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**AMO'S OPP BILLING STEERING COMMITTEE
FINAL REPORT**

April 10, 2014

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Executive Summary

The Ontario Provincial Police is proposing changes to the way it bills for the policing services it provides to 324 municipalities across the Province. AMO created the OPP Billing Steering Committee in recognition of the widely disparate impact that the proposed OPP billing reform could have on communities and the shared interest of all municipalities in controlling police costs.

The Steering Committee's job was to review the proposed OPP billing model and to evaluate other alternatives that might address the different municipal concerns and interests raised since last fall. Given that the OPP intends to implement the new model by 2015, it was tasked with conducting its review and providing advice to the Province by early April 2014.

The Committee was a balance of representatives from the diversity of all OPP-policed communities, in terms of size, geography, potential impacts from billing reform and type of service received (e.g. contract and non-contract). The goal was to give voice to and reflect the different viewpoints of the municipal community and to conduct a review of the proposed billing model and other model options so their implications could be understood.

a) The OPP Billing Model Proposal

The Auditor General (AG) report in 2012 noted that municipal billing for OPP service, which dated to 1998, was both complex and lacking in transparency. It also noted the large disparity in what different municipalities were paying for OPP services. It noted that those municipalities that have been paying substantially more than others have also been pressing for change.

In response to the AG report, the OPP developed an alternative billing model in the fall of 2013 that would split costs between a Base Cost (73%), which covers what is needed in order to provide police service to the community, combined with a Calls for Service component (27%) that reflects actual police response in the municipality. Its proposal calculates Base Costs on a per household basis.

The OPP's initial goal was to even out the extreme highs and lows created by the current billing method, but in shifting costs, other impacts resulted. While those higher paying municipalities would get relief, municipalities on the lower end would see exponential increases in OPP billings without any change in service.

It is noted that based on municipal feedback last fall, the OPP began revising the ratio between Base Costs and Calls for Service. It is currently around 60% Base and 40% Calls for Service, an estimate that will continue to be refined. The model still determines Base Costs on a per-household basis.

The new proposed billing model shifts who would pay what, without addressing the root issue of increasing policing costs. OPP billing cannot be separated from this reality. Although crime has been dropping over the past two decades, policing costs continue to rise at a rate that outpaces inflation and other municipal costs. In fact, since 1998, the AG has repeatedly called on the OPP to review its deployment and shift scheduling in order to be more efficient. This report deals with both the billing challenge and the underlying drivers of costs.

b) Committee's Billing Analysis

The Steering Committee agreed that splitting costs between a Base Cost and Calls for Service allowed for some measure of predictability in policing costs, while allowing for differences in the actual service calls in municipalities. Base Costs would cover basic, overhead costs needed to serve the community and take "the first call." It is a concept similar to other municipal service areas.

The Steering Committee then reviewed a range of alternative options to the OPP's proposal to use the number of households to calculate the Base Cost part of the bill to be sent to each municipality. Other measures (e.g. 100% weighted assessment, population, properties and combinations thereof) were evaluated to determine if there was a fairer and more equitable option that would better balance the diverse municipal interests and what the measures may mean in terms of implementation.

c) Advice to the Province

Readers are encouraged to look at the body of the report and not just the summary of advice to gain a full understanding of the efforts of the Steering Committee.

Long-Term Cost Control is a Top Priority

The OPP needs to act on other AG recommendations related to greater efficiency in deployment and shift scheduling. As well, the Province needs to expedite the work of the Future of Policing Advisory Committee, which has developed recommendations that deserve further consideration and action. Provincial action on collective bargaining and interest arbitration are needed to rein in wage increases, which are outpacing increases receive by other public sector workers.

Greater Transparency in Billing and Service is Required

The billing model must be more transparent, in terms of how costs are assessed and charged back to communities. As well, both OPP-contract and non-contract communities should receive detailed service information that allows them to better understand and manage their policing costs. The OPP's work to better allocate overhead between Base Costs and Calls for Service was supported, as it deals with one of the most frequent criticisms. The work that is seeing a closer move to a 60% Base Cost/40% Call for Service split needs to come with the caveat that the OPP must further demonstrate the validity of a final ratio.

Two Billing Models Suggested

The Committee advises that there are inherent limitations with all the models it examined, each with different impacts on communities. Any model would require mitigation funding to varying extents within a transition plan. As such, the Committee advises that the 50% Household/50% Weighted Assessment¹ option for calculation of the Base Cost component is an alternative that has merit. It is recognized that the OPP per Household model still held some support within the Committee.

The Province Must Provide Transition Support and Mitigation

The transition to a new billing model should provide immediate relief to those communities who will receive decreases, in recognition of the fact that they have historically paid a higher proportion of costs. For those facing increases, a four-year, phase-in transition period should be used, at a minimum, to help these communities adjust to the new model. As well, the Province is obligated to help communities absorb large increases through mitigation funding, as the OPP effort is updating and correcting the historic disparity it created in 1998.

This OPP mitigation funding must be handled separately from the Ontario Municipal Partnership Fund or other grant programs. The OMPF reduction schedule never contemplated a billing model change. In addition, the mitigation fund must be separate from the OPP budget, otherwise it adds a new cost to it. The Province must also recognize that for a small sub-group of municipalities, mitigation may be required for the long term as they simply do not, and will unlikely have, the assessment base to raise adequate revenues over time. A specific, provincial resolution for these communities must be developed.

¹ Weighted assessment measures the size of the municipality's tax base. It refers to the total assessment for a municipality, weighted by the tax ratio for each class of property. (Ontario Ministry of Finance) Therefore it includes commercial, industrial, and residential. It also includes payments in lieu of property taxes (from provincial or federal facilities).

1) AMO OPP Billing Steering Committee

a) Introduction

The Ontario Provincial Police has been serving the people of Ontario for generations. They are valued members of the community and respected for their contribution to building strong and safe communities. Generally, the 324 communities serviced by the OPP are satisfied with the quality of policing.

While on a comparative basis, OPP services are less expensive than municipal own police forces, there is growing concern over the rising costs of the service – and particularly the rate at which costs are growing. In OPP-policed communities, costs have been growing faster than many other municipal services and much higher than inflation, despite declining crime rates.

To maintain the respect of the community, the economics of policing need to reflect the economic capacity of society. The OPP maintains that it offers more efficient policing services for these communities than individual, municipally run forces.² That is true given the existing infrastructure the OPP already has in place to meet its provincial policing responsibilities. However, the pace of OPP cost increases, the elimination of provincial grants for rural and small urban policing costs and the new billing model, each create a pressing challenge for all municipalities that must pay the OPP bill. Together, the challenge becomes that much greater.

Over the years, successive Provincial Auditor General (AG) reports have noted that the OPP billing is complex and not transparent and therefore should change. The current billing model was put in place in the late 1990s, when all municipal governments were required to pay for their policing and has not been reviewed since. It is the intent of the OPP to respond to the recommendation of the AG and demonstrate that it is making a less complex and more transparent billing model for 2015.

The OPP consulted on a proposed model (based on a 73% Base Cost per household/27% Calls for Service) in fall of 2013. It generated a great deal of feedback – positive and negative.

The Province created urgency around the issue by setting a 2015 deadline for implementing a new model. They then deferred all negotiations on new contracts until

² There are currently 145 municipalities who have a contract with the OPP (Section 10) and 179 non-contract (Section 5.1) municipalities.

the new billing model was put in place and notified municipalities that contracts would be terminated as of December 31, 2014.

b) Why Set Up the Committee?

The OPP's proposed billing model has spurred discussion over how to support effective policing that communities can afford over the long-term.

Hundreds of municipalities expressed concern and frustration to AMO over the OPP's proposed billing model, just as it heard from municipalities who feel their bills are much too high. Some municipalities feel that the current model works and want the status quo, noting that the OPP proposal would result in significant increases, but would not change service levels at all. Some want the benefit of decreased costs they would see under the proposed OPP model. There is a shared desire for greater transparency in how OPP billing costs are determined and attributed through a billing model.

AMO's Board of Directors recognized that OPP costs, and the rising cost of policing in general, are critical to all municipalities. It recognized that there was merit in having a Committee examine whether an alternative billing model was possible. Given that these matters are intertwined, the Board set up the OPP Billing Steering Committee.

The Committee has a balance of representation from the diversity of all OPP-policed communities.³ It was created to provide the Province advice that would try to balance different municipal interests. It aimed to bridge the divide.

Details about the Committee's Terms of Reference and membership can be found in Appendix A.

Municipalities have a shared interest in working together on policing costs – whether it is the OPP billing model or the underlying factors that are driving up policing costs across Ontario. The Steering Committee is just one way that Ontario's communities are working to ensure that policing is sustainable, affordable and effective.

³ Included representatives from Section 10 and Section 5 communities; those impacted differently financially as well as regional representation.

2) Ontario Policing Context

a) Key Auditor General Report Recommendations – 1998, 2005, 2012

In December 2012, the Auditor General of Ontario made a number of recommendations regarding the OPP based on a value-for-money audit of its operations. The report reiterated recommendations from previous audits to find greater efficiencies. These included the need to:

- Update the staff deployment model to better balance workloads between detachments;
- Improve shift scheduling and overstaffing during slow periods;
- Assign more corporate service functions to civilians; and,
- Improve the management of overtime costs.

Despite recommendations in the 1998, 2005 and 2012 Auditor General (AG) reports, there is little public evidence of the OPP actively pursuing these issues. The OPP has said that sustainability will only be achieved over the long-term. AMO contends that given that the recommendations were first raised 16 years ago, there should have been much more progress. Also addressed in the AG report was the issue of billing methodology namely that it was, “complex and onerous for both the force and municipalities.”⁴ The report also noted the disparity in billing created by the current system. Unlike other recommendations, which have languished, the OPP responded with a proposed new billing model.

b) Key Current Policing Facts & Statistics

Across Ontario, 324 municipalities rely on the OPP for local policing services, either through a contract or on a non-contract basis. Fifty-two municipalities have their own police force.

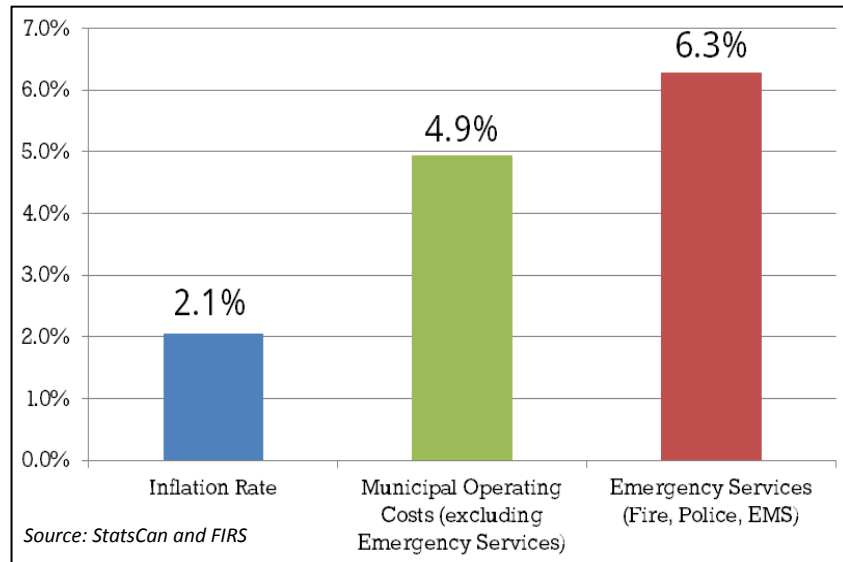
Fiscal Challenges

Communities across Ontario are facing a number of immediate, large fiscal challenges related to the cost of OPP policing services.

⁴ Auditor General of Ontario’s 2012 Report, Chapter 3, Section 3.1, Page 233.

The first front comes in the form of declining municipal operating grants through the Ontario Municipal Partnership Fund (OMPF). A \$25 million reduction in 2014 meant that some municipalities received cuts of 10% to 15% this year. In addition, in 2013, the previous grant components dedicated to policing, as well as the

AVERAGE ANNUAL GROWTH (2002-2011)



farmland and managed forest tax incentive programs were eliminated. The Province has further planned reductions of \$25 million in both 2015 and 2016. By 2016, \$100 million in operating grants will have disappeared over four years.

The second front comes in the form of the OPP wage increase of 13.55% over four years, with 8.55% in 2014. The 2014 wage increase alone will cost property taxpayers an additional \$25 million this year. Combined with the OMPF reduction, that increases the burden on rural and northern communities by \$50 million just in 2014.

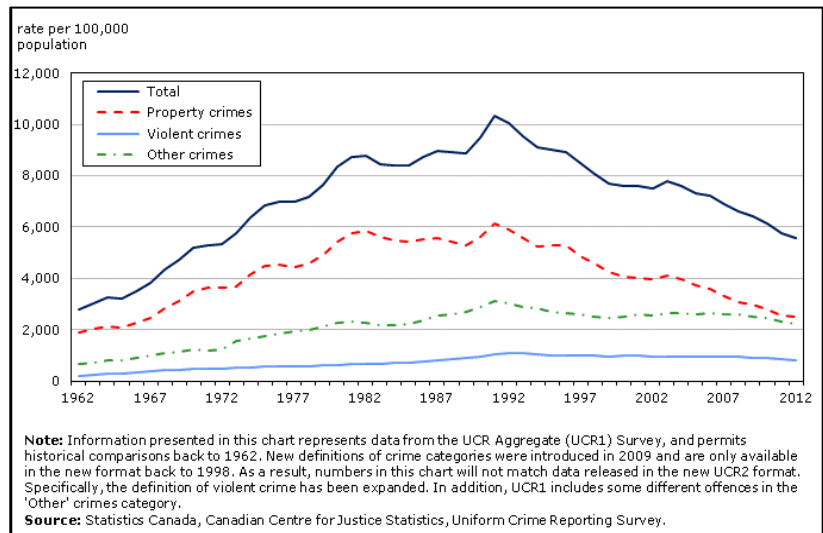
The third front is the uncertainty brought about by the proposed OPP billing reform. Billing reform was originally set to take place in 2014. However, the Ministry decided in 2013 to defer implementation to 2015. This delay is a significant concern to those with relatively much higher bills. At the same time, those facing potentially substantial increases are struggling with how to accommodate higher costs.

Overall, rising emergency services costs are putting increased pressure on municipal budgets, rising more rapidly than inflation or costs for other municipal services.

Crime

Crime across all of Canada has been in decline for the last 20 years. According to the AG's 2012 report, crime rates have declined by more than 40% nationwide during this period. This report also noted that between 2004/2005 and 2012, crime rates reported by the OPP dropped 10%, and serious motor vehicle accidents, fatalities and injuries also dropped significantly. Statistics Canada research has found that small urban areas tend to experience the highest overall crime rate, with rural areas experiencing slightly higher homicide rates than urban or small urban communities.

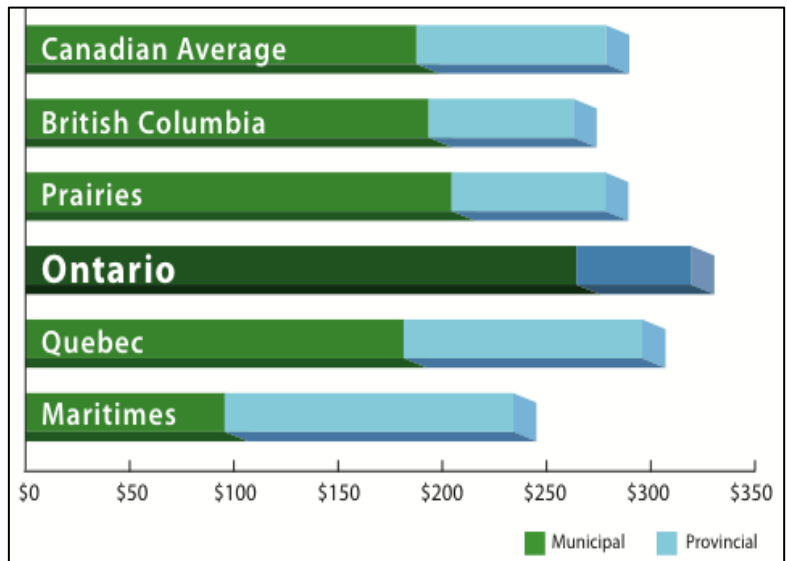
POLICE REPORTED CRIME RATES, CANADA



National Comparisons

Ontario's annual per capita policing costs are the highest in the country, at \$320 (2011). In Ontario, municipalities pay a much higher share of policing costs per capita, as compared to the totals of other Provinces. The provincial government in Ontario pays less than any other Province on a per capita basis. These circumstances call for greater clarity on costs, cost drivers, growth and trends. Municipal governments are seeking some transparency and comfort that costs are being correctly attributed to provincial vs. municipal services.

ANNUAL PER CAPITA SPENDING - POLICING



c) Other Ontario Policing-Related Initiatives & Recommendations

Future of Policing Advisory Committee

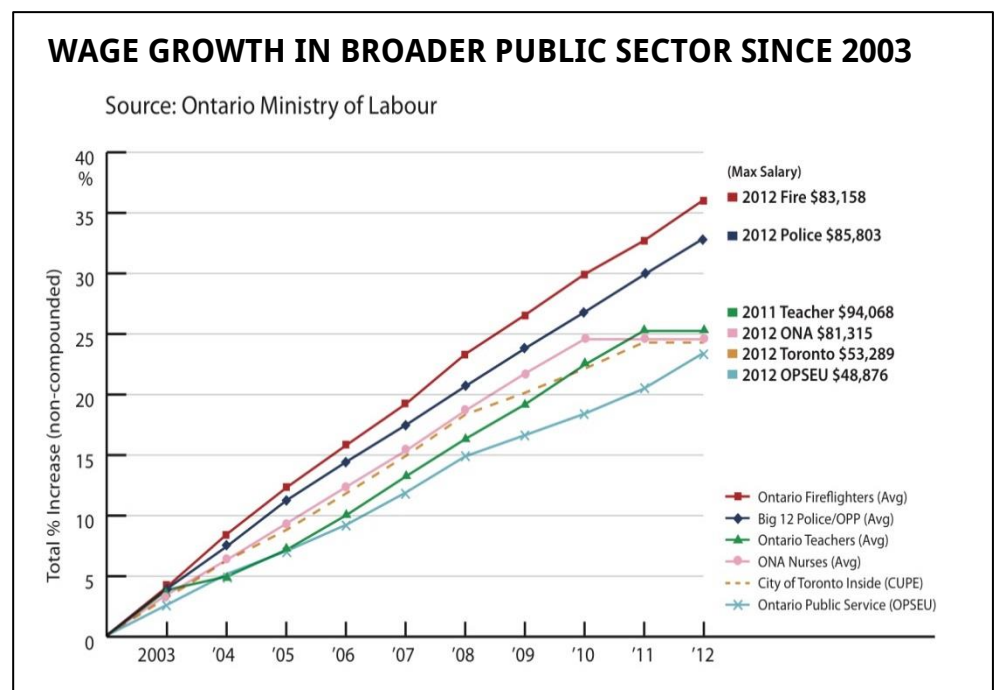
In response to the 2012 Future of Policing Summit, the Future of Policing Advisory Committee (FPAC) began to explore policing issues in depth. AMO's representative has been an active participant in these discussions which includes the City of Toronto and the Ontario Association of Police Service Boards, Police Chiefs and employee union associations. The mandate is to explore areas of legislative reform, determine core and non-core policing duties, and identify ways to improve the efficiency and sustainability of police service delivery in Ontario. Given that the *Police Service Act* has not been reviewed since 1997, this seemed a promising start to addressing the pressing challenges facing all police services.

Progress by the Advisory Committee over the last two years, however, has been far too slow for municipal governments and police service boards, given the growing financial pressures on communities. Last October, AMO and Ontario Association of Police Services Boards wrote to the Minister of Community Safety and Correctional Services seeking the release of an interim report and an acceleration of the Committee's work. There is very little to show for this two-year process.

Collective Bargaining, Interest Arbitration & Coordinated Bargaining

With employee wages and benefits comprising nearly 80% of total emergency services costs, labour agreements can make or break municipal budgets. Municipalities have been frustrated in their efforts to control emergency services labour costs that are growing far faster than inflation and other public sector workers.

While municipalities are often able to freely negotiate wages with non-essential, unionized staff that reflect current rates of inflation, the same cannot be said of essential services such as police. Instead, collective bargaining with police and other emergency services takes place under the



shadow of Ontario's interest arbitration system. It gives priority to replicating agreements for a police service from one community to another, or even sector to sector (e.g., fire to police), in the drive to be the highest paid. There is no consideration of agreements negotiated with a municipality's right-to-strike unions, which is a much clearer indication of local fiscal and economic conditions. It is under this shadow of the interest arbitration system, its length and added expense, which municipal governments must operate. In the current interest arbitration environment, municipalities often feel they have little leverage to control spiralling police wages.

OPP-policed communities must pay for labour agreements that are reached by the Province. Though they have no input on the negotiations, they bear one-third of the OPP budget (\$357 million of an estimated budget of \$1 billion in 2012).

The current Ontario Provincial Police Association (OPPA) collective bargaining agreement commits that the provincial police are to be the "highest paid police force" in Ontario, which fuels the "me too" approach in bargaining. The OPPA has already achieved a pension benefit standard of "best three years," which also has a cost impact.

Provincial policing agreements have an impact beyond the Province and OPP-policed communities. They set a benchmark that other police associations aim to achieve, regardless of a community's capacity to pay, and they create a precedent for arbitrators.

Four separate attempts to fix interest arbitration have failed over the past two years. AMO accepted a Ministry of Labour request to participate in facilitated confidential/without prejudice discussions with police and fire associations on the issue of interest arbitration. As of early 2014, consensus has not been achieved and discussions have now concluded without resolution.

Coordinated Bargaining

The Government of Ontario, through the Ministry of Community Safety and Corrections Services, and the Ontario Association of Police Services Boards, have been working towards developing a more coordinated approach to collective bargaining. This model would see more centralized agreement on the bargaining mandate in order to help manage police service costs. Discussions are in progress on this approach.

3) OPP's Proposed Changes to Billing Model

a) Context

Prior to 1998, rural municipalities did not pay for OPP policing. The current, complex approach evolved since that time, when the Province introduced Local Services Realignment. When the original billing model was developed, there was no hard data on the OPP's municipal policing, making it very difficult for both OPP and municipal governments to understand service costs and whether they were reasonable.

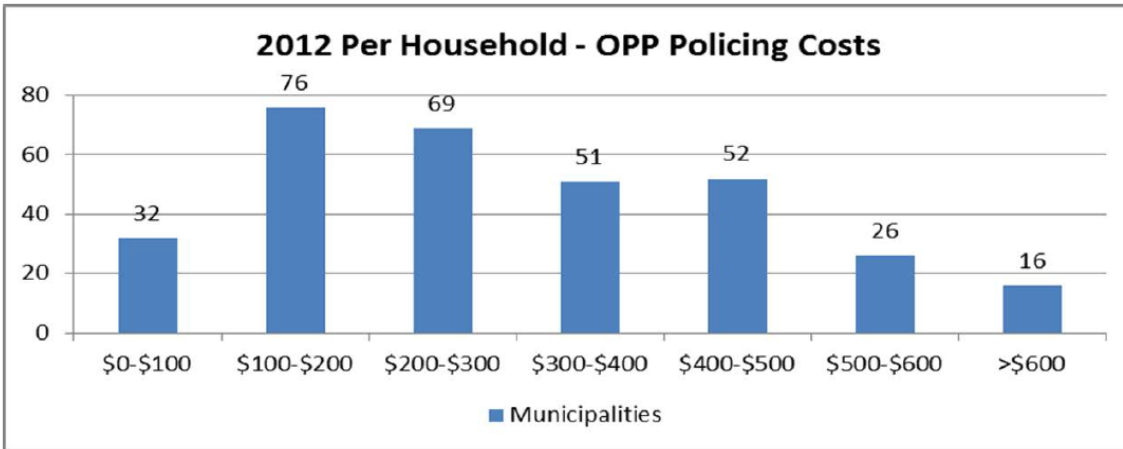
The Province aimed to balance out the added policing costs for rural municipalities through education tax room and the Community Re-Investment Fund. In 2005, this fund transitioned to the Ontario Municipal Partnership Fund (OMPF).

OMPF grants for policing were established based on a sliding scale (from zero to 50%) for municipalities with rural and small community measures between 25% and 75%. The measure was based on the proportion of the municipality's population living in rural areas or small communities.

As noted, in 2012, the Province confirmed a four-year "phase-down" of the OMPF program by \$25 million per year to \$500 million by 2016. The policing grant as a discrete component was eliminated as of 2013.

Notwithstanding the changing grant structure, the current OPP billing model charged communities for the number of Calls for Service in their community. In this way, individual municipalities are responsible for actual salaries, wages and benefits for detachment staffing needed to serve calls in their community. Over time, the model has produced significant billing variations between municipalities, with one very small municipality paying as little as \$9 per household and others as much as \$900 per

household.



Those on the much higher end say they have been over-paying for years and are looking for immediate relief. The Mayors’ Coalition of Affordable, Sustainable and Accountable Policing, for example, has pressed for change for several years, and was disappointed that a change was postponed until 2015.

Many of those on the lower end of the scale were unaware of the disparity and were not engaged until fall 2013 when the OPP presented a proposed new billing model for consultation. Many of these municipalities are dumbfounded that they will face double-digit tax increases to fix a problem that was not of their own making.

Regardless of municipal circumstances, however, policing costs have risen considerably, while provincial assistance to municipalities for policing has ceased.

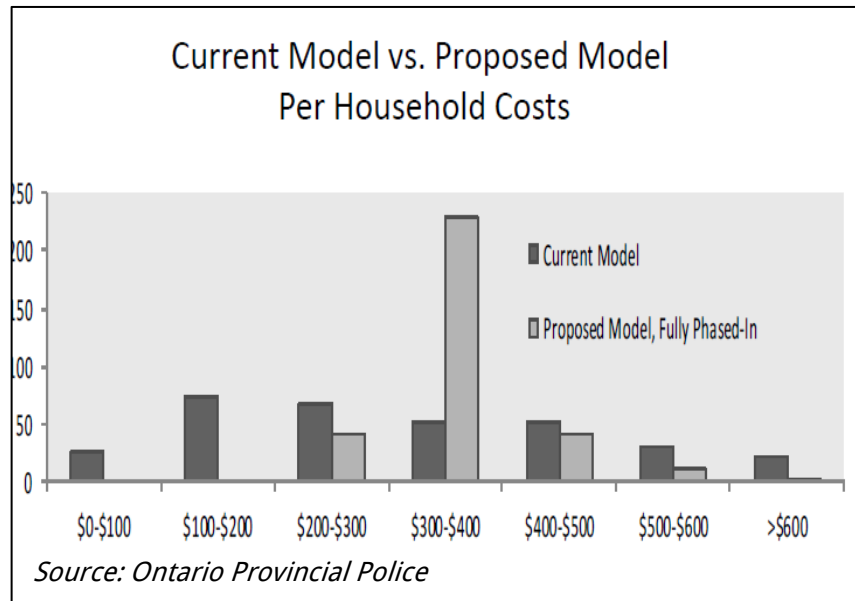
Adding to the complexity of the current billing model is that some communities receive services on a “non-contract” basis from the OPP under Section 5.1 of the *Police Services Act*. These communities do not have a fixed contract period or enhanced services. Such communities may establish a Community Policing Advisory Committee with very limited advisory and priority-setting functions.

Other communities hold multi-year contracts with the OPP under Section 10 of the *Act*. This may fix the rate over a number of years and also allows communities to negotiate enhanced police services and to engage in civilian oversight through a Police Services Board. Through these boards, communities can work with their detachment commander to get a detailed understanding of the services they are provided, the nature of calls and the crime in their community. This includes participation in the selection of the detachment commander and the monitoring of his or her performance. It allows the community a degree of civilian oversight, confined by the legislative framework.

b) Overview of OPP Billing Review Process & Proposal

The OPP chose to act on the 2012 Auditor General report's recommendations to make its billing model more simple and transparent.

The OPP named a working group in March 2013 to deal with the matter, and selected eight municipal representatives while providing space for two staff representatives from AMO.



The OPP held targeted regional consultations with a sample of municipalities in the spring of 2013. It then undertook a survey of several possible new billing approaches, which was distributed that summer.

A number of municipalities were critical of the survey. Many municipalities said they did not feel that any of the choices offered were acceptable or specific enough to make an informed choice. Transparent cost implications were not a part of this discussion. As well, a short response timeframe meant there was no time for many Councils to take a position.

Following this, the OPP proposed a billing model that would distribute the total OPP municipal policing costs to a municipality on a per-household basis as follows:

- 73% for Base Services, which the OPP said covered the basic OPP infrastructure, civilian and constable positions, police buildings and vehicles.
- 27% for Calls for Service, such as calls for criminal activity or car accidents, which require a police response. Costs are based solely on average incident times for different types of calls.⁵

⁵ Page 19 – OPP Municipal Policy Review Engagement Session Presentation Oct/Nov 2013
<http://www.opp.ca/ecms/index.php?id=594>

In the fall of 2013, the OPP conducted a more comprehensive consultation with municipalities on its proposed per-household model. Several key themes emerged from the consultation:

- The need for transparency on the difference between provincial policing and municipal policing (e.g. what is in each “bucket”);
- Concerns that the Base/Calls for Service ratio was too high and not well defined;
- Policing is for all types of properties, not just households;
- Provincial institutions located in some municipalities added to service calls; and,
- Policing for unincorporated areas must be charged in the same manner and also transparently recognizing that the Province pays for them.

Based on the feedback, the OPP reviewed their methodology for calculating costs. They determined that the original model did not adequately reflect some of the additional overhead costs that accompany Calls for Service (e.g. supervisory officers).

In March 2014, the OPP advised the Steering Committee that it was looking to revise the ratio, which will likely be closer to 60% Base Cost and 40% Calls for Service. This was the ratio that was used for analysis purposes by the Steering Committee and it recognizes that it is a working assumption.

Although there has been some information provided by the OPP on why a new billing model is required, there are continuing calls for a more transparent explanation of how the current situation developed and a description of the actual numbers of the current billing model. The OPP needs to include this information as part of its outreach to municipalities who believe a service call approach works for them best.

c) The Municipal Impact

A fundamental concern voiced was that the 73:27 model shifted who was paying what, without addressing the root issue of increasing policing costs. Municipalities called on the OPP to look for cost savings through collective bargaining, operational efficiencies and the work of the Future of Policing Advisory Committee.

Municipalities, particularly those small municipalities facing large increases under the OPP's proposed model, voiced a range of concerns about the financial impacts. The new model will require significant property tax increases for many municipalities, without any increase in services. These small and rural municipalities already have limited tax bases and many have designated farmland and protected areas that further limit growth in assessment. The OMPF reductions are already a challenge without the shift of OPP costs contemplated in a new billing model.

Even those municipalities whose OPP bill would decrease under the proposed model noted that it is likely any 'savings room' from policing would be lost through cuts to the OMPF.

All 324 municipalities share an infrastructure deficit – in roads, bridges and other capital assets. Any change to a billing model provides no additional fiscal capacity to deal with other types of municipal service needs.

Municipalities also raised questions and concerns regarding the model and its implementation, including:

- 1) What does Base Cost include? Can municipalities influence or manage these costs?
- 2) Why were other types of properties, rather than just households, not used in the model? Why was weighted assessment, which some believe would better reflect capacity to pay, not an option?
- 3) How could increased costs through these shifts be mitigated through some kind of provincial support, as well as some sort of phase-in/transition period to help those facing increases?

4) OPP Billing Analysis

The Steering Committee explored a number of options and concerns related to OPP billing.

There was a fundamental discussion about who is responsible for the cost of crime. For example, should hub municipalities, which draw in those from neighbouring communities to schools, businesses and community services, be responsible for more costs than their neighbours? These communities may experience greater crime because people come in from surrounding areas. By the same token, these communities have greater economic activity and higher industrial and commercial assessment. While these features can attract crime, they also provide a broader and larger tax base to raise revenues. Smaller communities, including bedroom communities, were felt to experience fewer calls, yet were similarly concerned about paying the cost of crime outside their borders. Others felt that public safety and security were costs that needed to be shared across communities and that crime in essence "has no borders."

Similarly, the Committee also reviewed whether or not seasonal properties should be included in determining the OPP bill to municipalities. Given that both seasonal and permanent homes require police protection and that police services are not a user-pay service, the Committee concluded that principally neither seasonal properties, nor other types of properties such as commercial and industrial properties, should be

exempt from paying for base policing costs. Policing services were seen as a public good such as fire services, road maintenance, library services and waste disposal. The entire community needs to have these services in place for all, whether they are individually used or not.

Some smaller municipalities have positioned that all policing costs be paid by the Province for just those with populations fewer than 5,000, or 1,000. After discussion, the Committee felt that it was arbitrary to upload some of policing in Ontario, while other services would remain municipal. Again, from a principle basis, this had challenges of its own in terms of fairness and equity. Some analysis was done for OPP communities with populations under 5,000, and it was found that such uploading would cost the Province more than \$60 million annually. As well, any additional assistance on mitigating policing costs for those communities with populations more than 5,000 would require a further solution. The Committee determined that it would focus on finding the best possible approach to billing under the *Police Services Act*, given that a legislative process was highly improbable.

The Committee also discussed billing models used by the RCMP and Sûreté du Québec when they provide municipal policing services. Those models contain some arbitrary thresholds, either regarding costs or a community's size, to determine its billing. While instructive, the Committee struggled with direct application of those models in the Ontario context.

a) Base Costs & Calls for Service

The OPP's proposed model splits municipal policing costs between a Base Cost and Calls for Service. There was common understanding that policing, like municipal services such as water or fire, comes with a certain Base Cost that is required regardless of whether the service is used or not. This Base Cost is considered the cost required to take "the first call."

There was consensus that municipalities need greater understanding and transparency around what is considered a Base Cost and what assumptions are used to determine them. The OPP attended a meeting of the Steering Committee and explained what was included in its Base Costs and the Calls for Service fee structure. The latter is based on an established list of call categories and the average staff time required to respond and resolve types of calls. This portion of the model reflects the actual services delivered to the community. The Committee understands that the OPP is looking at other elements of its overhead costs and how these should be attributed within the Calls for Service component.

Consensus on Base/Calls Combination

The Committee accepted the OPP's concept that billing be based on Base Costs and Calls for Service. The Base Cost component, which represents fixed costs, was seen as providing a certain amount of predictability and stability. The Calls for Service component in billing, which is variable, allows communities some potential management over the number of calls. For example, communities could pursue crime prevention strategies and/or efforts to address determinants of crime, such as homelessness and addiction.

That said, the Steering Committee wants full transparency on the final Base Cost/Calls for Service split for assurance that they accurately reflect the true costs. In the Committee's view, an independent audit of these determined costs is required.

Options on Allocation of Costs

The Committee's main discussion centred on whether the OPP bill to a municipality should be determined on a per household basis as proposed by the OPP, or whether to use some other measure. Regardless of the billing methodology, the municipality's total policing bill is applied across a municipality's entire tax base for property tax purposes.

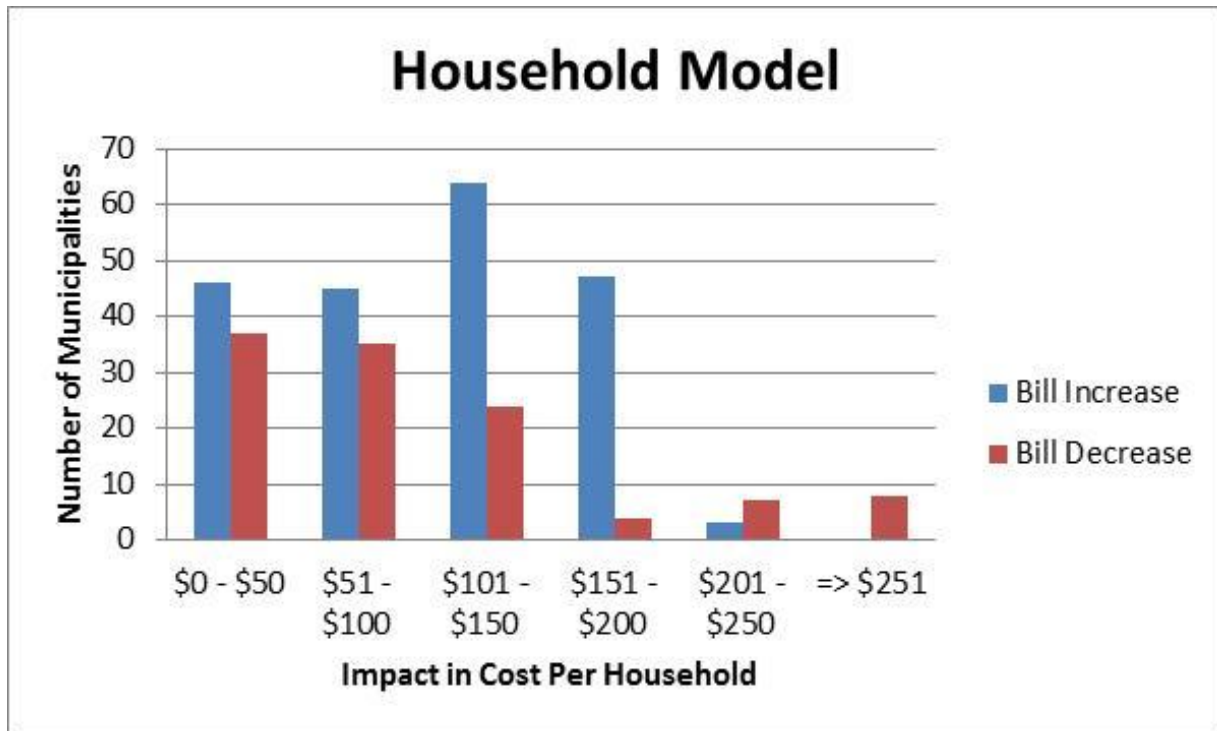
b) Analysis of Five Billing Models

The Steering Committee conducted a thorough analysis and review of the OPP's proposed per household billing model, as compared to a variety of other alternatives. The analyses looked at the cost impact and the range of changes by increase or decrease. Each analysis was presented as percentage change and impact on a household basis for comparative purposes.

By the fourth meeting of the Steering Committee, all the models reviewed used the 60-40 split of Base Costs to Calls for Service, as to date, this is the ratio closer to the current work up of the OPP. As said previously, further transparency to validate this ratio will be required by the municipal sector.

1. Household Model

This is the proposed OPP model presented at consultations last fall. It calculates Base Costs based on the number of households in the municipality and adds Calls for Service costs.



Observations:

- The majority of the increases occur in the \$101-\$150 per household (HH) range. However, there are over 40 municipalities affected each in the \$0-\$50, \$51-\$100 and the \$151-\$200/HH ranges.
- The majority of decreases occur in the \$0-\$50 and the \$51-\$100/HH ranges.
- There are eight municipalities who would have a decrease of over \$250/HH.
- There are a total of 205 municipalities who will experience an increase and 115 who will experience a decrease under this model.
- The maximum increase is \$209/HH and the maximum decrease is \$513/HH.

Pros:

This model creates some predictability and stability for those communities with high Calls for Service. It is simpler in terms of using just one Base Cost metric – households.

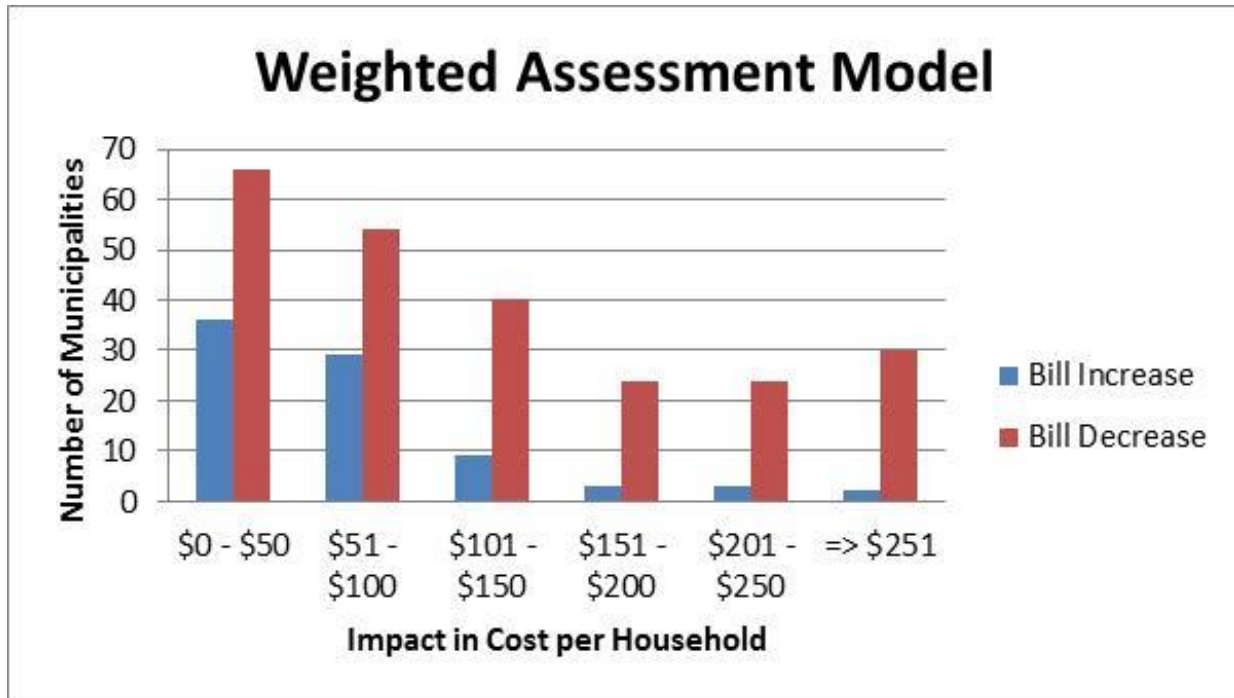
Cons:

There is a variability of costs from one municipality to the next, which contributes to the perception of “cross-subsidization” between high and low paying municipalities.

This model does not reflect policing for other types of properties such as non-residential properties, which, according to the OPP, require more policing. It also places complete emphasis on the residential sector in municipalities, whether or not there is any commercial and/or industrial use.

2. 100% Weighted Assessment Model

This model uses only the weighted assessment of the community to calculate Base Costs and adds Calls for Service costs.



Observations:

- The majority of the increases occur in the \$0-\$50/HH and the \$51-\$100/HH range.
- The majority of decreases occur in the \$0-\$50 and the \$51-\$100/HH ranges.
- There are 30 municipalities who would have a decrease of over \$250/HH and two communities that would have an increase over \$250/HH.
- There are a total of 82 municipalities who will experience an increase and 238 who will experience a decrease under this model.
- The maximum increase is \$332/HH and the maximum decrease is \$667/HH.

Pros:

Weighted assessment is a common measure of a community; it reflects the value of all of its properties (no matter the use) and is about the ability to raise tax revenues to pay for services. It is purely a 'capacity to pay' approach.

Cons:

There is still variability of costs from one municipality to the next, which contributes to the perception of "cross-subsidization" between high and low paying municipalities. A full weighted assessment approach introduces a greater element of instability, as this

measure is sensitive to changes in assessment. The OPP/government's reluctance on the use of weighted assessment is detailed below.

Capacity to pay

One of the areas of differing opinions between the Province and OPP-serviced municipalities is the role municipal capacity to pay should have in the design of a new the OPP billing model.

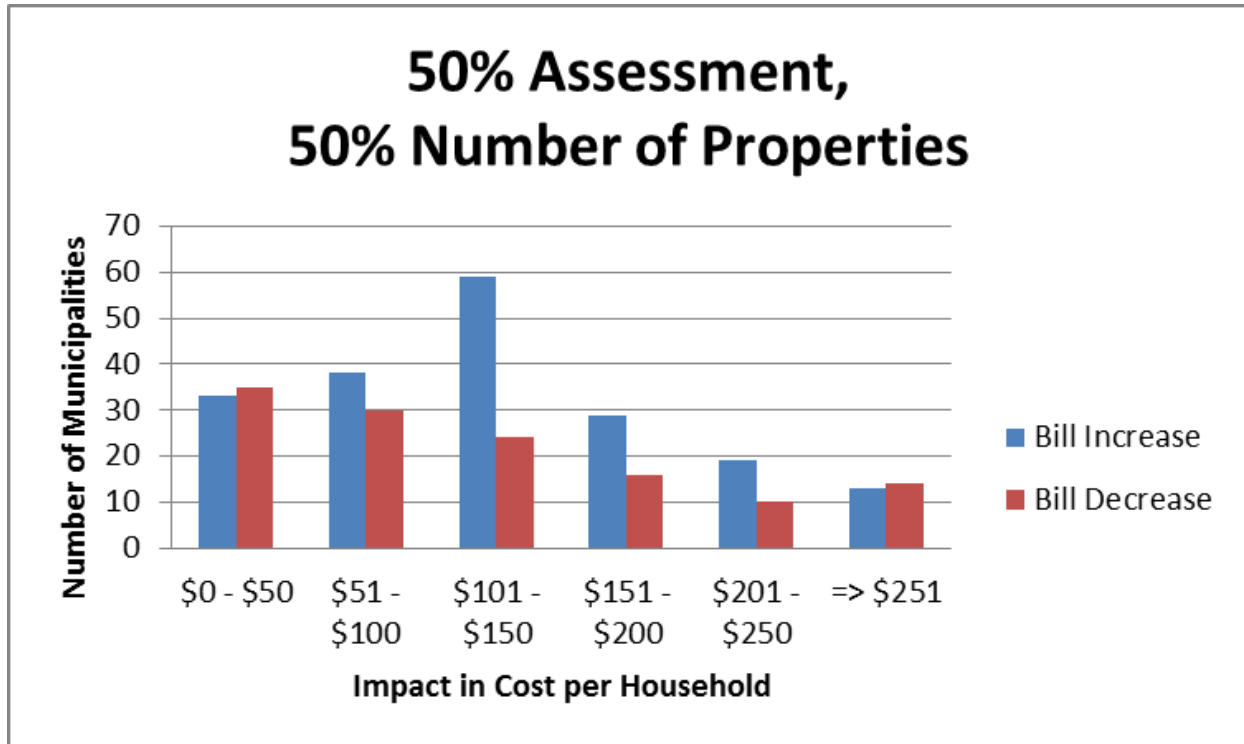
The Ministry of Community Safety and Correctional Services notes that the *Police Services Act* Section 5.1(2) and regulation 420/97 require that a municipality provided with police services by the OPP pay for those services. The Ministry is concerned that a weighted assessment model may not directly account for the cost of providing the service to a community. Conversely, it is worth noting that a household-only model, which does not account for commercial and industrial properties, can be criticized for not being the most direct measure of services provided or used.

The Ministry also quotes a 1998 Supreme Court decision (Eurig) to explain this position. Yet in response to the Eurig decision, Ontario's Ministry of Finance developed a Costing and Pricing Policy in 2004. As described by the Auditor General 2009 report on the issue, "the policy... generally requires that the full cost of providing services... be considered." But that it should be considered: "along with factors such as government priorities, the **user's ability to pay** for the service, and other cost/benefit factors."

Therefore, in the Steering Committee's opinion, the use of weighted assessment in a model is feasible to assist the design of an OPP billing model. In short, a capacity to pay argument cannot be rejected on the basis of the Supreme Court's 1998 Eurig decision and the argument is supported by existing provincial government policy.

3. 50% Assessment, 50% Number of Properties Model⁶

This model distributes Base Costs on a blend of 50% of total assessment and 50% of total number of properties.



Observations:

- The majority of the increases occur in the \$101-\$150/HH range. However, there are about 30 municipalities affected each in the \$0-\$50, \$51-\$100 and the \$151-\$200/HH ranges.
- The majority of decreases occur in the \$0-\$50 and the \$51-\$100/HH ranges.
- There are 13 municipalities who would have a decrease of over \$250/HH and 14 communities that would have an increase over \$250/HH.
- There are a total of 191 municipalities who will experience an increase and 129 who will experience a decrease under this model.
- The maximum increase is \$607/HH and the maximum decrease is \$568/HH.

Pros:

This blended model reflects the fact that policing is a service to households and other properties. The addition of property counts is an approach to reflect service required

⁶ Note this is how MPAC bills municipalities for its services

to maintain an appropriate police presence across a community. Assessment is an accepted measure of a community and ability to raise revenue.

Cons:

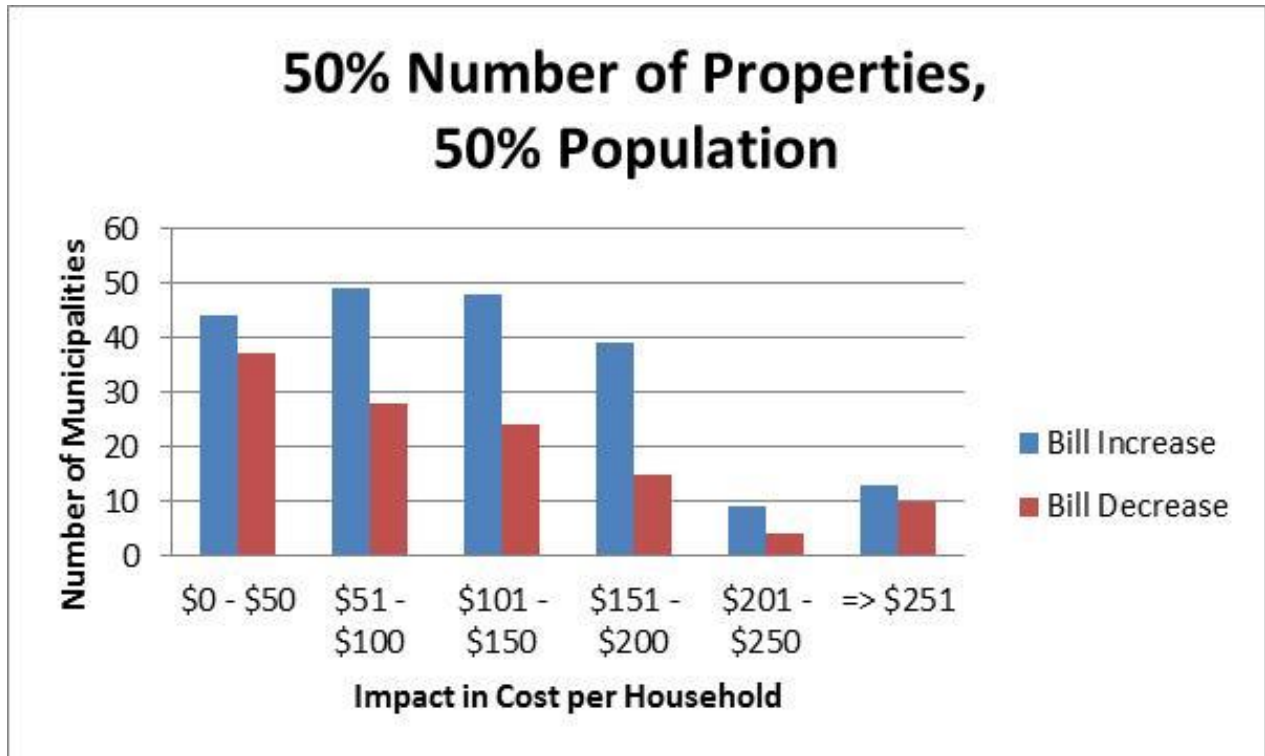
There is still variability of costs from one municipality to the next, which contributes to the perception of "cross-subsidization" between high and low paying municipalities.

Property counts do not include a measure of people requiring police services.

Property counts capture a large number of vacant properties and do not capture the nature of activities (e.g., businesses with leases).

4. 50% Properties, 50% Population Model

This model attributes Base Costs through a blend of population and number of properties.



Observations:

- The majority of the increases occur in the \$51- \$100/HH and the \$101-\$150/HH range however there are over or around 40 municipalities impacted each in the \$0-\$50/HH and the \$151-\$200/HH ranges.
- The majority of decreases occur in the \$0-\$50/HH range.
- There are 10 municipalities who would have a decrease of over \$250/HH and 13 communities that would have an increase over \$250/HH.
- There are a total of 202 municipalities who will experience an increase and 118 who will experience a decrease under this model.
- The maximum increase is \$663/HH and the maximum decrease is \$511/HH.

Pros:

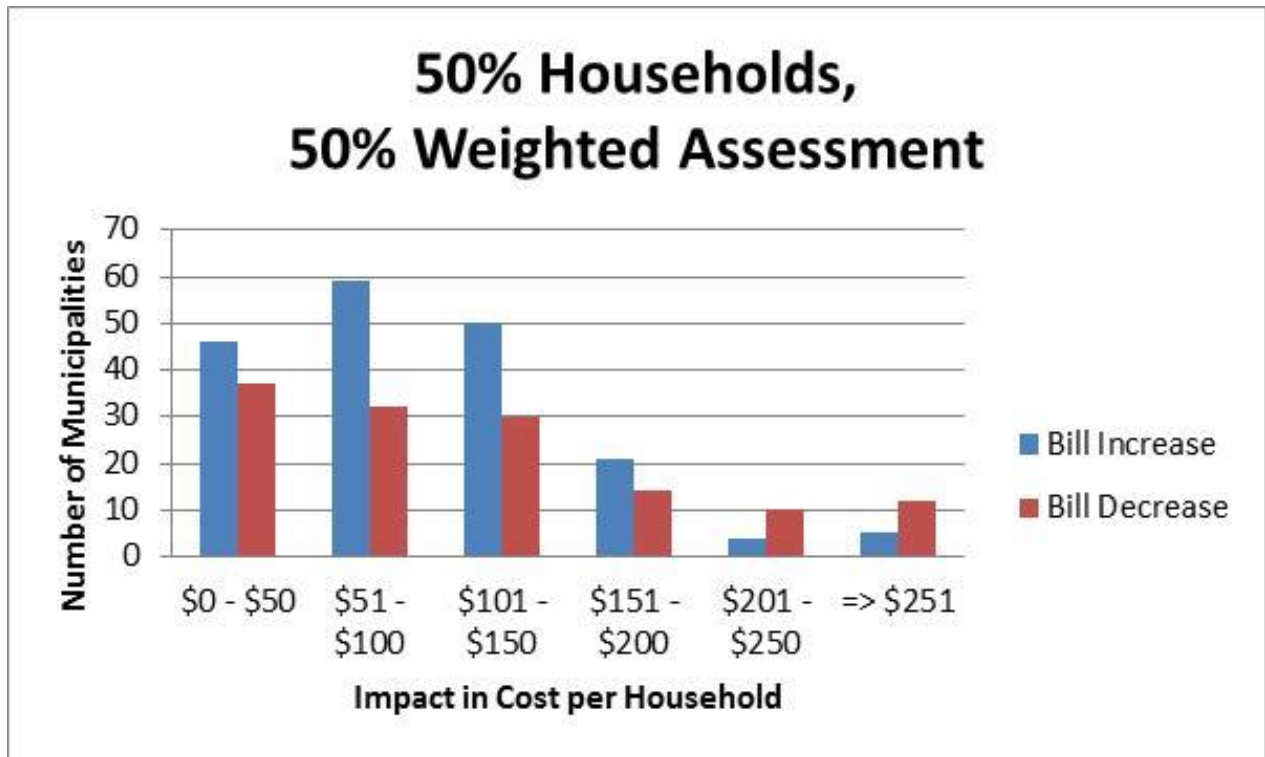
It reflects that policing is a service to all properties (residential, commercial and industrial, vacant, etc.) as well as to people in the community.

Cons:

It does not reflect the value of a municipalities' assessment base or revenue-raising ability. It holds similar cons as the previous model.

4. 50% Household and 50% Weighted Assessment

This model attributes Base Costs through a blend of household numbers and weighted assessment.



Observations:

- The majority of the increases occur in the \$51-\$100/HH range however there are over or around 50 municipalities affected each in the \$0-\$50/HH and the \$101-\$150/HH ranges.
- The majority of decreases occur in the \$0-\$50/HH ranges. However, there are about 30 municipalities affected each in the \$51-\$100/HH and the \$101-\$150/HH ranges.
- There are 12 municipalities who would have a decrease of over \$250/HH and 5 communities that would have an increase over \$250/HH.
- There are a total of 185 municipalities who will experience an increase and 135 who will experience a decrease under this model.
- The maximum increase is \$311/HH and the maximum decrease is \$549/HH.

Pros:

It provides both a direct measure of policing (part of the OPP's criteria) along with a measure of community and capacity. It captures the household count of the OPP

model and recognizes that other properties require policing through an assessment factor.

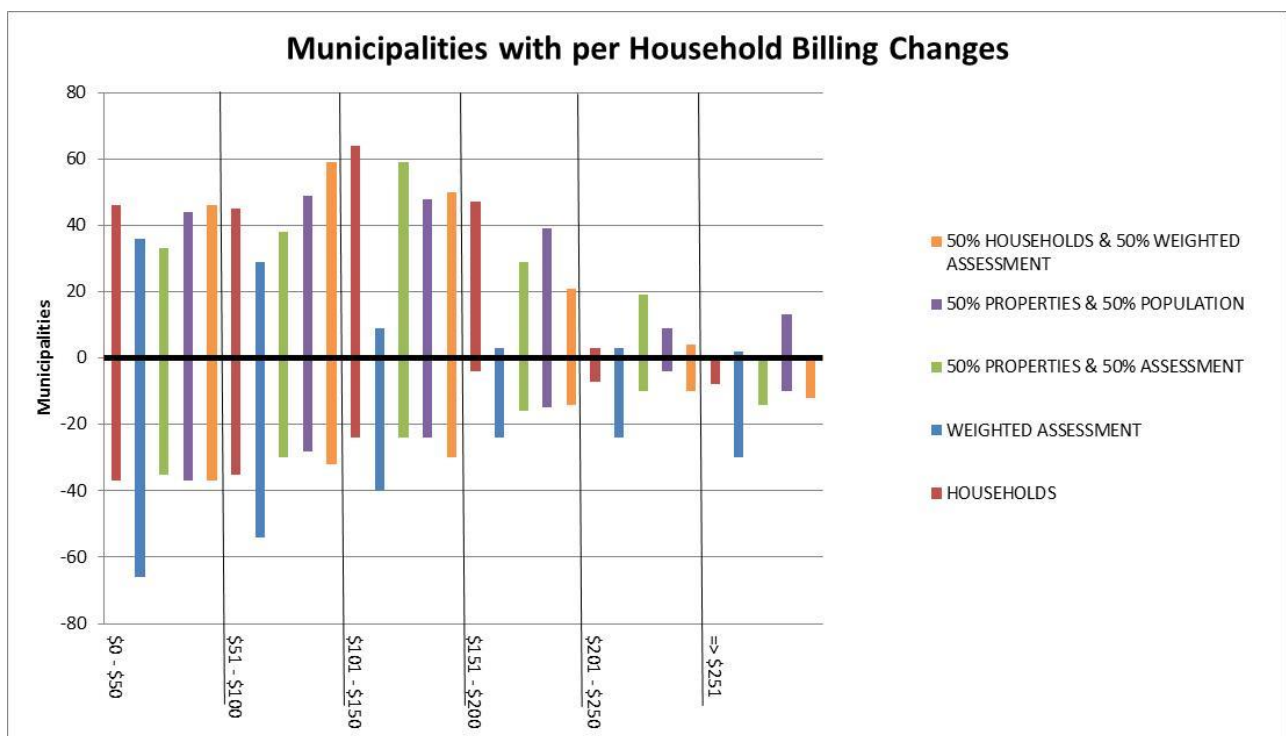
Cons:

There is still variability of costs from one municipality to the next, which contributes to the perception of "cross-subsidization" between high and low paying municipalities.

Summary of the Comments on the Models

On the face of it, there was no model that was a clear front-runner when all was considered. Each had slight variations in terms of increases and decreases. While the 100% weighted assessment had less relative impacts, we know the OPP has discounted the model when looking at it from a legal lens.

The alternative modelling certainly demonstrated that both a transition phase-in and mitigation funding will need to be a feature for any model that the government adopts. It was also clear that whatever the model, the unincorporated areas have to be charged the same amount and appear as such within the OPP's financial statements.



Analysis of Models Based on Principles

The Committee evaluated the different models against the principles it had established at the beginning of its process. The adopted principles that relate to fiscal and service matters⁷ are:

3. The billing model and the information upon which it rests must be transparent for municipal governments and property taxpayers.

⁷ All the principles identified by the Steering Committee for evaluating purposes are contained in its Terms of Reference. See Appendix A.

4. Municipal governments must have some voice as to the level of policing services required and able to pay for ("Pay for say" principle).
5. Policing is a service to people and property, occupied or unoccupied.
7. A new billing model should be predictable and stable over time.
8. A new model needs to validate what is included in Base Costs.
10. Capacity to pay is an overarching consideration at local, regional, and provincial levels. This capacity is measured in part against the provision of other critical services that are vital to a community.

The evaluation of the models using the principles did not substantially change the observations or assessment of the models on an individual basis.

c) Committee Conclusions on Billing Model Analysis

No one model provided a clear, decisive outcome that would not require a phasing-in and some form of mitigation. The Committee then looked at whether there was a fairer and more equitable option within all the broader policy considerations.

As a result of its analysis and discussion, the Committee concluded that two models could be put forward as advice to the Province: The 50-50 split between households and weighted assessment and the OPP's proposed household model. The Committee further concluded that how a new model was implemented would be critical and that the Province must provide a phased-in transition and provide mitigation to a new model, including long-term mitigation for some municipalities. Given that the Province is "correcting" a provincial billing situation that it created, the Province cannot ignore the repercussions.

5) AMO Steering Committee Advice to Province

Ontario's municipalities, the OPP and the Province all agree that the billing for OPP services should be accountable and transparent. As well, the Committee believes that policing needs to be affordable over the long-term, given that municipalities are mandated to provide a range of services that contribute to public safety – from good roads and safe drinking water to affordable housing and other social service programs that support safe communities.

a) Cost Control

Municipalities' most pressing concern about policing is the overall escalating cost of services. Therefore, addressing this growth is the Committee's primary recommendation to the OPP and the Province. Municipalities are struggling to pay higher costs, notwithstanding changes to how they are billed for OPP services. This challenge must be addressed first and foremost, and sooner not later.

Future of Policing Advisory Committee

- The work of this Committee must be pursued as a top priority and with immediacy, including acceleration of its work. Since the *Police Services Act* was passed into law in the late 1990s, crime rates and the nature of crime have changed substantially. Identifying core and non-core policing activities, and determining the best way to deploy police and civilian personnel can improve efficiency and effectiveness without compromising quality of service or public safety.
- The success of any future policing recommendations is dependent on coordination and agreement of other ministries as well as police bargaining units and Police Chiefs. As such, the provincial government must make following through on these recommendations a key priority for Police Chiefs and all ministries and specific negotiations must be a priority at collective bargaining.
- AMO and the Ontario Association of Police Services Boards will continue to coordinate their input to the FPAC process and advocate for meaningful change that will create more sustainable policing.

Collective Bargaining/Interest Arbitration

- Municipalities who receive OPP policing do not currently have a say at the bargaining table, which puts them in a position of having to pay for an agreement in which they have had no input and in which their interests have not been represented. The Province should seriously consider having municipal

governments provide input and advice to the Province's negotiating strategy. This would be in keeping with the principles of the Province-AMO Memorandum of Understanding.

- Coordinated bargaining efforts must allow municipalities to work with the Province to develop bargaining priorities – in addition to wages, this would include shift scheduling and deployment models that have a direct impact on municipal policing costs. As noted above, FPAC recommendations must be brought to the collective bargaining table in order for policing costs to be managed more effectively.
- Improvements to interest arbitration must be a top priority for the Province. All municipalities, even those with their own force, can be hamstrung by OPP agreements due to the current interest arbitration system. This system places priority on matching other policing collective agreements, including the OPP, at a cost to everyone. AMO has previously offered advice on how the interest arbitration system can be more balanced, so that capacity to pay is a factor and a transparent matter in an arbitrator's decision-making role.

b) Billing Model

General Transparency

- The Province needs to provide assurances and full transparency in terms of whether funds paid for OPP municipal policing services are going directly to the OPP – and not going to general provincial revenues. In addition, there needs to be a demonstrated certainty (e.g. arms-length audit) that the municipal funding for OPP services is exactly the amount required to pay for the municipal OPP services.
- It is essential that the OPP provide greater transparency in services provided to the community. While some Section 10 municipalities receive detailed reports of activity through Police Services Boards, all communities must benefit from this level of understanding.
- There needs to be accurate data entry and coding of Calls for Services. This needs to be reviewed and audited regularly for accountability purposes with the OPP-serviced municipalities. Full transparency on the final Base Cost/Calls for Service split is required to ensure that they reflect the true and accurate costs. In the Committee's view, an audit of these determined costs is required.
- Provincial Service Usage Credits are an important component of the existing model. The dollars flowing to municipalities under this program need to be preserved under a new model.

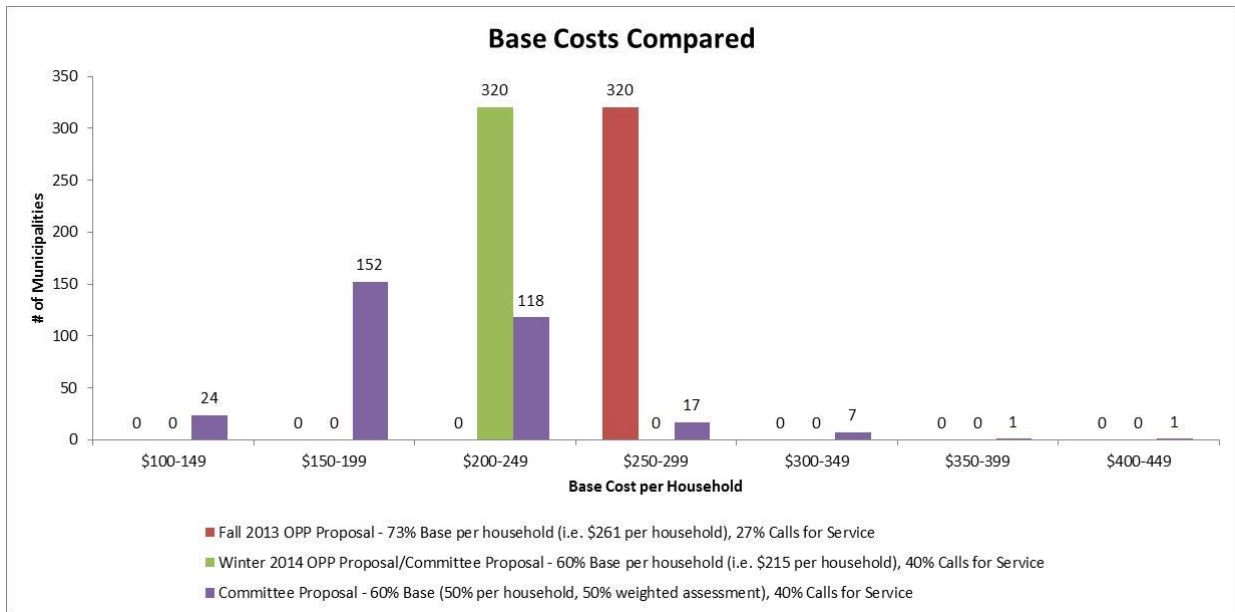
Base Cost/Calls for Service

- The Steering Committee confirmed that a Base Cost and Calls for Service concept was appropriate and the estimated 60/40 split was more acceptable, if it accurately reflects the proportion of Base Costs needed to serve a community. The OPP will need to be clear on how the overhead is included in both the rate for Calls for Service and Base Costs.
- Municipalities are also seeking greater understanding of charges based on Calls for Service, so that they understand how those charges are determined.
- There needs to special consideration in a billing model for those communities whose level of policing activity is directly affected by having a provincial institution within their boundaries (e.g. psychiatric hospital, provincial jail).
- The OPP/provincial government must charge those households in unincorporated areas at least the same Base Cost that those in OPP-serviced municipalities will be paying. Like other Ontarians, they need to pay the cost of ensuring their first OPP call is responded to. How Calls for Services within the unincorporated areas are to be paid will also need to be addressed and made clear.

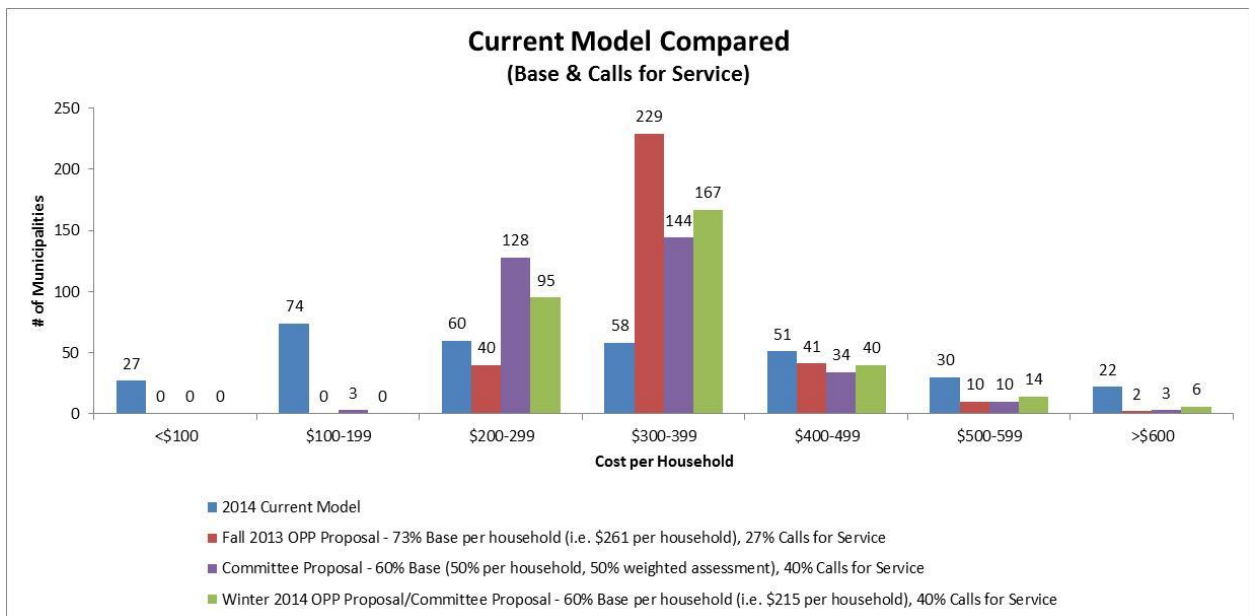
Proposed Billing Model, Transition, and Mitigation

- The Household/Weighted Assessment Blend and Per Household models are offered as reasonable approaches (i.e. compared against the alternatives). However, each will require an implementation plan that provides for a transition phase-in and mitigation funding. Of particular note to the Province, no model can be implemented without this and the Committee's advice on a billing model is a package, not to be cherry-picked. It will take time and additional provincial money to make sure any future billing model and its implementation is more fair and equitable and does not create new hardships and unintended consequences.

The chart below illustrates the impact of the two Base Cost models of this report against the Base Costs of the original OPP proposed model. It shows the number of municipalities which would experience increases and the severity of those increases.⁸



The chart below illustrates the impact of the two models with both Base Costs and Calls for Service included against the OPP original proposed model. It shows the number of municipalities that would experience increases and the severity of those increases.



⁸ The charts are based on models which use 2014 forecast data provided by the Ministry of Community Safety and Correctional Services.

- The Province must implement the model so that the transition is immediate for those realizing decreases, as they require immediate relief from the historic discrepancy. However, those facing increases should have the new billing model phased-in over a minimum four-year time frame, which must be accompanied with mitigation funding.
- Providing immediate relief to those getting decreases, while phasing in increases is similar to the approach taken with the four-year assessment cycle introduced by MPAC in 2008. The Province viewed this as good public policy to deal with a significant challenge. It will allow impacted municipalities to try to absorb shocks to their taxpayers over time and with help – without which many would face significant, double-digit property tax increases.
- At least a four-year transition phase-in/mitigation process for those experiencing negative impact in transition to a new model is recommended to help manage the scale of the billing model reform. This approach would also provide municipalities with some predictability to their year-over-year budgeting process.
- The current billing method was developed by the Province in the '90s and is paid in good faith by all municipalities. The effort to update/correct its historic disparities is a provincial responsibility and it is a provincial responsibility to mitigate the impact on taxpayers.
- Mitigation funding must be provided by the Province to those communities facing substantial tax increases in order to pay for billing model reform.
- Mitigation must be separate from the Ontario Municipal Partnership Fund. Funding for police has been removed from the OMPF and billing mitigation cannot be co-mingled with changes to the OMPF.
- The Province must also recognize that for some communities, mitigation may be required over a longer term. This would be for those communities that even after four years, would not have the revenue base to carry out their other legislated responsibilities, services and programs while paying under a new billing model.
- At the same time, the Province should monitor and evaluate the possibility of ongoing support for some, as implementation unfolds. The objective would be to find a specific and focused provincial resolution for this small sub-group of municipalities, as it has done previously for two northern municipalities under the current model.

- There should be a follow-up consultation on the new billing model and its components for 2014 and implementation, as well as consultation on a draft of the new municipal contract. AMO is prepared to bring the OPP Billing Steering Committee back to discuss implementation matters in greater detail with the Province.

APPENDIX A: Terms of Reference & Membership

Association of Municipalities of Ontario
OPP BILLING STEERING COMMITTEE
TERMS OF REFERENCE

A. Introduction:

Our communities are facing a number of immediate, large fiscal challenges including those with OPP policing services.

The first front comes in the form of declining municipal operating grants through the Ontario Municipal Partnership Fund (OMPF). In addition to the \$25 million reduction, previous grant components dedicated to policing and the farmland and managed forest tax incentive programs have been eliminated. The OMPF started to move to a fiscal health approach, however one that is done on a 'relative' basis for the purposes of allocating the fund. The Province has another planned reduction of \$25 million in both 2015 and 2016.

The second front comes in the form of the OPP wage increase of a minimum of 13.55% over four years, with 8.55% in 2014. The 2014 wage increase alone will cost property taxpayers an additional \$25 million this year. Combined with the OMPF reduction, the wage increase will cost rural and northern communities \$50 million in 2014. In addition, the OPPA collective bargaining agreement calls for them to be the "highest paid police force" in Ontario. The OPPA have already achieved a pension benefit standard of 'best three years' which also has a cost impact.

The third front is the uncertainty brought about by the proposed OPP billing reform. Reform has been an on again, off again matter and the provincial Auditor General and others were added stimulus to the Province looking at the billing methodology. Billing reform was originally set to take place in 2014 however, the Ministry has advised implementation has been deferred to 2015. This delay is a concern to those with relatively much higher bills.

B. Background to the OPP Proposed Billing Reform:

For many municipalities, the OPP's fall 2013 consultation was the first time that the option under consideration was clearly shared and illustrated to them. The OPP's proposed new billing is beneficial for some by adjusting substantially historical higher costs and puts new higher costs on others. Reaction has been strong and divisive in the sector with requests to AMO to endorse the model, or to act to stop any change or to find an alternative that could help the interests of both sides of the issue.

Some municipal governments have voiced concern and are seeking transparency on how the OPP policing capital and operating costs have been assigned between what is a provincial policing activity (e.g., terrorism, contraband, provincial highway patrol, etc.,) and what are municipal policing activities.⁹

⁹ 324 municipalities; 2014 estimated cost of \$385 million (2012, estimated \$357m)

Some question the percentage split of municipal Base Costs (73%) versus service calls (27%) within the proposed methodology. Some have suggested municipal policing costs should not include the cost of crimes committed in another community. Some believe the OPP policing costs should be uploaded to the Province, treating it more like an income redistribution program rather than a service to property/people.¹⁰ These and other concerns and specific questions have been gathered by the OPP through its consultation process on a new proposed billing.

The Provincial Future of Policing Advisory Committee (FPAC) is looking at, among other things, how to deliver core and non-core policing activities in a more cost efficient and effective manner, however, getting traction on moving forward has been difficult at best. Chiefs and police union associations seem reticent to examine and move forward with any incremental changes to the current policing model which has been in place for over 20 years. AMO's Board asked the Ministry to issue an interim report on FPAC's recommendations to date so that all affected parties, including municipal governments are informed of its work and progress. We understand an update is to be provided, however one has not been released as yet.

Until recently, the scale and scope of policing issues, in addition to a proposed new OPP billing has been significantly underestimated by the government.

Appendix C contains a historical perspective and timeline on policing issues.

C. Purpose of the Steering Committee:

- To try to unify the sector and present a common municipal voice on issues related to OPP billing and to lend its voice to more systemic themes which impact policing costs (e.g., FPAC).
- To review and analyze the new billing model and other approaches to ensure municipalities are informed and are making informed choices.
- To inform the work of the OPP as it deals with its consultation feedback of the fall of 2013.
- To represent the diversity of municipal opinions and interests across the Province of those which use and pay for the services of the OPP (contract or non-contract).
- To develop and approve an operational protocol and communication plan that keeps OPP serviced municipal governments informed of its cause and work.

D. Duration:

The Steering Committee would begin meeting in early February and work in an expeditious manner to provide input to the Province before April. It is recognized that it is the Province's intent to implement change in 2015. The frequency of meetings will be determined by the Committee but its initial meeting would need to be intensive, since time is of the essence. The Steering Committee will submit a report to the AMO Board of Directors for its meeting of March 28, 2014.

¹⁰ Total policing costs for all 444 municipal governments is about \$3.7 billion.

E. Membership of the Steering Committee:

The Board has directed that representatives to the Committee come from all corners of the Province, with careful consideration to the diversity of interests, circumstances, and knowledge and experience related to policing and delegated final approval of the Committee's membership to the President given the timely need to get it working. A representative from each of the three sub-municipal groups (Mayors' Coalition; OPP Discussion Group and the Under 5,000 Group) would also be invited to participate. (See Appendix A)

F. Operating Principles for the Steering Committee:

Given the broad interests, and the need for open dialogue within the Steering Committee, it has established the following Operating Principles:

- The Committee will support open, honest discussion in a respectful environment and without individual or collective attribution.
- The Committee will share collective ownership and responsibility for its work and its communications.
- The Committee will bring as much transparency as possible to its work and share information with municipal governments and key stakeholders as appropriate.
- The Committee will respect any confidential information and data.
- The Committee will have access to a municipal finance consultant and other municipal staff with technical abilities to help support the Committee's work as needed.

G. OPP Billing – Assumptions and Principles

The Steering Committee's purpose will be guided by a set of assumptions and principles.

Assumptions: The Committee assumes, as statements of expectation that:

1. The Auditor General's report on the operations of the OPP needs to be properly implemented to deliver greater service and improve efficiencies where deficiencies have been noted.
2. There can be a clear distinction and mutual understanding as to what constitutes municipal OPP policing and what constitutes provincial OPP policing (including seasonal shifts of service requirements– provincial parks and waterways). This should also include services to provincial facilities and institutions. The existing definition of provincial policing requires greater clarity than what is currently expressed legislatively.
3. Cross-jurisdictional investigations/enforcement or major case management crimes are beyond the capacity of the local property tax base or local police services and should constitute provincial policing.

4. OPP policing in unorganized territories should be the financial responsibility of the residents of unorganized areas and should not be part of the costs of municipal OPP policing.
5. OPP policing in First Nations should be the financial responsibility of the federal/provincial governments in separate agreements and should not be part of the costs of municipal OPP policing.
6. Although the municipal sector has asked for provincial mitigation funding to manage transitions caused by any new OPP billing model, which the provincial government has not signalled whether provincial mitigation funding of any sort would be available.
7. A new model needs to be mitigated and not necessarily exactly the same way for all municipalities that would see costs increase as the ability of the property tax base to fund major changes year to year is different in different places. Any mitigation should offer immediate relief for those with high costs and phased increases for those with costs that will rise over time.
8. A model needs to consider regional variations in the cost of policing, particularly for the base costs (e.g. north/south, rural/small urban).
9. A model reflects the core service requirements of the community (e.g. crime rates, flexibility on the time standards for calls for service).
10. Should a community want enhanced OPP services, they can enter into a specific contract for such services.
11. Crime has no boundary, community safety is everyone's responsibility.
12. Full cost recovery is a regulated matter – not a legislated requirement nor a policy statement of the government.
13. The OPP should not offer financial incentives to lessen civilian oversight.
14. The Commission on the Reform of Public Services (the Drummond Report) recommendations of a review of the core responsibilities for policing services and the need for alternative models of service delivery is still valid and that the Future of Policing Advisory Committee (FPAC) has yet to deliver upon this mandate.
15. Interest arbitration legislative changes must take place to reflect capacity to pay and intra-municipal comparators.

Principles: The values which the Steering Committee will apply as it evaluates its review and analysis of possible billing approaches:

1. Civilian oversight of police services is necessary [in democratic societies].
2. The OPP is accountable to the municipal governments it serves.
3. The billing model and the information upon which it rests must be transparent for municipal governments and property taxpayers.
4. Municipal governments must have some voice as to the level of policing services required and able to pay for ("pay for say" principle).
5. Policing is a service to people and property, occupied or unoccupied.
6. Outcomes need to be acceptable to the different interests of the municipal sector.

7. A new billing model should be predictable and stable over time.
8. A new model needs to validate what is included in base costs.
9. Billing model reform should also include legislative and regulatory change regarding policing.
10. Capacity to pay is an overarching consideration at local, regional, and provincial levels. This capacity is measured in part against the provision of other critical services that are vital to a community.

H. Work Plan

The Committee's work plan sets out what tasks need to be done and when and the frequency of its meetings. It is anticipated that the Committee will have four meetings and generally its work will include:

- i) Initial Meeting – among other matters related to its operations, to brainstorm on potential approaches to a billing model and to direct research and analysis;
- ii) Second and Third Meetings – review the proposed OPP billing model and other approaches that evaluates them against the Principles; consider each in terms of implementation considerations; develop comments on policing cost drivers and accountability needs along with how transparency needs can be achieved;
- iii) Fourth Meeting – Conclude work and develop consensus positions on billing model and implementation plan along with consensus of other matters related to rising costs of policing.

AMO will undertake to provide the necessary financial resources to undertake any consulting work that the Committee may identify if other sources are not available.

I. *Communications Protocol:*

The Steering Committee has adopted a protocol for how to deal with media calls, and how, who and when information will be shared. Appendix B sets out the Steering Committee's Communications Protocol.

**Please note that appendices referenced in the Terms of Reference are available upon request.*

Membership

The Board directed that the Committee represent geographic areas of the Province, with careful consideration to the diversity of interest, circumstances, knowledge and experience related to policing. In addition, representative from each of the three sub-municipal groups (Mayors' Coalition; OPP Discussion Group; and the Under 5,000 Group) were also were invited and accepted the opportunity to participate.

Russ Powers, AMO President and Hamilton City Councillor, chaired the Committee. Its membership included:

Name	Title	Municipality
Barfoot, Alan	Mayor	Georgian Bluffs
Canfield, Dave	Mayor	Kenora (NOMA)
Conn, David	Mayor	Seguin Township
Marr, David	Warden	Elgin County
McNamara, Gary	Mayor	Tecumseh (Future of Policing Advisory Committee)
Mertens, Peter	Mayor	Prince Edward County
Politis, Peter	Mayor	Cochrane (Chair, Mayors' Coalition)
Reid, Barb	Reeve	Minden Hills
Reid, David	Mayor	Arnprior (OPP Discussion Group)
Reycraft, Doug	Mayor	Southwest Middlesex
Ron Nelson	Mayor	O'Connor Township
Spacek, Al	Mayor	Kapuskasing (FONOM)
Thompson, Linda	Mayor	Port Hope (EOWC)
Vrebosch, Bill	Mayor	East Ferris (Chair Under 5,000 Group)
White, Chris	Warden	County of Wellington
Additional Staff Advisors:		
Fred Kaustinen	Executive Director	Ontario Association of Police Services Boards
Steve Robinson	Municipal Finance Advisor	
Linda Reed	Retired CAO, Township of Havelock-Belmont-Methuen	AMO Representative to Future of Policing Advisory Working Groups