

To: Members of the Cobourg Town Council
Subject: Police Services Memorandum of Understanding (MOU)
Date: June 16, 2025

The **Police Services Board (PSB) coming forward to request Council's approval for a Memorandum of Understanding (MOU)**, concerning policing finances, highlights a crucial point for our community: **the Police Services Board is and must remain accountable to Cobourg Council.**

It's essential to understand that our Cobourg Council holds the ultimate responsibility for the entire municipal budget, and this unequivocally includes the **policing budget**. A significant component of police funding, particularly the revenue generated from "Crimcheck" operations, has historically helped to offset the cost of policing for taxpayers. This direct contribution has been a valuable part of our local financial picture.

However, we are now seeing proposals from the PSB that appear to aim at removing Council's direct responsibility to oversee a large part of the policing budget. Such a move would be a disservice to transparent governance and financial accountability.

Our **Council represents the citizens**; they are directly elected and, therefore, directly accountable to us, the taxpayers. The PSB, while vital for strategic oversight of the police service, does not hold the same direct democratic mandate for budgetary control.

To ensure transparency, fiscal responsibility, and continued accountability to the residents, all funding approvals for our police services must be maintained with Council. Cobourg Council must uphold its full financial oversight responsibility, ensuring that every dollar of the policing budget, including "Crimcheck" revenues, remains subject to the scrutiny and approval of our elected representatives.

Key Differences between the Police Services Board & Cobourg Council

- **Oversight vs. Governance:** The PSB is a **civilian oversight body** specifically focused on the governance and policy direction of the police service, while Cobourg Council is the broader **governing body** for the entire municipality.
- **Operational Independence:** The PSB ensures the operational independence of the police force from political interference. Council provides the resources and sets the overall financial parameters but does not direct police operations.
- **Reporting Lines:** The Chief of Police reports to the Police Services Board, which in turn reports to Cobourg Council on its activities and the police service's performance.
- **Legislative Basis:** Both derive their authority from provincial legislation, primarily the Community Safety and Policing Act (CSPA), but with distinct mandates.

Essentially, Cobourg Council holds the purse strings and sets the broad framework for policing, while the Police Services Board oversees the direct governance, policy, and accountability of the police service to ensure effective policing within that framework.

Council still holds the ultimate responsibility for approving how "Crimcheck" money (revenue generated from police record checks) is spent, as part of the overall police budget.

Here's what's happening specifically in Cobourg, and why:

General Principle in Ontario (Community Safety and Policing Act, 2019 - CSPA):

- **Police Services Boards (PSBs) propose the budget:** The Police Services Board is responsible for preparing and approving the annual budget for police service. This budget includes all anticipated revenues (like from police checks) and expenditures.
- **Cobourg Council approves the budget:** The PSB then submits this budget to Council for final approval. Cobourg Council has the power to approve, reduce, or increase the *overall* budget amount. While they typically don't dictate how every single dollar is spent on specific line items within the police service (that's the PSB's role in operational management), they do approve the total amount of funding available to the police service.
- **Crimcheck revenue is part of the police budget:** Any revenue generated by the police service, including from services like "Crimcheck" (police record checks), is considered revenue of the police service and is factored into their overall budget. It's not a separate, unapproved fund.

The Situation in Cobourg (and why it's a hot topic):

The Cobourg Police Service has a "Business Unit" that generates significant revenue from conducting police checks (referred to as "Crimcheck" or BSU profits). Historically, this profit has been used to:

1. **Reduce the cost of policing to Cobourg taxpayers:** The profits essentially subsidized the police budget, lowering the amount that needed to be collected through property taxes.
2. **Fund police capital expenses:** A portion was often allocated for things like vehicles, guns, and other equipment.

However, recent discussions in Cobourg indicate a significant change:

- **Memorandum of Understanding (MOU):** An MOU between the Cobourg Police Services Board and the Town of Cobourg was approved by the PSB in April 2025 and referred to the full Cobourg Council meeting on June 25, 2025.
- **Proposed Change:** This MOU reportedly aims to change how the Business Unit's profits are used. Instead of subsidizing the police operations and reducing the tax levy, the profits would **no longer be used for this purpose**. As a result, the full cost of policing would need to be covered by the tax levy, potentially resulting in a significant increase in the tax rate (as much as an extra 9% increase mentioned in local discussions).
- **Council's Role in this Change:** The fact that this MOU is being presented to Cobourg Council for approval demonstrates that Council still has the ultimate say on how these funds are accounted for and whether the proposed change in their allocation (from tax subsidy to other uses) is accepted. Even if the PSB approves the MOU, the Council's approval is critical for it to take effect.

In summary:

While the Police Services Board manages the day-to-day finances and suggests how all police funds (including "Crimcheck" revenue) should be spent, **Cobourg Council retains the power of final budget approval**. This means they have the decisive voice on the overall amount of money available to the police service and, as observed in Cobourg, can affect how major revenue sources like "Crimcheck" profits are distributed within the larger municipal financial framework.

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