

**FINANCIAL MANAGEMENT COMMITTEE**

**TO:**            *MAYOR AND COUNCILLORS*

**SUBJECT: RCMP RETROACTIVE PAY**

**RECOMMENDATION:**

**THAT** staff be authorized to make the RCMP retroactive payments as outlined in the report titled "RCMP Retroactive Pay" dated May 23, 2023.

**REPORT**

The Financial Management Committee, at its meeting held on May 23, 2023, received and adopted the attached report informing Council of the financial impact on the City's budget resulting from the RCMP retroactive pay in the collective agreement between the RCMP and the Government of Canada, and seeking Council approval to make the retroactive payments.

On behalf of the Financial  
Management Committee,

Councillor S. Dhaliwal  
Chair

Councillor A. Gu  
Vice Chair

**TO:** CHAIR AND MEMBERS  
FINANCIAL MANAGEMENT COMMITTEE

**DATE:** 2023 Apr 05

**FROM:** GENERAL MANAGER COMMUNITY  
SAFETY

**SUBJECT:** RCMP RETROACTIVE PAY

**PURPOSE:** To inform Council of the financial impact on the City's budget resulting from the RCMP retroactive pay in the collective agreement between the RCMP and the Government of Canada.

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**RECOMMENDATION:**

1. **THAT** Financial Management Committee recommend Council support the payment of the RCMP retroactive pay as outlined in this report.

**REPORT****1.0 INTRODUCTION**

The RCMP provides policing services in Burnaby as a result of the Municipal Police Unit Agreement (MPUA) between Burnaby and the Province of British Columbia. A significant transformational change occurred in the RCMP recently with the ratification of a collective agreement between the National Police Federation (NPF) and the Government of Canada. The NPF is the sole bargaining agent for members of the RCMP and this is the first ever collective agreement in the history of the RCMP. This collective agreement in turn has resulted in a substantial financial impact to Burnaby as part of the MPUA.

The six year agreement was ratified on April 1, 2021 and has just recently expired on March 31, 2023. A key component of this agreement was the inclusion of retroactive pay at the increased salary rates from 2017 to 2021 which the RCMP have determined to be \$11,128,673.21 and invoiced the City for (Attachment 1).

**2.0 BACKGROUND**

This historic first collective agreement between the NPF which is the sole bargaining agent for the RCMP and the Government of Canada, not only resulted in a new labour relations regime for the RCMP but also resulted in significant financial impact to municipalities who utilize the RCMP as their police service.

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The collective agreement included significant base salary increases for RCMP members as well as additional other direct costs associated to base salary such as benefits. Based on the information provided by RCMP E-Division, the City had been budgeting and setting aside funds since 2017 anticipating a salary increase. A compounded rate of 2.5% annually was placed into a City reserve, however as noted in the table below the estimate was woefully inadequate.

Increases	2017	2018	2019	2020	2021	2022	Compounded
Actual	3.28%	3.28%	4.29%	3.53%	3.28%	4.06%	23.77%
RCMP Estimate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	15.97%
Difference	0.78%	0.78%	1.79%	1.03%	0.78%	1.56%	7.80%

Table 1

Immediately upon notification of the terms and conditions of the contract, staff began reviewing and analysing the various impacts placed upon municipalities and in particular, the accuracy and depth of the financial liabilities. Given the subsequent financial liabilities, staff along with other municipalities, commenced intense discussions with the RCMP and Public Safety Canada regarding the retroactive pay. This included staff representation on the Union of British Columbia Municipalities (UBCM) Local Government Contract Management Committee (LGCMC).

Commencing in March of 2022, Public Safety Canada was engaged by over 100 contract jurisdictions and 180 representatives (which included Burnaby) in discussions which asserted that RCMP retroactive pay was not the responsibility of the contract jurisdictions and the Government of Canada must take steps to reduce this undue hardship.

These lobbying efforts initially appeared to be having some traction with federal officials, however unfortunately on March 29, 2023 contract jurisdictions including Burnaby were advised by Public Safety Canada that 2017 to 2021 retroactive pay is the sole responsibility of the contract jurisdictions (Attachment 2). The only concession being offered was that contract jurisdictions may take up to two years (March 31, 2025) to pay the retroactive pay.

### 3.0 RETROACTIVE PAY CALCULATIONS

Although the actual rate increases were higher than initial RCMP estimates, the City did accrue sufficient funds by the 2022 fiscal year end to offset the actual retroactive costs as invoiced by the RCMP per Attachment 1.

Please note that the invoice received from RCMP does not include the Integrated Homicide Investigation Team (IHIT) as this is invoiced under the Province of BC. City staff have confirmed that all retroactive costs associated with IHIT will be absorbed by the

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Province. The Province has indicated this decision to absorb the costs is a one-time situation and that any other future retroactive costs for IHIT will be the responsibility of the City.

In addition, City staff have confirmed with RCMP that the invoice received in March 2023 is the final invoice related to the collective agreement retroactive costs and there will be no subsequent invoices for the City.

#### 4.0 PAYMENT OPTIONS

Senior Management has elected to defer the payment of the retroactive payroll costs by up to a maximum of two years. Deferring the payment is more beneficial to the City as it provides the opportunity for City staff to invest the funds that can generate a return on investments, which can be used to help offset City expenditures.

Specific details and payment terms/schedules during the two year time frame are still to be negotiated and finalized between the City and Public Safety Canada.

Furthermore, it has recently come to the attention of City staff through an UBCM update on April 19, 2023, that UBCM and the Federation of Canadian Municipalities has asked the Federal government to reconsider its decision for municipalities to pay the retroactive costs. Further information will be provided should there be any changes.

#### 5.0 RECOMMENDATION

Financial Management Committee recommend Council support the payment of the RCMP retroactive payments as outlined in this report.

  
Dave Critchley  
GENERAL MANAGER COMMUNITY SAFETY

Attachments: 1) RCMP Retroactive Pay Invoice  
2) Correspondence – Public Safety Canada to Mayor Hurley

Copied to: Deputy Chief Administrative officer & Chief Financial Officer  
Officer in Charge Burnaby RCMP