



STAFF REPORT ACTION REQUIRED

TORONTO POLICE SERVICE - 2007 OPERATING BUDGET SUBMISSION

Date:	February 6, 2007
To:	Budget Committee, City of Toronto
From:	Alok Mukherjee, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the City of Toronto Budget Committee with the 2007 operating budget submission for the Toronto Police Service.

RECOMMENDATION

It is recommended that the Budget Committee approve the 2007 operating budget for the Toronto Police Service in the amount of \$783.1M.

FINANCIAL IMPACT

If the Budget Committee approves the recommendation contained in this report, it will result in the allocation of funds in the amount of \$783.1M, which is a 4.1% increase over the 2006 net operating budget.

ISSUE BACKGROUND

At its meeting of January 25, 2007, the Toronto Police Services Board was in receipt of two reports, dated January 10, 2007 and January 24, 2007, from William Blair, Chief of Police, with regard to the Toronto Police Service's 2007 operating budget submission.

COMMENTS

Mr. Tony Veneziano, Chief Administrator Officer, and Mr. Angelo Cristofaro, Director of Finance and Administration, delivered a presentation to the Board on the proposed 2007 operating budget submission for the Toronto Police Service. A printed version of the slide presentation is on file in the Board office.

The Board approved the following Motions:

1. THAT, with regard to the January 10, 2007 report from the Chief of Police:
 - (a) recommendation no. 1 be received and approve the following:

THAT the Board approve a 2007 net operating budget submission of \$783.1 M (a 4.1% increase over the 2006 net operating budget).
 - (b) recommendation no. 2 be approved with an amendment indicating that the Board's approval is "in principle" so that it reads as follows:

THAT the Board approve, in principle, an additional impact of \$3.5M, to provide court security for the opening of new courts by the Province, and that this amount be funded separately by City Council.
 - (c) recommendation nos. 3, 4 and 5 be approved;
2. THAT the Chief of Police report to the Board on the final evaluation of the Ministry of the Attorney General (MAG) Disclosure Pilot no later than the August 2007 Board meeting;
3. THAT the Board support the request of the Chief of Police that the Auditor General consider including in his annual work plan a review of the Court Services Unit at the Police Service;
4. THAT the Board direct the Budget-Subcommittee to convene a meeting to review the Service Efficiencies Review and identify any other areas that warrant review; and
5. THAT the Board receive the report dated January 24, 2007 from the Chief of Police.

CONCLUSION

A copy of Board Minute No. P26/07, in the form attached as Appendix "A" to this report, regarding this matter is provided for information.

CONTACT

Chief of Police William Blair
Toronto Police Service
Telephone No. 416-808-8000
Fax No. 416-808-8002

SIGNATURE

Alok Mukherjee
Chair

ATTACHMENT

Appendix A – Board Minute No. P26/07

cc. Mr. Joseph Pennachetti, Deputy City Manager and Chief Financial Officer

A: 2007tpsopbudget.doc

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON JANUARY 25, 2007

#P26. TORONTO POLICE SERVICE – 2007 OPERATING BUDGET SUBMISSION

The Board was in receipt of the following report January 10, 2007 from William Blair, Chief of Police:

Subject: 2007 OPERATING BUDGET SUBMISSION FOR THE TORONTO POLICE
SERVICE

Recommendations:

It is recommended that:

1. the Board approve the 2007 net operating budget submission of \$783.2M (a 4.1% increase over the 2006 approved net operating budget);
2. the Board approve an additional impact of \$3.5M, to provide court security for the opening of new courts by the Province, and that this amount be funded separately by City Council;
3. the Board request the Ministry of Finance to exempt the purchase of police vehicles and associated equipment, for police use, from paying Retail Sales Tax;
4. the Board request the Ministry of Transportation to exempt police vehicles from the annual vehicle license fees; and
5. the Board forward this report to the City's Deputy City Manager and Chief Financial Officer and to the City Budget Committee.

Financial Implications:

The Toronto Police Service's 2007 net operating budget submission is \$783.2M. This is an increase of \$30.8M (4.1%) over the approved 2006 net operating budget.

The budget request includes the necessary funds required to keep the average uniform staff strength during the year at the 5,510 approved by the Board and City Council. The Service is however cognisant of the City's financial constraints, and the budget submission has therefore been developed based on specific instructions from the Chief and the Command to all Service units to keep budget increases to an absolute minimum.

The majority of the increase (\$21.2M or 2.8%) is for the 2007 salary settlement impact. The remainder of the increase is mainly attributable to impacts from: annualisation; staff reclassifications; City recoveries; and contractual obligations.

The Service continues to deal with on-going budget pressures resulting from increased court security requirements. An additional \$1.5M was included in the 2007 budget request to deal with a sustained need for court security in the current bank of courtrooms. This pressure will, however, be further magnified in 2007 when the Province plans to open a number of new court rooms. The Service is required to provide court security for these new courts, which will result in an estimated 2007 impact of \$3.5M (annualising to \$7.1M in future years). This additional funding required for the new court rooms is an extraordinary pressure that is over and above the Service's 2007 net funding request of \$783.2M.

A summary of the Service's 2007 net operating budget submission, including the increases over the approved 2006 budget, is provided below.

2007 Budget Submission Summary	\$(M)	% Inc. over 2006
2006 Approved Net Budget	\$752.4	
2007 Collective Agreement Impact	21.2	2.8%
Mandatory increases (annual., contracts, reclass., etc.)	<u>8.8</u>	<u>1.2%</u>
2007 Net Budget Submission (status quo)	\$782.4	4.0%
New Initiatives (excl. new court openings)	<u>\$0.8</u>	<u>0.1%</u>
2007 Net Budget Submission (including new initiatives)	\$783.2	4.1%
 New Court Openings Impact	 \$3.5	 0.5%

The 2007 net operating budget submission is \$783.2M (a 4.1% increase). The separate request related to the funding required for new courtrooms, when added to the Service's submission, would increase the 2007 net operating budget to \$786.7M (a 4.6% increase).

Background/Purpose:

The purpose of this report is to provide the Board with the Service's 2007 net operating budget submission for consideration and approval. This submission is the result of detailed reviews conducted by both the Service and the Board's Budget Sub-Committee, and reflects the level of funding required to deliver effective and efficient policing to the City of Toronto in 2007.

Information on the 2007 operating budget submission is provided within the following categories.

- 2006 Highlights
- Responses to 2006 Budget-Related Recommendations
- 2007 Operating Budget Development Process
- Results of Board Budget Sub-Committee Reviews
- 2007 Operating Budget Submission
- Vehicle License Fees and Retail Sales Tax on Police Vehicles

- Court Security – Increasing Budget Pressures
- Continuous Improvement Initiatives

1. 2006 Highlights

In 2006, the Service redeployed 200 officers to front line operations. This initiative provided much needed assistance to divisional units, and increased visible uniform presence in all communities within the City. The approval from City Council to hire an additional 250 officers, under the Province's Safer Communities grant program, provided additional front line officers for community-based policing as well as specific investigative functions. As a result, 450 officers have been added to divisional front line and investigative functions. The Service also implemented a new deployment model to ensure officers are used in the most efficient and effective manner possible.

The Service also increased its available resources by successfully reducing absenteeism in 2006 for both uniform and civilian personnel. On the uniform side, the year-to-date average (to October 2006) has decreased by 15.5%, from 7.7 days in 2005 to 6.5 days in 2006. Civilian absenteeism has also decreased year-to-date (to October 2006) by 12%, from 8.3 days in 2005 to 7.3 days in 2006.

The Province also provided funding for the Toronto Anti-Violence Intervention Strategy (TAVIS) in 2006. This program allowed the Service to deploy officers from divisional units to address priority crime issues in various communities. TAVIS funding was used to backfill the officers deployed to the TAVIS rapid response teams. The effect of this initiative was equal to adding 54 full-time-equivalent officers.

These initiatives, as well as strategic prevention and enforcement activities, contributed to the Service's achievements in 2006. Summarized below are some key performance and major crime indicators for 2006 (to end of October) compared to the same period in 2005.

Work performance:

- Number of arrests increased by 7% (from 48082 to 51312);
- Number of contact cards increased by 29% (from 219259 to 282860); and
- Number of Provincial Offences Tickets increased by 15% (from 380371 to 437012).

Complaints:

- Internal – decreased by 37% from 522 to 329; and
- External – decreased by 18% from 665 to 545.

Major Crime Indicators:

- Overall crime decreased by 2%;
- Theft over \$5,000 decreased by 6%;
- Auto theft decreased by 2%;

- Break and enter increased by 4%;
- Robbery increased by 2%;
- Assault decreased by 4%;
- Sexual assault decreased by 21%;
- Murder decreased by 12%;
- Number of shooting murders decreased by 41%; and
- Number of shootings decreased by 21%.

As can be seen from the above, the Service has increased enforcement activities and contact with the public without an increase in the number of complaints; in fact, complaints are down significantly. Major crime has decreased in all categories except for robbery and break and enter. Two major investigations in 2006 also resulted in arrests with respect to the 2005 Boxing Day shooting on Yonge St., and the dismantling of a major gang operation (XXX Project).

The Service was able to achieve the above accomplishments within the approved 2006 funding level. Although the year-end financial closing for 2006 is not expected to be completed until February 2007, preliminary indications are that the Service will also generate a 2006 surplus of at least \$2.5M. This surplus was achieved as a result of earlier and more separations than anticipated, as well as increased revenues, and by the Service being fiscally responsible.

2. Responses to 2006 Budget-Related Recommendations

As part of the 2006 budget process, the Board requested that “the Chief of Police be requested to report back to the Budget Advisory Committee before the start of the 2007 budget process on the results of reviews that the Service is undertaking to determine additional efficiencies and savings.” City Council also requested that the “Chief of Police be requested to report back to the Budget Advisory Committee prior to the start of the 2007 Budget process, with medium and long term strategies for policing that identify best practices in service delivery, efficiencies, and budgetary savings that can be applied in 2007 and beyond.”

In response to the above, the Service completed a Service Efficiency Review (SER) process in 2006. This review process focussed on specific areas in the Service (e.g., unit reviews, premium pay, acting pay, vehicle utilization, travel policy), in order to identify process or structural improvements that would result in service delivery improvements, efficiencies or budgetary savings. Due to timing and resource limitations, the review of 10 units across all Command areas were cursory in nature, and assessed at a high level the need for administrative/clerical positions, managerial/supervisory staffing levels and uniform officers in administrative functions. The recommendations resulting from the SER focussed mainly on the establishment of an infrastructure and process for continuous improvement reviews, as well as the need to address some key issues within the specific units reviewed. The SER report was presented to the Board’s Budget Sub-Committee (BSC) in November 2006, during its review of the 2007 budget submission. The recommendations and Executive Summary from the SER are provided in Attachment A of this report. The full report is available in the Board office.

City Council also requested that the “Toronto Police Services Board be requested to report back to the Budget Advisory Committee prior to the start of the 2007 Budget process on the

comparison of Toronto Police Service's Human Resources staffing and spending rate per total number of employees versus comparable police forces in large cities and municipalities across Canada." Human Resources Command is in the process of preparing this report, which will be provided to the February 2007 meeting of the Board.

The Board, at its meeting of July 10, 2006, requested "that an analysis be undertaken of costs of administering paid duties, including costs related to human resources, finance, the Central Paid Duty Office, Unit Commanders activities, etc. to determine if 15% is an adequate administrative charge and that the results of this analysis be reported to the Board during its consideration of the 2007 operating budget request" (Min. No. P212/06 refers).

In developing the 2007 budget submission, the Service analysed the paid duty administrative fee as requested by the Board, and also analysed other fees (e.g., sale of accident reports, reference checks, false alarm, etc.) charged by the Service. The analysis was conducted to ensure that the fees charged by the Service reflect a full recovery of the costs incurred. The results of the analysis concluded that the current fees charged by the Service reflect the costs incurred and therefore no adjustment is recommended. These results were reported to the BSC during its review of the 2007 budget submission.

3. 2007 Operating Budget Development Process

The development of the Service's 2007 operating budget commenced with specific instructions from the Chief and Command to all Service units. This included direction to budget to the same level as in 2006, and to only consider increases if they are contractual, or as a result of annualisation or an impact from the implementation of an approved capital project. Requests for new initiatives were to be kept to an absolute minimum, and were only to be considered if they resulted in a net benefit to the Service or mitigated a significant risk. Any new requests that did come forward had to be properly justified from a cost and benefits perspective and approved by the respective Command Officer, before being considered for possible inclusion in the 2007 budget submission.

The Service employs a modified zero-based budgeting process. The zero-based methodology is used to develop the estimates for discretionary accounts such as consulting services, equipment, and training and development, where the need and funding level required could change from year to year. Salary and benefits, which account for over 90% of the total budget, are based on approved staffing levels for both uniform and civilian positions, and take into account attrition, hiring, leaves, etc. The associated salary and benefit budget is developed from a zero base. The remaining portion of the budget is developed based on historical actual experience and current information.

The 2007 operating budget submission includes the funding required to maintain the 5,510 average uniform strength approved by the Board and City Council. Funding levels in the various non-salary accounts have been adjusted to reflect historical spending patterns and justified need, and one-time costs incurred in the previous year have been eliminated. In addition, revenue accounts, including grants and cost recoveries, have been maximised wherever possible and within the limits of the Municipal Act.

The Service undertakes a rigorous budget development and review process to ensure that the budget request is fiscally responsible and addresses service demands. The 2007 funding requirements have been prepared by the respective Command areas, and reviewed in detail by the Service's Budgeting and Control unit. The overall funding request and key line item information (increases and decreases) was then presented to and reviewed and approved by the Command.

4. Results of Board Budget Sub-Committee Review

In addition to the Service's internal budget review process, and consistent with previous years, the Board's Budget Sub-Committee (BSC) has also completed a detailed, line-by-line program review of each program budget, as well as the centralized and revenue accounts. The review was completed over a number of meetings and resulted in the identification of various reductions to the Service's preliminary budget submission as well as the identification of some initiatives to be explored further by the Service, such as the "greening" of the Service's fleet where possible and feasible.

The Service's initial 2007 budget submission to the BSC in November 2006 was for \$786.5M, including new initiatives (\$1.2M). This request represented an increase of 4.6% over the 2006 approved budget. The Service also identified a separate request for part-year funding (\$3.5M) required to provide security for new courtrooms to be opened by the Province.

The BSC reviews resulted in \$2.7M of reductions to the initial submission of \$786.5M for a revised 2007 budget submission of \$783.8M (a 4.2% increase over the 2006 approved budget). This revised budget request includes a reduced request for new initiatives of \$0.8M. The BSC review confirmed the separate request of \$3.5M for court security.

At a meeting on November 27, 2006, the BSC requested that the Service further review the 2007 budget submission to identify any additional potential reductions, and report back to the BSC at its wrap-up meeting in January 2007. The Service has reviewed its 2007 budget request in response to the BSC request and has reduced its submission by a further \$0.6M, for a revised 2007 budget submission of \$783.2M (a 4.1% increase). This further net reduction is mainly a result of increased revenues based on more current data and also includes a \$50,000 reduction to the conferences/seminars accounts.

The separate request for \$3.5M pertaining to court security remains unchanged.

In summary, the Board's Budget Sub-Committee review, combined with more up-to-date revenue and expenditure information, has resulted in the Service's initial budget request being reduced by \$3.3M.

5. 2007 Operating Budget Submission

The 2007 net operating budget submission, which incorporates the reductions identified during the BSC's review process is summarised by major expenditure category in the table below,

followed by additional information for each category. Reductions made to the initial submission are highlighted in the respective categories.

2007 Budget Submission Summary	\$(M)	% Inc. over 2006
2006 Approved Net Budget	\$752.4	
(a) 2007 Collective Agreement Impact	21.2	2.8%
(b) Staffing Strategy Requirements	4.2	0.6%
(c) Fringe Benefits	3.5	0.5%
(d) Significant Non-Salary Expenditures	5.4	0.7%
(e) Revenues	<u>(4.3)</u>	<u>(0.6%)</u>
2007 Net Budget Submission	\$782.4	4.0%
New Initiatives (excl. new court openings)	<u>\$0.8</u>	<u>0.1%</u>
2007 Net Budget Submission (including New Initiatives)	\$783.2	4.1%
 New Court Openings Impact	 \$3.5	 0.5%

The 2007 net operating budget submission is \$783.2M (4.1% increase). The separate request related to the funding required for new courtrooms, when added to the Service's submission, would increase the 2007 net operating budget to \$786.7M (a 4.6% increase).

(a) 2007 Collective Agreement (increase of \$21.2M or 2.8%)

The 2007 budget includes the impact of the third year of the three-year (2005-2007) negotiated collective agreements for Service members. This impact is estimated at \$21.2M, and reflects a salary increase of 3% and associated fringe benefit costs.

(b) Staffing Strategy Requirements (increase of \$4.2M or 0.6%)

The staffing assumptions (Uniform and Civilian) used in the development of the 2007 budget submission are contained in the Service's Staffing Strategy. The proposed strategy covers the period 2007-2009 and is being submitted, in conjunction with this report, to the Board for its January 25, 2007 meeting. The Staffing Strategy provides detailed projections for staff attrition and hiring. These projections are utilised to develop the Uniform and Civilian salary requirements as described below.

- Uniform Staffing

The current Uniform staff target as approved by the Board and Council is 5,510. This target includes the addition of 250 officers as approved by Council and funded (on a shared basis) under the Safer Communities – 1,000 Officers Partnership Program. In addition, service to the public was enhanced as a result of the redeployment of 200 officers to front line policing duties from non front line functions. This redeployment did not impact the uniform target; however, it did realign staff to where they were needed most. As a result, various duties

were either eliminated or transferred to other staff in order to achieve the redeployment strategy.

It is the Service's goal to maintain the deployed level of uniform officers at the approved target of 5,510, on average, throughout the year. To this end, the Service is projecting to hire 271 replacement officers in 2007 based on estimated retirements and resignations of 250 officers, as per the Staffing Strategy.

Maintaining the uniform deployed strength at an average of 5,510 has a funding impact on the budget as this basically results in no vacancy gapping. Salary savings do, however, result from the differential in salaries between the officers leaving the Service and the new recruits being hired to replace them. These in-year savings are accounted for in the 2007 budget submission. However, as the new recruits move through the ranks, there will be a budget impact in future years, as a result of the reclassification (i.e., moving from fourth to first class constable) of these recruits. Other items that impact the 2007 uniform salary budget include: the annualised impact of the Safer Communities program hires from 2006; the annualised impact of 2006 separations and hires; and the impact of reclassifications (2006 annualized impact and 2007 part-year impact).

During 2006, the Service continued to experience an increased number of staff on unpaid leaves (e.g., maternity, parental, education). This has contributed to the projected year end surplus in 2006 (offset somewhat by increased pressures due to reduced gapping experienced with civilian staff during 2006). The Service has assumed the continuation of this experience in 2007 and has included a savings of \$2.2M in the 2007 budget submission.

Based on the 2007 portion of the Staffing Strategy for uniform staff, the annualisation/reclassification impacts and the increase in unpaid leaves, a net increase of \$1.9M (0.3% increase) is required to maintain the 2006 level of service and achieve an average deployed strength of 5,510 throughout 2007.

- Civilian Staffing

The Service's Staffing Strategy is also the basis for the development of the civilian salary budget. Civilian vacancies are filled as they occur within the Service's establishment. However, salary gapping is applied to these positions. This salary gap is primarily for the elapsed time between a member leaving and when the vacancy is filled. For 2007, the amount of salary gapping applied for civilian staff and included in the budget is approximately 2.8%. The 2007 salary gapping is consistent with the guidelines provided by the City and less than the 4.7% included in the 2006 budget. The reduction in the gapping estimate reflects actual experience and is due to vacancies being filled in a shorter time frame and utilising temporary staff when a vacancy/leave occurs.

The Court Services unit has experienced increased staffing pressures at existing court locations due to the increased length of high profile trials and security concerns from Judges/Crown Attorneys/Defence lawyers. In order to meet these additional pressures, Court Services has relied on the increased use of part-time Court Officers. In 2006, these pressures

resulted in additional court security expenditures of \$1.5M. These additional costs, in 2006, were offset by savings in other salary accounts and reported to the Board in the Service's operating budget variance report. As a result of the sustained nature of these pressures, the 2007 operating budget submission includes a \$1.5M increase.

Other civilian staff pressures in 2007 include: \$0.2M for the conversion of five long term temporary positions to permanent status; \$0.3M for annual staff increments; and \$0.1M for premium pay in Records Management Services to reflect actual spending and maintain timely recording and release of criminal information.

Based on the above pressures, a net increase of \$2.2M (0.3%) is required to maintain the 2006 level of service.

(c) Fringe Benefits (increase of \$3.5M or 0.5%)

Fringe benefits for the Service are basically comprised of: expenditures directly related to salary costs (e.g., pensions, employment insurance); expenditures based on premiums (e.g., medical/dental coverage for retirees, life insurance); and expenditures for self-insured coverage (e.g., medical/dental, central sick bank).

The impact on fringe benefits directly related to staffing, taking into account the annualisation of additional hires, other salary costs and various rate changes, is estimated at \$2.2M. The cost of the Service's contribution to OMERS represents the majority of this increase.

Rate increases for retirees' medical and dental insurance has resulted in an increase of \$0.7M.

Medical and dental costs comprise a significant portion of the fringe benefits expenditures. The Service is currently under contract with Manulife Insurance, who administers the medical and dental plan. Service members are reimbursed for their actual expenditures, within the limits of the working agreement, and an administrative fee is paid to Manulife Insurance. The administrative fee is calculated using a formula and is a direct function of claims. Based on the Service's past five years' actual experience, the average annual increase for medical and dental claims is 9.5% and 6% respectively. Industry average increases for 2007, as provided by Manulife Insurance, for medical and dental are 16% and 10% respectively. Medical/dental costs are impacted by doctors' fees, product cost and volume. The Service's 2007 budget for medical and dental is based on its experience and not on industry trends. Applying the Service's actual experience to the projected 2006 year end actual expenditures for medical/dental results in an increase of \$1.6M in 2007.

The Service is self insured for long term sick requirements. The self insurance is administered through a Central Sick Bank (CSB) Reserve maintained by the City. Contributions to the CSB Reserve are made from the Service's operating budget and draws from the CSB Reserve are made based on approved claims through the Service's Compensation & Benefits unit. The initial budget submission included a contribution level to the CSB Reserve that provided funding beyond year end 2007. During the BSC reviews, the Service suggested and the BSC agreed that

the contribution to the CSB Reserve be reduced to provide sufficient funding to the end of 2007 based on projected claims. As a result, \$1.0M was reduced from the initial budget submission.

(d) Significant Non-salary Expenditures (increase of \$5.4M or 0.7%)

The Service's non-salary portion of the budget includes the materials, equipment and services for day-to-day operations. The majority of accounts within this category have been flat-lined to the 2006 level. Increases have only been included if they are a result of: a contractual obligation; an impact from a completed capital project; a City recovery; and contributions to reserves. One-time reductions have been taken into account where applicable. The increase of \$5.4M in this category is summarised below.

- Contractual obligations (\$2M increase): The annualisation of technology maintenance agreements established in 2006 and cost increases to ongoing technology contracts result in a \$1M increase. Dry cleaning services are \$0.7M higher due to the new contract pricing in 2007 and the annualised impact of the additional uniform staff. Finally, the City has advised that the price of gasoline is expected to increase over the amount included in the 2006 budget, a \$0.3M impact.
- Vehicle & Equipment Reserve Contribution (\$2.6M increase): Consistent with the approach used for the replacement of vehicles, the Service has now embarked on a strategy to replace specifically furniture, information technology-related equipment, and lockers using the Reserve. This strategy will be funded by an increased annual provision to the Reserve, based on the expected life of the equipment acquired. The 2007 impact is \$2.6M. Given the current strategy, this contribution will grow each year to 2012. This approach reduces the Service's capital requirements, stabilizes expenditures in the long term, and is supported by City Finance.
- City Recoveries (\$1.5M increase): City Facilities & Real Estate (F&RE) provides cleaning, maintenance and the administration of utility costs for most of the facilities occupied by the Service. The cost of these services is fully recoverable by City F&RE, including an administrative fee. The 2007 estimate was developed by City F&RE and agreed to by the Service. The estimate includes 2007 salary increases for City staff, annualised impacts and utility cost increases.
- One-time Budget Reduction (\$0.7M decrease): An amount of \$0.7M was included in the 2006 budget to complete the renovations to the facility for Professional Standards at 791 Islington Avenue. The renovations were completed and staff have moved into the facility. As a result, the funding of \$0.7M is not required in 2007 and therefore this amount has been removed from the base funding.

- Conferences and courses (\$0.05M decrease): An amount of \$50,000 was reduced across the Service in these accounts, recognizing the need to balance on-going staff development requirements and pressures to reduce the budget as much as possible.
- (e) Revenue Accounts (an increase in revenue of \$4.3M, or 0.6% decrease to budget)

Revenue budgets have changed significantly, as discussed below.

- The Safer Communities – 1,000 Officers Partnership Program (which provides the Service with 50% funding for the salary of additional officers to a maximum of \$35,000) resulted in the hiring of additional officers during 2006. The Service received grant funding based on the hiring dates, and the annualised impact of the additional hires in 2007 has resulted in increased revenue of \$3.8M.
- In the development of the 2007 budget, the Service analysed all revenue accounts in order to maximise opportunities where appropriate. This analysis resulted in an estimated revenue increase of \$1.5M based on actual experience in prisoner transportation recoveries, sale of video tapes and miscellaneous revenue. On-going reviews during Budget Sub-Committee meetings resulted in an additional \$0.5M in revenues due to revised estimates.
- During the 2006 budget process, miscellaneous revenue was increased by \$1.5M to account for an unspecified budget reduction. The \$1.5M revenue increase was not achieved in 2006, but was covered by higher revenues in other accounts and salary savings. The 2007 budget submission has taken into account increases in the other revenue accounts and, as a result, the 2007 miscellaneous revenue has been decreased by \$1.5M.

Various other accounts have increased or decreased with a net zero impact on the budget.

(f) New Initiatives (increase of \$0.8M or 0.1%)

The Service has identified new initiatives in support of Service and Board priorities. These initiatives require funding of \$0.8M over and above the 2006 base budget. The Board's Budget Sub-Committee was supportive of these new initiatives, which are summarized in priority order in the table below, followed by a description of each.

Summary of New Initiatives

Employment Systems Review	\$75,000
Strategic Plan	75,000
Department of Justice (DOJ) disclosure project (3 staff)	160,000
Information Technology – staff increase (1)	60,000
Legal Services – staff increase (1)	40,000
Ministry of Att. General (MAG) disclosure pilot project (4 staff)	250,000
Child Care Consultant	50,000
Evaluations/Assessments of Employees on Central Sick Bank	40,000

Multi-media Competitive Recruiting Strategy
Total New Initiatives

34,000
\$784,000

- Employment Systems Review

In July 2005, the Board approved an Employment Systems Review (ESR). The objective of this review was to analyze the Service's Human Resources systems to ensure that the systems are equitable, and that the practices associated with these systems are applied consistently, transparently and fairly to all employees. The first phase of the ESR focussed on the systems impacting uniform members. This phase, with the assistance of external expertise, was completed in 2006 and a report submitted to the Board at its meeting of November 28, 2006 (Min. No. P370/06 refers).

The next phase of the ESR is to review the Human Resource systems for civilian members. This phase would be conducted and completed in 2007 with the assistance of external expertise. In addition, this phase would also review the Service's staff development process. The staff development portion will focus on: recruiting; training; staff deployment; coaching; mentoring; career planning; promotions; succession planning; retention; accommodation; secondments; and separations. The 2007 budget submission includes one-time funding of \$75,000 for the external services required to assist the Human Resources area with this review.

- Strategic Plan

Included in the Service's request is \$75,000 in funding to hire a consultant to assist the Board and Command in developing a long-term strategic plan for the Service. This is in response to the Board's recommendation that "... the Board, in partnership with the Chief of Police, develop a Strategic Plan identifying best practices in service delivery, efficiencies and budgetary savings that can be applied in 2007 and beyond" (Min. No. P381/05 refers).

- Department of Justice (DOJ) Disclosure Project

The Service, in conjunction with the DOJ, instituted a pilot program to address the deficiencies in the disclosure process relating to narcotics offences. Timely disclosure is critical to the justice process and if not achieved, could result in the withdrawal of hundreds of drug related charges. The pilot program was staffed with three temporary employees (funded through in-year savings). The pilot program has been successful both for the Service and the DOJ in significantly reducing the risk of drug related charges being withdrawn. As a result, a request to permanently establish the program is included in the 2007 budget submission. This request is for three (3) permanent clerical positions for an amount of \$160,000 in 2007 and an annualised impact of \$170,000.

- Information Technology

The Service's initial budget submission included a request for three (3) new positions in Information Technology Services (ITS). These were: a Database Manager; an

Information/Data Architect; and an Enterprise Information Security Architect. These positions are all important to addressing Service pressures and key risks with respect to Information Technology governance and systems. However, given the budget pressures facing the Service, the initial request was reduced to one (1) position during the BSC reviews. The most critical need is with respect to database management. Funding for one position has been included in the 2007 budget submission at a cost of \$60,000 in 2007 with an annualised cost of approximately \$100,000. The Service will review its civilian establishment to attempt to accommodate the other required positions.

The requested position will be used to streamline the development and support of ITS initiatives towards an alignment of the business objectives of the Service related to data, databases and data warehousing in order to provide business intelligence at a daily, operational level and at a corporate reporting functional level. It will ensure that data models are strategically designed, developed and implemented, to ensure cost-effective technology solutions are implemented for all aspects of the organization.

- Legal Services

The Service's initial budget submission included a request for four (4) new positions in the Legal Services unit; specifically, an Executive Assistant; a Junior Lawyer; a Court Process Coordinator; and a Clerk. The Legal Services unit manages complex, diverse and voluminous legal work and, to date, has done so with minimal staff. With the recent reorganization and separation of Legal Services from the Professional Standards, Risk Management Unit, impact on workload has further increased as some support positions used by Legal Services remained with Risk Management. The work undertaken by the unit is primarily concerned with those areas to which the Service is extremely vulnerable to liability and must be adequately protected.

The Legal Services unit cannot continue to provide effective legal services with existing resources. However, given the budget pressures facing the Service, the initial request was reduced to one (1) position during the BSC reviews. The most critical position was that of the Executive Assistant to the Director, Legal Services. Approving this position will reduce the administrative burden currently experienced by the Director of Legal Services. This has been included in the 2007 budget submission at a cost of \$40,000 in 2007 with an annualised cost of \$60,000. The Service will review its civilian establishment to attempt to accommodate the other required positions.

- Ministry of Attorney General (MAG) Disclosure Project

As a result of the success of the DOJ disclosure project, a similar pilot program was instituted in late 2006 to address the timely disclosure for MAG court cases. This program is expected to reduce the risk of MAG cases being withdrawn due to untimely disclosure. Currently, four (4) temporary staff are assigned to the pilot program.

The \$250,000 requested in 2007 provides one-year funding for the four (4) temporary staff. The pilot project will be reported on in June 2007 to the Board. If successful, full funding

implications will be considered during the 2008 budget process. It should be noted that the anticipated program, in its entirety, would require 16 staff and would be rolled out over four years.

- Child Care Consultant

The Board, at its meeting on May 18, 2006, approved a recommendation, submitted by the Chair of the Board, that the Chief review the feasibility of establishing a workplace child care facility for Toronto Police Service employees (Min. No. P141/06 refers). The Chair indicated in his letter that this initiative will assist members to cope with the pressures of work and family and will enhance employee productivity and satisfaction. In order to address this request, the Service has included one-time funding of \$50,000 in the 2007 budget submission to employ an expert in the field of child care.

To successfully implement a child care facility or program, the services of a specialist with experience and knowledge in a broad spectrum of child care issues, including facilities set-up, licensing, program development, accessing grants, etc., is required. The Compensation and Benefits unit is currently surveying the membership to determine the child care needs of our members and anticipates the need for the specialist to continue to study the options in 2007.

- Evaluations/Assessments of Employees on Central Sick Bank

The Service's 2007 budget submission includes one-time funding of \$40,000 to engage the services of rehabilitation specialists for functional abilities evaluations and vocational assessments for members receiving Central Sick Bank (CSB) benefits. It is anticipated that the assessments will result in the successful return to work of some members.

Functional abilities evaluations are comprised of physical testing designed to measure an individual's ability to perform occupational demands. Vocational assessment is used primarily to determine whether or not an individual can return to work and what work the individual can perform. It is estimated that approximately 14 functional abilities evaluations and 14 vocational assessments will be required in 2007.

- Multi-media Competitive Recruiting Strategy

The market for competent, top-quality, culturally diverse candidates for hire has and is continuing to become extremely competitive. The Service is competing with other like-minded Police Services (Municipal, Provincial and Federal) as well as motivated private sector companies. Given this competition and the limited pool of candidates, it is imperative that our recruiting effort be, at minimum, on par with or superior to our competitors. As a result, the Service's Employment unit will develop and implement a new multi-media

competitive recruiting strategy based on an inclusive principle aimed at increasing the recruitment and hiring of candidates from identified groups (women, visible minority, aboriginal, disability, sexual orientation and those who speak more than one language).

The proposed new multi-media competitive recruiting strategy will require external resources including: new advertising campaigns in both mainstream and ethnic media, featuring new and more “attractive” and competitive imagery; new neighbourhood-based recruiting programs targeting women, aboriginals and visible minorities; and upgrading of promotional printed and recorded audio / visual materials and equipment (for the first time ever, the Service will utilize video monitors in headquarters and CDs / DVDs for recruiting purposes). The 2007 budget submission includes one-time funding of \$33,600 to develop and implement this strategy.

6. Vehicle License Fees and Retail Sales Tax on Police Vehicles

The Service’s fleet of vehicles require annual licensing, the cost of which is included in the annual operating budget. The Ontario Provincial Police (OPP) are exempt from paying the annual license fee for their vehicles and a similar exemption is requested for municipal police vehicles. The Ontario Association of Chiefs of Police (OACP) Executive has endorsed a resolution requesting the Province to provide an exemption for license fees on police vehicles. It is therefore recommended that the Board support the OACP Executive resolution and request the Ministry of Transportation to exempt police vehicles from annual license fees.

The Service’s acquisition of police vehicles requires the payment of Retail Sales Tax (RST). However, Fire vehicles acquired for the use of a municipal, university, public hospital, Local Services Board or volunteer group are exempt from RST (*Retail Sales Tax Act, 1990 Chapter R31, Section 7, Paragraph 23*). As the cost of policing in Ontario continues to increase and Municipal budgets are affected by this increase, a similar tax exemption for police vehicles would assist in reducing costs. It should be noted that the OPP is exempt from paying all RST.

The OACP Executive has endorsed a resolution requesting the Province to provide an exemption for the RST on police vehicles and related accessories purchased for police use. It is therefore recommended that the Board support the OACP Executive resolution and request the Ministry of Finance to exempt the purchase of police vehicles and related accessories, for police use, from the RST.

The above exemptions, if approved, would result in estimated annual savings of approximately \$500,000 for the Service.

7. Court Security – Increasing Budget Pressures

Until January 1, 1990, the Province of Ontario and then-Metropolitan Toronto were involved in a cost sharing agreement for court security. In November 1989, Bill C-187 (*The Police and Sheriffs Statute Law Amendment Act*) was passed, and responsibility and liability for security and prisoner custody at all court facilities in Metropolitan Toronto were downloaded to the Metropolitan Board of Commissioners of Police. Upon the proclamation of Bill C-187 all cost

sharing ceased. As a result, the Board was required to hire an additional 75 full-time court officers and 98 part-time court officers to meet its legislated responsibilities. This responsibility was reflected in Part 10 (Court Security), Section 137 of the Police Services Act. This Bill not only increased the responsibilities of the Service, but also increased the actual number of courthouses for which the Service was responsible.

This increase in court facilities and courtrooms continued throughout the 1990s and the 2000s. In 1990, 138 court rooms were in use. In 2007, the Ministry of the Attorney General will increase the number of courtrooms to 262, will open an entirely new courthouse at 330 University Avenue and will expand operations at 393 University Avenue and 2201 Finch Avenue West. In order to staff the new courts the Province plans to open in 2007, an additional 90 court officers are required in 2007 at an estimated cost of \$3.5M and an annualised cost of \$7.1M.

In addition to an increasing number of courtrooms, Court Services has also had to deal with expanded responsibilities, such as the implementation of 24-hour bail courts in the mid-1990s. Further, the Service is responsible for the transportation of approximately 200,000 prisoners each year, a number that grows every year.

As long as the Service remains responsible for court security and prisoner custody at all court facilities, the Court Services unit must be staffed appropriately. Court Services has a relatively large complement of staff – 652 court officers, civilian support staff, and police officers, in the 2007 budget. It must be noted that of the 262 courtrooms anticipated to be within Toronto by 2007, a number of them are special courts (Mental Health court, Domestic Violence court, Child Abuse court, etc.) with specialized security needs. Due to demands on the Court Services unit and the corresponding need for increased staff, the Court Services budget has increased from \$15.5M in 1990 to the estimated request of \$45.6M in 2007.

The Police Services Act requires the Chief of Police to provide an adequate level of court security. However, the Service does not control the timing and number of new courts opened, and judges are consistently demanding increased security in their courtrooms. These demands have placed significant financial pressures on the Service. It is therefore critical that the Province recognize this impact (which is beyond the Service's control) and take measures to assist the Service and City to deal with this increasing budget pressure.

In order to ensure that this unit is being effectively managed, and to identify any opportunities for improvement, the Chief has requested, and the Auditor General has agreed, to conduct an operational review of this unit in 2007.

8. Continuous Improvement Initiatives

In order to ensure that the Service is managing its operations efficiently and cost effectively, reviews of specific areas or functions are conducted on a regular basis. Some of the reviews that are currently underway are summarized below:

- The Employment Unit's processes are currently being reviewed, with the goal to identify efficiencies in operations in recruiting, hiring and managing applicants in the employment pool. Any results will be applied to the unit's organization, reporting relationships and processes.
- The City's Auditor General has completed his review of the Service's Training and Education unit and related issues, and will be providing his report to the January 25, 2007 Board meeting. As previously mentioned, the Auditor General will also be reviewing Court Services in 2007.
- The Deputy Chief of Divisional Policing Command has initiated a "Divisional Review of Excellence," which is expected to provide the Service with the most efficient and effective methods of delivering police services to the community. It is anticipated that the quality of investigations, enforcement, patrol time and crime prevention will be improved by reducing the number of police officers assigned to administrative duties.
- The Deputy Chief of Specialized Operations Command has initiated a review of the Intelligence area.

During the SER process, it became very clear that a detailed review of specific areas is required on a regular basis to assess existing operations and identify and implement improvements. The re-establishment of a Program Review function as recommended by the SER has been approved by the Command and will be staffed through redeployment of existing positions. The activities of this function will help contribute to the Service's objective of continuous improvement in its operations and functions.

Conclusion:

The requested budget of \$783.2M (an increase of \$30.8M, or 4.1% over 2006) preserves the authorized uniform strength of 5,510, provides for existing contractual obligations, and provides funding for necessary new initiatives (totalling \$0.8M) that are supported by the Command and by the Board's Budget Sub-Committee. This level of funding is required to carry out the priorities in the Service's business plan. Consistent with this business plan, the Service will continue its anti-violence initiatives in 2007. In addition, more emphasis will be placed on the increasing trend of domestic violence and the development of further strategies and initiatives to achieve improved safety on City roads.

This budget request has been reviewed in detail by the Service and the Board's Budget Sub-Committee, and all identified opportunities for reductions have been incorporated into this budget submission. Further reductions to the 2007 budget submission would require a decrease in uniform staffing, and would adversely impact the Service's ability to meet key Service and Board priorities. Reductions to uniform staffing would also directly impact provincial grant revenue related to the Safer Communities grant. The need to maintain the uniform strength at an average of 5,510 requires the necessary supporting infrastructure (e.g., civilian staffing,

equipment, services) and related funding. As a result, further reductions in these areas are also not possible.

In addition to the Service's net operating budget submission of \$783.2M, \$3.5M in funding is being requested to provide court security for new courtrooms. The Province has indicated that new courtrooms will be opened in 2007, and it is estimated that 90 new court officers will be required to staff these courtrooms. However, the details with respect to the number of courts and timing of the court openings have not yet been finalized. As a result, it is appropriate that this request be treated separately, until such time as more information is available. When this requirement is added to the Service's submission, the 2007 net operating budget request increases to \$786.7M (4.6% over 2006).

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command will be in attendance to answer any questions from the Board.

Executive Summary from Service Efficiency Reviews

During the 2006 operating budget review process, the Toronto Police Services Board (the Board, or TPSB) and the City's Budget Advisory Committee (BAC) concluded that in order to find service delivery improvements, efficiencies, or budgetary savings, process or structural improvement within the Service is required.

The Service was faced with two competing priorities: to evaluate certain areas with respect to service efficiency and effectiveness, and to do so in a timeframe that would provide concrete results for the 2007 operating budget. In order to do this, the following approach was taken.

During previous budget deliberations, the BSC was very interested in how units were organized. SER identified three major categories of discussion that were frequently touched on by the BSC. These are:

- Administrative / clerical support allocation
- Managerial / supervisory staffing levels, and
- Uniform officers in administrative reviews.

It was concluded that, in the short term, it would be useful to review specific units that have these situations occurring in them, to better analyze and evaluate the appropriateness of each unit's organizational structure. The following units are reviewed in this document:

<i>Units Reviewed</i>
Occupational Health & Safety
Employment Unit
Fleet
Corporate Planning
Records Management
Risk Management Unit
Division 22
Division 33
Communications Services
Sex Crimes

There are several other, very specific areas that were recurrently identified by BSC members as requiring further explanation, justification or review. These are:

- Acting pay
- Premium pay
- Conference attendance
- Vehicle utilization (including marked vs. unmarked and types of vehicles)

Each of these areas is discussed in this report, with a view to any specific changes that could be implemented in the short term to ensure each area is managed efficiently and effectively.

The team has arrived at 15 recommendations concerning items such as standardization of organization charts, civilianization opportunities, system improvements, and the need for clearly identified roles and responsibilities with respect to supervision and span of control.

The implementation of these recommendations would result in a more consistent and efficient operation for those areas reviewed. The Service would benefit from further such reviews on an on-going basis. This is included in the report's recommendations.

SUMMARY OF RECOMMENDATIONS:

Recommendation 1.

That Corporate Planning, in conjunction with Human Resources, develop standards for reporting in Service organization charts by May 31, 2007 such that, wherever possible, a consistent approach is taken with respect to the drawing of these charts; that the organization charts accurately reflect relationships and supervisory responsibilities between all staff; and that the ownership of organization charts be confirmed and communicated to all Unit Commanders (page 15).

Recommendation 2.

That the Chief of Police establish a Program Review function, within the Service's existing establishment, by June 30, 2007 to assist Service Units in continuously improving their respective operations (page 16).

Recommendation 3.

That the Psychologist Services function be moved from the Occupational Health and Safety organization, to report directly to the Director of Human Resources Management (page 31).

Recommendation 4.

That the Director, Human Resources Management, evaluate the need for a second psychologist position and consequently the need for two clerks in Medical Advisory Services, and report to the Chief of Police by March 31, 2007 (page 32).

Recommendation 5.

That the Director, Human Resources Management, in conjunction with Compensation and Benefits, revise the job title for Manager (Z28), Occupational Health and Safety, and the job title of the lower-ranking Manager's position in any other units where there are currently two managers (page 34).

Recommendation 6.

That the Staff Superintendent, Staff Planning and Community Mobilization, continue the evaluation and review of the Employment unit, taking into consideration any potential civilianization opportunities (subject to the approval of new civilian positions), and provide recommendations by June 30, 2007 (page 46).

Recommendation 7.

That the Director, Finance and Administration, develop the business case for an automated fuel system and submit this as a request in the 2008-2012 Capital Program (page 52).

Recommendation 8.

That the Director, Executive Support, continue the review of the Analysis Support section of the Corporate Planning unit, taking into consideration the possibility of civilianizing the Staff Sergeant position in that section (subject to the approval of a new civilian position), and provide recommendations by June 30, 2007 (page 59).

Recommendation 9.

That the Staff Inspector, Risk Management Unit, in conjunction with Facilities Management, consider the feasibility of locating the various sub-units in one location and evaluate any efficiencies in staff that could arise from this co-location by June 30, 2007 (page 70).

Recommendation 10.

That the Unit Commander, Risk Management, prepare a business case evaluating the merits of replacing one or more Inspector positions with a civilian prosecutor, taking into account the operational benefits and identifying any financial impacts, for consideration during the 2008 operating budget (page 72).

Recommendation 11.

That the Staff Superintendent of Operational Services conduct a detailed analysis of the operating structure for Communications Services and Communications Centre, ensuring that the lines of responsibility and accountability are clearly identified and taking into consideration potential civilianization (subject to the approval of new civilian positions) and redeployment opportunities, by March 31, 2007 (page 90).

Recommendation 12.

That the Manager, Enterprise Resources Management Unit, review the feasibility of separating the cashable lieu bank into different source-identified banks for court attendance, overtime, callback, lunch hours worked, statutory holidays worked and

Compressed Work Week Cycle credits, once the TRMS upgrade has been implemented in 2008 (page 108).

Recommendation 13.

That the Director, Finance and Administration, in conjunction with ERMS, ensure that the straight time lieu banks such as service awards, time-exchange, vacation to lieu, RDO exchange and senior officer' floater days are separated out of the Uniform and Civilian Lieu Time Payment accounts and are reported separately in accordance with their source identified nature in the Service's financial records, by December 31, 2007 (page 111).

Recommendation 14.

That the Director, Human Resources Management, in conjunction with the Director, Finance and Administration, ensure that the Service's HRMS and SAP systems be modified (as part of the planned HRMS system upgrade) to capture and record the occurrence of Acting Pay in two categories (short-term and long-term), to better track, analyze and evaluate the occurrence of Acting Pay on an on-going basis (page 134).

Recommendation 15.

That the revised travel policy, including criteria for attendance at conferences, be approved (page 139).

The Board was also in receipt of the following report January 24, 2007 from William Blair, Chief of Police:

Subject: 2007 OPERATING BUDGET SUBMISSION FOR THE TORONTO POLICE SERVICE – SUPPLEMENTARY INFORMATION

Recommendations:

It is recommended that:

1. the Board receive this report for information, and
2. the Board forward this report to the City’s Deputy City Manager and Chief Financial Officer and to the City Budget Committee.

Financial Implications:

The information in this report results in a \$160,000 reduction to the Service’s 2007 Operating Budget submission, as presented in a separate report to the Board’s January 25, 2007 meeting.

Background/Purpose:

The purpose of this report is to provide additional information regarding the Service’s 2007 net operating budget submission, as requested by the Board’s Budget Sub-Committee at its wrap-up meeting on January 18, 2007. Supplementary information is being provided on the following subjects:

1. Premium Pay - budget and expenditure history
2. Safer Communities Grant - annualized cost of uniform staff hired
3. Court Services - historical information
4. Conferences and Courses - 2007 budget breakdown
5. Toronto Anti-Violence Intervention Strategy (TAVIS) - continuation in 2007
6. Major Case Management (MCM) - continued staff support
7. Department of Justice (DOJ) Disclosure Program
8. Ministry of Attorney General (MAG) Disclosure Pilot

1. Premium Pay - Budget and Expenditure History

The following chart depicts the Service’s 5-year history of premium pay budgets and expenditures.

Year	Approved Budget	Change over previous year	Explanation of Change in Budget	Actual Expenditures
2002	\$31.2M			\$32.0M
2003	\$30.5M	\$(0.7)M	<ul style="list-style-type: none"> ➤ \$1.2M salary settlement ➤ (\$2.1M) CAP removed ➤ \$0.2M other increases 	\$33.4M

Year	Approved Budget	Change over previous year	Explanation of Change in Budget	Actual Expenditures
2004	\$32.0M	\$1.5M	➤ \$1.6M salary settlement ➤ (\$0.1M) Council reduction	\$33.8M
2005	\$33.0M	\$1.0M	➤ \$1.4M salary settlement ➤ (\$1.0M) Council reduction ➤ \$0.5M CAP added ➤ \$0.1M other increases	\$34.1M
2006	\$33.9M	\$0.9M	➤ \$1.1M salary settlement ➤ (\$0.5M) Council reduction ➤ \$0.2M Pathfinder/Impact ➤ \$0.1M other increases	\$37.4M
2007	\$35.3M	\$1.4M	➤ \$1.3M salary settlement ➤ \$0.1M Records Management	--

The premium pay budget is generally established Service-wide as the previous-year's approved budget, plus the impact of salary settlements, plus or minus other known changes. It should also be noted that actual expenditures exceed budgets for a variety of reasons, including:

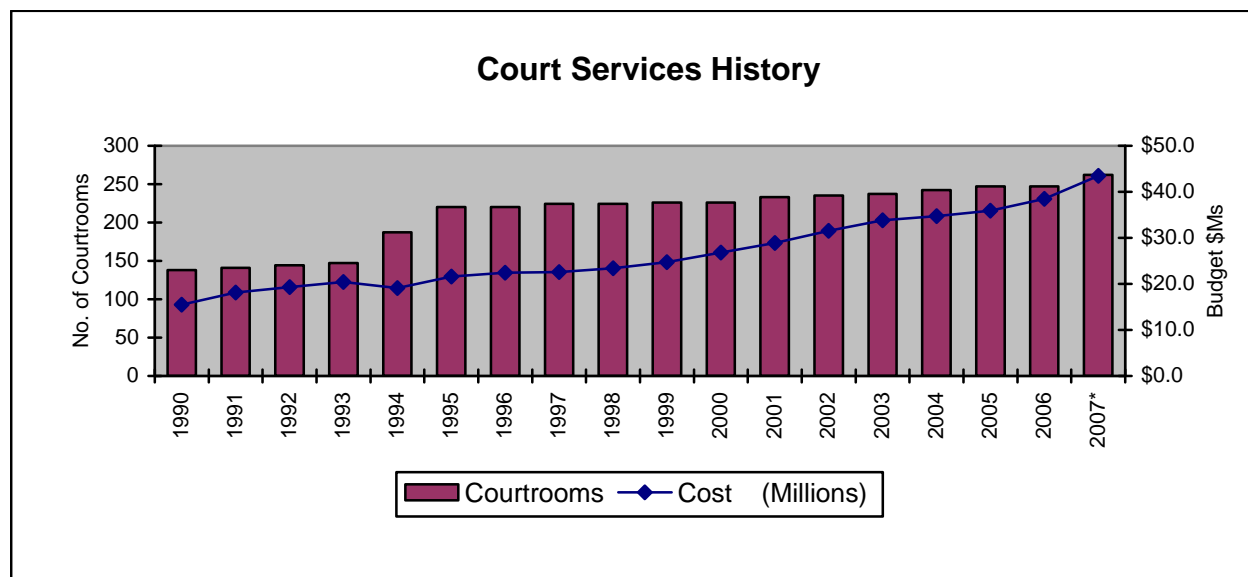
- Command-approved over-expenditures (such as use of premium pay to supplement civilian vacancies in those areas requiring 100% staffing, such as Court Services or Communications Centre, funded through salary savings);
- In-year changes to planned expenditures (such as TAVIS in 2006) funded by the Province;
- One-time, unexpected expenditures (such as \$0.8M for President Bush's 2004 visit, which was offset by revenue).

2. Safer Communities Grant - Annualized Cost of Uniform Staff Hired

The Service was authorized to hire an additional 250 officers under the Province's Safer Communities grant program. This provided additional front-line officers for community-based policing as well as specific investigative functions. In 2007, the annualized impact of these officers is approximately \$7.6M, with half of this cost being recovered through grant funding (\$3.8M). As a result, the net annualized impact on the Service's 2007 submission is \$3.8M.

3. Court Services - Historical Information

Attachment A provides a detailed chronology of the growth in Court Services expenditures. The chart below reflects court services costs of \$15.5M in 1990 (138 court rooms), increasing to a projected \$43.5M in 2007 (262 court rooms). This is an increase of \$28M and 124 court rooms.



4. Conferences and Courses – 2007 budget breakdown

The following table provides detail with respect to the 2007 budget request for conferences and courses.

Item	Budget Request
Conferences	
OACP, CACP, IACP attendance	\$108,000
Professional Upgrade – policing	\$93,000
Professional Upgrade – administrative	\$63,000
End-user System Support (SAP, Peoplesoft, etc.)	\$53,000
T&E (Train-the-trainer)	\$23,000
Diversity	\$19,000
Sub-total	\$359,000
Courses	
Guelph / Humber partnership	\$377,000
IT support / enhancement for current systems	\$204,000
Supervisory (uniform and civilians)	\$192,000
Specialized training – police	\$102,000
Technical upgrades - civilian	\$95,000
Staff development – police	\$80,000
T&E – Instructor training	\$47,000
Recertification / designation requirements	\$39,000
Sub-total	\$1,136,000
Reduction (not yet allocated)	(\$50,000)
Total, Conferences and Courses	\$1,445,000

5. Toronto Anti-Violence Intervention Strategy (TAVIS) - Continuation in 2007

The current TAVIS program, funded by the Province of Ontario, will be continuing for the early part of 2007 (the contract concludes in June, 2007). Discussions are proceeding, with the Province, to explore the possibility of continuing this program beyond June 2007. It must be

noted, however, that should provincial funding not be forthcoming, there would be a budget pressure of approximately \$3M to continue TAVIS for the remainder of 2007. This pressure is not included in the Service's 2007 budget submission.

6. Major Case Management (MCM) - Continued staff support

As of January 1, 2005, the Service has been mandated (by the Province) to use the Major Case Management (MCM) system in the investigation of all major cases (as defined by the province). This MCM system uses the Powercase computer program. At that time, it was determined that 10 clerks would be required to enable the Service to manage the existing backlog of cases. The backlog, however, required the input of "tombstone" data only (i.e., basic, minimum data to meet the Province's criteria).

Entry of backlog tombstone data is now complete. However, the use of the MCM system has expanded significantly for both current and cold cases, and information on the following is entered into the system, in much more detail than tombstone data:

- All major crime offences (homicides (and attempts), sexual assaults and exploitation (and attempts), non-familial abductions (and attempts), etc.);
- All contact cards (Persons Investigated cards, or 208s);
- All data collected from TAVIS;
- All gun-related occurrences.

The following provides a summary of the numbers of cases entered into Powercase, and additional data entry handled by the 10 clerks:

Source	2006 Incidents / Data Entered
Homicide Unit	73
Sex Crimes Unit	213
Division	1,837
TPS 208s entered into MANIX	13,721
TPS 208s entered into Powercase	9,367
TAVIS-generated firearm and drug-related	631
TOTAL:	25,842
<i>Cross references created and researched</i>	<i>302,520</i>

Based on the expanded use of the MCM system, and the current increased level of data entry required, the 10 data-entry clerks are required on an on-going basis.

7. Department of Justice (DOJ) Disclosure Program

The Federal Department of Justice (DOJ) has responsibility for the prosecution of all narcotics-based charges. In May, 2004, the DOJ advised the Service that it was preparing to withdraw a large number of narcotics-based charges, on the basis that cases had not been adequately prepared and/or disclosure had not been provided within the required timeframe of 35 days from date of arrest. As a result, a pilot project was created to address the systemic problems that had created this situation. The pilot project was staffed through the temporary redeployment of

existing staff, and began in October, 2004. The Board was advised of the pilot project at its October, 2004 meeting (Min. No. P373/04 refers).

The pilot was designed to provide information that would allow the officers in charge of narcotics-based prosecutions to ensure the effective and efficient prosecution of narcotics-based charges. This was accomplished through the establishment of a real-time, universally accessible database that provides critical information on the status of case preparation, cases, and additional requirements for disclosure. By having immediate, up-to-date information, the officers in charge are able to:

- Expedite preparation of disclosure material to ensure deadlines are met;
- Prepare additional disclosure as determined by DOJ counsel;
- Cease case preparation in a timely manner, as soon as cases are concluded due to guilty plea, diversion or withdrawal. This last point also allows timely discontinuation of narcotics and materials testing performed by Health Canada and the Centre of Forensic Sciences.

The program was successful. It created a new level of partnership and cooperation between the Crown Attorneys, the Judiciary, Health Canada and the Service. Prior to the implementation of the pilot, 25% of all cases were prepared within the 35-day time limit, and approximately 8% of all prosecutions were withdrawn due to incomplete disclosure. By the conclusion of the pilot, over 76% of all cases were prepared within the 35-day time limit, and no prosecutions have been withdrawn due to incomplete disclosure.

The final report of the pilot project was presented to the Command in July, 2005. Due to the success of the pilot, the Command decided to continue the program on an interim basis, using redeployed staff, until permanent funding could be obtained for the program. A compliance rate of 70% has been maintained, and the number of withdrawals of prosecutions due to incomplete disclosure has continued to be zero. As a result, this program is included as a new initiative in the 2007 operating budget.

Upon further review, the Service has determined that, while the establishment of the three new positions require Board approval, no additional funding for these positions is required. The \$160,000, included in the new initiatives for this program, can therefore be deleted from the 2007 operating budget submission.

8. Ministry of Attorney General (MAG) Disclosure Pilot

The Provincial Ministry of the Attorney General (MAG) has responsibility for the prosecution of all Criminal matters (just as the Federal DOJ prosecutes all narcotics-based offences). The delays and deficiencies experienced in the Federal system are mirrored in the Provincial system. However, there are far more offences prosecuted in MAG than in the DOJ system. It is anticipated that the same information and management tools used for DOJ cases will have equally positive results with MAG cases. As a result, the MAG pilot program was implemented in December 2006, in anticipation of 2007 budget approval, using temporary staff. Furthermore, the fully annualized cost of Phase I of the pilot program has been included in the 2007 request, since it is fully anticipated that equal benefits will be realized in MAG.

Final pilot project evaluation is anticipated by June, 2007, and a report to the Board will be provided no later than the August 2007 Board meeting. The 2007 budget submission includes a request of \$250,000 for this initiative. Given that a final decision may not be made until August 2007, the Service will have incurred approximately \$150,000 for the temporary staff until that date. Should the 2007 funding request of \$250,000 not be approved, the Service will be required to absorb the temporary staff costs incurred.

MAG Phase I is being piloted in the Toronto East Court. If the pilot program is successful, it would be prudent to implement Phases II-IV (in Toronto North, Toronto West, and Old City Hall and College Park courts, respectively). The full implementation of this program would require an additional 12 staff, for a total of 16 (4 staff per phase), over the next three-year period. The cost of the full implementation of this program, including salary costs and any additional equipment requirements, will be included for consideration in the Service's 2008 budget request.

Employment System Review

A further review of the new initiatives included in our 2007 operating budget submission has identified a need to clarify the request for the Employment Systems Review initiative. In our 2007 Operating Budget submission to the January 25, 2007 meeting of the Board, we indicated that the Employment Systems Review required one-time funding of \$75,000 in 2007. It should be noted that a further \$75,000 may be requested in 2008, to complete the final phase of this review (namely, the development of a Service Staff Development program).

Conclusion:

This report provides supplementary information on various issues as requested by the Board's Budget Sub-Committee at its meeting of January 18, 2007. In addition to providing the Board with the information requested, this report clarifies the funding requirements for the Employment Systems Review initiative and identifies a budget reduction related to the DOJ disclosure program new initiative in the amount of \$160,000.

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command will be in attendance to answer any questions from the Board.

Mr. Tony Veneziano, Chief Administrator Officer, and Mr. Angelo Cristofaro, Director of Finance and Administration, delivered a presentation to the Board on the proposed 2007 operating budget submission for the Toronto Police Service. A printed version of the slide presentation is on file in the Board office.

The Board approved the following Motions:

1. THAT, with regard to the January 10, 2007 report from the Chief of Police:

(a) recommendation no. 1 be received and approve the following:

THAT the Board approve a 2007 net operating budget submission of \$783.1 M (a 4.1% increase over the 2006 net operating budget).

(b) recommendation no. 2 be approved with an amendment indicating that the Board's approval is "in principle" so that it reads as follows:

THAT the Board approve, in principle, an additional impact of \$3.5M, to provide court security for the opening of new courts by the Province, and that this amount be funded separately by City Council.

(c) recommendation nos. 3, 4 and 5 be approved;

2. THAT the Chief of Police report to the Board on the final evaluation of the Ministry of the Attorney General (MAG) Disclosure Pilot no later than the August 2007 Board meeting;

3. THAT the Board support the request of the Chief of Police that the Auditor General consider including in his annual work plan a review of the Court Services Unit at the Police Service;

4. THAT the Board direct the Budget-Subcommittee to convene a meeting to review the Service Efficiencies Review and identify any other areas that warrant review; and

5. THAT the Board receive the report dated January 24, 2007 from the Chief of Police.

Attachment A to the Chief's January 24, 2007 report containing a detailed chronology of the growth in Court Services expenditures is attached.

Attachment A.

Court Services Unit Chronology, 1990-2007

Pre-1990

- Provincial Government funded 50 court security officers and some prisoner transport
- Metropolitan Toronto funded remaining court officers and some prisoner transport
- Approximately 47% of court costs were funded by the province

1990

- Ministry of the Attorney General passed Bill 187 creating Court Services and dissolving all previous agreements and establishing a "per household" grant to fund court security - 138 courtrooms were in use at this time.

1991

- Supreme Court renders "Askov" decision requiring a trial within 6 months of charges being laid
- Ministry of the Attorney General increases the number of courtrooms in use to 141

1992

- Supreme Court renders "Stinchcombe" decision requiring full disclosure to Defence
- Ministry of the Attorney General creates new funding formula and discontinues funding for specific programmes and increases the number of courtrooms in use to 144
- TPS determines that Court Officers will assist in the recruiting, screening and training of candidates

1993

- Ministry of the Attorney General increases the number of courtrooms in use to 147
- RCMP withdraws its staffing support for the Federal (Drug) Courts
- TPS commences "Civilianization" and Court Officers assume court liaison duties for the first time

1994

- Ministry of the Attorney General receives the Martin Commission's report on Disclosure and a Memorandum of Understanding (MOU) creates the new disclosure process and expands the number/type of specialized courtrooms. The number of courtrooms increases to 187
- TPS offers the first major retirement incentive to Police with Court Officers staffing the resulting vacancies. Prisoner Transportation becomes fully civilianized and commences 7/24 operation. Court Services creates staffing appropriate formula of "2.5 Court Officers per courtroom"

1995

- Ministry of the Attorney General increases the number of courtrooms to 220
- Superior Court hears the "Bernardo" matter and Court Services creates the *Special Deployment Unit* to provide specialized security
- Judiciary insist that metal-detecting stations be established at each court location as an alternative to providing Court Officers in each courtroom. Superior Court exempt from metal-detection programme and a court officer is required in each sitting courtroom
- TPS determines that Summons Bureau be transferred to Court Services

1996

- Ministry of the Attorney General opens a new court facility at 393 University Avenue

1997

- Ministry of the Attorney General creates specialized courts to handle domestic violence. General Division amalgamated into two locations. "Blitz" courts established to expeditiously handle matters approaching their "Askov" limitations. Number of courtrooms in use: 224

1998

- Superior Court, as a result of the "Just Desserts" trial, renders a decision mandating a more sophisticated and detailed report-keeping (CRT7 process) and supervisory structure (CRT7 supervisory review process) for Court Services
- Ministry of the Attorney General expands the Domestic Violence Court and creates the Mental Health Court and Child Abuse Courts
- TPS audits Court Services and operational and staffing recommendations implemented

1999

- Ministry of the Attorney General increases the number of courtrooms in use to 226
- TPS reduces the number of Part Time Court Officers and increases the number of supervisors and Full Time Court Officers. Liaison and disclosure systems standardized

2000

- Federal Government modifies the Criminal Code to require collection of DNA samples from convicted persons. Court Services delegated to assume this responsibility
- Ministry of the Attorney General demands full compliance with Provincial Adequacy Standards - Court Services facilitates

2001

- Ministry of the Attorney General increases the number of courtrooms to 233 and begins a Video Remand Pilot Project
- Judiciary requires the establishment of metal detection at Superior Court and heightens security at all other locations due to 911

2002

- Ministry of the Attorney General courtrooms in use - 235 and expands the video remand system
- City of Toronto assumes responsibility for operations and security of POA courts
- TPS transfers Bail and Parole to Court Services

2003

- Ministry of the Attorney General increases number of courtrooms to 237. Portions of East Detention Centre closed. Extensive modifications to TPS prisoner transport patterns required
- TPS transferred Data Entry Unit to Court Services. Daily prisoner volume exceeds facility capacity and each court location identifies and formally caps prisoner population.

2004

- Ministry of the Attorney General opens the "Super Jails" and funds the prisoner transport bus. Courtrooms in use - 242
- Department of Justice threatens to withdraw hundreds of drug charges due to lack of disclosure and the DOJ project is established
- TPS transfers 55 Division matron function to Court Services. 5 Crown-Police Liaison Officer positions (Detective Sergeants) created to reduce the number of witnesses required to attend court

2005

- Provincial Courts begin "Gang" preliminary hearings. Security demands rise substantially. Average cost of \$750,000 per hearing (over life of case). Courtrooms in use - 247

2006

- Provincial Courts continues "Gang" preliminary inquiries and new hearings are commenced
- Superior Courts begins "Gang" trials. Security trends established in 2005 continue and expanded demands are created to deal with issues specifically relating to jury trials
- Ministry of the Attorney General begins to use prisoner redirection to control facility overcrowding
- TPS begins the "Ministry of the Attorney General Project" designed to ensure Criminal charges are thoroughly prepared in a timely manner.

2007 (anticipated)

- Ministry of the Attorney General will increase the number of courtrooms to 262 and will open an entirely new courthouse at 330 University Avenue and expand operations at 393 University Avenue and 2201 Finch Avenue West.
- In reaction to the volume of bail hearings, the "Up Front Justice Project" is launched to streamline the bail hearing process.

CHRONOLOGY CHART 1990-2007

	Senior Officers	Uniform Officers	Civilians	Full Time Court Officers	Part Time Court Officers	Courtrooms	Cost (Millions)	Percentage increase courtrooms	Percentage increase costs
1990	3	75	22	203	74	138	\$ 15.5	0%	0%
1991	3	72	23	207	95	141	\$ 18.1	2%	17%
1992	3	75	24	211	128	144	\$ 19.3	4%	25%
1993	3	71	21	205	126	147	\$ 20.4	7%	32%
1994	3	47	22	238	165	187	\$ 19.1	36%	23%
1995	3	38	42	254	209	220	\$ 21.6	59%	39%
1996	3	39	46	254	209	220	\$ 22.4	59%	45%
1997	3	21	43	287	213	224	\$ 22.6	62%	46%
1998	3	23	43	285	213	224	\$ 23.4	62%	51%
1999	3	24	44	322	158	226	\$ 24.7	64%	59%
2000	4	25	49	350	158	226	\$ 26.8	64%	73%
2001	4	26	49	350	158	233	\$ 28.9	69%	86%
2002	3	35	54	356	162	235	\$ 31.5	70%	103%
2003	3	33	58	375	164	237	\$ 33.8	72%	118%
2004	3	33	58	390	165	242	\$ 34.7	75%	124%
2005	3	23	62	403	165	247	\$ 35.9	79%	132%
2006	3	30	62	403	165	247	\$ 38.5	79%	148%
2007	3	28	62	487	165	262	\$ 43.5	90%	181%