



City of Phoenix
OFFICE OF THE CITY MANAGER

April 13, 2017

Ken Crane, President
Phoenix Law Enforcement Association
1102 West Adams Street
Phoenix, AZ 85007

Dear Ken:

This is in follow up to your letter to the members of the Phoenix City Council on March 20, 2017 which was copied to me.

Public safety is the number one priority of the Phoenix City Council. Almost 50% of our general fund budget is allocated to the Police Department alone, with nearly 75% of the budget to all public safety and criminal justice functions.

I understand the concern of police officers and all City employees about staffing levels and compensation. All City employees have taken equal compensation reductions over the past 10 years and all have been asked to work smarter and harder with fewer people. Some of our administrative departments have had permanent staff reductions of nearly 30% since 2009.

It is important to be clear about the reason why the Phoenix Police Department staffing is at its current and planned future level.

First of all, in 2008, police officers and firefighters negotiated significant pay increases of 13.70% which were approved by the Phoenix City Council. These significant raises, which were not shared by civilians, were implemented just before the Great Recession hit City revenues in fall 2008.

Second, in addition to wages, the average cost for a police officer has risen significantly. Since 2009, the overall increase has been 26%, driven largely by pension costs. The City's pension cost per officer has risen from an average of \$17,000 per Unit 4 officer in 2009-10 to \$49,000 next fiscal year. As you know, the City's pension rate for police has gone from 24.3% in 2009-10 to 67.3% next fiscal year.

Third, the Great Recession significantly reduced the revenue for Proposition 1 and 301 and the Public Safety Enhancement funds. All revenue from the funds has gone to public safety staffing and programs. By 2012, these funds were oversubscribed by as much as \$37 million, meaning that the rest of the City's operations were absorbing the cost of police officers and firefighters that were not covered by the Public Safety funds for that period of time. Without corrective action this deficit was projected to grow by approximately \$28 million per year.

In response, the City Council confronted a difficult choice in that unprecedented budget period. Faced with a decision to immediately layoff 400 police officers, or to balance the deficit over time and keep all officers employed, the Phoenix City Council *chose to support all those who were employed and have no layoffs*. Other City programs were immediately cut for savings, such as Arts grants, library hours, Parks maintenance, swimming pool hours, recreation programming and administrative staffing as mentioned earlier. The Council also raised some taxes, and employees citywide negotiated some concessions. The choice to avoid immediate reductions and layoffs in police and fire was supported by management, the unions and the City Council together.

By 2015, the public safety balancing plan had worked to balance the deficit in public safety taxes *with no layoffs*. Hiring resumed and is going strong. In addition, the City Council voted to *add an additional 125 officers* by shifting general fund support from Transit to Police. The current sustainable budgetary amount of officers is 3,125 and the Police Department is authorized to hire as many officers as necessary to reach that number as soon as July 2018. That is over 200 filled positions *more* than we currently have on the street. It will be the most officers filled since 2010-11. Meanwhile, Parks, libraries and other programs have not seen the same level of restoration due to continued budget pressures.

Next, the issue of staffing ratios. You have identified 2.5 per 1,000 as the appropriate staffing ratio, and you cited IACP as the source of that figure. It's important to understand the full context of ratio data analysis. In its report (attached), IACP says: "Before presenting BJS (Bureau of Justice Statistics) data, it is first important to clarify IACP's position on police to population ratios and why they should *not* be used as a basis for agency staffing decisions. The following is a quote from IACP's Patrol Staffing and Deployment brochure: *Ratios, such as officers-per-thousand population, are totally inappropriate as a basis for staffing decisions. Accordingly, they have no place in the IACP methodology. Defining patrol staffing allocation and deployment requirements is a complex endeavor which requires consideration of an extensive series of factors and a sizable body of reliable, current data.*" (All emphasis from original source).

Phoenix's ratio of filled officers (2,876) to population (1,569,000) calculated by the Budget & Research Department is 1.83 per 1,000. This is higher than all but two other cities in the region, although the numbers used for other cities is their "authorized" count, not their "filled-only" count. Compared to the top 10 cities, Phoenix's ratio ranks 7th, although again we are comparing our filled-only count to other cities' authorized count, since other cities don't report filled-only numbers. We have a higher, but comparable, ratio to other western cities like San Antonio, San Diego and San Jose. We are lower than older, more dense cities, like New York, Chicago and Philadelphia. As noted in the IACP report, comparisons are difficult because of issues like density, daytime population increases, and other unique circumstances.

Even if we were to accept a ratio as you have suggested, however, the additional cost of the additional officers would overwhelm our resources – requiring at least another \$125 million. That is the equivalent of the entire Parks Department and Library Department general fund budgets combined.

Looking historically, crimes in Phoenix have fallen from their peak numbers and rate in the past 20 years. Property crimes have consistently dropped over the last 20 years. Violent crimes were at their peak in 1993, with a spike again in 2006 and 2007. Homicides peaked at 241 in 2003 and were at a low of 113 in 2015, although one homicide or violent crime is one too many. However, there has been a recent rise in numbers of violent crimes from historic lows in 2010 and a slight uptick in property crime beginning in 2016. Response times have risen. That's why it's important that we have begun hiring police officers and raising our staffing levels toward the goal of 3,125 sworn officers.

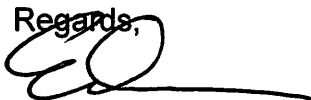
The City Council, the Police Chief and I are focused on hiring more police officers. We are aggressively moving to reach the staffing level of 3,125 sworn officers in 2018. Recruiting is in full swing, including authorization for the Police Chief to recruit out of state. I think it is important to focus on actually reaching the 3,125 level before it is declared to be insufficient.

When we have reached 3,125 and assuming that pension costs don't go up even further than expected, I am certain that the City Council, City Management and the Police Chief will continue to assess the staffing levels and service needs of the community. Any assessment will require balancing community needs for policing with other important areas that support public safety, like streets, libraries, parks, youth programs, vehicle maintenance, IT, graffiti abatement and the back office functions, like payroll and purchasing that support our officers. I have to emphasize, though, that rising public safety pension costs are a significant ongoing concern.

The City Council has consistently supported our sworn public safety officers. They restored compensation as quickly as the budget and rising pension costs have allowed. They avoided layoffs in the worst of the Great Recession. They shifted funds from Transit to add 125 police officers. They have reduced public safety department budgets much less than non-public safety departments. They have continued to fund public safety pensions, even as those public safety pension costs to the general fund budget have risen by 173% over the past 10 years. I believe this is evidence of their strong leadership and commitment to our outstanding officers and to the community.

Thank you for representing your members and thanks to all our Phoenix Police officers who work hard to keep the community safe. I look forward to continuing to work with you and all City employees to continue to find ways to serve the public better.

Regards,



Ed Zuercher
City Manager

c: Mayor and City Council
Jeri Williams, Police Chief
Milton Dohoney, Jr., Assistant City Manager