CITY OF CUPERTINO

Sheriff Contract Cost Allowability and Compliance with Government Code §51350
Fiscal Year 2026-27

Prepared for
City of Cupertino

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REPORT ON THE CITY OF CUPERTINO'S REVIEW OF PROPOSED SHERIFF CONTRACT COSTS

Vasquez & Company LLP (Vasquez) was engaged by the City of Cupertino to evaluate Santa Clara County's proposed FY 2026-27 charges for contract law-enforcement services provided by the Santa Clara County Sheriff's Office. The engagement focused on the composition of the proposed charges, the methodologies used to allocate direct and shared costs, the transparency and traceability of the supporting documentation, and the comparability of the proposed costs to selected California sheriff contract-city arrangements.

BACKGROUND

The City of Cupertino (Cupertino or the City) was incorporated in 1955 and is in Santa Clara County (the County) at the western edge of Silicon Valley, adjacent to the foothills of the Santa Cruz Mountains. The City has a population of approximately 60,000 to 64,000 residents. Cupertino is internationally recognized as a center of technology and innovation and is home to Apple Inc. and other technology companies.

The City operates under a council-manager form of government. The five-member City Council establishes municipal policy, while the City Manager oversees the administration of City programs, services, and operations.

The City provides and coordinates a range of municipal services, including community development, public works, parks and recreation, transportation programs, emergency preparedness, code enforcement, housing programs, and administrative services. Certain public services are provided through contracts, cooperative arrangements, special districts, or other governmental agencies rather than through City-operated departments. The City describes this model as combining municipal operations with partnerships involving key service agencies and local organizations.

Cupertino is a predominantly residential community with a significant technology and business presence. The City emphasizes education, innovation, collaboration, community engagement, and the maintenance of a high quality of life. Its residents participate in municipal governance through the City Council and various commissions and committees addressing planning, housing, parks and recreation, public safety, technology, transportation, and other community matters.

The City of Cupertino, the City of Saratoga, and the Town of Los Altos Hills purchase municipal law-enforcement services from Santa Clara County through the Sheriff's Office. The West Valley Division also provides law-enforcement services to the adjacent unincorporated area. The model combines city-specific patrol and traffic commitments with shared command, dispatch, station support, vehicles, facilities, Records, Investigative, training, technology, fiscal, Internal Affairs, and administrative resources.

The City requested an independent consulting review to better understand the proposed charges and evaluate whether the underlying costs, assumptions, allocation methods, and supporting documentation were sufficiently transparent and supportable.

The engagement also considered the proposed West Valley cost structure compared with sheriff contract-service models used by other California counties and cities. Comparing cost structures and overhead allocation methodologies with other California counties will provide valuable insight into how counties calculate, evaluate, and apply overhead costs to comply with California Government Code Section 51350. The project was initiated in response to several circumstances, including:

- The significant increase in Cupertino’s proposed FY 2026–27 contract cost;
- The County’s change in methodology for allocating shared and departmentwide costs;
- The need to distinguish services from regional, shared, baseline, and Countywide functions;
- Questions regarding the relationship between budgeted staffing, assigned staffing, and city-purchased service levels;
- Inclusion of investigative, records, dispatch, administrative, technology, equipment, and other support costs in the proposed charges;
- The need for greater transparency and traceability between the proposed amounts and the supporting cost records; and
- The City’s interest in comparing the proposed West Valley cost structure with other California sheriff contract-city arrangements.

Vasquez’s procedures were performed as a consulting engagement in accordance with the American Institute of Certified Public Accountants’ Statement on Standards for Consulting Services during the month of July, and encompassed existing conditions, activities and processes. Should additional information become available following the date of this report, our analysis and observations could be affected by such information.

OBJECTIVES, SCOPE AND METHODOLOGY

The primary objective of the engagement was to assist the City of Cupertino in evaluating Santa Clara County’s proposed FY 2026–27 charges for contract law-enforcement services. The engagement focused on the composition of the proposed costs, the allocation methodologies applied, the transparency and traceability of the supporting documentation, the treatment of direct and shared service components, and the comparability of the proposed charges to other California sheriff contract-city arrangements.

The approach and methodology employed in conducting the engagement included the following:

- Participated in interviews and discussions with representatives of the City of Cupertino, the other West Valley contract cities, Santa Clara County, and the Santa Clara County Sheriff’s Office.
- Read and analyzed the existing law-enforcement services agreements, proposed successor agreement materials, County correspondence, City correspondence, presentations, meeting materials, and related contract documents.
- Reviewed the County’s FY 2025–26 cost allocation worksheets and FY 2026–27 cost proposals, rate calculations, staffing schedules, allocation schedules, personnel-cost projections, services-and-supplies calculations, and supporting cost-allocation documentation.
- Reconciled material amounts among the County’s source schedules and compared the FY 2026–27 proposal with the prior-year methodology and proposed costs.
- Evaluated the composition of direct staffing, direct support, shared West Valley services, investigative and records functions, dispatch, administrative support, and departmentwide overhead included in the proposed charges.
- Assessed the allocation bases used to distribute shared and departmentwide costs among Cupertino, Saratoga, Los Altos Hills, and the West Valley unincorporated area.

- Reviewed staffing information to evaluate the relationship among budgeted positions, assigned positions, city-purchased service levels, and positions classified as shared or overhead.
- Analyzed the component-level cost classifications and identified costs that were treated as allocable, partially allocable, or not allocable in the supporting analyses.
- Compared the West Valley contract structure, staffing presentation, cost methodology, and fully burdened cost measures with selected California sheriff contract-city arrangements.
- Considered relevant statutory, contractual, and legal materials, including California Government Code section 51350 and related authorities, in evaluating the nature and treatment of the proposed cost components.
- Documented Vasquez & Company LLP's analytical observations and discussed relevant factual matters with City representatives to improve accuracy and consistency.
- Prepared this report presenting the engagement procedures, analyses, calculations, and observations.

EXECUTIVE SUMMARY

Santa Clara County's FY 2026-27 proposal introduces changes to both the composition of overhead costs and the methodology used to allocate those costs. Historically, overhead allocations were limited primarily to costs incurred by the West Valley Station / Patrol operation and select countywide support functions, such as Personnel and Training, Fiscal, Records, and Information Systems, which were reflected in the hourly billing rates for assigned personnel. The proposed FY 2026-27 allocation shifts to an annual cost-per-position allocation approach for Personnel and Training, Fiscal, and Information Systems, Internal Affairs, and Sheriff's Office (SO) Admin, and a caseload approach for records and investigative divisions costs. It also expands the overhead base to include countywide Investigation Division costs, SO Admin, and Internal Affairs costs. This change increases overhead allocated to the West Valley Station by approximately $6.0 million compared to the prior year.

The central question in this review is whether the costs included in the County's proposed charges were incurred in providing contracted law-enforcement services to the West Valley cities. The reasonableness of an allocation formula, by itself, does not establish that the underlying cost is chargeable under Government Code section 51350. Costs that the County would continue to incur regardless of the city contracts may constitute general County overhead and therefore may not be chargeable to the contract cities. This review therefore evaluates both whether the underlying costs are attributable to the contracted services and, separately, whether the methodology used to distribute allowable costs among jurisdictions reasonably reflects the services provided.

Key observations

Direct staffing. Cupertino's purchased patrol hours, traffic-enforcement hours, traffic-sergeant position, and two school-resource-officer positions are directly associated with the City's contracted service levels. The related costs are supported by contracted hours or dedicated positions, projected salary and benefit information, and the County's productive-hour calculation.

Regional service model. The West Valley Division serves Cupertino, Saratoga, Los Altos Hills, and the West Valley unincorporated area. The staffing schedule lists 89 budgeted FTE and 84 assigned FTE. It also labels 17 positions as "Overhead." Those 17 positions include station command, supervision, administration, records, and other operational-support functions. Support staff salaries and benefits related to 17 overhead positions are allocated to contract cities using a blended methodology consisting of 50% Records Management System (RMS) case counts (caseload) and

50% service hours. In addition, direct operating costs are attributable to the West Valley Division, including dispatch, automotive services, insurance, rent, fuel, radio maintenance and communications, wireless voice and data services, and body-worn and dash camera programs, and are allocated using the same 50/50 caseload and service-hour allocation method. This approach incorporates both workload and service utilization in distributing overhead and operating costs among contract cities.

Allocation of County-wide incurred costs. The County also allocates several shared division and departmental support cost pools to contract cities. These countywide support functions include the Investigations Division, Records Division, Personnel and Training, Information Technology Services, Sheriff's Office Administration, Fiscal Services, and Internal Affairs. Costs associated with the Investigations and Records Divisions are allocated based on a three-year average of RMS case counts, while the remaining support division costs are allocated using a blended methodology consisting of 50% caseload and 50% service hours.

The County's allocation calculations can be independently recalculated using the data presented in the supporting schedules. However, the methodology applies to the same allocation basis across various cost categories that perform substantially different functions and may be driven by varying workload factors, such as service hours, case activity, staffing levels, transaction volume, or other measures of resource consumption. In addition, the use of caseload as an allocation factor does not distinguish between cases based on the complexity of work performed, staff time required, or level of effort expended. As a result, case counts may not fully reflect the actual demand placed on certain support services. Case counts do not capture differences in case complexity, staff time or effort required to provide services. The County has not provided data regarding the complexity of cases, staff hours incurred, or effort associated with the cases attributed to West Valley Station. Without such information, caseload cannot be substantiated as a reasonable, equitable or cost-causative basis for allocating general operating or overhead costs.

Benchmark cost comparison. The projected FY 2026–27 cost for Cupertino, Saratoga, and Los Altos Hills totals $40,370,815. The three cities have 54 direct-service FTE, consisting of 33 for Cupertino, 16 for Saratoga, and 5 for Los Altos Hills. This produces an unadjusted fully loaded cost of $747,608 per FTE. The category-level review classified **$10,667,109** of the full West Valley cost as not allocable, including the portion assigned to the West Valley unincorporated area. Refer to Table 4-2. Applying the County's jurisdiction allocation percentages produces a three-city amount of **$9,518,457**. Removing that amount from the three-city projected cost produces an adjusted amount of $30,852,358, or a fully loaded cost of $571,340 per FTE.

Comparison after adjustment. The adjusted West Valley amount of $571,340 per FTE is 10.5% above Lake Forest, 11.5% above the source-reported West Hollywood amount, 11.5% above Woodside, 12.6% above Portola Valley, 18.6% above San Carlos, 18.9% above Danville, 21.6% above Diamond Bar, and 21.5% above Rancho Santa Margarita. The adjustment reduces approximately 48% to 78% of the original difference between West Valley and the benchmark jurisdictions presented. After the adjustment, the remaining difference is smaller for Lake Forest, West Hollywood, Woodside, and Portola Valley than for San Carlos, Danville, Diamond Bar, and Rancho Santa Margarita. The reported benchmark amounts are based on the staffing and contract-cost information available for each jurisdiction.

Comparative FTE-based allocation. An illustrative reallocation of the costs already assigned to West Valley, using each city's assigned FTE share while leaving direct patrol, traffic, and school-resource staffing costs unchanged, reduced the three-city total from approximately $40.4 million to $33.9 million—a reduction of approximately $6.5 million, or 16.1%. The largest decreases were in station and countywide support, Investigative Services, and Records Services. This staffing-based approach is generally more consistent with the benchmark contracts reviewed; however, the analysis does not establish the required allocation method, determine the actual support provided to each city, or assess whether every cost included in the County's proposal is allocable.

Recommended County budget with West Valley closure. The County's Recommended Budget provides a separate County-developed estimate of how staffing and operating costs would change if the West Valley city contracts were discontinued. The County specifically identifies $2.18 million of services-and-supplies costs that would be reduced, providing evidence that these costs are associated with the contract services rather than costs the County would incur regardless of the contracts. The Recommended Budget also identifies reductions in Investigations Headquarters, Records, Fiscal Administration, Data Management, and other support functions, while indicating that these broader County functions would continue in some form. Accordingly, the continuing baseline components of these functions may represent costs the County would incur regardless of the city contracts. However, because the Recommended Budget does not reconcile these reductions and continuing costs to the cost pools in the FY 2026-27 contract proposal, the amounts attributable or not attributable to the contract cities cannot be determined without a detailed reconciliation. The absence of a reconciliation supports the classification of the **$10,667,109** in overhead costs as non-allocable, as the Recommended Budget reflects no corresponding reduction or elimination of these expenditures. As a result, the evidence indicates that the costs are general County operating costs that would be incurred irrespective of the contract with the three cities and would not be allocable under Government Code Section 51350.

Limitations and Disclaimer

This engagement was conducted in accordance with AICPA Statement on Standards for Consulting Services No. 1, CS section 100. It was not an audit, review, examination, or agreed-upon procedures engagement. Accordingly, Vasquez does not express an audit opinion, attestation conclusion, or other form of assurance regarding the County's financial information, cost methodology, internal controls, or compliance with Government Code section 51350.

The information presented in this report is derived from materials gathered during the engagement, records and explanations provided by the City and the County, and publicly available information reviewed through the report date. Vasquez did not audit or independently verify all information provided or obtained from public sources, except for the specific recalculations, reconciliations, comparisons, and other procedures described in the report. The completeness and accuracy of the report depend on the completeness and accuracy of the information made available. Additional, revised, or subsequently available information could affect the information, observations, and overall evaluation presented in the report.

The evaluation of allocability of costs in accordance with Government Code section 51350 is conducted based on information, cost allocation and classification used in the file: West Valley FY 27 Rate Projection and the FY 2025-26 Cost Allocation Plan provided by the County and any additional information provided as of the date of this report.

This report does not constitute legal advice or legal opinion. The interpretation and application of Government Code section 51350 are matters for the City and its legal counsel.

This report was prepared for the City of Cupertino for the purposes described in the report. Its distribution is limited to authorized representatives of Cupertino, Saratoga, Los Altos Hills, and the County of Santa Clara. Distribution to these parties does not create a professional duty or responsibility to any party other than the City of Cupertino. The report is not intended for use or reliance by any other party without Vasquez's prior written consent.

1. Understanding Santa Clara County Sheriff Service Delivery Model

The records considered in this section included current and proposed agreement materials, the West Valley staffing and service schedules, the April 2026 rate-projection records, the May revised jurisdiction schedule, the County process walkthrough, the January methodology presentation, and County and city correspondence. Together, these records describe a regional/shared policing model rather than three stand-alone municipal departments.

City-purchased direct services consist of general law enforcement patrol, traffic enforcement, a traffic sergeant where purchased, and school resource officers. Supplemental traffic hours and similar additive services use the direct hourly rate. Shared services include West Valley station command and professional support, dispatch, vehicles and supplies, Records, Investigative, and departmental support divisions. The unincorporated area receives a separate allocation in the proposal and therefore remains visible in the shared-pool denominator.

Table 1-1. FY 2026-27 projected West Valley costs by jurisdiction

Jurisdiction	Direct Staffing	Direct Support	County Department Support	Total Projected Cost
Cupertino	$11,159,246	$7,149,023	$7,105,328	$25,413,597
Los Altos Hills	$1,500,348	$1,104,406	$774,986	$3,379,740
Saratoga	$5,335,216	$3,529,956	$2,712,306	$11,577,478
Unincorporated area	$3,028,517	$2,801,882	$1,145,832	$6,976,231
Total	$21,023,327	$14,585,267	$11,738,452	$47,347,046

Source: County of Santa Clara, *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*, worksheet "10 - Projected Costs."

FY 2026-27 calculation changes

Under the prior approach, direct and support costs were converted into a blended hourly rate. The revised approach converts only direct field staffing to an hourly or annual-position rate and allocates the remaining station and departmental pools based on caseload and service hours. Investigative and Records move to three-year RMS case shares; countywide and departmental support costs are first applied to West Valley using FTE measures and then distributed among jurisdictions.

Table 1-2. Principal stated rate drivers

Driver	Prior Basis	Revised Basis	Stated Effect
Productive hours	1,820 hours	1,634 hours	Approximately 11.4% upward effect on the hourly rate before other changes.
Deputy compensation	Contract-capped rate	Projected average current salary and benefits	Approximately 9.6% stated effect on the FY 2025-26 presentation-basis hourly rate.
Records	Prior limited/historical basis	Three-year RMS case share applied to a broader pool	Approximately $1.52 million increase in total West Valley costs, including approximately $1.47 million attributable to the three cities.
Investigative	Captured hours or assigned staff	Three-year RMS case share applied to a broader division	Approximately $3.50 million increase in total West Valley costs, including approximately $3.12 million attributable to the three cities.

Source: County of Santa Clara, *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*; County January 2026 Law Enforcement Contract Rate Calculation presentation; and County process walkthrough.

Observation: The service model itself did not change from a regional / shared operation. The principal FY 2026-27 change is financial: direct field staffing is separated from fixed support pools, broader Investigative and Records populations are allocated by RMS cases, and additional departmental support categories are separately charged.

2. Direct Law Enforcement Costs

The direct-cost analysis used the Personnel Expenditure Projection (PEP) records, position schedules, benefit-rate schedules, productive-hour workpaper, contracted service hours, direct-rate calculation, and final proposal. The deputy rate is built from a population of 73 Deputy Sheriff positions and divides projected average salary and benefits by approximately 1,634 productive hours.

The April 2026 rate-projection records produce a direct rate of approximately $206.08 per hour, which supports the purchased-service summarized below.

Table 2-1. Cupertino direct law enforcement staffing

Service	Volume	Rate Basis	Proposed Cost
General law enforcement patrol	41,881 hours	$206.08 per hour	$8,630,836
Traffic enforcement	7,250 hours	$206.08 per hour	$1,494,080
Traffic sergeant	1 dedicated position	$360,985 annual projected cost	$360,985
School resource officers	2 dedicated positions	$336,731 annual projected cost	$673,462
Direct staffing subtotal			$11,159,364

Source: County of Santa Clara, *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*, worksheets “9 - WV Deputy Sheriff Cost” and “10 - Projected Costs.”

The rate build uses the position population's projected average cost rather than a rounded top-step salary. Salary, health insurance, retirement, retiree health, workers' compensation, Medicare, and other employer-paid benefits are included through the County's PEP and benefit schedules. The reviewed proposal did not present a separate Cupertino overtime line; the direct schedule is based on purchased hours and dedicated annual positions. Equipment, vehicles, cameras, fuel, communications, and related supplies are included in the station support schedule analyzed in Section 3 rather than in the direct staffing subtotal.

The amounts remain projections, and the proposal schedule itself does not show actual delivered hours, actual payroll by jurisdiction, or a separately quantified city-specific overtime population for fiscal year 2026-27 because that period had not occurred when the proposal was prepared.

Observation: Direct staffing has the strongest source of attribute in the proposal. The City contract specifies the service volume or dedicated position, and the rate is supported by position-level salary and benefit projections and a documented productive-hour calculation.

3. Evaluation of Patrol and Station-Level Cost Allocation (Direct Law Enforcement Support Services)

The patrol and station analysis considered the West Valley staffing schedule, shift and service-hour information, PEP records, call and RMS-case measures, station support schedules, substation costs, mileage and fuel support, and the jurisdiction allocations in the projected-cost schedule. The West Valley staffing schedule identifies 89 budgeted FTE and 84 assigned FTE. The five-position difference consists of budgeted Deputy Sheriff positions not assigned within the staffing categories displayed.

Table 3-1. West Valley staffing reconciliation

Classification	Budgeted FTE	Assigned FTE	Source Description
Captain	1	1	Station command
Lieutenant	1	1	Station command
Sergeant	8	8	Patrol and traffic supervision
Deputy Sheriff	73	68	Patrol, school resource officers, traffic detectives; five budgeted positions not assigned
Executive Assistant	1	1	Station support
Fleet Maintenance Scheduler	1	1	Fleet coordination
Law Enforcement Records Technician	3	3	Station records support
Management Analyst	1	1	Administrative and analytical support
Total	89	84	Five budgeted Deputy Sheriff positions not assigned

Source: County of Santa Clara, *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*, worksheet "WP5 - WV Staffing."

The staffing schedule labels 17 positions as "Overhead": one captain, one lieutenant, seven sergeants, two traffic detectives, three records technicians, one executive assistant, one fleet maintenance scheduler, and one management analyst. That label is an internal schedule grouping. The listed functions include station command, supervision, investigations, records processing, fleet coordination, and analytical support and therefore do not have one uniform cost behavior or one uniform treatment under Government Code section 51350.

Table 3-2. Cupertino, Los Altos Hills, and Saratoga's share of station support and services

Category	Cupertino	Los Altos Hills	Saratoga	Allocation Basis Shown In Proposal
Support staff salaries and benefits	$2,621,612	$404,996	$1,294,467	50% service-hour share and 50% RMS-case share
Dispatch	$2,119,719	$327,461	$1,046,649	50% service-hour share and 50% RMS-case share
Automobile services	$770,435	$119,019	$380,416	50% service-hour share and 50% RMS-case share
Insurance	$502,457	$77,621	$248,097	50% service-hour share and 50% RMS-case share

Category	Cupertino	Los Altos Hills	Saratoga	Allocation Basis Shown In Proposal
Office rent	$312,399	$48,261	$154,253	50% service-hour share and 50% RMS-case share
Fuel	$153,089	$23,650	$75,590	50% service-hour share and 50% RMS-case share
Body-worn camera and dashcam	$149,967	$23,167	$74,049	50% service-hour share and 50% RMS-case share
Radio, telephone, and wireless services	$59,550	$9,200	$29,404	50% service-hour share and 50% RMS-case share
Other services and supplies	$175,223	$27,069	$86,520	50% service-hour share and 50% RMS-case share
Station support and services subtotal	$6,864,451	$1,060,444	$3,389,445	

Source: County of Santa Clara, *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*, worksheet "10 - Projected Costs."

The combined 50/50 driver recognizes both scheduled service presence and incident / report workload. The available records did not include a cost-behavior study demonstrating that equal weighting reflects dispatch, vehicles, insurance, rent, fuel, cameras, communications, professional staff, and countywide support in the same manner. The driver is consistently applied and separately assigns an unincorporated-area share, but it is not category-specific.

Observation: The shared-station concept is consistent with the regional model, and the proposal separately assigns the unincorporated area. The 89-to-84 staffing difference and the use of one common driver for cost categories with different operational causes remain material to the interpretation of projected station costs. Because these costs support West Valley Division operations, they have an operational relationship to West Valley service delivery. The amount appropriately attributable to each jurisdiction, however, depends on the nature of the individual cost and the basis used to allocate it. Allocating them among the three cities is also consistent with the regional service model employed by the other California counties.

4. Review of Contract Law Enforcement Overhead (Indirect Countywide and Department Support)

This section compares the West Valley overhead cost schedules with the review of individual cost components, position records, cost-center records, and explanations provided by the County. The analysis considers whether each cost is associated with providing law-enforcement services to Cupertino, Saratoga, and Los Altos Hills or represents general County overhead that would have been incurred without the city contracts.

California Government Code section 51350 states that a county must charge a city the costs incurred in providing contracted services and may not include general County overhead costs that would have been incurred regardless of the contract. An allocation formula shows how a cost is distributed among jurisdictions; the formula does not show that the cost was incurred in providing services to contract cities.

Table 4-1. Treatment of Overhead Cost Categories

Overhead Cost Category	Component Level	Treatment
Countywide Cost Allocation	The detailed component-level analysis excludes baseline County executive, budget, controller, counsel, enterprise administration, and countywide functions that persist without the contracts. The County source schedules also zeroed specified countywide program, communications, facilities / fleet, and building/equipment lines.	The comparative overhead analysis classifies the full $580,573 West Valley share as not allocable. This consists of countywide allocated costs such as county counsel, finance, and technology related costs. These costs are included in the countywide cost allocation plan and are further allocated to West Valley. The component analysis supports exclusion of identified baseline components but evaluates any contract-created central-service transaction separately. They are costs which are attributable to services available to all portions or departments of the County and therefore, the County would incur regardless.
Personnel and Training	Custody/Department of Corrections (DOC) academy, recruitment and background, training and staff development, and baseline recruitment/training capacity are unrelated or baseline components. City-specific recruiting, academy, training, and personnel workload may be mixed where it is caused by West Valley staffing. The cost is allocated to West Valley based on the station's total number of FTE.	The comparative overhead analysis classifies the full $1,057,612 as not allocable; the detailed component-level analysis is more granular and does not treat every contract-related personnel transaction as excluded. Direct operating costs such as recruitment and training may be allocable to the extent they are related to West Valley staffing.
Fiscal Services	DOC Fiscal Services and baseline accounting/administrative capacity are excluded or unrelated. Actual contract billing, payroll, and accounting transactions are mixed where specifically supported.	The comparative overhead analysis classifies the full $298,434 as not allocable; the component analysis distinguishes custody-only and baseline work from contract-created fiscal activity.
IT Services	DOC Data Management, custody IT, and baseline enterprise-system capacity are excluded or unrelated. Contract-specific devices, licenses, users, and support transactions may be attributable to the service.	The comparative overhead analysis classifies the full $997,556 as not allocable; the component analysis supports exclusion of unrelated / baseline elements rather than an automatic exclusion of every IT transaction.
Internal Affairs	BU235 / BU240 custody and DOC Internal Affairs units and baseline governance capacity are excluded or unrelated. City-service incidents may create some mixed workload.	The comparative overhead analysis classifies the full $253,085 as not allocable; the detailed component-level analysis identifies custody-only and baseline components and separately assesses city-created workload.
Sheriff Administration	Sheriff and Undersheriff positions were excluded by the County. The detailed	The comparative overhead analysis classifies the full $349,433 West

Overhead Cost Category	Component Level	Treatment
	component-level analysis also identifies baseline executive / general administration and newly included CC3900 functions without a demonstrated West Valley nexus for exclusion or restricted treatment.	Valley share as not allocable. The three-city portion in the projected-cost schedule is $282,306.
Investigative Services	West Valley detective work and city cases create actual workload. The County has stated that contract-city cases are also supported by Investigative Services Division headquarters and specialized functions, including Major Crimes, Sexual Assault, Domestic Violence, property and evidence management, and crime-scene investigation. South County Investigations (cost center 3931; two FTE; approximately $706,929 in component evidence) is unrelated to West Valley. For the remaining headquarters and regional costs, the RMS case-volume allocation does not identify the staff time, case complexity, or resources associated with each jurisdiction; accordingly, a documented West Valley service nexus remains necessary.	The comparative overhead analysis identifies that only $1,233,709 of the $5,531,736 West Valley Investigative amount is allocable, leaving $4,298,027 classified as not allocable.
Records Services	City reports create records-processing transactions. The detailed component-level analysis identifies baseline management / platform capacity and a Records Sheriff overhead allocation of approximately $1,492,651 as second-order mixed overhead, while Records Technicians and Office Specialist transaction work may be attributable in part.	The comparative overhead analysis classifies the full $2,832,389 as not allocable. The detailed component-level analysis supports a narrower component-level split between city transactions and baseline / overhead capacity.

Source: Vasquez analysis of County information, including *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*, supporting cost schedules, position and cost-center records, and County explanations.

Table 4-2. Amount classified as not allocable in the overhead classification analysis

Underlying Category	West Valley Share	Amount Not Allocable
Countywide Cost Allocation, Personnel and Training, Fiscal, IT, Internal Affairs, and Sheriff Administration	$3,536,693	$3,536,693
Records Services	$2,832,389	$2,832,389
Investigative Services	$5,531,736	$4,298,027
Total	$11,900,818	$10,667,109

Source: Vasquez overhead classification analysis based on County information, including *West Valley FY 27 Rate Projection - 04-13-2026.xlsx* and supporting cost, position, and cost-center records.

The $10,667,109 amount reflects the classification of entire overhead categories as not allocable. The more detailed cost-component review provides additional context because several of those categories include both activities that may relate to the West Valley contract cities and activities that may not.

The Personnel and Training cost pool includes academy, recruitment, background, training, and staff-development costs associated with the Department of Correction, together with broader Sheriff personnel and training functions. Department of Correction Academy and training costs relate to custody operations rather than law-enforcement services provided through the West Valley Division. Recruitment, background, academy, training, and personnel-administration costs associated with West Valley positions are separately distinguishable from Department of Correction costs and baseline departmentwide training capacity.

Section 8 of this report uses the $10,667,109 category-level amount solely to measure its effect on the benchmark comparison.

Observation: The detailed cost-component review separately identifies costs associated with custody operations, the Sheriff's South County investigative unit, baseline Sheriff executive management, departmentwide administrative functions, and overhead included through other overhead allocations. The component-level detail provides more specific information about the individual activities and costs included within the broader overhead categories.

5. Countywide Cost Allocation Plan Support

We reviewed the indirect Countywide support categories using the Countywide Cost Allocation Plan and the Sheriff's financial schedules provided for the engagement. The review included tracing the reported amounts to those records, recalculating the allocation formulas, and examining the exclusions and year-to-year adjustments reflected in the schedules.

The Countywide Cost Allocation Plan includes central-service functions such as County executive administration, budget, controller, County Counsel, technology, facilities, and other County administrative services. The amounts allocated to the Sheriff and the related allocation calculations were traceable to the records reviewed. The Countywide Cost Allocation Plan explains how these central-service costs were distributed to the Sheriff. For purposes of this report, those amounts are presented as County-allocated support costs and are distinguished from costs directly tied to West Valley staffing, purchases, transactions, or service activity.

Observation: The Countywide Cost Allocation Plan supports the allocation and traceability of central-service costs to the Sheriff. That allocation does not, by itself, determine whether a particular cost is attributable to law-enforcement services provided under the West Valley city contracts. For purposes of this report, these are separate considerations: the Cost Plan addresses how central-service costs are distributed to the Sheriff, while the contract-cost analysis considers whether the underlying cost is attributable to the contracted services rather than to general County operations that would continue regardless of the contracts.

The County asserts that its CAP and allocation methodologies are consistent with the Office of Management and Budget (OMB) Uniform Guidance (2 CFR Part 200 and 45 CFR Part 95) and have been accepted by the California State Controller's Office. While an approved CAP or federal indirect cost rate provides evidence that costs were allocated in accordance with federal cost principles, it does not, by itself, establish compliance with California Government Code § 51350.

Uniform Guidance and Government Code § 51350 serve different purposes and apply different standards. Under Uniform Guidance, a cost may be recoverable as an indirect cost if it is equitably and consistently allocated across the County's various grant and non-grant activities. In contrast, Government Code Section 51350 prohibits counties from charging contract cities for general county overhead costs or for costs that would have been incurred regardless of whether the city contract existed. As a result, a cost may be allowable under Uniform Guidance and included in a CAP, yet remain unallowable under Section 51350 if it represents general county operations or baseline administrative functions that are not incurred as a direct consequence of providing contracted services to the city. Accordingly, compliance with federal cost allocation requirements does not, in itself, demonstrate compliance with Section 51350.

6. Evaluation of Cost Transparency and Supporting Documentation

We reviewed the fiscal workbooks, proposal schedules, position and cost-center records, staffing schedules, benefit support, services-and-supplies detail, case data, allocation formulas, County correspondence, and explanations provided during the County walkthrough.

The records reviewed were sufficient to reconstruct the principal FY 2026–27 proposal calculations, identify the cost pools used in the proposal, and understand the primary allocation methods. The records also showed that Sheriff and Undersheriff costs and certain unrelated cost centers were excluded from the calculations. For cost pools that included multiple functions, the schedules generally presented the combined pool rather than separately identifying baseline County operations and the portion associated with West Valley contract services. The County schedules show the service-hour percentages and the resulting weighted allocation percentages used to distribute shared West Valley support costs among Cupertino, Saratoga, Los Altos Hills, and the West Valley unincorporated area. We recalculated the weighted allocation using the figures shown in those schedules.

7. Review of the County's Historical Public Protection Functional Cost Based on the County's Published ACFR

An analysis of the County's historical public protection expenditures will provide a basis for understanding year-over-year cost growth and evaluating the extent to which increases in costs allocated to contract cities are supported by corresponding changes in overall departmental expenditures.

The historical analysis used Santa Clara County's Annual Comprehensive Financial Report (ACFR) data for public-protection expenses for fiscal years 2016 through 2025 and General Fund public-protection expenditures for fiscal years 2021 through 2025. Government-wide public-protection expense increased from $915.449 million in fiscal year 2016 to $1.464 billion in fiscal year 2025, an increase of 60.0% and a compound annual growth rate of approximately 5.4%. General Fund public-protection expenditures increased from $940.891 million in fiscal year 2021 to $1.194 billion in fiscal year 2025, an increase of 26.9% and a compound annual growth rate of approximately 6.1%.

The decline in government-wide public-protection expense in fiscal year 2022 was affected by pension and other postemployment-benefit investment-related amounts. Accordingly, annual changes in the reported expense do not reflect only changes in staffing, service levels, or operating activity. The public-protection category also includes functions beyond West Valley law-enforcement services, including detention and criminal-prosecution activities. The historical trend provides context regarding broader County public-safety cost growth but does not explain the composition of the West Valley cost pools, the allocation methods applied to those pools, or the increase in Cupertino's proposed contract amount.

Observation: Historical public-protection costs increased over the periods reviewed, reflecting broader growth in County public-safety expenditures. The increase in Cupertino's proposed FY 2026–27 contract amount is primarily a result of specific changes in the West Valley cost methodology and the allocation of shared and departmentwide support costs.

8. Comparative Analysis of Other Contract-City Arrangements

Comparative Sheriff Contract Models

For benchmarking purposes, the sheriff contract models in Orange, Los Angeles, San Bernardino, San Diego, San Mateo, Contra Costa, and Santa Clara Counties are similar in that cities reimburse the county for law-enforcement services. Important differences exist, however, in contract structure, staffing exhibits, pricing methods, and governance.

County	Contract Structure	Staffing Exhibit	Pricing Method	Typical Cities
Los Angeles	Municipal Law Enforcement Services Agreement between the contract cities and the County	Detailed deployment schedules and annual service levels	Full cost recovery using County-approved billing rates	Diamond Bar, West Hollywood, Lakewood, Rolling Hills Estates, and others
Orange	Municipal contract with the Orange County Sheriff's Department	Service levels customized by city	Cost reimbursement for personnel, equipment, overhead, and special services	Rancho Santa Margarita, Lake Forest, Dana Point, and San Juan Capistrano
San Bernardino	Sheriff's Law Enforcement Services Contract	Schedule A listing staffing, vehicles, dispatch, support services, and annual costs	Annual Schedule A cost allocation, frequently amended during the year	Yucaipa, Highland, Rancho Cucamonga, Victorville, and Twentynine Palms
San Diego	Sheriff's Municipal Services Agreements	Annual staffing schedules and service plans	Cost recovery based on staffing assignments and support services	Encinitas, Poway, Santee, Solana Beach, and Vista
San Mateo	Municipal agreements with the County for Sheriff-provided law-enforcement services	Assigned personnel and service levels established by contract and updated annually	Cost recovery based on assigned personnel, operating costs, support services, and other specifically identified costs	Woodside, Portola Valley, and San Carlos
Contra Costa	Sheriff-staffed municipal police department	City-funded Sheriff staffing organized by police function	City-funded Sheriff positions and related operating and support costs	Danville
Santa Clara	Individual contract with the Sheriff's Office	Negotiated staffing levels tailored to each city	Direct reimbursement of Sheriff's costs plus overhead	Cupertino, Los Altos Hills, and Saratoga

Source: Law-enforcement service agreements, staffing exhibits, rate schedules, and related contract materials reviewed for Los Angeles, Orange, San Bernardino, San Diego, San Mateo, Contra Costa, and Santa Clara Counties; Vasquez comparative analysis.

Overhead Allocation Methodology

Our review of the sheriff contract, rate calculations and cost allocation methodology used by the County of Los Angeles, Orange, San Diego, San Bernardino, San Mateo and Contra Costa indicates the following:

Los Angeles – Regional or station overhead specific costs are built into the annual rate per position, which varies by service code and relief factor. Vehicles are priced and incorporated into the contract based on actual cost while equipment is billed based on annual billing rates, which vary based on the type and cost of equipment. The County also adds 12.5% to the total contract amount, which represents contribution to the contract cities' liability trust fund (LTF). The total overhead cost allocated is not presented in the County's rate schedule, and therefore, the overhead rate cannot be calculated. Based on the review of the County's master rate schedule and contract with certain Los Angeles County cities, it appears that the County does not allocate countywide overhead costs.

San Diego – Cost model includes direct staffing charges, including additional services which are priced per position at an annual rate. Other charges include station support staff costs, law enforcement direct costs, and other overhead allocated based on the number of deputies, detectives and other officers assigned to the city. Overhead costs include supplies, vehicles, space, management and support and ancillary support. Crime prevention, crime analysis, communications center, domestic violence and other case-specific costs are part of Ancillary support costs. The cost model and allocation methodology are very similar to Orange County. Direct staffing is priced per position, which consists of staff costs including benefits. Overhead is allocated based on FTE and represents approximately 34% of direct costs. The County does not allocate countywide costs.

Orange – The costs of services include the full cost of employees, which include wages and benefits, and overhead costs such as mileage, services, supplies, equipment, divisional, departmental and County General overhead. Costs of investigative personnel are allocated as part of regional shared costs. Regional shared costs range from 3% to 4% of direct costs, while other county overhead ranges from 21% to 22% of direct costs for a total overhead allocation of 24% to 26%.

San Bernardino – Cost model includes direct staffing charges, including additional services which are priced per position at an annual rate. Personnel costs include salary and benefits and are subject to change by the Board of Supervisors' action. Changes in salary and benefit costs are billed to the city on a quarterly invoice. Overhead charges include vehicles and other equipment, dispatch services, insurance, IT (automation) and administrative support, which represent approximately 25% of direct personnel costs. Vehicle costs do not include fuel and maintenance. Cities are responsible for fuel, repair and maintenance of all contract vehicles, including collision damage. The County allocates a minimal county administrative cost of around 2% of direct personnel costs.

San Mateo – Cost model includes direct staffing charges based on personnel assigned to each contract city, together with separately identified operating and support costs. Woodside and Portola Valley reflect additional costs of approximately 18% and 16% of direct policing costs, respectively. The San Carlos FY 2026-27 agreement similarly identifies assigned staffing and separately calculates personnel and operating costs. San Carlos is assigned 30 FTEs, with approximately $11.7 million of personnel costs and $2.7 million of operating costs, including equipment, training, communications, technology, vehicles, HR and risk management, and centralized Sheriff support services. Certain technology, vehicle, HR, risk management, and Controller costs are identified as direct pass-through charges. The San Carlos agreement also provides for annual rate adjustments and an actual-cost reconciliation under which amounts collected in excess of the actual cost of services are retained for or returned to the City.

Contra Costa – Danville operates a municipal police department staffed through the Contra Costa County Office of the Sheriff. The model is organized around city-funded Sheriff staffing and related police operations rather than a shared regional-station allocation comparable to West Valley. The comparative materials reviewed reflect additional costs of approximately 24% of direct policing costs. Because the Danville model and cost presentation differ from the West Valley methodology, this percentage is best viewed as a comparative cost ratio rather than a confirmed Contra Costa County overhead allocation rate.

The review noted the materials examined did not identify caseload as a basis for allocating general operating or overhead costs in any of the six comparative counties reviewed. Instead, the methodologies primarily use assigned staffing or FTEs, defined service levels, separately identified support costs, and / or predetermined overhead allocation percentages.

Scale of Contract Operations
Los Angeles County has one of the largest contract-city programs in the nation, with the Sheriff's Department seeking approval of agreements with 42 contract cities for the 2024–2029 term. Orange County also has a long-standing contract model that began in 1961 and expanded to numerous cities.

Access to Specialized Resources
Across all counties, contract cities generally receive access to countywide resources such as:

- SWAT
- Air support
- Major crime investigations
- Specialized units
- The Orange County Sheriff's Department specifically identifies access to broader Sheriff's resources as a principal benefit of the contract model.

High-Level Comparison of Contract Features
The following table summarizes the principal contract features identified in the sources reviewed.

Topic	Los Angeles County	Orange County	San Bernardino County	San Diego County	San Mateo County	Contra Costa County	Santa Clara County
Primary agreement	Standardized countywide Municipal Law Enforcement Services Agreement	Contract law-enforcement agreement with the Orange County Sheriff's Department	Law Enforcement Services Contract with the Sheriff's Department	Municipal services agreement under a county sheriff model	City-specific agreements for law-enforcement services provided by the San Mateo County Sheriff's Office	Sheriff-staffed municipal police-services model	Agreement with the three contract cities
Number of contract cities	42 contract cities under the 2024–2029 agreement framework	13 contract cities and agencies participating in the program	11 contract cities with dedicated city stations	9 contract cities	3 contract cities reviewed: Woodside, Portola Valley, and San Carlos	1 contract city reviewed: Danville	3 contract cities: Cupertino, Los Altos Hills, and Saratoga
Staffing exhibit	Service levels and deployment schedules incorporated	Customized service levels by city	Detailed Schedule A incorporated into the contract, similar in	Service plans and staffing schedules	Assigned personnel and service levels identified by contract; San Carlos	City-funded Sheriff staffing identified through the municipal	Negotiated city-specific staffing

Topic	Los Angeles County	Orange County	San Bernardino County	San Diego County	San Mateo County	Contra Costa County	Santa Clara County
	into the agreement		structure to Los Angeles County		identifies 30.0 assigned FTEs for FY 2026-27	police-services model	
Cost methodology	County-approved billing rates and full cost recovery, with the ability to adjust service levels	Reimbursement of personnel, equipment, overhead, and specialized service costs, with the ability to adjust service levels	Annual Schedule A cost allocation based on positions and support services	Staffing-based cost recovery, with the ability to adjust service levels	Assigned personnel costs together with separately identified operating and support costs; rates are updated annually, and the San Carlos agreement provides for reconciliation when actual costs are below amounts collected	City-funded Sheriff positions and related operating and support costs reflected through the municipal police-services arrangement	Direct reimbursement of negotiated Sheriff's costs
Administrative overhead charged	Yes, through the billing-rate and full-cost-recovery structure	Yes, through contract reimbursement of overhead costs	Yes, through Schedule A administrative-support and related charges	Separate overhead allocation formula	Support and administrative costs are charged through separately identified operating and support costs; the San Carlos agreement does not state a single overhead percentage	Support costs are included in the city-funded police-services model; the materials reviewed do not identify a separate countywide overhead formula comparable to West Valley	Yes, as allocated by the County
Specialized resources available	County Sheriff resources available through the contract model	Access to specialized countywide resources and services	County Sheriff resources incorporated into the service model	Expected under the Sheriff model, but not verified in the retrieved sources	County Sheriff resources are available through the contract-service model	Danville's local police operation is staffed by the Sheriff and supported by County Sheriff infrastructure	City-specific arrangement

Source: Law-enforcement service agreements, staffing exhibits, rate schedules, and related contract materials reviewed for Los Angeles, Orange, San Bernardino, San Diego, San Mateo, Contra Costa, and Santa Clara Counties; Vasquez comparative analysis.

Best Comparable Cities for Cupertino

For benchmarking Cupertino's contract with the Santa Clara County Sheriff's Office, the comparables identified for contract structure, staffing, and cost treatment include:

Comparable City	County	Approximate Similarity
Encinitas	San Diego	Affluent suburban or coastal city with a Sheriff contract
West Hollywood	Los Angeles	Affluent California City; comparable contract-city model
Rancho Santa Margarita	Orange	Contract-city model (30 assigned FTEs) with limited municipal staff
Diamond Bar	Los Angeles	Affluent suburban contract city
Lake Forest	Orange	Large suburban community contracting for police services
San Carlos	San Mateo	Sheriff contract with 30 assigned FTEs and separately identified personnel, operating, and support costs
Danville	Contra Costa	Suburban Sheriff-staffed municipal police model with city-funded personnel and support costs
Woodside	San Mateo	Smaller contract city for comparison of assigned staffing and separately identified support costs
Portola Valley	San Mateo	Smaller contract city for comparison of assigned staffing and support-cost treatment

Source: Vasquez comparative analysis based on reviewed law-enforcement service agreements, staffing and service structures, and community characteristics of the identified contract cities.

Additional publicly available comparables identified for the review include Diamond Bar in Los Angeles County because of its sheriff contract-city model; Rancho Santa Margarita and Lake Forest in Orange County because of the Orange County Sheriff's Department contract model; and Encinitas and Poway in San Diego County because of their sheriff contract model. The review also includes Woodside, Portola Valley, and San Carlos in San Mateo County and Danville in Contra Costa County. Woodside and Portola Valley provide smaller-city examples of assigned Sheriff staffing and support costs, while San Carlos provides a larger San Mateo County example with detailed assigned staffing, operating costs, support services, and an actual-cost reconciliation mechanism. Danville provides a different model in which the municipal police department is staffed through the Contra Costa County Sheriff. The benchmark counties use similar contract-service models, but the presentation of staffing, support services, and annual charges varies materially.

San Bernardino County provides the most detailed presentation through its Schedule A staffing exhibits and amendments. Los Angeles County uses a standardized countywide contract framework with published billing rates. Orange County uses flexible, city-specific service packages and a cost-reimbursement model. San Diego County appears to use a structure similar to Orange County, often organized around station-specific municipal service plans. San Mateo County uses city-specific Sheriff service agreements based on assigned staffing and separately identified operating and support costs. San Carlos also provides for annual rate updates and reconciliation of collections to actual costs. Contra Costa County's Danville model operates as a Sheriff-staffed municipal police department with city-funded positions and support through County Sheriff infrastructure. Santa Clara County generally negotiates individually with Cupertino, Los Altos Hills, and Saratoga rather than operating a larger countywide contract-city program.

These differences affect the transparency and comparability of contract costs. In particular, the degree to which dedicated staffing, vehicles, dispatch, administrative support, technology, equipment, and specialized services are separately identified varies among the counties. As a result, comparisons of total contract cost or cost per position should consider differences in contract structure, including services, and the level of detail provided in the applicable staffing and cost exhibits.

The preceding comparison describes how other counties structure and present contract-city law-enforcement services. The following analysis narrows that comparison to available budget, staffing, and overhead data to evaluate how the West Valley proposal compares with selected benchmark jurisdictions on a cost-per-FTE basis.

The comparative analysis reconciles jurisdiction-level cost and staffing information, supporting budget records, the comparative overhead classifications, the County process walkthrough, the California contract-city county summary, the San Carlos FY 2026-27 law-enforcement agreement and budget, and reviewed agreement materials. The comparison uses the comparative jurisdiction analysis's definition of fully burdened cost per deputy: total budgeted amount for county contract services divided by total staffing identified in the applicable contract or source record.

Table 8-1A. Contract-city comparison from the comparative jurisdiction analysis - community, budget, and staffing data

City	County	Population	Area (Sq. Mi.)	Crime Rate	Density (/Sq. Mi.)	Police Contract Budget	Staffing Stated In Source
Diamond Bar	Los Angeles	55,072	14.9	78/100,000 residents	3,700	$9,400,000	20 assigned patrol FTE; 1 forty-hour deputy, 10 fifty-six-hour deputies, 5 forty-hour no-relief deputies, and 1 community services assistant with vehicle.
Lake Forest	Orange	86,333	16.7	146/100,000 residents	5,170	$24,300,000	47 patrol deputies plus 1 in FY 2027.
Rancho Santa Margarita	Orange	47,949	12.9	605/100,000 residents (source text)	3,718	$14,102,000	30
Encinitas	San Diego	62,000	18.8	170-200/100,000 residents	3,253	$20,844,000	Total staffing not stated; FY 2026-27 budget includes start-up costs for two new traffic deputies and continuation of a second Homeless Outreach Program for Encinitas (HOPE) team.
Cupertino	Santa Clara	58,333	11.3	112/100,000 residents	5,330	$25,413,597	33
Saratoga	Santa Clara	31,000	12.4	N/P	N/P	$11,600,000	16
Los Altos Hills	Santa Clara	8,500	8.8	N/P	N/P	$3,400,000	5
West Hollywood	Los Angeles	35,000	1.9	884/100,000 residents	N/P	$28,700,000	55; source description consists of 21 seventy-hour-unit, 10 non-relief, and 9 supplemental positions.
Highland	San Bernardino	57,000	18.6	535/100,000 residents	3,050	N/P	N/P
Woodside	San Mateo	5,309	11.5	N/P	463	$3,588,158	7 FTEs; the comparative service analysis identifies 24/7 deputy coverage plus two motorcycle deputies.

City	County	Population	Area (Sq. Mi.)	Crime Rate	Density (/Sq. Mi.)	Police Contract Budget	Staffing Stated In Source
Portola Valley	San Mateo	4,456	9.1	N/P	Approximately 490	$2,536,757	5 FTEs; the comparative service analysis identifies one deputy providing 24/7 coverage.
San Carlos	San Mateo	30,722	5.4	20/1000 residents	5,677	$14,455,499	30 assigned FTEs, consisting of 22 sworn positions and 8 professional / support positions.
Danville	Contra Costa	43,582	18.0	N/P	2,411	$11,533,458	24 FTEs used in the comparative overhead analysis; other project materials use different staffing counts depending on the staffing definition.

Source: Population and crime rates are based on 2020 Census and FBI 2024 statistics; City FY 2026-27 Adopted Budgets; Contracts with respective Counties; San Carlos FY 2026-27 Law Enforcement Services Agreement and budget; and Vasquez comparative jurisdiction analysis for Woodside, Portola Valley, and Danville.

Note: Police contract budget amounts for Rancho Santa Margarita, Diamond Bar and West Hollywood are based on the city-adopted budget for FY 2026-27 sheriff contract. These amounts are generally higher than the total contract amount per agreement with respective counties. For Woodside, Portola Valley, and Danville, the amounts shown are the total policing costs used in the comparative jurisdiction analysis and have not been normalized for differences in service scope.

Table 8-1B. Contract-city comparison from the comparative jurisdiction analysis - deputy rates, fully burdened cost, overhead, and notes

City	Day / Non-relief Rate	Night / Relief Rate	Fully Burdened Cost per Deputy	Overhead as % of Direct Cost	Liability Surcharge	Benchmark Context
Diamond Bar	$335,385	$368,924	$470,000	N/A	12.5%	The Municipal Law Enforcement Services Agreement uses annual personnel and equipment billing rates that include station-level administrative overhead. The comparative jurisdiction analysis indicates that Los Angeles County does not separately charge countywide overhead.

City	Day / Non-relief Rate	Night / Relief Rate	Fully Burdened Cost per Deputy	Overhead as % of Direct Cost	Liability Surcharge	Benchmark Context
Lake Forest	N/P	$341,519-$352,115	$517,021	26%	None	The comparative jurisdiction analysis lists leave paydowns, cameras, contract administration, data, supplies, helicopter services, e-citation, facility lease, holiday pay, justice-system fees, mobile data computers, overtime, patrol training, premiums, and transportation as additional charges. It indicates that no separate countywide overhead charge is included.
Rancho Santa Margarita	N/P	$341,519-$352,115	$470,067	24%	N/P	The comparative jurisdiction analysis identifies the same Orange County additional-charge categories described for Lake Forest and indicates that no separate countywide overhead charge is included.
Encinitas	$244,833	$244,833	$378,892	33.7%	None; fixed staffing-based allocation	San Diego County uses a single annual deputy rate rather than separate day, night, or relief rates. Encinitas's FY 2026-27 adopted law-enforcement contract budget is $20.84 million. The reconciled staffing count is 55 sworn positions: 51 identified in the agreement, two additional HOPE patrol positions, and two additional traffic deputies. The agreement separately identifies station support, ancillary support, supplies, vehicles, space, management support, and liability costs.
Cupertino	$331,871	$341,439	$770,109	128%	None	The County's FY 2026-27 contract proposal increases Cupertino's annual contract amount from approximately $19 million to approximately $25.4 million. The proposal identifies the revised FY 2026-27 allocation of shared and departmentwide support costs as the principal driver of the increase.
Saratoga	$331,871	$341,439	$725,000	117%	None	The County's FY 2026-27 contract proposal for Saratoga

City	Day / Non-relief Rate	Night / Relief Rate	Fully Burdened Cost per Deputy	Overhead as % of Direct Cost	Liability Surcharge	Benchmark Context
						applies to the same revised support-cost allocation used for Cupertino.
Los Altos Hills	$331,871	$341,439	$680,000	125%	None	The County's FY 2026-27 contract proposal for Los Altos Hills applies to the same revised allocation of shared and departmentwide support costs used for Cupertino.
West Hollywood	N/P	N/P	$512,500	N/A	12.5%	The comparative analysis reports a fully burdened amount of $512,500. The displayed $28.7 million budget and staffing count of 55 produce $521,818, so the displayed inputs do not reproduce the reported amount.
Highland	N/P	N/P	N/P	N/P	None	The available comparative information does not provide both a police-services budget and a corresponding staffing count needed to calculate a fully burdened cost per deputy.
Woodside	N/P	N/P	$512,594	18%	N/P	The comparative analysis identifies 7 FTEs, approximately $3.04 million of direct policing costs, and approximately $0.54 million of additional costs, for total policing costs of approximately $3.59 million. The percentage is a comparative cost ratio and is not a standardized San Mateo County overhead rate.
Portola Valley	N/P	N/P	$507,351	16%	N/P	The comparative analysis identifies 5 FTEs, approximately $2.18 million of direct policing costs, and approximately $0.36 million of additional costs, for total policing costs of approximately $2.54 million. The percentage is a comparative cost ratio and is not a standardized San Mateo County overhead rate.
San Carlos	N/P	N/P	$481,850	23%	No separate surcharge stated; liability and risk-management	Cost model include direct staffing charges including additional services which are priced per position at annual rate. Other operating charges

City	Day / Non-relief Rate	Night / Relief Rate	Fully Burdened Cost per Deputy	Overhead as % of Direct Cost	Liability Surcharge	Benchmark Context
					charges are included within operating costs	include station support staff costs, uniform allowances, radio and communications, information services, supplies, vehicle maintenance and replacements costs, HR and support services. The contract does not indicate the basis of allocation of operating costs, which represent approximately 23% of direct staffing costs.
Danville	N/P	N/P	$480,561	24%	N/P	Danville operates a municipal police department that is staffed through the Contra Costa County Sheriff. The comparative analysis uses 24 FTEs, approximately $9.32 million of direct policing costs, and approximately $2.21 million of additional costs, for total policing costs of approximately $11.53 million. The cost presentation differs from the shared West Valley station model, and the 24% represents a comparative cost ratio rather than a confirmed County overhead rate.

Source: Applicable county law-enforcement service agreements and rate schedules; FY 2026-27 adopted city budgets and staffing records; California State Controller compensation information; San Carlos FY 2026-27 Law Enforcement Services Agreement and budget; comparative jurisdiction schedules for Woodside, Portola Valley, and Danville; and Vasquez calculations.

Note: Deputies' annual compensation information was compared with the information published in SCO's website and deemed comparable for each County.

Supporting Budget Records Incorporated Into The Comparison
The Diamond Bar Supporting budget records image reports a fiscal year 2026-27 adopted Law Enforcement total of $9,418,290. Of that amount, $8,888,490 is the Sheriff's Department contract line; the balance includes Sheriff special events, parking-citation administration, crossing-guard services, supplies, equipment maintenance, rewards, and public-safety outreach. The $9.4 million comparison numerator is therefore a total law-enforcement budget measure rather than a contract-only amount.

The West Hollywood Supporting budget records image reports fiscal year 2027 Sheriff and Protective Services of $28,710,733, consisting of $28,675,533 contracted services and $35,200 of other operating costs. Its numerator is therefore substantially contracting services, with a small additional operating-cost component. These budget-source differences affect comparability even before differences in investigations, records, dispatch, facilities, relief staffing, pension burden, and technology are considered.

Table 8-2. Summary of direct, overhead, and support costs from the comparative overhead classification analysis

Cost Category	Total Cost	West Valley Share	West Valley %	Comments	Allocability Classification
West Valley Division - Direct Costs	**$13,592,497**	**$13,592,497**	100.00%	Station / department specific	Allocable
Countywide Cost Allocation	$56,764,560	$580,573	1.02%	Countywide costs	Not allocable
Personnel and Training	$19,089,028	$1,057,612	5.54%	Countywide costs	Not allocable
Fiscal Services	$5,487,495	$298,434	5.44%	Countywide costs	Not allocable
IT Services	$18,342,696	$997,556	5.44%	Countywide costs	Not allocable
Internal Affairs	$4,653,638	$253,085	5.44%	Countywide costs	Not allocable
Sheriff Administration	$4,396,442	$349,433	7.95%	Countywide costs	Not allocable
Overhead subtotal	**$108,733,859**	**$3,536,693**	3.25%		
Investigative Services	$16,082,396	$5,531,736	34.40%	Caseload-based; source comment states 43 of 49 headquarters FTE and only four West Valley FTE totaling $1,233,709.	Only $1,233,709 is allocable to West Valley
Records Services	$8,234,594	$2,832,389	34.40%	Countywide Records department cost allocated by caseload.	Not allocable
Support-services subtotal	**$24,316,990**	**$8,364,125**	34.40%		
Total	**$146,643,346**	**$25,493,315**	17.38%		

Source: Vasquez overhead classification analysis based on County information, including *West Valley FY 27 Rate Projection - 04-13-2026.xlsx, tabs "OH Summary" and "8 - West Valley OH." The $13,592,497 shown on the "OH Summary" tab reflects the combined West Valley Division direct-cost components detailed on the "8 - West Valley OH" tab: Support Staff – Salaries & Benefits ($5,348,552), Services & Supplies ($7,952,555), and Body-Worn Camera/Dashcam costs ($291,390),* and supporting cost, position, and cost-center records.

The overhead classification analysis further states that West Valley has 89 total positions, 17 of which are labeled Overhead; that West Valley represents approximately 5 percent of the Sheriff Department staffing population while the displayed West Valley share of the summarized cost pools is 17.38 percent; and that countywide costs would continue if the three cities obtained service from other providers. The analysis also states that a caseload allocation alone does not represent actual service hours, and information regarding the extent of work required per case was not available. As a result, the available information does not demonstrate that the allocation reflects the level of services performed.

Adjusted Contract Cities Fully Burdened Cost Per Deputy

For the primary comparison, the total projected FY 2026–27 cost for Cupertino, Saratoga, and Los Altos Hills is $40,370,815. The staffing denominator is 54 direct-service FTE, consisting of 33 for Cupertino, 16 for Saratoga, and 5 for Los Altos Hills. Dividing the combined three-city cost by the combined direct-service staffing produces an unadjusted cost of $747,608 per FTE. The calculation excludes the West Valley unincorporated area from both the cost numerator and the staffing denominator.

The category-level cost review classified $10,667,109 of the full West Valley cost as not allocable. Because that amount includes costs assigned to the West Valley unincorporated area, the portion associated with the three city contracts was calculated using the jurisdiction allocation percentages shown in the County's projected-cost schedule. A combined city share of 80.79% was applied to six overhead cost categories, while a combined city share of 93.42% was applied to Investigative and Records costs. This calculation produced a three-city amount of $9,518,457.

Subtracting $9,518,457 from the combined three-city projected cost of $40,370,815 produces an adjusted cost of $30,852,358. Dividing that amount by the same 54 direct-service FTE produces an adjusted cost of $571,340 per FTE.

Table 8-3A. Contract Cities Cost Per FTE Adjustment Calculation

Measure	Total Amount	Staffing Basis	Cost Per FTE	Calculation / Interpretation
Contract cities cost before adjustment	$40,370,815	54 direct staffing FTE	$747,608	$40,370,815 ÷ 54 FTE
Full contract cities costs classified as not allocable	$10,667,109	Not applicable	Not applicable	Includes the portions assigned to the three contract cities and the unincorporated area.
Contract cities share of costs classified as not allocable	$9,518,457	Not applicable	Not applicable	Amount attributable to Cupertino, Saratoga, and Los Altos Hills using the jurisdiction allocation shares reflected in the projected-cost schedule.
Adjusted contract cities cost	$30,852,358	54 direct staffing FTE	$571,340	($40,370,815 − $9,518,457) ÷ 54 FTE

Source: County of Santa Clara, *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*, worksheet "10 - Projected Costs"; Vasquez overhead classification analysis; and Vasquez calculations.

Table 8-3B. Adjusted Contract Cities Cost Per FTE Compared With Benchmark Jurisdictions

Benchmark Jurisdiction	Benchmark Cost Per FTE	Adjusted Contract Cities Cost Per FTE	Contract Cities Amount Above Benchmark	Contract Cities % Above Benchmark	Initial Gap Explained By Adjustment	Observation
Diamond Bar	$470,000	$571,340	$101,340	21.6%	63.5%	Adjusted contract cities remains materially above the reported benchmark.
Lake Forest	$517,021	$571,340	$54,319	10.5%	76.4%	Adjusted contract cities is reasonably comparable at a screening level,

Benchmark Jurisdiction	Benchmark Cost Per FTE	Adjusted Contract Cities Cost Per FTE	Contract Cities Amount Above Benchmark	Contract Cities % Above Benchmark	Initial Gap Explained By Adjustment	Observation
						subject to service-scope differences.
Rancho Santa Margarita	$470,067	$571,340	$101,273	21.5%	63.5%	Adjusted contract cities remains materially above the reported benchmark.
Encinitas	$378,892	$571,340	$192,448	50.8%	47.8%	Adjusted contract cities remains materially above the Encinitas benchmark.
West Hollywood - reported	$512,500	$571,340	$58,840	11.5%	75.0%	Adjusted contract cities is reasonably comparable at a screening level; however, the available staffing count and reported ratio do not reconcile.
Woodside	$512,594	$571,340	$58,746	11.5%	75.0%	Adjusted contract cities is reasonably comparable at a screening level, subject to differences in staffing and service scope.
Portola Valley	$507,351	$571,340	$63,989	12.6%	73.4%	Adjusted contract cities is relatively close to the reported benchmark at a screening level, subject to differences in staffing and service scope.
San Carlos	$481,850	$571,340	$89,490	18.6%	66.3%	Adjusted contract cities remains above the San Carlos benchmark. The comparison is less direct because the San Carlos denominator includes both sworn and professional/support personnel.

Benchmark Jurisdiction	Benchmark Cost Per FTE	Adjusted Contract Cities Cost Per FTE	Contract Cities Amount Above Benchmark	Contract Cities % Above Benchmark	Initial Gap Explained By Adjustment	Observation
Danville	$480,561	$571,340	$90,779	18.9%	66.0%	Adjusted contract cities remains above the Danville benchmark; however, Danville operates under a Sheriff-staffed municipal police model that differs from the shared contract cities station structure.

Source: FY 2026-27 adopted budgets and applicable sheriff contract, rate, and staffing records for the benchmark jurisdictions; County of Santa Clara, *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*; San Carlos FY 2026-27 Law Enforcement Services Agreement and budget; comparative jurisdiction information for Woodside, Portola Valley, and Danville; and Vasquez calculations.

Note: "Initial gap explained by adjustment" measures the portion of the original difference between the unadjusted West Valley cost per FTE and each benchmark that is eliminated by removing the three-city share of costs classified as not allocable. Benchmark comparisons remain sensitive to differences in service scope, staffing definitions, and included cost categories. The Woodside, Portola Valley, and Danville benchmark costs per FTE are calculated by dividing the total policing costs reflected in the comparative analysis by 7, 5, and 24 FTEs, respectively. The San Carlos benchmark is calculated using the $14,455,499 gross cost of basic law-enforcement services divided by 30 assigned FTEs.

Observation: Removing the amounts classified as not allocable in the overhead classification analysis substantially narrows the West Valley contract cities gap and explains approximately 48 percent to 78 percent of the initial difference across the benchmark jurisdictions presented. The adjusted $571,340 per FTE is reasonably comparable to the upper-range Lake Forest and West Hollywood benchmarks at a screening level and is approximately 11.5 percent above Woodside and 12.6 percent above Portola Valley. It remains approximately 18.6 percent above San Carlos and 18.9 percent above Danville, and approximately 21.6 percent above Diamond Bar and 21.5 percent above Rancho Santa Margarita. The available comparative data therefore supports the observation that the classified overhead explains a substantial portion, but not all, of the cost gap.

9. Comparative FTE-Based Allocation Analysis

This section presents an alternative allocation of the amounts the County's proposal assigns to the West Valley contract cities. Direct patrol, traffic, and school-resource staffing costs remain unchanged. The analysis reallocates West Valley station and countywide support and department support costs using each city's assigned FTE as a share of the 89 budgeted West Valley FTEs. It shows how the three-city allocation changes when assigned staffing is used instead of the County's combination of service-hour and RMS case allocation measures.

Cost Category	Pool Scope	Cost Pool	FTE Base	Cupertino		Los Altos Hills		Saratoga		3 City		Current 3 City Cost	Change
				FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost		
Direct staffing	City direct cost			33	$11.2	5	$1.5	16	$5.3	54	$18.0	$18.0	$0.0

Cost Category	Pool Scope	Cost Pool	FTE Base	Cupertino		Los Altos Hills		Saratoga		3 City		Current 3 City Cost	Change
				FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost		
Station and countywide support	West Valley	$14.6	89	33	$5.4	5	$0.7	16	$2.6	54	$8.7	$11.8	($3.1)
Personnel and Training	West Valley	$1.1	89	33	$0.4	5	$0.1	16	$0.2	54	$0.7	$0.9	($0.2)
IT Services	West Valley	$1.0	89	33	$0.4	5	$0.1	16	$0.2	54	$0.7	$0.8	($0.1)
SO Administration	West Valley	$0.3	89	33	$0.1	5	$0.0	16	$0.1	54	$0.2	$0.3	($0.1)
Fiscal Services	West Valley	$0.3	89	33	$0.1	5	$0.0	16	$0.1	54	$0.2	$0.2	$0.0
Internal Affairs	West Valley	$0.3	89	33	$0.1	5	$0.0	16	$0.0	54	$0.1	$0.2	($0.1)
Investigative Services	West Valley	$5.8	89	33	$2.2	5	$0.3	16	$1.0	54	$3.5	$5.4	($1.9)
Records Services	West Valley	$3.0	89	33	$1.1	5	$0.2	16	$0.5	54	$1.8	$2.8	($1.0)
Totals					$21.0		$2.9		$10.0		$33.9	$40.4	($6.5)

Source: County of Santa Clara, *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*, worksheets “WP5 - WV Staffing” and “10 - Projected Costs”; Vasquez FTE-based allocation calculations.

Note: Dollar amounts in millions; FTEs are stated as positions.

The revised analysis keeps each city’s direct patrol, traffic, and school-resource staffing costs unchanged and reallocates West Valley station support, countywide support, and department support costs using each city’s assigned FTE as a percentage of the 89 budgeted West Valley FTEs. Under this approach, the three-city total decreases from approximately $40.4 million to $33.9 million, a reduction of approximately $6.5 million, or 16.1%.

This approach is generally more consistent with the benchmark contracts reviewed, which allocate shared support and overhead primarily by authorized staffing, assigned personnel, or contracted service levels rather than RMS caseload. The analysis therefore shows how West Valley city costs would change if shared costs were allocated using the same general staffing-based approach. It does not determine the exact level of support provided to each city, establish the required allocation method, or address whether every cost included in the County’s proposal is allocable. Instead, it provides a more directly comparable basis for evaluating the West Valley methodology against the benchmark jurisdictions.

Illustrative FTE-Based Allocation of West Valley Shared Costs

The following analysis compares the County’s current proposal with an alternative allocation based on assigned staffing. Direct patrol, traffic, and school-resource staffing costs remain unchanged. The West Valley station and countywide support, departmental support, Investigative Services, and Records Services amounts, including the agreed 5% increase to the West Valley Investigative and Records amounts – are allocated among Cupertino, Los Altos Hills, and Saratoga using each city’s assigned FTE as a share of the 89 West Valley FTE. The analysis does not reallocate countywide Investigative or Records costs to West Valley or determine the exact level or allocability of support provided to each city; it illustrates how the amounts already assigned to West Valley would change under a staffing-based allocation method generally consistent with the benchmark contracts reviewed.

West Valley Contract-City Cost Comparison — Current vs. FTE-Based Allocation			
Current three-city proposal ($)	$40.4	Current cost per city FTE ($)	$0.7
FTE-based three-city cost ($)	$33.9	FTE-based cost per city FTE ($)	$0.6
Reduction ($)	$6.5	Reduction per city FTE ($)	$0.1
Reduction (%)	16.1%	Three-city assigned FTE	54

Comparison by City

City	Current Proposal ($)	FTE-Based Cost ($)	Reduction ($)	Reduction (%)	Assigned FTE
Cupertino	$25.4	$21.0	$4.4	17.3%	33
Los Altos Hills	$3.4	$2.9	$0.5	14.7%	5
Saratoga	$11.6	$10.0	$1.6	13.8%	16
Three-City Total	$40.4	$33.9	$6.5	16.1%	54

Comparison by Cost Category — Three Cities Combined

Cost Category	Current Proposal ($)	FTE-Based Cost ($)	Change ($)	Change (%)
Direct staffing	$18.0	$18.0	$0.0	0.0%
Station and countywide support	$11.8	$8.7	($3.1)	-26.3%
Personnel and Training	$0.9	$0.7	($0.2)	-22.2%
IT Services	$0.8	$0.7	($0.1)	-12.5%
SO Administration	$0.3	$0.2	($0.1)	-33.3%
Fiscal Services	$0.2	$0.2	($0.0)	-0.0%
Internal Affairs	$0.2	$0.1	($0.1)	-50.0%
Investigative Services	$5.4	$3.5	($1.9)	-35.2%
Records Services	$2.8	$1.8	($1.0)	-35.7%
Total	$40.4	$33.9	($6.5)	-16.1%

Source: County of Santa Clara, *West Valley FY 27 Rate Projection - 04-13-2026.xlsx*, worksheets “WP5 - WV Staffing” and “10 - Projected Costs”; Vasquez FTE-based allocation calculations.

Note: Dollar amounts in millions; FTEs are stated as positions.

10. Recommended Budget Analysis of Contract-Related Cost Changes

Santa Clara County provided Vasquez with its Fiscal Year 2026-27 Recommended Budget. In subsequent correspondence, the County identified the Recommended Budget for Budget Unit 230 – Office of the Sheriff as its best estimate of what the Sheriff’s Office budget would look like if the contracts with the West Valley cities did not exist. The Recommended Budget therefore provides a separate, County-developed basis for evaluating which staffing and operating costs the County expects to change if law enforcement services to Cupertino, Saratoga, and Los Altos Hills are discontinued.

The Recommended Budget assumes that the city contracts are not renewed and provides for the dissolution of the West Valley Patrol and West Valley Investigations Divisions. It also identifies reductions from supporting functions, including Investigations Headquarters, Records, Fiscal Administration, Data Management, County Communications, Fleet, Facilities, and technology-related services. These budget actions are informative because they reflect the County’s own estimate of how staffing and expenditures would change in the absence of the city contracts, rather than an allocation derived from service hours, RMS cases, FTEs, or another comparative methodology.

Staffing Effect of the No-Contract Scenario
The Recommended Budget identifies 88 Office of the Sheriff positions for removal from the West Valley service structure and 17 County Communications positions assigned to West Valley dispatch for deletion. Of the 88 Sheriff positions, 33 Deputy Sheriff positions and one Sheriff Sergeant position are recommended for reallocation to Court Security. Accordingly, 105 positions are affected before reallocation; 34 positions are reassigned to another County function, leaving a net reduction of 71 FTEs.

Recommended Budget Staffing Action	FTE
Office of the Sheriff positions removed from West Valley	88
County Communications positions identified for deletion	17
Total positions affected before reallocation	105
Sheriff positions re-allocated to Court Security	(34)
Net positions deleted	71

Source: County of Santa Clara, *Fiscal Year 2026-27 Recommended Budget*, Budget Unit 230 – Office of the Sheriff, "West Valley Patrol – Eliminate Service to Cities," "Summary of Position Changes" and related Recommended Action (pages 309–310).

The 34 positions re-allocated to Court Security are therefore different from the 71 positions eliminated. The Recommended Budget states that the court system has capacity to accommodate the 33 deputies and one sergeant and that Court Security provides a reimbursement structure so that the reallocated employee costs would not affect the General Fund. For purposes of this analysis, the 34 positions are treated as continuing County positions reassigned from West Valley to another function, consistent with the County's Recommended Budget, rather than as additional position eliminations.

This distinction is relevant to the interpretation of the no-contract scenario. The reallocation does not represent elimination of those employees or their associated compensation costs because they would continue to be employed by the County. It does, however, indicate that the County no longer expects those positions to be required for West Valley operations if the city contracts are discontinued.

Quantified Expenditure Reductions
The Recommended Budget identifies a $21,412,967 decrease in salaries and benefits and a $2,180,583 decrease in ongoing services and supplies associated with discontinuing West Valley city services, for a combined budgeted expenditure reduction of $23,593,550.

The $2,180,583 services-and-supplies reduction is further identified by the County as follows:

Services and Supplies Reduction	Amount
Contract dispatch costs	$100,000
Contract fleet fuel costs	$285,749
Contract fleet procurement and maintenance costs	$1,394,330
Contract technology support costs	$81,373
Contract software license costs	$35,120
Contract telecom service costs	$27,967
Other contract services and supplies	$256,044
Total	$2,180,583

Source: County of Santa Clara, *Fiscal Year 2026-27 Recommended Budget*, Budget Unit 230 – Office of the Sheriff, "West Valley Patrol – Eliminate Service to Cities," "Summary of Other Costs" (page 309).

The fleet-related reductions total $1,680,079, consisting of fuel and fleet procurement and maintenance. The technology-support, software-license, and telecom reductions total $144,460. These amounts reconcile to the fleet and technology reductions identified in the Recommended Budget; they are components of the $2,180,583 services-and-supplies reduction and should not be added again when evaluating the total budget impact.

Because the County identifies the $2,180,583 of services-and-supplies expenditures as costs that would be reduced if the West Valley city contracts were discontinued, these costs provide evidence of a direct relationship to the contract services and do not appear to represent costs the County would incur regardless of the contracts.

The Recommended Budget also identifies a $27,796,974 decrease in contract revenue and a $10,931,693 increase in Court Security reimbursement in the financial summary at the conclusion of the "West Valley Patrol – Eliminate Service to Cities" budget action. After considering the expenditure and revenue changes, the County reports ongoing net General Fund savings of $6,728,269. The Recommended Budget narrative identifies contract revenue of $27,796,976, a $2 difference from the $27,796,974 amount shown in the financial summary at the conclusion of that budget action; the financial summary amount reconciles with the stated $6,728,269 of ongoing net savings.

The $6,728,269 net savings amount is not a measure of costs attributable to the city contracts. It reflects both expenditure changes and changes in County revenue, including the loss of city contract revenue and the additional Court Security reimbursement associated with the reassigned positions. The more relevant information for evaluating the relationship of costs to the city contracts is the specific staffing, services, supplies, and support activities the County identifies as changing under the no-contract scenario.

Dispatch

Dispatch provides a particularly useful example of the distinction between an allocation methodology and the County's own estimate of cost changes. The Recommended Budget identifies the elimination of the County Communications unit assigned to West Valley dispatch, consisting of 17 positions: 11 Communications Dispatcher III positions, one Communications Dispatcher II, two Senior Communications Dispatchers, one Supervising Communications Dispatcher, one Communications Systems Technician, and one Administrative Assistant.

The Recommended Budget separately identifies a reduction in County Communications Dispatch Services of $4,142,305 (page 198). Because the 17 County Communications positions are also included in the Recommended Budget's overall staffing action, the dispatch amount should be considered in conjunction with the consolidated salaries-and-benefits reduction rather than automatically added to the other no-contract amounts without a line-item reconciliation. Similarly, the $100,000 "Contract Dispatch Costs" reduction included within the $2,180,583 services-and-supplies total is separately identified by the County and should not be assumed to represent the same costs as the County Communications staffing reduction without a detailed crosswalk.

The elimination of a specifically identified 17-position West Valley dispatch unit nevertheless provides County-generated evidence that a portion of dispatch staffing and capacity changes directly with the city contracts. This is consistent with the treatment of dispatch in Section 3 as a West Valley support activity associated with the city contracts. It does not establish that all County Communications costs are attributable to the city contracts, as the County would continue to maintain communications and dispatch functions for its remaining law enforcement responsibilities.

Investigative, Records, and Other Department Support

The Recommended Budget states that the no-contract scenario would result in the complete dissolution of the West Valley Investigations Division and additional reductions within Investigations Headquarters, Records, Fiscal Administration, Data Management, and other County departments supporting West Valley operations. It also identifies reductions in Facilities, Fleet, network and hardware technology, software licensing, and telecommunications.

This information is relevant to the indirect department support categories evaluated in Section 4 of this report. In particular, it demonstrates that Investigative, Records, fiscal, data-management, technology, and other support functions are not uniformly fixed in the absence of the city contracts; the County itself expects some level of these activities to decrease when West Valley city services are discontinued.

The Recommended Budget, however, does not separately quantify each of these reductions using the same cost-pool definitions included in the County's FY 2026-27 contract proposal. The contract proposal combines cost centers, staffing, Countywide allocations, and operating expenditures into categories such as Investigative Services, Records Services, Personnel and Training, IT Services, Fiscal Services, Internal Affairs, Sheriff Administration, and Indirect Countywide Support. The Recommended Budget is organized by budget action, position, department, and expenditure category. Accordingly, amounts appearing in the two documents are not directly interchangeable without reconciling the underlying cost populations.

For the same reason, differences between amounts appearing in the Recommended Budget for Information Systems, Internal Affairs, or other support functions and the amounts used in the County's contract-cost calculations do not, by themselves, establish an additional reduction or an error in the County's proposal. A direct adjustment would require a component-level reconciliation showing which positions, expenditures, internal charges, and Countywide allocations are included in each amount.

Accordingly, the difference between the support and overhead amounts included in the FY 2026-27 contract proposal and the separately identified reductions in the Recommended Budget should not be interpreted as a measure of costs that necessarily continue in the absence of the city contracts, because the two documents use different cost populations and the identified reductions have not been fully reconciled to the contract proposal cost pools.

Relationship to Overhead Analysis

The Recommended Budget provides additional County-generated information relevant to the cost categories evaluated in Section 4. Its no-contract scenario identifies reductions in Investigations Headquarters, Records, Fiscal Administration, and Data Management, while the separately quantified services and supplies reduction of $2,180,583, includes dispatch, fleet, technology, software, telecommunications, and other contract related operating costs.

Conversely, the Recommended Budget indicates that broader County functions continue after the West Valley city contracts are discontinued, even where some contract-related activity within those functions is reduced. These continuing functions include County Communications, Investigations Headquarters, Records, Fiscal Administration, Data Management, facilities, fleet, technology, and other departmentwide or countywide support activities. To the extent the FY 2026-27 contract proposal allocates the standing or baseline costs of these continuing functions to West Valley, those components appear to represent costs the County would incur regardless of the city contracts and therefore would not be allocable to the contract cities under Government Code section 51350. The Recommended Budget does not quantify those continuing components using the same cost-pool definitions as the contract proposal, so the amount cannot be determined without a detailed reconciliation of the two cost populations.

The Recommended Budget therefore supports the observation in Section 4 that broader support cost pools may contain both contract-related costs that decrease when the contracts are removed and baseline or continuing costs that remain with the County. It does not independently validate the specific component classifications in Section 4 or establish the amount of any broader cost pool that is allocable or not allocable to the contract cities.

The Recommended Budget does not provide a complete reconciliation between the costs eliminated, reduced, or reassigned under the no-contract scenario and each cost pool included in the County's FY 2026-27 contract proposal. It therefore does not establish the precise amount of each broader support pool attributable to the city contracts and does not resolve the limitations identified in Section 4 for cost pools that continue to include mixed, baseline, countywide, custody-related, or otherwise insufficiently segregated components.

Government Code section 51350 provides "A county which provides services through its appropriate departments, boards, commissions, officers or employees, to any city pursuant to contract or as authorized by law, shall charge the city all those costs which are incurred in providing the services so contracted or authorized. A county shall not charge a city contracting for a particular service, either as a direct or an indirect overhead charge, any portion of those costs which are attributable to services made available to all portions of the county, as determined by resolution of the board of supervisors, or which are general overhead costs of operation of the county government. General overhead costs, for the purpose of this section, are those costs which a county would incur regardless of whether or not it provided a service under contract to a city.

Any determination of general overhead costs shall be subject to court review as to the reasonableness of such determination."

Observation: The Recommended Budget provides a separate County-developed source of information regarding how the County expects its staffing and operating costs to change if the West Valley city contracts are discontinued. It is consistent with the report's observations that direct West Valley staffing and specifically identified operational and support resources are associated with the city contracts, and it identifies reductions in several broader support functions under the no-contract scenario. However, because the Recommended Budget does not reconcile those reductions to each cost pool in the FY 2026-27 contract proposal, it is most informative as corroborating evidence of cost behavior and contract-related activity rather than as a standalone calculation of the amount attributable to the contract cities. The absence of a reconciliation supports the classification of the **$10,667,109** in overhead costs as non-allocable, as these costs were not reduced or eliminated in the Recommended Budget. This demonstrates that the costs continue to be incurred regardless of the contract and therefore do not represent costs attributable to, or caused by, the services provided to the cities.

Additional Sources/References:

- Los Angeles County Sheriff's Department FY 2025-2029 Boilerplate Agreement for Contract Cities Approved by the Board of Supervisors
- Law Enforcement Services Agreement between the City of Lake Forest and the County of Orange
- Law Enforcement Services Agreement between the City of Santa Margarita and the County of Orange
- Law Enforcement Services Agreement between the City of West Hollywood and the County of Los Angeles
- Law Enforcement Services Agreement between the City of San Carlos and the County of San Mateo
- Law Enforcement Services Agreement between the Town of Woodside and the County of San Mateo
- City of Diamond Bar, CA FY 2026-27 Budget
- City of West Hollywood, CA FY 26-27 Budget
- City of Encinitas, CA FY 26-27 Budget
- 2026-2027 Portola Valley Budget