



# Police Service Delivery Review

On June 5th Port Hope's Committee of the Whole received a summary of the Police Service Delivery Review conducted by KPMG and approved a consultation process for public input.

Port Hope's policing costs account for a third of the Municipal tax levy. With an imminent need for a new policing facility and a substantial reduction in revenue due to federal changes to the Screening Program, Council recognized the need for a review of police service delivery. In July 2011, a Police Service Delivery Working Group (Mayor Linda Thompson, Deputy Mayor Jeff Gilmer, Councillor Rick Austin, Councillor David Turck, CAO Carl Cannon and Director of Finance Liz Araujo) was established and KPMG was engaged to investigate opportunities for cost savings and implications of a potential new policing model, (i.e. potentially extending the Port Hope Police Service or the Ontario Provincial Police service across the Municipality) subject to the current policing service levels for Ward 1 and 2. As the OPP proposal would include the transfer of officers from the PHPS to the OPP, the same officers would be reporting to and serving the same areas as the current model.

Key findings of the KPMG review include the determination that over ten years at the current service levels, substantive tax savings can be achieved by having one method of police service delivery. In addition, it is noted that substantial tax savings can be achieved with changes to the current service levels.

## **Process/Next Steps**

- KPMG Report summary presented to COW June 5, 2012 and released for public comment. Media Release.
- The detailed KPMG final report of May 29, 2012 is available for review and comment at [www.porthope.ca](http://www.porthope.ca) under Quick Links and at all Municipal facilities.
- Open House June 25th at Town Park Recreation Centre, 2pm to 4pm & 7pm to 9pm . Members of the Police Service Delivery Working Group, CAO Carl Cannon, and Brian Bourns of KPMG will be in attendance to provide information and answer questions.
- On July 17th a final Staff report including all public comments received by July 6th will be considered at Committee of the Whole.
- Council will potentially confirm a final decision and provide direction on Police Service Delivery on July 24th.

Municipality of Port Hope Police Services Board



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# The Port Hope Police Services Board

The Port Hope Police Services Board is very proud of the quality of services provided by both the Port Hope Police Service and the Northumberland Detachment of the Ontario Provincial Police.

Council is responsible to decide who provides policing services in the municipality and to fund the provision of those services. The Police Services Board has no role or influence over those decisions.

The job of the Police Services Board is to ensure the adequate and effective provision of police services within the municipality.

The Board will continue to fulfill its mandate under the Police Services Act by providing governance to the policing service(s) deemed by Council to best meet the needs of this community.



# Police Service Delivery Review

The KPMG final report of May 29, 2012 outlines a number of options for the provision of policing across the Municipality.

## CURRENT SERVICE LEVELS

Service Level	Officer FTEs	10 Year Cost	10-year Savings
<b>As Is – Current Service levels</b> PHPS – Ward 1 OPP – Ward 2 Under existing arrangements, policing costs will rise due to construction of new police headquarters and inflation.	28.3	\$62,908,347	
<b>All PHPS – Ward 1 &amp; 2 - Current Service Levels</b> Over the next 10 years it would be \$1.7M cheaper to have the PHPS service the entire area than it would be to continue the current arrangements.	28.3	\$61,239,965	\$1.67m
<b>All OPP – Ward 1 &amp; Ward 2 – Current Service Levels</b> Having the OPP provide service to the entire municipality would incur about \$1,060,000 in conversion costs, but would save \$3.97M over 10 years – after recovery of the initial investment.	28.3	\$58,936,651	\$3.97m

## CHANGE TO SERVICE LEVELS (Other Options)

Service Level	Officer FTEs	10 Year Cost	10-year Savings
<b>OPP Ward 1 &amp; Ward 2 – Current Service Levels</b> Police station open to the public 8am to 10pm – would save \$8.1M over 10 years	28.3	\$54,802,168	\$8.10m
<b>PHPS Ward 1 &amp; Ward 2 - Reduced Service Level</b> Eliminates need for 4.3 additional officers Eliminates need for one additional car Would save \$6.7M over 10 years.	24	\$56,218,100	\$6.69m
<b>OPP Ward 1 &amp; Ward 2 – Reduced Service Level</b> Civilian staffing at police station 8 am to 10 pm, reduce OPP service to 24.2 officer FTEs starting in year 4 (allows OPP review of requirements in year 3 based on own data and experience) Would save \$13.5M over 10 years	24.2	\$49,425,593	\$13.48m

Note: OPP Models – PHPS officers to be accepted into OPP at current position equivalents subject to suitability review (i.e. same officers, doing same job at the same location with savings)

# Local Role In Policing

- ❑ Municipalities (Council) responsible to provide police services for their citizens
  - They can:
    - Set up their own police service;
    - Arrange with one or more municipalities to have a joint police service for the area;
    - Hire the police service of another municipality; or
    - Hire the Ontario Provincial Police.
- ❑ Police Service Boards (Port Hope's comprised of 2 Council members, 2 Provincial appointees and 1 public appointee) responsible to:
  - Establish objectives and priorities for policing
  - Establish local policies for policing
  - Establish guidelines for dealing with complaints
  - Recruit, appoint and monitor the Chief (or participate in appointment of OPP detachment commander)
  - When managing a local force, must also:
    - Develop all policies for operation of police force
    - Appoint all members of police service
    - Conduct labour relations/negotiations
    - Manage human resources matters
    - Deal with litigation, allegations of misconduct

# Previous Studies of Policing

## 1. 2001 Amalgamation and Port Hope Police Service

- Conclusion = All Port Hope, or status quo, operational costs per officer are similar
- Outcome – status quo

## 2. 2003 Northumberland West Policing

- Conclusion = Annual cumulative savings to Cobourg, Hamilton Township and Port Hope of \$911,000 by amalgamating the police services or using OPP on entire area
- Outcome – Port Hope supported but decision of partners not to proceed

## 3. 2007/2008 Northumberland County Ontario Provincial Police Service

- Conclusion = \$165,000 potential annual savings to Port Hope (after loss of \$699,000 in screening revenues)
- Outcome – Decision not to proceed

## 4. 2008 Port Hope / Cobourg Joint Communications

- Conclusion = Annual savings of \$444,734 or \$509,000 if PH or Cobourg provide services respectively. Savings to be shared between municipalities
- Outcome – Decision not to proceed

## 5. 2009 Port Hope / Cobourg Joint Policing

- Conclusion = Potential annual savings of \$102,707, \$192,999 or \$273,620 depending on the model implemented
- Outcome – Decision not to proceed, capital costs a concern

# Why so many studies? Why another study?

- Policing is 32.5% of total municipal tax levy
- Port Hope has two different police forces - unusual
- Port Hope needs a new police headquarters. Initial estimates were \$6.2 million – since reduced to \$3.9 M
- Arbitration award of “benefits for life” will increase costs as officers retire
- Police “screening” revenue has been declining significantly - from \$800,000 per year range to \$135,000 (and still falling).
- Port Hope has a lot of policing compared to other municipalities the same size

# Police Resources – officers/population

	Popu- lation	Officers	Officers per	Density
Petawawa (OPP)	13,359	13	97	85
Lakeshore (OPP)	33,785	33	98	60
Brighton (OPP)	10,709	12	112	47
Amherstburg	22,182	31	140	116
Tillsonburg (OPP)	15,487	22	142	709
Midland	18,049	26	144	538
Trent Hills (OPP)	12,867	19	148	26
Napanee (OPP)	16,018	26	162	35
Cobourg	19,190	32	167	855
West Grey	12,653	22	174	14
Brockville	22,883	42	184	1066
<b>Port Hope</b>	<b>16,643</b>	<b>30.7</b>	<b>184</b>	<b>59</b>
<i>Port Hope (urban)</i>	<i>12,643</i>	<i>26</i>	<i>206</i>	<i>903</i>
<i>Port Hope (rural OPP)</i>	<i>4,000</i>	<i>4.7</i>	<i>118</i>	<i>15</i>
Collingwood (OPP)	18,971	36	190	484
Pembroke	14,525	29	200	937
Blue Mountains (OPP)	7,184	17	237	N/A

# Police Resources – Cost per Person

	Officers per 100,000	Cost per person	Crime rate	Youth crime rate
Lakeshore (OPP)	98	\$121.92	21	16
Amherstburg	140	\$229.51	NR	NR
Midland	144	\$203.26	92	321
Collingwood (OPP)	190	\$265.82	93	78
Cobourg	167	\$265.53	NR	NR
<b>Port Hope</b>	<b>184</b>	<b>\$286.43</b>	<b>31</b>	<b>48</b>
<b><i>Urban Area</i></b>	<b>206</b>	<b>\$355.66</b>	<b>NR</b>	<b>NR</b>
<b><i>Rural Area (OPP)</i></b>	<b>118</b>	<b>\$177.89</b>	<b>NR</b>	<b>NR</b>
Blue Mountains (OPP)	237	\$318.07	49	3
Brockville	184	\$325.20	106	211
Pembroke*	200	\$434.22	NR	NR

\* Pembroke – local police service figures (change to OPP policing recently)

Cost data from AMO MIDAS (Municipal Information & Data Analysis System) , 2010 except Cobourg and Midland are 2009



# Current Police Staffing Levels (fte's)

	Senior Officers	Sergeants	Constables	Civilians	Budget (\$000's)
PHPSB				0.25	\$ 66
PHPS*	2	5	17	17.60	\$ 3,755
OPP	0.14	0.36	4.3	0.64	\$ 701
Total	2.14	5.36	21.3	18.49	\$ 4,522
*	Excludes average of 2 on LTD/WSIB				

fte = full time equivalent

# Comparison Based on Current Level of Service

- ❑ Compliant with the Police Services Act
- ❑ Implements Business Plan approved by the PHPSB
- ❑ Provides for 26.3 Officers plus required supervisors above the level of sergeant
- ❑ Minimum 2 officers on duty in urban Port Hope at all times (3 between 8:00 pm – 3:00 am)
  - Officers from PHPS to be accepted into the OPP
- ❑ Must be a Port Hope police station, staffed 24 hours a day, 7 days a week (PHPS is staffed all night, but only by dispatch services and the door is generally locked after 10 pm)
- ❑ Patrol cars to be identified as “Port Hope”

# PHPS Building

- ❑ Current building has outlived it's usefulness.
- ❑ October 2009 study suggested purpose built police facility of approximately 11,400 sq. ft., estimated cost of \$6.2 M.
- ❑ Concern about costs led to creation of committee and further analysis by AECOM
  - Current estimates are about \$3.9 M excluding land for modest new PHPS headquarters
  - Renovating current facility for use by OPP would cost \$1.6 M (has police reporting for work, offices, meeting room, but no cells)

# Key Consultation Findings

- **Port Hope residents are very satisfied with the police services they receive (PHPS and OPP)**
- **Both urban and rural residents tend to think the police force that serves them is the better of the two**
- **Both urban and rural residents rank “keeping the cost of policing down” as a high priority, but not as high as the top policing issues – substance abuse and break-ins in the rural area and “increased visibility of police” in the urban area**
- **“Response time” is raised as an issue, with the suggestion the OPP is slower to respond – however that results from current roles – would be comparable with comparable staffing**

# Key Consultation Findings

- **Familiarity with the urban area is raised as a concern, in terms of the OPP dispatch and officers, but**
  - PHPS officers would transfer to the OPP (i.e. same officers, doing same job at the same location)
- **The current arrangements with the PHPS dispatch are sub-optimal**
  - Only one dispatcher on shift most of the time (2 on days)
  - Hard to handle major incidents, multiple calls, support to both fire and police
  - No ability to dispatch response while communicating with caller
  - Fire would prefer trained fire dispatchers

# Key Consultation Findings

- **Some concerns were raised with respect to the professionalism of municipal police services, in terms of labour relations, complaint investigations and policy development - depends upon the chief and volunteer PSB members.**
- **The PSB is largely preoccupied with management and administrative matters when managing a local force, not community policing issues.**
- **“Remoteness” – OPP officers are part of a large bureaucracy that does have some challenges being responsive or tailoring policy to local conditions.**
- **Some concerns are raised with the possible “loss of control” by eliminating the PHPS, however PSB remains in all options.**

# Municipal Experience – Converting to OPP

- ❑ 6 other municipalities contacted
- ❑ Main cost savings reported relate to senior officers, dispatch, benefits for life, WSIB. Cost savings materialized as anticipated and projected
- ❑ Increased flexibility in staffing – replacement easier to backfill positions (i.e. LTD)
- ❑ Eliminated large risks related to contract negotiations, legal liability
- ❑ Same officers working in community – no issues with unfamiliarity with community
- ❑ Renegotiation can be challenging process, and OPP cost formula subject to change – but so far acceptable conclusions have been reached (but not always easily)

# Costing Approach - General

- **Costs are forecast over 10 years with assumption staffing would remain consistent with current staffing.**
- **All impacts of the two options on other Municipality functions are considered – total net cost to taxpayer**
- **Facility improvement costs assumed borrowed over 25 years – and life cycle costs included – starting July 2013**
- **All costs are assumed to inflate by 3% per year**



# Costing Approach – PHPS Option

- **PHPS costs were forecast based on the 2011 budget**
  - **4.3 new FTEs were added to replace the OPP**
  - **The cost of the new police headquarters added (\$3.9M) – land cost not included, but assumed to be offset by sale of current facility**
  - **Vehicle acquisition costs were adjusted**
  - **Screening revenues and costs are assumed to continue declining**
  - **Costs absorbed by other departments were included (Fire, Works contribution to dispatch costs, payroll/admin support costs)**

# Costing Approach – OPP Option

- **OPP costs are based on the price submitted by OPP with 24/7 civilian staffing:**
  - **Costs of renovating current police HQ (\$1.6M) are added, along with related maintenance costs**
  - **Cost of providing alternative dispatch arrangements for other departments (Fire and Works) are added**
  - **Subsidies and revenues are included**
  - **Allowance for annual rebates based on average experience**
  - **One time costs include:**
    - **severance for staff that does not transfer**
    - **Other costs of establishing the OPP operation**

# Costing Details

## Port Hope Police Services Board

### PHPS scenario

- **Status Quo, (\$66,100 budget plus inflation)**

### OPP scenario

- **Reduced contract and legal costs associated with no need for labour relations or policy development activities, extent of staff support required, so \$23,100 budget reasonable.**

# Financial Comparison

The table below compares the options

Current Level of Service	2013	2014	2022	Total 2013-2022
Continue As Is	5,278,565	5,683,024	7,205,140	62,908,347
PHPS Serves Urban and Rural	5,133,032	5,533,124	7,015,251	61,239,965
Savings from "As Is"	145,534	149,900	189,889	1,668,382
OPP Serves Urban and Rural	6,045,037	5,208,350	6,593,823	58,936,651
Savings from "As Is"	-766,471	474,674	611,317	3,971,696
OPP Advantage over PHPS	-912,005	324,774	421,429	2,303,314

# Other Opportunities

- **The OPP provided a second bid that provides office hours of 8 am to 10 pm, Monday to Friday. The bid is \$360,000 per year lower.**
- **The numbers provided earlier suggest that the “level of service” is part of the problem – not just the mix of the two forces.**
  - PHPS has an establishment of 26 officers for a population of 12,643 in an urban area
  - Midland has 26 officers for a population of 18,000.
  - Napanee has an OPP detachment of 26 serving 16,000 people, Tillsonburg has 22 officers for 15,500 population
  - Either PHPS or OPP should be able to provide adequate policing with fewer officers than current total

# Other Opportunities

## Three alternative options were tested.

1. OPP provides service based on lower cost bid (office staffing from 8 am to 10 pm - still 28.5 officers),
2. PHPS provides service to the entire municipality without expanding the current complement (24 officers – in 26 positions)
3. OPP provides service based on 8 am to 10 pm office hours and reduction in officer levels (24.2 FTEs) starting year 4

# Other Opportunities

The table below compares the options.

- All changes would result in savings
  - PHPS, \$150K/year, \$1.7M over 10 years
  - OPP, \$475K/year, \$3.9M over 10 years
  - Option 1, \$800K/yr, \$8.1M over 10 years
  - Option 2, \$750K/yr, \$6.7M over 10 years
  - Option 3, \$1.9M/yr when fully implemented, \$13.5M over 10 years

Other Opportunities	Officer FTE's	2013	2014	2016	2022	Total 2013-2022
Continue As Is	28.3	5,278,565	5,683,024	6,085,226	7,205,140	62,908,347
PHPS Current Service Level	28.3	5,133,032	5,533,124	5,926,197	7,015,251	61,239,965
OPP Current Service Level	28.5	6,045,037	5,208,350	5,524,609	6,593,823	58,936,651
1 - OPP Station 8 am to 10 pm	28.5	5,684,384	4,836,877	5,130,514	6,123,252	54,802,168
2 - PHPS -Current Establishment	24	5,291,665	5,696,742	5,306,640	6,276,923	56,218,120
3 - OPP fewer hours & officers	24.2	5,684,384	4,836,877	4,428,836	5,285,413	49,425,593

# Other Opportunities - Tax Impact

**Compared to 2012 municipal taxes for policing, all three “other opportunities” would provide reduced taxes through 2016 – only option 3 would still have lower taxes in 2022**

<b>Tax change compared to 2012 (excludes one-time costs)</b>	<b>Officer FTE's</b>	<b>2013</b>	<b>2014</b>	<b>2016</b>	<b>2022</b>
Continue As Is	28.3	0.9%	3.4%	5.5%	11.2%
PHPS Current Service Level	28.3	-0.2%	2.3%	4.4%	9.8%
OPP Current Service Level	28.5	-1.2%	0.0%	1.5%	6.8%
1 - OPP Station 8 am to 10 pm	28.5	-3.8%	-2.7%	-1.3%	3.4%
2 - PHPS -Current Establishment	24	0.9%	3.5%	-0.1%	4.5%
3 - OPP fewer hours & officers	24.2	-3.8%	-2.7%	-6.3%	-2.5%

**Changes shown are police impact on the total municipal levy, e.g. beyond the level of service matter (ie. “a lot of policing”), Municipal taxes will increase 11.2% over ten years if there is no change from current model**



# Summary of Considerations

Factor (checks are an indication of a positive attribute)	PHPS	OPP
Cost for Current Service Level		✓
Opportunities for further cost reduction	✓	✓✓
Dispatch/ Communications		✓✓
Major events		✓
Specialized resources	✓	✓
Local Familiarity	✓	✓
Risk		✓
Governance	✓	✓
Public Preference	✓✓✓✓	✓



# Police Service Delivery Review

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