



STAFF REPORT

Title: Royal Canadian Mounted Police (RCMP) Retro Pay Raise Estimate - 2017 Fiscal Year to Current

Meeting Date: August 10, 2021

Executive Summary:

On June 28, 2021, the Government of Canada and RCMP reached the first tentative collective agreement for RCMP members and reservists. This agreement includes significant salary increases which would see RCMP constables' maximum salary increase from \$86,110 in April 2016 to \$106,576 in April 2022. The increase would be paid retroactively to RCMP members.

The City of Cold Lake currently pays 70% of RCMP costs under the Municipal Police Service Agreement (MPSA). We have received notice that the City's portion of retroactive pay, under the new Collective Agreement, will be estimated at \$334,995 (total retro pay from 2017-March 2021) and the effect to the current budget for the remainder of the 2021 year (April-December) would be \$120,313. The annual amount of \$160,418 will affect future year's budgets.

The City had been anticipating a potential increase in RCMP costs for several years, and as such has been restricting funds, if required, for this purpose.

Background:

In 2017, federal legislation was passed to allow the RCMP to unionize, following the 2015 Supreme Court of Canada decision which determined that RCMP have a right to collective bargaining. In July 2019, the National Police Federation was certified as the RCMP bargaining agent. Following two years of negotiations, the Government of Canada and the RCMP reached their first tentative collective agreement for RCMP members and reservists on June 28, 2021. The Collective Agreement is set to be ratified in August 2021. The agreement includes a significant pay increase which could see RCMP constables' maximum salary increase from \$86,110 in April 2016 to \$106,576 in April 2022, as follows:



Year (all raises effective April 1)	Salary Increase	Market Adjustment	Salary First Class Constable
2016			\$86,110
2017	1.75%	1.5%	\$88,931
2018	1.75%	1.5%	\$91,844
2019	1.75%	2.5%	\$95,788
2020	1.75%	1.75%	\$99,170
2021	1.75%	1.5%	\$102,419
2022	1.75%	2.27%	\$106,576

The last pay increase received by RCMP constables was in 2016. The increase in salary including an annual increase and market adjustment is effective April 1, 2017 which will be paid retroactively to members.

Municipalities over 5,000 residents contract directly with the RCMP under a Municipal Police Service Agreement (MPSA). There are 47 municipalities with an MPSA in Alberta. In the alternative, municipalities under 5,000 (and MDs and Counties) are policed under the Provincial Police Service Agreements. It is estimated that the impact to municipalities is in the range of \$80 million in back pay for municipalities with a Provincial Police Service Agreement, and \$60 million on back pay for municipalities with a MPSA. AUMA has estimated that this translates to approximately \$45,000 to \$55,000 retroactive back pay per RCMP member. Additionally, there may also be additional costs including excess leave, body worn cameras, body armour and pistol modernization.

The City of Cold Lake's portion of the RCMP pooled costs including wages is 70% of total costs attributed to the City based on number of members. **We have received notice from the Government of Canada that the City's portion of retroactive pay, under the new Collective Agreement, will be estimated at \$334,995 (total retro pay from 2017-March 2021) and the effect to the current year budget (April-December) for the raise is \$120,313. The effect to future budgets would be \$160,418 annually.** Administration is not expecting to run over budget for the Police Requisitions for 2021 as not all 18 established positions were filled throughout the year.

Further to the above, the impact relating to the a change in funding formula (from 70% to 90%) due to the population thresholds would be in the order of magnitude of \$650K to \$750K annually. It should also be noted that the funding for equipment (e.g. fleet vehicles, body worn cameras, body armour and pistols, etc.) would be billed directly to the municipality (rather than been pooled costs) once the funding threshold has been reached.



AUMA is currently advocating to the Government of Canada that the federal government should pay all of the retroactive pay for several reasons:

- Municipalities do not have the fiscal capacity to cover retroactive pay increases;
- Municipalities were not at the negotiating table;
- Municipalities were not able to plan for these increases due to a lack of communication from the federal government.

The success of AUMA's advocacy efforts is unknown at this time. Ultimately invoices for the retro payment are due to be coming out as early as September 1, 2021.

In previous years, the City of Cold Lake has restricted surplus at the end of the year from the police requisition budget. The requisitions tended to be under budget because generally positions were not fully filled due to special leave, medical leave, maternity leave, etc. These excess funds were restricted for two reasons:

- 1) In anticipation of a census that would push the City's population over 15,000 that would take the municipal portion of policing costs to 90% (from the current 70%) and;
- 2) In anticipation of any potential retroactive payment from ongoing RCMP Collective Bargaining that would be due as a result of the expected pay raise.

In total, the City has restricted \$1.7M for RCMP funding for the above situations.

While AUMA and municipalities across Canada are taking the position that it is unreasonable and unfair to expect municipalities to pay retroactive RCMP salary increases, of which the City of Cold Lake would agree, many municipalities are in the position that they simply do not have the financial ability to absorb the cost of the RCMP retroactive pay amounts. That being said, the City has been monitoring the situation closely has been financially preparing for such inevitabilities to curb or soften the impacts to the budget and tax increases.

Alternatives:

That Council pass a motion accepting this report as information.

Recommended Action:

That Council pass a motion accepting this report as information.

Budget Implications (Yes or No):



Yes.

Submitted by:

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