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STAFF REPORT: Finance & IT Services



REPORT TO: Committee of the Whole
MEETING DATE: April 7, 2014
REPORT NO.: FIT.14.22
SUBJECT: 2013 Reconciled Contract Policing Costs
PREPARED BY: Robert Cummings, CMA
 Director of Finance & IT Services

A. Recommendations

THAT Council receive Staff Report FIT.14.22, “2013 Reconciled Contract Policing Costs” for information purposes; and

THAT Council approve the allocation of the 2013 year end credit of \$159,599 to the Police Reserve to reduce the financial impact of future policing costs.

B. Background

In 2013, the Town used 2,053 less policing hours than was budgeted or contracted. Finance staff reported on policing hours monthly throughout 2013. As part of the reporting, staff informed Council that the OPP does perform a year end reconciliation based on the difference in hours contracted compared to hours worked in our municipality. As a result of that reconciliation, it would be likely that the Town would see a credit for police services at some point in March 2014.

On March 20, 2014, the Town received correspondence on the 2013 Reconciled Contract Policing Costs. The correspondence notes that the Town will receive a final year end reconciliation amount of \$159,599 for 2013. This amount represents the difference in the billed amount and the actual costs billed to the Town.

During the 2014 Budget process, staff advised that, in an effort to reduce the annual financial impact of the new OPP policing contract, some of the Police reserves be drawn on over the next 3 years until general tax revenue could pay for the new policing contract costs. At the end of 2013, the Police Reserve had a balance of \$332,906. The 2014 Budget included \$195,000 from this reserve to reduce the annual financial impact of the new OPP contract. The use of this reserve adjusted the tax impact of the new contract from a 14% increase in 2014 to a 4.9% increase.

Staff recommends transferring the 2013 reconciled cost savings to the Police Reserve in order to reduce the financial impact of future policing costs in 2015 and beyond. This will maintain the increase to policing costs below 5% over the next 3 years given the current contract.

C. The Blue Mountains' Strategic Plan

Allocating the 2013 year end credit of \$159,599 to the Police Reserve supports the Town's Strategic Action #5; "Ensuring long-term financial sustainability."

D. Environmental Impacts

None.

E. Financial Impact

The Town will receive a final year end reconciliation amount of \$159,599 for 2013. This will assist future policing budgets.

F. In Consultation With

Troy Speck, CAO
Finance Staff

G. Attached

None.

Respectfully submitted,

Robert Cummings
Robert Cummings, CMA
Director of Finance & IT Services

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