



Staff Report

Finance and IT Services

Report To: Committee of The Whole
Meeting Date: October 23, 2017
Report Number: FAF.17.121
Subject: 2018 OPP Billing Statement
Prepared by: Ruth Prince, Director of Finance and IT Services

A. Recommendations

THAT Council receive Staff Report FAF.17.121, entitled “2018 OPP Billing Statement”; and
THAT Council approve the 2018 OPP Billing Statement in the amount of \$2,678,848.

B. Overview

This report describes the 2018 OPP Billing costs with comparative information for 2017. The 2018 OPP Billing Costs includes 2015 and 2016 year-end reconciliations.

C. Background

At the December 8, 2014 Committee of the Whole, Staff Report CAO.14.15 was presented and the following resolution was subsequently adopted by Council on December 15, 2014:

Moved by: R.J. Gamble Seconded by: Gail Ardiel

THAT Council receive Staff Report CAO.14.15, entitled “New OPP Contract” for information purposes;

AND THAT, subject to review and approval by the Town’s CAO, Acting Director of Finance & IT, and Town solicitor, Council authorize the Mayor and Clerk to enter into a new contract with the Ontario Provincial Police for policing service as outlined in the “2015 Municipal Billing Statement – Ontario Provincial Police”, dated September 29, 2014, with the exception that the 0.44 Part Time Constable position be removed from the complement;

AND THAT such contract be substantially in the form as per Appendix “B” to Report CAO.14.15, and the term of the contract be for a period of six (6) years, beginning January 1, 2015, Carried.

Appended to the report is the Town’s “2018 Municipal Policing Billing Statement – Ontario Provincial Police (OPP)”, which provides and explains what the Town’s OPP billing and costs for policing will be in 2018 (Attachment 1).

New for the 2018 billing statement is the final year end reconciliations for 2015 and 2016. The final cost adjustments calculated as a result of the 2015 and 2016 annual reconciliations have resulted in credits in the amount of \$51,043 for 2015 and \$37,910 for 2016. This has reduced the 2018 billing amount by a total of \$88,953. The current uniform and civilian collective agreements are in effect for years 2015 through 2018 and the rate increases have been incorporated into the 2018 Annual Billing Statement.

D. Analysis

2017 was the third year in which the new OPP billing model took effect. The information below provides a comparative between the 2017 and the 2018 costs.

Base Service

Base Service includes costs related to proactive policing, such as: routine patrols, crime prevention, training, administration, etc., and is based on a rolling 4-year average.

The total, province-wide costs of providing these base services is totaled and then divided by the total number of OPP-Policed Municipal properties to arrive at a provincial Base Service Cost per property. The formula below shows the calculation for the Base Service Cost per property:

$$\begin{array}{r} \text{Total 2018 Municipal Base Service Cost} \\ \div \text{Total Number of Municipal OPP-Policed properties} \\ = \text{Base Service Cost per property} \end{array}$$

OR

2018	2017
\$217,555,182	\$217,563,747
\div <u>1,136,933</u>	\div <u>1,134,106</u>
= \$191.35	= \$191.84

An individual municipality's base cost is calculated by multiplying the "Base Service Cost per property" by the total number of properties in that municipality. For The Blue Mountains, there are 8,104 properties (based on MPAC 2016 year end property counts for 2017 taxation and finance staff have verified the MPAC numbers used.) In 2017 the property count used was 7,808. The following shows the Town's 2018 Base Service cost, with 2017 as a comparator.

2018	2017
\$191.35	\$191.84
\times <u>8,104</u>	\times <u>7,808</u>
= \$1,550,700	= \$1,497,887

Calls for Service

The province-wide costs for service is totaled (based on a 4-year rolling average cost). An individual municipality's "Calls for Service" cost is calculated by multiplying the provincial total by the percentage that municipality's calls for service represents of the total provincial calls.

$$\begin{array}{r} \text{Total Provincial "Calls for Service Cost"} \\ \times \text{ The Blue Mountains \% of Total Provincial Calls for Service} \\ = \text{ The Blue Mountains 2018 Calls for Service Cost} \end{array}$$

OR

2018	2017
\$150,757,055	\$148,109,469
x 0.4650	x 0.4732
= \$700,946	= \$700,880

Additional Costs

Overtime – Municipalities are to be billed for overtime resulting from occurrences within the municipality, and a portion of time that is not linked specifically to occurrences within the municipality (i.e. training). Based on average overtime activity in 2013, 2014, 2015, 2016 the Town’s 2018 overtime billing is \$87,523 (2017 - \$94,241).

Contract Enhancements – Enhancements are services provided to the municipality over and above what the OPP determines is the minimum required to provide adequate and effective policing service to the municipality. The Blue Mountains currently receives the following contract enhancements, at an anticipated 2018 cost of \$424,512 (2017 - \$419,496):

- One additional Sergeant (Community Liaison)
- One additional Constable (Crime Prevention)
- Detachment Admin Clerk (Staff at Thornbury Station)

Prisoner Transportation – Calculated based on 2016 activities, a per-property cost of \$2.19 (2017 - \$2.30). The Blue Mountains 2018 prisoner transportation cost is 8,104 x \$2.19 = \$17,748 (2017 - \$17,958).

Court Security and Prisoner Transportation Grant – In 2017, the OPP issued credits to municipalities related to the above grant. In 2017, this grant was in the amount of \$12,379. The 2018 municipal grant allocations is \$13,628.

The table below summarizes the year over year costs:

	2018	2017
Base Service	\$ 1,550,700	\$ 1,497,887
Calls for Service	\$ 700,946	\$ 700,880
Overtime	\$ 87,523	\$ 94,241
Enhancements	\$ 424,512	\$ 419,496
Prisoner Transport	\$ 17,748	\$ 17,958
Court Security Grant	\$ (13,628)	\$ (12,379)
2015 Year-End Adjustment	\$ (51,043)	\$ 0
2016 Year-End Adjustment	\$ (37,910)	\$ 0
Total	\$ 2,678,848	\$ 2,718,083

In 2015, the Town entered into an Agreement for the Provisions of Police Services under Section 10 of the Police Services Act, R.S.O. 1990, c P.15., which states the following:

Cost of Police Services

15. (a) On or before October 1st in each year, Ontario shall prepare and deliver to the Board for review and to the Municipality for review and approval, the Annual Billing Statement for the following year (Schedule "C"), together with sufficient documentation and information reasonably necessary to explain and support the billing.
- (b) The Municipality shall review the Annual Billing Statement upon receipt and, within 90 days of such receipt, shall approve the Annual Billing Statement or deliver to Ontario a request to review the Annual Billing Statement.

Staff have reviewed the 2018 Annual Billing Statement and are satisfied with the billing statement.

E. The Blue Mountains' Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

None.

G. Financial Impact

For the 2018 billing year, the OPP Billing statement will result in a cost of \$2,678,848 for the same level of service that the Town currently receives. This represents a decrease of \$26,073 for the 2018 Budget. The decrease is due to the 2015 and 2016 year-end adjustments.

The following chart illustrates the breakdown of estimated policing costs for 2015 and 2016 and compares it to the actual policing costs for 2015 and 2016.

	2016 Actual	2016 Estimated	2016 Difference	2015 Actual	2015 Estimated	2015 Difference
Base Service	\$ 1,500,052	\$ 1,495,718	\$ 4,334	\$ 1,500,396	\$ 1,497,413	\$ 2,983
Calls for Service	\$ 691,908	\$ 691,069	\$ 839	\$ 698,397	\$ 697,980	\$ 417
Overtime	\$ 75,993	\$ 96,920	\$ (20,927)	\$ 75,336	\$ 88,537	\$ (13,201)
Enhancements	\$ 390,112	\$ 411,649	\$ (21,537)	\$ 363,091	\$ 401,420	\$ (38,329)
Prisoner Transport	\$ 16,424	\$ 17,043	\$ (619)	\$ 15,085	\$ 17,998	\$ (2,913)
Total	\$ 2,674,489	\$ 2,712,399	\$ (37,910)	\$ 2,652,305	\$ 2,703,348	\$ (51,043)

H. In consultation with

Shawn Everitt, Acting Chief Administrative Officer

I. Attached

1. O.P.P. Annual Billing Statement

Respectfully Submitted,

Ruth Prince
Director of Finance and IT Services

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