

Report to / Rapport au:

**OTTAWA POLICE SERVICES BOARD
LA COMMISSION DE SERVICES POLICIERS D'OTTAWA**

21 March 2016 / 21 mars 2016

Submitted by / Soumis par:

Finance & Audit Committee / Comité des finances et de la vérification

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SUBJECT: AUCTION PROCEEDS

OBJET: PRODUIT DE LA VENTE AUX ENCHÈRES

REPORT RECOMMENDATIONS

That the Ottawa Police Services Board approve that funds raised through the public auction of found or seized property in accordance with Section 132 of the Police Services Act be directed to the Police Services Board budget.

RECOMMANDATIONS DU RAPPORT

Que la Commission de services policiers d'Ottawa approuve l'attribution à son budget des sommes recueillies par suite de la vente aux enchères publique de biens trouvés ou saisis, conformément à l'article 132 de la Loi sur les services policiers.

BACKGROUND

The Ontario *Police Services Act* allows for certain found or seized property to be disposed of at public auction, and the proceeds to be used by the police services board for any purpose that it considers to be in the public interest. The kind of property typically sold at auction includes items such as bicycles, sporting goods, electronics, tools, etc. The pertinent section of the Act is as follows:

Section 132 of the *Police Services Act*

132(1) This section applies to personal property of all kinds, except firearms and money, that comes into the possession of a police force under either of the following circumstances:

1. The property was stolen from its owner or was found abandoned in a public place, and the chief of police is unable to determine who owns it.
 2. The property was seized by a member of the police force in the lawful execution of his or her duties, all legal proceedings in respect of the property have been completed, there is no court order for its disposition and there is no legal requirement, apart from this section, that it be retained or disposed of.
- (2) The chief of police may cause the property to be sold, and the board may use the proceeds for any purpose that it considers in the public interest.
- (3) If the property is perishable, it may be sold at any time without notice.
- (4) If the property is not perishable, the following rules apply to its sale:
1. The property may be sold when it has been in the possession of the police force for at least one month, in the case of a motor vehicle as defined in the *Highway Traffic Act* or a bicycle, or for at least three months, in the case of other property.
 2. The sale shall be at public auction or by public tender.
 3. At least ten days notice of the time and place of the public auction shall be given by publication in a newspaper of general circulation in the municipality.
 4. The sale may be adjourned, repeatedly if necessary, until the property is sold.
- (5) If a motor vehicle, bicycle or other property has been sold before it has been in the possession of the police force for three months and if the owner makes a claim before that time, the owner is entitled to receive the proceeds, less the costs of storage, advertising and sale.
- (6) The chief of police shall ensure that the police force keeps a register of property and that the following rules are followed:
1. The description and location of every item of property shall be recorded.
 2. If the property is sold, full particulars shall be recorded.
 3. If the property is returned to its owner, his or her name, address and telephone number shall be recorded.

(7) This section does not apply to a motor vehicle that is impounded under section 220 of the *Highway Traffic Act*.

In 1996, the Ottawa Police Services Board (Board) (at the time the RMO Police Services Board) gave up these funds, leaving the money in police operations. However, most police services boards in the province use these monies to create a Special Fund for their own purposes.

DISCUSSION

At a meeting on 19 January 2016 the Board's Finance and Audit Committee considered a request from Vice Chair Durrell to review the auction proceeds raised under section 132 of the *Act*. The Committee reviewed the provisions of the *Act* that are set out above in this report, and discussed the fact that most other police services boards avail themselves of the auction proceeds to be able to fund worthwhile events and initiatives in their communities that contribute to the objectives of the police service and the board.

Research into the practices of other police services boards shows that 10 of the "Big 12" boards in Ontario use the auction proceeds for their own purposes, whereas one other board in addition to Ottawa does not receive these funds. Most use the money to provide funding to: community or non-profit agencies whose work supports that of the police service; police service members to help them participate in events that will enhance the profile of their police service; public education or awareness initiatives; and board-related functions such as conferences and retreats. Two boards use the proceeds to fund more general board expenses. The boards that use the proceeds to fund requests from community or police-related groups typically have a policy in place that sets out criteria and funding priorities.

The Ottawa Board already has a Discretionary Fund policy (Policy GA-7), adopted in 1998, that provides guidance to the Board in the disbursement of money. The policy is currently used to assist the Board in allocating a small account of \$30,000 each year; \$10,000 of that is set aside for the Street Ambassador Program and \$7,000 is earmarked for the Police Scholarship and Charitable Fund. This leaves the Board with \$13,000 in real discretionary funding annually to fund groups who submit requests for funding to the Board.

The Discretionary Fund policy (attached as Document 1) identifies four funding priorities that provide opportunities for: the purchase of tickets or donations to fundraising events held by organizations working closely with the Police Service; funding members of the Police Service participating in police-sponsored events; contributing to programs/projects that further the work of the Police Service in the areas of crime

prevention, community policing or other public safety initiatives; and supporting special board requirements such as conferences or other one-time board functions. Examples of typical funding include: Crime Stoppers, the Ottawa Boys and Girls Club, the Youth Services Bureau, the United Way, the Ottawa Police Pipes and Drums Band and the Dragon Boat team, the annual conferences of the Canadian Association of Police Governance and the Ontario Association of Police Services Boards, and other groups.

The existing policy would provide the necessary guidance and criteria should the auction proceeds be placed in the Board's budget.

The addition of the auction proceeds to the Board's discretionary fund account will provide the board with the flexibility to provide greater support to crime prevention and public safety initiatives that will benefit the community as a whole.

CONSULTATION

Not applicable.

FINANCIAL IMPLICATIONS

In the past four years the money raised through public auction of found or seized property has been as follows:

2012	\$181,016 (there was a backlog of property that year so the net amount was higher than usual)
2013	\$95,165
2014	\$68,169
2015	\$78,000.

Moving the auction proceeds to the Board's budget cost centre 125101 - 507212 will translate into a corresponding reduction in the Police Service's operational budget. Due to the timing of this change (post 2016 budget approval), there are no planned initiatives to offset the operational pressure to the Police Service's budget. In order to balance, the amount will be added to the 2016 efficiencies target, bringing the total 2016 efficiencies target to \$2,078,000.

SUPPORTING DOCUMENTATION

Document 1 – Police Services Board Discretionary Fund Policy GA-7

CONCLUSION

Section 132 of the *Police Services Act* entitles police services boards to use the money raised through the sale of found or seized property described in that section for any

purpose that they consider to be in the public interest. Since 1996 the Ottawa Police Services Board has permitted this money to be used for police operations. The Finance & Audit Committee of the Board is recommending that the Board approve the transfer of that money to its budget, to be used for the purposes it deems appropriate and in accordance with its Discretionary Fund Policy.

Document 1

Policy Number: GA-7	Policy Subject: BOARD DISCRETIONARY FUND
LEGISLATIVE REFERENCE / AUTHORITY	<i>Police Services Act, section 37</i>
DATE APPROVED	11 May 1998
DATE REVIEWED	2003, 2007, 2010, 2013
DATES AMENDED	May 2003 01 November 2010, 28 October 2013
DATE TO BE REVIEWED	2016
REPORTING REQUIREMENT	Annual report to Board in December

LEGISLATIVE REFERENCE / AUTHORITY

Section 37 of the *Police Services Act* states that the board shall establish its own rules and procedures in performing its duties under the *Act*. This policy was created to provide direction to the Board in allocating discretionary funds at its disposal.

BOARD POLICY**INTRODUCTION**

The Ottawa Police Services Board has discretionary funds within its Budget to be used for such purposes as: purchasing tickets or making donations to fundraising events held by organizations working closely with the Police Service; funding members of the Police Service to participate in police-sponsored events; or contributing to programs/projects that further the work of the Police Service in the areas of crime prevention, community policing or other public safety initiatives.

GOAL

To establish a Discretionary Fund Policy, consisting of a set of guidelines that identifies recognized funding priorities to assist the Board in allocating the discretionary funds contained within the Board's budget. The guidelines need not limit the Board in its funding of unique projects/functions, but would provide some consistency and rationale in dealing with funding requests that come before the Board for consideration.

PRIORITIES

The Ottawa Police Services Board will give preference to funding requests that fall into one of the following categories:

- Community Relations through Involvement with Police-Related Organizations

Intended to enable the Board to purchase tickets or contribute donations to fundraising events. The attendance and participation of Board members at fundraising events for organizations that work closely with the Ottawa Police Service serves to demonstrate the Board's goodwill and community involvement.

For this funding priority, the Board Chair shall have delegated authority to approve expenditures up to \$1,500 from organizations that the Board has a history of supporting. Other requests will require Board approval.

- Board/Police Service Relations

To assist members of the police service to participate in police-sponsored events, with the goal of enhancing the image of the Ottawa Police Service in other communities as well as at home.

- Public Education/Awareness

To provide funding to projects outside of routine advertisements and the approved Communications Strategy of the Police Service, that assist the Board in communicating to the general public information related to crime prevention, community policing or other public safety issues.

- Special Board Requirements

Intended to provide flexibility to the Board to fund one-time requirements associated with Board functions, such as the sponsorship of functions at board-related conferences, or special meeting requirements outside of normal budgetary provisions.

ELIGIBILITY CRITERIA

- Groups and organizations requesting funding must be based in Ottawa and organized along not-for-profit principles. Funding requests from individuals will not be considered.
- The organization receiving funding must clearly provide a benefit for the Ottawa Police Service and the community.
- The activities of the organization must reflect the Mission Statement of the Ottawa Police Service.

- Use of the funds must not extend beyond the current fiscal year.
- Funds cannot be used to cover a deficit from a previous year.
- Funds will only be provided to the group directly responsible for the activity or project being funded.
- As a condition of funding, the organization must be willing to make available, if requested, financial records indicating the disposition of the Board's contribution to the project or activity.
- Funds not used as allocated or not needed within the fiscal year, in whole or in part, shall be returned to the Board.

REPORTING AND ANNUAL REVIEW

The Board Executive Director shall prepare and submit an annual report to the Board that will summarize for the completed fiscal year all requests for grants and those approved by the Board. This report shall be submitted to coincide with the annual Police budget review. At this time the Board will review the policy to ensure that the funding priorities and criteria remain reasonable and reflective of the Board's own priorities.