3 March, 2010

Office of the City Clerk
City Centre
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Hamilton, Ontario
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Re: 2010 Police Budget – Impact of 2% Budget Restriction

At its meeting of January 13, 2010, the Committee of the Whole resolved that the Hamilton Police Service be directed to advise what a 2% budget would look like in terms of service reductions. The Chief of Police has reported to the Board and the Board can advise as follows:

By way of background, the Hamilton Police Service’s 2010 Budget was approved by the Police Services Board at its meeting of November 16, 2009. The 2010 Budget of $124,180,290 represents a 3.42% or $4,110,870 increase over the 2009 Budget. The Hamilton Police Service 2010 Budget was presented to City Council Committee of the Whole at its meeting of January 13, 2010. The Committee of the Whole approved the Budget. However, a motion was carried directing the Hamilton Police Service to advise as to the impact that a 2% Budget restriction would have on service delivery, since City Council had set a 2% Budget target for Boards and Agencies at its meeting of July 7, 2009.

For the Hamilton Police Service, a 2% Budget target would translate to a 2010 Budget of $122,470,810 which is $1,709,840 lower than the approved 2010 Budget of 3.42%. To meet a 2% Budget target in 2010 would present a significant challenge to the Hamilton Police Service which would result in reduced staffing and negatively impact the provision of services to the community. During the Budget development process, Management and the Board were certainly mindful of the 2% Budget guideline set by Council. In fact, in areas of discretionary spending, significant decreases were approved, which resulted in an overall decrease of $280,580 in expenditures, other than salaries and benefits.
However, the Hamilton Police Service’s Budget is primarily driven by staffing costs. $115,343,620 or 87.91% of the total 2010 Budgeted expenditures of $131,213,880, are salary and benefits related. Furthermore, the compensation costs of more than 99% of all Hamilton Police Service Members are governed by Collective Bargaining Agreements. The Collective Agreement with the Hamilton Police Association expired on December 31, 2008, and it is anticipated that bargaining for 2009 and 2010 will be taking place this year. Since collective bargaining for municipal police services, in Ontario, is a process which is strongly driven by comparators, the contract settlements of comparable police services will influence the contract increase for the Hamilton Police Service. Consequently, to achieve a 2% Budget target in 2010, the Hamilton Police Service would be required to make considerable staffing reductions.

If consideration is given to staffing reductions to reach the Budget target, a complicating factor is the significant funding that the Provincial and Federal Governments provide on an annual basis for policing, in Hamilton. Since 1998, the Authorized Strength of the Hamilton Police Service has increased by 104 Sworn officers, of which 74 positions are the result of the cost-sharing initiatives with the senior levels of government. This funding totals $2,690,000 annually, for the Hamilton Police Service, and is predicated on the Service maintaining staffing levels.

To reduce 2010 Budgeted expenditures by $1.7M to achieve a 2% Budget, the Hamilton Police Service would be required to reduce staffing which is cost-shared. Given that the current Authorized Sworn strength is 780 officers, the first seven (7) positions to be reduced from the Authorized Strength are positions which are funded through the Federal Government’s Police Officers Recruitment Fund at a maximum of $70,000, per position. Given these provisions, for the 2010 Budget, the savings that would be attained by eliminating the seven (7) positions would be offset by the loss of funding from the Federal Government, resulting in no net savings to the Hamilton Police Service Budget. After the first seven (7) positions are reduced from the Authorized Strength, the next 27 positions are not tied to any funding, which means that full savings would be realized. However, further reductions required would be positions which are cost-shared through the Provincial Safer Communities Officers Policing Partnership grant, at a rate of $35,000 per position.

Overall, to reduce 2010 Budgeted expenditures by $1.7M would require a reduction of 37 Authorized Sworn positions, which would include seven (7) positions funded under the Federal Government’s Police Officers Recruitment Fund and three (3) positions funded under the Provincial Government’s Safer Communities Partnership Program. This would result in $490,000 in foregone funding from the Federal Government and $105,000 in foregone funding from the Provincial Government. Any future reductions in Authorized Sworn positions would result in a loss of funding from the Provincial Government’s Safer Communities Partnership Program.
In order to put any analysis of staff reduction in context, one must be mindful of the provisions of the Police Services Act in respect of core police services, the duties of the chief of police and the duties of police officers. According to subsection 4(1) of the Police Services Act, every municipality shall provide adequate and effective police services in accordance with its needs. However, the Board is charged with the responsibility for the provision of adequate and effective police services in the municipality (subsection 31(1) of the Act). "Adequate and effective police services", according to subsection 4(1) of the Act, must include, at a minimum, all of the following police services: Crime prevention, Law enforcement, Assistance to victims of crime, Public order maintenance and Emergency response. In addition, subsection 4(3) 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, including vehicles, boats, equipment, communication devices, buildings and supplies.

Given these provisions, the reduction of 37 officers would entail the elimination of several areas that are not mandated by Provincial Adequacy Standards. Areas that would be considered for elimination would include the School Liaison Program, Senior Support Officers, Community Policing Centre Officers, Divisional Safety Officers, as well as Crime Managers. Our Service would also have to consider closing public access to the Mountain and East End Police Stations and the closing of all 11 Community Policing Centres.

Finally, the Board must be satisfied, after consultation with the Chief of Police that any reductions will not impact on public safety and order. If the Board is not satisfied that the Budget established for it by the municipal council is sufficient to maintain an adequate number of police officers or other employees of the police force or to provide the police force with adequate equipment or facilities, the board may request that the Ontario Civilian Police Commission determine the question and the Commission, after a hearing, shall do so (See subsection 39(5) of the Act).

We trust that this correspondence satisfies the request by City Council as set out in the Resolution.

Yours very truly,

Bruce Pearson, Chair
BP/lem

cc Members, Police Services Board
Chief Glenn DeCaire