

**IN THE MATTER OF A BUDGET APPEAL TO THE ONTARIO CIVILIAN POLICE  
COMMISSION AGAINST THE CITY OF LONDON PURSUANT TO  
SECTION 39 OF THE POLICE SERVICES ACT**

BETWEEN:

**THE CITY OF LONDON**

(Hereinafter called the “the City” or “Council”)

- and -

**THE LONDON POLICE SERVICES BOARD**

(Hereinafter called the “Board”)

**MINUTES OF SETTLEMENT**

**1. Background**

- (a) Council of the City of London ("Council") has exercised its authority under the *Municipal Act* to implement a multi-year budget process covering the years 2016 through 2019 inclusive.
- (b) The London Police Services Board ("the Board") submitted its multi-year budget estimates to Council in accordance with S. 39 of the *Police Services Act* ("the Act").
- (c) In establishing the Board's budget, Council declined to include a requested \$4.1 million dollar increase representing the cost of six additional positions over the four year term of the budget.
- (d) The Board has filed an appeal with the Ontario Civilian Police Commission ("OCPC") under S. 39 of the Act asking the Commission to provide the funding referenced in (c). The appeal is scheduled to be heard over 5 days commencing Monday, November 14th, 2016 in London.
- (e) In its request to Council for the additional funding, and in its appeal documentation, the Board and Chief Pare have asserted a need for these additional positions.

- (f) As part of its due diligence obligations, Council retained an expert in police operational matters to review the significant material filed by the Board in the appeal, and further has retained external legal counsel to review this material and represent the City in the appeal.
- (g) As a result of the due diligence efforts in (f) above, Council acknowledges and agrees with the need for the six additional positions as necessary for Chief Pare, the Board and the City to continue to meet their respective obligations under S.41, S.31 and S.4 of the Act to provide adequate and effective policing in the City.
- (h) The consideration for these Minutes of Settlement shall be the mutual promises and covenants described below.

## 2. **Terms of Monetary Settlement**

- (a) Council shall provide funding for the additional positions in the total sum of \$2.7m in accordance with Schedule A attached hereto.
- (b) Each party shall bear their own costs of the OCPC appeal, and shall be jointly responsible for specific costs, if any, which may be billed to the parties by OCPC.
- (c) The intent of the parties is to permit Chief Pare to hire to fill the additional positions effective January 1st, 2017.
- (d) Council shall approve the transfer of funds necessary for the Board to meet its contractual obligations associated with the Market Value Adjustment as outlined in the 2015-2018 Working Agreement no later than January, 2018, currently estimated at \$3.3m.

## 3. **Non-Monetary Terms of Settlement**

- (a) The Board advises that it intends to place the expert reports and witness statements prepared in conjunction with this budget appeal on its website after the conclusion of the matter.
- (b) The parties shall prepare a joint press release and/or conduct a joint press conference to be tentatively scheduled for November 8, 2016.
- (c) Upon approval of these Minutes by both parties, Counsel for the Board and the City shall immediately notify OCPC of the settlement.
- (d) The parties undertake to work together on matters of mutual interest for the benefit of the community.

4. **Approval of Minutes**

- (a) The parties through their approved representatives met on October 27, 2016 in London. These Minutes were negotiated at the meeting. Each attendee at that meeting has undertaken to make a strong recommendation to their respective principals to approve these Minutes.
- (b) Council representatives have undertaken to recommend the Minutes to Committee on November 7th, and to Council on November 8th.
- (c) Board representatives have undertaken to recommend the Minutes to the Board via electronic correspondence on November 8<sup>th</sup> by 3:00 p.m. est. and again in public session at its November 10th meeting.
- (d) Each party shall notify the other immediately upon receipt of the Council/Board public decision.

5. **Without Prejudice/Confidentiality**

Prior to approval, the terms of these Minutes of Settlement are without prejudice to the rights of each party, and shall remain confidential. Following the Board's electronic approval and Council's approval of the Minutes on November 8<sup>th</sup>, the Minutes will be made public.

Signed this       day of                      2016

Signed this       day of                      2016

**The City of London**

**The London Police Services Board**

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## SCHEDULE “A”

The following actions BE AUTHORIZED

- 1) With respect to the Market Value Adjustment (MVA), noting that The budget has been approved for each year 2016-2019
  - a) The Treasurer BE AUTHORIZED to transfer the MVA budget (currently estimated at \$3.3 million) from the corporate budget to the Police Services budget as outlined in Table 1 below.
  - b) The Police Services Board can utilize the surplus generated from the early advance of the MVA to fund the unfunded portion of the additional six officers required, noting that the permanent funding for these positions will take place through the 2017 and 2018 assessment growth requests outlined in 2).

Table 1

		2017	2018	2019	Total
From the Corporate Budget	\$ (incremental)	\$ 1,300,000	\$ 2,000,000	\$ -	\$ 3,300,000
	\$ (cumulative)	\$ 1,300,000	\$ 3,300,000	na	na

- 2) The Police Services Board submit assessment growth business cases in each of the years’ 2017 and 2018 to reflect the budget need identified in 2016 of the six additional positions as outlined below.

Table 2

		2017	2018	2019	Total
Additional Staff Required	FTE (incremental)	6	-	-	6
	\$ (Cumulative)	\$ 900,000	\$ 900,000	\$ 900,000	\$ 2,700,000
Funded from Assessment Growth (business case)	\$ (cumulative)	\$ 600,000	\$ 900,000	\$ 900,000	\$ 2,400,000
Budget Shortfall funded from MVA Surplus	\$ (cumulative)	\$ 300,000	\$ -	\$ -	\$ 300,000

- a) Tax increases from Assessment growth cannot be guaranteed in any given year

- b) Assessment growth business cases are submitted to the City Treasurer, who has been delegated authority by Council to allocate assessment growth to those business cases that demonstrate a strong linkage to cost increases resulting from a growing City. The Police Services Board must commit to provide a business case that supports the request in Table 2 as growth related cost.
- c) The Treasurer commits to support the request of the Police Services Board outlined in Table 2, subject to 2a) and 2b), noting that this would be in addition to the consideration of any other business cases submitted by the Police Services Board in that year.
- d) Should assessment growth not be available in any given year, the Treasurer will authorize a budget transfer from the corporate budget to the Police Services budget to cover the amount that would otherwise have been provided through assessment growth in that year to cover the request for the six officers.
- e) None of the above precludes the Police Services Board from making additional requests through the Assessment Growth process with approved business cases.