



The following *draft* Minutes of the special meeting of the Toronto Police Services Board held July 25, 2007 are subject to adoption at its next regularly scheduled meeting.

MINUTES OF THE SPECIAL PUBLIC MEETING of the Toronto Police Services Board held on **JULY 25, 2007** at 8:00 AM in the Auditorium, 40 College Street, Toronto, Ontario.

PRESENT:

Dr. Alok Mukherjee, Chair
Ms. Judi Cohen, Member
Mr. Frank Di Giorgio, Councillor & Member
Mr. Hamlin Grange, Member
The Honourable Hugh Locke, Q.C., Member

ABSENT:

Ms. Pam McConnell, Councillor & Vice-Chair
Mr. David Miller, Mayor & Member

ALSO PRESENT:

Mr. William Blair, Chief of Police
Mr. Albert Cohen, City of Toronto – Legal Services Division
Ms. Deirdre Williams, Board Administrator

The Board met to consider an urgent matter and Chair Mukherjee advised that section 7(1) of the Toronto Police Services Board By-Law 107 governing the Board's proceedings states:

The Chair may at any time summon a special meeting of the Board on twenty-four hours' notice to the Members and shall summon a special meeting of the Board when requested in writing to do so by a majority of the Members.

Given that 24 hours notice had not been provided, Chair Mukherjee further advised that section 33 of the By-Law allows the Board to waive any rules of procedure established by the By-Law as it considers appropriate.

The Board agreed to waive section 7(1) of the By-Law in conjunction with the authority established under section 33 of the By-Law.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING
OF THE TORONTO POLICE SERVICES BOARD HELD ON JULY 25, 2007**

**#P265. TORONTO POLICE SERVICE 2007 OPERATING BUDGET – COST
CONTAINMENT MEASURES**

The Board met to consider an e-mail communication dated July 19, 2007 from Shirley Hoy, City Manager, City of Toronto, indicating that the:

Mayor has asked that all Divisions and ABC's immediately implement cost containment measures with the goal of reducing operating and capital costs for the remainder of 2007.

The e-mail communication was received in the Board office on July 19, 2007. A copy is appended to this Minute for information.

The Board was also in receipt of the following report dated July 24, 2007 containing the Service's response to the City's request to implement cost containment measures:

**SUBJECT RESPONSE TO THE CITY'S REQUEST FOR COST CONTAINMENT
MEASURES**

Recommendation:

It is recommended that the Board forward this report to the City Manager.

Financial Implications:

There are no financial implications relating to the recommendations contained within this report.

Background/Purpose:

On July 20, 2007, the Toronto Police Service (Service) received a communication from the City Manager indicating that the "Mayor has asked that all Divisions and ABC's immediately implement cost containment measures with the goal of reducing operating and capital costs for the remainder of 2007". The communication also outlined a number of areas and actions that should be considered to achieve savings for the balance of 2007. The purpose of this report is to provide the Toronto Police Services Board (Board) with the Service's response to the City's request.

Discussion:

The Toronto Police Service's approved operating budget is \$784.958 Million (M) net. This level of funding includes an unspecified reduction of \$1.6M. To date, \$0.8M of this reduction has

been found, and the Service is committed to achieving the full \$1.6M reduction by year end. Accordingly, as indicated in the May 2007 variance report, the Service is currently projecting a net zero variance.

Nonetheless, in view of the communication from the City Manager with respect to cost containment measures, I have reminded unit commanders of the need to be fiscally responsible with respect to all expenditures under their control, and have directed that they defer all discretionary expenditures. This includes non-essential training (i.e. courses and conferences) that has not already been committed, consulting contracts where the deferral will not impact front-line service or other key Service objectives, and equipment purchases where the useful life can reasonably be extended.

Uniform staffing will be maintained, on average, at the authorized establishment of 5,510. It is also important that civilian staff that support front line and other operational requirements be maintained at authorized levels. We will however, review vacancies on a case by case basis, and defer the filling of those positions where such deferral will not adversely impact the objectives and priorities of the Service.

Over the last several years, the Service has taken steps to better manage and control premium pay. However, since premium pay is directly related to service levels (e.g. investigation of criminal activities, staffing of special events and attendance at court) significant reductions in this are would be difficult to achieve at this time. In any event, we will continue to monitor premium pay expenditures with a view to achieving savings wherever possible.

Conclusion:

It is important to note that over 90% of the Service's operating budget relates to salaries and benefits that are required to effectively deliver public safety services for the City. The majority of the remaining budget is required to meet operational needs such as gasoline, uniforms, facilities maintenance and computer systems support and maintenance. The discretionary portion of our budget is therefore very limited, and would not result in any significant savings. This combined with the fact that we are seven months into the year, will make the achievement of any significant savings a challenge. In any event, I am committed to achieving efficiencies wherever possible (e.g. Court Services), and any savings that result from these initiatives, and the deferral of discretionary spending will be returned to the City at year end.

The next operating variance report is scheduled to go to the Board at its September meeting, at which time a further update on our budget status and any expected savings will be provided to the Board.

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

The Board discussed Ms. Hoy's e-mail communication with Chief Blair and Mr. Veneziano. The Board also discussed the foregoing report from Chief Blair.

The Board noted the short period of time between the date that the Board received Ms. Hoy's communication and the scheduling of this special meeting. The Board also said that it did not have adequate opportunity to review the communication from Ms. Hoy or discuss it with Chief Blair. Some members of the Board indicated that they thought all the members of the Board should be present to consider such an important matter.

The Board inquired whether the Service had been asked to reduce the 2007 operating budget by a specific amount and Mr. Veneziano advised that the City had not provided a specific target to be achieved by the Service.

Both the Board and Chief Blair emphasized that the safety of police officers and the citizens of Toronto is the foremost priority and that they would not implement any measures that could jeopardize safety. At the same time, they recognized that the City faces serious financial pressures and indicated their willingness to review the 2007 budget for any savings that could be found.

The Board noted, however, that Chief Blair had continuously managed the 2007 operating budget in an efficient and conscientious manner since January of this year.

The Board inquired if the request to implement cost containment measures could be assigned to the Budget Sub-committee for consideration while, on a parallel basis, it also considers the 2008 operating budget. Mr. Veneziano advised that two parallel processes could be established.

The Board approved the following Motions:

- 1. THAT the Board receive the e-mail communication from Ms. Hoy;**
- 2. THAT the Board receive the report from Chief Blair;**
- 3. THAT Chief Blair continue to control costs, monitor expenditures, implement any necessary additional cost containment measures and report on any savings achieved no later than the October 18, 2007 Board meeting;**
- 4. THAT a detailed consideration of Ms. Hoy's communication be referred to the Budget Sub-Committee; and**
- 5. THAT the Board forward a copy of this report to Ms. Hoy for information.**



"Strategic Communications"
<stratcom@toronto.ca>

2007.07.19 17:46

To "Dianne Young" <dyoung@explace.on.ca>, "Dan Brambilla" <dan@hummingbirdcentre.com>, "David Wallett" <dwallett@stlc.com>, "Philip (TAF) Jessup" <PJessup@tafund.org>, "J. Steiner" <jsteiner@tedco.ca>, "Bruce MacMillan" <bmac@torcvb.com>, "John Macintyre" <jmacint@toronto.ca>, "Maurice Anderson" <manderso@toronto.ca>, "Derek Ballantyne" <derek.ballantyne@torontohousing.ca>, "Bkair Perberdy" <bpeberdy@torontohydro.com>, "John N. Brooks" <jbrooks@torontohydro.com>, "Michael J. Boyd" <officeofthechief@torontopolice.on.ca>, "Toronto Police Board" <board@torontopoliceboard.on.ca>, "Josephine Bryant" <jbryant@torontopubliclibrary.ca>, "Nancy Bennett" <nbennett-TPL@torontopubliclibrary.ca>, "Calvin White" <cwhite@torontozoo.ca>, "Brian Denney" <bdenny@trca.on.ca>, <gary.webster@ttc.ca>, "Mary Zigomanis" <mary.zigomanis@ttc.ca>
cc "Shirley Hoy" <SHoy@toronto.ca>

Subject Cost-containment measures

The following message is being sent to the heads of all Agencies, Boards and Commissions on behalf of Toronto City Manager Shirley Hoy.

The Mayor has asked that all Divisions and ABC's immediately implement cost containment measures with the goal of reducing operating and capital costs for the remainder of 2007. The purpose of the measures is to use the savings achieved toward reducing the 2008 operating budget shortfall.

These cost containment measures are necessary because the City:

1. does not have the diverse sources of revenue required to fund city services
2. continues to be forced to divert the money needed for municipal services to pay the cost of provincially mandated programs
3. has depleted reserve funds and exhausted all other one-time revenue sources to pay for the ongoing operating costs of delivering core municipal services.

The target for savings from cost containment measures between now and the end of 2007 has been set at \$100 million.

Cost containment strategies

To achieve the savings target, I am requesting all Divisions and ABC's to take the following actions, effectively immediately:

1. A hiring freeze within all areas of the corporation. The only exceptions to the hiring freeze will be for positions where there are:
 - a. legislated requirements for staffing ratios
 - b. health and safety requirements; or,
 - c. 100% funding for the position from other orders of government or external agencies
2. Service level adjustments that save operating budget dollars by reducing service levels (hours of service, etc); but not the elimination of entire services.
3. Elimination of discretionary spending; including, but not limited to, all business travel, conferences, consulting contracts, purchases of equipment, furniture, supplies, etc.
4. Cancellation of all advertising and production of print materials with significant circulation unless such materials are critically required for the delivery of services. Consultation with the Director of Strategic Communications should take place prior to the placement of any advertising or production of materials during this period.

Deferral of any 2007 new or enhanced services and any capital projects where contracts have not yet been awarded related to service improvement and growth capital projects that will have future operating budget impacts.

Please note that any exemptions to the above must be approved by the appropriate Deputy City Manager or me as the case may be.

Administration

Please submit the service level adjustments to be undertaken within your area by July 31, 2007 to Josie LaVita (jlavita@toronto.ca), Director of Financial Planning.

The cost containment measures outlined may continue into 2008. Division Heads and ABC's will be advised if any changes to the containment measures will take place. To ensure consistency in our approach to managing containment measures, wherever possible, Division Heads and ABC's are requested to defer any reports that contain financial implications.

Finally, given the need to address what could be a significant budget shortfall in 2008, I am asking Division Heads and ABC's to develop a list of potential service cuts for 2008 (including continuation of 2007 savings initiatives) which will be reviewed through the service planning and core service review process.

While the cost-containment measures outlined will be difficult for residents and will require significant communication to ensure changes to the availability of services are well understood, the actions are necessary to mitigate against what could be much more severe service reductions in the future.

I fully recognize that these necessary actions have significant service impacts. But the financial circumstances of the City are severe, and therefore your support and cooperation is very much appreciated.

Shirley Hoy

c.c. Members of Council

attachment

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#P266. ADJOURNMENT

Alok Mukherjee
Chair