


HAMILTON POLICE SERVICE

RECOMMENDATION REPORT

TO:	Chair and Members Hamilton Police Services Board
BOARD MEETING DATE:	June 22, 2023
SUBJECT:	2022 Year-End Surplus Allocation Plan
REPORT NUMBER:	23-055
SUBMITTED BY:	Frank Bergen, Chief of Police
SIGNATURE:	

RECOMMENDATION

That the Hamilton Police Service Board (Board) approve the allocation plan for the 2022 year-end surplus of \$1,020,546.

EXECUTIVE SUMMARY

The City of Hamilton (City) allocated the 2022 Hamilton Police Service (HPS) year-end surplus to the Police Tax Stabilization Reserve.

The following represents a summary of the HPS allocation recommendation:

- Faro 3D Data Capture Laser Scanner – \$60,000
- Alcohol Screening Devices (ASDs) – \$63,500
- Intoxilyzer 9000 Infrared Breath Tester – \$12,500
- Ballistic Shields – \$12,000
- Digital Storage – Investigative Service Division (ISD) – \$125,000
- Biological Laboratory Freezers and Fridges – Forensic Services – \$45,000
- Virtual Meeting Rooms – \$50,000
- First Response Mental Health – PeerConnect App – \$40,000
- Transfer to the Police Capital Reserve – \$175,000
- Maintain in the Police Tax Stabilization Reserve – \$437,546

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: See the details below

Staffing: Not applicable

Legal Implications: Not applicable

INFORMATION

The purpose of this report is to provide the Board with information regarding the Service's proposal for allocating the 2022 year-end surplus and to obtain approval for the allocation as detailed below.

In accordance with the HPS "Operating Budget Surplus/Deficit Policy", the City's Corporate Finance Department closed the HPS year-end surplus of \$1,020,546 to the Police Tax Stabilization Reserve; a standard operating procedure at year-end.

To help HPS continue to meet its operational needs, the Service has identified the following items as proposals for allocation from the year-end surplus. This allocation plan will streamline the budget process for the Board in being able to fund expenses with their own reserves rather than requesting funds from City's reserves and/or tax levy.

1) Faro 3D Data Capture Laser Scanner – \$60,000

2023-2026 Strategic Plan: Core Assets

When a crime or crash scene is investigated, it means mobilizing investigators and equipment which demand a significant amount of the Service's most valuable and scarce resource – time.

The Faro 3D Laser Scanner captures images and accurate measurements of complex environments, provides exceptional image capturing efficiency and data quality to meet the needs of public safety professionals – all at faster scan speeds. With the Faro 3D Laser Scanner, the Service will be able to reduce the number of officers and time required to thoroughly document crash and crime scenes. This system will replace the analog survey equipment currently being deployed.

The laser scanner will be used by the Accident Reconstruction Unit to accurately document fatal motor vehicle collisions. In high-traffic, high-volume locations, under what can be punishing operating conditions, collecting and cataloging the scene quickly and efficiently is critical to member and community safety, evidence loss prevention and mitigation of the economic losses due to closed roadways.

The technology not only enhances the ability to capture more critical field evidence quickly, but it also provides powerful for courtroom presentation content, helping the judge, jury and prosecutor fully understand a scene's evidence and context.

2) Alcohol Screening Devices (ASDs) – \$63,500

2023-2026 Strategic Plan: Core Assets

ASDs are road side screening devices used by the Service to measure the level of alcohol in the blood of individuals operating motor vehicles. They are a valuable tool used by officers at RIDE lanes or during traffic stops to ensure drivers are not under the influence of alcohol in excess of legal limits. Impaired driving continues to be one of the leading causes of road deaths in Canada.

A recent ruling in *R. v. Breault*, a decision of the Supreme Court of Canada, released on April 13, 2023, impacts the number of ASDs required by HPS to comply with the law and reduce the Charter impact on the public. In the decision, the Supreme Court of Canada agreed with the Quebec Court of Appeal, which found that, in order for a demand to be valid, the peace officer must be in a position to demand that the driver provide a breath sample "forthwith", meaning that the officer must have immediate access to an ASD.

The Supreme Court accepted that the word "forthwith" may, in unusual circumstances, be given a more flexible interpretation than its ordinary meaning strictly suggests. The absence of an ASD at the scene and time the demand is being made did not qualify as an "unusual circumstance". The Supreme Court of Canada was clear that *"unusual circumstances cannot arise from budgetary considerations or considerations of practical efficiency. A flexible interpretation of the immediacy requirement cannot be justified by the magnitude of the public funding required to supply police forces with ASDs or by the time needed to train officers to use them"*.

In order to meet this new legislative standard and provide an ASD to each officer responsible for road safety, the HPS would need a total of 75 ASDs. While the current 2023 budget reflects approved funding to replace 25 ASD units, this would not increase our capacity to meet the new Supreme Court requirements. It only replaces current inventory nearing end of useful life. To meet the standard, HPS requires funding for an additional 50 ASD units plus 4 calibration units.

3) Intoxilyzer 9000 Infrared Breath Tester – \$12,500

2023-2026 Strategic Plan: Core Assets

The Intoxilyzer is a device used to calculate the concentration of alcohol in the blood using a breath sample. The results of these tests are crucial evidence used in impaired driving cases. The current Intoxilyzer device is nearing end of life. Other Police Services across the Province are moving to the new Intoxilyzer 9000 series. The Intoxilyzer 9000 has unparalleled performance in accuracy, precision and 'interferent' detection by using

pulsed infrared technology, eliminating chopper motors or mechanical filters in the analytical system.

The Service needs a total of 4 units. The initial plan was to diffuse the purchase over a few years. The HPS purchased two initial units in 2022 year, with one budgeted for purchase in the current 2023 year and the other in the 2024 budget year. To reduce the impact on the 2024 budget and provide officers with updated technology today to perform their duties, it is proposed that a portion of the surplus be allocated towards the purchase of the last Intoxilyzer 9000 unit in the current 2023 year.

4) Ballistic Shields – \$12,000

2023-2026 Strategic Plan: Core Assets

Incidents involving police interaction with persons in crisis and individuals armed with a dangerous weapon are often dynamic and fluid. These types of interactions can take place anywhere, from inside a house to a busy intersection filled with people and vehicles in the middle of the day. Frontline patrol officers and supervisors are expected to manage the crisis, all while ensuring and maintaining public and officer safety.

This raises a need for more readily available and less lethal technology in order to effectively manage any threat level. An Independent Review for the Toronto Police Service (TPS) was conducted by the retired Justice Frank Iacobucci, where he recommended that *“the TPS conduct a review of alternative equipment options and tactical approaches to assist in further reducing the number of deaths arising from police encounters with people in crisis.”* Similarly, the Office of the Ontario Ombudsman, conducted a review of the direction provided by the Ministry of Community Safety and Correctional Services to Ontario’s police services for de-escalation of conflict situations. One of the highlighted recommendations of that report is *the need for frontline police officers to have better tools to deal with people in crisis, to better determine when to use force and when to de-escalate; to preserve lives.*

One of the effective tools that would aid in bringing dangerous situations to a conclusion without injury or loss of life are ballistic shields. Ballistic shields provide mobile defensive cover and extra protection for frontline police officers, allowing them to employ other de-escalation techniques from a safer position to resolve incidents safely.

A total of 6 ballistic shields are requested, 2 for each patrol division, in order to remain current and provide our members with the required equipment to effectively perform their duties.

5) Digital Storage – Investigative Service Division (ISD) – \$125,000

2023-2026 Strategic Plan: Core Assets

The data storage servers are critical core assets for the HPS Tech Crime Unit (TCU). The TCU examines, analyzes and extracts evidence from all devices for the entire

Service. To keep the capacity and capabilities current, the technological system and infrastructure are continuously assessed for compliance with industry standards.

The current servers maintained on premises are either old, approaching maximum storage capacities or both. One server is considered to be "legacy equipment" that is no longer supported by the vendor nor repairable in the event of a failure. Replacement of the legacy equipment and an increase to the total storage capacity is necessary.

Therefore, the HPS proposes a hybrid on-site/cloud based solution to solve the data evidence storage challenges and lower the risk of lost evidence data. This hybrid approach will allow the Service to efficiently adapt to future technological change to meet evolving operational needs.

TCU was able to secure 2022 pricing for a new on-site server, payable in two annual installments of approximately \$165,000 each. If the purchase is delayed, this negotiated quote is expected to rise between 7-10% annually. Purchase of this server will increase TCU's data storage capacity by 145% and solve the near-term capacity challenge.

Due to previously approved 2023 budgeted amounts available to TCU, only a \$125,000 allocation from the 2022 surplus is requested to fund the first annual payment. The second installment will be included in 2024 HPS budget proposal.

6) Biological Laboratory Freezers and Fridges – Forensic Services – \$45,000

2023-2026 Strategic Plan: Core Assets

Biological laboratory freezers and fridges house all major case biological exhibits seized for permanent retention. The current inventory is nearing end of useful life and does not address storage capacity issues. Thus, creating an immediate need to purchase two laboratory freezers and two fridges to ensure long-term evidence preservation and lower the risk of evidence data loss. The purchase of these units will cost approximately \$45,000.

7) Virtual Meeting Rooms – \$50,000

2023-2026 Strategic Plan: Core Assets

The pandemic has highlighted the efficacy to provide options for meetings, including the ability to deliver simultaneous messaging across the organization.

To help meet this objective, the divisional parade rooms, including the boardroom, need to be outfitted with virtual equipment to facilitate Microsoft Teams meetings. This will cost approximately \$50,000, for a total cost of \$100,000 over the course of two years. Funding for the second year will be requested in the forthcoming HPS budget.

By implementing the technology, it will improve service delivery, create internal and external efficiencies, and enhance organizational effectiveness.

8) First Response Mental Health – PeerConnect App – \$40,000

2023-2026 Strategic Plan: Culture & Capacity

One of the key priorities, as part of the Board's Strategic Plan, is to ensure employee well-being and continuously implement employee wellness initiatives that focus on prevention, early intervention and a supportive return to work process. The PeerConnect app will enable members to build relationships with other members and encourage support interactions.

The app is a wellness tool that will provide officers on the front-line with a secure place to request contact from the Member Support Team. PeerConnect is the result of years of co-development and research with front-line first responders, health professionals, professional in high-stress occupations, and researchers in the fields of psychology and social work. This app provides front-line officers access to health and wellness, tools, articles, self-assessments and mental health resources, 24/7. PeerConnect provides proactive support and ensures all first responders have regular peer support check-ins after traumatic calls, allowing for early discussion before issues compound. It is completely private and anonymous. This tool was recommended by Dr. Laidlaw who provides clinical oversight to our members. The estimated annual cost is approximately \$40,000. Future payments will be requested in the forthcoming HPS budget years.

9) Transfer to the Police Capital Reserve - \$175,000

The Police Capital Reserve was established to provide a source of funding for any major future capital expenditures, including major repairs and building improvements. All HPS reserves are managed and analyzed continuously to ensure any future annual obligations are met. Contributions to these reserves are only made through annual year-end surplus funds of the Service.

Through PSB 22-023, the Board approved the transfer of \$175,000 from the Police Capital reserve to help fund the fiscal 2021 deficit of \$(2,015,449). A detailed review of this reserve indicates that the reserve balance is below its optimal level and would not be able to adequately address any significant unanticipated capital needs. Thus, it is recommended that the \$175,000 transferred out to fund the 2021 deficit be returned to this reserve, restoring it to its previous level and improving its ability to assist in meeting future unforeseen capital obligations.

10) Maintain the balance in the Police Tax Stabilization Reserve – \$437,546

Should the Board approve the recommended allocation plan, 1 through 9 inclusive, the HPS recommends the remaining surplus balance of \$437,546 be maintained in the Police Tax Stabilization Reserve.

The Tax Stabilization Reserve was established to prevent significant fluctuations in the operating budget tax levy and, therefore, acts as a source of funding to offset

extraordinary and unforeseen expenditures, to fund one-time expenditures, to offset revenue shortfalls, and to provide for various contingent and potential future liabilities.

The Board, through PSB 22-109, approved the transfer of \$576,867 from this reserve to help offset some of the 2023 budgetary pressures. In 2021, a similar transfer of \$472,972 was approved by the Board, through PSB 22-023, to help fund the fiscal 2021 deficit. That year, the HPS depleted its own reserves to fund the fiscal 2021 deficit, decreasing HPS reserve balances. Therefore, it is recommended that the remaining balance be maintained in this reserve to effectively manage future liabilities, alleviate and repress financial pressures, and assure the long-term financial sustainability of the Service.

This recommended proposal takes a balanced and fiscally responsible approach between addressing current and future needs, and ensuring sustainability of the HPS reserves for future budgetary pressures. The year-end operating surplus represents funding that cannot be relied upon to recur on an ongoing basis. Actual financial results vary from year-to-year based on various external and internal factors.

ALTERNATIVES FOR CONSIDERATION – Not applicable.

APPENDICES AND SCHEDULES ATTACHED

Appendix A – Summary of Proposed Surplus Allocation Plan

Appendix B – HPS Summary of Reserve Balances as at December 31, 2022

FB/S.Dzaferi

cc: Frank Bergen, Chief of Police
Ryan Diodati, Deputy Chief – Operations
Paul Hamilton Deputy Chief – Support
Sanela Dzaferi, Director of Finance

Appendix A – Summary of Proposed Surplus Allocation Plan

2022 Year-End Surplus		\$1,020,546
Allocation:		
Faro 3D Data Capture Laser Scanner	\$60,000	
Alcohol Screening Devices (ASDs)	63,500	
Intoxilyzer 9000 Infrared Breath Tester	12,500	
Ballistic Shields	12,000	
Digital Storage – Investigative Service Division (ISD)	125,000	
Biological Lab Freezers and Fridges – Forensic Services	45,000	
Virtual Meeting Rooms	50,000	
First Response Mental Health – PeerConnect App	<u>40,000</u>	<u>408,000</u>
Remaining Unallocated Balance		<u>\$612,546</u>

Distribution of Unallocated Balance:		
Police Capital Reserve	\$175,000	
Police Tax Stabilization Reserve	<u>437,546</u>	<u>\$612,546</u>

Hamilton Police Service Summary of Reserve Balances 2022 Reserve Activity

Appendix B

Reserve Number	Reserve Name	Balance January 1/22	Transfers To(+)	Interest Earned(+)	Transfers From (-)	Balance December 31/22
104055	Tax Stabilization - Police	1,514,515	1,425,801 (1)	42,091	(10,775) (2)	2,971,632
110020	Police Vehicle Replacement	2,145,507	2,651,628 (3)	91,375	(255,661) (4)	4,632,848
110065	Police Capital Expenses	1,636,709		38,747		1,675,456
112029	Vacation Liability Reserve	640,917		15,177		656,094
112030	Sick Leave Police	7,104,445		168,233		7,272,678
112225	Rewards - Police Board	193,161	4,000 (5)	4,582		201,743
22218-000100	OMERS Type III (see note below)	626,085		14,826		640,911
TOTAL RESERVES		\$ 13,861,340	\$ 4,081,429	\$ 375,031	\$ (266,436)	\$ 18,051,363

Note - OMERS Type III account represents the unused portion plus accumulated interest of the OMERS Type III surplus that was divided with the Hamilton Police Association, Senior Officers Association, the Chief and Deputies in 1997. These funds must be used in accordance with the agreement signed by the parties stated above. The monies must be used for specific improvements for the service and/or front-line staff.

NOTES

- (1) Represents a transfer of 2022 year-end surplus and a cost recovery for Cannabis Enforcement from the City's 2021 fiscal year-end surplus as approved through FCS21070(b).
- (2) Transfer funds from tax stabilization reserve to fund Board approved items as per the 2020 year-end allocation surplus Board report PSB 21-063.
- (3) Transfer as per Board approved 2022 Police Capital Budget for Police vehicle purchases and upfitting (PSB 21-108, \$2.38M), Command Van \$0.19M and recovery from City's Risk Management for the replacement of Police Vehicles (\$0.08M).
- (4) Funds transferred to Police Vehicle Capital Projects for Police vehicle purchases and upfitting received in 2022.
- (5) Transfer reward for D.Anderson as approved per PSB 22-094.