

HAMILTON POLICE SERVICES BOARD

- RECOMMENDATION -

DATE: October 15, 2020
REPORT TO: Chairman and Members
Hamilton Police Services Board
FROM: Eric Girt
Chief of Police
SUBJECT: *Voluntary Paid Duty Fees*
PSB 20-078

RECOMMENDATIONS:

- a) That the Hamilton Police Services Board approves a 5% increase to the administrative fees of Voluntary Paid Duty contracts to account for cost recovery, and;
- b) That the Hamilton Police Services Board enacts By-law 20-001 to approve the addition of Schedule 'E', attached hereto, to amend By-law 11-001, being a By-law to impose fees and charges for services provided by the Board

FINANCIAL / STAFFING / LEGAL IMPLICATIONS:

FINANCIAL – The Hamilton Police Service (HPS) currently invoices approximately \$2.4 million annually for Voluntary Paid Duties. Due to a new 5% transactional fee by our service provider E-Solutions, leaving the current fee structure of 15% would result in a decrease of approximately \$96,760.34 to the Service's annual revenues. A 5% administrative fee increase to 20% would offset this pressure and account for the required cost recovery while bringing system integration and efficiencies to the Service.

STAFFING – N/A

LEGAL – By-Law No. 11-001 outlines fees and charges for certain services provided by the Hamilton Police Service Board (HPSB). Voluntary paid duty fees are not currently addressed in By-Law No. 11-001. The Service recommends adding voluntary paid duty fees as "Schedule E" to this by-law to ensure consistency and transparency of HPSB's fees and charges. Appendix A includes the recommended changes to By-Law No. 11-001.

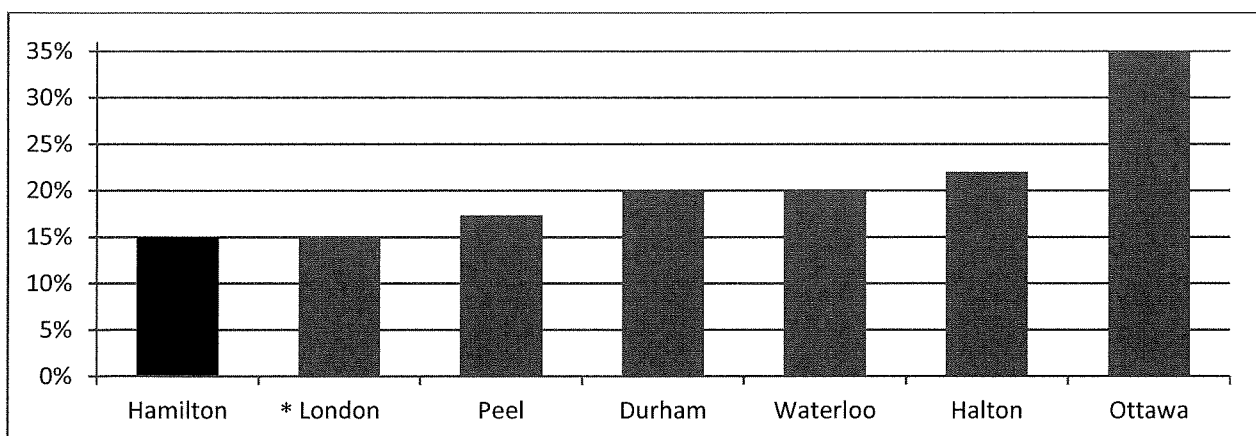
BACKGROUND:

The HPS Voluntary Paid Duty (VPD) office exists to provide quality-policing services to the community that fall outside the mandated requirements of the *Police Services Act*. These services include police presence at special community events such as parades, festivals, film production, and roadway safety for construction projects. An administrative fee of 15% to account for service costs including salaries, administration and equipment usage is charged to anyone requesting VPD Officers. These fees are intended to offset additional expenses incurred by the Service in responding to these requests. In addition, the Service typically achieves revenues of approximately \$350,000.00 annually from these fees. The Service has processed an average of 1,815 of these contracts annually over the past five years, accounting for approximately \$2.4 million (incl. HST) in total annual invoicing.

The HPS VPD administrative software system is at end of life and will be upgraded this year to E-Solutions. This upgrade and its related costs were approved by the Board during the 2019 Budget deliberations. E-Solutions will assist the Service in managing and tracking requests, and will create further administrative efficiencies once implemented. The HPS will incur a 5% per transaction fee when using E-Solutions. The additional 5% transaction fee will not apply to events contracted to the City of Hamilton.

The proposed 5% increase to administrative fees is intended to offset the new 5% transaction fee. If the overall administrative fee is not increased from 15% to 20% as recommended, we anticipate our annual revenues dropping by approximately \$96,000.00 based on current invoicing levels. Once E-Solutions is fully implemented, staff will review the unit for any potential efficiencies.

While costs to administer the program have increased due to technology and demands, the HPS has not increased administrative fees to the public since 2002. This fee is set and approved by the Board and is lower than most comparators as depicted below.



**While London appears to be at the same level as Hamilton, their fees increase to 25% for statutory holidays*

Recommendation

The HPS recommends that the current 15% administrative fee be increased to 20% in order to better align with the surrounding Services and to offset the new 5% transaction fees and that By-Law No. 11-001 be amended to include "Schedule E" to document and detail administrative fees for Voluntary Paid Duty contracts.



Eric Girt
Chief of Police

EG/M. Schulenberg

Attachment: Appendix A

cc: Ryan Diodati, Deputy Chief – Support
Anna Filice, Chief Administrative Officer
Marty Schulenberg, Superintendent – Support Services
Paul Evans, Inspector – Support Services
John Randazzo, Director - Finance

HAMILTON POLICE SERVICES BOARD

BY-LAW NO. 20-001

BEING A BY-LAW TO AMEND THE POLICE SERVICES BOARD BY-LAW 11-001 (BEING A BY-LAW TO IMPOSE FEES AND CHARGES FOR CERTAIN SERVICES PROVIDED BY THE HAMILTON POLICE SERVICES BOARD AND TO REPEAL BY-LAWS 96-002, 99-001, 00-01 and 02-001)

WHEREAS the Hamilton Police Services Board is a local board of the City of Hamilton;

AND WHEREAS section 391 of the *Municipal Act, 2001*, S.O. 2001, as amended, authorizes a local board of a municipality to impose fees or charges on persons:

- (a) for services or activities provided or done by or on behalf of it;
- (b) for costs payable by it for services or activities provided or done by or on behalf of any municipality or other local board; and
- (c) for the use of its property including property under its control;

AND WHEREAS the Hamilton Police Services Board incurs costs related to the purposes set out in section 391 of the *Municipal Act, 2001*, S.O. 2001, as amended;

AND WHEREAS section 31(6) of the *Police Services Act*, R.S.O. 1990, as amended, permits the Board, by by-law, to make rules for the effective management of the Hamilton Police Service;

AND WHEREAS the Hamilton Police Services Board has determined that, wherever feasible, the total costs related to the purposes set out in section 391 of the *Municipal Act, 2001*, S.O. 2001 shall be recovered by the Board;

WHEREAS the Hamilton Police Services Board, at its meeting on April 18, 2011, approved Report 11-051, which authorized the amendments to, and introduction of, certain Fees and Charges, as well as the consolidation of By-Laws 96-002, 99-001 and 00-01 into By-Law 11-001;

AND WHEREAS the Hamilton Police Services Board, at its meeting on January 16, 2012, approved Report 12-002, which authorized the amendments to, and introduction of, certain Fees and Charges, as well as the consolidation of By-Law 02-001 into By-Law 11-001;

AND WHEREAS the Hamilton Police Services Board, at its meeting on April 22, 2014, approved the creation of a new schedule to By-Law 11-001 to regulate the operations of the False Alarm Reduction Unit;

AND WHEREAS the Hamilton Police Services Board, at its meeting on September 15, 2014, approved Report PSB 14-050, which authorized Schedule 'D' of By-law 11-001 to be revoked and replaced with an updated Schedule 'D';

NOW THEREFORE the Hamilton Police Services Board HEREBY ENACTS as follows:

1. An introduction of Fees and Charges pertaining to Voluntary Paid Duty Contracts with the creation of Schedule 'E'.

EFFECTIVE DATE

2. This By-Law shall come into force and take effect on the day it is passed.

PASSED AND ENACTED at the City of Hamilton this 15th day of October, 2020.

Fred Eisenberger
Chair
Hamilton Police Services Board

Kirsten Stevenson
Administrator
Hamilton Police Services Board

DATE

DATE

SCHEDULE "E"

To By-Law 11-001

FEES AND CHARGES FOR VOLUNTARY PAID DUTY CONTRACTS

SERVICE	FEE
Volunteer Paid Duty Contracts – Administrative Fee	20% of the total cost of the contract (not including HST)

VOLUNTEER PAID DUTY CONTRACTS

PURPOSE:

To provide for the imposition of fees and charges for Volunteer Paid Duty Contracts.

The HPS Voluntary Paid Duty (VPD) office exists to provide quality-policing services to the community that fall outside the mandated requirements of the *Police Services Act*. These services include police presence at special community events such as parades, festivals, film production, and roadway safety for construction projects.