



NIAGARA REGIONAL POLICE SERVICE

Police Services Board Report

PUBLIC AGENDA

Subject: Administration, Limitations and Guidelines of the Special Fund By-Law 376-2018 – Proposed Amendments

Report To: Chair and Members, Niagara Police Services Board

Report Date: 2021-07-12

Recommendation(s)

That the Niagara Police Services Board By-law No. 376-2018, the Administration, Limitations and Guidelines of the Special Fund, be repealed and replaced with the By-law appended to the report;

And further, that the Board Chair be authorized to execute the required documentation.

Key Facts

- At a special confidential meeting held May 10, 2021, the Board directed that Service staff review the maximum limit balance of the Special Fund General Operating Fund.
- The discussion focused on whether the current maximum balance of \$50,000 on the Special Fund General Operating Fund should be increased to \$100,000 so that sufficient funds are available in the event that a citizen reward is disbursed.
- Upon review of the By-Laws 376-2018 Special Funds, 390-2021 Citizen Rewards and the Citizens Reward General Order, GO 245.01, it is staff's recommendation that the limit for the General Operating Account be increased to \$110,000.
- Additional proposed changes to the Special Funds By-Law 376-2018 are highlighted in Appendix 1.

Financial Considerations

There are no direct financial implications relating to the recommendations contained within this report.

Analysis

At a special confidential meeting held May 10, 2021 to offer a citizen reward, an issue was raised in regard to the potential disbursement of the reward upon a successful conviction. The discussion focused on whether the current maximum balance of \$50,000

on the Special Fund General Operating Fund should be increased to \$100,000 so that sufficient funds are available in the event that a citizen reward is disbursed. Following the discussion, the Board directed that Service staff review the Special Fund By-Law 376-2018 and report back on the request put forth.

On May 11, 2021, a staff meeting was held with the Board's Executive Director, Deb Reid, Superintendent Richard Frayne, Finance Manager Laura Rullo, and Financial Analyst Courtney Woods.

According to Citizen Rewards By-Law 390-2021 section 4.3 states "*prior to authorizing the payment of a reward, the Board shall determine that sufficient sums of money are ...available in the Board's Special Fund*", specifically the General Operating Account. This account currently has a maximum limit set at \$50,000 per annum and any amount exceeding the limit is to be paid over to the general revenue account referred also as the Service Operating budget.

Upon review of By-Laws 376-2018 Special Funds, 390-2021 Citizen Rewards and the Citizens Reward General Order, GO 245.01, it is staff's recommendation that the limit for the General Operating Account be increased to \$110,000. The General Operating Account currently serves two functions; 1) disbursement of informant funds and 2) disbursement of citizen rewards. The former function is funded by the Operating Budget with funds transferred to the Board's General Operating Account for easy disbursement. Although the annual budget for informant is capped at \$50,000 increments of \$5,000 are transferred throughout the year and therefore, the balance in the account is generally held below \$10,000. The latter function is to disburse citizen rewards which is offered on rare occasions. Although the maximum Board funded reward is \$50,000, additional funds can be offered by a third party where these funds would need to be held in trust by the Board. Therefore, a balance on account of \$100,000 should be held for citizen rewards. Since, the General Operating Account serves two distinct functions, then a maximum balance of \$110,000 will be sufficient to service both the informant and citizen reward disbursement.

During this review of the Administration, Limitations and Guidelines of the Special Fund By-Law 376-2018, Service staff propose additional changes to the by-law based on current experience and these changes are listed below and highlighted in yellow in Appendix 1.

- To increase the Special Operating Account to \$90,000 limit as outlined in 8.1 of the by-law. In recent history, this account has reached its limit and excess funds have been transferred to the general revenue account with no specific purpose for its use. Staff recommend a higher limit be set for the Special Operating Account to enable the Board to use these funds to better serve the community.
- The final proposed change is to increase the disbursement limit authorized by the Chief from \$5,000 to \$10,000 for the Special Operating Account. This request is

made to accommodate cheques issued in excessive of \$5,000 which requires Board approval prior to the release of the cheque.

Alternatives Reviewed

The only alternative is for the Board not to approve the recommendations put forth in this report.

Relationship to Police Service/Board Strategic Priorities

This aligns with the Boards responsibility to mitigate financial risk by setting out regulations and guidelines as set forth in Financial Reporting, Control and Procurement of Goods and Services in the Niagara Regional Police Service By-Law 384-2019, while ensuring efficient and effective Service operations.

Relevant Policy Considerations

None

Other Pertinent Reports

None

This report was prepared by Laura Rullo, Finance Manager and reviewed by Richard Frayne, Superintendent, Corporate Services and recommended by Bill Fordy, Deputy Chief of Support Services.



Submitted by:

Bryan MacCulloch, M.O.M. #5835
Chief of Police

Appendices

Appendix 1 - Administration, Limitations and Guidelines of the Special Fund By-Law
392-2021



BY-LAW NO. 392-2021

**A BY-LAW RESPECTING THE
ADMINISTRATION, LIMITATIONS AND GUIDELINES
OF THE SPECIAL FUND**

1. PREAMBLE

- 1.1 WHEREAS subsection 31(1) of the *Police Services Act* provides that a Board is responsible for the provision of police services and for law enforcement and crime prevention in the municipality and shall:
- b. generally determine after consultation with the Chief of Police, objectives and priorities with respect to police service in the municipality;
 - c. establish priorities for the effective management of the police service, and
 - e. direct the Chief of Police and monitor his or her performance;
- 1.2 AND whereas subsection 31(6) of the *Police Services Act* provides that the Board may, by by-law, make rules for the effective management of the police service;
- 1.3 AND whereas subsection 132(1) of the *Police Services Act* governs the disposition of personal property that comes into the possession of the police service;
- 1.4 AND whereas subsection 132(2) of the *Police Services Act* provides that 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;
- 1.5 AND whereas subsection 133(3) of the *Police Services Act* allows the Board to use unclaimed money for any purpose that it considers in the public interest, and the Board is accountable to the citizens of Niagara for the use of these resources;

AND whereas the Board deems it expedient to pass a by-law governing policy regarding the use of the Special Fund.

NOW THEREFORE THE REGIONAL MUNICIPALITY OF NIAGARA POLICE SERVICES BOARD ENACTS AS FOLLOWS:

2 DEFINITIONS

- 2.1 “Act” means *Police Services Act*, R.S.O. 1990, c.P.15, as amended;
- 2.2 “Board” means the Regional Municipality of Niagara Police Services Board;
- 2.3 “Chief” means the Chief of the Niagara Regional Police Service;
- 2.4 “Member” means a member of the Niagara Regional Police Service;

- 2.5 “*Property*” means personal property of all kinds that come into possession of the police pursuant to the *Police Services Act* and regulations made there under, but not including firearms and money;
- 2.6 “*Special Fund*” means the Special or General Operating Account of the Niagara Regional Police Service which is used for the lawful purposes of the Board and Service in accordance with sections 132 and 133 of the *Police Services Act*;
- 2.7 “Service” means the Niagara Regional Police Service.

3 BOARD POLICY

- 3.1 To establish a Special Fund policy, consisting of a set of guidelines that identifies recognized funding priorities to assist the Board in allocating the discretionary funds in a manner that provides consistency and rationale in dealing with expenditures that come before the Board for consideration.

4 TYPES OF ACCOUNTS

- 4.1 *Special Operating Account* shall be in the form of a chequing account specifically for use as directed by the Chief and the Deputy Chief.
- 4.2 *General Operating Account* shall be in the form of a chequing account and shall be used for lawful purposes of the Board and the Service including the payment of rewards.
- 4.3 The Chief may, after consultation with the Deputy Chief of Police from time to time, invest any part of the funds in the above accounts in Guaranteed Investment Certificates, Term Deposits, Treasury Bills, interest bearing institutional accounts or such other investments as the Chief and the Deputy Chief of Police deem appropriate with a view to maximizing the interest return on the fund, the monies so invested, together with the accumulated interest shall form a part of the Special Operating Account or the General Operating Account as the case may be.

5 GUIDING PRINCIPLES

- 5.1 The Board will give preference to funding requests that fall into one of the following categories:
- a) **Community Relations through Involvement with Police-Related Organizations**
Intended to enable the Board/Service to purchase tickets or contribute donations for individuals officially representing the Police Services Board and/or the Niagara Regional Police at external organizations and/or fundraising events. The attendance and participation of Board and Service members at fundraising events for organizations that work closely with the Niagara Regional Police Service serves to demonstrate the Board's goodwill and community involvement.
 - b) **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 Niagara Regional Police in other communities as well as home.
 - c) **Public Education/Awareness**
To provide funding to projects that assist the Board in communicating to the general public information related to crime prevention, community policing or other public safety issues.

d) Special Board/Police Requirements

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

6 FUNDING GUIDELINES

- 6.1 That all requests for funding from the Special Fund, not otherwise explicitly authorized by this policy, are to be considered on an item-by-item basis.
- 6.2 Notwithstanding 6.1, the Chair be given the authority to pre-approve disbursements from the Special Fund on an exception basis and in keeping with the general policy statement, with such approved item being placed on the next Board agenda.
- 6.3 That the first priority be for those initiatives that directly relate to the guiding principles of the policy.
- 6.4 Approval of funding for particular items is not to be considered a precedent, which binds the Board, and that this be clearly enunciated to any recipients.
- 6.5 The Special Fund continue to be utilized to offer financial support for individuals, groups and/or organizations attending police oriented competitions. These items are to be considered through one single convenor or organizer.
- 6.6 That community groups be advised that a condition of receiving the funds is the filing of the previous year's annual audited statement.
- 6.7 That recipients be advised that as a condition of receiving the funds, the organization must be willing to make available, if requested, financial records indicating the disposition of the Board's contribution of the project or activity.
- 6.8 Groups and organizations requesting funding must be based in Niagara and organized along not-for-profit principles.
- 6.9 The organization receiving the funding must clearly provide a benefit for the Niagara Regional Police and the community.

7 FUNDING LIMITATIONS

- 7.1 The Fund not be used for any item that would normally be funded through the current/operating or capital budget for either the Board or the police service.
- 7.2 Use of the funds must not extend beyond the current fiscal year.
- 7.3 Funds cannot be used to cover a deficit from a previous year.
- 7.4 The Board not commit to ongoing programs, recurring donations, capital costs or administrative funding.
- 7.5 Funds not used as allocated or not needed within the fiscal year, in whole or in part, shall be returned to the Board.
- 7.6 Funds will only be provided to the group directly responsible for the activity or project being funded.

- 7.7 The Board not support through use of the Special Fund any overtly political or partisan political events or activities.
- 7.8 That support for community events be limited to those events where the proceeds go to support a policing priority or priority of the Board, or the goals and work of the Board as identified in the guiding principles.
- 7.9 That, unless there are exceptional circumstances, the Board not fund any group or organization that has applied and received a response to its application from the Region of Niagara for funding in the current calendar year.
- 7.10 That the Board not commit to any single disbursement over \$1,000 without prior consideration as the effect such disbursement would have on the unrestricted fund balance.

8 LEVEL OF FUNDS

- 8.1 *Special Operating Account:* The Chief shall ensure that the balance not exceed \$90,000 and that any amount exceeding the limit be paid over to the general revenue account of the Service.
- 8.2 *General Operating Account:* That, unless there are exceptional circumstances, the Board place a global maximum limit of \$110,000 per annum for disbursements from the Fund and that any amount exceeding the limit be paid over to the general revenue account.

9 FUND APPROVALS

- 9.1 Except as set out below, the Board is responsible for all funding approvals.
- 9.2 The Chief and Deputy Chief jointly may authorize any disbursement from the General Operating Account
- 9.3 The Chief of Police and/or designated staff have the authority for disbursements from the Special Operating Account up to a limit of \$10,000 for the following:
- a) Annual audit of the Special Fund to be paid for from the proceeds of the Special Fund;
 - b) Costs incurred by Executive Services to administer the Fund;
 - c) External auction support;
 - d) Auction advertising;
 - e) Jewelry appraisals; and
 - f) Discretionary disbursements, consistent with Board policy.

10 FUND ADMINISTRATION

- 10.1 The Chief of Police, under the direction of the Board, has primary responsibility for the Special Fund.
- 10.2 The Chief of Police or designated staff are responsible for the accounting and day-to-day handling of the Special Fund.
- 10.3 The Chief of Police shall ensure the appropriate procedures are in place for the collection, maintenance and disbursement of funds.
- 10.4 The Chief of Police shall ensure the appropriate accounting and audit systems are in place to protect the integrity of the Special Fund.

11 REPORT TO THE BOARD

- 11.1 The Chief of Police shall make a written report to the Board on a quarterly basis on all activity in the Special Fund. The report shall contain reports on any reward(s) offered /paid, revenue, disbursements and provide the balance and unrestricted balance available to the Board.
- 11.2 On an annual basis, an external auditor shall provide a report on the Special Fund.

12 IMPLEMENTATION

- 12.1 By-law Nos. 190-2000, 265-2005, 320-2012 and 376-2018, as amended, and all other By-laws, sections of By-laws and policies of the Board inconsistent with the provisions of this By-law are hereby repealed.
- 12.2 This By-law shall come into force upon the date of its passage.
- 12.3 The Chief shall implement this By-law, where applicable, through general order.

ENACTED AND PASSED this 22nd day of July, 2021.

THE REGIONAL MUNICIPALITY OF NIAGARA POLICE SERVICES BOARD

William C. Steele, Chair

Deb Reid, Executive Director