

Jefferson County Sheriff's Office  
2020 Budget Authorization Request

**Col. John E. Aubrey, Sheriff**  
November 14, 2019

## **Introduction and Summary 2020**

The Jefferson County Sheriff's Office seeks the approval of the Metro Council for its 2020 budget authorization request. The Sheriff's Office has endeavored to provide accurate and detailed revenue and expense projections that will allow the Sheriff's Office to use its resources to meet its legitimate and reasonable needs.

Attachment A of our 2020 budget request shows in detail our revenues, expenditures, and anticipated surplus/deficit. A full explanation of our revenue and expenditures is also provided in the following narrative

### **Revenue Sources**

#### **Fees and Commissions**

Fees and Commissions are non-reimbursement sources of revenue to the Sheriff's Office, which are subject to a 75/25% split with the Metro Government. KRS 64.350(1).

#### **Tax Commissions**

KRS 134.119 provides that the Sheriff shall be the collector of all state, county, county school district, and other taxing district property taxes. The sheriff's office collects real and personal property taxes, franchise taxes, domestic life insurance and bank deposit taxes, limestone, sand & gravel taxes, air & watercraft taxes, distilled spirits, telecommunication taxes, railroad taxes, leaseholds, and downtown management district taxes. Commissions are earned for collecting of these taxes on behalf of the Commonwealth of Kentucky, Metro Government, the Urban Service District, eleven (11) Fire Protection Districts, The Downtown Management District, the Abandoned Urban Property District, and the City of Mockingbird Valley. The commissions earned for the collection of taxes are the largest source of revenue for the Sheriff's Office.

Statutes define the commission rate based on the type of jurisdiction for which the tax is collected:

<b>LEVIED BY</b>	<b>COMM./REIMB.</b>	<b>STATUTE</b>
<b>KENTUCKY</b>	4.25%	KRS 134.119
<b>METRO</b>	4.25%	KRS 134.119
<b>FIRE DISTRICTS</b>	1%	KRS 75.040(4)
<b>URBAN SERVICE DISTRICT</b>	4.25%	KRS 133.220(2) and KRS 65.192(8)

#### **Telecommunication Fee**

The Sheriff's Office is currently eligible for a supplement of approximately \$152,000.00 per year from the "hold harmless" fund for the collection of the telecommunication tax. This supplement is paid to us by the State.

#### Delinquent Commissions and Add-on Fee

The Sheriff's Office is entitled to an added 10% fee when the 10% penalty collection begins. KRS 134.119(7). KRS 134.122(2)(d) allows for the Sheriff's commission and add-on fee to become part of the Certificate of Delinquency.

#### Execution Fees

The Sheriff's Office is entitled to a fee for collecting money under an execution or distress warrant. The fee is based on a sliding scale formula contained in KRS 64.090.

#### Process Fees

The Sheriff's Office processes a variety of legal papers for which it collects statutorily defined fees under KRS 64.090. The Sheriff's Office processes approximately 80,000 papers each year. Only about 50,000 of these process papers have a fee attached. EPOs, warrants, rules, personal services, reissued papers, and process caused by EPOs have no fee attached to them. The approximate cost of serving EPOs (Domestic Violence Orders) and other papers is \$3,000,000.00 annually for which we receive no reimbursement. In January 2016, a new section of KRS 456 took effect which allowed individuals to petition for interpersonal protective orders when the individual has been the victim of either domestic violence and abuse, dating violence and abuse, sexual assault, or stalking. This change in the law has increased the number of protective orders that the Sheriff's Office is required to serve.

#### Auto Inspection Fees

The Sheriff's Office is required to inspect the title and Vehicle Identification Number of each out-of-state vehicle to be registered in Jefferson County. The Sheriff's Office receives a five dollar (\$5.00) fee for this certification. There is an additional fee of ten dollars (\$10.00) per trip fee if the inspector is required to travel to the location of the vehicle(s). The trip fee only applies to the first car inspected. KRS 186A.115)(b)(c). The Sheriff's Office has entered into a lease for the parking lot at 9<sup>th</sup> and Market. The Sheriff's Office also leases a modified portion of the parking garage at 838 West Market Street adequate to house our auto inspection facility. This leasehold is funded from the Sheriff's budget and not Metro's even though Metro is required by KRS 134.160(1) to provide office space. The Sheriff's Office also has six (6) inspection sites located at the Jefferson County Clerk's branch offices.

#### Delinquent Taxes

Prior to the enactment of KRS 134.122(2), the Sheriff's Office only received a commission on the amount collected on delinquent real estate taxes. Under the present statute, the County Clerk annually sells the delinquent taxes and the

sheriff's add-on fee and commissions received from the sold bills are reflected under the Delinquent Commission and the Add-on Fee referred to above. This category will consist mostly of tax bills collected prior to 2008 because of the different formulas involved.

#### C.C.D.W. Fees

The Sheriff's Office is required by KRS 237.110 to process applications for a permit to carry a concealed deadly weapon. The office is entitled to retain \$20 per application processed as a fee for administrative services. The permits are good for five (5) years before renewal. Effective June 27, Kentucky statutes were changed to allow eligible people to carry a concealed gun without getting a permit or completing a background check and safety training. The change in the law has resulted in a reduction of 40 percent (40%) in CCDW fees.

#### **Non-fee Revenue**

Non-fee revenues are reimbursements for expenses incurred by the Sheriff's Office and are not subject to the 75/25% split with the Metro Government.

#### School Expense Reimbursement

The Sheriff's Office collects taxes on behalf of the Jefferson County Public Schools pursuant to KRS 160.500. The statute provides for reimbursement for the collection of taxes to be not less than one and one-half percent (1.5%) and not to exceed four percent (4%). The Sheriff's Office retains the statutory minimum reimbursement of one and one-half percent (1.5%) of school tax receipts.

#### School Delinquent Reimbursement

This is the 10% add on fee and School Board reimbursement fee from the County Clerk's sale of the Certificates of Delinquency. KRS 134.122(2)(d).

#### Interest Income

The Sheriff's Office is required to distribute collected tax funds by the 10<sup>th</sup> day of the month after collected. Pursuant to KRS 134.140(1) the Sheriff's Office invests all tax revenues collected on behalf of the State, Metro Government, Urban Service District, Downtown Management District, Fire districts, and the City of Mockingbird Valley prior to the time of distribution to the appropriate taxing jurisdiction. Investments are made in a manner consistent with KRS 66.480 and KRS 41.240(4). Taxes collected for the Jefferson County School Board are remitted daily.

#### KLEFPF Reimbursement

The Kentucky Law Enforcement Foundation Program Fund (KLEFPF) provides a pay incentive to law enforcement officers for completing annual in-service training. The Kentucky Department of Criminal Justice Training reimburses the Sheriff's Office for the KLEFPF payments to the deputies and the retirement

costs on the payments. The Sheriff's Office must still pay the FICA on KLEFPF and the retirement on overtime on KLEFPF.

#### Attending Courts

The Sheriff's Office is required by statute to provide security services to over sixty (60) areas of Circuit, Family, and District Courts including building security. KRS 64.092(6); KRS 23A.090; KRS 24A.140. To meet this obligation, the Sheriff's Office has 151 deputies and 4 civilians in service to the Jefferson County Circuit and District Courts. These deputies are assigned to provide security in the courtroom, transport and monitor prisoners awaiting a court appearance, provide security at the entrances of both court complexes and to staff the control room in each building.

The Sheriff's Office is reimbursed for providing this service at the rate of nine dollars (\$9.00) for each hour, or part thereof, a deputy is attending the court or providing hall security. However, the reimbursement rate is substantially below the actual personnel cost per deputy.

#### Court Security

By statute, KRS 64.092(7) and KRS 42.320(2)(i), the Sheriff's Office will receive 10.1 % of court cost payments made, which helps to defray some of the deficit of providing security services to the court. The County Attorney's Traffic School Program (CATS) has reduced the amount of court costs payments. SB 117 was passed to establish an additional \$30.00 fee to be payable to the County Attorney's Office in lieu of court cost. The Sheriff's Office is to receive 16.8% of this fee. This amount does not cover the entire decrease in the lost revenue amount.

#### Prisoner/Mental Transportation

The Sheriff's Office transports prisoners to state penitentiaries and county jails throughout the Commonwealth. The Sheriff's Office receives the official state mileage reimbursement rate for each mile driven while transporting prisoners; KRS 64.070(1). Not all of these transports are reimbursed. The Sheriff's Office has partnered with the current administration of the Juvenile Youth Detention Center and the Mayor's Office to provide assistance for transportation of juveniles whenever our office has available resources.

#### Holding Facility

By a contract between the Sheriff's Office and Metro Government, the Sheriff's Office has agreed to staff the Holding Facility on the 4<sup>th</sup> floor of the Hall of Justice. The current MOU allows a staffing level of nine (9) deputies and one (1) sergeant. The maximum reimbursement under the agreement is \$570,000.00.

#### Grant-Reimbursement (Partial)

At this time we are unsure of what grants will be available in 2020.

### IS Services

The Sheriff's Office provides the tax billing function for the County Clerk's Office. The County Clerk reimburses the Sheriff's Office 50% of the amount the County Clerk receives for the preparation of the tax bills after all expenses are deducted.

### JCPS Reimbursement

The Sheriff's Office previously had an annual Contract for the Procurement of Professional services with the Jefferson County Public Schools to provide School Resource Officers in selected public schools. The Jefferson County School Board has voted to provide their own resource/security officers. This will result in an annual reduction of reimbursement revenue of \$320,000.00 for our office. The Sheriff's Office offered to provide eight (8) School Resource Officers to the schools for the school year for no charge. However, the offer was declined by the School Board. Since that time our office has placed SRO's in schools to assist in disruptive situation upon request of the schools.

### Miscellaneous Reimbursement

This represents payments for sale of office property that is excess or obsolete, reimbursement that are older than one (1) year from date of payment and other miscellaneous reimbursements.

### Abandoned Property – State

This item consists of abandoned money paid to us by the State Treasurer's abandoned property fund.

### Prior Years Surplus/Deficit.

This line item is for the use of prior year surplus/deficit in the current budget.

## **Expenses**

### **Personnel Costs**

The Sheriff's Office is seeking approval to spend the amount on salaries and its related costs as detailed in attachments A & A-1 of this request. We will use our part-time positions to account for the use of full-time equivalents (FTE). This budget reflects the retirement rates that were effective 7-1-2019 and revised rates will be applicable for 7-1-2020. We will not know the official new retirement rates until after this request is submitted. If the new official retirement rate increases sufficiently to require an amendment to our budget, we will do so when it becomes necessary. The employer's cost for health insurance for 2020 is projected to remain approximately the same amount. Neither our part-time nor our seasonal workers participate in our health insurance program. We have adjusted the charge for workers compensation based on our three (3) year experience as supplied by Frankfort. Per our contract with JCSO FOP Lodge 25

it has been negotiated for a two percent (2%) increase in wages across the board for all employees.

#### Personnel Strength

The Sheriff's Office requests authorization for 329 slots for 2020. This is composed of 261 sworn positions and 68 non-sworn positions. As stated earlier, this allows for our use of FTEs.

#### Retirement

Sheriff's Office employees participate in the County Employees Retirement System. Only full-time positions participate in the retirement system. Neither our part-time nor our seasonal workers participate in the retirement system.

The current contribution rates are 39.58 percent of salary for employees in the hazardous system and 24.06 percent for our civilian employees. The contribution rates starting 7-1-2020 are projected to be 51.58 percent for hazardous employees and 36.06 percent for non-hazardous employees.

KRS Chapter 15 and 70 allow sheriff's offices the ability to employ retired law enforcement officers, provided they meet the requirements of the statutes. The Sheriff's Office will not be required to pay additional retirement or health insurance benefits for these retired officers and our budget reflects such changes to the law.

#### FICA

The FICA budget request was calculated by multiplying an employee's gross salary by 7.65%.

#### Benefits

The Sheriff's Office seeks to provide employees with reasonable and competitive benefits commensurate with its financial resources. The Sheriff's Office has budgeted the total amount as shown in Attachments A and A-1 for health benefit costs for 2020. The Sheriff's Office also provides life insurance for all employees at a cost of \$ 5,552.00.

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#### Overtime

In accordance with the current contract with FOP 25, holiday time has been converted to vacation time. Due to the variable nature of our workload, we prefer to use overtime rather than hire additional full time employees to cover unforeseen circumstances or occurrences.

#### Sick Leave Conversion

The sick leave conversion program allows retiring employees depending on their qualified effective date to convert accumulated unused sick leave into service

credit for retirement purposes. The amount budgeted in 2020 is based on an average of our experience over several years.

#### Unemployment Compensation

This budget item is only for those who are laid-off or are eligible for benefits under the rules and regulations of the unemployment compensation agency. The amount budgeted in 2020 reflects our anticipated usage.

#### Acting Sgt/Lt/Capt

This category is for personnel of lesser rank who fill in for their commander. They may receive that pay while they are in an acting capacity based on available funds.

#### **Insurance Expenses**

This category is for insurance on our fleet plus the faithful performance of our personnel. We also have insurance on other property owned by the Sheriff's Office. Currently, our policy is through the KACO Insurance Plan.

#### **Contractual Expenses**

##### Personal Services

The Sheriff's Office seeks authorization to enter into personal service contracts, if necessary, to meet the operational needs of the office.

##### Legal Services

The Sheriff's Office seeks to budget \$ 90,000 for legal representation during 2020. There is a continuing need for legal counsel for Merit Board affairs and other routine matters that require litigation. We are also continuing a lawsuit against the Kentucky Retirement System regarding some of the provisions of HB1.

##### Audit/Accounting

The Sheriff's Office seeks \$1,000 for this item. It is the Sheriff's intention to use the State Auditor's Office whenever possible.

##### MIS Services

This includes the minimum amount due on existing maintenance contracts for the software running on the iSeries that is licensed from ACI, Inc and a small amount for the other areas of IS. In 2009 the Sheriff's Office switched from the current RMS provider which was Visionair to the new RMS provider from Metro Government which is ILEADS from Intergraph. Included in this category are the maintenance costs for our time and attendance system and the MPAL tax system the IBM iSeries.



### Other Expenses

The other expenses listed on this budget request are self-explanatory and reflect our efforts to cut our budgeted expenses wherever possible to make sure that we end the current administration with a positive balance. Items that show dramatic change or that is for only one (1) year is listed in the following section.

### **Initiatives/Non-recurring Expenses**

The Sheriff's Office seeks to undertake the following initiatives or incur non-recurring expenses in 2020 that are listed in the following budget items.

#### Renovation Work

We are budgeting \$ 45,000 in 2020 for this item. There are fit-up cost associated with preparing the in-door training facility for the equipment and gun range features.

#### Parking

Parking is budgeted to show the lease of the lot at 8<sup>th</sup> and Market plus parking at the 6<sup>th</sup> and Market Garage

#### Training & Seminars

The Sheriff has a strong commitment to professionalize the Sheriff's Office. This goal can only be achieved through proper training of all personnel both civilian and sworn. Training emphasis will also be placed on mid-level supervisory positions (both sworn and non-sworn).

#### Uniforms

The purpose of this expense item is to pay for the initial issue of uniforms for new recruits and new issue if there is a change in the basic uniform. This is required by our contract with the FOP.

#### Physicals/Medicals

This item is for the statutorily required physicals for new recruits and reserves. The Sheriff's Office now offers an EAP (Employee Assistance Program) which includes counseling services.

#### Discretionary Expenses

This expense item is used to provide for additional expenses related to special training, travel related to homeland security emergencies, academy graduations, retirements, state and national sheriff's conventions and extraordinary office expenses. This item includes our normal amount for discretionary expenses.

#### Computer Equipment

We continue to buy additional equipment and servers for necessary upgrades during the year. We are planning on continuing to upgrade our software to Microsoft's current products. We will still have to replace obsolete hardware and

software on a continuing basis. We are continuing to work closely with Metro IT to share resources so that we don't waste money by duplicating resources. We have added approximately forty-three (43) MDTs to our vehicles. Some of our older models will have to be replaced as needed. We are also looking at adding printers and scanners to the vehicles used by the process units.

#### Automobiles

The Sheriff's Office is committed to keeping the fleet up to a safe and acceptable standard. Sheriff's Office has implemented a vehicle replacement program based on the vehicle's primary assignment, safety and road worthiness. For 2020 we have budgeted \$550,000 for vehicles.

#### Office Equipment

We will need to continue upgrading the office equipment in our Office and this need is reflected in our 2020 budget.

#### Communication Equipment

This item is for necessary upgrades to the existing communications equipment, E-911, and additional purchases of hand-held radios for new recruits and our existing deputies. In 2020 we are planning to continue the necessary upgrades of our communications equipment.

#### Law Enforcement Equipment

The Sheriff's Office will have to purchase new sidearms for the new recruits. This category will also include shotguns and other items that are considered necessary for our deputies as well as Tasers.

#### New Training Facility with In-door Range

The Range is being constructed within an existing structure. There is no residential housing with a city block.

## **Conclusion**

JCSO tax revenues have shown an increase over the last several years due to higher property assessment values, increased home sales and various taxing jurisdictions raising their rates. It is anticipated that these increases will begin to level out. The 2020 budget preparation has presented more issues than in past years. We are dealing with the loss of Jefferson County Public School SRO revenues and decrease in CCDW revenues. The funding of the in-door training facility has been projected in our budget figures and the \$500,000 previously agreed funding from Metro will be needed to cover these expenses.