

**POLICE ACT SECTION 42 REVIEW**

**BUDGET ALLOCATION FORMULA FOR**

**POLICING IN THE CITY OF VICTORIA AND THE**

**TOWNSHIP OF ESQUIMALT**



Doug LePard, O.O.M.  
September 15, 2020

## CONSULTANT

**Doug LePard, O.O.M.**, is the Principal of Doug LePard Consulting, providing services in the criminal justice sector to police, government, law firms, and private businesses. He is also a member of the Mental Health Review Board. After 35 years of service, he retired as a Deputy Chief in the Vancouver Police Department commanding the Investigation Division, then served for several years as the Chief of the Metro Vancouver Transit Police. He holds a B.A. in Criminology and an M.A. (with distinction) in Criminal Justice. He is a former member of the International Association of Police Planners and was formerly in charge of the VPD Planning & Research Section. He has extensive experience in police workload analysis and has presented internationally on the issue. He has authored/co-authored articles, book chapters and major reports on a variety of policing issues. His honours include the Queen Elizabeth II Diamond Jubilee Medal, the Governor General's Academic Medal, the Lieutenant Governor's Merit Award, the Gold Medal of the International Society for the Reform of Criminal Law, and investiture by the Governor General as an Officer of the Order of Merit of the Police Forces.

## ACKNOWLEDGEMENTS

I wish to thank Brenda Butterworth-Carr, Assistant Deputy Minister and Director of Police Services, and David Pilling, Director, Police Governance, Policing and Security Branch, for entrusting me with this interesting and important assignment, and for their support throughout the analysis.

I conducted interviews of Mayor Lisa Helps of the City of Victoria and Mayor Barb Desjardins of the Township of Esquimalt, and other representatives of both municipalities, as well as the Chief Constable Del Manak and Deputy Chief Constables Jason Laidman and Colin Watson of the Victoria Police Department (VicPD). All of those interviewed were generous with their time and knowledge. In fact, several representatives made themselves available during their holidays or at extraordinary hours, and all provided any assistance requested. In addition, the VicPD went to extraordinary efforts to produce extensive data within very tight timelines.

Special thanks to Chief Constable Adam Palmer of the Vancouver Police Department who made available my former colleague, Mr. Simon Demers, Manager of the VPD Audit Unit, who has great expertise in police-related economic analyses. His advice and assistance were invaluable.

This review is constructed from interviews, a review of government documents, police data, academic literature, and a variety of other sources listed in the Bibliography. I have attempted to represent the information I obtained in a fair and objective manner; any errors in that process are mine alone and not of those persons I interviewed.

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## GLOSSARY OF TERMS

BAF	Budget Allocation Formula
CAD	Computer Aided Dispatch
DLC	Doug LePard Consulting
DCFS / CFS	Dispatched Calls for Service / Calls for Service
CFSEU-BC	Combined Forces Special Enforcement Unit – British Columbia
CMA	Census Metropolitan Area
CRD	Capital Regional District
CSI	Crime Severity Index
CVA	Current Value Assessment
EPD	Esquimalt Police Department
IRSU	Integrated Road Safety Unit
PILT	Payment in Lieu of Taxes
PRIME-BC	Police Records Information Management Environment
PSD / PSB	Police Services Division / Police Services Branch
RCMP	Royal Canadian Mounted Police
RLD	RLD Strategies Ltd.
ToR	Terms of Reference
TAV	Total Assessed Values
TMT	Total Municipal Taxes
UCR	Uniform Crime Reporting
VicPD	Victoria Police Department
VPD	Vancouver Police Department

# EXECUTIVE SUMMARY

## Purpose

The purpose of this Phase 1 independent s. 42 *Police Act* Review is to recommend a new Budget Allocation Formula (BAF), pursuant to s. 11.2 of the Framework Agreement (“the Agreement”) to equitably distribute policing costs between Victoria and Esquimalt. The Review was conducted by Doug LePard Consulting (“DLC”). The methodology included but was not limited to examination of previous analyses and reports, interviews with key stakeholders, and research into funding models in other policing jurisdictions in BC and Canada. Phase 2 will examine and make recommendations about other key issues under the Agreement, including potential cost-management opportunities, that will enhance compliance with the Agreement.

## History

In 2002, as the result of a *Police Act* review of the Esquimalt Police Department (EPD) that found significant problems, the EPD was amalgamated with the Victoria Police Department (VicPD). The BAF was based on property values and initially was cost neutral with the 2002 EPD budget but this changed with increases in Esquimalt’s property values relative to Victoria’s.

By 2012, an independent review noted that policing costs had increased by 45% (partly due to Victoria being a core city) and Esquimalt’s share had increased to 15.16% because of rising property values. A new Framework Agreement for policing was agreed to in 2013 by the two municipalities. It included a new BAF negotiated between the two municipalities that closely matched one based 60% on resident population and 40% on dispatched calls for service recommended by an independent consultant.<sup>1</sup> The Framework Agreement requires that 21 police officers be dedicated to policing in Esquimalt (although this can be amended via the process set out in s. 4.5 of the Agreement). By 2016, Esquimalt’s allocation was reduced to 14.70% and has remained there since. Development of a new BAF was required by the Agreement to begin by 2017 but did not.

## Police Funding Models in Canada

Most major metropolitan areas in Canada are policed by a single police service that serves the majority of the Census Metropolitan Area (CMA). There may have been an amalgamation of municipalities (e.g., Toronto in 1957 and 1998), or the majority of the CMA population may be included within a single municipality (e.g., Calgary, Edmonton). Policing costs are shared across all residents through property taxes.

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<sup>1</sup> RLD Strategies Ltd. (August 30, 2013). Facilitator’s Report on the Victoria-Esquimalt Police Framework Agreement.

Some areas in Canada include several independent municipalities sharing a single regional police force (e.g., Halton Region) funded through a regional tax based on property values administered by a regional government (similar to the Capital Regional District).

In BC, there are many examples of two or more municipalities sharing a single RCMP detachment. The funding formula is typically based on dispatched calls for service and/or crimes, and on population, with the first metric most heavily weighted, although in some examples, population is weighted equally. Further the RCMP has regional integrated units serving multiple municipalities. In the integrated units' BAF, *Criminal Code* cases are weighted at 75% and population is weighted at 25%.

## The Increasing Complexity and Escalating Cost of Policing in Canada

Crime trended downward significantly in Canada beginning in the mid-1990s but has been trending up since 2014, including in Victoria and Esquimalt. The cost of policing represents the largest single cost component of the justice system and has risen more than any other criminal justice system component in recent years, impacting on municipal budgets. Two key factors are the aggregate impact of a series of Supreme Court of Canada decisions, and the increasing complexity of policing, often because of these court decisions.

## Policing in Victoria and Esquimalt

The Victoria CMA, along with the Vancouver CMA, are policing outliers in Canada in that neither have a municipal or regional police agency responsible for policing the majority of each CMA. The VicPD serves only 28% of the Victoria CMA population. Three other municipal police departments and several RCMP detachments serve the other municipalities in the CMA.

Victoria serves as a core centre for visitors from surrounding areas, who travel into and out of the municipal boundaries for work, entertainment, shopping, protest, tourism, and other reasons. It also has a concentration of social services drawing vulnerable people. Visitors outnumber residents, but are not included in Victoria's population, negatively affecting crime rates and police to population ratios. Victoria is therefore significantly impacted by the core city effect. While other municipalities in the CMA benefit from Victoria's amenities, they do not contribute to the costs of policing there.

While police amalgamation in the CRD has not occurred beyond Victoria and Esquimalt, the Ministry of Solicitor General and Public Safety has made major investments in supporting the creation of numerous integrated units for specialized policing functions. These specialized units take a burden off individual police agencies through creation of regional or provincial teams, making a significant contribution to public safety. Nevertheless, Victoria's policing demands are still significantly influenced by the core city effect.

## Current Views of Victoria and Esquimalt Regarding Policing Costs and the BAF

Victoria is highly supportive of the VicPD. When the EPD was amalgamated with the VicPD, Victoria believed this was the beginning of broader amalgamation of policing in the region. There have been several reports recommending this occur. Victoria is concerned with the escalation in police costs and what it believes is an inefficient policing model; however, it is committed to paying its fair share in an equitable and justifiable BAF that recognizes the VicPD is a true amalgamated police department.

Esquimalt is also highly supportive of the VicPD but believes the current BAF is unfair to Esquimalt because it is not based mainly on demand for police services. It believes its share of the overall police budget should be approximately 10%, based on its estimate of policing demand in Esquimalt. Esquimalt also supports a regional approach to policing in the Capital Regional District (CRD).

## Metrics for a Revised Budget Allocation Formula

‘Population’ is often a good proxy for predicting police demand because generally calls for service rise as population grows, even if the crime rate does not. Further, crimes comprise a minority of dispatched calls for service. Population is not as robust a metric for assessing workload across two municipalities with different demographics, especially where one is a core city. A significant proportion of the call load in Victoria is driven by visitors from the region and elsewhere and this is not reflected in its official population numbers, disadvantaging Esquimalt. Esquimalt comprises 16.7% of the combined population of Victoria and Esquimalt.

The ‘crime rate’ (number of crimes divided by population) is a common metric for assessing and comparing police workload. Esquimalt’s crime rate is dramatically lower than Victoria’s (in part due to the core city effect, among other demographic factors linked to crime rates), but this metric is not a component of the current BAF. Esquimalt accounted for 6.7% of crimes investigated by the VicPD in 2019.

‘Arrests’ is not a good proxy for police workload but is interesting simply for context. In 2019, 8.1% of VicPD arrests in 2019 were in Esquimalt.

‘Dispatched calls for service’ is the most robust indicator of demand for police services because it includes all incidents whether criminal or non-criminal. A weakness is that it only counts calls and does not provide information about the amount of police resources consumed, which cannot necessarily be inferred from the type of incident. Obtaining information about the police time consumed by each incident and any differences between municipalities would require comprehensive analysis of Computer Aided Dispatch (CAD) data that was not possible for this Review. Therefore, the Review assumes the average police time consumed per incident is the same in Victoria and Esquimalt. Similar to arrests, 8.9% of dispatched calls in 2019 were in Esquimalt.

‘General Occurrence’ reports are submitted to the police records management system for most dispatched calls for service. (Some minor incidents are documented only in the CAD system.) In both Victoria and Esquimalt, General Occurrence reports are submitted in 93% of incidents so there is no significant benefit to using this metric over dispatched calls for service.

## Staffing Levels vs. Demand for Police Service

The proposed BAF indicates that Esquimalt's share of the policing budget should be 11.53% based on a formula that considers population, crimes, and dispatched calls for service over the previous five years. However, Esquimalt has 21 dedicated police officers, or 15.4% of the combined frontline police officers assigned to Victoria and Esquimalt, meaning the citizens of Esquimalt receive a higher level of service. This must be considered in a new BAF.

## Designing an Equitable BAF

A credible formula should reflect that Esquimalt's policing demands are less than the 14.70% of the budget it currently pays. Several valid metrics appropriately weighted should produce a budget allocation that more closely reflects Esquimalt's policing demand.

'Population' should be included but its weight should be set at 25%. Investigating crime is a core policing issue and generally is more resource intensive than non-criminal incidents. 'Crime' should be weighted at 25%. 'Dispatched calls for service' is the most robust metric for assessing policing demand and should be assessed at 50%. The result is that 75% of the funding allocation will be based on police demand.

This BAF produces a budget allocation for Esquimalt of approximately 11.53% and 88.47% for Victoria. The BAF should be calculated on a 5-year rolling average to determine the following year's allocation.

## Funding the Extra Police Officers in Esquimalt Division

Esquimalt should have a separate cost-share percentage for the extra officers factored into the BAF. Based on its 11.53% share of the policing demand, Esquimalt has 5.32 more officers than its equitable share. Based on the percentage of all patrol officers, Esquimalt should pay an additional 2.14% of the VicPD budget. Therefore, the combined allocation should be 13.67%.

## Conclusion and Recommendations

The previous and current BAFs were not equitable and increasingly disadvantaged Esquimalt. The first BAF was based on assessed values across both municipalities which then diverged. The current BAF was the result of negotiations between Victoria and Esquimalt but the percent allocations are coincidentally similar to a proposed BAF that was heavily weighted to resident population.<sup>2</sup>

The new recommended BAF produces budget allocations that much more closely match the demand for service, but which also reflects the disproportionate number of police officers serving Esquimalt. Further, the BAF recognizes that recognizes Victoria and Esquimalt are partners in an amalgamated

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<sup>2</sup> RLD Strategies Ltd. (August 30, 2013). Facilitator's Report on the Victoria-Esquimalt Police Framework Agreement.



policing model, not a fee for service arrangement. In the new BAF, Esquimalt's share of the VicPD budget would be reduced from 14.70% to 13.67% and would be reduced further if Esquimalt decides to reduce its allocation of officers to match the workload more closely.

Based on the 2020 VicPD budget, Esquimalt's share would be reduced from \$8,561,440 to \$7,959,551, a difference of \$601,889. (If Esquimalt reduced its allocation of police officers via s. 4.5 of the Agreement to match its percentage of the workload more closely, its share of the budget would be reduced to approximately \$7M.)

Victoria's share would be increased from 85.30% to 86.33% and increased by \$601,889. This increase should be implemented incrementally over two years so Victoria has time to make budget adjustments to absorb the increase.

## PURPOSE

The purpose of this “Phase 1” report (“the Review”), conducted under authority of s. 42 of the *Police Act*, is to recommend a new Budget Allocation Formula (BAF), pursuant to s. 11.2 of the Agreement, that equitably reflects the costs associated with policing in the Township of Esquimalt and the City of Victoria. The research for the proposed new BAF considered factors based on the actual experience during the operation of the Agreement and utilized quantifiable criteria which reflect each municipality’s relative need for police resources. In Phase 2, the Review will identify and examine other key issues or rubbing points under the Agreement, including potential cost-management opportunities, that will enhance compliance with the Agreement in a manner consistent with its purpose. Further, Phase 2 will make recommendations for resolution that reflect the policing needs of the respective municipalities. The Terms of Reference were developed by Police Services Branch in consultation with Esquimalt and Victoria and were approved by both municipalities’ Councils.

## INDEPENDENCE

Doug LePard, a retired police chief (Doug LePard Consulting), was contracted by Police Services Branch as an independent consultant. While Police Services Branch provided a briefing, multiple relevant documents, and logistical support, it provided a clear mandate that this Review was to be developed independently without any direction from Police Services. That independence was maintained throughout.

## METHODOLOGY

The research for this Review was conducted between August 7, 2020<sup>3</sup> and September 1, 2020, when a preliminary draft was completed and presented to the Director of Police Services and Mayors Helps and Desjardin for review and comment. After considering comments, the Review was finalized on September 15, 2020.

Research included:

- Examination of previous reports and audits, and their recommendations, where relevant;
- Assessment and evaluation of current BAF and supporting data/metrics;
- Identification of any gaps in data/metrics required to support and inform a new, equitable BAF;
- Identification of the parameters for an “equitable” BAF that reflects each party’s actual costs associated with services received/deployed within the respective municipalities, in line with other comparable independent municipal police departments in BC;

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<sup>3</sup> August 7, 2020 was the date by which the proposed Terms of Reference were approved by the municipal councils of the City of Victoria and the Township of Esquimalt.

- Interviews of the mayor, Chief Administrative Officer and Director of Community Safety Services of Esquimalt; the mayor and city manager of Victoria; and the chief and deputy chiefs of the Victoria Police Department;
- Interviews of RCMP “E” Division Finance staff;
- Interviews of representatives of other police agencies and municipalities in BC where a single police agency is shared by two municipalities (or similar); and
- Miscellaneous additional research, including but not limited to providing an analysis of various relevant policing issues, and examining the funding models for several regional police services in Ontario.

## BACKGROUND

In early 2002, Police Services Division conducted a review of the Esquimalt Police Department (EPD) under s. 42(1) of the *Police Act*. The purpose of the review was to ensure the citizens of Esquimalt were receiving effective and adequate police services. The results of the review were not positive: a key conclusion was that “the EPD has evolved into a poisonous work environment that cannot recover from the impact of the problems it is currently facing.” The review therefore recommended that the EPD be amalgamated with the Victoria Police Department (VicPD).<sup>4</sup>

On December 18, 2002, the Minister of Public Safety and Solicitor General made a Ministerial Order under s. 4 of the *Police Act* that the EPD be amalgamated with the Victoria Police Department (VicPD).<sup>5</sup> The Order in Council allowed Victoria and Esquimalt to negotiate a formula to share policing costs. The amalgamated police department began operating in 2003. The sworn EPD members were integrated into the new amalgamated Department and the EPD civilians were absorbed into City of Victoria staff.<sup>6</sup>

The original budget allocation formula set out that each community was to pay a percentage of the VicPD’s budget based on “converted assessment.” This would include the payment in lieu of taxes (PILT) Esquimalt received from the Esquimalt Naval Base. At this time, it was assessed that the formula would result in Esquimalt’s percentage of policing being cost neutral with the operating budget of the EPD in 2002. (In fact, it appears that cost neutrality would have set Esquimalt’s share at 14.31% but its share in 2003 was 13.95%.)

On June 9, 2009, the two municipalities agreed to formalize accounting procedures for the next five years. Part of the agreement was that each municipality’s share of the costs would “continue to be

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<sup>4</sup> Ministry of Public Safety and Solicitor General, Policing and Community Safety Branch, Police Services Division (July 2002). Esquimalt Police Department Review. Accessed at [http://docs.openinfo.gov.bc.ca/d14729813a\\_response\\_package\\_jag-2012-02346.pdf](http://docs.openinfo.gov.bc.ca/d14729813a_response_package_jag-2012-02346.pdf)

<sup>5</sup> Ministerial Order No. M 365. Accessed at [http://free.bcpublications.ca/civix/document/id/mo/hmo/2002\\_m365](http://free.bcpublications.ca/civix/document/id/mo/hmo/2002_m365)

<sup>6</sup> Jean Greatbatch & Associates (January 31, 2012). “A Framework for Effectiveness. Report on Victoria and Esquimalt Policing – Governance and Funding Issues,” p. 10.

based on the converted value of land and improvements, including properties exempt from taxation...”<sup>7</sup> in each budget year.

In late 2011, however, a review of Victoria and Esquimalt police governance and funding issues (the “Greatbatch Report”) was commissioned by Police Services due to ongoing conflict between the two municipalities.<sup>8</sup>

The report was completed January 31, 2012. It noted that although the mayors of both municipalities signed the 2009 agreement to maintain the funding formula until 2013, Esquimalt disputed the specifics of the agreement. Esquimalt was concerned that Esquimalt property values had increased while Victoria’s had reduced over the same period, thereby increasing Esquimalt’s proportion of policing costs. From the initial Esquimalt proportion of from 13.95% in 2003, Esquimalt’s share had steadily increased to 15.16% by 2011.

Notably, both municipalities were concerned with the increasing cost of policing overall since amalgamation – policing costs had increased about 45% – which was partly a function of the increasing cost of policing “regional” matters associated with Victoria being the core city in the Capital Regional District.<sup>9</sup>

Regarding allocation of policing costs between the municipalities, the Greatbatch Report recommended that a new funding formula be negotiated setting out that each municipality would be responsible for paying for its own patrol detachment’s salaries and benefits, and that each municipality would be responsible for paying a portion of overhead and shared services costs to be determined in a “Framework Agreement” developed in the future.

On August 29, 2012, after the Greatbatch report was submitted, Police Services retained another consultant, RLD Strategies Ltd. (“RLD”), to facilitate discussions between representatives of Victoria and Esquimalt regarding development of a “Victoria-Esquimalt Police Framework Agreement.”<sup>10</sup> The RLD report noted a “culture of mistrust and defensiveness” among the parties, but also noted that previous meetings had been described as “productive, respectful and professional regardless if agreement had occurred or not.” The RLD report also complimented the efforts by Victoria’s City Manager and Esquimalt’s Chief Administrative Officer to work together in good faith. Considerable progress between the parties on a variety of policing issues was reached, but an agreement on a new Budget Allocation Formula was not.

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<sup>7</sup> Jean Greatbatch & Associates (January 31, 2012). “A Framework for Effectiveness. Report on Victoria and Esquimalt Policing – Governance and Funding Issues,” p. 11.

<sup>8</sup> Ibid, p 10.

<sup>9</sup> This refers to municipalities that serve as core centres for visitors from surrounding areas, who travel into and out of the municipal boundaries for work, entertainment, shopping, or other reasons. Further information will be provided later in the Review.

<sup>10</sup> RLD Strategies Ltd. (August 30, 2013). Facilitator’s Report on the Victoria-Esquimalt Police Framework Agreement.

As a result, in March 2013, while RLD-facilitated discussions were occurring, Police Services retained a third consultant, Mr. Peter Adams, to review possible cost sharing formulas.<sup>11</sup> Mr. Adams conducted various analyses, modelled formulas proposed by each municipality, and provided several options (but did not make recommendations in the draft version of the report provided to DLC). Mr. Adams noted that the formula at that time “seems to be producing the same pattern of cost distribution among taxpayers that would be expected if the two municipalities themselves were amalgamated. From this perspective, it seems to be doing the job it was designed to do.” The RLD report concluded that the Adams report “clearly showed that the Township of Esquimalt had paid a disproportionate share of the police budget over the last 10 years.” (This conclusion was not apparent in the draft of the Adams report provided for this Review.)

On August 30, 2013, the final RLD report considered the arguments made by the two municipalities on various policing issues of concern to Victoria and Esquimalt and made a series of recommendations. With respect to the budget allocation formula, RLD provided considerable analysis of various factors and concluded that the formula should be based 60% on population and 40% on dispatched calls for service, these being considered two key drivers of demand for police services. RLD further recommended that the formula should be calculated on a 5-year moving average, calculated each year by dropping the oldest data and adding the data from the latest year. Moreover, RLD recommended that there be a gradual reduction in Esquimalt’s share percentage with the new formula taking effect in 2016. The RLD report set out that for 2013, Esquimalt’s share was 15.378%, that it would be reduced to 15.068% in 2014, to 14.458% in 2015, and that in 2016 the new 60/40 formula should be implemented.

However, neither Victoria nor Esquimalt were satisfied with the RLD report and its recommendations. But by April 2014, a new agreement (the “Framework Agreement” or “Agreement”) had been negotiated between the Victoria and Esquimalt Police Board, the City of Victoria, and the Township of Esquimalt. It was retroactively effective January 1, 2014 and is set to expire on December 31, 2023. Components included the establishment of dedicated divisions to provide the patrol function and community policing in each municipality. The staffing levels were set out in an Appendix. It specified that the Esquimalt Division would have an Officer in Charge, 24 police officers and two civilian staff members. Four of the 24 officers assigned to the Esquimalt Division were in recognition of the call load in the neighbourhood of Vic West adjacent to Esquimalt, as it made the most sense to have the Esquimalt Division respond to calls there. The Victoria Division would have an Officer in Charge, 110 police officers, and two civilian staff members.

The budget allocation percentages agreed to are slightly different from that recommended in the RLD report.<sup>12</sup> The Framework Agreement set out that for the years 2014 to 2018, inclusive, Esquimalt would start at 15.20% of the VicPD’s budget (compared to 15.068% in the RLD report), reduce to 15.0% in 2015 (compared to 14.458% in the RLD report), then be set at 14.70% for 2016, 2017, and 2018, by which time the RLD report recommended the 60% dispatched calls / 40% population formula be fully

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<sup>11</sup> Peter Adams Report (ND). Esquimalt provided an undated draft version of this report for review. The final version could not be located.

<sup>12</sup> The proposed BAF was never implemented, but the percentage allocations negotiated between the two municipalities were coincidentally close to those resulting from the proposed BAF, which had population weighted at 60% and calls for service weighted at 40%.

implemented. The underlying rationale for the new budget allocations percentages is not set out in the Framework Agreement. The Framework Agreement also prescribed that a process to develop a new formula should begin no later than June 2017. Until a new formula was developed, the municipalities would continue with the 14.70% allocation set out for 2018.

Although there were apparently some preliminary discussions, for a variety of reasons, no new budget allocation formula has been developed since the April 2014 Framework Agreement was approved by the Victoria and Esquimalt Police Board, the City of Victoria, and the Township of Esquimalt.

As a result, in August 2020, Police Services contracted the current independent consultant, DLC, to undertake the s. 42 Review described in the Methodology section.

## DISCUSSION AND ANALYSIS

### The Municipal Policing Context in Canada

#### Introduction

The administration of justice (courts, police) is constitutionally a provincial responsibility. The responsibility for municipal policing in Canada is delegated to municipalities through provincial legislation. In BC, s. 3(2) of the *Police Act* requires that municipalities with a population over 5,000 must establish a police force, or contract through the Provincial Government the Provincial RCMP to provide policing to the municipality, or enter into an agreement with another municipality to provide municipal policing services. Where two or more municipalities each have a police force, s. 18 provides for the amalgamation of the police forces (as occurred by Ministerial Order with the EPD and the VicPD).

Most major metropolitan areas in Canada are served by a single police force responsible for the majority of the “Census Metropolitan Area” (CMA)<sup>13</sup> population. These CMAs often align very closely with regional districts, such as the Capital Regional District<sup>14</sup> in the Victoria metropolitan area and the Greater Vancouver Regional District (one of four corporate entities operating as “Metro Vancouver”)<sup>15</sup> in the Vancouver metropolitan area.

#### Metropolitan, Regional, and Shared Police Forces

Metropolitan policing can take several forms. For example, a municipality may include the majority of the CMA population within its city limits. An example is Calgary, which has municipal population of 1,239,220<sup>16</sup> in a CMA with a population of 1,392,609.<sup>17</sup> The City of Calgary’s population is 89% of the CMA population. Therefore, the Calgary Police Service is in effect a metropolitan police force.

The Edmonton CMA provides a similar example. The city’s population is 932,546<sup>18</sup> in a CMA with a population of 1,321,426,<sup>19</sup> meaning 70.5% of the CMA population is included in the municipality of Edmonton and served by the Edmonton Police Service. Again, the EPS is essentially a metropolitan police service, as it serves the majority of the CMA population.

In these circumstances, policing costs for a single police agency are shared across the majority of the residents of the CMA through municipal taxes. The core city effect (described later in this Review) is almost non-existent in the case of Calgary or small in the case of Edmonton because the majority of citizens in these CMAs share in policing costs for the city’s police services. Assessed value of property

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<sup>13</sup> Statistics Canada defines a CMA as an “Area consisting of one or more neighbouring municipalities situated around a core. A census metropolitan area must have a total population of at least 100,000 of which 50,000 or more live in the core.” Source: <https://www150.statcan.gc.ca/n1/pub/92-195-x/2011001/geo/cma-rmr/cma-rmr-eng.htm>

<sup>14</sup> <https://www.crd.bc.ca/>

<sup>15</sup> <http://www.metrovancouver.org/about/Pages/default.aspx>

<sup>16</sup> Calgary City Census Profile, 2016 Census.

<sup>17</sup> Calgary CMA Census Profile, 2016 Census.

<sup>18</sup> Edmonton City Census Profile 2016 Census

<sup>19</sup> Edmonton CMA Census Profile 2016 Census

determines the taxpayers' contributions to policing, not usage, the same as other public services such as parks, community centres, libraries, and schools, all of which contribute to the public good.

Other CMAs in Canada began as separate municipalities each with their own police agency but then amalgamated both the municipalities and their police agencies. The first and most significant of these was Toronto, Ontario. In 1957, 13 municipal forces were consolidated into the Toronto Metropolitan Police.<sup>20</sup> Another municipal amalgamation of the City of Toronto with five suburban municipalities formed the new City of Toronto in 1998.<sup>21</sup> In Nova Scotia, the city of Halifax amalgamated in 1996 with the municipalities of Dartmouth, Bedford, and the County of Halifax creating a new regional municipality. Separate municipal police forces were amalgamated as well into a single regional police force, the Halifax Regional Police. Similar amalgamations of municipalities and their police forces have occurred in other metropolitan areas in Canada, such as Ottawa.

In British Columbia, besides the VicPD and EPD amalgamation, there has been one example of two municipalities amalgamating and deciding on a single municipal police department, although it was not a true police amalgamation. In 1993, the municipalities of Matsqui and Abbotsford decided to amalgamate into the City of Abbotsford. Matsqui was served by the Matsqui Police Department and the smaller community of Abbotsford was policed by the Abbotsford RCMP detachment. The Matsqui Police Department was renamed the Abbotsford Police Department and began delivering service to the new amalgamated municipality in 1995.<sup>22</sup> Some of the Abbotsford RCMP officers joined the Abbotsford Police Department.<sup>23</sup>

There are other regions in Canada where distinct municipalities have not amalgamated but are served by a single regional police force. As one example of many, the Halton Regional Police serves almost 600,000 citizens in the City of Burlington and the Towns of Halton Hills, Milton and Oakville, each of which has its own municipal council. There is no formula to calculate each municipality's contribution to policing; rather, there is a regional government – the Halton Regional Council (similar to a Regional District in BC like the Capital Regional District or Metro Vancouver) – which has responsibility for administering the police budget, which is first approved by the Police Services Board. Each of the four municipalities is then assessed a municipal levy for services within the Halton Regional Council's jurisdiction, including policing, based on "current value assessment" or CVA.<sup>24</sup>

Finally, there are policing models (including in BC) that are most similar to the policing arrangement in Victoria and Esquimalt, in that two (or more) municipalities<sup>25</sup> share a single police agency.

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<sup>20</sup> British Columbia (1978). Task Force on Municipal Policing Costs in British Columbia: Preliminary Report for Discussion Purposes, Vancouver, BC.

<sup>21</sup> <http://www.torontopolice.on.ca/careers/history.php>

<sup>22</sup> District of North Vancouver Corporate Services (2016). Municipal Mergers in BC – the Abbotsford-Matsqui Amalgamation. Accessed at <https://www.dnv.org/sites/default/files/edocs/abbotsford-matsqui-final-report.pdf>.

<sup>23</sup> Perivale + Taylor (October 2007). Review of Alternative Models for the Delivery of Police Services, City of Richmond. Accessed at [https://www.richmond.ca/\\_shared/assets/Full RCMP\\_Report23692.PDF](https://www.richmond.ca/_shared/assets/Full RCMP_Report23692.PDF).

<sup>24</sup> <https://www.halton.ca/Repository/2020-Budget-and-Business-Plan>

<sup>25</sup> For the purposes of this Report, a self-governing First Nation is considered a municipality.



For example, in the Lower Mainland, the Delta Police Department is shared with the self-governing Tsawwassen First Nation.<sup>26</sup> The current funding formula is based on assessed property values in the municipality and the First Nation land. There is also an agreement on the number of police officers specifically assigned to provide policing in the First Nation, and agreement that whatever additional policing is necessary to respond to calls for service will be provided. The members of the First Nation are taxed for policing in the same way that citizens of Delta are.

There are also several examples of two or more contiguous municipalities sharing a single RCMP detachment providing municipal policing. In the Lower Mainland, these include North Vancouver City and North Vancouver District, City of Coquitlam and City of Port Coquitlam, and the City of Langley and Township of Langley. On Vancouver Island, examples include the five municipalities and two First Nations served by the West Shore RCMP detachment,<sup>27</sup> and the 13 communities served by the Oceanside RCMP detachment.<sup>28</sup>

In each example, there is a somewhat different funding model, although they all have some common features. For example, in one shared detachment, the BAF employs a 5-year rolling average combining *Criminal Code* cases weighted at 75% and population weighted at 25%. In another, the BAF is comprised of population weighted at 51%, calls for service weighted at 24.5%, and *Criminal Code* cases weighted at 24.5%. In a third example, population and police workload (based on UCR<sup>29</sup> reporting) are weighted equally. All the RCMP detachments shared between two or more municipalities examined for this Review included population as a metric and none weighted it less than 25%.

In one of the examples where one municipality is much larger than the other, a specific number of frontline police officers is assigned to each municipality. Each municipality is able to pay more if it wants a greater number of police officers assigned to its municipality than provided for in the BAF. In another, for budgeting purposes, a proportional number of officers are assigned “on the books” to each of the two municipalities, but the reality is that they are deployed “seamlessly” and go to where the demand is on a particular day or shift. Similarly, in another example, the officers are assigned to zones, but because of the relatively small size of the communities, there is a lot of crossover between municipalities to respond to calls for service.

In one shared detachment, it was noted that there are separate overtime budgets established for each municipality. That resolved concerns from the more suburban municipality that if an initiative (such as extra foot patrols to address an emerging crime or disorder problem) was being funded with overtime in the more urban municipality, the suburban municipality would not share in the cost.

The RCMP also has several regional integrated units in BC (e.g., Forensic Identification Service, Police Dog Service), serving multiple municipalities. In the integrated units’ BAF, *Criminal Code* cases are weighted at 75% and population is weighted at 25%.

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<sup>26</sup> <http://tsawwassenfirstnation.com/governance-overview/treaty-and-constitution/>

<sup>27</sup> <https://www.rcmp-grc.gc.ca/detach/en/d/159>

<sup>28</sup> <https://www.rcmp-grc.gc.ca/detach/en/d/173>

<sup>29</sup> Statistics Canada Uniform Crime Reporting

## The Increasing Complexity and Escalating Costs of Policing in Canada

The costs of policing have risen significantly for decades despite down-trends in the general crime rate since the mid-1990s, although this crime rate trend has been reversed in many jurisdictions in BC for several years,<sup>30</sup> and has been rising in Canada since 2014.<sup>31</sup> This trend is also reflected in Victoria and Esquimalt, where the two municipalities' combined reported crime increased 8.6% from 2017 to 2019 (although the increase was attributable to Victoria, not Esquimalt).<sup>32</sup> Specifically, it is known that the cost of policing represents the largest single cost component of the justice system and has risen more than any other criminal justice system component in recent years.<sup>33</sup> While there are many reasons for this, two key factors have been noted in the literature. The first is the aggregate impact of several key Supreme Court of Canada decisions, including but not limited to "the right to a state-funded lawyer (*R. v. Rowbotham et al.* (1988) 25 O.A.C. 321.),<sup>34</sup> the right to a speedy trial (*R. v. Askov* [1990] 59 C.C. C. (3d) 499 (S.C.C.)),<sup>35</sup> and the right to full disclosure of Crown evidence (*R. v. Stinchcombe* [1991] 3 S.C.R. 326)."<sup>36</sup> The second key factor is the increasing complexity of criminal investigations,<sup>37</sup> which is also, in part, a consequence of recent court decisions.<sup>38</sup> Further, a significant contributing factor is that police contract settlements (often resulting from binding arbitration in BC based on national comparators) have increased police salaries at a faster rate than the salaries of other municipal employees, resulting in policing consuming an increasing proportion of municipal budgets. Both Victoria and Esquimalt have historically raised concerns about this trend.<sup>39</sup>

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<sup>30</sup> See, for example, Ministry of Public Safety and Solicitor General Policing and Security Branch (September 2019). Crime Statistics in British Columbia, 2018. Accessed at <https://www2.gov.bc.ca/assets/gov/law-crime-and-justice/criminal-justice/police/publications/statistics/crime-statistics-in-bc.pdf>.

<sup>31</sup> Statistics Canada Canadian Centre for Justice Statistics (July 22, 2019). Police-reported crime statistics in Canada, 2018. Accessed at <https://www150.statcan.gc.ca/n1/pub/85-002-x/2019001/article/00013-eng.htm>.

<sup>32</sup> Data provided by VicPD.

<sup>33</sup> S. Easton, H. Furness, and P. Brantingham (2014). The cost of crime in Canada, p. 53. *Fraser Institute*. Accessed at <https://www.fraserinstitute.org/sites/default/files/cost-of-crime-in-canada.pdf>.

<sup>34</sup> Also see *R. v. Brydges*, [1990] 1 S.C.R. 190, which impacted police handling time by establishing requirements for police to advise detained and arrested persons of the availability of legal aid and duty counsel.

<sup>35</sup> Also see *R. v. Jordan*, 2016 SCC 27 which has imposed even more onerous requirements on Crown regarding the accused's right to a trial within a reasonable period of time, generating, amongst other things, increased costs for police to meet disclosure deadlines.

<sup>36</sup> S. Easton, H. Furness, and P. Brantingham (2014). The cost of crime in Canada, p. 62. *Fraser Institute*. Accessed at <https://www.fraserinstitute.org/sites/default/files/cost-of-crime-in-canada.pdf>.

<sup>37</sup> See Council of Canadian Academies (2015). Policing Canada in the 21<sup>st</sup> Century: New Policing for New Challenges, p. 46. *The Expert Panel on the Future of Canadian Policing Models*. Accessed at [https://ccla.org/cclanewsites/wp-content/uploads/2015/05/policing\\_fullreporten.pdf](https://ccla.org/cclanewsites/wp-content/uploads/2015/05/policing_fullreporten.pdf).

<sup>38</sup> Aili Malm, Nahanni Pollard, Paul Brantingham, et al (2006). A 30 Year Analysis of Police Service Delivery and Costing, pp. 55-60. Accessed at <http://capg.ca/wp-content/uploads/2013/05/A-30-Year-Analysis-of-Police-Service-Delivery-and-Costing1.pdf>

<sup>39</sup> See, for example, Bill Cleverley (February 3, 2015). Wage-matching pushing up costs for police, firefighters: councillor. *Times Colonist*. Accessed at <https://www.timescolonist.com/news/local/wage-matching-pushing-up-costs-for-police-firefighters-councillor-1.1751700>.

## Policing in Victoria and Esquimalt

### The Impact on the City of Victoria of the Current Policing Model in the CRD

The Victoria CMA, along with the Vancouver CMA,<sup>40</sup> are policing outliers in Canada in that neither have a municipal or regional police agency responsible for policing the majority of each CMA, in contrast to the metropolitan cities described earlier. The City of Victoria has a population of 85,792<sup>41</sup> in a CMA of 367,770,<sup>42</sup> or only 23% of the CMA population. Even with Esquimalt's added population of 17,655 for policing purposes, the amalgamated VicPD serves only 28% of the CMA population. There are three other municipal police departments and several RCMP detachments serving the CMA's relatively small (compared to other cities in Canada) population.

Victoria is therefore significantly impacted by the core city effect. This refers to municipalities that serve as core centres for visitors from surrounding areas, who travel into and out of the municipal boundaries for work, entertainment, shopping, or other reasons.<sup>43</sup> In Victoria this includes visiting – and protesting at – the Provincial Legislature. Victoria is a significant tourist destination, has a cruise ship terminal, and is the CRD's main downtown area, swelling its “functional population” far beyond its number of residents. Further, Victoria has a concentration of social services, low barrier housing, a supervised consumption site, and many government services. Those non-residents who visit Victoria and add to the functional population are not included in the population figures used to calculate crime rates. As a result, municipalities that are core cities often have higher crime rates compared to their suburbs, which are often “bedroom communities” with low crime rates. Core cities may also have higher crime rates compared to municipalities that are not core cities. Further, comparisons of population to police officer ratios are misleading because only the official resident population is considered, not the significant numbers who come for work, tourism, recreation, entertainment, and protest.

The attractions in Victoria attract a population from the region and beyond, creating additional workload for the VicPD (e.g., committing crime and being victimized by crime, contributing to crowds and protests requiring policing), but this non-resident population does not bring police resources from their home communities. These “positive externalities” benefit other municipalities in the region who do not contribute to the cost of the services provided by the VicPD, but which benefit the region. This can lead to “free riding”, i.e., where one group of stakeholders has an incentive to let others pay for services that have broader benefits. This situation is often described with the metaphor of the “tragedy of the commons,” in which multiple self-interested and rational stakeholders acting independently can deplete a shared resource even when it is clearly not in the interest of any individual stakeholder. In the case of policing, depleting a shared resource is not in any stakeholder's interest because it affects public safety generally in the region. (Esquimalt's citizens, of course, are likely among those who enjoy the

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<sup>40</sup> The City of Vancouver's population is 631,486 in a CMA of 2,463,431. Vancouver comprises only 26% of the CMA population. Census Profile Vancouver, City & Census Profile Vancouver Census Metropolitan Area, 2016 Census

<sup>41</sup> Census Profile Victoria, City, 2016 Census

<sup>42</sup> Census Profile Victoria Census Metropolitan Area, 2016 Census

<sup>43</sup> Ministry of Public Safety and Solicitor General Police Services Division (November 2019). Police Resources in British Columbia, 2018. Accessed at <https://www2.gov.bc.ca/gov/content/justice/criminal-justice/policing-in-bc/publications-statistics-legislation/crime-police-resource-statistics>.

attractions of downtown Victoria.) An example of a negative externality regarding Esquimalt is that the Esquimalt Naval Base makes a payment in lieu of taxes (PILT) to Esquimalt, but base staff no doubt enjoy the attractions of downtown Victoria from time to time.

While policing amalgamation in the CRD has not occurred beyond Victoria and Esquimalt, it should be noted that for many years the Ministry of Solicitor General and Public Safety has made major investments in supporting the creation of numerous integrated units for specialized policing functions in BC. These specialized units take a burden off individual police agencies to provide these services, through regional (e.g., CRD Integrated Road Safety Unit or “IRSU”) or provincial (e.g. Combined Forces Special Enforcement Unit) teams.<sup>44</sup> In addition, the four municipal police agencies and several RCMP detachments in the CRD have collaborated to create other integrated units to deliver coordinated and cost-effective specialized police services.<sup>45</sup> The Ministry of Solicitor General and Public Safety continues to support, and make considerable investments in, deeper integration of policing in BC, contributing to greater specialization and expertise, and making a significant contribution to public safety in metropolitan regions and in BC generally.

### Current Views of the City of Victoria Regarding Policing Costs and the BAF

Representatives from Victoria (“Victoria”) were of great assistance in their interviews with DLC, providing a frank, thoughtful and realistic assessment of the current challenges with an amalgamated police department and arriving at a fair and equitable BAF.

Victoria is highly supportive of the VicPD and the work it does. (Notably, overall satisfaction with the VicPD in 2017 was 88%, unchanged from the 2014 citizen satisfaction survey. Further, 60% of Victoria residents said “I feel safe and taken care of by VicPD, with only 5% disagreeing with this statement.<sup>46</sup>) Victoria noted that when the EPD was amalgamated with the VicPD, they understood that this was the beginning of broader regionalization of policing in the CRD. Indeed, less than a year after the Ministerial Order directing that the EPD amalgamate with the VicPD, the “Final Report: Victoria, BC: Central Saanich, Oak Bay, Saanich and Victoria Police Force Integration Planning Committee” was submitted to the Solicitor General. It presented a variety of models for integrating police services and noted that:

...the structural models discussed in this report may be interim steps towards further integration or amalgamation of the four municipal police departments, and that eventually there would be one police department serving the five municipalities of Central Saanich, Esquimalt, Oak Bay, Saanich and Victoria.<sup>47</sup>

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<sup>44</sup> Quantification of the financial impacts of integrated units on policing costs in each municipality would be difficult and was beyond the scope of this Review.

<sup>45</sup> See: Greater Victoria Police Integrated Units Annual Report 208/2019. Accessed at <https://vicpd.ca/portfolio-items/greater-victoria-police-integrated-units-annual-report-2018-2019/>.

<sup>46</sup> Victoria Police 2017 Community Survey. Accessed at [https://vicpd.ca/wp-content/uploads/sites/2/survey2017/presentations/2017-Community-Survey-Presentation\\_FINAL\\_3.pdf](https://vicpd.ca/wp-content/uploads/sites/2/survey2017/presentations/2017-Community-Survey-Presentation_FINAL_3.pdf).

<sup>47</sup> Central Saanich, Oak Bay, Saanich & Victoria Police Force Integration Planning Committee: Final Report (November 2003). Victoria, BC. [http://www.llbc.leg.bc.ca/public/PubDocs/bcdocs/366152/integration\\_finalrpt.pdf](http://www.llbc.leg.bc.ca/public/PubDocs/bcdocs/366152/integration_finalrpt.pdf)

Moreover, there have been studies into police regionalization in BC since at least 1978,<sup>48</sup> and in the CRD since at least 1985, when the Chief Constables of the five municipal police departments submitted a report recommending the “consolidation of police services under one command and overhead structure...”<sup>49</sup>

While creation of specialized integrated units in the CRD has occurred in a significant way, the creation of a single police force for the CRD did not, to Victoria’s consternation. Victoria does not support the current policing model in the CRD and instead supports broader amalgamation. Their view is that if an efficient and effective policing model for the CRD was designed now, it would not be the combination of medium and small municipal police departments and RCMP detachments that exists. Victoria believes the funding “pie” for the VicPD is simply too small, regardless of the BAF, and that regionalization would help ensure that what they consider regional policing costs would be shared more equitably across the region.

Like most municipalities, Victoria is concerned with the significant escalation in the costs of policing and the impact on its taxpayers. It considers the lack of a regional policing model an overarching problem and that the tension between Victoria and Esquimalt regarding funding issues is a product of what it considers an inefficient and inequitable policing model for policing in the CRD.

Victoria acknowledges and supports the work that has been done in creating regional integrated units and notes that all 13 mayors in the region are also supportive. Victoria also appreciates that integrated units do contribute to sharing of some regional policing costs, but they do not assist with day-to-day policing demands focused in the downtown core generated by a regional population, and by virtue of Victoria being the core city in the CRD.

Regarding the Budget Allocation Formula, Victoria noted that both Victoria and Esquimalt would like to pay less for policing. However, as long as there is a clearly defined rationale for changes to the BAF, and it is fair and justifiable in the context of a truly amalgamated police department as was set out in the 2002 Victoria and Esquimalt Municipal Policing Reorganization,<sup>50</sup> Victoria is committed to paying its share. While Victoria’s submissions for previous iterations of the BAF included some questionable positions (e.g., that policing costs were not connected with dispatched calls for service), Victoria maintained an open-minded approach to the development of a new BAF, concerned only that it be fair and that the chosen metrics be transparent and justified. Victoria noted (correctly) that there is an element of arbitrariness to the metrics used for the current BAF. Further, Victoria noted the current deployment model is imperfect because it impacts on the Chief Constable’s ability to deploy resources based on need rather than the current fixed staffing allotment for the Esquimalt Division.

Victoria’s view is that a BAF should incorporate police workload (e.g., dispatched calls for service), and also consider the proportion of police officers assigned to the Esquimalt Division, which Victoria believes exceeds Esquimalt’s proportion of demand for police service.

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<sup>48</sup> British Columbia (1978). “Task Force on Municipal Policing Costs in British Columbia: Preliminary Report for Discussion Purposes.” Vancouver, BC.

<sup>49</sup> Chief W. Snowden, Chief J. Post, Chief W. Moyes, Chief P. Marriot, Chief R. Miles, & Deputy Chief E. Avison (June 1985). “Greater Victoria Regional Police Services: A Proposed Model.”

<sup>50</sup> Ibid, note 5.

While Victoria is committed to working collaboratively and cooperatively with Esquimalt regarding policing as long as it is required to do so, it notes that the amalgamation was forced on both municipalities. It recognizes that Esquimalt wants to be free to seek another model, such as creation of its own municipal police force. For Victoria, unless further amalgamation occurs, it would choose also to de-amalgamate with Esquimalt and maintain its own police force due to concerns with the time and energy spent trying to resolve funding disputes between the two municipal councils.

Finally, if a new BAF requires Victoria to pay a higher percentage of policing costs, then it requests that the new BAF be implemented incrementally over several years, as it was the last time it was amended in 2014.

### Current Views of the Township of Esquimalt Regarding Policing Costs and the BAF

The representatives of Esquimalt (“Esquimalt”) were also of great assistance in their interviews with DLC, providing detailed and well-considered comments regarding the current challenges with an amalgamated police department and with arriving at a fair and equitable BAF. Esquimalt provided helpful historical information and context that aligned with the documentary record with respect to the various iterations of the BAF that have been in place and the creation of the Framework Agreement.

Like Victoria, Esquimalt was very complimentary towards the members of the VicPD providing policing in Esquimalt and is generally pleased with the service they receive. (Notably, overall satisfaction with the VicPD in 2017 was 88%, unchanged from the 2014 citizen satisfaction survey. Further, 66% of Esquimalt residents said “I feel safe and taken care of by VicPD – up 7% since the 2014 survey, and 6% better than the response from Victoria residents – with only 4% disagreeing with this statement.”<sup>51</sup>) Esquimalt’s position, however, is that the BAF is currently unfair to Esquimalt and results in unjustifiably high police costs to the Township. It believes the BAF should be based mainly on police usage, i.e., police calls for service, because it believes that metric best reflects policing demand. However, Esquimalt is open-minded to factoring in other metrics, including population and other predictors of police workload, as long as calls for service is the dominant metric. Further, Esquimalt was agreeable to a BAF based on a 5-year rolling average of the chosen metrics. It accepts that it is part of an amalgamated police force, rather than in a contract relationship with VicPD for services (i.e., a fee for service model), and benefits from all the resources of the VicPD, not just frontline officers. Therefore, Esquimalt believes it is fair that it should pay a percentage of the entire budget for the VicPD that is equal to the percentage of demand for services attributable to Esquimalt; however, Esquimalt believes the demand for services attributable to Esquimalt to be currently approximately 10%. Therefore, Esquimalt believes it should be paying closer to 10% of VicPD’s budget, not the 14.70% it currently pays.

Esquimalt recognizes that in the past, police incidents in Esquimalt may, on average, have been more serious (i.e., require more police time) than incidents on average in Victoria but believes that the current situation is that police calls in Esquimalt are similar across the two municipalities.

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<sup>51</sup> Victoria Police 2017 Community Survey. Accessed at [https://vicpd.ca/wp-content/uploads/sites/2/survey2017/presentations/2017-Community-Survey-Presentation\\_FINAL\\_3.pdf](https://vicpd.ca/wp-content/uploads/sites/2/survey2017/presentations/2017-Community-Survey-Presentation_FINAL_3.pdf).



The Esquimalt Division includes additional staff (four police officers, one per shift) in recognition that a portion of the work is to respond to calls in the neighborhood of “Victoria West,” which is contiguous to Esquimalt but part of Victoria. Esquimalt is concerned that VicPD is not able to produce clear statistics that demonstrate the proportion of work handled by the Esquimalt Division so that Esquimalt can be satisfied it is not subsidizing Victoria’s policing needs.

Esquimalt expressed several concerns with what they considered a lack of consultation by VicPD regarding policing decisions that they are concerned may impact on overall policing costs, and therefore Esquimalt’s share of the overall budget.

Like Victoria, Esquimalt is not supportive of continued amalgamation with the VicPD and would prefer to be able to explore other options, such as reconstituting an Esquimalt Police Department. Esquimalt fondly describes itself as being like “Mayberry,” and Victoria as “New York,” with many social challenges and the seat of government. Esquimalt values its history and wishes to maintain its individuality and character as a small municipality; however, it is supportive of a broader amalgamation of policing in the CRD.

Esquimalt believes the approximately \$8.5M a year it contributes in policing costs is too high, cannot be justified based on the demand attributable to Esquimalt, and is not sustainable for its taxpayers, noting it does not have a business tax base proportional to Victoria’s.<sup>52</sup>

If the VicPD was providing policing services to an amalgamated municipality, then policing costs would be shared among all residents through a common municipal tax system based on assessed property values and no BAF would be required. Nevertheless, as Esquimalt points out, it has not amalgamated with Victoria, does not wish to do so, and does not want its taxpayers burdened the extraordinary demands on the VicPD resulting from it being a core city. Therefore, it seeks a BAF that is based on a credible assessment of its proportion of the demand for police services, while recognizing that as a partner in an amalgamated police service, it must pay its proportional share of the entire police budget and is not in a fee-for-service arrangement.

### Assessment of Metrics for a Revised Budget Allocation Formula

Considerable work has occurred historically in arriving at a simple, understandable, and fair BAF for Victoria and Esquimalt. Previous models each have merit, including using assessed property values (the original formula), population, and police activity, such as response to calls for service. For Victoria and

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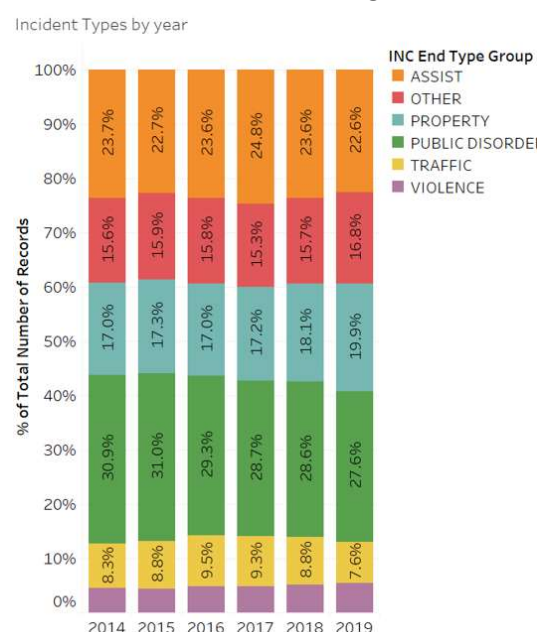
<sup>52</sup> Victoria has a much larger business tax base per capita, even though Esquimalt has more industrial properties per capita. In 2019, Esquimalt collected approximately \$681 in Residential taxes + \$132 in Business/Other taxes + \$72 in Major/Light Industrial taxes + \$5 from other sources per resident (rounded total \$891). In 2019, Victoria collected approximately \$775 in Residential taxes + \$720 in Business/Other taxes + \$13 in Major/Light Industrial taxes + \$10 from other sources (rounded total \$1,518 per resident). In other words, Esquimalt’s residents enjoy much lower taxes than Victoria’s. Source: BC Tax Burden – Schedule 707 (2019). Accessed at <https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden>.

Esquimalt, however, there are unique factors that must be considered in deciding which metrics to use, and how much weight should be applied. If a metric is valid, then one would expect to see consistency with other valid metrics.

## Population

‘Population’ is a good proxy for predicting police demand, particularly for predicting increases in police demand within a particular municipality: As population grows, calls for service generally grow at a roughly proportional rate, and may not be correlated with what is happening with the crime rate.<sup>53</sup> It is important to understand that for frontline police officers, typically, at least two thirds of calls for service they attend do not involve a crime; rather, they are for the multitude of incidents police are called upon to deal with, from a missing child or wandering Alzheimer patient; to a sudden death, including suicide and accidental deaths; disturbances and noise complaints; family disputes; hazardous situations; mental health-related incidents, which have risen dramatically for police in Canada and elsewhere over many years; aggressive panhandlers; traffic accidents, and many others.<sup>54</sup> Even though Increased population generally drives increased demands for police service, not all of this demand is reflected in calls for service statistics. For example, Motor Vehicle Act and bylaw enforcement, requests for proactive patrols, and other crime prevention activities undertaken by frontline officers are generally not reflected in calls for service data.

The adjacent chart provided by the VicPD does not break down incidents specifically into crimes and non-crimes, but it does give a good sense of the major call types VicPD attends.<sup>55</sup> Moreover, a comparison of the number of crimes reported to VicPD in 2019 (14,544) to dispatched calls (41,116), provides for a typical ratio, in that about 65% of dispatched calls for service involved non-criminal matters (although many might have developed into criminal matters had police not intervened).



<sup>53</sup> See, for example: Livio Di Matteo (September 2014). Police and Crime Rates in Canada – A Comparison of Resources and Outcomes, p. 13. Fraser Institute. Accessed at <https://www.fraserinstitute.org/sites/default/files/police-and-crime-rates-in-canada.pdf>; and Aili Malm, Nahanni Pollard, Paul Brantingham, et al (2006). A 30 Year Analysis of Police Service Delivery and Costing, p. 31. Accessed at <http://capg.ca/wp-content/uploads/2013/05/A-30-Year-Analysis-of-Police-Service-Delivery-and-Costing1.pdf>

<sup>54</sup> Statistics Canada estimates that “50% to 80% of the calls police respond to are in fact non-criminal in nature and comprise incidents such as alarms, disturbances, domestic disputes, traffic accidents, sick or injured persons, overdoses and mental health-related calls.” Source: P. Conor, J. Robson & Sharon Marcellus (October 3, 2019). Police Resources in Canada, 2018, p. 7. Catalogue no. 85-002-X ISSN 1209-6393. Accessed at <https://www150.statcan.gc.ca/n1/en/pub/85-002-x/2019001/article/00015-eng.pdf?st=9y8SMli>.

<sup>55</sup> There are several hundred incident types, too numerous to list.



However, population has a weakness when used as a proxy for police demand when two dissimilar municipalities are grouped together. As described earlier, Victoria suffers from the core city effect, meaning its functional population is much higher than its residential population. This is not the case with Esquimalt. Therefore, if population is heavily weighted to estimate demand for police services, Esquimalt is disadvantaged because its percentage of the total residential population served by the VicPD appears greater than it is; a significant proportion of the call load in Victoria is driven by visitors from the region and elsewhere and this is not reflected in its official population numbers.

The estimated 2019 population for Victoria is 94,005.<sup>56</sup> The estimated 2019 population for Esquimalt is 18,716.<sup>57</sup> Therefore, Esquimalt has 16.7% of the municipalities' combined population, but this calculation does not reflect Victoria's functional population which drives police demand there. Therefore, while population is still a valid metric to consider, in the Victoria/Esquimalt context, weighting it at 60% as was recommended for the most recent BAF is problematic and unreasonably disadvantages Esquimalt.<sup>58</sup>

## **Crime Rate**

The crime rate is a common metric for assessing and comparing police workload and is often used – sometimes misleadingly – to compare levels of safety between communities. *Criminal Code* offences relative to population determine a community's crime rate. The crime rate is simply a count of all criminal incidents reported to police divided by the population of interest. Each criminal incident, regardless of the type or seriousness of the offence, counts the same in the rate. While criminal cases make up a minority of a frontline police officer's workload, they are generally the most serious and time consuming to investigate, and may engage other areas of the police department (e.g., specialized detectives, forensics, surveillance, etc.), for whom, unlike frontline officers, investigating crime occupies the majority of their time.

As is the case with calls for service, though, the range of seriousness and time required to investigate crimes – even of the same type – vary greatly (e.g., some thefts are extremely sophisticated and complex to investigate and some serious assaults are very unsophisticated and the investigations may be relatively simple). The crime rate does not provide information on the overall seriousness of crimes reported by police. A community with a high crime rate does not mean it is unsafe; its crime rate may be driven by very minor offences. The reverse is also true. Very serious crimes that occur in small numbers (e.g., aggravated assaults, sex offences) may be going up but the crime rate may be going down because of reductions in high volume crimes such as theft and mischief.

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<sup>56</sup> British Columbia (March 2020). Population Estimates. Accessed at <https://www2.gov.bc.ca/gov/content/data/statistics/people-population-community/population/population-estimates>.

<sup>57</sup> Ibid.

<sup>58</sup> Ibid, note 12.

A way to better understand the meaning of crime rates is to look at Statistics Canada’s “Crime Severity Index” (CSI).<sup>59</sup> The CSI tracks changes in the severity of police-reported crime by accounting for both the amount of crime reported by police in a given jurisdiction and the relative seriousness of these crimes. In the CSI, each type of offence is assigned a seriousness “weight” derived from actual sentences handed down by courts in all provinces and territories. More serious crimes are assigned higher weights, less serious offences lower weights. Statistics Canada produces both a violent and non-violent CSI.

Unfortunately, Statistics Canada currently provides only an aggregated CSI for Victoria and Esquimalt, since the municipalities are served by a single police department. In the future, it may be possible to examine the CSI for each community.<sup>60</sup> In the meantime, the crime rate for each municipality is available and should be considered a valid factor for a BAF if given appropriate weight in comparison to other more robust indicators of police demand.

The official 2019 crime statistics are not yet available, but according to the VicPD, there were 13,494 crimes reported in Victoria, and 980 crimes reported in Esquimalt, for a total of 14,474. Therefore, Esquimalt accounted for 6.7% of the total reported crime. As expected, this is significantly less than would be expected solely based on the combined resident populations of Victoria and Esquimalt.

Naturally, the crime rates are different for Victoria and Esquimalt. The combined crime rate from the most recent (2018) provincial government statistics for Victoria and Esquimalt is 105 crimes per 1,000 population.<sup>61</sup> Broken down, using 2019 VicPD data, Esquimalt’s crime rate was 52.36 crimes per 1,000 population, while Victoria’s was much higher at 143.54.

There are many factors that underly crime rates, including demographics, particularly average age and the level of affluence. Communities with older and more affluent populations have lower crime rates and lower levels of disorder, and vice versa.<sup>62</sup> Other factors include population density and economic activity. Esquimalt’s population density is much lower than Victoria’s, with almost 27% of the combined land area but only 17% of the combined resident population.<sup>63</sup> Tax revenues can be considered a proxy for economic activity – Esquimalt’s tax base (as measured by Total Assessed Values) and tax revenues

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<sup>59</sup> Statistics Canada (2009). Crime Reporting Survey. Accessed at <https://www150.statcan.gc.ca/n1/en/pub/85-004-x/85-004-x2009001-eng.pdf>.

<sup>60</sup> In fact, the VicPD has advised that it expects that Stats Canada will produce separate CSI scores for Victoria and Esquimalt in the near future. If that occurs, the BAF could be amended to incorporate the CSI scores. These scores would reflect the average seriousness of crimes in Victoria and Esquimalt which affects the police time required to investigate. If Stats Canada does not produce the expected CSI scores, it may be possible for VicPD to produce this data, subject to its analytic capacity.

<sup>61</sup> Ministry of Public Safety and Solicitor General Police Services Division (November 2019). Police Resources in British Columbia, 2018, p. 10. Accessed at <https://www2.gov.bc.ca/gov/content/justice/criminal-justice/policing-in-bc/publications-statistics-legislation/crime-police-resource-statistics>.

<sup>62</sup> See, for example, Statistics Canada Canadian Centre for Justice Statistics Profile Series. Household Income and Victimization in Canada, 2004. Accessed at <https://www150.statcan.gc.ca/n1/pub/85f0033m/2009020/findings-resultats/f-r5-eng.htm> and Statistics Canada (2009). Neighbourhood Characteristics and the Distribution of Police-reported Crime in the City of Toronto. Accessed at <https://www150.statcan.gc.ca/n1/en/pub/85-561-m/2009018-eng.pdf?st=8TT5gBfR>.

<sup>63</sup> Statistics Canada, Census Profile, 2016 Census, Esquimalt.

(as measured by Total Municipal Taxes) are also substantially lower than Victoria's, even on a per resident basis. Esquimalt has 12% of the combined tax base and 10.7% of the combined tax revenues.<sup>64</sup>

Victoria has the burden – in terms of crime and disorder – of being a core city, as described elsewhere in this report. The 2012 Greatbatch Report noted that, in addition to people flooding into the city for tourism and work, “because the city contains most of the social services for the Region, its population includes many seniors, people with mental and physical disabilities, people with addictions, people on income assistance and the homeless.”<sup>65</sup>

With respect to Esquimalt, the Greatbatch Report noted that (at that time), “the demographics of Esquimalt have resulted in a high rate of serious crime...Group homes, transients, addicts, the unemployed, and parolees and probationers who are red-zoned out of downtown are attracted by the low rents in the Township. The number of violent criminal code offences...is high.”<sup>66</sup> However, it appears that crime and disorder has reduced in Esquimalt since the Greatbatch Report. It is notable from the Police Records Information Management Environment (PRIME-BC) data provided by the VicPD that Esquimalt accounts for only 7% of the cases of public intoxication in Victoria and Esquimalt – this is another symptom of both the core city effect on Victoria and the differences between the two communities.

Esquimalt has raised concerns historically that its police costs exceed that of communities with a similar number of residents, such as Oak Bay. Oak Bay provides an excellent example of the impact of differing demographics on crime rates. In 2015 (the last year for which Census data is available) Oak Bay had a median age of 53.6, and an average household income in 2015 of \$138,057.<sup>67</sup> In contrast, Esquimalt had a median age of 43.4 and an average household income of \$72,453. Further, Oak Bay does not have challenges of Esquimalt as described in the Greatbatch report. Consequently, Oak Bay has a very low crime rate of 28 *Criminal Code* offences per 1,000 population,<sup>68</sup> about half of Esquimalt's.

## Arrests

‘Arrests’ occur in a relatively small percentage of incidents reported to police; therefore, arrests are not a good proxy to estimate police workload. However, arrest data is included here for the purpose of showing the ratio of arrests made in each municipality, as this information is useful along with other data in describing the relative workload in Victoria and Esquimalt. Further, the arrest statistics for

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<sup>64</sup> BC Tax Burden – Schedule 707 (2019). Accessed at <https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden>.

<sup>65</sup> Jean Greatbatch & Associates (January 31, 2012). “A Framework for Effectiveness. Report on Victoria and Esquimalt Policing – Governance and Funding Issues,” p. 7.

<sup>66</sup> Ibid.

<sup>67</sup> Statistics Canada Census Profile, 2016 Census, Oak Bay. Accessed at <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=5917030&Geo2=PR&Code2=12&Data=Count&SearchText=victoria&SearchType=Begins&SearchPR=01&B1=All>

<sup>68</sup> Ministry of Public Safety and Solicitor General Police Services Division (November 2019). Police Resources in British Columbia, 2018. Accessed at <https://www2.gov.bc.ca/gov/content/justice/criminal-justice/policing-in-bc/publications-statistics-legislation/crime-police-resource-statistics>.

Esquimalt are roughly consistent with other measures described: In 2019, VicPD reports that it made 5,079 arrests. Of those, 411 were made in Esquimalt, or 8.1% of the total, reflective of Esquimalt's much lower crime rate, and is quite consistent with its proportion of dispatched calls for service.

### **Dispatched Calls for Service**

'Dispatched calls for service' is a very good proxy for assessing relative demand for police services because it measures the number of times police actually respond to a call for service from the public and it includes all incident types, criminal and non-criminal. ("Dispatched calls for service" is different, and much more useful, than "total calls for service," which include calls taken over the phone in the dispatch centre, duplicate and abandoned calls, etc., which do not generate police workload.) The weakness of simply "counting" dispatched calls is that this does not account for the very significant differences in types of calls in terms of the amount of police time consumed. There have been anecdotal suggestions that the incident types in Esquimalt are on average more serious than those in Victoria (and therefore consume more police time) because there are a higher proportion of calls in downtown Victoria that involve minor nuisances and can be dealt with quickly. Indeed, a 2019 VicPD presentation noted that "15.3% of all P1 [Priority 1] calls were in Esquimalt."<sup>69</sup> This is a higher proportion than Esquimalt's proportion of the workload overall, although it is still slightly less than Esquimalt's 16.7% share of Victoria and Esquimalt's combined population.

VicPD did provide data regarding "average time at scene" and "average patrol officer minutes per incident." Unfortunately, this data has not been divided by municipality to determine if there are significant differences in the amount of police time spent per incident across districts. Notwithstanding the information about P1 calls in Esquimalt, for the purposes of the current analysis, given the absence of reliable data to the contrary, it is assumed that the average police time per incident is the same in Victoria and Esquimalt.<sup>70</sup>

In 2019, there were 37,468 dispatched calls in Victoria (including Vic West), and 3,648 dispatched calls in Esquimalt. Therefore, Esquimalt was responsible for 8.9% of all dispatched calls.

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<sup>69</sup> See: <https://vicpd.ca/portfolio-items/vicpd-2019-provisional-budget/>. While other figures regarding the percentage of priority 1 calls in Esquimalt have been referred to, the VicPD confirmed in a letter to Esquimalt Council in January 2019 that the figure in the presentation was accurate. In any case, this data was not a factor in the proposed BAF.

<sup>70</sup> In the foreseeable future, given sufficient analytical capacity, VicPD should be able to use Computer Aided Dispatch data to calculate the amount of police time consumed per incident in each municipality. This would allow a precise analysis of the average police hours consumed per incident in Victoria and Esquimalt and this could be factored into an amended BAF. Of note, while the Executive of the VicPD went to extraordinary lengths to provide data requested for this Review, it did not have the internal capacity to conduct certain analyses, and this may also impact on its ability to provide certain data desired by the two municipal Councils. VicPD's analytical capacity is a matter worthy of further attention given the importance of robust data to deployment and budgeting decisions.

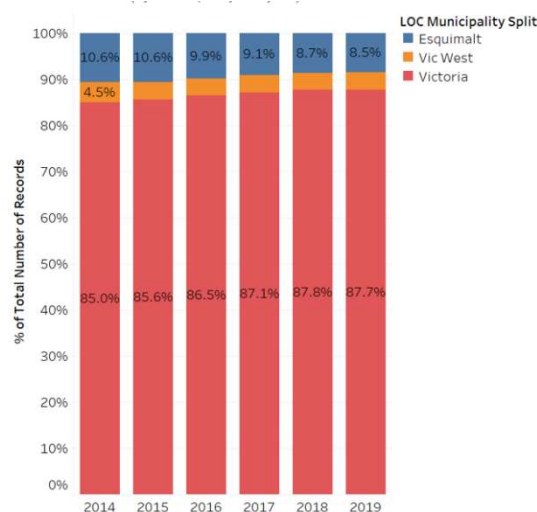
## General Occurrence Reports

All dispatched calls for service are recorded in a Computer Aided Dispatch (CAD) system. Some minor incidents can be “cleared” within the CAD system and do not require a report to be written and submitted to PRIME-BC. A ‘General Occurrence’ report must be written by the investigating police officer and submitted to PRIME-BC for more serious incidents, including all crimes. Therefore, the number of General Occurrence reports submitted is also a good proxy measure of police activity. As is the case with ‘crimes’ and ‘dispatched calls’, though, there is great variety in the length and complexity of General Occurrence reports submitted by frontline members, ranging from a few pages to many dozens. (For specialized follow-up investigators, their reports may range from dozens to hundreds or even thousands of pages for very complex and lengthy investigations.) For the purposes of this Review it is assumed that, on average, General Occurrence reports submitted for incidents in Victoria and Esquimalt are similar.

In 2019, there were 34,853 General Occurrence reports submitted for Victoria incidents (including VicWest) and 3,379 submitted for Esquimalt. Esquimalt accounted for 9.7% of the total General Occurrence reports submitted.

## Staffing Levels vs. Demand for Police Service

The previous analysis has demonstrated that Esquimalt’s population constitutes 16.7% of the municipalities’ combined population but accounts for only 6.7% of the total reported crimes; 8.1% of the total number of arrests; 8.9% of total dispatched calls for service; and 9.7% of the total general occurrence reports submitted. It should also be noted that Esquimalt’s dispatched calls for service have been trending down since 2015, as shown in the accompanying chart provided by VicPD, but this has not been reflected in the budget allocations because Esquimalt’s is fixed at 14.70%, the number that was calculated for 2016 and then was to stay in place for 2017 and 2018, by which time the Agreement required a new formula to be developed.<sup>71</sup> A rudimentary analysis suggests that Esquimalt’s current share should be about 11% of the VicPD budget, based on workload.



There is one significant BAF variable disadvantaging Victoria, however, that must be addressed.

The Framework Agreement created a requirement reflected in Appendix A that the Esquimalt Division must be assigned 25 police officers. Four of those officers were assigned to the Esquimalt Division in recognition of the call load in Vic West, which is part of Victoria but for because of its location it made

<sup>71</sup> Agreement, p. 16.

sense to be served by the Esquimalt Division. The four officers allotted for Vic West is somewhat proportional with the demand for police service in the Vic West area, based on VicPD data. (Regardless of whether the four officers is proportional to the demand in VicWest, the BAF proposed later accounts for Victoria's overall percentage of workload, including in Victoria West; even if Vic West's share of the workload exceeds its allotment of four officers, this is addressed in the proposed BAF because it considers **all** of the workload in Victoria, including that attributable to Vic West).

That leaves 21 officers (20 frontline Patrol officers<sup>72</sup> and an Officer in Charge) committed to serving the citizens of Esquimalt. The Victoria Division, as set out in Appendix A, has 111 police officers. If the four officers assigned to Esquimalt Division for Vic West are added to the 111 in the Victoria Division, there are 115 frontline officers serving the Victoria Division. Esquimalt therefore has 15.4% of the frontline police officers (vs. 14.70% of the budget), but 11.53% of the police workload (see analysis to follow). This disproportionate staffing is reflected in the high level of supervision (e.g., having an Inspector as the Officer in Charge of Esquimalt Division<sup>73</sup> – the same as the Victoria Division – and having a sergeant in charge of much smaller teams of officers compared to Victoria Division). It is also reflected in the lower *Criminal Code* case loads for Esquimalt Division officers (46.7 cases per member) compared to Victoria Division officers (117.3 cases per member). Further, the average number of dispatched calls for service per year for an Esquimalt Division member is 174, whereas the ratio for Victoria Division officers is much higher at 326.

These are significant differences the result is that Esquimalt Division officers have the time to provide a higher quality of service (e.g., time spent on investigations). They also have more unassigned time for proactive patrolling, traffic enforcement, bylaw enforcement, and other crime prevention and community focused duties that are influenced by population but are not reflected in crime counts or dispatched calls for service, and which Esquimalt desires and expects from officers working in Esquimalt Division.

A mitigating factor to consider, however, is that Esquimalt Division members often “cross the bridge” to assist on calls in Victoria. Data provided by VicPD demonstrates that in 2019, Esquimalt Division units assisted at Victoria calls (not including VicWest) on 1,899 occasions, while Victoria Division units assisted on 1,122 occasions in Esquimalt Division. It should be noted, though, that proportionally, Victoria's assistance to Esquimalt was much more significant: 12.1% of attendances to calls in Esquimalt Division were by Victoria Division members, while only 3.9% of attendances to calls in Victoria were by Esquimalt Division officers. In all the circumstances, it is recommended that this issue be treated as a “wash.”

Of interest, in 2002, the year before the EPD was amalgamated with the VicPD, provincial government records note the EPD's authorized strength was 32 police officers and the overall budget was \$3.95M.<sup>74</sup>

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<sup>72</sup> Included in the 20 officers are two Community Resource Officers and a School Resource Officer. The School Resource Officer position is currently vacant because of other more urgent demands in VicPD, as are two School Liaison Officer positions for Victoria. This vacancy is of great concern to Esquimalt; however, this Review is based on allocated authorized positions for the purposes of developing a new BAF, whether or not they are currently vacant.

<sup>73</sup> To be clear, this is not a criticism; the significant value of having a senior VicPD officer to liaise directly with Esquimalt council and senior staff is recognized.

<sup>74</sup> Ministry of Solicitor General and Public Safety (2002). Appendix A – Police Costs and Police Strengths.



Esquimalt's population was 16,903. Its current population is estimated to be 18,716, or about 12% higher. Had Esquimalt increased the number of police officers by proportional to the increases in population, its authorized strength would have increased by four officers (one per shift) to 36. (This population-based increase does not consider the dramatic concurrent increase in policing complexity since 2002 that may have further increased the demands on the EPD.) In 2002, the EPD's cost per officer was slightly higher than Oak Bay's per officer costs (by ~3.5%). Therefore, using Oak Bay's current per officer cost of \$224,945<sup>75</sup> as a proxy,<sup>76</sup> a conservative estimate of the EPD's current budget would be approximately \$8.1M for 36 officers,<sup>77</sup> about \$400,000 less than its current policing bill of \$8.5M for 2020.

### Designing an Equitable Budget Allocation Formula

Based on the analysis above of available data, the demand for policing services in Esquimalt is currently lower than its 14.70% allocation in the existing BAF. A fair and credible formula should reasonably reflect actual demand for service and should incorporate several valid but different metrics that compensate for each other's weaknesses. While it is desirable to keep the BAF simple so that it is easily understood and managed, there is a benefit to having more than two metrics to reduce the impact of dramatic but short-lived variations that can occur from year to year in a single metric, such as a surge in dispatched calls for service. For budgeting predictability, it is desirable that there be no significant fluctuations from year to year. By using several metrics, such fluctuations can be "smoothed," and no one metric will dominate, which is important given that none perfectly assesses policing demands. Further, by using multiple years of data to create a 5-year rolling average (where the data from the oldest year is dropped off when the newest year's data is added), significant year to year fluctuations will be minimized.

It is reasonable to include population as a metric because of its influence on police demand, not all of which is reflected in crime and calls for service data, as described earlier. Further, population is not subject to the potential volatility of crime rates and calls for service and therefore has a moderating effect to help ensure predictability in budgeting. In the context of Victoria and Esquimalt, population should have a relatively low weight because the core city effect in Victoria drives up calls for service and crime beyond what could be expected from its residential population statistics. Therefore, it is recommended that the population in each municipality be weighted at 25% in the BAF, consistent with the lowest weighting in the shared RCMP detachments examined.

The number of crimes is a robust metric and is reflective of real differences in policing demand between the two municipalities. While crimes do not account for the majority of dispatched calls for service,

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<sup>75</sup> The Oak Bay Police approved police budget is \$5,173,742 divided by 23 officers = per officer cost. Source: <https://www.vicnews.com/news/oak-bay-approves-4-2-per-cent-police-budget-increase/>

<sup>76</sup> These figures for an independent municipal police department include the cost of civilian staff and all other related expenses based on Oak Bay's overall policing costs, e.g., fleet, facilities, training, overtime, etc.

<sup>77</sup> Esquimalt doesn't need 36 officers in the current amalgamated model, because those officers in an independent municipal department performing non-frontline duties, e.g., detectives, recruiting, training, administration, are provided for in the amalgamated model, and Esquimalt pays for these services by paying a percentage of the overall cost of the VicPD.

investigating crimes is a significant and core responsibility, and generally will require a greater investment of police resources than non-criminal incidents. Therefore, it is recommended that the number of *Criminal Code* offences in each municipality constitute 25% of the BAF.

The number of dispatched calls for service is the most robust metric reflecting demands for policing. For the purposes of this Review, in the absence of data to the contrary, it is reasonable to assume that incidents take on average the same amount of police time whether in Esquimalt or Victoria. It is recommended that the dispatched calls for service in each municipality constitute 50% of the BAF.

General Occurrence reports is a similar metric to dispatched calls for service, but it excludes the most minor incidents that consume little police time. In 2019, there were 3,648 dispatched calls for service in Esquimalt, but 3,379 General Occurrence reports submitted, meaning almost 93% of dispatched calls for service in Esquimalt resulted in a General Occurrence report. Therefore, using either dispatched calls for service or General Occurrence reports, or both, as a component of a BAF will yield similar results. (Notably, in Victoria Division, General Occurrence reports were also submitted for 93% of dispatched calls.)

In terms of the components of the new BAF, it is recommended that Population, Crime, and Dispatched Calls for Service all be used to create a new formula. With the formula weighted at 50% dispatched calls for service and 25% on crime, police demand elements would total 75% and population 25%. It is further recommended that the BAF use a 5-year rolling average to calculate the budget allocation percentage for each municipality for the following year.

Based on 25% population, 25% crime, and 50% dispatched calls for service, Esquimalt's cost share based on this model (not including the cost of the "extra" police officers) would be approximately 11.53%, based on the previous five years' data. Esquimalt's overall share of the workload (i.e., relative to Victoria's) has been trending down; therefore, if its current share of the workload continues (or declines), its 11.53% share will decrease as the oldest data drops off and new data is factored in.

### Funding the Extra Police Officers for Esquimalt Division

This leads to the matter of assigning a cost for the disproportionate number of police officers assigned to Esquimalt Division.

The following model was employed to add in the additional costs:

1. Calculate how many patrol officers for which Esquimalt would be paying based on its basic cost-share (11.53%), as determined via the metrics and the selected weights. That is, assuming there are 136 patrol officers combined in Victoria-Esquimalt, this would be  $11.53\% \times 136$ .
2. Find the difference with the number assigned specifically to Esquimalt. This is the number of "extra" officers that has been calculated Esquimalt is benefiting from and should be paying for separately. Since there are 21 patrol officers assigned specifically to Esquimalt, this would be:  $21 - 11.53\% \times 136$ .



3. Convert this number of “extra” officers into percentage of VicPD’s total authorized sworn strength of 249 officers. This would be:  $5.32/249 = 2.14\%$ .
4. Add the resulting percentage to Esquimalt’s basic cost-share to obtain its overall cost-share ( $11.53\% + 2.14\% = 13.67\%$ ). Equivalently, Esquimalt could be billed separately for the “extra” officers in the Esquimalt Division at the rate of \$233,900, the average cost per sworn VicPD officer in 2020.

Either way, Esquimalt’s total bill would be:  $13.67\% \times \$58,241,090 = 11.53\% \times \$58,241,090 + 5.32 \text{ officers} \times \$233,900 \text{ per officer} = \$7,959,551$ .

This approach is equivalent to the following:

- Assign Esquimalt a cost-share of exactly  $21/136 = 15.4\%$  on  $136/249 = 55.5\%$  of the total authorized strength.<sup>78</sup>
- Assign Esquimalt a cost-share of 11.53% to the rest of the authorized strength, which accounts for the remainder of the budget, i.e., for specialized units and administrative overhead. (The non-police officer costs are included by distributing them evenly to each of the 249 authorized sworn officers).

In other words, Esquimalt should pay two different cost-shares: 15.4% of the patrol component (which is itself 55.5% of the VicPD’s total authorized strength) and 11.53% of the administrative and investigation components (which represent  $1 - 55.5\% = 44.5\%$  of VicPD’s total authorized strength).

Applying this methodology means that Esquimalt’s overall cost-share would become  $11.53\% + 2.14\% = 13.67\%$ . Therefore, Esquimalt’s share would be reduced from \$8,561,440 to \$7,959,551, a difference of \$601,889, and Victoria’s share would be increased by the same amount.

The following is a simplified method of validating these calculations. It is more transparent in that it shows exactly how much Esquimalt should pay for each extra officer:

The recommended BAF results in a calculation that Esquimalt is responsible for 11.53% of VicPD’s workload. As a percentage of the overall budget, that equals \$6,715,198.

- Esquimalt Division has 5.32 officers more than justified by its share of the workload.
- Using a cost per officer of \$233,900,<sup>79</sup> Esquimalt’s extra officers cost \$1,244,348.
- Adding \$1,244,348 to the \$6,715,198 representing Esquimalt’s share of the workload equals \$7,959,551.

Some of these calculations are somewhat complex but using a purpose-built Excel spreadsheet they are simple to manage. A spreadsheet to calculate the budget allocations using the data currently available

<sup>78</sup> The combined Victoria and Esquimalt Divisions account for 55% of VicPD’s total authorized sworn strength.

<sup>79</sup> Total VicPD budget of 58,241,090 divided by its authorized strength of 249.

with a 5-year rolling average was created during the Review. Regarding the extra police officers assigned to Esquimalt, the spreadsheet provides calculations based both on percentage and cost per officer, which each produce identical results, as shown in the screenshot below.

Victoria & Esquimalt Budget Allocation Formula Spreadsheet							
Metric	Weights	Victoria	Esquimalt	% of Combined		Weighted	
				Victoria	Esquimalt	Victoria	Esquimalt
Population - BC Stats (2019)	5.0%	94,005	18,716	83.40%	16.60%	4.17%	0.83%
Population - BC Stats (2018)	5.0%	92,689	18,758	83.17%	16.83%	4.16%	0.84%
Population - BC Stats (2017)	5.0%	91,288	18,469	83.17%	16.83%	4.16%	0.84%
Population - BC Stats (2016)	5.0%	90,159	18,533	82.95%	17.05%	4.15%	0.85%
Population - BC Stats (2015)	5.0%	88,470	18,043	83.06%	16.94%	4.15%	0.85%
Criminal Code incidents (2014-2018)	25.0%	51,484	5,734	89.98%	10.02%	22.49%	2.51%
Dispatched Calls (2019)	10.0%	37,468	3,648	91.13%	8.87%	9.11%	0.89%
Dispatched Calls (2018)	10.0%	36,872	3,627	91.04%	8.96%	9.10%	0.90%
Dispatched Calls (2017)	10.0%	35,366	3,643	90.66%	9.34%	9.07%	0.93%
Dispatched Calls (2016)	10.0%	35,883	4,072	89.81%	10.19%	8.98%	1.02%
Dispatched Calls (2015)	10.0%	36,218	4,371	89.23%	10.77%	8.92%	1.08%
<b>TOTAL</b>	<b>100.0%</b>					<b>88.47%</b>	<b>11.53%</b>
VicPD overall:	\$58,241,090	Budget					
	249	Authorized Sworn Strength					
	<b>\$ 233,900</b>	Average Cost per Officer					
Esquimalt's basic share:	<b>11.53%</b>	... based on the selected weights (weighted average calculated above).					
Esquimalt's "extra" officers:	15.68	How many patrol officers is Esquimalt paying for with a 11.53% share?					
	21	How many patrol officers do they actually get?					
	<b>5.32</b>	Difference (in officers) that Esquimalt should be paying for separately...					
	<b>2.14%</b>	Difference (in % of Victoria's total sworn authorized strength)					
Esquimalt's share of VicPD budget:	<b>\$ 7,959,551</b>	Basic share of 11.53% + Extra 2.14% for additional officers.					
	<b>\$ 7,959,551</b>	Basic share of 11.53% + \$233,900 per additional officer.					

It is unlikely in the foreseeable future that Esquimalt Division will need an increase in police officers, based on its population trajectory and current police workload. This cannot be said for Victoria. Therefore, should Appendix A be amended and there be a staffing increase applied only to the Victoria Division, then Esquimalt Division's allocation of officers would be reduced as a proportion of the total police officers in the two Divisions, which would reduce Esquimalt's share of the budget. (An increase to VicPD staffing for investigative (e.g., detectives) or other specialty (e.g., crime analysts) resources that benefit both Victoria and Esquimalt would be shared between both municipalities per the BAF.)

However, should Esquimalt wish to further reduce its costs by more closely aligning the number of officers in the Esquimalt Division to Esquimalt's percentage of the workload (as it has indicated it would like to do in its September 10, 2020 written feedback to draft copy of this Review), it can accomplish this through the process set out in s. 4.5 of the Agreement. For example, if Esquimalt Division were reduced by four officers (e.g., one officer per shift), Esquimalt's annual costs would be reduced by a further \$935,600, to \$7,023,951. A decision would then be necessary whether to keep those positions in the

VicPD's authorized strength for other duties or to eliminate them from VicPD's authorized strength, in which case the VicPD budget would be reduced by the cost of four officers.

It should be noted that reducing the size of the Esquimalt Division raises concerns for the VicPD regarding the sustainability of the current deployment model, given its reduced ability to meet surges in demand, and other deployment inefficiencies. The VicPD has carefully considered the matter and should Esquimalt decide it wishes to reduce its allocation of officers, VicPD will have alternative deployment options for consideration to ensure Esquimalt is still provided adequate policing services.

## CONCLUSION

The first BAF based on assessed property values across Victoria and Esquimalt treated the two municipalities as if they had been amalgamated, as has occurred in other cities in Canada. While Victoria and Esquimalt share an amalgamated police department, they are not amalgamated municipalities with a common tax structure. There are other municipalities in Canada that share a single regional police agency (e.g., Halton Region) and fund policing based on assessed property values, but typically there are multiple municipalities and there is not a dominant core city. The initial allocation to Esquimalt was cost neutral with the EPD's 2002 operating budget, but property values increased in Esquimalt relative to Victoria and so the BAF became increasingly inequitable. Further, the basis for sharing the cost of policing evenly across the combined populations of Victoria and Esquimalt was somewhat questionable, considering that policing demands in Victoria are disproportionate to its resident population because of the core city effect.

The second (current) iteration of the BAF is still somewhat unfair to Esquimalt because its allocation is fixed at 14.70%, which is greater than its share of the demand for service, and it does not adjust for changes in demand. The financial impact has been mitigated, however, because Esquimalt's allocation of frontline police officers is higher than justified by its demands for service. While Victoria and Esquimalt did not adopt the previous recommended BAF, the percent allocation it negotiated was similar to the proposed formula. In heavily weighting population, that formula did not consider the impact on Victoria's workload of the core city effect; it would only be fair with population so heavily weighted if it applied to two similar cities, neither of which was a core city. Had the weighting of the two metrics simply been reversed – i.e., with dispatched calls for service weighted at 60% and population at 40%, it would have been more equitable and could more easily be justified quantitatively as a reflection of the true demand for police services between the two municipalities. Notably, in municipalities in BC that share a single RCMP detachment, dispatched calls for service and/or crime, not population, is generally the metric most heavily weighted.

The new BAF for Victoria and Esquimalt incorporates one additional metric (crimes) compared to the previous proposed BAF and reduces significantly the weight assigned to the municipalities' official populations. It is fair to Esquimalt in that it more accurately measures the actual demand for police services in each municipality by weighting workload at 75% through the combination of two metrics that reflect demand, so that Esquimalt isn't subsidizing policing in Victoria. It is also fair to Victoria, in that the disproportionate number of officers assigned to Esquimalt is factored into the formula so that the extra officers are not subsidized by Victoria. Esquimalt can further reduce its policing costs by reducing its allocation of police officers pursuant to s. 4.5 of the Agreement. Victoria would not need to absorb these costs if a decision was made to eliminate any police positions removed from Esquimalt's allocation.<sup>80</sup>

Based on the analysis in this Review, Esquimalt's equitable share of the VicPD budget should be reduced from 14.70% to 13.67%. Victoria's should increase from 85.30% to 86.33%. Based on the 2020 VicPD Budget of \$58,241,090,<sup>81</sup> Esquimalt's share would be reduced from \$8,561,440 to \$7,959,551, a

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<sup>80</sup> This can likely be easily accomplished through regular attrition.

<sup>81</sup> Victoria Police 2020 Budget, accessed at <https://vicpd.ca/portfolio-items/2020-vicpd-budget/>, p. 8.

difference of \$601,889. (Esquimalt's policing costs would be reduced to approximately \$7M if its allocation of officers better matched its percentage of the workload, consistent with its written feedback to a draft of this Review).

Victoria's share would obviously be increased by an amount equal to Esquimalt's reduction. The decrease in Esquimalt's share should be implemented incrementally so as not to unreasonably impact Victoria's budget. But in recognition that Esquimalt has been paying more than its equitable share of policing for several years (because a new BAF was not developed in 2017 as had been recommended previously), and that the increase is not dramatic as a percentage of Victoria's overall budget, it is recommended that the new BAF be implemented over two years. This will give Victoria adequate time to adjust its budget to accommodate the 1.03% (\$601,889) increase to its share of VicPD costs, based on the 2020 budget.

In Phase 2 of the Review, additional issues under the Agreement will be addressed, including the need for the Police Board and both Councils to receive VicPD performance metrics pursuant to s. 4.5 and s. 6 of the Agreement to provide for informed decisions.

## SUMMARY OF RECOMMENDATIONS

It is recommended:

1. That the new proposed Budget Allocation Formula be adopted, comprised of 25% population, 25% crimes, and 50% dispatched calls for service on a 5-year rolling average with a factor of 2.14% added to account for Esquimalt Division's 5.32 extra officers; and
2. That the new Budget Allocation Formula be implemented over two budget years, to provide time for Victoria to adjust its budget to accommodate the 1.03% increase in its share of the VicPD budget; and
3. That the proposed BAF be reviewed in time for the 2022 budget cycle with respect to incorporating Crime Severity Index scores for Victoria and Esquimalt if they become available, and incorporating more robust Computer Aided Dispatch data reflecting actual police time spent on incidents in Victoria and Esquimalt.

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