

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING  
OF THE TORONTO POLICE SERVICES BOARD HELD ON FEBRUARY 26, 2007**

**#P90. TORONTO POLICE SERVICE 2007-2011 CAPITAL PROGRAM  
SUBMISSION – REVISED SUBMISSION**

The Board was in receipt of the following report February 23, 2007 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE 2007-2011 CAPITAL PROGRAM  
SUBMISSION – REVISED SUBMISSION

Recommendations:

It is recommended that:

- (1) the Board approve the revised 2007-2011 Capital Program submission at a net amount of \$32.7M for 2007 and an average of \$34.6M for the years 2008-2011 (as per Attachment 2); and
- (2) the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer, and to the City Executive Committee, for information.

Financial Implications:

Following discussions at the City's Budget Committee, and a further review of our capital program request for 2007-2011, a revised capital program request is being submitted to the Board for approval (Attachment 2). This revised request for 2007-2011 totals \$171.1M net, includes a 2007 request of \$32.7M, and averages \$34.6 per year over the years 2008-2011. The revised request is lower by \$3.1M in 2007, and by an average of \$0.4M annually over the five years, from what was approved by the Board at its November 28, 2006 meeting (Min. No. P387/06 refers).

Background/Purpose:

The Board approved the 2007-2011 Capital Program at its October 19, 2006 meeting, in the amount of \$36.3M for 2007, and \$34.8M on average for five years (Min. No. P325/06 refers). Following discussions with City staff, the Board's Budget Sub-Committee considered options for reducing the capital budget. Taking into consideration operational requirements, the Board was able to reduce the 2007 request to \$35.8M, and the five-year average to \$34.6M. The Board approved this revised capital program, for submission to the City at its November 28, 2006 meeting (Min. No. P387/06 refers). The current Board-approved program is provided in Attachment 1.

The debt-funded portion of the Toronto Police Service's (TPS) Capital Program, as approved by the Board, exceeds the City debt target by \$3.1M in 2007 (\$35.8M Board-approved budget versus \$32.7M debt target), and by \$1.9M on average for the years 2007-2011 (\$34.6M Board-approved budget versus \$32.7M debt target).

At its meeting of February 16, 2007, the City's Budget Committee requested that the Board provide a briefing note "on projects which could be reduced or deferred in the 2007-2011 Capital Plan, so that the recommended debt funding of \$32.700 Million is not exceeded in each of the five years; and further, include how the Toronto Police Services Board would stay within the recommended annual debt funding of \$32.700 Million in the event the Federal Department of National Defence funding for the New Training Facility does not materialize."

This report provides the response to the Budget Committee's request and recommends a 2007-2011 revised Capital Program.

### Discussion:

The briefing note to the City's Budget Committee meeting on February 23, 2007, provided as Attachment 3 to this report, identified two scenarios:

- Scenario A outlined a capital plan where debt funding of \$32.7M on average over the five years is not exceeded;
- Scenario B outlined a capital plan in the event Department of National Defence (DND) funding does not materialize – this plan does not meet the debt-funding guideline of \$32.7M.

The briefing note was reviewed by the Chief of Police and Chair of the Board, and provided to the City's Budget Committee on February 22, 2007. Due to time constraints, the briefing note was not presented to the Board prior to being provided to the City.

These scenarios were developed in response to the Budget Committee's request. The scenarios have significant implications on Service operations, particularly in the area of information systems. The management and analysis of information is critical to the Service, and not being able to enhance or upgrade systems poses a risk. Neither of the scenarios provided to the City's Budget Committee is therefore recommended. The Service does, however, recognize the City's financial constraints, and is recommending a revised 2007-2011 Capital Program that achieves the City's target of \$32.7M in 2007 and maintains the 2008-2011 requirements at the Board-approved level of an average of \$34.6M per year.

Attachment 2 of this document outlines the revised 2007-2011 capital program that is being recommended for Board approval. Information on the recommended changes that result in the revised program is provided below.

### Revised 2007-2011 Capital Program

The revised 2007-2011 capital program that is being recommended for approval (Attachment 2) has changed from the Board-approved (November 28, 2006 meeting) program (Attachment 1) in the following areas:

- Change in cashflow to the New Training Facility: Based on the most current information from the construction manager, the cashflow for this project has been modified to reflect the majority of spending occurring in 2007 and 2008 (the cashflow has been advanced from 2009). There is no change to the overall cost of the project.
- Increased estimates for the construction of 11 and 14 Divisions: Based on the Board's direction at its February 16, 2007 meeting to ensure all future facilities are built to a LEEDS-Silver standard, the cost for each of these projects has been increased by \$2M.
- Reduced estimate for the In-Car Camera project: The scope of this project has been reduced to include only "traffic" cars (140), rather than all marked cars (450). As a result, the overall project budget has been reduced by \$2.3M, and cash flows adjusted accordingly. The rollout of cameras to the remaining marked cars will be evaluated at a later date, and reflected in the Service's capital program as appropriate and feasible.
- Cashflow deferrals: Based on the current status of projects, cashflow for three projects (HRMS additional functionality, TRMS additional functionality, and Digital Video Asset Management II) has been deferred from 2007 to 2008 and 2009.

Only changes that are relatively certain have been incorporated in the revised program. The scenarios put forth to the Budget Committee included estimated allowances for delays and increased costs for the 11 Division facility, on the assumption that land will not be available before the end of 2007, and an increased cost estimate for the 14 Division facility, on the assumption that an underground parking structure will be required. It has subsequently been concluded that these changes, and others that may materialise in the coming months, are better dealt with during the 2008-2012 capital budget development. At that time, all projects will be reviewed and updated.

Furthermore, no change has been made to the assumption that DND funding will materialize. At this time, the Board has approved proceeding with construction of the New Training Facility under the assumption that DND participation will occur. Alternative construction plans have been developed in the event DND participation does not materialize. The impact on the Service's capital budget would be addressed at the time a final decision is made.

#### Conclusion:

The Board initially approved the capital program at its October 2006 meeting. This program was reviewed by City staff, who requested that the Board consider revising the program to be more in line with current City debt targets of \$32.7M. The Board considered action identified by the Service to achieve the City's lower target. Due to the impacts on the Service's and Board's key priorities, the Board approved a revised budget recommended by the Chief of \$35.8M in 2007 and an average of \$34.6M over the five-year program.

In light of the current request from the City's Budget Committee to not exceed the recommended debt funding of \$32.7M in each of the next five years, staff have further reviewed the capital program. Given current information on all projects, and keeping in mind the operational needs of the Service, the Service cannot recommend reducing the capital program to that level. The scenarios provided in the attached briefing note to the City's Budget Committee outlined what would be required to address the Budget Committee request. The Service is not recommending either scenario.

More up-to-date annual cashflow requirements for the New Training facility, and changes to the In-Car Camera, 11 Division, 14 Division and various technology projects has resulted in a revised and slightly lower capital program. The capital program outlined in Attachment 2 recommends a \$32.7M funding level for 2007 and \$34.6M on average for 2008-2011 (the five-year average for 2007-2011 is \$34.2M). It reflects the Service's priority with respect to the construction of replacement facilities to address our current aging buildings, and the need to enhance or upgrade information systems.

It should be noted, however, that the Capital program has been reviewed in a very short time, in order to respond to the Budget Committee's request, and the impacts of these changes on the various projects, and the entire program, may not have been fully considered.

The entire capital plan will be revisited in the 2008-2012 budget cycle, to ensure the most up-to-date information is included with respect to the projects discussed in this report, and any other changes that may become relevant will be considered at that time.

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

## Board Approved 2007-2011 Capital Program (\$000s) – November 28, 2006

Project Name	Plan to end of 2006	2006 Carry Over	2007-2011					2007-2011 Proj. Total Plan	2012-2016 Proj. Total Plan	Total Project
			2007	2008	2009	2010	2011			
<b>Facility Projects</b>										
23 Division (Kipling and Finch)	15,165	-456.1	2,500	0	0	0	0	2,500	0	17,665
New Training Facility (Replacement of C.O. Bick)	5,900	1,092.4	25,929	21,236	22,767	0	0	69,932	0	75,832
11 Division - Central Lock-up	200	0	0	1,000	5,500	9,778	5,093	21,371	0	21,371*
14 Division - Central Lock-up	1,000	999	1,034	8,857	5,068	5,054	0	20,013	0	21,013
Intelligence / Special Investigation Facility	0	0	1,000	1,000	0	2,800	0	4,800	0	4,800
Property & Evidence	0	0	258	0	0	1,155	8,175	9,588	13,366	22,954
Long Term Facility Plan	0	0	0	0	0	0	0	0	105,186	105,186
<b>Information Technology Projects</b>										
Automated Vehicle Location System Expansion	780	349.3	405	405	00	0	0	810	0	1,590
HRMS Additional Functionality	1,915	1,415	200	545	500	0	0	1,245	0	3,160
TRMS Additional Functionality	2,453	1,903	215	0	0	0	0	215	0	2,668
In – Car Camera	662	124	2,600	3,000	2,386	2,385	0	10,371	0	11,033
Digital Video Asset Management II	2,350	2,098.4	300	2,015	1,000	0	0	3,315	0	5,665
Jetforms Replacement	638	0	550	0	0	0	0	550	0	1,188
Geocoding Engine	0	0	457	0	0	0	0	457	0	457
Police Community Automated Notification System	0	0	922	0	0	0	0	922	0	922
CASC System Replacement	0	0	1,500	0	0	0	0	1,500	0	1,500
Data Warehouse Establishment	0	0	0	0	0	1,500	1,607	3,107	3,487	6,594
Record Management Systems	0	0	0	0	0	0	0	0	0	0
Electronic Document Management	0	0	0	0	0	0	500	500	0	500
Radio Console Dispatch for Communication Centre	0	0	0	0	0	0	0	0	220	220
<b>Replacements / Maintenance / Other Projects</b>										
Radio Replacement	8,530	199.6	0	0	0	9,600	11,400	21,000	0	29,530
Facility Security	2,745	160.9	400	515	0	0	0	915	0	3,660
State-of-Good-Repair – Police	10,730	250.5	1,700	1,800	1,900	1,900	1,900	9,200	9,000	28,930

## Board Approved 2007-2011 Capital Program (\$000s) – November 28, 2006

Project Name	Plan to end of 2006	2006 Carry Over	2007-2011					2007-2011 Proj. Total Plan	2012-2016 Proj. Total Plan	Total Project
			2007	2008	2009	2010	2011			
Furniture Lifecycle Replacement	2,250	543.7	750	0	0	0	0	750	0	3,000
<b>Total Debt-Funded Capital Budget Request</b>	<b>55,318.1</b>	<b>8,679.7</b>	<b>40,720</b>	<b>40,373</b>	<b>39,121</b>	<b>34,172</b>	<b>28,675</b>	<b>183,061</b>	<b>131,259</b>	<b>369,439</b>
<b>Other than debt - Funded from Reserve</b>										
Vehicle and Equipment Replacement	15,099	0	5,098	5,033	5,033	5,033	5,033	25,230	25,165	65,494
Workstation, laptop, printer – lifecycle	7,218	86.4	4,341	4,040	5,260	4,300	4,480	22,421	25,550	55,189
Servers – lifecycle	4,668	108.3	0	2,810	2,910	3,010	3,120	11,850	16,950	33,468
IT business resumption – lifecycle plan	7,164	1,188.5	260	0	0	1,590	1,640	3,490	8,920	19,574
Mobile Workstations	0	0	0	0	6,436	0	0	6,436	6436.0	12,872
Locker Replacement	0	0	550	550	550	550	0	2,200	0	2,200
Radio Replacement	0	0	0	4,000	2,000	0	0	6,000	0	6,000
<b>Total –Funded from Reserve</b>	<b>34,149</b>	<b>1,383.2</b>	<b>10,249</b>	<b>16,433</b>	<b>22,189</b>	<b>14,483</b>	<b>14,273</b>	<b>77,627</b>	<b>83,021</b>	<b>194,797</b>
<b>Land Cost (LARF)</b>										
54 Division	1,708	1,708	0	0	0	0	0	0	0	1,708
14 Division	4,230	4,230	0	0	0	0	0	0	0	4,230
41 Division	3,254	3,254	0	0	0	0	0	0	0	3,254
11 Division	2,500	2,500	3,000	0	0	0	0	3,000	0	5,500
13 Division	0	0	0	0	0	0	0	0	5,500	5,500
<b>Total – Land Cost</b>	<b>11,692</b>	<b>11,692</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>5,500</b>	<b>20,192</b>
<b>Summary</b>										
Total Gross Request	89,467	8,679.7	50,969	56,806	61,310	48,655	42,948	260,688	214,280	564,236
Less Draw from Reserve	-34,149	-1,383.2	-10,249	-16,433	-22,189	-14,483	-14,273	-77,627	-83,021	-194,797
Less Recovery from Dept of National Defence (DND)	0	0	-4,916	-2,458	-2,458	0	0	-9,832	0	-9,832
Less Land Cost	-11,692	-11,692	-3,000	0	0	0	0	-3,000	-5,500	-20,192
<b>Total Net Capital Budget Request</b>	<b>55,318.1</b>	<b>8,679.7</b>	<b>35,804</b>	<b>37,915</b>	<b>36,663</b>	<b>34,172</b>	<b>28,675</b>	<b>173,230</b>	<b>131,259</b>	<b>359,607</b>

**Board Approved 2007-2011 Capital Program (\$000s) – November 28, 2006**

Project Name	Plan to end of 2006	2006 Carry Over	2007-2011					2007-2011 Proj. Total Plan	2012-2016 Proj. Total Plan	Total Project
			2007	2008	2009	2010	2011			
<b>2007-2011 Average</b>								<b>34,645.8</b>		

\* 11 Division – the total project cost does not include \$200K for plan to 2006 yearend; due to City’s one year carry forward rule, this funding is lost and TPS is requesting it again in the 2007-2011 capital program.

**Revised 2007-2011 Capital Program (\$000s) – Recommended for Approval**

Project Name	Plan to end of 2006	2006 Carry Over	2007-2011					2007-2011 Proj. Total Plan	2012-2016 Proj. Total Plan	Total Project
			2007	2008	2009	2010	2011			
<b>Facility Projects</b>										
23 Division (Kipling and Finch)	15,165	-456.1	2,500	0	0	0	0	2,500	0	17,665
New Training Facility (Replacement of C.O. Bick)	5,900	1,092.4	26,169	38,663	5,100	0	0	69,932	0	75,832
11 Division - Central Lock-up	200	0	0	1,000	6,500	10,778	5,093	23,371	0	23,371*
14 Division - Central Lock-up	1,000	999	0	8,857	7,102	6,054	0	22,013	0	23,013
Intelligence / Special Investigation Facility	0	0	1,000	1,000	0	2,800	0	4,800	0	4,800
Property & Evidence	0	0	258	0	0	1,155	4,412	5,567	17,129	22,954
Long Term Facility Plan	0	0	0	0	0	0	0	0	105,186	105,186
<b>Information Technology Projects</b>										
Automated Vehicle Location System Expansion	780	349.3	405	405	00	0	0	810	0	1,590
HRMS Additional Functionality	1,915	1,415	0	745	500	0	0	1,245	0	3,160
TRMS Additional Functionality	2,453	1,903	0	215	0	0	0	215	0	2,668
In – Car Camera	662	124	1,000	2,300	2,300	2,400	0	8,000	0	8,662
Digital Video Asset Management II	2,350	2,098.4	0	2,015	1,300	0	0	3,315	0	5,665
Jetforms Replacement	638	0	550	0	0	0	0	550		1,188





## Revised 2007-2011 Capital Program (\$000s) – Recommended for Approval

Project Name	Plan to end of 2006	2006 Carry Over	2007-2011					2007-2011 Proj. Total Plan	2012-2016 Proj. Total Plan	Total Project
			2007	2008	2009	2010	2011			
41 Division	3,254	3,254	0	0	0	0	0	0	0	3,254
11 Division	2,500	2,500	3,000	0	0	0	0	3,000	0	5,500
13 Division	0	0	0	0	0	0	0	0	5,500	5,500
<b>Total – Land Cost</b>	<b>11,692</b>	<b>11,692</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>5,500</b>	<b>20,192</b>
<b>Summary</b>										
Total Gross Request	101,159.1	21,754.9	50,865	73,948	46,891	50,670	39,185	261,559	223,543.3	586,060.5
Less Draw from Reserve	-34,149	-1,383.2	-10,249	-16,433	-22,189	-14,483	-14,273	-77,627	-83,021	-194,797
Less Recovery from Dept of National Defence (DND)	0	0	-4,916	-2,458	-2,458	0	0	-9,832	0	-9,832
Less Land Cost	-11,692	-11,692	-3,000	0	0	0	0	-3,000	-5,500	-20,192
<b>Total Debt-Funded Capital Budget Request</b>	<b>55,318.1</b>	<b>8,679.7</b>	<b>32,700</b>	<b>55,057</b>	<b>22,244</b>	<b>36,187</b>	<b>24,912</b>	<b>171,100</b>	<b>135,022.4</b>	<b>361,239.5</b>
<b>2007-2011 Average</b>								<b>34,220</b>		

\* 11 Division – the total project cost does not include \$200K for plan to 2006 yearend; due to City's one year carry forward rule, this funding is lost and TPS is requesting it again in the 2007-2011 capital program.

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## **2007 BUDGET BRIEFING NOTE**

### **Options to Achieve Budget Committee Targets**

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**Issue/Background:**

The debt-funded portion of the Toronto Police Service's (TPS) Capital Program, as approved by the TPS Board (the Board), exceeds the City debt target by \$3.1M in 2007 (\$35.8M Board-approved budget versus \$32.7M debt target), and by \$1.9M on average for the years 2007-2011 (\$34.6M Board-approved budget versus \$32.7M debt target).

At its meeting of February 16, 2007, the City's Budget Committee requested that the Board provide a briefing note "on projects which could be reduced or deferred in the 2007-2011 Capital Plan, so that the recommended debt funding of \$32.700 Million is not exceeded in each of the five years; and further, include how the Toronto Police Services Board would stay within the recommended annual debt funding of \$32.700 Million in the event the Federal Department of National Defence funding for the New Training Facility does not materialize."

Due to time constraints, the information presented in this report has been reviewed by the Chief of Police and Chair of the Board. However, the revisions identified have not been submitted to the Police Services Board for consideration and approval.

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- Note: It was the understanding of the Board Chair and the Service staff, at the Budget Committee meeting of February 16, 2007, that the Budget Committee would consider the Service achieving the \$32.7M target on average during the 5 year capital program. However, this is not reflected in the motion above.
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**Debt-Funding Targets:**

The debt-funding target for the Toronto Police Service has changed significantly over the last year.

The Service's Capital target was set at \$35M during the 2006-2010 process (reduced from a target of \$40M set the year before).

In late April 2006, the City reduced the Service's annual target to \$28M for the years 2007-2010, and requested the Service (as well as all departments, agencies, boards and commissions) to submit a revised capital program for the years 2007-2010. City staff, however, recognized the need for the Service to replace aging facilities and outdated technology, and supported a \$35M average request, with the understanding that the Service would accommodate the replacement of radios (\$35.5M and previously to be funded from other sources) and Information Technology (IT) lifecycle costs (average of \$7M per year), without increasing the \$35M net average annual target. This was achieved by the Service,

and the Board approved (June 2006) a revised 2006-2010 capital program, which averaged \$35M for the years 2007-2010 of the program. The revised program was submitted to the City.

The City's current debt funding guideline for the Toronto Police Service is \$28.5M in 2007 (\$28.3M on average for 5 years). City Finance staff, however, have recommended an annual debt level (capital requirement funded from debt) of \$32.7M.

City Finance staff have also requested that the annual cashflow requirements equal the annual capital target (which is established at the same level for each year in the capital program). The Service has committed to meet its target, on average, over the 5 year period. However, due to the fact there are a number of projects in the program at various stages of completion, it is not possible to meet a uniform annual target each year.

**Cashflow Carryforward for Traffic Services & Garage Facility:**

There is an outstanding issue with respect to the Traffic Services and Garage Facility, located at 9 Hanna St. The last year of funding for this project was 2005. Due to outstanding legal issues between the City and the previous owner of the property, the Service has not been able to move into the facility until 2007 (the planned move-in date is April 2007). \$252,000 of unspent funds, approved in 2005, will be therefore required in 2007 for the move. Based on current City carryforward policy, the Service would have to include the \$252,000 in the 2007-2011 program as a new requirement, effectively cutting into the Service's capital funds for 2007.

Given that this two-year delay was completely beyond the control of the Service, the Service was under the understanding that special consideration would be given to waive the cashflow carryforward rule for this project. This would provide some relief to the Service's capital budget and not penalize the Service for an issue beyond its control. City staff are, however, recommending the inclusion of this \$252,000 in the Service's 2007-2011 request. The Service's revised request does not include \$252,000 for the Traffic Services and Garage facility.

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**Reductions Required to Achieve the City \$32.7M Annual Target:**

The Board approved its 2007-2011 Capital program at its October 2006 meeting, in the amount of \$36.3M for 2007, and \$34.8M on average for five years. Following discussions with City staff, the Board's Budget Sub-Committee considered options for reducing the capital budget. Taking into consideration operational requirements, the Board was able to reduce the 2007 request to \$35.8M, and the 5-year average to \$34.6M. The Board approved this revised capital program, for submission to the City at its November 2006 meeting.

Service staff have reviewed all projects in the 2007-2011 capital program to identify any possible deferrals or reductions that could be made to reduce the budget request:

Each project's budget and cashflow has been reviewed in detail, to ensure the most up-to-date information is included in the revised request.

Each project's justification and timing has been reviewed, again, in an attempt to defer projects wherever possible and feasible.

Two scenarios are presented here:

- Attachment 1 provides a summary of Scenario A (i.e. reducing the Service's Capital Plan so that the recommended debt funding of \$32.7M is not exceeded). Given the status of projects already committed to and started, it is not possible to develop a program that does not exceed \$32.7M in each of the five years. However, \$32.7M in 2007, and an average of \$32.7M over the five years, has been achieved.
- Attachment 2 provides a summary of Scenario B (what the Service's Capital Plan would be in the event the Federal Department of National Defence (DND) funding does not materialize). In this case, a \$32.7M average capital target is not possible. The best the Service could achieve under this scenario is an average of \$33.6M over the 5 years, including \$36.2M in 2007.

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#### **Summary of Overall Changes to Capital Projects:**

Given that the entire 2007-2011 is being reviewed and updated, the Service has updated all project requirements based on the most current information. As such, the following changes have been incorporated into the revised program:

- Ensuring a green environment: At its February 16, 2007 meeting, the Board recommended that all future facilities be designed to the LEED-Silver standard. As a result, all future facilities may cost more to renovate or build. \$2M per facility has been included for new 11 Division and 14 Division facilities, to meet the LEED-Silver certification level. The New Training Facility project had already been revised for the LEED-Silver standard, at a cost of \$4M. Therefore, the revised 2007-2011 capital program includes \$8M (or an average of \$1.6M/yr.) to meet the LEED-Silver standard.
- Delays in construction: The current construction market is volatile, and has been experiencing 8% inflation in recent years. Any delays in construction or renovation of facilities results in an inflationary increase in project costs. This inflation has been taken into account in updating the cost estimates for the 11 and 14 Division capital projects.
- Project-specific information: The scope of some projects has changed since Board approval. For example, the site that is currently being considered for 14 Division will most likely require the construction of an underground parking facility. This change results in increased cost. This, and any other known changes have therefore been included in the revised cost estimate.

#### **Scenario A: Reducing the Service's Capital Plan so that the recommended debt funding of \$32.7M is not exceeded:**

The Service, through cashflow changes and deferrals, has addressed the first scenario set forth by the Budget Committee. These changes do, however, impact on Service operations due to later completion of projects. The scenario, provided in Attachment 1, achieves the target of \$32.7M in 2007, and reflects funding requirements that average \$32.7M for the five-year program (each year from 2008 to 2011 varies somewhat from target). In particular, due to the cashflow requirements of the Service's new training facility project,

the 2008 cashflow requirement is \$15.2M above the \$32.7M target, while the 2009 target is \$13.2M below the target.

The following changes have been identified to the Board-approved budget:

- 11 Division: Revised assumptions for land acquisition indicate that design for this building will not begin until 2009 (a one-year delay). Cashflow assumptions have been modified based on the revised start date and experience to date with other facilities. Project costs have been adjusted by \$4.3M (\$2.0M to achieve LEED-Silver, and \$2.3M for inflation increases, based on revised cash flows).
- 14 Division: Project costs have been adjusted by \$8.1M (\$2.0M for LEED-Silver certification, \$5.4M for the construction of underground parking, and \$0.6M for anticipated lost funding from 2006). Cashflow assumptions have been modified based on experience to date with other facilities (e.g. construction of 23 Division which was recently completed).
- Property & Evidence Management Storage: This project has been delayed from 2010 to beyond 2011 pending the results of a study being conducted in 2007.
- Intelligence / Special Investigations Facility: The second (and third) phase of this project has been delayed from 2008 to 2010, delaying renovations that would improve operational efficiencies for this unit.
- HRMS and TRMS Additional Functionality: The 2007 funding for these projects has been deferred to 2008 based on recent discussions with human resources staff. Any further adjustments required will be known later this year and reflected in the 2008-2012 capital program.
- In-Car Camera: This project is currently in its pilot phase. It is important to note that the scope of this project has been reduced to include only “Traffic” cars (140), rather than all marked cars (450). As a result, the overall project budget has been reduced by \$2.3M, and cashflows adjusted accordingly. The rollout of cameras to the remaining marked cars will be evaluated at a later date, and reflected in the Service’s capital program as appropriate and feasible.
- Future projects: Data Warehouse Establishment (originally scheduled to begin in 2010) and Electronic Document Management (2011) have been postponed to beyond 2011. The risk associated with the further delay in the Data Warehouse Establishment initiative is that the Service will continue to manually manage data quality and integrity issues associated with the management of numerous information silos used in the Service’s decision-making process. The Service will review these requirements in the development of future capital programs.

**Scenario B: Reducing the Service’s Capital Plan so that the recommended debt funding of \$32.7M is not exceeded, in the event DND funding does not materialize:**

The Service has not been able to fully achieve the second scenario set forth by the Budget Committee (i.e., if the \$9.8M DND funding does not materialize). The scenario, provided in Attachment 2, indicates a \$33.6M request on average, which includes a requirement of \$36.2M in 2007.

■

The following additional changes were made to Scenario A to arrive at Scenario B:

- Intelligence / Special Investigations Facility: The second (and third) phase of this project has been delayed even further, to 2012. This will further delay the renovation of this facility that would result in better utilisation of the space.
- 2007 New Projects: Two new projects (Geocoding Engine [\$0.5M] and Police Community Automated Notification System, or PCANS [\$0.9M]) have been postponed from 2007 to 2012 (outside of the five-year program). The Geocoding Engine project would provide improved crime analysis at the neighbourhood level; PCANS would provide improved communications from the Service to the community, via internet, phone and fax capabilities. These capabilities would not be addressed until 2012 under this scenario.

### **Conclusion:**

➤ This briefing note responds to a request from the City's Budget Committee to identify reductions necessary to achieve an annual target of \$32.7M.

➤

➤ It is important to note that the reductions, deferrals, cost estimate revisions, and new requirements (e.g. LEEDS-Silver certification) identified in this briefing note are in addition to significant changes made by the Service and approved by the Board in June 2006, and reflected in the capital program (which averaged \$34.6M annually) submitted to the City in November 2006.

➤

➤ These changes include:

➤ Absorbing \$35.5M to replace our aging and obsolete radios (this was previously to be funded through other sources).

➤ Funding our computer lifecycle replacements out of our equipment reserve, instead of the capital program.

➤ Absorbing higher cost estimates for the facility projects in our program, in particular the new training facility (\$28M gross, and \$18M net).

➤

➤ The additional changes identified to achieve the City's \$32.7M annual target, significantly impacts our information technology projects in our plan and essentially makes no room for any new projects in the next few years.

➤

➤ While the revised program outlined in Attachment 1 achieves the \$32.7M annual target on average over the 5 years, it is not realistic or possible for our annual cashflow requirements to meet the \$32.7M target each year. This is due to the fact we have a number of projects in our capital program at various stages of completion and with varying cashflow requirements.

➤

➤ The replacement of our aging facilities continues to be a priority for the Service. The revisions identified to achieve the \$32.7M target, preserves our ability to meet our facility replacement objectives. However, the reductions do adversely impact the timing of other projects in our program. In particular, the delay in the Data Warehouse Establishment initiative will require the Service to continue to manually manage data quality and integrity associated with the management of numerous information silos, adding additional pressures on administration and analysis staff to validate that information that is used in the Service's decision-making process.

➤

➤ It is important to note that the Police Services Board has not considered and approved the revisions identified in this briefing note.

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**Prepared by: Angelo Cristofaro, Finance & Administration, Toronto Police Service  
416-808-7877**

**Further information:**

**Date: February 20, 2007**

## Scenario A – 2007-2011 Capital Program (\$000s) Not Exceeding \$32.7M

Project Name	Plan to end of 2006	2006 Carry Over	2007-2011					2007-2011 Proj. Total Plan	2012-2016 Proj. Total Plan	Total Project
			2007	2008	2009	2010	2011			
<b>Facility Projects</b>										
23 Division (Kipling and Finch)	15,165	-456.1	2,500	0	0	0	0	2,500	0	17,665
New Training Facility (Replacement of C.O. Bick)	5,900	1,092.4	26,169	38,663	5,100	0	0	69,932	0	75,832
11 Division -Central Lock-up	200	0	0	0	555	7,397	10,950	18,902	6,581	25,483*
14 Division-Central Lock-up	1,000	999	0	3,652	10,352	9,539	4,516.6	28,060	0	29,059.6
Intelligence / Special Investigation Facility	0	0	1,000	0	0	1,000	2,800	4,800	0	4,800
Property & Evidence Management	0	0	258	0	0	0	0	258	21,541	21,799
Long Term Facility Plan	0	0	0	0	0	0	0	0	105,186	105,186
<b>Information Technology Projects</b>										
Automated Vehicle Location System Expansion	780	349.3	405	405	00	0	0	810	0	1,590
HRMS Additional Functionality	1,915	1,415	0	745	500	0	0	1,245	0	3,160
TRMS Additional Functionality	2,453	1,903	0	215	0	0	0	215	0	2,668
In – Car Camera (cashflow change)	662	124	1,000	2,300	2,300	2,400	0	8,000	0	8,662
Digital Video Asset Management II	2,350	2,098.4	0	2,015	1,300	0	0	3,315	0	5,665
Jetforms Replacement	638	0	550	0	0	0	0	550	0	1,188
Geocoding Engine	0	0	457	0	0	0	0	457	0	457
Police Community Automated Notification System	0	0	927	0	0	0	0	927	0	927
CASC System Replacement	0	0	1,500	0	0	0	0	1,500	0	1,500
Data Warehouse Establishment	0	0	0	0	0	0	0	0	6,514	6,514
Record Management Systems Replacement	0	0	0	0	0	0	0	0	8,000	8,000
Electronic Document Management	0	0	0	0	0	0	0	0	500	500
Radio Console Dispatch for Communication Centre	0	0	0	0	0	0	0	0	220	220
<b>Replacements/Maintenance/Other Projects</b>										
Radio Replacement (cashflow change)	8,530.1	199.6	0	0	0	9,600	11,400	21,000	0	29,530.1
Facility Security	2,745	160.9	400	515	0	0	0	915	0	3,660
State-of-Good-Repair – Police	10,730	543.7	1,700	1,800	1,900	1,900	1,900	9,200	9,500	29,430
Furniture Lifecycle Replacement	2,250	250.6	750	0	0	0	0	750	0	3,000



## Scenario A – 2007-2011 Capital Program (\$000s) Not Exceeding \$32.7M

Project Name	Plan to end of 2006	2006 Carry Over	2007-2011					2007-2011 Proj. Total Plan	2012-2016 Proj. Total Plan	Total Project
			2007	2008	2009	2010	2011			
<b>Total – Capital Budget Request</b>	<b>55,318.1</b>	<b>8,679.7</b>	<b>37,616</b>	<b>50,310</b>	<b>22,007</b>	<b>31,836</b>	<b>31,566.6</b>	<b>173,335.6</b>	<b>158,042</b>	<b>386.495.7</b>
<b>Other than debt - Funded from Reserve</b>										
Vehicle and Equipment Replacement	15,099	0	5,098	5,033	5,033	5,033	5,033	25,230	25,165	65,494
Workstation, laptop, printer – lifecycle	7,218	86.4	4,341	4,040	5,260	4,300	4,480	22,421	26,150	55,789
Servers – lifecycle	4,668	108.3	0	2,810	2,910	3,010	3,120	11,850	16,950	33,468
IT business resumption – lifecycle plan	7,164	1,185.5	260	0	0	1,590	1,640	3,490	8,920	19,574
Mobile Workstations	0	0	0	0	6,436	0	0	6,436	15,940	22,376
Network Equipment	0	0	0	0	0	0	0	0	4,610	4,610
Locker Replacement	0	0	550	550	550	550	0	2,200	0	2,200
Radio Replacement	0	0	0	4,000	2,000	0	0	6,000	0	6,000
<b>Total – Funded from Reserve</b>	<b>34,149</b>	<b>1,383.2</b>	<b>10,249</b>	<b>16,433</b>	<b>22,189</b>	<b>14,483</b>	<b>14,273</b>	<b>77,627</b>	<b>97,735</b>	<b>209,511</b>
<b>Land Cost</b>										
54 Division	1,708	1,708	0	0	0	0	0	0	0	1,708
14 Division	4,230	4,230	0	0	0	0	0	0	0	4,230
41 Division	3,254	3,254	0	0	0	0	0	0	0	3,254
11 Division	2,500	2,500	3,000	0	0	0	0	3,000	0	3,000
13 Division	0	0	0	0	0	0	0	0	5,500	5,500
<b>Total Land Cost</b>	<b>11,692</b>	<b>11,692</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,500</b>	<b>20,192</b>
<b>Summary</b>										
<b>Total Gross Request</b>	<b>101,159.1</b>	<b>21,754.9</b>	<b>50,865</b>	<b>66,743</b>	<b>44,196</b>	<b>46,319</b>	<b>45,839.6</b>	<b>253,962.6</b>	<b>261,277</b>	<b>616,198.7</b>
Less Draw from Reserve	-34,149	-1,383.2	-10,249	-16,433	-22,189	-14,483	-14,273	-77,627	-97,735	-209,511
Less Recovery from Dept of National Defence (DND)	0	0	-4,916	-2,458	-2,458	0	0	-9,832	0	-9,832
Less Land Cost	-11,692	-11,692	-3,000	0	0	0	0	-3,000	-5,500	-20,192
<b>Total Net Capital Budget Request</b>	<b>55,318.1</b>	<b>8,679.7</b>	<b>32,700</b>	<b>47,852</b>	<b>19,549</b>	<b>31,836</b>	<b>31,566.6</b>	<b>163,503</b>	<b>158,042</b>	<b>376,663.7</b>
<b>2007-2011 Average</b>								<b>32,700</b>		

\* 11 Division – the total project cost does not include \$200K for plan to 2006 yearend; due to City's one year carry forward rule, this funding is lost and TPS is requesting it again in 2007-2011 capital program.

## Scenario B – 2007-2011 Capital Program (\$000s) If DND Funding Does Not Materialize

Project Name	Plan to end of 2006	2006 Carry Over	2007-2011					2007-2011 Proj. Total Plan	2012-2016 Proj. Total Plan	Total Project
			2007	2008	2009	2010	2011			
<b>Facility Projects</b>										
23 Division (Kipling and Finch)	15,165	-456.1	2,500	0	0	0	0	2,500	0	17,665
New Training Facility (Replacement of C.O. Bick)	5,900	1,092.4	26,169	38,663	5,100	0	0	69,932	0	75,832
11 Division -Central Lock-up	200	0	0	0	555	7,397	10,950	18,902	6,581	25,483*
14 Division-Central Lock-up	1,000	999	0	3,652	10,352	9,539	4,516.6	28,060	0	29,059.6
Intelligence / Special Investigation Facility	0	0	1,000	0	0	0	0	1,000	3,800	4,800
Property & Evidence Management	0	0	258	0	0	0	0	258	21,541	21,799
Long Term Facility Plan	0	0	0	0	0	0	0	0	105,186	105,186
<b>Information Technology Projects</b>										
Automated Vehicle Location System Expansion	780	349.3	405	405	00	0	0	810	0	1,590
HRMS Additional Functionality	1,915	1,415	0	745	500	0	0	1,245	0	3,160
TRMS Additional Functionality	2,453	1,903	0	215	0	0	0	215	0	2,668
In – Car Camera (cashflow change)	662	124	1,000	2,300	2,300	2,400	0	8,000	0	8,662
Digital Video Asset Management II	2,350	2,098.4	0	2,015	1,300	0	0	3,315	0	5,665
Jetforms Replacement	638	0	550	0	0	0	0	550		1,188
Geocoding Engine	0	0	0	0	0	0	0	0	457	457
Police Community Automated Notification System	0	0	0	0	0	0	0	0	927	927
CASC System Replacement	0	0	1,500	0	0	0	0	1,500	0	1,500
Data Warehouse Establishment	0	0	0	0	0	0	0	0	6,514	6,514
Record Management Systems Replacement	0	0	0	0	0	0	0	0	8,000	8,000
Electronic Document Management	0	0	0	0	0	0	0	0	500	500
Radio Console Dispatch for Communication Centre	0	0	0	0	0	0	0	0	220	220
<b>Replacements/Maintenance/Other Projects</b>										
Radio Replacement (cashflow change)	8,530	199.6	0	0	0	9,600	11,400	21,000	0	29,530.1
Facility Security	2,745	160.9	400	515	0	0	0	915	0	3,660
State-of-Good-Repair – Police	10,730	543.7	1,700	1,800	1,900	1,900	1,900	9,200	9,500	29,430
Furniture Lifecycle Replacement	2,250	250.6	750	0	0	0	0	750	0	3,000

## Scenario B – 2007-2011 Capital Program (\$000s) If DND Funding Does Not Materialize

Project Name	Plan to end of 2006	2006 Carry Over	2007-2011					2007-2011 Proj. Total Plan	2012-2016 Proj. Total Plan	Total Project
			2007	2008	2009	2010	2011			
<b>Total – Capital Budget Request</b>	<b>55,318.1</b>	<b>8,679.7</b>	<b>36,232</b>	<b>50,310</b>	<b>22,007</b>	<b>30,836</b>	<b>28,766.6</b>	<b>168,151.6</b>	<b>163,226.0</b>	<b>386,495.7</b>
<b>Other than debt expenditure (Funded from Reserve)</b>										
Vehicle and Equipment Replacement	15,099	0	5,098	5,033	5,033	5,033	5,033	25,230	25,165	65,494
Workstation, laptop, printer – lifecycle	7,218	86.4	4,341	4,040	5,260	4,300	4,480	22,421	26,150	55,789
Servers – lifecycle	4,668	108.3	0	2,810	2,910	3,010	3,120	11,850	16,950	33,468
IT business resumption – lifecycle plan	7,164	1,185.5	260	0	0	1,590	1,640	3,490	8,920	19,574
Mobile Workstations	0	0	0	0	6,436	0	0	6,436	15,940	22,376
Network Equipment	0	0	0	0	0	0	0	0	4,610	4,610
Locker Replacement	0	0	550	550	550	550	0	2,200	0	2,200
Radio Replacement	0	0	0	4,000	2,000	0	0	6,000	0	6,000
<b>Total – Funded From Reserve</b>	<b>34,149</b>	<b>1,383.2</b>	<b>10,249</b>	<b>16,433</b>	<b>22,189</b>	<b>14,483</b>	<b>14,273</b>	<b>77,627</b>	<b>97,735</b>	<b>209,511</b>
<b>Land Cost</b>										
54 Division	1,708	1,708	0	0	0	0	0	0	0	1,708
14 Division	4,230	4,230	0	0	0	0	0	0	0	4,230
41 Division	3,254	3,254	0	0	0	0	0	0	0	3,254
11 Division	2,500	2,500	3,000	0	0	0	0	3,000	0	5,500
13 Division	0	0	0	0	0	0	0	0	5,500	5,500
<b>Total Land Cost</b>	<b>11,692</b>	<b>11,692</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,500</b>	<b>20,192</b>
<b>Summary</b>										
<b>Total Gross Request</b>	<b>101,159.1</b>	<b>21,754.9</b>	<b>49,481</b>	<b>66,743</b>	<b>44,196</b>	<b>45,319</b>	<b>43,039.6</b>	<b>248,778.6</b>	<b>266,461</b>	<b>616,198.7</b>
Less Draw from Reserve	-34,149	-1,383.2	-10,249	-16,433	-22,189	-14,483	-14,273	-77,627	-97,735	<b>-209,511</b>
Less Land Cost	-11,692	-11,692	-3,000	0	0	0	0	-3,000	-5,500	<b>-20,192</b>
<b>Total Net Capital Budget Request</b>	<b>55,318.1</b>	<b>8,679.7</b>	<b>36,232</b>	<b>50,310</b>	<b>22,007</b>	<b>30,836</b>	<b>28,766.6</b>	<b>168,151.6</b>	<b>163,226</b>	<b>386,495.7</b>
<b>2007-2011 Average</b>								<b>33,630</b>		

\* 11 Division – the total project cost does not include \$200K for plan to 2006 yearend; due to City's one year carry forward rule, this funding is lost and TPS is requesting it again in 2007-2011 capital program.

**The Board approved the following Motions:**

- 1. THAT the Board approve recommendations (1) and (2) as contained in the Chief's report and request that the CAO meet with City of Toronto budget staff prior to September 2007 to establish budgets for subsequent years;**
- 2. THAT the Board refer the amounts for the in-car camera project in 2010, 2011 and subsequent years to the Chief to prepare a report to the Board regarding the Chief's anticipated change in scope of the project; and**
- 3. THAT the Board request the CAO to explore, with appropriate City staff, any additional opportunities for funding for environmental initiatives at all levels of government, outside of the current funding by the City.**

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING  
OF THE TORONTO POLICE SERVICES BOARD HELD ON FEBRUARY 26, 2007**

**#P91.           ADJOURNMENT**

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Pam McConnell  
Acting Chair