TOWN OF CALEDON

TOWN HALL
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VIA FACSIMILE

LEGISLATIVE SERVICES	
TO:	FOR:
	Committee
CAO	
Corporate Services	Council
Public Works	Dec 10/09
Employee and Business Services	
Health Services	File
Human Services	
Planning	

November 23, 2009

Region of Peel
c/o Jeff Payne, Deputy Regional Clerk
10 Peel Centre Drive
Brampton, ON L6T 4B9

Dear Jeff:

RE: CS-2009-041: Caledon OPP 2010 Budget & 2011-2013 Projections.

At the regular meeting of Council held on November 17, 2009, Council received a report from the Corporate Services Department regarding Caledon OPP 2010 Budget & 2011-2013 Projections.

The following resolution was passed at the above noted meeting:

> That Report CS-2009-041 regarding Caledon OPP 2010 Budget and 2011 to 2013 Projections, be received; and
>
> That the OPP 2010 budget and projections for 2011 and 2013 be approved; and
>
> That the Region of Peel be requested to phase-in the projected increase to the Caledon OPP budget by drawing $1,935,000 ($890,000; $705,000; $340,000 in 2010, 2011, 2012 respectively) from the OPP Stabilization Reserve Fund, held at the Region; and
>
> That the Mayor and Clerk be authorized to sign a new five year agreement for Ontario Provincial Police services between the Minister of Community Safety and Correctional Services, the Region of Peel and the Town of Caledon; and
>
> That the Region of Peel be requested to pass a by-law authorizing the execution of an agreement, between the Regional Municipality of Peel, the Minister of Community Safety and Correctional Services and the Town of Caledon, for the provision of Police services in the Town of Caledon by the Ontario Provincial Police.

Enclosed you will find a copy of Report CS-2009-041.

If you have any questions regarding the report, please contact Fuwing Wong, fuwing.wong@caledon.ca (905) 584-2272 ext: 4257 in the Corporate Services Department.

Yours truly,

Laura Ricciuti
Acting Legislative Administrator
e-mail: laura.ricciuti@caledon.ca
Encl.

cc Fuwing Wong, Treasurer, Corporate Services Department
Ron Kaufman, Director/Chief Financial Officer/Deputy CAO
Inspector Rose DiMarco, Detachment Commander, Caledon OPP

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CORPORATE SERVICES DEPARTMENT

Report CS-2009-041

To: Mayor and Members of Council

From: Fuwing Wong, CGA
Treasurer, Manager of Budgets and Accounts

Meeting: November 17, 2009

Subject: Caledon OPP 2010 Budget and 2011 to 2013 Projections

RECOMMENDATION

That Report CS-2009-041 regarding Caledon OPP 2010 Budget and 2011 to 2013 Projections be received; and

That the OPP 2010 budget and projections for 2011 and 2013 be approved; and

That the Region of Peel be requested to phase-in the projected increase to the Caledon OPP budget by drawing $1,935,000 ($890,000; $705,000; $340,000 in 2010, 2011, 2012 respectively) from the OPP Stabilization Reserve Fund, held at the Region;

That the Mayor and Clerk be authorized to sign a new five year agreement for Ontario Provincial Police services between the Minister of Community Safety and Correctional Services, the Region of Peel and the Town of Caledon; and

That the Region of Peel be requested to pass a by-law authorizing the execution of an agreement, between the Regional Municipality of Peel, the Minister of Community Safety and Correctional Services and the Town of Caledon, for the provision of police services in the Town of Caledon by the Ontario Provincial Police.

ORIGIN/BACKGROUND/DISCUSSION

Police services for the Town of Caledon is provided by the Ontario Provincial Police (OPP). The projected financial impact of Caledon police services, via the operating budget, is developed between the Town of Caledon and the OPP. Budgets approved and endorsed by Town of Caledon Council are forwarded to the Region of Peel for approval and inclusion in the Regional Tax Levy for Caledon residents. The Caledon OPP's 2010 budget and projections for 2011 and 2012 will be reviewed by Regional Council on December 10, 2009 and are expected to be voted on by Regional Council when the rest of the 2010 Regional budget is discussed and approved.

Since property taxes for Caledon police services is included in the Region of Peel's tax levy, payment to the OPP for Caledon police services is also administered by the Region of Peel. The Region also maintains OPP accounts on behalf of the Town for tracking of Caledon OPP operating surpluses/stabilization reserve fund and capital reserve funds.

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The current five year contract between the OPP/Minister of Community Safety and Correctional Services, Region of Peel, and the Town of Caledon will end December 31st, 2009. It is recommended that a new five year contract be executed with the Ontario Provincial Police to continue police services in the Town of Caledon.

As detailed in the Financial Implication section of this report, the new five year contract will be impacted by the following:

- Cost increases related to a new OPP negotiated wage settlement contract;
- A new costing formula for communications, guards, and non-staffing costs. For the past five years, the Town has been paying for these items at "frozen" 2003 rates.
- Additional staffing

Additional staffing included in the 2010 budget and 2011 to 2013 projections are as follows:

	2009	2010	2011	2012	2013
INSPECTOR*	0.50	0.66	0.66	0.66	0.66
STAFF SERGEANT-DETACHMENT COMMANDER	0.00	0.00	0.00	0.00	0.00
STAFF SERGEANT*	0.50	0.66	0.66	0.66	0.66
SERGEANT	6.00	6.00	6.00	6.00	10.00
CONSTABLES	58.00	59.00	63.00	67.00	67.00
PART-TIME CONSTABLES		2.00	2.00	2.00	2.00
NUMBER OF UNIFORM Full-Time Equivalents	**65.00**	**68.32**	**72.32**	**76.32**	**80.32**
Total Civilian FTE	**5.00**	**6.00**	**6.00**	**6.00**	**6.00**

* - Change in 2010 represents an increased percentage of time allocated to Town of Caledon based on actual time spent in the past.

Constables are projected to increase every year until 2012, when there is a projected increase to the number of sergeants to maintain an adequate supervision ratio for the increased number of constables. For 2010, full-time constables previously assigned to Provincial Offences Courts will be redeployed and replaced with part-time constables (2.0) and a civilian court officer (1.0). The 2010 Budget also includes one additional full-time constable for the new high school in Caledon and mobile workstations in all of the Caledon OPP cruisers. Increases of four full-time equivalents (FTE's) from 2011 to 2013 relate primarily to projected growth in Mayfield West.

In the capital projection, it is anticipated that a 2,000 square foot store-front OPP station will be required within the next 5 years at an estimated cost of $100,000 (funded from Development Charges, collected and held at the Region).

FINANCIAL IMPLICATIONS

Based on information provided by the Ontario Provincial Police, Region of Peel and Town staff, financial projections for the overall OPP budget were prepared for 2010 to 2013. Although the contract covers the five year period, 2010 to 2014, the projections prepared cover 4 years (2010 to 2013) as the OPP does not anticipate any

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enhancements for 2014 and stated the major items affecting 2014 would be wage/benefit increases and a possible update to the costing formula for mainly non-staffing costs. The Region of Peel requires a 2010 budget and projections for 2 years (2011 & 2012).

The table below outlines the 2010 budget and projected 2011, 2012, and 2013 increases to the Caledon OPP operating budget:

Table 1

	2009	2010	2011	2012	2013
OPP Contract & Projections	$8,179,586	$9,773,219	$10,394,990	$10,913,985	$11,505,512
OPP Property Services Costs	$818,200	$874,336	$900,566	$927,583	$955,411
Building Repairs	$150,000	$150,000	$150,000	$150,000	$150,000
ROP Corp. reporting, Receivbles, and Accounts Payable	$608	$572	$589	$607	$625
Recoveries from Grants & Provincial Services Usage	-$639,517	-$639,517	-$648,108	-$656,870	-$665,807
Net OPP Operating Expense Budget	**$8,508,877**	**$10,158,610**	**$10,798,038**	**$11,335,305**	**$11,945,740**
% Increase		***19.4%***	***6.3%***	***5.0%***	***5.4%***
Increase over previous year		$1,649,733	$639,428	$537,268	$610,435
Cumulative increase		$1,649,733	$2,289,161	$2,826,428	$3,436,864

Uniform FTE	65.00	68.32	72.32	76.32	80.32
Civilian FTE	5.00	6.00	6.00	6.00	6.00

The 2010 budget increase over the 2009 budget is higher than increases projected in other years due mainly to:

- The OPP negotiated wage settlement – the 2009 budget was finalized in 2008 and thus excludes the impact of the OPP negotiated wage settlement. The 2010 budget includes the impact of year 1 and 2 of the wage settlement (2009 and 2010, respectively);
- The new OPP costing formula for communications, guards and non-staffing costs – Over the term of the current contract, Caledon has been charged based on the 2003 costing formula and rates. The 2010 agreement and budget includes inflationary and other cost increases from 2004 to 2009. The new contract provides for rates to be reviewed and updated every two years, upon approval by the Ontario Treasury Board;
- Additional staffing (as outlined in the chart above and in the Origin/Background/ Discussion section);
- Costs related to equipping all Caledon OPP cruisers with in-car mobile work stations.

To mitigate the increase in 2010 and to evenly distribute the increases over 2010 to 2013, it is recommended that the OPP stabilization reserve fund, held at the Region of Peel, be used to phase-in the total $3,436,864 increase projected over the next four years.

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The OPP stabilization reserve fund at the Region of Peel currently has a balance of $2.5M. To phase-in the $3,436,864, a total of $1,935,000 is recommended to be drawn from the OPP stabilization reserve fund over the next three years, as shown below:

Table 2

	2010	2011	2012	2013	Total
Cumulative Increase Required (Table 1)	$1,649,733	$2,289,161	$2,826,428	$3,436,864	$3,436,864
Recommended Draw from Reserve to Phase-in Increase	-$890,000	-$705,000	-$340,000	$0	-$1,935,000
Recommended Phase-in (cumulative)	**$759,733**	**$1,584,161**	**$2,486,428**	**$3,436,864**	**$3,436,864**

As shown in the table above, the recommended draw from reserves ($1,935,000) for 2010, 2011, and 2012 results in the same $3,436,864 total budget increase over the four year period.

The $1.94M draw from the OPP stabilization reserve fund will reduce the current reserve balance to approximately $0.5M (excluding future contributions to the reserve). Contributions to this reserve fund occur mainly from Caledon OPP surpluses as a result of higher than anticipated Provincial Services Usage (PSU). Provincial Services Usage is a "credit"/reduction in costs received when Caledon OPP officers are temporarily redeployed to handle provincial matters.

The result of the $1.94M draw from the OPP stabilization reserve is a smoothing out of the required budget increases each year from 19.4% increase in 2010 and 6.3%, 5.0%, and 5.4% in 2011, 2012 and 2013 respectively (as shown in table 1) to about 8.9% annually as shown below:

	2009	2010	2011	2012	2013
OPP Contract & Projections	$8,179,586	$9,773,219	$10,394,990	$10,913,985	$11,505,512
OPP Property Services Costs	$818,200	$874,336	$900,566	$927,583	$955,411
Building Repairs	$150,000	$150,000	$150,000	$150,000	$150,000
ROP Corp. reporting, Receivbles, and Accounts Payable	$608	$572	$589	$607	$625
Recoveries from Grants & Provincial Services Usage	-$639,517	-$639,517	-$648,108	-$656,870	-$665,807
Net OPP Operating Expense Budget (before Reserve Draw)	**$8,508,877**	**$10,158,610**	**$10,798,038**	**$11,335,305**	**$11,945,740**
Draw from OPP Stabilization Reserve Fund (held at Region)		-$890,000	-$705,000	-$340,000	
Net OPP Operating Expense Budget	**$8,508,877**	**$9,268,610**	**$10,093,038**	**$10,995,305**	**$11,945,740**
% Increase		***8.9%***	***8.9%***	***8.9%***	***8.6%***

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LEGAL IMPLICATIONS

Section 4 of the Police Services Act provides that every municipality shall provide adequate and effective police services in accordance with its needs. The services will include, at a minimum, crime prevention, law enforcement, assistance to victims of crime, public order maintenance and emergency response.

Section 4 also defines the municipalities responsible for providing such services as single-tier municipalities, lower tier municipalities in the County of Oxford and regional municipalities. In these circumstances, the Town of Caledon has traditionally provided police services in co-operation with the Region of Peel. The Police Services Act provides that the Region of Peel may provide police services directly or by way of contract with the Ontario Provincial Police by means of an agreement with the OPP under section 10 of the Police Services Act.

Historically the Region of Peel has entered into a section 10 contract with the Ontario Provincial Police in order to provide police services in Caledon. Such a contract is specifically authorized by section 5 (5) of the Police Services Act. The Town of Caledon has historically participated with the Region of Peel in negotiating this contract with the OPP and traditionally the Town of Caledon has been a party to the contract.

Traditionally the provisions of the agreement addresses issues such as the service levels for crime prevention, law enforcement, assistance to victims of crime, public order maintenance and emergency response and the costs of these service levels. The agreement also addresses issues of liability of the OPP for its services, the provision of equipment and facilities by the municipality, the applicability of the Adequacy Standards Regulation, detachment commander selection, and term of the agreement. As the Town of Caledon has not yet received a final draft of the proposed agreement, it is recommended that the Mayor and Clerk be authorized to execute the agreement commencing in the 2010 year subject to review by the Legal Services Department and the Chief Administrative Officer.

NEXT STEPS

1. Staff to communicate approved 2010 OPP budget and projections to Region of Peel staff in November. Inspector DiMarco and Town staff will present the 2010 OPP Budget and projections at the Region of Peel on December 10, 2009.

2. Review of the draft police services 2010 contract by the Legal Services Department.

3. Execution of the 2010 contract by the Mayor and Clerk.

CALEDON COMMUNITY WORK PLAN

Not applicable.

POLICIES/LEGISLATION

Ontario Police Services Act, R .S. O. 1990, c. P. 15

CONSULTATIONS

Nadia Koltun, Town Counsel
Rose DiMarco, Inspector, Caledon OPP Detachment Commander

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ATTACHMENTS
Not applicable

CONCLUSION
The new Caledon policing agreement between the Town of Caledon, Region of Peel, and Minister of Community Safety and Correctional Services will provide for police services in the Town by Ontario Provincial Police for the next five years.

This report provides background on the Caledon OPP services, assumptions in the 2010 budget and projections for 2011 to 2013, and the financial impact of police services in the Town of Caledon. Staff are recommending the approval of the 2010 Caledon OPP budget and projections for 2011 to 2013. Upon approval, Town staff and the Caledon OPP Detachment Commander will communicate the Caledon OPP budget at the December 10th, 2009 Region of Peel budget meeting.

As detailed in the Financial Implications section of this report, the 2010 Caledon OPP budget increase is projected to be 19.4% due mainly to the following:

- Cost increases related to a new OPP negotiated wage settlement contract;
- A new costing formula for communications, guards, and non-staffing costs. For the past five years, the Town has been paying for these items at "frozen" 2003 rates.
- Additional staffing

Staff recommend that the 19.4% be phased-in by utilizing the OPP Stabilization Reserve Fund, held at the Region, to reduce the impact in 2010 and slowly phase-in the budget increases over 2010, 2011, and 2012. A total of $1.94M is proposed to be drawn from the OPP Stabilization Reserve Fund over the three years in order to smooth out the budget increases to approximately 8.9% per year.

In order to execute the agreement for the provision of police services in the Town of Caledon by the Ontario Provincial Police, by-laws from the Town of Caledon and the Region of Peel are required to authorize the execution of an agreement, between the Regional Municipality of Peel, the Minister of Community Safety and Correctional Services and the Town of Caledon.

Prepared by:
Fuwing Wong, CGA
Treasurer/Manager Budgets and Accounts

Approved by:
Ronald H. Kaufman, CA
Deputy CAO/Chief Financial Officer/Director of Corporate Services

Approved by:
Douglas Barnes
Chief Administrative Officer