



Town of Midland OPP Costing Exercise

Public Information Sessions
August 23, 2017



Midland Council's Strategic Priorities

Fiscal Responsibility & Cost Containment

- Completion of OPP Costing Exercise

Organizational Excellence

- Service Delivery Review

Why is Midland considering OPP?

Council - Municipal Service Delivery Review:

1. Deliver our municipal services in an efficient and effective manner;
2. To ensure we are meeting our legislative obligations;
3. To ensure that we are adequately resourced to meet residents' expectations;
4. Where appropriate, to look at alternative models and develop partnerships in service delivery.

History of the OPP Costing Process

- 2013 (June) – Council adopted a formal resolution for an OPP Costing.
- 2013 (October) - Province announced a moratorium on the OPP Costing process in order to undertake the broader examination of the Provincial OPP Billing Process.

History of the OPP Costing Process

- 2014 (August) – Province announces the new OPP Billing Model.
- 2014 (September) - Town of Midland requests that the OPP Costing exercise started in 2013 be restarted.
- 2014 (September) – Province indicates that the new Billing Model to be in effect January 2015, and anticipate the moratorium would be lifted in the Summer of 2015.

History of the OPP Costing Process

- 2015 (November) – Province announces the moratorium for OPP costing was lifted.
- 2015 (December) - Town of Midland Council unanimously reaffirms the 2013 request for the OPP Costing.
- 2016 (January) – OPP confirm that they are re-engaging in the Costing exercise for Midland.

History of the OPP Costing Process

- 2016 (February) – Council strikes an Ad-Hoc OPP Costing Committee.
- 2016 (May) – Town issued a Request for Proposals to secure independent consulting services to support the OPP Costing process.
- 2016 (June) – Town selects Asymmetric Consulting Inc. to conduct the independent OPP Costing review.



History of the OPP Costing Process

- 2017 (February) – OPP make a formal public presentation of the costing details at a special Council Meeting.
- 2017 (February) – Commencement of the evaluation process (re: MPS/OPP Services) work of both Consultants and Costing Committee.

History of the OPP Costing Process

- 2017 (June) – The OPP were requested to, and approved an extension of the decision date by one month.
- 2017 (July) – Completion of analysis and subsequent presentation of Consultant's report to Council.

Next Steps

- 2017 (August) – Public Information Sessions.
- 2017 (September) Special Council Meeting to make a decision on the OPP Costing Proposal.



The Town of Midland

Contract Policing Proposal

Prepared by: Linda Davis
Ontario Provincial Police
Municipal Policing Bureau

Date: February 08, 2017



OPP Costing – KEY POINTS

- Proposal – based on the level of policing services required to provide adequate and effective policing as set out in Regulation 3/99 of the Police Service Act.
- OPP currently deliver municipal policing to 323 of the 444 Ontario municipalities.

OPP Costing – KEY POINTS

- The OPP Costing Proposal is a Transition Contract and provides for a 3+ year agreement.
- After the transition contract the Town would fall into the OPP Billing Model which uses a different approach than the transition contract for allocation of costs.

Transition Contract - Staffing

Position	OPP
Detachment Commander	0.33
-	-
Staff Sergeant	1
Sergeant	4
Constables	21
Other Uniform	*2
Court Officers	5
Admin Clerks	2
-	-
-	-
Total OPP	35.33



Transition Contract - Staffing

Position	OPP	MPS	Position
Detachment Commander	0.33	1	Chief
-	-	1	Inspector
Staff Sergeant	1	1	Staff Sergeant
Sergeant	4	4	Sergeant
Constables	21	17	Constables
Other Uniform	*2	-	-
Court Officers	5	3.42	Court Officers
Admin Clerks	2	2.38	Admin Clerks
-	-	2	IT Staff
-	-	0.58	Custodians
Total OPP	35.33	32.38	Total MPS

**In the event that the Police Chief and Inspector do not transition to the OPP, the transition contract will be adjusted accordingly to reflect that fact.*



OPP Costing Details

YEAR ONE	OPP COSTS		MPS COSTS
2018 (Base)	\$ 4,733,509	2018 (Base)	\$ 4,716,078
One time capital start-up and facility costs	<u>840,235</u>	Capital Budget	<u>224,426</u>
Subtotal	\$ 5,573,744		\$ 4,940,504
One time employment adjustment costs	<u>528,884</u>		
TOTAL	\$ 6,102,628		



3-Year Transition Contract

		2018	2019	2020
MPS	OPERATING	\$4,716,078	\$5,021,246	\$5,103,695
	CAPITAL	\$224,426	\$ 263,615	\$ 160,867
	TOTAL	\$4,940,504	\$5,284,861	\$5,264,562
OPP	OPERATING	\$4,733,509	\$4,842,274	\$4,897,492
	CAPITAL	\$ 840,235	\$ 10,404	\$ 10,612
	START-UP	\$ 528,884		
	TOTAL	\$6,102,628	\$4,852,678	\$4,908,104



OPP Billing Model (after Year 3)

- The OPP and the Province engaged in extensive consultations with the Association of Municipalities of Ontario during the development of the new Billing Model.
- The new Billing Model was implemented in 2015.

OPP Billing Model



Ontario Provincial Police

2016 OPP Municipal Cost Recovery

- The billing model is provincially focused and divides the majority of municipal policing costs into two categories.

Base Service

Allocate among municipalities on an equal per property basis
(households plus commercial and industrial properties)

- Legislated activities (e.g., crime prevention, officer availability to respond to emergency calls for service 24 hours a day, general and directed patrol, victim assistance, etc.)
- Proactive policing (e.g., RIDE, traffic safety, community policing, intelligence gathering etc.)
- Officer training and administrative duties
- All Inspector and Staff Sergeant positions

+

Calls for Service

Allocate the costs to municipalities based on their individual usage level.

- Crime calls (assaults, break & enter, mischief, drug offences, etc.)
- Provincial Statutes (Mental Health Act, Trespass to Property Act, landlord/tenant disputes, etc.)
- Motor vehicle collisions (property damage, personal injury, fatal, etc.)
- General calls for service (false alarms, lost property, missing person, etc.)
- Does not include incidents normally generated through proactive policing

Additional Costs

Municipalities billed on their specific usage:

Overtime Court security Cleaning/Caretakers

Accommodations Enhancements Prisoner Transportation*

* Prisoner transportation cost is allocated to all municipalities on an equal per property basis.



OPP Billing Model



Ontario Provincial Police

Billing Model - 2017

OPP TOTAL BASE SERVICES AND CALLS FOR SERVICE COST - 2017							
Salaries and Benefits				Total Base Services & Calls for Service	Base Services	Calls for Service	
	Note 1	FTE	Base %	\$/FTE	\$	\$	\$
Uniform Members							
Inspector		24.67	100.0	151,777	3,744,339	3,744,339	-
Staff Sergeant-Detachment Commander		13.62	100.0	136,871	1,864,183	1,864,183	-
Staff Sergeant		28.71	100.0	127,184	3,661,463	3,661,463	-
Sergeant		224.94	57.9	115,066	25,868,966	14,977,860	10,891,106
Constables		1,867.96	57.9	97,360	181,846,906	105,288,893	76,557,014
Part Time Constables		6.01	57.9	77,449	465,468	269,523	195,946
Total Uniform Salaries		2,165.81		100,397	217,440,315	129,796,249	87,644,066
Benefits / Contractual Payouts / Shift Premium					69,179,922	41,167,440	28,012,482
Total Uniform Salaries & Benefits					286,620,237	170,963,689	115,656,548
Detachment Civilian Members	Note 1						
Total Detachment Civilian Salaries		189.10			11,967,119	6,928,395	5,038,723
Benefits (25.92% of Salaries)					3,101,877	1,795,840	1,306,037
Total Detachment Civilian Salaries & Benefits					15,068,996	8,724,235	6,344,761
Support Staff (Salaries and Benefits)	Note 2						
Communication Operators					13,038,176	7,718,904	5,319,272
Prisoner Guards					3,324,518	1,968,192	1,356,326
Office Automation Support					1,156,543	694,700	471,842
Telephone Support					259,897	153,865	106,032
Operational Support					9,213,356	5,454,521	3,758,834
Total Support Staff Salaries and Benefits Costs					26,992,490	15,990,183	11,012,307
Total Salaries & Benefits					328,681,723	196,688,108	133,013,615
Other Direct Operating Expenses	Note 2						
Communication Center		223			482,976	285,933	197,043
Operational Support		758			1,641,684	971,915	669,769
RHQ Municipal Support		2,290			4,959,705	2,936,261	2,023,444
Vehicle Usage		7,896			17,101,236	10,124,330	6,976,906
Telephone		1,228			2,669,615	1,574,554	1,085,061
Detachment Supplies		503			1,069,402	644,952	444,451
Uniform & Equipment		1,735			3,768,108	2,230,672	1,537,436
Mobile Radio Equipment Maintenance		845			1,835,188	1,086,408	748,780
Office Automation - Uniform		1,454			3,149,088	1,864,333	1,284,754
Office Automation - Civilian		1,485			280,814	162,578	118,236
Uniform & Equipment Court officer		741			11,063	6,402	4,661
Mobile Radio Equipment Maintenance Court Officer		845			12,616	7,301	5,315
Total Other Direct Operating Expenses					36,991,493	21,895,639	15,095,854
Total 2017 Municipal Base Services and Calls for Service Cost					\$ 365,673,216	\$ 217,563,747	\$ 148,109,469
Total OPP-Policed Municipal Properties						1,134,106	
BASE SERVICES COST PER PROPERTY						\$191.84	

Except from OPP Billing Model Overview Jan. 2017 (p.16)



OPP Billing Model



Ontario Provincial Police

Billing Model - Calls for Service

- Calls for Service costs represent costs related to reactive policing services that usually require a police officer's attendance. Municipalities will be billed for the actual number and type of reactive calls for service.
- A municipality pays a proportionate share of the total municipal reactive calls for service costs.
- A municipality's proportionate share of the costs is based on time standards applied to their four-year average calls for service to determine their total weighted hours of calls for service.

2017 TIME STANDARDS (4 year average (2012-2015))

ROW LABELS	TOTAL TIME	CFS COUNT	AVERAGE INCIDENT TIME
Drug Possession	92,667	15,064	6.2
DRUGS	277,684	8,188	33.9
OPERATIONAL	1,099,220	319,042	3.4
OPERATIONAL 2	308,264	264,891	1.2
OTHER CRIMINAL CODE VIOLATIONS (EXCLUDING TRAFFIC)	424,559	56,008	7.6
PROPERTY CRIME VIOLATIONS	1,201,075	180,286	6.7
SECURITY DETAIL	12,534	1,479	8.5
STATUTES	481,402	155,466	3.1
TRAFFIC	557,070	165,410	3.4
VIOLENT CRIMINAL CODE	1,252,022	83,187	15.1
Grand Total	5,706,496	1,249,021	4.6

Except from OPP Billing Model Overview Jan. 2017 (p.18)



OPP Billing Model

ADDITIONAL COSTS

- **OVERTIME** : These include any overtime costs (but not for O/T incurred on Provincial Obligations).
- **COURT SECURITY**: Municipality will continue to be responsible for Court Security Costs.
- **PRISONER TRANSPORT**: Allocation of the cost redistributed on an equal per property basis.

OPP Billing Model

- FACILITY – Maintenance and cleaning remain municipal cost.
- DEDICATED SERVICE ENHANCEMENTS – Where services are requested above the standard levels these costs are directly attributed back to the municipality.

Midland 2021 – OPP Billing Model

- BASE SERVICE = \$191.84/Property
 - Midland \$192 x 8340 (properties)= **\$1,601,280**
 - CALLS FOR SERVICE (MPS Data) = **\$2,437,430**
 - ADDITIONAL COSTS
 - Overtime \$155,308
 - Court Security \$194,340
 - Prisoner Tran. \$ 43,471
- TOTAL** **\$4,431,829**



Midland 2021 – OPP Billing Model

	TOTAL	\$4,431,829
Other Adjustments:		
Court Security Grant (est.)		\$ (380,505)
Building Maint. & Capital	+	\$ 64,245
Police Services Board	+	<u>\$ 74,824</u>
	TOTAL	<u>\$ 4,190,393</u>

Other Tangible Impacts:

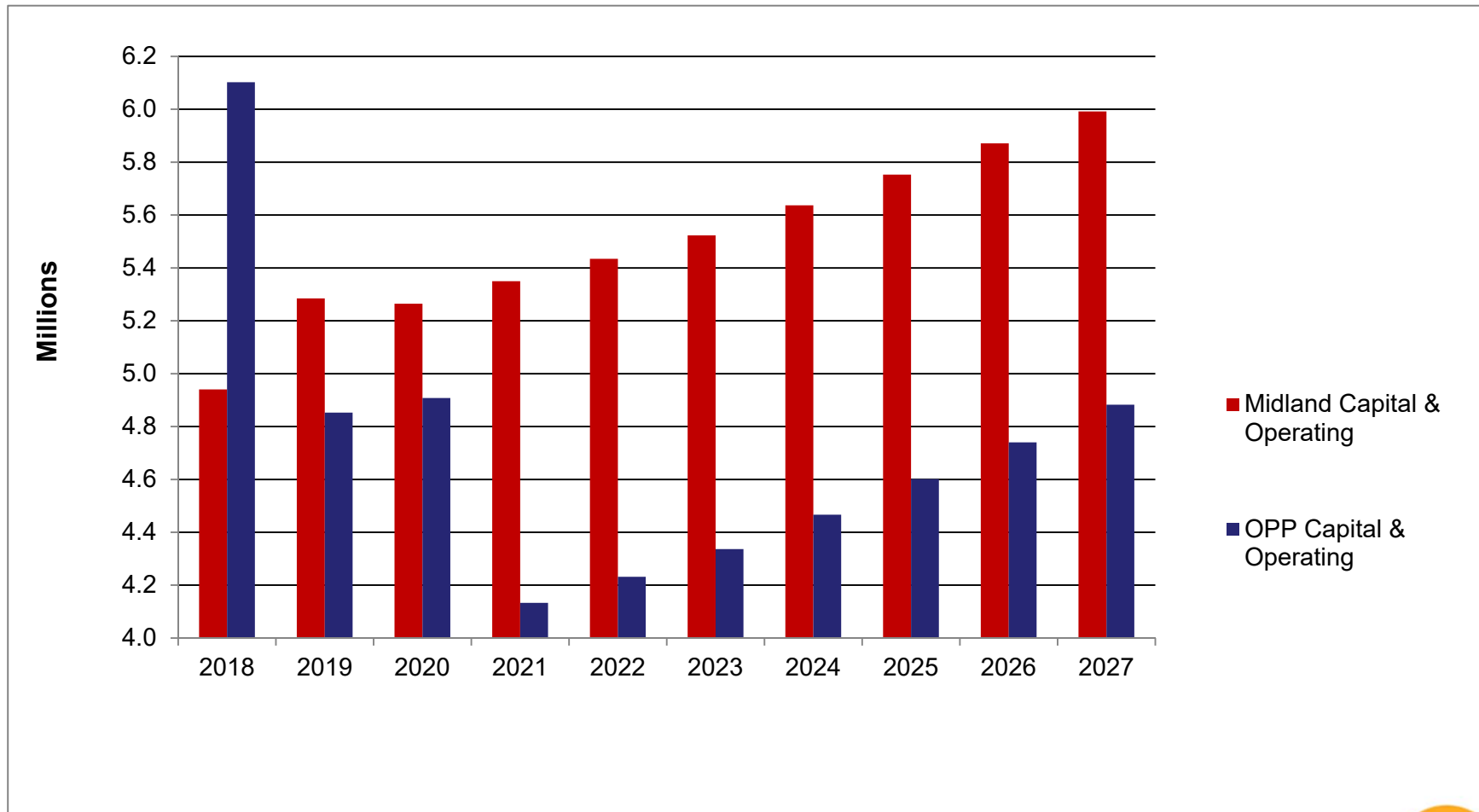
\$8,099 loss in Town servicing (vehicles)

\$65,594 gain (internal staff time supporting MPS)



10-Year Projection

10-Year Capital and Operating Costs

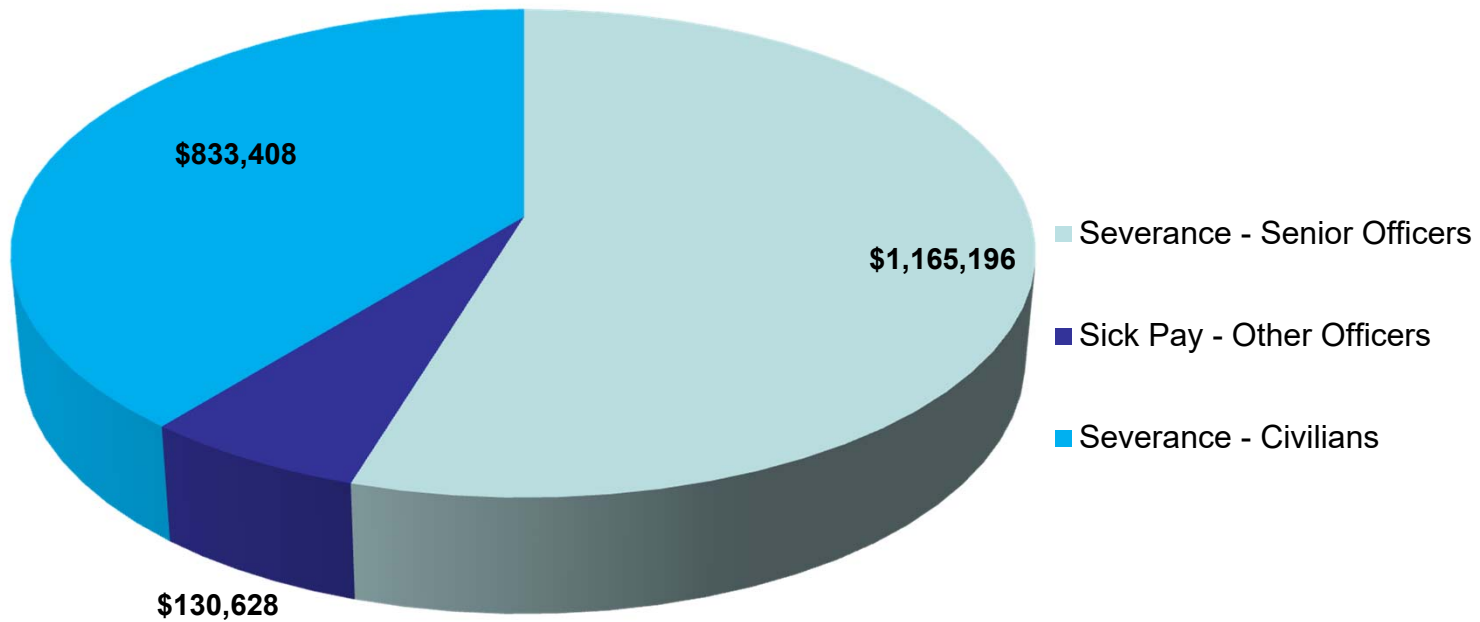


Cumulative Savings over 10 Years

Year	Annual Difference (MPS vs OPP)	Cumulative Savings
2018	- \$ 1,161,924	- \$1,161,924
2019	\$ 432,182	- \$ 729,742
2020	\$ 356,458	- \$ 373,284
2021	\$1,216,843	\$ 843,559
2022	\$1,202,672	\$2,046,231
2023	\$1,186,780	\$3,233,012
2024	\$1,170,004	\$4,403,015
2025	\$1,151,381	\$5,554,396
2026	\$1,131,145	\$6,685,541
2027	\$1,109,227	\$7,794,768



One-Time Exit Costs – \$2.13 M



Funding of One-Time Costs

- A separate report will be prepared for Council and its consideration on September 6, 2017;
- Utilize existing reserves (MPS and Town);
- Continue to Budget the MPS amount and re-coup the expenditure over time;
- Objective is to retire the amount by the end of the Council Term in 2021.



Conclusions

- Based upon the evaluation process the indication is the Town of Midland would realize a significant financial benefit to accepting an OPP Municipal Policing option.
- There is no indication the Town of Midland would “suffer any degradation in policing”.