

To: Chief Administrative Officer **Date:** July 4, 2022
From: Kerri Onken, Deputy Treasurer/Collector
Subject: **Letter of Approval in Principle – RCMP 2023/2024 Budget Estimates**

Recommendation(s)

That the Letter of Approval in Principle for the RCMP 2023/2024 budget estimates included as Attachment A to the report dated July 4, 2022 from the Deputy Treasurer/Collector be approved and forwarded to the Ministry of Public Safety and Solicitor General and the RCMP.

Purpose

The purpose of this report is to outline for Council the financial information provided from the RCMP and to advise Council of the impact of the 2023/2024 contract forecast on the City's 2023 budget. The RCMP is requesting that a Letter of Approval in Principle be forwarded to their offices for planning purposes. This report does not address any potential budget impacts from the Integrated Homicide Investigation Team which is now billed separately through the Provincial Government.

Background

The City is required to provide a Letter of Approval in Principle (see Attachment A) annually for the RCMP budget estimates and a letter for any anticipated changes to the authorized strength in the following fiscal year. This letter allows the RCMP enough time to make requests through to the Federal Treasury Board to secure the 10% Federal funding share. Attachment B is a copy of the Municipal Contract Policing Multi-Year Plan 2023/24 letter from Max Xiao, Executive Director of the RCMP Pacific Region, dated May 30, 2022 which includes schedules and appendices detailing the 2023/2024 budget, notes and assumptions, average salary forecast and E Division – Division Administration projections.

The RCMP acknowledges the Letter of Approval in Principle is requested prior to Council's 2023 budget deliberations, and emphasizes it is required for planning purposes only. The Letter of Approval in Principle is not a final commitment in terms of any additional personnel or for the financial budget indicated.

Discussion and Analysis

The letter from Max Xiao, Executive Director of the RCMP Pacific Region, dated May 30, 2022, provides a multi-year financial plan for the City of Mission's RCMP detachment in keeping with the Municipal Police Service Agreement of 2012. Attached to the letter are several schedules providing historical costs and budget estimates up to 2027/2028 contract year along with notes and assumptions used.

Highlights of the 2023/2024 Budget Estimates *(see attached Schedule 1 to Attachment B, column highlighted in yellow).*

The 2023/2024 budget estimates include the impact of:

- Pay increase for RCMP members is estimated at 3% per year starting April 1, 2023.
- The Public Service Employee pay increase is estimated at 1.25%. Their collective agreement expired June 20, 2021.
- General inflation of 3.2% is added to most line items where applicable.

Settlement of Long-Standing Issues

The Ministry of Public Safety and Solicitor General (PSSG) and Public Safety Canada (PSC) have resolved two long-standing disputed items.

- *Green Timbers*. This item was included in the Division Administration budget prior to approval for the expenditures by the municipalities. The settlement agreement has Green Timber cost set at \$84,216 per year until 2038. This amount is equal to the amount the RCMP has invoiced the City since April 2013 and will have no impact on the City's budget.
- *Severance Liquidation*. As of April 1, 2012, severance no longer accumulates for members who resign or retire, but will continue to accrue for lay-off, death, and disability. This was done without consultation. A portion of this liability was billed annually to the municipalities based on the complement at each detachment and ranged from \$46,648 to \$49,487. This has now been settled with Mission's obligation set at \$627,710 which must be funded by March 2032. The five-year forecast has Mission's payment divided equally at \$48,285 per year. This will have no impact on the City's budget.

Integrated Homicide Investigation Team (IHIT).

Effective April 1, 2019 the existing Lower Mainland IHIT is to be included as part of the RCMP Provincial Service with the 70/30 provincial/federal cost share applied to all costs. The proposed annual budget for the Lower Mainland IHIT is approved by the Integrated Teams Advisory Committee of which the City's Chief Administrative Officer is a member. This report does not address any potential budget impacts from the Integrated Homicide Investigation Team forecasts.

Staffing Levels

The following Chart 1 shows the authorized and budgeted number of RCMP members for 2021/2022 contract year and 2022/2023 contract year (per the Federal Government's fiscal year of April 1st to March 31st), as well as the proposed members for 2023/2024 contract year:

Chart 1

	2021/2022		2022/2023		2023/2024 Proposed	
	Budgeted/ Funded Strength	Contract Strength	Budgeted / Funded Strength	Contract Strength	Budgeted / Funded Strength	Contract Strength
Municipal RCMP Members (90%)	52	52	52	52	52	52
Public Service Employee (100%)	1	1	1	1	1	1
Integrated Teams (full-time equivalents)¹	4.87	4.87	4.87	4.87	4.87	4.87
Totals	57.87	57.87	57.87	57.87	57.87	57.87
Provincial RCMP Members (funded by the Province)	6	6	6	6	6	6

¹ FTEs for integrated team are tied to Mission's population, crime statistics and the number of jurisdictions participating. The FTE count above includes an estimate for the Integrated Homicide Investigation Team.

The budgeted/funded strength represents the number of RCMP members Mission is funding during the contract period. The contract strength represents the number of members the Mission detachment can staff up to without going through the official process of an Annual Reference Level Update (ARLU). The ARLU process can take up to 18 months consisting of a formal request made through the Provincial Solicitor General who then makes an official request to the Treasury Board of Canada.

In the “Letter of Approval in Principle”, the City has stated that it plans to fund a total of 52 members at the Mission Detachment for the 2023/2024 contract period (as a reminder, this is not Council’s final commitment for the 2023/2024 fiscal year, only an approval in principle).

In addition to the Municipal RCMP Member count of 52, there is one RCMP Civilian Member. This position has provided technical support as the Crime Analyst to the detachment and has been a Federal employee. The Crime Analyst position is not eligible for the 10% funding from the Federal Government.

Council Goals/Objectives

This report addresses the goals under Council’s strategic focus area of Secure Finances, Assets and Infrastructure, and goals under the strategic focus area of Organizational Excellence.

Financial Implications

The City’s 2022 budget was set-up using the forecasted information from the Multi-Year Financial Plan 2022/2023 letter received in June 2021, prior to knowing the impacts of the contract settlement with the RCMP membership. At that time \$268,000 was added to the City’s budget. Staff estimated a budget impact for a wage increase during budget discussions and we added an additional \$575,000 to the Policing budget, offsetting the budget impact by funding \$400,000 of this increase with a transfer from the RCMP Reserve fund. Other budget impacts were unknown at the time and no estimates were provided.

The financial information presented in Schedule 1 of this year’s Multi-Year Financial Plan 2023/2024 received in May 2022 includes costs using the updated wage estimates, based on the detachment complement for both the 2022/2023 and the 2023/2024 contract periods. This shows the contract increased by \$408,761 or 3.4% in the package sent with the May 30th letter. What is worth noting is the budget impact over the two years using the forecast before the wage information is added, the 2021/2022 contract period, and the current forecast for the 2023/2024 contract period. The contract budget forecast has increased by \$1,695,200 over the two years (see Attachment C). The City’s budget was increased by \$854,000 in 2022, requiring an additional \$752,000 for 2023 (*this is slightly lower to account for our fiscal year running from January to December*).

The \$752,000 increase to the base contract represents a 1.89% increase in property taxes. Staff are looking at strategies to phase in this increase and will report back to Council in the Fall when budget discussions occur.

Communication

The Letter of Approval in Principle is required to be signed and forwarded to the Director of Finance, RCMP Pacific Region and the Assistant Deputy Minister and Director of Police Services. If approved by Council, staff will ensure that the letter is forwarded.

Summary and Conclusion

The City is required to provide a Letter of Approval in Principle for the 2023/2024 RCMP budget estimates. This letter does not commit the City to any additional resources or members at this time. The letter, as attached, summarizes the 2023/2024 forecast. Staffing levels for this period are budgeted at 52 RCMP members, plus one Public Service Employee, and 4.87 members assigned to integrated teams, including members of IHIT. This forecast represents an estimated increase of \$752,000 in the 2023 budget, or 1.89% increase in taxes for policing services. This forecast does not include any increase to the number of RCMP members at the Mission Detachment. This report does not specifically address any potential budget impacts from the Integrated Homicide Investigation Team which is now billed separately through the Provincial Government.

Report Prepared by: Kerri Onken, Deputy Treasurer/Collector
Reviewed by: Ted Lewko, OIC Mission Detachment
Reviewed by: Doug Stewart, Director of Finance
Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: Letter of Approval in Principle – 2023/2024 Budget Estimates for Mission
Attachment B: Letter from RCMP dated May 30, 2022 – Municipal Contract Policing Multi-Year Financial Plan 2023/2024 (including five schedules and one Attachment)
Attachment C: Revised Schedule 1 – RCMP Municipal Policing Cost – Five Year Forecast