



London Police Service – 2014 Budget Facts

What is the 2014 London Police Service budget?

The London Police Services Board at a meeting on November 21 approved a 2014 net operating budget of \$92,881,970. This represents a 3.3% tax supported increase with \$900,000 allocated from Assessment Growth.

What are the major impacts included in the 2014 budget?

Contractual salary and benefits (\$3,695,267 or 4.1%)

Salary Adjustments	\$4,287,751	4.8%
Statutory Benefits, Group Benefits & Pension*	407,139	0.5%
Flow through from Previous Year's Positions	222,300	0.2%
Less: Attrition & Leave of Absence Savings	(1,221,837)	(1.4%)
Required Sick Reserve Contributions	380,200	0.4%
Insurance	108,686	0.1%
Revenue/Recoveries		
Federal programs ended	353,166	0.4%
Less: Service Fees	(266,593)	(0.3%)
Less: Court Security/Prisoner Transportation Provincial Funding	(491,688)	(0.6%)
Other Line Item Adjustments	95,346	0.1%
Less: Assessment Growth	(900,000)	(1.0%)

*Includes adjustment to Employment Insurance, Employer Health Tax, and Canada Pension Plan premiums.

What are the flow-through costs from previously approved new positions?

The cost in 2014 for new positions is related to those from 2012 (Constable X 15) in the amount of \$222,300 (0.2%).

What portion of the budget is beyond the control of the service?

Less than 4.6% of the increase is within the control of the LPS as the remaining 95.4% is made up of contractual salaries and benefits.

What is the Police Services Board responsibility?

The Board's responsibilities are specified in the Police Services Act R.S.O. 1990 and include:

31(1) A board is responsible for the provision of adequate and effective police services in the municipality...

Further, the Board approves a three year Business Plan regularly. The current plan is for 2013 through 2015 and can be accessed at:

http://www.police.london.ca/d.aspx?s=/About_Us/Publications.htm.

Is the LPS in danger of not complying with legislative requirements stipulated in the Police Services Act?

No. Although maintaining appropriate response times and consistent resource deployment for identified community needs will be impacted.

In relation specifically to the budget, the following applies:

39(1) The board shall submit operating and capital estimates to the municipal council that will show, separately, the amounts that will be required,

(a) to maintain the police force and provide it with equipment and facilities; and

(b) to pay the expenses of the board's operation other than the remuneration of board members.

39(2) The format of the estimates, the period that they cover and the timetable for their submission shall be as determined by the council.

What is city council's responsibility in relation to the Board approved budget?

Council's responsibilities are contained within the Police Services Act R.S.O. 1990, c.P.15 as follows:

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

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

What will the impact be if an increase of 0% is required?

With the recommended increase of \$3.9 Million there are no staff reductions; however, it is likely that a reduction in this amount would result in a decrease in complement. This would further negatively impact service levels and may result in the elimination of programs and services that the community has indicated they want to continue.

What steps has the LPS taken to limit increases to the budget?

In 2013, an Efficiency Report was prepared that quantified actions taken by the LPS. The report can be accessed at: http://www.police.london.ca/d.aspx?s=/About_Us/Publications.htm.

The following initiatives have been introduced over time to minimize costs and maximize efficiencies which ultimately benefit the tax payer. Many of these initiatives save money each year.

<i>Service Level Review</i>	<i>Restructure Payroll & Benefits</i>
<i>Group Benefits Review</i>	<i>Closing Lambeth Sub-Station</i>
<i>Police Reporting Centre</i>	<i>Fee Schedule Review</i>
<i>Telephone Resource Centre</i>	<i>False Alarm Program</i>
<i>Tier 1 & 2 Reporting</i>	<i>Project Learn</i>
<i>Bail Hearings Officer</i>	<i>Calls for Service Review</i>
<i>Partnership with Crown's Office</i>	<i>Records Screening (eg. outsourcing)</i>
<i>Shift Plan/Deployment</i>	<i>Out of Town Prisoner Warrants</i>
<i>Budget to Actuals</i>	<i>Direct Accountability</i>
<i>Gap New Hires</i>	<i>Persons at Risk Co-ordinator</i>
<i>Community Partnerships</i>	<i>Program Evaluation</i>
<i>Auxiliary Officers</i>	<i>Propane vs Unleaded Fuel</i>
<i>Decrease in Line items</i>	<i>Technology Integration</i>
<i>Managed Reserve Fund Contributions</i>	<i>Vehicles (stock piling)</i>
<i>In-House Training</i>	<i>Furniture (Used vs. New)</i>
<i>E-Learning</i>	<i>Special Constables – Fanshawe & Western</i>
<i>On-line Reporting</i>	<i>Administrative Services Only Group Benefit Plan</i>
<i>Investigative Response Unit</i>	<i>Investigate Revenue & Grant Opportunities</i>
<i>4 Year Budget Projections</i>	<i>Re-assignment of Personnel (eg. special projects/temporary transfers)</i>
<i>Mental Health call response</i>	
<i>Existing Crossing Guard Program</i>	
<i>Fraud intake pilot project</i>	
<i>Restructure IT</i>	

When will we have sufficient personnel that we will not have to continue to invest in human resources?

If the City continues to grow and demands for service from the community continue, a strategic, annual investment in human resources is required.

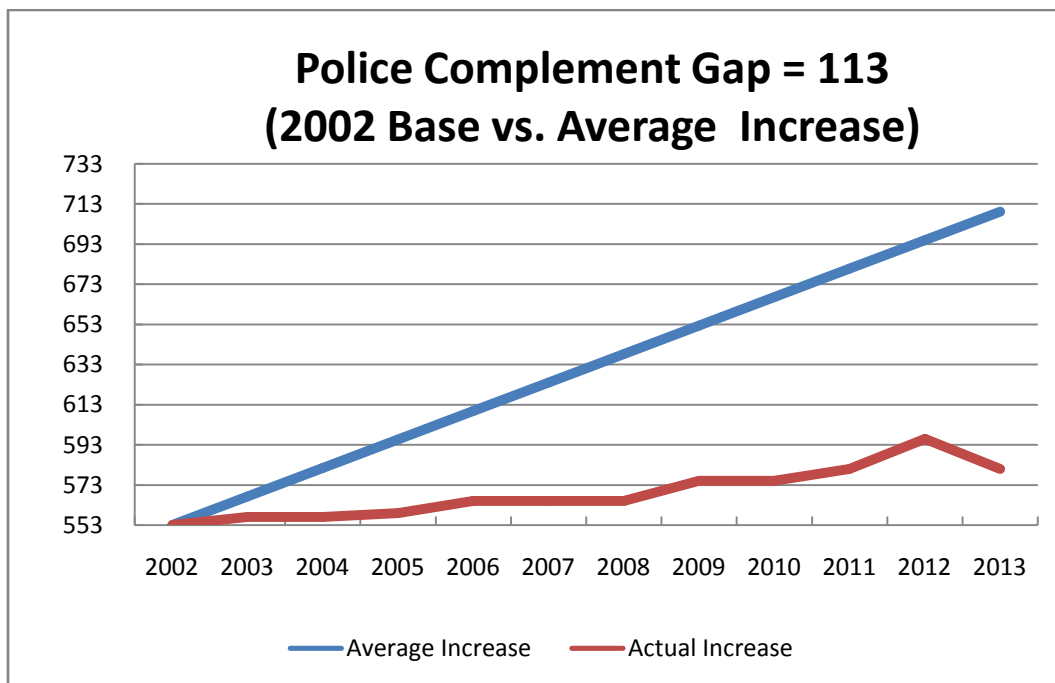
In 2002 a Workload Analysis study indicated that an immediate infusion of 85 police staff was required. From 2003 through 2007, these police positions were added; however, this provided a staff level that was appropriate for 2002. Since that time there has been an increase of only 24 police positions and 1 Superintendent to replace a Senior Director.

Beginning in 2010, we were seeing the same trends that were apparent in 2001. There have been accumulating increases to workload without a corresponding increase in human resources. This is resulting in a gradual deterioration of service delivery and organizational wellness.

In order to meet workload demands and avoid a staffing gap, from 1991 to 2002, the average annual incremental increase in staff were:

Police	14.2
Civilian	0.7
Cadets	1.4

There has been a growing gap between positions that are required to meet demands and actual complement increases. This is evidenced by the 2010 Workload Analysis which has quantified impacts since 2002 and recommends additional staff to manage the current workload.



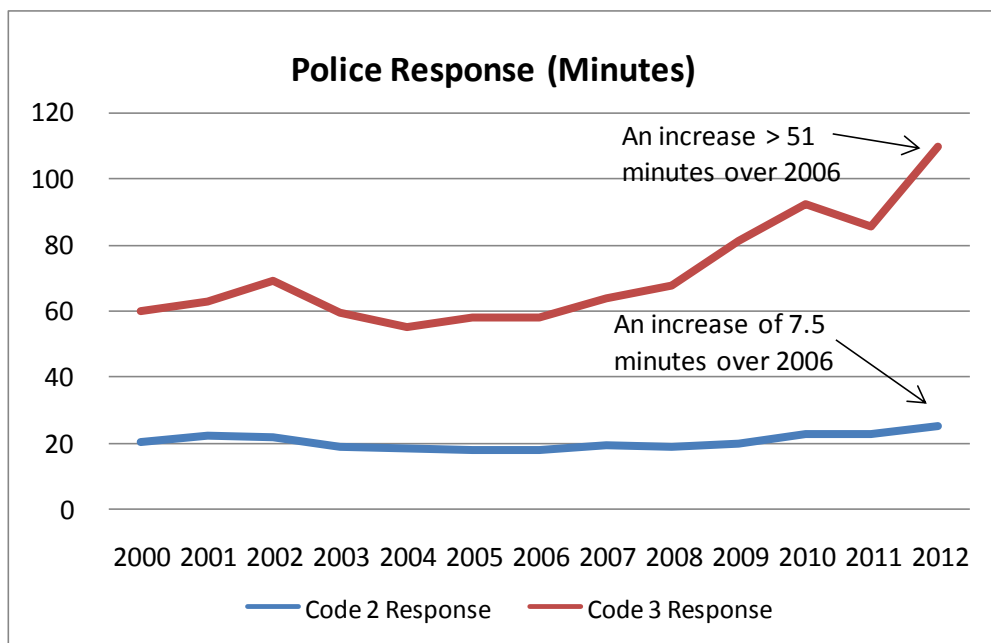
The Workload Analysis recommended an increase of Police positions from 2011 through 2015 as follows:

- 2011: 5 Police Positions; 5 Civilian Positions
- 2012: 15 Police Positions
- 2013: 16 Police Positions*
- 2014: 14 Police Positions; 1 Civilian Position*
- 2015: 10 Police Positions; 5 Civilian Positions

*Note: 0 New positions have been included in operating budget requests for 2013 and 2014.

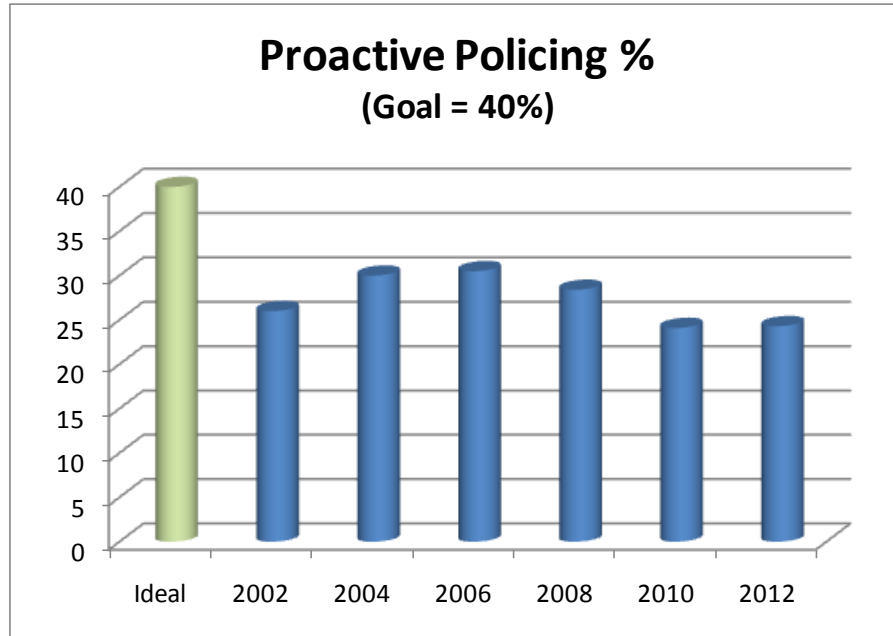
The impacts affecting workload include legislative changes, judicial decisions, technology, best practices, training requirements, and social issues. The solution is an ongoing investment in human resources, ideally at the average rate identified above, where justified.

We continue to monitor an increase in the time it takes us to respond to urgent (Code 2) and non-urgent (Code 3) calls for service by patrol officers. Since 2006 the average response times for Code 2 calls have increased by nearly 8 minutes and Code 3 response times have increased by more than 51 minutes. It must be understood that many citizens wait longer than these average times for service.



Through the public consultation process, we know the public is requesting faster response.

Proactive patrol time is being eroded. This affects the ability of officers to interact with the public and detect crime and traffic offenses as they are only able to respond to calls for service. It also affects our ability to respond effectively to calls for service during peak demand periods.



Is there a proposed staff increase in 2014?

There are no new positions included in the 2014 budget, nor were any new positions included in 2013.

Could existing staff be re-deployed to manage workload demands?

The organization is at capacity, so re-allocating positions would just move service deterioration that we are experiencing from one area to another.

At the beginning of 2010, a total of 24 positions were reassigned to the Uniformed Division to provide greater service and visibility as indicated by community demands. This left 24 operational positions in other areas vacant.

Are service levels being maintained?

There has been a gradual deterioration of service delivery and organizational wellness. Recognizing that an increase of 2 minutes in call time equates to 6 patrol officers, some of the impacts are:

- *Average Call Time – 27% increase from 2006 to 2012*
- *Response Times*
 - *Code 1 (emergency calls) 14% increase from 2006 to 2012*
 - *Code 2 (urgent calls) – 42% increase from 2006 to 2012*
 - *Code 3 (non-urgent calls) – 88% increase from 2006 to 2012*
- *Domestic Violence Calls*
 - *52% increase in volume from 2005 to 2012*
 - *31% (+145 minutes) increase in investigative time from 2005 to 2012*

Can positions be left vacant when individuals leave the employment of the LPS?

To an extent, with police positions, this already occurs since new hires must attend the Ontario Police College which has three in-take dates annually. Given already deteriorating service levels and work load pressures throughout the service, it is not advisable to manage resources in this manner.

Is there sufficient flexibility without the recommended increase for 2014 to manage inevitable fluctuations in expenses or revenue that vary from the budget?

There is a significant amount of risk for 2014 and little room to accommodate inevitable changes between amounts budgeted and actual expenditures or revenue. The quantifiable risk for 2014 is estimated at a maximum of \$1,000,000.

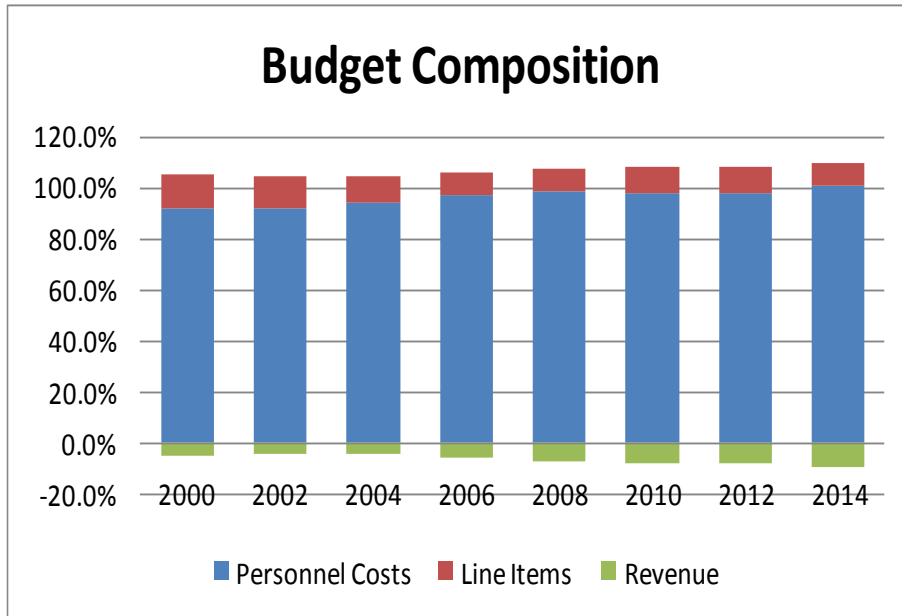
- *Amounts for WSIB accounts have not been increased for 2014; however, related expenses continue to increase. In 2013, we are predicting a combined deficit of \$200,000 within this account.*
- *Provincial funding for the Bail Safety program and the Victim Quick Response Program could, by contract, end effective March 31, 2014. Both programs have been reviewed and there is no definitive indication whether they will continue in future. We have included revenue of \$243,000 in the budget which represents revenue through December 31, 2014.*
- *For the past few years, estimated attrition has been higher than 20 annually. For 2013, there has been a significant drop in the number of members leaving the service. This reduction in attrition is not unique to London. Rather, it is being experienced province wide.*

For 2013, the LPS are anticipating a total attrition of 12 Police Members and for 2014, salary budgets include a reduction for attrition on the basis that 15 Police Members will leave the service. This could lead to a shortage in salary accounts for 2014 if the current trend continues.

- *With the introduction of a new fee schedule, the frequency of activities relating to generating revenue may vary from those used in estimating the revenue, especially for those items where there was no charge previously. Also, with the increase to some fees, members of the public may re-think their requirement to obtain service from the LPS.*
- *Personnel costs comprise the largest portion of the operating budget with little opportunity to affect.*

Non-personnel expenses are referred to as 'line item' expenses and include items such as fuel, utilities, training, supplies, equipment, and contractual agreements. From 1998 through 2002, these amounts comprised an average 13.2% of the net operating budget. This percentage has declined as investments in Human Resources were necessary to the extent that in 2014, line

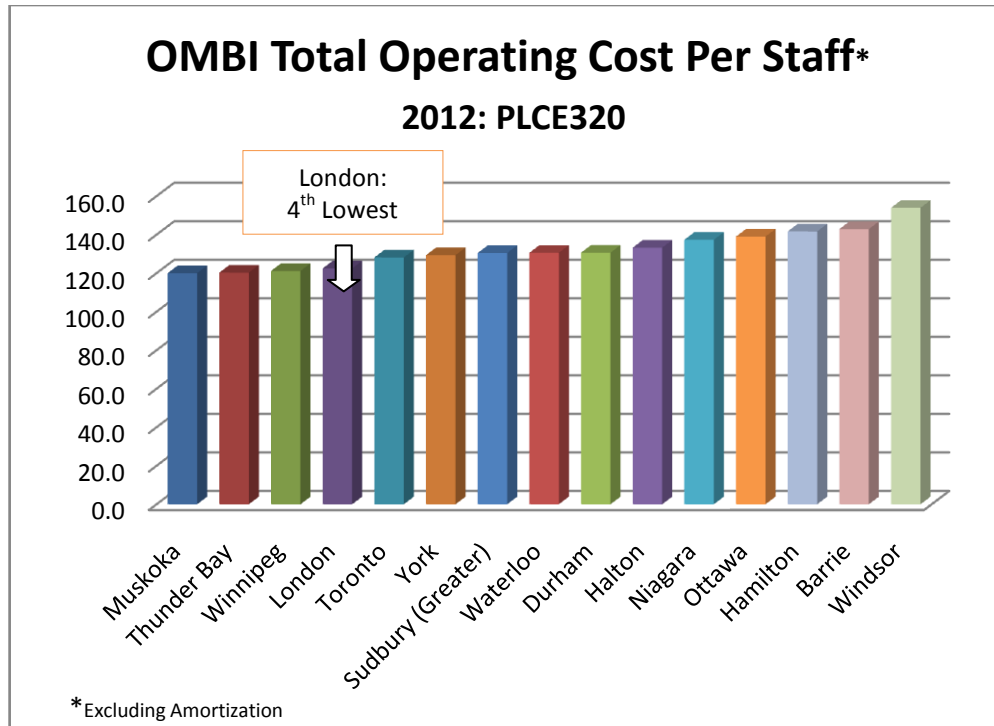
items (excluding revenue) comprise only 8.9% of the net operating budget. This result reflects cumulative reductions of more than 4 Million dollars annually.



Is the London Police Service a good value to the tax payer?

The community of London receives exceptional value for the investment in municipal policing.

- *MacLean’s magazine – July 2009 Canadian Best to Worst Run Cities – Safety and protection in London ranked 2nd highest in Canada*
- *The Ontario Municipal Benchmarking Initiative (OMBI) tracks the operating cost per staff. In 2012, the LPS rated the 4th lowest of 15 Ontario Municipalities who participate (see chart below)*
- *For 2012, and in comparison to the 17 largest police services in Ontario, the LPS has a lower than average number of police officers per 100,000 population at 158 (the average is 160)*
- *The LPS had the second lowest per capita costs of all Tier 1 Ontario Municipalities (with populations greater than 100,000 in 2012) at \$271.19 (the average is \$320.85).*
- *Total expenditures as a % of property tax levy were the 13th lowest of 17 Ontario Municipalities (2012)*
- *The LPS had the 12th lowest per capita costs of 17 Ontario Municipalities with populations greater than 100,000 in 2012*



How does the increase in the London Police Service budget from \$48 Million in 2002 to proposed \$93 Million (2014) compare to other police services?

The historical increases in the LPS budget are typically lower than those of other comparable police services.

Statistics Canada reported that total police expenditures (excluding revenue) increased by 121.2% from 1992 to 2010. The LPS increase for the same period was 113.6%.

How does the London Police Services Board manage annual surplus or deficit budget positions?

There is no expectation that amounts budgeted will exactly equal actual expenditures and revenue. A small variance is reasonable. It is recommended that contingency reserves to provide for up to a 5% variance (positive or negative) for the portion of the budget that is tax supported.

Budget variances that result in a surplus are typically much less than a 5% variance. For example, for 2012, the budget variance was \$687,000 representing a 0.8% variance from budget. When a surplus results, funds are deposited to reserve funds understanding that these contributions result in decreases to future operating budgets.

The London Police Services Board has never had a deficit; however, there is a possibility of this for 2013. If a deficit were to occur, funds would be withdrawn from a reserve fund.

Are there reserves available that can be utilized to minimize the 2014 budget increase?

If funds are drawn from a reserve in a single year, the result is a corresponding increase the following year in the operating budget. In effect, it is a one-time decrease that is not sustainable.

In order to ensure that essential police services to the Community continue, for 2014 the London Police Services Board has reluctantly approved a one-time draw from the Unfunded Liability Reserve in the amount of \$528,252 for 2014.

Is there any opportunity to reduce group benefit costs?

A portion of group benefit costs are related to statutory benefits such as Employment Insurance Premiums, and Employer Health Tax.

Since 1990, the London Police Service has had an “Administrative Services Only” arrangement with our provider. This agreement stipulates that we pay for our actual claims plus a small administrative fee rather than having our actual claims pooled with other employers in determining rates. We are obligated to pay for any resulting liabilities; however, any surplus amounts are returned to the London Police Service.

Given the demographics of our employees, this arrangement has allowed us to have many years of increase in group benefits that are regularly lower than the cost of related inflation for health care costs. In addition, we have been able to apply surplus funds in decreasing the operating budget annually for many years.

How do we know that we are obtaining the best prices for our coverage?

During 2013, the LPSB initiated a comprehensive Group Benefits Review. The summary of the analysis is as follows: “Through the completion of this detailed benefits analysis, the London Police Services Board can be assured that the members enjoy reasonable coverage for benefits compared to respondents, at a fair cost and further that group benefits at the London Police Service are administered efficiently and effectively.”

We regularly compare our premiums to those of other comparable plans to ensure that our premiums are reasonable, and further that it continues to be beneficial to use the ‘Administrative Services Only’ model.

Are there emerging issues that are likely to impact future resource requirements?

Trends indicate that human trafficking, cybercrime/luring, fraud and response to mental health calls, and an expansion of Conducted Energy Weapons (CEWs) to front-line officers are all likely to require additional resources in future.

In relation to human trafficking, The LPS initiated a pilot project in June, 2013 to determine how the London Police Service will address the increasing activities related to these types of investigations.

The internet continues to challenge police with cyber-crime, luring of children and fraud investigations. With no increase in complement we continue to transfer members from within areas to alleviate some of the pressure which is merely a short term solution.

There are two elements impacting mental health calls: the time spent per call and the number of calls. In order to address increasing times spent on calls a number of initiatives have been introduced including the mental health mobile crisis response team, a new police handover protocol with the emergency department and ongoing efforts to work with our community partners to address mental health crisis before it becomes a police issue. At the same time, mental health related calls for service in 2013 continue to increase. This is a trend seen provincially and nationally and is a concern that is being examined closely.

The expansion of the CEW's to front line Officers will require an investment in equipment, training time and human resources to manage this. There are no dollars in the proposed 2014 operating budget for the expansion of CEW's as the impacts continue to be assessed.

Is the budget related to crime statistics?

Budget development and the identified resources required, are not related to crime statistics.

Although there has been a declining crime rate locally and nationally, the LPS does not link resource requirements solely to crime trends. In fact, only 25% of a police officer's daily routine is involved in criminal matters.