



STAFF REPORT ACTION REQUIRED

Toronto Police Service: 2012 – 2021 Capital Program Submission - Update

Date:	January 3, 2012
To:	Budget Committee, City of Toronto
From:	Alok Mukherjee, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to request that the Budget Committee confirm the Toronto Police Service's ('Service') 2012-2021 capital program and to remind the Budget Committee that there is a provision in the *Police Services Act* which stipulates that "In establishing an overall budget for the board, the council does not have the authority to approve or disapprove specific items in the estimates (sec 39.(4)).

RECOMMENDATION

It is recommended that the Budget Committee confirm the Service's 2012-2021 capital program submission with a 2012 net request of \$24.7M, and a net total of \$316.8M for 2012-2021, as detailed in Attachment A, contained in Appendix A.

FINANCIAL IMPACT

The Board-approved capital program is \$24.7 Million (M) in 2012, and \$316.8M for 2012-2021. This program meets the City-identified total debt affordability target for the ten-year program.

The City's Capital Budget Analyst Notes, presented to the City's Budget Committee, recommend a capital program for the Service that excludes the Board-approved project for the Progress Site - Future Use, resulting in a City Finance recommended program that is \$40M below the ten-year target provided by the City. No adjustment to the capital target is being recommended by City Finance staff at this time.

ISSUE BACKGROUND

At a meeting held on December 15, 2011, the Board was in receipt of a report dated December 14, 2011 from William Blair, Chief of Police, containing an update on the Service's 2012 – 2021 capital program submission.

COMMENTS

The Board approved the Chief's report and the following Motion:

THAT the Board forward this report to the Budget Committee and remind the Committee of the *Police Services Act* provision which stipulates that "In establishing an overall budget for the board, the council does not have the authority to approve or disapprove specific items in the estimates (sec 39.(4)).

The Board also agreed to forward a copy of the report to the City's Deputy City Manager and Chief Financial Officer for information.

CONCLUSION

A copy of the Chief's report dated December 14, 2011 is contained in Board Minute No. P318/11. A copy of Board Minute No. P318/11, in the form attached as Appendix "A" to this report, 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. P318/11

cc. Mr. Cam Weldon, Deputy City Manager and Chief Financial Officer

A: 2012 – 2021 tps capital update.doc

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON DECEMBER 15, 2011

#P318. TORONTO POLICE SERVICE 2012 – 2021 CAPITAL PROGRAM SUBMISSION – UPDATE

The Board was in receipt of the following report December 14, 2011 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE 2012 - 2021 CAPITAL PROGRAM
SUBMISSION – UPDATE

Recommendations:

It is recommended that:

- (1) the Board confirm the Toronto Police Service's 2012-2021 capital program, as approved at its special meeting on October 5, 2011; and
- (2) the Board forward a copy of this report to the City's Budget Committee for consideration, and the City's Deputy City Manager/Chief Financial Officer for information.

Financial Implications:

The Board-approved capital program is \$24.7 Million (M) in 2012, and \$316.8M for 2012-2021. This program meets the City-identified total debt affordability target for the ten-year program.

The City's Capital Budget Analyst Notes, presented to the City's Budget Committee, recommend a capital program for the Toronto Police Service (Service) that excludes the Board-approved project for the Progress Site - Future Use, resulting in a City Finance recommended program that is \$40M below the ten-year target provided by the City. No adjustment to the capital target is being recommended by City Finance staff at this time.

Background/Purpose:

At its special meeting of October 5, 2011, the Board approved the Service's 2012-2021 capital program at a net amount of \$24.7M in 2012 and \$316.8M for 2012-2021 (Min. No. P253/11 refers). This program meets the Service's total debt target for the ten-year program as provided by the City. However, as a result of the deferral of the contract award for the Integrated Records and Information System (IRIS) project, cash flow adjustments were required. Consequently, and as reported to the Board in the October 5, 2011 report, the Board-approved capital program does

not meet the City's annual debt targets for the first three years (under target by \$8.7M in 2012; over target by \$4.8M in 2013, and over target by \$3.9M in 2014 for a net zero impact).

During their review of the Service's capital program, City Finance staff requested additional detail on the Progress Site - Future Use, which is included in the Board-approved capital program at an estimated cost of \$40M (for the years 2018-2021). Service staff provided more details for the project based on the best information available and current plans. At this time, the Progress Site - Future Use project contemplates the relocation of the Public Safety unit (estimated at \$15.5M) and the relocation of the Forensic Identification Services unit (estimated at \$54.5M, of which \$24.5M is within the ten-year period). The Board-approved capital program, which includes the Progress Site project, is provided in Attachment A. The City Finance recommended program that excludes the Progress Site project is provided in Attachment B.

This purpose of this report is to advise the Board that the capital program it approved at its October 5, 2011 meeting, has been revised by City Finance staff. A City staff-recommended 2012-2021 capital program, that is \$40M lower than the program approved by the Board and that deletes the Progress Site - Future Use project, was recently approved by the City's Budget Committee at its meeting on December 9 and 13, 2011.

Discussion:

The 2012-2021 capital program represents a budget for 2012 and a plan for 2013-2021 which forms the basis for developing future capital budgets, in accordance with the City's multi-year financial planning and budgeting policy.

Corporate targets for Agencies, Boards, Commissions and Departments (ABCDs) are allocated by the City's Deputy City Manager and Chief Financial Officer (City CFO). The Board-approved 2012-2021 capital program meets the City's total debt affordability target for the ten years and achieves the City's annual debt target in seven of the ten years.

In reviewing the Service's capital program, City Finance staff has not adjusted the Service's debt target. However, City Finance has recommended that the future use of the Progress Site project, which is scheduled to commence in 2018, be removed from the submission. The City's Capital Budget Analyst Notes indicate that the reason for recommending removal of this project is that *"the specific uses must be outlined and project details provided including operating costs and savings before these projects can be considered in a future 10 year capital plan"*.

The Service has identified the anticipated use of both the unused space in the current facility, and some of the unused land at the Progress site to accommodate the potential move of two Service units (Public Safety and Forensic Identification). While these units could be moved to the Progress Avenue site, there are other possibilities that the Service will be reviewing (e.g. Parking Enforcement) prior to finalizing the decision. The Service's capital program provides a long term plan that may change depending on needs. This is true of all future capital projects that have not commenced. The relocation of facilities to the Progress site will result in current facilities being declared surplus and returned to the City.

The City acquired the Progress site for the Service's new Property and Evidence Management (PEMU) facility, which is an approved capital project currently in progress. The site (facility and land) is much larger than what is required for the PEMU. Consequently, the site provides opportunities for the Service to move other functions to this site and free up the existing facilities. Whether the Service relocates Public Safety and Forensic Identification or some other functions to the Progress site, the intent is to utilize the site within the capital targets provided by the City. The 2012-2021 Board-approved capital program achieves this objective. However, because this project is not scheduled to commence until 2018, it is difficult to finalize the actual uses, and any operating costs or savings, with any degree of certainty at this time. It is the Service's position that any decision to remove or prioritize a project from the capital program rests with the Board.

Conclusion:

A detailed review of all projects in the Service's 2012-2021 capital program request has been conducted, to ensure the capital program reflects the priorities of the Service, is consistent with the Service's strategic objectives, and is in line with City targets. The Board-approved 2012-2021 capital program identifies the Service's plans for the next ten years, meets the City's total debt affordability target for the ten years and achieves the City's annual debt target in seven of the ten years.

City Finance's recommended capital program, approved by the City Budget Committee at its meeting on December 9 and 13, 2011 is \$40M below target (achieved through the removal of the future use of Progress Avenue project, affecting years 2018 to 2021).

While the City could reduce the funding in the Service's capital program, it is the Service's position that any decision to remove a specific project from the capital program should be considered by the Board, after consulting with the Chief of Police.

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

The Board approved the foregoing report and the following Motion:

THAT the Board forward this report to the Budget Committee and remind the Committee of the *Police Services Act* provision which stipulates that "In establishing an overall budget for the board, the council does not have the authority to approve or disapprove specific items in the estimates (sec 39.(4)).

BOARD-APPROVED 2012-2021 CAPITAL PROGRAM (\$000s)

Project Name	Plan to end of 2011	2012	2013	2014	2015	2016	Total 2012-2016 Request	2017	2018	2019	2020	2021	Total 2017-2021 Forecast	Total 2012-2021 Program	Total Project Cost
On-Going Projects															
State-of-Good-Repair - Police		4,510	4,565	4,594	4,469	4,621	22,759	4,331	4,529	4,841	5,113	5,238	24,051	46,810	46,810
Radio Replacement	23,018	5,371	0	0	0	0	5,371	0	0	0	0	0	0	5,371	28,389
14 Division - Central Lockup	26,605	8,910	0	0	0	0	8,910	0	0	0	0	0	0	8,910	35,515
Progress Site (Property & Evidence)	27,339	7,149	2,581	0	0	0	9,729	0	0	0	0	0	0	9,729	37,068
IRIS - Integrated Records and Information System	10,047	0	9,507	4,866	0	0	14,373	0	0	0	0	0	0	14,373	24,420
Upgrade to Microsoft 7	1,492	160	0	0	0	0	160	0	0	0	0	0	0	160	1,652
Total, On-Going Capital Projects	88,502	26,099	16,653	9,460	4,469	4,621	61,302	4,331	4,529	4,841	5,113	5,238	24,051	85,353	173,854
New Projects															
54 Division (includes land)	500	0	0	9,060	21,665	5,721	36,446	0	0	0	0	0	0	36,446	36,946
Data Warehouse Establishment	0	0	0	3,617	1,354	3,233	8,204	0	0	0	0	0	0	8,204	8,204
Electronic Document Management	0	0	0	49	441	0	490	0	0	0	0	0	0	490	490
HRMS Upgrade	0	0	0	155	682	0	836	0	0	0	0	0	0	836	836
TRMS Upgrade	0	0	0	1,943	1,470	0	3,413	0	0	0	0	0	0	3,413	3,413
Digital Content Manager	0	0	0	1,360	1,673	0	3,033	0	0	0	0	0	0	3,033	3,033
41 Division (includes land)	0	0	0	0	372	8,564	8,937	20,636	9,506	0	0	0	30,142	39,079	39,079
Expansion of Fibre Optics Network	0	0	0	0	881	5,585	6,466	5,585	0	0	0	0	5,585	12,051	12,051
Radio Replacement	0	0	0	0	0	10,193	10,193	2,836	4,622	1,174	4,954	11,581	25,167	35,360	35,360
13 Division (includes land)	0	0	0	0	0	0	0	372	8,645	19,903	10,159	0	39,079	39,079	39,079
AFIS (next replacement)	0	0	0	0	0	0	0	0	3,053	0	0	0	3,053	3,053	3,053
Disaster Recovery Site	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 Division - Renovation	0	0	0	0	0	0	0	0	3,053	3,934	0	0	6,987	6,987	6,987
52 Division - Renovation	0	0	0	0	0	0	0	0	0	0	3,559	4,741	8,300	8,300	8,300
55 Division - Renovation	0	0	0	0	0	0	0	0	0	0	1,529	6,471	8,000	8,000	8,000
22 Division - Renovation	0	0	0	0	0	0	0	0	0	0	0	1,290	1,290	1,290	8,000
Progress (Future use)									5,088	10,440	15,005	9,467	40,000	40,000	40,000
Total, New Capital Projects:	500	0	0	16,183	28,539	33,296	78,018	29,429	33,967	35,452	35,205	33,550	167,603	245,621	252,831
Total debt funded Capital Projects:	89,002	26,099	16,653	25,643	33,008	37,917	139,320	33,760	38,496	40,292	40,318	38,788	191,654	330,974	426,685
Recoverable debt Project															
eTicketing Solution	0	1,719	0	0	0	0	1,719	0	0	0	0	0	0	1,719	1,719
Total, Recoverable debt project:	0	1,719	0	0	0	0	1,719	0	0	0	0	0	0	1,719	1,719
Total Reserve Projects:	130,369	13,926	23,854	18,259	18,654	23,054	97,747	17,451	24,325	19,567	19,519	24,525	105,387	203,134	333,503
Total Gross Projects	219,371	41,745	40,507	43,902	51,662	60,971	238,786	51,211	62,821	59,859	59,837	63,313	297,041	535,827	761,908
Funding Sources:															
Vehicle and Equipment Reserve	(130,369)	(13,926)	(23,854)	(18,259)	(18,654)	(23,054)	(97,747)	(17,451)	(24,325)	(19,567)	(19,519)	(24,525)	(105,387)	(203,134)	(333,503)
Infrastructure Stimulus Fund (ISF) (14D)	(8,572)	0	0	0	0	0	0	0	0	0	0	0	0	0	(8,572)
Recoverable debt - eTicketing	0	(1,719)	0	0	0	0	(1,719)	0	0	0	0	0	0	(1,719)	(1,719)
Funding from Development Charges	(7,230)	(1,434)	(231)	(1,721)	(2,565)	(1,596)	(7,547)	(273)	(1,651)	(3,161)	(1,530)	0	(6,615)	(14,162)	(21,392)
Total Funding Sources:	(146,171)	(17,079)	(24,085)	(19,980)	(21,219)	(24,650)	(107,013)	(17,724)	(25,976)	(22,728)	(21,049)	(24,525)	(112,002)	(219,016)	(365,187)
Total Net Debt-Funding Request:	73,200	24,665	16,422	23,922	30,443	36,321	131,773	33,487	36,845	37,131	38,788	38,788	185,039	316,811	396,721
5-year Average:							26,355						37,008	31,681	
City Target (= net approved in 2010):		33,339	11,619	20,051	30,443	36,321	131,773	33,487	36,845	37,131	38,788	38,788	185,039	316,812	
City Target - 5-year Average:							26,355						37,008	31,681	
Variance to Target:		8,674	(4,803)	(3,871)	0	(0)	0	0	0	(0)	(0)	0	0	0	1
Variance to Target - 5-year Average:							0						0	0	

CITY-RECOMMENDED 2012-2021 CAPITAL PROGRAM (\$000s)

Project Name	Plan to end of 2011	2012	2013	2014	2015	2016	Total 2012-2016 Request	2017	2018	2019	2020	2021	Total 2017-2021 Forecast	Total 2012-2021 Program	Total Project Cost
On-Going Projects															
State-of-Good-Repair - Police		4,510	4,565	4,594	4,469	4,621	22,759	4,331	4,529	4,841	5,113	5,238	24,051	46,810	46,810
Radio Replacement	23,018	5,371	0	0	0	0	5,371	0	0	0	0	0	0	5,371	28,389
14 Division - Central Lockup	26,605	8,910	0	0	0	0	8,910	0	0	0	0	0	0	8,910	35,515
Progress Site (Property & Evidence)	27,339	7,149	2,581	0	0	0	9,729	0	0	0	0	0	0	9,729	37,068
IRIS - Integrated Records and Information System	10,047	0	9,507	4,866	0	0	14,373	0	0	0	0	0	0	14,373	24,420
Upgrade to Microsoft 7	1,492	160	0	0	0	0	160	0	0	0	0	0	0	160	1,652
Total, On-Going Capital Projects	88,502	26,099	16,653	9,460	4,469	4,621	61,302	4,331	4,529	4,841	5,113	5,238	24,051	85,353	173,854
New Projects															
54 Division (includes land)	500	0	0	9,060	21,665	5,721	36,446	0	0	0	0	0	0	36,446	36,946
Data Warehouse Establishment	0	0	0	3,617	1,354	3,233	8,204	0	0	0	0	0	0	8,204	8,204
Electronic Document Management	0	0	0	49	441	0	490	0	0	0	0	0	0	490	490
HRMS Upgrade	0	0	0	155	682	0	836	0	0	0	0	0	0	836	836
TRMS Upgrade	0	0	0	1,943	1,470	0	3,413	0	0	0	0	0	0	3,413	3,413
Digital Content Manager	0	0	0	1,360	1,673	0	3,033	0	0	0	0	0	0	3,033	3,033
41 Division (includes land)	0	0	0	0	372	8,564	8,937	20,636	9,506	0	0	0	30,142	39,079	39,079
Expansion of Fibre Optics Network	0	0	0	0	881	5,585	6,466	5,585	0	0	0	0	5,585	12,051	12,051
Radio Replacement	0	0	0	0	0	10,193	10,193	2,836	4,622	1,174	4,954	11,581	25,167	35,360	35,360
13 Division (includes land)	0	0	0	0	0	0	0	372	8,645	19,903	10,159	0	39,079	39,079	39,079
AFIS (next replacement)	0	0	0	0	0	0	0	0	3,053	0	0	0	3,053	3,053	3,053
Disaster Recovery Site	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 Division - Renovation	0	0	0	0	0	0	0	0	3,053	3,934	0	0	6,987	6,987	6,987
52 Division - Renovation	0	0	0	0	0	0	0	0	0	0	3,559	4,741	8,300	8,300	8,300
55 Division - Renovation	0	0	0	0	0	0	0	0	0	0	1,529	6,471	8,000	8,000	8,000
22 Division - Renovation	0	0	0	0	0	0	0	0	0	0	1,290	0	1,290	1,290	8,000
Progress (Future use)									0	0	0	0	0	0	0
Total, New Capital Projects:	500	0	0	16,183	28,539	33,296	78,018	29,429	28,879	25,012	20,200	24,083	127,603	205,621	212,831
Total debt funded Capital Projects:	89,002	26,099	16,653	25,643	33,008	37,917	139,320	33,760	33,408	29,852	25,313	29,321	151,654	290,974	386,685
Recoverable debt Project															
eTicketing Solution	0	1,719	0	0	0	0	1,719	0	0	0	0	0	0	1,719	1,719
Total, Recoverable debt project:	0	1,719	0	0	0	0	1,719	0	0	0	0	0	0	1,719	1,719
Total Reserve Projects:	130,369	13,926	23,854	18,259	18,654	23,054	97,747	17,451	24,325	19,567	19,519	24,525	105,387	203,134	333,503
Total Gross Projects	219,371	41,745	40,507	43,902	51,662	60,971	238,786	51,211	57,733	49,419	44,832	53,846	257,041	495,827	721,908
Funding Sources:															
Vehicle and Equipment Reserve	(130,369)	(13,926)	(23,854)	(18,259)	(18,654)	(23,054)	(97,747)	(17,451)	(24,325)	(19,567)	(19,519)	(24,525)	(105,387)	(203,134)	(333,503)
Infrastructure Stimulus Fund (ISF) (14D)	(8,572)	0	0	0	0	0	0	0	0	0	0	0	0	0	(8,572)
Recoverable debt - eTicketing	0	(1,719)	0	0	0	0	(1,719)	0	0	0	0	0	0	(1,719)	(1,719)
Funding from Development Charges	(7,230)	(1,434)	(231)	(1,721)	(2,565)	(1,596)	(7,547)	(273)	(1,651)	(3,161)	(1,530)	0	(6,615)	(14,162)	(21,392)
Total Funding Sources:	(146,171)	(17,079)	(24,085)	(19,980)	(21,219)	(24,650)	(107,013)	(17,724)	(25,976)	(22,728)	(21,049)	(24,525)	(112,002)	(219,016)	(365,187)
Total Net Debt-Funding Request:	73,200	24,665	16,422	23,922	30,443	36,321	131,773	33,487	31,757	26,691	23,783	29,321	145,039	276,811	356,721
5-year Average:							26,355						29,008	27,681	
City Target (= net approved in 2010):		33,339	11,619	20,051	30,443	36,321	131,773	33,487	36,845	37,131	38,788	38,788	185,039	316,812	
City Target - 5-year Average:							26,355						37,008	31,681	
Variance to Target:		8,674	(4,803)	(3,871)	0	(0)	0	0	5,088	10,440	15,005	9,467	40,000	40,001	
Variance to Target - 5-year Average:							0						8,000	4,000	