

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: RCMP SETTLEMENT PAYMENTS

RECOMMENDATIONS:

1. THAT Council authorize the payment of funds withheld for RCMP BC Headquarters, as outlined in the report.
2. THAT Council receive the update on the Integrated Homicide Investigation Team (IHIT), and Earned Retirement Benefits costs for information.

REPORT

The Financial Management Committee, at its meeting held on 2020 July 07, received and adopted the attached report seeking Council authorization for the payment of funds withheld for Green Timbers, and providing an update on the Integrated Homicide Investigation Team and Earned Retirement Benefits costs.

Respectfully submitted,

Mayor M. Hurley
Chair

Councillor S. Dhaliwal
Vice Chair

Copied to:	City Manager Director Finance Director Public Safety and Community Services Director Corporate Services
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TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 June 30

FROM: DIRECTOR PUBLIC SAFETY AND
COMMUNITY SERVICES

FILE: 9010-01

DIRECTOR FINANCE

SUBJECT: RCMP SETTLEMENT PAYMENTS

PURPOSE: To obtain authorization for payment of funds withheld for Green Timbers and to provide an update on the Integrated Homicide Investigation Team (IHIT) and Earned Retirement Benefits costs.

RECOMMENDATIONS:

1. **THAT** the Financial Management Committee recommend Council authorize the payment of funds withheld for RCMP BC Headquarters as outlined in this report.
2. **THAT** the Financial Management Committee receive the update on the Integrated Homicide Investigation Team (IHIT) and Earned Retirement Benefits costs for their information.

REPORT**1.0 INTRODUCTION**

On 2020 May 15, the City received a letter (Attachment 1) from the Provincial Policing and Security Branch. The letter outlines the outcomes of three long-standing disputed items:

- The funding for the “E” Division headquarters building at Green Timbers;
- The cost sharing for the Lower Mainland District Integrated Homicide Investigation Team (LMD IHIT); and,
- The settlement of the liability arising from the federal governments termination and related payout of accumulated earned retirement benefits.

The letter also outlines how the resolution of these issues will impact the cost of policing services for the City of Burnaby.

2.0 POLICY SECTION**Goal**

- A Safe Community
 - Crime prevention and reduction –

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 From: Director Public Safety and Community Services
 Director Finance
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Ensure citizens and businesses feel safe in our community

- A Connected Community
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments

- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

3.0 OUTCOMES AND IMPACTS

3.1 Green Timbers

In early 2013, the RCMP relocated their BC Headquarters from Heather Street in Vancouver to 14200 Green Timbers Way in Surrey. The new location (commonly referred to as *Green Timbers*) was constructed through a P3 (Public-Private Partnership) project and resulted in a modified billing process as part of the Municipal Police Unit Agreement contract.

Commencing in RCMP fiscal year 2013/14, there was a distinct fee placed against every RCMP member in the province, to cover the cost of accommodating the operational and administrative personnel at Green Timbers contributing towards the policing contracts throughout the province. Each RCMP municipality in turn was invoiced annually at the set rate, multiplied by the total number of members their detachment.

The accommodation costs associated with the previous RCMP headquarters location in Vancouver had been imbedded within the overall RCMP BC Core Administration costs and unfortunately the RCMP have been unable to provide a separate and succinct accommodation rate per member that was billed to municipalities prior to 2013.

The Green Timbers accommodation cost per member since fiscal year 2013/14 is outlined in the table below.

RCMP E Div Green Timbers Cost of Accommodations	Year 1 FY 2013/14	Year 2 FY 2014/15	Year 3 FY 2015/16	Year 4 FY 2016/17	Year 5 FY 2017/18	Year 6 FY 2018/19
Annual cost per RCMP Member	\$843	\$815	\$818	\$848	\$849	\$870

As part of the RCMP settlement agreement, this accommodation rate has now been fixed at a set annual rate of \$403,890.00 from 2019 April 01 to 2032 March 31 and will not increase during this time frame. In addition, the rate will no longer be attached to the number of members at each detachment and will not increase regardless of any additional personnel placed at the detachment during the term. Of further note, this rate will not

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Director Finance
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change regardless of the number of RCMP members in the province (ie. should Surrey transition to a municipal force).

For comparison purposes, the rate assigned in the new agreement when broken down per member with the detachment's current establishment of 325.5 members (301 plus 24.5 on the Integrated Teams) works out to approximately \$1240.00 per member.

Since 2013 April 1, the City of Burnaby has withheld these annual accommodation costs charged on the RCMP invoices to the City for Green Timbers. As a result, the City has sufficient funds set aside to make the respective payment. The City is currently settling the billings for the period 2013 April 1 to 2019 March 31, the City's liability for these costs amount to \$2,738,688.

3.2 *Integrated Homicide Investigation Team (IHIT) & Lower Mainland Integrated Teams*

For the City of Burnaby, IHIT has been a part of the quarterly RCMP invoice with a 70%/30% provincial/federal cost sharing model applied to all IHIT costs. All other Integrated Teams of the RCMP have a 90%/10% provincial/federal cost sharing model applied to their respective costs. Below are all the Integrated Teams of the RCMP:

- Integrated Homicide Investigation Team (IHIT)
- Emergency Response Team (ERT)
- Police Dog Services (PDS)
- Forensic Identification Services (FIS)
- Integrated Collision Analyst and Reconstructionist Services (ICARS)
- Integrated Internal Investigator (III)

The recent letter outlines that IHIT will now follow a 70%/30% provincial/federal cost sharing model across all the municipalities. However, since the City of Burnaby has already been paying the 70% for IHIT and 90% for all other Integrated Teams to the Province, there is no reconciliation or adjustment requirement for the City with regards to this resolution.

Prior to the resolution, the invoicing of IHIT was included in the quarterly RCMP invoice but was separately itemized from the rest of the Lower Mainland Integrated Teams. With the new resolution, all costs associated to the Lower Mainland Integrated Teams will no longer be itemized separately but combined with the rest of the Regular Members contract as a single line for "Quarterly Police Service".

3.3 *Earned Retirement Benefits*

RCMP members were entitled to accumulate severance pay for voluntary resignations and retirements up to 2012 March 31, which is when this benefit was eliminated.

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Severance pay still continues to accrue for lay-offs, deaths and disabilities. Since 2012, the RCMP has been invoicing approximately \$250,000 to the City of Burnaby annually for the severance liquidation through one of its quarterly invoices. Cumulatively since 2012, the City has already paid \$1,489,169 to the Province for the respective severance liquidation.

As a result, at this time, the City of Burnaby has an outstanding obligation of \$3,608,287 to fully extinguish the liability. The Province is providing the City until 2032 March 31 to pay this outstanding liability. The City will continue to make the required payments interest free annually through one of the quarterly RCMP invoices through to 2032 in order to extinguish this liability by the required deadline.

4.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council authorize the payment of funds withheld for Green Timbers and receive the update on Integrated Homicide Investigation Team (IHIT) and the Earned Retirement Benefits costs as outlined in this report.



Dave Critchley
DIRECTOR PUBLIC SAFETY AND COMMUNITY SERVICES



for Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:DC/md

Attachment 1 - Letter from Policing and Security Branch dated 2020 May 15

Copied to: City Manager



May 15, 2020
Ref: 565557

Lambert S.H. Chu
Chief Administrative Officer
City of Burnaby
Email: lambert.chu@burnaby.ca

Dear Lambert S.H. Chu:

The Ministry of Public Safety and Solicitor General (PSSG) and Public Safety Canada (PSC) have recently resolved three long-standing disputed items and I am writing to inform you how the resolution of these issues will impact the cost of policing services for your municipality. The Settlement Agreement was signed by both the Federal and Provincial Ministers on March 23, 2020, and is retroactive to April 1, 2019, resolving:

- The funding for the “E” Division Headquarters building at Green Timbers (GT);
- The cost-share for the Lower Mainland District Integrated Homicide Investigation Team (LMD IHIT); and
- The settlement of the liability arising from the federal government’s termination of accumulated earned retirement benefits and the related payout of those benefits (Earned Retirement Benefits).

Terms of the Settlement Agreement that impact your municipality are as follows:

Green Timbers

Retroactive to April 1, 2013, the annual accommodation costs for Green Timbers costs charged to your municipality will equal the amount that RCMP has invoiced your municipality since April 1, 2013 and that amount will remain constant for 25 years (2013-2038).

Your municipality also has a liability to PSC for the Green Timbers accommodation costs from April 1, 2013 to March 31, 2019 of: \$2,738,688. Now that the funding for Green Timbers is resolved, PSC will be expecting your municipality to honour your obligation by making payment under the terms of the Municipal Police Service Agreement.

IHIT

Effective April 1, 2019, the existing LMD IHIT is to be included as part of the RCMP Provincial Service with the 70/30 provincial/federal cost-share applied to all LMD IHIT costs. This means that all municipalities participating in LMD IHIT will benefit from the 70/30 cost share. RCMP will ensure any IHIT amounts previously billed for FY 2019/20 will be adjusted as part of the year-end reconciliation process. This letter also serves to advise you that from April 1, 2019 onward, the

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Province will be invoicing your municipality for LMD IHIT costs, at the 70% cost-share.

This agreement will result in a single invoice for the 2019/20 fiscal year and beginning in April 2020, the Province will be invoicing your municipality for the anticipated annual LMD IHIT costs on a quarterly basis and those invoices are due 45 days from the receipt of an invoice.

Each year before June 30, there will be a reconciliation of estimated and actual LMD IHIT costs for the previous year and any deficiency in payment or over-payment by your municipality will be credited or debited, as the case may be, to the next invoice of the succeeding Fiscal Year.

Earned Retirement Benefits

The Province has agreed to pay the RCMP members' entitlement to accumulate severance pay for voluntary resignations and retirements as of March 31, 2012. Although the termination of the severance pay entitlement will result in future cost avoidance for municipalities, the Province and PSC, as of March 31, 2019 your municipality has an outstanding obligation of: \$3,608,287.

PSC is providing each municipality until March 31, 2032 (the expiry date of the current PPSA and Municipal Police Service Agreement or MPSA) to fund the liability for Earned Retirement Benefits. Each municipality is encouraged to approach your RCMP Financial contact and arrange payment terms appropriate for your circumstances.

Other provinces and territories are currently looking at mediation/arbitration to negotiate a better settlement for Earned Retirement Benefits than what BC has accepted. Under the terms of the Settlement Agreement, if any agreement on severance is reached with all other provinces and territories that would result in a lesser amount being otherwise owed by BC for early retirement benefits, that benefit will be provided to BC and proportionately allocated between municipalities and the Province.

If you have questions about and the financial details of the Settlement Agreement, please contact Jim MacAulay at jim.macaulay@gov.bc.ca or 778 698-8324.

Take care,



Brenda Butterworth-Carr; Tr'injå shår njit dintlåt
Assistant Deputy Minister
And Director of Police Services
Policing and Security Branch