

The Rising Costs of Emergency Services



AMO Conference Session – The Thin Red Line
August 21, 2012



The Issue

Emergency service costs are rising faster than:

- the rate of inflation
- other municipal costs & services

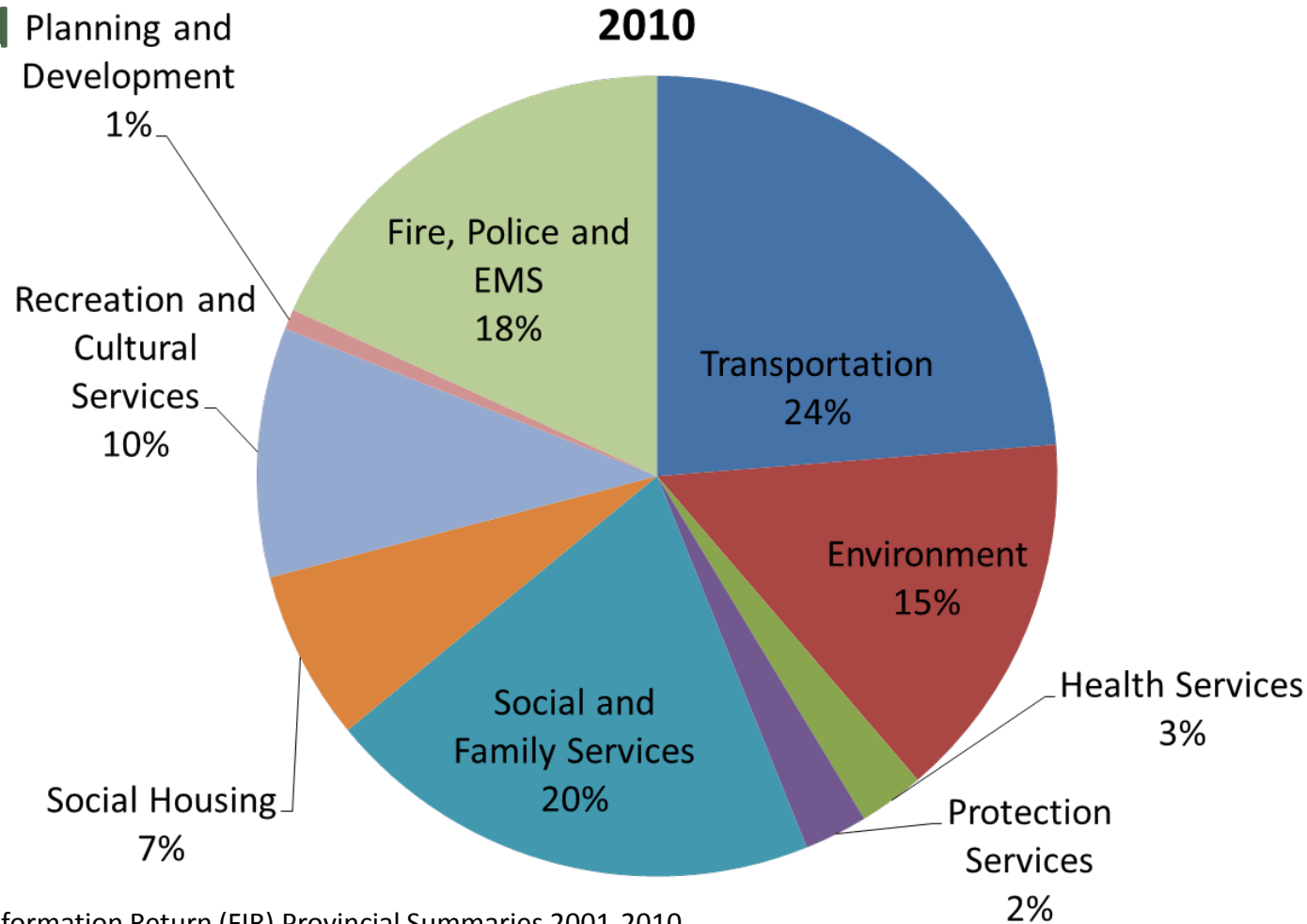
This affects the resources available to deliver other core services that are just as vital to a community.



The Costs of Emergency Services

In 2010, the cost of **Fire, Police and EMS** services accounted for about 18% of municipal expenditures, totaling:

\$6.2 billion



Data Source: MMAH Financial Information Return (FIR) Provincial Summaries 2001-2010

*2010 FIR Data excludes 15 municipalities that have not reported as of April 2012

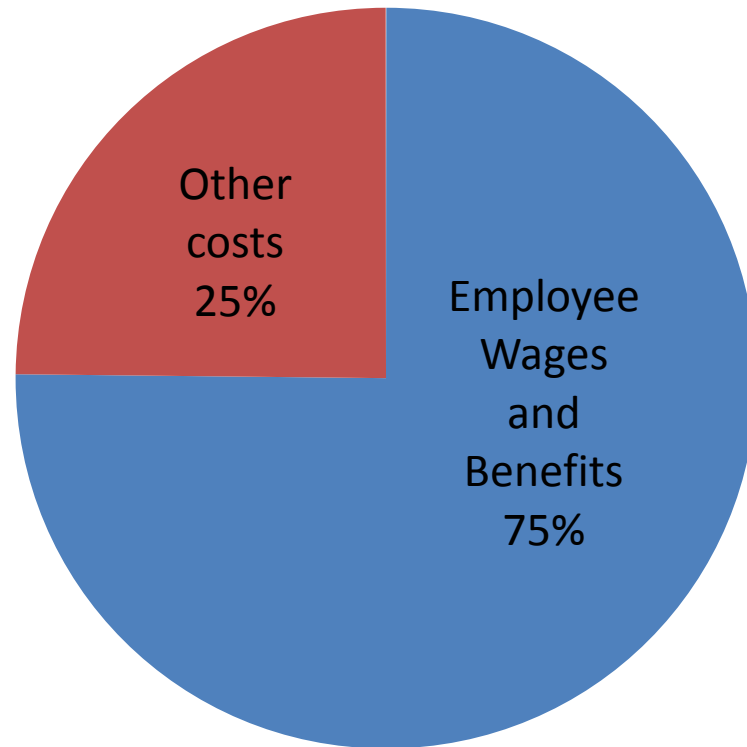


The Costs of Emergency Services

The largest portion of these costs are attributed to Employee Wages and Benefits – approximately:

\$4.6 billion

Fire, Police, EMS



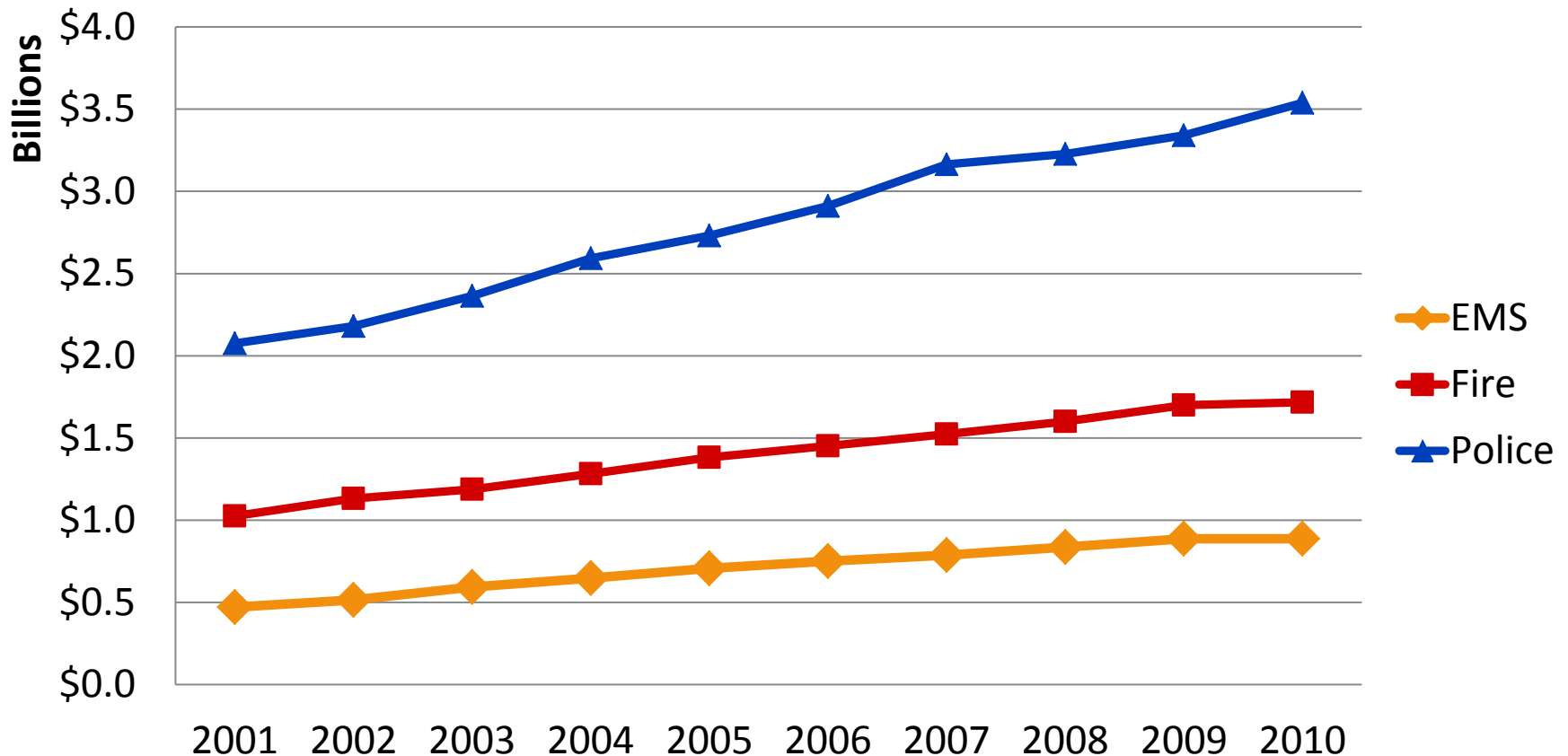
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Total Spending on Emergency Services

Rising Costs of Emergency Services

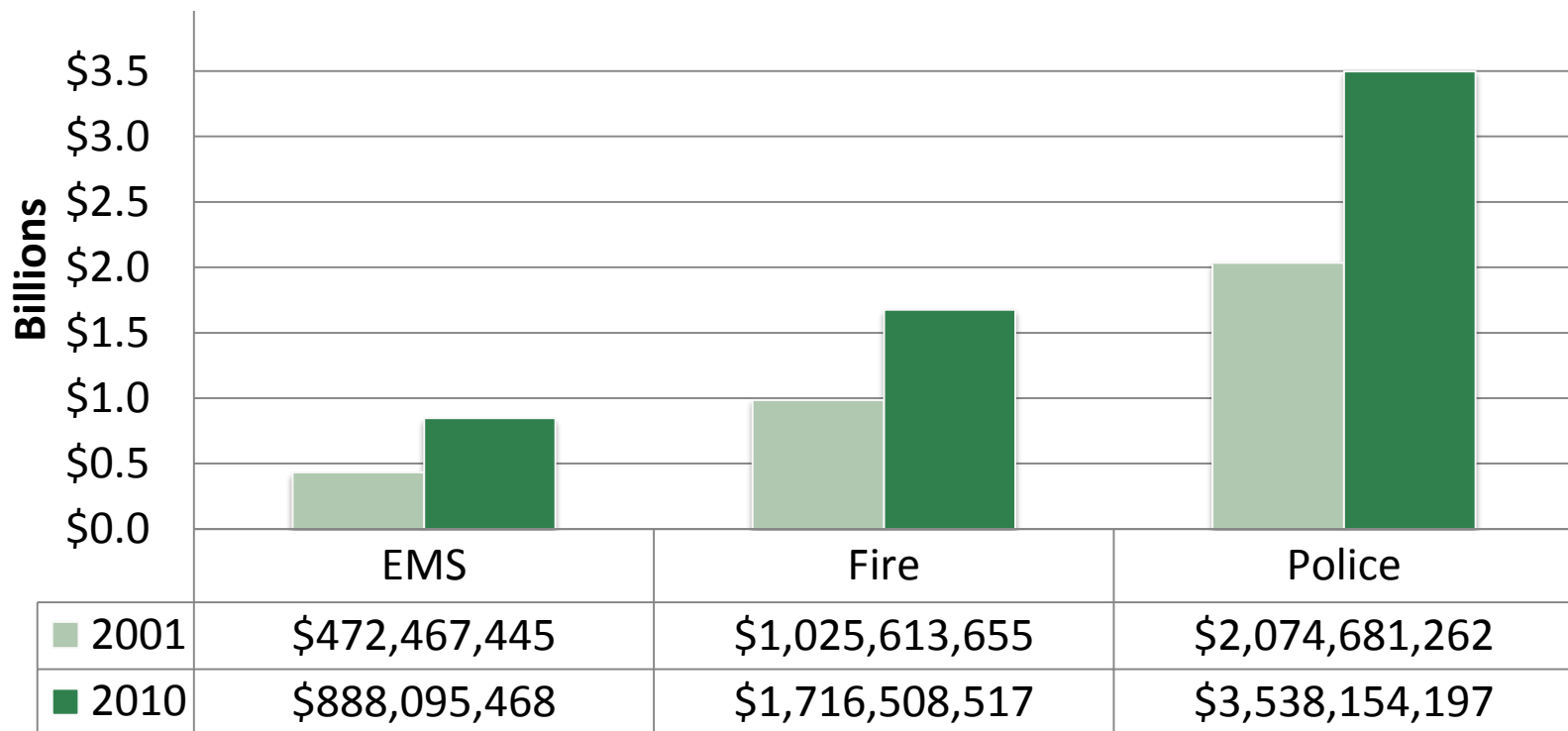


Data Source: MMAH Financial Information Return (FIR) Provincial Summaries 2001-2010



Spending on Emergency Services

Municipal Spending on Emergency Services 2001 vs. 2010



Data Source: MMAH Financial Information Return (FIR) Provincial Summaries 2001-2010

*2010 FIR Data excludes 15 municipalities that have not reported as of April 2012



Each sector is NOT the same...

- Police
- Fire
- EMS (Emergency Medical Services)

Let's get a sense of what drives the costs of each of these sectors...



Police Costs

- Some Cost Drivers:
 - Regulatory policing standards for municipal forces and retention pay
 - Arbitration settlements
 - OPP contract settlements (wage increases: 2011, 5%; 2012 and 2013, 0% increase; 2014, 8.5% increase est.)
 - OPP costing formula
 - Benefits: Pension, Health, Post-Employment

2001

Cost per Household:
\$469.68

2010

Cost per Household:
\$689.41

Within Ontario, 322 out of 444 municipalities are serviced by the OPP.



Fire Costs

- Some Cost Drivers:
 - Provincial service standards
 - Arbitration settlements and beginning of retention pay
 - Presumptive WSIB legislation - An Act to amend the *Workplace Safety and Insurance Act, 1997* with respect to fire fighters and certain related occupational diseases.
 - Benefits: Pension, Health, Post-Employment

2001

Cost per Household:
\$231.70

2010

Cost per Household:
\$333.46



EMS Costs

- Some Cost Drivers:
 - Increasing demand for service
 - Qualifications of Paramedics
 - Cost sharing program was not always 50/50
 - Benefits: Pension, Health, Post-Employment

2001

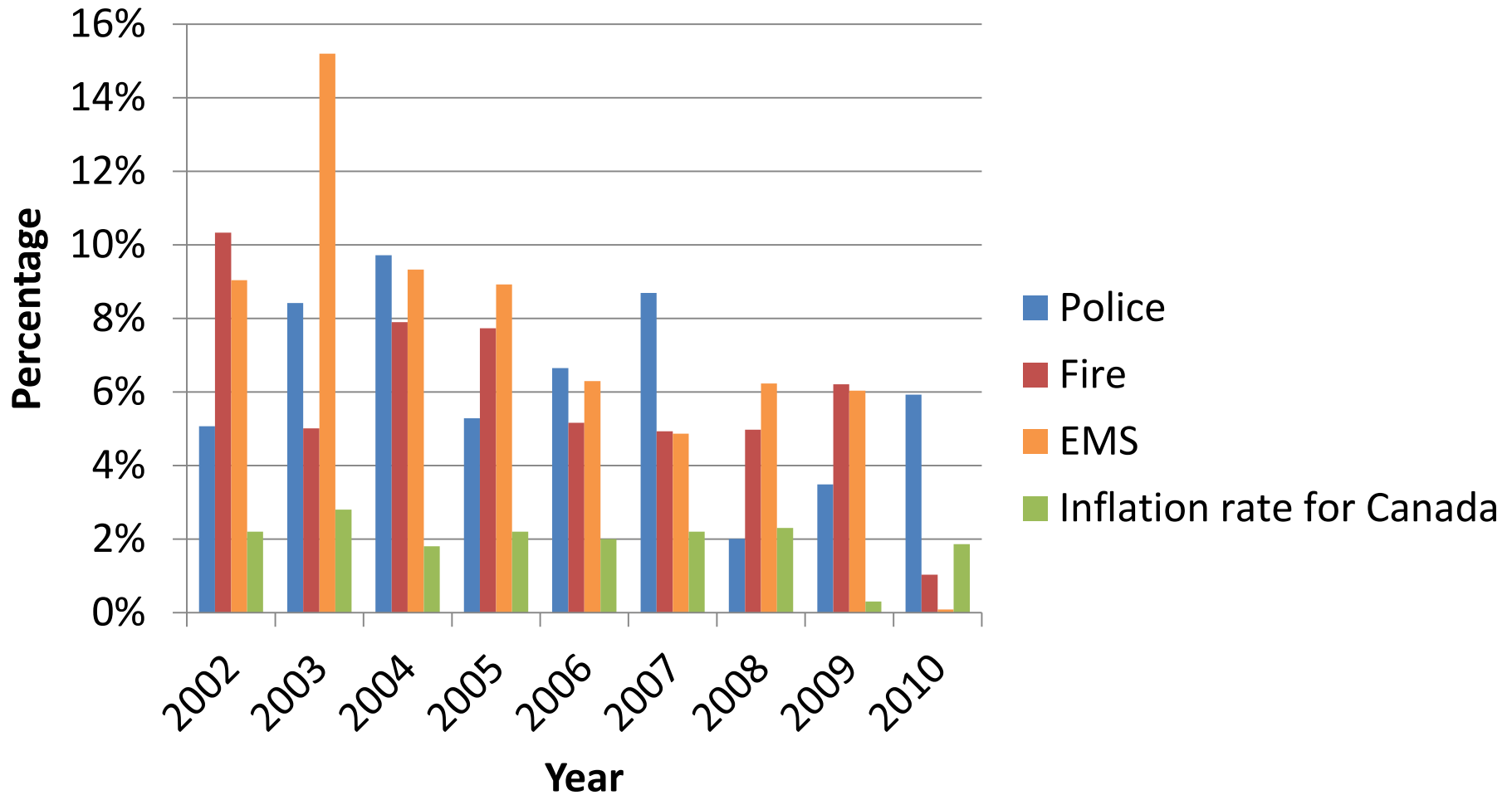
Cost per Household:
\$106.73

2010

Cost per Household:
\$186.40

Growth Rate of Sectors

Growth Rate



AMO Activity Related to Police Costs

1. Court Security Upload
2. Future of Policing Summit, ongoing Advisory Committee and Working Groups
3. OPP Cost Recovery Formula Project Team
4. Ongoing pension and arbitration advocacy



1. Court Security

As part of the 2008 PMFSDR agreement, court security uploads commenced this year. Total allocations to municipalities are:

- 2012 - \$17.8 million
- 2013 - \$35.7 million
- 2014 - \$53.5 million
- 2015 - \$71.4 million
- 2016 - \$89.2 million
- 2017 - \$107.1 million
- 2018 - \$125 million

A total of 320 municipalities will benefit from this upload.



2. Future of Policing Advisory Committee

- Coming out of the Policing Summit, this committee shall:
 - examine what is core policing and what is not;
 - recommend legislative, regulatory, policy and strategic changes for policing to the Ministry.
- It consists of a majority of employer representatives and service providers and includes employee representatives.
- The *Police Services Act* and the associated regulations that establish policing standards have not been reviewed since the late 1990s. It is a significant opportunity for change.
- President McNamara has attended two meetings, another is scheduled for the fall.
- It will make recommendations to the Minister in the next 12-18 months.



2. FPAC continued...

- FPAC has established four working groups that will investigate changes to achieve a sustainable model for future policing.
- AMO has appointed senior municipal staff representatives to each of the working groups:
 - Crime Prevention;
 - Law Enforcement and Assistance to Victims of Crime;
 - Emergency Response and Public Order Maintenance;
 - Administration and Infrastructure.



3. OPP Cost Recovery Formula

- A significant improvement in the transparency and accountability of police costs to councils and the public.
- It sets the stage for further awareness of policing costs both inside and outside the OPP.



4. Pension & arbitration advocacy

- AMO's advocacy on pension contribution rates and changes to Ontario's arbitration system continues.
- AMO has written to the government expressing disappointment that the arbitration provisions were removed from the budget bill.
- It is expected these provisions will be reintroduced in the fall as new legislation.

