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MEMORANDUM

TO: J. Dudley Watts, County Manager
FROM: Janice B. Hillanbrand, Budget Analyst
DATE: September 24, 2020
SUBJECT: 2020 Reconciliation Report for FCSO Community Police & WSFCS Officers

Background

The County currently provides employees who serve as deputies and provide law enforcement services for four municipalities (Lewisville, Clemmons, Rural Hall, and Walkertown). In addition, the County provides employees who serve as School Resource Officers for Winston-Salem/Forsyth County Schools (WSFCS). The agreements dictate the municipalities and school system must reimburse the County for total actual costs associated with the provision of law enforcement within the municipality to include salaries, benefits, training costs, and all other operating and administrative expenses listed on the proposed budgets provided by the Sheriff's Office as well as indirect costs (fleet operating/mileage, fleet capital, and FCSO administrative costs). For the four municipalities and WSFCS, reimbursements are provided to the County via four quarterly installments with the first three installments based on budgeted amounts and the fourth installment reconciling the budgeted amount to actual expenses incurred.

In May 2020, the County's Internal Audit issued a summary report on the Sheriff's Office reimbursement process for the municipalities and the Winston-Salem/Forsyth County School System. In light of this report and its findings, Internal Audit made two recommendations:

1. Management should ensure adherence to contractual agreements between the County and municipalities; and
2. Management should ensure that the fourth quarter reconciliation (true-up) process includes clear and transparent references for any adjustments made to actuals.

In response to these findings, a recommendation made and implemented for the Sheriff's Office reimbursement process is for Budget and Management to prepare the final fourth quarter reconciliation of actual expenses incurred to charge to the municipalities and WSFCS for policing and SRO services.

Budget & Management prepared the fourth quarter reconciliations in accordance with the findings issued in the May 2020 Internal Audit report. These fourth quarter reconciliations were calculated using actual expenses recorded in Performance and were finalized and sent to the Finance department on August 12,

2020. Invoices based on these reconciliations were sent to the municipalities and WSFCS on August 13, 2020.

Beginning the week of August 17th, the municipalities of Clemmons, Lewisville, and Rural Hall began contacting the Budget Office concerning their invoices with questions and issues over the charges. The charges with which these municipalities took issue over are overtime, claims and cost share expenses. The recommendation from Budget and Management, as well as the Manager’s Office, is that these disputed charges be removed from the municipality invoices.

- Overtime: the issue the municipalities have concerning overtime are due to deputies assigned to the municipalities who have special team’s responsibilities or are re-assigned to other platoons for other business for the Sheriff’s Office. These special cases of overtime are tracked in special team logs. The special teams’ overtime log is a tracking spreadsheet that deputies complete to show time spent on duties in addition to their routine responsibilities. Some examples include SWAT training, Honor Guard, and swearing in ceremonies, etc.
- Claims: the municipalities take issue with Claims charges that are results of injuries that occurred while the officer was not on duty for the municipality.
- Cost Share: cost share has not historically been charged to the municipalities or WSFCS prior to FY2020. It was not listed as one of the explicit costs in the agreement or in the proposed budgets used to determine the first three quarters invoices.

Town of Clemmons Reconciliation

The current agreement with the Town of Clemmons and FCSO commenced on July 1, 2017 and ended June 30, 2020. This is the last true up under this agreement. This agreement provides for one sergeant, one corporal, one investigator, ten deputies, and one corporal under the mini-cops program. The current amount payable by Clemmons is \$404,252.03. This final amount includes \$24,575.96 in overtime (447.5 hours in special teams overtime recorded), \$3,217.78 in cost share, and \$44,312.91 for claims. The Town reached out with concerns over \$14,374.16 in claims charges for continued costs of an injury an officer sustained before becoming a community police officer with the municipality, special teams related overtime, miniCOPS mileage not fully subtracted, and the total cost share expense since it was not included in the Town’s original estimate or listed in the contract. The Town has not paid their final invoice.

Current Invoice Amount	Recommended Reduction	New Invoice Amount
\$404,252.03	\$30,910.42	\$373,341.61

Town of Lewisville Reconciliation

The current agreement in place between the Town of Lewisville and FCSO commenced on July 1, 2017 and ended June 30, 2020. This is the last true up under this agreement. This agreement provides for one sergeant and five deputies. The current amount payable by Lewisville is \$157,746.22. This final amount includes \$7,402.61 in overtime (60.5 hours in special teams overtime recorded), \$1,177.46 in cost share, and \$13,587.30 for claims. The Town reached out with concerns over 47.25 hours of overtime recorded in special teams logs (est. \$1,626.93), \$13,587.30 in claims charges for an injury obtained by an officer

while auditioning to become a k9 officer, and the total cost share expense since it was not included in the Town’s original estimate or listed in the contract. The Town has not paid their final invoice.

Current Invoice Amount	Recommended Reduction	New Invoice Amount
\$157,746.22	\$16,391.68	\$141,354.54

Town of Rural Hall Reconciliation

The current agreement in place between the Town of Rural Hall and FCSO commenced on July 1, 2017 and ended June 30, 2020. This is the last true up under this agreement. This agreement provides for two deputies. Rural Hall provides their own fuel, which is significant due to the unique fleet mileage rate of \$0.194 per mile. The current amount payable by Rural Hall is \$38,658.26. This final amount includes \$858.70 in overtime (no special teams overtime recorded), \$403.56 in cost share, and no expenses for claims. The Town reached out with concerns over the cost share charges and \$92.45 in Overtime expenses included in their final invoice. They have paid their final invoice with the exception of cost-share, making the current total paid \$38,254.70 (a difference of \$403.56).

Current Invoice Amount	Recommended Reduction	New Invoice Amount
\$38,658.26	\$496.01	\$38,162.25

Town of Walkertown Reconciliation

The current agreement in place between the Town of Walkertown and FCSO commenced on July 1, 2017 and ended June 30, 2020. This is the last true up under this agreement. This agreement provides for one deputy. The current amount payable by Walkertown is \$29,725.84. This final amount includes no expenses in overtime, \$332.03 in cost share, and no expenses for claims. The Town has not paid their final invoice or reached out to the County with any questions or concerns.

Current Invoice Amount	Recommended Reduction	New Invoice Amount
\$29,725.84	\$332.02	\$29,393.81

WSFCS Reconciliation

The current agreement in place between the WSFCS and FCSO commenced on July 1, 2019 and ended June 30, 2020. This agreement provides for eighteen deputies. The current amount payable by WSFCS is \$204,293.40. This final amount includes \$17,442.14 in overtime (no special teams overtime recorded), \$3,956.36 in cost share, and \$30,857.39 for claims. WSFCS has not paid their final invoice or reached out to the County with any questions or concerns.

Current Invoice Amount	Recommended Reduction	New Invoice Amount
\$204,293.40	\$3,956.36	\$200,337.04