

# City of Sacramento

## Legislation Text

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**File #:** 2018-01545, **Version:** 1

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**Title:**

**Fiscal Year 2018/19 Secondary Employment Program and Agreement to Provide Police Services**

**File ID:** 2018-01545

**Location:** Citywide

**Recommendation:**

Adopt a Resolution authorizing the City Manager or the City Manager's designee to: 1) execute a Secondary Employment Agreement for Fiscal Year (FY) 2018/19 with Sacramento Basketball Holdings, LLC in an amount not to exceed \$2 million; 2) increase the Secondary Employment rate from \$71 per hour to \$74 per hour; 3) add 1.0 Full Time Equivalent (FTE) Administrative Technician position; and 4) increase the Police Department's General Fund revenue and expense budgets by \$87,319 for the addition of the 1.0 FTE Administrative Technician position.

**Contact:** Mark Greenlee, Police Captain, Metro Division, (916) 808-0701, Police Department

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Background
- 3-Resolution
- 4-Agreement - Sacramento Basketball Holdings, LLC

**Description/Analysis**

**Issue Detail:** The Sacramento Police Department (SPD) manages a secondary employment program to provide contracted security services to a variety of entities (retail, restaurants, associations, entertainment, etc.). Historically, signature authority for secondary employment agreements has been delegated by the Chief of Police to the Sergeant, Lieutenant, and Captain of the SPD's Special Events Unit. Most of the entities have obtained these services on an intermittent, temporary, or seasonal basis with costs averaging less than \$100,000 per entity.

After conducting an internal review, the SPD has identified that the agreement with Sacramento Basketball Holdings (SBH) exceeds \$100,000. Per Sacramento City Code Section 3.04.020, the agreement can only be executed with authorization from the Sacramento City Council. The increase in anticipated reimbursements is due to higher than anticipated requests for security services.

Over the last three years, hours billed to the secondary employment program have increased by 72%; from 25,174 hours in Fiscal Year 2014/15 to 43,317 hours in Fiscal Year 2017/18. Due to this increase of secondary employment events, the SPD requests additional administrative support resources to facilitate program billing in the form of 1.0 FTE Administrative Technician, to be fully offset by a \$3 per hour increase. The hourly rate will increase from \$71 per hour to \$74 per hour.

**Policy Considerations:** The recommendations contained in this report are consistent with Sacramento City Code 3.04.020 which requires City Council approval to enter into an agreement that is equal to or greater than \$100,000.

Proposition 26 was passed by the voters on November 2, 2010, amending Article XIII C of the State constitution. According to the ballot measure, the intent of the measure is to ensure the effectiveness of Propositions 13 and 218 by providing a definition of a “tax” for state and local purposes “so that neither the Legislature nor local governments can circumvent these restrictions on increasing taxes by simply defining new or expanded taxes as ‘fees’.” Thus, under Proposition 26, a tax has been defined broadly to include any levy, charge or exaction of any kind imposed by a local government, except for seven specified categories of charges. Moreover, the City bears the burden of proving that a fee or charge is not a tax. The hourly rate is not a “tax” under section 1, subdivision (e2), in Article XIII C of the California Constitution because it is to recuperate the reasonable cost of providing police services to entities that contract with the City. The hourly rates do not recover more than 100% of the Department’s actual cost of administering the program. No hourly rate waivers are provided, and the Department’s costs are allocated equally to the entities who contract with the City for police services.

**Economic Impacts:** None

**Environmental Considerations:** Not applicable

**Sustainability:** Not applicable

**Commission/Committee Action:** Not applicable

**Rationale for Recommendation:** The Department considers this program to be in the best interest of the City because: 1) it operates in such a way that patrol resources are not adversely impacted under performance of these agreements; 2) local businesses and other entities are able to hold safe, fun events for their patrons; and 3) it is cost neutral with an hourly reimbursement rate of \$74 per

hour.

**Financial Considerations:** The proposed reimbursement rate of \$74 per hour offsets the salary and benefits costs of sworn staff hours billed under the program. It is also inclusive of a \$3 per hour increase to offset the costs of 1.0 FTE Administrative Technician position to manage program scheduling and billing activities and offsets some of the Department's administrative overhead costs. The Department will monitor secondary employment revenue budget and actuals and will make any necessary adjustments during the midyear process.

The SPD will increase its revenue and expense budgets by \$87,319 to cover the cost of the 1.0 FTE Administrative Technician position.

**Local Business Enterprise (LBE):** Not applicable