



The following *draft* Minutes of the meeting of the Toronto Police Services Board held on APRIL 01, 2004 are subject to adoption at its next regularly scheduled meeting.

The Minutes of the special budget meeting held on March 22 and 24, 2004 previously circulated in draft form were approved by the Toronto Police Service Board at its meeting held on APRIL 01, 2004.

MINUTES OF THE SPECIAL PUBLIC MEETING of the Toronto Police Services Board held on **APRIL 01, 2004** at 12:30 PM in the Auditorium, 40 College Street, Toronto, Ontario.

PRESENT:

A. Milliken Heisey, Q.C., Chair
Pam McConnell, Councillor & Vice Chair
John Fillion, Councillor & Member
Benson Lau, M.D., Member

ALSO PRESENT:

Julian Fantino, Chief of Police
Albert Cohen, City of Toronto - Legal Services Division
Deirdre Williams, Board Administrator

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING
OF THE TORONTO POLICE SERVICES BOARD HELD ON APRIL 01, 2004**

**#P105. FINAL REVISED 2004 OPERATING BUDGET FOR THE TORONTO
POLICE SERVICE**

The Board was in receipt of a communication from the City of Toronto – Budget Advisory Committee requesting the Board to achieve the full \$14.2 million reductions with regard to the Toronto Police Service 2004 operating budget submission. A copy of the communication is appended to this Minute for information.

**The Board was also in receipt of the following report APRIL 01, 2004 from the Toronto
Police Services Board Budget Task Force:**

Subject: Task Force Review of Toronto Police Service 2004 Operating Budget

Purpose:

At its meeting of March 25, 2004, the City of Toronto Budget Advisory Committee endorsed the request from the Toronto Police Services Board to have the City's Chief Financial Officer and Treasurer and Internal Auditor help identify further savings in the Toronto Police Service 2004 Operating Budget. This report outlines the recommendations and findings of the preliminary review of the Task Force established by the Toronto Police Services Board that includes representation from the City, as requested.

Financial Implications and Impact Statement:

The Budget Advisory Committee have requested the Toronto Police Services Board to recommend a total of \$14.234 million reductions to the Toronto Police Service 2004 Budget request. To date, the Toronto Police Services Board has provided a total of \$7.9 million reductions acceptable to the Budget Advisory Committee, leaving a gap of \$6.334 million in reductions to be achieved. The Task Force's review has identified potential additional reductions of \$1.0 million as summarized in the Recommendations section of this report, bringing the total reduction of the Service's 2004 Budget request to \$8.9 million.

Recommendations:

It is recommended that:

- (1) the following additional potential adjustments, totalling \$1.0 million, be considered by the Toronto Police Services Board as part of the overall reductions to move closer to the reduction target of \$14.234 million, requested by the Budget Advisory Committee:

- (i) a reduction in salaries and benefits of \$100,000 from the Corporate Communications Unit, being the equivalent of two positions;
 - (ii) a reduction in the travel and conference fees budget of \$150,000;
 - (iii) an increase in revenue from various sources of \$250,000; and
 - (iv) the Chief, Toronto Police Service, report to the Board on potential items that could be reduced to achieve an additional reduction of \$500,000.
- (2) the Board request City Council to endorse the motion adopted at the Toronto Police Services Board meeting of March 22 and 24, 2004 that the Chief investigate and report back on receiving federal money for intelligence and national security, coast guard responsibilities, consulate protection and drug money seizures;
- (3) the Chief report back to the Toronto Police Services Board on the merits, including cost / benefits, of provincial accreditation of community colleges to provide police training for the Greater Toronto Area modelled on best practices, such as the B.C. Justice system;
- (4) Council request the Commissioner of Works and Emergency Services to include the priority of sites to receive red light cameras based on accident experience in his upcoming report to Works Committee on the cost / benefit of expanding the current red light camera operations; and
- (5) City Staff to continue working with the Toronto Police Service to identify longer-term opportunities for savings, and report to the Board and Council in June, 2004, on a review process for the 2005 budget deliberations.

Background:

In his letter to the TPSB of February 4, 2004, Councillor David Soknacki, on behalf of the Budget Advisory Committee, requested that the TPSB review their base operating budget submission for the TPS to find additional savings of \$14.234 million. This request for further budget reductions was made to all City Departments and ABC's, to help meet the significant financial challenges that the City is facing. To date the TPSB has identified savings totaling \$7.9 million that BAC considers to be viable options for the City. These savings are identified in Table 1 below, along with those not accepted by BAC.

Table 1

TPSB Proposed Budget Reductions on February 26 & March 24, 2004

(In \$millions)

Accepted:	
CPP/EI Net Rate Decrease ¹	0.4
Medical/Dental Savings ¹	0.3
Reduced Legal Indemnification/Inquests ¹	0.4
Reduction in Non-Fixed Spending ¹	0.7

Reduce Payment to City Corporate Services for Cleaning and Maintenance (cleaning supplies and window washing) ¹	0.1
Revised Human Resources Strategy (Attrition/Hiring) ¹	2.2
Leap Year (Revised Strategy) ²	1.2
Recruit Training Reimbursement ²	0.9
Increase in Revenue Estimates ²	0.2
WSIB Administration Costs ²	0.1
Non-Salary Accounts ²	0.5
Civilian Hiring Freeze ²	0.9
	7.9
Not Accepted:	
GST Rebate to 100% ¹	1.7
Fund the Leap Year from OMERS Type 3 Surplus ¹	1.2
Delay Contribution to Vehicle Reserve ¹	1.7
Contracting Out of Caretaking ^{1, 2}	0.7
New and/or Enhanced Programs ¹	3.2
	8.5
Total Reductions Tabled	16.4
<i>1 = Deliberated on February 26, 2004</i>	
<i>2 = Deliberated on March 24, 2004</i>	

At its meeting of March 22 and 24, 2004, the TPSB approved motions requesting the City CAO to make available staff to assist the Board in its ongoing budget deliberations and that a Task Force be established and report directly to the Board as soon as possible. At its meeting on March 24, 2004, the Budget Advisory Committee requested “the Chair, Toronto Police Services Board, to achieve the full \$14.2 million reductions originally requested, such reductions to only include savings usable to Council and not to include reductions to front line services; and further endorsed the request to have the City’s Chief Financial Officer and Treasurer and Internal Auditor help with finding savings.”

The Task Force was established by the Board on March 25, 2004 and was requested to identify further reductions to the TPS 2004 operating budget, as well as longer term opportunities for savings. The Task Force was asked to examine, but not be limited to, the following areas:

- Overtime Costs
- Premium Pay/Lieu Pay
- Court Costs, Court Efficiencies and Court Scheduling
- Information Technology
- Internal Audit
- Marine Unit
- Corporate Communications
- Employment/Recruitment Unit

- Officer of the Chief of Police
- Training Unit
- Fleet
- Contracting Opportunities
- Monitoring of Bus Clear-Way Lanes by Cameras
- Cleaning Services
- Use of Photo Radar
- Increased Use of Red-Light Cameras

The Task Force however, was also instructed not to consider any budget reduction that would reduce the total number of police officers or the deployment of front-line officers.

The members of the Task Force include:

A. Milliken Heisey	Chair, Toronto Police Services Board
Pam McConnell	Councillor and Vice Chair, Toronto Police Services Board
John Filion	Councillor and Member, Toronto Police Services Board
Frank Chen	CAO, Toronto Police Service
Steve Reesor	Deputy Chief, Toronto Police Service
Josie Lavita	Director, Financial Planning, City of Toronto
Tony Veneziano	Director, Internal Audit, City of Toronto

Due to the short timeframe given to complete its work, the Task Force met on March 26, 2004 to prioritize the areas to be reviewed. It also agreed on an expected timeline for reporting out on the results of its work and agreed that it would finalize its report on March 31, 2004 for submission to the Board at its meeting of April 1, 2004.

Comments:

The Task Force met with personnel of the Toronto Police Service on March 29, 2004 to review various areas of the TPS budget, and determine whether there was any reasonable justification for reductions. Discussions continued on March 30 and 31, 2004. During this review process, the Task Force received the full cooperation from the Service, with respect to information requested. A total of \$500,000 in additional reductions were identified by the Task Force with a request that the Service determine whether additional \$500,000 could be achieved. The Chief of Police will be reporting to the Board separately on this request.

Overtime / Premium Pay

The Toronto Police Service premium pay expenditure has experienced two distinctive stages: a descending period from 1991 to 1997 and an ascending period from 1998 to 2003. From 1991 to 1997, premium pay gradually declined from \$35.6 million to \$24.6 million. This decline reflected decreased enforcement activities due to the Social Contract and staff reductions during the period. From 1998 to 2003, premium pay increased from \$27.8 million to \$34.4 million. The main reasons behind the rising trend are increased enforcement activities (staffing levels were gradually restored to meet Council's uniform staffing target of 5260 established in 1998) and

salary settlements, offset by more stringent control mechanisms put in place to curb the premium expenditure growth. In summary, overtime and premium pay costs have been fairly stable considering salary settlements and increased enforcement activities. The following table is a summary of the premium pay from 2000 to 2004 for the Toronto Police Service.

Toronto Police Service Premium Pay						
	2000 Actl.	2001 Actl.	2002 Actl.	2003 Budget	2003 Actl.	2004 Request
Uniform Premium Pay	26,831,502	26,787,680	29,615,723	28,911,300	30,760,497	30,461,300
Civilian Premium Pay	1,676,971	2,221,232	2,358,746	1,574,200	2,660,407	1,614,700
Total Premium Pay	28,508,473	29,008,912	31,974,469	30,485,500	33,420,904	32,076,000

As the table above shows, the 2003 actual premium pay of \$33.4 million exceeded the 2003 budget of \$30.5 million by \$2.9 million, mainly due to unforeseen demonstrations, high-profile investigations, SARS, and the August Power Outage. However the Service budgeted for 2004 overtime and premium pay at the 2003 budget level with a \$1.5 million adjustment for salary settlement, for a total of \$32.1 million. This budgeted level is below the 2003 actual experience. Although the likelihood of another SARS outbreak and a Power Outage is small, there could be other unforeseen policing needs that will result in an upward pressure on overtime and premium pay. The Service has indicated that they will try to keep the overtime and premium pay within the budgeted amount through more monitoring and controlling through-out 2004.

To help keep overtime to a minimum, the Chief of Police in a memo dated August 16, 2002, clarified the use of overtime and the procedures that should be followed, specifically that:

- Overtime shall be approved by a supervisor who will ensure that same is reported daily to the Unit Commander
- Overtime shall be authorized only when emergent, unplanned or otherwise mandatory circumstances exist
- In other than exceptional circumstances, Call Backs shall be authorized by the Unit Commander when emergent or otherwise compelling operational exigencies exist or are deemed necessary by the Command

In conclusion, the Task Force's review identified no funding reduction to the overtime and premium pay area at this time. However, it should be noted that the City's Auditor General's Office conducted a police overtime and premium pay audit in 2000 and presented to the Toronto Police Board a total of sixteen recommendations to help manage and reduce police overtime and premium pay expenditure. The Toronto Police Service have indicated that those recommendations have been partially or fully implemented. In addition, the Auditor General has included a follow-up review of the police overtime and premium pay in his 2004 workplan to determine the status of the Service's implementation of his recommendations. This review could lead to further potential improvements / savings in this area.

Corporate Communications

The Toronto Police Service's Corporate Communications Unit manages internal and external communication for the Service and the Chief of Police. It is responsible for the provision of information to the public on ongoing investigations, crime prevention alerts and response to requests for information from the public and media. It also ensures that the Toronto Police Service members are provided with the latest information on Service developments, messages from the Chief to the Service, and manages the Service's gift shop and museum.

The Unit's 2004 budget request is comprised of 17 staff. The Unit's budget has increased from approximately \$0.93 million in 2000 to a request of \$1.56 million in 2004, an increase of about \$0.63 million or 69%. Police Service staff indicate that the increase is due to cumulative salary settlements during the period and organizational realignment in 2003, including the transfer of costs from other areas of the Service. The Task Force review of this budget with Service personnel resulted in the agreement that \$100,000 could be deleted from the Unit's 2004 request – the equivalent of two positions.

Uniform Gapping / Civilian Vacancy / 2004 Hiring Freeze

The Task Force reviewed the Toronto Police Service Uniform Gapping, Civilian Vacancy and 2004 Hiring Freeze and identified a further savings of \$1.4 million.

➤ Uniform Gapping

The 2004 Toronto Police Service budget request for uniform salaries and benefits assumed that the Service would be at full uniform strength on average throughout the year and did not budget for gapping in 2004. The 2003 Toronto Police Service operating budget included \$1.4 million, or 0.3% of gapping. The 2003 actual gapping experience was 0.7%. Gapping uniform salaries in 2004 at the same rate as the actual experience in 2003 of 0.7% would result in a reduction of \$3 million based on salaries and benefits expenditure of \$434.5 million for this group. Of this amount \$2.2 million has been provided in the savings already proposed by the Service and accepted by BAC as part of the \$7.9 million. The difference between the \$3 million or 0.7% gapping that would reflect the 2003 actual experience (as was required of City Departments) and the \$2.2 million savings is a further potential reduction of \$0.8 million in 2004. However, the Task Force feels that the \$2.2 million currently reflected is achievable.

➤ Civilian Vacancy / 2004 Hiring Freeze

During its review of the Toronto Police Service Operating Budget on March 29, 2004, the Task Force was provided with a list of current civilian vacancies in the Service totalling 23 and were informed that a further 22 vacancies were expected during 2004 based on historical experience. Savings of \$0.9 million related to these 45 positions were accepted by BAC as part of the \$7.9 million identified to date.

The 2004 submitted budget for civilian salaries and benefits of \$63.3 million includes \$3.3 million of gapping or 5.0%. The additional \$0.9 million in savings accepted by BAC is primarily related to the salary freeze, bringing civilian gapping to \$4.2 million or 6.3%. Beyond that level, the service impacts need to be identified.

Other

Through its review of the Services' accounts, the Task Force identified a total reduction of \$0.4 million to the Toronto Police Service 2004 Operating Budget request in revenue and travel/conference expenses.

The Task Force conducted a preliminary overview of the following items:

Office of the Chief

The Office of the Chief 2004 Budget Request is \$14.2 million broken down as follows:

Office of the Chief (Support)	1.4
HQ Duty Desk	1.4
Corporate Communication	1.6
Professional Standards	9.6
Trial Office	0.2
Total	<u>\$14.2</u>

The Office of the Chief includes the following functions: Legal Council, Corporate Communications, Headquarters Duty Desk, Professional Standards (Internal Affairs, Public Complaints, Risk Management and Quality Assurance) and Disciplinary Hearings Officer.

The Task Force review covered the Quality Assurance (Internal Audit), the Chief's Support function, and the Corporate Communications function. Other than a \$100,000 reduction in Corporate Communication, (discussed earlier in the report), no further reductions were identified by the Task Force at this time. Any further opportunities for reductions to units reporting directly to the Chief of Police requires a more detailed review of each unit, which could not be performed by the Task Force due to this time constraints.

Marine Unit

This Unit has a 2004 budget request of \$5.8 million.

The Task Force recommends that City Council endorse the motion adopted at the Toronto Police Services Board meeting of March 22 and 24, 2004 that the Chief investigate and report back on receiving federal money for intelligence and national security, coast guard responsibilities, consulate protection and drug money seizures.

Employment / Recruitment unit

This unit has a 2004 budget request of \$6.4 million.

In our discussions, the Unit advised that a new manager was recently hired for this unit. Part of her mandate includes reviewing the processes and structure of the unit to ensure it delivers services as effectively and efficiently as possible as well as to identify the potential civilianization of certain positions with the unit. Police staff have advised that the civilianization component of the review will be completed by December 2004. The organizational structure review, including opportunities for de-layering, is expected to be completed in June 2005. Consequently, any potential savings or opportunities for more effectively deploying staff will not be realized until 2005.

Training Unit

This Unit has a 2004 budget request of \$15.3 million.

An overview of the Training and Education Unit was provided to members of the Task Force. Further review will include the current performance measures of this unit compared to other police forces as well as establishing additional performance measures, such as cost per officer for training. Included in the Task Force recommendations is a request for the Chief to report back to the Toronto Police Services Board on the consideration and merits, including cost / benefits, of requesting the Province to accredit community colleges to provide police training for the Greater Toronto Area modelled on best practices, such as the B.C. Justice system.

Fleet

This unit has a 2004 budget request of \$8.2 million.

In the 2004, the City's Auditor General reported to City Council on his Phase 1 Review of Fleet Operations in the City's Corporate Services Department. As part of his report, the Auditor General recommended that EMS, Fire Services and the Police Service, report back to the City Audit Committee by September 2004 on issues he raised in his report to ensure they are addressed by the respective organizations. The Auditor General has advised he will review the responses received from these organizations to determine whether he will be conducting any further work in this area. While this will help identify potential opportunities for improvement in each specific fleet operation, it does not address the issue of whether there are any opportunities for savings through consolidation, streamlining and or realignment of all or part of each fleet operation. It is recommended that Council request that the Auditor General consider this review in developing his 2005 audit work plan or that a special task team be established for this purpose.

Increased Use of Red-Light Cameras

The Commissioner of Works and Emergency Services will be submitting two reports to Works Committee in 2004 regarding red light camera operations. The first report (April 2004) will request approval to extend the current agreement with the red light camera system vendor (ACS) beyond November 2004, conditional upon reasonable pricing and legislation extension. The second report (September / October 2004) will provide Works Committee with the necessary steps and approvals required to expand red light camera operations. This second report will also request authority to award a contract for the operation of red light camera systems at expansion sites. The Task Force recommends that when copies of these reports are submitted to the Works Committee, that they be forwarded by the City Clerk to the Toronto Police Service Board for information and that Council request the Commissioner of Works and Emergency Services to report back to Works Committee, in conjunction with the second report, on the priority of sites to receive red light cameras based on accident experience. It is also recommended that the Commissioner of Works and Emergency Services be requested to add a representative of the Toronto Police Service to the City's current red light project Steering Committee.

Further time is required for the Task Force to more fully examine and review the areas outlined above and to conduct a review of the other areas identified by the Board, including:

- court costs, court efficiencies and court scheduling;
- information technology;
- contracting opportunities;
- monitoring of bus clear-way lanes by cameras;
- cleaning services; and
- use of photo radar.

In addition to these areas specifically identified for the Task Force to examine, a more detailed scope of potential areas to examine would be conducted by the joint task force that this report recommends continue on this review.

Conclusions:

The City's BAC requested the Toronto Police Service to reduce its 2004 base Operating Budget request by \$14.2 million. To March 25, 2004, the BAC accepted reductions of \$7.9 million put forward by the Service, resulting in a shortfall of \$6.3 million.

On March 25, 2004, the Toronto Police Services Board approved the establishment of a task force, comprised of City Finance and Internal Audit staff as well as senior designates from the Toronto Police Service. The City's Budget Advisory Committee endorsed the use of this task force to help the Police Service identify additional savings in the Service's 2004 Budget request.

The Board identified various areas that the task force should focus its attention. It was also understood and approved by the Board and Council that the Service's uniform compliment of 5260 would not be reduced. As a result any reduction of uniform officers in the areas reviewed would not yield any or full savings, as the officer would be re-deployed to another area within the Service to keep the compliment unchanged at 5260

It must be recognized that the timeframe given to the task force to complete its work was extremely tight. Staff had literally one to two days to review the various areas identified, ask questions, review information provided by the Service, and identify any additional reductions. Under the time allotted, proper analysis and due diligence was extremely difficult.

It should also be noted that the Police Service was fully cooperative in responding to requests for information and questions from the task force.

As a result of the work performed, additional reductions of \$0.5 million are recommended for the Board's consideration, bringing the total reduction to the Service's 2004 Budget request to \$8.4 million of the \$14.234 million reduction target requested by BAC. The Task Force has also requested the Chief, Toronto Police Service, identify potential items that could be reduced to achieve an additional reduction of \$500,000. The Chief of Police will be reporting separately to the Board in this regard.

It is recommended that City Staff continue working with the Toronto Police Service to address longer-term opportunities for savings as well as to develop a review process related to budget deliberations in 2005 and report to the Board and Council.

Contact:

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The Board was also in receipt of the following report APRIL 01, 2004 from Julian Fantino, Chief of Police:

Subject: RESPONSE TO TASK FORCE REVIEW OF TORONTO POLICE SERVICE
2004 OPERATING BUDGET

Recommendation:

It is recommended that:

- 1) The Board approve a revised 2004 net Operating Budget submission of \$679.2M, representing a \$12.2M reduction from the original submission; and
- 2) The Board forward this report to the City Budget Advisory Committee.

Background:

The Board approved the Service's Operating Budget in November, 2003, at a level of \$691.4M (including new initiatives) (Board Minute P329/03 refers). Subsequently, the Budget Advisory Committee (BAC) reviewed the submission and requested that the Service submit a revised budget reflecting an arbitrary target reduction of \$14.2M. This reduction was to be realized on the base budget (i.e., the new initiatives of \$3.5M identified by the Service were not even considered).

The Board has currently approved a budget of \$677.6M (Board Minute P77/04 refers). This budget included a reflection of the GST rebate increasing to 100%, and the outsourcing of caretaking (with savings of \$0.7M in 2004). Subsequent discussions with City staff have indicated that the GST rebate should not be removed at this time. Furthermore, the caretaking initiative does not appear to be supported at any level beyond the Board. Therefore, the current approved budget is considered to be:

As approved, P77/04:	\$677.6M
Adding back:	
GST	\$ 1.7M
Outsourcing of caretaking	<u>\$ 0.7M</u>
Net budget:	\$680.0M

At the same meeting on March 25, 2004, the Board approved the establishment of a task force, comprised of City Finance and / or Audit Staff as well as Police Service members, to assist the Board in its on-going budget deliberations.

The Task Force had its first meeting on March 26, 2004 and continued deliberations until today. The Task Force was given, as part of its mandate, a list of areas to be reviewed. However, the Task Force was also instructed **not to consider any budget reduction which would reduce the total number of police officers of 5,260, or the deployment of front-line officers.**

As you know, a very large proportion of the Service's budget (93%) is comprised of salaries and benefits for 5,260 officers and the civilian staff required to support them. Therefore, this condition of not affecting the **5,260** level results in very little room for budget reduction.

Furthermore, the Board has already approved reductions in the amount of \$7.9M from the originally-approved budget of \$687.9M, and this does not include \$3.5M of new initiatives that were identified as required, but completely not considered by the City's Budget Advisory Committee.

At our last meeting with the Task Force, \$0.5M of additional reductions were discussed. It was further discussed that Service members would attempt to return with an additional \$0.5M in savings. The following is a summary of the areas that were further reviewed, and the resultant findings. (It should be noted that the Service spent 350 hours preparing for and responding to Task Force questions in the last week).

Revenue Estimates

The Toronto Police Service obtains revenues from a variety of sources. Revenue is generated through sale of equipment, sale of reports, grants, etc. The Revenue budget is established based on historical trends and any known factors.

The Service ultimately has no control over revenues (even fees for providing reports are at cost recovery rates). However, the Task Force had agreed that revenues could be increased by \$200,000. Upon further review, and **arbitrarily applying more aggressive estimates**, I am recommending that revenues be increased by \$300,000. Although it is quite risky and there is no basis for this adjustment, the Service has agreed to apply these revised estimates.

Overtime / Premium Pay

The Service's 2004 premium pay budget is equal to the 2003 budget, plus the impact of the salary settlement for 2004. Spending in 2003 exceeded the 2003 budget by almost \$3.0M. 2003 spending included the impact of SARS, the power outage, and various other unexpected events. The Service understands the existing financial environment, and has endeavoured to control expenses as much as possible. This is why the 2004 budget does not reflect 2003 pressures.

The Service has very stringent policies in place to ensure that only absolutely necessary overtime is incurred. However, premium pay is also incurred as a result of court attendance, and this can be controlled only in part by the Service.

We will attempt to manage with even tighter controls for overtime and premium pay, and to streamline procedures wherever possible, in order to stay within the budgeted envelope. We will further attempt to reduce these expenditures by \$100,000, in an attempt to address the arbitrary reductions before us today.

Corporate Communications

The Toronto Police Service Corporate Communications function manages the provision of information to the public on ongoing investigations, crime prevention alerts and responding to requests for information from the public and media. It also ensures Toronto Police Service members are provided with the latest information on Service developments.

The Toronto Police Service budget provides for 17 positions and \$1.6 million in 2004 for the Corporate Communications function. The rationale behind the Corporate Communication function is to proactively manage the media rather than just react to the media. The Task Force's review has identified one vacant Staff Inspector position that could be re-deployed to front-line policing, by hiring a Police Constable. In addition, the Task Force and the Toronto Police Service have agreed that some of the functions of Corporate Communications can be merged, resulting in a further reduction in staff. Two positions will together provide an annualized

savings of \$100,000 in salaries and benefits. The Service's 2004 budget will be reduced by \$100,000, with the full-year savings being absorbed within total salaries.

The reduction of staff in this unit may impact on the Service's ability to respond to events occurring on a day-to-day basis in this city.

Increased Civilian Gapping

The Task Force had identified that the Service might be able to gap salaries further. I must reiterate, however, that the Board, BAC and Council have all confirmed their support for a uniform staffing level of 5,260. Any additional gapping on the uniform side would erode this figure. Furthermore, the current civilian staff complement is required to support the uniform staffing level of 5,260. Again, any additional gapping on the civilian side would erode the ability to support 5,260.

We have reviewed all possible scenarios regarding gapping from the point of view of projected separations (an item that we cannot control), and have agreed to include an arbitrary increase of \$100,000 to civilian gapping.

Reduction to Conferences / Travel (\$0.05M)

Conferences and business travel play a strong role in keeping TPS' staff trained and informed and connected to emerging trends, and at the forefront of their respective fields. Task Force discussions had identified that these accounts could be reduced by \$100,000.

I must reiterate that budget cuts over the last several weeks have included \$1.0M in non-salary reductions. These non-salary reductions are already affecting accounts such as conferences and business travel. Furthermore, the non-salary budget is already \$4.0M below 2003 spending levels. I can support no more than a \$50,000 reduction in these accounts. However, the continuing erosion of these areas will result in reduced support of our staff, and our ability to maintain our knowledge base which ensures that we can maintain the Service as a first-class police service.

Caretaking and Janitorial (City Chargeback) (\$0.2M)

In an attempt to find additional savings, we have identified service cuts in the area of caretaking and janitorial services. The original budget was determined jointly with City Corporate Services. This reduction will reduce cleaning services in all facilities. This may result in increased occupational health complaints, which will have to be managed if they occur.

The reductions outlined above can be summarized as follows:

Revenue Estimates	\$0.30M
Overtime / Premium Pay	\$0.10M
Corporate Communications	\$0.10M
Increased Civilian Gapping	\$0.10M
Reduction to Conferences / Travel	\$0.05M
Caretaking and Janitorial (City Chargeback)	<u>\$0.20M</u>
Total:	\$0.85M

Summary

The Service has provided significant reductions to the Board-approved budget and, at this time, it is extremely difficult to be able to maintain the status quo. Today's reductions are completely arbitrary, and cannot be supported on sound financial grounds. They have been identified solely as an attempt to provide more savings.

I am therefore recommending that the Board approve a revised 2004 net Operating Budget of \$679.2M. Further reductions to what I have presented today will result in staff losses and direct impact on the delivery of critical Service programs.

Mr. Frank Chen, Chief Administrative Officer, and I will be in attendance to address any concerns that Board members may have.

The Board was also in receipt of the following report MARCH 09, 2004 from Julian Fantino, Chief of Police:

Subject: EXPANDING THE STRATEGIC TRAFFIC ENFORCEMENT MEASURES
(S.T.E.M.) INITIATIVE

Recommendation:

It is recommended that: the Board receive this report for information.

Background:

At its February 26, 2004 meeting, the Board, as a result of the success of the Strategic Traffic Enforcement Measures (S.T.E.M.) team requested that I provide a report on the feasibility of expanding the initiative (Board Minute P51/04 refers).

Upon analysis of operational factors, the Service has determined that it may be possible to re-deploy a further four officers from existing staffing levels, to the S.T.E.M. team. Such deployment would be conditional upon receiving an increase in the 2004 capital costs for the necessary vehicles and equipment to support their activities (refer to New Capital Costs chart, page 3). This would bring the total number of personnel assigned to Traffic Services (TSV), dedicated to this initiative, to one sergeant and fourteen constables. Due to the fiscal restraints requested by the City, no such request is being made at this time.

The Toronto Police Service (TPS) identified traffic safety as a Service Priority for 2002-2004. To address this important issue, the Service developed a road safety strategy designed to reduce the unacceptable number of traffic deaths and injuries occurring as the result of collisions, poor driving behaviour and the careless actions of pedestrians.

During the last quarter of 2002 Traffic Services implemented the Traffic Enforcement Safety Team (T.E.S.T.) pilot project. Working within the framework of the corporate 'Calm Down-Slow Down' campaign, the T.E.S.T initiative created public awareness of traffic safety, reinforced that poor driving behaviour would not be tolerated and that such behaviour would be subject to strict enforcement.

Building on the success of the T.E.S.T. initiative, the S.T.E.M. team was created on April 1, 2003.

Enforcement Results

The following table reports the enforcement activity for the first eleven months since the creation of the S.T.E.M. team:

Reporting Period	Offence Notices	Weekly Average
April 1, 2003 – February 29, 2004	35,139	748

The following table reports the break down of hours worked for three main areas that impact on the team's operational effectiveness during the same eleven month period:

Reporting Period	Patrol	Court	Training
April 1, 2003 – February 29, 2004	7,695	1,210	572

Patrol hours represent the actual hours team members were on the road dedicated to S.T.E.M. related duties. Court and training hours represent the number of on-duty hours spent by team members attending court and mandatory training.

An analysis of the enforcement totals for the first eleven months of operation indicate the following breakdown in percentages:

Offence Type	% of Total
Laser or radar speed enforcement	79.7
General Highway Traffic Act	18.1
Insurance offences	2.2

The trend indicating that laser and/or radar enforcement is the predominant component of the overall total has continued.

An analysis of the first eleven months of operation indicates a number of staffing issues had an impact on the team's operational effectiveness. While the S.T.E.M. team focused on their primary function, operational detractors have impacted the team's ability to maintain 100% staffing on a regular basis. The most notable factors are:

- annual leave
- lieu time days off
- statutory holidays
- mandatory and legislated training requirements
- court
- sick leave

In January of this year, the Service initiative to schedule night court when officers are off-duty began and it is anticipated that this will have a positive impact on the number of officers available for directed patrol.

Program Expenditures

Capital costs to expand the S.T.E.M. team relate to the purchase of new vehicles and the requisite equipment. For optimum use of the vehicle, one new vehicle is required for each two officers added to the team. The following chart outlines the capital costs associated with the expansion of the S.T.E.M. team by four officers:

NEW CAPITAL COSTS (one time costs for 2004)	
Cost Element	2004
2 - Police Vehicle - Stealth Class	\$62,300 (\$31,150 per vehicle)
Decals & Emergency lighting	\$4,000 (\$2,000 per vehicle)
2 - Police Radios & Mobile Work Stations	\$32,000 (\$16,000 per vehicle)
2 - Lidar (laser) Speed Measuring Units	\$17,000 (\$8,500 per vehicle)
2 - Dual Head Moving Radar Units	\$14,000 (\$7,000 per vehicle)
Total Capital Costs	\$129,300

To allow for sufficient time to ensure the delivery of the required vehicles and equipment, a May 17, 2004 date for the proposed increase in the staffing levels has been identified. The following chart outlines the estimated operational costs for 2004 and 2005:

OPERATIONAL COSTS			
Cost Element	2004 Existing Staff (full year)	2004 Additional Staff (7.5 months)	2005* Fully Staffed (full year)
Salary- Sergeant (1)	\$75,877	n/a	\$75,877
Benefit package @ 21% of salary	\$15,934	n/a	\$15,934
Salary- Constables	\$668,520	\$167,130	\$935,928
Benefit package @ 21% of salary	\$140,389	\$35,097	\$196,545
Premium Pay @ 10% of Constable salary level	\$66,852	\$16,713	\$93,593
Total Cost Elements	\$967,572	\$218,940	
Total Operational Costs	\$1,186,512		\$1,317,877

*salaries based on 2004 collective agreement

Measuring Effectiveness

Enforcement levels for 2003 reflected an 18% increase Service wide. This increase, which included a 54% increase at TSV alone, equated to 74,969 more offence notices being issued, Service wide, over the 2002 year end totals. Enforcement is a key component to achieving a reduction in deaths and injuries caused through preventable collisions and poor driving behaviour. However, the success or failure of any traffic enforcement strategy cannot be measured solely on the volume of offence notices issued.

Collision statistics are a better indicator that highly visible directed enforcement is a more effective method of preventing collisions and changing driver behaviour. The following table notes comparative statistics for the periods April 1, 2002 to February 28, 2003 and April 1, 2003 to February 29, 2004:

Collision Type	2002/2003	2003/2004	+/- % Change
Fatal	89	65	-27.0
Injury (life threatening)	84	108	+28.6
Injury (non-life threatening)	17,143	13,624	-20.5
Property Damage	49,647	41,951	-15.5

Collision statistics recorded in the eleven month period indicate enforcement programs, including initiatives such as S.T.E.M., have had a positive impact with respect to reducing the number of collisions involving traffic deaths, non-life threatening injuries and property damage.

Projections

Based on the actual operational results from the initial eleven month period, each officer assigned to the S.T.E.M. team issued an average of 74.8 provincial offences notices per week. The table below represents the projected issuance of offence notices for 2004:

January 1 – December 31, 2004	Offence Notices
Existing Staff (full year)	38,896
Additional Staff (7.5 months)	10,166
Total	49,062

An analysis of enforcement data confirms speeding violations as the predominant offence. The fine for a speeding violation is dependent upon the offending motorist's speed as measured by the officer. As the differential between the posted speed and the measured speed increases, the associated fine also increases incrementally.

The majority of speeding violations are for 15km/h over the posted limit representing a minimum fine of \$42.50. As this offence carries no loss of demerit points, the majority are paid without disputing the charge. Motorists charged with higher speed violations face fines up to and including \$299.00 and often apply to have the matter dealt with at trial. Generally, most other Highway Traffic Act (HTA) offences carry a fine of \$90.00, which can be paid out of court or dealt with at trial.

Based on the projected issuance of offence notices, the following tables represent the projected minimum revenue generation for 2004 based on 79.7% of the projected total issued for speeding, 18.1% issued for general HTA and 2.2% issued for insurance offences:

10 EXISTING STAFF (full year)	Projected Weekly Average	Projected Yearly Total	Base Fine Amount	Projected Minimum Annual Fines
Offences				
Speeding	596	30,992	\$42.50	\$1,317,160
General HTA	135	7,020	\$90.00	\$631,800
Insurance Infractions	17	884	\$55.00	\$48,620
Total	748	38,896	n/a	\$1,997,580

4 ADDITIONAL STAFF (7.5 months)	Projected Weekly Average	Projected Yearly Total	Base Fine Amount	Projected Minimum Annual Fines
Offences				
Speeding	238	8,092	\$42.50	\$343,910
General HTA	54	1,836	\$90.00	\$165,240
Insurance Infractions	7	238	\$55.00	\$13,090
Total	299	10,166	n/a	\$522,240

TOTALS FOR 2004 (14 officers)	Projected Weekly Average (post May/04)	Projected Yearly Total	Base Fine Amount	Projected Minimum Annual Fines
Offences				
Speeding	834	39,084	\$42.50	\$1,661,070
General HTA	189	8,856	\$90.00	\$797,040
Insurance Infractions	24	1,122	\$55.00	\$61,710
Total	1047	49,062	n/a	\$2,519,820

Based on the projected issuance of offence notices, the following tables represent the projected minimum revenue generation for 2005:

TOTALS FOR 2005 (14 officers)	Projected Weekly Average	Projected Yearly Total	Base Fine Amount	Projected Minimum Annual Fines
Offences				
Speeding	834	43,368	\$42.50	\$1,843,140
General HTA	189	9,828	\$90.00	\$884,520
Insurance Infractions	24	1,248	\$55.00	\$68,640
Total	1047	54,444	n/a	\$2,796,300

RECONCILIATION	2003 (9 months)	2004 (full year)	2005 (full year)
Capital Budget	-\$322,500	-\$129,300	\$0
Operational Budget	-\$701,507	-\$1,186,512	-\$1,317,877
Fines	\$1,479,660	\$2,519,820	\$2,796,300
Differential	\$455,653	\$1,204,008	\$1,478,423

Conclusion

The S.T.E.M. program, combined with other traffic safety initiatives, is resulting in a change of driver, cyclist and pedestrian attitude and behaviour as indicated by the collision statistics for 2003. In an all out effort to make our roads safer, traffic enforcement has been designated as a core responsibility for all police officers during the course of their daily duties. The Service's goal is to reduce collisions and incidents of poor driving behaviour, thereby reducing needless deaths and injuries occurring daily on Toronto's roadways. Through the expansion of innovative initiatives such as S.T.E.M., the City's roadways will become safer and the quality of life for all Toronto's citizens will continue to be significantly improved.

Acting Deputy Chief David Dicks, Policing Support Command, will be in attendance at the Board meeting to answer any questions with respect to this report.

Mr. Tony Veneziano, Director, Internal Audit, City of Toronto, was in attendance and discussed the April 01, 2004 report of the Budget Task Force with the Board. He also expressed his appreciation to the members of the Service and the Task Force who participated in the review of the 2004 operating budget and for their co-operation during this time.

Inspector Walter McCourt, Traffic Services, was also in attendance and responded to questions by the Board about the March 09, 2004 report from Chief Fantino regarding the expansion of the Strategic Traffic Enforcement Measures (S.T.E.M.) initiative. The Board discussed the projected additional minimum revenue that would be generated as the result of the expanded S.T.E.M. initiative taking into consideration the projected additional staffing and operating costs.

The Board discussed the additional proposed reductions contained in Chief Fantino's report dated April 01, 2004 and compared those proposed reductions to the potential reductions identified by the Budget Task Force. The Board noted the existence of a gap in the reductions to be achieved.

The Board noted that Chief Fantino proposed a reduction in the amount of \$100,000 to the funds allocated to Corporate Communications within the 2004 operating budget.

The Board approved the following Motions:

- 1. THAT the Board commend the members of the Service and the Budget Task Force for their efforts during the comprehensive review of the 2004 operating budget particularly given the very limited time available in which to complete the review;**
- 2. THAT the Board receive the abovenoted communication from the City of Toronto – Budget Advisory Committee;**
- 3. THAT, with regard to the abovenoted report dated April 01, 2004 from the Budget Task Force, the Board received recommendation no. 1 and approved recommendations no. 2, 3, 4 and 5;**
- 4. THAT the Board approve the expansion of the S.T.E.M. initiative as outlined in the forgoing report dated March 09, 2004 from Chief Fantino;**
- 5. THAT, with regard to the foregoing report dated April 01, 2004 from Chief Fantino recommending a revised 2004 net operating budget submission of \$679.2 million, the Board approve an amendment to further reduce this amount to \$679.1 million;**
- 6. THAT Chief Fantino identify a further \$75,000 in proposed reductions to the Corporate Communications 2004 budget in addition to the \$100,000 currently proposed in his report dated April 01, 2004; and that he provide a report to the Board on the manner in which the additional reduction is accomplished;**
- 7. THAT the Toronto Police Service, in consultation with City of Toronto Works and Emergency Services, City of Toronto Legal Department and the Toronto Transit Commission, assess the operational feasibility of implementing photo-monitoring, for enforcement purposes, in transit clearways and priority lanes, and**
- 8. THAT, with regard to Motion No. 7, should it be determined that such monitoring is feasible, the Board and the City of Toronto Council, request the Ministry of Transportation to enact the necessary enabling legislation.**



2004 CAPITAL AND OPERATING BUDGET

BUDGET ADVISORY COMMITTEE

MEETING OF WEDNESDAY, MARCH 24, 2004

SYNOPSIS

[Link to agenda for March 24, 2004]

(Preliminary – For Reference Purposes Only – For Official Record refer to Minutes.

Note: All items approved by the Budget Advisory Committee are forwarded to the Policy and Finance Committee for consideration and City Council for final adoption.)

The Budget Advisory Committee began its wrap-up of the 2004 Capital and Operating Budget addressing the following outstanding issues:

5. **Agencies Boards and Commissions**

**Toronto Police Service: Capital and Operating
Toronto Police Services Board: Operating**

The Budget Advisory Committee deferred consideration of the 2004 Budgets for the Toronto Police Service and Board until the Budget Advisory Committee meeting of April 2, 2004 and requested the Chair, Toronto Police Services Board to achieve the full \$14.2 million reductions originally requested, such reductions to only include savings usable to Council and not to include reductions to front line services; and further endorse the request to have the City's Chief Financial Officer and Treasurer and Internal Auditor help with finding savings.

The following communications were received:

- (a) (March 5, 2004) from the Chair, Toronto Police Services Board: "Toronto Police Service 2004 Capital and Operating Budget Submissions"; and
- (b) (March 2, 2004) from Councillor David Soknacki, Chair, Budget Advisory Committee: "Review of Proposed Target Reductions".

Toronto Parking Enforcement Unit: Capital

The Budget Advisory Committee approved the 2004 EMT Recommended Capital Budget for the Toronto Parking Enforcement Unit; and requested the Chair, Toronto Police Services Board to report to the Budget Advisory Committee meeting of April 2, 2004, on expected savings from the usage of hand held parking devices in 2005.

Parking Tag Operations: Operating

The Budget Advisory Committee approved the 2004 EMT Recommended Operating Budget for Parking Tag Operations.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING
OF THE TORONTO POLICE SERVICES BOARD HELD ON APRIL 01, 2004**

#P106. ADJOURNMENT

A. Milliken Heisey, Q.C.
Chair