



LONDON POLICE SERVICES BOARD

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January 23, 2014

Ms. Cathy Saunders, City Clerk
The Corporation of the City of London,
300 Dufferin Avenue,
London, Ontario N6B 1Z2

Dear Ms. Saunders:

Re: Follow up of January 9 Presentation

At the meeting of the Strategic Priorities and Policy Committee on January 9, 2014 Chief Brad Duncan had an opportunity to present an overview of the 2014 Operating Budget with a copy of the presentation provided to Council Members. There were a number of questions raised and the Chief undertook to provide a response to Council at our earliest opportunity. What follows is a summary of the queries and related responses which we would ask are shared with Council members.

Risk of Decrease in London Police Services Board Approved Budget

- A reduction of operating funds could negatively impact our legislative requirement to provide adequate and effective police service delivery and will, in fact, create a deficient model of policing for the City of London.
- A decrease in complement of our sworn or civilian members will negatively impact service levels, leading to the reduction or elimination of programs and services.
- The frontline patrol officers and investigative services are already stretched and there are no options for reduction in these areas. This means a review of human resources assigned to the Community Oriented Response Unit, Community Foot Patrol Unit and Community Services Unit.
- Reductions in the Community Oriented Response Unit, Community Foot Patrol Unit and Community Services Unit will impact our ability to respond and address significant and varied service requests from community neighbourhoods, businesses and associations.
- We have begun to see improvements in our service delivery in terms of response times, overtime costs, neighbourhood patrol vacancies and meet obligations for meal breaks for patrol officers as a result of additional front line resources. These improvements would be reversed if there were reductions to sworn positions.

- There would be significant consequences for the workload of the members of the London Police Service (LPS) and to the services that our citizens have clearly indicated they require and expect based on the information we have received through public needs surveys and consultations.
- The 2014 budget is risk based with the risk quantified as high as \$1 Million. Further reductions will serve to exacerbate the risk.
- LPS has a tradition of looking for efficiencies and has little or no room for further cuts without creating deficiencies in service delivery. Further details on the result of our focus on efficiencies are available on our website and in the copy of the Efficiencies Report provided to City Council.

Response Times

From 2008 to 2012 there was a noticeable increase in our average response time to answer calls, for example:

- **Code 1 - Increase of 40 seconds:** Emergency calls for service, (e.g. break and enter or robberies) increased from 4 minutes, 51 seconds to 5 minutes, 31 seconds.
- **Code 2 - Increase of 6.5 minutes:** Urgent calls for service, (e.g. assaults in progress, mental health) increased from 18 minutes, 37 seconds to 25 minutes, 5 seconds.
- **Code 3 - Increase of 42 minutes:** Less urgent more routine calls for service, such as thefts, noise complaints, traffic, and property damage increased from 67 minutes 44 seconds to 109 minutes, 36 seconds.

During 2013 there have been improvements in response times and other service indicators (for example: overtime costs, neighbourhood patrol vacancies, and missed meal breaks). This is a direct result of additional front line resources re-deployed from other areas in 2010 (24 positions), and additions to complement in 2012 with 15 positions allocated directly to front-line policing. These improvements would be reversed if there were reductions to the London Police Services Board (LPSB) approved budget request.

Comparators

The LPS promotes a culture of efficiency. In this regard, there is a long history of decisions that have translated to an efficient and effective service. This is borne out when we compare costs in London to those of other comparable municipal services. The LPS is continually at the low end.

The efficient operations alluded to above are evidenced by comparisons with similarly sized police services.

- The Ontario Municipal Benchmarking Initiative (OMBI) tracks the operating cost per staff. In 2012, the LPS rated the second lowest of Ontario Municipalities who participate.
- In comparison to the 17 largest police services in Ontario, the LPS had a lower than average number of police officers per population at 158, (the average is 160).
- In comparison to the 17 largest Ontario Police Services in 2013 the LPS had a lower than average number of senior managers per total staff.
- The LPS had the second lowest per capita cost of all Tier 1 Ontario Municipalities (populations greater than 100,000 in 2012).

- Total expenditures as a % of property tax levy were the fifth lowest of seventeen Ontario Tier 1 and Tier 2 Municipalities (2012).
- The LPS had the highest number of non-traffic criminal code incidents processed per officer when compared to 15 municipalities, which is a strong indicator of high officer workload.

Long Term Affordability

It is clear that the provision of police services within a community, in particular actions that provide a safe and secure community where citizens feel safe and businesses thrive, is costly. Training, technology, and infrastructure investments, in an environment with a myriad of legislative and regulatory rules, all impact costs. Provincially, there is an initiative underway to manage the costs for wages and benefits which, for the past few years, have exceeded increases in the general population. In the interim, the LPS will focus on the services and programs that are required and expected to meet the safety and security challenges facing our community. Services provided by the LPS are those that are demanded by the community as determined through ongoing consultation with stakeholders.

For the first time this year, the LPS accessed funding from assessment growth. This additional funding source will serve to ease the burden on the tax payer for 2014 and going forward since services provided by the LPS are directly impacted by the demands of a growing city (see Projections below).

The LPS will continue to pro-actively identify new funding sources that become available in future while maintaining an adequate, efficient, effective service that meets the needs and demands of the community.

Projections

The projections on Page 322 of the budget documents, do not consider different funding sources. If we assume that the \$900,000 in alternate funding from Assessment Growth will perpetuate from 2015 to 2018, the following would result:

(\$000)	2014	2015	2016	2017	2018
LPS Expenditures	\$92,882	\$96,168	\$100,348	\$104,561	\$108,924
Assessment Growth	900	900	900	900	900
Property Tax Supported	91,982	94,368	97,648	100,961	104,424
Projected Increase	4.4%	3.5%	4.4%	4.2%	4.2%
Assessment Growth	1.1%	1.0%	1.0%	0.9%	0.9%
Property Tax Supported	3.3%	2.5%	3.4%	3.3%	3.3%

The projections are an estimate at a point in time and include new positions from 2015 to 2018 to address both the current deficiency in human resources (as itemized in the 2010 Workload Analysis) and a regular investment in human resources going forward to meet the demands of a growing city and emerging trends such as cyber-crime and human trafficking.

The Potential Power of Coordinating Bargaining

The following table demonstrates the possible outcomes of the Coordinated Bargaining Strategy (CBS) that the LPSB is actively contributing to. It is our hope that all of Ontario's 53 police boards and the provincial Ministry responsible for the OPP will engage in a cooperative effort to slow the rising pace of police labour expenses beginning in the 2015 calendar year.

We do recognize the current economic environment that will influence the organization's ability to acquire future resources through the budget process. As such we are continually reviewing our operational and administrative practices, resource needs and staffing deployment to ensure that we are working at optimum efficiency and effectiveness.

Alternate Projected Police Service Budget Requests (\$000)*

It must be noted that the following alternate projections do not include new positions to address the current deficiency and the regular investment in human resources to meet the demands of a growing city and emerging trends.

The following alternate projections include continued funding from Assessment Growth and demonstrate the possible outcomes of the CBS with salary increase from 0% to 3%.

	2014	Increase	2015	Increase	2016	Increase	2017
0%	\$91,982	0.7%	\$92,660	0.9%	\$93,460	2.2%	\$ 95,471
1%	\$91,982	1.7%	\$93,580	1.9%	\$95,329	3.2%	\$ 98,341
2%	\$91,982	2.7%	\$94,501	2.9%	\$97,217	4.2%	\$101,267
3%	\$91,982	3.7%	\$95,421	3.9%	\$99,123	5.2%	\$104,250

*Assuming approval of 2014 Operating Budget at 4.4% and continued Assessment Growth increase of \$900,000 annually.

Funding Sources

The LPS is aggressive in applying for alternative funding through both the provincial and federal levels of government. The majority of this funding is considered permanent; however, there are some programs that could end combined with grants that represent one time funding.

Included in the 2014 budget is a total of \$5.7 Million from sources which do not impact the London tax payer. A total of \$5.4 Million is received from the province, and \$100,000 from the federal government. It is anticipated that provincial funding will increase by approximately \$500,000 annually between 2015 and 2018 in relation to offsetting costs for Court Security and Prisoner Transportation.

There is also a total of \$267,364 in revenue towards secondments. There are a number of positions which are 'seconded' to assist other police entities, to the benefit of the LPS, with most at 100% cost recovery.

Following is a summary of grant applications 2011 – 2013:

2011			
Grant	Purpose	Approved	Not Approved
Civil Remedies	Criminal Intelligence Tech Surveillance Equipment	\$15,760	
Civil Remedies	Traffic Intoxilyzer	\$18,402	
Civil Remedies	Video Surveillance Trailer	\$43,645	
2012			
Civil Remedies	Personal Protective Equipment (POU)		\$67,800
Civil Remedies	Surveillance Equipment	\$29,999	
Proceeds of Crime	Unmanned aerial vehicle		\$100,000
Proceeds of Crime	High Risk Domestic Violence Victim Safety		\$498,000
Proceeds of Crime	Safe Streets Project		\$100,000
2013			
Civil Remedies	Surveillance Equipment	\$79,995	
Civil Remedies	Personal Protective Equipment (POU)		\$67,800
Proceeds of Crime	High Risk Domestic Violence Victim Safety	\$270,000	
Proceeds of Crime	Police Vehicle (Ontario Police College)		\$99,897
Proceeds of Crime	Safe Streets Project	\$100,000	
Total	2011 - 2013	\$557,801	\$933,497

Mental Health Calls

The LPS recognizes that there is a need to focus on core policing functions. In this regard, the LPS has worked diligently with local community partners, hospitals, and mental health care support agencies. The result was the formation of a mobile response team to support community members in mental health crisis.

The results of this new initiative have been significant. Between 2012 and 2013, the average time that Police Officers spent on mental health calls declined by 1.6 hours from an average of 6.7 hours per call in 2012 to 5.1 hours in 2013. In 2012, there were 1,743 calls for service which translates to a reduction of 2,800 hours spent on this type of call.

These results, however, have been tempered by the increase in the total number of mental health calls for service which increased by 39% from 2012 to 2013. The LPS will continue to look for ways to ensure that community members are provided the appropriate service at the appropriate time, and try to minimize the involvement of LPS personnel where possible.

The Donner Study, which examined trends in police contact with persons with mental illness, has clearly demonstrated a lack of community-based services places an increased demand upon police. Police services, not only provincially but nationally, have argued that police should not be the frontline resource for mental health issues. London Police Service is joined by many police services in voicing their concerns and reinforcing our position that the primary responsibility for mental health and addictions falls to healthcare. In 2011, the LPS spent an estimated \$12.5 million responding to calls for service related to all categories of persons with mental illness. If the present system remains unchecked, this trend will result in an estimated spending by LPS of \$16 million by 2015.

Financial Expense

The increase in Financial Expenses for 2014 is comprised of the following contributions to reserve funds:

Sick Leave Reserve Fund	\$380,200
Self-Insurance Reserve	\$ 82,538
WSIB Reserve	<u>\$ 7,240</u>
Total	\$469,978

Contributions to the sick leave reserve fund are assessed annually and a Board motion requires that a minimum 5% liability be maintained within this reserve. Members who were hired after January 1, 1982 are not eligible for a sick leave payout; therefore, we anticipate this reserve will be depleted over the next few years.

Contributions to the Self Insurance and WSIB reserves are dictated by Risk Management with self-insurance amounts increasing by 11% over 2013 expenses. WSIB reserves are determined based on identification and review of large, catastrophic claims.

Furniture & Equipment Expense

There is an increase of \$65,073 within the Furniture and Equipment accounts. None of this increase is related to the purchase of new furniture. The largest drivers of this amount are a requirement to replace sights on firearms where the useful life of the sights has been reached (\$25,400), and \$15,313 for the purchase of 4G antennas that will be compliant with our current communication system, and finally \$10,000 which is payment towards an alignment rack utilized in the Fleet Branch.

The remaining amount represents small purchases towards operating equipment and other police equipment.

Vehicle Stockpiling

In 2010, Capital funds were advanced from future years to allow for the purchase of end of line Crown Victorias. In October 2011, the LPS received 62 end of line Crown Victoria Police Interceptor Vehicles. The unit cost was \$23,142.56, for a total cost of 1.4 million. The management of the Crown Victoria stock-piling will meet LPS patrol vehicle replacement needs up to the year 2015 with capital budgets from 2011 to 2015 reduced accordingly.

On average the LPS transition out 20 Crown Victoria vehicles per year which equates to an annual savings of nearly \$200,000. We continue to reuse outfitting components such as emergency lighting, computer consoles and security partitions. This translates to a cost savings of approximately \$4,500 per vehicle. There are additional savings in repair and parts through the purchasing of surplus parts from other police services that we have been able to purchase at a discounted rate.

Initially when the business case was made to stock-pile the Crown Victoria Police Interceptor, propane kits were only available for the Crown Victoria engine and we wanted to continue to take advantage of using less expensive and more environmentally friendly propane fuel. In the last two years, in excess of \$300,000 has been saved through propane fuel usage.

There are additional savings/benefits to stock-piling that have resulted from the 2010 decision:

- In-house technical expertise in diagnosing and outfitting the Crown Victoria

- We have been able to delay the need to transition to different vehicle manufacturers specialty tools, diagnostic equipment and maintenance manuals
- We have an existing parts inventory

Draw from Reserves

The LPS has relatively few reserves, the majority of which are for a specific purpose. One of the largest reserves is the Unfunded Liability Reserve. This reserve fund is designated for extraordinary operational contingencies (e.g. World Figure Skating Championships), protracted investigations (e.g. Tori Stafford Case) and to assist with the management of liabilities.

This fund allows the LPS to strategically manage unpredictable financial expenditures while planning for long term fiscal challenges. Draws from this reserve may be required in order to avoid a deficit in the operating budget or to provide a source for capital funding for projects that are determined to be 'unfunded' by the City. The Board must approve all draws from this reserve.

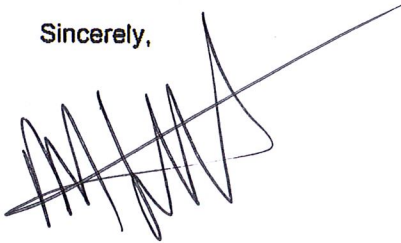
It has been recommended by Financial Planning & Policy, that an appropriate amount for this type of reserve would be \$6.5 Million. With the current balance at \$3 Million, and the commitment to draw \$500,000 from the reserve to mitigate the property tax increase in 2014, this fund is now well below the recommended level.

There was much discussion by the LPSB in relation to drawing from the reserve for 2014 especially with consideration for very real fiscal pressures facing the community. Understanding this complexity, the LPSB reluctantly chose to leverage funds in the Unfunded Liability Reserve to decrease the tax burden for 2014 with the full understanding that this action may lead to a corresponding budget increase in 2015.

Drawing on this reserve is seen by the LPSB as an interim strategy. Starting with the 2015 budget we expect Coordinated Bargaining across Ontario police boards to provide some relief to the annual salary increases experienced in the past.

Further information regarding the LPS 2014 Operating and Capital Budgets, including a copy of presentations and budget facts along with the LPS Efficiency Reports which outline and quantify, where possible, efficiencies, can be found at www.police.london.ca. In addition, Chief Brad Duncan is prepared to answer further questions that Councillors may have.

Sincerely,



Michael Deeb
Chair, London Police Services Board