



CORPORATION OF THE TOWNSHIP OF ESQUIMALT		
For Information:		
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February 26, 2019
Ref: 552283

Ms. Laurie Hurst
Chief Administrative Officer
Township of Esquimalt
1229 Esquimalt Road
Esquimalt BC V9A 3P1

Her Worship Barbara Desjardins
Lead Co-Chair, Victoria and Esquimalt Police Board
Her Worship Lisa Helps
Deputy Co-Chair, Victoria and Esquimalt Police Board
850 Caledonia Avenue
Victoria BC V8T 5J8

Dear Ms. Hurst, Mayor Desjardins and Mayor Helps:

Re: Request of Director of Police Services Under Section 27(3) of the Police Act

I write in my capacity as Acting Director of Police Services¹ to provide you with my decision regarding the February 1, 2018 and April 6, 2018 applications of the Township of Esquimalt (Esquimalt) and the Victoria & Esquimalt Police Board (Police Board) pursuant to section 27(3) of the *Police Act* (the Act).

Section 27(3) section states:

“If a council does not approve an item in the budget, the director, on application by the council or the municipal police board, must

- (a) determine whether the item or amount should be included in the budget, and
- (b) report the director’s findings to the municipal police board, the council, and the minister.”

Background

On December 19, 2017, the Police Board approved amendments to the 2018 Victoria Police Department (VicPD) provisional budget originally approved on September 19, 2017. The budget

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¹ The Director’s powers in relation to this matter have been delegated to me as Acting Director of Police Services.

amendments included an increase of six additional police officers. The City of Victoria Council passed a resolution on January 11, 2018 approving its share of the cost for these positions under the Victoria-Esquimalt Framework Agreement dated April 17, 2014 (the Framework Agreement). On January 22, 2018, Esquimalt Council defeated a motion to approve the funding request for the six additional police officers.

Subsequently, Esquimalt Council and the Police Board made separate applications under section 27(3) for a determination of whether the addition of six police officers should be included in the VicPD's 2018 provisional budget. The applications were directed to, then Director of Police Services, Clayton Pecknold (the Director). The particulars of those applications are contained in the letters attached as Appendix A.

In preparation for making a determination, the Director initiated a review of the budget and expenditures of the VicPD from the date of the current Framework Agreement (April 17, 2014) to April 6, 2018. The review was conducted under section 27(3) and section 42 of the Act (the Review), which authorizes the Director of Police Services to study, investigate and prepare a report on matters concerning policing, law enforcement and crime prevention. Two experienced and neutral consultants were engaged to assist with the Review. The parties were notified of the Review in a letter dated May 14, 2018 and attached as Appendix B.

The Review was conducted in two phases. Phase one focused on service delivery and gathering and analyzing information related to the Police Board's budget, estimates and expenditures from the date of the Framework Agreement. Chief Constable (Ret'd) Peter Lepine examined the VicPD deployment model and resource levels for Esquimalt and City of Victoria. Peter Lockie of Inverleith Consulting Inc. focused on the financial management of the VicPD, including examination of budget expenditures and deployment against the terms of the Framework Agreement. The consultants' reports are attached as Appendix C.

After the Review was initiated, a request was made by the Police Board on May 18, 2018 to engage the Administrative Committee established under section 12 of the Framework Agreement to provide a decision as to whether it is required by the Framework Agreement to allocate the six police officers between Esquimalt and City of Victoria Divisions. On June 8, 2018 the Director advised the Police Board Co-Chairs that, as the Review was in progress the Director could not participate in the Administrative Committee. The Director further advised that he would not initiate phase two of the Review if the Administrative Committee came to a determination on the budget request for six additional police officers and the request under section 27(3) was rescinded. On December 10, 2018, the Co-Chairs advised that after extensive discussion, the Administrative Committee was unable to reach a decision.

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Accordingly, the Director undertook the second phase which focused specifically on whether the additional resources in the provisional budget request are required to provide adequate and effective policing under the Act.

On January 8, 2019, the Director provided copies of the consultants' reports to the parties seeking their comments on the reports or any other matter relevant to the Director's determination. On January 22 and 23, 2019 respectively, the Police Board and the Mayor of Esquimalt provided their response. Both letters point to the Framework Agreement and its interpretation as the source of many of the challenges the parties face in connection with deployment and resource allocation and, by extension the budget approval process.

Decision:

In making my decision, I have reviewed and considered the following documents:

- All relevant correspondence with the Police Board and Esquimalt;
- The *Police Act* (British Columbia) and its standards and regulations;
- Mr. Peter Lepine's August 13, 2018 report, Review of the Victoria Police Department's Resource Levels and Deployment Model Phase One;
- Mr. Peter Lockie's August 13, 2017 [*sic*] report, Review of the Victoria Police Department Phase One Report; and
- The Framework Agreement.

The core issue that I must determine under section 27(3) is whether the Police Board's request for six additional police officers, which was approved by the City of Victoria Council, but rejected by Esquimalt Council, should be included in the VicPD 2018 provisional budget.

The Act does not provide a test for this determination, so the Director of Police Services must look to the broader provisions and purpose of the Act. Broadly speaking the requirements on the different levels of government are to provide "adequate and effective policing" in their areas of responsibility. In the case of a municipality, section 15 states that a municipality with a population "greater than 5000 persons must bear the expenses necessary to generally maintain law and order in the municipality". Where a municipality fails to provide adequate policing, section 17 of the Act provides for corrective actions where there is a "failure" to police. I stress that this is not the case with the municipalities of Victoria and Esquimalt.

Successive studies and oversight of VicPD reveal that it is an effective police department.

On page 38 of his report, Mr. Lepine concluded that:

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“It is our conclusion that from the information gleaned from the various interviews and reports; VicPD’s policing model is consistent with the manner in which most other leading-edge police agencies conduct their business.”

On page 9 of his report, Mr. Lockie made the following conclusions on the financial accountability framework of the VicPD:

“overall we think that VicPD has a reasonably strong financial accountability framework in place. We observed a culture of financial accountability that included sound financial policy and procedures, a clear delegation of individual financial responsibility, regular monthly financial reporting and appropriate governance oversight mechanisms. While the budget planning processes meet the needs of VicPD, their application is not currently meeting the needs and expectations of Victoria and Esquimalt and this may have contributed to the recent failure to gain acceptance of the proposed 2018 Budget. These concerns are rooted in perceptions of a lack of information sharing, insufficient collaboration and incomplete consideration of options.”

However, the consultants’ reports and the studies on which they rely, equally demonstrate that the VicPD struggles to meet the resource pressures associated with high violent crime caseloads, growing population and increasing complexity of crime². Additionally, there has not been a permanent increase in the VicPD’s authorized strength since 2010³.

The VicPD is unique in British Columbia among municipal police departments. It exists under an amalgamation order dated December 18, 2002, bringing forth the municipalities’ policing obligations under one structure and Police Board. This has not been without friction, but by and large has worked well over the last several years. At the heart of that agreement is an understanding that two independent and autonomous communities, while served by one police department, have different policing needs and expectations.

The intent of the Framework Agreement is to ensure that service-delivery and resourcing reflects those differences. Beyond what may best be described as “shared” common resources necessary to maintain policing structure, “dedicated” resources for each municipality are contemplated. Also contemplated, are accountability and reporting with respect to how those resources are utilized and deployed.

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² See for example: excerpt from MNP report, Efficiency Review of Victoria Police Department, March 15, 2017 p. 32, in Review of the Victoria Police Department’s Resource Levels and Deployment Model Phase One, Peter Lepine. August 13, 2018, p. 13

³ Police Resources in British Columbia, 2015, Ministry of Public Safety and Solicitor General, Police Services Division

In this case, when one sifts through the deliberations that Esquimalt was required to make in response to the request for additional resources, there was not sufficient communication as to how those resources aligned with community needs, the Framework Agreement or what the value proposition was for the community. I have come to the conclusion that, despite considerable efforts undertaken by the Police Board and VicPD leadership, these matters were not effectively addressed. The reality is however, that police agencies can be challenged to demonstrate return on investment and value for money. Policing, by its nature, is driven by broader societal demands in responding to calls for service. As a 24/7 front line service, demand is highly driven by matters well beyond strict crime detection and prosecution. Matters related to public safety, mental health, addictions and other challenging societal concerns impact the demands for police time and resources; while innovative cross-disciplined teams such as Community Action Teams and outreach are attempts to put policing into the proactive and preventative place among health and social services responses, the fact remains that front-line policing will continue to be required for the maintenance of public safety and ensuring public confidence in police.

When resource pressures exceed available personnel, what greatly suffers first is the proactive and preventative work. In my view, such work is not a “nice to have” but is in fact a necessity⁴. Strategies that seek to engage the public, build relationships, reach out to vulnerable groups and thereby prevent crime are central to Canadian policing where the measure of any police agency’s effectiveness is the deterrence of crime and disorder, not the number of criminal charges or statistics. While related deployment decisions fall under the Chief Constable’s authority, the Police Board has a role in determining the priorities, objectives and policies of the police department that in some cases may include establishing such proactive or preventative programs necessary to safeguard the public and be responsive to its needs.

In light of the forgoing and in consideration of all the material put before me, I have concluded that the six police officers requested as part of the 2018 provisional budget request should be included in the VicPD Budget. I add however, one condition to this decision, that deployment of the six police officers must include allocation of dedicated resources to meet the service delivery needs of Esquimalt without regard to the demands driven by the downtown core and to ensure consistency with the Framework Agreement. While the Chief Constable is responsible for the operational decisions related to the day to day deployment of the six police officers, generally, the Police Board has a responsibility to uphold the Framework Agreement and its intent in this regard, including fair and equitable allocation and use of police resources.

While not part of my decision under section 27(3), I would like to address two other matters

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⁴ *Police Act*, s. 26(2) states: “The duties and functions of a municipal police department are, under the direction of the municipal police board, to ... (c) prevent crime.”

related to this budget dispute which should, I hope, mitigate the recurrence of future budget disputes between the parties. First, it is clear by the material put before me that the intent and provisions of the Framework Agreement are not being upheld. In particular, and relevant to this case, there appears to have been insufficient information and data presented to Esquimalt to justify its contribution for the additional resources under the Framework Agreement. It is the Police Board's responsibility under the Framework Agreement to, among other things, ensure that sufficient and relevant information and data is provided to each municipality to enhance decision making under the Framework Agreement that will ensure adequate policing within their jurisdictions. This includes ensuring sufficient information and data is presented to the municipalities on the specific service or gaps and how any new resources will specifically address those services or gaps.

Second, I encourage the parties and the Chief Constable to give consideration to adopting and actioning the recommendations as applicable, on page 9 of Mr. Lockie's report.

I wish to thank the parties, the consultants and ministry staff for their patience and assistance during the Review.

Yours truly,



Tonia Enger
Acting Assistant Deputy Minister
and Director of Police Services
Policing and Security Branch

- Attachments:
- 1) Appendix A – February 1, 2018 and April 6, 2018 letters to the Director of Police Services
 - 2) Appendix B – May 14, 2018 letter to co-chairs of the Victoria and Esquimalt Police Board
 - 3) Appendix C – Consultants' Reports

February 1, 2018

Ministry of Public Safety and Solicitor General
Policing and Security Branch
PO Box 9285 Stn Prov Govt
Victoria, BC
V8W 9J7

Attention: Clayton J.D. Pecknold, LLB, MOM
Assistant Deputy Minister and Director of Police Services
Policing and Security Branch

Dear Mr. Pecknold:

Re: VicPD Supplementary Budget Request

Please be advised that at their regular meeting of January 22, 2018, Mayor and Council resolved not to approve the supplementary budget request from VicPD for expenditures related to 6 additional officers.

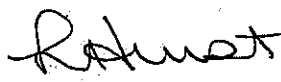
Mayor and Council believe that the Framework Agreement is not being interpreted or enacted as it was intended and as it is written. This conclusion is based on the presentation made by Chief Constable Manak at the meeting and the subsequent extensive question and answer period.

This request for additional officers has been presented such that the Township of Esquimalt would contribute to the expenditure as per the Budget Allocation Formula set out in the Victoria-Esquimalt Framework Agreement (the Agreement). Mayor and Council resolved not to approve the budget request due in part to the lack of evidence that these resources were required in order to adequately police the Township of Esquimalt.

The Township is requesting a review of this supplementary budget request and a determination of whether the amount should be included in the budget such that the Township is required to contribute as per the budget allocation formula.

The Township is also requesting that the Administrative Committee, under section 12 of the Agreement, provide clarification in regard to allocation of resources, cost sharing and dedicated resources under the Framework Agreement and specifically in regard to the 2018 supplementary budget request for additional officers.

Yours truly,



Laurie Hurst, CPA, CGA
Chief Administrative Officer

c.c. Mayor Lisa Helps, City of Victoria & co-Chair Victoria & Esquimalt Police Board
Mayor Barbara Desjardins, Township of Esquimalt & co-Chair, Victoria & Esquimalt Police Board



VICTORIA & ESQUIMALT POLICE BOARD

MAYOR LISA HELPS, LEAD CO-CHAIR

MAYOR BARBARA DESJARDINS, DEPUTY CO-CHAIR

April 6, 2018

Mr. Clayton Pecknold
ADM & Director of Police Services
Ministry of Public Safety
PO Box 9285 Stn Prov Govt
Victoria, BC V8W 9J7

Via email

Dear Mr. Pecknold:

RE: Request under 27(3) of the *Police Act*

On behalf of the Victoria & Esquimalt Police Board, we are making an application to you, as the Director of Police Services, to determine whether an item should be included in the Victoria Police Department budget, pursuant to 27(3) of the *Police Act*.

The 2019 provisional budget for the Victoria & Esquimalt Police Board includes the addition of six police officers and two civilians for an additional net cost of \$642,000. Originally the provisional budget, approved by the Victoria & Esquimalt Police Board on September 19, 2017, included an amount of \$870,000 for the additional positions. Subsequently, on December 19, 2017, the Police Board amended the provisional budget to reduce the net costs to \$642,000, recognizing potential offsetting cost savings of \$228,000.

The provisional budget and the subsequent amendment were presented to both Victoria and Esquimalt Councils in accordance with the requirements of section 27 of the *Police Act*. On January 11, 2018, Victoria Council passed a resolution "*that Council allocate \$548,000 from the new assessed revenue to add six new officers and accompanying civilian staff, subject to Esquimalt Council approval*", representing their share of the costs under the Framework Agreement.

On January 22, 2018, Esquimalt Council defeated a motion to deny the two additional civilians but carried a motion to deny the six additional police officers. On March 5, 2018, Esquimalt Council defeated a subsequent motion to "*approve the funding request from Victoria Police Department for 6 additional*

officers." Through these actions, the two additional civilians were approved by both Councils, but the six additional officers were not.

The Victoria and Esquimalt Police Board has determined that the six police officers are required in order to provide an adequate and effective level of policing and law enforcement within the City of Victoria and Township of Esquimalt. We respectfully request that you determine whether the budget item of six additional police officers should be included in the budget.

Yours truly,



Mayor Lisa Helps
Lead Co-Chair



Mayor Barbara Desjardins
Deputy Co-Chair

/ct

c. Chief Cst. Del Manak, Victoria Police Department

APPENDIX B



May 14, 2018
Ref: 544191

Her Worship Lisa Helps
Her Worship Barbara Desjardins
Co-Chairs, Victoria and Esquimalt Police Board
850 Caledonia Avenue
Victoria BC V8T 5J8

Dear Mayor Helps and Mayor Desjardins:

Re: Request of Director of Police Services Under Section 27(3) of the *Police Act*

I have been asked to make a determination under section 27(3) of the *Police Act* as to whether six additional officers should be included in the provisional budget as proposed by the Victoria and Esquimalt Police Board.

To assist in making this determination I am initiating a review of the Victoria Police Department including a review of the estimates and expenditures of the Victoria Police Department and the Victoria and Esquimalt Police Board. The review will be conducted under the authority of section 27 (3) and section 42 of the *Police Act*, which authorizes the Director to study, investigate and prepare a report on matters concerning policing, law enforcement and crime prevention in British Columbia.

The review will be conducted on my behalf by Policing and Security Branch staff and retained contracted services. In conducting the review, they will need to be informed of and have access to records, operations and systems relevant to the scope of the inspection which my office is authorized to inspect under section 40 (3). Please consider this letter as written notification of inspection as required by the *Police Act*.

Additional information about the review is available in the enclosed Terms of Reference.

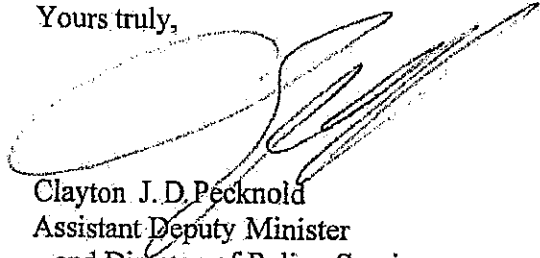
At this time, I am asking that you request the Chief Constable to identify a primary contact person for the review. Please provide their name and contact information by Friday May 18, 2018. Additional information requests will follow. The primary contact person from my office is Ms. Jenni Bard, Director, Standards & Evaluation Unit who can be reached at 604-775-2364 or jenni.bard@gov.bc.ca

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Her Worship Lisa Helps and Her Worship Barb Desjardins
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Thank you in advance for your cooperation.

Yours truly,

A handwritten signature in black ink, appearing to read 'Clayton J. D. Pecknold', written over a large, faint oval shape.

Clayton J. D. Pecknold
Assistant Deputy Minister
and Director of Police Services
Policing and Security Branch

Enclosure

pc: Chief Constable Del Manak, Victoria Police Department
Chief Administrative Officer, Victoria City Council
Chief Administrative Officer, Esquimalt City Council

Terms of Reference: Review under sections 27 (3) and 42 of the *Police Act*, of the budget and expenditures of the Victoria Police Department April 17, 2014 to April 6, 2018

Section 27 of the *Police Act* provides for “Estimates and Expenditures” of a Municipal Police Board. The section outlines the obligations of both the Board and Municipal Council including a process related to budget disputes under sub-section 27 (3). This sub-section allows either the Board or Municipal Council to seek resolution of a dispute from the Director of Police Services. Further, sub-section 27 (6) provides that a Board must not make, or agree to make, an expenditure that is not specified in the budget approved by council.

The relevant sections of the Act are attached.

In addition to the provisions of the *Police Act*, the Victoria and Esquimalt Police Board budget process is also considered in a written agreement between the Victoria and Esquimalt Police Board, the City of Victoria and the Township of Esquimalt, signed April 17, 2014 (referred to in these Terms of Reference as “the Framework Agreement”).

On April 6, 2018, the co-chairs of the Victoria and Esquimalt Police Board made an application to the Director to exercise his authority under s. 27 (3) in relation to an item in the 2018 provisional budget for the Victoria and Esquimalt Police Board. The Director also received a letter dated February 1, 2018 from the Township of Esquimalt requesting a review of the supplementary budget request as per the Framework Agreement.

In consideration of the requests for the Director to exercise his authorities under the Act in relation to Victoria Police Department budgetary matters, the Director is initiating a review of the Victoria Police Department. The review will be conducted in two phases. The first phase will include a broader review of the estimates and expenditures of the Victoria Police Department and the Victoria and Esquimalt Police Board., covering the period from April 17, 2014 (the date of the Framework Agreement), to April 6, 2018 (the date of the Board’s application to the Director). This review will be conducted under the authority of s. 42 of the *Police Act*, which authorizes the Director to study, investigate and prepare a report on matters concerning policing, law enforcement and crime prevention in British Columbia. The second phase will relate to the 2018 provisional budget item in question, to assist the Director in carrying out his responsibilities under s. 27 (3).

Notice of the review has been provided to the Chief Constable and the co-chairs of the Board. In addition, as this matter includes an application under sub-section 27 (3) notice has also been provided to the City of Victoria and the Township of Esquimalt.

Background:

According to information provided to the Director by the co-chairs of the Victoria and Esquimalt Police Board in their April 6, 2018 letter, the Board’s 2019 provisional budget included the addition of six sworn officer positions and two civilian positions determined necessary by the Board. Victoria Council passed a resolution on January 11, 2018 approving its share of the cost for these positions under the

Framework Agreement, subject to Esquimalt Council approval. Actions of the Esquimalt Council on January 22, 2018 and March 5, 2018 effectively provided approval for the two civilian positions but not the six sworn officer positions.

A. The purpose of the review is to examine the following matters:

Phase One

The first phase will be focused on gathering and analyzing information related to Service Delivery, the Board's budget, estimates and expenditures since the April 17, 2014, including but not limited to:

- Forecast and actual spending each year;
- Analysis of budget expenditures against budgets approved by the respective municipal councils;
- Budget monitoring and reporting processes;
- Resource levels and metrics, statistical and other related information;
- Deployment model within the two municipalities;
- Examination of budget expenditures and deployment against the terms of the Framework Agreement; and
- Examination and analysis of any internal or external efficiency reviews.

Phase Two

The second phase will relate to the February 1, 2018 and April 6, 2018 requests of the Township of Esquimalt and the Victoria and Esquimalt Police Board, specifically whether the additional resources are required to provide adequate and effective policing under the *Police Act*. This will include, without limitation, consideration of the following:

- The intended use/deployment of the additional resources;
- The process used by the police department and the police board to identify and evaluate the need for the additional resources and their intended use/deployment;
- Metrics related to service levels and demands for service, broken down by community (i.e., Victoria and Esquimalt) including but not limited to crime rates, crime severity indexes, calls for service data, victimization rates and data, response times, unallocated time, and scheduling patterns;
- Service delivery expectations and priorities as identified by the Police Board, the City of Victoria and the Township of Esquimalt;
- Police Executive and Police Association views on health and safety, deployment and effectiveness of operations;
- Use of available mechanisms for community input into priority and budget setting;
- Emerging external influences on service delivery and expenditures including but not limited to judicial decisions, emerging socio-economic and crime trends; and
- Use of available integrated or specialised policing units or mutual aid arrangements.

- B. The review will consist of examining and considering written and electronic records and selected interviews.
- C. Records may include but are not limited to:
- Budget documents and financial records relevant to the scope of the review;
 - The Framework Agreement, dated 17 April 2014;
 - Any reports prepared by or on behalf of the Department or the police board relevant to the scope of the review, including the Facilitator's Report on the Victoria-Esquimalt Police Framework Agreement, dated August 30, 2013 and the March 2017, MNP Efficiency Review of Victoria Police Department;
 - Departmental and/or police board policies and procedures governing budget processes;
 - Minutes and agendas of police board meetings relevant to the scope of the review, including in camera minutes and agenda items;
 - Communication (e.g., emails, memos) relevant to the scope of the review;
 - Operational-related statistics, records, data or other information that may assist the review team to consider matters relevant to the scope of the review;
 - Relevant sections of the *Police Act*; and
 - Any other applicable documents.
- D. The review will not examine any records related to a criminal investigation or prosecution, criminal intelligence, police investigative records or other sensitive law enforcement information, or personnel records.
- E. Interviews will also be conducted with members of the Department, Board, and police association, representatives of the City of Victoria and the Township of Esquimalt, as well as other stakeholders.
- F. The review will be conducted in the manner specified below:
- Under the overall direction of the Director of Police Services, the review team will include two consultants and staff from the Policing and Security Branch.
 - The review team will develop a review plan, including the methodology to be used, for approval by the Director.
 - In conducting the review, the review team shall have access to the documents described under section C, above, and other documents as identified by the review team.
- G. The review team will submit a written report to the Director for each phase of the review. Each report will summarize the information gathered and considered during the review, and present the review team's analysis, findings, and recommendations to the Director.
- H. The Phase One report will summarize information gathered regarding the overall management of the Board's budget and must be submitted to the Director by August 16, 2018.

- I. The Phase Two report will summarize information regarding the request for additional resources, and provide factual findings to the Director in order to support the Director's consideration of the applications under section 27 (3). The Phase Two report must be submitted by October 19, 2018.

Estimates and expenditures

27 (1) On or before November 30 in each year, a municipal police board must prepare and submit to the council for its approval a provisional budget for the following year to provide policing and law enforcement in the municipality.

(1.1) If a municipality has entered into an agreement referred to in section 66.2 (1.1) (b) with a treaty first nation, or an agreement referred to in section 66.2 (1.11) (b) with the Nisga'a Nation, for the duration of the agreement, the reference in subsection (1) of this section to "municipality" must be read as including the treaty lands of the treaty first nation or Nisga'a Lands, as applicable.

(1.2) If a municipality is a specialized service provider, the reference in subsection (1) to "municipality" must be read as including areas within the specialized service area that are outside the municipality.

(2) Any changes to the provisional budget under subsection (1) must be submitted to council on or before March 1 of the year to which the provisional budget relates.

(3) If a council does not approve an item in the budget, the director, on application by the council or the municipal police board, must

(a) determine whether the item or amount should be included in the budget, and

(b) report the director's findings to the municipal police board, the council and the minister.

(4) Subject to subsection (3), a council must include in its budget the costs in the provisional budget prepared by the municipal police board.

(5) On certification by the municipal police board members that an expenditure is within the budget prepared by the municipal police board, the council must pay the amount of the expenditure.

(6) Unless the council otherwise approves, a municipal police board must not make an expenditure, or enter an agreement to make an expenditure, that is not specified in the board's budget and approved by the council.

APPENDIX C



Review of the Victoria Police Department's Resource Levels and Deployment Model Phase One



AUGUST 13, 2018

Authored & Submitted by: Peter Lepine A. Lepine, M.O.M.

Oversight by Ms. Jenni Bard, Ministry of Justice, Policing & Security Branch

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Executive Summary

On February 1, 2018, the Township of Esquimalt Council forwarded correspondence to the Assistant Deputy Minister and Director of Police Services (*the Director*) requesting that he conduct a review regarding the Victoria and Esquimalt Police Board's supplementary budget request for six additional police officers. They also requested that the *Director* make a determination of whether the amount should be included in the budget such that the Township is required to contribute as per the budget allocation formula.

On April 6, 2018 the Victoria & Esquimalt Police Board (*the Board*), made an application to *the Director* to determine whether this budget item should be included in the Victoria Police Department budget, pursuant to 27(3) of the Police Act. The *Board* further advised that on January 22, 2018, Esquimalt Council defeated a motion to deny the two additional civilians but carried a motion to deny the six additional police officers. On March 5, 2018, Esquimalt Council defeated a subsequent motion to "approve the funding request from Victoria Police Department for six additional officers."

The Victoria and Esquimalt Police Board continue to believe that the six police officers are required in order to provide an adequate and effective level of policing to the City of Victoria and Town of Esquimalt.

The Ministry of Public Safety and Solicitor General (the Ministry) contracted Peter Lepine of Peter Lepine Professional Services and Peter Lockie of Inverleith Consulting Inc. to assist him with any decisions that he would make regarding his intervention as authorized by the Police Act. After reaching consensus regarding the nature and scope of the work requested from us, an agreement was formalized and the Director's staff subsequently provided the relevant materials to us. The Director forwarded correspondence to the *Board* and to Council advising that he had sought the assistance of two Consultants to undertake a number of activities to assist him in his consideration of their request for additional resources.

In conducting this review, we interviewed a number of key stakeholders, and conducted an exhaustive review of materials provided to us, as well as materials sourced from various locations. After careful consideration to all of the information gathered, we are providing this Phase One report to *the Director*.

Terms of Reference

Scope: At the request of the Assistant Deputy Minister and Director of Police Services (*the Director*), our services were engaged to review and examine the following matters and broken down into two phases.

Phase One

This first Phase is focused on gathering and analyzing information related to Service Delivery, the *Board's* budget, estimates and expenditures since the April 17, 2014, including but not limited to:

1. Forecast and actual spending each year;
2. Analysis of budget expenditures against budgets approved by the respective municipal councils;
3. Budget monitoring and reporting processes;
4. Resource levels and metrics, statistical and other related information;
5. Deployment model within the two municipalities;
6. Examination of budget expenditures and deployment against the terms of the Framework Agreement; and
7. Examination and analysis of any internal or external efficiency reviews.

Phase Two

The second phase relates to the February 1, 2018 and April 6, 2018 requests from the Township of Esquimalt and the Victoria and Esquimalt Police Board, specifically whether the additional resources are required to provide adequate and effective policing under the Police Act.

The review will consist of examining and considering written and electronic records and selected interviews.

1. Records may include but are not limited to:
 - Budget documents and financial records relevant to the scope of the review;
 - The Framework Agreement, dated 17 April 2014;
 - Any reports prepared by or on behalf of the Department or the police board relevant to the scope of the review, including the Facilitator's Report on the Victoria-Esquimalt Police Framework Agreement, dated August 30, 2013 and the March 2017, MNP Efficiency Review of Victoria Police Department;
 - Departmental and/or police board policies and procedures governing budget processes;
 - Minutes and agendas of police board meetings relevant to the scope of the review, including in-camera minutes and agenda items;
 - Communication (e.g., emails, memos) relevant to the scope of the review;
 - Operational-related statistics, records, data or other information that may assist the review team to consider matters relevant to the scope of the review;
 - Relevant sections of the Police Act; and
 - Any other applicable documents.

2. Interviews are to be conducted with members of the Department, *Board*, and police association, representatives of the City of Victoria and the Township of Esquimalt, as well as other stakeholders.
3. The review will be conducted in the manner specified below:
 - Under the overall direction of the Director of Police Services, the review team will include two consultants and staff from the Policing and Security Branch.
 - The review team will develop a review plan, including the methodology to be used, for approval by the Director.
 - In conducting the review, the review team shall have access to the documents described under section C within the Terms of Reference, and other documents as identified by the review team.

Out-of-Scope: The Review is not:

1. Intended to be a detailed operational analysis; or
2. To be an audit or meant to repeat any annual audits conducted by the Ministry of Justice as part of an ongoing function of their work. However this report and information collected during the course of the review may be relied upon as part of these audits; or
3. Meant to provide detailed managerial or operational advice to the Victoria Police Department and its *Board*; or
4. Meant to replace or supplement the audit and inspection functions of the Victoria Police Department or any other government department(s); or
5. A review of the performance of either the Chief Constable or Deputy Chief Constable of the Victoria Police Department; and
6. The review will not examine any records related to a criminal investigation or prosecution, criminal intelligence, police investigative records or other sensitive law enforcement information, or personnel records.

Outcomes: Report to the Director of Police Services on the conclusions of our review and analysis regarding the activities requested specific to **Phase One only**.

Although this report is intended to report on our findings regarding items identified in Phase One only, it is important to note that in conducting the required relevant research to comment on those matters sought by *the Director* in Phase One, significant research and enquiries often delved into those matters that might be covered in Phase Two. This was necessary in order to

enable us to provide the necessary context and insight to those matters required for the *Director* as outlined in Phase One.

This report is focused solely on the following activities within Phase One *Terms of Reference* of this review with specific attention drawn to the following areas:

1. Examination and analysis of any internal or external efficiency reviews.
2. Resource levels and metrics, statistical and other related information;
3. Deployment model within the two municipalities;

The remaining items contained within the Phase One terms of reference will be reported upon in a separate report authored by Peter Lockie of Inverleith Consulting Inc. who is engaged by *the Director* to collaborate with this Consultant on this review.

Methodology

Written Materials

In conducting the various activities, we reviewed and considered information from several sources.

Interviews

With the assistance of Ministry staff, we conducted a number of face-to-face meetings. Key parties included the senior management and leadership team of the Victoria Police Department, the President of the VicPD Police Association, the Victoria & Esquimalt Police Board, and CAO's for both the City of Victoria and Township of Esquimalt.

Examination and Analysis of Various Internal or External Efficiency Reviews

As part of his review, we were provided with a number of documents from various sources including materials from ministry personnel by hand and from the Ministry's website. Materials were also provided by the Victoria Police Department directly by Deputy Chief Colin Watson, or retrieved from VicPD's web site. Materials were also retrieved from Stats Canada's website and analyzed to assist us with any comments regarding the appropriate deployment model as requested within this Phase of the *Terms of Reference*.

Documents examined that warranted a specific comment regarding our analysis are outlined individually. All other documents reviewed for information purposes are referenced in footnotes.

1. Setting the Stage for Police Budget Cuts by Improving Efficiency and Effectiveness¹ - A Review of Victoria Police Department Operations, University of the Fraser Valley, June 2012

This first of two major academic studies involved a large-scale review of almost every aspect of VicPD's front line operations. Taken directly from pages 4 and 5 of the report, the University of the Fraser Valley (UFV) review that led to a number of recommendations can be summarized as follows:

This report, which has the Victoria Police Department as its focus, purposely has an orientation towards the issue of police capacity to respond. The report provides an assessment of the workload handled by the Department and an evaluation of its apparent ability to handle that workload, and then recommends changes the Department might consider to handle that workload in a more efficient and effective manner. In this assessment, and because the issue of equality in service has been raised by the City of Esquimalt, specific attention is given to the level of service provided to Esquimalt residents relative to that provided to residents of Victoria.

In addition, from further within page 5 of this report:

Overall, the methodology employed in the assessment consisted of a review of the Victoria Police Department crime statistics, a comparison of those statistics to those of other jurisdictions, interviews with representatives from various sections within the Department, interviews with detectives and patrol officers, and a review of what police departments in other jurisdictions are doing that Victoria might consider doing. Finally, the methodology consisted of assessing the current level of resourcing in Victoria against a listing of factors Victoria needs to be attentive to in considering its capacity to respond. The report begins with a look at the level of crime in Victoria.

While the UFV review delved into a number of the standard statistical comparators widely used to gauge resource capacity, it primarily focused on VicPD's ability to implement and sustain an effective "Evidence-Based Crime Reduction Strategy". Essentially, the report's authors concluded that VicPD should reallocate six positions from units that were shown not to contribute to the department's capacity to handle calls for service, and moved them to their investigative, analytical, and IT divisions. It was their view that even if these changes were to occur, the department would require an additional six positions to be added to the overall resource pool.

¹ This report is commonly referred to as "The Plecas Review" by many stakeholders and is used interchangeably within this report.

The report's authors further predicted that given the trends that they were witnessing throughout most police jurisdictions within the Province of BC over the past five years prior to this review in 2012, crime rates, particularly as it relates to property crime were going down and would most likely continue on that track. However, they also felt that if VicPD did not do anything significant to drive down crime, the community would remain with a reputation of being a city with more violent crime when compared to others in the future. In fact, violent crime had risen by almost 10% in the 4-year period prior to the *Plecas Review* report's release.

UFV's Review of Crime Rates within Victoria and Esquimalt

It was the view of these authors that at the time of this report's creation, Victoria had a much higher per capita crime rate when compared directly to other BC cities of roughly equal population. Also important to note, is the fact that the Department also dealt with more violent offences than other cities in British Columbia.

When comparing crime rates between both communities the report authors commented that between 2008 and 2010, the proportion of calls for service between Victoria and Esquimalt was extremely consistent. Of the total calls for service year over year, approximately 10% of the calls for service could be attributed to the community of Esquimalt. They further noted that there does appear to be some difference in the nature and seriousness of the calls between Victoria and Esquimalt. Specifically, a slightly higher proportion of calls in Esquimalt compared to Victoria were priority 1 and 2 calls. Another interesting difference is that between 2008 and 2010 response times have consistently been shorter in Victoria.

The report also delved into areas of street-level supervision, the impact of technology and its influence on policing operations and officer discretionary time.

Analysis and Relevance to the Current Issue and Environment

By 2012, the policing strategy that focussed on an evidence-based crime reduction strategy had taken a solid foothold within the Province of British Columbia. Almost all police agencies within the Province of BC had invoked this strategy as the pillar in which to chart the direction of their respective police organizations. Therefore, the recommendations outlined in the *Plecas Review* are not only academically sound, but also operationally proven as demonstrated in a number of other studies and statistics tracked as far back as 2005.

Although this report was created and released over six years ago, the research methodology and conclusions should be viewed as particularly relevant in assisting the senior leadership team and their stakeholders as to not only how well VicPD was doing when it came to dealing with their issues at that time. Furthermore, this report should have also served as a framework to better enable the Department to reduce crime and overall general calls for service. It is also our view that the methodology used would be as relevant today as it was in 2012.

2. Improving Operational Effectiveness

VicPD's Action Plan to the *Plecas Review*, September 2012

In September 2012, VicPD responded to the *Plecas Review* recommendations with an action plan included the following initiatives:

1. VicPD increased the current four-member Street Crime Unit with five additional officers. Their mandate would be aligned with a strategy consistent to that presented by the UFV researchers within their report; and
2. VicPD would also augment their Investigative Services Division with an additional five investigators; and
3. While VicPD acknowledged the need to address concerns regarding the shortages within their FIS Unit outlined within the Plecas Report, VicPD chose not to action this recommendation; and
4. VicPD added an audit function to a current Staff Sergeant position as an "add-on" to his current duties within the K-9 Section.

In turn, VicPD decided to eliminate the following positions:

- 2 School Resource Officers
- 2 Youth Investigators
- 2 Dayshift Patrol Cars
- 1 Regional Domestic Violence Unit investigator
- 1 Focused Enforcement Team
- 1 Community Resource Officer
- 1 Crime Prevention Sergeant Position

Our Analysis of VicPD's Action Plan Report

We are unsure of what VicPD's Deployment Chart looked like in 2012. There are no records within VicPD that go back that far, nor can any of the current leadership team speak to the 2012 exact deployment model to any degree of detail.

It does appear that the positions that were redeployed as per the *Plecas Review* recommendations were currently in place up until April 2018. However, changes were made in April 2018 to remove three additional resources from the School Resource Officer program, one Intelligence Officer, one Beat Section officer and one Crime Prevention officer.

These resource reallocations may have aligned with a strategy suggested by the Plecas Review authors regarding the removal of resources from programs that may not add direct value to

reducing crime. However, they were not moved to positions focussed on crime reduction, but were instead placed within the Patrol Division to shore up the Department's ability to respond to calls for service.

3. Efficiency Review of Victoria Police Department

Prepared By: MNP LLP, March, 2017

MNP LLP was contracted by the *Province* to conduct a review of the Victoria Police Department to assess their operational capacities that existed within the Department, and make recommendations that might improve upon the current situation in 2016. MNP intended to focus upon VicPD's organizational structure, resources, workloads, service levels, deployment, and costs. MNP concentrated its analysis on 21 work-related activities and 13 functions associated with front line police services. Their focus was to answer questions related to the completion of matters of relevant task management, efficiency, and departmental effectiveness.

In summary, this second major research review of the VicPD noted the following:

Local Policing Environment Identified by MNP

1. The cost sharing formula to support the VicPD budget was at a rate of 85.3% for Victoria and 14.7% for Esquimalt.
2. Estimated combined population for Victoria and Esquimalt was 102,022, which is an increase of 3.2% since 2011.
3. A comprehensive community and business survey conducted in 2014 indicated a satisfaction rate of 87% with the VicPD.
4. The 2015 overall crime rate, violent crime offences, and property offences were excessively high in Victoria when compared to the communities of Saanich, Vancouver, and New Westminster.
5. Similar community comparisons were also made in the area of caseload per officer, crime severity index, weighted clearance rates, population per officer, and policing costs per capita.
6. MNP concluded, "Vic PD is generally addressing higher rates of crime, higher severity of crime, and higher caseloads than other municipal police agencies in B.C. At the same time, VicPD "clears" cases at a rate slightly higher than the provincial average. In short, due to a variety of factors that add to the unique demands on VicPD, there is a higher rate of officers to population because they are needed. The *MNP Review* suggests that

increased staffing in a variety of areas is necessary for the sustainability of current service levels.”²

7. From 2011 to 2015 there was a general upward trend of crime, and calls for service in both Victoria and Esquimalt, specifically:³

2012 - 2016 - 12.6% Increase in “total calls for service”

2012 - 2016 - 16.0% increase in “dispatched calls for service”

8. MNP analysis indicated that Esquimalt has a slightly higher proportion of Priority 1 and 2 type calls for service.⁴

MNP further noted that since its inception when the amalgamation of police services within the two communities took place in 2003, VicPD’s current staffing model remain dedicated primarily responding to calls for service despite the overall increase in dispatched calls, and the increased complexity in the investigations and file documentation that are required as these calls are managed.

9. Community Challenges – MNP research findings indicate that:

- 56% of all food primary licenses and 65% of all liquor primary licenses seats in Greater Victoria (Sooke to Sidney) are located within Vic PD’s jurisdiction.
- Victoria is also the home to a high percentage of the region’s social service support agencies and organizations providing a wide variety of community needs. Included among these are homeless shelters, mental health and substance use services, and government services.
- The community challenges require VicPD to provide policing services to a much larger population than local population statistics indicate, and contributes to an increased number of calls for service and an increased caseload.

10. Police Organization and Composition – MNP research findings:

- Of the 242 sworn members, 91% of these officers were delivering police services to the community with the remaining found within the management and/or training and recruiting.

² Page 10, Efficiency Review of Victoria Police Department, MNP LLP, March 15th, 2017

³ Page 11, ibid

⁴ Page 13, ibid

- With the exception of the two Assertive Community Treatment (ACT) Team members, there has not been an increase in police staffing since 2010.
- Sick time records for the Victoria Police Department indicate a 25% increase in sick time use by sworn officers between 2010 and 2015. Comparatively, there was a 16% increase for non-sworn staff during the same period. Other indicators suggest a gradually increased number of calls for service, and increased investigative and reporting standards.
- Staff shortages resulting from unanticipated illness or injury represent approximately 19% of overtime costs for sworn members.

MNP Conclusions and Recommendations

The analysis of the very detailed data provided by VicPD employees to MNP focussed on the 21 associated activities covering 13 functions. The MNP working group identified a list 18 opportunities for improvement. Ten items were identified for immediate adoption with eight requiring further analysis and potential business cases.

It was determined that the Department could do the following:

1. Work with Community to better understand service level expectations and set policing standards.
2. Optimizing call responses by exploring different response models for certain calls.
3. Increase front-line staffing levels by considering ways to increase staffing to front line policing positions without negatively affecting service delivery in other areas. This might require a general increase in staffing in these positions.
4. Civilian Support Staff Increases to compliment increases in front line staff.

MNP's Workload-based Assessment

MNP determined that the Department overall, and the Patrol Section in particular, spent a significant amount of their time responding to calls for service. Patrol staff also took fewer breaks, and given the high proportion of time spent on calls for service, they spent little time on proactive activities.

MNP commented that major detractors to proactive policing initiatives were in part due to the requirement to fulfill the following VicPD mandates:

- The need for police to conduct bail hearings on weekends and holidays;
- The need to assist parole and probation with curfew checks on offenders, and confirmation of residential addresses for sex offenders. Victoria is home to three halfway houses, one of which is the largest in Canada;
- The introduction of additional Provincial Policing Standards, including standards associated with domestic violence and missing person's investigations;

- The constant demand for ongoing police officer training. To be trained, officers must be away from their normal operational duties which results in their inability to respond to calls for service, continue with existing investigations, or perform their ordinary tasks;
- The growing need for all police agencies, including VicPD, to be mindful of the threat of extremist activities that may impact public events; and
- The growth is the increase in demand for information related to crime and calls for service from media and members of the public.

MNP Conclusions

The MNP consultants' general conclusion is summarized by the following paragraph:

The Department faces unique challenges related to its location, climate, and relative importance in the Greater Victoria region. It has also faced recent challenges with increased calls for service without a corresponding staff increase. It is evident from previous reviews and efficiency implementations that the Department is committed to continuous improvement. This drive towards consistent improvement can continue with the recommendations identified in this report. However, efficiency improvements can only go so far. In conjunction with the opportunities identified, the Department should also consider increasing its staff complement to meet calls for service and fulfill its obligations to the community.

Our Analysis of the MNP Review Report

The community survey referenced within the MNP report noted that within the Town of Esquimalt, matters of Violence, Property Crime, Drug activity, and speeding were of top concern. When it came to the City of Victoria, there seemed to be similar concerns as noted by the citizens of Esquimalt, but residents also expressed additional concerns with homelessness, and panhandling.

Of note, this issue was also noted during our interview with the VicPD Police Board. The Esquimalt representatives felt that matters of homelessness and panhandling in their view as primarily a "City of Victoria" problem, which in turn is best addressed with "Victoria-paid" resources.

Like other police-related resource studies, MNP conducted a review of the standard statistical databases that are common amongst other research organizations. We found that the communities that were used in their comparisons were a fair representation. However, with the exception of the city of Saanich, MNP used different communities than those used in the *Plecas Review* and those used in our review. This does not mean that MNP's comparators are irrelevant, as they chose to use communities that represent a similar size police service (New Westminster), similar population (Saanich), or a community with a very busy city core with a daytime population influx (Vancouver).

We concluded that although MNP recommended the need for additional officers, it tended to focus on front line patrol pressures. This is somewhat different from the *Plecas Review* wherein the latter focussed on resources that focussed on investigations and promoting a crime reduction strategy. The *MNP Review* was intentionally supported with VicPD resources throughout all research activities. The processes conducted by MNP were supposed to be the building blocks by which the Department and the *Board* could use to conduct future reviews of their own.

Following the *Plecas Review* in 2012, management undertook to restructure internally rather than seeking additional resources from the *Board*. Although the reorganization was seen by some as a positive move forward, VicPD management determined that it had not ameliorated the need to keep up with the growing demand for service. Additionally, VicPD management saw the need to invest further in emerging crime trends such as fraud, cybercrimes, and internet based child exploitation offences, but lacked the ability to divert resources to these areas without negatively affecting other police-related functions. The “do more with current resource” processes remained in place from 2010 until the *Board*’s most recent request contained within the 2018 Provisional Budget.

4. Policing Requirements to Support Growing Communities⁵

By Victoria Police Department, September 2017

At the August 15, 2017 *Board* meeting, VicPD presented a briefing note outlining growth in the region using various metrics. In turn, the *Board* directed staff to bring back a report outlining the required resources to matches this growth within the region. This “white paper” is the department’s response to the *Board*’s request.

Although not directly stated, this report also appears to be most likely the Department’s response to the *MNP Review* issued in March 2017 as conclusions reported upon in the *MNP Review* are mentioned throughout this VicPD report. The report was submitted to the *Board* with the following recommendations advanced by the department:⁶

- *The Board approve a sustainable growth strategy whereby increases in demands for policing services due to growth are funded by a share of tax revenue from non-market growth (development); and*
- *That this include minimum amounts of taxation revenue from non-market growth that represent the proportion of taxation that is represented by the cost of policing (e.g. 19% for Esquimalt, 23% for Victoria if using % of cost, 34% if using % of taxation)*

⁵ This report is also referred to as “VicPD’s Growth Strategy”

⁶ Page 8, POLICING REQUIREMENTS TO SUPPORT GROWING COMMUNITIES, RECOMMENDATIONS, September 2017

- *Based on an estimate of \$2 million in non-market taxation growth for the City of Victoria this would equate to \$460,000 based on 23%, and \$680,000 based on 34%*
- *Based on average non-market growth for the Township of Esquimalt, 19% would equate to \$30,275; and*
- *That discussions of the funding formula by the Administration Committee include discussions on sustainable funding formula for growth; and*
- *That the Board consider requesting a higher amount for the initial year(s) in order to address the issue of stagnant staffing increases. The total required to fund six new police positions and the association support is \$870,000*

The department further commented that they required a long-term funding strategy so that they might be in a better position to keep pace with demands for service resulting from normal community growth.

Finally, the report appears to be the Department's introduction for an immediate need for six additional police officers, and additional support staff.

What happens if there is no change?

Of particular note, VicPD also places the *Board* on notice if neither the growth plan nor the request for six additional officers is successful. Taken directly for the report, VicPD states:⁷

VicPD management believes that action must be taken in the short term to close the current resource gap in front line positions. Should the request for additional staffing not be approved, police management will need to reallocate resources to front line positions by reducing or eliminating other services currently being provided. Consideration must also be given to reducing services by not sending officers to certain call types. Changes will be done through an assessment of our staffing and services that take into account many factors including strategic priorities and risk mitigation. On initial review, units that are subject to elimination include one or more of the following: the Crime Reduction Unit, Police Dog services, School Resource Officers, Community Resource Officers, Beat/Bike Section, and Traffic Section. As most of these are shared resources, this will have an impact on both municipalities in noticeable ways.

VicPD further comment that although these are critical services might be highly sought after by the two communities, they represent a lower organizational risk should there be a need to reduce or eliminate positions to support front line service delivery.

Of note within this report, VicPD committed to undertaking a number of other strategies to mitigate the impact on services if faced with carrying on with current resource levels. These

⁷ Ibid, Page 7,

include actions such as attempting to reorganize where possible, explore further integration where possible, introduce appropriate service reductions, and to consider changes stemming from various review processes.

The Department report benchmarked statistics such as population and density, community development, calls for service, workload and top community concerns & priorities for both the communities of Victoria and Esquimalt. VicPD acknowledged that although not all of these factors related directly to crime activity, they did influence demands for additional police-related services.

The report concluded that from 2008 to 2016, that within both communities, the overall population was up, and calls for service had also increased. Yet police resources have remained stagnant. It was strongly suggests that there was sufficient exponential financial growth that that could come from the various economic drivers, hence the capacity for both the communities of Victoria and Esquimalt to consider a proportional increase in funding for the police service.

Our Analysis of the VicPD Growth Strategy Report

The report is comprehensively researched, complete with statistical data to support their conclusions. Specifically, with the exception of growth within the police service itself, all other comparative areas show an increase in growth including crime, police workload, population, density, and increases in tax revenue through non-market growth.

The report also makes specific references to police-related resource drivers in the area of homelessness, and tourism. Furthermore, the report comments upon the feedback that they received from their most recent community surveys which is complete with comments regarding community expectations on response times to certain crime types as well as where the community would like to see VicPD spend their time.

At first glance, this report appears to outline the VicPD management team's business case for a long-term strategy for creating growth capacity within the Department. The report further suggests that the two communities also support this request with support from the business sector.

The report further contends that VicPD firmly believes that the only strategy available to them in order to meet community expectations is to increase front line resources, specifically to the patrol division as it continues to focus to response times to calls for service. What is not included in this report is an analysis of how the department might meet these expectations through any sort of comprehensive approach similar to an evidence-based crime reduction strategy or promoting an alternative call response, or a different resourcing model other than acquiring fully sworn officers.

5. 2018 Police Provisional Budget

By the Victoria Police Board, presented to a joint meeting of Council October 10, 2017

This budget report commences with information regarding the constraints placed upon them by both municipal councils indicating that a target tax increase not exceed 3%. There is an acknowledgement that the two Mental Health Officers were funded from 2017 and 2018 budget surpluses, with intentions to seek permanent funding for these two positions in the 2019 budget if this project was shown to be successful.

The *Board* took this opportunity within this Provisional Budget to comment upon the VicPD's *Growth Strategy* report. Essentially, the *Board* advised both councils that they estimated an additional requirement of a further 1.5 sworn resources annually with a corresponding one additional support person for every three sworn staff increase.

Unlike the past practice of requesting additional resources within a supplemental budget request, the *Board* chose to include the request for an immediate increase of six members within their general police budget for comparison purposes only. Hence, as demonstrated with this approach, the *Board's* 2018 Provisional Budget request included an overall increase of 4.76%, which is 1.76% more than the guideline constraint imposed upon the *Board* by both councils.

The provisional *Board* budget was also supplemented with copies of the *VicPD's Growth Strategy* report. This information can be viewed as a "full disclosure account" as to how and why VicPD came to their conclusions to seek the resources requests contained in this provisional budget report.

It was noted that at this presentation, the *Board* stated that the requested six new officers would be deployed within patrol. Two of the officers were sought in order to offset expected growth for 2018, and the remaining four officers represented minimum increases to provide adequate front line policing for growth that had already occurred. This strategy changed in subsequent presentations. Of note at the March 2018 Esquimalt Council meeting, VicPD advised that two of the six requested resources would now go to an Alternate Call Response Unit, with the remaining four going to patrol.

6. 2018 Police Provisional Budget PowerPoint Presentation to Esquimalt Town Council - By VicPD, March 5, 2018

We reviewed a copy of the above noted PowerPoint slide presentation used by VicPD to the Town of Esquimalt Council. In addition to all of the other items generally contained within a police provisional budget, this presentation was the first attempt to put both councils "on notice" that they intended to secure additional funding for an additional six police resources.

The presentation focussed on much of the same information contained within the *VicPD Growth Strategy* report. At the October 2017 joint council meeting and the January 22, 2018 Esquimalt

council meeting, Council was advised that VicPD would deploy all six resources to patrol. It was noted that in our review of the *Board's* February in-camera meeting minutes, this had changed somewhat. Although not specifically documented, we learned through our interviews with the Esquimalt CAO, her Council's refusal to support this request at the January 2018 council meeting may have motivated a change in the *Board's* approach regarding a further request.

During the March 5, 2018 presentation to Esquimalt Council, VicPD further clarified their position by advising Council that the Department would be allocating two of the six resources to an Alternate Response Unit. Some council members may have noted that VicPD had changed their mind mid-stream. It is however, our view that the ARU is a patrol function in that they are first line responders, albeit to lower priority files.

Our Analysis of the 2018 VicPD Provisional Budget Presentation

This presentation combined with the very detailed information package provided to council at the joint council meeting in October 2017, provided all of the necessary information necessary for both council to make an informed decision regarding the request for the additional six police officers.

During our interviews with the *Board* and municipal stakeholders, comments were advanced that at the March 2018 council presentation, VicPD clearly identified that aside from the two resources to be deployed within a newly created ARU, the four remaining requested resources were being sought to respond to calls for service within the city of Victoria. The VicPD presenter's notes indicate that this was considered an investment in resources for Victoria, "but helps Esquimalt as well in that it would better deal with surge resourcing to critical calls." However, this point was lost on Council as they concluded that this was solely a benefit to the city of Victoria and that if so, Victoria should pay them at 100% of their costs.

What is also clear in this presentation, which speaks to the core of the ongoing issue that Esquimalt Council has with policing costs, is that the main benefit from these additional resources favours the city of Victoria. Given that the *Stakeholder Agreement* allows an alternative method to address this situation by way of 100% Victoria paid resources, Esquimalt council as a whole could not support the request.

While it might be considered to be viewed by some as a bit of "arm chair quarterbacking," this issue is widely known to be a consistent cause for disagreement with Esquimalt stakeholders. It was suggested that at the March 5, 2018 council meeting, had the VicPD presenter attempted to clarify or in some way further demonstrate how these six requested resources were a mutual benefit to both communities, there might have been a different outcome. This point was emphasized during our interview with the Esquimalt CAO.

This observation was also noted to be a relevant matter to the mayor of Esquimalt. In a CBC report dated March 7, 2018, Mayor Desjardin is quoted as saying "I was disappointed they didn't frame it in a way that Esquimalt council could say:

“Yes, there is the designation of one officer specific to Esquimalt doing these duties,” Desjardins said. “That way there would be ownership and direct benefit to Esquimalt. But it wasn’t portrayed that way.”⁸

7. Patrol Deployment Practices PowerPoint Presentation to Police Board

By VicPD, April 17, 2018 Police Board meeting

We reviewed this PowerPoint presentation, which focuses on the current patrol deployment model versus one in which patrol resources are completely separated from each other as they serve the two communities.

The presentation material indicates that the current model ensures that there is always a minimum constant of police resources serving the community of Esquimalt regardless of issues such as annual leave, sick and training time or other police-related commitments. It was further pointed out that the pressures due to these absences are primarily levied upon the Victoria-deployed patrol resources.

The presentation further identifies those other units such as K-9, and a Community Resource Officer (CRO) and the Summer Action Plan (two resources) Officers that are attached to the Esquimalt Division.

We found that while this blended model might better suit the needs of the overall police operation, it does create issues with the Department’s requirement to account for how they deliver their service. VicPD management advise that there is no practical way to identify which resources are in each community at any given point of their shift, or moment in time. This is in part due to the fact that during any specific work shift there are several instances where dedicated resources may have to cross over into another zone. Apparently, the PRIME-BC records management system is unable to provide this data in any reliable form.

The presentation concludes that while the current blended patrol model meets the intention of the current *Framework Agreement*, it does reduce efficiency. However, it increases community satisfaction, particularly in Esquimalt. While it does create challenges to VicPD’s ability to collect appropriate and timely data, the overall blended policing model is less expensive and provides better efficiency.

⁸ <http://www.timescolonist.com/news/local/esquimalt-twice-snubs-funding-for-new-police-officers-services-might-be-cut-1.23193729>

8. VicPD 2017 Business and Community Survey Results PowerPoint Presentation - Completed by VicPD

We reviewed the results of two VicPD community surveys conducted in 2017. This is the second survey conducted in keeping with the *Framework Agreement* that requires that community surveys be conducted every three years. The rate of return for the 2017 surveys was viewed to be very high with a 42% return rate from the community survey and a 33% return rate from businesses.

Although reviewing these reports may not have a direct influence regarding the matters contained within this Phase One report, it is our view that it does reflect somewhat upon the department's overall efficiency when meeting community expectations, which may reflect upon the Department's current Patrol Division deployment model.

The overall support for the police noted within the 2017 survey has remained unchanged from the previous 2014 surveys, which was 88%. Additionally, responses to a large number of questions also remained unchanged from the previous survey, which for the most part was very positive.

However, we did note the following variances regarding responses to some of the survey questions.

1. The community response to whether they felt safe in their neighbourhoods at night drop from 83% to 64% in Victoria and from 74% to 63% in Esquimalt. This is significant drop. However, the opinions regarding the daytime hours remained unchanged in the mid to high 90% range.
2. Concerning the community response as to whether the Department is accountable to the community, the opinions dropped from 64% to 46% in Victoria and from 70% to 54% in Esquimalt. There are no qualifiers to explain this drop or what specific concerns the public had regarding this drop.
3. Businesses within both communities felt that the VicPD did a better job at understanding their needs. The 2017 results show an increase from 43% in the 2014 survey, to 62% in 2017.
4. More businesses are calling the police and more frequently too.
5. Business owners feel that their communities are a safe place to own a business. This opinion increased from 80% in 2014 to 92% in 2017.

Our Analysis of the 2017 Community Survey

Essentially, residents have a greater fear of crime in their communities, particularly at night and there are concerns by many that the police are less accountable to them. On the other hand, business owners in both communities feel the police are doing a better job at listening to them, which can also be viewed that they are being more accountable to this community group.

There does not appear to be any specific information contained within this survey that might influence the overall effectiveness of the current patrol model.

9. Facilitator's Report on the Victoria-Esquimalt Police Framework Agreement

By RLD Strategies Ltd., August 30, 2013; and

10. The Framework Agreement dated April 17th, 2014.

RLD Strategies Ltd was retained by the *Ministry* to facilitate the creation of a framework agreement that would assist the various stakeholders to move forward from a long period of difficulty post amalgamation of the police services in Victoria and Esquimalt. Areas covered in the agreement include how the various stakeholders manage a number of strategic issues that include a model for service delivery, funding, the budgeting process, and a mechanism for dispute resolution.

While a portion of the Facilitator's report delves into a number of issues involving the historical conflict that "poisoned" the collaborative environment when it comes to communities working with each other, the result of this facilitation process led to the creation of a *Framework Agreement* that was eventually approved by all parties.

Given how both of these documents are linked to each other, our comments regarding our review are related to both documents.

Although much of the *Facilitator's Report* and *Framework Agreement* examine areas that are outside of the *terms of reference* for our report, the *Framework Agreement* does set out parameters for a general deployment model for the sharing of VicPD resources.

Specific information that connects the reports to police deployment includes:

1. The establishment of a dedicated Division for each community, one being the Victoria Division for the City of Victoria, and one for the Esquimalt Division dedicated to serving the Town of Esquimalt and Victoria-West(VicWest); and
2. The initial composition of dedicated Municipal Divisions to include 24 sworn officers for the Town of Esquimalt (Esquimalt Division) and 110 sworn officers for the City of Victoria (Victoria Division); and

3. The manner in which the selection of the Officer in Charge of each Division would proceed; and
4. Processes for the acquisition of “Optional Resources”; and
5. The manner and processes in which “performance targets” are set for each community.

It is our view that the *Framework Agreement* does set out the general overarching manner in which sworn officer deployments should be facilitated. It does not delve into the operational responsibilities generally reserved for the Chief Constable, nor does it delve into any governance matters that are the responsibility of the *Board*. It does set out a clear mechanism that focusses on how both communities might become better engaged with their police service, and how they might alter their deployment if they so choose with the acquisition of additional resources.

We noticed a common thread or theme advanced by almost every group or person that we interviewed that strongly alluded to the fact that despite the stipulations laid out within the *Framework Agreement*, each thought that the other stakeholder was not adhering to some of the terms or spirit of the agreement. Specific to this Phase I review, it was suggested by some that the Department was not living up to its obligation to ensure that there were fair and equitable allocation and use of police resources. It was further suggested that VicPD failed to collaborate with the Town of Esquimalt regarding the selection of their “Officer in Charge.”

11. Integrating Police Officers onto Assertive Community Treatment (ACT)

teams: Views of Clients and Staff - University of Victoria, Department of Psychology, March 1, 2018

This 58-page report outlines the findings of the author’s research on the impact of police officers towards the overall work and effectiveness of the ACT teams. The researchers conducted this study at the request of both the Island Health Authority and Victoria Police Department. The goal of the report was to develop an initial understanding of the benefits and drawbacks of police office integration into the ACT teams.

While a VicPD officer had been assigned to work with one of Victoria’s four ACT teams, two additional officers were eventually added in late 2016, which permitted for a much larger integration with all four ACT teams within the city.

The research consisted exclusively of interviews with 21 ACT clients and 22 ACT staff members with varying degrees of tenure. The overall outcomes of the review are noted to be very positive. Specifically, VicPD members attached to the ACT were viewed to have a positive influence on the program. The report outline specific benefits to include enhanced relationships with both ACT staff and their clients, enabling ACT teams to offer services to higher risk clients because staff felt safer, and having police involved facilitated better connections with the courts. However, both clients and ACT staff expressed some frustration with the fact that there were not

enough officers assigned to the unit to facilitate evening and weekend coverage, or to be more accessible to clients when needed.

Furthermore, the report mentions that ACT staff felt that the VicPD ACT members did share their knowledge with patrol officers, which may have encouraged these patrol members to refer clients to their program. However, there is no supplemental data to quantify this view.

Our Analysis of the ACT Team Review

While this report clearly outlined the tremendous benefit and few challenges that the officers presented to both ACT clients and staff, it does fall far short on describing to any degree the benefit to the Victoria Police Department on a number of fronts.

There were no interviews with VicPD management or other operational members. There were no statistics regarding the impact VicPD involvement in this collaboration has upon the effectiveness of the department, or if from the Department's perspective whether this is a good use of their resources.

We would view this report to provide little information for the VicPD to determine if there is any direct benefit to their resource pressures. Temporary funding from council on a trial basis supports funding for two of the three positions assigned to the ACT teams. However, there may be challenges to seeking permanent funding for the VicPD ACT positions beyond the pilot phase, which ends in 2018 if VicPD are unable to provide any evidence-based data regarding their overall impact to reducing calls for service or reducing workload upon the remaining staff within the Department.

12. VicPD Cybercrime Strategy 2018-2020 – by VicPD

This thirteen-page document recently released to the public outlines the Department's overall strategy to deal with criminal behaviour involving the use of cyberspace as a method for perpetrators to conduct their business. The extensive use of the internet to perpetrate crime is now having significant implications for VicPD who like other law enforcement agencies struggle to prevent, investigate, and report on cybercrime matters. VicPD advise that in 2017 there were 464 incident of cyber-fraud, which was an increase from 367 the year prior. The rate of reported cybercrimes in the Victoria area has more than doubled since 2014.

Further to the issue of cyber-fraud, VicPD advise that they must also contend with investigations where the internet is used to commit other crimes such as child sexual exploitation. Of note, of the 355 IP addresses used to trade child exploitation materials over the internet, 149 of these IP addresses were located within the Victoria area.

Taken directly from the report VicPD further comment:⁹

Locally, an increasing number of serious crimes investigated by the Victoria Police Department, including a wide range of criminal activity such as homicide, serious violent offences, domestic violence, and harassment, have a cyber component to them; and

The Victoria Police must ensure that cybercrimes can be adequately investigated and that the investigative infrastructure necessary to respond is in place and able to adapt to the rapidly changing cybercrime landscape.

Our Analysis of the VicPD Cybercrime Strategy

Given the growing frequency and seriousness of cybercrime-related activity, VicPD management have attempted to demonstrate a clear need for the Department to enhance the manner in which they are required to address this situation. As outlined in this document, VicPD has laid out a strategy that would include a collaborative approach at all levels whether internationally, nationally, regionally and locally.

While there is no mention within this document for the need for VicPD to seek additional resources in order to advance their cybercrime strategy, senior managers recently identified this as an up and coming pressure, which will need to be addressed at some point.

Metrics and Statistical Information Regarding the Victoria Police Department

In keeping with the research requirements set out within the *Terms of Reference* for this review, and to support conclusions and findings further contained within this report, we were requested by the *Director* to gather and analyze information related to resource levels, metrics, and other statistical data.

In keeping with a standard practice for commonly referenced police-related data, we retrieved specific information from a number of sources tasked with reporting-out such data on a yearly basis. All references to the data sources are referenced within footnotes contained within this report.

For reference purposes, we compared the various metrics within British Columbia communities of similar population to the combined population of the City of Victoria and Township of Esquimalt. Unless otherwise noted, any reference to the population served by the Victoria Police Department consists of the combined population for both communities.

⁹ Page 6, Victoria Police Department Cybercrime Strategy 2018-2020

Authorized Police Resource Workload and Community Statistics¹⁰

Police Resources - 2016									
	Population	Authoried Strength	Adjusted Strength	Pop. Per Officer	CCC Offences	Crime Rate	Case Load	Total Costs	Cost Per Capita
Victoria	102,022	245	245	416	10,833	106	44	\$50,273,629.00	\$493
Saanich	110,869	161	161	689	4,174	38	26	\$32,976,224.00	\$297
Delta	102,937	180	182	566	4,740	46	26	\$36,390,284.00	\$354
Kamloops	91,402	136	136	672	10,644	116	78	\$22,804,435.00	\$249
Chilliwack	93,355	110	121	772	11,069	119	91	\$22,078,831.00	\$237

This most recent information relates to the statistical data provided by Police Services for the year 2016. Stats Canada generally releases raw data from the previous year to the public in the month of July of each year, however any analysis of data related to 2017 calendar year was not completed by Police Services before the creation of this report.

The following conclusions can be drawn from the following information provided within this chart.

1. Of the three municipalities (Victoria, Saanich, and Delta):
 - Victoria/Esquimalt has a higher number of total criminal offences within their community of the three.
 - Victoria/Esquimalt has the highest crime rates per thousand people of the three.
 - VicPD has the highest criminal caseload per officer of the three.
 - VicPD has the highest total number of police officers and officers per capita than the three.
 - The cost of policing per capita is the highest for the VicPD of the three.

2. When compared to all five communities:
 - Victoria/Esquimalt has the second highest number of total criminal offences of the five communities.
 - Victoria/Esquimalt has the third highest crime rates per thousand people of the five comparable communities.
 - VicPD has the third highest criminal caseload per officer of the five communities.
 - VicPD has the highest number of police officers and officers per capita than the five comparable communities.
 - The cost of policing per capita is the highest for the VicPD of the five communities.

¹⁰ Source: Ministry of Public Safety and Solicitor General Police Services Division, Police Resource in BC, 2016

Population Variances and its Influence on Statistics

Of note, Stats Canada population statistics will vary from the population numbers quoted within the reports issued by Ministry of Public Safety and Solicitor General Police Services Division. Stats Canada consistently uses information provided from data collected from their 5-year census reports, while the *Ministry* will draw their numbers from a larger number of sources. This process permits the *Ministry* to better reflect influxes in population on a yearly basis.

The population numbers quoted within this chart represents only those numbers associated to people who are considered full-time residents of each community. It does not take into account any daytime or nighttime fluctuations that might occur based on things such as worksite location, tourism, sporting events, and nighttime entertainment.

The city of Victoria is purported to have a rather large non-residential population that consists of people who work and recreate within the city's core area. Furthermore, Victoria is also the centre for the vast majority of the tourism traffic on any given day. It is reported that Victoria's physical population is 375,000 consisting of people who regularly work and recreate in the city core, with an additional 3.2 million tourists who visit the downtown area every year.¹¹

Understandably, communities who are party to large transient population are also tasked with supplying services to support them. In addition to policing services, fire, ambulance, as well as capital infrastructure such as roadways, bus transportation amongst other things are also required to accommodate the presence of a population that occupy a certain space, and not set based on its full-time resident population.

For the Victoria Police Department, this means that many non-residents who are involved in a police-related incident will skew the Stats Canada crime statistics. While the total crimes numbers are real numbers, they do not reflect an accurate rate per capita as all crimes are measured only against the full-time resident population numbers. Simply put, the 2,437 report cases of violent crime committed were not just committed against the 102,000 full-time residents, but against the 345,000 people who found themselves within the city on any particular day. Unfortunately, for the Victoria Police Department, their workload is measured against the number of crimes and overall calls for service, and not against the number of people in town on a given day.

By similar comparison, the City of Vancouver is another community with a large influx of people into its core from the suburbs as well as tourism. By comparison, their crime rates are stated within this same report to be 83 crimes per 1000 population and a criminal caseload per member of 41 cases. Additionally, their police to population ratio is 1 to 494 residents. This comparison is made solely to portray the impact of a transient population and the workload that is placed upon the police agency that must serve them.

¹¹ *VicPD Management Action Plan to the Plecas Review*, page 2

Police Resource Increases from 2013 to 2016¹²

Police Officer Resources						
Year	2008	2010	2013	2014	2015	2016
Victoria	241	243	243	243	243	245
Saanich	149	152	156	156	157	161
Delta	160	165	170	173	173	180
Kamloops	124	124	124	124	136	136
Chilliwack	95	104	107	107	108	110

The above noted police resource chart indicates that all police agencies in the comparator group saw an overall increase in resources within this 4 year timeframe. Of note however, the two additional resources to the Victoria Police Department was and continues to be a temporary lift in order to accommodate the ACT project. We were advised that funding for these two positions is only temporary. Of further note, the Victoria Police Department has not seen a sworn-staff increase since 2010 and only by 2 additional officers from 2008 levels. With the exception of Kamloops Municipal RCMP, each of the other comparator agencies has seen a yearly sworn staff increment year over year, yet even Kamloops did come forth with what might be referred to as a dramatic increase in 2015.

Crime Rates amongst BC Communities with Similar Populations to Victoria¹³

Crime Rate Per 1000 Population					
Year	2013	2014	2015	2016	2017
BC	85.3	86.0	87.6	86.7	82.6
Victoria	92.3	102.0	112.4	102.9	100.7
Saanich	36.8	33.9	37.1	35.0	33.7
Delta	45.9	48.9	42.7	42.8	42.2
Kamloops	106.9	96.7	97.0	118.9	121.5
Chilliwack	98.8	103.9	113.2	122.9	115.5

Of the five-comparator communities, Victoria/Esquimalt sustains the third highest crime rates per 1000 population. Amongst the three communities served by an independent municipal police agency, Victoria/Esquimalt sustains the highest crime rates by at least twice as much per 1000 population. However, as previously stated in this report, we suggest that although crime numbers are divided by permanent resident population numbers, a significant portion of crime

¹² Ministry of Public Safety and Solicitor General Police Services Division, Police Resources in British Columbia, 2016

¹³ Stats Canada – Appendix B – Locator #1

victims are not residents of the communities of Victoria and Esquimalt. Also as previously stated, the work that comes with investigating each complaint regardless of the population rests with the Victoria Police Department.

Crime Severity Index amongst BC Communities with Similar Populations to Victoria ¹⁴

Crime Severity Index							
Year	2013	2014	2015	2016	2017	# of Reported Violent Crimes	
						2016	2017
Provincial Average	88.5	91.4	94.3	93.7	88.9		
Victoria	102.7	114.1	138.9	120.3	114.2	2456	2450
Saanich	41.1	40.5	42.6	39.0	37.4	797	899
Delta	56.7	57.2	53.9	53.6	50.9	559	441
Kamloops	112.6	103.3	102.3	128.1	124.0	1361	1420
Chilliwack	103.8	114.1	122.4	136.7	118.9	1190	988

The Canadian Crime Severity Index (CSI) enables someone to track changes in the severity of police-reported crime from year to year. The CSI takes in account not only the change in volume of crime within a community, but also the relative seriousness of a specific crime over others. The CSI brings clarity to whether or not criminal activity is becoming more or less serious over time within a community. Stats Canada assigns a value to various crime types. The more serious the crime, the higher the value attributed to it. For this reason, crimes such as murders and assaults are given a higher value than a theft or fraud.

As indicated in the above noted chart, the Victoria/Esquimalt Crime Severity Index is considerably higher than the Provincial average and has been so since at least 2013. It is also considerably higher when compared to the communities of Saanich and Delta, who are also served by an independent municipal police agency. However, when compared to the communities of Kamloops and Chilliwack, the Victoria/Esquimalt's CSI has been close year over year, with the exception of 2016.

The CSI for the Victoria/Esquimalt communities would indicate that the VicPD is required to deal with higher than normal levels of violent crime when compared to the Provincial average, and significantly more than the other four-comparator communities do. The above noted chart also indicates violent crime numbers for year 2016 and 2017. We have noted these numbers to be consistent by comparison for the previous five years. Given the degree of effort that must go into each of these investigations, it was suggested by the VicPD management team and unit commanders that the resources dedicated to these investigations are stretched to their limit.

¹⁴ Stats Canada – Appendix B – Locator #2

Deployment of VicPD Resources within the Department & Throughout the Communities

As part of this report, we were requested to review the deployment model for the Department and report on how resources are allocated within both communities. While most of this report focuses on the allocation of resources within the Patrol Division, there are references to the manner in which other units are also shared.

Community Makeup that Influence Policing Operations

While not reporting on an exhaustive list of issues and circumstances that influence the manner in which VicPD management are required to deploy their resources, there are unique characteristics found within each community that dramatically influence police operations.

The City of Victoria is the core of the Capital Region that also houses the Provincial Legislature. As previously reported in several studies, it is also the centre for nighttime entertainment and a vibrant entertainment centre with a large number of liquor seats. Victoria is the hub for the majority of agencies dedicated to providing assistance to many marginalized people in need. It has a large homeless population that requires significant support from many of these agencies including the police. Victoria is also the centre for tourism within the Capital Region as well as the recipient of many people who are employed within the city. As previously stated within this report, it is estimated that 375,000 people regularly work and recreate within the city core with an additional 3.2 million tourists who visit downtown Victoria every year.¹⁵ Unfortunately, the City of Victoria is also not immune to the fentanyl drug crisis that has plagued our cities within British Columbia. Related statistics indicate that Victoria is home to the third highest death rate from drug overdose of all cities in BC.

The Town of Esquimalt is largely viewed as a residential bedroom community with different policing requirements, none of which resemble the issues that are seen in Victoria. The community however is viewed to be a location that does have more than their fair share of violence-related criminal activity. For this reason, Esquimalt council members are largely of the view that their community receives a very adequate level of service from VicPD. The matter related to council discussions regarding their policing service is not delved into as part of this phase of this review.

Overall Resource Configuration within VicPD

Since at least 2010, the overall authorized strength of the department is set at 243 sworn officers. In 2016 with the approval of council, two additional sworn resources were added on a temporary basis and deployed to work with the ACT Team. These officers were added to accommodate a pilot project to assist community support units who work with higher risk community members suffering from mental illness. As previously mentioned within this report, for the last two years,

¹⁵ VicPD Management Action plan to the *Plecas Review*, page 2

the two ACT positions were funded on a yearly basis with a specific request for funding from council. We understand that the *Board* intends to seek permanent funding for these two positions in the 2019 Provisional Budget. This is largely based upon the fact that the full time client base is approximately 250 people, which coincidentally and according to VicPD is the same number of clients served by a similar ACT team in Vancouver.

As noted in Appendix A of this report, of the 245 positions that were in place in 2017, 118 positions are deployed to the Patrol Division with the remainder disbursed amongst a number of support units including Investigative Services, Community Services, Executive Services, and other specialized unit. The total numbers of Patrol Division sworn officer positions represent approximately 48% of the total authorized strength within the Department.

Of the total number of sworn staff positions, 25% of these resources are invested in supporting the Department in an investigational capacity. These resources are deployed to units dedicated to Major Crime, Crime Reduction, Strike Force, Domestic Violence, Financial Crimes, Sex Crime, Integrated Units, and Computer Forensics. The Investigative Services Section is responsible for serving both the City of Victoria and Town of Esquimalt.

It is this Consultant's experience that these units have traditionally garnered approximately 30-35% of most other police department's overall sworn staff. The disproportionate ratio of "investigative to total sworn staff" ratio was also noted within the 2013 *Plecas Review*. Subsequent to this review, the Department's response to addressing this gap was to bolster the Strike Force Unit and to create a Crime Reduction Unit. These adjustments provided a net increase to units responsible for investigations, raising the overall percentage from 11% in 2012 to approximately 25% currently. It was also noted that no resources were removed from the Patrol Division to facilitate these changes as they were taken from other units.

Analysis regarding the resource levels within the Investigative Units at VicPD

It is this Consultant's experience that a normal ratio of 1/3rd of a department's overall sworn staff resources dedicated to Investigative Services, and is a generally acceptable practice within most police agencies, including metropolitan RCMP detachments. Although the formula was enhanced within VicPD since the 2013 *Plecas Review*, it remains shy of this level.

As noted in an earlier section of this report, Victoria and Esquimalt sustain a higher level of violent crimes when compared to similar sized communities. As also noted, this is reflected within VicPD's Crime Severity Index (CSI). As a matter of note, the Major Crime Unit handles many of the more serious assaults.

Provincial Policing Standards associated to the manner in which missing persons cases and domestic violence cases are managed is a more recent pressure placed upon these units subsequent to the *Plecas Review*. With the pending Provincial Major Case Management Standard due to take effect in 2019, what may have required one investigator to oversee a major file will now require three. These standards are the "new normal" when it comes to police accountability in investigative excellence that affect all police agencies within British Columbia.

As previously noted, the Victoria Police Department and their *Board* have committed to providing dedicated resources to deal with pressures within the area of cybercrime, internet child exploitation. It is our view that this is a necessary service requirement from any police agency within British Columbia today.

It is our finding that with the Crime Reduction and Strike Force Units are extensively deployed to dealing with the fentanyl crises within the community. As a result, it would appear that these units' primary mandate have either been largely compromised or abandoned entirely, which will remain the case until this crises is mitigated. This will most likely impact the Department's ability to proactively manage their evidence-based crime reduction strategy.

Patrol Division Deployment

Currently, the Patrol Division is divided into four (4) separate shifts know as Watches, providing 24/7 coverage to both the City of Victoria and the Town of Esquimalt.

Each patrol shift is broken down in the following manner.

Vic PD Patrol Shift (A, B, C, D Watch) ¹⁶			
	HQ Operations	Victoria	Esquimalt
	1S/Sgt 1 Sgt. i/c Jail 1 Cst DVO		
Road Supervisor		1 Road Sgt	1 Road Sgt
Constables		20 Constables	3 Constables
% of Resources		84%	16%

Each shift is deployed to the street from the Victoria Headquarters building upon the completion of their shift briefing. For logistical purposes, the Esquimalt Division start their shift at VicPD HQ and deploy to the Esquimalt Division building for the duration of their shift. Patrol Division shift resources are responsible for policing both the Town of Esquimalt and the Victoria West (VicWest) zone.

Analysis of the Patrol Division Deployment

We reviewed a number of quarterly reports issued by VicPD to each of the two communities served by the Department. A review of the 4th quarter calls for service for each of the last three years would indicate that of the total calls for service, 10% of these calls emanate from the Town of Esquimalt. One might conclude that given that 16% of the total shift resources are responsible for 10% of the total call load, the Town of Esquimalt is deriving a net benefit from this current patrol ratio.

However, we were advised that although 16% of the total shift resources might be deployed to the Esquimalt Division, this group is also responsible for taking calls to Victoria West

¹⁶ Numbers taken from the VicPD Org Chart - Sworn - June 29th, 2018

(VicWest). The VicWest zone of the Esquimalt Division represents approximately 30% of the total the number of calls assigned to this Division. Even though it would appear to some that resources assigned to the Esquimalt Division are “spending time” outside of Esquimalt, it does not appear to us that there is a disproportional amount of movement between either communities.

Further statistical information gleaned from these quarterly reports would indicate that response times to Priority 1 and Priority 2 files are somewhat consistent for both communities, with the City of Victoria receiving slightly shorter response times than the Town of Esquimalt, sometimes by mere seconds.

Therefore, it is reasonable to conclude that the distribution of shift resources appears to be an equitable and appropriate deployment.

Minimum Resourcing Levels within the Patrol Division

Currently, VicPD management has set the minimum Patrol Division shift policing resources at fourteen Constables, three Sergeants, and one Staff Sergeant. If this number should drop below this level, additional resources are called in on overtime. We understand that a minimum level of 14 constables was set in 2003 when the Esquimalt Police Department and Victoria Police Department merged. Since then, there has been no adjustment to this level in over 15 years.

Analysis Regarding Minimum Shift Levels

As previously mentioned, the current complement of 24 members to the shift is also impacted by a vacancy pattern that must also be factored into the equation. With anywhere from six to eight resources consistently absent from regular duties, a typical VicPD patrol shift appears to be almost always operating at minimal levels. Given that this situation is further complicated by the fact that the Esquimalt Division will remain at full complement regardless of shifting pressures, the Victoria Division is most likely running at below operational minimums. It is for this reason why it is necessary to regularly supplement the Victoria Division Patrol with resources from the Beat Team, Bike, and Traffic Section.

Dedicated Community Resource Deployment to Operations

In addition to the above noted resources, both the City of Victoria and Township of Esquimalt are provided supplemental resources whose primary mandate is to focus on community-related issues as well as community engagement.

In addition to the 16 patrol officers assigned to the Esquimalt Division, an Inspector, a Sergeant, two Community Resource Officers (CRO), and one School Resource Officer (SRO) also supplement the Esquimalt Division itself. The six-member VicPD K-9 Unit is also entirely deployed from the Esquimalt Division building. Historically during the summer months, the School Resource Officer is redeployed to a community resource function, but remains attached to the Esquimalt Division.

Management Decision Affecting Patrol Operations

Focus on Response to Calls for Service

It is our view that the Victoria Police Department appears to be heavily invested in focussing on response to calls for service as their primary policing model. This was also noted to be the case during the 2013 *Plecas Review* and again with the 2017 MNP review.

VicPD management advised that after the *Plecas Review*, they took considerable steps to advance towards a more “crime reduction” and “proactive-policing” model. They also took considerable steps to address the issues found within their Investigative Services Section wherein they often found themselves challenged in their ability to solve criminal matters on their plate. They further stated that despite their efforts, and over time, they did not see any reduction in the number of calls for service. On the contrary, calls for service only increased year over year.

Furthermore, the “policing landscape” also changed since 2013 in a manner that was not predicted during the *Plecas Review*. As with all major communities in Canada, the fentanyl crises also fell upon Victoria with a vengeance. Given that for the Capital Regional District, the city of Victoria is the hub for agencies that provide all forms of social services, it draws the overwhelming share of those marginalized people who are dependent upon these services. Unfortunately, it is this group of people who are disproportionately represented when it comes to drug dependency, and subsequently affected by the proliferation of fentanyl-contaminated drugs on the street.

The fentanyl crises also required the VicPD to change the course on their planned crime reduction strategy, which was introduced subsequent to the *Plecas Review*. Specifically, while the Crime Reduction and Strike Force Units had focussed their past efforts to dealing with prolific offenders, and on crime hot spots, they were pressured to now redirect their attention to the importation of fentanyl-laced drugs into their community. These two units, whose efforts may have created an opportunity to reduce calls for service within Capital Region through evidence-based crime reduction, were now dealing with an entirely different and deadly community problem. The net result of these changes meant that calls for service continued to increase.

Throughout the various stakeholder surveys, it would appear that the communities consistently staked their needs on matters of community disorder. Police visibility and police-community engagement was noted to be very important to both the residential and business stakeholders over the past four years. Interestingly, the 2017 Community Survey indicated a dramatic increase in the number of people who felt less safe in their neighbourhoods at night. Because of these and other concerns, VicPD management continue to see that effective management to calls for service and their visibility as a top priority for the Department.

Accommodating Patrol Shift Resource Variances

Regardless of the agency, the total number of deployable resources at any given time is affected by numerous factors. These include things such as personal illness, holidays, court attendance, training requirements, or temporary reassignment. For these reasons, it is generally anticipated

that a unit's resource pool may be diminished by as much as 27% to 32% at any given time. This number is generally consistent within the Victoria Police Department.

Despite these pressures, VicPD management have chosen to ensure that notwithstanding the fact that a patrol shift may be reduced by these amounts, the Esquimalt Division remains topped up to full strength at all times. This means that the entirety of all work absences is levied upon the Victoria Division.

The manner in which the Esquimalt Division remains fully resourced may be viewed by some as being a net benefit to the Township of Esquimalt at the expense of the City of Victoria. It is not meant to say that the Esquimalt Division does not require this level of resources on any given shift, but the pressures associated to this gap within a patrol shift does come at the expense of those remaining resources who are tasked with handling 90% of the shift's call load.

Managing Calls for Service

As noted above, the VicPD Patrol Division is split between a Victoria Division and Esquimalt Division. While the workload does seem to appropriately disburse by geography, VicPD management are of the view that it would be unreasonable to restrict the movement of their resources and restrain those resources to their assigned location regardless of what may be occurring at any moment in time.

Therefore, while making every attempt to ensure that all areas have appropriate coverage, there will be times when resources from one Division may be required to assist or respond to calls for service in the other. If additional support is required to assist members on a call, or if there is a requirement to respond to a call in the "que" that needs attention, then resources from the other Division might be tasked to respond.

VicPD recently mitigated the requirement for a physical response to some calls for service with the introduction of a two-member Alternate Response Unit (ARU). This unit is tasked with reviewing the "complaint que" and responding to certain complaints by way of a telephone call instead of dispatching an officer to physically attend the complaint. This recent change is in keeping with a generally acceptable practice that has been in place for decades within other metropolitan police agencies in Canada and elsewhere. The ARU is a shared resource serving both Victoria and Esquimalt.

Analysis of the Manner in Which Calls for Services are Attended To

It is our view that the manner in which calls are responded to regardless of the officer's assigned deployment location is the most effective and widely-used method for police organizations to conduct street-level police operations. It is also a fundamental tenant of an effective crime reduction strategy. Essentially, if a department's crime analysts should produce a crime map indicating where the majority a community's crime and/or calls for service are located, then the department has an obligation to ensure that their police deployment emulates a similar coverage. As a comparator to the Capital Region, the West Shore RCMP is responsible for policing five communities. While this RCMP detachment may have resources routinely spread out amongst all of these communities, they are adjusted at a moment's notice to deal with a pressing policing matter without the need for any outside consultation, and is widely accepted by community

leaders that this may be necessary as part of a shared service. This obligation is, and should be left to the Chief Constable or Detachment Commander to manage so that he/she can best meet performance requirements and overall community expectations.

According to a requirement contained within the *Framework Agreement*, both communities are advised of the frequency in which resources may cross “the boundary” on a quarterly basis. Our review of these quarterly reports indicates that there is no real disparity between these “crossovers”.

It is also our view that any police agency responsible for policing multiple communities needs to deploy their resources in a manner that is consistent with meeting operational requirements. It is also our view and experience that while communities may seek an explanation as to why there may be an inordinate number of resources deployed to one community over another, the fact that this occurs is not generally of great concern. It is generally understood that when a community shares a single service, they are paying for “their share” of the service, and not intended to proportion a service to their own community needs based on what they are paying for.

While conducting the various interviews for this review, we often heard specific references that were not consistent with this widely accepted operational policing model. Unfortunately, this places undue pressure upon the VicPD management team to track and report on matters of little relevance to effective policing services to the communities.

Reallocation of Beat Team, Bike and Traffic Resources

A number of historical reviews including the *Plecas* and *MNP Reviews* have repeatedly indicated that the Victoria Police Department’s “calls for service” spike in the later afternoon and evenings, and particularly on Wednesday through Saturday. In an attempt to ensure that there is an effective and timely response to these increased calls for service, VicPD management have chosen to supplement their patrol resources with resources pulled from the Beat, Bike and Traffic Units. These units are primarily mandated to provide a proactive policing service to the communities. As many as four resources are reassigned from these units to take on patrol-related functions. As previously noted within this report, the majority of calls for service originate from within the City of Victoria. Consequently these supplemental patrol resources are usually assigned to the Victoria Division. From a deployment perspective, this may seem to be a net benefit to the City of Victoria. However, given that these resources are deployed to respond to calls for service to all locations, these supplemental resources are not confined to the Victoria Division only.

A negative impact to this strategy occurs with the requirement that these resources must also deal with patrol file investigations until the file is completed. If for some reason an investigation extends beyond their immediate shift, these resources will carry over to their next shift. As a result, Beat, Bike and Traffic resources assigned to supplement patrol may find themselves away from their primary proactive policing duties for days as they tend to an ongoing file that was assigned to them, thereby impacting their ability to tend to their primary mandates.

Management of Investigations

With the exception of a complaint of a major crime, which may be investigated by the Major Crime Unit, most all investigations are assigned to, and remain with a patrol officer until the case is concluded. This initial file assignment process is consistent with most all other police agencies within the Province of British Columbia.

Normally, once a patrol officer is assigned a file that requires an ongoing investigation, the majority of the preliminary tasks are completed before the officer will accept another call for service. For instance, a file might lead to an arrest and subsequent requirement to hold an individual to appear in court the next day. When this occurs, the investigating officer will manage the various interviews, exhibit processing, and court reports before returning to their patrol duties for the remainder of their shift.

However, in the case of the Victoria Police Department, officers will often lodge the arrested person in cells and immediately return to the road to answer calls for service. When the calls for service appear to slow down, only then will the patrol officer return to headquarters to complete the associated paperwork for the files that they have handled over the course of their shift.

For the nightshift officers, pressures to complete in-custody reports may often require members to remain after their regular shift on overtime. This is reported to affect the quality of the investigations, and contribute to negatively affect overall employee morale and contribute to employee burnout. This also leaves very little to no opportunity for patrol officers to conduct any form proactive policing patrols, which according to VicPD management and the President of the Victoria Police Association is reported to be a rare opportunity.

Analysis of How VicPD Assigns Responsibility for File Investigations

It is our view that the practice that requires patrol officers to handle file investigations assigned to them in the first instance is routinely implemented in most all police agencies in Canada. The adage that the officer who is initially assigned a file will have conduct of the investigation from beginning to end is an appropriate business practice that ensures that an efficient and effective service is provided to all citizens. Instances where investigations are held to be tended to by a "detective investigator" can sometimes lead to unnecessary delays and place additional risks to a victim if a perpetrator is not dealt with in a timely manner.

Unfortunately, when a department such as VicPD embrace a timely response to calls for service as paramount to their service standards, an officer is often conflicted by a requirement to balance the need to be "out there taking calls" and conducting a fair, impartial, and thorough investigation. More often than not, this usually means that a patrol officer is not being thoroughly effective at either. We would suggest this situation has an overall negative impact upon the well-being of all front-line personnel. With the compounding effect of overall increases in calls for service and increased complexity in most all investigations, VicPD has seen a 25% increase in sick time amongst their officers over a five year period from 2010 to 2015.¹⁷ A recent University of Victoria study focussed on employee well-being identified workload as

¹⁷ MNP LLP, March, 2017, *Efficiency Review of Victoria Police Department*

one of the major morale and stress-related issues to front-line personnel. Essentially, VicPD resources are saying that they are becoming more stressed which is contributing to exhaustion.¹⁸

Management of Special Events

In today's environment, the need for a visible police presence at most community events is viewed by many police agencies to be a necessity. As a capital city, Victoria is also a favourite location for provincially focussed protests and celebrations that have a tendency to draw large crowds. VicPD is also responsible to conduct security and crowd control for all crowd-related events on the Provincial Legislature grounds.

With very few exceptions, VicPD are prone to deal with special or community events such as community festivals, parades, and protests with on-shift patrol resources. They are also required to pay for any overtime expenditures related to these events from within their current operating budget. While it may be possible to pre-plan some of these events, many instances where a spontaneous protest erupts require police mobilization with little advance notice. When this occurs, resources are pulled from patrol duties and other areas within the Department and reassigned to deal with this event. VicPD management advise that as a result there is an immediate impact to the Department's ability to respond to other calls for service and to deal with ongoing investigations.

It is our conclusion that given the nature and frequency of these events, VicPD's ability to provide other services would be negatively impacted if patrol resources were frequently redeployed to manage special events. It is also this contractor's experience that other agencies tasked with these types of events will make it a practice to manage these special events with additional resources on an overtime basis.

¹⁸ Page 44 Karen Hira, MPA Candidate, School of Public Administration, University of Victoria, December 2018(sic), Victoria Police Department Mental Health Policies & Approaches: Evaluation of Existing Policies & Smart Practices

Concluding Remarks

The Victoria Police Department is the beneficiary of a large number of reviews and audits resulting in a number of recommendations to both the management team and the *Board*. It would appear that the Department has carefully considered these recommendations and have made an effort to implement them where possible. It was evident to us that the VicPD management team and *Board* proactively reach out to outside consultants and academia in order to seek their opinions on how they might adjust their approach to better serve their communities and employees.

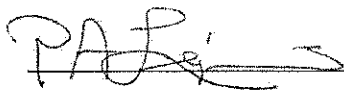
The statistical data reviewed does cover the most recent 5-year period from 2013 to 2017. It is our view that this period is sufficient to ensure that any anomalies that may be found within these statistics would be shown to be present. However, we noted that there were in fact no anomalies of note. These statistics do however indicate that VicPD's ranking is consistent when compared to the four other comparator agencies when viewed year over year.

It is our conclusion that from the information gleaned from the various interviews and reports; VicPD's policing model is consistent with the manner in which most other leading-edge police agencies conduct their business. Throughout our conversations with VicPD management and *Board*, they repeatedly emphasized that they continuously seek information and feedback that might assist them in providing a better level of service.

As extensively commented upon within this report as well as other reviews completed upon the Department, VicPD continues to view a timely response to calls for service as a way to best serve their communities. Even though other agencies may not particularly adhere to this strategy as their primary focus in today's environment, VicPD is led to continue with this strategy as they are of the view that their communities have identified issues and concerns that require this type of strategy.

Mr. Peter Lockie and I would like to express our appreciation to the entire membership of the Victoria Police Department for their forthright conversations with us as we proceeded with this review. It is obvious that the Victoria Police Department are very proud to serve all those who reside, work within, or visit the City of Vitoria and Township of Esquimalt. It was also reassuring to us that all VicPD employees were comfortable enough to share their experiences and to comment on the various shortcomings that prevent them from offering the best service possible.

We would also like to express our appreciation to the Victoria & Esquimalt Police Board and all staff member for the City of Victoria and Township of Esquimalt for taking the time to speak with us regarding the matters at hand.



Peter A. Lepine, M.O.M.

Appendix A

VICTORIA POLICE DEPARTMENT - Staffing Levels - 2017¹⁹

Function	Jailers	Civilian	Police	Total	%
Patrol - Primary Response		2	118	120	34.6%
Corporate Support Services		40	6	46	13.3%
Investigative Services Division		5	34	39	11.2%
Communications - 911		31	0	31	8.9%
Operational Support Division		4	21	25	7.2%
Focused Enforcement Team		0	23	23	6.6%
Executive Services		8	12	20	5.8%
Traffic Enforcement		1	9	10	2.9%
Jail	8			8	2.3%
Integrated Units		1	7	8	2.3%
Crime Prevention		2	10	12	3.5%
K9		0	5	5	1.4%
	8	94	245	347	100.0%

Percentage	2.31%	27.09%	70.61%
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¹⁹ Budget 2017 - V6 FINAL Council Approved, VICPD,

Appendix B

Locator #1: Stats Canada Crime Rates 2017

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510018401&pickMembers%5B0%5D=1.1&pickMembers%5B1%5D=2.1>

Locator #2: Stats Canada Crime Severity Index 2017

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510006301&pickMembers%5B0%5D=1.48>

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Management Consulting | Financial Management | Business Review

Review of Victoria Police Department
Phase One Report
13th August 2017

Introduction

Following requests to the Director of Police Services from the Co-Chairs of the Victoria and Esquimalt Police Board and the Township of Esquimalt to review certain budgetary matters; he initiated a review of the Victoria Police Department (VicPD).

The Ministry of Public Safety and Solicitor General (the Ministry) contracted Peter Lockie of Inverleith Consulting Inc. and Peter Lepine of Peter Lepine Professional Services to review the estimates and expenditures of the VicPD and the Victoria and Esquimalt Police Board covering the period from April 17, 2014 (the date of signing of the current Framework Agreement) to April 6, 2018 (the date of the Board's application to the Director) under s 42 of the Police Act.

Phase One of the review is dealt with in this report and is focused on gathering and analyzing information related to service delivery, the Board's budget, estimates and expenditures, including but not limited to:

- ✓ ***Forecast and actual spending each year;***
- ✓ ***Analysis of budget expenditures against budgets approved by the respective municipal councils;***
- ✓ ***Budget monitoring and reporting processes;***
- ✓ Resource levels and metrics, statistical and other related information;
- ✓ Deployment model within the two municipalities
- ✓ ***Examination of budget expenditures and deployment against the terms of the Framework Agreement; and***
- ✓ ***Examination and analysis of any internal or external efficiency reviews***

The primary focus of this report is the items bolded and highlighted in italics above.

Background

An Order in Council amalgamated the police forces of Victoria and Esquimalt effective January 1, 2003 and the current agreement that the three parties (Victoria and Esquimalt Police Board (the Board), the City of Victoria (Victoria) and the Township of Esquimalt (Esquimalt) operate under (the Framework Agreement) was signed on April 17, 2014 and is in effect for ten years commencing on January 1, 2014 and terminating on December 31, 2023.

Review Methodology

The review included an analysis and follow up questions from key documents and interviews with VicPD Senior Management Team, the Board, the President of the VicPD Association and the Chief Administrative Officers of the two Municipalities.

Additional documents were obtained and follow up questions identified and answered.

Budgeting and Financial Reporting

VicPD's summarized budgeted and actual operating results for the last four years were as follows:

Year	Total Net Budget	Surplus	Surplus as a per cent of total net budget
2014	\$45.0 M	\$472 K	1.0%
2015	\$48.9 M	\$936 K	1.9%
2016	\$50.4 M	\$200 K	0.4%
2017	\$52.4 M	\$346 K	0.7%

There is a consistent financial performance over the last four years that shows VicPD's actual financial results have been very close to, but always below, its annual budget.

The causes of the surpluses have usually arisen in personnel costs, from more retirements than anticipated and officers on various leaves coupled with an extended period required to recruit and train new officers, delays in the implementation time line of the CREST radio system and variations in annual professional service costs.

The actual surpluses would have been higher but for some extraordinary costs referred to later in the report that started in 2015. If these costs have not occurred, the actual surpluses would have been as follows:

2015 \$960K
2016 \$931K
2017 \$726K

Financial policies and procedures – VicPD has its own series of financial policies and procedures which were reviewed and since payroll and financial services are provided to them by Victoria operates with Victoria’s policies and procedures where they do not conflict with the VicPD ones or its collective agreements.

We did not find anything within our review that was a concern and noted that proposed updated policies and procedures were currently in the process of review and adoption.

Budget Process – the timeline and overall objectives and process are summarized at a high level in a financial policy, the Framework Agreement and the Police Act.

VicPD’s annual budget is reviewed and approved by its Board and tabled with Victoria and Esquimalt for their review and approval.

From the Board’s perspective, the budget is reviewed in detail by its Board Finance Committee and then reviewed and approved by the Board. We noted that there is currently no Board member with a formal accounting background, which is a potential weakness in governance.

From Victoria and Esquimalt’s perspective, the budget arrives in final form with limited opportunity for detailed review and discussion. Some councillors and senior municipal staff have concerns that an appropriate level of scrutiny may not have been carried out by the Board and a perception that options may not always have been provided or been fully considered and there has been a lack of sufficient engagement in its development

Financial Reporting – VicPD uses Victoria’s financial system to record its transactions and generate monthly reports for ongoing monitoring purposes. Historically, the Board Finance Committee received quarterly financial reports, however, this has been changed for the time being to monthly financial reports because of an extraordinary expenditure situation referred to below.

We found the financial reports to be reasonable with monthly and year to date revenue and expenditure details including variances by account categories to enable appropriate review by management and the Board.

Framework Agreement – the Framework Agreement includes sections covering budget preparation, adoption and disputes, the funding formula between the two Municipalities, reserve funds, payments and accounting, insurance and liability as well as the establishment of an Administrative Committee and dispute resolution process.

Some Councillors and senior Municipal staff are disappointed by how the Framework Agreement is applied by VicPD and its Board. Esquimalt's letter to the Director of Police Services on Feb 1, 2018 states, " Mayor and Council believe that the Framework Agreement is not being interpreted or enacted as it was intended and as it is written". There was extensive work done initially by all parties to develop it and there is a concern from some people interviewed that key individuals that were not involved in its design are increasingly overlooking its underlying principles of collaboration and instead operating more autonomously than envisioned.

In terms of financial reporting to Victoria and Esquimalt, there is a very brief quarterly summary provided and a more detailed annual report.

An Administrative Committee exists to facilitate a collaborative approach to the handling of disputes, concerns and issues during the term of the agreement. Both Victoria and Esquimalt initially saw this as a positive sign of increased collaboration but its infrequent meeting, limited agenda and narrow focus on dispute resolution have disappointed some Councillors and senior Municipal staff.

The Administrative Committee has two significant issues facing it, resolution of the 2018 budget impasse situation and a review and potential adjustment of the budget allocation formula which essentially sets Victoria's and Esquimalt's share of the VicPD budget. We were unable to determine the current status of either of these tasks.

Reserve Funds – VicPD maintains the following three reserve funds that are defined in the Framework Agreement and held on its behalf by Victoria:

1. Equipment and Infrastructure – this is used to purchase capital assets including vehicles, computers equipment, communications equipment, building upgrades and furniture. Funding is provided by annual transfers from the operating budget and expenditures must be made according to the 20-year capital plan approved by the

Board. The current status of the reserve appears to be reasonable and it is working effectively with sufficient funding to meet annual objectives.

2. Employment Benefit Obligation – this is used to ensure future liabilities for employees' retirement payouts, vacation payouts and sick leave are fully funded. Once fully funded no further transfer will be made into this fund. The current status of the reserve is that there is an unfunded deficit of \$715K at 31 December 2017 based upon the most recent actuarial valuation. The reserve was \$7.1 million against a liability valuation of \$7.8 million.

3. Financial Stability – this is used to deal with any unanticipated event not contemplated at the time the budget was prepared. The fund shall be funded to the maximum of 2.5% of the net VicPD budget. Expenditures from this fund must be approved by the Board. The current status of the reserve is that it is fully funded at the level laid out in the Framework Agreement (2.5% of the net VicPD budget - \$1.25 million) and has not needed to be used in the last four years.

Each annual budget includes projected allocations of reserves and actual surpluses arising are allocated based upon the terms of the Framework Agreement.

Reporting on Reserve Funds – as part of the annual budget process, the Board reports to the Municipalities on the status of each reserve fund and all expenditures made from the reserve funds.

Annual Operating Surplus or Deficit – under the terms of the Framework Agreement,

Any *surplus* shall be:

1. Transferred to the Financial Stability reserve if the fund balance is less than the maximum amount established in effect for the year in which the surplus was generated;
2. Transferred to the Employee Benefit Obligation reserve until that fund is fully funded;
or
3. Transferred to the Municipalities in accordance with the budget allocation Formula in effect for the year in which the surplus is generated

If a *deficit* is incurred:

1. Any extraordinary expenditures or shortfall in revenue shall be funded from the Financial Stability reserve or through adjustment of the expenditures under the approved budget.
2. If there are still insufficient funds within the approved budget to meet the Department's obligations, the Municipalities shall cover any shortfall in accordance with the budget allocation formula in effect for the year in which the deficit was incurred.

Efficiency Reviews and Audits – In March 2017, MNP issued an efficiency review report of VicPD that assessed the operational strengths of the department and made several improvement opportunities aimed at identifying potential savings or efficiencies.

The review focuses on operations - with service case and staffing analysis recommendations - and has no specific financial management recommendations. There is mixed acceptance of the recommendations in the MNP review

Except for the annual financial audit of Victoria that includes VicPD, there have no other efficiency reviews or audits since 2014.

Extraordinary Expenditure – from December 2015 to July 2018, VicPD has provided us with details of extraordinary expenditure resulting from actions it has taken relating to its former Chief Constable Frank Elsner. A summary by year shows the following:

In \$000s	2015	2016	2017	2018	Total
Legal – Internal Investigation Report		\$77			\$77
Legal – Board	\$10	\$92	\$147	\$13	\$262
Legal - Department		\$15			\$15
Legal - Elsner		\$170			\$170
Consulting	\$2	\$24	\$10		\$36
Counseling		\$5	\$2		\$7
Investigation		\$97	\$127	\$1	\$225
Sub Total	\$12	\$480	\$286	\$14	\$792
Salary and benefits	\$12	\$251	\$94	\$0	\$358
Total	\$24	\$731	\$380	\$14	\$1,150

In addition, there are unpaid and or contested legal costs of \$48K and retirement allowances paid on resignation of \$32K.

The former Chief Constable resigned in May 2017.

The Board issued a press release after its June 2017 in camera meeting reporting that the total cost of the investigation to date was \$611K.

That number has now grown to \$792K and we also understand that there may be additional legal claims from the former Chief Constable amounting to \$240K and a possible wrongful dismissal suit, both of which remain as unknown but potential liabilities.

We obtained a copy of the former Chief Constable's employment contract and noted that indemnification of legal costs are included under Article 14 which states "the Board agrees to pay any independent legal fees and disbursements incurred and not recovered by the Chief if the Chief engages legal counsel to represent him with respect to any civil proceedings or proceedings under a Provincial or Federal statute that is brought against him in his capacity as Chief, whether brought during or after the Term, but this Article shall not apply to any substantiated disciplinary proceedings under the Police Act, unless approved by the Board in its sole discretion."

This has been a complex series of events that has not yet concluded. Further claims and related expenditure may occur and the Board's exposure to additional liability remains a question mark.

As noted earlier in this report, VicPD has not incurred a deficit in any of the years that the extraordinary costs have arisen. They have been funded through savings in other operational budget categories in each financial year so have had the financial effect of reducing what that year's actual surplus would have been.

The Board Finance Committee began in October 2016 and continues to meet on a monthly basis to monitor the financial aspects of this situation.

A Service or Policy complaint received in July 2016 essentially asserted that funds had been diverted from operational budgets to pay for the extraordinary expenditure detailed above in breach of the Police Act. VicPD and its Board have reviewed the matter and reported that no technical breaches of the Police Act occurred and that the complaint was without merit.

The key section of the Police Act is 27(6) which states

Unless the council otherwise approves, a municipal police board must not make an expenditure, or enter an agreement to make an expenditure, that is not specified in the board's budget and approved by the council

VicPD's position is that this does not restrict its Board from transferring funds from one account code to another account code as long as the account code is specified in the Board's budget that has been approved by Victoria and Esquimalt. In this case, the overspent account code "Arbitration and Litigation" was already specified in the Board's budget.

In addition, s 27(5) states:

On certification by the municipal police board members that an expenditure is within the budget prepared by the municipal police board, the council must pay the amount of the expenditure.

VicPD's position is that this in effect obligates Victoria and Esquimalt to only pay for expenditures up to the overall approved budget amount, thus requiring the Board to seek approval for any expenditures that would cause a deficit.

Concern from both Victoria and Esquimalt resulted in VicPD providing an in camera update to each Council in August 2016. The presentation included the forecast overage in the Litigation and Arbitration account code in 2016 and the forecast surplus in other account codes that would enable VicPD to absorb the extraordinary costs without going into an overall deficit position in that year.

It was determined that a follow up meeting with Victoria and Esquimalt was not required in 2016 since there was no overall deficit at the year-end.

Although 2017 had a similar set of financial issues, there have been no further updates from VicPD to Victoria and Esquimalt on this issue.

VicPD has insurance coverage through the Municipal Insurance Association but we were told that this coverage does not cover the extraordinary expenditure detailed above.

Conclusions

Financial Accountability Framework – overall we think that VicPD has a reasonably strong financial accountability framework in place. We observed a culture of financial accountability that included sound financial policy and procedures, a clear delegation of individual financial responsibility, regular monthly financial reporting and appropriate governance oversight mechanisms. While the budget planning processes meet the needs of VicPD, their application is not currently meeting the needs and expectations of Victoria and Esquimalt and this may have contributed to the recent failure to gain acceptance of the proposed 2018 Budget. These concerns are rooted in perceptions of a lack of information sharing, insufficient collaboration and incomplete consideration of options.

Framework Agreement – overall we think that the Framework Agreement is a reasonable working document to deal with the financial management issues that arise among the parties. It is governed and construed in accordance with the laws of BC, which includes the Police Act. No agreement is perfect but our assessment is that it can be made to work with a commitment from all parties and a more active role being played by the Administrative Committee.

Extraordinary Expenditure – overall we think that the initial approach taken in terms of communication and approval was reasonable but requires to be continued and updated.

Recommendations

- ✓ The Province should appoint an individual with financial management qualifications and a related skillset to the Board.
- ✓ All three parties to the Framework Agreement should be directed to work more collaboratively within its terms, amend it, if required and commit to increased sharing of information ahead of decision making in an effort to make it work more effectively for all parties.
- ✓ The Administration Committee should meet to agree on the key issues for all three parties and collaboratively plan to develop timely proposed solutions.
- ✓ The Board and VicPD should provide Victoria and Esquimalt with an up to date report on the extraordinary expenditure incurred since 2015.