



## **Press Release**

### **April 19, 2010**

### **2009 Policing and Disbandment Costs And Theoretical Savings from Disbandment**

- Today Council approves KPS disbandment costs totalling just over \$2.45 million dollars. The more significant costs included in this amount include:
  - Management severances - \$.6 million
  - Non-union severances - \$.9 million
  - Building renovations - \$.2 million
  - Legal - \$.1 million
  - Anticipated pension top up - \$.2 million
- There is no question that the costs borne by the City related to the disbandment are significant. Some may also point to the costs related to the initial policing study and related consultations incurred prior to the disbandment decision, including legal costs related to an appeal by the Police Services Board. These costs represent an additional \$.18 million, bringing the total potential attributable costs to a combined \$2.63 million.
- When the policing decision was made, it was primarily based on anticipated savings in choosing the OPP model of policing over either the Hybrid or KPS policing models.
- In order to ensure that savings have been achieved, the City has done a comparative analysis based on 2009 operating results for both the hybrid policing model (in place for 197.29 days), as well as the OPP policing model (in place for the remainder of the year).
- The KPS finished 2009 well over budget – with close to \$.3 million in excess of the budget allocation. This budget overrun was questioned near the end of the KPS operations. At that time, Chief Jorgensen confirmed that the costs incurred in running his department were necessary costs in order to meet the adequacy standards, right up to the date and time of disbandment.
- The OPP finished 2009 well under budget – with over \$.3 million in savings resulting from their operations.
- Based on actual KPS operating results, together with OPP costs for policing the Keewatin and Jaffray Melick areas for the first part of the year, the City

has projected annualized costs for the hybrid policing model for 2009 at \$7.58 million dollars. The annualized costs do not include any disbandment related costs, nor the closing celebrations as put on by KPS.

- Based on actual OPP operating results for policing the entire City for the remainder of the year, the City has projected annualized costs for the OPP policing model for 2009 at \$5.64 million dollars.
- In order to normalize net costs, annualized costs also do not include funding for the 1,000 Officer, Community Placement and RIDE programs from the Province. There is no net impact on projected savings from the elimination of these revenues.
- Based on these annualized costs, the OPP policing model represents an annualized savings of \$1.94 million dollars for the City.
- With disbandment costs of \$2.45 million, the anticipated repayment period is 1.26 years, or just over 15 months. This means that, before the end of this term of Council, October 2010, the City will have saved sufficient dollars to justify the disbandment costs incurred.
- Using the additional pre-disbandment costs, together with disbandment costs, totalling \$2.63 million, the repayment period stretches slightly to 1.36 years, or just over 16 months. This still means that, before the end of this term of Council, November 2010, the City will have saved sufficient dollars to justify these additional costs.
- These savings do not factor in the additional reduced costs from the reductions on the Kenora Police Services Board.
- Savings will not be seen through tax reductions, but through keeping your taxes lower than they would have been in 2010, and beyond, had we continued with the hybrid policing model. It is clear that the KPS budget would have needed to increase significantly in 2010 to cover operations based on the 2009 operating results. As a result of the change in policing model, taxpayers did not experience this impact in 2010. In fact, net policing costs went down in the 2010 budget by about \$.2 million, despite negotiated OPP wage increases.
- I would like to thank my fellow Councillors, as well as City staff and management, who put so much effort into ensuring the City was not only able to reach the right decision, but also implement it.

**City of Kenora**  
**Policing Costs**  
**Comparison of 2009 Actual Results**

	2009 Budget	2009 Actual	Variance
<b>Police Services Board</b>	57,488	21,247	(36,241)
<b>Ontario Provincial Police (OPP) *</b>	3,645,038	3,368,738	(276,300)
Parking Ticket Revenues (Reflected in dept #351) **		(46,683)	(46,683)
<b>Kenora Police Services (KPS) *</b>	3,042,393	3,336,898	294,505
<b>Totals</b>	6,744,919	6,680,201	(64,718)

544,846

	OPP	Hybrid Force	Theoretical Savings
<b>Actual 2009 Costs</b>			
OPP	3,368,738		
Parking Ticket Revenues *	(46,683)		
KPS		3,336,898	
	3,322,055	3,336,898	
<b>Adjustments to Annualize:</b>			
Reallocate Keewatin / JM costs to 17 July 2009			
OPP Contract net of reconciliation	(737,782)	737,782	
Other miscellaneous net revenues / costs	6,501	(6,501)	
Adjust for Allocated Dispatchers - Jan to Mar/09		33,941	
Eliminate AVIS Program - generally 100% funding		(2,788)	
Eliminate BBQ Related Costs (not normal operations)			

(2,421)

**Amended Costs for Policing Period**

2,590,774

4,096,911

Annualization Factor

0.45947

0.54053

**Totals**

5,638,615

7,579,433

1,940,818

**Preliminary Disbandment Cost Estimates as Approved**

2,454,207

**Estimated Repayment Period (in Years)**

1.26

\* Excludes funding from Ministry of Community Safety & Correctional Services for 1,000 Officer, CPP and RIDE Programs. Waiting Ministry confirmation. Funding should be evenly distributed throughout year, so any impact on theoretical savings would be minimal.

\*\* Previously reflected as KPS Revenues. Included in OPP Budget.