TORONTO

STAFF REPORT
ACTION REQUIRED

Toronto Police Service: 2014 – 2023 Capital Program Request

Date:	October 22, 2013
To:	Budget Committee, City of Toronto
From:	Andy Pringle, Acting Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Budget Committee with the Toronto Police Service's 2014 – 2023 capital program request.

RECOMMENDATION

It is recommended that the Budget Committee approve a 2014-2023 capital program with a 2014 net request of $16.1 Million (excluding cash flow carry forwards from 2013), and a net total of $253.6 Million for 2014-2023, as detailed in Attachment A.

Financial Impact

The Toronto Police Service's (the Service) 2014-2023 Capital Program request is below the City's affordability debt target by $6.4 Million (M) for the first five years of the program, and $8.4M for the full ten-year program. Table 1 provides a summary of the revised 2014-2023 Capital Program request compared to the City of Toronto's ten-year debt affordability target. Additional detail on debt-funded and Reserve-funded projects can be found in Attachments A and B respectively.

Table 1. Summary of 2014-2023 Capital Program Request ($Ms)

	2014	2015	2016	2017	2018	5-Year Total	2019-2023 Total	2014-2023 Total
Total On-Going and New Projects	17.7	20.8	39.9	49.4	41.6	169.3	118.6	287.9
Reserve-funded projects	21.4	17.8	18.6	24.9	30.0	112.7	118.5	231.2
Total gross projects:	**39.0**	**38.7**	**58.5**	**74.3**	**71.6**	**282.0**	**237.1**	**519.1**
Other-than-debt funding	-23.0	-17.8	-22.2	-36.2	-34.2	-133.4	-132.2	-265.6
NET DEBT FUNDING:	**16.1**	**20.8**	**36.3**	**38.1**	**37.3**	**148.6**	**105.0**	**253.6**
CITY DEBT TARGET:	23.9	30.1	36.3	31.1	33.5	155.0	**107.0**	**262.0**
Variance to target	**7.9**	**9.3**	**0.0**	**-6.9**	**-3.8**	**6.4**	**2.1**	**8.4**

Attachment C (contained within Appendix A) provides a summary of the estimated operating impacts that result from projects included in the 2014-2023 capital program request. The 2014 incremental operating impact is $1M. Approval of the 2014-2023 program, as requested, will result in an estimated annualized pressure to the Service's operating budget of $5.9M by 2023, mainly due to increased system maintenance and building operational requirements. These operating impacts will be included in future operating budget requests, as required.

ISSUE BACKGROUND

At its meeting on October 07, 2013, the Toronto Police Services Board (the Board) was in receipt of a report dated September 25, 2013 from William Blair, Chief of Police, with regard to the Service's 2014-2023 revised capital program request.

COMMENTS

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

CONCLUSION

A copy of the Chief's report dated September 25, 2013 is contained in Board Minute No P240/13. A copy of Board Minute No. P240/13, 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

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Andy Pringle
Acting Chair

ATTACHMENT
Appendix A – Board Minute No. P240/13

cc. Mr. Rob Rossini, Deputy City Manager and Chief Financial Officer

A: tps 2014-2023 capital program request

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON OCTOBER 07, 2013

#P240.   TORONTO POLICE SERVICE 2014-2023 CAPITAL PROGRAM REQUEST - REVISED

The Board was in receipt of the following report September 25, 2013 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE – 2014-2023 CAPITAL PROGRAM REQUEST – REVISED

Recommendations:

It is recommended that:

(1)   the Board approve a revised 2014-2023 capital program with a 2014 net request of $16.1 Million (excluding cash flow carry forwards from 2013), and a net total of $253.6 Million for 2014-2023, as detailed in Attachment A; and

(2)   the Board forward a copy of this report to the City of Toronto Budget Committee for approval, and to the City's Deputy City Manager and Chief Financial Officer for information.

Financial Implications:

The Toronto Police Service's (Service's) revised 2014-2023 Capital Program request is below the City's affordability debt target by $6.4 Million (M) for the first five years of the program, and $8.4M for the full ten-year program. Table 1 provides a summary of the revised 2014-2023 Capital Program request compared to the City of Toronto's ten-year debt affordability target. Additional detail on debt-funded and Reserve-funded projects can be found in Attachments A and B respectively.

Table 1. Summary of 2014-2023 Capital Program Request ($Ms)

	2014	2015	2016	2017	2018	5-Year Total	2019-2023 Total	2014-2023 Total
Total On-Going and New Projects	17.7	20.8	39.9	49.4	41.6	169.3	118.6	287.9
Reserve-funded projects	21.4	17.8	18.6	24.9	30.0	112.7	118.5	231.2
Total gross projects:	**39.0**	**38.7**	**58.5**	**74.3**	**71.6**	**282.0**	**237.1**	**519.1**
Other-than-debt funding	-23.0	-17.8	-22.2	-36.2	-34.2	-133.4	-132.2	-265.6
NET DEBT FUNDING:	**16.1**	**20.8**	**36.3**	**38.1**	**37.3**	**148.6**	**105.0**	**253.6**
CITY DEBT TARGET:	23.9	30.1	36.3	31.1	33.5	155.0	**107.0**	**262.0**
Variance to target	**7.9**	**9.3**	**0.0**	**-6.9**	**-3.8**	**6.4**	**2.1**	**8.4**

Attachment C provides a summary of the estimated operating impacts that result from projects included in the 2014-2023 capital program request. The 2014 incremental operating impact is $1M. Approval of the 2014-2023 program, as requested, will result in an estimated annualized pressure to the Service's operating budget of $5.9M by 2023, mainly due to increased system maintenance and building operational requirements. These operating impacts will be included in future operating budget requests, as required.

Background/Purpose:

At its September 12, 2013 meeting, the Toronto Police Services Board (Board) considered the Service's 2014-2023 capital program at a net request of $19.9M for 2014 (excluding cashflow carry forwards from 2013) and a net total of $253.6M for 2014-2023. The Board approved the following motions (Min. No. P224/13 refers):

1. *THAT the Board request the Chief to provide a report for its November 7, 2013 meeting containing all the steps, including training, that the TPS is undertaking with respect to the potential expansion of the deployment of CEWs; and*

2. *THAT the Board receive the foregoing report regarding the TPS 2014-2023 Capital Program Request and refer it to the Board's Budget Subcommittee for further review and to determine an appropriate time to submit it for or prior to the next Board meeting.*

As directed by the Board, a meeting of the Board's Budget Sub-Committee (BSC) was held on September 23, 2013 to reconsider the 2014-2023 capital program. Additional information was provided to the BSC in response to questions raised at the September 12, 2013 Board meeting. Following the review at the BSC, this report provides the Board with a revised capital program for approval.

Attachments A and B provide the details of the revised program, including annual cash flow adjustments. Attachment C provides information regarding the revised operating impact.

The Service's original capital program request report (provided to the September 12, 2013 Board meeting) is included as Attachment D to this report, for the Board's reference.

Discussion:

The following provides details on the items raised at the Board and BSC meetings, as well as the revised 2014-2023 capital program.

City Debt Target:

Corporate targets for Agencies, Boards, Commissions and Departments are allocated by the City's Deputy City Manager and Chief Financial Officer (City CFO). The current year's debt target is equal to last year's approved debt level. For example, year 2014 in the 2013-2022 program was approved at $23.9M; therefore, this year's debt target for 2014 is $23.9M, and the Service is required to provide a program that is at or below this debt target.

The Service's 2014-2023 Capital Program is $7.9M below the City's debt target for 2014. It is also below target cumulatively for the first five years in total, and for the ten-year program ($8.4M).

Due to the nature of capital projects and cash flow requirements, it is not feasible to meet annual debt targets precisely. The Service strives to ensure that debt targets are met for the first year and for the full program. City Finance has accepted this approach in past years.

Revised 2014-2023 Capital Program

The revised 2014-2023 Capital Program that is being recommended for approval has changed in the following areas:

New 54 Division Facility

This project provides funding for the construction of a new 54 Division. The current facility was retrofitted for police use and occupied by the Service in 1973. There are both physical and operational issues with the existing site and building, including issues of size and design of space, state of repair for the facility and location. A business case for this facility was provided to the Board's BSC in August 2013.

One of the Chief's Internal Organization Review initiatives considered the potential closing or consolidation of 54 Division. The review concluded that this division should not be closed, and the Board had been updated on this matter.

After some deliberation, the BSC indicated that this project should remain in the program, but that construction be delayed one year, so that the Board can consider the Service's divisional structure, particularly as it pertains to the 54 and 13 Divisional facilities.

The revised capital program reflects this change.

Peer-to-Peer Data Centre

The Service has a primary data centre as well as a secondary site, and is experiencing several issues with the secondary site. The current location is too close to the primary site, and is limited with respect to space and power supply.

The cash flow for this project reflects the introduction of consulting and engineering services in 2014, to conduct a feasibility study to determine the best solution regarding site and sharing potential, as well as the design of the facility. Land acquisition and construction costs start in 2015. This does not preclude consideration of other alternatives such as co-location with the City and or other police services. Discussions on these and other options are currently underway.

The Board's BSC indicated that this project should remain unchanged in the 2014-2023 program, with the understanding that no commitments would be undertaken until the results of the feasibility study are communicated to the Board.

Business Intelligence (BI) Technologies

BI Technologies represent a set of methodologies, processes, architectures, and technologies that transform raw data into meaningful and useful information used to enable more effective strategic, tactical, and operational insights and decision-making. Services such as Edmonton, Vancouver, New York and Chicago have BI solutions.

After a preliminary review, City Finance staff have indicated that the City Analyst Notes, provided to the City's Budget Committee, will likely recommend this project be moved to "below the line," which effectively removes the project from the Service's capital program.

The Board's BSC reconfirmed its support of this project, and has indicated that it should remain within the Service's 2014-2023 program.

Electronic Document Management (EDM)

The primary goal of an EDM system is to store, control, monitor, and report on a repository of electronic document files. These documents come from various sources, including office productivity suites, document workflow applications, and other applications that create, edit, update, or delete documents.

As with the BI project, City Finance staff have indicated this project will likely be recommended to be moved to "below the line", for the City Manager's review and approval.

The Board's BSC reconfirmed its support of this project, and has indicated that it should remain within the Service's 2014-2023 program.

Placeholder Project – Next Generation 911 (NG911)

The current system for 911 calls works on an analog platform and can only receive voice calls. Next Generation 911 (NG911) will upgrade existing systems to accept digital Internet Protocol (IP) information. This will enable Public Safety Answering Points (PSAP) to accept text and other digital mediums. All PSAPs will need to upgrade their call centre technology to ensure continued service for the new platform.

There is some urgency with this project, in that it is anticipated that preliminary implementation will begin in 2014. However, due to the many unknowns related to this project, it is difficult to provide the estimated funding requirements at this time. The Board is aware of this emerging requirement, and the BSC has indicated this project should remain in the program, albeit without any estimated funding. The Board will be kept apprised of any developments as they become known.

Revenue from Development Charges

Development charges (DC) are fees that are collected from developers at the time a building permit is issued. DCs are governed by a City Council-approved by-law. These fees help pay for the cost of infrastructure required to provide municipal services to new development, such as roads, transit, water and sewer infrastructure, community centres and fire and police facilities. Any facility-related capital project that has a growth component is eligible for DC funding. This funding is used to reduce the Service's reliance on debt.

The amount of DC revenue that can be applied in any given year to any given project is governed by a complex formula. Amounts are confirmed by City Finance staff. City policies determine what percentage of available funding should be applied to projects. The Service was notified in May 2013 that, for the 2014 budget cycle, the percentage of available funding that can be applied has been increased, resulting in additional DC funding available within the capital program. It is City Finance staff's expectation that this additional funding be used to reduce the Service's reliance on debt, and not to increase gross expenditures.

The one-year deferral of 54 Division results in changes to cash flow with respect to DC revenue, as the use of DC revenue is governed by the amount spent for each facility in any given year. DC revenue has also been optimized to ensure that DC funding is maximized while debt targets are met as closely as possible.

Conclusion:

A detailed review of all projects in the Service's 2014-2023 capital program request has been conducted to ensure the capital program reflects the Service's priorities and strategic objectives, and is in line with City-provided debt targets.

The revised 2014-2023 capital program reflects changes as directed by the Board's BSC.

The capital program is $7.9M below the City's debt target in 2014 and $8.4M below for the full ten years of the program. The program does not achieve the City's annual debt target for each year, due to the fact that there is limited flexibility to adjust cash flows to meet the annual City targets, as the funds required for each project vary and are tied to a construction or other schedule.

This Capital Program request has been reviewed with the Board's BSC and is being tabled with the Board for approval and submission to the City.

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

Mr. Tony Veneziano, Chief Administrative Officer, was in attendance and responded to questions by the Board about the revised 2014-2023 Capital Program request.

The Board approved the foregoing report.

Moved by: F. Nunziata

REVISED 2014-2023 CAPITAL PROGRAM REQUEST ($000s)

Attachment A

Project Name	Plan to end of 2013	2014	2015	2016	2017	2018	Total 2014-2018 Request	2019	2020	2021	2022	2023	Total 2019-2023 Forecast	Total 2014-2023 Program	Total Project Cost
Projects In Progress															
State-of-Good-Repair - Police	0	4,594	4,469	4,601	4,600	4,200	22,464	4,200	4,200	4,200	4,200	4,200	21,000	43,464	43,464
Parking East	4,358	4,642	0	0	0	0	4,642	0	0	0	0	0	0	4,642	9,000
IRIS - Integrated Records and Information System	18,493	4,866	0	0	0	0	4,866	0	0	0	0	0	0	4,866	23,359
Total, Projects In Progress	**22,851**	**14,102**	**4,469**	**4,601**	**4,600**	**4,200**	**31,972**	**4,200**	**4,200**	**4,200**	**4,200**	**4,200**	**21,000**	**52,972**	**75,823**
Upcoming projects															
54 Division (includes land)	0	0	6,966	7,884	17,825	3,622	36,296	0	0	0	0	0	0	36,296	36,296
HRMS Upgrade	0	360	761	0	0	0	1,121	0	378	799	0	0	1,177	2,298	2,298
TRMS Upgrade	0	0	600	3,522	0	0	4,122	0	0	0	630	3,698	4,328	8,450	8,450
Peer to Peer Site	0	250	2,295	8,650	6,455	1,100	18,750	0	0	0	0	0	0	18,750	18,750
52 Division - Renovation	0	2,948	5,352	0	0	0	8,300	0	0	0	0	0	0	8,300	8,300
41 Division (includes land)	0	0	0	372	9,282	19,050	28,705	10,224	0	0	0	0	10,224	38,929	38,929
Expansion of Fibre Optics Network	0	0	0	0	0	0	0	881	4,785	6,385	0	0	12,051	12,051	12,051
Radio Replacement	0	0	0	13,913	2,713	3,542	20,168	2,478	4,093	5,304	4,480	0	16,354	36,523	36,523
TPS Archiving	0	0	0	0	750	0	750	0	0	0	0	0	0	750	750
32 Division - Renovation	0	0	0	0	4,990	1,997	6,987	0	0	0	0	0	0	6,987	6,987
13 Division (includes land)	0	0	0	0	0	372	372	8,645	19,753	10,159	0	0	38,556	38,928	38,928
AFIS (next replacement)	0	0	0	0	0	3,053	3,053	0	0	0	0	0	0	3,053	3,053
Business Intelligence Technology	0	0	336	500	2,741	4,623	8,200	0	0	0	0	0	0	8,200	8,200
Electronic Document Management	0	0	50	450	0	0	500	0	0	0	0	0	0	500	500
Next Generation 911	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55 Division - Renovation	0	0	0	0	0	0	0	0	0	0	3,000	3,000	3,000	3,000	8,300
22 Division - Renovation	0	0	0	0	0	0	0	0	0	0	3,000	3,000	3,000	3,000	8,300
Relocation of PSU	0	0	0	0	0	0	0	0	0	0	500	7,400	7,900	7,900	13,048
Relocation of FIS	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000	1,000	60,525
Total, Upcoming Capital Projects:	**0**	**3,558**	**16,360**	**35,292**	**44,755**	**37,359**	**137,324**	**22,227**	**29,009**	**22,647**	**5,610**	**18,098**	**97,591**	**234,915**	**310,188**
Total Debt Funded Capital Projects:	**22,851**	**17,660**	**20,829**	**39,893**	**49,355**	**41,559**	**169,296**	**26,427**	**33,209**	**26,847**	**9,810**	**22,298**	**118,591**	**287,887**	**386,010**
Total Reserve Projects:	**161,400**	**21,357**	**17,845**	**18,594**	**24,899**	**30,013**	**112,708**	**22,499**	**19,496**	**21,293**	**22,850**	**32,388**	**118,526**	**231,234**	**392,633**
Total Gross Projects	**184,251**	**39,017**	**38,674**	**58,487**	**74,254**	**71,571**	**282,003**	**48,926**	**52,705**	**48,140**	**32,660**	**54,686**	**237,117**	**519,121**	**778,644**
Funding Sources:															
Vehicle and Equipment Reserve	(161,400)	(21,357)	(17,845)	(18,594)	(24,899)	(30,013)	(112,708)	(22,499)	(19,496)	(21,293)	(22,850)	(32,388)	(118,526)	(231,234)	(392,633)
Recoverable Debt	(2,800)	(1,598)	0	0	0	0	(1,598)	0	0	0	0	0	0	(1,598)	(4,398)
Funding from Development Charges	(13,751)	0	(17,845)	(3,572)	(11,290)	(4,230)	(19,092)	0	(8,985)	(4,655)			(13,640)	(32,732)	(46,483)
Total Funding Sources:	**(177,951)**	**(22,955)**	**(17,845)**	**(22,166)**	**(36,189)**	**(34,243)**	**(133,398)**	**(22,499)**	**(28,481)**	**(25,948)**	**(22,850)**	**(32,388)**	**(132,166)**	**(265,564)**	**(443,514)**
Total Net Debt-Funding Request:	**6,300**	**16,062**	**20,829**	**36,321**	**38,065**	**37,329**	**148,606**	**26,427**	**24,224**	**22,192**	**9,810**	**22,298**	**104,951**	**253,557**	**335,129**
5-year Average:							**29,721**						**20,990**	**25,356**	
City Target:		23,922	30,105	36,321	31,143	33,487	154,978	26,691	23,083	18,036	19,606	19,606	107,022	262,000	
City Target - 5-year Average:							30,996						21,404	26,200	
Variance to Target:		7,860	9,276	0	(6,922)	(3,842)	6,372	264	(1,141)	(4,156)	9,796	(2,692)	2,071	8,443	
Cumulative Variance to Target			17,136	17,136	10,214	6,372		6,636	5,495	1,339	11,135	8,443			
Variance to Target - 5-year Average:							1,274						414	844	

2014-2023 CAPITAL PROGRAM REQUEST ($000s) - DETAIL ON RESERVE-FUNDED PROJECTS

Project Name	Plan to end of 2013	2014	2015	2016	2017	2018	Total 2014-2018 Request	2019	2020	2021	2022	2023	Total 2019-2023 Forecast	Total 2014-2023 Program	Total Project Cost
Other than debt expenditure (Draw from Reserve)															
Vehicle and Equipment (LR)	52,632	4,422	5,320	5,320	5,320	5,320	25,702	6,320	5,320	5,320	5,320	5,320	27,600	53,302	105,934
Workstation, Laptop, Printer (LR)	30,342	5,000	2,400	2,300	2,600	4,100	16,400	2,500	2,400	2,700	5,150	2,550	15,300	31,700	62,042
Servers (LR)	21,395	4,515	4,515	3,045	2,499	4,203	18,777	4,741	4,741	3,197	2,624	4,807	20,110	38,887	60,281
IT Business Resumption (LR)	13,391	1,701	1,281	1,407	1,365	1,235	6,989	1,786	1,345	1,477	1,433	1,775	7,816	14,805	28,195
Mobile Workstations (LR)	15,684	1,000	0	0	300	8,920	10,220	1,000	0	0	300	9,420	10,720	20,940	36,624
Network Equipment (LR)	7,248	1,110	998	1,200	2,900	2,800	9,008	2,400	1,500	2,400	2,900	3,000	12,200	21,208	28,456
Locker Replacement (LR)	2,967	350	350	500	350	48	1,598	198	48	198	48	48	540	2,138	5,105
Furniture Replacement (LR)	4,389	713	713	1,455	727	727	4,335	727	1,484	742	742	727	4,422	8,757	13,146
AVL (LR)	1,498	22	0	0	1,500	0	1,522	0	0	1,500	0	0	1,500	3,022	4,520
In - Car Camera (LR)	444	0	0	2,104	2,113	0	4,217	0	0	2,104	2,113	0	4,217	8,434	8,878
Voice Logging (LR)	1,127	0	0	0	0	300	300	0	0	0	0	300	300	600	1,727
Electronic Surveillance (LR)	1,070	0	0	0	1,069	0	1,069	0	0	0	1,091	0	1,091	2,160	3,230
Digital Photography (LR)	253	0	128	129	0	0	257	0	122	128	0	0	250	507	760
DVAM I (LR)	1,109	0	949	0	0	0	949	0	949	0	0	0	949	1,898	3,007
Voicemail / Call Centre (LR)	315	169	0	0	500	0	669	0	0	0	0	500	500	1,169	1,484
DVAM II (LR)	0	1,203	0	0	0	0	1,203	1,263	0	0	0	0	1,263	2,466	2,466
Asset and Inventory Mgmt.System (LR)	123	72	0	0	0	72	144	0	0	0	72	0	72	216	339
Property & Evidence Scanners (LR)	117	0	0	117	0	0	117	0	0	119	0	0	119	236	353
DPLN (LR)	500	0	0	0	0	700	700	0	0	0	0	700	700	1,400	1,900
Small Equipment (e.g. telephone handset) (LR)	1,120	0	0	0	0	0	0	750	750	0	0	0	1,500	1,500	2,620
Small Equipment - test analyzers (LR)	870	0	0	0	640	213	853	0	0	640	213	0	853	1,706	2,576
Radar Unit Replacement	0	353	364	43	305	193	1,258		5	11	5		21	1,279	1,279
Video Recording Equipment (LR)	356	92	92	92	92	92	460	92	92	92	92	92	460	920	1,276
Livescan Machines (LR)	423	0	0	0	0	540	540	0	0	0	0	540	540	1,080	1,503
Wireless Parking System (LR)	2,976	0	0	0	1,974	0	1,974	0	0	0	0	1,974	1,974	3,948	6,924
EDU/CBRN Explosive Containment (LR)	474	0	0	0	0	0	0	0	0	0	0	0	0	0	474
CCTV	182	70	0	182	70	0	322	182	70	0	182	70	504	826	1,008
AEDs	195	0	0	100	0	0	100	0	0	100	0	0	100	200	395
Fleet Equipment	200	100	100	100	100	100	500	100	100	100	100	100	500	1,000	1,200
Security System (LR)	0	465	635	500	475	450	2,525	440	570	465	465	465	2,405	4,930	4,930
Total Reserve Projects:	161,400	21,357	17,845	18,594	24,899	30,013	112,708	22,499	19,496	21,293	22,850	32,388	118,526	231,234	392,633
Total Gross Projects	184,251	39,017	38,674	58,487	74,254	71,571	282,003	48,926	52,705	48,140	32,660	54,686	237,117	519,121	778,644
Funding Sources:															
Vehicle and Equipment Reserve	(161,400)	(21,357)	(17,845)	(18,594)	(24,899)	(30,013)	(112,708)	(22,499)	(19,496)	(21,293)	(22,850)	(32,388)	(118,526)	(231,234)	(392,633)
Recoverable Debt	(2,800)	(1,598)	0	0	0	0	(1,598)	0	0	0	0	0		(1,598)	(4,398)
Funding from Development Charges	(13,751)	0	0	(3,572)	(11,290)	(4,230)	(19,092)	0	(8,985)	(4,655)			(13,640)	(32,732)	(46,483)
Total Funding Sources:	(177,951)	(22,955)	(17,845)	(22,166)	(36,189)	(34,243)	(133,398)	(22,499)	(28,481)	(25,948)	(22,850)	(32,388)	(132,166)	(265,564)	(443,514)
Total Net Debt-Funding Request:	6,300	16,062	20,829	36,321	38,065	37,329	148,606	26,427	24,224	22,192	9,810	22,298	104,951	253,557	335,129
5-year Average:							29,721						20,990	25,356	
City Target:		23,922	30,105	36,321	31,143	33,487	154,978	26,691	23,083	18,036	19,606	19,606	107,022	262,000	
City Target - 5-year Average:							30,996						21,404	26,200	
Variance to Target:		7,860	9,276	0	(6,922)	(3,842)	6,372	264	(1,141)	(4,156)	9,796	(2,692)	2,071	8,443	
Cumulative Variance to Target			17,136	17,136	10,214	6,372		6,636	5,495	1,339	11,135	8,443			
Variance to Target - 5-year Average:							1,274						414	844	

Staff Report for Action – TPS 2014-2023 Capital Program Request

Attachment C

Project Name	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Comments
Radio Infrastructure	230.6	930.8	939.3	947.9	956.6	965.3	974.2	983.1	992.2	1,001.3	Operating impact provided by the City
Property and Evidence Management Facility	420.8	429.2	437.8	446.5	455.5	464.6	473.9	483.3	493.0	502.9	Building Operations, Service Contracts and Utilities. Included estimated increase of 2% per year
14 Division - Central Lockup	272.0	277.4	283.0	288.6	294.4	300.3	306.3	312.4	318.7	325.1	Building Operations, Service Contracts and Utilities - Included estimated increase of 2%
eTicketing Solution	290.9	290.9	290.9	290.9	290.9	290.9	290.9	290.9	290.9	290.9	Operating cost and reduction of 4 staff in Document Services
IRIS - Integrated Records and Information System	395.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	Maintenance costs; lifecycle contribution
54 Division	0.0	0.0	0.0	0.0	72.0	144.0	146.9	149.8	152.8	155.9	Building Operations, Service Contracts and Utilities; starting half a year 2018. Included estimated increase of 2% per year
HRMS Upgrade	0.0	0.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	Incremental maintenance cost of $22K per year from 2016
TRMS Upgrade	0.0	0.0	0.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	Incremental maintenance cost of $22K per year from 2017
Peer to Peer Site	0.0	0.0	0.0	175.0	350.0	350.0	350.0	350.0	350.0	350.0	Building Operations, Service Contracts and Utilities; starting mid-2017
41 Division	0.0	0.0	0.0	0.0	0.0	72.0	144.0	144.0	144.0	144.0	Building Operations, Service Contracts and Utilities; starting half a year 2019
Radio Replacement	88.1	282.2	608.2	198.5	224.5	199.0	296.6	282.5	161.1	161.0	Additional support cost - Extend life from 7 years to 10 years
13 Division	0.0	0.0	0.0	0.0	0.0	0.0	0.0	72.0	144.0	146.9	Building Operations, Service Contracts and Utilities; starting 2021
Business Intelligence Technology	0.0	0.0	0.0	0.0	0.0	528.0	1,056.0	1,056.0	1,056.0	1,056.0	$0.6M for salaries for 5 people; $0.5M for maintenance
Electronic Document Management	0.0	0.0	0.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	System Maint Fee for $100K plus an estimated $200K savings in Stationary and Office Supplies
Total Projects Operating Impact	**1,697.4**	**4,037.5**	**4,408.1**	**4,118.5**	**4,414.9**	**5,085.1**	**5,809.8**	**5,895.1**	**5,873.7**	**5,904.9**	
Total Projects - Incremental Operating Impact	**965.7**	**2,340.1**	**370.6**	**-289.6**	**296.4**	**670.2**	**724.7**	**85.3**	**-21.4**	**31.2**	
Total Reserve Operating Impact	**6,000.0**	**7,000.0**	**8,000.0**	**9,000.0**	**10,000.0**	**10,000.0**	**10,000.0**	**10,000.0**	**10,000.0**	**10,000.0**	Based on current assumptions; under review
Total Operating Impact from Capital	**7,697.4**	**11,037.5**	**12,408.1**	**13,118.5**	**14,414.9**	**15,085.1**	**15,809.8**	**15,895.1**	**15,873.7**		

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON SEPTEMBER 12, 2013

#P224. **TORONTO POLICE SERVICE: 2014-2023 CAPITAL PROGRAM REQUEST**

The Board was in receipt of the following report August 29, 2013 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE 2014-2023 CAPITAL PROGRAM REQUEST

Recommendations:

It is recommended that:

(1) the Board approve the 2014-2023 capital program with a 2014 net request of $19.9 Million (excluding cash flow carry forwards from 2013), and a net total of $253.6 Million for 2014-2023, as detailed in Attachment A; and

(2) the Board forward a copy of this report to the City Budget Committee for approval and to the City's Deputy City Manager and Chief Financial Officer for information.

Financial Implications:

Table 1 below provides a summary of the Toronto Police Service's (Service) 2014-2023 Capital Program request compared to the City of Toronto's ten-year affordability debt target.

The Service's 2014-2023 Capital Program request is below the City's affordability debt target by $4.8 Million (M) for the first five years of the program, and $8.4M for the full ten-year program. Additional detail on debt-funded and Reserve-funded projects can be found in Attachments A and B respectively.

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Table 1. Summary of 2014-2023 Capital Program Request ($Ms)

	2014	2015	2016	2017	2018	5-Year Total	2019-2023 Total	2014-2023 Total
Total On-Going and New Projects	24.6	21.7	49.8	35.2	37.9	169.3	118.6	287.9
Reserve-funded projects	21.4	17.8	18.6	24.9	30.0	112.7	118.5	231.2
Total gross projects:	**46.0**	**39.6**	**68.4**	**60.1**	**67.9**	**282.0**	**237.1**	**519.1**
Other-than-debt funding	-26.0	-21.2	-23.0	-29.0	-32.7	-131.8	-133.7	-265.6
NET DEBT FUNDING:	**19.9**	**18.4**	**45.5**	**31.0**	**35.3**	**150.2**	**103.4**	**253.6**
CITY DEBT TARGET:	23.9	30.1	36.3	31.1	33.5	155.0	**107.0**	**262.0**
Variance to target	**4.0**	**11.7**	**-9.2**	**0.1**	**-1.8**	**4.8**	**3.6**	**8.4**

The implementation of capital projects can have an impact on the Service's on-going operating budget requirements. In addition, the Service is continuing its strategy to properly fund the replacement of vehicles, technology and other equipment through contributions to the Vehicle and Equipment Reserve (Reserve). Attachment C provides a summary of the estimated operating impact from capital excluding Reserve-funded projects. The 2014 incremental operating impact is $1.7M. Approval of the 2014-2023 program, as requested, will result in an estimated annualized pressure to the Service's operating budget of $5.9M by 2023, mainly due to increased system maintenance and building operational requirements. These operating impacts will be included in future operating budget requests, as required.

Background/Purpose:

The purpose of this report is to provide the Board with details of the Service's 2014-2023 Capital Program request. The recommended Capital Program has been reviewed by the Board's Budget Sub-Committee (BSC) and is now being presented to the Board for consideration and approval. Attachment A to this report provides a detailed project listing of debt-funded projects, and Attachment B provides a detailed listing of projects funded from the Vehicle and Equipment Reserve. Attachment C provides a summary of the estimated operating impact from capital, excluding Reserve-funded projects in the 2014-2023 program.

Discussion:

Capital projects, by their nature, require significant financial investments and result in longer-term organizational benefits and impacts. An organization's capital program should therefore be consistent with and enable the achievement of the organization's strategic objectives.

Strategic Direction:

The Service's 2014-2023 Capital Program request continues to focus on improving and updating the Service's ageing facility infrastructure, and ensures our key information and technology needs are appropriately addressed. The program also reflects strategies to maximize the use of existing Service facilities by relocating units in leased locations or consolidating Service units so that the sites they currently occupy can be returned to the City for whatever use it deems appropriate.

The projects in the capital program will:

- ensure our facilities are in a reasonable state of good repair and replaced/renovated, as necessary;
- enable operational effectiveness/efficiency and service enhancement;
- result in improved information for decision making and to better meet operational requirements;
- help enhance officer and public safety;
- contribute to environmental protection/energy efficiency; and
- ensure our fleet and equipment are properly replaced.

Development of Cost Estimates and Project Management:

Due to the large cost and complexity of capital projects, the Service has developed and has been following a formal project management framework since 2006. This framework requires the submission of a project charter for each approved project request, and the establishment of a steering committee to oversee the project during its lifecycle.

The cost estimate for each project in the recommended Capital Program has been reviewed to ensure the estimate and annual cash flows are still valid, taking into consideration key project milestones, procurement requirements, any third-party actions/approvals required, as well as other applicable assumptions and information. It is important to note that the Service does its best to develop accurate cost estimates. However, these estimates are developed based on assumptions at the time, often without full information and more importantly, before going through a procurement process for the various requirements. Consequently, the estimates could change as the project progresses through the project lifecycle.

The Board and City are kept apprised of any changes as soon as they become known. Any required transfers from other projects in the program are fully justified and reported to the Board and City Budget Committee for approval. The Service has done a relatively good job at delivering projects on or below budget. However, even with the best planning and management, there are times when additional funds are required for certain projects, due to unanticipated events or higher than anticipated market prices. The Service is also mindful of operating budget impacts and so, some projects not yet started are being revisited to ensure they are still viable from an overall budget perspective.

2013 Accomplishments:

Key accomplishments and developments related to the implementation and management of the capital program in 2013 are as follows:

- The renovation of the Service's new Property and Evidence Management facility has been achieved, with a move-in date of September 2013;
- The Integrated Records and Information System (IRIS) project is currently under budget and is expected to go live in November 2013;
- The eTicketing solution (closely linked with IRIS) is also anticipated to be completed in November 2013, and on budget;
- The upgrade to Microsoft 7 is complete;
- The Radio Replacement and 14 Division projects, with small carry forwards to 2013, are complete.

The Service currently anticipates that 81% of net debt funding will be spent in 2013, resulting in a carry forward amount of $4.5M to 2014. The majority of the carry forward amount relates to the Property and Evidence Management Facility ($2.2M) and IRIS ($1.1M). Updates on the status of projects will continue to be provided in the 2013 quarterly capital variance reports.

City Debt Affordability Targets:

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 Service's 2014-2023 Capital Program is below the City's debt target for the five-year and ten-year program; however, in some years it does not meet the debt target (see Table 1).

2014-2023 Capital Program:

The 2014-2023 capital program is segregated into four categories for presentation purposes:

A.   On-Going Projects
B.   Projects beginning in 2014-2018
C.   Projects beginning in 2019-2023
D.   Projects funded through Reserves

- **On-Going Projects**

There are three projects in progress in the 2014-2023 capital program:

1.   *State-of-Good-Repair (SOGR) – ongoing*

   This project provides funding for the SOGR requirements that the Service is responsible for. A detailed SOGR backlog list and ten-year plan has been provided to City Finance staff.

2.   *Parking East – anticipated 2014 completion*

This project provides funding to relocate the Parking Enforcement East (PKE) and Parking Headquarters Management (PHQ) operations to the Progress Avenue site, after required renovations are completed at that facility. The current PKE and PHQ lease has a five-year term, expiring June 30, 2014.

Moving PKE and PHQ to the Progress Avenue site will realize annualized savings of approximately $0.6M. This has allowed the Service to partially fund this project from recoverable debt.

The move from leased facilities to the City-owned Progress Avenue site will also make better use and get a greater return on the investment in the Progress site and avoid potential large lease rate increases as well as the uncertainty of being in a leased facility for the PKE and PHQ operation.

3.   *Integrated Records and Information System (IRIS) – anticipated 2014 completion*

This project provides funding for the implementation of Versadex, a commercial off-the-shelf integrated records and information system. This is the core operations system for the Service. eJust is an Electronic Disclosure System (EDS) that is part of the IRIS project. When implemented, the eJust system will reduce time spent on manual/paper preparation of court disclosure and increases efficiencies envisioned as an outcome of the IRIS project.

The full implementation for Versadex and eJust is scheduled to start in November 2013, with a minimum three-month stabilization/production support period ending February 2014. The Board has been kept updated on the status of this large and complex project through the quarterly capital variance reports.

- **Projects Beginning in 2014-2018**

  New 54 Division Facility ($36.3M, beginning in 2014)

  This project provides funding for the construction of a new 54 Division. A business case for this facility was provided to the Board's Budget Sub-Committee (BSC) in August 2013. The current facility was built in 1951 as a light industrial building and subsequently was retrofitted for police use and occupied by the Service in 1973. The project has been in the Service's capital program for the last several years based on the long-term facilities plan.

  There are both physical and operational issues with the existing site and building:

  - Space for members occupying this facility is insufficient;
  - The building is in a general state of disrepair. Both the Service and the City of Toronto perform ongoing maintenance and repair. However, due to the age and condition of the building, there are issues with respect to the heating, ventilation and air condition system,

the electrical system, plumbing, and the fire protection and alarm system. The building and site are prone to flooding, and the building does not meet current Accessibility for Ontarians with Disabilities Act (AODA) accessibility standards;

- The site is not easily accessed by visitors and members, as there is no direct access to public transit, and there are limited parking spaces; and
- There are issues with respect to locker room facilities, firearms storage, front counter security, detention cells, investigative and response areas.

One of the Chief's Internal Organization Review initiatives considered the potential closing or consolidation of 54 Division. The review concluded that this division should not be closed, and the Board has been updated on this matter. Consequently, the project remains in the Service's capital program.

The budget includes funding for land acquisition, construction and other costs. Service staff are working with City Real Estate to acquire a suitable property. The budget assumes the construction of a 55,000 square foot facility built to LEEDS Silver standards, although the Service no longer seeks LEEDS Silver certification. Costing assumptions are based on construction costs of previous divisional projects, updated for a construction inflation rate. The project cash flow assumes the acquisition of land would begin in 2014 with construction starting in 2015.

It should be noted that the project cost could change as a result of several factors, including the cost of the site ultimately acquired, the size and design of the facility as well as market conditions with respect to the construction services required. The facility size and design will be reviewed and confirmed to identify any potential reductions, once the site is selected. The Board will be kept apprised through the quarterly capital variance reporting process.

An operating cost impact of $144,000 per year is estimated for additional building operations and utilities costs, beginning in mid-2017.

Human Resource Management System Upgrades ($1.1M, beginning in 2014)

Human resources information and payroll administration for the Service is managed using the PeopleSoft Human Resource Management System (HRMS).

This project provides funding for an anticipated upgrade to HRMS beginning in 2014. This upgrade is necessary to reduce the risk associated with relying on outdated software and avoids the risk of losing vendor support. This is particularly important with a payroll system which needs to be able to implement annual (or more frequent) tax updates and HR regulations.

Estimates are based on the costs incurred during the last HRMS upgrade, and future project costs will be refined as more information becomes available with respect to requirements at that time (e.g., will the system require upgrading or replacement, will there be any changes to the Service's architecture, etc.).

The operating budget impact is an estimate for incremental maintenance costs of $22,000 annually, beginning in 2016. Funding for further upgrade or replacement for this product has been added to 2020 and 2021, at an estimated cost of $1.2M.

Time Resource Management System (TRMS) Upgrade ($4.1M, beginning in 2015)

The Service uses TRMS, which went live in August 2003, to collect and process time and attendance-specific data, administer accrual bank data, assist in paid duty administration, and in the deployment of members. From August 2006 to May 2008, the Service was engaged in upgrading TRMS to upgrade the existing functionality and de-customize the application to reduce and avoid maintenance costs.

This project provides funding to upgrade TRMS beginning in 2015, to ensure continued vendor support, as well as to examine additional functionality that can assist the Service in achieving further efficiencies in its business processes. The Service's involvement in the PanAm Games in 2015 precludes the Service from implementing this project sooner.

Estimates are based on the costs incurred during the last upgrade, and future project costs will be refined as more information becomes available with respect to requirements at that time (e.g., will the system require upgrading or replacement).

However, prior to committing to the upgrade, the Service will also determine whether it is more beneficial and cost-effective to replace, rather than upgrade, TRMS. The City of Toronto is looking at an enterprise-wide time and attendance system, and Service staff will continue to communicate with City staff to ensure any potential collaborative efforts with the City are considered and pursued, if feasible. To this end, the Board will be kept apprised through the quarterly variance reporting process.

The annual operating budget impact for incremental maintenance costs is estimated at $22,000 beginning in 2017. Funding for further upgrade or replacement for this product has been added to 2022 and 2023, at an estimated cost of $4.3M.

Peer-to-Peer Data Centre ($18.8M, beginning in 2014)

This project was formerly referred to as "Disaster Recovery (DR) Site." A DR data centre is set up as a duplicate of a primary data centre with full computer systems and near-complete backups of all data. It is not used unless primary systems fail. A Peer-to-Peer data centre is a model where each site has the same capabilities; both sites are used and each site backs up the other in the event of a disaster. The project has been renamed to more clearly identify that the new site would be completely Peer-to-Peer.

The Service has a primary data centre as well as a secondary site, and is experiencing several issues with the secondary site:

- The secondary site, which provides backup to the primary site, in the event of a disaster or disruption is too close to the primary site. Best practice standards require that the secondary site be a minimum of 25 km away from the primary site, and ideally at least 40 km away. The current secondary site is only 7 km from our primary site.
- The current secondary site is limited with respect to UPS (uninterruptible power supply) and space: The current site is co-located with the City of Toronto's data centre operations, and there are competing demands for available power and cooling. The Service has had to negotiate extra power, and there is concern that future requirements will not be accommodated or will be costly, as both City and Service requirements increase.

As a result of these challenges, the Service commissioned an assessment of our Data Centre in 2011. That report identified numerous shortcomings at our secondary site, and identified the basic principles for the selection of a facility that would satisfy the Service's need to have distinctly isolated and dedicated information technology infrastructure that does not rely on non-Service systems for continuity. The report also identified a design that allows the Service to maintain control over its own security.

The Service and City Real Estate are looking for a suitable location. The current budget is based on the estimated cost of acquiring a property and building a new Peer-to-Peer site. The Service is concurrently exploring other options for its Peer-to-Peer site – sharing with the City or with other police services; establishing a modular, portable site; colocation with other sites, and outsourcing (although the latter two have security issues that may render them impractical).

The cash flow for this project reflects the introduction of consulting and engineering services in 2014, to conduct a feasibility study for, and to design, the best solution regarding site and sharing potential. Land acquisition and construction costs start in 2015. The estimated cost of the project could change depending on what possible solutions are identified as well as market and other conditions at the time. The project cost could also change as a result of several factors, including the cost of the site ultimately acquired and the size and design of the facility. The facility size and design will be reviewed and confirmed to identify any potential reductions, once the site is selected. The Board will be kept apprised accordingly.

An operating cost impact of $350,000 per year is estimated for building operations and utilities costs, beginning in mid-2017.

52 Division Renovation ($8.3M, beginning in 2014)

This project requests funding for the renovation of 52 Division. Initially, this facility was scheduled to be renovated after the construction of all required new facilities. The initial schedule for replacement and renovation has been deferred for many years, due in part to budget pressures and in part to site identification and acquisition issues for other facility projects. The many problems with the current 52 Division dictate renovation occur sooner rather than later.

A sample of the issues surrounding 52 Division include: an inadequate HVAC system; AODA non-compliance; and occupational health and safety issues related to accessibility. A key issue is related to officer and prisoner safety, whereby prisoners must be escorted through administrative areas when being moved. The budget is based on an initial feasibility study, and will be refined once the exact scope of work is identified.

New 41 Division Facility ($38.9M, beginning in 2016)

This project provides funding for the land acquisition and construction for a new 41 Division. Land costs could change significantly based on the actual location chosen and market values at the time of purchase. The Service will also explore the feasibility of constructing a new facility on the current 41 Division site. This could reduce the cost estimate for this project significantly, as there would be no land-acquisition cost. However, it would also make the project more complicated in terms of relocating existing staff during construction of the new facility and will add to the time required to complete the project. Some of the land savings would be re-directed to the costs of temporary re-locating 41 Division staff during the construction process. The project cash flow assumes the acquisition of land would begin in 2017 with construction beginning in 2018.

The budget assumes the construction of a 55,000 square foot facility built to LEEDS Silver standards, although the Service no longer seeks LEEDS Silver certification.   Costing assumptions are based on construction costs of previous divisional projects, updated for the construction inflation rate.   The project cost could change as a result of several factors, including the cost of the site (if one is acquired) as well as the size and design of the facility. The facility size and design will be reviewed and confirmed to identify any potential reductions, once the site is selected. The Board will be kept apprised through future capital budget processes.

The additional operating cost impact of $144,000 per year is a high-level estimate for building operations and utilities commencing from mid-2019.

Radio Replacement ($36.5M, beginning in 2016)

The Service's current communication radios were replaced over the period of 2006 to 2012. Although the lifecycle for these radios is ideally seven years, the Service has decided to replace these radios every ten years to reduce costs. However, the extension of this lifecycle to 10 years has resulted in some incremental operating costs. This project provides funding for the replacement of radios beginning in 2016 (for radios purchased in 2006) to 2022.

TPS Archiving ($0.8M in 2017)

This project requests funding for the establishment of Archiving at the Service's Progress Avenue site. Legislation requires the Service to store "cold case" files for a minimum of 25 years. Memo books are also stored for a lengthy period. The relatively new requirement of

video storage is also increasing. Service staff are endeavouring to reduce current holdings, but based on retention periods, the Service is faced with increasing storage requirements.

The Service currently stores its archival records and files at City Archives. However, the City of Toronto is experiencing space issues within its storage facility. In 2011, City Archives indicated also that there would be a newly introduced charge for storing and retrieving boxes. The Service has not yet been required to begin paying this fee. However, based on initial discussions and assuming a ten-percent growth annually (based on 2011-2013 estimates), storage costs would grow to $300,000 or more annually, within five years.

There is no on-going operating impact currently assumed as a result of this project. Future analysis will be required to determine if any additional resources will be required, and an update will be provided in future capital programs.

32 Division Renovation ($7.0M, beginning in 2017)

This project requests funding for the renovation of 32 Division as per the Service's long-term facility plan for replacement and renovation of facilities. An amount for required renovations has been estimated, but a feasibility study will be conducted as we come closer to the project start date, to determine a more precise budget.

New 13 Division Facility ($38.9M, beginning in 2018)

This project provides funding for the land acquisition and construction of a new 13 Division facility. Land costs could change significantly based on actual location chosen and market values at the time of purchase. The project cash flow assumes planning in 2018, acquisition of land in 2019 and construction beginning in 2020.

The budget assumes the construction of a 55,000 square foot facility built to LEEDS Silver standards, although the Service no longer seeks LEEDS Silver certification. Costing assumptions are based on construction costs of previous divisional projects, updated for the construction inflation rate. The project cost could change as a result of several factors, including the cost of the site (if one is acquired), the size and design of the facility, and construction market conditions at the time. The facility size and design will be reviewed and confirmed to identify any potential reductions, once the site is selected. The Board will be kept apprised through future capital budget processes.
- The additional operating cost impact of $144,000 per year is a high-level estimate for building operations and utilities commencing from mid-2021.

Automated Fingerprint Identification System – AFIS (next replacement - $3.1M in 2018)

The current AFIS system was purchased and implemented in late 2012. The system has an estimated lifecycle replacement of five years. It will therefore be due for replacement in early 2018. There is no operating impact from this project.

Business Intelligence (BI) Technologies ($8.2M, beginning in 2015)- project formerly identified as Data Warehouse

BI Technologies represent a set of methodologies, processes, architectures, and technologies that transform raw data into meaningful and useful information used to enable more effective strategic, tactical, and operational insights and decision-making. Services such as Edmonton, Vancouver, New York and Chicago have BI solutions.

The objectives of this project include developing a strategy and architecture for building and maintaining a data warehouse environment, and provide appropriate query tools, interfaces and data mining tools. In turn, this will provide an environment where users will be able to make more effective business decisions, provide improved customer service, spend less time on searching, acquiring and understanding data. In a policing environment, improved data management can lead to improved crime analysis, based on identification of unrecognized data relationships and trends; improved deployment of resources; ability to better prioritize investigation of crimes or incidents; etc.

It is necessary for the Service to begin exploring these technologies, but additional investigation is required to refine project costs, benefits and plans. In particular, the Service has been conducting research to better define and articulate the operational value associated with business intelligence. Furthermore, in our review of our capital program with the City's Director, Financial Planning, the Director indicted that a meeting would occur to determine if a solution can be developed in cooperation with the City. An update will be provided in the capital variance reports as more information becomes known, as well as in the 2015-2024 capital program.

Electronic Document Management(EDM) ($0.5M, beginning in 2015)

An enormous collection of paper-based information exists throughout the Service. It is expensive to create, collect, file, archive, retrieve, reproduce and transport the information. The primary goal of an EDM system is to store, control, monitor, and report on a repository of electronic document files. These documents come from various sources, including office productivity suites, document workflow applications, and other applications that create, edit, update, or delete documents.

In its simplest form, an EDM system represents a group of files as a folder or directory. However, given the size and diversity of large enterprises, and of the documents that they produce, EDM systems provide sophisticated capabilities to manage large repositories of documents through the use of metadata and rules that determine what content can be created, read, updated, or deleted and any workflows associated with these activities." EDM provides a range of benefits, including improved efficiency, productivity, information access and customer service. Reduced operating costs are anticipated through the reduced use of paper and printing, and reduced physical storage space.

The scope of the project includes conducting a high-level assessment of today's paper-based information across the entire Service, evaluating potential electronic document management and workflow solutions, establishing electronic document standards, conducting a pilot and planning for a Corporate-wide solution. The Service has been conducting research to better define and articulate the operational value and savings associated with EDM. Furthermore, Service and City IT staff are working together to determine if a solution could be developed in cooperation with the City.

The latter two projects (BI Technologies and EDM) were previously included in the Service's capital programs, but removed during the 2013-2022 program because of lack of detail. The Service has identified a need to proceed with these projects, and has therefore reintroduced them in the 2014-2023 program. The Service's Chief Administrative Officer (CAO) will be discussing this approach with the City Manager, in keeping with City guidelines.

Placeholder Project – Next Generation 911 (NG911) – cost to be determined

The current system for 911 calls works on an analog platform and can only receive voice calls. Bell Canada owns the 911 telecom infrastructure for Toronto. Next Generation 911 (NG911) will upgrade existing systems to accept digital Internet Protocol (IP) information instead of analog information. This will enable Public Safety Answering Points (PSAP) to accept text and other digital mediums. All PSAPs will need to upgrade their call centre technology to ensure continued service for the new platform.

Three main phases of enhanced functionality are predicted: replacement of the current 911 system; change from voice to IP format; and, acceptance of multimedia formats. This is an emerging issue that staff continue to investigate, together with other police services in Ontario. Staff are also engaging City of Toronto staff on this subject, as NG911 is an issue for Toronto Fire and Emergency Medical Services as well.

Due to the many unknowns related to this project, no funding can be estimated at this time. However, the project has been included in the 2014-2023 program to ensure the Board is aware of this emerging requirement. It is anticipated that movement on this project will be required in 2014. The Board will be kept apprised of any developments as they become known.

Conductive Energy Weapons (CEWs)

On August 27, 2013, Community Safety and Correctional Services Minister Madeleine Meilleur announced a change to the Ontario government's rules regarding the use of CEWs. Effective immediately, the province is allowing police services to put CEWs in the hands of frontline officers if the police services choose to increase the deployment of these units.

There would be both capital and operating cost impacts if the Service were to begin equipping frontline officers with CEWs. The cost per unit, including ancillary equipment such as holsters, cartridges, etc. is estimated at $1,500 per unit (or approximately $1.5M per

1,000 officers). There are also related operating costs for annual training of officers that are equipped with CEWs as well as replacement of cartridges, maintenance and subsequent replacing of the units. A detailed assessment would be required to determine exactly how many officers would be equipped and what the training and on-going operating requirements would be. The capital program does not include a budget for CEWs at this time. However, the Service's current capital program is below the City's debt targets. As such, there is an opportunity to include the increased deployment of CEWs as a project within the program.

Projects beginning in 2019-2023

There are six projects beginning during the 2019-2023 period. The majority of these projects relate to the continuation of the Service's long-term facility plan for replacement and renovation of facilities.

- **Reserve-Funded Projects**

   All projects listed in this category are funded from the Reserve, and have no impact on debt financing. Using the Reserve for the lifecycle replacement of vehicles and equipment avoids having to debt-finance these purchases. This approach has and continues to be supported by City Finance.   It should be noted, however, that this strategy of funding equipment replacements from the Reserve results in an impact on the operating budget, as it is necessary to make regular annual contributions to replenish the Reserve.

   Every effort has been made to reduce expenditures in this Reserve in 2013, in order to address the $5M reduction to reserve contributions made by the Board at its December 10, 2012 meeting, when it approved the Service's 2013 operating budget. Expenditure deferrals have been identified for the workstations/laptops/printers, server replacement and information technology/business resumption equipment projects. The replacement of in-car cameras system has been deferred from 2013 to 2016. The Service has done a detailed review of its lifecycle projects and extended lifecycles, wherever it is possible and without increasing risks and/or adversely impacting operations.   For example, the Mobile Workstations (MWS) lifecycle replacement has been extended from four to five years. The Service has also completed a computer equipment review and has been able to reduce the number of standard computer workstations by approximately 10%.

   The impact of these deferrals and reductions have been reflected in planned expenditures in the Reserve. Estimates for all projects are revised annually based on up-to-date information, and new replacement plans are included as they become known. Attachment B identifies all of the currently identified Reserve-funded projects.

   It is important to note, however, that deferrals of expenditures create pressures in future years.   Furthermore, the $5M reduction to contributions in 2013 has created a significant pressure on the Reserve, in terms of its ability to meet future year requirements. In order to begin relieving these pressures, the 2014 operating budget request, to be reviewed with the Board's Budget Sub-committee (BSC), will include a $6M increase to contributions for this Reserve. This is comprised of the reinstatement of the $5M reduction in 2013, and a $1M

increase to begin recovering from the deferral and to reflect previously planned increases. Contributions will continue to grow by $1M annually over the next several years.

Even with these planned contributions, current planned spending would leave the Reserve in an overdrawn position in 2014, 2018-2020 and 2023. It is anticipated that the 2014 pressure can be addressed through further in-year deferrals, and Service staff will continue to review all projects' planned expenditures to address the 2018 and future pressures.

Table 2, below, provides a summary of anticipated Reserve activity for 2014-2023:

Table 2. 2014-2023 Reserve Activity ($Ms)

	2014	2015	2016	2017	2018	…	2023
Opening balance:*	($0.2)	($2.2)	$0.4	$3.3	$0.8		$1.9
Contributions:**	$19.4	$20.4	$21.4	$22.4	$23.4		$23.4
Draws:***	$21.4	$17.8	$18.6	$24.9	$30.0		$32.4
Year-end Balance:	($2.2)	$0.4	$3.3	$0.8	($5.7)		($7.1)
Incremental operating impact	$6.0	$1.0	$1.0	$1.0	$1.0		$23.4

Conclusion:

A detailed review of all projects in the Service's 2014-2023 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 provided debt targets. The 2014-2023 capital program has a 2014 net request of $19.9M (excluding cash flow carry forwards from 2013), and a net total of $253.6M for the ten-year period. The 2014-2023 Capital Program request is below the City's total debt affordability target for the five-year and ten-year program. However, the program does not achieve the City's annual debt target for each year. This is due to the fact that there is limited flexibility to adjust cash flows to meet the annual City targets, as the funds required for each project vary and are tied to a construction or other schedule.

The Service will continue to review some of the projects in the program that have not yet started to ensure the business case for moving forward on these projects is strong, justified and can be accommodated within the City's debt envelope.

This Capital Program request has been reviewed with the Board's BSC and is being tabled with the Board for approval and submission to the City.

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

Mr. Tony Veneziano, Chief Administrative Officer, and Ms. Sandra Califaretti, Director, Finance and Administration, were in attendance and delivered a presentation to the Board on the 2014-2023 capital program request. A paper copy of the presentation is on file in the Board office.

Chief Blair responded to questions by the Board about the placeholder project for Conducted Energy Weapons (CEWs).

The Board approved the following Motions:

1. **THAT the Board request the Chief to provide a report for its November 7, 2013 meeting containing all the steps, including training, that the TPS is undertaking with respect to the potential expansion of the deployment of CEWs; and**

2. **THAT the Board receive the foregoing report regarding the TPS 2014-2023 Capital Program Request and refer it to the Board's Budget Subcommittee for further review and to determine an appropriate time to submit it for or prior to the next Board meeting.**

Moved by: D. Noria

2014-2023 CAPITAL PROGRAM REQUEST ($000s)

Project Name	Plan to end of 2013	2014	2015	2016	2017	2018	Total 2014-2018 Request	2019	2020	2021	2022	2023	Total 2019-2023 Forecast	Total 2014-2023 Program	Total Project Cost
On-Going Projects															
State-of-Good-Repair - Police	0	4,594	4,469	4,601	4,600	4,200	22,464	4,200	4,200	4,200	4,200	4,200	21,000	43,464	43,464
Parking East	4,358	4,642	0	0	0	0	4,642	0	0	0	0	0		4,642	9,000
IRIS - Integrated Records and Information System	18,493	4,866	0	0	0	0	4,866	0	0	0	0	0		4,866	23,359
Total, On-Going Capital Projects	22,851	14,102	4,469	4,601	4,600	4,200	31,972	4,200	4,200	4,200	4,200	4,200	21,000	52,972	75,823
Upcoming projects															
54 Division (includes land)	0	6,966	7,884	17,825	3,622	0	36,296	0	0	0	0	0		36,296	36,296
HRMS Upgrade	0	360	761	0	0	0	1,121	0	378	799	0	0	1,177	2,298	2,298
TRMS Upgrade	0	0	600	3,522	0	0	4,122				630	3,698	4,328	8,450	8,450
Peer to Peer Site	0	250	2,295	8,650	6,455	1,100	18,750	0	0	0	0	0		18,750	18,750
52 Division - Renovation	0	2,948	5,352	0	0	0	8,300	0	0	0	0	0		8,300	8,300
41 Division (includes land)	0	0	0	372	9,282	19,050	28,705	10,224	0	0	0	0	10,224	38,929	38,929
Expansion of Fibre Optics Network	0	0	0	0	0	0	0	881	4,785	6,385	0	0	12,051	12,051	12,051
Radio Replacement	0	0	0	13,913	2,713	3,542	20,168	2,478	4,093	5,304	4,480	0	16,354	36,523	36,523
TPS Archiving	0	0	0	0	750	0	750	0	0	0	0	0		750	750
32 Division - Renovation	0	0	0	0	4,990	1,997	6,987	0	0	0	0	0		6,987	6,987
13 Division (includes land)	0	0	0	0	0	372	372	8,645	19,753	10,159	0	0	38,556	38,928	38,928
AFIS (next replacement)	0	0	0	0	0	3,053	3,053	0	0	0	0	0		3,053	3,053
Business Intelligence Technology	0	0	336	500	2,741	4,623	8,200	0	0	0	0	0		8,200	8,200
Electronic Document Management	0	0	50	450	0	0	500	0	0	0	0	0		500	500
Next Generation 911	0	0	0	0	0	0	0	0	0	0	0	0		0	8,300
55 Division - Renovation	0	0	0	0	0	0	0	0	0	0	0	3,000	3,000	3,000	8,300
22 Division - Renovation	0	0	0	0	0	0	0	0	0	0	0	3,000	3,000	3,000	8,300
Relocation of PSU	0	0	0	0	0	0	0	0	0	0	500	7,400	7,900	7,900	13,048
Relocation of FIS	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000	1,000	60,525
Total, Upcoming Capital Projects:	0	10,524	17,278	45,232	30,552	33,737	137,324	22,227	29,009	22,647	5,610	18,098	97,591	234,915	318,488
Total Debt Funded Capital Projects:	22,851	24,626	21,747	49,833	35,152	37,937	169,296	26,427	33,209	26,847	9,810	22,298	118,591	287,887	394,310
Total Reserve Projects:	161,400	21,357	17,845	18,594	24,899	30,013	112,708	22,499	19,496	21,293	22,850	32,388	118,526	231,234	392,633
Total Gross Projects	184,251	45,983	39,592	68,427	60,051	67,950	282,003	48,926	52,705	48,140	32,660	54,686	237,117	519,121	786,944
Funding Sources:															
Vehicle and Equipment Reserve	(161,400)	(21,357)	(17,845)	(18,594)	(24,899)	(30,013)	(112,708)	(22,499)	(19,496)	(21,293)	(22,850)	(32,388)	(118,526)	(231,234)	(392,633)
Recoverable Debt	(2,800)	(1,598)	0	0	0	0	(1,598)	0	0	0	0	0		(1,598)	(4,398)
Funding from Development Charges	(13,751)	(3,088)	(3,305)	(4,360)	(4,109)	(2,660)	(17,522)	(6,010)	(4,545)	(4,655)			(15,210)	(32,732)	(46,483)
Total Funding Sources:	(177,951)	(26,043)	(21,150)	(22,954)	(29,008)	(32,673)	(131,828)	(28,509)	(24,041)	(25,948)	(22,850)	(32,388)	(133,736)	(265,564)	(443,514)
Total Net Debt-Funding Request:	6,300	19,940	18,442	45,473	31,043	35,277	150,176	20,417	28,664	22,192	9,810	22,298	103,381	253,557	343,429
5-year Average:							30,035						20,676	25,356	
City Target:		23,922	30,105	36,321	31,143	33,487	154,978	26,691	23,083	18,036	19,606	19,606	107,022	262,000	
City Target - 5-year Average:							30,996						21,404	26,200	
Variance to Target:		3,982	11,663	(9,152)	100	(1,790)	4,802	6,274	(5,581)	(4,156)	9,796	(2,692)	3,641	8,443	
Cumulative Variance to Target			15,645	6,493	6,592	4,802		11,076	5,495	1,339	11,135	8,443			
Variance to Target - 5-year Average:							960						728	844	

2014-2023 CAPITAL PROGRAM REQUEST ($000s)

Project Name	Plan to end of 2013	2014	2015	2016	2017	2018	Total 2014-2018 Request	2019	2020	2021	2022	2023	Total 2019-2023 Forecast	Total 2014-2023 Program	Total Project Cost
Other than debt expenditure (Draw from Reserve)															
Vehicle and Equipment (LR)	52,632	4,422	5,320	5,320	5,320	5,320	25,702	6,320	5,320	5,320	5,320	5,320	27,600	53,302	105,934
Workstation, Laptop, Printer (LR)	30,342	5,000	2,400	2,300	2,600	4,100	16,400	2,500	2,400	2,700	5,150	2,550	15,300	31,700	62,042
Servers (LR)	21,395	4,515	4,515	3,045	2,499	4,203	18,777	4,741	4,741	3,197	2,624	4,807	20,110	38,887	60,281
IT Business Resumption (LR)	13,391	1,701	1,281	1,407	1,365	1,235	6,989	1,786	1,345	1,477	1,433	1,775	7,816	14,805	28,195
Mobile Workstations (LR)	15,684	1,000	0	0	300	8,920	10,220	1,000	0	0	300	9,420	10,720	20,940	36,624
Network Equipment (LR)	7,248	1,110	998	1,200	2,900	2,800	9,008	2,400	1,500	2,400	2,900	3,000	12,200	21,208	28,456
Locker Replacement (LR)	2,967	350	350	500	350	48	1,598	198	48	198	48	48	540	2,138	5,105
Furniture Replacement (LR)	4,389	713	713	1,455	727	727	4,335	727	1,484	742	742	727	4,422	8,757	13,146
AVL (LR)	1,498	22	0	0	1,500	0	1,522	0	0	1,500	0	0	1,500	3,022	4,520
In - Car Camera (LR)	444	0	0	2,104	2,113	0	4,217	0	0	2,104	2,113	0	4,217	8,434	8,878
Voice Logging (LR)	1,127	0	0	0	0	300	300	0	0	0	0	300	300	600	1,727
Electronic Surveillance (LR)	1,070	0	0	0	1,069	0	1,069	0	0	0	1,091	0	1,091	2,160	3,230
Digital Photography (LR)	253	0	128	129	0	0	257	0	122	128	0	0	250	507	760
DVAM I (LR)	1,109	0	949	0	0	0	949	0	949	0	0	0	949	1,898	3,007
Voicemail / Call Centre (LR)	315	169	0	0	500	0	669	0	0	0	0	500	500	1,169	1,484
DVAM II (LR)	0	1,203	0	0	0	0	1,203	1,263	0	0	0	0	1,263	2,466	2,466
Asset and Inventory Mgmt.System (LR)	123	72	0	0	0	72	144	0	0	0	72	0	72	216	339
Property & Evidence Scanners (LR)	117	0	0	117	0	0	117	0	0	119	0	0	119	236	353
DPLN (LR)	500	0	0	0	0	700	700	0	0	0	0	700	700	1,400	1,900
Small Equipment (e.g. telephone handset) (LR)	1,120	0	0	0	0	0	0	750	750	0	0	0	1,500	1,500	2,620
Small Equipment - test analyzers (LR)	870	0	0	0	640	213	853	0	0	640	213	0	853	1,706	2,576
Radar Unit Replacement	0	353	364	43	305	193	1,258		5	11	5		21	1,279	1,279
Video Recording Equipment (LR)	356	92	92	92	92	92	460	92	92	92	92	92	460	920	1,276
Livescan Machines (LR)	423	0	0	0	0	540	540	0	0	0	0	540	540	1,080	1,503
Wireless Parking System (LR)	2,976	0	0	0	1,974	0	1,974	0	0	0	0	1,974	1,974	3,948	6,924
EDU/CBRN Explosive Containment (LR)	474	0	0	0	0	0	0	0	0	0	0	0	0	0	474
CCTV	182	70	0	182	70	0	322	182	70	0	182	70	504	826	1,008
AEDs	195	0	0	100	0	0	100	0	0	100	0	0	100	200	395
Fleet Equipment	200	100	100	100	100	100	500	100	100	100	100	100	500	1,000	1,200
Security System (LR)	0	465	635	500	475	450	2,525	440	570	465	465	465	2,405	4,930	4,930
Total Reserve Projects:	**161,400**	**21,357**	**17,845**	**18,594**	**24,899**	**30,013**	**112,708**	**22,499**	**19,496**	**21,293**	**22,850**	**32,388**	**118,526**	**231,234**	**392,633**

Attachment C

Project Name	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Comments
Radio Infrastructure	922.4	930.8	939.3	947.9	956.6	965.3	974.2	983.1	992.2	1,001.3	Operating impact provided by the City
Property and Evidence Management Facility	420.8	429.2	437.8	446.5	455.5	464.6	473.9	483.3	493.0	502.9	Building Operations, Service Contracts and Utilities. Included estimated increase of 2% per year
14 Division - Central Lockup	272.0	277.4	283.0	288.6	294.4	300.3	306.3	312.4	318.7	325.1	Building Operations, Service Contracts and Utilities - Included estimated increase of 2%
eTicketing Solution	290.9	290.9	290.9	290.9	290.9	290.9	290.9	290.9	290.9	290.9	Operating cost and reduction of 4 staff in Document Services
IRIS - Integrated Records and Information System	395.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	1,827.0	Maintenance costs; lifecycle contribution
54 Division	0.0	0.0	0.0	72.0	144.0	146.9	149.8	152.8	155.9	159.0	Building Operations, Service Contracts and Utilities; starting half a year 2017. Included estimated increase of 2% per year
HRMS Upgrade	0.0	0.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	Incremental maintenance cost of $22K per year from 2016
TRMS Upgrade	0.0	0.0	0.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	Incremental maintenance cost of $22K per year from 2017
Peer to Peer Site	0.0	0.0	0.0	175.0	350.0	350.0	350.0	350.0	350.0	350.0	Building Operations, Service Contracts and Utilities; starting mid-2017
41 Division	0.0	0.0	0.0	0.0	0.0	72.0	144.0	144.0	144.0	144.0	Building Operations, Service Contracts and Utilities; starting half a year 2019
Radio Replacement	88.1	282.2	608.2	198.5	224.5	199.0	296.6	282.5	161.1	161.0	Additional support cost - Extend life from 7 years to 10 years
13 Division	0.0	0.0	0.0	0.0	0.0	0.0	0.0	72.0	144.0	146.9	Building Operations, Service Contracts and Utilities; starting 2021
Business Intelligence Technology	0.0	0.0	0.0	0.0	0.0	528.0	1,056.0	1,056.0	1,056.0	1,056.0	$0.6M for salaries for 5 people; $0.5M for maintenance
Electronic Document Management	0.0	0.0	0.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	System Maint Fee for $100K plus an estimated $200K savings in Stationary and Office Supplies
Total Projects Operating Impact	**2,389.2**	**4,037.5**	**4,408.1**	**4,190.5**	**4,486.9**	**5,088.0**	**5,812.7**	**5,898.1**	**5,876.7**	**5,908.0**	
Total Projects Operating Impact	**1,657.5**	**1,648.3**	**370.6**	**-217.6**	**296.4**	**601.1**	**724.7**	**85.4**	**-21.3**	**31.3**	
Total Reserve Operating Impact	**6,000.0**	**7,000.0**	**8,000.0**	**9,000.0**	**10,000.0**	**10,000.0**	**10,000.0**	**10,000.0**	**10,000.0**	**10,000.0**	Based on current assumptions; under review
Total Operating Impact from Capital	**8,389.2**	**11,037.5**	**12,408.1**	**13,190.5**	**14,486.9**	**15,088.0**	**15,812.7**	**15,898.1**	**15,876.7**		