



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: APRIL 6, 2026
FROM: CITY MANAGER DUBOIS
SUBJECT: LAW ENFORCEMENT UPDATE AND PROPOSED AGREEMENT WITH AMADOR CITY

RECOMMENDATION:

Receive this update on recent Finance ad-hoc meetings, a proposal from the County and meetings with the Amador City police ad-hoc committee, and approve a motion to extend a formal offer to Amador City to provide Law Enforcement services according to the Terms presented in this report.

BACKGROUND:

During 2025, Council formed an ad-hoc group to look at the long term viability of the Sutter Creek Police department, given the city's anemic revenue growth and expenses that have been increasing faster than inflation. Costs for labor, fuel, equipment, training, certification, and particularly dispatch and animal control continue to increase faster than revenues into the City. Over the last three years, total costs have increased an average 23% with Dispatch increasing 80.62% and animal control increasing 265.38% over that same time period.

In a series of meetings, and collecting information on other, similar rural cities in California, the ad-hoc determined that Sutter Creek PD's expenses are extremely well managed with little opportunity to cut costs, without impacting our ability to provide law enforcement 24 x 7. When the ad-hoc updated the entire Council, the Council asked staff to look at all options, including getting a proposal from the County on their providing services to Sutter Creek and to focus on additional revenue sources in order to fund law enforcement, particularly to approach Amador City given their size and location next to Sutter Creek.

In other separate efforts, City Staff have also been seeking new revenue through economic development opportunities via a variety of means including discussions with regional partners in Amador and nearby Counties, exploring a satellite campus with Columbia College, utilizing a grant to encourage the creation of new companies, and most recently considering a possible proposal from a cannabis dispensary.

Over the last several months, the City has had conversations with both Amador City and Amador County Sheriff's department as directed by the Council.

We received a formal proposal from the County to provide law enforcement services to us, replacing our own police department. In parallel, we have reached an outline of a potential agreement with Amador City to provide them with law enforcement services to help preserve our police department.

DISCUSSION:

COUNTY PROPOSAL

The County developed a proposal attached to this report “County Proposal for Law Enforcement and Dispatch”. They provided cost proposals for Year 1 and Year 2 for two different levels of service. In each scenario, the first year is more expensive because of hiring and equipment.

The first proposal we refer to as the “unincorporated model” and is the level of policing the Sheriff currently provides in the county. Officers are responsible for large patrol areas. Additional officers (3.5 FTE) would be hired and responsible for both Amador County and the City of Sutter Creek (not just Sutter Creek). Events would incur additional charges.

The second proposal would be to provide a level of service similar to what we have now, hiring six officers (6 FTE) to provide a dedicated officer to Sutter Creek. We refer to this as the “community policing model”. It does not include support for events, which would incur additional costs. The Sutter Creek Police Department has 3 Reserve Officers who contribute on a regular basis to shift coverage and special events. There is no guarantee that these officers would want to stay on with the Sheriff’s Department and that they would be selected by the Sheriff in their selection and vetting process. Additionally, the Sutter Creek Police Department has a robust and active Police Volunteer Program. At present six volunteers regularly volunteer and handle administrative and general assistance duties. There is no guarantee that they would want to stay or if they would be absorbed into the Sheriff Volunteer Program.

The proposal also notes that labor negotiations are under way and the proposal could likely increase in cost once those negotiations conclude. The County stated they would not use any of our equipment, so none of our current assets are used to defray costs. The proposals are summarized below:

Expense	Proposal 1 "Unincorporated Model"	Proposal 2 "Community Policing Model"
Labor	\$658,112	\$1,128,192
Recruiting	\$165,000	\$330,000
Vehicles	\$66,000	\$99,000
Equipment	\$40,500	\$81,000
Dispatch	\$175,072	\$175,072
Year 1	\$1,104,684	\$1,813,264
Year 2 (without Year 1 recruiting cost and Year 1 outfitting cost)	\$944,143	\$1,472,377
Note-there were some math errors in the written proposal		

For comparison, our current police budget is \$1,107,469.

Comparing our costs to the proposal, the unincorporated model would cost more in year 1, be slightly less in year 2 and would likely “catch up” to our current costs in a number of years based on labor cost increases and additional charges for our major events. Proposal 2 is far more expensive to achieve a level of service similar to what we have now.

Why are the County costs significantly higher? There are several structural reasons that the County’s costs are higher, as highlighted in their proposal:

1. **Specialized departments** that require training, including specialties such as SWAT, Sniper Team, K9, and Water Rescue. These special certifications all drive higher labor rates, even when those services aren’t being used.
2. **Much higher overhead with a large administrative and executive management team.** These are highly paid positions to provide oversight and policy guidance. Our department puts most of its funds into officers on the street, with minimal overhead.
3. **Higher fleet (patrol car) and equipment costs,** County policy refreshes their vehicles with new purchases on a 3 year depreciation cycle. Sutter Creek purchases used vehicles and operates them for as long as they hold up.
4. **Executive management team distanced from Labor negotiations.** The Sheriff does not negotiate on behalf of the department, the County does, which may contribute to a situation that provides less of a damper on upward benefit and labor costs over the years. The proposal states to expect 5% increases in costs each year going forward, regardless of the economy.

On a cost basis, contracting police services from the County would cost the city more, increase faster over the years, and give the City no real say in how/when services are provided. Without a detailed agreement in a contract to accept direction from the City Council, Council decisions could be at odds with the elected Sheriff’s positions. The indication is they would not agree to such a request in any case. They have also indicated that not all of the current Sutter Creek officers would be hired by the Sheriff.

If council rejects these proposals, as staff recommends, dispatch costs will continue to be a primary concern. They have increased **80.62%** in the last 3 years. Dispatch is the largest driver of cost increases in our department. Council members should work with the County Supervisor to rein in these annual costs increases.

	ACTUAL	ACTUAL	%	ACTUAL	%	BUDGET	%
	FY 2022-23	FY 2023-24	INCREASE	FY 2024-25	INCREASE	FY 2025-26	INCREASE
Dispatch Costs	\$96,891	\$136,674	41.06%	\$165,000	20.73%	\$175,000	6.06%
Increase since FY22-23	80.62%						

AMADOR CITY PROPOSAL

As the Council is aware, we have also been exploring increasing revenue by providing services to Amador City. Attached are initial outreach to Amador City and staff reports to the Sutter Creek council and the Amador City council.

After expressing interest in discussing a possible agreement, the Amador City Council formed an ad-hoc committee that has met twice with our ad-hoc committee to discuss terms of an agreement.

During these discussions, we reached broad agreement on the terms as outlined in the prior staff reports. One clarification from our prior council meeting is that currently Amador City is paying \$100,000 which includes both law enforcement and dispatch. Dispatch, based on their population, is \$15,000 in FY25-26, with the remaining \$85,000 paying for law enforcement.

Amador City is a safe community and either agency will do a good job for residents. The primary differentiators between the County and Sutter Creek PD is the policing philosophy and the approach to cost containment. The county model provides expertise when needed and no more. Sutter Creek would provide a community policing model. All agencies provide mutual aid, so Amador City would continue to have access to all the county specialties if needed.

Sutter Creek can provide services for this same price and provide a higher level of community policing. We are able to offer this because Amador City is adjacent to Sutter Creek and we can do this with our existing staff. Amador City would see a dramatic improvement in service, including 2 or 3 drive-throughs per day (over 1,000 per year compared to 242 annually for the County). Sutter Creek Police Officers would walk the main street, visit the park and other areas, develop relationships with business owners and residents, and be available at events and council meetings when needed. Sutter Creek puts its funds towards direct costs - officers on the street—not toward overhead or management costs, which will also benefit Amador City.

Timeline

Amador City must give 12 months notice to the County of their intent to switch providers. That said, the timeline is still short to effect change with the start of the fiscal year in 2027. Both councils will meet in April and decide if they agree to the “term sheet” below. If approved, then a contract will be prepared in May and able to be adopted in June. Amador City can give notice and the contract would go into effect in July 2027.

Proposed Term Sheet

Scope of Services:

- **Patrol Presence:** SCPD provides periodic daily patrols with a specific mandate for foot patrols in the downtown area. SCPD would provide investigative services.
- **Commitment to Service:** Sutter Creek commits to provide the same level of service to both cities. Calls will be prioritized based on urgency of need and safety concerns of the residents, with no regard to location.
- **Response Protocols:** In the event of simultaneous calls, SCPD shall respond to calls for service dependent upon the priority of the call. As an example, a low priority call (e.g.

barking dog) in one city would be handled after a more serious call (e.g. assault) for service in the other city.

- **Staffing and Resources:** When staffed to today's current personnel allocation, SCPD will generally have one officer on duty, with an additional officer on duty during peak hours.
- **Equipment:** During the first two years of the contract, SCPD will provide patrol vehicles and maintenance of the assigned vehicles. In the third year, Amador City will provide a percentage of the actual costs of a new outfitted patrol vehicle every other year, based on population size (currently 6% of the combined total population)..
- **Reporting:** SCPD Chief of Police or designee shall appear at Amador City Council meetings when so requested for matters related to police services in Amador City. The Sutter Creek Chief of Police would be the lead law enforcement official in Amador City and would interact with the Amador City city manager and city council in the same manner as with Sutter Creek.
- **Municipal Code:** Amador City agrees to provide Sutter Creek with updated municipal codes. Amador City agrees to handle general code enforcement matters with the exception of complaints that require immediate response related to health and safety.
- **Records Management:** SCPD shall maintain records related to law enforcement activity in Amador City starting at the commencement of the agreement. SCPD will respond to public records requests related to police services in Amador City during the periods of time in which SCPD provided such police services. Absent an agreement to the contrary, the records retention policy of the Sutter Creek Police Department will be the guiding policy.

Personnel Status & Pension Liability

- SCPD will remain employees of Sutter Creek only. Amador City assumes no liability for salaries, pensions (CalPERS), or civil service rights.
- Sutter Creek will negotiate all labor agreements, personnel rules, regulations and procedures with its employees.
- Amador City may at any time report to Sutter Creek its concerns about personnel performing services and Sutter Creek will investigate.

Dispute Resolution

- Recommend a structured process of Mediation followed by Binding Arbitration to resolve billing or performance disputes, similar to your contract with the County.

Termination Rights & "Exit Strategy"

- Five year term with an automatic one year renewal process after that.
- Formal annual performance and cost review process. **what does this look like?**
- If Amador City's COPS Funding were to cease, Amador City would be able to immediately terminate the agreement.
- During the first year, Amador City/Sutter Creek may terminate with three months notice.
- After the first year, either party may terminate without cause with one year's notice.

Liability & Risk Management:

- **Indemnification:** proposed language from Sutter Creek’s Risk Management Association - Amador City shall indemnify, defend, and hold harmless the City of Sutter Creek, its officers, employees, agents, and volunteers from any and all claims, losses, liabilities, or damages, demands and actions, including payment of reasonable attorney fees, arising out of or resulting from the City of Sutter Creek’s provision of policing services in and for Amador City pursuant to this Agreement. The foregoing obligations of Amador City shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises solely from gross negligence or willful or active **gross** misconduct of the City of Sutter Creek or its officers, employees, agents, or volunteers; and (2) the actions of Amador City or its employees, subcontractors, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law.
- Parties agree to provide one another prompt notice of any claims or lawsuits arising out of performance of services under this contract.

Financial Terms:

While the Sheriff has said there would not be any foreseeable cost increases in future years to Amador City, given the county's financial position, it is not clear how long that will continue. At some point Amador City is likely to face “catch up” charges, similar to what happened with Plymouth.

We are proposing that we have transparent cost sharing from the beginning with small cost increases each year that keeps Amador City current and avoids any future surprises. It is pragmatic for both cities to acknowledge cost increases.

Amador City has a police fund reserve, whose funds can ONLY be used for law enforcement. While our proposal may appear more expensive than the county, we believe it is both pragmatic, fair, and affordable, given the available reserves.

- Amador City will be responsible for paying for its share of Dispatch Services, either paying the county directly or Sutter Creek will pass-through the actual County expense (TBD).
- Pro-rata cost adjustments (refunds) will be made if Sutter Creek is unable to provide services due to strikes, boycotts, or force majeure events.
- The cost in the first year will total \$100,000.
- Law enforcement charges would increase by the annual labor cost increase in the POA labor agreement with the City of Sutter Creek, starting in Year 2.
- With a population of under 200 people compared to Sutter Creek’s population of 2700, Amador City is about 6% the size. Starting in Year 3, Amador City would contribute its proportionate share (Currently 6%) of a fully outfitted police vehicle every other year to defray capital costs.

Proforma Estimate: Assuming agreement goes into effect in FY27-28, and looking at historic trends, costs should be similar to below. Actual costs will be dependent on County dispatch costs and future labor negotiations.

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31
Law Enforcement	\$85,000	\$85,000	\$85,000	\$88,400	\$91,936	\$95,613
Vehicles					\$4,800	
Dispatch	\$15,000	\$15,000	\$15,000	\$15,750	\$16,538	\$17,364
Total	\$100,000	\$100,000	\$100,000	\$104,150	\$113,274	\$112,978

Why do this? While the numbers here are not large, the economics work for us. Increasing our scale, even for 200 residents, enables us to better utilize our existing investments in people and equipment. If we incurred a step increase; i.e. needing to hire additional staff, this would not be viable, but because of the specifics here it makes sense. The additional funding from Amador City will help secure community policing for both communities so it is a win-win. We will continue to see other sources of funding over time as well - this is not the ultimate solution, but incremental solutions add-up.

BUDGET IMPACT:

With an Amador City agreement, the police budget would receive ~\$85,000 in revenue to cover costs, starting in FY27-28. This amount would grow with inflation over time. Additional costs would be minimal since we already have the staff, equipment, and officers travelling throughout the day, so there are no real direct incremental costs.

ATTACHMENT:

- 1. County Proposal for Sutter Creek Law Enforcement**
- 2. Letter to Amador City Council**
- 3. Staff Report Authorizing Proposing Policing for Amador City**
- 4. Staff Report on Police Services for Amador City Council**