



## STAFF REPORT ACTION REQUIRED

### Response to Councillor and City Budget Chief Michael Del Grande's Letter on the Toronto Police Service Budget

<b>Date:</b>	October 31, 2012
<b>To:</b>	Budget Committee, City of Toronto
<b>From:</b>	Alok Mukherjee, Chair, Toronto Police Services Board

#### SUMMARY

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The purpose of this report is to provide the Budget Committee with the Toronto Police Service's response to a letter dated August 22, 2012 from Councillor and City Budget Chief Michael Del Grande regarding the Toronto Police Service's 2013 Operating Budget.

#### RECOMMENDATION

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It is recommended that the Budget Committee receive this report for information.

#### Financial Impact

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There are no financial implications arising from the receipt of this report.

#### ISSUE BACKGROUND

At its meeting on October 15, 2012, the Toronto Police Services Board (the Board) was in receipt of a report dated October 1, 2012 from William Blair, Chief of Police, containing a response to the questions raised in Councillor and City Budget Chief Del Grande's letter.

#### COMMENTS

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Chief William Blair and Mr. Tony Veneziano, Chief Administrative Officer, were in attendance and responded to questions by the Board about the Chief's report.

The Board received the Chief's report and agreed to forward a copy to the City's: Budget Committee; City Manager; and Deputy City Manager & Chief Financial Officer for information.

Staff Report for Action on: Response to Budget Chief

## **CONCLUSION**

A copy of the Chief's report, in the form attached as Appendix "A" to this report, is provided for information.

## **CONTACT**

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Toronto Police Service  
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## **SIGNATURE**

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Alok Mukherjee  
Chair

## **ATTACHMENT**

Appendix A – Minute No. P255/12

cc. Mr. Joseph Pennachetti, City Manager  
Mr. Giuliana Carbone, A/Deputy City Manager & Chief Financial Officer

x: 2013 tps response to budget chief.doc

**APPENDIX A**

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON OCTOBER 15, 2012**

**#P255. RESPONSE TO COUNCILLOR AND CITY BUDGET CHIEF MICHAEL DEL GRANDE'S LETTER ON THE TORONTO POLICE SERVICE BUDGET**

The Board was in receipt of the following report October 01, 2012 from William Blair, Chief of Police:

Subject: RESPONSE TO COUNCILLOR AND CITY BUDGET CHIEF MICHAEL DEL GRANDE'S LETTER ON THE TORONTO POLICE SERVICE BUDGET

Recommendations:

It is recommended that:

- (1) the Board receive this report; and
- (2) the Board forward a copy of this report to the City Budget Committee, the City Manager, and the City Deputy City Manager/Chief Financial Officer, for information.

Financial Implications:

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

Background/Purpose:

The Board, at its meeting of September 13, 2012, was in receipt of a letter from Councillor and City Budget Chief Michael Del Grande. The letter was in reference to the Toronto Police Service (Service) budget and outlined various concerns and questions that he raised in his presentation to the Board on August 15, 2012 (Min. No. P191/12 refers).

Discussion:

Councillor Del Grande's comments and the Service's response to each are provided below.

*City Staff Remarks*

<b>Councillor Del Grande's Comment/Question</b>	<b>Toronto Police Service Response:</b>
0% target does not include the transfer of lifeguard or crossing guard functions to the City, as these are not sustainable savings to the City ... the City would incur these costs IF the transfers are recommended.	The Service's current 2013 operating budget request does not include these programs as they are not core policing services. Our base budget has been adjusted accordingly.
Submissions should include savings from the implementation of efficiency reviews, shared service reviews, user fee policy.	Any savings will be included as they become known.
No new requests for 2013	<p>As per the City's guidelines and the Chief's budget directions, no new initiatives are included in the Service's operating budget request.</p> <p>However, the budget does include the resumption of hiring officers to enable the Service to move towards an officer complement of 5,400, which is 204 below the authorized uniform officer strength.</p>

<b>Councillor Del Grande's Comment/Question</b>	<b>Toronto Police Service Response:</b>
Continued cost control	The Service has and will continue to monitor and control costs. To this end, senior management was reduced by 10% (19 positions) in 2011 for on-going annualized savings of \$3M+ in 2012 and onwards. Premium pay was reduced by 15% or \$5.5M in 2011 and 2012 and is reduced by a further \$0.6M in the 2013 request. Other expenses such as training, business meetings, conference and seminars, have been reduced by up to 60% in the last two years.

*There are other significant Police-related costs incurred by the City beyond the Toronto Police Services and Board budgets such as:*

<b>Councillor Del Grande's Comment/Question</b>	<b>Toronto Police Service Response:</b>
<p>Paid duty and court officer overtime (up to \$7.2M for the latter as police court appearances are almost exclusively occurring on off duty time thus incurring overtime costs)</p>	<p><i>Paid duty:</i></p> <p>There are zero overtime costs for paid duty assignments performed by officers. Off-duty police officers are available for hire to provide police presence for a range of functions: traffic control, funeral escorts, escorts for wide/oversize loads, film shoots, and security at sporting events, concerts, etc. Paid duty rates are set by the Toronto Police Association. The Service does not pay the officers or charge the clients for the actual paid duty services; the officers are paid directly by the clients. The Service prepares separate T4s for officer paid duty earnings, and administers the paid duty program. The Service charges paid duty customers a 15% administration fee to cover the costs of this service (cost recovery) and an additional cost for any vehicles or equipment used. This recovery (approximately \$5M annually) is included in the Service operating budget as revenue and is intended to offset the cost to administer the program. Paid duties for City construction sites are essentially driven by the City. The City pays for these costs directly or indirectly through contractors. The City could reduce these costs by simply not requesting these paid duties.</p> <p>On September 11, 2012, Chief Blair wrote to City Manager Joe Pennachetti, and advised that effective December 1, 2012, the Service will no longer perform paid duties for the City of Toronto or its ABCs, except in circumstances where there is concern about the risk to public safety if there is no uniformed police officer at the paid duty site. In those circumstances, performance of the paid duty will require the approval of the Office of the Chief upon a request from the City Manager's Office articulating the risk to public safety and the reasons why a uniformed police officer is required in order to mitigate that risk.</p> <p><i>Off-duty Court Attendance:</i></p> <p>The decision by the City to reimburse overtime costs to the Service for attendance at court off duty, was based on the</p>

	<p>assumption that the overtime cost would be more than offset by the increase in revenue.</p> <p>Off duty court attendance by officers for traffic violations is the result of a joint City/TPS initiative to address a problem of officers not being able to attend court on-duty due to operational priorities. In order to address this problem, scheduling of court attendance off-duty was initiated. The objective of off-duty court attendance is to increase court attendance by officers, leading to increased convictions and corresponding higher revenue to the City. Another objective was to change behaviour, so that persons charged would not attend court if there was a high likelihood the officer would be in attendance. This then would also take pressure off the court system. The 2013 revenue budget for the recovery of the Service's premium pay costs from the City is \$5.7M. However, if actual costs are higher or lower the Service will be reimbursed based on the actual expenditure. The City reimburses the Service for the cost, resulting in a zero net impact to the Service. However, the City should also be achieving increased revenues so that overall the City benefits from having the officers attend off-duty. The Service has no issues if the City wants to discontinue this practice; however, this decision could result in operational pressures that would affect officer attendance at court.</p> <p>Discontinuation of this practice may have a net impact on revenue to the City. Further information would be required from City Court Services before any changes to this practice can be made.</p>
<p>Legal claims and costs</p>	<p>All legal and related costs are included in either the Service or Toronto Police Services Board budget. In addition to the Service's legal counsel, legal costs for the Service include legal indemnification of officers and the cost of hiring external lawyers or legal professional services, as required. Legal costs for the Board include external professional services as well as City Legal chargebacks.</p> <p>All legal costs are fully reflected in the Service's and Board's budget. Funds are drawn from the Legal Reserve to fund most of these expenditures. Contributions are made to the Legal Reserve to fund these expenditures. However, in some years, contribution amounts have or may be adjusted to address funding pressures.</p>

The following table summarizes overall legal costs for the past three years.

<b>SERVICE</b>			
<u>Legal</u>	2009	2010	2011
4010 - Legal	272,383	96,466	78,522
4091 - External Lawyers	0	0	1,526
4011 - Legal Indem	1,398,419	701,446	1,435,951
Total	1,670,802	797,912	1,515,999
Reserve Contribution	0	580,000	450,000
<b>BOARD</b>			
<u>Legal</u>	2009	2010	2011
4010 - Legal	57,342	0	0
4030 - Prof & Tech	776,474	446,672	186,339
4091 - External Lawyers	41,760	26,873	355,078
7060 - IDC Legal	595,733	545,313	355,569
Total	1,471,309	1,018,858	896,986
Reserve Contribution	0	600,000	640,600

#### Sick leave payouts

All Sick Pay Gratuity costs are fully reflected in the Service's budget. Funds are drawn from the Sick Pay Gratuity Reserve to fund these expenditures. Contributions are made to the Sick Pay Gratuity Reserve by the Service. Following a detailed review of this reserve by the City, the Service was advised that its contributions should be increased by \$6.5M annually to about \$10.6M. This increase has been included in the Service's annual budget requests for the last four years, but then removed each year (after discussions with the City Manager and City Finance staff) in order to help achieve the Service's budget targets. In 2011, the Service received permission from the City to contribute an extra \$6.5M to this Reserve. This enabled the Service to defer the budget increase from 2012 to 2013. In early 2012, the Service requested that the City allocate \$13M of the Service's 2011 surplus (\$23M) to the City's Sick Pay Gratuity Reserve to help offset our pressure in this regard for both 2013 and 2014. The City Deputy City Manager and CFO recommended and the City's Executive

	<p>Committee has approved re-allocating only \$6.5M of the Service's 2011 surplus to the Sick Pay Gratuity Reserve. Consequently, the Service still faces a \$6.5M pressure in 2014 - this is included in the Service's 2014 outlook.</p>
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<p><b>Councillor Del Grande's Comment/Question</b></p>	<p><b>Toronto Police Service Response:</b></p>
<p>Capital Budgets must comply with all City policies and requirements. For all City Programs and Agencies, the debt target is not an entitlement but rather a starting point and subject to review of projects on a business case basis. The City will redistribute its capital funding based on critical need, priorities and sound business case analysis.</p> <p>Funding is approved for a particular capital project. If those projects are under spent, the funding is returned to the City. The approved debt funding is specific to a particular project and not managed as an envelope for reallocation.</p>	<p>The Service does not view the City debt targets as an entitlement, but like other City agencies, boards, commissions and divisions, we do use the City-provided targets to help us develop our capital program, recognizing like other City departments, that all of our projects cannot be accommodated.</p> <p>The Service complies with the City's requirements and processes regarding the capital program. There is on-going discussion and information-sharing with City Finance staff on the program and projects that comprise it. For critical projects, discussions are held with the City Manager and City Finance staff to ensure they understand the importance of the project, estimated funding requirements and provide any assistance required (e.g., the Property and Evidence Facility project)</p> <p>The Board is provided with justification for each new project in the program, and a board report is prepared with required information and submitted to the Board for consideration and approval of our capital program. The Board then forwards the approved capital program report to the City Budget Committee for consideration. Service staff have and are available to answer any questions on the program or projects at each step in the approval process.</p> <p>The Service has and is prepared to answer any questions on any project in our program, and the City has the authority to decide on the level of funding it is willing to allocate to the Service's capital program. However, in accordance with the <i>Police Services Act</i>, the decision on what projects to include or not include, respectfully, rests with the Board and the Chief.</p> <p>The following is an excerpt from the <i>Police Services Act</i> (section 39):</p>



“39. (1) The board shall submit operating and capital estimates to the municipal council that will show,

separately, the amounts that will be required,

- (a) to maintain the police force and provide it with equipment and facilities; and
- (b) to pay the expenses of the board’s operation other than the remuneration of board members.

Same

(2) The format of the estimates, the period that they cover and the timetable for their submission shall be as determined by the council.

Budget

(3) Upon reviewing the estimates, the council shall establish an overall budget for the board for the purposes described in clauses (1) (a) and (b) and, in doing so, the council is not bound to adopt the estimates submitted by the board.

Same

(4) In establishing an overall budget for the board, the council does not have the authority to approve or disapprove specific items in the estimates.”

The Service develops its capital program based on facility and information technology strategies and requirements. We manage our capital program on a project-by-project basis. Project cost estimates are established based on all known information at the time of development. On some occasions, projects are underspent due to lower-than-estimated pricing and contract costs, alternative methods of delivery (e.g. in-house vs. consulting) or through other measures. However, even with the best planning and management, some projects may require additional funds, due to higher-than-estimated costs based on responses from the market or unanticipated / unexpected situations and costs (e.g. higher-than-expected remediation, labour disruptions, permit or other delays, etc.). Variances are reported to the Board quarterly, and any issues from a schedule, scope or budget perspective are highlighted. The

	<p>Board then forwards the variance report to the City’s Deputy City Manager and Chief Financial Officer for information and inclusion in the City’s overall capital variance report to the City’s Budget Committee. The Service is committed to and should be expected to work within its approved capital program. As such, any additional funds that may be required for a particular project are as a first step funded from under expenditures in other completed or uncompleted projects. The respective transfers between projects are reported to the Board and City Budget committee for approval through the variance reporting or annual capital budget approval process. Any unspent funds have been and will continue to be returned to the City.</p>
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*City Auditor General’s Remarks:*

<b>Councillor Del Grande’s Comment/Question</b>	<b>Toronto Police Service Response:</b>
Extent and control of overtime	The Auditor General’s report on premium pay was completed over 10 years ago. Since that time, premium pay expenditures have decreased significantly. In addition, premium pay controls have been enhanced as necessary to ensure all premium pay is necessary and properly approved.
Police doing civilian type jobs at more expensive salary levels	<p>There are instances where uniform officers perform civilian-type jobs. Within the context of continuous improvement, positions are on occasion identified as having potential for civilianization, and, if warranted, this is done. However, this does not necessarily mean that the civilian will be paid at a lower rate, as some positions may attract a higher salary based on the expertise and skill set required for the position.</p> <p>There is also a need to offer some roles for officers in accommodated positions or on modified duties (e.g. officers are hurt on the job, and are required to work at a desk for several months). In some of these cases, officers are assigned civilian-type duties.</p>
Coordination and consolidation with the City	The Service has a very good working relationship with several City departments including Facilities and Real Estate, Purchasing, Information Technology, Human Resources, Finance, Legal Services, Fire and EMS, City

	<p>Manager, etc.</p> <p>The Service has and will continue to participate in consolidated purchases with the City in order to benefit from the potentially lower prices/costs that higher volumes provide. Examples include gasoline, telephone/data lines, and employee medical and dental benefits administration.</p> <p>The Service’s IT director meets with the City’s CIO and TTC’s IT director on at least a quarterly basis to share best practices, potential joint initiatives, etc.</p> <p>The Service is part of the City’s joint radio communication system with Fire and EMS.</p> <p>The Service is also on and uses the City’s SAP financial system, and participates on the City’s SAP Steering Committee.</p>
<p>Controls on IT projects</p>	<p>The Service has made a firm commitment to effective project management for not only information technology, but facility and other projects as well.</p> <p>A formal project management framework exists and is used for all projects. This framework includes priority setting and review by the Chief and Command in terms of what projects are included in our capital program. The development of a business case is required to justify the cost, benefits and value of the project. Once the capital program is approved by the Board and the City, a project charter is developed for each project outlining the project sponsor, lead, team members, scope, potential risks, schedule and cost estimates, and the assumptions made to develop the estimates. A steering committee comprised of command officers and senior staff is required and used for any capital project. The steering committee oversees the project and ensures any issues are addressed effectively and in a timely manner. Regular steering committee meetings are held to review the project status and to identify/deal with any issues, from a scope, schedule or cost perspective.</p> <p>Project status reports are provided to the Board through the quarterly variance reports. Any issues, actual or potential, are included in these variance reports, as well as any action taken or to be taken to address the issues.</p> <p>Once the project is complete, a close out report is provided</p>

	<p>to the Board that essentially outlines the results of the project, what went well and what did not, and any lessons learned that will be applied to future projects. A request to close out the project is also sent to City Finance.</p> <p>The Service takes project management very seriously and takes all possible steps to avoid problems such as cost over runs, etc. However, even with the best of planning, problems inevitably arise. For example, cost estimates are</p> <p>for the most part developed without the benefit of completed quotes and tenders. In addition, things happen that at times cannot be anticipated. Consequently, there may be projects, started and in-progress, that require additional funds beyond the original estimates. In these cases, the Service makes every attempt to deal with the situation within its approved capital program by transferring monies from projects completed or expected to be completed under budget or to cancel projects not yet started, if possible.</p>
Two officer patrol cars (collective agreement issue) comparisons with other large police services?	This is a collective agreement issue between the Board and the Toronto Police Association.
Training and conference expenses	<p>In the last two years, these expenses have been reduced by approximately 40%. However, some training is necessary to maintain required certifications or to ensure staff can effectively perform their job responsibilities. Attendance at some conferences is also required to get differing perspectives on current issues, initiatives, etc.</p> <p>All requests are reviewed and approved to ensure they are necessary and of value to the Service, and attendance kept to an absolute minimum.</p>
Cooperative purchasing	<p>Several years ago, the Service initiated the Police Co-Operative Purchasing Group (PCPG) which enables the consolidated purchase of police-specific goods such as ammunition, cars, equipment, clothing, etc., by participating police services.</p> <p>In addition and as previously indicated, the Service participates in consolidated purchases with the City of Toronto if there is potential for improved pricing or other terms.</p>

C.O. Bick	As indicated at the August 15, 2012 Board meeting, the old police college (C.O. Bick) was returned to the City, once the new Toronto Police College became operational and some short term space requirements (for temporary swing and storage space) were satisfied. With the exception of the old 23 Division that now houses the Service's TAVIS/Community Mobilization Unit, other existing buildings are returned to the City once the new facility is operational. This includes the old 11 Division facility, as well as the existing 14 Division and Property/Evidence facilities, once the new facilities open for business.
Facilities management has always been a conflict with the City? What are the issues?	The Service contracts with the City Facilities for the cleaning of its buildings. In addition, City Facilities performs infrastructure state of good repair work for the Service's facilities. The Service expects quality and timely services/work, whether the services are provided internally by the City or by an external provider. A new Service Level Agreement will soon be in place with the City for facilities management, and we are always looking to improve our relationship with the City and work with them to resolve any issues. This includes monthly meetings with City facilities staff. With respect to the cleaning of our facilities, we have always been supportive of any service delivery that provides services at the lowest cost. To this end, we have cooperated with the City in the contracting out of Service facility cleaning services. Finally, we have worked with the City to support and implement key environmental initiatives. Some of these initiatives, like the City's deep water cooling project at Police Headquarters, have helped reduce our energy costs.

<b>Councillor Del Grande's Comment/Question</b>	<b>Toronto Police Service Response:</b>
<p>Labour Costs:</p> <p>Historically, emergency services budgets have been sacred and requests for increases have gone unquestioned. This is no longer the case as jurisdictions across the province and country grapple with the ever-rising costs of these services.</p>	<p>The Service has always followed the City's budget process and requirements. Up until 2012, the Service's operating and capital budget requests were reviewed by the Board Budget Sub-Committee, on a line by line and project by project basis, respectively. (Note: this review process has been reinstated for the 2013 budget process) The reviews resulted in a number of questions being asked, requests for clarification/justification, and reductions made before the</p>

<p>It is well known that the majority of increases are related to salaries and the rising costs of labour. With negotiations two years away, it should behoove the Board to look at options to strengthen Management Rights and improve cost containment. As you know, what happens with police labour relations are duplicated within the Fire Services.</p>	<p>budgets were approved by the Board and forwarded to the City for approval by City Council through the City's Budget Committee.</p> <p>The Service's budgets are also reviewed by City Finance staff, the Chief Financial Officer and the City Manager as part of the overall budget review process. The Service has answered any questions or requests for information at each point in the approval process at the City, starting with the City Budget Committee. The Service has not hired uniform officers for the last two years and has significantly reduced its non-salary (operating) expenses to help the City deal with its fiscal challenges. In 2012, the operating budget was reduced by over \$43M and the Service came in at an increase of approximately \$4.2M (or 0.5%) over 2011, despite a \$23.2M obligation that resulted from the collective agreement salary settlement.</p> <p>This is a Board matter, as the Service has virtually no involvement in the collective agreements negotiation processes.</p>
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<p><b>Councillor Del Grande's Comment/Question</b></p>	<p><b>Toronto Police Service Response:</b></p>
<p>Paid Duty:</p> <p>The cost of paid duty is a growing concern. A 2009 report showed that Toronto Police had \$29M in paid duty work with a cost to the City of \$1.3M to administer. Of that, \$8.1M was directly paid by the City and we have taken measures to reduce the level of paid duty work to that which is</p>	<p>The Auditor General in his report to the Police Services Board (Min. No. P72/11) indicated that, in 2009, City divisions, agencies, boards and commissions paid approximately \$7.8M for paid duty services. This included \$2.6M in direct expenditures by the City, and \$5.2M in paid duty costs charged indirectly to the City by contractors doing City work (e.g. construction). These amounts differ significantly from the \$8.1M (direct) and \$12M (indirect) included in the Councillor's letter to the Board. An excerpt</p>

<p>absolutely necessary.</p> <p>Another \$12M is indirectly coming from contract work being charged back to the City. The Highway Traffic Act (HTA) is used as the rationale for the need for paid duty each time the issue of the necessity of paid duty has been raised.</p> <p>I believe this is a broad interpretation that is being overused. No other police service in Ontario or Canada comes close to this amount. Montreal Police and York Regional are at approximately \$3M each, which represents one tenth of Toronto's expenditure.</p>	<p>from the Auditor General's report on Paid Duty Costs to the City is attached to this report. The City drives requests for paid duties at construction sites and can therefore take action to reduce or eliminate much of the requirements and associated costs.</p> <p>As previously indicated in this report, on September 11, 2012, Chief Blair wrote to City Manager Joe Pennachetti, and advised that effective December 1, 2012, the Service will no longer perform paid duties for the City of Toronto or its ABCDs, except in circumstances where there is concern about the risk to public safety if there is no uniformed police officer at the paid duty site.</p> <p>Paid duties do not result in a net cost to the Service. Paid duties are performed by officers off duty. The officers are paid directly by the customer. The only cost to the Service is to administer the program. This cost is recovered through a 15% administration charge to the customers. As such, the only things in the Service's budget that relates to paid duty are the costs to administer the program and the revenue to recover that cost.</p> <p>The \$29M quoted in the Auditor General's report was comprised of \$24M paid directly to officers by customers for duties performed and approximately \$5M in administration and equipment fees charged by the Service to customers.</p> <p>It should be noted that the Service is conducting a comprehensive review of the paid duty program to streamline the process, identify and implement efficiencies and automate the process, wherever possible.</p>
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<b>Councillor Del Grande's Comment/Question</b>	<b>Toronto Police Service Response:</b>
<p>Lawsuits:</p> <p>As you can imagine, the City has lawsuits underway at any given time. I am asking all Divisions and Agencies to review the commonality of lawsuits. With or without merit, all lawsuits are costly. I do believe a thorough review is required to determine if</p>	<p>The Toronto Police Service has processes and systems to evaluate and analyze trends and patterns in order to reduce claims and mitigate risks arising from civil claims brought against the Service. All civil claims are subjected to a review by the case conference committee led by Legal Services (LSV) of the TPS. The committee is comprised of representatives from the Toronto Police College to identify potential training issues, the Corporate Planning Unit to</p>

<p>there are systemic issues that give rise to them.</p>	<p>identify potential procedural issues, the Professional Standards Unit to identify potential discipline issues, and Legal Services to identify legal concerns or Service liability.</p> <p>To monitor cases, regular consultation is maintained with counsel at City Legal and this liaison is supplemented by the attendance of LSV at the monthly Claims Review Group (CRG) meeting hosted by the City’s Insurance and Risk Management Division. To manage specific cases, LSV counsel are closely involved with City Legal and the City’s insurer in the assessment and response to each claim.</p> <p>Monthly, the Service reports to the Board on new civil claims and updates the Board on existing claims. In addition, annually, the Board receives a report on the top ten trends as assessed by the Insurance and Risk Management Division of the City of Toronto and the action that the Service has taken to mitigate these trends. This information is also used to inform Service procedures, training, and supervision.</p> <p>More generally, to reduce claims, the Service closely monitors and supervises such high risk activities such as arrests and searches, injuries and use of force, and Service collisions and pursuits. Where warranted, the Service takes corrective action.</p>
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<p><b>Councillor Del Grande’s Comment/Question</b></p>	<p><b>Toronto Police Service Response:</b></p>
<p>Capital Funding:</p> <p>The City is facing significant pressure in terms of capital funding which is at a premium. In 2004, the TPS requested for and received funding for an in-house, customized management system called e-Cops. It was intended that staffing would be reduced by 150 positions, however, the final numbers have not been confirmed. The original budget was \$8M and cost overruns increased the budget to \$16M. The Auditor General</p>	<p>As previously indicated, significant steps have been taken to improve project management for all projects undertaken by the Service, to mitigate the risk of the problems and issues that occurred in the eCops project from happening again. The Service has used eCops since 2004 and, based on the positions eliminated as part of that project, has achieved a pay back on the investment it made in that project.</p> <p>The new records management system, selected through a competitive procurement process, is a commercial off-the-shelf system, which the City Auditor General recommended that the Service move to when eCops was</p>



<p>pointed out the lack of transparency in the reporting of the cost overruns. TPS is now undertaking the development of a new system to replace e-cops, one that requires increased staffing levels and significant capital funding. So what did we accomplish?</p>	<p>replaced. The IRIS project did originally estimate that 55 positions would be required for the new system. However, as the project moved forward, that estimate was revisited and the requirement for 55 positions eliminated. The Service will nonetheless continue to monitor the need for any additional staff as the project goes through the configuration, testing and implementation processes. Any changes in terms of overall staffing increases will be reported to the Board.</p>
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<p><b>Councillor Del Grande's Comment/Question</b></p>	<p><b>Toronto Police Service Response:</b></p>
<p>Police Checks:</p> <p>As I understand, there is a missed revenue opportunity with police checks. The turnaround time for police background checks in the TPS is high in comparison to other entities providing similar service. As a result, those requiring police background checks go elsewhere resulting in lost revenue.</p>	<p>User fees, including police background checks, are determined and limited to the cost to provide the respective service.</p> <p>As previously reported to the PSB (Min. No. P321/2011 refers), the Service provides two types of background check service to the public: Clearance letters and Vulnerable Sector Screening Checks. Members of the public may go to any police agency to obtain a clearance letter as it is a less in-depth check which essentially consists of a CPIC check. Vulnerable Sector Checks are a more in-depth check and require the review of local police records and therefore require an individual to go to the police agency in the City in which they reside.</p> <p>The fee schedule for reference checks is approved by the Police Services Board. Most recently the Board approved a reduction for Clearance letters to \$20.00 from the previous \$25.00 fee in keeping with the principle of cost recovery (Min. No. P157/2011 refers). With respect to missed revenue opportunities, it should be noted that in 2011, the Board decided to indefinitely defer the implementation of its earlier decision to charge City departments the associated fee for Vulnerable Sector Checks (Min. Nos. P157/2011, P242/2011 refer).</p> <p>As stated above, police reference check fees are established at a cost-recovery rate. Changes in police record check volume will result in changes in operating costs to provide these checks. Additional information regarding the cost of operating the Reference Check Program was provided to the Board during its meeting on February 16, 2012 (Min.</p>

	No. P36/2012 refers) and the issue rests with the Chair for further analysis and a report back to the Board. However, the Service will continue to look at this matter to see if any changes are feasible or possible to increase the efficiency of the processes.
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<b>Councillor Del Grande's Comment/Question</b>	<b>Toronto Police Service Response:</b>
<p>Staffing Complement:</p> <p>For some time now, requests have been made to have an independent review of the TPS organizational structure. The purpose would be to determine the appropriate level of uniformed and civilian staff.</p>	<p>Determining the appropriate staffing levels for any major urban police service requires an evaluation based upon a complex set of social and economic factors, the number and nature of calls for service, the volume and type of crimes experienced, and the expectations of the population it serves.</p> <p>Police have become our society's first response to a vast variety of demands for service. We will come, 24 hours a day, every day, whenever required by our citizens. We respond to crime, but also to resolve disputes, to answer requests for help, and to aid in any emergency.</p> <p>The number of police officers required to respond to calls for service is a fairly well understood calculation. In addition to the number of calls, we must also consider the nature of such calls, the number of officers required to respond safely, the complexity of response, the time it takes to complete each call, and the public's expectation of response times.</p> <p>We have experienced an increase in the time required to complete many of the calls for service commonly received. Domestic Violence calls, for example, now receive a more effective response, but take considerably longer to complete. Similarly, our response to emotionally disturbed persons, impaired drivers, and neighbour disputes all have become more complex and time demanding.</p> <p>In addition to merely reacting to crime, the Toronto Police Service has dedicated significant human resources to preventing crime, reducing victimization, and to making our communities safer.</p> <p>Among the socio-economic factors to be considered, levels of poverty, homelessness, disparity, concentration of those</p>

	<p>suffering mental health issues, concentration of those suffering from drug and alcohol dependency are significant variables which tend to be more prevalent in large cities, compared to more suburban and rural communities.</p> <p>Additionally, large cities like Toronto tend to experience more large public order disturbances which require</p>
	<p>significant police resources. The presence of foreign consulates, large public institutions, centres of government and large corporate headquarters all attract demonstrations and require additional security measures.</p> <p>Cities also tend to have large social and cultural events which require significant police resources. Caribana, the Santa Claus Parade, the Toronto International Film Festival and the Pride parade are examples. In addition, large cities also tend to have hundreds of other cultural events and festivals every weekend and in every community. A city with Toronto's remarkable diversity experiences proportionally many more such events than smaller, less urban centres.</p> <p>Some large cities, such as Toronto, are major tourist centres. In addition to the numerous cultural attractions cited above, the presence of our Major League Sports teams, our Entertainment District, Museums, Art Galleries, the Metro Toronto Convention Centre, CNE, Indy Race, and the conference facilities and major hotels all bring additional demands for policing and an expectation of public safety.</p> <p>National Security concerns, while not solely limited to big cities, are concentrated around critical public infrastructure, public transportation centres, major financial institutions and government centres.</p> <p>Large urban centres like Toronto tend to experience greater challenges with Organized Crime and violent Street Gangs than smaller population centres. Guns and gangs are generally an urban problem, more prevalent in low income housing complexes. Unfortunately such areas are vulnerable to gang activity, drug trafficking and other crimes of violence and disorder disproportionate to other, less urban population centres.</p>

Another factor tending to impact on the demand for police resources is the safe and orderly movement of traffic. For example, at the request of the City, the Service has deployed 80 officers into our Transit System to improve public safety and security. Enforcement of traffic laws throughout the City is an important public safety function.

In Toronto, we have deployed significant uniform police resources to the priority neighbourhoods to reduce crime and violence. When adequately staffed, we have achieved a very significant reduction.

During the past two years, we have experienced a diminished capacity to respond to and prevent crime. We have approximately 200 fewer officers today than 2011. We have made considerable effort to find efficiencies within our organizational review to mitigate the impact of the reduction in people to get the work done. Some of those efficiencies will be realized in the future. However, it was necessary this summer to take extraordinary action (the Summer safety initiative) to maintain safety and to restore the public's sense of safety.

In response to increased violence in parts of the City, through compulsory overtime, the Summer Safety Initiative put as many as 329 additional officers on the street and in neighbourhoods. During the period of this program, there was a significant decline in crime and victimization.

This program is not sustainable from an officer well-being perspective and within the current funding structure. However, in future, as a consequence of the results that come out of the ongoing Chief's Internal Organization Review (CIOR), the balance between uniform and civilian establishment may change to help deal with the demand for and benefits derived from additional front line officers. In addition, the Service has issued a Request for Proposal for an external consultant to review the Service's organizational structure, which will include opportunities for delayering, span of control, further civilianization opportunities, etc. The results of this review could also impact the uniform and civilian position establishments.

Determining the appropriate staffing of any police service is based upon the unique factors cited above, and is not a scientific exercise. Over the past several years, we have achieved considerable success in reducing crime and

	<p>victimization. We have deployed our resources strategically and focused on those policing activities which make a difference.</p>
<p>Unfortunately, the media has solely focussed on the potential layoffs of officers as the only outcome of reducing the TPS' budget. As a result, this has taken away from the issue at hand, i.e. the need for the TPS Board and the Police Chief to fully explore all opportunities to find efficiencies.</p>	<p>The Service has and will be achieving efficiencies through the Chief's Internal Organizational Review. Those efficiencies will enable us to to maintain service levels by mitigating the impact of attrition (uniform hiring freeze) over the last two years.</p> <p>It should also be noted that all opportunities for efficiencies and savings in non-salary accounts have and will continue to be explored. The Service has reduced its operating expenses in a number of areas in the last two years. As in prior years, the Service will go through a thorough review of its budget request with the Board's Budget Sub-Committee, the City Budget Chair/Committee and City Finance staff. Any reductions identified during that process will be included in our budget request.</p> <p>The fact, however, remains that the significant budget reductions to achieve the City's minimum 0% increase budget target will require significant staffing reductions. The additional dollars required to meet the Board's budget motion committing to achieve the budget target (10%) it committed to last year, will require even greater staffing reductions. In both cases, the ability to provide adequate and effective police services will be affected.</p>

<p><b>Councillor Del Grande's Comment/Question</b></p>	<p><b>Toronto Police Service Response:</b></p>
<p>Toronto's operating and capital budgets are funded by our tax payers and we have a duty of care to account for those tax dollars. Furthermore, as Budget Chair, I am required to do my due diligence.</p>	<p>The Service also has a duty to be diligent and prudent in managing taxpayer dollars to ensure the monies approved for policing are used wisely and result in the best return on taxpayers' investment in public safety services. The Service has and will continue to take that duty and responsibility very seriously.</p> <p>We believe the exercise of that due diligence includes a line-by-line review of the Service's request with the Board, and City Budget Committee. The Service is prepared to answer questions at each step in the Board's and City's budget approval process.</p>

<b>Councillor Del Grande's Comment/Question</b>	<b>Toronto Police Service Response:</b>
I am also requesting for budget outlooks for 2014 and 2015.	This information is always included in the two-page summary provided during reviews, as requested by City Finance staff.

Conclusion:

The Toronto Police Service accounts for a significant portion of the City's budget. The Service develops its budget with the goal of providing effective and value added public safety services as efficiently and economically as possible. This report responds to specific questions and concerns raised by the City Budget Chief in order to ensure the Budget Chief, the Board and City Council have accurate and complete information respecting components of the Service's budget.

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

**Mr. Miguel Avila was in attendance and delivered a deputation to the Board.**

**Chief Blair and Mr. Veneziano responded to questions by the Board about the responses contained in the foregoing report.**

**The Board approved the following Motions:**

- 1. THAT the Board receive the foregoing report and forward a copy to the City's: Budget Committee; City Manager; and Deputy City Manager & Chief Financial Officer for information;**
- 2. THAT the Chief be requested to provide the Board's Budget Subcommittee with the number of officers who are on duty per day, taking into consideration the various shifts, and a breakdown of what duties they are undertaking while on their shift; and**
- 3. THAT the Board receive Mr. Avila's deputation.**

Excerpt from City Auditor General's report on Paid Duty

**Paid Duty Costs to the City**

*City divisions and ABCCs directly paid \$2.6 million in 2009 for paid duty services*

Of the total 40,919 paid duty assignments, 3,670 (9%) were directly requested by City divisions, agencies, boards, commissions and corporations (ABCCs) at a cost of \$2.6 million.

The use of paid duty police also extends to contracts issued by City divisions and ABCCs for capital projects and maintenance. However, the paid duty costs embedded in City contracts cannot be determined by police billing records as client names would be the individual contractors or sub-contractors. As part of the audit, we requested cost information from major City divisions and ABCCs. Figure 4 outlines the 2009 paid duty costs embedded in City contracts as provided by City divisions and ABCCs.

**Figure 4: Paid Duty Costs Embedded in City Contracts, 2009**

*Approximately \$5.2 million of paid duty costs were embedded in City contracts*

City Division/ABCC	Paid duty costs
Transportation Services	\$2,583,000
Technical Services	\$ 875,000
Toronto Water	\$ 781,000
Facilities Management	\$ 125,000
Toronto Transit Commission	\$ 220,000
Toronto Hydro Corporation	\$ 623,000
<b>Total</b>	<b>\$5,207,000</b>

*\$7.8 million of paid duty costs are borne directly by the City*

Combining the \$2.6 million in direct expenditures and \$5.2 million in contract costs, the City paid approximately \$7.8 million in 2009 to acquire paid duty policing services. This represents 27 per cent of total 2009 paid duty fees.

In addition to City operations, the provincial government also acquires a considerable number of paid duty services each year. Of the total 40,919 paid duty assignments in 2009, 12 per cent were acquired by the provincial government (Figure 3), mostly for prisoner security.

*Nearly 40% of total paid duty fees are borne by taxpayers through municipal and provincial operations*

The combined municipal and provincial government operations accounted for nearly 40 per cent of total paid duty fees in 2009. City operations paid \$7.8 million and \$3.5 million was paid by the provincial government, totaling \$11.3 million.

The remaining 60 per cent of total paid duty fees were paid for by individuals, companies and organizations as a personal preference or business requirement. Examples of such include paid duty policing for funeral escorts, security at sporting events and licensed premises, as well as paid duty policing for traffic control at construction sites.