



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: November 30, 2004
Author: Karen Hoese
Phone No.: 604.871.6403
RTS No.: 04658
CC File No.: 1758
Meeting Date: December 16, 2004

TO: Standing Committee on City Services and Budgets

FROM: Chief License Inspector in consultation with the Director of Finance

SUBJECT: License Fees for Extended Hours for Liquor Primary Establishments

RECOMMENDATION

- A. THAT Council approve an amendment to Schedule B "Miscellaneous Service Fees" Part 2 of the License By-law to revise the fee schedule for municipal comments on temporary amendments to Provincial liquor licenses to recover estimated policing costs totalling approximately \$735,000, as generally outlined in Appendix A.
- B. THAT Council authorize the Director of Legal Services to bring forward the necessary By-law amendments to the License By-law to be effective January 1, 2005.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services notes that Council policy is for cost recovery and therefore RECOMMENDS approval of A and B.

CITY MANAGER'S COMMENTS

The City Manager supports Recommendation A and notes that the funding of the Firearms Interdiction Team should be part of the overall Vancouver Police Department operations budget with no further budget increase.

COUNCIL POLICY

Council, by way of License By-law No. 4450, regulates the payment of fees for all types of business licenses, including liquor licensed establishments, in the City of Vancouver.

In 1992 Council adopted a Cost Recovery Policy, whereby any recommendations for increased staff or enhanced programs be accompanied by recommendations for matching cost decreases or related revenue increases.

On November 20, 2003, Council adopted the Interim Hours of Liquor Service Policy (effective December 2004), not to exceed a period of 12 months, permitting Liquor Primary establishments within the downtown to extend their hours of liquor service on Friday and Saturday nights up to 4 am, and establishments city-wide to extend their hours of service on Sunday nights to match their permanent hours of service on Friday and Saturday nights. This policy was revised in June 2004, to roll-back hours of liquor service on Friday and Saturday nights to 3 am and allowing extensions to 4 am only for specified festival nights.

On January 15, 2004, Council approved amendments to Schedule B "Miscellaneous Service Fees" Part 2 of the License By-law to revise the fee schedule for municipal comments on temporary amendments to Provincial liquor licenses. The purpose of this was to cover costs, estimated at \$793,000, associated with policy development and monitoring by Police and Licenses staff during the interim policy period.

On November 18, 2004, Council approved a continuation of the Interim Hours of Service Policy until both the Standard and Extended Hours of Liquor Service policies can be implemented.

SUMMARY

Council's recent decision to support extended hours of liquor service up to 3 am will result in the continued use of short-term temporary approvals until longer-term mechanisms can be put in place. However, a review of the existing fee schedule is required in order to assess a method of cost recovery.

For 2004, the existing fee schedule was implemented on a temporary basis to recoup costs totalling approximately \$793,000 associated with policy development and monitoring by Licenses staff and Police of the later hours of liquor service while policy work was underway.

For 2005, the Vancouver Police Department (VPD) has provided projected costs for policing late bar closings totalling approximately \$950,000. This includes the costs both for the Lima (Liquor) Squad and the Firearms Interdiction Team. This increase in costs, together with the roll-back in hours of liquor service from 4 am to 3 am, has resulted in the current fee structure not being adequate to provide cost recovery.

In addition, when Council adopted the current temporary fee schedule, there were concerns regarding a number of issues, including duration of the supplementary fee, user-pay-policing, and equity.

Staff considered a number of options for recovering policing costs, ranging from increased industry fees to cover the full VPD costs to the removal of supplementary fees with all costs covered by the VPD 2005 operating budget.

In this report, staff recommend that industry fees be increased to cover the costs associated with the Lima (Liquor) Squad only, approximately \$735,000, and that the costs for the Firearms Interdiction Team, approximately \$215,000, be covered through the VPD 2005 operating budget.

PURPOSE

This report presents the policing costs associated with the temporary approvals for extended Liquor Primary hours and provides recommendations for a fee schedule to recover these costs.

BACKGROUND

As part of the City's Liquor Licensing review process, initiated in response to Provincial liquor licensing reforms, a trial period for extended Sunday hours for Liquor Primary establishments city-wide was implemented in May 2003, followed in July 2003 by the implementation of a trial period for extended hours beyond 2 am in the downtown. Both trial periods were subsequently extended to the end of November 2003.

On November 20, 2003, staff reported back to Council with the results of the trial periods and with recommendations for developing a Comprehensive Hours of Service policy for the City. In addition, interim policy recommendations for extended hours were presented. Council supported continued temporary extended hours while policy development was underway as follows: establishments in the downtown trial period boundaries up to 4 am; and establishments city-wide, to match their permanent Friday and Saturday night hours of service, on Sunday nights. The interim policy was approved for a period of 12 months.

As a result of the extended hours, additional Policing resources have been required throughout the trial and interim policy periods (see VPD memo attached as Appendix B). To recover these and other costs associated with monitoring and policy development, a temporary fee structure was introduced in February 2004.

In an attempt to reduce impacts of migration into the city centre, in June 2004, extended hours were rolled back from 4 am to 3 am. Despite this, the Vancouver Police Department indicates that the problems associated with the later hours have not been reduced, and as a consequence, that they have not felt that it is possible to reduce the levels of policing without compromising public and officer safety.

On October 5, 2004, staff presented Council with a summary of the policy development work regarding hours of liquor service undertaken since February. This report provided information on staff research related to liquor hours regulations and policies in other cities, feedback received through the public consultation process, and information from staff and Police on the results of the temporary hours extension pilot in the Downtown area.

DISCUSSION

On November 18, Council approved the Standard Hours of Liquor Service Policy, and supported in principle the Extended Hours of Liquor Service Policy for hours up to 3 am, for Liquor Primary establishments. Prior to implementing these policies, however, the City must obtain the necessary authorities, as outlined in the previous report.

In the interim, Council has endorsed continuing the current process for temporary approvals for extended hours up to 3am. However, the roll-back in hours from 4 am to 3 am has resulted in a reduction in revenues from the extended hours. In addition, despite the roll-back in hours, policing costs have not diminished; rather, with the introduction of the Firearms Interdiction Team, they have increased. As a consequence, the fee schedule used previously will not provide the revenues required to cover the estimated costs for 2005.

COSTS

The VPD has provided figures for the total estimated cost of policing the extended hours of liquor service in the downtown area during 2005. This includes two teams of officers: the Lima (Liquor) Squad and the Firearms Interdiction Team.

The Lima (Liquor) Squad was created in 2004 to provide policing of the later bar closings in the downtown area. Proposed staffing for 2005 includes one sergeant and 12 constables, to be increased to two sergeants and 16 constables in the summer.

Use of a Firearms Interdiction Team was initiated in August 2004, in an attempt to address large numbers of gang-affiliated people and the accompanying violence in the downtown core. This team is comprised of one sergeant and six constables.

The proposed staffing represents the minimum level recommended by the VPD to maintain adequate levels of safety, both for the public and for officers. The VPD has indicated that it is necessary to continue staffing the late night closings with members on overtime, as resources, particularly in District One, remain stretched beyond capacity. The estimated costs for 2005 are approximately as follows:

Lima Squad	\$734,760
Firearms Interdiction Team	<u>\$214,700</u>
	\$949,460

A more detailed breakdown of costs is provided in the Vancouver Police Department memo "Budget Projections for 3:00 am Bar Closings for 2005", attached as Appendix B.

METHOD OF COST RECOVERY

There are two ways in which the costs associated with extended hours of liquor service can be recovered: through industry fees or through general revenues. Staff have considered a range of alternatives, which are discussed in this report. The recommended option, to increase industry fees to cover the costs associated with the Lima (Liquor) Squad only, is discussed below. The alternative options are discussed in the next section of the report.

Recommendation A: Increase Industry Fee to Cover Lima (Liquor) Squad Costs Only

During the continuation of the Interim Hours of Liquor Service policy, staff support the inclusion of additional policing costs directly related to issues associated with the extended hours of liquor service, within the fee schedule. As such, as part of this recommendation, staff have included costs related to the funding of the Lima (Liquor) Squad, but not those related to the Firearms Intervention Team.

To cover the 2005 policing costs for the Lima (Liquor) Squad, estimated at \$735,000, the following, summarized below in Table 1 and attached as Appendix A, is recommended:

- Fees for extensions up to 3 am should be increased from \$0.50 to \$0.60 per seat per night. As a result of the roll-back in hours from 4 am to 3 am, this category ends up bearing the majority of the costs incurred through the later hours of liquor service.
- Fees for extensions to hours of liquor service beyond 3 am should be maintained at \$0.75 per seat per night. These extensions are permitted only to support special festival days, such as the Vancouver International Jazz Festival and Vancouver Pride Festival and should therefore not be increased beyond the current fee.
- Fees for extensions to hours of liquor service to 2 am or earlier should be maintained at \$0.30 per seat per night. Since this category includes only a small number of establishments, representing approximately 14% of the total number of seats, changing the fee has little impact on the fees for hours beyond 2 am. In addition, the fee for extensions to 2 am or earlier is often used for “one-off” single-night approvals for smaller and non-profit establishments such as legions and cultural clubs that have minimal enforcement issues associated with them. Finally, retaining this fee at a lower level is also consistent with charging higher fees for hours of liquor service beyond 2 am, while the majority of the policing costs prior to 2 am are covered through standard means.
- Fees for any other temporary amendments to a Provincial liquor license, including earlier opening hours, should be retained at \$50.

Table 1: Summary of Cost per Night per Seat Based on Requested Closing Time (Recommendation A)

Requested Closing Time	Existing Fee/Night/Seat (2004)	Recommended Fee/Night/Seat (2005)
2:00 am and earlier	\$0.30	\$0.30
2:00:01 to 3:00 am	\$0.50	\$0.60
3:00:01 to 4:00 am	\$0.75	\$0.75
Other temporary amendment	\$50.00	\$50.00

The resulting overall business fees will be a slight increase over what businesses are currently paying. Based on this fee structure, the following table shows the resulting potential fees for a range of establishments.

Table 2: Example of Industry Fees for March 2005 (Recommendation A)

Business Name	# of Seats	Requested Closing Time (number of nights in brackets)			Temporary Fee per Seat Cost/closing time/night			Total Cost for Month
		Fri & Sat	Sunday	Pre-Stat	Fri & Sat \$0.60	Sunday \$0.30	Pre-Stat \$0.60	
Roxy Cabaret	275	3 AM (8)	2AM (3)	3 AM (2)	1320.00	247.50	330.00	\$1897.50
Sonar Cabaret	520	3 AM (8)	2AM (3)	3 AM (2)	2496.00	468.00	624.00	\$3588.00
Pump Jack Pub	107	3 AM (8)	1AM (3)	3 AM (2)	513.60	96.30	128.40	\$738.30
Cambie Hotel	191	2 AM (10) & Midnight (18)						\$1604.40

Note: March has 4 Fridays, 4 Saturdays, 2 Nights proceeding a Stat Holiday, and 3 Sundays (1 Sunday proceeds a Stat).

ALTERNATIVES

The following alternatives to Recommendation A are discussed below:

- Increase in industry fees to cover total policing costs;
- Maintain current industry fees, with the overrun to be covered by the VPD 2005 operating budget; and
- Remove supplementary industry fee, with total costs covered by VPD 2005 operating budget.

If Council wishes to consider a different approach or distribution of costs, staff recommend a report back with this information.

Alternative 1: Industry Fee to Cover Full Policing Costs

This option establishes a fee schedule to cover costs estimated by the VPD for 2005, including both the Lima (Liquor) Squad and the Firearms Interdiction Team, as detailed in the VPD memo attached as Appendix B. To cover these costs, estimated at \$950,000, the following, summarized below in Table 3 and attached as Appendix A, should be considered:

- Increase fees for extensions up to 3 am from \$0.50 to \$0.85 per seat per night.
- Increase fees for extensions beyond 3 am, such as for special events, from \$0.75 to \$1.00 per seat per night.
- Maintain fees for extensions to 2 am or earlier at \$0.30 per seat per night.
- Maintain fees for any other temporary amendments to a Provincial liquor license, including earlier opening hours, at \$50 per application.

The resulting overall business fees, summarized below in Table 3, show a significant increase over what businesses are currently paying, for less benefit. Based on this fee structure, Table 4 shows the resulting potential fees for a range of establishments.

Table 3: Summary of Cost per Night per Seat Based on Requested Closing Time (Alternative 1)

Requested Closing Time	Existing Fee/Night/Seat (2004)	Recommended Fee/Night/Seat (2005)
2:00 am and earlier	\$0.30	\$0.30
2:00:01 to 3:00 am	\$0.50	\$0.85
3:00:01 to 4:00 am	\$0.75	\$1.00
Other temporary amendment	\$50.00	\$50.00

Table 4: Example of Industry Fees for March 2005 (Alternative 1)

Business Name	# of Seats	Requested Closing Time (number of nights in brackets)			Temporary Fee per Seat Cost/closing time/night			Total Cost for Month
		Fri & Sat	Sunday	Pre-Stat	Fri & Sat \$0.85	Sunday \$0.30	Pre-Stat \$0.85	
Roxy Cabaret	275	3 AM (8)	2AM (3)	3 AM (2)	1870.00	247.50	467.50	\$2585.00
Sonar Cabaret	520	3 AM (8)	2AM (3)	3 AM (2)	3536.00	468.00	884.00	\$4888.00
Pump Jack Pub	107	3 AM (8)	1AM (3)	3 AM (2)	727.60	96.30	181.90	\$1005.80
Cambie Hotel	191	2 AM (10) & Midnight (18)						\$1604.00

Note: March has 4 Fridays, 4 Saturdays, 2 Nights proceeding a Stat Holiday, and 3 Sundays (1 Sunday proceeds a Stat).

Alternative 2: Continue with Current Fees

This option retains the current fee structure for temporary amendments to Provincial liquor licenses. However, as noted above, the roll-back of hours has resulted in establishments shifting from a closing time of 4 am (\$0.75/seat/night) to a closing time of 3 am ((\$0.50/seat/night)). In addition, the calculations for the 2004 fee structure were based on the number of establishments participating during the original trial period; this number was reduced by approximately fifteen with the introduction of the higher fees. These factors have in turn resulted in the realization of decreased revenues.

Estimated revenues for 2005, based on the current fee structure, are shown below in Table 5. Based on policing costs of approximately \$950,000 and revenues of approximately \$625,000, this fee schedule would result in an estimated short-fall of \$325,000, which would need to be covered through the VPD 2005 operating budget.

Table 5: Estimated Revenues (Alternative 2)

Requested Closing Time	Fee/Night/Seat (2005)	Estimated Revenues (2005)
2:00 am and earlier (Friday, Saturday & Statutory Holidays)	\$0.30 x 112 x 1453	\$48,821
2:00 am and earlier (Sunday)	\$0.30 x 52 x 4580	\$71,448
2:00:01 to 3:00 am	\$0.50 x 112 x 9045	\$506,520
Total		\$626,789

Note: The number of seats used for these calculations is based on current participation and it is assumed above that all operators will request similar hours of operation.

Based on the current fee structure, Table 6 shows the resulting fees for a range of establishments.

Table 6: Example of Industry Fees for March 2005 (Alternative 2)

Business Name	# of Seats	Requested Closing Time (number of nights in brackets)			Temporary Fee per Seat Cost/closing time/night			Total Cost for Month
		Fri & Sat	Sunday	Pre-Stat	Fri & Sat \$0.50	Sunday \$0.30	Pre-Stat \$0.50	
Roxy Cabaret	275	3 AM (8)	2AM (3)	3 AM (2)	1100.00	247.50	275.00	\$1622.50
Sonar Cabaret	520	3 AM (8)	2AM (3)	3 AM (2)	2080.00	468.00	520.00	\$3068.00
Pump Jack Pub	107	3 AM (8)	1AM (3)	3 AM (2)	428.00	96.30	107.00	\$631.30
Cambie Hotel	191	2 AM (10) & Midnight (18)						\$1604.40

Note: March has 4 Fridays, 4 Saturdays, 2 Nights proceeding a Stat Holiday, and 3 Sundays (1 Sunday proceeds a Stat).

Alternative 3: Eliminate Supplementary Industry Fees

A final option would be to eliminate additional fees for extended hours of liquor service, other than the original \$50 application processing fee per application. This would require that the costs estimated by the VPD for 2005, totalling approximately \$950,000, be covered through the VPD 2005 operating budget.

One of the potential repercussions of charging only a nominal fee is that more establishments are likely to apply for the later hours of liquor service. If less policing is in place, this could ultimately result in greater enforcement issues spread over a broader part of the city.

ISSUES

When the supplementary fee for extended hours was originally introduced there were significant concerns regarding setting a precedent of "user-pay-policing" and of equity issues. However, in order to allow the continuation of the extended hours and to cover the associated costs, the fee was implemented on a temporary basis during 2004, while policy work was underway. It was on this basis, that industry supported this additional fee.

Of the options outlined above, only Alternative 3 eliminates the fee for extended hours. Both Recommendation A and Alternatives 1 and 2 represent continuing and/or additional fees to industry. Under Alternative 1, fees would be increased substantially for establishments seeking extensions to hours of liquor service beyond 2 am, while under Alternative 2, fees would be similar to what is being paid at present.

There is a likelihood that higher fees will result in less establishments using the extended hours, resulting in further decreased revenues. For example, since the introduction of the current fee structure the number of establishments using extended hours has dropped by approximately 15. However, a lower number of establishments using extended hours would represent a shift of closing hours back to 2 am or earlier. As such, Policing costs would be expected to drop as well.

There have also been concerns expressed regarding the equity of the fees being charged for extended hours of liquor service. The current fee schedule places the burden of paying for policing entirely on the liquor licensed establishments that are eligible for extended hours. At present, this is approximately between 35 and 40 establishments. However, other late-hours businesses such as restaurants, fast food outlets, and convenience stores in the area benefit as well. Plus, the majority of the additional policing is concentrated on Granville Street at closing time, while Liquor Primary establishments are distributed throughout the downtown area.

Despite these concerns, staff feel that Recommendation A provides the best option while the Interim Hours of Liquor Service policy is in place. There is no question that the extended hours of liquor service have resulted in increased policing requirements, and while this option represents the continued use of supplementary fees, it provides a means to continue later hours of liquor service through the recovery of directly associated costs.

FINANCIAL IMPLICATIONS

The proposed fee schedule (Recommendation A) is intended to provide cost recovery for the projected 2005 policing costs of \$735,000 associated with the Lima (Liquor) Squad. However, it must be recognized that the information used to project the fee structure is based on the current use of extended hours of liquor service and policing requirements, and assumes that conditions will remain similar over the next year. As such, there is no certainty with regard to future revenues collected through industry fees or VPD costs.

It should be noted that the policing costs detailed in this report are sourced totally from overtime, due to the department's difficulty in staffing a temporary weekly event. With the Vancouver Police Department becoming fully deployed during the year it is hoped that this initiative will require less overtime, with the resulting reallocation of staff and expected efficiencies.

The three alternative options result in various distributions of the costs associated with the extended hours of liquor service, and together with Recommendation A are summarized in Table 7.

Table 7: Approximate Distribution of Costs by Option

	Cost to Industry	Cost to City
Recommendation A	\$735,000	215,000 (Firearms Interdiction Team)
Alternative 1	\$950,000	-
Alternative 2	\$625,000	\$325,000
Alternative 3	Processing Fee	\$950,000

IMPLEMENTATION PLAN

The temporary permits for extended hours expire at the end of December 2004. The new fee schedule will be implemented beginning on January 1, 2005.

CONCLUSION

In this report, staff recommend a revised fee schedule for extended hours of liquor service approved under the Interim Hours of Liquor Service policy, to cover policing costs and decreased revenues resulting from the roll-back in hours from 4 am to 3 am earlier this year. The proposed revision to the fee schedule is a small increase in the supplementary fees for establishments requesting extensions to their hours of liquor service between 2 am and 3 am.

Industry has already been paying the costs of this program since early 2004 and have significant concerns about the supplementary fees being continued. However, Council policy is generally for full cost recovery of any new initiatives. Recommendation A provides funding through industry fees to cover the additional policing costs directly associated with the extended hours of liquor service, namely the Lima (Liquor) Squad. It is suggested that the costs of the Firearms Interdiction Team should be included as part of the overall VPD operations budget.

Staff request that Council approve this amendment to the License By-law, generally as outlined in Appendix A.

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PROPOSED AMENDMENT TO SCHEDULE B
"MISCELLANEOUS SERVICE FEES" PART 2

Council will repeal the existing provisions of Schedule B, Part 2, and substitute the following:

	Fee	Term
Application processing fee for comments on a temporary amendment to liquor license requesting an hours of operation closing time between the hours of 3:00:01 AM and 4:00:00 AM	\$0.75	per night per seat except that, despite the number of seats or the number of nights, the minimum fee will be \$50.00
Application processing fee for comments on a temporary amendment to liquor license requesting an hours of operation closing time between the hours of 2:00:01 AM and 3:00:00 AM	\$0.60	per night per seat except that, despite the number of seats or the number of nights, the minimum fee will be \$50.00
Application processing fee for comments on a temporary amendment to liquor license requesting an hours of operation closing time no later than 2:00 AM	\$0.30	per night per seat except that, despite the number of seats or the number of nights, the minimum fee will be \$50.00
Application processing fee for comments on a temporary amendment to liquor license requesting earlier opening hours of operation	\$ 50.00	
Application processing fee for comments on a temporary amendment to liquor license requesting any other change to a liquor license	\$ 50.00	

VANCOUVER POLICE DEPARTMENT
OPERATIONS DIVISION
District One

Date: November 2, 2004

To: R. Rich, Deputy Chief Constable
Operations Division

From: V.L. Harrison, Inspector
District One

Subject: Budget Projections for 3:00 AM Bar Closings for 2005

History

At the beginning of July, 2004 the City initiated a 3-month experiment with late bar closings on Friday and Saturday nights and the night before a statutory holiday. The majority of the participating bars and clubs are in the "Entertainment District". The department created liquor "Lima" squad of one sergeant and eight constables to police the area on an overtime basis.

On November 20, 2003, City Council extended the 4:00 am bar closings experiment for another year. We had to continue to staff this "experiment" with overtime personnel due to the large number of retirements and the already strained resources in District One. We worked with the City on a number of initiatives (Anti-Fighting by-law, by-law staff and prosecution, reengineering of 900 Granville, sanitation) which *may* eventually alleviate the need for as many officers as are currently required. Some of these initiatives are complete and others still in process, but it is still too early to determine the impact.

Our experience during the first five months demonstrated that the size of the Lima squad was insufficient to maintain order on most nights. Officers from other parts of the City were routinely redeployed to the Entertainment District to assist, leaving those areas under-policed. As a result, the Liquor Squad was increased to a sergeant and ten constables at the beginning of December, with a plan to increase the numbers to two sergeants and 16 constables during the summer (mid June to the end of September).

However, as the result of numerous incidents of extreme violence in and around some of the bars particularly on Saturday nights, we increased the Lima squad to two sergeants and 16 constables in the middle of February. This deployment remained in place (one squad of 11 on Fridays and two squads of nine each on Saturdays) until the end of September.

We also utilized "paid time owed" (PTO) to deploy an additional squad on Friday and Saturday nights throughout the summer. These squads varied in size from five to 14 and were used to address crime problems in each of the Districts for the first half of each shift. The squads were always deployed to the Entertainment District from midnight until 0500 to assist the Lima squads. This allowed us to avoid the cost of a second Lima (overtime) squad on Friday nights and provided the benefit of having three squads on Saturday nights.

In the beginning of June Council rolled back the closing hours for the bars to 3:00 am in hopes of mitigating the significant problems caused by migration. Prior to the roll back the numbers of people in the Entertainment District requiring police intervention were evenly split between Vancouver residents and non-Vancouver residents. After the roll back, the number of people involved with police who were non-residents of Vancouver increased dramatically. As the change to the bar hours coincided with summer's warmer weather and tourist influx, it was initially impossible to determine if the hour change impacted migration. Since the summer, spot checks indicate police are still interacting with considerably more non-Vancouver residents than with Vancouver residents suggesting the hour change did not impact migration at all.

In August, in an attempt to address the large numbers of Gang-affiliated people and the accompanying violence in the Entertainment District we began deploying a Firearms Interdiction Team. The team is composed of a sergeant and six constables (Gang Crime, ERT and senior Patrol) and it has a mandate to check gang members, lay criminal charges where applicable and seize firearms. Since then there has been one gang-related shooting (a road rage incident near the Burrard Bridge) in the Entertainment District on the nights the Team has been deployed. The Team was initially made up entirely of members on call-out. That has been changed and now the ERT members are on-duty and the Gang Crime members are on duty on Fridays.

At the end of September, the size of the Lima squad was reduced to one sergeant and 12 constables for both Friday and Saturday night. We are monitoring this level of deployment and will make adjustments as needed. As we did last year, we will increase the deployment for the summer months (June to September) in 2005 to two sergeants and 16 constables.

We must continue to staff the late night closings with members on overtime because our resources, particularly in District One, remain stretched beyond capacity. Despite a 75% increase in population and an explosion in tourism, sporting events and entertainment, we have 15 fewer officers in the District than ten years ago.

Last year we projected our costs for policing the late bar closings would be \$734,877.44. To the end of August we had spent \$482,983 and I projected we would require \$194,563.04 for the remaining four months. These figures place us within the budget projection for the year.

2005 Budget

The projected budget for 2005 is as follows:

There are 105 Friday/Saturday nights and 7 statutory holidays in 2005 for a total of 112 shifts. Each member will work a 7-hour shift, which is 14 hours of overtime. Thirteen members per team results in 182 hours per shift. 112 shifts with 182 hours each results in 20,384 hours of overtime for the year. Based on a 1st class constable's wage (2005) of \$32.19 per hour, and an entry-level sergeant's wage (2005) of \$38.63 the annual cost the regular Lima squad will be \$666,258.88

1 sergeant	53 Fridays
+12 constables	+ 52 Saturdays
13 Members	+ 7 statutory holidays
x14 hours per shift	
182 total hours per shift x	112 total shifts = 20,384 annual hours

18,816 hours are constable hours (12 members x 14 hours x 112 shifts)
1,568 hours are sergeant hours (1 member x 14 hours x 112 shifts)
 20,384 total hours

18,816 x \$32.19 =	\$605,687.04
1,568 x \$38.63 =	<u>\$ 60,571.84</u>
	\$666,258.88

The additional cost during the summer months is as follows:

From June 1 to September 30 there are 35 Friday/Saturdays and 3 statutory holidays for a total of 38 shifts. Five members (one sergeant and four constables) working 14 hours of overtime results in 112 hours per shift for a total of 2,660 hours. Based on a 1st class constable's wage and an entry-level sergeant's wage the summer cost is an additional \$89,051.48

1 sergeant	18	Fridays
+ 4 constables	+ 17	Saturdays
5 Members	+ 3	statutory holidays
x 14 hours per shift		
70 total hours per shift x	38	total shifts = 2,660 summer hours

2,128 hours are constable hours (4 members x 14 hours x 38 shifts)
532 hours are sergeant hours 1 member x 14 hours x 38 shifts)
 2,660 total hours

2,128 x \$32.19 =	\$68,500.32
532 x \$38.63 =	<u>\$20,551.16</u>
	\$89,051.48

	\$666,258.88
+	<u>\$ 89,051.48</u>
The total Lima cost is:	\$734,759.20

Firearms Interdiction Team costs are as follows:

There are 53 Friday nights where FIT will be deployed with the sergeant and two constables working overtime and the other four members will be on regular time. There are 52 Saturdays and 7 statutory holidays for a total of 59 shifts where FIT will deploy with the sergeant and four members on overtime and the remaining three members will be on regular time. There are a total of 1568 sergeant hours and 4,788 constable hours for a cost of \$214,697.56

1 sergeant	1 sergeant
+ 2 constables	+ 4 constables
3 members	5 members
x 14 hours	x 14 hours
42 hours per shift	70 hours per shift
x 53 Fridays	x 59 Saturdays and Statutory holidays
2,226 hours	4130 hours

4788 hours are constable hours ((2 x 14 x 53) + (4 x 14 x 59))

1568 hours are sergeant hours (1 x 14 x 112)

6356 total hours

4788 x \$32.19 =	\$154,125.72
1568 x \$38.63 =	<u>\$ 60,571.84</u>
	\$214,697.56

The total cost for police resources for the Entertainment District for extended bar hours is estimated to be **\$949,456.76**

This is an estimate of the cost of policing 3:00 am bar closings. The figure does not include the significant administrative costs of organizing such a program. There are also numerous special events throughout the year, such as concerts, sporting events, fireworks, protests etc. that bring people to the city who then gravitate to the bars and clubs after the event is over. Our experience during the previous eighteen months has demonstrated that there is heightened disorder during bar closings on the nights of certain special events. These nights may require more than the recommended 13 officers to safely deal with the issues. On the other hand, we may be able to utilize PTO hours next year, as we did this year. This could well offset any additional costs resulting from special events.

Human Cost

The toll excessive overtime takes on our members is a factor that is not often mentioned when late night bar closings are discussed. So far this year the members of District One have worked approximately 400 hours of overtime per member. If this trend continues they will average 480 hours per member for the year. Based on a 40-hour workweek, the members are working an additional twelve weeks a year, on average. Much of this overtime is cost recovery or court time so it does not impact the Overtime budget, but it does have a considerable impact on the members.

I believe our people are over worked and fatigued. They are not getting the necessary time away from work that enables people to recharge and approach the challenges of policing with energy, enthusiasm and patience. The Entertainment District/Liquor overtime is particularly draining because of the constant onslaught of intoxicated, unreasonable, belligerent, combative people requiring police intervention. Our tolerance levels and professionalism are becoming frayed. Those, combined with fatigue means mistakes are inevitable. I am very concerned that the volatility of the Entertainment District and the ongoing drain on our resources is a recipe for disaster. The cessation of the late night bar closings would provide some measure of relief for this serious problem.

For your information.

V.L. Harrison, Inspector
District One