



MIDLAND POLICE SERVICE

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ADDRESS ALL CORRESPONDENCE
Michael C. Osborne
CHIEF OF POLICE

July 28, 2017

Dear Members of Midland Town Council, Midland Police Service, Midland Police Services Board, Town of Midland Staff, and the Citizens of Midland:

I have had the pleasure of policing in Midland for more than 26 years and I have been Chief since 2010. I am proud to work with our dedicated men and women and I owe a great deal of gratitude to this community. My goal is to do what is best for Midland, and I would never stand in the way of cost saving ventures. This process does not present a personal, financial risk to me. After taking a few days to digest the Costing Analysis, and having spoken to Midland residents, I have prepared some questions and concerns that I feel require further investigation by Midland Council to ensure we are on the right track.

My comments are not meant to be critical of the OPP. The OPP is an excellent organization and have been consummate professionals throughout this costing process. It is also not my intention to criticize the work of Town Staff or the Consultant. We are dealing with many unknowns and speculations, but I believe more can be done to provide clarification and a more robust comparison. What we are comparing is true costs and service delivery models, not organizations or people.

I welcome challenges to any of the figures I present because my goal is to ensure Council has all the facts. I would rather err in voicing a concern, than sit quietly by and risk a miscalculation being overlooked.

Thank you for taking the time to consider my comments, I am available for questions.

Sincerely,

Chief Mike Osborne

THE FUNDAMENTAL QUESTION

This entire process is trying to answer one question, “Is it cheaper to keep the Midland Police Service (status quo), or disband and go OPP, while maintaining community safety?” The concerns and questions that follow are raised with this in mind.

ONE-TIME EXIT COSTS

The \$2,129,232 “One-time Exit” (severance) costs line item represents the cost of shutting down operations of the Midland Police Service in the event the choice is made to go with the OPP. Hence, it is not an expected operating cost and should be removed from the Midland Police Services 10-year “Expected Operating Costs” set out in Table 4 of the Consultant’s report, and re-assigned to the disbanding side of the equation in Table 5, with the OPP Base, Capital and the One-time start-up costs. This minor change in format, recognizes that the \$2,129,232 is a cost of disbanding Midland Police and going OPP, not an additional cost of the status quo.

I believe Table 5 should also be re-named, “Expected cost of Disbandment” for clarity. I have attached the two tables for your reference.

Table 4: Midland Police Service Expected Operating Costs 2018 – 2027

	Town of Midland	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1	Base	4,716,078	5,021,246	5,103,695	5,185,557	5,266,580	5,352,171	5,462,228	5,574,599	5,689,333	5,806,484
2	Capital	224,426	263,615	160,867	164,184	167,568	171,019	174,540	178,130	181,793	185,529
3	One-time Exit Costs	2,129,232	-	-	-	-	-	-	-	-	-
4	Total	7,069,736	5,284,860	5,264,562	5,349,741	5,434,148	5,523,191	5,636,768	5,752,729	5,871,126	5,992,013

Table 5: Ontario Provincial Police Service Expected Policing Costs for the Town of Midland

	OPP	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1	Base	4,733,509	4,842,274	4,897,492	4,122,074	4,220,435	4,325,149	4,455,277	4,589,632	4,728,031	4,870,596
2	Capital	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190
3	One-time Startup Costs	1,358,719	-	-	-	-	-	-	-	-	-
4	Total	6,102,428	4,852,678	4,908,104	4,132,898	4,231,476	4,336,410	4,466,764	4,601,348	4,739,982	4,882,786

THE FORMULA

I am concerned the formula used to predict the cost in 2021 and beyond, or the information entered to the formula, is inaccurate.

The OPP have estimated that 26.32 officers will be required to police the Town. I reviewed the budget they provided and believe it is a fair and accurate estimate. (I have attached the OPP budget to the bottom of this report.) However, the formula used by the Town and the Consultant to predict 2021 costs differs greatly and asserts costs will be \$548,999 lower in 2021 than they were in 2017, while maintaining the same level of staffing. When factoring year-over-year increases at just 2%, the formula for 2021 becomes \$852,215 less than the 2017 estimate prepared by the OPP themselves.

		<u>2021 Formula</u>	<u>Difference</u>
<u>OPP 2017 Estimate</u>	<u>4,681,897</u>	<u>4,132,898</u>	<u>-548,999</u>
<u>2021 Estimate (OPP 2017 + 2% / year)</u>	<u>4,985,113</u>	<u>4,132,898</u>	<u>-852,215</u>

How can the 2021 forecast be so significantly less than the OPP's 2017 budget, that accurately assesses the costs? The 2021 estimate is so low that it could not possibly pay for 26.32 officers that make up the lion's share of the estimate. This would suggest that either the formula is incorrect, the number of officers assigned to Midland will be reduced by approximately 6 in 2021, or Midland's frontline policing costs will be subsidized.

I do not know exactly what information was entered to the formula or if the formula is accurate because this information is not published, but I do believe it is appropriate to ask the OPP for some assurances. I.e. If we assume status quo for population and calls for service, for both Midland and the Province, would the 2021 formula estimate of \$4,132,898 be reasonable?

If the formula is not accurate, it could add \$852,215 per year to the formulas estimate for OPP, a difference of almost 6 million over 7 years.

Note:

The 2017 OPP estimate was based on 28.32 officers. To utilize 2017 with 28.32 officers, for 2021 with 26.32 officers, the following changes were made to the 2017 budget;

- the "Total uniform Salaries and Benefits" line was reduced by 2 officers or \$276,392 ($3,913,714 / 28.32 \times 2 = 276,392$),
 - \$52,285 was added to account for the "Uniform & Equipment – Year-One Adjustment",
 - The 2017 Court Security Grant was applied (279,716).
- Complete 2017 calculation: $5,185,720 - 276,392 + 52,285 - 279,716 = 4,681,897$.

In 2021, the court grant is estimated to be \$385,496. The grant was \$279,716 in 2017 and rose \$26,445 from the previous year. Applying the same increases each year would increase the grant by \$105,780 ($26,445 \times 4$ years). ($279,716 + 105,780 = 385,496$). 2% was added to the total budget for year-over-year increases.

- Complete 2021 calculation: $5,185,720 - 276,392 + 52,285 \times 2\% \text{ yearly increases for 4 years} = 5,370,609 - 385,496 = 4,985,113$.

ADDITIONAL OFFICERS

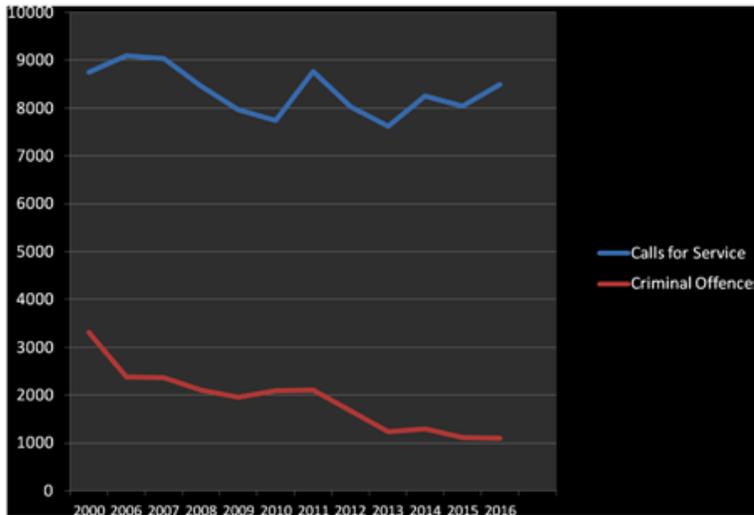
Officers added to MPS budget.

The hiring of two officers was added to the Midland Police Service budget in 2019 without consultation with the Police Service or the Police Services Board. In 2019, we would only hire one officer; reducing our Expected Operating Costs in Table 4, by at least \$120,000 per year, and reducing the projected disbandment savings by \$1,080,000 between 2019 to 2027.

The reasons I do not believe a second officer is required in 2019 are as follows:

- The Board has approved a part-time policing program that has been on hold awaiting the outcome of the costing and we have not yet recognized its benefit. Part-time police officers are hired at regular salary, instead of utilizing officers on overtime, in cases where we require additional coverage due to injury, illness, parental leave, or for special or emergency events. This will also reduce the frequency that officers are required to work mandatory overtime.
- We have proven to be highly effective with the current staffing model. Our dedicated team has increased enforcement of community concerns such as speeding, increased community service through a full-time school's officer and implemented meaningful programs such as Cram-a-Cruiser. Our officers have provided high levels of foot patrol in key locations, and we are a leader in monitoring crime, utilizing technologies such as CrimePlot that was developed in-house and shared province wide with many police agencies.
- While the total calls for service remain higher than we had hoped, and the complexity of crime is increasing, the percentage of calls that are criminal in nature, that require the most officer effort, have rapidly declined. Approximately 87% of our calls are non-criminal and relate to social disorder, disturbances and traffic issues. Although it is important to respond, and I believe our rapid response has prevented many circumstances from escalating to criminal offences, the fact remains that many calls are less significant than criminal calls, and require little if any follow up. 57% of calls are also "non-reportable" meaning a report is not required by the officer.
- Lastly, we are currently short one officer and have been for several years. We have been performing admirably, although under increased pressure without that person. At some point, we will regain that position and have an increase to our current functioning complement.

The following chart demonstrates that total calls for service have remained relatively constant (blue line), while criminal offence calls have plummeted (red line) to about 1/3 of where they were in the year 2000.



Community Service Officer

The Midland Police budget includes a full-time Community Service Officer, also referred to as a Schools Officer. Based on the presentation this is not included in the OPP proposal and would be an extra cost. If this is the case then the Town must factor the cost into the comparison. An extra officer would cost at least 1.2 million over ten years without factoring year-over-year wage increases.

Foot Patrol

The Midland Police Service also conducts between 1,000 and 1,500 hours of foot patrol per year. If there is an extra cost for this service in the OPP proposal, and the Town wishes to continue the practice, the cost of approximately one officer, or another 1.2 million over 10 years would also need to be added.

SERVICE LEVELS

Service levels such as response times and the ratio of officers working to population, do not appear to have been factored. At one time, the OPP would offer what is referred to as a stand-alone model, that I call a dedicated model, where officers exclusively police one community. This is the model employed by the Midland Police and ensures we always have officers within the geographic boundaries of Midland.

The OPP now only offer an Integrated model and it is my belief that an Integrated model, where officers are generally in one community but will be called to answer calls in other communities as well, will have a negative impact on response times. This is due to the distance an officer would have to travel to respond to a call.

To measure response times, I believe we need to compare existing Integrated models, to our dedicated model to determine if this is an accurate assumption. Both Pembroke

OPP that is similar in both population and square kilometers, and locally Penetanguishene OPP, employ the Integrated model and would provide reasonable comparisons for response times.

I also believe response times are heavily influenced by the minimum staffing levels we maintain in our community. Comparing the past minimum staffing levels that have been maintained under each policing model, ensuring population is factored, may also assist in determining what delivery model is most likely to provide rapid response. Our police service of 24 officers provides three officers, day and night, with some rare exceptions where we have had two. There are other occasions where we work with more than three but three is the minimum and we hire officers on overtime when necessary to maintain this. We need to examine what minimum staffing levels are provided under an integrated model.

A NEW BUILDING

One of the questions asked of me is, "Will the OPP request a new building within the next ten to fifteen years to house all of their staff under one roof"? If the answer is yes, what % would be Midland's responsibility, and what is the estimated cost that should be added to the disbandment costs"?

SUMMARY

The answers to the above questions all have serious impacts on the costing process and any indicated savings.

1. Transferring the exit costs from the Midland Police operating budget to the one-time first year costs of moving to the OPP, means disbandment costs become \$3,487,951, and the first-year savings of \$967,308 become a cost of \$3,291,156.
2. If the formula, or the application of the formula is inaccurate, the yearly cost of OPP could rise by \$850,000 per year. This estimate could be conservative as it anticipates 2% year-over-year increases that past-history may reveal is too low.
3. Not hiring one of the projected officers in 2019 reduces the MPS budget by 1.2 million over 10 years.
4. If a Community Service Officer is to be added to the OPP budget, it would increase OPP costs by 1.2 million over 10 years.
5. If foot patrol is an added cost to the OPP budget, it would increase OPP costs by approximately 1.2 million over 10 years.
6. If a new building is required, that would add millions to the long-term forecast for disbandment.

OPP 2017 Policing Proposal

OPP Contract Proposal Costing Summary
 MIDLAND T
 Estimated Policing Costs for the period January 01, 2017 to December 31, 2017
 Costs in accordance with the 2017 OPP Cost Schedule for Amalgamating Police Services

<u>Salaries and Benefits</u>				(Note 1)
Uniform Members				
		<u>\$/FTE</u>	<u>Positions</u>	<u>\$</u>
Inspector		151,551	0.32	48,496
Staff Sergeant	(Note 2)	126,994	1.00	126,994
Sergeant		114,883	4.00	459,532
Constable		97,206	21.00	2,041,326
Uniform Position (Rank to be determined)	(Note 3)	97,206	2.00	194,412
Total Uniform Salaries				2,870,760
Overtime	(Note 3)			155,308
Statutory Holiday Payout	(Note 1)	3,279		92,861
Shift Premiums	(Note 4)	640		17,280
Uniform Benefits	(Note 5)			777,504
Total Uniform Salaries & Benefits				3,913,714
Detachment Civilian Members				
	(Note 1)		<u>Positions</u>	<u>\$</u>
Court Officer (Court Security)	Full-time	64,780	3.00	194,340
Court Officer (Administration)	Full-time	64,780	2.00	129,560
Detachment Administrative Clerk	Full-time	63,096	2.00	126,192
Total Detachment Civilian Salaries				450,092
Civilian Benefits	(Note 5)			112,523
Total Civilian Salaries & Benefits				562,615
Support Staff (Salaries and Benefits)				
Communication Operators		6,020		170,486
Prisoner Guards		1,535		43,471
Operational Support		4,254		120,473
RHQ Municipal Support		2,051		58,064
Telephone Support		120		3,398
Office Automation Support		534		15,123
Mobile and Portable Radio Support		178		5,041
Total Support Staff Salaries and Benefits Costs				416,077
Total Salaries & Benefits				4,892,407
<u>Other Direct Operating Expenses</u>				
Communication Centre		223		6,316
Operational Support		758		21,467
RHQ Municipal Support		239		6,768
Telephone		1,228		34,777
Mobile Radio Equipment Repairs & Maintenance		667		18,889
Mobile Radio Equipment Repairs & Maintenance - Court Officer		667		3,335
Office Automation - Uniform		1,454		41,177
Office Automation - Civilian	(Note 6)	1,485		5,940
Vehicle Usage		4,938		139,844
Detachment Supplies & Equipment		503		14,245
Accommodation & Cleaning Contract	(Note 7)	1,135		-
Uniform & Equipment	(Note 8)	1,735		48,135
Uniform & Equipment - Court Officer	(Note 9)	741		3,705
Total Other Direct Operating Expenses				345,598
Sub-total Estimated Gross Policing Costs				5,238,005
Uniform & Equipment Year-One Adjustment	(Note 8/9)			(52,285)
Estimated Annual Policing Costs				\$ 5,185,720
Uniform, Equipment and Vehicle Initial Costs	(Note 10)			649,792
Communication Equipment Initial Cost	(Note 10)			30,000
Total Estimated Policing Costs Including Initial Costs				\$ 5,865,512