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## **New OPP Billing Model**

August 14, 2014

After months of study, planning and community engagement, the Ontario Provincial Police (OPP) will be implementing a new billing model to recoup the cost of providing policing services to municipalities. The new model will take effect on Jan. 1, 2015, and be phased in over a period of up to five years to allow municipalities time to adjust their budgets.

### **Details of the new OPP Billing Model**

- The new model recognizes that all municipalities require a base level of police service and sufficient front-line policing to ensure the safety and security of their communities.
- Under the new model, the bills will be split between base costs and calls for service.
- Base costs, which include services such as routine patrols, crime prevention, RIDE programs and proactive policing, will now make up approximately 60 per cent of the bill. Billing for base costs ensures that municipalities contribute equally towards the cost of having well-equipped, professional, highly trained front-line members ready to answer calls for service.
- A call for service will make up the remaining 40 per cent of the bill. Calls for service usually involve the attendance of an officer or officers at the scene of an occurrence such as a motor vehicle collision. The charge for reactive calls for service will vary among municipalities because such charges will be calculated annually, based on the municipality's individual usage levels.
- The former billing model relied heavily on calls for service to calculate costs that resulted in a wide variation between similar communities. The new billing model will be fair and transparent, and will reduce the wide range in costs for OPP-policed municipalities. The new model will be revenue neutral with no additional money coming to the province because of this change.
- The purpose of the new model is to work toward the recovery of policing costs in a way that is equitable for all municipalities.

### **Benefits of new OPP Billing Model:**

- This addresses the Auditor General's recommendations and long-standing municipal requests to develop a fairer, more transparent billing model.
- A much smaller variance in per property costs across municipalities.
- Provision of information about types and volume of calls for service, allowing municipalities to better design crime reduction and prevention strategies.

- Ensure all communities share the cost of infrastructure, supervision, administration and front-line policing necessary to be available to respond to calls for service and provide adequate proactive policing.
- Provide greater budgeting certainty for municipalities.
- The old billing system for OPP services was developed 17 years ago and has resulted in some municipalities subsidizing others. In fact, there were some cases in which municipalities were paying \$6 per property while others paid \$805 per property (based on actual 2013 costs).
- By ensuring all municipalities contribute to the base cost of policing, the proposed billing model reduces the variation between municipal policing costs.
- The new model will be phased in over a period of up to five years with annual caps on changes in policing costs that occur as a result of the new billing model, providing stability and predictability for both taxpayers and municipalities.
- Increases in police costs as a result of the new billing model will be capped at approximately \$40 per property a year. Decreases will range from \$18 per property in year one, to \$96 per property in year five of the phase-in.
- Municipalities will continue to be responsible for any increases in the cost of policing outside of the new billing model.

#### **OPP Billing Model Consultation Process:**

- On Aug. 22, 2011, representatives from more than 20 municipalities made a joint delegation at the Association of Municipalities of Ontario (AMO) conference to the Ontario government to express concerns relating to the calculation of OPP policing costs, particularly the large variation in per household costs between similar municipalities.
- In December 2012, the Auditor General of Ontario recommended that the OPP seek ways to simplify, and make more transparent, its cost-recovery methods while also addressing large variations in policing costs.
- The province committed to finding solutions for this issue at the August 2013 AMO conference.
- Ontario directed provincial officials and the OPP to develop a new billing model that was fair, transparent and would reduce wide variances in costs for OPP-policed municipalities.
- In fall 2013, the Ministry of Community Safety and Correctional Services held 14 engagement sessions across all five OPP regions to consult municipalities on a proposed billing model. 229 municipalities attended the sessions. The feedback was used to develop the new billing model.
- In March 2014, AMO convened the OPP Billing Steering Committee to review key items related to the OPP billing review.

