



The following *draft* Minutes of the meeting of the Toronto Police Services Board held on January 20, 2012 are subject to adoption at its next regularly scheduled meeting.

The Minutes of the meetings held on November 24, 2011 and December 15, 2011, previously circulated in draft form, were approved by the Toronto Police Services Board at its meeting held on January 20, 2012.

MINUTES OF THE PUBLIC MEETING of the Toronto Police Services Board held on **JANUARY 20, 2012** at 1:30 PM in the Auditorium, 40 College Street, Toronto, Ontario.

PRESENT:

Dr. Alok Mukherjee, Chair
Mr. Michael Thompson, Councillor & Vice-Chair
Mr. Chin Lee, Councillor & Member
Dr. Dhun Noria, Member
Ms. Frances Nunziata, Councillor & Member
Mr. Andrew Pringle, Member

ALSO PRESENT:

Mr. William Blair, Chief of Police
Mr. Karl Druckman, City of Toronto - Legal Services Division
Ms. Deirdre Williams, Board Administrator

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

#P1. ELECTIONS OF THE CHAIR AND VICE CHAIR

Election of the Chair, Toronto Police Services Board

In accordance with subsection 28(1) of the *Police Services Act*, which provides that the Board is required to elect a Chair at its first meeting in each year, the Board Administrator requested nominations for the position of Chair of the Toronto Police Services Board.

Councillor Michael Thompson nominated Dr. Alok Mukherjee which was seconded by Mr. Andrew Pringle. There were no further nominations and nominations were closed.

The Board voted and, based upon one nomination for the office of Chair, Toronto Police Services Board, Dr. Alok Mukherjee was declared elected Chair of the Board for the year 2012 and until his successor is appointed.

Election of the Vice-Chair, Toronto Police Services Board

In accordance with subsection 28(2) of the *Police Services Act*, which provides that the Board may elect a Vice-Chair at its first meeting in each year, the Board Administrator requested nominations for the position of Vice-Chair of the Board.

Dr. Alok Mukherjee nominated Councillor Michael Thompson which was seconded by Councillor Chin Lee. There were no further nominations and nominations were closed.

The Board voted and, based upon one nomination for the office of Vice-Chair, Toronto Police Services Board, Councillor Michael Thompson was declared elected Vice-Chair of the Board for the year 2012 and until his successor is appointed.

Following the elections, Chair Mukherjee advised the Board that he would not be available to perform the duties of Chair during the period between February 18, 2012 and February 26, 2012, inclusive, and that Vice-Chair Thompson would be Acting Chair during that time. Chair Mukherjee noted that an Acting Vice-Chair would be required. Mr. Pringle advised the Board that he would be available and willing to act as Acting Vice-Chair between February 18, 2012 and February 26, 2012, inclusive.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

#P2. ACCESSIBLE PARKING IN TORONTO

The Board was in receipt of the attached correspondence dated January 05, 2012 from Gerald H. Parker, Executive Director, Institute of Canadian Justice, with regard to accessible parking in Toronto.

Mr. Parker was in attendance and delivered a deputation to the Board. A written copy of his deputation is on file in the Board office.

The Board received Mr. Parker's correspondence and his deputation and agreed to forward a copy to the City of Toronto - Public Works and Infrastructure Committee for consideration.



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INSTITUTE OF CANADIAN JUSTICE

Toronto Police Services Board
40 College Street West
Toronto, Ontario M5G-2J3
January 5, 2012

Re: Accessible Parking in Toronto –January 20, 2012 TPSB Deputation

Dear Dr. Mukhejee and Members of the Toronto Police Services Board:

Thank you for taking this important and timely opportunity to further consider accessible parking for people with disabilities and the significantly maturing population that congregate in Toronto as the provincial capital, national economic hub, centralized and specialized health care center, supposed center of infrastructural assets, and equal opportunity public service employment and services that necessitate fairly arrived at, and just public policy on accessibility. Rights over revenue. The Charter, the human rights code, the Ontarians with Disabilities Act, the Accessibility for Ontarians with Disabilities Act, the TPS Human Rights Charter, and the various other public policy and the original intent thereof that dictate such righteous inclusion and results are being increasingly compromised.

As the original Chair of the Metropolitan Toronto Polices Accessibility Committee over two decades ago, among all so many other expert and international inclusions in these regards, I am before you because a perfect storm of misinformation, misinterpretation, budgetary demands and competing infrastructure interests are once again dangerously impacting policing in Toronto and people with disabilities. History is repeating itself despite the well intended and diligent efforts of many including the Toronto Police Service that have certainly learnt from history but are being inadvertently embroiled in revenue over rights based politics and a festering media that once again ceases upon misinformation that victimizes both police service employee's and the forces reputation, people with disabilities and our ever increasing maturing population whose interest and service demands are not being afforded due consideration to such unjust ends. The willfully erroneous and deliberately skewed article on the frontpage in the Toronto Star dated October 19, 2011 and the decision of the Public Works and Infrastructure Committee dated January 4, 2012 PWS11.2 clearly evidences these facts and lack of insight to say the least.

So, as always, I come to you with kind intention with a subject area expert analysis of the present state of affairs of accessible parking in Toronto and recommendations to assist good people like the Toronto Police Service to do a tough and all too often thankless job. Thank you and I look forward to our important work together!

Kindest Thoughts,

Gerald H. Parker
Executive Director

c.c: Susan Eng, CARP
Patricia Hughes, Ontario Law Commission

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

**#P3. *CITY OF TORONTO, TORONTO POLICE SERVICE: SERVICE
EFFICIENCY STUDY – FINAL REPORT TO THE CITY MANAGER***

The Board was in receipt of the attached correspondence dated November 17, 2011 from Joseph Pennachetti, City Manager, City of Toronto, containing the final Ernst & Young report entitled: *City of Toronto, Toronto Police Service: Service Efficiency Study*. A copy of the Executive Summary, which includes a summary of the key recommendations, is appended to this Minute for information. A copy of the complete report is on file in the Board office.

The Board was also in receipt of a written submission dated January 20, 2012 from Miguel Avila with respect to the *City of Toronto, Toronto Police Service: Service Efficiency Study*. A copy of Mr. Avila's written submission is on file in the Board office.

The Board approved the following Motions:

- 1. THAT the Board receive and endorse the Ernst & Young *Toronto Police Service: Service Efficiency Study*;**
- 2. THAT the Board refer the recommendations pertaining to non-contractual issues to the Chief of Police for review in conjunction with the comprehensive assessment of the Toronto Police Service that is being conducted to help identify opportunities for additional budget reductions that could be achieved in 2013, in order to meet the remaining 2012 budget reduction target (Min. No. P257/11 refers);**
- 3. THAT the recommendations or issues which may impact collective agreements be referred to the Chair for consideration and report back to the Board; and**
- 4. THAT the Board receive the written submission from Mr. Avila.**



Joseph P. Pennachetti
City Manager

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Memorandum

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November 17, 2011

TO: Alok Mukherjee, Chair, Toronto Police Services Board
William Blair, Chief of Police, Toronto Police Service

FROM: Joseph P. Pennachetti, City Manager

SUBJECT: TPS Service Efficiency Study – Final Report

At its meeting in April, City Council adopted the Service Review Program, setting in motion a series of studies including the TPS Service Efficiency Study. This study was conducted over the past few months by consultants from Ernst & Young. I want to thank the TPS for making key senior staff available in providing data and participating in consultations with the Ernst & Young team and related meetings with City staff during the course of the study.

The TPS Service Efficiency Study has been completed. Copies of the final report are enclosed for the members of the Board and senior TPS officials, and a digital copy of the final report is also being provided. Your assistance in arranging to have this study placed on the agenda for the Board's November meeting is appreciated. This will provide the Board with an opportunity to review the report prior to the City's budget launch on November 28. Note that City Council, at its special meeting in September, directed the City Manager to report the findings of the Service Efficiency Studies to the budget process. The TPS Service Efficiency Study will be before the City's Budget Committee for its meetings scheduled during December 2-9.

Once again, thank you for your cooperation in this initiative.



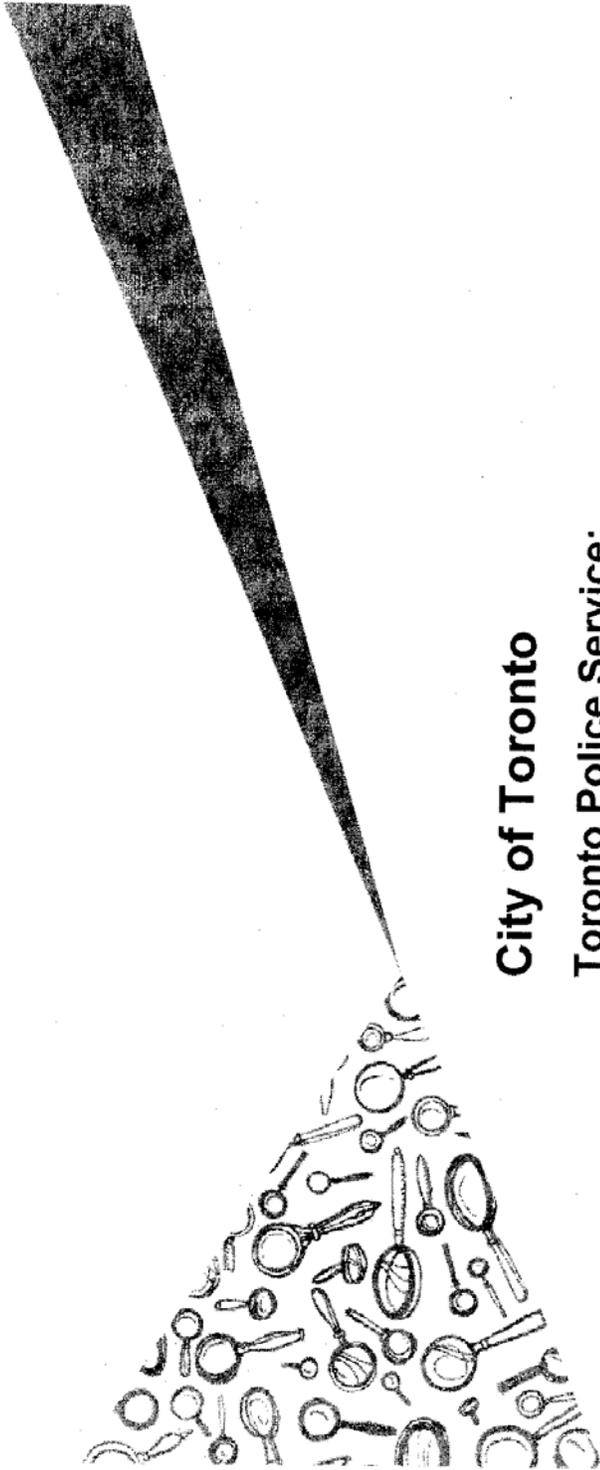
Joseph P. Pennachetti
City Manager

Attachment: Toronto Police Service: Service Efficiency Study (Final Report)

cc: Cam Weldon
Joanne Campbell
Tony Veneziano
Kris Kijewski
Nancy Aulton
Martin Herzog



REPORTS AT YOUR SERVICE



City of Toronto
Toronto Police Service:
Service Efficiency Study

Final Report to City Manager

October 26, 2011



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Executive Summary

Executive Summary Background

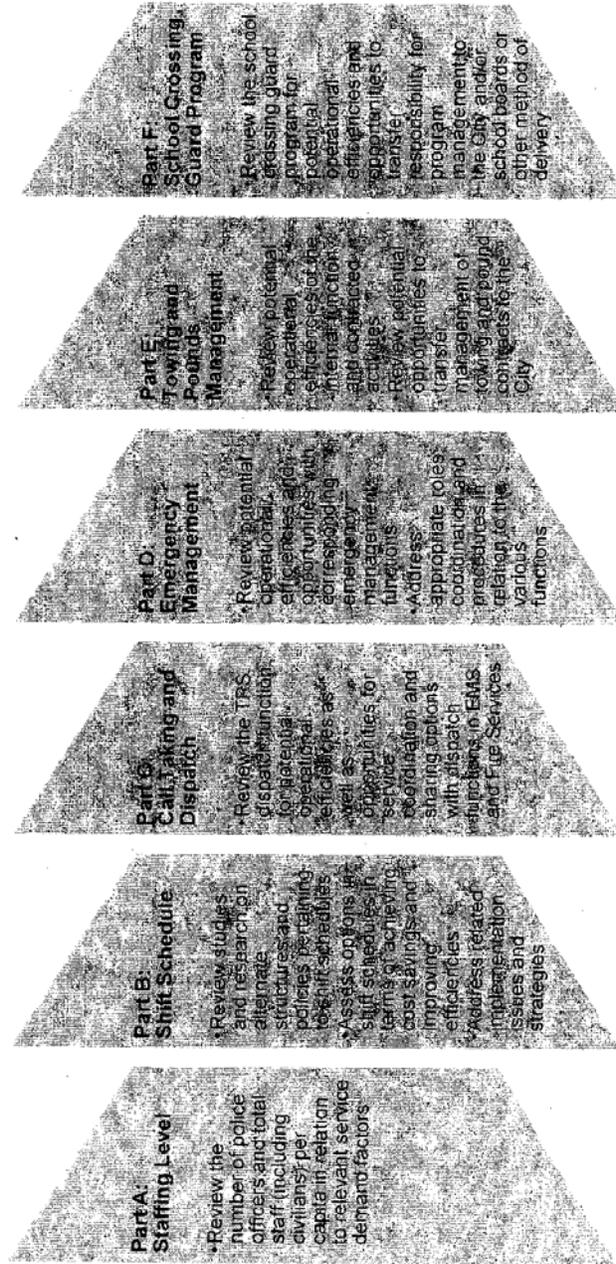
In July 2011, Ernst & Young LLP ("EY") was selected by the City of Toronto (the "City") (reporting to the City Manager) to conduct a service efficiency study with respect to certain operations of the Toronto Police Service ("TPS").

EY has prepared this final report (the "Final Report") pursuant to our engagement letter dated July 26, 2011 with the City of Toronto (the "Engagement Letter"). This Final Report provides the City Manager with our analysis for his consideration based on the information received and discussions held as of the date of this Final Report.

In preparing this Final Report, EY has been provided with and, in making comments herein, has relied upon unaudited financial information and projections prepared by the Toronto Police Service and discussions with representatives and management of the Toronto Police Service and the City. EY has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, EY expresses no opinion or other form of assurance in respect of such information contained in this Final Report. Some of the information referred to in this Final Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Readers are cautioned that, since these projections are based upon assumptions about future events and conditions, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

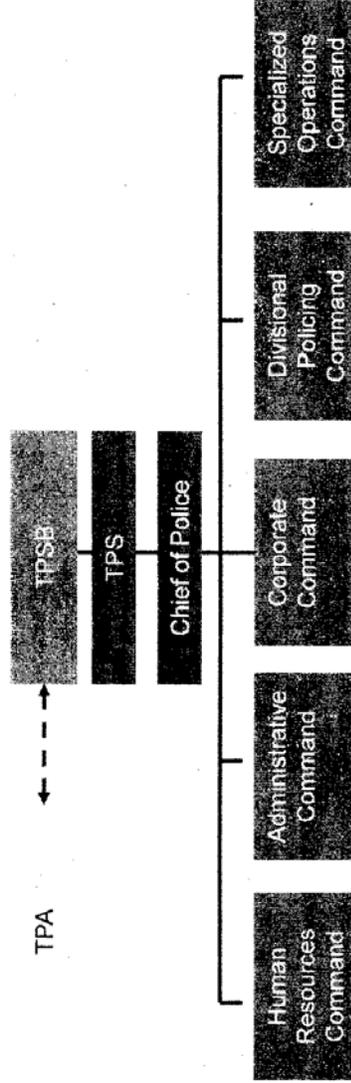
Executive Summary Scope

The scope of this Final Report is limited to the six areas of analysis which were identified by the City Manager pursuant to the terms of the Engagement Letter:



Executive Summary Organizational Chart¹

- As established by the *Police Services Act*, the Toronto Police Services Board ("TPSB") is responsible for the provision of adequate and effective police services in the municipality. The TPSB, in consultation with the Chief of Police, determines the priorities for police services and establishes policies for the effective management of the TPS. The TPSB negotiates collective bargaining agreements and labour contract issues with the Toronto Police Association ("TPA").
- The TPS is led by the Chief of Police and is organized into five specific Command areas: Human Resources Command, Administrative Command, Executive Command, Divisional Policing Command, and Specialized Operations Command. Each of these Command areas is led by a Deputy Chief, with the exception of Administrative Command, which is led by a civilian Chief Administrative Officer. The TPS is responsible for the operational execution of the policies set by the TPSB vis-à-vis the legislative requirements of the *Police Services Act*, other legislated requirements and the contractual commitments of the collective bargaining agreements.
- The TPA represents the interests of its members in collective bargaining and labour contract administration.



¹ Represents TPS' organization chart at the commencement of EY's engagement. EY understands that the TPS subsequently reorganized some of its divisions, effective September 1, 2011.

Executive Summary Police Services Act

- ▶ The *Police Services Act* ("PSA") is provincial legislation that governs the conduct of police officers in Ontario. The TPS' operational and governance framework is based on the PSA.
- ▶ The PSA states that in providing adequate and effective police services, a municipality shall be responsible for providing all the infrastructure and administration necessary for providing such services.
- ▶ TPS needs to maintain a "level of strength" (i.e. staffing level) on a daily basis to achieve the following five key areas of police service under the PSA:
 - ▶ Crime prevention;
 - ▶ Law enforcement;
 - ▶ Assistance to victims of crime;
 - ▶ Public order maintenance; and
 - ▶ Emergency response.
- ▶ The cost of certain TPS sworn officers is shared, to varying extents, with the Province on the condition that uniform establishment is maintained at a contractually agreed level².
- ▶ A reduction in force complement other than through attrition is subject to the approval of the Ontario Civilian Police Commission pursuant to the PSA.

² TPS 2011 Environmental Scan.

Executive Summary Summary of Opportunities Identified

The following service efficiency opportunities were identified by EY as part of our analysis:

Ref. #	Service Efficiency Opportunity	First Budget Year Impact	Barrier	Potential benefit ³	Page #
2	Staffing Levels: Call handling time	2015	Collective bargaining agreements	up to \$35.1 million	40
4	Staffing Level: Span of control analysis	2013	Collective bargaining agreements	up to \$2.2 million	49
6	Call Taking and Dispatch: Consolidating dispatch desks	2013	Collective bargaining agreements	\$500k to \$650k	66
	Total			up to \$35.3 million	

The opportunities identified in the Executive Summary are described in greater detail later in this Final Report. These opportunities represent the result of the analysis which EY was able to complete in accordance with the scope of this engagement and subject to the limitations outlined earlier in this Final Report. The opportunities noted herein have been identified for the City Manager's review and consideration.

³ Estimated savings before accounting for applicable benefits and restructuring costs.

Executive Summary Summary of Key Recommendations

Potential Opportunities:

1. Any discussion which the City may wish to have with the TPSB and the Chief of Police should include due consideration of the level of police service required by the City as any reduction in police staff may have an impact on the level of service to the City. Such an analysis was outside of the scope of this Final Report; therefore, the analysis in this Final Report was based on assumption that the TPS would continue to provide the same level of service to the City of Toronto.
2. The City may wish to consider discussing some or all of the following opportunities with the TPSB and the Chief of Police:
 - a) If the TPS were to adopt a staffing model in which 40% of a front line officer's time was spent on proactive policing, then based on an analysis of the number of calls handled by officers (reactive time) during 2010/2011 TPS could potentially reduce the complement of officers by 105 to 115 officers resulting in annual savings of between \$9 to \$10 million;
 - b) If the collective bargaining agreements (collectively, the "CBA") could be renegotiated (expiry in 2014) to change the shift schedule for front line officers from a 10-10-8 shift schedule (28 hours per day, including four hours of overlap) to an 8-8-8 shift schedule (24 hours per day) and assuming a proactive policing rate of 40%, then TPS could potentially reduce the complement of front-line officers by approximately 300 officers resulting in annual savings of up to \$25 million. On this basis, TPS could realize an additional \$10 million in shift schedule cost savings if the balance of officers currently on the 10-10-8 shift schedule were (in addition to the foregoing front-line officers) moved to an 8-8-8 shift schedule;
 - c) TPS has moved to civilianize certain positions occupied by police officers, and there appears to be additional roles which need to be reviewed in further detail to determine whether further civilianization is possible. Based on the analysis detailed herein, there may be as many 227 positions which could be civilianized. This could lead to annual savings up to \$3.7 million based on the difference in the average wage of a police officer and a civilian employee at TPS;

Executive Summary Summary of Key Recommendations (Continued)

Potential Opportunities (continued):

- d) A span of control analysis is a technique for determining the number of supervisors which may be required. Based on the span of control analysis for the 17 divisions of the TPS, there were 7 divisions which appeared to have more supervisors than may be required and if the number of supervisors were brought in line with the study benchmark, then the potential savings would be approximately \$2.2 million per year;
- e) On average, call taking staff answer emergency calls within 2 seconds and non-emergency calls within 7 seconds. Based on our analysis of call volumes and TPS maintaining an emergency service level benchmark of 90% within 10 seconds waiting as a minimum standard for all calls, the number of call taking staff could be reduced with annual savings up to \$400,000. This will result in longer wait times for 911 callers and the City may not wish to pursue this opportunity; and
- f) Call dispatch staff for four divisions consistently handle less calls on average than the other divisional call dispatch staff. There may be an opportunity to consolidate the dispatch desks for these divisions with potential annual savings of \$650,000.

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TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

**#P4. CITY OF TORONTO COUNCIL MOTION – CHIEF’S ASSESSMENT OF
THE TORONTO POLICE SERVICE**

The Board was in receipt of the following report January 06, 2012 from Alok Mukherjee, Chair:

Subject: CITY OF TORONTO COUNCIL MOTION – CHIEF’S ASSESSMENT OF THE
TORONTO POLICE SERVICE

Recommendation:

It is recommended that the Board receive City Council’s motion and give consideration to the motion at the time that the Board considers the proposed Terms of Reference for the assessment of the Toronto Police Service which is being conducted by the Chief of Police.

Financial Implications:

There are no financial implications arising from the Board’s consideration of this report.

Background/Purpose:

At its meeting on September 14, 2011, the Board considered a City of Toronto Council motion requesting that the Board examine the feasibility of a formal review of civilian and police complement (Min. P236/11 refers). The Board determined that, in light of the fact that an internal review has already been undertaken and the external review by Ernst and Young was underway, the Board should not expend resources at this time on an additional study of the staffing complement. The Board communicated this decision to the City of Toronto’s Executive Committee on October 5, 2011.

Discussion:

City Council, at its meeting on November 29, 30 and December 1, 2011, considered the Board’s decision with respect to the feasibility of a formal review of staff complement and, in so doing, adopted the following:

City Council request the Toronto Police Services Board to ensure its planned organizational review be independent and include findings and recommendations on police staffing and deployment, including reference to international best practices and benchmarks used to establish Toronto Police Services staffing levels and deployment strategy.

Board Members will recall that, at its meeting on October 20, 2011 (Min. 257/11 refers), the Board approved the following recommendation:

the Chief of Police, in consultation with the Board, develop terms of reference and a selection process to engage an external consultant to conduct an assessment of the Toronto Police Service to help identify opportunities for additional budget reductions that could be achieved in 2013, in order to meet the remaining 2012 budget reduction target;

In my view, it is appropriate that the Board consider the City's motion at the same time that the Board considers the proposed terms of reference for the upcoming assessment of the Toronto Police Service.

Conclusion:

I recommend that the Board receive Council's motion and give consideration to it at the same time that the Board considers the proposed Terms of Reference for the assessment of the Toronto Police Service which is being conducted by the Chief of Police.

The Board approved the foregoing report.



Ulli S. Watkiss
City Clerk

City Clerk's Office

Secretariat
Marilyn Toft
Council Secretariat Support
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web: www.toronto.ca

In reply please quote:
Ref.: 11-EX12.16

December 6, 2011

Dr. Alok Mukherjee, Chair
Toronto Police Services Board
40 College Street
Toronto, Ontario
M5G 2J3



Dear Dr. Mukherjee:

**Subject: Executive Committee Item 12.16
Toronto Police Services Board – Feasibility of Staffing Review17**

City Council on November 29, 30 and December 1, 2011, adopted this Item, and in so doing, has requested the Toronto Police Services Board to ensure its planned organizational review be independent and include findings and recommendations on police staffing and deployment, including reference to international best practices and benchmarks used to establish Toronto Police Service staffing levels and deployment strategy.

Yours truly,

for City Clerk

M. Toft/sb

Attachment

Sent to: Chair, Toronto Police Services Board
Peter Clarke


TORONTO Committee Report
Report Item

Considered by City Council on
November 29, 2011
November 30, 2011
December 1, 2011

Executive Committee

EX12.16		Adopted on Consent		
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Toronto Police Services Board – Feasibility of Staffing Review

City Council Decision

City Council on November 29, 30 and December 1, 2011, adopted the following:

1. City Council request the Toronto Police Services Board to ensure its planned organizational review be independent and include findings and recommendations on police staffing and deployment, including reference to international best practices and benchmarks used to establish Toronto Police Service staffing levels and deployment strategy.

Committee Recommendations

The Executive Committee recommends that City Council request the Toronto Police Services Board to ensure its planned organizational review be independent and include findings and recommendations on police staffing and deployment, including reference to international best practices and benchmarks used to establish Toronto Police Service staffing levels and deployment strategy.

Origin

(October 5, 2011) Letter from Chair, Toronto Police Services Board

Summary

The purpose of this report is to provide the Executive Committee with the Toronto Police Services Board's response to City Council regarding the feasibility of a staffing review

Background Information (Committee)

(October 5, 2011) Report from the Chair, Toronto Police Services Board on the Toronto Police Services Board - Feasibility of Staffing Review
(<http://www.toronto.ca/eqdocs/mmis/2011/ex/bqrd/backgroundfile-41866.pdf>)

Communications (Committee)

(October 28, 2011) E-mail from Peter Clarke (EX.Main.EX12.16.1)

Declared Interests (Committee)

The following member(s) declared an interest:

Councillor Norman Kelly - Spouse is a civilian employee of the Toronto Police Service.

Declared Interests (City Council)

The following member(s) declared an interest:

Councillor Norman Kelly - as his spouse is a civilian employee of the Toronto Police Service.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
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**#P5. REVIEW OF OPTIONS FOR DIVESTING THE PAYROLL FUNCTION
AT THE TORONTO POLICE SERVICE**

The Board was in receipt of the following report January 05, 2012 from William Blair, Chief of Police:

Subject: REVIEW OF OPTIONS FOR DIVESTING THE PAYROLL FUNCTION AT
THE TORONTO POLICE SERVICE

Recommendation:

It is recommended that the Board receive this report.

Financial Implications:

There are no financial implications resulting from the recommendation contained in this report.

Background/Purpose:

At its September 14, 2011 Board meeting (Min. No. P229/11 refers), the Board approved a report from the Board Chair outlining a number of measures to be considered “in order to achieve the budget target for the 2012 Toronto Police Service operating budget.” One of the measures related to the potential divestiture of the payroll services function. Specifically, it stated:

“Use of Alternative Business Practices

3(g) The Chief report to the Board within two months on the options for divesting the payroll function, or parts of this function, such as transferring the function to the City or contracting out to another provider, with a cost-benefit analysis and an implementation plan beginning in the 2012 budget cycle.”

The Board approved an extension for the submission of this report at its December 2011 meeting.

The purpose of this report is to provide the Board with:

- information on the definition of shared services and outsourcing;
- a high level outline of the units involved in the payroll process and their responsibilities;
- the payroll administration and processing responsibilities of the Service’s Payroll Services Unit;
- the options available to the Board related to payroll and human resource functions;

- the implications/costs/benefits of each option; and
- the overall impact of divesting any portion of the payroll services on the Service and its members.

Discussion:

In conducting this review and reporting to the Board, it is important that the terms “shared services” and “outsourcing” are clearly understood, along with the possible implications of each. In addition, the Board has been provided with a high level process flow documenting all units within the Service that are involved in the payroll process and the activities that each contributes to members’ pay, so that board members have a good understanding of the overall payroll process. The costs, benefits and implications of the various options, from both a qualitative and quantitative perspective have also been provided to the extent they were available.

Shared Services and Outsourcing Defined

(a) Shared services

Shared services involves centralizing administrative services that are performed in separate divisions or locations. The Toronto Police Service can be seen as already following this business strategy as all the current administrative functions are centralized within Administrative and Corporate Services commands.

There are benefits to the shared services model. Organizations that implement shared services enjoy significant cost savings through standardized and improved business practices and by creating economies of scale. In addition, the model enables technology investment and eliminates the “silo” approach to administrative business processes. Finally, although business units relinquish control of administrative functions, the controls remain within the same organization, ensuring that the mission and vision of the organization continues to be followed.

There are, however, potential drawbacks to the shared services model. For instance, switching to a shared service model often requires that organizations hire new individuals with the appropriate skill set to operate in the new environment. In addition, new technology must often be installed in order to standardize existing technologies and support increased volumes of transactions. Finally, implementing shared services can take considerable time. Many organizations report that, depending on certain factors, implementation can take well beyond a year, and more likely a number of years depending on the complexity and scale of the operations and systems.

(b) Outsourcing

Outsourcing is the concept of subcontracting out the non-core activities of a business to an outside organization specializing in such services. The main focus of outsourcing is to reduce the expenses associated with managing non-core activities, while delivering the same or better level of service. In a profit oriented organization, increasing revenue and enhancing profitability are two main drivers to outsourcing administrative functions.

Similar to the shared services model, outsourcing has both advantages and disadvantages. Outsourcing companies provide worry-free services that are flexible to the requirements of their customers, provide efficient business processes relating to the administrative functions being performed for the customer organization, and allow for access to any information required based on the customer needs.

However, the aforementioned deliverables and the extent and level of service requested all come at a cost. Further, the ability to quickly adapt to customer business environment changes could result in quality problems with the work performed. In addition, since the outsourcing organization is not driven by the same standards and mission as the customer, managerial control will be lost and a significant threat to security and confidentiality exists. Many outsourcing organizations perform basic customer requirements at a reasonable cost. However, additional hidden costs often exist where contract specifics are not laid out completely. When outsourcing any function, an organization may lose control over the quality and reliability of the services provided to its members. Finally, the customer is tied to the financial well-being of an external business which puts the continuity of business processes at risk.

The relationship with outsourcing providers is a unique one. They are not employees, but essentially perform the work that employees do and are involved in the day to day operations, depending on the extent that administrative work is outsourced. Outsourcing relationships are successful only if organizations recognize that a clearly defined relationship-management methodology and service level agreement exist, and that effective tools are in place, including appropriate staffing, to manage the outside vendor. Therefore, depending on the extent to which administration is outsourced, one type of employee is merely exchanged with another whose role it is to manage the relationship between the organization and the outsourcing provider.

Phases of the Payroll Process

Although the focus of this report is the divestment of the payroll function, it is important to note that the payroll management process consists of three separate phases:

- (i) Employee data management (Human Resources);
- (ii) Time management and administration (Operational Units); and
- (iii) Payroll administration and processing (Financial Management).

There are a number of different operational units and systems involved in the payroll process that ultimately leads to the payment of salaries and wages to members of the Toronto Police Service:

- (i) Employee data management – managed by Human Resources
 - Responsible for the entire recruiting and hiring process
 - First point of contact for new members and members promoted to new opportunities
 - Responsible for the initial data entry of job data information into the PeopleSoft Human Resource Information System (HRIS)
 - Responsible for job sharing, leaves, separations and retirements and salary increases

- Responsible for job data changes relating to a member's career movement and associated benefit management and changes
 - Responsible for all compensation and time banks available to members, such as vacation, lieu time and sick banks
- (ii) Time management and administration - managed by operational units
- Responsible for daily management of member time, through data entry and approval into the Time and Resource System (TRMS)
 - Responsible for assignment of officers to paid duties and for time entry related to the hours worked on such duties in TRMS
 - Data entered by operational units is transported to the HRIS and considered exceptions to regular pay that results in an increase or decrease to regular earnings
- (iii) Payroll administration and processing - Financial Management
- Responsible for all payroll adjustments, retroactive calculations and manual processes involved in the payment process
 - Role includes payroll adjustments, garnishment administration, maintenance of direct deposit information and job data reports
 - Responsible for the bi-weekly system processes that transport TRMS information into HRIS, create payroll calculation environment and finalize payroll confirmation and run processes that generate the payroll file, government filings, reporting (T4's, Salary filings, Statistics Canada filings) and remittances, bank transfer documents and financial system (SAP) entries to record payroll in the book of accounts
- (iv) Systems Enhancements and Support
- Human Resources is responsible for the operation and development of the HRIS and the TRMS, overseeing the implementation of business processes, enhancements and upgrades associated with these systems
 - The Information Systems Services area of Information Technology Services is responsible for the support and maintenance of the HRIS and TRMS
 - The City of Toronto is responsible for the support and maintenance of the financial management system (SAP)

The current collective agreements stipulate that all members will be paid up to and including the pay period ending date. As a result, Service systems and business processes are developed to allow for a "forecasted pay" environment. Essentially, all full-time and qualified temporary members are paid their bi-weekly salary based on HRIS job data information. The bi-weekly TRMS entries are transported into the HRIS, creating system adjustments that add to or decrease the bi-weekly regular salary. These hours are transported, into the HRIS, two business days prior to the payroll confirmation and run, but relate to the two week time period that is two weeks prior to the pay date.

In addition to data entered at the unit level, changes to business rules and system changes can generate payroll adjustments from TRMS that are reflected in adjusted pay to members.

Job data changes are the responsibility of Human Resources and can also alter an individual's pay. The following are the most common types of job status changes that, when entered after the effective pay period is completed, result in a requirement for the Payroll unit to calculate and enter payroll adjustments:

- entries or changes of pay rates resulting from promotions, transfers and reclassifications;
- entry of leave periods (maternity, paternity, long term sick), Workers Compensation and Central Sick bank approvals;
- retirements or separations;
- grievance, arbitration or tribunal related results; and
- collective agreement changes or ratifications.

Payroll administration is performed by the Payroll Services unit which is comprised of 12 positions, including an Assistant Manager, and consists of a number of different tasks that lead up to actual processing responsibilities. Administration consists of readying the member's payroll information to incorporate the changes made at the unit level through time and attendance entries, and to pay-effect the job data changes made within other units of the Service and from third parties, including regulatory agencies. After the creation of the bi-weekly payroll and before the upload of timekeeping information, Payroll administration consists of the following tasks:

1. Review of job data changes as outlined on the daily audit report, system entries related to changes and calculation of retroactive pay adjustments. Job data status changes include hires, promotions, reclassifications and leaves.
2. Retroactive calculations related to contract, grievance, arbitration or other settlements. CPP disability, central sick bank payments, maternity and paternity leave top-ups, manual pay-sheets for non-qualified and part-time workers and Worker Safety and Insurance Board (WSIB) net to gross calculations.
3. Management of all taxable benefits such as vehicle allowance and parking.
4. Calculation and payment of allowances stipulated by the collective agreement, such as additional pays and deductions, deferred pay, job sharing, service pay, tuition fee reimbursement, transcription fees and tool allowance.
5. Management and administration of employee overpayments, garnishments and wage assignments.
6. Calculation of retirement or separation payout, including analysis of compressed work week entries, bank balances and year to date information, RRSP payments and correspondence to financial institutions.
7. Preparation of Records of Employment for all separated staff, including seasonal workers.
8. Bi-weekly statutory deduction reconciliation and remittances to the Canada Revenue Agency, Ministry of Revenue, Canada Savings Bonds, United Way and other third parties and monthly bank reconciliations for payroll direct deposit and cheque bank accounts.
9. Year end reporting requirements, which include T4 reconciliations and reporting for regular and paid duties, WSIB reporting, Public Sector Salary Disclosure, Year end calendars and schedules for close-out of payroll year, United Nations secondment and T4

changes, taxable benefit adjustments and preparation of year end liabilities related to payroll.

10. Communication to and enquiries from units and members relating to pay and tax information, along with external communication requirements for insurance claims, housing requests and Employment Insurance inquiries.

After the upload of time keeping information, the payroll team performs a high level review of TRMS adjustments, intended to identify any large or unusual amounts or situations that may impact a member's pay. For example, retroactive adjustments to timesheet information made at the unit level may negatively impact a job data adjustment made by the payroll group. The nature of the two transactions is reviewed and appropriate adjustments are made so that the member's pay is correct.

Payroll Services is also regularly involved in developing and testing system changes and reports that impact the payroll module of the HRIS. For example, the team played an integral part in the recent changes to Employee Self Service, which will produce hard cost savings for the organization, and also provide a qualitative customer service improvement for all members.

Complexity of the Payroll Process

Finalizing payroll at the Toronto Police Service is a relatively complex process, due to the following:

1. Number of collective agreements – the Service manages and administers eight collective agreements and one excluded group, each with its own unique clauses, many of which factor into the payroll process. In addition, part-time and non-qualified full time members are managed under the *Employment Standards Act*. Shift differentials, overtime, pay cycles and other variations are a regular concern.
2. Forecasted pay – All collective agreements require that members be paid up to and including the pay period ending date. As a result, payroll is administered and run two weeks prior to the actual pay date. Although job data changes are pay-effected retroactively, they must continue to be monitored in anticipation of changes made, between the time pay is run and actually paid to members, which could lead to overpayments.
3. Decentralization of certain aspects of the payroll process – although decentralization of timekeeping entries puts the accountability at the unit level, it also increases the risk that business rules are not applied consistently/correctly, increasing the number of adjustments required each pay. Interpretations, staff movement and training requirements add to the complexity of payroll exceptions.
4. Time period between time and attendance upload and payroll confirmation and run date – the payroll team has two business days to review uploaded time and attendance information in relation to pay-effected job data changes prior to confirming and running the payroll file. Discrepancies, anomalies or errors noted at this review stage must be confirmed and finalized very quickly in order to ensure that member pay is correct. This is particularly important where adjustments have significantly reduced a member's base

pay or negative pay has resulted (leaving a member with no pay and a potential overpayment situation).

5. Specialized process for paid duty earnings – the Service is responsible for integrating paid duty earnings made by officers into Service systems and reporting these earnings to the Canada Revenue Agency (CRA). In addition, the Service is moving towards implementing *Income Tax Act* requirements related to paid duty earnings and deductions at source. This second source of employment income is associated with different stakeholders and processes, but remains an integral part of the payroll process within the Service.

Payroll Benchmarking

In all business processes, efficiency is the key to success. In order to ensure the most efficient process, the Service must employ best business practices in order to achieve an optimal balance between the cost of payroll administration and the quality and level of service provided to its employees.

Payroll metrics measure specific statistics within an organization’s payroll process which determine the effectiveness of the payroll department and indicate possible areas for growth and process improvement.

In 1999, the Service engaged Deloitte Consulting to examine the business processes within Financial Management in order to identify opportunities for efficiencies. The Service was in the process of exploring time and labour systems to address management requirements, since the system in place at the time was no longer meeting the needs of the organization. The report provided benchmarks for the entire Financial Management Unit (including the payroll area), a high-level comparison of the financial management operations of comparable organizations and highlighted opportunities for improving operations.

At the time of that report, the payroll unit was managing over 200,000 payments per year, 10,000 T4 slips (including temporary members) and over 1,000 monthly enquiries from members (mainly for information requests).

Payroll specific metrics were as follows:

Metric	Toronto Police Service	Police Service Average	Global Average	Benchmark
Personnel cost/employee supported	\$96.20	\$122.43	\$105.74	
No. of employees supported per FTE	509	420	717	
Cost per pay	\$3.70	\$4.62	N/A	

The Police Service Average data is based on information provided by police services from across Canada: Calgary, Vancouver, Ottawa-Carleton, Peel and Durham. The Global Benchmark Average is an average based on data from organizations of various sizes and in various industries. The data above does not include the administration of paid duty reporting to the Canada Revenue Agency.

Deloitte Consulting recognized that the Toronto Police Service has a highly complex payroll structure. However, overall it concluded that the Service’s Payroll unit was operating at a higher level than the other police services and global benchmark average, and that TPS Payroll Services benefits from economies of scale. In fact, the consultants concluded that “*in comparison to other police organizations across the country, TPS is doing as well as, if not better, in many areas*”. Recommendations for improvements that were made by the external consultant related mainly to the technology utilized within the Service, rather than the processes and work performed directly by the Payroll unit.

The Hackett Group conducted a payroll performance study in 2009, which tabulated a number of payroll metrics for the organizations included in the study. The key metrics computed in that study are compared against those of the Toronto Police Service:

Metric	Toronto Police Service		Hackett Group
	2009	2010	
No. of employees supported per FTE	920	905	636
Total payroll cost per employee	\$72.64	\$86.78	\$117

The metrics for the Toronto Police Service are based on the actual staffing levels of one assistant manager and nine payroll staff and indicate that the Service’s Payroll unit is operating more efficiently than the organizations included in the study.

Payroll Administration and Processing at TPS

The benchmarking study conducted by Deloitte Consulting in 1999 showed that at the time, Payroll Services was more efficient than a number of comparable police agencies. Since this study was conducted, the Payroll unit has made a number of process improvements that have contributed to increased efficiency. In addition, the Payroll unit continues to meet its standards for timely and accurate pay and legislative filings, while involved in a number of specialized projects (Employee Self Service) and audits (Canada Revenue Agency and Ministry of Revenue – Employer Health Tax division).

The current budget for the Payroll Services is included in the total Financial Management unit budget. For 2011, Payroll Services has a budget of \$1.02M. The approved complement for Payroll Services consists of an assistant manager and 11 staff; actual strength is currently one assistant manager and eight staff.

It is important to remember that there are a number of areas within the Service that contribute to the payroll function. As a result, in reviewing any option for divestment, consideration must be given to the costs that will continue to be incurred.

Shared services with the City of Toronto

Although the payroll unit at TPS already performs a centralized payroll administration and processing function, another option for further cost efficiency is to incorporate a shared services model with the City of Toronto (City). The City Benefits, Pension and Payroll division is already responsible for the administration and payroll for approximately 35,000 individuals that work for City departments. However, any potential movement of TPS payroll to the City will require that consideration be given to a number of different factors:

1. There would be an interdepartmental charge from the City to cover the cost of providing payroll services to TPS.
2. The Service is a separate business entity for legislative and statutory reporting. Although the TPS falls under the City umbrella, T4 and T4(A) filings, payroll and Employer Health Tax remittances are computed and paid separately into the TPS' own account.
3. TPS is considered an essential service, with no ability to strike to settle labour matters. The City of Toronto is not considered an essential service. Therefore, labour disruptions may impact the processing of payroll for TPS members.
4. TPS staff is required to submit to a full background investigation prior to being employed by the Service. There could be potential issues with City of Toronto staff agreeing and submitting to full background checks. These checks would be required as they would have access to Police payroll records.
5. The Service and City have business processes which differ greatly from one another. For example, as mentioned previously, the Service runs a forecasted payroll, up to and including the pay period ending date that members are paid. On the other hand, the City runs a deferred payroll for most of its employees, where the pay period ending for employees is approximately two weeks prior to the actual pay date. The uniqueness of the Service payroll compared to the City requires that very different business and administration processes exist for each.
6. Separate systems are used for time and attendance in each of the organizations. As noted previously, time and attendance at TPS is captured in an Oracle product (TRMS), while payroll is administered and run in a PeopleSoft product (HRIS). On the other hand, the City has several time and attendance systems, while payroll is administered and calculated in the SAP system.
7. At TPS, each payroll coordinator is assigned a distribution of members covered by all collective agreements. As a result, all coordinators are knowledgeable of the unique payroll issues confronting each group. The best possible quality customer service can be provided as any member of the payroll team at TPS can respond to all general and most specific pay enquiries. A significant learning curve would exist if payroll services were managed by City staff.

Consistent with the downside of shared services noted previously in this report, a significant period of time and potential cost would be required to move the payroll administration and processing for TPS to the City of Toronto. As with any IT project, system coordination and interfaces require design, development, testing and training, along with potential new hardware requirements. Work distribution, knowledge transfer and training are all part of the business process design that will accompany the shift of responsibilities. Finally, part of the business process reassessment would include relationship management, a new business requirement that may in fact necessitate a new type of employee.

The possibility of shared services with the City was discussed with the Director, Benefits, Pensions and Payroll. As a result of the KPMG efficiency report, the City Manager recommended that shared services in the payroll area be examined. The following is documented in Appendix E – KPMG Opportunities related to Service Efficiencies:

“Item 59: Pension Payroll and Employee Benefits

KPMG Opportunity: Consider shared service or outsourcing Payroll for divisions and ABC’s

Implications: Requires cost benefit analysis. Complex payroll environment will require increased level of co-ordination and potential system changes. Significant customization to accommodate scheduling, interfaces and collective agreement rules and requirements. Outsourcing would require a vendor to customize a system with City requirements in addition to ability for updating information after each round of bargaining which may result in a significant capital investment and lead to manual processes to be handled by internal City staff. Outsourcing may result in loss of master data and loss of integration with other City systems.

Recommended Action: Request the City Manager to review the remaining efficiency related opportunities as set out in Appendix E, to determine whether and in what manner implementation is appropriate through the 2012, 2013 and 2014 operating budget.”

In 2012, the City will be initiating a due diligence analysis which examines the feasibility of sharing payroll services with agencies, boards and commissions that form part of the entire City of Toronto organization. The Service will participate in this review by providing information about our business processes, payroll complexities and technical specifics that will assist in determining whether a shared service environment is possible and what changes are required to achieve this.

Outsourcing the Gross to Net Calculation (Payroll Processing Function)

The majority of the work performed in Payroll Services relates to administration leading up to the actual payroll confirmation and run (processing function). The following tasks are incorporated in the payroll processing function:

1. Creation of bi-weekly paysheets in the Payroll System (establishing the “pay”)
2. Upload of time and attendance information
3. Payroll confirmation
4. Pay run
5. Interface and report creation (for pay files, bank transfers and data upload into the financial system)
6. Tax filings with statutory bodies and remittance preparation, including benefit premiums to insurance carriers.

The above tasks, integral to the completion of each payroll cycle, are performed over a three day period by two Payroll Supervisors and one Payroll Reconciliations Coordinator.

One option for the Service is to outsource these duties, commonly called the “gross to net calculation”. All payroll administration tasks would continue to be performed by Service employees. Just prior to the pay run, timekeeping data and the pay-effected job data changes would be sent to the outsourcing provider, where the information is used to finalize and run Service payroll. With this option, the payroll processing duties are considered “basic” payroll services provided by outsourcing agencies and can cost anywhere from \$4 to \$9 per employee per pay. Therefore, the cost of outsourcing the gross to net payroll processing function assuming 9,000 employees per pay and 26 pay periods would range from \$0.93M to \$2.1M. For the TPS, the cost would very likely be to the higher end of the range, due to the complexity of the Service’s payroll process. Additional service fees would apply for adding or dropping employees, changing employee information or for setting up accounts if these tasks are performed by the outsourcing provider rather than Service staff.

It is important to note that, even if the payroll “gross to net” calculation could be outsourced, the Service would still need to retain most of its current Payroll complement to perform the necessary activities leading up to the “gross to net” calculation as well as to address issues or concerns following the pay run.

Outsourcing the gross to net calculation essentially means that private employee and payroll information (such as addresses, bank account information, etc.) is maintained at an outside provider. The return of details, either on a regular basis, or as a report as required, would result in an additional cost as typical contracts for basic services would not cover such provisions. The confidentiality of employee data must be considered as employees of outsourcing agencies are typically more transient than Service employees are. This could lead to a potential issue with respect to employees being hired by the outsourcing provider without being background checked, creating a potential risk to the Service. Timing is also a consideration. Currently, the TPS payroll unit reviews uploaded timekeeping information for discrepancies and anomalies over two business days, with the payroll run function at the end of the second day. On average, outsourcing agencies require at least 48 hours to simply run the files provided by the client and be ready to provide direct deposit and filing information. Finally, customer service can be impacted if pay data information must be exchanged by Service staff and the outsourcing provider in order to completely respond to a member inquiry.

Even when an organization subcontracts the payroll processing function, the employee information must still be managed and often, that management is more expensive than the cost of the subcontracted duties. In fact, the activities performed prior to the actual processing may cost between four and five times more than the simple processing task. In a CMA Magazine article about a Payroll Benchmarking study performed by Hugues Boivert, the author indicates that 83% of the cost of the payroll management process is incurred prior to the actual processing of payroll.

Full Service outsourcing

In order to determine the true benefits of outsourcing the payroll function, the entire payroll management process must be examined for possible outsourcing. Without the proper collection and processing of employee data used to compute and determine pay and source deductions, payroll processing can not be completed accurately and on a timely basis. Organizations cannot be compared as data preparation practices differ substantially. The payroll computation and source deduction processing procedures are relatively standardized from organization to organization; the practices to collect, maintain and upkeep the information required by organizations to perform that task are quite diverse.

The Service has already gained significant efficiencies with the implementation of an integrated human resource and payroll system, which allows for information sharing amongst a number of units and between business processes. Therefore, the act of moving payroll processing out of one system into another, defeats the very purpose of an integrated system.

Conclusion:

In response to the Board's request at its September 14, 2011 meeting, this report provides the Board with information on the outsourcing of payroll or developing a shared service relationship with the City of Toronto.

The processing of employee pay is a critical function in any organization. In deciding whether the payroll services can be outsourced or moved to a shared services model, the complexity of collective agreements, security, and the quality and efficiency of the payroll and related services must all be considered in addition to the cost of providing those services.

Our review of this matter did not identify any significant benefits to outsourcing any portion of the payroll function. The payroll metrics included in this report indicate that the Service is already very efficient relative to other organizations. In addition, the potential cost of outsourcing even just the basic payroll (gross to net) portion exceeds the total current cost of the payroll unit and would still require that most of the payroll complement be retained. In terms of moving to a shared services model with the City of Toronto, a number of issues would have to be addressed and various factors, including cost, considered.

Finally, it is important to note that, in 2012, the City will be exploring opportunities for shared services or outsourcing of payroll for divisions and ABC's. The Service will be participating in that review.

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command, will be in attendance to answer any questions the Board may have regarding this report.

The Board approved the following Motion:

THAT the Board refer the foregoing report to the Chair for further analysis and report back to the Board and the City to consider during the review for shared services or outsourcing of payroll for Divisions and ABCs.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

**#P6. ANALYSIS OF THE NUMBER OF SPECIAL INVESTIGATIONS UNIT
INVESTIGATIONS THAT COMMENCED IN 2011 COMPARED TO 2010
AND 2009**

The Board was in receipt of the following report December 05, 2011 from William Blair, Chief of Police:

Subject: REASONS FOR THE INCREASE IN THE NUMBER OF NEW SPECIAL INVESTIGATIONS UNIT INVESTIGATIONS THAT HAVE RECENTLY COMMENCED

Recommendation:

It is recommended that the Board receive the following report.

Financial Implications:

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

Background/Purpose:

At its confidential meeting held on October 20, 2011, the Board requested that the Chief provide a report to the Board on whether or not the Service has identified any reasons for the increase in the number of new Special Investigations Unit (SIU) investigations that have recently commenced (Min. No. C316/11 refers).

Response:

Despite the appearance that new SIU investigations have increased, they have in fact decreased. As of November 30, 2011, the Service had entered into 58 new SIU investigations in 2011. This is a 12.1% decrease from the 66 that had been commenced by the same point last year and a 17.1% decrease from the 70 investigations commenced by the end of November in 2009.

Despite the decrease in cases, Professional Standards has maintained a proactive approach with members of the Service.

The two Detective Sergeants assigned to the Service's SIU Liaison section continue to lecture at the Toronto Police College on the Supervisory Leadership courses, the Advanced Leadership course and to the recruits in training about current topics within SIU investigations. These officers also attend and speak to the platoons when requested.

The SIU Liaison section officers are also part of the Service's Use of Force committee and update the committee on use of force issues identified in the Chief's administrative investigation of all SIU matters.

Commencing in early 2012, members of the Investigative Unit of Professional Standards will be attending all 5 platoons at every Division within the City to speak about current Professional Standards topics and areas where members have committed misconduct. This risk management initiative is being completed with the intent to reduce and prevent the incidence of inappropriate conduct.

The table below shows the SIU classification of the investigations commenced between January 1 and November 30 in the years 2009 through 2011:

SIU CLASSIFICATION	2009	2010	2011
Custody Injury	48	48	34
Custody Death	5	4	5
Firearm Injury	2	1	5
Firearm Death	0	4	2
Vehicle Injury	8	1	2
Vehicle Death	0	1	0
Sexual Assault	7	7	10
TOTAL	70	66	58

Conclusion:

In summary, new SIU investigations in 2011 have decreased over the number of investigations commenced in 2010 and 2009.

Deputy Chief Mike Federico, Corporate Command, will be in attendance to answer any questions the Board may have regarding this report.

The Board received the foregoing report.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

**#P7. ANALYSIS OF THE NUMBER OF CIVIL ACTIONS THAT
COMMENCED IN 2011 COMPARED TO 2010**

The Board was in receipt of the following report December 07, 2011 from William Blair, Chief of Police:

Subject: ANALYSIS OF CIVIL ACTIONS RECEIVED IN 2011 COMPARED TO 2010

Recommendation:

It is recommended that the Board receive the following report.

Financial Implications:

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

Background/Purpose:

At its confidential meeting on October 20, 2011, the Board considered a report from the Chief of Police entitled: "*Monthly Report: New Civil Actions: October 2011*", following consideration of this report the Board requested:

That the Chief provide the Board on whether or not the Service has identified any reasons for the increase in the number of new claims that have been filed recently involving the Board and the Service members (Min. No. C315/11 refers).

Discussion:

In response to the Board's motion, Legal Services conducted a review of all new civil claims received for the period of January 1, 2011 to December 7, 2011. For comparison purposes, a review was also conducted of all new claims received for the same period in 2010.

During the period of January 1, 2011 to December 7, 2011, Legal Services received ninety-four (94) new civil action claims. In comparison, ninety-seven (97) new claims were received during this same period in 2010.

G20 incidents have not been included in the totals as the G20 summit was an anomaly. However, for the Board's information eleven (11) new claims were received in 2011 and ten (10) new claims were received in 2010 for G20 related incidents.

Although 2011 has not seen an increase in the number of new claims received over last year, there was an increase in the number of claims received in October and November compared to September. Nothing can be attributed to this increase.

For the information of the Board, the below table provides a monthly breakdown of new claims received during the period of January 1 to December 7 for 2010 and 2011. This table does not include G20 related claims.

	2010	2011
January	2	9
February	10	7
March	11	4
April	16	8
May	9	8
June	17	8
July	14	14
August	2	9
September	4	5
October	6	10
November	4	12
December	2	0
Total	97	94

Conclusion:

In summary, there has not been an increase in the number of new civil claims received by Legal Services between January 1 and December 7, 2011, over the same period last year.

Deputy Chief Mike Federico, Corporate Command, will be in attendance to answer any questions that the Board may have regarding this report.

The Board received the foregoing report.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

**#P8. EMPLOYEE AND FAMILY ASSISTANCE PROVIDER CONTRACT –
ONE YEAR EXTENSION**

The Board was in receipt of the following report December 28, 2011 from William Blair, Chief of Police:

Subject: EMPLOYEE AND FAMILY ASSISTANCE PROVIDER CONTRACT - ONE
YEAR EXTENSION

Recommendation:

It is recommended that the Board approve the one year option to extend the current contract with Homewood Human Solutions (HHS), formerly known as, Homewood Employee Health, to provide Employee and Family Assistance Program (EFAP) services to members of the Toronto Police Service and their families, for one year commencing June 1, 2012 and ending May 31, 2013.

Financial Implications:

The estimated cost for the one year extension is approximately \$418,000, which is included in the Service's 2012 Operating Budget.

Background/Purpose:

Prior to June 1, 2010, the Service initiated a review of its internal Employee & Family Assistance Program. The program was found to have significant confidence issues as demonstrated by a low member utilization rate of less than 8%. The normative average within the police sector is 12.53%. A Request for Proposal (RFP) for an external program provider resulted in the receipt of four (4) bids. The successful bid was Homewood, now Homewood Human Solutions, which included a much more comprehensive program offering than the other bidders (Min. No. P67/10 refers.)

The externally provided program commenced on June 1, 2010, for a period of two years concluding on May 31, 2012, but the original proposal and contract provides for an option for a one year extension at the discretion of the Board. The extension, if approved, will be on the same terms as the initial two years.

Discussion:

Since engaging HHS as the external EFAP provider, the member utilization rate has risen dramatically. At the end of August 31, 2011, EFAP as provided through HHS was at an annualized utilisation rate of 11.29%.

The cornerstone of any successful EFAP service is client confidentiality. No program can achieve a significant utilization rate without maintaining the integrity of the personal data obtained in the course of business. Customer or client service is the second most important facet of a successful program.

HHS is one of the largest EFAP providers in the country. As a result, it offers program support in many languages, multiple locations inside and outside the province of Ontario, multiple modes of delivery including face-to-face, telephone counselling and Internet delivery, and it provides learning packages and monthly support initiatives available to all clients.

HHS is also very quick and very thorough in investigating and responding to client complaints by individuals or by the Service. Any issues that become apparent and require further investigation, the member must provide both HHS and the Service consent to have the ability to discuss any issue that may require assistance and/or resolution, if necessary.

The EFAP Committee that oversees the EFAP is provided quarterly reports with compiled statistics and usage indicators in order to determine trends and patterns, and to assist in guiding the program to be most responsive to our member needs. The indicators that are tracked have no individual identifying characteristics. Indicators can be added or deleted, as deemed appropriate by analysis of the trends.

HHS also provides critical incident response and peer support volunteer training assistance for the employee peer support program. Peer support volunteers, who are trained Service members, attend on-site at units to provide members with immediate support after a critical incident has occurred in the workplace in the performance of their duties. These are known as defusing sessions and occur prior to the completion of the shift on the day of the critical incident. These sessions are intended to provide an affected member with the necessary support to understand and cope with normal emotional outcomes until a proper debriefing by a mental health professional can be scheduled after the event. The debriefings are always led by a professional from HHS or a staff psychologist.

One example of the effectiveness and efficiency of the new externally provided program occurred in January and February 2011, in circumstances arising from the tragic workplace fatality of Sergeant Ryan Russell in January 2011. Over the two-week period immediately after the officer's passing, the HHS Critical Incident Response Team responded and facilitated 20 grief and debriefing sessions which benefited all our members, including senior officers and front line personnel, during this time of distress. Prior to contracting with HHS, the Service could not respond with that level of member support.

HHS provides further support to the membership by including supervisory training and now offers educational sessions in a 24/7 e-learning format, which is much further reaching than EFAP training support was in the past.

Based on feedback through voluntary, anonymous HHS Client Counselling Surveys, asking about the “Overall Satisfaction with EFAP”; the program received an average score of 91.2%. This is a survey completed by the membership itself.

The HHS EFAP continues to evolve and expand its capacity for training, support and services. The one year extension is already provided for in the original proposal, on the same terms and costs as the previous two years.

Given the success of the new program to date, which continues to evolve based on identified needs and trends, and the extremely positive working relationship between HHS and the Service, it is anticipated that HHS can best continue to assist the Service to further advance and expand this program without additional cost, and without risking loss of its current positive momentum. Extension of the present contract locks in the cost, which has already been included in the 2012 approved budget.

Conclusion:

The current agreement with HHS which concludes on May 31, 2012, includes an option for extension for an additional one year period. With the engagement of HHS as the external EFAP provider for the Service, it has demonstrated that is a worthy and supportive program to the members and families of the Service. The Service has been very satisfied with the performance of HHS over the term of the current contract, and the cost for service being proposed is competitive.

For the foregoing reasons, it is recommended that the Board approve the one year option to extend the current contract with Homewood Human Solutions, formerly known as Homewood Employee Health, to provide Employee and Family Assistance Program services to members of the Toronto Police Service and their families, for one year commencing June 1, 2012 and ending May 31, 2013.

Deputy Chief Mike Federico, Corporate Command, will be in attendance to answer any questions that the Board may have regarding this report.

In response to an inquiry by the Board, Deputy Chief Mike Federico advised that there has been a continuous increase in the use of the EFAP services since Homewood was selected as the provider.

The Board approved the foregoing report.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

**#P9. INDEPENDENT CIVILIAN REVIEW INTO MATTERS RELATING TO
THE G20 SUMMIT – ACCOUNT FOR PROFESSIONAL SERVICES**

The Board was in receipt of the following report January 06, 2012 from Alok Mukherjee, Chair:

Subject: INDEPENDENT CIVILIAN REVIEW INTO MATTERS RELATING TO THE
G20 SUMMIT (ICR) - ACCOUNT FOR PROFESSIONAL SERVICES

Recommendation:

It is recommended that the Board approve payment of an account dated December 21, 2011, in the amount of \$61,870.28 and that such payment be drawn from the Board's 2011 operating budget.

Financial Implications:

The total amount invoiced to date is \$784,092.92. The balance of the Special Fund as at August 31, 2011 is estimated at \$257,691.00.

Background/Purpose:

At its meeting on September 23, 2010, the Board approved the appointment of Justice John W. Morden to conduct the Independent Civilian Review (ICR) into matters relating to the G20 Summit. The Board also approved the use of the Special Fund as the source of funding for the ICR (Board Minute P271/10 refers).

Since September 2010, Justice Morden has submitted the following invoices for services rendered for the ICR:

Period Ending	Amount
October 14, 2010	\$24,008.99
November 14, 2010	\$45,402.32
December 17, 2010	\$42,462.62
January 14, 2011	\$19,899.15
February 10, 2011	\$43,165.19
March 14, 2011	\$84,775.57
April 14, 2011	\$64,935.58
May 13, 2011	\$28,365.43
June 13, 2011	\$64,385.37
June 28, 2011*	\$3,295.00
July 14, 2011	\$58,990.88

August 15, 2011	\$27,378.81
September 22, 2011	\$100,448.00
October 28, 2011	\$50,607.60
November 14, 2011	\$64,102.13
December 15, 2011	\$61,870.28

* Invoice from the City of Toronto related to the rental of a room for the public hearings.

Discussion:

One of the requirements of the Special Fund policy is that the Special Fund must maintain a minimum balance of \$150,000 in order to meet its corporate recognition obligations. Given the state of the Special Fund, at this time, the Board will not be able to fulfill those obligations in 2012.

Based on projections the Special Fund balance will be \$16,875.00 as at December 31, 2011. As a result, at its meeting of October 4, 2011, the Board determined that there is a need to explore a number of options so that it may continue to meet its obligations and bring the Special Fund back to health. At this time, the Board agreed to request the City's approval to fund the completion of the ICR.

City Council on November 29, 30 and December 1, 2011, adopted the following:

City Council approve a one-time transfer of projected surplus funds from the Toronto Police Service's 2011 Operating Budget, in the amount of \$480,000, to the Toronto Police Services Board's 2011 Operating Budget, to cover the costs of the Independent Civilian Review from October 2011 to its estimated completion date of March 2012.

I have attached a copy of Justice Morden's most recent account for services rendered up to and including December 15, 2011, in the amount of \$61,870.28. A detailed statement is included on the in-camera agenda for information. It should be noted that a reduction of \$2,301.59 for fees and disbursements have been applied to this account.

Conclusion:

It is, therefore, recommended that the Board authorize payment in the amount of \$61,870.28, from the Board's 2011 operating budget for professional services rendered by Justice John W. Morden.

The Board approved the foregoing report and noted that a detailed statement of account was considered during the in-camera meeting (Min. No. C11/12 refers).

Heenan Blaikie LLP

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LAWYERS

N^o 23025435

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December 21, 2011

PRIVATE & CONFIDENTIAL

Toronto Police Services Board
40 College Street
Toronto, ON
M5G 2J3

Attention : Joanne Campbell

Reference: File: 058057-0001 Confidential

FOR PROFESSIONAL SERVICES RENDERED for the period ending December 15, 2011

FEEs	\$ 53,950.50
DISBURSEMENTS (TAXABLE)	\$ 667.76
SUB-TOTAL	\$ 54,618.26
HST (13%)	\$ 7,100.38
DISBURSEMENTS (NON TAXABLE)	\$ 151.64
AMOUNT DUE	\$ 61,870.28

HEENAN BLAIKIE LLP

Litigation Toronto

TERM:	Payment due upon receipt in accordance with section 33 of the <i>Solicitors Act</i> . Interest will be charged at the rate of 3.3% per annum on unpaid fees, charge or disbursements calculated from a date that is one month after this statement is delivered.
We have made every effort to include fees and disbursements incurred on your behalf for the current billing period. In the event additional fees or disbursements are subsequently incurred and/or recorded, a subsequent account will be forwarded.	

Reference / File: 058057-0001

GST / HST N^o 864865936

Initials: Tlt

PAYABLE UPON RECEIPT

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

#P10. LEGAL INDEMNIFICATION – FILE NO. 1425/11

The Board was in receipt of the following report December 29, 2011 from William Blair, Chief of Police:

Subject: LEGAL INDEMNIFICATION FILE NO. 1425/11

Recommendation:

It is recommended that the Board deny a portion of the legal account dated October 28, 2011 in the amount of \$578.65, from Mr. Peter Brauti for his representation of an officer in relation to a Criminal Charge of Assault Causing Bodily Harm.

Financial Implications:

There are no financial implications relating to the recommendation contained within this report. Funding for the legal indemnification in the amount of \$280,880.85 is available in the legal reserve.

Background/Purpose:

A police constable has requested payment of legal fees as provided for in the legal indemnification clause of the uniform collective agreement. The purpose of this report is to recommend denial of a portion of the invoice that City Legal has determined is not necessary and reasonable.

Discussion:

On April 23, 2008, two officers were working in plainclothes in the area of Bloor Street West and St. Clarens Avenue, with respect to community complaints of illegal drug activity. At approximately 0330 hours, one of the officers observed the complainant on the south side of Bloor Street West, conduct a drug transaction with a male party. When the officer approached the complainant to initiate a drug investigation, the complainant began to struggle with the officer. The officer apprehended the complainant for Possession of Cocaine for the Purpose of Trafficking. The complainant was taken to No. 14 Division for processing and further investigation.

Following the investigation, the complainant was released from custody; no charges were laid. He immediately went to the hospital, complaining about jaw pain. He was treated for fractures and his jaw was wired shut. Subsequently, the complainant contacted No. 12 Division by telephone on April 24, 2008, reporting an Assault Causing Bodily Harm by plainclothes officers.

Officers from No. 12 Division attended the complainant's residence and transported him to No. 12 Division for further investigation. The Special Investigations Unit (SIU) was contacted.

The SIU invoked its mandate and on March 12, 2009, the SIU charged the arresting officer with one count of Assault Causing Bodily Harm under the *Criminal Code*. On March 31, 2009, the officer appeared before the Ontario Court of Justice and pled not guilty to the charge. On August 10, 2009, the officer was charged with one count of Unlawful or Unnecessary Exercise of Authority under the *Police Services Act*.

On February 16, 2011, the Ontario Court of Justice acquitted the officer of the criminal charge. In her decision, The Honourable Justice J. Nelson summarized her reasons for her decision as follows:

the officer was an honest and reliable witness; the officer's evidence was corroborated by four other officers and a civilian eye witness; the officer had no motive to assault the complainant; the complainant was not truthful and had a predilection to lie and the evidence given by the complainant had several internal inconsistencies and implausibilities; and the defence presented a plausible theory on how the assault may have occurred by an unknown third person.

On March 15, 2011, the Service Prosecutor advised the Tribunal, in light of the officer's acquittal of the criminal charge, there was no reasonable prospect of conviction. The Hearing Officer concurred and withdrew the *PSA* charge against the officer.

This report corresponds with additional information provided on the confidential agenda.

Conclusion:

The officer submitted a request for payment of legal fees in relation to the criminal proceedings that occurred. The officer was acting in good faith in the performance of duty and was acquitted of any wrongdoing with respect to the criminal charge. The fees were substantial due to the protracted period of time it took to conclude the matter.

Pursuant to the uniform collective agreement, Article 23:10 states:

For the purposes of this provision, "necessary and reasonable legal costs" shall be based on the account rendered by the solicitor performing the work, subject initially to the approval of the City of Toronto Solicitor and, in the case of dispute between the solicitor doing the work and the City of Toronto Solicitor, taxation on a solicitor and client basis by the taxing officer.

The account submitted by counsel initially totalled \$310,199.42 for legal services and was sent to City Legal for review. City Legal determined that a number of the charges were not reasonable and necessary. When contacted, counsel for the officer resubmitted an amended invoice in the amount of \$281,459.50; however, he did not exclude two items totalling \$578.65 which were deemed neither necessary nor reasonable. City Legal has, therefore, recommended to deny payment, in part, of the amended invoice, with a further reduction in the amount of \$578.65. The balance of the account, \$280,880.85, being necessary and reasonable, will be paid as recommended by City Legal.

Deputy Chief Mike Federico, Corporate Command, will be in attendance to answer any questions that the Board may have regarding this report.

The Board approved the foregoing report and noted that additional information was also considered during the in-camera meeting (Min. No. C13/12 refers).

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

**#P11. SPECIAL CONSTABLES – TORONTO COMMUNITY HOUSING
CORPORATION – APPOINTMENT – JEFFREY CHEUNG**

The Board was in receipt of the following report December 14, 2011 from William Blair, Chief of Police:

Subject: APPOINTMENT OF SPECIAL CONSTABLE FOR THE TORONTO
COMMUNITY HOUSING CORPORATION

Recommendation:

It is recommended that the Board approve the appointment of the individual listed in this report as special constable for the Toronto Community Housing Corporation (TCHC), subject to the approval of the Minister of Community Safety and Correctional Services.

Financial Implications:

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

Background/Purpose

Under Section 53 of the *Police Services Act* of Ontario (the PSA), the Board is authorized to appoint and re-appoint special constables, subject to the approval of the Minister of Community Safety and Correctional Services (the Minister). Pursuant to this authority, the Board entered into an agreement with the Toronto Community Housing Corporation (TCHC) for the administration of special constables (Min. No. P414/99 refers).

At its meeting on January 29, 1998, the Board approved a recommendation that requests for appointment and re-appointment of special constables, who are not members of the Toronto Police Service, be forwarded to the Board with the Chief's recommendation, for the Board's consideration (Min. No. P41/98 refers).

The Service received a request from the TCHC on October 11, 2011, to appoint the following individual as a special constable.

Jeffrey CHEUNG

Discussion:

The TCHC special constables are appointed to enforce the *Criminal Code of Canada, Controlled Drugs and Substances Act, Trespass to Property Act, Liquor Licence Act and Mental Health Act* on TCHC property within the City of Toronto.

The agreement between the Board and the TCHC requires that background investigations be conducted on all individuals recommended for appointment and re-appointment as special constables. The Service's Employment Unit completed a background investigation on this individual and there is nothing on file to preclude him from being appointed as a special constable for a five year term.

The TCHC has advised that the individual satisfies all the appointment criteria as set out in the agreement between the Board and the TCHC for special constable appointment. The TCHC approved strength of special constables is 83; the current compliment is 81.

Conclusion:

The Toronto Police Service and the TCHC work together in partnership to identify individuals for the position of special constable who will contribute positively to the safety and well-being of persons engaged in activities on TCHC property. The individual currently before the Board for consideration has satisfied the criteria contained in the agreement between the Board and the Toronto Community Housing Corporation.

Acting Deputy Chief Jeff McGuire, Specialized Operations Command, will be in attendance to answer any questions that the Board may have.

The Board approved the foregoing report.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE
TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

#P12. IN-CAMERA MEETING – JANUARY 20, 2012

In addition to the public meeting conducted by the Board today, an in-camera meeting was held to consider a number of matters which were exempt from the public agenda in accordance with the criteria for considering confidential matters set out in s.35(4) of the *Police Services Act*.

The following members attended the in-camera meeting:

Dr. Alok Mukherjee, Chair
Mr. Michael Thompson, Councillor & Vice-Chair
Mr. Chin Lee, Councillor & Member
Dr. Dhun Noria, Member
Ms. Frances Nunziata, Councillor & Member
Mr. Andrew Pringle, Member

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TORONTO POLICE SERVICES BOARD HELD ON JANUARY 20, 2012**

#P13. ADJOURNMENT

Alok Mukherjee
Chair