



Corporate

NO: R004

Report

COUNCIL DATE: January 6, 2003

REGULAR			
TO:	Mayor & Council	DATE:	January 3, 2003
FROM:	General Manager, Finance, Technology & HR	FILE:	7400-01
SUBJECT:	Outstanding Invoices Re: RCMP		

RECOMMENDATION

That Council approve the outstanding invoices in the amount of \$629,544.38 related to RCMP overtime.

INTENT

To update Council on the status of the outstanding invoices related RCMP overtime and to seek approval to make the final payment.

BACKGROUND

In 1996, 1997 and 1998 wages were frozen for all federal employees, including the RCMP. Since all RCMP members are on the same pay scales right across Canada, it became very difficult to recruit and retain RCMP officers in the Lower Mainland. This was partly due to the fact that the cost of living was so much higher in the Lower Mainland than most other parts of Canada and also due to the GVRD RCMP members falling well behind the local municipal police forces. This became increasingly more evident as wages in BC were increasing at the average rate of about 2%-3% per year.

The RCMP Division responsible for the Lower Mainland (E-Division) devised a method to compensate local RCMP members for their low wages in the form of special overtime. Each member was permitted to work additional overtime over and above his or her regular shifts and normal overtime allowances. This became known as 'GVRD overtime

allowance'. Although the members had to actually work the overtime, the hours worked were not subject to the same level of scrutiny as other overtime worked in the line of duty. Municipalities policed by the RCMP were billed for the additional overtime along with their regular quarterly invoice for policing services.

This additional cost was over and above the authorized 'budget cap' that each municipality provides to the RCMP each year once the annual budget has been adopted by Council. This 'budget cap' is the maximum amount that the RCMP is authorized to bill each municipality for policing services in a particular budget year.

Surrey was billed a total of \$1,738,081.81 for the GVRD overtime allowance. Most GVRD municipalities did not agree with the way that the RCMP had arbitrarily billed without prior consultation. Some municipalities, including Surrey, withheld payment of the 'GVRD overtime allowance' from each quarterly invoice received. Other municipalities who withheld payment included Coquitlam, Port Coquitlam, District of North Vancouver and White Rock.

In addition to this, the Surrey Detachment exceeded their 'authorized budgeted overtime cap' by \$510,290 in 1999. This amount was also withheld from payment. In 2000, the total amount that Surrey had withheld from the RCMP quarterly remittances was \$2,248,371.81.

Surrey and other municipalities continued to receive several notices of payment due from the RCMP in regards to the outstanding balances.

On January 16th, 2001 Surrey received a Final Notice of Payment from Lower Mainland Commissioner Bev Busson, demanding that the outstanding amounts be paid. After additional consultation with E-Division the amount of \$1,251,418,89 was remitted on March 7th, 2001 as payment for the GVRD overtime allowance withheld from 1996 – 1998. A copy of the letter accompanying this payment is attached (Appendix A). In April 2001 a further \$367,408.54 was remitted as payment for the additional overtime claimed in 2000. A copy of the letter accompanying this payment is also attached (Appendix B).

As at December 31st, 2002, the total amount still owing to the RCMP is \$629,544.38. The only other municipalities who continue to withhold payment for the GVRD overtime allowance are the District of North Vancouver and the City of Coquitlam.

DISCUSSION

In the Spring of 2000, the RCMP initiated the BC Policing Study with a goal of improving the delivery of policing services to municipalities. The Lower Mainland Policing Advisory Committee (LMPAC) was formed. The Committee first worked towards gaining a better understanding of the financial details behind municipal contracts. Each municipality now receives a detailed line-item quarterly billing based on actual costs. This has helped improve the overall communication between the RCMP and municipalities, which has resulted in an overall greater understanding of business processes for everyone.

We now feel that in order to continue to build our relationship, we need to show good faith and remit the remaining outstanding amount of \$629,544.38 owed to the RCMP. Since this amount had previously been set aside there is no further financial impact on our 2002 results.

CONCLUSION

Surrey was billed a total of \$1,738,081.81 for a GVRD overtime allowance for the years 1996 - 1998. Some municipalities, including Surrey, withheld payment of the 'GVRD overtime allowance' from each quarterly invoice received. In addition to this Surrey also withheld \$510,290 in 1999. Surrey has since paid \$1,618,827.43, leaving a total outstanding balance of \$629,544.38. I recommend that this amount now be paid, in order that we show good faith in our continued negotiations with the RCMP.

Vivienne Wilke, CGA

General Manager, Finance, Technology & HR

Cc: Assistant Commissioner Lower Mainland District Officer/OIC Surrey Detachment