



Staff Report

Finance and IT Services

Report To: Committee of The Whole
Meeting Date: October 24, 2016
Report Number: FAF.16.94
Subject: 2017 OPP Billing Statement
Prepared by: Ruth Prince, Director of Finance and IT Services

A. Recommendations

THAT Council receive Staff Report FAF.16.94, entitled “2017 OPP Billing Statement”; and
THAT Council approve the 2017 OPP Billing Statement in the amount of \$2,730,462.

B. Overview

This report describes the 2017 OPP Billing costs with comparative information for 2016.

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 “2017 Municipal Policing Billing Statement – Ontario Provincial Police (OPP)”, which provides and explains what the Town’s 2017 OPP billing and costs for policing (Attachment 1).

D. Analysis

2016 was the second year in which the new OPP billing model took effect. The information below provides a comparative between the 2016 and the 2017 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 has been 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:

$$\begin{array}{r} \text{Total 2017 Municipal Base Service Cost} \\ \div \text{Total Number of Municipal OPP-Policed properties} \\ = \text{Base Service Cost per property} \end{array}$$

OR

2017	2016
\$217,563,747	\$217,937,933
÷ 1,134,106	÷ 1,128,798
= \$191.84	= \$193.07

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 7,808 properties (based on MPAC 2015 year end property counts for 2016 taxation and finance staff have verified the MPAC numbers used.) In 2016 the property count used was 7,747. The following shows the Town's 2017 Base Service cost, with 2016 as a comparator.

2017	2016
\$191.84	\$193.07
x 7,808	x 7,747
= \$1,497,887	= \$1,495,713

Calls for Service

The province-wide costs for service has been 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.

$$\begin{array}{r} \text{Total 2016 Provincial "Calls for Service Cost"} \\ \times \text{ The Blue Mountains \% of Total Provincial Calls for Service} \\ \hline = \text{ The Blue Mountains Calls for Service Cost} \end{array}$$

OR

2017	2016
\$148,109,469	\$143,818,773
<u>x 0.4732</u>	<u>x 0.4805</u>
= \$700,880	= \$691,069

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 2012, 2013, 2014, 2015 the Town’s 2017 overtime billing is \$94,241 (2016 - \$96,920).

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 2017 cost of \$419,496 (2016 - \$411,649):

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

Prisoner Transportation – Calculated based on 2015 activities, a per-property cost of \$2.30 (2016 - \$2.20). The Blue Mountains 2017 prisoner transportation cost is 7,808 x \$2.30 = \$17,958 (2016 - \$17,043).

Court Security and Prisoner Transportation Grant – In 2015, the OPP issued credits to municipalities related to the above grant. In 2016, this grant was in the amount of \$8,007. 2017 municipal grant allocations had not been finalized at the time of the 2017 annual billing statement. Municipalities will be notified of their 2017 grant allocation in the fall of 2016 and the 2017 grant will be credited in 2017.

The table below summarizes the year over year costs:

	2017	2016
Base Service	\$ 1,497,887	\$ 1,495,713
Calls for Service	\$ 700,880	\$ 691,069
Overtime	\$ 94,241	\$ 96,920
Enhancements	\$ 419,496	\$ 411,649
Prisoner Transport	\$ 17,958	\$ 17,043
Court Security Grant	\$ 0	\$ (8,007)
Total	\$ 2,730,462	\$ 2,704,387

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 2017 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 2017 billing year, the OPP Billing statement will result in a cost of \$2,730,462 for the same level of service that the Town currently receives. This represents an increase of \$18,067 for the 2017 Budget.

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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