

2019 OPP Municipal Policing Billing General Information

(Costs recovered under the OPP Billing Model)

This summary provides an overview of specific costs recovered by the OPP in the 2019 cost-recovery from municipalities subject to the OPP Billing Model.

Municipal Base Services and Calls for Service Costs

The Base Services and Calls for Service costs are the calculated costs of OPP members providing municipal policing services. The costs are determined based on the staffing in detachments and the municipal policing activities performed. Statistical analysis of activity in all applicable detachments is used to determine the municipal policing workload allocation of all detachment-based staff as well as the allocation of the municipal workload between base services and calls for service activity. For 2019 billing purposes the allocation of the municipal workload has been calculated to be 56.2% Base Services and 43.8% Calls for Service. The total 2019 Base Services and Calls for Service cost calculation is detailed on the *Base Services and Calls for Service Cost Summary* included in the annual billing package.

Base Services

The Base Services costs represent municipal costs related to proactive policing services such as routine patrols, crime prevention, RIDE programs, etc. and additional activities such as training, administration, etc. The cost to each municipality is determined by the number of properties in the municipality and the standard province-wide average cost per property. The number of municipal properties is determined based on MPAC data. Information on the property count definition is attached to this summary for your reference, see Appendix A. The calculation of the standard province-wide base cost per property is detailed on *Base Services and Calls for Service Cost Summary* included in the annual billing package.

Calls for Service

The Calls for Service costs represent the municipal costs related to policing services that are typically reactive in nature and usually require a police officer's attendance. A municipality pays a proportionate share of the total cost of municipal calls for service costs calculated for the province. A municipality's proportionate share of the costs is based on weighted time standards applied to the historical calls for service. The municipality's total weighted time is calculated as a percentage of the total of all municipalities. Please refer to Appendix B for a summary of the Calls for Service Billing Workgroups descriptions.

Overtime

Municipalities are billed for overtime resulting from occurrences in their geographic area and a portion of overtime that is not linked specifically to a municipality, such as training. Municipalities are not charged for overtime identified as a provincial responsibility. The overtime activity for the calendar years 2014, 2015, 2016 and 2017 has been analyzed, applying the revised billing methodology, and averaged to estimate the 2019 costs. The costs incorporate the 2019 salary rates and a discount to reflect overtime paid as time in lieu. The overtime costs incurred in servicing detachments for shift shortages have been allocated on a per property basis based on straight time. Please be advised that these costs will be reconciled to actual 2019 hours and applicable salary and benefit rates.

Court Security

Municipalities with court security responsibilities in local courthouses have been billed court security costs based on the cost of the staff in the servicing detachment required to provide designated court security activities. 2019 costs have been based on 2017 security activity and security requirements specified by detachment staff. Please be advised that these costs will be reconciled to actual 2019 hours and applicable salary and benefit rates.

Prisoner Transportation

Prisoner Transport costs have been allocated to municipalities on a per property basis. The total estimated cost of municipal detachment staff providing prisoner transport services across the province has been calculated based on 2017 activities. The standard per property cost was calculated using the total of all OPP-policed municipal properties. Please be advised that these costs will be reconciled to actual 2019 hours and applicable salary and benefit rates.

Accommodation/Cleaning Services

The municipal portion of the cost of provincially-owned detachment facilities has been allocated to municipalities on a per property basis. A standard province-wide rate has been set based on a calculated cost of provincially-owned detachments and the property counts of municipalities requiring detachment facilities. The provincially-owned detachment cost billed to municipalities is based on the number of municipal officers and the per officer cost set in the 2018 Municipal Policing Cost-Recovery Formula.

Cleaning costs have been allocated to municipalities on a per property basis. The cost of the municipal portion of detachment caretakers, garage attendants and cleaning service contracts has been calculated and prorated based on the property counts of municipalities requiring these services.

Phase-in Adjustment

The municipal cost impacts of the OPP Billing Model, implemented in 2015, are being phased-in over a period of five years, 2015 to 2019. The 2019 phase-in adjustment is based on the comparison of the 2019 estimated cost per property to the 2018 estimated cost per property (after phase-in adjustment, if applicable) plus a cost growth amount in accordance with *O. Reg. 267/14* of the *Police Services Act*.

The Cost Growth Amount is calculated for the 2019 municipal FTEs based on the cost difference between the Salary and Benefit Rates, Support Costs and Other Direct Operating Expenses 2018 and 2019 current estimates, in accordance with *O. Reg. 267/14*. For 2019 the Cost Growth Amount is \$10.31 per property.

The table below details the municipal counts of 2019 phase-in adjustments:

2019 vs. 2018 Cost per Property Cap	# of Municipalities
Increase greater than \$40 plus \$10.31 cost growth amount	3
No Cap applied	273
Decrease greater than \$3.05	45

Year-End Adjustments

The 2019 Annual Billing Statement includes the results of the 2017 year-end reconciliation. The total final annual cost adjustments resulting from the reconciliation process are included in the amount of the Grand Total Billing for 2019.

The costs for overtime, contract enhancements, court security and prisoner transportation are reconciled based on the actual staffing resources allocated and the applicable compensation rates for salaries and benefits. Cleaning Service costs are reconciled for applicable salary and benefit rates.

The majority of the Base Services and Calls for Service costs are salary and benefits costs for municipal detachment staff. These costs have been recalculated for 2017 based on the appropriate collective agreement salary rates and benefit rates. The 2017 Annual Billing Statement was issued with estimated rates that varied slightly from the finalized rates. Final rates were not available when the 2017 Annual Billing Statements were issued due to delays in the settlement of collective agreements. In October 2016, an arbitrated settlement was announced and salary rates for 2015 through 2018 were set. Please note that the number of municipal detachment staff FTEs allocated to Base Services and Calls for Service is not revised as part of the reconciliation process of salary and benefit costs.

The Municipal Cost-Recovery Formula per uniform FTE costs included in the 2017 Annual Billing Statement for Support Staff Salaries and Benefits and Other Direct Operating Expenditures are not updated during the reconciliation process to more current rates. Similarly note that the municipal property counts and calls for service activity levels included in the issued Annual Billing Statements remain constant for the reconciliation.

The costs revised during the reconciliation process result in new total annual costs subject to revised phase-in adjustments for capped increases and capped decreases. The 2017 phase-in adjustments are summarized below.

2017 Reconciled vs. 2016 Reconciled Cost per Property Cap	# of Municipalities impacted
Increase greater than \$40 plus \$3.73 growth amount (estimated \$46.98)	56
No Cap applied	255
Decrease greater than \$94.00 (estimated \$89.87)	12

Upon completion of 2019, a reconciliation of municipal costs will be conducted. Overtime, court security, contract enhancements and prisoner transportation costs will be reconciled based on actual 2019 activity. Rates applied in the estimates for salaries, statutory holiday payouts, shift premiums and benefits will be recalculated to account for the difference between estimated and actual rates applicable for the year. The number of municipal detachment FTEs, “base/calls for service” ratio, property counts, municipal calls for service allocation rates, and PSU discounts included in the 2019 billing will remain unchanged. The determination of the final 2019 costs may change the per property growth amount and phase-in caps applied in the issued billing. The capped per property rate may be decreased or increased depending on the final year end status of the costs. Any adjustments required as a result of the recalculation of 2019 costs will be included as a prior year-end adjustment in the 2021 Annual Billing Statement issued in fall 2020.

Court Security and Prisoner Transportation Grant

The Ministry of Community Safety and Correctional Services (MCSCS) had not finalized the 2019 municipal grant allocations at the time the 2019 annual billing statements were prepared and therefore the grant allocation has not been included in the annual billing statements. Court Security and Prisoner Transport (CSPT) costs are partially offset by the grant allocation.

Provincial Service Usage

The billing model recognizes all of the detachments that service municipalities (municipal detachments) as one entity supporting each other with investigations, workload pressures and staffing shortages. Provincial Service Usage (PSU) is generated when officers perform provincially-mandated responsibilities requiring them to work outside the municipal detachments or perform certain specialized duties within detachment areas; for example security for a major event such as the G8/G20 Conference or 2015 Pan Am Games. To acknowledge the deployment of detachment officers for PSU related activities, municipal costs have been discounted. A PSU discount rate is applied to the total municipal policing FTEs to reflect the reduction in service provided to all municipalities. The rate is based on a four-year average of the annual rates calculated for 2014 through 2017. The PSU discount rate applied in 2019 is 3.67%. In total \$14,357,486 (89.03 municipal policing FTEs), has been removed from the costs allocated to municipalities.

Detachment Revenue

Revenue collected at detachments on behalf of municipalities has not been included in the billing statement costs. Any detachment revenue owing to municipalities upon completion of the year will be issued to the municipality through a credit. We anticipate the timing of this to be February or March of the following year.

Municipalities in Group Policing Service Contract Arrangements

Municipalities are allocated police services costs in accordance with their municipal structure and assumed responsibility for policing as dictated by the *Police Service Act* s.4; that is, any lower tier, single tier or regional municipality is billed based on the costs allocated to them. The costs for municipalities who have formed a group OPP Policing Service contract will be the sum of the costs of the individual municipalities and the cost of contract enhancements (if applicable).

The group billed phased-in costs for 2019 is a sum of the individual municipalities in the group.

OPP Municipal Policing Cost-Recovery Summaries

Current data related to cost-recoveries from municipalities subject to the OPP Billing Model are summarized below.

Billing Model Cost (millions)	2019 Estimate	2018 Estimate	2017 Reconciled	2017 Estimate
Base Services	\$216.1	\$217.6	\$215.8	\$217.5
Calls for Service	\$156.8	\$150.8	\$146.8	\$148.1
Overtime	\$11.7	\$11.5	\$12.1	\$12.3
Court Security	\$5.2	\$4.6	\$5.0	\$4.1
Contract Enhancements	\$14.3	\$13.8	\$11.4	\$13.7
Prisoner Transportation	\$2.6	\$2.5	\$2.4	\$2.6
Accommodation/Cleaning	\$4.1	\$4.0	\$4.0	\$4.0
Total Billing Model Municipal Cost-Recovery (excludes cost discounts)	\$410.8	\$404.8	\$397.6	\$402.3
Total Billing Model Municipal Cost-Recovery (net of cost discounts)	\$409.6	\$403.5	\$396.3	\$401.0
Year over Year % Variance	1.5% increase vs 2018 Estimate	1.8% increase vs 2017 Reconciled	1.2% decrease vs 2017 Estimate	
Average Cost Per Property (Billing Model)	\$359	\$355	\$350	\$354
Base Services Cost Per Property	\$189.54	\$191.35	\$190.38	\$191.84

Current data related to the **total** OPP cost-recovery for municipal policing is summarized below.

Total Cost (millions)	2019 Estimate	2018 Estimate	2017 Reconciled	2017 Estimate
Total Billing Model Municipal Cost-Recovery (net of cost discounts)	\$409.6	\$403.5	\$396.3	\$401.0
Amalgamations (post January 1, 2015)	\$6.8	\$5.1	\$0.3	\$0.3
Total Municipal Cost-Recovery (excludes cost discounts)	\$415.9	\$408.6	\$396.6	\$401.3
Year over Year % Variance	1.8% increase vs 2018 Estimate	3.0% increase vs 2017 Reconciled	1.2% decrease vs 2017 Estimate	
Average Cost Per Property (Total OPP Cost-Recovery)	\$358	\$353	\$349	\$353

APPENDIX A

2019 OPP Municipal Policing Billing Property Count Update

2019 Property Count Definitions

The property counts included in the OPP municipal policing bills are comprised of household, commercial and industrial properties. The property counts will be updated annually based on Municipal Property Assessment Corporation (MPAC)¹ data. The counts included in the 2019 OPP municipal billing were based upon 2017 year-end property counts for 2018 taxation.

Households

Household counts are the number of residential units (RU), farmlands on which a farm residence exists (FRU), and seasonal dwelling units (RDU).

Commercial and Industrial Properties

Commercial and Industrial property counts are the number of assessment roll numbers in the commercial and industrial realty tax classes (RTC) detailed in Table A. The count includes the number of commercial and industrial classifications taxed at the fully occupied tax rates (refer to Realty Tax Qualifier (RTC) descriptions in Table B).

Other Property Count Considerations

- Vacant lands, such as vacant farmland, managed forest, municipal parks, conservation lands, and vacant commercial or industrial lands, are not included in the property counts with the exception of those having a residential unit which will be counted in the households count. The 2017 *O.Reg. 267/14* amendment removed Commercial and Industrial counts for these property types.
- As per the 2017 *O.Reg. 267/14* amendment, commercial and industrial property counts do not include properties with structures such as towers, billboards, wind turbines, solar panels, oil or gas wells, international bridges or international tunnels.
- Households, commercial and industrial properties on Canadian Forces Bases (CFB) have been excluded, as CFBs have their own police.
- Property counts have been adjusted for municipalities receiving hybrid (OPP and Municipal police) policing services.
- Timeshares are adjusted in household numbers to count the assessment roll numbers as identified by MPAC Property Codes 385 and 386.

¹ MPAC is responsible for determining assessed values and classifications for all properties in Ontario (<http://www.mpac.ca>).

- There is no distinction made between types of commercial and industrial properties. For example, a single property count would apply to each: a gas station, an office building, or a nightclub.
- Commercial properties with multiple units, such as shopping centres count as a single property, regardless of the number of commercial units. Similarly, a large industrial property with a small commercial unit attached would be counted as a single property.
- A commercial or industrial property with residence or apartment on site (e.g., golf courses with houses, apartments above retail), is included in both the household and commercial/industrial counts. The number of residential units is reflected in the household counts and the commercial/industrial portion counted as a commercial or industrial property.
- A residential property with a commercial or industrial business on site (e.g., residence with a hair salon), is included in both the household and commercial/industrial counts.
- Institutional properties are excluded, with the exception of those with a residential component (e.g. continuum of care seniors facility), which would be captured in the household count and those with a fully taxable commercial/industrial component which would be counted once in the commercial/industrial count.
- Trailers in campgrounds having an RDU unit class are included in the household counts. If the campground has a commercial/industrial portion, the property is also reflected in the commercial/industrial count.

Table A

Realty Tax Class (RTC) Descriptions

Properties with the following RTC are **included** in the count:

RTC Commercial*	RTC Industrial
C - Commercial	I - Industrial
D - Office Buildings	J - New Construction: Industrial
G - Parking Lots	K - New Construction: Large Industrial
Q - Professional Sports Facility	L - Large Industrial
S - Shopping Centre	
X - New Construction: Commercial	
Y - New Construction: Office Building	
Z - New Construction: Shopping Centre	

*Note - O - Condominium resort is excluded; these properties are captured in the household counts.

Table B

Realty Tax Qualifier (RTQs) Descriptions

Please note in the tables below the abbreviation P.I.L. represents Payment-in-Lieu of taxes.

INCLUDED - Properties with the following RTQ are taxed as fully occupied and are **included** in the count, provided that they fall within one of the RTC categories outlined in Table A:

RTQ	DESCRIPTION
C	Lower-tier & Education Only
D	Taxable for School Taxes only.
F	Exempt from taxation, but eligible for P.I.L. at the full rate.
G	Exempt from taxation, but eligible for P.I.L. at the general rate only (No School Taxes).
H	Taxable, Shared as if a P.I.L.
I	Water Intake System, Shared P.I.L.
L	Upper Tier & Education Only
M	Taxable at the General rate (No School rates).
N	Non-Generating Station, Shared P.I.L.
P	Taxable tenant of Provincially owned property, subject to P.I.L. at the full rate.
S	Generating Station, Shared P.I.L.
T	Taxable at the full rate.

Table B (cont'd)

EXCLUDED - Properties with the following RTQ are **excluded** from the count:

RTQ	DESCRIPTION
1	Taxable at the Farmland Awaiting Development- Phase 1 rate (Registered Plan Stage).
2	Exempt from taxation, but eligible for P.I.L. of taxes at the Farmland Awaiting Development- Phase 1 rate (Registered Plan Stage).
3	Exempt from taxation, but eligible for P.I.L. of taxes at the General Farmland Awaiting Development- Phase 1 rate (No School Rates) (Registered Plan Stage).
4	Taxable at the Farmland Awaiting Development- Phase II rate (Building Permit Stage).
5	Exempt from taxation, but eligible for P.I.L. at the Farmland Awaiting Development- Phase II rate (Building Permit Stage).
6	Exempt from taxation, but eligible for P.I.L. at the General Farmland Awaiting Development- Phase II rate (No School Rates) (Building Permit Stage).
A	Taxable at the General Vacant Land rate (No School Taxes).
B	Taxable at the General Excess Land rate (No School Rates).
E	Exempt
J	Taxable at Vacant Land rate, shared as if a P.I.L. (not a P.I.L. but shared as if it was).
K	Taxable at Excess Land rate, shared as if a P.I.L.
Q	Taxable tenant of Provincially owned property at Excess Land rate, subject to P.I.L. at the full rate.
R	P.I.L.: Full Vacant Land, Taxable Tenant of Province
U	Taxable at the Excess Land rate.
V	Exempt from taxation, but eligible for P.I.L. at the Excess Land rate.
W	Exempt from taxation, but eligible for P.I.L. at the General Excess Land Rate (No School Rates).
X	Taxable at the Vacant Land rate.
Y	Exempt from taxation, but eligible for P.I.L. of taxes at the Vacant Land rate.
Z	Exempt from taxation, but eligible for P.I.L. at the General Vacant Land Rate (No School Rates).

APPENDIX B

Summary of OPP Municipal Policing Calls for Service Billing Workgroups Descriptions

Drugs

Includes trafficking, production, and importation of drugs including marihuana, cocaine, heroin, crystal meth or other controlled substances. It also includes occurrences related to indoor/outdoor grow labs.

Drug Possession

Includes all occurrences where the most serious violation is possession of marihuana, cocaine, heroin, crystal meth or other controlled substances. It also includes other minor drug related offences.

Operational

Operational calls for service are non-criminal events that police attend to. These include animal complaints, non-criminal domestic disturbances, missing persons, noise complaints, property – lost or found, sudden deaths, and assist public calls.

Operational 2

Includes false alarms, keep the peace and 911 calls/911 hang-ups. Due to the higher frequency of these calls, they have been separated out from the 'Operational' category and allocated a lower time standard. Traffic incidents are excluded.

Other Criminal Code Violations

The majority of offences counted in the Other Criminal Code Offences group are criminal offences that are not directed to people or related to property. It is similar to the group that Statistics Canada uses when reporting 'Other Criminal Code'. These include prostitution, offensive weapons, bail violations, counterfeiting, disturb the peace, indecent acts, breach of probation, and bribery.

Property Crime Violations

This category is similar to the group that Statistics Canada uses when reporting 'Property Crimes'. These include arson, break and enter, theft, possession of stolen goods, mischief, identity theft, and some frauds.

Statutes & Acts

Includes provincial statutes, primarily the Mental Health Act, Residential Tenancies Act and Trespass to Property offences. It also includes custody dispute calls.

Traffic

Includes motor vehicle collisions of all severities (property damage, personal injury and fatalities) and road rage incidents reported to police.

Violent Criminal Code

The majority of offences counted in the Violent Criminal Code group are crimes against persons. This category is similar to the group that Statistics Canada uses when reporting 'Violent Crimes'. These include homicides, attempted murders, assaults, threats and robberies.