

OPP showing slight decrease in costs

Wednesday, 3 October 2012 - 1:32pm

By Duane Hicks

The good news for municipalities is the newest OPP cost-recovery formula will show a cost decrease.

The bad news is that salary costs could jump substantially in 2014.

The cost-recovery formula for 2010-12 will see a decrease of 3.2 percent to support costs, said Supt. Rick Philbin, commander of the OPP Municipal Policing Bureau, who spoke to delegates yesterday during the Ontario Association of Police Services Boards Zone 1 meeting at the Fort Frances Curling Club.

“We also see a slight decrease to the salary component,” he noted.

“When you blend it all in, the whole formula, at a per officer cost, the reduction is about 1.2 percent,” Supt. Philbin added.

“That’s over two years, and I think that is substantial.

“What helps is that we are in a wage freeze for 2012 and 2013, and that’s what is assisting us,” he explained.

On the support services side, the 2012 formula includes an increase to communication operator costs, but also indicates decreases to vehicle usage, office automation (computers), and Shared Service Bureau (billing) costs.

Supt. Philbin conceded vehicle usage might be a surprise, given the price of gas, but the OPP has been buying more fuel-efficient vehicles and mandating that cruisers are filled with regular grade fuel.

But the formula update in 2014 will not be so rosy.

Rick Dumas, with the Marathon Police Services Board, asked Supt. Philbin about the impact of expected wage increases for OPP officers in 2014.

Supt. Philbin replied that staffing costs in the policing sector are going up. The Ontario Provincial Police Association and the Ministry of Government Services had negotiated a contract for OPP officers which states after they come out of the two-year wage freeze, the OPP will be at par with the number-one police department in Ontario—the Toronto Police Service.

He added it seems the Ministry of Government Service actually thought municipal leaders and local Police Services Boards would toe the line, despite the fact the province is in its biggest recession in decades.

“At the end of the day, the problem is global. It’s this leap-frogging effect,” Supt. Philbin said.

“To answer your question: what’s going to happen in 2014? I guess it depends on how these salaries get negotiated over, but right now it’s at eight-8.5 percent,” he later added.

Kenora Mayor Dave Canfield disputed the OPP took a wage freeze at all, noting officers received a 5.75 percent wage increase in 2010 prior to the so-called “freeze.”

“If that would have been after the fact, we would have been better off as taxpayers,” Mayor Canfield said.

“There was no wage freeze,” he charged. “The wage increase was just given up front, and it’s a hell of a lot more than the cost of living that’s been going up 1.9 percent over the last 10 years on average.

“The other thing for us, I absolutely cannot believe the negotiations . . . who negotiated this?” asked Mayor Canfield.

“If I were sitting there with the OPPA, I would be doing the best thing I could for my members.

“I blame the government, I blame management,” he added.

Mayor Canfield noted he’s worried about the direction this is heading, adding the salary of the average front-line constable across Canada is \$76,000.

“So, in 2014, we are going to be a long way above average, we’re going to be right at the top of the heap,” he remarked.

“And for municipalities, it’s killing us.”

Supt. Philbin explained the rationale for the formula update is to keep costs current, and minimize the large year-to-year increases that can come with the cost of policing.

Using a cost-recovery formula, the OPP charges the municipalities for salaries and wages, as well as support for those front-line services.

Salaries and wages comprise about 80-85 percent of policing costs while other operating expenses make up the balance.

Supt. Philbin pointed out that considering vehicle costs account for 5.6 percent of the latter, roughly 90 percent of all policing costs are front-line officers in vehicles while only 10 percent is overhead.

“When you think of it, where’s the priority? On your front-line,” he said.

“The 10 percent is everything else,” he noted. “Bricks and mortar, cleaning, support from regional headquarters, training, all of the other stuff.

“I think that is significant.”

Supt. Philbin said increases in staffing costs are driven by negotiated settlements, which the OPP cannot control. The per constable cost increase between 2004 and 2013 is 32.4 percent, or 3.24 percent per year.

On the other hand, support costs, which the OPP have control over, have risen just 9.88 percent in the same time period—steady at about one percent annually.

“All in all, I think the OPP provides a professional service,” Supt. Philbin stressed. “I think we’re cost-effective when you look at the ratio of 90 percent to 10 percent.

“We always continue to monitor our budget, we seek out efficiencies, and we’re passing it on our municipalities, and this year we’re going to show that.

“Proof is in the pudding,” he remarked. “We continue to compare favourably to other municipal police departments in the province of Ontario.”

Municipalities were hit with a major increase to policing costs in 2010—after the funding formula was updated from the 2008 one.

“The formula went through a significant change in 2010 because we added a few components to the formula, therefore adding to the costs in the formula,” Supt. Philbin explained.

“What also occurred is that, obviously, there was some wage increases that added to it.

“But what compounded the problem in 2010 was that the contracts that were signed in the 2005-06 era, the language in the contracts dictated that we would keep those municipalities on the existing formula as it stood.” Supt. Philbin said.

“Salaries increased with the contracts, but what didn’t is the support side of the formula and so the municipalities were locked into 2003 costs.

“They were paying salaries for support staff at 2003 wages, they were paying 79.9 [cents a litre] for gas—basically we were locked in time.

“What was happening for us, in the contract language, was very problematic for the OPP because . . . it was eroding our baseline funding and our operations were impacted by it,” Supt. Philbin added.

“We wanted to update it before then, but we couldn’t.

“Even if we updated the formula, we couldn’t bring those municipalities to actual cost recovery,” he stressed.

The 2010 formula was released in late November of that year, which Supt. Philbin admitted was much too late in the year. But he said the province had it held back until that year’s provincial election was over.

“So we really upset our municipal partners by delaying and not getting it out on time,” he noted.

“It was bad enough there was an increase in the costs, but what compounded it was we were renewing contracts that existed from 2003 and now were bringing them up to 2010 costs.

“That was about an 8.5-nine percent increase,” he said.

The province pays for two-thirds of OPP policing costs, with municipalities picking up the remaining third.

With an annual budget of more than \$1 billion province-wide, this means 322 municipalities pay more than \$353 million each year for policing.

Other speakers yesterday covered topics ranging from the Community Drug Action Team and aboriginal gangs to Critical Incident Command and cyber-bullying.

The conference wrapped up this morning with a talk on human trafficking.

The event, which was organized by local Police Services Board secretary Loreen Holt, was attended by about 50 people, most of whom came from elsewhere in the region and the province.

Holt said yesterday she was pleased with the numbers, adding, "It's a good turnout."

As gifts to each of the presenters, the local Police Services Board made donations in their names to the "Together We Can" campaign for a digital mammography unit for Riverside Health Care Facilities, Inc.

The conference was prefaced with a mix-and-mingle Monday evening at the Fort Frances Museum.