
HALDIMAND COUNTY

Memorandum CAO-M01-2019 OPP Billing Estimate - 2020

For Consideration by Council in Committee on October 29, 2019



To: Mayor Hewitt and Members of Council
From: Jerri Whiting, Executive Assistant to the CAO

Haldimand County is policed by the Ontario Provincial Police (O.P.P.) under the terms and conditions of a five year Agreement which expires on December 31st, 2022.

As reported in prior years, a significant change in the methodology used for O.P.P. municipal policing cost allocations in the Province of Ontario was implemented in 2015. This methodology focused on the allocation of O.P.P. policing costs through three main categories:

- Base costs (proactive component):
 - cost to “keep the lights on” and ensure the general safety and security of the municipality (adequacy standard)
 - includes: infrastructure, supervision administration and front-line policing (such as patrol, crime prevention, operational, training, and other legislated activities)
 - allocated on a provincial average standard cost per property
 - revised annually
- Calls for service (reactive component):
 - reflects a proportionate share of the Provincial average cost of services that usually require a police officer’s attendance
 - calls for service are classified into 9 major categories, with a significant number of subcategories
 - Provincial average time standards applied to the formula (ie. how long, on average, it should take for the O.P.P. to deal with a particular incident) rather than the actual time spent locally on each call for service
 - more serious calls are given a higher weighting of officer time (ie. drugs, violent crimes)
 - a four year rolling average of actual calls for service within the municipality is calculated
 - each municipality’s share of the calls for service cost component depends on the relative % share of the total O.P.P. calls for service
- Other detachment specific costs as applicable: contract enhancements (only for pre-2015 agreed-to enhancements); overtime (excl. provincial responsibilities); court security; prisoner transportation; and accommodation and cleaning services.

Under the pre-2015 cost allocation methodology, Haldimand’s costs for O.P.P. policing were approximately \$9 million per year. Under the revised methodology, Haldimand’s calculated cost was reduced to about \$7.6 million in the first year (2015). Estimates for 2017 and 2018 were further reduced due to elimination of phase-in adjustments, refinement of O.P.P. cost averages, elimination of some property counts (i.e. wind turbines) from the base cost formula and lower calls for service.

The 2019 estimate reflected an overall increase of approximately 3.7% including a one-time credit of approximately \$74,000 related to reconciliation of the 2017 cost estimate.

Recently, Haldimand County received the 2020 billing estimate for O.P.P. policing services (Attachment #1) which totals \$7,576,840. In addition, the 2018 year-end reconciliation resulted in a one-time, year-end adjustment (deficit) of \$125,889, which will be incorporated into the 2020 monthly billing amount. Of this amount approximately half is associated with higher than estimated overtime costs.

ANALYSIS:

Attachment #1 contains a significant amount of data and analysis, all of which is relevant to understanding the 2020 O.P.P. Annual Billing Estimate. A summary and analysis of the billing estimate calculations outlined in the billing statement, in comparison to 2017, 2018 and 2019 estimates, is reflected in Attachment #2.

Highlights from the 2020 Billing:

- The total municipal billing for all O.P.P. policed communities has **increased by 0.19%** (not including other costs (OT, Court Security, Prisoner Transfer, Accommodation/Cleaning))
- While Haldimand County property counts have increased by 1.96%, the provincial average cost per property has decreased by 3.33%, resulting in an overall **decrease of 1.43%** to Haldimand County's base service costs
- Haldimand's weighted share of the calls for service on a cost per property basis has increased **by 5.01%** over the 2019 estimate. This is attributed to the reactive component of the policing costs specific to our municipality. Attachment #1 outlines the 2015 to 2018 calls for service by category.
- Other detachment specific costs (OT, Court Security, Prisoner Transfer, Accommodation/Cleaning) have **increased by 3.36%**. Of note there is an increase in overtime costs of approximately \$17,000 or 10% year over year.
- The total billing estimate for 2020 has increased from \$7.5 million for 2019 to \$7.6 million for 2020 (approximately \$107,000 or **1.43% increase**). In addition, approximately \$126,000 will be paid in 2020 related to the 2018 year-end reconciliation adjustment (deficit).
- The total cost per property has **decreased by 0.53%**

In previous years, Haldimand County has received Court Security and Prisoner Transportation Grant allocations which are to assist in offsetting part of the costs to municipalities which house courts. Haldimand's 2020 estimated court security costs, per the O.P.P. are \$165,657; the 2019 grant was approximately \$162,000, thus offsetting most of the anticipated costs, should the same funding be allocated in 2020. At the time the Annual Billing Statement was prepared, there was no information available regarding the status of 2020 Court Security Prisoner Transportation Grant Program. If the current Provincial government does not continue with this grant, the shortfall will need to be collected from Haldimand County taxpayers.

Haldimand County OPP Calls for Service

Calls for Service Billing Workgroups	2015	2016	2017	2018	Four Year Average	2020 Average Time/Call Standard	Total Weighted Time
Operational	3,224	3,559	3,771	4,154	3,677	3.6	13,237
Property Crime Violations	1,007	872	1,071	1,020	993	6.7	6,650
Violent Criminal Code	227	230	247	257	240	16.0	3,844
Traffic	528	474	662	724	597	3.5	2,090
Operational 2	1,350	1,178	1,353	1,625	1,377	1.3	1,789
Statutes & Acts	325	306	420	500	388	3.4	1,318
Other Criminal Code Violation	107	122	185	176	148	7.8	1,151
Drug Possession	74	60	101	74	77	6.3	487
Drugs	15	9	9	10	11	39.2	421
Total	6,857	6,810	7,819	8,540	7,507		30,987

In reviewing the chart above, Haldimand's 2018 calls for service continue to increase. If the trend continues, Haldimand's allocation of the overall provincial calls for service cost component will gradually increase once the recent years' activity has more of an impact on the rolling four year average. It will be important, however, to monitor the calls for service within the nine major workgroups outlined above given the different time (cost) weightings that are applied to each.

It should also be recognized that the calls for service are based on data that is input by the local detachment in the OPP's Daily Activity Reporting System (DARS). Accuracy is essential given that the categories have different weighting and, ultimately, all calls for service will result in a cost allocation back to the municipality.

FINANCIAL/LEGAL IMPLICATIONS:

Haldimand's 2020 OPP policing estimate at \$7,576,840 will be approximately \$107,000 or 1.4% more than 2019. The 2020 estimate will be reconciled to actual costs with the adjustment not reflected until two years after the fact.

The OPP's reconciliation of the 2018 billing resulted in a deficit of approximately \$126,000, which will be paid out in 2020. The deficit will form part of the overall 2019 corporate surplus or deficit since the 2018 tax year is already closed.

As noted, if the Provincial government does not provide the Court Security/Prisoner Transportation grant, there will be a further increase to the County tax levy. Haldimand's 2019 grant totaled \$161,677 as compared to \$149,614 received in 2018.

ATTACHMENTS:

1. Haldimand County's 2020 Annual Billing Statement
2. 2017 – 2020 Estimate Summary & Analysis