



LONDON POLICE SERVICES BOARD

BOARD MEMBERS

M. DEEB, CHAIR
J. EBERHARD, VICE CHAIR
COUNCILLOR J. BRYANT
COUNCILLOR D. BROWN
P. PAOLATTO, BUDGET CHAIR

February 18, 2014

Dear Council Members:

In response to a motion received by the London Police Service, from the City of London's Strategic Planning and Priorities Committee at its meeting of February 7, 2014, the London Police Services Board is providing updated information with respect to:

- i. the Adequacy Standards established by Regulation;
- ii. an outline of the Adequacy Standards contemplated during the budget preparation;
- iii. information related to an impact analysis with respect to proposed budget reductions (specifically in the range of 2.7% to 2.9% over 2013); and
- iv. an analysis and justification of the request to use \$900,000 from assessment growth.

The London Police Services Board (Board) and the London Police Service (LPS) Executive are pleased to provide you with the attached package containing a response to each of the above listed questions.

RE: i. The Adequacy Standards established by Regulation

The Adequacy Standards are contained within the Ontario Police Services Act, Regulation 3 (99). The Standards are included with this letter, as Appendix A: Ontario Police Services Act Adequacy Standards.

RE: ii. Adequacy Standards Contemplated During the Budget Preparation

To begin, *Adequacy Standards* as prescribed by the *Police Services Act* (the Act) address the five core functions of policing deemed necessary to ensure the delivery of "adequate and effective police services". According to the Act, Section 4(2), adequate and effective police services must include, at a minimum, all of the following:

- Crime Prevention
- Law Enforcement
- Assistance to Victims of Crime
- Public Order Maintenance

- Emergency Response Services

The Regulation further directs the Board to establish specific policies to ensure compliance with the Standards. The London Police Services Board currently has 119 policies that assist the Board's consideration of the budgetary requirements that are necessary to provide adequate and effective service delivery. The Regulation also details the administration and infrastructure necessary to ensure proper compliance with the Act. These stipulations include:

- the preparation of a 3-year business plan, including a comprehensive list of mission, objectives, core business functions and service level expectations;
- performance indicators that demonstrate the provision of the service, such as community satisfaction surveys, call response times, crime clearance rates and road safety;
- the preparation of an annual report on the Service's performance;
- skill development of personnel; and
- a process to share the Service's performance with Municipal Council.

In response to these and other stipulations outlined in the Act, the Board routinely undertakes a number of inquiry and review processes to ensure compliance. This extensive process can be best summarized under each of the following headings:

- Annual Business Plan Reports
- Monthly Activity Reports
- Adequacy Standards Reports
- Financial Review
- Policy and Procedures Review
- Reports to the Ministry
- Police Service Plan Reviews
- Legal Matters
- Special Projects

The complete list of reports and review processes undertaken by the Board can be found in Appendix B: Summary of Detailed Reports provided to the London Police Services Board. All of these reports serve as inputs to both the Board and the Executive as to the level of service necessary to deliver adequate and effective policing and the expense associated with delivering this service. Over the course of a given year, the Board conducts its own due diligence regarding the community's need for policing. These information-gathering activities include, but are not limited to: ride-alongs, embedded training sessions with select units such as late-night dispatch, emergency response, Persons at Risk (Sex Workers), and the Canine Unit, enrolment in the Service's 10-week Citizen's Academy, and ongoing monthly presentations from each of the units outlining their contribution to the Service, their successes and challenges. The Board also now routinely meets with counterparts from across Ontario to share information, compare performance and exchange best practices. Finally, the Board has recently

initiated a series of consultation sessions with stakeholders from across the community, to receive input on existing service levels and identify gaps and redundancies in the service plan.

In summary, the London Police Service's annual budget submission to Municipal Council is developed with careful attention to its obligation under the Act and in the best interests of the community. As evidenced by the reports and involvement of Board members set out in Appendix B, evaluating the adequacy of the London Police Service is an ongoing responsibility of the Board and does not occur only during the budgeting process. The London Police Service recognizes that the public investment associated with the delivery of this service model is significant. Therefore, the Board and the Executive take great care to ensure that this service is provided in the most cost-effective and efficient manner possible. The LPS is widely recognized for the level of service it provides and the level of investment with which it provides this service. This recognition is routinely borne out in numerous reports that compare the performance and expenditure metrics of our Service relative to services of comparable size in the province. The LPS will not compromise its service levels or its review process, and will continue to focus instead on resolving the broader cost issues that are driving up the cost of policing and affecting the community's ability to afford the cost.

RE: iii. Impact Analysis of Proposed Budget Reductions

In response to City Council's request to better understand the impact of the proposed budget reductions, it is important to reference the presentation to Council by Chief Brad Duncan on January 9, 2014, a copy of which was provided to each Councillor. At that time, he provided compelling evidence as to the risks and impacts of reducing the 2014 budget request. Further information was provided to Council by way of correspondence from the Board on January 23, 2014.

As previously provided in the Chief's presentation and correspondence to Council, frontline service delivery and investigative services are stretched to the point that personnel reductions in these areas are not an option. This means a review of the Community Oriented Response Unit, the Community Foot Patrol Unit and the Community Services Unit will be necessary. The reductions in personnel in these areas will have considerable impacts to the community's health and well-being.

The only option to offset a reduction in the operating budget is a further draw on the Unfunded Liability Reserve. This reserve fund is already well below the recommended level, notwithstanding the Board's commitment to draw nearly \$530,000 in 2014. At lower-than-requested increases of 2.7 percent and 2.9 percent, a further draw in excess of \$570,000 or \$390,000 respectively, will be required. The draw down in any scenario will limit the ability to manage unpredictable financial expenditures, such as extraordinary operational expenses, protracted investigations or a deficit.

The tables below detail the number of projected personnel reductions at the lower-than-requested increases of 2.7 percent and 2.9 percent. Table B highlights the additional personnel reductions

required should Council also choose not to approve LPS’s \$900,000 request from the City’s Assessment Growth.

Table A – Projected Number of Police Position Reductions

Percent Increase with Assessment Growth	Total Draw Down from Unfunded Liability Reserve	Number of Positions Impacted
2.7%	\$1,099,520	14
2.9%	\$921,505	12

Table B – Projected Number of Police Position Reductions (without Assessment Growth)

Percent Increase without Assessment Growth	Total Draw Down from Unfunded Liability Reserve	Number of Positions Impacted
2.7%	\$1,999,520	24
2.9%	\$1,821,505	22

A reduction in the operating budget will impact the ability to address the myriad of community needs and issues that continue to impact our city. The Chief of Police, in consultation with the LPSB, is responsible for the deployment of personnel to meet the safety and security challenges facing our community. The London Police Service is already in a deficit of positions and, as such, a further reduction of personnel is not a Board-supported option.

RE: iv. An Analysis and Justification to Use \$900,000 of Assessment Growth

The LPSB and the LPS Executive wish to express their appreciation to City Administration for extending to the Service an invitation to apply for use of the Assessment Growth. As Council is no doubt aware, the LPS has historically been funded exclusively through the tax levy. Therefore, the opportunity to apply to this fund is most welcome, especially in light of the size of this year’s requested budget increase.

The LPS has examined both the criteria outlined in the City’s Assessment Growth Policy and its own statistics with respect to increased service demands. The impacts to service include both proactive and reactive police activities, including preventative neighbourhood patrols, crime prevention initiatives and responding to calls for service.

As outlined in the City’s policy, the assignment of assessment growth for most civic services, including policing, can be determined through a number of means, including; percentage of population growth and increasing need for additional human resources to maintain core services. To this end, the LPS presents three arguments that comfortably justify the \$900,000 Assessment Growth initially requested by the Service (See Appendix C for calculation details).

First, with respect to population growth, it is the understanding of the Service that the City of London's population has increased 2.05% between 2012 to 2014, the period in which the City first began to make Assessment Growth capital available to its various civic departments. If this amount were to be applied to the LPS budget, it would infer a total of \$1,823,747 of the 2013 revised budget directly related to growth.

Second, with respect to the need for additional human resources to maintain core services, there has been a growing gap between positions that are required to meet demands and actual complement increases. In response, the LPSB approved 10 new positions in 2011 and 15 new positions in 2012. The increase in complement in 2011 and 2012 was required to meet the needs of a growing city and to address the increasing workload. The flow through of personnel costs and equipment costs associated to the 10 new positions in 2011 totals \$558,000. The flow through expenses of the 15 new positions in 2012 amount to \$1,007,000. As such, the assignment of assessment growth towards the expenditures resulting from the recent introduction of these 25 positions totals \$1,565,000.

It is worth noting that in both scenarios, the calculated amounts apply only to operating expenses. Capital expenses associated with this growth could also be calculated but have not been included for purposes of this justification.

In further support of the increased service demands, calls for service were examined in new growth areas. With the use of information provided by City Planning, new growth residential areas were identified and an analysis was done to determine the number of calls for service in those areas between 2011 and 2013. There were a total of 6,105 calls for service, resulting in \$818,959 in associated personnel costs to service the identified new growth areas. (The LPS recently received a grant to purchase new software (ATAC) that will assist in the future to provide a more fulsome analysis of the impact from growth on both financial and human resources of the police service.)

The LPSB and the LPS Executive recognize that while the application of Assessment Growth retroactively is somewhat unprecedented, it is a fair representation of the increased cost associated with the City's recent growth. It also provides Council with an opportunity to reduce the tax burden on existing residences and businesses in response to this growth. Finally, the application of Assessment Growth to this year's Police budget allows the Board and the Executive to effectively bridge the Service through this, the final year of its current contract with the London Police Association.

Once again, the LPSB and the Executive appreciate the opportunity to apply for these funds and welcome any further questions from Council to secure their approval.

Concluding Remarks:

The London Police Service and the London Police Services Board are committed to providing City Council and the community with as much information as possible within the provisions of the Police Services Act, and welcome the opportunity to acquaint Councillors and the public with the nature of our business and reasons behind any and all expenditure requests. To that end, the Board and the Executive have

attached additional budget information that provides further detail with respect to Division and Business Unit summaries. The Board, in consultation with the Chief, will ensure this information will be made available to Council and the public on a go forward basis. This document is attached here as Appendix D: London Police Service's Draft 2014 Operating Budget.

We would like to thank Council for this opportunity to lend clarity to our budget request and trust that the foregoing information will assist you in your deliberations. Please feel free to contact us with any further questions or requests for additional information, and we look forward to your decision.

Michael Deeb

Chair, London Police Services Board