



## **AMO's OPP Billing Report - Questions and Answers**

**April 10, 2014 (with updates below)**

### **1. What's the status of the AMO OPP Billing Steering Committee Report?**

It is the Committee's best effort at providing its advice to the Province on OPP billing reform. The province created this problem, the province must fix it.

### **2. Doesn't the current billing model work?**

The provincial government and the OPP have determined they want to change the model. Both cite the Auditor General's report and the extreme variability of the current billing model as reasons for reform. This variability has been compounded by the OPP wage deal, OMPF decreases, no clear efforts to improve OPP efficiency, and a longstanding lack of cost accountability and transparency.

### **3. What does the report do?**

- It firmly illustrates the need for phased-in implementation and mitigation.
- It tables a blended household and weighted assessment option which captures all property types and is a measure of a community's fiscal capacity as an option that has merit.
- It strengthens municipal arguments that the province needs to get on with the business of modernising police services, balancing interest arbitration and other actions to ensure future sustainability.

### **4. I haven't seen the impacts of any option for my municipality.**

The Committee's work was focused on the impacts for the sector as a whole and it did not see municipality by municipality impacts of any of the models. This 'blind' approach helped keep the analysis and discussion unbiased. Each model had impacts and all pointed to the need for phase-in and mitigation. Whether or not one model or the other is supported, the need for policing efficiencies and alternatives to delivering non-core policing are long overdue.

## **5. What does the report mean for my municipality?**

We know any billing model will affect different municipalities in different ways – that happens with any formula. There is no magic bullet in such circumstances. It will be up to the province to consider the advice of the Committee as well as others. No matter what it decides, a comprehensive implementation plan that works for all communities must be developed and shared along with its decision on a model.

## **6. What has the Steering Committee achieved by doing this work?**

The Committee's work should give municipalities confidence that other billing options were given serious consideration. It looked at four more than the OPP shared in its public consultations. Detailed, sector wide analysis of the impacts of various scenarios was completed and now has been provided for all to review and consider.

## **7. What does the report say about Provincial Service Usage credits?**

The report states that these dollars should continue to flow to municipalities with the introduction of any new billing model.

## **8. When did the OPP's proposal change from 73/27 to 60/40?**

Mid-way through the Committee's deliberations the OPP presented a new cost split that is closer to 60% Base Costs and 40% Calls for Service due to its further analysis of overhead and other costs and in response to comments last fall about 73/27.

## **9. What's the key difference between pure household and blended 50% households and 50% weighted assessment?**

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). It is a key measure of municipal fiscal circumstance and the ability of a community to raise revenue.

## **Additional Questions and Answers arising from Webinar Discussions (added April 16, 2014)**

### **10. Why can't I get the info that the models are built on?**

The province provided data that was necessary for the Committee to build models, analyse impacts and make projections. The Ministry/OPP did not authorize the Committee or AMO to share the data provided to it.

### **11. How can I figure out the impacts of each option that was modelled?**

We appreciate that municipalities are anxious to know how these proposals will affect them specifically. Municipalities are directed to the five models on page 29 of the report. It provides information that demonstrates how each model relates to the current bill and the OPP's fall proposal of per household 73:27 base and call for service ratio so municipalities can get a sense of how the models change the distribution and range of impacts.

### **12. What do you expect the Province will do with the report and its advice?**

We expect the Ministry and OPP will read the report and consider the advice. We would encourage the province to also undertake the fiscal impacts of any model and have Ministry of Finance do a property tax impact analysis for each municipality. The province must understand the impacts of its actions on this particular municipal budget line, while recognizing that municipal governments will most likely have other service costs pressures. This work is absolutely necessary to quantify a mitigation and phase-in plan.

### **13. Why couldn't the Committee figure out the nature of mitigation funding?**

As noted in the Report, each option modelled had variable impacts, but it was clear that whatever the Province decides to do, that there must be mitigation funding. The Committee did not have the resources, including the data, to do this in detail. The Province created the problem and now the province needs to demonstrate to the 324 OPP policed communities how it is going to solve the problem.

### **14. Why did the Committee work within such a constrained timeline?**

The Province had announced a hard date of January 2015 for implementation of a new billing model. As such, the Committee felt it needed to provide its best advice to the province in a timely manner. It covered a great deal of information, as is evident in its Report. The Committee feels that the province must figure out property tax impacts of any billing model it

will implement. This is a really important analysis that has not yet been done and needs to be done in order for the province to fund a mitigation plan.

**15. How does the Future of Policing Advisory Committee (FPAC) work line up with the OPP Billing Reform?**

It doesn't. FPAC is a multi-stakeholder group. Its terms of reference set out a 2 year process for reporting to the Minister. AMO has growing doubt that anything of substance could be done for quite some time. The OPP Billing Steering Committee's report expresses great disappointment that alternatives to how elements of policing could be done differently have not seen the light of day, notwithstanding some momentum coming out of the Police Summit of 2012. AMO's Board of Directors has decided to set up a Modernizing Police Task Force that will examine ways in which the standards of policing could be refashioned in light of changing demographics, and socio-economic factors, among other matters.

**16. How can my Council endorse one of the models if we don't know the impacts?**

The Committee's work clearly concluded that any change brings financial consequences – the scope and scale may change with each, but mitigation and phase-in is going to be required no matter what. Municipalities should be making this a key message to the province. The Committee is not looking for Councils to endorse either model per se – its work was to help inform the province and to see how the comments from municipal governments on the OPP's fall consultation might be addressed.