

CITY COUNCIL REPORT

DATE: November 1, 2016

TO: Mayor and Councilmembers

FROM: Chief Kevin Treadway, Marianne Sullivan

CC: Josh Copley, Shane Dille, Barbara Goodrich, Leadership Team

SUBJECT: Report to Council as required pursuant to A.R.S. Section 13-2314.03.

Arizona Revised Statute Section 13-2314.03 requires those political subdivisions of the state, who receive money from the county anti-racketeering revolving fund, to make a report each quarter to their respective governing bodies. This CCR is being written to comply with this legal requirement.

DISCUSSION

A.R.S. section 13-2314.03 provides for counties to establish and administer an anti-racketeering revolving fund. The monies that go into the fund are obtained through civil forfeiture proceedings initiated by the Coconino County Attorney's Office as a result of criminal investigations conducted by the various law enforcement agencies in Coconino County. The fund here in Coconino County is overseen by the METRO Board made up of members from several partnering law enforcement agencies including the Flagstaff Police Department, NAU Police Department, Coconino County Sheriff's Office, Coconino County Attorney's Office, and the Arizona Department of Public Safety. Other participating agencies are the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Federal Bureau of Investigations, Page Police Department, Williams Police Department, the U.S. Department of Homeland Security, and the Drug Enforcement Administration. Agencies may make requests to the METRO Board for funds, and the METRO Board votes to approve or deny the requests.

There are several restrictions on what the METRO Board funds may be used for under State and Federal law. Specifically A.R.S. Section 13-2314.03(E) states:

“E. Monies in the fund may be used for the funding of gang prevention programs, substance abuse prevention programs, substance abuse education programs, programs that provide assistance to victims of a criminal offense that is listed in section

13-2301 and witness protection pursuant to section 11-536 or for any purpose permitted by federal law relating to the disposition of any property that is transferred to a law enforcement agency. Monies in the fund may be used for the investigation and prosecution of any offense included in the definition of racketeering in section 12-2301 subsection D, paragraph 4 or section 13-2312, including civil enforcement.”

Federal Law restricts the use of the funds under United States Department of Justice and Department of Treasury Guidelines. Those things listed in the guidelines as ***impermissible uses*** are:

- Supplanting regularly budgeted law enforcement items; property must be used to increase or supplement the resources of the receiving state or local law enforcement not replace them.
- Payment of Salaries for existing positions where the payment constitutes a supplanting of the agency’s appropriated funds unless specifically authorized by law or in certain task force specialized situations.
- Use of law enforcement property, funds, or pro-rata property/funds by non-law enforcement entities or personnel.
- Payment of non-law enforcement expenses.
- Uses contrary to the laws of the state or local jurisdiction.
- Uses that create the appearance that the funds are being used for political, personal, or non-official purposes.
- Extravagant expenditures.

This fund therefore is not available for City Council to use to supplement the already existing budget that is provided to the Flagstaff Police Department. It is available as an additional funding source to the participating agencies for very limited purposes. Examples of what the fund has been used for in the past are:

- Specialized training for law enforcement.
- Specialized equipment to be used for investigations related to racketeering.
- Matching funds as required by the Department of Justice Edward Byrne Memorial Justice Assistance Grant (Byrne JAG) that is awarded annually to the METRO Task Force. (This grant, along with the matching funds from the RICO fund, is used to pay salaries of three of the members of the METRO Task Force. The salary for the support person assigned to the METRO Task Force is paid for by the RICO fund. The Flagstaff Police Department pays for the final investigator position.)
- Overtime for members of the METRO Task Force participating in special operations.

There are further restrictions on how much money can be used for a particular purpose. Not more than 15% of the funds may be used for costs associated with

non-law enforcement, non-profit community-based programs or activities formally approved by the METRO Board as being supportive of and consistent with law enforcement efforts, policies, or initiatives.

DOCUMENTS

See attached copy of the quarterly report from April 1, 2016 to June 30, 2016 of the funds received by the Flagstaff Police Department from the METRO Board fund submitted by the Coconino County Attorney's office to the Arizona Criminal Justice Commission.

RECOMMENDATION / CONCLUSION

This report is for information only.

**ARIZONA CRIMINAL JUSTICE COMMISSION
QUARTERLY
FORFEITURE MONIES REPORT**

INDIVIDUAL AGENCY ACTIVITY REPORT

The Individual Agency Activity Report is a report of "all" revenues and expenditures at the individual agency level. This report must be filled out by those agencies participating in a Master Account held by the Attorney General or County Attorney and must accompany the Master Account Summary report when filed with the Commission. It may also be utilized by County Attorney Pooled accounts to assist in collecting information if desired.

REPORTING PERIOD: 4/1/2016 **THRU** 6/30/2016

COUNTY: Coconino County

AGENCY: City of Flagstaff

DIVISION/SECTION Police Department

ADDRESS: 211 W Aspen , Flagstaff, AZ 86001

Metro RICO Summary of Funds - Salaries, Overtime, & Equipt, Training, PD & ACJC Metro Match fur

Type of Government Entity Reporting:

- Municipality County State

Type of Forfeited Monies Reported:

- Anti-Racketeering Other Both

PREPARED BY: Matthew Luhman, Accountant 928-213-2220
Type Name/Title/Telephone

Handwritten initials
APPROVED BY: Rick Tadder, Management Services Director 928-213-2217
Type Name/Title/Telephone

SIGNATURE/DATE: Rick Tadder 9/22/16 *SRK 9/22/16*

**ARIZONA CRIMINAL JUSTICE COMMISSION
QUARTERLY
FORFEITURE MONIES REPORT**

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COUNTY ATTORNEY REPORTING:	<u>City of Flagstaff</u>		
REPORTING PERIOD:	4/1/2016	THRU	6/30/2016
	STATE	FEDERAL	TOTAL
A. BEGINNING CASH BALANCE	\$ 122,067.58		122,068
B. TRANSFERS IN FROM: (From Schedule A)			
1. ATTORNEY GENERAL FUND	-		-
2. COUNTY ATTORNEY FUND	4,583		4,583
C. INTEREST EARNED			-
D. TOTAL MONIES ON HAND	126,650	-	126,650
E. TOTAL QTRLY EXPENDITURES	102,594	-	102,594
F. TRANSFERS OUT (FROM SCHEDULE A)	-	-	-
G. TOTAL DISBURSEMENTS	102,594	-	102,594
H. ENDING QTRLY CASH BALANCE	24,056	-	24,056
I. ENCUMBRANCE			-
J. COMMITMENTS			-
K. AVAILABLE PROGRAM MONIES	24,056	-	24,056

**ARIZONA CRIMINAL JUSTICE COMMISSION
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SECTION II - EXPENDITURES

	STATE	FEDERAL	TOTAL
A. MATCH MONIES TO GRANT	19,657		19,657
B. GANG & SUBSTANCE ABUSE PREVENTION & EDUCATION (FROM SCHEDULE B)	-	-	-
C. WITNESS PROTECTION			-
D. CIVIL REMEDIES - COURT COSTS & ATTORNEY FEES			-
E. PERSONNEL SERVICES			
Salaries	20,582		20,582
Emp Related Exp	9,975		9,975
Overtime	1,596		1,596
Subtotal Personnel Svs Only	32,153	-	32,153
F. PROFESSIONAL/OUTSIDE SERVICES			
Financial Auditing			-
Court Reporting			-
Expert Witness			-
Filing Fees			-
Appraisal Costs			-
Lien Payments			-
Title Search			-
Auction Fees			-
Subpoena Services			-
Temporary Clerical Svs			-
Property Management			-
Other (list)	19,452		19,452
CCSO Overtime & ERE	11,131		11,131
Subtotal Profess/Outside Only	30,583	-	30,583
G. TRAVEL			
In State	1,239		1,239
Out of State			-
Subtotal Travel Only	1,239	-	1,239
H. OTHER OPERATING EXPENSES			
Evidence Acquisition			-
Office Supplies	-		-

SECTION II - EXPENDITURES

	STATE	FEDERAL	TOTAL
Training	1,100		1,100
Communications			-
Postage			-
Bank Charges			-
Advertising			-
Printing			-
Rental Fees			-
Publications/Books			-
Lease/Purchase			-
Maintenance-Auto/Aircraft	-		-
Maintenance-Furniture/Equip	-		-
Maintenance-Police Dog			-
Software	3,099		3,099
Utilities	-		-
Property Maintenance			-
Towing			-
Insurance			-
Other (list)			-
<u>Operating supplies</u>	7,623		7,623
<u>Confidential Funds</u>	5,190		5,190
<u>FY16 ANOA Conference</u>	1,950		1,950
Subtotal Other Operating Only	18,962	-	18,962

I. EQUIPMENT

Office Furniture/Equip			-
Data Processing			-
Surveillance			-
Communications			-
Transportation			-
<u>Other (list)</u>	-		-
<u>non capital</u>	-		-
			-
			-
Subtotal Equipment Only	-	-	-

J. CONSTRUCTION

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K. TOTAL EXPENDITURES

102,594	-	102,594
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METRO IAAR Summary

Programs	Quarter ending 9/30/13				Qtr ending 12/31/13			Qtr ending 3/31/14			Qtr ending 6/30/14		
	Beg Bal 7/1/13	Income	Expend	Ending Bal	Income	Expend	Ending Bal	Income	Expend	Ending Bal	Income	Expend	Ending Bal
Metro Match	0.00	0.00	8,719.00	-8,719.00	58,739.00	15,846.00	34,174.00	0.00	15,162.00	19,012.00	0.00	18,696.00	316.00
RICO Salary	-11,773.35		41,482.24	-53,255.59	154,472.00	41,592.41	59,624.00	0.00	35,686.41	23,937.59	0.00	18,288.42	5,649.17
RICO OT	6,537.71		5,504.55	1,033.16	70,000.00	10,509.29	60,523.87	0.00	7,144.01	53,379.86	0.00	6,454.42	46,925.44
RICO Equip	8,647.59		6,773.91	1,873.68	43,915.55	6,152.20	39,637.03	0.00	9,389.37	30,247.66	4,817.56	7,759.24	27,305.98
PD Equip	28,608.49	0.00	37,296.35	-8,687.86	21,912.50	0.00	13,224.64	0.00	1,232.40	11,992.24			11,992.24
	32,020.44	0.00	99,776.05	-67,755.61	349,039.05	74,099.90	207,183.54	0.00	68,614.19	138,569.35	4,817.56	51,198.08	92,188.83

METRO IAAR Summary

Programs	Quarter ending 9/30/14				Qtr ending 12/31/14			Qtr ending 3/31/15			Qtr ending 6/30/15		
	Beg Bal 7/1/14	Income	Expend	Ending Bal	Income	Expend	Ending Bal	Income	Expend	Ending Bal	Income	Expend	Ending Bal
Metro Match	0.00	0.00	0.00	0.00	72,915.00	34,541.50	38,373.50	0.00	17,291.15	21,082.35	0.00	21,083.01	-0.66
RICO Salary	5,649.00		13,388.00	-7,739.00		17,446.00	-25,185.00	57,761.59	14,707.00	17,869.59	0.00	28,405.97	-10,536.38
RICO OT	46,925.00		3,731.00	43,194.00		17,479.00	25,715.00	3,075.00	8,106.00	20,684.00	0.00	8,657.90	12,026.10
RICO Equip	27,305.60		4,808.00	22,497.60	1,213.62	7,584.92	16,126.30	10,695.61	4,111.46	22,710.45	4,239.74	10,691.74	16,258.45
PD Equip	11,992.00			11,992.00			11,992.00			11,992.00			11,992.00
	91,871.60	0.00	21,927.00	69,944.60	74,128.62	77,051.42	67,021.80	71,532.20	44,215.61	94,338.39	4,239.74	68,838.62	29,739.51

METRO IAAR Summary

Programs	Quarter ending 9/30/15				Qtr ending 12/31/15 - draft			Qtr ending 3/31/16			Qtr ending 6/30/16		
	Beg Bal 7/1/15	Income	Expend	Ending Bal	Income	Expend	Ending Bal	Income	Expend	Ending Bal	Income	Expend	Ending Bal
Metro Match	-0.66	0.00	12,569.41	-12,570.07		21,919.77	-34,489.84	72,915.00	18,769.35	19,655.81		19,657.05	-1.24
RICO Salary	-10,536.38	0	13,519.37	-24,055.75		17,196.20	-41,251.95	103,394.38	14,952.57	47,189.86		49,066.39	-1,876.53
RICO OT	12,026.10	0.00	13,309.94	-1,283.84		10,822.59	-12,106.43	37,973.90	4,425.19	21,442.28		13,670.00	7,772.28
RICO Equip	16,258.45	1,350.00	5,936.64	11,671.81		5,094.67	6,577.14	25,282.88	10,072.39	21,787.63	4,582.81	17,101.74	9,268.70
PD Equip	11,992.00	0.00	0.00	11,992.00		0.00	11,992.00		0.00	11,992.00		3,098.99	8,893.01
	29,739.51	1,350.00	45,335.36	-14,245.85	0.00	55,033.23	-69,279.08	239,566.16	48,219.50	122,067.58	4,582.81	102,594.17	24,056.22
				-14,245.85			-69,279.08			122,067.58			24,056.22