

## CHAIRMAN'S REPORT

**To: Council Police Costing Review Committee**

**From: Councillor David McCann**

**Re: Police Costing Review – Recommendation**

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### **Background:**

Today we will receive the Final Report and Recommendation to the City of Kenora Police Costing Review Committee as provided by our consultant, and this will be the final report of this Committee in accordance with the mandate as set out in Bylaw No. 92-2007 which established this Committee.

This review process commenced six months ago when Council gave notice of its intent to request a police costing from the Kenora Police Service and the OPP. This Committee was subsequently tasked with undertaking a broad-based community consultation approach incorporating input from key stakeholders in the community in the development of a RFP for police costing. To that end, John Watkins was retained to assist the Committee and conduct a 3 phase detailed study of policing services for the City of Kenora.

From the initial Committee meeting on August 01<sup>st</sup> and throughout the process, we have attempted to provide a public forum to hear deputations and allow our residents an opportunity to bring forward ideas and suggestions that could best be incorporated into the kind of policing model for the future of the City of Kenora. There were over a 100 interviews held with the various stakeholders within the community, an RFP was developed, and two proposals received. Both police forces presented their proposals to the public last month, the proposals were subsequently circulated to the public and finally we are here today to receive the Final Report from our consultant, John Watkins.

### **Police Costing Review - Final Report – John Watkins**

Mr. Watkins' 45 page Final Report can be summarized into 3 sections:

- Overview of the consultation process
- Staffing model comparison of an integrated OPP model versus the stand-alone KPS model
- Analysis of the financial impact of both proposals

### **Consultation**

With respect to the consultation process, Mr. Watkins states in his report “It is my opinion that the City of Kenora has completed a more than sufficient, if not the largest consultation process, in Ontario for determining a police services provider.”

### **Staffing**

The staffing model proposals of 42.56 uniform positions for the OPP as compared to 51 KPS members has been a subject of considerable debate and reflects the realities of integrated police force's ability to obtain some of their required services from a regional source as

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opposed to recruiting an in-house position. In addition, a late proposal submitted by KPS identified an option of 46 KPS members, a reduction of 5 members from their original 51 members. The attached comparison identifies the 2008 proposed options as compared to the combined 46.12 uniform staff members that currently exists today:

**POLICE STAFFING MODELS - 2007 & 2008**

KPS	2007	2008	46 Office r
	FT	FT	
Chief of Police	1.00	1.00	1.00
Deputy Chief	1.00	1.00	1.00
CIB Sargent	1.00	1.00	1.00
CIB Officers	4.00	5.00	4.00
I.Dent	1.00	1.00	1.00
Joint Forces Drug	1.00	1.00	1.00
Intelligence	1.00	1.00	1.00
Sergeant - Platoon	4.00	4.00	4.00
Constables	19.00	24.00	24.00
Comm Serv Officer	1.00	1.00	1.00
Court Officer	1.00	1.00	1.00
Policy Dev & Crime Analy.		1.00	1.00
Training Officer		1.00	0.00
Traffic Mgt Constables		2.00	1.00
Foot Patrol/Marine/Snow		4.00	2.00
Youth Officer		1.00	1.00
Guns & Gangs Officer		1.00	1.00

<b>KPS Totals</b>	<b>35.00</b>	<b>51.00</b>	<b>46.00</b>
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**OPP**

Inspector		0.53
Staff Sgt-Det Commander	0.14	
Staff Sgt		0.53
Sergeant - Platoon	0.84	4.00
Sergeant - Det.		1.00
Constables	10.14	28.00
Constables - Det		4.00
Youth officer		1.50
Constables - Court		1.00
Constables - additional		2.00

<b>OPP Totals</b>	<b>11.12</b>	<b>42.56</b>
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<b>Uniformed Policing Staff</b>	<b>46.12</b>
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**Financial Analysis**

The financial analysis as presented by both police forces has been reviewed internally by the City’s Finance Department, and as well, by BDO Dunwoody to confirm the cost estimates as presented in the proposals. An attached police costing analysis as prepared by Karen Brown, Manager of Finance, provides a financial impact of both proposals, and, as well, provides an analysis of the impact of the unsolicited 46 officer option as presented by Chief Jorgensen.

These two police cost analysis as presented by the Manager of Finance are as follows:

1. Cost analysis based on actual submissions
2. Cost analysis based on consultant’s revised submissions

In both analysis, the OPP proposal for salaries and benefits is confirmed to be substantially lower. Start up costs, on the other hand, are relatively the same, as the OPP estimates do not include renovation costs for office locations at either Highway 17 East or Water Street.

**1. Cost Analysis – Based on Actual Submissions**

	<u>OPP</u>	<u>KPS(51)</u>	<u>KPS(46)</u>
Salaries/Benefits	\$5.543million	\$6.803million	\$6.285million
Annual Cost Difference		\$1.260million	\$0.742million
Start up Costs	\$0.359million	\$0.428million	\$0.402million

**2. Cost Analysis – Based on Consultant’s Revisions**

	<u>OPP</u>	<u>KPS(51)</u>	<u>KPS(46)</u>
Salaries/Benefits	\$5.260million	\$6.990million	\$6.456million
Annual Cost Difference		\$1.730million	\$1.196million
Start up Costs	\$0.359million	\$0.442million	\$0.416million

The Cost Analysis – Based on the Consultant’s Revisions reduces the original OPP cost estimates on the basis of 3 year averaging for overtime and police services usage. On the other hand, the KPS cost estimates are increased to reflect 2008 salary estimates (3%), similar to the 2008 salary estimates used by the OPP.

**Policing Costs – NW Ontario**

There has been considerable discussion on escalating police costs and how communities have been affected in the past 5 years. A request for 5 year policing costs was circulated to a number of other Ontario communities, but special attention was made to municipalities in Northwestern Ontario. The attached 2003-2007 Police Cost Comparisons reflects a 4% to 6% average annual increase for most communities with the exception of the Kenora OPP who serviced the former Towns of Keewatin and Jaffray Melick. The 2007 Kenora KPS salaries are recorded at 2006 rates as negotiations are still ongoing for 2007.

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<b>2003-2007 Police Cost Comparisons</b>						
	<b>Kenora OPP</b>	<b>Kenora KPS</b>	<b>F. Frances OPP</b>	<b>St. Clair OPP</b>	<b>S. Lookout OPP</b>	<b>Dryden Police</b>
2003	\$772,934	\$3,528,061	\$1,759,656	\$1,619,345	\$2,633,234	\$2,584,001
2004	\$1,107,373	\$4,062,092	\$1,974,504	\$1,760,916	\$2,733,836	\$2,753,537
2005	\$1,113,131	\$4,384,602	\$2,037,235	\$2,017,725	\$2,999,556	\$2,882,779
2006	\$1,139,958	\$4,574,738	\$2,055,070	\$2,025,805	\$2,999,933	\$2,994,407
2007	\$1,407,841	\$4,705,477*	\$2,413,250	\$2,178,426	\$3,148,931*	\$3,238,017
% 2003-07	82.14%	33.37%	37.14%	34.53%	19.58%	25.31%
2007/Capit a	\$282	\$523	\$319	\$149	\$705	\$453
*2007 Kenora KPS salaries based on 2006 rates						
** Sioux Lookout policing costs reduced by 35.33%						

**Other Factors**

It should be noted that there are other extenuating factors that have not been reflected in the respective proposals of either KPS or OPP, and should be recognized at this time:

1. **Police Building Renovations** – City would be responsible for renovations to either of the OPP police offices identified (Highway 17 E or water Street)
2. **OPP Office Hours** - OPP police office will operate normal office hours – there is no after hour public access to the OPP offices
3. **KPS Salary Estimates** - KPS proposal made no provision for 2008 salary estimates (consultant used a 3% factor in his financial analysis)
4. **KPS Capital Vehicle Cost** - KPS did not factor annual vehicle capital costs into

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- their costing proposals (estimated at \$80,000/annum)
5. Proceeds from Surplus Equipment - OPP did not identify proceeds from purchase or sale of surplus KPS equipment if OPP were successful
  6. City Administrative Costs – There has been no cost provision identified for the administration to support the KPS operations
  7. Severance Costs – One time severance costs have not been calculated for uniform police officers and civilian staff who are not retained by OPP
  8. Animal Control/Bylaw Enforcement/Taxi Licensing – these services would have to be transferred to the City if OPP were successful
  9. Fire Department Dispatch – a decision will need to be made on how this service will be delivered in the future
  10. After-hour Trouble Calls – KPS continue to provide this service while the OPP will not provide this service

**Summary**

Mr. Watkins recommendation as outlined in the final section of his report states: “The Ontario Provincial Police, operating an integrated detachment model, is the recommended police service provider for city-wide policing in the City of Kenora”. Mr. Watkins goes on to provide a substantial number of points supporting his recommendation.

As reported previously, this report, Mr. Watkins Final Report, and the Police Costing Analysis as prepared by Karen Brown will be circulated to Council for final deliberation and decision at a special Council meeting scheduled for February 01<sup>st</sup> in the Council Chambers.

It was also the recommendation of the Council Police Costing Review Committee and subsequently supported by Council to circulate these documents to the public in advance of the special Council meeting.

**Recommendation:**

That the Final Report and Recommendation to the City of Kenora Police Costing Review Committee dated January 10, 2008 as submitted by John Watkins be received; and  
That the Report and Recommendations contained herein be forwarded to the Council of the City of Kenora for final review and decision at a special Council meeting on Friday, February 01<sup>st</sup>, 2008.