

# PAID DUTY PROGRAM COSTING UPDATE

Finance and Audit  
Committee

November 13, 2018



OTTAWA POLICE SERVICE  
SERVICE DE POLICE D'OTTAWA

*A Trusted Partner in Community Safety*  
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# CONTEXT



- Board inquiry at June 2018 Board Meeting
  - Request for analysis
  - Apply full cost recovery approach proposed for Background Check Fees to Paid Duty Program
  - Report to FAC
- Board decision at October 2018 Board Meeting
  - Full cost recovery approach approved for Background Checks

# PAID DUTY FULL COST RECOVERY ANALYSIS



- Current fee structure
  - Hourly overtime rate + 20% overhead rate
- Full cost recovery fee structure
  - Hourly overtime rate + 35% overhead rate
- Example: Constable rate
  - Increases from \$84.90 to \$95.50 or 12.5%
- Estimated additional cost recovery of \$0.8m

# PAID DUTY FULL COST RECOVERY ANALYSIS



| 2017 Fiscal Year           | Amount      |
|----------------------------|-------------|
| Direct Costs               | \$5,240,000 |
| Overhead Rate:             |             |
| Full Cost Recovery: 35%    | \$1,834,000 |
| Current Cost Recovery: 20% | \$1,048,000 |
| Difference                 | \$786,000   |

# IMPACT ON PAID DUTY FEE SCHEDULE



| <b>2018 Paid Duty Fee Schedule</b> | Hourly Rate<br>20% Admin Fee | Hourly Rate<br>35% Admin Fee |
|------------------------------------|------------------------------|------------------------------|
| Constable                          | \$84.90                      | \$95.50                      |
| Sergeant                           | \$96.30                      | \$108.30                     |
| Staff Sergeant                     | \$105.30                     | \$118.45                     |
| Inspector                          | \$129.14                     | \$145.25                     |
| Superintendent                     | \$147.94                     | \$166.45                     |
| Snow Removal - Civilian            | \$68.00                      | \$76.50                      |
| Fleet - Civilian                   | \$71.95                      | \$80.95                      |
| Special Constable                  | \$77.35                      | \$87.00                      |
| Comunications Dispatch - Civilian  | \$82.05                      | \$92.30                      |
| Vehicle                            | \$46.10                      | \$49.70                      |
| Canine (per assignment)            | \$51.20                      | \$55.20                      |
| Boats & ATV's                      | \$24.60                      | \$26.50                      |

# RECOMMENDATION



- Adopt full cost recovery approach for Paid Duty Program by increasing overhead cost recovery fee to 35%
- Implementation decision:
  - Jan 1 2019 implementation – Requires a December 2018 Board Report
  - Apr 1 2019 implementation – Approve new rates through Budget process starting with February 2019 Budget Tabling Document