

May 3, 2005

Mr. Robert Guenzel
Administrator
Washtenaw County
220 N. Main
P.O. Box 8645
Ann Arbor, Michigan 48107-8645

Dear Mr. Guenzel:

Re: Sheriff's Department PSU Cost Analysis

Per your request we have conducted a preliminary review of the 2006 projected Police Service Unit (PSU) expenditures for the Sheriff's Department. We also collected relevant data from Oakland and Macomb Counties to better understand the perceived variance in contract rates between Washtenaw County and other comparable counties.

We obtained audited 2004 actual data, 2005 budget information and 2006 budgeted PSU calculations from Gordon Burger, Director of Strategic Planning and Budget, and Pete Ballios, Finance Director. We subsequently met with Herb Mahoney, Undersheriff, and Tim Morales, Business Manager from the Washtenaw County Sheriff's Office who also provided us with their department's cost and budget information for cost category 5020, Sheriff's Administration, and cost category 5030, Central Dispatch. Following are our findings:

- The total budget and average cost per PSU reflected in the 2006 Projected Expenditures appear to be an accurate reflection of fully allocated costs across the 5020, Sheriff's Administration, and 5030, Central Dispatch cost categories of the Sheriff's Department. The information provided us by both County Finance and the Washtenaw County Sheriff's Office, including audited 2004 actual costs and 2006 budget information, are in agreement on an aggregate basis. Please see Attachment 1 for the derivation of 2006 PSU costs.
- The "fully allocated" cost approach used by Washtenaw County to generate the 2006 PSU cost estimates differs significantly from rates published by Oakland and Macomb Counties. These counties do not use a "full cost allocation" methodology, but rather an "incremental cost allocation" approach for charging their services to the local units for contracted deputies.
- To clarify the rate differences between Washtenaw and Oakland and Macomb Counties, we have presented Oakland and Macomb published 2006 rates and translated Washtenaw County projected 2006 PSU costs into their methodologies on Attachment 2. As shown in Attachment 2, the charges for services, per PSU, between Oakland,

A member of



A worldwide association of independent accounting firms

Macomb, and Washtenaw counties would be within 10% if all three utilized a similar “incremental cost allocation” approach.

- Attachment 3 presents hypothetical costs to Ypsilanti Township, Superior Township and Dexter Township using the Oakland County methodology and 2006 rates, effectively imitating what Oakland County would charge these Townships for similar services. These costs are also compared to the Washtenaw County 2004 actual charge backs for police services.

We sincerely appreciate the opportunity to assist you and the Sheriff's Department on this very important matter. Please call me at (248) 223-3328 or Christine Andrysiak at (248) 223-3330 with any questions or concerns about this information.

Very truly yours,

PLANTE & MORAN, PLLC

Adam Rujan

Washtenaw County Analysis
Attachment 1
Cost per PSU - 2006 budget

	2006	
	Projected Cost	
	Per PSU	
	<hr/>	
Personnel Costs		
Deputy Salary	55,117	a
Deputy Overtime	11,923	a
Deputy Holiday	3,475	
Deputy Fringe Benefits	25,706	
Administrative Support	6,861	b
Supervisors	17,493	c
Detective Bureau	10,558	d
Pool of Six Fill In Deputies	5,160	
Six Special Assignment Deputies	5,597	e
Support Services	6,901	f
Prevention Services	1,942	g
Supplies		
General Supplies	1,154	
Uniforms	2,289	
Other Services & Charges	3,744	h
Internal Service Charges		
Fleet	13,403	i
Indirect Costs (Cost Allocation Plan - CAP)	18,827	j
Capital Outlay	156	
Central Dispatch	18,660	
Average Cost per PSU	208,965	
Less: County Contribution for Dept Oversight Costs (Admin Support)	6,861	
Less: County Contribution for Special Assignment Deputies	5,597	
Average Cost per PSU Net Fixed Costs	196,507	
Less: E911 Surcharge Revenue	10,034	
Less: Other Revenue	5,348	k
Average Cost per PSU Net Fixed Costs and Other Revenues	181,125	

Notes:

2006 Cost per PSU assumes the county continues services at the same level as in 2005

- a) Salary and Overtime costs assume all positions are filled for entire fiscal year
- b) Administrative Support includes .5 Sheriff, .5 Undersheriff, 2.5 Commanders, .5 Business Manager and 1 Secretary
- c) Supervisors include Lieutenants and Sergeants
- d) Detective Bureau includes 8 Deputy Investigators, 1 Lieutenant, 1 Sergeant and 1 Clerical Position
- e) Six Special Assignment Deputies are currently assigned to LAWNET, DARE, Canine, Major Case, and WAATT
- f) Support Services includes Clerical and CSO Positions
- g) Prevention Services includes 1 Youth Caseworker and 1 Sergeant
- h) Other Services consists of Consultants & Contracts, Telephone, Equipment Repair, and other misc charges
- i) Fleet costs include cost of vehicles for deputy plus support staff, repairs and maintenance, radios and gas
- j) Indirect Costs (Cost Allocation Plan) includes cost of facilities, maintenance of facilities, technology updates and maintenance, financial support, insurance, legal counsel, and other overhead costs
- k) Other Revenue includes Fire Dispatch contracts, Northfield Township Police Dispatch contract, Overtime Reimbursement contracts, CSO and CWP positions and misc fees

Washtenaw County Analysis
 Attachment 2
 Oakland, Macomb Comparison Chart

	Wash Cty 2006 Cost Per PSU ^a	Oakland County Published 2006 Rates	Oakland County Methodology Washtenaw Cty, 2006 Costs	Macomb County Published 2006 Rates	Macomb County Methodology Washtenaw Cty, 2006 Costs
Personnel Costs					
Deputy Salary	55,117	59,217	55,117		
Deputy Overtime	11,923	2,810	11,923		
Deputy Holiday	3,475	Included In Fill-In Charge	3,475		
Deputy Fringe Benefits	25,706	38,819	25,706		
Deputy Court Appearance		2,865			
Deputy Fill-In		8,465			
SubTotal Deputy Costs	96,221	112,176	96,221	95,514	96,221
Administrative Support					
Supervisors	6,861	County Funded Positions			
Detective Bureau	17,493	Contracted Individually			
Pool of Six Fill In Deputies	10,558	Contracted Individually			
	5,160	County Funded Positions			
Six Special Assignment Deputies					
Support Services	5,597	County Funded Positions, except			
Prevention Services	6,901	DARE officers contracted individually			
	1,942	Municipality expense			
		County Funded Positions			
SubTotal Other Staff Costs					
Supplies					
General Supplies	1,154	348	1,154		
Uniforms	2,289	491	2,289		
Other Services & Charges					
Internal Service Charges	3,744	371 b	3,744		
Fleet	13,403	4,608	13,403	8,322	13,403
Indirect Costs (Cost Allocation Plan - CAP)	18,827	Liability Insurance, see below		16,715	18,827
Capital Outlay	156	Not indicated in cost detail			
Central Dispatch net of E911 Surcharge	8,626	4,432	8,626		
Additional Cost Categories:					
CLEMIS		154			
Liability Insurance		911			
Average Cost per Deputy:		\$123,492 c	\$125,436	\$120,550	\$128,451
Percent Difference:			1.6%		6.6%

Notes:

- a) Based on 90 PSUs
- b) Includes Equipment and Radio Rental
- c) Based upon Oakland County DEPUTY II (With Fill-In) 2006 Rates. Cost detail provided by Washtenaw County.

Wahtenaw County Analysis
 Attachment 2
 Oakland, Macomb Comparison Chart

	Ypsilanti Township 2006 PSUs	Oakland County 2006 Rates	Ypsilanti Township Oakland County 2006 Rates Equivalent Cost	Ypsilanti Township 2004 Actual Costs
Personnel Costs				
Contract Deputies	44.00	\$ 123,492 a	\$ 5,433,648	
Supervisors (Sergeants)	5.00	\$ 116,472 b	\$ 582,360	
Supervisors (Lieutenants)	0.50	\$ 127,577 c	\$ 63,789	
Detectives				
- .5 Lieutenant	0.50	\$ 127,577 c	\$ 63,789	
- .5 Sergeant	0.50	\$ 116,472 b	\$ 58,236	
- 4 Deputy Investigators	4.00	\$ 106,274 d	\$ 425,096	
SubTotal Contract Position Costs	54.50		\$ 6,626,917	\$ 3,668,822
	Superior Township 2006 PSUs	Oakland County 2006 Rates	Superior Township Oakland County 2006 Rates Equivalent Cost	Superior Township 2004 Actual Costs
Personnel Costs				
Contract Deputies	8.00	\$ 123,492 a	\$ 987,936	
Supervisors (Sergeants)	1.00	\$ 116,472 b	\$ 116,472	
Supervisors (Lieutenants)	0.10	\$ 127,577 c	\$ 12,758	
Detectives				
- .1 Lieutenant	0.10	\$ 127,577 c	\$ 12,758	
- .1 Sergeant	0.10	\$ 116,472 b	\$ 11,647	
- .8 Deputy Investigators	0.80	\$ 106,274 d	\$ 85,019	
SubTotal Contract Position Costs	10.10		\$ 1,226,590	\$ 675,280
	Dexter Township 2006 PSUs	Oakland County 2006 Rates	Dexter Township Oakland County 2006 Rates Equivalent Cost	Dexter Township 2004 Actual Costs
Personnel Costs				
Contract Deputies	3.00	\$ 123,492 a	\$ 370,476	
Supervisors (Sergeants)	0.40	\$ 116,472 b	\$ 46,589	
Supervisors (Lieutenants)	0.04	\$ 127,577 c	\$ 5,103	
Detectives				
- .04 Lieutenant	0.04	\$ 127,577 c	\$ 5,103	
- .04 Sergeant	0.04	\$ 116,472 b	\$ 4,659	
- .32 Deputy Investigators	0.32	\$ 106,274 d	\$ 34,008	
SubTotal Contract Position Costs	3.84		\$ 465,938	\$ 242,544

a) Based upon the Oakland County DEPUTY II (With Fill-In) 2006 Rate.
 b) Based upon the Oakland County PATROL SERGEANT 2006 Rate.
 c) Based upon the Oakland County LIEUTENANT 2006 Rate.
 d) Based upon the Oakland County PATROL INVESTIGATOR 2006 Rate.