

## **Toronto Police Service - Financial Evaluation of Establishment of a Fourth Collision Reporting Centre**

*(City Council on November 23, 24 and 25, 1999, amended this Clause by striking out the recommendation of the Policy and Finance Committee and inserting in lieu thereof the following:*

*“It is recommended that:*

- (1) the City defend its position against the court action brought by Allstate Insurance Company of Canada, et al, and that the law firm of Borden and Elliot be retained as counsel for the City in this matter; and*
- (2) the Provincial legislature, through the Financial Services Commission of Ontario, be requested to amend the Insurance Act by enacting provisions with the same effect as subsections 14(2) and section 15 of Part 6 to Schedule 24 of Licensing By-law No. 20-85.”)*

**The Policy and Finance Committee recommends that this matter be received.**

**The Policy and Finance Committee submits the following report (October 22, 1999) from the Chief Financial Officer and Treasurer:**

### Purpose:

To respond to the Policy and Finance Committee’s request that the Chief Financial Officer and Treasurer provide a financial evaluation on the Emergency and Protective Services Committee’s Clause No. 1 of Report No. 6 entitled, “Status Report Concerning Establishment of a Fourth Collision Reporting Centre” and submit a report thereon.

### Financial Implications:

There are no financial implications from the recommendation contained in this or previous reports on this issue.

### Recommendations:

It is recommended that this report be received as information.

### Council Reference/Background/History:

**At its meeting of July 20, 1999, the Policy and Finance Committee had before it a communication dated June 17, 1999, from the City Clerk. This communication advised that at its meeting of June 9, 10 and 11, 1999, City Council struck out and referred to the Policy and Finance Committee Clause No. 1 of Report No. 6 of the Emergency and Protective**

**Services Committee for a financial evaluation. The Clause was entitled, “Status Report Concerning Establishment of a Fourth Collision Reporting Centre”. The Policy and Finance Committee deferred consideration of this communication and requested instead that the Chief Financial Officer and Treasurer conduct a financial evaluation of the proposal and report back to the Policy and Finance Committee.**

**Discussion:**

As detailed in the “Historical Perspective” section of the September 23, 1999, report from the Chief Administrative Officer (See Appendix A), Collision Reporting Centres (CRCs) were first implemented as a pilot project by Toronto Police Services in 1994. Based on the success of the pilot, a total of three CRCs were established in the Greater Toronto Area. Through the normal tendering process Toronto Police Services Board eventually contracted with Toronto West Accident Support Services Limited and Toronto East Accident Support Services for operation of the additional two centres resulting in the same individuals being responsible for operation of all three centres. Under the agreement, the expenses incurred by the operator are to be recovered through the sale of claims processing services to the insurance industry. It is estimated that on average 71 percent of the approximate 65,000 collision reports a year are filed which are charged at a rate of \$37.00 per claim or higher based on the services rendered. Expenses include two components: (a) staffing requirements which relate to the expenses for the 25 uniformed and civilian police personnel typically required at a collision centre; and, (b) operator expenses such as property taxes, overheads, vehicle pound service and staff requirements for initiation of insurance claims processing.

Since early 1998, the possibility of establishing a fourth CRC in Toronto has been discussed. In line with this review, a number of issues relating to operation of existing CRCs have also been examined where there now exists several reports as well as other correspondence. Many of these can be found as appendices at the back of this report. This report, in turn, is written to provide a financial evaluation of the fourth CRC proposal in concert with these previous briefings.

To properly evaluate this issue from a financial perspective, it was first established that both hard and soft costs must be considered in the context of demand and supply. The hard costs include operator costs as well as staffing requirements for Toronto Police Services and the OPP. The former is not precisely known while the latter is approximately \$2.85 million annually for each CRC including \$1.8 million in payroll expenses as well as lease costs of \$300,000.00 and \$750,000.00 for vehicle pound operation and insurance claims processing. As advised by the City of Toronto Solicitor there is a liability associated with any attempt to reassign the current Toronto Police Services Board contract with the CRC operators to the City of Toronto for the City to administer. The operators are further under no obligation given the currently existing contracts to provide detailed accounting for their activities. This explains the lack of hard numbers for operator costs; however, City of Toronto Audit staff have conducted independent analyses which suggest that no significant gap exists between these costs and offsetting revenues gleaned from sales of services/space to insurance companies. The soft costs relate to incremental increases in expenses relating to the administration of a fourth CRC for both the Operator and municipal as well as provincial police services.

In terms of demand and supply, it is apparent that the existing three CRCs are able to accommodate the estimated 65,000 collisions experienced on an annual basis. It is therefore not clear at this time where demand is outstripping supply. Outside of the legal ramifications, it is therefore premature to entertain a fourth centre from a strictly business point of view as it would only increase Toronto Police Services' expenses while only reallocating revenue not generating revenues.

Conclusion:

**Several reports and correspondence have been brought forward to various committees since early 1998 regarding the issue of establishing a fourth Collision Reporting Centre in the Greater Toronto Area. As requested by the Policy and Finance Committee at its meeting of July 20, 1999, this report presents a financial evaluation of this proposal. The analysis concurs with the recommendations of the Chief Administrative Officer for the City of Toronto that establishment of a fourth CRC does not seem an economically prudent or viable option at this time.**

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**The Policy and Finance Committee also submits the following communication (June 17, 1999) from the City Clerk:**

City Council at its meeting held on June 9, 10 and 11, 1999, had before it Clause No. 1 of Report No. 6 of The Emergency and Protective Services Committee, headed "Status Report Concerning Establishment of a Fourth Collision Reporting Centre".

Council struck out and referred the aforementioned Clause to the Policy and Finance Committee for a financial evaluation.

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(Clause No. 1 embodied in Report No. 6 of the  
Emergency and Protective Services Committee,  
entitled "Status Report Concerning Establishment  
of a Fourth Collision Reporting Centre"  
which was before the Council of the City of  
Toronto at its meeting held on June 9, 10 and 11, 1999.)

(City Council on June 9, 10 and 11, 1999, struck out and referred this Clause to the Policy and Finance Committee for a financial evaluation.)

The Emergency and Protective Services Committee recommends the adoption of the report dated September 23, 1998, from the Chief Administrative Officer, attached as Schedule "A" to the report dated April 6, 1999, from the City Solicitor, wherein it recommends that City Council not establish any additional Collision Reporting Centres.

The Emergency and Protective Services Committee reports, for the information of Council, having requested the City Solicitor to review all options pertaining to the Collision Reporting Centres (CRCs) at the time of negotiations on renewal of CRC contracts, and to report thereon to the appropriate Committee in three years' time.

**The Emergency and Protective Services Committee submits the following report (April 6, 1999) from the City Solicitor:**

Purpose:

The purpose of this report is to respond to the request made to the City Solicitor by the Emergency and Protective Services Committee (EPSC) at its meeting held on January 12, 1999, for a report regarding various issues concerning the establishment of a fourth downtown collision reporting centre (CRC).

Funding Sources, Financial Implications and Impact Statement:

There are no financial implications from the recommendation contained in this report.

Recommendation:

It is recommended that the Emergency and Protective Services Committee consider the report of the Chief Administrative Officer, dated September 23, 1998, recommending that no additional CRC be established, in conjunction with the report of the City Auditor, dated November 17, 1998, regarding the operations and profit margins of existing CRCs, and in conjunction with the other material submitted as appendices to this report.

Council Reference/Background/History:

At its meeting held on October 6, 1998, the EPSC received two reports dealing with a proposal to establish additional CRCs in the City of Toronto. The first was a report from the Chief Administrative Officer, dated September 23, 1998, recommending that the City not establish any additional CRCs. This report contained the following key points:

- From a public perspective, the CRC offers a one-stop facility to deal with all collision related issues. In addition, the public receives other ancillary services provided by the CRC operator and funded by the insurance industry, payment to tow truck operators, free one day parking of unsafe vehicles, initiation of claims processing, disposal of vehicles written off, assistance with vehicle rentals and assistance with completing the accident report form.
- The City's current role in the operation of the CRCs is exercised through the provision of police services and the City's existing departments have no interest in operating CRCs. The

licensing and monitoring of CRC operations for the City is carried out by the Municipal Licensing and Standards Division. Extending this role to that of a CRC operator may not be appropriate or in the best public interest.

- The CRCs represent a collaborative partnership between the police, the insurance industry and the CRC operator in the interest of all the participants and the public. The existing CRCs are conveniently located, equipped to handle the mandatory drops, provide valuable services and have sufficient capacity to service the current volume of collisions. The proposed CRCs will not result in any additional benefits to the City and cost about \$7.5 to \$9.0 million annually. In addition, the proposed CRCs may jeopardize the financial viability of the existing CRC operations, resulting in incremental police expenditures of about \$2.8 million.

The report is attached as Schedule "A" to this report.

The second was a report from the City Solicitor, dated August 11, 1998, on the EPSC's confidential agenda, addressing the issue of liability for establishment of additional collision reporting centres. A copy of the report is contained in a separate Schedule "B" on the EPSC's confidential agenda.

In its report to City Council, the EPSC recommended the adoption of the report from the Chief Administrative Officer. At its meeting held on October 28, 1998, City Council considered Clause No. 3 of Report No. 11 of the EPSC containing the aforementioned reports. Council struck out the foregoing Clause and referred it back to the EPSC for further consideration at such time as a report requested of the City Auditor respecting the operations and profit margins of the existing CRCs was submitted to the EPSC.

The City Auditor's report on this issue, dated November 17, 1998, was received by the EPSC at its meeting held on December 1, 1998. At that meeting, the EPSC deferred the City Auditor's report to its meeting of January 12, 1999, and requested a further report from the City Auditor regarding the names of the members of the Collision Reporting Centre Evaluation Committee referred to in the report that had been submitted by the City Auditor. The report dated November 17, 1998, from the City Auditor made the following central points:

- (1) the City Auditor does not have access to the financial statements of the CRC operator. However, it was determined through estimations that profit generated by each of the CRCs is not unreasonable when viewed in the context of the operator's return on his projected investment;
- (2) with respect to allegations that insurance companies on site, as well as CRC employees, were directing customers to preferred auto repair shops, the City Auditor saw no evidence of customers being directed to preferred auto repair shops;

- (3) with respect to the potential regarding the operation of a downtown CRC location, the City Auditor made certain assumptions for operation of a nine-hour and a twenty-four hour facility and commented that the opening of a fourth centre appears to be financially viable. Those key assumptions included:
  - (i) there are no legal impediments to the opening of a fourth centre;
  - (ii) the shift in collision volumes to the fourth centre facilitates a redeployment of police staff;and
  - (iii) the continued participation of the insurance industry at the fourth centre.

Both the Auditor's reports are attached as Schedule "C" to this report.

In addition, Staff Sergeant Tom Huntley, who is responsible for administration of the existing CRCs on behalf of the Toronto Police Service, appeared before the EPSC at its December meeting in connection with its consideration of the matter. As noted above, the EPSC deferred the matter to its January meeting and Staff Sergeant Huntley was unable to attend before the EPSC at that meeting. However, on January 11, 1999, the Staff Sergeant provided his comments on the City Auditor's report dated November 17, 1999, to the City Auditor. His central comments were as follows:

- (1) the City Auditor's assumption that police staff could be re-deployed to a fourth centre is incorrect as police staffing is related to shift requirements and not CRC volume levels.
- (2) there are additional costs not yet considered including police clerical staff, significant additional technical and equipment funding to meet insurance industry requirements and pound operation costs under the City's mandatory drop provisions.
- (3) the City Auditor's estimated revenues are high as they are based on the assumption that insurers continue their 70 percent purchase rate. However, the Insurance Bureau of Canada strongly suggests a purchase rate of only 7-10 percent for any future CRC operations.
- (4) the highest volumes at the CRCs occur in the afternoon and evenings and, therefore, a sixteen-hour facility is more appropriate than the nine-hour operation proposed by the City Auditor.

A copy of Staff Sergeant Huntley's report is attached as Schedule "D" to this report.

At the meeting of the EPSC held on January 12, 1999, the EPSC received the requested reports from the City Auditor. In addition to receiving those reports, the EPSC, among other things, referred the following motions to the City Solicitor for a report thereon:

- (1) that a fourth downtown CRC be opened;
- (2) that the appropriate City staff recommend suitable City lands for a downtown CRC, in order to minimize the cost;
- (3) that the appropriate staff report on a suitable location;
- (4) that the downtown CRC be operated by the City of Toronto, and further that the responsibility for the administration of all CRC contracts be transferred to the City, with the Toronto Police Services Board continuing to provide Police personnel;
- (5) that proceeds from the CRCs be directed towards civilian staffing by the CRCs;
- (6) that, initially, the downtown CRC be operated as a nine-hour facility, with the possibility of expansion to a twenty-four hour facility; and
- (7) that the insurance industry be advised that, should any legal actions nullify the provisions of the by-law that prohibits persons in a CRC from recommending an autobody shop, the City exercise its options with the Collision Reporting Centres' contracts to terminate and operate them as City facilities without the direct involvement of the insurance industry.

In addition, the EPSC referred a joint memorandum received from the Executive Director, Municipal Licensing and Standards, and the General Manager, Toronto Licensing, to the City Solicitor with a request that he submit a confidential report thereon to the next meeting of the EPSC, such report to include a full range of remedies that might be available to respond to the actions taken by the insurance industry with respect to the CRCs.

However, at the EPSC meeting of January 12, 1999, the report of the Chief Administrative Officer, dated September 23, 1998, that Council had referred back to the EPSC at its meeting of October 28, 1998, to be considered in conjunction with the aforementioned reports from the City Auditor, was not considered by the EPSC.

Subsequently, at its meeting held on February 9, 1999, the EPSC received the confidential report from the City Solicitor requested at its meeting of January 12, 1999. In addition, it received a report from the City Solicitor respecting motion No. 7 of the motions made at its meeting held on January 12, 1999, as identified above. That report is contained in a separate Schedule "E" on the EPSC's confidential agenda.

At its meeting held on March 2, 3 and 4, 1999, City Council considered Clause No. 6 of Report No. 2 of the EPSC which contained the confidential report from the City Solicitor which had been submitted to the February meeting of the EPSC. Among other things, Council amended the Clause to request the City Solicitor to submit the report previously requested by the EPSC on the possibility of establishing a fourth CRC operated by the City of Toronto to the next meeting of the EPSC and to request that the EPSC submit its recommendation on the matter to the next meeting of City Council to be held on April 13, 1999. Although the report was prepared for the meeting of EPSC held on March 23, 1999, due to the volume of material on the EPSC agenda,

the Chair of the EPSC directed that the report be submitted to the next meeting of the EPSC scheduled for April 20, 1999.

Comments and/or Discussion and/or Justification:

In light of the history of the matter set out above, it appears that neither the EPSC nor City Council have yet had the opportunity to simultaneously consider all the material relevant to the assessment of whether a fourth CRC should be established. As well, it appears that the EPSC has not yet had the opportunity to comply with Council's direction to consider the report of the Chief Administrative Officer, attached as Schedule "A", in conjunction with the report of the City Auditor, attached as Schedule "C". Accordingly, I have attempted above to set out a brief history of the matter and attach the relevant documents.

Nonetheless, in light of the attached material, my responses to the outstanding issues raised by EPSC at its meeting of January 12, 1999, are as follows:

(1) Opening of a Fourth Downtown CRC:

As noted above, a report on the suitability of opening additional CRCs was submitted by the Chief Administrative Officer to the EPSC at its meeting held on October 6, 1998. The Chief Administrative Officer's recommendation that the City not establish additional CRCs was adopted by the EPSC, although City Council referred the motion back to the EPSC for further consideration. The Chief Administrative Officer's report analyses various considerations respecting the establishment of additional CRCs and should be considered as the response to the EPSC's request for a report thereon. It is also recommended that consideration be given to my prior confidential report, attached as confidential Appendix "B", as the issues raised therein may affect the EPSC's and Council's perspective on the viability and desirability of establishing a fourth CRC.

As well, for the information of the EPSC and Council, attached as Schedule "F" to this report is a copy of a portion of Minute No. 476/98 of the Toronto Police Services Board from its meeting held on November 19, 1998. This portion of the Minute addresses issues relating to the establishment of a fourth downtown CRC and may be of assistance in assessing that issue.

(2) Suitable City Lands for a Downtown CRC:

A determination as to what City lands might suitably be used as the site for a fourth downtown CRC is premature, given that the threshold issue of the appropriateness of establishing a fourth CRC has never been resolved. Therefore, it is recommended that the EPSC and City Council determine whether the establishment of a fourth downtown CRC is practical and feasible given the information and analysis contained in this report and its appendices. If Council ultimately determines that a fourth downtown CRC is appropriate, it is further suggested that the Facilities and Real Estate Division of the Corporate Services Department be requested to advise on a suitable CRC site.



(3) City Operation of a Downtown CRC:

As noted in my previous report attached as confidential Schedule "B", the City could establish an additional CRC. However, as noted in the attached materials, there are various factors that may impede the City's ability to successfully establish and operate a fourth CRC and that may affect the desirability of its establishment. In particular, consideration should be given to the legal issues set out in the aforementioned confidential report and to the matters identified in the Chief Administrative Officer's report, attached as Schedule "A".

(4) Transfer of Administration of Current CRC Contracts from the Toronto Police Services Board to the City:

As this is a matter that involves provision of legal advice, a report on this issue has been placed on the EPSC's confidential agenda and should be considered along with this report.

(5) Directing Proceeds from CRCs to Civilian Staffing of CRCs:

In the event the City established its own CRCs, and is entitled to retain any profits that might be generated by the operation of such CRCs, then the issue of directing any such profits would be a budgetary determination that could be made by City Council. If Council considered it appropriate to direct the funds to be allocated to the civilian staffing of the CRCs, then it could choose to do so.

(6) Operation of CRC as a Nine-Hour Facility with Possibility of Expansion to a Twenty-Four Hour Facility:

In his report attached as Schedule "C" to this report, the City Auditor undertook a financial analysis of the operation of a City-owned CRC in the downtown area for both a nine-hour and a twenty-four hour facility. However, as noted above, Staff Sergeant Huntley, in his attached report, indicated that it may be unrealistic to operate a CRC for less than sixteen hours a day, given the current CRC experience with the volume and flow of collision reporting. Consequently, if EPSC and City Council move forward with the establishment of a fourth CRC, a more detailed assessment would have to be made of the minimum hours of CRC operations that would be required.

Conclusions:

It is recommended that the EPSC and Council consider the original recommendation of the Chief Administrative Officer respecting the establishment of a fourth CRC, in conjunction with other advice and information received from the City Solicitor, the City Auditor and the Toronto Police Services Board, as set out in this report, prior to determining how to proceed with respect to any proposed CRC.

The Chief Administrative Officer and the City Auditor have been consulted in the preparation of this report.

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Schedule "A"

(Report dated September 23, 1998, addressed to the  
Emergency and Protective Services Committee from the  
Chief Administrative Officer, entitled  
"Proposal to Establish Additional Collision Report Centre (CRCs)  
in the City of Toronto")

Purpose:

The purpose of this report is to comment on the benefits and feasibility of establishing three proposed additional Collision Reporting Centres and the impact of existing CRCs on auto body shops in the City.

Financial Implications:

There is no financial impact from the recommendations of this report.

Recommendation:

It is recommended that the City Council not establish any additional Collision Reporting Centres.

Council Reference:

At its meeting of June 3, 4, and 5, 1998, Council requested the Chief Administrative Officer to report to the Emergency and Protective Services Committee on the benefits of possible establishment of three additional Collision Reporting Centres (CRCs) in the City of Toronto and to comment on the impact of existing CRCs on auto body shops in the City.

In addition to the above request, the City Solicitor and the City Auditor were also requested to report on the subject of the City's liability in view of the existing contracts with the private sector operator. That report has now been submitted on the confidential agenda of the Committee and may have an impact on Council's consideration of the recommendation contained in this report. During the 1998 budget process, the City Auditor was requested to report on the operations and profit margins of the existing CRCs.

The Toronto Police Services Board, at its January 19, 1998, meeting, approved a motion to establish a sub-committee for evaluating the performance of CRCs; hearing complaints from representatives of the towing industry and auto body shops regarding CRCs; and reviewing on-going problems related to the CRCs.

## Discussion and Justification:

### Process:

Meetings and consultations were held with the CRC operator and site visits were conducted. Staff from the City's Legal, Audit, Licensing, and Police organizations were also consulted and relevant reports and documents pertaining to the establishment and operation of CRCs were examined.

### Historical Perspective:

The Provincial Highway Traffic Act requires that any incident resulting in a personal injury or property damage above a specified level (currently set at \$1,000.00), must be reported to a police officer. Traditionally, police were summoned to the incident location where the officer would prepare the incident report and then the parties involved would leave the scene. During the period 1990-92, the benefit of dispatching a police officer to the accident site was increasingly questioned and it was concluded that the police could realize substantial savings (up to 70 percent) if the public were required to report accidents at prescribed locations; the only exception would be situations which involved serious injuries or fatalities. From the public perspective, waiting for hours for the police to arrive, particularly in inclement weather, would be avoided; and the reporting could be completed off site.

In 1994, the police implemented a pilot CRC in North York (113 Toryork Drive), in partnership with North York Accident Support Services Limited - a private sector corporation. The pilot proved to be successful and the police issued a request for proposal for two additional CRCs. Two new CRCs were established in 1995 at 855 Oxford Street, Etobicoke, and 39 Howden Road, Scarborough, in partnership with Toronto West Accident Support Services Limited and Toronto East Accident Support Services Limited respectively. All the three "Accident Support Services" corporations are operated by the same individuals.

### Current Situation:

The CRCs provides a facility for the public to report accidents and initiate insurance claims processing; it also allows adequate waiting time to select the auto body shop for vehicle repairs. The Police are currently responsible for recording of the accident report, verification of vehicle damage and investigation of suspected fraud. The CRC operator is responsible for providing a suitable working environment for the Police, adequate space for public use, a vehicle pound service, and the initiation of insurance claims processing. The expenditures incurred by the CRC operator are recovered through the sale of claims processing services to the insurance industry. On average, insurance claims may be initiated in about 71 percent of the approximately 65,000 collision reports filed each year; the charges for those services range from about \$37.00 per collision report and upwards, based on the services requested by a particular insurance company.

From a public perspective, the CRC offers a one-stop facility to deal with all collision related issues. In addition, the public receives other ancillary services provided by the CRC operator and funded by the insurance industry, payment to tow truck operators, free one day parking of

unsafe vehicles, initiation of claims processing, disposal of vehicles written off, assistance with vehicle rentals and assistance with completing the accident report form.

Resource Requirements: A typical CRC managed and operated by the private sector is staffed by about 25 staff (uniformed and civilian) from the Police force and three officers from the OPP at a combined cost of about \$1.8 million. Staff estimates for other annual expenditures are: lease cost, \$300 thousand; customer service, vehicle pound operation and insurance claims processing cost, \$750 thousand.

Monitoring of CRC Operations: Since the Police provide collision recording services directly to the public, it monitors its own activity directly; however, the CRC operator does provide monthly activity statistics to the Police. Any complaints received by the CRC operator are immediately forwarded to the Police; during 1997, about five complaints were received relating to tow truck operators or auto body shop owners; and waiting time during periods of peak demand.

Observations: The operation of the three CRCs represents a collaborative partnership between the Police, the CRC operator and the insurance industry that results in enhanced levels of services to the public. The Police and the insurance industry also benefit from lower costs while the operator is able to generate sufficient return on investment to remain financially viable.

#### Proposal to Establish City-Operated CRCs:

Assuming that the additional CRCs would provide an equivalent level of service to that of the existing CRCs, the following factors need to be considered:

- Cost: The annual operating expenditure for the proposed three CRCs is estimated at between \$7.5 to \$9.0 million annually (excluding the cost of vehicle pound operation and insurance claims processing). In addition, one time costs are estimated at about \$1.2 million for the three proposed CRCs.
- Revenue Generation: Depending on the number of accidents reported at the proposed CRCs, the range of services provided and the potential number of accident reports purchased by the insurance industry, the total revenue for the three proposed CRCs is estimated at between \$300 thousand to \$450 thousand. However, this will not represent additional revenue for CRC operations as a whole because revenues generated by the three proposed CRCs will, by definition, arise from the loss of revenues by the existing CRCs.
- Impact on existing CRCs: The proposed CRCs will take away the accident reporting volume and the resulting business from the existing CRCs causing them to be financially non viable. That situation may cause the existing CRC operator to withdraw from the arrangement and consequently require the Police to bear additional costs relating to the three existing CRCs; total incremental cost to the police is estimated at about \$2.8 million annualized.

- Diversion of Police resources: Unless the Police/City increase the staffing level by about 129 full-time equivalents, establishment of the three proposed CRCs will result in the diversion of scarce resources away from higher priority police initiatives such as neighbourhood policing.
- Market Demand: Increasing the number of CRCs assumes an increased growth in the demand for services of CRCs; the current CRCs have adequate capacity to handle the existing volumes of collisions reported within the City. Three additional proposed CRCs will double the overall capacity, thereby resulting in the under-utilization of all the CRCs.
- Traffic Implications: CRCs generate considerable traffic; therefore, its location requires proximity to a major arterial roadway, wide streets to permit tow truck and tractor trailer traffic, and sufficient open space for operation of a vehicle pound. In addition, parking space is also required for Police use and for tow trucks and vehicles reporting accidents. Typically, CRCs are housed in industrial/commercial zoned areas.
- City Role: The City's current role in the operation of the CRCs is exercised through the provision of police services and the licensing and monitoring of CRC operations. Extending this role to that of a CRC operator which is currently provided by the private sector may not be appropriate.

Assessment:

**The operation of three proposed CRCs is not recommended as it will not result in any incremental benefits to the public, the Police or the City. Further, the establishment of the proposed CRCs would result in the diversion of scarce police resources and may jeopardize the financial viability of the existing three CRCs.**

Impact of Existing CRCs on Auto Body Shops in the City:

The operation of the CRCs is governed by Licensing By-law No. 20-85, amended by By-law No. 168-97, Municipality of Metropolitan Toronto, which requires that persons arriving at the CRCs to report accidents may not be canvassed by the tow truck operators, the Police, any employee of the CRC operator or any other person with a view to recommending a particular auto body shop for carrying out the repairs. Further, any vehicle towed in to the CRC location must be "dropped" off by the tow truck and the tow truck operator must leave the premises.

The By-law was enacted in response to some unfair past practices at the CRC premises where tow truck operators or agents of the auto body repair shops were alleged to have influenced the owners of damaged vehicles to direct the repair work to specific auto body repair shops. The By-law "capped" tow rates and provides a "cooling off" period to the person involved in the accident so that the selection of the auto body shop is made without coercion. Under the provisions of the existing Licensing By-law, auto body shops have been restricted in their ability to canvass for business at the CRC premises. The Licensing Commission is also encouraging the concept of accreditation of auto body shops for doing collision repair work.

Conclusion:

The CRCs represent a collaborative partnership between the Police, the insurance industry and the CRC operator in the interest of all the participants and the public. The existing CRCs are conveniently located, equipped to handle the mandatory drops, provide valuable services and have sufficient capacity to service the current volume of collisions. The proposed CRCs will not result in any additional benefits to the City and cost about \$7.5 to \$9.0 million annually. In addition, the proposed CRCs may jeopardize the financial viability of the existing CRC operations, resulting in incremental police expenditures of about \$2.8 million. Therefore, it is recommended that the City not consider establishing the three proposed CRCs at this time.

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Schedule "C"

(Report dated November 17, 1998, addressed to the  
Emergency and Protective Services Committee from the  
City Auditor, entitled "Collision Reporting Centres and  
their Profit Margins")

Recommendation:

It is recommended that this report be received for information.

Council Reference:

The Budget Committee in approving the Toronto Police Services budget included the amendment that "the Auditor be requested to report on the collision reporting centres' operations and their profit margins."

Further, on June 3, 4, and 5, 1998, Council adopted Clause No. 2 of Report No. 5 of the Emergency and Protective Services Committee, as amended, requesting:

- (1) the Chief Administrative Officer "to submit a report to the Emergency and Protective Services Committee for its meeting to be held on September 11, 1998, on the benefits and possible establishment of three additional Collision Reporting Centres (CRC's) in the City of Toronto, ..."; and
- (2) "the City Solicitor and the City Auditor also be requested to report to the Emergency and Protective Services for its meeting to be held on September 11, 1998, on the question of liability for the City in light of the existing Collision Reporting Centre contracts."

Both of these reports have been prepared and have been submitted to the Emergency and Protective Services Committee.

In addition, the Police Services Board Collision Reporting Centres Sub-Committee, in its July 28, 1998, meeting, requested the Chief of Police to prepare various reports by September 15, 1998, including “an assessment of the impacts on stakeholders options, costs and benefits of the Police Service establishing an accident reporting centre to serve the City centre.” The report proposed by the Chief of Police recommends that a fourth centre in the downtown area not be opened.

#### Background:

In response to a directive from the then Metropolitan Council in May 1997, the Metropolitan Auditor prepared a report on various aspects of the Collision Reporting Centres. This report was in response to the following Metropolitan Council motion:

“Be it resolved that the Metropolitan Solicitor and the Metropolitan Auditor be required to conduct such investigations as are necessary and submit a joint report to Metropolitan Council, through the Human Services Committee, on the propriety of the Request for Proposals and tendering process for the Collision Reporting Centres, and the propriety of the monopoly enjoyed by the operators of the Collision Reporting Centres.”

A report dated July 3, 1997, prepared by the Metropolitan Auditor entitled “Collision Reporting Centres” was subsequently submitted to both the Police Services Board and Metropolitan Council. The following information regarding the establishment of the CRC program contained in that report is provided for background purposes.

#### Establishment of Collision Reporting Centres:

In the early 1990s, senior Police staff, as a part of the “Beyond 2000” philosophy, re-examined their role in the investigation and administration of motor vehicle collisions. This re-evaluation was prompted by the philosophy of community-based policing, as well as the budgetary concerns facing the Service. In general terms, the re-evaluation of this role led to the development and implementation of the Collision Reporting Centre program in Metropolitan Toronto.

In the early stages of the program, a number of pilot projects were conducted by the Police Service. For example, in November 1991, a pilot project was developed at East Traffic Division to manage “fail to remain” accident reporting. Following this pilot project, it was determined that further operational efficiencies could be achieved in the reporting of “damage only” collisions where vehicles could be safely driven to a Collision Reporting Centre. The program was implemented in October 1992 in East Traffic Division and was staffed by police personnel.

During the preliminary planning stages of the full service Collision Reporting Centre concept, a number of cross-representational meetings were held with various interested parties, including representatives from the insurance industry, the Ministry of Transportation, the Ontario Provincial Police and the towing industry. These meetings were held to discuss the concept, and

to address and resolve any issues. As a result of these meetings, North York Accident Services, Ltd. approached the Police Services with an offer to participate in a pilot project.

At the Police Services Board meeting held on May 6, 1993, the Board approved a full service Collision Reporting Centre pilot project which essentially was a joint venture “with the Insurance Industry, the Ontario Provincial Police and a private company to provide, at no additional cost to police agencies, a full service Collision Reporting Centre.”

In addition, the Board was advised in the May report that North York Accident Support Services Ltd. “have made an offer to provide facilities to Metropolitan Toronto Police and Ontario Provincial Police to establish a full service Collision Reporting Centre to service the City of North York and the King’s Highway patrolled by OPP Downsview Detachment.”

An agreement dated November 1, 1993, between North York Accident Support Services Ltd. relating to the pilot project was signed by both parties. The agreement was for “the purpose of providing police services for the operation of the Centre as a collision reporting pilot project for the six-month period from January 1, 1994, up to and including June 30, 1994.” The agreement also provided that the Board, following the six-month period at its sole discretion, would have the right to continue to operate at the same location for an additional two-year period. In addition, a further provision in the agreement stipulated that the operator would not be permitted to operate or have ownership of any automobile body repair shop or automobile rental facility.

#### The Request for Proposal Process:

Subsequent to the six-month pilot project, a report was submitted to the Police Services Board meeting of December 15, 1994, wherein the Board approved entering into an agreement “for the provision of Collision Reporting Centre facilities with North York Accident Support Services” and that the “Board call for a Request for Proposals for two additional Collision Reporting Centre facilities.” The Request for Proposals required that proposals will be received “to service the eastern end of the Municipality and one to service the central and southwestern area of the Municipality.” The report to the Board recommended that North York Accident Support Services Ltd. be awarded the contract for the North York location in recognition of its involvement in the pilot project.

The Board was further advised that the Company had invested considerable funds in the program in terms of facilities, renovations, promotion, administration, technical equipment, employee salaries, furnishings, etc. An agreement with North York Accident Support Services Ltd. was signed by both parties on January 3, 1995. While the original document with North York Accident Support Services, Ltd. permitted the Police Service to continue occupancy under the same terms and conditions for an additional two years, it was recommended by staff that a new agreement for ten years with an option at the sole discretion of the Board, for a further five-year period be signed.

The request for proposal documents indicated that the agreement for both the East and West locations would be for a period of ten years with an option at the sole discretion of the Board, for



a further five-year period be signed. Staff recommended that the agreements with the other locations be consistent with the agreement with North York Accident Support Services, Ltd.

Included in the December 1994 report to the Board was a detailed document which outlined the Collision Reporting Centre program concept, the results of the pilot project, the rationale for the recommendations made to the Board, the highlights of a draft agreement and an outline of the request for proposal process.

The Metropolitan Toronto Police Services Board By-law No. 100, as amended by Board By-laws Nos. 103 and 109, governs the appropriation and commitment of funds, payment of accounts, procedures relating to requests for proposals and other related matters. The By-law stipulates that a request for proposals shall be in such form and be conducted in such manner as the Board, in consultation with the Solicitor, may prescribe. The report to the Board outlined the request for the proposal process recommended by staff. In the context of the tendering process, the Board was advised of the following:

- the required number of Centres;
- the proposed approximate location of each Centre;
- the proposed length of the agreement with the successful proponent;
- specific time frames imposed in the request for proposals;
- financial conditions imposed on proponents;
- the establishment of an evaluation committee; and
- the evaluation of proposals which stated that proposals will be rated on the perceived ability to meet or exceed the requirements of the Collision Reporting Centre program.

The Request for Proposal documents are consistent with the report to the Board and were reviewed by the Metropolitan Solicitor.

The Request for Proposal document was initiated and developed by the Traffic Services Unit of the Police Service in consultation with Metro Legal. In January 1995, a Request for Proposals was issued by the City of Toronto Purchasing Department and was advertised in local newspapers. The proposal was conducted in two separate stages. Stage 1 proposals were essentially general in nature although proposals were required to include as much supporting documentation as possible to show the ability of the proponent to meet the requirements of the proposal call.

#### The Evaluation of the Proposals:

A committee was struck to evaluate all proposals. The Evaluation Committee was chaired by a Staff Superintendent from the Metropolitan Toronto Police Traffic Operations Division. Additional members of this Committee were two Staff Sergeants and one Sergeant serving within the traffic component of the Service, one Staff Sergeant from the Ontario Provincial Police and four representatives from the Insurance industry acting under the authority of the Canadian Insurance Claims Managers Association.

Seven proposals were submitted by five different groups. Two proposals were for the West location while the remaining five were for the East location. The Evaluation Committee reviewed all proposals and determined that only four proposals, presented by two groups, should advance to the second stage of the process.

The final submission of stage 2 proposals were required by April 28, 1995. Stage 2 proposals were to include detailed plans and significant documentation in support of the proposal. On April 28, 1995, the Evaluation Committee was advised by the President of one of the proponents that his group had been dissolved and would not be making a submission. Nevertheless, a representative from this group requested that a submission be made even though the Committee was advised that this individual was not authorized to represent the original proponent. This individual indicated that he represented a "new" group with a "new proposal".

The Metropolitan Solicitor was contacted and advised the Evaluation Committee that the organization before the committee was technically a new company and not the same entity that had originally entered the proposal process. Consequently, this proposal was not considered.

A report to the Board dated May 25, 1995, recommended to the Police Services Board that it enter into agreements with Toronto East Accident Support Services, Ltd. and Toronto West Accident Support Services, Ltd. to operate Collision Reporting Centres. The Police Services Board was also made aware that the owner of these two companies was the same owner that operated the North York Collision Reporting Centre.

The report to the Board was approved and separate contracts were signed by the Police Service with Toronto East Accident Support Services Ltd. and Toronto West Accident Support Services Ltd. Both agreements were dated October 10, 1995, with an effective date of September 5, 1995. The contracts were for a ten-year period with an option, at the sole discretion of the Board, for a further five years. All agreements were reviewed by the Metro Legal Department.

#### Issues Raised in the July 1997 Report:

- (1) In a report submitted to the Police Services Board on May 6, 1993, it was determined that CRC operators would be restricted to operating a single venue. Contrary to this direction, the CRC's in Toronto are operated by three different companies, each owned by the same individual.
- (2) Documentation prepared by the Committee whose responsibility it was to evaluate all proposals submitted was not retained. No minutes of such meetings were prepared.
- (3) The contracts with the CRC operator would be for a period of ten years. In view of the uncertainties relating to a program as new as the CRCs, questions have been raised regarding the appropriateness of contract with a duration of ten years.
- (4) In various reports submitted to the Board it was estimated that annual cost savings of the program were in excess of +\$4.7 million. At the time of the preparation of the July 1997 report, an analysis of such cost savings had not been conducted.

The July, 1997 report addressed each of these issues as follows:

- (1) Included in a report dated December 1994 to the Board was a detailed document which outlined the CRC program, the highlights for a draft agreement and an outline of the request for proposal process. In terms of the request for proposal process, this document indicated that no recommendation "will be made to prohibit multiple centre ownership by a single party. It is believed that this discussion can be delayed by the Board until proposals are received and evaluated and a recommendation is made to the Board."

Based on discussions with staff, the view was held that to prohibit the possibility of single party ownership of multiple sites would unnecessarily limit the options of the Board to contract with the best possible operators and was in any event a decision to be ultimately decided by the Board. The Police Services Board was made aware that the companies selected to operate the three CRCs were owned by the same individual.

- (2) The ten-year contract with the CRCs were reviewed with the Metro Legal Department and were approved by the Police Services Board. The actual contracts are for ten years with an option at the sole discretion of the Board for a further five-year period. The ten-year duration and the contract was recommended for the following reasons:
  - It would be difficult for the private sector to recover its investment over a shorter time period.
  - Police Service relocation costs would be minimized over a long-term contract.
  - A constant location would be preferable from a general public perspective.
- (3) The absence of documentation relating to the evaluation process was discussed in detail with the then Chair of the Police Services Board. I have been advised that a detailed documentation process is in place for all future evaluations.
- (4) Subsequent to the July 3, 1997, report a cost benefit analysis relating to the CRCs has been completed by the Police Services.

This cost benefit analysis was completed by the Traffic Services Unit and presented to the Police Services Board on January 30, 1998. The report dealt with factors such as actual dollar savings in officer deployment costs, as well as savings in building overhead costs. The report also identified non-quantifiable benefits such as improved customer service and the reduction of insurance fraud.

The total savings estimated by the Police Services was in excess of \$7 million. These savings, however, did not take into account the loss of revenue from the sale of accident reports of approximately \$2 million.

This report also itemized the following benefits which were not quantified:

- reduction in the incidence of insurance fraud due to the work of special police insurance investigators assigned to the Centres;

- a 1996 reduction of over 39 hit and run traffic investigators was facilitated in part due to the assignment of a hit and run officer to each of the collision reporting centres;
- the development of a Centralized Accident Registry System, a computer program networked with the three centres.

Estimated Profit Margins of the Private Operator and Operational Comments:

There is also an issue with regard to potential liabilities that might arise for the City of Toronto in the event it was to establish additional Collision Reporting Centres in light of current CRC contracts. An in-camera report prepared by the City Solicitor dated August 11, 1998, was forwarded to the Emergency and Protective Services Committee in regard to this particular issue.

Notwithstanding the above, we have compiled a financial analysis with regard to the operation of a City-owned facility at the downtown core. We have compiled this analysis for two separate scenarios - a twenty-four-hour facility and a nine-hour facility. Our analysis is based on limited public financial information in relation to the existing CRCs and contains a number of assumptions. Nevertheless, it is our view that the projections are reasonable.

The report prepared by the Chief of Police in relation to the opening of a fourth centre assumes that additional police resources will be required to staff this location. Due to the fact that the volume of collisions will remain the same for four centres as they have been for the existing three, we have assumed that police staff requirements for the downtown location could for the most part be redeployed from the other three locations. While additional police staffing in our view would not be required for a nine-hour facility, it is likely that it would be more difficult to completely redeploy staff for a twenty-four-hour operation. However, in our view the incremental police staffing costs to operate a fourth centre would not be significant.

Non-police administration staff would, however, be required. Such staff would now be the responsibility of the City and consequently would require funding from the City. Based on our review of the levels of staff at the other three Centres we estimate that 15 staff would be required for a twenty-four-hour facility and six staff would be required for a nine-hour facility. Estimated staffing costs would be \$475,000.00 and \$240,000.00 respectively.

In addition, we have estimated ongoing facility costs to be in the range of \$120,000.00 per annum based on proposed lease costs relative to a suitable property currently available for lease. This property is currently not owned by the City. If a City property was available then the costs would be substantially reduced or eliminated. Overhead costs at \$30,000.00 per annum include such items as utilities, maintenance, etc. and are approximations.

An estimate of the incremental costs are as follows:	24-Hr. Facility \$	9-Hr. Facility \$
Police Traffic Unit Staff	-	-
Private staff and accident councillors	475,000.00	240,000.00
Facility cost and overhead	<u>150,000.00</u>	<u>150,000.00</u>
Total incremental cost of the service	<u>625,000.00</u>	<u>390,000.00</u>

In its report to the Collision Reporting Centre Sub-Committee, the Chief of Police estimated one-time equipment costs to be in the range of \$146,000.00. In addition, one time capital costs with regard to the building at the fourth centre would also be required. The type of facility required would of course determine the cost.

We have also reviewed the potential of a downtown CRC in terms of estimated revenue. We have discussed and confirmed with Police Services staff that the number of collisions which would likely be reported to the downtown location would be somewhere in the range of 6,200 at the lowest level. Based on average statistics, this volume would generate approximately 10,800 reports which represents 9.5 percent of the annual total. This equates to revenue earned from the sale of accident reports to the insurance company of somewhere in the range of \$283,000.00 assuming a selling price of \$37.50 per report and a 70 percent purchase rate by the insurance company.

These statistics represent an annual projection based on actual data for the first six months of 1998 taken from the Police Centralized Accident Registry System. They represent collisions reported and attributed to Police divisions located within the central downtown core. These statistics, however, do not take into account the possibility that collisions occurring outside this particular area might nevertheless be reported to a downtown location if it was more convenient to do so. In our view the 9.5 percent figure attributed to the downtown core is likely a low-end statistic.

It is reasonable to assume that the existence of a downtown centre would result in a significant diversion of collisions reported to this location. A reasonable volume might be in the range of 15 percent level and could be as high as 25 percent of the total annual volume of collision reports. At the lower end, the 15 percent is the equivalent of 16,950 reports, with revenue estimated at \$445,000.00 and at the upper end 25 percent represents 28,260 reports, with revenue estimated at \$741,800.00 using the same assumptions on price and purchase rate. The major assumption in relation to this revenue involves the continued participation of the insurance companies in a downtown location.

Based on the above financial analysis the opening of a fourth centre appears to be financially viable. However, there are a number of assumptions that require further review. The key assumptions are summarized as follows:

- There are no legal impediments to the opening of a fourth centre.
- The shift in collision volumes to the fourth centre facilitates a redeployment of police staff.
- The continued participation of the insurance industry at the fourth centre.

Conclusion:

This report addresses a wide range of issues concerning the CRC program including the following:

- the establishment of the program;

- the request for proposal process including concerns raised in relation to the award of the contract to the private operator;
- the award of the CRC contracts to those corporations owned by the same individual;
- the duration of the contract with the CRC operator;
- the estimated profitability of the operation; and
- the potential for the establishment of a downtown CRC location.

The program has evolved from its inception in 1994 and steps have been taken to address concerns raised since that time. Similar programs have recently been initiated in other major locations throughout Ontario.

The program requires ongoing monitoring in terms of its service to the public. The contract with the operator clearly stipulates the obligations of the operator in relation to the program. The recent establishment of a Collision Reporting Centre Sub-Committee specifically has a mandate to:

- evaluate the performance of the centres;
- hear complaints from representative of the towing industry and auto body repair shops regarding Collision Reporting Centres; and
- review ongoing problems related to Collision Reporting Centres.

It is anticipated that future issues and concerns will be addressed through this Committee.

The establishment of a CRC in a downtown location will inevitably reduce the volume of reporting at the existing privately operated facilities. The private operator has indicated that a fourth centre would render the operation of the CRC program not viable for private operators. In this regard the City and or the Police Services Board might be legally liable if this were to occur. In addition, there is the potential for the existing operator to withdraw from the program, a situation which may have significant implications in the short term.

In a report to the Police Services Board from the Collision Reporting Centres Sub-Committee dated October 8, 1998, it was noted by the Chair of the Board, in relation to the opening of a fourth CRC, that the Police Services Board has decided to establish a long-rang strategy for parking, towing and accident reporting and this strategy will address issues such as the ideal number and location of accident reporting facilities.

Contact Name and Telephone Number:

Steve Harris; Tel: 392-8460

**The Emergency and Protective Services Committee also submits the following report (April 29, 1999) from the Chairman, Toronto Police Services Board:**

Recommendation:

It is recommended that the Emergency and Protective Services Committee receive the following report for information.

Council Reference/Background History:

At its meeting on March 26, 1999, the Toronto Police Services Board was in receipt of the following report January 25, 1999, from Mr. David J. Boothby, Chief of Police:

Subject:

Evaluating Performance - Collision Reporting Centres.

Recommendation:

That the Board receive the following statistical report for information and that a copy be forwarded to the Emergency and Protective Services Committee.

Background:

The Board, at its meeting on March 26, 1998, requested that the Chief of Police provide the Board with semi-annual statistical reports on the results of the Collision Reporting Centres and include any recommendations that he feels the Board should consider. (Board Minute No. 135/98 refers)

In compliance with this motion, the following statistics are provided for the period July 1, 1998 to December 31, 1998.

All Collision Reporting Centres:

Collision Type	Persons Reporting	Totals
Property Damage	50,651	
Personal Injury	5,732	
Fail to Remain	7,335	
Total Collisions		63,718

	Number of Charges	Total
H.T.A. Charges	193	
C.A.I.A. Charges	334	

Other Charges	56	
Total Charges Laid		521
Other Occurrence Reports Taken	56	

There are no additional recommendations to be made at this time.

Superintendent Gary Grant, Traffic Services (8-1914) and Staff Sergeant Thomas Huntley, Traffic Services (8-2966), will be in attendance at the meeting to answer any questions.

Conclusion:

The Board received the foregoing.

Contact Name and Telephone Number:

Superintendent Gary Grant, Traffic Services Unit, telephone no. 808-1914.

**The Emergency and Protective Services Committee also submits the following joint report (May 6, 1999) from the City Solicitor and City Auditor:**

Purpose:

The purpose of this report is to respond to the Committee's request for comments on material received by it from Mr. Daniel Sanderson and Mr. Rick Tilling of the Greater Toronto Towing Association at its meeting held on April 20, 1999, but deferred until its meeting of May 18, 1999.

Funding Sources, Financial Implications and Impact Statement:

N/A.

Recommendation:

It is recommended that this report be received for information.

Council Reference/Background/History:

At its meeting held on April 20, 1999, the Committee received a report from the City Solicitor regarding the establishment of a fourth collision reporting centre. The Committee also received material in support of a deputation originally intended to be made by Mr. Daniel Sanderson and Mr. Rick Tilling of the Greater Toronto Towing Association at that meeting with respect to the aforementioned matter. The Committee deferred the matter to its next meeting and requested that the City Solicitor and the City Auditor report on the material submitted.

Comments and/or Discussion and/or Justification:



A review by staff in both the City Legal Division and the City Auditor's office of the material submitted in support of the intended deputation indicates that the material would only be fully comprehensible when considered as part of the oral deputation intended to be made by the deputants.

Accordingly, staff in the City Legal Division contacted Mr. Daniel Sanderson to obtain clarification. Mr. Sanderson advised that he would be attending the meeting of the Committee scheduled for May 18, 1999, accompanied by his legal counsel, to provide the oral deputation deferred from the previous meeting.

In light of this, it is recommended that the Committee consider the material along with Mr Sanderson's anticipated deputation and that any comments required from the City Solicitor and the City Auditor be requested subsequent to that deputation.

Conclusion:

It is recommended that the Committee consider the content of the deputation in conjunction with the submitted material and, in light of such deputation, consider whether comments from the City Solicitor and the City Auditor on the submitted material are required.

Contact Name:

Albert H. Cohen; Tel: 392-4520

(A copy of each of Schedule "B" (forwarded under confidential cover) and Schedule "D", referred to in the foregoing report dated April 6, 1999, from the City Solicitor, was forwarded to all Members of Council with the agenda of the Emergency and Protective Services Committee for its meeting on May 18, 1999, and a copy thereof is on file in the office of the City Clerk.)

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The following persons appeared before the Emergency and Protective Services Committee in connection with the foregoing matter:

- Mr. John Norris, Collision Industry Action Group; and
- Mr. Daniel Sanderson, Greater Toronto Towing Association.

(City Council on June 9, 10 and 11, 1999, had before it, during consideration of the foregoing Clause, the following:

- (i) confidential report (April 6, 1999) from the City Solicitor;
- (ii) background confidential reports from the City Solicitor dated August 11, 1998 and February 2, 1999; and

- (iii) confidential extract from the Minutes of the closed meeting of the Toronto Police Services Board held on March 26, 1998;

such reports and communications to remain confidential in accordance with the provisions of the Municipal Act.)

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(A copy of appendices A, B and C referred to in the foregoing report dated October 22, 1999, from the Chief Financial Officer and Treasurer and the aforementioned confidential reports and confidential extract referred to in the foregoing Clause was provided separately to all Members of Council under confidential cover.)

*(City Council on November 23, 24 and 25, 1999, considered the aforementioned report dated April 6, 1999, from the City Solicitor, such report to remain confidential in accordance with the provisions of the Municipal Act.)*