

**Pembroke Police Services Board
Report to Pembroke Council
November 12, 2013**

Mr. Chair, Your Worship, members of Council:

I want to begin by putting the request for information on the variances in our 2013 budget in the context that drives the Board's decision making when financial issues are discussed.

There are three items that have contributed largely to the variances:

1. legal costs;
2. disbandment; and
3. the continued costs of the transition.

The continued costs arise from items not fully completed by July 6th, 2013. We transitioned from a Section 31 Board to a Section 10 Board on that date. I updated Council on the duties of a Section 10 earlier this Fall. Any financial issues that the Board has dealt with and has continued to deal with are the results of the requirements of Section 31 of the Police Services Act.

As Council is obligated to follow the directions of the Ontario Municipal Act, 2001, we as a Board must operate under the Police Services Act.

Under Section 31, a Board is responsible for the provisions of adequate and effective police services in our municipality. This section outlines 16 items that the Board "shall" do.

Under Section 35, part(b) of the Act, the Board may exclude the public from a meeting where:

"Intimate financial or personal matters may be disclosed of such a nature having regard to the circumstances, that the desirability of avoiding their disclosure in the interest of any person affected or in the public interest outweighs the desirability of adhering to the principle that proceedings be open to the public."

Section 39 of the Act deals with estimates:

39 (1) The Board shall submit operating and capital estimates to the Municipal Council that will show, separately, the amounts that will be required to

- a. Maintain the police force and provide it with equipment and facilities; and
- b. To pay the expenses of the board's operation other than the remuneration of board members.

39 (3) Upon reviewing the estimates, the Council shall establish an overall budget for the board for the purposes described in clauses 1(a) and 1(b) and in doing so, the Council is not bound to adopt the estimates submitted by the board.

39 (4) In establishing an overall budget for the board, the Council does not have the authority to approve or disapprove specific items in the estimates.

39 (5) Deals with the issue that if the board is not satisfied that the budget established for it by the council is sufficient to maintain the service it can appeal to the Commission.

In all the years I have been on the Board, we have never had to use Clause 39 (5). The Board has always prepared its estimates in a "due diligent" manner and submitted it to Council. If Council requested in any year that we cut our budget, we did so. I cannot think of any year where the Board in its deliberations did not consider the financial impact our requirement would have on our community.

Every year including 2013, Council approved our budget.

Every December the Board again doing its "Due Diligence" would pass a motion advising Council that any money left over at the end of that year be put into our Police Service Reserves.

This then bring us to the Police Board reserves. Our reserves are the amounts that we did not expend in a year, amounts already approved and provided to the Board by Council. Our reserves were accumulated over several years. During the past three years the Board made an extra effort to keep our operating budget as low as possible without jeopardizing our mandate to provide effective and adequate policing. We were also able to grow the reserves during this period.

We are fortunate that we did not have to dip into our reserves until this year. It is also fortunate that reserves were available to provide for the costs of the disbandment and the transition.

This year we requested a six month operating budget with very little room to manoeuvre. We knew that the City was having difficulty with its overall budget and we tried to keep our requests to a minimum knowing that we did have reserves and could use that amount as the City moved to disband the service.

Costs relating to the disbandment were very difficult to forecast. We were and still are in negotiation with the Uniform members of the Association. We completed negotiations with the Civilians before July 6th.

The major part of our operating budget revolves around personnel and personnel issues, which include legal and arbitrations. When July 6th arrived and all former employees both Uniform and Civilian were terminated. We knew this would result in large costs. It would involve pay outs, severances and other items required by law in Ontario.

These were costs that were very difficult to estimate until we received the signed contract between the City and the OPP.

Thankfully, the Police Service reserves will cover costs of the disbandment, transition and start-up costs.

We are still negotiating in good faith with the Uniform members. We are waiting for information that we need to complete negotiations. Both sides are hopeful that we will receive the information sometime this month and resolve this issue amicably and avoid arbitration.

It is very difficult for the Board to provide any additional information at this time as we are still in negotiations and such matters must remain confidential until an agreement is reached.

Conversations with various Municipal Leaders and Section 10 Board members, during the past two years indicated that the cost of disbandment and the transition from a Municipal Police Force would be expensive in year one. Once the transition is complete the ongoing costs of policing should stabilize.

In conclusion, I want to assure Council that the Board during its deliberations, whether the topic be personnel, budget, arbitrations, legal costs, impact on the taxpayers of our Community and our obligations under the Ontario Police Service Act, that we always did our due diligence.

Thank you.

Are there any questions?

Mike LeMay
Chair, Pembroke Police Service Board