

**THIS AGREEMENT** (the "Agreement") dated for reference this 7 day of April, 2014

Between:

**The Victoria and Esquimalt Police Board**  
(the "Board")

And:

**The City of Victoria**  
(**"Victoria"**)

And:

**The Township of Esquimalt**  
(**"Esquimalt"**)

**WHEREAS:**

- A. An Order in Council dated December 18, 2002, known as the Victoria and Esquimalt Policing Reorganization Order, (the "2002 Order in Council") ordered the amalgamation of the police forces in Victoria and Esquimalt effective January 1, 2003 and created an amalgamated police board;
- B. The 2002 Order in Council allows Victoria and Esquimalt to negotiate and agree on a formula for the sharing of costs of the amalgamated police force;
- C. On June 9, 2009 the Parties hereto entered in to a Financing and Accounting Agreement for Victoria/Esquimalt Amalgamated Police Services (the "2009 Agreement");
- D. The 2009 Agreement expired on December 31, 2013;
- E. The Parties are committed to working collaboratively with each other for the purpose of:
  - a. Providing adequate policing and law enforcement in the respective Municipalities;

- b. Ensuring adequate accommodation, equipment and supplies for the operations of and use by the police force and for the detention of persons required to be held in police custody;
- c. Fair and equitable allocation and use of police resources;
- d. Ensuring efficient development of the annual police budget taking into consideration the budget guidelines set by the Municipalities each year; and
- e. Early resolution of any disputes, including those involving interpretation of this Agreement.

**NOW THEREFORE** in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

## 1 INTERPRETATION

### 1.1 Definitions

In this Agreement, unless context requires otherwise:

“Act” means the *Police Act*, R.S.B.C 1996, c. 367;

“Budget Allocation Formula” means the formula for determining the percentage of the shared police costs paid by each Municipality as set out in section 11;

“Chief Constable” means the chief constable of the amalgamated police department appointed by the Board pursuant to the Act;

“Consultation” and “consult” means to engage in a bi-lateral communication in which the person or entity consulted has a meaningful opportunity to question, to receive explanation, and to provide comment to the person or entity undertaking the consultation and includes an obligation, on the part of the person or entity required to consult, to consider comments received as part of the consultation prior to making a decision;

“Dedicated Municipal Division” means the police unit established pursuant to section 4 to provide police and law enforcement duties primarily in a single Municipality;

“Department” means the amalgamated Victoria and Esquimalt Police Department established pursuant to the 2002 Order in Council;

“Director” means the director of police services designated under the Act or a person appointed by him;

“Municipality” includes Victoria, Esquimalt and any other local government that may join the amalgamated policing pursuant to section 13;

“Optional Resources” means the resources requested by a Municipality pursuant to section 5.2;

“Parties” includes the Board and the Municipalities;

## 1.2 Interpretation

Except as expressly set out otherwise in this Agreement, the following will apply to the interpretation of this Agreement:

- (a) headings are for convenience and reference only and will not affect the interpretation of the Agreement;
- (b) words importing the singular include the plural, and vice versa;
- (c) words importing gender include all genders;
- (d) where reference is made to a “day”, “week”, “month” or “year”, the reference is to the calendar period;
- (e) where the date for any delivery or response required or permitted to be given under this Agreement falls on a Saturday, Sunday or a statutory holiday observed in British Columbia, the date for such delivery or response will be extended to the next following day that is not a Saturday, Sunday or a statutory holiday observed in British Columbia;
- (f) in calculation of time, the first day will be excluded and the last day will be included;
- (g) the words in this Agreement will bear their natural or defined meaning;

- (h) the word “including” is deemed to be followed by “without limitation”;
- (i) any reference to a statute will include such statute and its corresponding regulations, together with all amendments made to such statute and regulations and in force from time to time, and any statute or regulation that may be passed which has the effect of amending, supplementing or superseding the statute referred to or such statute’s corresponding regulations; and
- (j) the Parties confirm that they each have obtained independent legal advice, or elected not to obtain such advice, and accordingly agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

### 1.3 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in British Columbia.

## 2 **TERM**

### 2.1 Term

Subject to early termination pursuant to section 2.2 or extension pursuant to section 2.4, this Agreement shall be in effect for 10 years commencing on January 1, 2014 (the “Effective Date”) and terminating on December 31, 2023.

### 2.2 Early Termination

A Municipality may terminate this Agreement by giving written notice to all other Parties and such termination shall be effective on January 1 following the second anniversary of the day on which the notice is delivered.

### 2.3 Election to Not Extend

A Municipality may elect not to extend the term of this Agreement by giving written notice to all other Parties no earlier than July 1, 2022 and no later than January 1, 2023.

## 2.4 Automatic Renewal

Unless this Agreement is terminated pursuant to section 2.2 or one of the Municipalities elects to not extend its term pursuant to section 2.3, the term of this Agreement shall be automatically renewed for 10 years commencing on the expiration of the original term and terminating December 31, 2033 on the same terms and conditions as contained in this Agreement except for this automatic renewal provision.

For certainty, if the term of this Agreement is automatically renewed, the Budget Allocation Formula in effect on December 31, 2023 remains in effect until such time as the Municipalities may agree to a new Budget Allocation Formula in accordance with section 11.

## 2.5 Effect of Early Termination

The Municipality which delivers notice of early termination pursuant to section 2.2 shall bear all costs reasonably incurred by the other Parties as a result of early termination, including any transition costs associated with the re-organization or re-structuring of the police force that may be necessary as a result of the early termination.

The Parties will work collaboratively during the notice period under section 2.2 to develop a transition plan to minimize or eliminate the costs of early termination, giving priority, where possible, to

- (a) absorption of any Optional Resources into regular police operations,
- (b) elimination of any positions through attrition, and
- (c) such other measures that the Parties, acting reasonably, consider appropriate in the circumstances.

## 2.6 Parties to Co-operate in the Event of Expiry or Termination

The expiry or termination of this Agreement does not affect the amalgamation of policing. Therefore, the parties agree to work collaboratively, in the event of expiry or termination of this Agreement, to develop a new arrangement for policing services in the Municipalities which may involve negotiation of a new

agreement or petitioning the government to amend or replace the 2002 Order in Council.

### **3 THE BOARD AND THE DEPARTMENT**

#### **3.1 Name of the Board**

The amalgamated police board established pursuant to the 2002 Order in Council shall be known as the "Victoria and Esquimalt Police Board" and shall describe itself as such in all records and communications.

#### **3.2 Co-chairs**

Although the 2002 Order in Council provides that the mayor of Victoria is the chair of the amalgamated board and the mayor of Esquimalt is the vice-chair, the Parties agree to explore an alternative arrangement by which the two mayors would act as co-chairs of the Board.

#### **3.3 Establishment of Priorities and Department Strength and Composition**

Subject to the provisions of the Act and the 2002 Order in Council, the Board shall consult with the Municipalities prior to determining the priorities, goals and objectives of the Department and in relation to the composition and strength of the Department, however, nothing in this Agreement shall be interpreted so as to reduce or restrict the Board's ability to fulfill its statutory duties and obligations.

#### **3.4 Alternative Approaches to Law Enforcement**

Subject to the Act and any applicable collective agreement, the Board, in consultation with the Chief Constable, shall work with each Municipality to explore possible alternative methods for provision of law enforcement within the Municipality, including the use of bylaw enforcement officers, reserve police constables and volunteers from the community to assist in delivery of traditional community policing services.

## **4 DEDICATED MUNICIPAL DIVISIONS**

### **4.1 Establishment of Dedicated Divisions**

The Board shall establish and continue for each Municipality a dedicated division of such strength and composition as the Board, in consultation with the Chief Constable and the affected Municipality, considers necessary to:

- (a) provide regular patrol function adequate to police the area and the population in the Municipality;
- (b) provide adequate community policing resources;
- (c) ensure consistent police presence in the Municipality served by the Dedicated Municipal Division;
- (d) promote co-operative and productive relationships between members of the Dedicated Municipal Division and the community; and
- (e) give effect to the intent of this Agreement.

### **4.2 Dedicated Municipal Division to operate in one Municipality**

Subject to emergencies and exigent operational requirements, as determined by the Chief Constable from time to time, the Dedicated Municipal Division shall operate out of a location within the Municipality it serves and it shall be deployed in the area of that Municipality, provided however, that it shall be permitted for all police units to commence their shifts out of a single location, such as the headquarters building.

### **4.3 Identification of Dedicated Municipal Division units**

The vehicles used by the Dedicated Municipal Division shall be marked, in addition to ordinary police markings, in a manner which identifies them as part of the Dedicated Municipal Division serving the specific Municipality.

### **4.4 Reporting on Dedicated Division Performance**

The Chief Constable, or a senior ranking police officer designated by him, shall meet quarterly with the representative or council of the Municipality to report on

matters of policing in the Municipality, including how the Dedicated Municipal Division achieves the objectives set out in this Agreement and shall submit a written report on the activities of the Dedicated Municipal Division to the Board and the Municipality the Dedicated Municipal Division serves on a quarterly basis.

The Chief Constable, or a senior ranking police officer designated by him, shall meet quarterly with community organizations, schools, and senior staff of the Municipality to understand police service delivery priorities for the Municipality.

#### 4.5 Regular Review of Dedicated Municipal Divisions

The Board shall provide the Municipalities with data on actual use and deployment of the Dedicated Municipal Divisions within 30 days of each anniversary of this agreement coming into force, such data must include statistics on the deployment of Dedicated Municipal Division resources outside the Municipality normally served by that Dedicated Municipal Division.

Within 60 days of receiving the data under this section 4.5, each Municipality shall advise the Board of any concerns or issues regarding the use or deployment of the Dedicated Municipal Divisions and request any changes or modifications to the Dedicated Municipal Divisions' strength or deployment.

Within 60 days of receiving comments from a Municipality the Board shall provide the Municipalities with a proposal for changes, if any, to the strength or composition of one or more of the Dedicated Municipal Divisions that, in the opinion of the Board in consultation with the Chief Constable, are necessary to achieve the goals set out in section 4.1 and address valid Municipal concerns based on the data provided pursuant to this section 4.5 and good policing practices and standards.

In the event a Municipality is dissatisfied with the Board's proposal under this section 4.5 it shall, within 60 days of receiving such proposal, submit the matter for resolution to the Administrative Committee and the provisions of section 12 shall apply.

#### 4.6 Initial Composition of the Dedicated Municipal Divisions

The strength and composition of the Dedicated Municipal Divisions as of January 1, 2015 shall be as set out in Appendix A and shall not be altered by the Board



unless necessary to meet the requirements of the Act or in accordance with this Agreement.

#### 4.7 Selection of Officer in Charge

Subject to the Act and any applicable collective agreement, the officer in charge of a Dedicated Municipal Division shall hold the rank of inspector or higher.

The Municipality shall be consulted before the appointment of the officer in charge for the Dedicated Municipal Division serving the Municipality.

### 5 **OPTIONAL RESOURCES**

#### 5.1 Municipal Opting-in

Subject to the Act, in addition to the regular review of the Dedicated Municipal Divisions under section 4.5, each Municipality shall have the option to increase policing resources serving its community, including

- (a) increasing the number of police officers within its Dedicated Municipal Division;
- (b) altering the composition of the Dedicated Municipal Division;
- (c) establishing one or more police storefront offices;
- (d) acquiring any specialized tools or equipment for the use of the Dedicated Municipal Division; or
- (e) such other measures that, in the opinion of the Municipality, are need to better serve its community.

#### 5.2 Requesting Optional Resources

To exercise the rights under section 5.1, the Municipality shall provide written notice to the Board setting out the Optional Resources, above the minimum established by the Board as required to achieve the purposes of section 4.1, that the Municipality wishes to have added to its Dedicated Municipal Division.

### 5.3 Board to provide Optional Resources

Provided that the addition of the Optional Resources is consistent with the Act and all applicable laws, and any applicable collective agreements the Board shall accommodate the Municipal request under section 5.1 as soon as practicable and, in any event, no later than within one year of receipt of the request and shall amend the composition, strength or equipment of the affected Dedicated Municipal Division as required.

### 5.4 Opting-out of Optional Resources

A Municipality which has exercised its rights under section 5.1 may request the Board to eliminate any Optional Resources provided that no less than one year has passed since the implementation of such Optional Resources, and, subject to any applicable laws and collective agreements, the Board shall do so as soon as is practicable, unless in the Board's opinion it would compromise the ability to meet requirements under the Act.

### 5.5 Payment for Optional Resources

The Municipality requesting Optional Resources under section 5.1 or eliminating optional resources under section 5.4 shall pay directly to the Board the actual cost of those changes, including any transition, implementation, or cancellation costs reasonably incurred by the Board as a result of the request.

### 5.6 Reporting on Optional Resources

Within 60 days of receiving a request under section 5.2 or 5.4, the Board shall deliver to all Municipalities a report on any proposed changes to the Dedicated Municipal Divisions and such report shall include information about the nature and cost of the Optional Resources, transition or cancellation costs, and impact of the change on other police operations.

## **6 PERFORMANCE METRICS**

### 6.1 Development of Performance Metrics

No later than January 1, 2015, the Board, in consultation with the Chief Constable and the Municipalities, shall ensure that quantitative and qualitative

performance measures are established and reported at such intervals as necessary, but no less frequently than quarterly, for each Municipality in order to permit each Municipality to reasonably assess the fulfillment by the Board and the Department of the obligations under this Agreement and delivery of policing services within each Municipality.

For clarity, the Quantitative and Qualitative Measures established and reported pursuant to this section may vary from time to time and may, with the consent of the Municipalities, be different for each Municipality.

## 6.2 Quantitative Measures

For the purposes of this Agreement, Quantitative Measures means information and data from the Police Records Information Management Environment records management system, Computer Aided Dispatch system and other police data sources that provide statistical information about crime and policing in each Municipality, including information about crime rates, call volume, response times, and other relevant matters.

## 6.3 Qualitative Measures

For the purpose of this Agreement, Qualitative Measures means information and data related to the effectiveness of activities focused on Community Engagement within each Municipality. For greater certainty, Community Engagement activities may include but are not limited to such activities as participation in community meetings or events; problem oriented policing projects, programs to promote visibility in the community, crime prevention programs and community outreach initiatives.

## 6.4 Separate Statistics for Each Municipality

Information required pursuant to sections 6.1 shall be maintained and reported by the Board separately for each Municipality.

## 6.5 Public Survey

The Board shall cause a public survey to be carried out in 2014 and every three years thereafter collecting data for each Municipality. The survey shall be consistent with other surveys related to police services conducted in other Canadian municipalities and shall be designed to assess community satisfaction

with policing services and help identify community priorities for policing and law enforcement.

The survey shall solicit input from residents of each Municipality and be conducted in such a manner that meaningful results for each Municipality are produced.

The Board shall deliver results of the survey to the Municipalities and the Chief Constable, or a senior police officer designated by him, shall attend the meetings of each Municipal council to discuss results of the surveys.

## 6.6 Performance Targets

The Board shall, in consultation with the Municipalities, establish performance metrics, priorities, goals and objectives for the Department and each Dedicated Municipal Division to assess and monitor the delivery of police services and measure the effectiveness and efficiency of policing in each Municipality and in the entire area served by the Department.

## 7 **BUDGET**

### 7.1 Budget Preparation

The Board must consider input received from the Municipalities while preparing the budget, and shall prepare the budget in accordance with this Agreement.

No later than May 31, each Municipality shall provide the Board any budget or financial targets for the following calendar year. The Department's director of finance shall meet with Municipalities' directors of finance as necessary to discuss budget preparation.

No later than October 31, the Board shall submit a provisional budget for the following year to the Municipalities for their consideration.

No later than November 30, the Parties shall hold a joint meeting of the Board and the councils of the Municipalities to discuss the provisional police budget.

No later than January 31, the Board shall hold a meeting with council of each Municipality to discuss the provisional budget.

No later than February 28, the Board shall submit to each Municipality its final budget for the year for approval by the Municipality.

All budget submissions must clearly identify the costs of any Optional Resources and each Municipality's share of the total police budget calculated in accordance with section 11.

## 7.2 Budget Adoption

Each Municipality must consider and include in its budgeting process the provisional police budget submitted pursuant to section 7.1.

Upon approval of the final budget, each Municipality must include its share of the total police cost in its budget.

## 7.3 Budget Disputes

Any Party may invoke the provisions of section 12 at any time during the budget process, provided however that, until there is an agreement or a final decision, the Party is required to follow the budgeting process as set out in this section 7.

# 8 **RESERVE FUNDS**

## 8.1 Reserve Funds to be Maintained

The Board shall maintain the following reserve funds in accordance with this section 8:

- (a) Equipment and Infrastructure Reserve Fund;
- (b) Employee Benefit Obligation Reserve Fund; and
- (c) Financial Stability Reserve Fund.

## 8.2 Equipment and Infrastructure Reserve Fund

The Equipment and Infrastructure Reserve Fund may be used to purchase capital assets such as vehicles, computer equipment, communications

equipment, building upgrades and furniture. Funding for this reserve is provided by annual transfers from the Department's operating budget adopted in accordance with this Agreement. Expenditures from this fund must be made according to the 20 year capital plan approved by the Board.

### 8.3 Employee Benefit Obligation Reserve Fund

The Employee Benefit Obligation Reserve Fund shall be maintained to ensure future liabilities for employee's retirement payouts, vacation payouts and sick leave are fully funded. The Board will retain an actuary to review the valuation of the fund each year and make a full evaluation of it every three years. Funding for this reserve shall be provided by annual transfers from the Department's operating budget adopted in accordance with this Agreement. Once fully funded, no further transfers will be made into this fund.

### 8.4 Financial Stability Reserve Fund

The Financial Stability Reserve Fund shall be maintained to deal with any unanticipated event not contemplated at the time the budget was prepared. The fund shall be funded to the maximum of 2.5% of the net police budget. Expenditures from this fund must be approved by the Board.

### 8.5 Reporting on Reserve Funds

As part of the annual budget process, the Board shall report to the Municipalities the status of each reserve fund established under this section and shall report all expenditures made from the reserve funds.

## 9 **PAYMENTS AND ACCOUNTING**

### 9.1 Payments

Subject to any special arrangement between the Board and a Municipality, each Municipality shall pay to the Board its share of policing costs, as set out in the budget adopted by the Board and approved by the Municipalities in twelve monthly payments payable on the 15<sup>th</sup> of every month.

Until the final police budget is approved by the Municipalities, payments shall be calculated on the basis of the last approved police budget.

The monthly payments under this section 9.1 shall be a debt due and owing to the Board from each Municipality severally. For certainty, a Municipality is not liable for payment of obligations of another Municipality.

## 9.2 Surplus

Any surplus existing in the Department's actual results at year end shall be:

- (a) transferred to the Financial Stability Reserve Fund if the fund balance is less than the maximum amount established under section 8.4 in effect for the year in which the surplus was generated;
- (b) transferred to the Employee Benefit Obligation Reserve Fund until that fund is fully funded; or
- (c) transferred to the Municipalities in accordance with the Budget Allocation Formula in effect for the year in which the surplus was generated.

## 9.3 Deficit

Any extraordinary expenditures or shortfall in revenues shall be funded from the Financial Stability Reserve Fund or through adjustment of the expenditures under the approved budget. If there still are insufficient funds within the approved budget to meet the Department's obligations, the Municipalities shall cover any shortfall in accordance with the Budget Allocation Formula in effect for the year in which the deficit was incurred.

## 9.4 Arrangements between the Board and Victoria

The Board may make special financial and accounting arrangements with Victoria to continue to maintain reserve funds under section 8 of this Agreement and to continue to carry out accounting and financial management functions for the Department as part of Victoria's accounting structure. Provided, however, that each Municipality shall have full access to all financial information related to policing.

## 10 INSURANCE AND LIABILITY

### 10.1 Insurance and Claims

All insurance premiums, claims management costs, the amount of settlement of claims, and deductibles applied to claims settled or paid by an insurer on behalf of the Department, will be charged to the Department and shared by the Municipalities based on the Cost Allocation Formula in effect the year the payment is made. Each Municipality agrees that it shares joint responsibility, according to the Cost Allocation Formula, for all insurance and claim related costs regardless of where the incident giving rise to the claim occurred.

### 10.2 Reporting of Claims

The Board shall report to the Municipalities all information on insurance claims and settlement information as detailed in section 10.1 on an annual basis.

## 11 BUDGET ALLOCATION

### 11.1 Initial Budget Allocation

Each Municipality's percentage share of the police budget, not including any Optional Resources, during the first five years of the term of this Agreement shall be:

Year	Victoria's share	Esquimalt's share
2014	84.8	15.2
2015	85.0	15.0
2016	85.3	14.7
2017	85.3	14.7
2018	85.3	14.7

### 11.2 Budget Allocation Formula

The Municipalities shall develop a formula for the equitable allocation of the approved police budget beyond the initial five years. The work on the development of this formula shall be commenced by the Administrative Committee no later than June 2017.



It is anticipated that the Budget Allocation Formula shall take into account factors based on the actual experience during the operation of this Agreement and will utilize quantifiable criteria which reflect each Municipality's relative need for police resources.

Councils of both Municipalities must approve the final Budget Allocation Formula before it can be implemented.

### 11.3 Default Budget Allocation

In the event the Municipalities cannot agree on the final Budget Allocation Formula prior to December 31, 2018, the Municipalities shall share costs of policing in accordance with the Budget Allocation Formula in effect on December 31, 2018 until such time as the Parties may agree to a new Budget Allocation Formula in accordance with this section 11.

### 11.4 Cost of Optional Resources

Each Municipality shall pay directly to the Board the actual cost, as identified in the budget prepared by the Board, of any Optional Resources that it had requested and the Board had implemented in accordance with section 5 of this Agreement.

## 12 ADMINISTRATIVE COMMITTEE AND DISPUTE RESOLUTION

### 12.1 The Administrative Committee

The Parties shall establish a committee to be known as the "Administrative Committee" to facilitate collaborative approach to the handling of the disputes, concerns and issues during the implementation and duration of this Agreement. The Administrative Committee shall be comprised of the Director, the Chief Constable and a senior representative from each Party as follows:

- (a) the Board – a member of the Board selected by the Board from the members appointed pursuant to section 23(1)(c) of the Act;
- (b) Esquimalt – Chief Administrative Officer; and
- (c) Victoria – City Manager.

Provided, however, that the Director shall not participate in any meetings of the Administrative Committee which deal with a dispute under section 12.5(a) or another matter that may require the Director to act as the final decision maker under the Act.

## 12.2 Referring issues to the Administrative Committee

At any time, a Party may, through its representative, seek assistance of the Administrative Committee to resolve any dispute, concern or issue.

## 12.3 Administrative Committee procedures

- (a) The Administrative Committee shall be chaired by the Director or, in his absence, by a person agreed upon by other members of the committee.
- (b) The Administrative Committee shall meet no later than 14 days after the delivery of notice identifying the matter requiring resolution from any committee member to the chair of the committee.
- (c) Meetings shall be in person but may, with the consent of the chair, be by telephone or other electronic media.
- (d) Members of the Administrative Committee may seek assistance of staff or professional advisors.

## 12.4 Administrative Committee decisions

Decisions of the Administrative Committee shall be unanimous and shall be final and binding on the Parties, except for budget approval or adjustment to the Budget Allocation Formula which shall not be final and binding until approved by the councils of the Municipalities and, in the case of the budget, by the Board.

## 12.5 Dispute resolution

In the event the Administrative Committee cannot reach a unanimous decision within 21 days of the first meeting at which the issue was discussed, or such longer period as the Administrative Committee may unanimously decide, or a budget is not approved by one or more Municipalities, the matter shall be dealt with as follows:

- (a) Disputes regarding an item in a budget proposed by the Board that is not approved by one or more Municipality shall be dealt with in accordance with the Act;
- (b) Disputes regarding interpretation or application of the funding formula shall be referred to arbitration pursuant to *Arbitration Act*. The Municipalities shall be the only Parties to arbitration under this provision; however the Board shall be entitled to submit its position on the matter(s) at issue to the arbitrator;
- (c) Disputes involving interpretation of this Agreement other than as outlined in paragraph (b) shall be resolved by submitting the issue to a senior BC lawyer, acceptable to all Parties, for a legal opinion and his or her interpretation shall be binding on all Parties. The cost of retaining the lawyer shall be shared equally between the Parties;
- (d) If, in the opinion of any party, a dispute does not affect its interests that party may serve written notice on the other parties through the Administrative Committee that it will not participate in that process. Where a party serves notice under this section, it shall not be entitled to participate in the dispute resolution process and shall not be responsible for any costs associated with the dispute resolution process.
- (e) All other disputes will be dealt with through arbitration pursuant to the *Arbitration Act*.

## 12.6 Mediation Option

Notwithstanding section 12.5, any dispute may, with the consent of all Parties, be referred to nonbinding mediation; provided however that if such mediation is not successful within 120 days, section 12.5 shall apply. The costs of the mediation shall be shared equally between the Parties.

## 13 **ADDITIONAL MUNICIPALITIES AND REGIONAL COSTS**

### 13.1 Municipalities May Join

Subject to the Act and the consent of all the existing Parties, any Municipality in the Capital Regional District may be added as a Party to this Agreement on such

terms and conditions as the existing Parties and the joining Municipality deem appropriate.

### 13.2 Regional Costs

The Parties recognize and acknowledge that the Department serves the Provincial Capital and the core area of the Capital Regional District which involves policing activities and costs beyond what would be expected in a similarly sized municipal area. Therefore, the Parties agree to work collaboratively with the Province, the Capital Regional District, and the neighbouring municipalities for a recognition and fair contribution towards those regional costs of policing.

## 14 **TRANSITION**

### 14.1 Efficiency Review

No later than January 1, 2015, the Board shall engage a qualified external consultant to conduct the efficiency review of the Department, provided that it receives sufficient financial support for such engagement from the Director. The selection of the consultant and the terms of reference for the review shall be approved by the Board in consultation with the Administration Committee.

The final report shall be delivered to all Parties to the Agreement.

### 14.2 Implementation

The Board shall work in consultation with the Chief Constable to implement this Agreement, in particular the establishment of the Dedicated Municipal Divisions and collection and reporting of statistics, as early as practicable but in any event no later than by January 1, 2015.

The Board shall, through its member on the Administrative Committee, report to all Parties on the progress of the implementation on a quarterly basis.

### 14.3 Counterparts

This Agreement may be executed and delivered in several counterparts, including by facsimile (or other similar electronic means, including via PDF), each

of which when so executed and delivered will be deemed to be an original and such counterparts together will be one and the same instrument.

**IN WITNESS WHEREOF** the Parties hereto have executed this Agreement as of the day and year first above written to be effective as of the Effective Date.

**THE VICTORIA AND ESQUIMALT POLICE BOARD**

Per:   
Authorized Signatory

Per:   
Authorized Signatory


**THE TOWNSHIP OF ESQUIMALT**

Per:   
Authorized Signatory

Per:   
Authorized Signatory

**THE CITY OF VICTORIA**

Per:   
Authorized Signatory

Per:   
Authorized Signatory

## **APPENDIX A – Dedicated Municipal Divisions**

Pursuant to section 4.6, the composition and strength of the Dedicated Divisions as of January 1, 2015 shall be:

### Esquimalt Division:

Officer in Charge  
24 police officers  
2 Civilian staff members

### Victoria Division:

Officer in Charge  
110 police officers  
2 Civilian staff members