



RMFEO Press Release – OPP Billing June 8 2016

The RMFEO met with Ontario Provincial Police (OPP) Municipal Policing Bureau, the Municipal Property Assessment Corporation (MPAC) and the Rural Ontario Municipal Association (ROMA) on Monday May 30, 2016 in Calabogie.

The purpose of the meeting was to review the Rural Mayors' Forum of Eastern Ontario's (RMFEO) analysis of costing based on number of residences (Attachment A) and ROMA's concern related to trailers (Attachment B).

RMFEO member municipalities found a discrepancy between the numbers provided to the OPP and the numbers identified in a municipality. This discrepancy equates to about \$232K in OPP billings that cannot be recovered by the 14 member municipalities. RMFEO is just a sample (4%) of the 323 municipalities which the OPP provides services to. This could mean that there is approximately \$5M dollars that municipalities across Ontario cannot recover due to the current OPP billing model.

At the meeting MPAC provided details on how the numbers are calculated. In summary the number of properties provided to the OPP is the sum of total units on a property and includes residential, commercial and industrial. "Units" is defined as a self contained residential units intended for seasonal or year round use. This means there can be more than one unit on a property such as a granny suite, camping trailer, house trailer or cabins besides the main residence. Apartment buildings, condominiums and townhouses have "units" within the main building. A business with a residence is identified as both a business plus a residential unit. As well a residence plus a cell tower is classed as 1 residence plus 1 industrial. Cell towers, solar farms, pipelines, wind turbines and bill boards fall into the industrial category and are provided to the OPP as properties.

The OPP provided an explanation of their billings. In summary the OPP invoice municipalities as per the current government regulations and use the data provided by MPAC. OPP cost recovery is allocated by base service plus calls for service. Base services is allocated equally among municipalities based on properties as provide by MPAC. Calls for service are billed to the municipality that had the call for service. OPP provides the billing information to the Minister of Community Safety and Correctional Services for the billing model approval. Decision to include or exclude property types from the billing model are the authority of the Ministry of Community Safety and Correctional Services and the OPP.

RMFEO Summary

The key issue is the lack of common information being provided amongst the three groups. The information provided to the OPP is not the same information utilized by MPAC and Municipalities for taxation purposes. As described above the use of units is being used by the OPP to justify their billing model and cost recovery. Using this approach means municipalities



do not have a clear understanding of how they are being billed and explains the discrepancy in the numbers of properties being counted by municipalities and those counted by the OPP.

If we reclassify how properties are counted the costs still stay the same so we still get billed the same. The issue for municipalities is that we cannot recover costs on the use of “units” as per the Municipal Act so we cannot tax properly for the current OPP billing cost recovery model.

As an example if Mr and Mrs. X had a parent who became ill and had to move into the basement, this is classed as two units and are billed by the OPP as two properties. If Mr X had a commercial billboard on his land he now has two residential properties and one commercial. If he also has wind turbines on the roll number property he now has one industrial, which now totals four properties billed by the OPP and municipalities assess and tax this as one property.

One ore example is units is used for multi residential properties and could include condos and apartment buildings. Apparently the same model cannot be used by the OPP for shopping malls and they classify this as one property that could have any number of stores within that complex.

All parties agreed to work on these issues to try and reach consensus on a billing model that works for all.

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Attachment A - RMFEO

Rural Mayors' Forum of Eastern Ontario

6648 Road 506

Plevna, Ontario, K0H 2M0

April 21, 2016.

Deputy Minister Matthew Torigian

Ministry of Community Safety and Correctional Services

18th Floor, 25 Grosvenor Street

Toronto ON M7A 1Y6

Dear Deputy Minister Torigian,

The members of the Rural Mayors' Forum of Eastern Ontario (RMFEO) would like to thank you for meeting with us on behalf of Minister Naqvi during this year's ROMA/OGRA Conference. We were grateful to be given the chance to present our concerns through you to Minister Naqvi regarding the impact that the new Ontario Provincial Police (OPP) funding model is having on small rural municipalities in Eastern Ontario.

As a follow up to our discussion we would like to take this opportunity to provide you with some data that highlights the concern we expressed that the phase-in of the new OPP funding model has resulted in cost increases that are significantly higher than the \$40 per household cap would suggest. We are experiencing these higher than anticipated OPP billings in 2016 because the property counts reported by the Municipal Property Assessment Corporation (MPAC) demonstrate unexplained increases that are not reflective of the new construction that is actually happening in our communities. By changing how properties are counted, MPAC has inadvertently caused existing property taxpayers considerable hardship since there is no offsetting real growth in the assessment base to cover the resulting additional OPP costs.

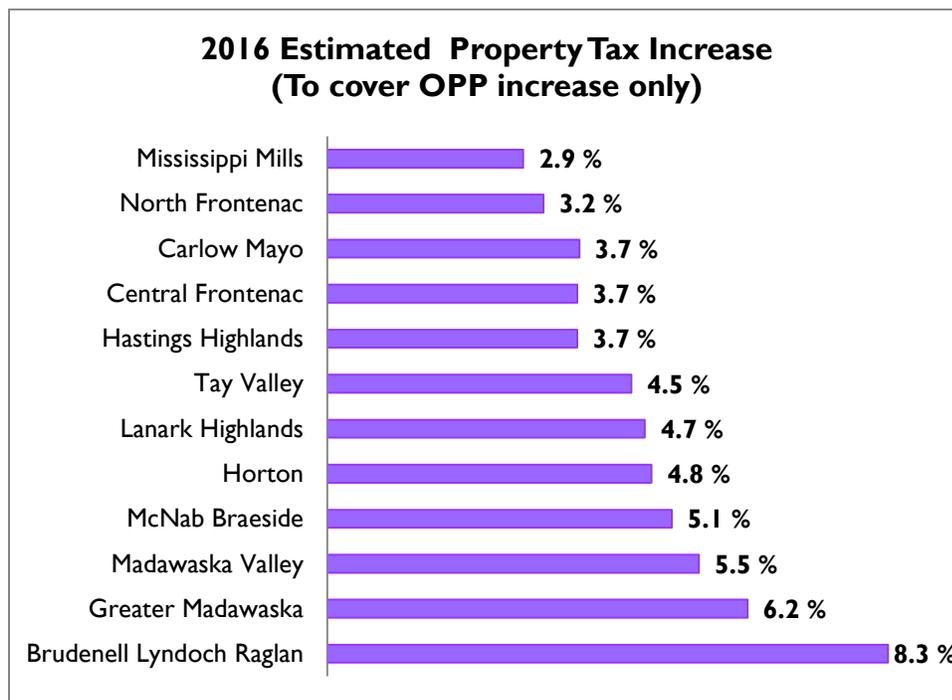
The 2015 OPP billing was based on MPAC property counts from 2012. The 2016 OPP billing is based on MPAC property counts from 2014. Upon reviewing the increase in property counts between these two billings our members decided to collect and compare these increases with the actual data on new construction in their municipalities for 2013 and 2014. The results can be seen in the table on the following page. A comparison of the MPAC property count increase (MPAC Difference) to the total of actual new construction (New Builds 2013 & 2014) reveals that between our 14 municipalities there are 934 additional properties that cannot be accounted for based on the building permits issued in those two years. The average for new construction year over year in these municipalities has remained relatively steady.



RMFEO Municipality	MPAC Property Counts		MPAC	New Builds	Unaccounted	2016 OPP Cost	Total Extra
	2016	2015	Difference	2013 & 2014	Difference	per property	Cost
Addington Highlands	2,843	2,763	80	16	64	\$258.58	\$16,549
Brudenell Lyndoch Raglan	1,203	1,163	40	5	35	\$260.18	\$9,106
Carlow Mayo	718	683	35	8	27	\$230.00	\$6,210
Central Frontenac	4,202	4,008	194	34	160	\$282.67	\$45,227
Greater Madawaska	2,785	2,695	90	44	46	\$197.73	\$9,096
Hastings Highlands	3,989	3,767	222	61	161	\$261.92	\$42,169
Head Clara Maria	366	343	23	6	17	\$205.02	\$3,485
Horton	1,502	1,409	93	35	58	\$281.44	\$16,324
Lanark Highlands	3,856	3,711	145	58	87	\$240.82	\$20,951
Madawaska Valley	3,351	3,265	86	28	58	\$278.15	\$16,133
McNab Braeside	3,258	3,204	54	30	24	\$217.41	\$5,218
Mississippi Mills	5,739	5,490	249	211	38	\$311.57	\$11,840
North Frontenac	3,592	3,464	128	56	72	\$152.18	\$10,957
Tay Valley	4,000	3,882	118	31	87	\$219.64	\$19,109
	41,404	39,847	1,557	623	934		\$232,373

Unaccounted for property counts of 160 and 161 in two of the most affected municipalities (Central Frontenac and Hastings Highlands) have resulted in an additional 2016 OPP burden for each of these municipalities of \$45,227 and \$42,169 respectively. As a group we have experienced an additional 232,373 (Total Extra Cost) on our collective 2016 OPP billing. This is above and beyond the phased-in cap plus cost growth amount (\$48.50) per property that was put in place by the province to help us manage this transition.

The members of the Rural Mayors' Forum of Eastern Ontario are representative of many small rural municipalities that are struggling to deal with the fiscal pressures of implementing Asset Management Plans in an environment where any reasonable property tax increase is totally absorbed by OPP cost increases. The following chart shows the 2016 estimated property tax increase that would result if these RMFEO members added the 2016 OPP billing increase directly to their 2015 general levy.



Please note that these estimated tax increases would only cover the increase in policing costs in 2016. Inflationary increases to municipal operational costs for all other services and funding for tangible capital assets still need to be factored in.

Our property taxpayers are tapped out. They are telling us loud and clear that they cannot afford property tax increases that are significantly above the rate of inflation. As the phase-in of the new OPP funding model continues, small rural municipalities find themselves between a rock and a very hard place for the second year in a row. Those who are still not completely phased-in will face the same situation again next year. None of us can afford to be charged for property counts that do not represent actual real growth in our assessment.

Any assistance that you or Minister Naqvi could provide to address the impact of discrepancies in the MPAC information that are causing this additional hardship would be most appreciated.

Sincerely,

Members of the Rural Mayors' Forum of Eastern Ontario

Copy; MPAC, AMO, ROMA

RMFEO Member	Title	Municipality	Signature
Henry Hogg	Reeve	Addington Highlands	<i>Henry Hogg</i>



Garry Gruntz	Mayor	Brudenell Lyndoch Raglan	<i>Garry Gruntz</i>
Bonnie Adams	Reeve	Carlow-Mayo	<i>Bonnie Adams</i>
Frances Smith	Mayor	Central Frontenac	<i>Frances Smith</i>
Glenda McKay	Mayor	Greater Madawaska	<i>Glenda McKay</i>
Vivian Bloom	Mayor	Hastings Highlands	<i>Vivian Bloom</i>
Jim Gibson	Mayor	Head Clara Maria	<i>Jim Gibson</i>
Bob Kingsbury	Mayor	Horton	<i>Bob Kingsbury</i>
Brian Stewart	Mayor	Lanark Highlands	<i>Brian Stewart</i>
Kim Love	Mayor	Madawaska Valley	<i>Kim Love</i>
Tom Peckett	Mayor	McNab Braeside	<i>Tom Peckett</i>
Shaun McLaughlin	Mayor	Mississippi Mills	<i>Shaun McLaughlin</i>
Ron Higgins	Mayor	North Frontenac	<i>Ron Higgins</i>
Brian Campbell	Deputy Reeve	Tay Valley	<i>Brian Campbell</i>

Responses may be sent to Mayor Ron Higgins our spokesperson for the RMFEO.

Ron Higgins, Mayor

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Attachment B – ROMA

Rural Ontario Municipal Association *Representing Rural Ontario*

Sent via e-mail: ynaqvi.mpp@liberal.ola.org

April 19, 2016

The Honourable Yasir Naqvi
Minister of Community Safety and Correctional Services
18th Floor, George Drew Building
25 Grosvenor Street
Toronto, Ontario
M7A 1Y6

Dear Minister Naqvi,

I wish to express my concern regarding the current OPP billing model and the impacts of specific structures being included in the property count as households, including seasonally occupied recreational trailers, mobile homes, and wind turbines.

The financial impact of the OPP billing model has been raised by municipal governments across the province in the Council decisions, media articles, and in meetings of the Rural Ontario Municipal Association. In the last five months, ROMA has received over 15 municipal Council resolutions regarding OPP billing.

The OPP billing of recreational trailers, mobile homes, and properties where wind turbines are located exceeds municipal tax revenue when they are deemed assessable by MPAC and counted as households by the OPP. For example, the wind turbine properties in Frontenac Islands Township were assessed and billed at the household rate, at an additional cost of \$26,000.

In my own Township of Rideau Lakes, there are over 100 assessed recreational trailers in campgrounds, contributing \$4,264 in taxation in 2015. Yet since these trailers are charged the household cost by the OPP, Rideau Lakes will experience a net loss of \$16,008.30 after paying the OPP charges for the trailers. An additional loss of \$5,717.95 is also realized on mobile homes in the Township.

The Municipality of Trent Lakes is also experiencing concerns with the billing of temporary trailers, which pay very little in property taxes, yet are charged the full tax amount in OPP charges.

Accordingly, I would ask that your Ministry review options to address this matter.



One option I may offer would be to implement a ‘minimum assessed value benchmark’ for the purposes of determining the inclusion of specific properties under the OPP billing formula. This benchmark should be indexed annually to keep pace with inflation.

This is a matter of fairness. If a trailer, mobile home, wind turbine, or other such property is to be counted as a household for the purposes of the base OPP service charge, it should, at the very least, be a breakeven proposition for the municipality.

The OPP billing formula as currently established accordingly creates a disincentive for municipal governments to support the future development of lower cost housing options, such as mobile home parks, and alternative housing models, such as tiny homes. The OPP billing model appears to be at odds with the generation of affordable housing options and supporting an end to homelessness which is a priority of your government.

On behalf of ROMA, I ask that your ministry review this issue to ensure that the process remains fair for all.

Sincerely,

Ronald E. Holman

ROMA Chair