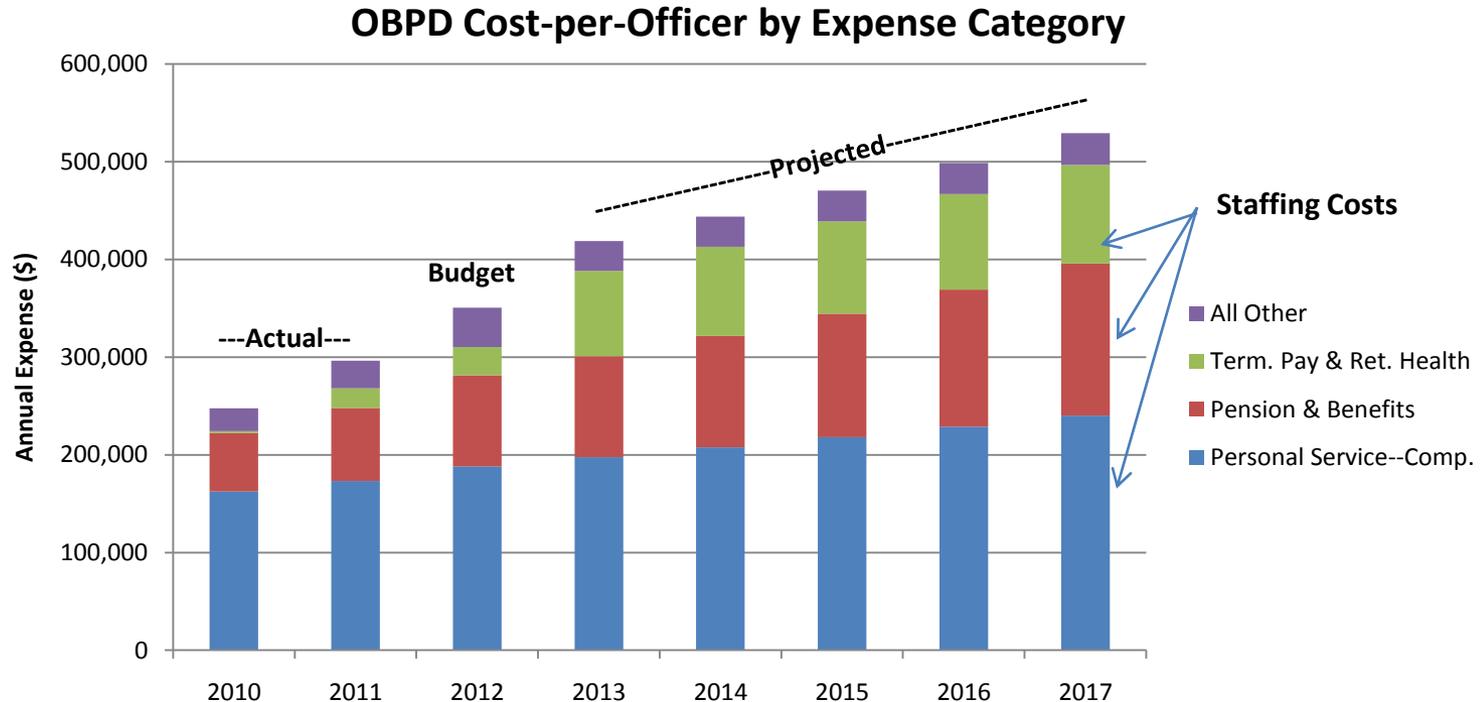
OBPD's annual operating costs are projected to double over seven years and reach \$20 million by 2017



- From 2010 till 2012, OBPD's annual costs are up from \$10 million to \$13+ million
- Staffing Costs are 90% of the cost of running the Department
- Staffing Costs will continue to drive operating costs higher by 10.5% annually
- Beginning in 2013, retiree costs will include annual "catch-up" contributions of \$1.8 million to cover a \$28 million unfunded liability for retiree healthcare costs
- The costs of a planned 13,000 square foot OBPD Headquarters are not included

Drivers of OBPD's Costs—Staffing, Commitments, and the Growth of Unfunded Liabilities

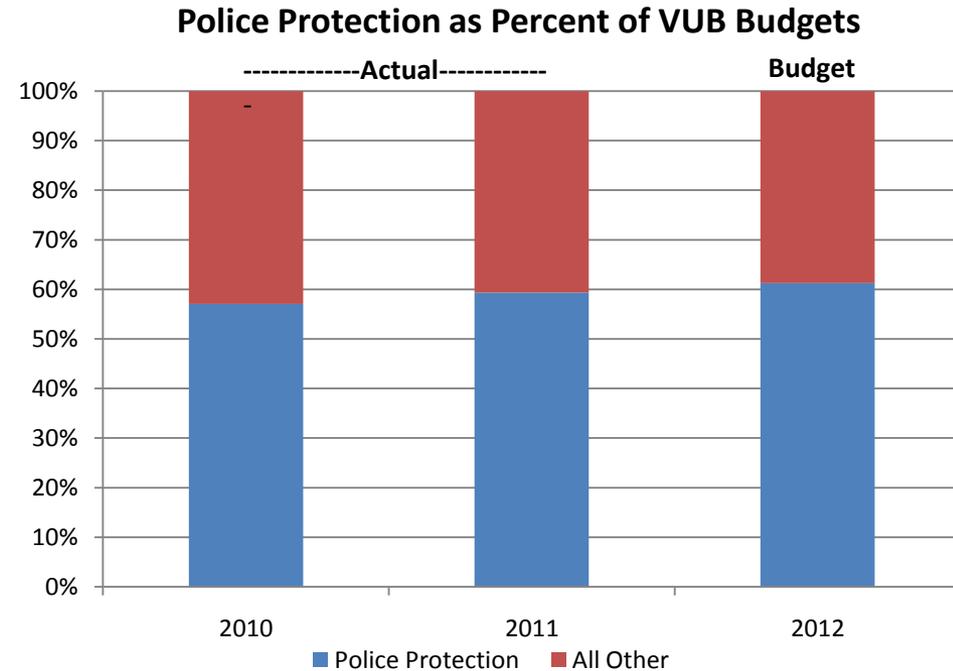
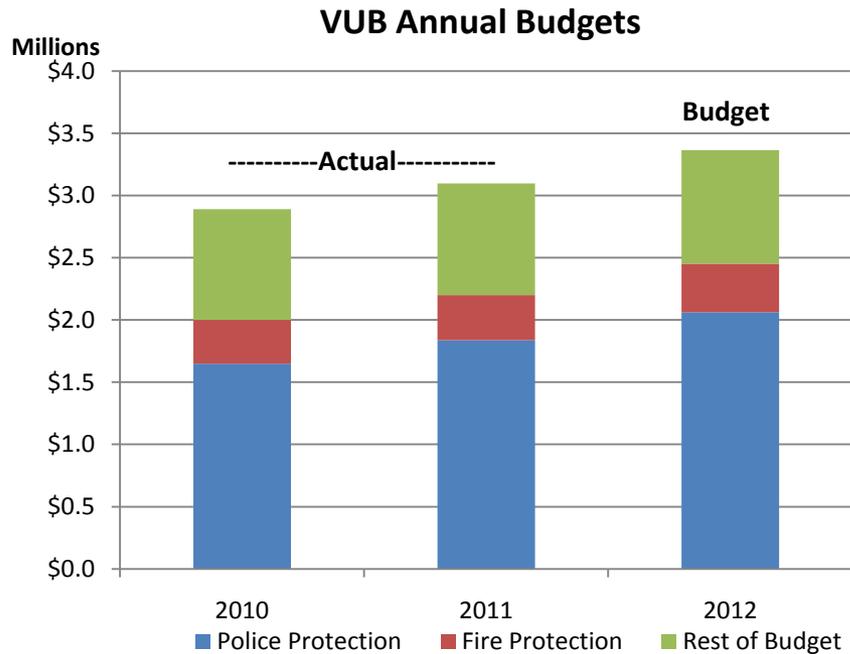
Driven by locked-in costs and past unfunded liabilities, the cost-per-officer in 2012 will rise from \$350,000 to over \$500,000 in 2017



- Per-officer costs have risen from \$250,000 in 2010 to \$350,000 in next year's OBPD budget
- Holidays, sick leave, and vacations add 30% to the effective cost of having an officer actually on duty
- Salaries have been growing at 5% annually
- Pension and Benefits expenses will double in five years
- Termination payments to four retirees in 2012 will total \$1.4 million, taken from reserves only half funded (not included above),

Where We Are—OPBD Costs and Our Village Budget

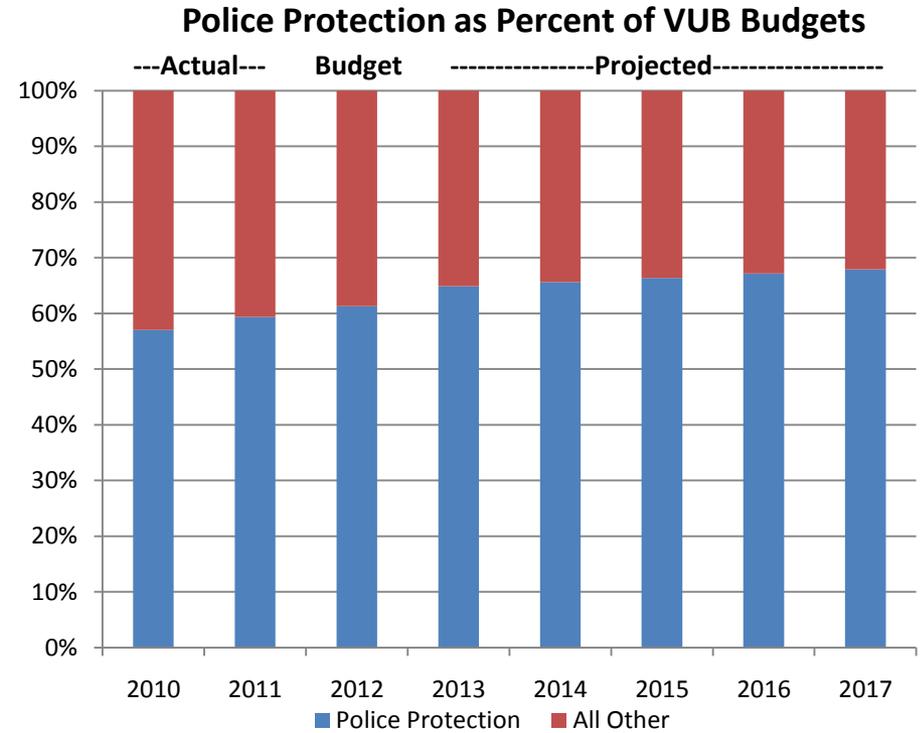
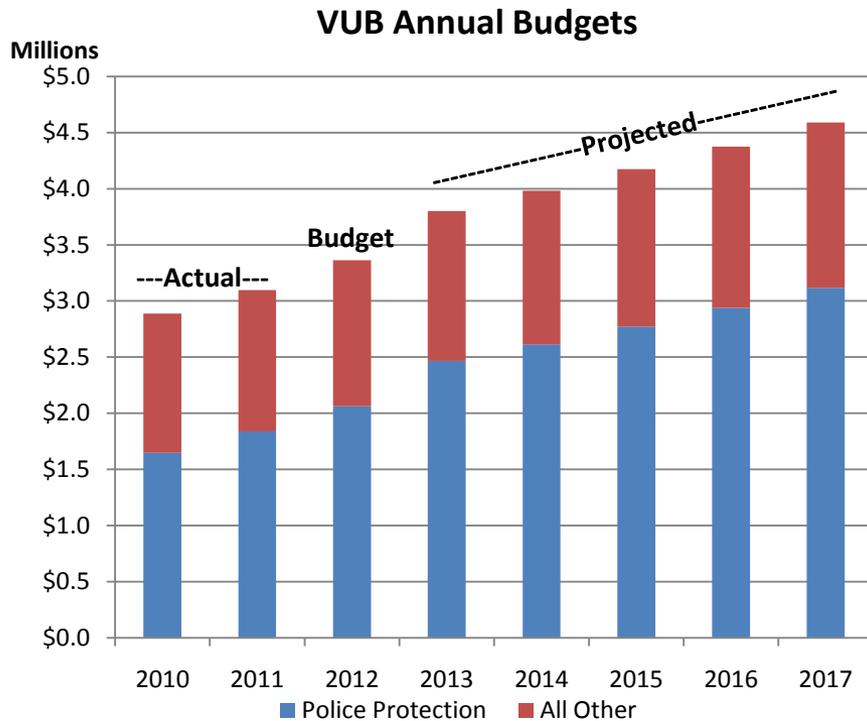
The cost of OBPD services has been the largest and fastest growing portion of the Upper Brookville budget



- Based on property assessments, our Village pays about 15% of OPBD's operating cost
- In 2011, \$1.8 million of our Village's \$3.1 million budget will go to the OBPD
- That is a \$190,000 increase from 2010
- For 2012, OBPD costs for our Village will increase by another \$220,000, to \$2.1 million
- Those are back-to-back increases of 11.5% and 12.1%.

Where Costs Are Going—Projected OPBD Costs and Our Village Budget

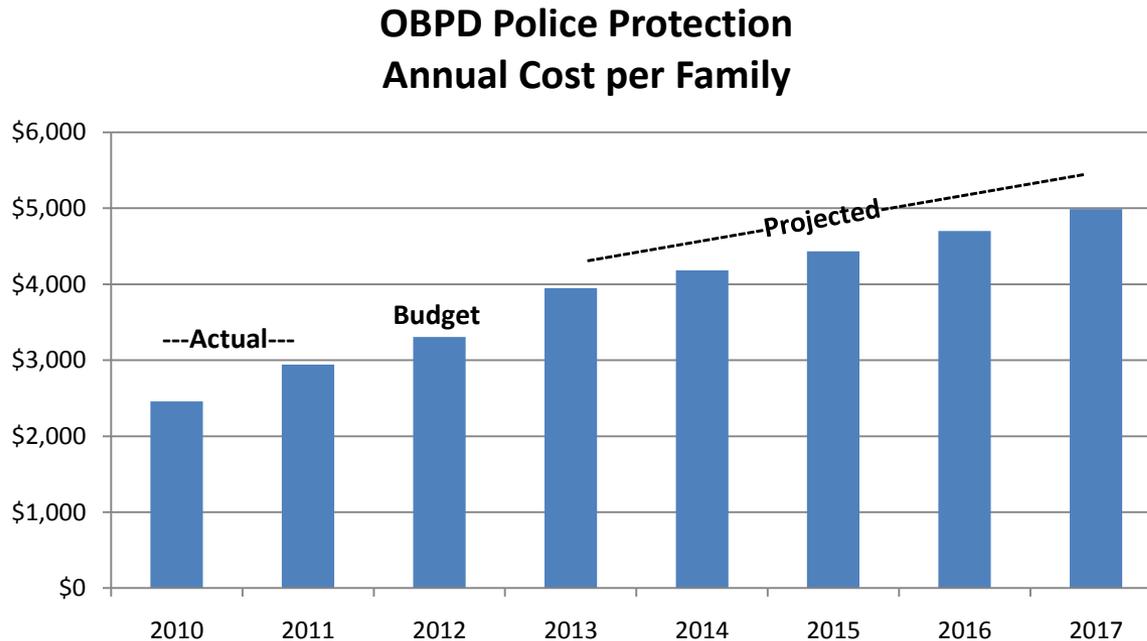
The cost of OBPD services are projected to increase our Village's budgets faster than all other costs



- Over the next six years, our Village Budget will grow from \$3.1 million to \$4.6 million
- Of the \$1.5 million increase, \$1.3 million will be from increases in OBPD operating cost
- Police protection cost will grow by 10.5% annually, while the rest of our costs will grow at a 2.5% rate
- By 2017, \$3.1 million of our Village's \$4.6 million budget will go to the OBPD
- From 57.0% in 2010, our payments to OBPD will reach 67.9% of our 2017 Village budget as a member of the seven village partnership

Where Costs Are Going—OPBD Cost Projections and Our Village Budget

For the average family in our Village, by 2017 the projected cost of OBPD services will exceed its entire Village tax bill this year



- **The average Village family paid a bit under \$5,000 in Village taxes in 2011**
- **Of that, almost \$3,000 per family was for OBPD costs borne by the Village, a \$500 increase from 2010**
- **Projected forward, the OBPD cost per family will double in seven years, reaching \$5,000 in 2017**

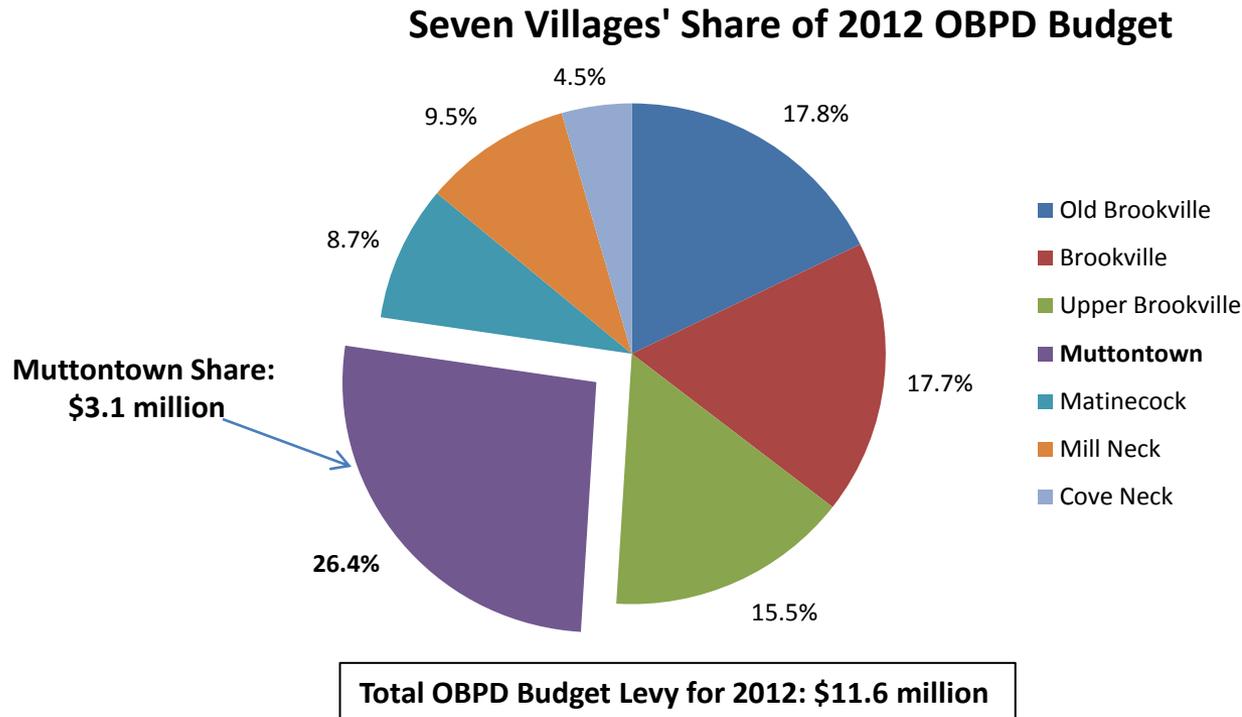
Village Conflicts over OBPD Budgets and Direction—Business-as-Usual vs. Fiscal Responsibility

Sharp differences have emerged between a minority of villages wanting to “bend the cost curve” and a consistent majority supporting the status quo

- **Differences over managing key cost drivers:**
 - Staffing levels—cost / coverage / sustainability tradeoffs
 - “Unit labor costs”—pay, time off, benefits, escalators
 - Unfunded liabilities for termination pay and retiree health benefits
- **Differences over “scale”:**
 - The new Headquarters—how big, how costly, where sited
 - Adding more villages—are there real economies-of-scale?
- **Differences over governance:**
 - Who’s in charge—are the Commissioners leaders or followers?
 - Equal vs. proportional voting for Villages
 - “Fairness” to individual villages—who pays vs. who benefits
- **Having increasing concerns about financial sustainability of the force as currently configured, Upper Brookville has been in a minority advocating fiscal responsibility**

Muttontown Leaves the Seven Village OBOD: The Tipping Point for a Sustainable Alternative

The Tipping Point: Muttontown is leaving the OBPD, taking \$3.1 million in funding--\$250,000 per month, effective June 1



- The tipping point—during the Feb.–March Commissioners’ meetings on OBPD’s 2012 budget:
 - A Commissioner (in the “status quo” majority) invites Muttontown (in the “fiscal responsibility” minority) to leave the JPA
 - Muttontown subsequently chooses to leave, effective May 31, when the JPA expires
- Upper Brookville, now a minority of one, has to make some tough choices about:
 - Protecting our Village from the effects of this immediate funding loss
 - A more affordable, sustainable arrangement for police services for our Village

Sustainable Police Services for Our Village—Options and Implications

[Details to follow, as options are identified and examined.]

Trustees' Action Plan—Finding Sustainable Police Services for Upper Brookville

[Details to follow, as our options are qualified, quantified and proposals received from service providers.]