



Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	January 10, 2023
SUBJECT/REPORT NO:	Legislation regulating funding of the Hamilton Police Services, the Hamilton Public Library and Conservation Authorities (LS23011/FCS23013) (City Wide)
WARD(S) AFFECTED:	City Wide
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COUNCIL DIRECTION

Not applicable.

INFORMATION

This report focuses on the *Police Services Act*, the *Public Libraries Act* and the *Conservation Authorities Act* and the requirement in those legislation that municipalities fund the operations of the police services, public libraries and conservation authorities within the city of Hamilton.

Police Services Act

The *Police Services Act* (the “Act”) governs the operations of police services and police service boards in the province. Under s. 4 of the Act, a municipality is responsible for

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providing adequate and effective police services in accordance with its needs. The Act goes on to state that “adequate and effective police services must include, at a minimum, all of the following police services:

1. Crime prevention.
2. Law enforcement.
3. Assistance to victims of crime.
4. Public order maintenance.
5. Emergency response.”

The municipality in providing adequate and effective police services is responsible for providing all the infrastructure and administration necessary, which can include vehicles, boats, equipment, communication devices, buildings and supplies (section 4(3)). Ontario Regulation 3/99 details in more particularity what constitutes adequate and effective police services. The services are wide-ranging and span from general patrol to criminal investigation of fraud to the provision of a tactical response unit which includes a hostage rescue team.

The obligation for a municipality to provide adequate and effective police services requires it to either establish a police service board which delivers the service or alternatively, the service will be delivered by the Ontario Provincial Police and the municipality is required to pay for those services.

The City of Hamilton has established a police services board which consists of seven members: the Mayor, two members of Council, three persons appointed by the Lieutenant Governor in Council and a person appointed by Council. The Board is responsible for the provision of adequate and effective police services in the city of Hamilton.

With respect to funding of the police services, the Board is required to submit its budget to Council and Council upon reviewing the budget establishes the overall budget for the Board. Council is not required to adopt the budget of the Board and it also cannot approve or disapprove specific line items in the budget. The budget that is submitted must include the amounts required to maintain the police force and provide it with equipment and facilities as well as the expenses of the Board operations excluding the remuneration of Board members.

If the Board determines that the budget approved by Council is not sufficient to maintain “an adequate number of police officers or other employees of the police force or to provide the police force with adequate equipment or facilities”, the Board may request that the Police Services Commission conduct a hearing to determine the adequacy of the budget.

Public Libraries Act

The funding by municipalities of public libraries is governed by the *Public Libraries Act* ("Act"). Under this Act, the municipality can establish a library board for the purposes of overseeing the operations of a public library within the municipality. The Hamilton Public Library Board was established by by-law 04-019 and is a corporate entity pursuant to the Act.

The Board, whose members are appointed by Council, consists of 11 members: nine citizen members and two City Councillors.

The Hamilton Public Library Board is required to submit its budget to Council for approval. Council can approve the budget as presented or make amendments to the budget which will then be adopted by the Board

Conservation Authorities Act

The *Conservation Authorities Act* governs the operation of conservation authorities in the province.

The City of Hamilton is a participating municipality of four conservation authorities (CA) due to lands situated either wholly or partly within its watershed being Hamilton CA, Niagara Peninsula CA, Grand River CA and Halton CA.

Conservation authorities' budgets are comprised of operating or maintenance costs, administration costs and a variety of revenue sources including self-generated revenue, grants, and levies from participating municipalities.

Under s. 2 of Ontario Regulation 670/00, the levy for the participating municipalities are based on the following formula:

- (1) In determining the levy payable by a participating municipality to an authority for maintenance costs pursuant to subsection 27 (2) of the Act, the authority shall apportion such costs to the participating municipalities on the basis of the benefit derived or to be derived by each participating municipality determined,
 - (a) by agreement among the authority and the participating municipalities; or
 - (b) by calculating the ratio that each participating municipality's modified assessment bears to the total authority's modified assessment.
- (2) In determining the levy payable by a participating municipality to an authority for administration costs pursuant to subsection 27 (3) of the Act, the authority shall

apportion such costs to the participating municipalities on the basis of the ratio that each participating municipality's modified assessment bears to the total authority's modified assessment.

The key factor in the regulation formula is "the ratio that each participating municipality's modified assessment bears to the total authority's modified assessment". In effect, the larger the municipality's assessment, the greater would be the levy burden.

Levy charges are calculated by determining the ratio that each participating municipality's land assessment bears to the total conservation authority land assessment. This is done by:

1. Assessing the value of the municipality
2. Determining the percentage of the municipality which falls within the jurisdiction of the conservation authority
3. Dividing the total value of the municipality's lands by the percentage that falls within the jurisdiction, to find the value of that section of land.
4. Adding up the value of lands from each participating municipality to find the value of all the land within the jurisdiction.
5. Dividing the total land value, by the value of lands associated with each municipality.
6. Charging levies against each municipality based on their ratio of land value to the total land value of the conservation authority.

Property assessments and apportionments of the levies are updated annually.

Under section 27 of the Act, a municipality may appeal the levy to the Ontario Land Tribunal within thirty days of receiving notice of the levy from a CA and the Tribunal will hold a hearing and make a decision on the appeal.

Regarding capital projects, a municipality may appeal the apportionment of the total benefit of any project to the Ontario Land Tribunal within thirty days of receiving notice from a CA and the Tribunal will hold a hearing and make a decision on the appeal.

With approval of Schedule 4 to the *Building Better Communities and Conserving Watersheds Act, 2017*, changes to the budget process come into force on July 1, 2023 for the 2024 budget. Refer to Ontario Regulations 399/22, 400/22, 401/22 and 402/22.

A comprehensive report on these changes will be presented at a future General Issues Committee meeting.